

ESG IS AT THE CORE OF ROCK RAIL'S BUSINESS

Environment

Rail is recognised as one of the greenest forms of transport. Its use is key to achieving the UK Government policy of Net Zero by 2050, and the removal of diesel trains by 2040. Rail is lower carbon than other long-distance transport and is becoming even less carbon intensive as the National Grid decarbonises. Since it was established, Rock Rail has played a key role in replacing aging, mainly diesel, fleet with fleets of modern, greener trains that are more cost effective to operate and maintain and which provide a better, cleaner passenger environment.

Social

Rail plays a key role in connecting communities, providing social mobility and promoting social inclusion and wellbeing. We are cognisant of our responsibilities to both the individuals and local communities serviced by our trains and to our own people, our rail partners, investors, and other stakeholders. In particular, Rock Rail recognises the role it has to play as asset owner in ensuring that the rail industry is safe for users of its trains. We seek to provide a safe, inclusive and rewarding environment for our people and to work collaboratively with our stakeholders to make a positive contribution to local communities and wider society.

Governance

Rock Rail is a platform that has allowed institutional investors (life insurers and pension funds) to invest more than £3bn directly in railways. Rock Rail is responsible for the long-term asset management of this investment. As such, it has a responsibility to ensure the highest levels of governance apply to its rail investments.

To reflect the growing importance of ESG to its investor base, Rock Rail has integrated ESG into all its business operations. Rock Rail's Chief Investment Officer is the member of Rock Rail's senior management team that is directly responsible for Rock Rail's ESG performance but active participation and engagement of ESG issues is encouraged at all levels of the business and is of great importance to ensure ownership of ESG by all staff. This is embedded through the "Rock Way" values and in personal objectives. Consideration and monitoring of ESG is a key part of Rock Rail's internal governance structure through its inclusion in the terms of reference of all Rock Rail's internal committees.

The railway plays a key role in supporting economic prosperity, social wellbeing and addressing climate change and other environmental challenges. We are committed to the role we play in helping deliver a more sustainable railway for now and for future generations.

Understanding and managing the impact of our activities and assets on the economy, the environment and people is at heart of our approach to sustainable development."

ESG objectives have been set for 2022. In summary, these are:

- Review Rock Rail's internal energy usage and determine possible improvements to policies and procedures.
- Formalise and re-brief policy to attend work meetings by train travel wherever possible.
- Seek to enhance monitoring of Green House Gas emissions during production.
- Strengthen criteria to select manufacturers with modern production methods (which minimise GHG emission) and with commitment to minimise GHG
- Improve internal reporting through Rockstar
- Review Rock Rail internal material usage and determine possible improvements e.g. enhanced recycling.
- Improve reporting of waste information during design and production
- Review policy and project selection against good practice in the area of material selection and resource efficiency.
- Strengthen understanding of physical risk from climate change by mapping Rock Rail asset footprint to flooding and climate prediction models.
- Determine how to more publicly demonstrate how the risk of forced and child labour is evaluated and eliminated from Rock's business operations and investment portfolios possibly in a broader sustainability report or annual company statement.
- Engage with local users on the East Anglia (EA) routes to support deployment of fleet to greater benefit to local communities.
- Undertake a pilot application of the RSSB Social Value Tool.
- Undertake strategic research, in collaboration with asset manufacturers, to understand how to minimise the emerging safety risk associated with cyber security threats to Rock's assets.
- Undertake further training and assessment of data protection requirements.
- Develop specific rules on lobbying in line with Rock Rail policy.
- Develop specific rules on political contributions in line with Rock Rail policy.
- Including public statements on ESG in our financial statement for FYE 31/12/21.