GB Railfreight



MODERN SLAVERY STATEMENT

April 2024



Modern slavery is the exploitation of another person for commercial or personal gain. It is an umbrella term for human trafficking, sexual exploitation, domestic servitude, forced and bonded labour. As a company, we are committed to playing our part in combatting unlawful and unethical practices in relation to modern slavery. We will not knowingly use child labour or forced labour in any of our services or accept goods or services from suppliers that are not taking similar steps to combat such unlawful practices.

OUR COMMITMENT TO COMBATING MODERN SLAVERY

We respect human rights and comply with all applicable employment laws.

We have a zero-tolerance approach to modern slavery and human trafficking in all its forms within our business and our supply chain.

We uphold the rights of everyone working for us or with us and believe that everyone should be rewarded fairly for their skill and contribution and should not be required to work excessive hours.

We do not tolerate the use of forced, bonded, compulsory or child labour.

We recognise and respect employees' rights to freedom of association and collective bargaining, where permitted by law.

We refuse to do business with anyone that fails to respect and protect basic human rights.

OUR ACTIONS SINCE MARCH 2023

In completing our actions, we again looked to the organisations who are campaigning and educating in this area; International Labour Organisation, Anti-Slavery International (Hope for Justice) and The Salvation Army. In reviewing the last statement we can provide the updates below:

- **Government's Modern Slavery Registry**
    - The 2023 Statement was uploaded to the new registry and we will do the same this year with the 2024 Statement.
- **Raising Awareness**
    - We have continued to ensure that modern slavery is kept in the minds of staff through the use of posters, articles, posting videos and links on social media and other internal communications. Coinciding with Anti-Slavery Day (18 October) a post targeted at those colleagues involved in sourcing within their departments was shared on our Procurement Hub. Subsequently through the launch of the company wide intranet, Modern Slavery is the subject of a department news post to remind the wider business of the signs and also the apps they have on company equipment to signpost them to where and how to raise any concerns.
    - Rollout of posters in depot locations has continued to increase the number of staff having visibility and the frequency of the posters being seen (deployed in high traffic areas.)

- **Training**
    - The training software has been fully implemented and completion rate currently stands at 84%.
    - Training frequency has not yet been increased from bi-annual to annually but this will be completed in 2024.



OUR ORGANISATION

GB Railfreight Limited ("GB Railfreight", "we", "our") is one of the fastest growing companies in the railway sector in the UK with a turnover in excess of £270 million. The business was established in 1999 and is currently under the ownership of Infracapital, the unlisted infrastructure equity arm of M&G Prudential.

Our core services as a Freight Operating Company ("FOC") involve transporting goods by rail across the UK and through the Channel Tunnel for our UK and European customers. The market segments in which we operate are the intermodal, infrastructure, bulk and rail services markets.

The business directly employs over 1300 people and operates from over 35 locations (regional offices and depot locations) nationwide. We have a fleet of around 160 locomotives and over 2,400 wagons moving 24.5% of Britain's rail freight.

As a FOC, our main capital expenditure items are rolling stock and heavy maintenance on locomotives and wagons (including associated components). Our rolling stock is largely manufactured in the EU, with the Class 66 fleet being built in North America. All of the rolling stock is serviced in the UK, the Class 66 by the original equipment manufacturer. Fuel is purchased from UK providers. Other ancillary items of expenditure are: road haulage and terminal handling, facilities management, travel and subsistence, IT and telecoms, office supplies, uniform, and company vehicles, all of which are sourced from UK based suppliers. However, we acknowledge that our extended supply chain may have global reach.

The last three years have been difficult for many, specifically the most vulnerable and at risk in our society. We read from headlines and research that climate, economic change and conflict increase the risk of people becoming victims of modern slavery. These macro environment issues reinforce the need to continually review and always be looking for ways to improve and evolve our processes for Identifying, preventing and combatting Modern Slavery. We continue to improve and invest in the training our staff and platforms to raise awareness and keep the issues and signs in the minds of staff and visitors to our sites.

OUR SUPPLIERS

In the last year the business has faced headwinds that have seen a reduction in our growth based on recent years and as such we have seen a level of stability in our supply chain. We do not manufacture or maintain rolling stock ourselves, so have no factories or manufacturing facilities, nor do we handle raw materials. We outsource most non-core logistics activities and do not have intricate supply chains, our suppliers are primarily financiers or providers of equipment, maintenance and service activities that support our day-to-day operations.

We invest in building relationships with our suppliers to ensure they understand our values and comply with our expectations and commitments in relation to protecting human rights and the environment. In the last 12 months we have continued to work with our trusted partners in the main, consequently our approved and strategic supplier lists are relatively unchanged.

A requirement to comply with our Supplier Code of Conduct (SCoC) is stated in all of our template contracts, requests for quotation, invitation to tender and expression of interest documents. Within our standard compliance clauses we require suppliers to warrant that neither they nor their employees or contractors have been convicted or are the subject of any investigation in connection with slavery or human trafficking, that they will maintain preventative anti-slavery policies throughout the engagement, will immediately notify us if they become aware of any suspected slavery in their supply chain and that they include similar obligations in their contracts with subcontractors. Non-compliance and/or breaches are treated as material, allowing us to terminate the contract.

The SCoC is shaped by our core values, it sets out the relevant standards and legislation that all GB Railfreight suppliers must adhere to, particularly in relation to labour practices and human trafficking.

OUR POLICIES

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains and this is reflected in our policies. Our policies are driven by our culture which places high importance on our people, we believe our people focused culture has allowed us to continuously perform successfully, grow sustainably and offer job security to our loyal and hard wording workforce. This culture is underpinned by our five core values which give us a clear sense of purpose and direction:

- **PROFESSIONALISM**
  We treat co-workers and clients fairly and ensure a positive workplace

- **COMMUNICATIONS & VISIBILITY**
  We make information accessible to everyone

- **TRUST & EMPOWERMENT**
  We believe that openness and honesty make for the best relationships because it leads to trust and confidence

- **ENJOYMENT**
  Happy, engaged and passionate people are easier to do business with

- **SUPPORT**
  We look after our people and they in turn are encouraged to look after each other



POLICY	RELEVANCE
Anti-Slavery and Human Trafficking Policy – reviewed 2022	This policy makes clear that we only want to work with people who choose to work freely, with rights to equal opportunity, freedom of association, and collective bargaining.
Whistleblowing Policy – reviewed 2023	GB Railfreight encourages staff to report concerns, including concerns relating to modern slavery and human trafficking.
Employee Code of Conduct – published March 2021	Our Employee Code of Conduct sets out our approach to the protection of fundamental rights including, fair employment practices, conduct at work and supplier relationships.
Supplier Code of Conduct - published in 2020	Defines the minimum standards that we require of our suppliers, their employees and their suppliers to unconditionally respect and adhere to. In particular, they must respect human rights, provide their employees with safe and healthy working conditions, ensure that they comply with all applicable laws regarding wages and working hours and under no circumstances use or in any other way benefit from forced or compulsory labour or child labour.
Anti-Bribery & Corruption Policy - reviewed 2023	This Policy highlights 'red flags' that are also potential indicators of modern slavery, such as cash payments, unusual payments to a third party or any close family.

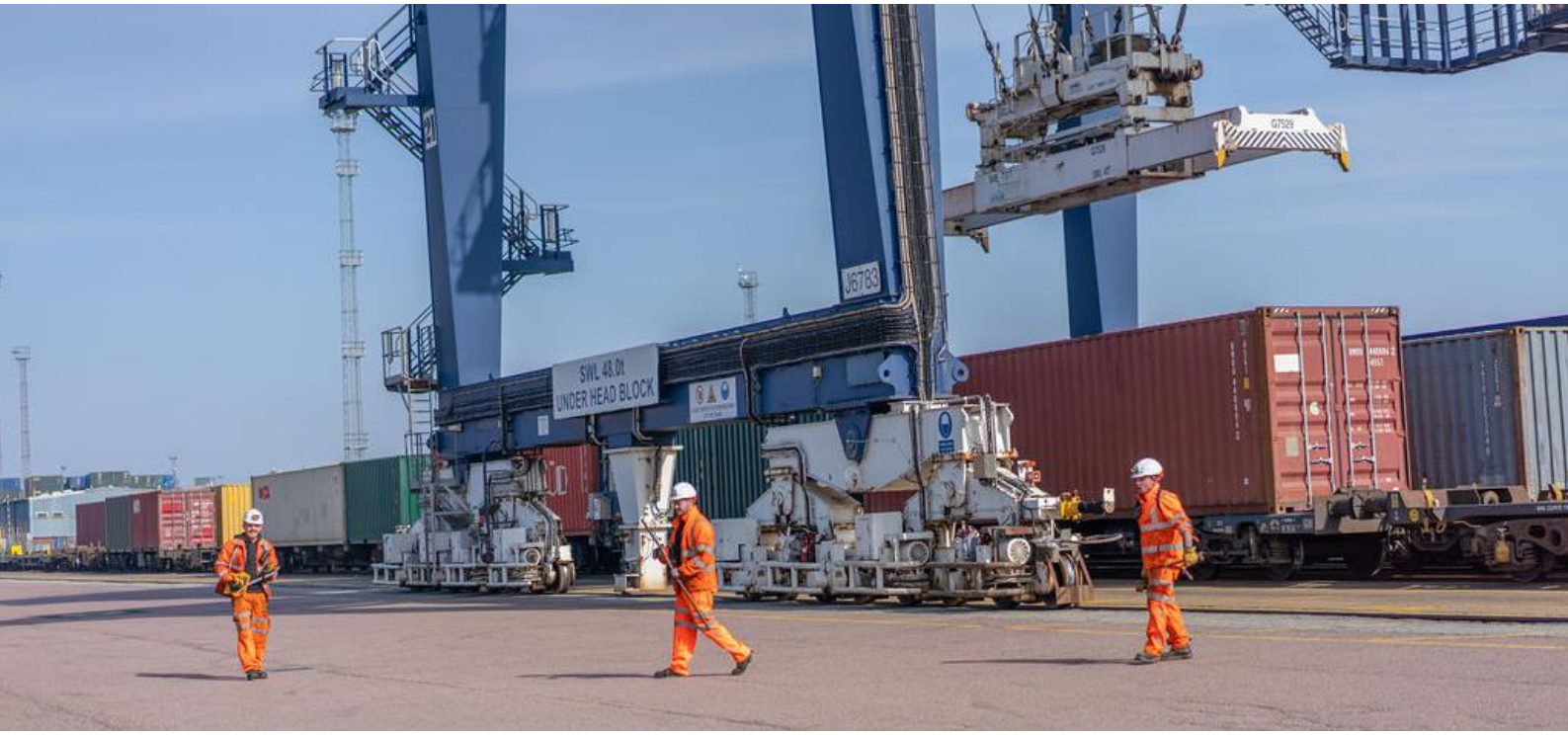
OUR PEOPLE

Our commitment to reducing the risk of modern slavery begins with our robust recruitment process. The majority of our staff are recruited directly. We use an online recruitment platform to log vacancies and progress candidates in accordance with applicable employment laws. The final stage of the recruitment process is to conduct 'right to work' checks to verify the candidates' age and right-to-work status and to issue contracts of employment.

Where agency staff are required, we only work with reputable employment agencies whose practices meet or exceed our own high standards.

We ensure that our staff receive appropriate training and plenty of support. We have online learning and benefits platforms, as well as a wellbeing programme that promotes good physical and mental health and activity through smart fitness trackers, Wellbeing Champions and online resources.

We expect all our people to treat each other and those we deal with dignity and respect. In 2021 we signed the rail industry Equality Diversity and Inclusion charter. As a signatory to this Charter we are pledging to be the best in everything we, and collectively the UK railway sector, do and therefore aim to support the United Nations Sustainable Development Goals.



RISK ASSESSMENT

GB Railfreight completed an initial risk assessment which identified our highest risk areas for modern slavery or human trafficking using the following factors:

- Size of company: we consider smaller companies have less resource to monitor and policy anti-slavery in the supply chain
- Location of operations: we were looking at understanding the operations of the supplier and whether they had locations in Africa, Middle East and Asia where The Global Slavery Index ("GSI") considers risk to be high
- Risky industry sector: whether our supply chain intersected with The GSI high risk industries
- Modern Slavery Act 2015: using the £36 million turnover criteria, verifying whether the supplier is under the obligation of the Act and reviewing the actions taken to reduce the risk of modern slavery in their supply chain

We found that the main area of high risk involved sectors where workers are low-skilled. If workers for a supplier are highly skilled, they are generally more likely to be in demand, they will have more choice and are in a better position to make informed and independent decisions about who they work for and where. The opposite also holds true: low skilled workers have less bargaining power to make demands about wages and terms and conditions. Therefore, the key areas for GBRf to focus on are cleaning and taxi services, sourcing of office supplies and IT equipment and some facility management services.

DUE DILIGENCE

We have rolled out phase one of our risk assurance software, which has allowed us and to automate and standardise the question set in our supplier approval process.

We also recognise rail industry assurance schemes, as part of our supplier selection process when safety critical or rail specific products or services are required.

TRAINING

Our training policy regarding slavery and human trafficking to our staff currently still states that training will be completed on a bi-annual basis. However, following full implementation of the e-learning programmes it will be updated to annually in 2024.

We are also committed to raising awareness of slavery and human trafficking within our business. We continue to use different media and platforms to inform our employees of key modern slavery facts and statistics, including social media, digital and paper posters, magazine articles and e-newsletters.

NEXT STEPS

- **Government's Modern Slavery Registry**
    - Maintain our commitment to uploading our statement to the registry every year.
- **Awareness**
    - Continue to keep modern slavery and the signs to look out for in the minds of staff through the use of all communication channels available to us as a business.
- **Policy and Governance**
    - Use our Ecovadis Labour & Human Rights scorecard result, strengths and areas for improvement to inform changes to existing policies and processes.
    - Working collaboratively with our sustainability team to formulate a Sustainable Procurement Policy that encapsulates the governance of our shareholders and our values to further underpin our commitment zero-tolerance approach to modern slavery and human trafficking in all its forms within our business and our supply chain.
    - Include Sustainability as supplier selection and award criteria in competitive market exercises.

- **Legislation & Guidance**
    - On delivery of the report of the review of PPN02/23 Tackling Modern Slavery in Government Supply Chains and new BSI "Organizational responses to modern slavery – Guidance" Standard (BS25700) flow through the recommendations to internal policies, governance and staff training

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been endorsed by the Board of Directors of GB Railfreight Limited



John Smith
Chief Executive Officer – GB Railfreight Limited

Dated : 25 March 2024

GB Railfreight Limited 2024

GB Railfreight

gbrailfreight.com