



Transforming tomorrow's infrastructure today

Environment, Sustainability and Governance (ESG)

Rock Rail's mission is to transform the provision of transport services for the benefit of passengers, national and regional economies, local communities and institutional investors. To achieve this, we are focused on the delivery and ongoing management of passenger focused rolling stock and rail infrastructure which deliver better value, better passenger experiences and support a more sustainable railway. We take a long-term view to developing and managing projects globally, creating investible opportunities for the institutional finance sector, including pension funds and insurance companies, who are looking for responsible investments that meet their long-term requirements while also providing sustainable benefits to the environment, local communities and wider society.

Our assets play 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 future.

Environment

Rock only invests in green forms of transport. For example, rail is key to achieving the UK Government policy of achieving 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, fleets with 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 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.



Rock Rail's operational rail fleets are assessed annually as part of the Global Real Estate Benchmark (GRESB) assessment framework. GRESB is a mission-driven organization that independently benchmarks ESG data for investors, asset managers, and the wider industry. In the latest assessment Rock Rail's two operational rail fleets; Moorgate and East Anglia, received 5 and 4 star ratings respectively.



G R E S B
★ ★ ★ ★ ★ 2022

Rock Rail Moorgate



G R E S B
★ ★ ★ ★ ☆ 2022

Rock Rail East Anglia

ESG objectives

Environmental objectives set for 2023 are:

- Review arrangements for monitoring energy consumption of bus projects.
- Review arrangements for monitoring energy consumption for Main Weser
- Continue to enhance monitoring of Green House Gas emissions during production.
- Implement criteria to select manufacturers with modern production methods (which minimise GHG emission) and with commitment to minimise GHG
- Continue to improve internal reporting through Rockstar
- Strengthen understanding of physical climate change risk by reviewing output of the Willis Towers Watson climate diagnostics tool, and extending it to include additional assets where appropriate.
- Report on Rock internal material usage using data/reports from Capital Tower/Rock Head Office
- Improve reporting of waste information during design and production

Social objectives set for 2023 are:

- Strengthen feedback from the local community for East Anglia through its community representative, and consider use of information in Rock Star
- Build similar links with GTR's community engagement team for Moorgate.
- Review and extend internal safety assurance management system, as appropriate for German Rail operation and bus assets.

Governance objectives set for 2023 are:

- Review distinction between ESG arrangements and management systems for Rock Rail Holdings, Rock Road, and separate SPVs to consider and enhance or separate where appropriate. This will include in particular:
 - Integration of the SWR 701 fleet, which is due into service in 2023 into the reporting framework.
 - Separate review of the risk assessment from the perspective of the German Rail market, and the UK bus market to evolve controls in those respective areas.
- Roll out new e-learning on phishing and staff cyber security behaviours.
- Achieve Cyber Essentials Certification.



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