

Readypower Group Sustainability Report for year ending 2023



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The Readypower Group was born from a management buyout in 2017 and since then has seen profitable growth year on year. With four operating companies, specialising in road rail plant, contactless excavation, drainage clearance and civil engineering, we can provide a vital service to our railway network, directly helping passengers commute on a reliable and sustainable transport system.

I'm proud to have a fantastic team making up the Readypower family. Everyone has an opportunity to earn a good living, is provided a safe place to work, is continually learning through planned training events, is free to speak up and be heard, and is included in a structured appraisal process.

We are always evolving, looking for improvements, and seeking ways to run our business in ways that minimise impact on our planet. This year I set a target to achieve 3 stars on the GRESB global benchmarking database. And we achieved it. Our parent company, Angel Trains Limited, spent several years getting to the maximum 5 stars, and my goal is to match that by 2027.

Our long-term goal is to hit Net Zero by 2050. This year, we signed up to GRESB as a way of measuring progress. By the end of 2024, Angel Trains shall be signed up to Science Based Targets, of which we will be included. Only by absolute commitment and being fully transparent can our customers, railway passengers and staff to see what we're doing to achieve Net Zero by 2050.

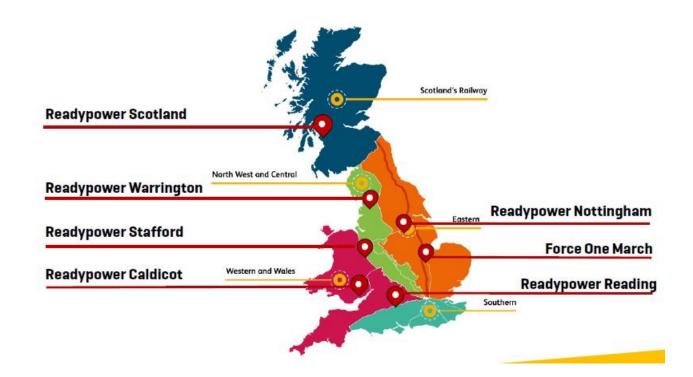


READYPOWE

We have decades of experience and understand the UK regulated railway infrastructure and know how to be a leading asset led hire business.

We're the largest provider of road rail vehicles (RRVs) in the UK, providing specialist services in plant operating scheme (POS) requirements, contactless excavation. drainage clearance and civil engineering.

We operate from a number of hubs across the UK (Reading, Nottingham, Warrington, Blantyre, Stafford, March, and Caldicot), aligning with the Network Rail regions.





OUR VISION is to be the UK & Canada's leading Specialist Asset-led Infrastructure Service Provider to rail & other regulated infrastructures

OUR STRATEGY

- Employee well-being, health & safety at our core
- 'Employer of choice' underpinned by inclusion and diversity
- Environmentally sustainable
- Protect our core position
 - Aspire to be the supplier of choice
- Grow addressable market
 - diversify offering into other regulated infrastructures
 - make tactical acquisitions
- Have specialist asset-heavy RTL products and services
- Leverage drainage & suction excavation services across the Group
- Have surety and visibility of sustainable revenue & profit
- Harness analytical data
- Drive continuous improvement & innovation
- Process driven





We are highly focused on maintaining and improving our environmental management. We strive to carry out our undertakings with minimal environmental impact. Our aspiration is to achieve Net Zero by 2050.

With the newest plant fleet in the UK, we continue to investing in assets with cleaner and more efficient engines. We've already made a significant impact by replacing diesel powered company vehicles with hybrid or fully electric vehicles as they come to the end of their life.

We've maintained the highest award as 'Gold' members in the **Supply Chain Sustainability School**. This encourages us to continue educating ourselves and our staff in current environmental topics whilst improving our sustainability.

To help us on our Net Zero journey, we provide staff training on subjects like efficient driving of plant and vehicles, energy conservation, and recycle at our offices. Launched in 2012, the SCSS is a virtual learning platform around sustainability, with the aim to upskill those working within, or aspiring to work within, the built environment sector.

The learning topics cover the three core pillars of sustainability - Environment, Social and Economic – looking at key issues ranging from carbon management through to combatting modern slavery, and we have 6 learners engaged in 2023.

The SCSS portal offers a company assessment, tracker of score, and generates a bespoke learning plan for all the members of the team linked to the company. In 2023, we retained the highest award which is Gold and has set targets for its team to achieve a set number of learning hours for 2024.



We set Specific, Measurable, Achievable, Relevant, Time-bound (SMART) objectives that we believe will help us on our continuous improvement journey. These are agreed by our Readypower board members, discussed at our annual management review meeting and tracked using our safety, health, environmental, and quality improvement plan (SHEQ IP).

To keep our objectives dynamic, we encourage and empower our staff to seek improvements in their day-to-day work. Our staff and relevant interested parties help us make informed decisions that keep people safe, minimise impacts on the environment, and maintain our excellent customer service.

We have and will continue to invest in innovative plant to help maximise production for our customer while reducing our emissions and aiding us hit our **Net Zero** target by 2050.

We will give consideration when procuring services and materials from our approved suppliers. And we shall take best actions for us when disposing of our waste, promoting reuse, recycling, and waste minimisation.

Our Boards' Directors each have a personal aspiration to ensure our activities respect the natural resources of our planet. They see sustainability as a core value, ensuring the wise use of resources in which economic, environmental and social factors are balanced and implemented. Our leadership teams are fully committed to the prevention of pollution and minimising the impact that has been seen on the planet's resources, not just for today, but for future generations.

We believe commitment to managing sustainability represents value and creates balance between financial objectives and social responsibility.

We will:

- Ensure our vision and objectives are relevant, understood and communicated with our stakeholders
- Work with our customers, suppliers and business partners to encourage them to adopt a similar principal to us
- Identify risks and implement adequate control measures and provide resource to mitigate those risks
- Aim for high performance targets, record achievements and submit the evidence to GRESB and Angel Trains (who will use our data in their Science Based Target* submissions)
- Continue to challenge ourselves with SMART objectives that can be tracked and made fully transparent
- Consider sustainability and the environmental risks / impacts when making important business decisions
- Adopt a high standard of corporate governance and ethics
- Continue to improve our management systems and provide adequate resource to maintain compliance with regulatory and policy requirements
- Continue to educate and inform our staff on sustainability related topics
- Take guidance from the 17 Sustainability Development Goals (SDGs) created by the United Nations as a framework to identify ESG risks and opportunities that contribute to sustainable development

*see slide 11 for info on the science based target initiative (SBTi)



SDGs describe the Environmental, Social, and Governance (ESG) challenges that organisations face across the globe, including climate change, inequality, resource usage, and business ethics. Work and cooperation of governments and the United Nations (UN), along with businesses and members of the public is needed to meet the 2030 commitment.

Of the 17 specific goals, which split into 169 targets, we have identified 10 that are most relevant to us.



Employee health, safety and wellbeing
 Health and safety risk assessment
 Air Quality

8 DECENT WORK AND ECONOMIC GROWTH

Fair and local job creation
 Strengthen capacity through supplier engagement
 Increased productivity through diversification & Innovation







Target net zero carbon emissions
 Proactively manage GHG reduction
 Proactively manage climate impacts on assets



Zero tolerance to bribery
 Zero tolerance to modern slavery
 Comprehensive codes of conduct



Diversity and Inclusion Policy
 Monitoring for gender pay gap
 Flexible working

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- 1. Reduce terrestrial pollution
- 2. Reduce deforestation
- 3. Prevent loss of biodiversity



- 1. Customer and supplier engagement
- 2. Employee engagement
- 3. Local community

GRESB (Global Real Estate Sustainability Benchmark) was established in 2009 and became the leading Environmental, Social, Governance (ESG) benchmark for real estate and infrastructure investments across the globe.

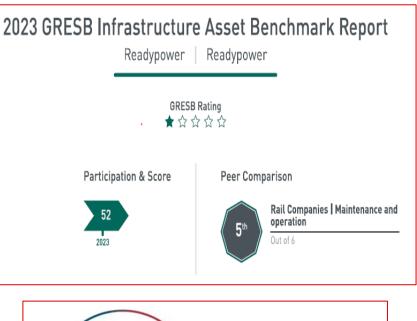
The benchmark process collects, evaluates and compares the ESG performance of participating companies to provide standardised and validated data that can be used by investors to make more responsible and sustainable investment decisions.

The GRESB assessment is split into two parts:

- 1. Performance metrics energy use, greenhouse gas emissions and air quality, health and safety, employee diversity, customer satisfaction, and certification.
- 2. Management metrics leadership, policies, reporting, risk management, climate and stakeholder engagement.

In its first submission, we were proud to achieve 1 star in 2023 and set a target for 2024 to achieve 3 stars.

Scheduled for the end of 2024, we shall be engaged in providing data to Angel Trains for a joint submission to the Science Based Targets initiative (SBTi).





Since 2013, we have used a SHEQ IP to help us set annual objectives that are sponsored, and tracking / review updates are recorded in the SHEQ IP monthly. The objectives are set at the start of the year and agreed at the annual management review meeting held in January. Below is a snapshot of the objectives set for 2023.

Safety

- Increase Director's presence on sites
- •Increase the total number of Toolbox Talks delivered by 12% over 2023
- •Toolbox Talks to be evenly spread of all operating companies within Readypower Group

Health

- •Aim to have all shift workers who routinely work nights (RTL to pilot) on the Express Medicals Health Surveillance scheme
- •Achieve 45003 status with BSI by the end of 2023
- Provide at least one family social event for all employees to attend

Environment

- Replace at least 3 old RRVs with brand new Tier 4-5 engine models
- •Undertake a new ESOS Assessment to measure improvements since the last assessment carried out in 2019
- •Enrol in the GRESB Assessment

Quality

- •Group Compliance Director to implement new ownership of documented procedures and forms
- Make tangible improvements to comply with Modern Slavery risks
- •Undertake at least 1 ad hoc internal audit on each operating company in 2023

Environmental, social and governance (ESG)

Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. Here is our breakdown of each component:

Environmental:

- Climate Change: How we manage and report our greenhouse gas emissions and our efforts to reduce our carbon footprint.
- **Resource Depletion:** How we use and conserve natural resources such as water, minerals, and fossil fuels.
- Waste and Pollution: How we manage waste and pollutants, including efforts to reduce waste and enhance recycling.
- Deforestation: Preventing deforestation (HVO fuel cleans engine emissions, but adversely affects overseas land with palm oil manufacturing)

Social:

- Human Rights: Demonstrating respect for human rights and efforts to ensure fair labour practices.
- Labour Standards: Working conditions, employee relations, and diversity within the workplace.
- **Community Engagement:** How we impact on local communities, including health and safety standards.
- **Product Safety:** Maintaining and renewing the UK railway network making it safe, efficient and ethical for passengers.

Governance:

- Corporate Governance: Structure and practices of our boards of directors, including board diversity and independence.
- **Executive Compensation:** How executive pay aligns with company performance and shareholder interests.
- Bribery and Corruption: Measures we take to prevent corruption and unethical behaviour.
- Cyber security: How we protect our business and data.
- Shareholder Rights: Respecting and protecting the rights of shareholders.

Materiality in ESG helps us determine which issues are most critical to our ability to create value over the short, medium, and long term.

Key Points of ESG Materiality:

- **1.** Financial Relevance:
 - Impact on Financial Performance: Assessing how ESG issues affect our financial health, profitability, and long-term sustainability.
 - **Risk Management**: Identifying and managing risks associated with ESG factors that could impact our operations and financial outcomes.
- 2. Stakeholder Considerations:
 - Investor Concerns: Evaluating which ESG factors are most relevant to investors and other stakeholders.
 - **Regulatory Requirements**: Compliance with laws, policies and contractual agreements related to environmental, social, and governance issues.
- 3. Industry Specificity:
 - Sector-Specific Issues: We've identified environmental factors are more material for us because we are an asset led provider into the railway and construction industries, as opposed to social factors which are likely more significant for a retail company.
- 4. Value Creation:
 - Sustainability and Growth: Identifying ESG issues that contribute to the long-term sustainability and growth of the company.
 - **Competitive Advantage**: Leveraging ESG initiatives to gain a competitive edge in the market (Benchmarking via GRESB, ESOS Assessments, measuring our Scopes 1, 2 and 3, and sharing our data with Angel Trains for submission to the Science Based Targets initiative (SBTi)).

Assessing ESG Materiality:

- 1. Materiality Assessments: Our materiality assessments uses a 3x3 matrix (*shown on the next slide*) to identify and prioritize ESG issues that are most significant to us.
- 2. Stakeholder Engagement: Engaging with stakeholders (e.g., investors, employees, customers, regulators) help us understand their concerns and priorities.
- 3. Reporting Frameworks: Transparency is vital. Sharing our performance data in our statutory accounts, to GRESB, SBTi, and in ESOS Assessments.

Major		 Stakeholder Engagement Shareholder rights and board composition 	 Climate change resilience Cyber resilience Air quality and decarbonisation Business continuity Health, Safety & Wellbeing ESG Reporting 	Colour Codes: Environmental
Significant		 Resource Usage Modern Slavery Anti-Bribery Noise Pollution Land Contamination 	 Equality, Diversity & Inclusion Carbon Measurement & Reporting Risk Management Integrated Management System 	Social Governance
Moderate	Water Usage & PollutionBiodiversityLight Pollution	Community Engagement	 Policy Management Skills, Training & Development Supplier Collaboration 	
	Moderate	Significant	Major	

Relevance to Readypower Group

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GROUP

Role	Responsibilities typically include:
Board	 Strategic oversight of the Readypower Group, acting as stewards of the organisation. Responsible for providing check and challenge for the Executive to ensure that the business plans are articulated and executed in a manner consistent with the overall vision of the organisation, and that they are delivering against the strategic objectives. Providing strategies, advice and guidance to help the Executive to mitigate risks, and to navigate through changes in the business environment in which the organisation operates.
Executive Leadership	 Executive leadership and oversight of the day-to-day management of the Readypower Group. Responsible for executing the business strategy and ensuring that the organisation is run in a manner consistent with its' vision, mission and values. Ambassadors for the business in the marketplace. Executive responsibility for ensuring strategic objectives are understood, KPIs are met, risks are identified and mitigated, issues are resolved, and the SLT and SMT teams have the leadership, guidance, empowerment and support they need to deliver on our objectives, with a particular view to health & safety, compliance, customer service and financial prudence.
Senior Leadership (SLT)	 Leadership of the operational companies and multi-disciplinary group teams within the Readypower Group. Responsible for proposing budgets, driving strategic initiatives, day to day management and operations of the individual companies, ensuring that the individual company goals and objectives are met collaboratively within the Group. Developing and implementing plans to ensure health & safety, drive business development and market share, improve operational efficiencies & customer service, and met / better financial and KPI results. Management of the SMT teams.
Senior Management Team (SMT)	 Day to day, leadership of the functional areas within the Readypower organisation on a collaborative basis. Responsible for ensuring that individuals in their teams execute their responsibilities in a manner consistent with the organisations objectives, vision, mission and values every day, with a focus on achieving the KPIs in their individual areas of the business. Escalating any risks/issues requiring Executive support/guidance, supporting and developing their team members and resolving any team issues.
Functional Lead	 Day to day functional responsibility for the delivery of the services in their respective functions in a way that supports the organisation in meeting our KPI targets and strategic objectives. Supporting and developing their team members.

Decarbonisation refers to the process of reducing carbon dioxide (CO2) emissions associated with human activities, particularly those resulting from the burning of fossil fuels such as coal, oil, and natural gas. Our aim is to mitigate climate change by transitioning to a low-carbon economy.

Our key strategies and practices involved in decarbonization include:

1. Transition to Renewable Energy:

- Considering replacing fossil fuels with renewable energy sources like solar, wind, hydro, and geothermal power for our buildings (something we're evaluating for the new site in Blantyre xxxxxx).
- Considering the adoption of distributed energy resources (DERs) and energy storage systems such as battery storage in solar and wind systems, and hydrogen in plant assets.
- 2. Energy Efficiency:
 - Enhancing energy efficiency in buildings (modern AC units sized to each room / zone), drop down ramps on low loaders and replacement of diesel to hybrid or full electric vehicles.
 - Implementing energy-saving technologies and practices, such as LED lighting with PIR technology, and auto closing doors.
- **3.** Electrification:
 - Electrifying sectors that traditionally rely on fossil fuels, such as electric / hybrid vehicles, and using AC heat pumps for heating.
 - Considering energy suppliers who use clean sustainable energy sources (this is our mid to long term aspiration).
- 4. Policy and Regulation:
 - Commitment to Science Based Targets through Angel Trains and aiming for a Net Zero Target by 2050.
 - Providing full transparency and compliance with policies, regulations and UN Goals.
- 5. Sustainable Practices:
 - Supporting our stakeholder involved in sustainable land use, forestry, and agricultural practices to enhance carbon sequestration.
 - Becoming industry leaders by example. Commitment to being a sustainable business helping our clients' meet their environmental targets.

Decarbonisation



Investment in new hybrid technology. As of December 2023, we have 66 Toyota Corolla hybrid vehicles, and all but one of our lorry fleet are running Euro 6 type diesel engines. These diesel units are the cleanest available. Moreover, these engines have brought about circa 2.5% saving in fuel usage. For 2023, we measured a reduction of 24,054 tonnes in CO2 emissions.

The introduction of the Toyota hybrid vehicles has resulted in a minimum of 464 tonnes of CO2 emissions per vehicle for every 10,00 miles travelled.

Some senior staff members have **full electric company cars,** and our depots are fitted with Podpoint charging stations to control the cost of charging compared to offsite charging points.

We also use **driver telemetry data** to help us see which vehicles are using more fuel per mile, and which drivers need further coaching to help their driving behaviours improve.

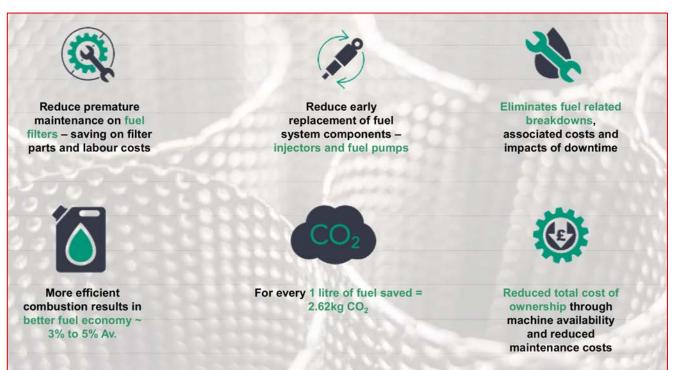


Trials taking place with Fuel Active in collaboration with Unipart Rail.

We are constantly looking for the innovative solution that will help us become a more sustainable business. We're teaming up with Unipart Rail and Fuel Active to test new 'fuel pick up' solution. Initial thoughts are this bring emission reduction AND better fuel consumption - 3 to 5% Av.

In other words, for every litre of fuel saved, there is a potential to reduce CO2 emissions by 2.62kg. These trials are planned for Autumn 2024.

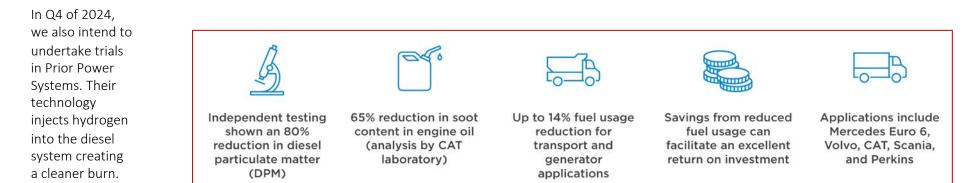




Decarbonisation - trials







20 STRICTLY PRIVATE AND CONFIDENTIAL **Diversification** in the context of business and investments refers to the strategy of spreading investments across a variety of assets, sectors, or geographic regions to reduce risk and enhance returns. Our key aspects of diversification include:

1. Asset Diversification:

- Investing in a mix of assets such as RRVs types and transport vehicle types, properties, plant hire, civil engineering, service provision in the UK and Canada.
- Balancing high-risk, high-reward investments with more stable, low-risk ones.
- 2. Sector Diversification:
 - Spreading investments across different sectors such as railway infrastructure and construction.
 - Avoiding overconcentration in any single sector to mitigate sector-specific risks. Recording risk evaluation in SWOT / PESTEL reports.
- 3. Geographic Diversification:
 - Investing in different geographic regions to meet the Network Rail routes and to support Canadian Railway enhancements.
 - Reducing exposure to country-specific risks such as political instability, economic downturns, or regulatory changes.
- 4. Product Diversification:
 - Expanding our range of services offered to reduce dependency on a single product or market, such as RRV innovations.
 - Exclusivity of new RRVs for a set time-frame to give leverage when hiring new innovative assets.
- 5. Supplier Diversification:
 - Sourcing from multiple suppliers to avoid supply chain disruptions and reduce dependency on a single source.
 - Enhancing supply chain resilience by ensuring alternative suppliers are available.

Diversification



Examples of plant assets owned by us that were game-changers in the marketplace. The Force One units offer contactless excavations, thus removing the risk of utilities damages. And the yellow jetting unit has capabilities to jet out drains whilst vacuuming the waste into its tank.

Both assets provide customers with a better alternative to old methodologies to do a specific job., making it more productive and safer.



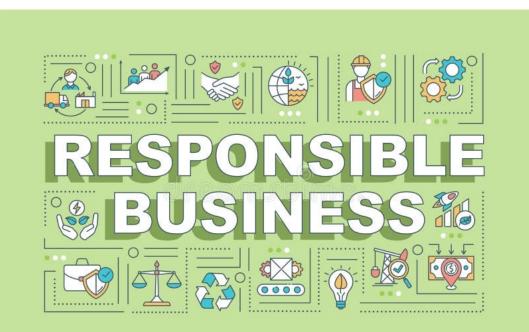




The Force One truck proudly displaying their continued partnership with the Trees for Life charity.

Every day this truck is hired out, Trees for Life plants a tree in the Scottish Highlands. Over 750 trees have been planted so far





Decarbonization:

- Environmental Benefits: Reduces greenhouse gas emissions, helping to combat climate change and protect ecosystems.
- Health Benefits: Lowers air pollution, leading to improved public health outcomes.
- **Economic Benefits**: Promotes innovation and job creation in the renewable energy and clean technology sectors.

Diversification:

- **Risk Management**: Reduces the impact of any single investment's poor performance on the overall portfolio.
- **Stability**: Provides more stable returns over time by spreading exposure across different investments.
- **Growth Opportunities**: Captures growth potential in various sectors and regions, enhancing overall returns.

We see decarbonisation and diversification as crucial strategies for ensuring long-term sustainability and resilience, whether in addressing climate change or managing financial and business risks. **Corporate Social Responsibility (CSR)** refers to the business model in which we integrate social and environmental concerns into our operations and interactions with stakeholders. It represents our commitment to operate in an economically, socially, and environmentally sustainable manner while recognising the interests of diverse stakeholders, including our parent company Angel Trains, employees, customers, communities, and the environment.

We see the key Components of CSR as:

- 1. Environmental Responsibility:
 - Sustainable Practices: Implementing eco-friendly practices to reduce the environmental impact of operations, such as reducing waste, conserving energy, and using renewable resources (examples detailed earlier in this report).
 - Pollution Control: Reducing emissions and pollutants to minimise our environmental footprint.
 - **Resource Management**: Efficiently managing natural resources to ensure long-term sustainability.
- 2. Social Responsibility:
 - **Community Engagement**: Supporting local communities through philanthropy, volunteerism, and community development projects.
 - Fair Labor Practices: Ensuring fair wages, safe working conditions, and respect for workers' rights throughout the supply chain.
 - Diversity and Inclusion: Promoting diversity, equity, equality and inclusion within the workplace and in business practices.
- **3.** Economic Responsibility:
 - Ethical Business Practices: Conducting business with integrity, transparency, and accountability.
 - Sustainable Growth: Balancing short-term profitability with long-term sustainability and ethical considerations.
 - Stakeholder Engagement: Actively engaging with stakeholders to understand and address their concerns and expectations.
- 4. Governance:
 - **Corporate Governance**: Adopting practices that ensure transparency, accountability, and ethical management.
 - Compliance: Adhering to legal and regulatory requirements, policies and industry standards.
 - Risk Management: Identifying and managing risks related to social, environmental, and governance factors.

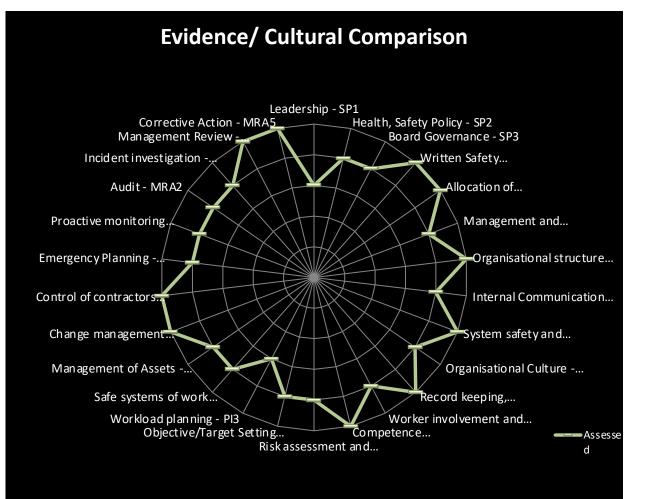
Since 2013, we have been measuring our business maturity using industry recognised platforms. Up until 2022, we used the railway industry's dimensions of safety (DOS) tool. This was an effective, albeit basic, tool based on excel.

Through 2021 to 2022, we completed a transition from DOS to the Office of Rail and Road's (ORR) RM3 Maturity Model. Thus, ensuring we maintained a constant measure of our performance.

Assessments against RM3 are undertaken every 6 months in June and December.



OFFICE OF RAIL & ROAD, 2019



READYPOWER

Equality, equity, diversity and inclusivity (EEDI)

We respect and make provisions for all people without discriminating against gender, sexual orientation, physical ability, skin colour, or religion. People who work for us do so knowing their privacy, welfare and mental health are taken seriously.

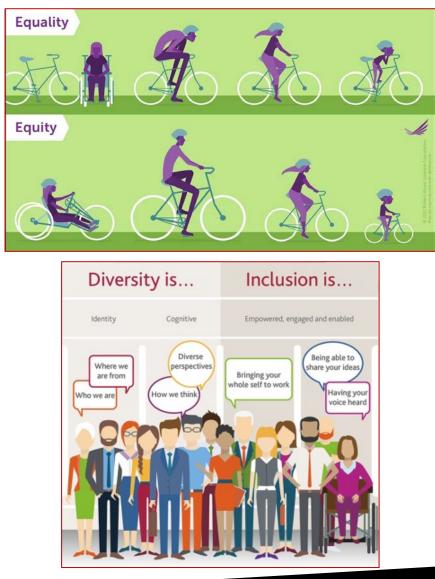
We define EEDI as:

Equality – ensuring everyone is treated the same. (everyone here was given the same bicycle).

Equity – recognising and evaluating the differences in people's needs so everyone has the chance to succeed. (people are different, so everyone was given a specific bicycle for their personal need).

Diversity – embracing a workforce of varying cultures, ages, abilities, beliefs, who can bring a wider benefit to our business.

Inclusivity – making sure everyone has a voice and a chance to provide their thoughts and expertise to our business.



- **383 iHASCO** courses were completed in 2023. This includes mandatory courses on a loop for office-based employees (formal learning), training for direct employees (formal learning), and ad hoc/optional courses as part of self-directed & informal learning
- **10 Apprentices** were employed in 2023
- 17 internal promotions in 2023

Mental health comms sent from HR regarding actively participating in mental health initiatives:

- 1. Time to Talk Day (02.02.23)
- 2. World Suicide Prevention Day (08.09.23)
- 3. World Mental Health Day (10.10.23)
- 4. Rail Wellbeing Live (09.11.23)
- World Mental Health Day 23 featured on our website under the 'News' section
- We continued to support the Lighthouse Construction Industry Charity
- We feature on the fundraising day we held in May 23 for the Lighthouse Charity on the 'News' section: https://www.readypower.com/news/





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OARKTRACE

A Cyber-attack poses a growing threat to the security of our business and therefore the safety of infrastructure in the UK, including the railway network. The threat is evolving due to new technologies that present vulnerabilities if protection is insufficient. In response to this we are engaging with best-in-class suppliers to ensure that our network and data is secure.

Our IT team has been working to improve our resilience to cyber-attacks and has provided advice, guidance and tips to employees to help them contribute to our protection.

During 2023 we ran several cyber security tests including an external penetration testing. All employees must complete mandatory training to raise their knowledge about cyber security threats.

Aspirations for 2024 are to gain Cyber Essentials certification, thus ensuring we are up to date with the latest security measures.



