



Modern Slavery Act Transparency Statement

1. Introduction for the relevant Boards of the Eversholt UK Rails Group

Eversholt Rail is fully committed to ensuring there is no Modern Slavery in any part of our business or in our supply chains. This commitment is demonstrated through our implementation and enforcement of effective systems and controls set out in our Policy. This Policy also reflects our commitment to acting ethically and with integrity in all our business relationships.

We are also committed to improving our practices to combat Modern Slavery. Our Policy outlines Eversholt Rail's zero-tolerance stance against Modern Slavery. It is published as part of the commitment of Eversholt Rail's senior management to implement and enforce effective systems throughout its business to monitor the risk of, prevent and eliminate Modern Slavery.

2. Organisation's Structure

Eversholt Rail owns passenger and freight rolling stock operated in the UK. We are part of the Eversholt UK Rails Group, a company ultimately owned by CK Hutchison Holdings Limited, a company listed on the Hong Kong Stock Exchange. Eversholt Rail has over 100 employees and operates through its principal place of business in London.

Eversholt Rail has a global annual turnover in the region of £380 to £400 million.

3. Our supply chains

Our supply chains include suppliers who build, maintain and modify rolling stock and those who provide engineering and design services in connection with the build, maintenance and/or modification of rolling stock.

4. Supplier responsibilities

Our suppliers should undertake due diligence prior to entering into any contract, arrangement or relationship with a potential supplier of services or consultant to ensure that no Modern Slavery is taking place.

The extent of the due diligence our suppliers need to carry out depends on the nature of their relationship with their own suppliers and the risk of Modern Slavery occurring in their own supply chains.

Eversholt Rail depends on its suppliers to remain vigilant in preventing, detecting and reporting any and all suspicions of Modern Slavery.

5. Eversholt Rail's measures to combat slavery in its supply chain

As part of our initiative to identify and mitigate the risk of Modern Slavery, we have in place the following procedures, which are designed to: (i) identify and assess the potential risk areas in our supply chains, (ii) mitigate against any risks identified, (iii) monitor potential risk areas in our supply chains and (iv) protect whistle blowers:

- 5.1 We operate strict procurement processes, ensuring suppliers comply with all applicable laws and standards, including those which relate to the Act. We expect our suppliers to have suitable anti-slavery and human trafficking policies and processes in place within their own businesses and to cascade those policies to their own suppliers.
- 5.2 We have established a due diligence process for our suppliers, with the aim of identifying any risks of Modern Slavery in our supply chains. On the basis of our findings, we have concluded that the risk of Modern Slavery in our supply chains is low. Our processes for assessing the risk of Modern Slavery in our supply chains are periodically reviewed, so that they may be improved, where necessary, over time.
- 5.3 We have a dedicated compliance officer, responsible for: (i) overseeing supplier due diligence and (ii) on-going monitoring of compliance with the Act and the Eversholt Rail policy on combatting Modern Slavery.
- 5.4 Prior to contracting with a new supplier, we carry out risk assessments which are designed to establish and assess areas of risk within our supply chains.
- 5.5 We include appropriate terms in our contractual documentation, which require suppliers and, where appropriate, contractors to comply with the Act.
- 5.6 Throughout the duration of a contract, we will reserve the right to audit suppliers and contractors, where we consider it appropriate.
- 5.7 Through our staff training programme and monitoring of suppliers, staff are encouraged to identify and report any potential breaches of Eversholt Rail's Policy. Training on our Policy forms part of the induction programme of any new employee or contractor of Eversholt Rail. Training may also be provided on an ad hoc basis, on request and according to needs.

5.8 Whistle blowers are protected through our confidential reporting process.

We will assess any instances of non-compliance with our Policy on a case by case basis and tailor any remedial action appropriately. We will only trade with those who support this statement or who are taking verifiable steps towards compliance.

6. Our effectiveness in combating slavery and human trafficking

We will monitor the effectiveness of the measures identified above, along with our Policy, regularly taking account of their suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

For the avoidance of doubt, our Policy does not form part of employees' contracts of employment. Eversholt Rail reserves the right to amend and update its Policy as required.

7. Definitions

References in this statement to:

“**Act**” means the Modern Slavery Act 2015.

“**Eversholt Rail**” means those of the Eversholt UK Rails Group of companies who are “commercial organisations” providing goods and services for the purposes of section 54 of the Act which, as at the date of this statement, comprises Eversholt Rail Leasing Limited, Eversholt Rail Limited and Eversholt Funding plc.

“**Modern Slavery**” means slavery, servitude, forced and compulsory labour and human trafficking.

“**Policy**” means the Eversholt Rail policy on combatting Modern Slavery.

8. Board Approval

This statement was approved by the relevant boards of Eversholt Rail on 26 April 2018.