

ALPHA TRAINS GROUP

SUSTAINABILITY REPORT

2020/2021

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Welcome to our second Sustainability Report – today, more than ever, sustainability is an important issue in our business, our society and to all our stakeholders ranging from employees to suppliers, customers and investors. We have received a lot of positive encouragement for our sustainability activities in recent years. We are delighted about this and it affirms our determination to continue these activities.

In this sustainability report we would like to report to you in a comprehensive way on how we are positioning ourselves in terms of sustainability. I hope you will find it again an interesting and enlightening read.

We have all been living with the consequences of COVID in 2020 and into 2021 and I remain proud of our staff who have worked tirelessly to ensure the business continues to deliver. I am also delighted with how stable and resilient the business has proven to be during these difficult times. In fact, we have continued to grow the business and deliver strong financial performance.

Our locomotive customers were the most financially affected during the crisis and we took the view to support them to cement long-term partnerships and deliver value together in the future. Although revenue in the Locomotives division was marginally impacted, on a Group basis this was largely recovered through cost savings in other areas of the business.

Revenue increased in 2020 year on year by around 2% and our key profit metric, EBITDA, was up 6%. We also acquired 56 trains and locomotives representing €238M of investment. We recruited 13 staff during the period which underlines our ability to attract talent even during a pandemic.

I am pleased to welcome new shareholders to the business who recognised our green credentials and the value of our resilient and growing business model. With APG, PGGM and Swiss Life on board I am confident the business will go from strength to strength.

Notwithstanding the challenges of operating the business through the pandemic, we have maintained our focus on Sustainability.

Here are just some of our achievements:

- Achieved Carbon Neutrality
- Saw our name in lights in Times Square, New York when we joined the NASDAQ Sustainable Bond Network
- Achieved EcoVadis silver status
- Became a signatory to UN Global Compact and committed to the Sustainable Development Goals
- Passed successfully all recertifications on ISO 9001, ISO 14001, ISO 45001 and the annual ECM follow-up audits
- Further improved our already excellent 2020 GRESB score in 2021 - up to 96/100 points
- Awarded GRESB 5-star rating as an industry leader for the fifth time in a row

2021 AND BEYOND

Our aim at Alpha Trains is to continuously improve our commitment to sustainability, add value and be recognised for “doing the right thing”.

In the future, we want to continue to live up to our role as a leader in corporate responsibility and sustainability, to expand it and to become a benchmark company for responsible action in the industry.

We are excited about the incredible potential that modal shift onto rail offers as a lever to reduce the overall environmental impact of transport. Therefore, we will continue to seize the opportunities it presents for improving sustainability in a modern society and aim for an early adaptation of the EU taxonomy in our business.

Shaun M. Mills
Chief Executive Officer



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COMPANY OVERVIEW



HIGHLIGHTS OF THE YEAR

GRESB



G R E S B
★ ★ ★ ★ ★ 2021

ALPHA α TRAINS

ECOVADIS



UN GLOBAL COMPACT



United Nations
Global Compact

SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE
DEVELOPMENT
GOALS

CERTIFICATIONS



CARBON FOOTPRINT - NET ZERO



NASDAQ SUSTAINABLE BOND NETWORK





ABOUT US

Pioneer in leasing rail vehicles

Alpha Trains has owned and leased locomotives and passenger trains for 21 years. As the leading provider of flexible leasing solutions in Europe, we offer:

- **Know-how in the fields of procurement, asset management, maintenance and repair**
- **Extensive experience in financing new build projects**
- **Expertise in refurbishment**
- **Fleet of vehicles with a total value of over €3 billion**

About 130 employees of different nationalities and specialisations are working to fulfil the needs of our customers across Europe in our offices in the cities of Luxembourg, Antwerp, Cologne, Madrid, Warsaw and Paris. With our current portfolio of approximately 400 locomotives and an additional 459 multiple-unit trains, we offer vehicles for a wide range of uses across 19 European countries.

Motivated by our success story, we have set ourselves the goal of driving forward the liberalisation and modernisation of the market - whilst at the same time living up to the social and environmental role of passenger and freight railway transportation: with modern, high-quality vehicles and sustainable financing solutions.

Modal shift from road and air to rail

Alpha is a low carbon business which is environmentally and socially aware of the contribution that rail makes as a sustainable and environmentally responsible mode of transport for people and goods.

Alpha's fleet is approx. 80% electric traction driven and it ensures that all its assets comply with relevant environmental regulations, for example regarding permissible emissions from diesel engines and the disposal of waste oil and other contaminants. In order to be sustainable and to increase interoperability, Alpha Trains uses dual mode and dual mode shunting solutions for locomotives.

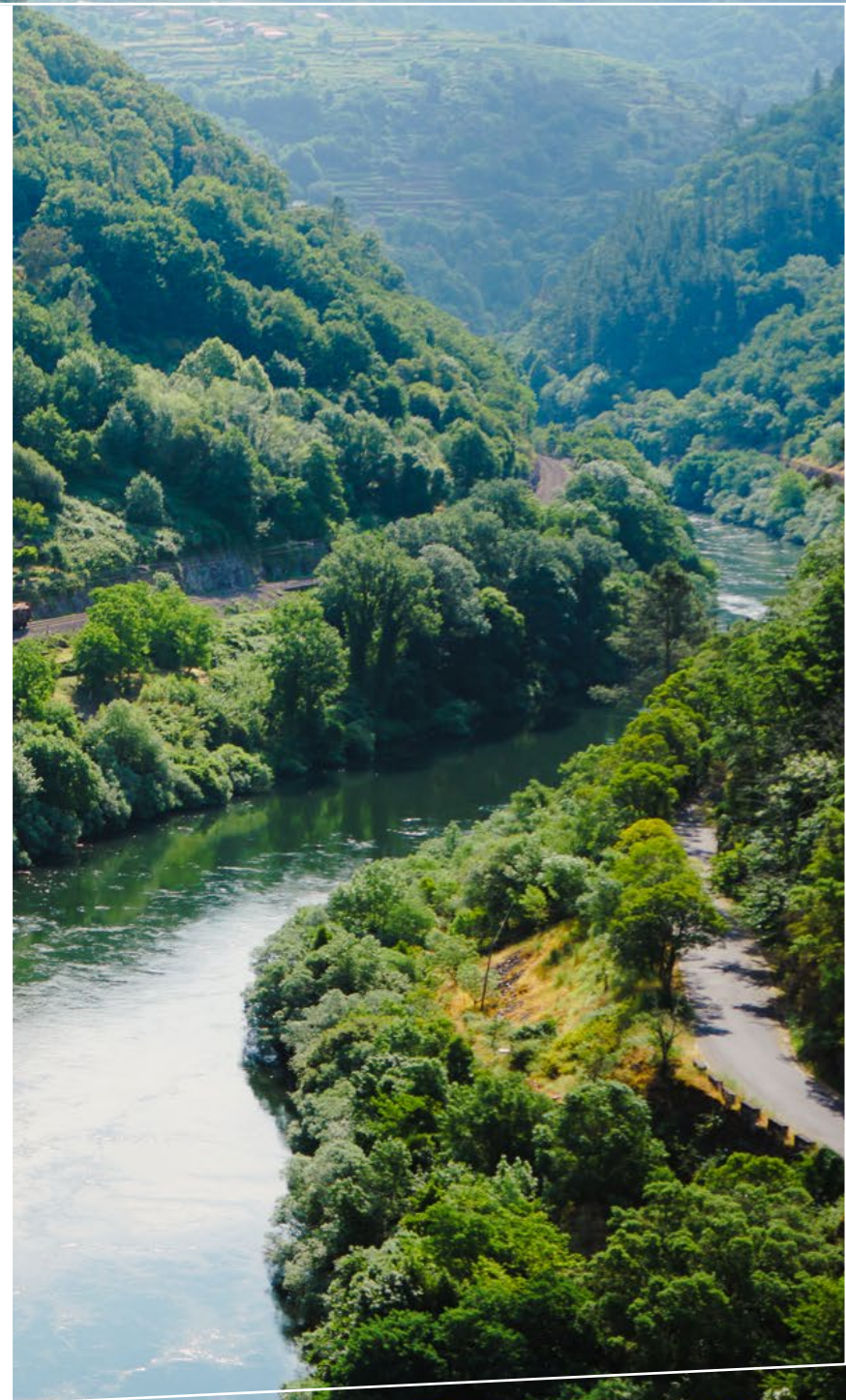
On the global way to modern transport solutions, there is a trend in the choice of vehicles - in addition to the usual EMU products - towards alternatively powered multiple units for non-electrified routes. A growing number of tenders for new builds require battery electric multiple units (BEMU) or, on a smaller scale, hydrogen electric multiple units (HEMU) with fuel cell technology.

The company also participates in industry and owner wide safety and operational improvement initiatives. Alpha's key ESG KPIs reported and monitored at Board level are asset-related operational utilisation and safety indicators, employee injury and sickness rates and employee engagement.

The leading European train and locomotive lessor - unrivalled success

We have built up an enviable track record and now support liberalisation and competition through sustainable solutions which enable modal shift onto rail and by efficient green rolling stock.

We are a reliable partner for our customers and a qualified point of contact for workshops, manufacturers, and suppliers. And by developing a future-oriented used-vehicle market, we also support competition and thereby the future of the railway market and in a through life environmentally friendly manner.





FLEXIBILITY

We do not offer standardised solutions: with vehicles produced by various manufacturers, the possibility to operate in a total of 19 European countries, and a wide product portfolio, our customers will receive a tailor-made leasing solution.



STABILITY

Our many years of experience, our total fleet size of 1,810 individual vehicles, our strong financial standing, a BBB investment grade rating, and long term shareholders all offer a stable foundation for the future - and allow us to develop new and innovative solutions geared towards our customers success.



RISK AWARENESS

Our risk management is fully tailored to suit your needs: we evaluate the risks depending on the possible fields of application, financial conditions, or rental period. You can make economic decisions regardless of the service life of the vehicle - because ultimately, the residual value risk lies with us.



TECHNICAL EXPERTISE

From the selection of vehicles, construction supervision for new build or conversions to passing vehicle inspections and support with warranties and revisions: our engineers are experts in their field and have known our fleet, manufacturers, and suppliers for many years. Specialist knowledge that is ultimately priceless.



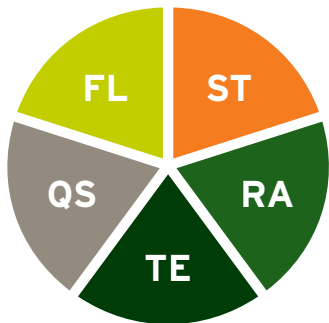
HIGH QUALITY STANDARDS

We invest in modern vehicles. Regular modernisation and maintenance ensure high availability, top safety, and quality. Outstanding quality: the passenger trains division of Alpha Trains Europa GmbH is certified according to ISO 9001.



SUSTAINABLE FUTURE

Alpha Trains is aware of its role and responsibility for sustainability in business and society and is therefore committed to engagement beyond its normal boundaries. Alpha Trains Group is certified according to ISO 14001 and ISO 45001.



**Investments
in new assets**

**Enables
Competition**



**Modal shift of
passengers and freight**

Road to rail

Air to rail



SUSTAINABLE FUTURE



OUR SHAREHOLDERS

Success in strong hands

Alpha Trains relies on a solid foundation: with four strong, international shareholders, we continue to gain momentum. Our shareholders and our experience in large financing projects provide long-term security - and allow us to break new ground.

In January 2021 AMP Capital agreed to the sale of its stake in Alpha Trains to APG, which already owned an indirect interest in Alpha Trains. In a separate transaction, the Public Sector Pension Investment Board (PSP Investments), one of Canada's largest pension investment managers, also agreed to sell its stake in Alpha Trains to PGGM Infrastructure Fund. Both new shareholders together with Arcus, one of the original founding shareholders, are fully supportive of our sustainability strategy and it was an important factor in arriving at the decision to invest in the Alpha Trains Group.

In Q4 2021, Swiss Life, which has held an indirect stake in Alpha Trains for many years, agreed with Arcus to convert its indirect stake into a direct stake. SwissLife thus becomes the 4th shareholder.

“I am pleased to welcome new shareholders to the business who recognised our green credentials and the value of our resilient and growing business model. With APG, PGGM and Swiss Life asset Managers on board I am confident the business will go from strength to strength.”

Shaun M. Mills, Alpha Trains CEO



As the largest pension provider in the Netherlands APG looks after the pensions of 4.7 million participants. APG provides executive consultancy, asset management, pension administration, pension communication and employer services. They work for pension funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG manages approximately €560 billion (November 2020) in pension assets. With approximately 3,000 employees they work from Heerlen, Amsterdam, Brussels, New York, Hong Kong, Shanghai and Beijing.



Arcus Infrastructure Partners is an independent fund manager focused solely on long-term investments in European infrastructure. Arcus invests on behalf of institutional investors through discretionary funds and special co-investment vehicles and, through its subsidiaries, currently manages investments with an aggregate enterprise value in excess of €19bn (as of 31 December 2020). Arcus targets mid-market, value-add infrastructure investments, with a particular focus on businesses in the transportation, energy and telecommunications sectors.



PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered: asset management, pension fund management, policy advice and management support. On June 30, 2020 PGGM had EUR 246 billion in assets under management and was administering pensions of 4.4 million participants. Around 750,000 workers in the Dutch healthcare are connected to PGGM&CO, our members organization. Either alone or together with strategic partners, PGGM develops future solutions by linking together pension, care, housing and work.



SwissLife
Asset Managers

Swiss Life Asset Managers is a well-established European asset manager and leading real estate manager in Switzerland, with offices in France, Germany, Luxembourg and the UK. They have more than 160 years of experience in managing the assets of the Swiss Life Group. Together with insurance mandates for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at CHF 274.4 billion. Swiss Life Asset Managers employs more than 2400 people in Europe. The insurance background of Swiss Life Group has exerted a key influence on the long-term, and stable investment philosophy of Swiss Life Asset Managers.

KEY ESG EVENTS

2020 / 2021



In **January 2020**, Alpha Trains obtained **ISO 45001 certification** for occupational health and safety as well as **ISO 14001 certification** for environmental management, both certified by TÜV.



In **July 2020** Alpha Trains announced the acquisition of standard gauge **Stadler E6000 electric locomotives**, providing equipment for the first time allowing heavy haul locomotives to operate on the Mediterranean Corridor which currently has significant road freight volumes and limited rail volumes. This investment is a clear support of the European Commission's target of shifting freight from road to rail.

ECM

In **November 2020** the **Passenger division** successfully passed their annual **ECM follow-up audit**.



In **December 2020** Alpha Trains joined the **Nasdaq Sustainable Bond Network**

where only green, social and sustainable bonds are showcased.

ECM



The company published its first public **Sustainability Report** in **June 2020**, available on its website. The report provides a holistic overview of Alpha Trains' ESG approach and policies and the sustainability of its business model.

In **September 2020** the Locomotives division successfully passed the annual **ECM follow-up audit**.



In **October 2020** Alpha Trains once again achieved an excellent GRESB score. We increased the score by another 8 points up to **92/100 points** and Alpha Trains was awarded with the **GRESB 5 Star Rating** as an industry leader for the 4th consecutive time and **#1 in transport and rail companies in CE**.



Also, in **December 2020** Alpha Trains became the first private lessor of locomotives and trains in Continental Europe to announce being **carbon neutral** which underlines the lessor's strong commitment to sustainability.

KEY ESG EVENTS

2020 / 2021

FitchRatings

During **2020/2021** the COVID-19 pandemic, Alpha Trains followed local government guidance and successfully shifted its team to working from home. The business was largely unaffected operationally and financially and its credit rating reaffirmed at 'BBB' with a stable outlook by Fitch.



In **June 2021** Alpha Trains successfully passes recertification according to **ISO 9001** for additional 3 years.



Also, in **July 2021** we successfully completed our second carbon **offset transaction** to continue our **carbon neutrality**.



In **October 2021** Alpha Trains reached again an excellent result in the GRESB Benchmark and improved its GRESB result by another 4 points to **96/100 points** and has once again been awarded with the highest **GRESB 5 Star Rating** for its commitment to sustainability **for the fifth time in a row**.



In **May 2021** Alpha Trains achieves 64/100 points and a 90th percentile in the annual **EcoVadis** Assessment. In recognition of its sustainability performance, Alpha Trains was awarded a **silver medal**, placing us in the top ten percent of the industry in this assessment.



In **July 2021** Alpha Trains again successfully passes annual external audit for **ISO 14001** and **ISO 45001**.



In **September 2021** the Cologne **Passenger** team successfully passed both **re-audits for ECM** (Entity in Charge of Maintenance) in accordance with EU regulation 2019/779, **and ISO 9001** and BU **Locomotives** passed the **ECM audit** successfully. Not only did they continued to achieve all the requirements for the ECM 1 and 2 functions, but they also added the ECM 3 function of Fleet Maintenance Management to the certificate.



In **November 2021** Alpha Trains became a signatory to the **UN Global Compact**.

A photograph of a man with a beard and a bun, wearing a dark jacket, carrying a young girl with curly hair on his shoulders. The girl is wearing a bright yellow puffer jacket. They are outdoors in a sunlit forest with green trees and foliage in the background. The man is smiling and looking towards the girl, who is also smiling.

OUR MORAL COMPASS

Five Values that drive us

“Five Values that drive us.”

Our corporate culture is based on a vision, a mission and five values that have been developed by all our employees. These provide us with orientation and guide our actions.

Vision, Mission and Values

Our Vision, Mission, Values statement serves as a compass for our overall orientation and is the basis for our corporate culture to which we align our sustainable actions.

Every employee embraces this philosophy. The awareness of all employees is key for us and is consistently promoted and reinforced through training and information.

The Values provide a moral framework for interaction with others.

One of our five Mission statements specifically recognizes the contribution that rail makes to a sustainable and socially responsible means of transport. Our goal is to continuously improve our services and processes by acting sustainably, promoting a sense of responsibility within our employees which we hope spills over into our stakeholder network.

Being a socially responsible business in a sector which requires long term planning and investment decisions means that sustainability plays a significant role - meeting sustainability requirements under environmental, safety, quality, social and governance headings helps us achieve the demanding requirements of our customers. It's a virtuous circle of dependence.

> OUR VISION



We want to be **THE** outstanding and recognised leasing company for railway vehicles - and promote and further advance the development of the railway market across Europe in this role.

> OUR MISSION



Our business goes beyond leasing safe rolling stock; we offer an integrated set of technical, commercial and financial competences. The variety of our product offerings presents a unique spectrum of choice for our customers.



We create long-term customer relationships. Our reliability and proven track record underpin this ability.



We are environmentally aware and recognise the contribution that rail makes as a socially and environmentally responsible mode of transport for people and goods.



We select and retain the best staff and create an environment which inspires people. We value individuality and diversity in teamwork, which leads to success.



The underlying stability of our business model gives all parties confidence in the long-term sustainability of the business.

> OUR VALUES



RESPECT



TRUST



INTEGRITY



PASSION



DIVERSITY

OUR APPROACH TO SUSTAINABILITY

Based on 4 pillars



TAILORMADE

Every company is unique and therefore there is no one-size-fits-all approach to achieving sustainability.



FOCUSED

We understand environmental and social issues as business issues.



HOLISTIC

As a result, we have made environmental, health and safety, quality, social and governance core issues and defined a holistic approach to sustainability with the House of Sustainability.



CONTINUOUSLY IMPROVING

Our vision is to continuously improve our commitment to sustainability and to be recognized for "doing the right thing".

HOUSE OF SUSTAINABILITY

A solid foundation

We believe that constantly improving our engagement in sustainability issues leads to long term value accretion - and creates a symmetry between financial goals and social responsibility.

At the Alpha Trains Group, the term "Sustainability" covers:



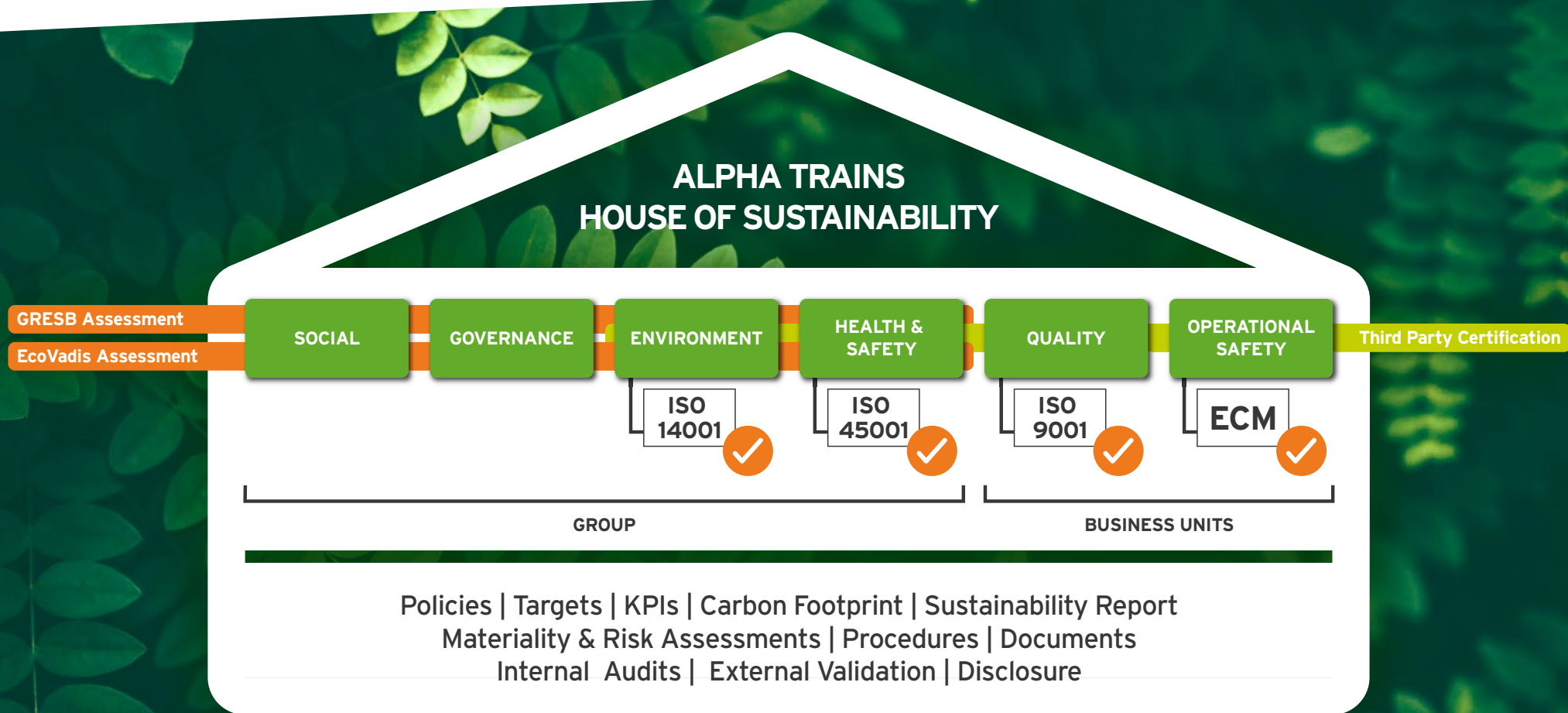
We have adopted a holistic approach - branded as the "House of Sustainability", which we are constantly developing.

As you can see below, the different components are individually part of a coherent plan with now two main strands: the annual GRESB and EcoVadis assessments and the ISO 9001, ISO 14001, ISO 45001 and ECM third-party certifications.

With the recent ISO 9001, ISO 14001 and ISO 45001 certifications and the Entity

in Charge of Maintenance ("ECM") certifications in both, our Locomotive and Passenger division, we have achieved all the third-party certifications prescribed in our "House of Sustainability".

We are extremely proud of our results in the assessments and the successful external audits and the resulting recertifications, which underline our commitment to sustainability as part of our culture and our daily work.



ISO14001 - Environmental Management Standard
ISO 45001 - Occupational Health & Safety Standard

ISO 9001 - Quality Management Standard
ECM - EU Regulation 445/2011 (Entity in charge of maintenance)



LEADERSHIP

Responsibility & continuous improvement

ESG OVERSIGHT

Leadership and oversight on ESG issues starts with our CEO and is shared throughout the company. To ensure this and to manage climate-related strategies, risks and opportunities appropriately, Alpha Trains has robust governance structures and processes in place.

Board-level accountability is held by Shaun M. Mills, the Chief Executive Officer. Alpha Trains business leaders shape and deliver ESG strategies relevant to their segments and functions. Carsten Schnurpfeil, the Sustainability Manager, unifies these strategies, defines the sustainability agenda and is responsible for the day-to-day management of ESG issues across our business. The Sustainability Manager reports directly to our CEO and regularly updates the Alpha Trains leadership team on our ESG agenda and progress.

Board committees are also responsible for overseeing specific ESG issues. For example, the Audit Committee has oversight of our ethics and compliance programme and cyber and information security, or the Remuneration Committee has oversight of our people management strategies, including culture, diversity and inclusion strategies, programmes and initiatives.

Any ESG-related misconduct, sanctions, incidents or accidents are reported to the CEO or a member of the Executive Team within 24 hours of the incident.

All ESG issues are also discussed with our shareholders during our regular Board meetings. Details of any ESG incidents are reported and resulting action plans agreed.

POLICIES

Orientation & framework

Alpha Trains has developed a broad set of policies that are aligned with the legal requirements and standards such as the ISO 9001, ISO 14001 and ISO 45001.

Policies are important to help set the direction and establish standards of conduct within an organization. We create policies that offer a “light touch”, are easy to understand and in so doing are more effective. They are not overburdensome but are vital in several key areas as captioned alongside.

Every year we review our policies to ensure they are appropriate and up to date. This year we have updated our ESG policy.

All policies are communicated throughout the organization and are also available to interested parties, as appropriate.

The three most important policies in sustainability are:



A photograph of three children running along a dirt path in a sunlit forest. The sun is low in the sky, creating a warm, golden glow and long shadows. The children are in the foreground and middle ground, running away from the camera. The path is surrounded by lush green grass and trees.

SUSTAINABILITY TARGETS

Our goals for a greener future

Managing our environmental impact is an important focus of our work. We are committed to reducing our absolute energy consumption, CO₂ emissions and switching to clean energy.

Therefore, we have defined several targets in the areas of environment, safety, employees and society. Through these targets, sustainable development at Alpha Trains is visible and transparent.



ENVIRONMENT

- ISO 14001 Re-Certification
- Reduced Carbon Footprint by
 - Minimizing paper and electrical energy consumption
 - Switching to 100% renewable energy in all offices by 2020
 - Reducing the per head waste volume and relative water consumption in our office
 - Reducing the per head CO₂ emissions of our vehicle fleet



HEALTH & SAFETY

- ISO 45001 Re-Certification
- Keeping the work-related accident rate at zero
- Keeping the traffic accident rate at zero



SOCIAL RESPONSIBILITY

- Alpha Trains is committed to equal opportunities for careers in the business. We are committed to promoting and developing people in a meritocracy-based system
- Alpha Trains is committed to expand its social responsibility for the community. For this we are planning to initiate social projects every year in our regional communities



GOVERNANCE

- Implementing and constantly improving effective controls to keep the number of breaches, defaults and failures as low as possible



MATERIALITY ASSESSMENT

Expectations and needs

We have determined the relevant external and internal issues that affect our ability to achieve the intended outcome of our sustainability efforts. We have considered the full business environment, the key drivers and trends having an impact on the objectives of the organization and the relationship and values of external stakeholders in our context analysis.

We have identified “Interested Parties” and their needs and expectations regarding sustainability.

Appropriate actions to meet these expectations also influence our integrated management system, processes and guidelines.

Sustainability aspects - Materiality Assessment

Alpha Trains Group identifies its sustainability aspects through a materiality analysis. Materiality is an important concept in our sustainability management. It helps to ensure that Alpha Trains' key economic, environmental, social, governance, health and safety aspects and impacts, as well as the issues most likely to impact the company's stakeholders, are identified and considered in relation to our sustainability. Once identified, aspects and impacts are reviewed annually. They may also be reviewed in the event of significant changes to Alpha Trains Group's activities or services.

In 2020 and 2021, the materiality assessment clearly shows the impact of COVID-19 on the business, the economy and our society. In addition to data protection and IT security, which remain key for us, the issues of resilience to disasters, health and safety for employees, customers, the community and our supply chain, as well as safety standards and working conditions are now coming to the fore and are also rated as highly relevant by us.

Materiality Matrix



Example for the Alpha Trains Group
Materiality Assessment

RISK MANAGEMENT

Structured risk prevention

Alpha Trains provides a strategic, structured risk management system that tracks the identification and assessment of material risks and manages and monitors the implementation of appropriate mitigating actions.

ALPHA TRAINS GROUP RISK MANAGEMENT SYSTEM (RMS)

AIM

Identifying, evaluating, reporting, mitigation and monitoring all of the key risks

BACKGROUND

The risk management system is an important part of our "Good Corporate Governance" and seen as a valuable, complementary component of day-to-day business

RESPONSIBILITIES

Overall:
Division Passenger / Division Locomotives:
Sustainability:

CEO
Managing Directors
Sustainability Manager



Alpha Trains Risk Management Process:

The risk management process is a permanent process consisting of the following steps:



1. Risk Identification

Recording of all risks in Alpha Trains Group and its divisions at all levels with the aim of fully recording and documenting the risks (in the respective risk matrix) and being able to take measures and mitigation actions at an early stage.

Headquarters:

- Exogenous / Other
- Funding / Treasury
- Finance / Tax / IT / Staff / HR
- Sustainability with ESG and Health & Safety

Division Passenger / Division Locomotives:

- Exogenous / Other
- Competition / Competitiveness
- Assets incl. Operational safety
- Commercial / Business



2. Determination of gross risk

(without risk reduction / reduction measures)

The gross risk is determined by using the factors probability of occurrence and impact.



3. Risk management / determination of measures

Basically, four options are possible:

- Risk avoidance
- Risk reduction
- Risk transfer
- Risk acceptance



4. Determination of net risk

(after risk reduction / mitigation measures)

The net risk is the gross risk mathematically determined by the factor's probability of occurrence and impact but after reflecting mitigation factors to reduce the gross risk.



5. Risk-Reporting

The risk registers are updated every six months and presented to the main Board.





CERTIFICATES

Alpha Trains meets the highest standards

The Alpha Trains Group and its divisions maintain sophisticated management systems for its offices in Luxembourg, Cologne, Antwerp, Madrid, Paris and Warsaw, which are based on legal requirements as well as standards such as **ISO 9001** (Quality management), **ISO 14001** (Environ-

mental management), **ISO 45001** (Occupational health and safety) or also the **Regulation (EU) No. 445/2011** (Entity in charge of maintenance) and are regularly audited by external accreditation bodies such as TÜV Rheinland, ERC or Sconrail.



Zertifikat

Prüfungsnorm: **ISO 9001:2015**
Zertifikat-Registrier-Nr.: **01 100 1700796**

Unternehmen: **Alpha Trains Europe GmbH**
Cäcilienstr. 30
50667 Köln
Deutschland

Geltungsbereich: Beschaffung, Vermietung und Flotten-Management von Schienenfahrzeugen im Bereich Passagier

Durch ein Audit wurde der Nachweis erbracht, dass die Forderungen der ISO 9001:2015 erfüllt sind.

Gültigkeit: Dieses Zertifikat ist gültig vom 14.06.2021 bis 13.06.2024, Einzelüberprüfung 2017

28.04.2021

TÜV Rheinland Cert GmbH
Am Grauen Stein 51105 Köln

www.tuv.com IAF DAKKS TÜV Rheinland®
Genau. Richtig.

Zertifikat

Prüfungsnorm: **ISO 14001:2015**
Zertifikat-Registrier-Nr.: **01 104 1900566**

Unternehmen: **ALPHA TRAINS**
Alpha Trains Group S.à r.l.
48 rue de Bragançe
L-1255 Luxembourg
Luxemburg
mit den Standorten gemäß Anlage

Geltungsbereich: Beschaffung, Vermietung und Flottenmanagement von Schienenfahrzeugen

Durch ein Audit wurde der Nachweis erbracht, dass die Forderungen der ISO 14001:2015 erfüllt sind.

Gültigkeit: Dieses Zertifikat ist gültig vom 13.02.2020 bis 12.02.2023.

14.02.2020

TÜV Rheinland Cert GmbH
Am Grauen Stein 51105 Köln

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Zertifikat

Prüfungsnorm: **ISO 45001:2018**
Zertifikat-Registrier-Nr.: **01 113 1900566**

Unternehmen: **ALPHA TRAINS**
Alpha Trains Group S.à r.l.
48 rue de Bragançe
L-1255 Luxembourg
Luxemburg
mit den Standorten gemäß Anlage

Geltungsbereich: Beschaffung, Vermietung und Flottenmanagement von Schienenfahrzeugen

Durch ein Audit wurde der Nachweis erbracht, dass die Forderungen der ISO 45001:2018 erfüllt sind.

Gültigkeit: Dieses Zertifikat ist gültig vom 13.02.2020 bis 12.02.2023.

14.02.2020

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ZERTIFIKAT für die INSTANDHALTUNG VERANTWORTLICHE STELLE (ECM)

zum Nachweis der Zulassung des Instandhaltungssystems innerhalb der Europäischen Union und den Signalstellen in Übereinstimmung mit der DURCHFÜHRUNGSVERORDNUNG (EU) 2019/779 DER KOMMISSION vom 16. Mai 2019 mit Durchführungsbestimmungen für den System zur Zertifizierung von für die Instandhaltung von Fahrzeugen zuständigen Stellen gemäß der Richtlinie (EU) 2016/798 des Europäischen Parlaments und des Rates und zur Aufhebung der Verordnung (EU) Nr. 445/2011 der Kommission

ZERTIFIKATIONSNUMMER (EIN) CH20102207334

ZERTIFIZIERTE FÜR DIE INSTANDHALTUNG VERANTWORTLICHE STELLE
Rechtliche Bezeichnung: Alpha Trains Europe GmbH | Rechtsform: ATDE
Cäcilienstraße 30 | 506667 Köln
Nationale Registrierungsnummer: HRB 51975 | UID-Nr.: DE227434488

ZERTIFIZIERUNGSSTELLE
Organisation: SCORRAIL AG, Zürcherstrasse 41, 8400 Winterthur
Land: Schweiz | EIN-Nummer: CH30102201001

ANGABEN ZUM ZERTIFIKAT
- neues Zertifikat EU Identifikationsnummer (EIN) des vorherigen Zertifikats:
Dies ist ein - erneuertes Zertifikat - aktualisiertes/verändertes Zertifikat
Gültig vom: 12.11.2020 bis: 11.11.2025
Art des Unternehmens: (Sonderverkehrsunternehmen, Eisenbahnverkehrsunternehmen, Seefahrt/Seilbahnunternehmen, Straßenbahnverkehrsunternehmen, Trolleybus- und Straßenbahnunternehmen) | ECM- und Inhaber: ECM- und Inhaber
Eisenbahnverkehrsunternehmen: Eisenbahnverkehrsunternehmen Eisenbahnverkehrsunternehmen Eisenbahnverkehrsunternehmen Eisenbahnverkehrsunternehmen

UMFANG DER ECM TÄTIGKEITEN
Zustimmung, Vorbereitung, Festlegung anderer wesentlicher Tätigkeiten, ... - Weiterentwicklung der Instandhaltung, Instandhaltung, Instandhaltung und Instandhaltung
Umfang: Wagen (speziell für den Transport gefährlicher Güter): Nein Ja
Verfahren- und wesentliche Tätigkeiten eines Instandhalters: Ja Nein

ZUSÄTZLICHE INFORMATIONEN
Dieses Zertifikat wurde nach den Übergangsregeln der "SIA 1172001 V 2.0" ausgestellt.

Ausstellungsdatum: 12.11.2020
Interne Referenznummer: | Unterschrift: Digital unterschrieben von: Johannes Raubold
SRL45.01/ECM-7334 | www.tuv.com | J. Raubold

Certificate of Conformity of Entity in Charge of Maintenance

confirming acceptance of the maintenance system of an entity in charge of maintenance (ECM) within the European Union in conformity with Directive (EU) 2019/779 of the European Parliament and of the Council and Commission Implementing Regulation (EU) 2019/779

1. EIN EIN AT102209368

2. CERTIFIED ENTITY IN CHARGE OF MAINTENANCE (ECM)
Legal Title: Alpha Trains Belgium NV
Commercial designation or acronym (optional): Alpha Trains
Complete postal address: Leen Stuyvenbaert 15A, 2000 Antwerp, Belgium
Registration business number: 0477.136.268 RPR Antwerp | VAT No. LU 221.268.49

3. CERTIFICATION BODY
Legal Title: ERC GmbH (acronym: ERC)
Complete postal address: Brückenkopfpassage 1/16, 8020 Graz, Austria
VAT No. ATU 4672200 | Reg. bus. number: FN 342684 Y | Certification body reference number: PSE050_EIN AT10022010001

4. CERTIFICATION INFORMATION
This is a - new certificate - renewed certificate - updated/revised certificate
Validity from: 21.09.2020 to: 28.09.2024
Type of company: Einzel Konzern

5. SCOPE OF ECM ACTIVITIES
Category of vehicles: Locomotives (Diesel, Electrical) Multiple units (Electrical) No
Covers wagon specialisation in transport of dangerous goods: No Yes

6. ADDITIONAL INFORMATION
This certificate was issued under the transitional arrangements of the Certification Rule "SIA 1172001 V 2.0".
Identification Number of the previous certificate: Z201910119
Based upon the certification committee decision by ERC.
Details can be found in the audit report.
Date issued: 21.09.2020

Internal reference number: | ERC GmbH
ERN AT1015220365 | Brückenkopfpassage 1/16, A-8020 Graz
A-8020 Graz | T: +43 316 722200, F: +43 316 722204
Fabian Schmal, PHD | www.e-r-c.at

With these management systems and certificates, the management fulfils its organisational and supervisory duties and underlines its strong commitment to quality, environment and safety.

Especially in the rail vehicle sector, where safety plays an important role, the quality of vehicles and services must be high. Processes must be intelligently linked, procedures transparent and technical documentation up to date. To achieve this, it is important that e.g., workshops and suppliers work closely together -

this is also an important aspect of management. Alpha Trains has been promoting this exchange for many years through operator workshops and workshop audits.

The verification and confirmation of our measures by independent bodies is an important element in the sustainability process and creates a uniform and transparent system, especially with the growing number of employees and suppliers.

GRESB

Alpha Trains again awarded GRESB 5 Star rating in 2021

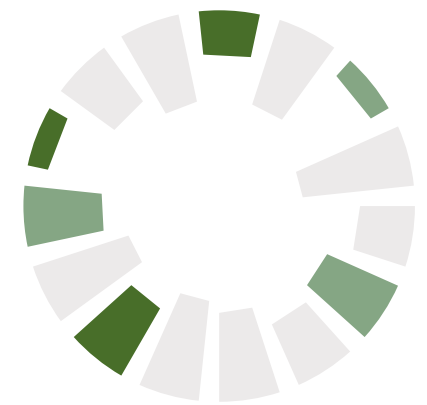
Alpha Trains demonstrates its continuing commitment to ESG transparency and improved performance by participating in the 2021 Infrastructure Assessment and achieves its highest ever overall score.

Alpha Trains achieved excellent results in the GRESB Benchmark

- Alpha Trains awarded with GRESB 5 Star Rating for the 5th time
- Scores increase by another 4 points to 96/100 points

Alpha Trains has been participating in the benchmark since 2017. For its commitment to sustainability, Alpha Trains has been awarded with a GRESB 5 Star Rating for the fifth time in a row. This is the highest GRESB Rating and recognition as an industry leader.

In the growing number of worldwide participants of 549 we reached the overall 15th position and with that belongs to the top 3% sustainable investments. In 2020, Alpha Trains ranked 20th of 406 participants.



G R E S B
★ ★ ★ ★ ★ 2021

“2020/2021 were challenging years. The COVID 19 pandemic forced us to quickly adapt to changing conditions and deal with increased uncertainty. Our business model has proven to be extremely resilient. A key focus has been to fulfil our social responsibility and ensure the safety of our employees and business partners by creating a healthy and safe working environment. At the same time, we have expanded our sustainability programme, made significant progress in sustainability and set ourselves new, ambitious goals. That's why our once again improved GRESB result this year is especially valuable and an excellent endorsement of our commitment to sustainability at Alpha Trains.”

Shaun M. Mills,
Alpha Trains CEO

The 2021 real estate benchmark covers more than 1,500 property companies, real estate investment trusts (REITs), funds, and developers. GRESBs coverage for infrastructure includes more than 700 infrastructure funds and assets.

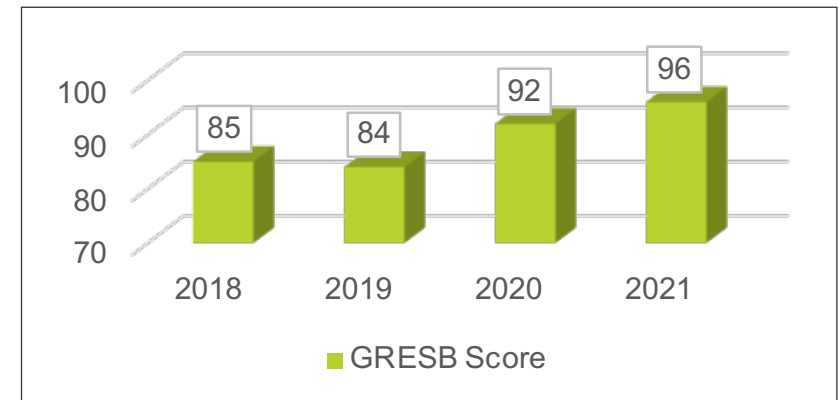
Each year, GRESB assesses and benchmarks the ESG performance of assets worldwide, providing clarity and insights to financial markets on complex sustainability topics.

GRESB data is used by hundreds of capital providers and thousands of asset managers to benchmark investments across portfolios and to better understand the opportunities, risks and choices that need to be made as the industry transitions to a more sustainable future.

About GRESB

GRESB is a mission-driven and industry-led organization providing standardized and validated Environmental, Social and Governance (ESG) data to financial markets. Established in 2009, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world, used by 140 institutional and financial investors to inform decision-making.

Alpha Trains' GRESB Score



“Improving our GRESB rating by 4 points to 96 out of 100 is again a great step forward. This success shows that we are right on track and motivates us to continue on this path.”

Carsten Schnurpfeil,
Sustainability Manager at Alpha Trains Group.

Alpha Trains achieves
64/100 points
and a **90th** percentile

ECOVADIS

Business Sustainability Ratings

In recognition of its sustainability performance, Alpha Trains 2020 was awarded a silver medal and achieved a rank in the 90th percentile rank*. This means that it is higher than the score of 90 percent of all companies assessed by EcoVadis, placing Alpha Trains in the top ten percent of the industry.



* The percentile rank shows how a company performs in comparison to the results of other companies. For example, if a company ranks at the 43rd percentile, it means that it is higher than the score of 43 per cent of all companies assessed by EcoVadis.



ecovadis

As an independent international platform for sustainability ratings, EcoVadis analyses and evaluates the performance of companies in the **key areas of sustainability and corporate social responsibility (CSR)**.

Specifically, EcoVadis examines how responsibly companies act in the areas of environment, labour and human rights, ethics and sustainable procurement.

The method is based on international sustainability standards and combines, among others, the requirements of the Global Reporting Initiative, the United Nations Global Compact and ISO 26000, a guideline on social responsibility, in a comprehensive survey.

More than 60,000 companies worldwide work with EcoVadis and have their value chain examined by the assessment service or share the result with their stakeholders.

Thanks to industry-specific benchmarks, the EcoVadis rating enables companies to compare themselves with other industry participants and competitors, reduce their own risks and improve their CSR results.

Customers and partners can use the rating to transparently understand how far a company has progressed in terms of sustainability. In addition, the EcoVadis scorecard helps procurement managers to check the key figures on a company's individual environmental and CSR behaviour, which are increasingly required in tenders, for example.



TCFD

Resilience and stability

The **Task Force on Climate-related Financial Disclosures (TCFD)** was created with the aim of increasing the clarity, relevance and usefulness of climate-related information in corporate disclosures.

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

With clear insight into how companies deal with the identification, assessment and management of climate-related risks and opportunities, investors are better able to allocate their capital responsibly.

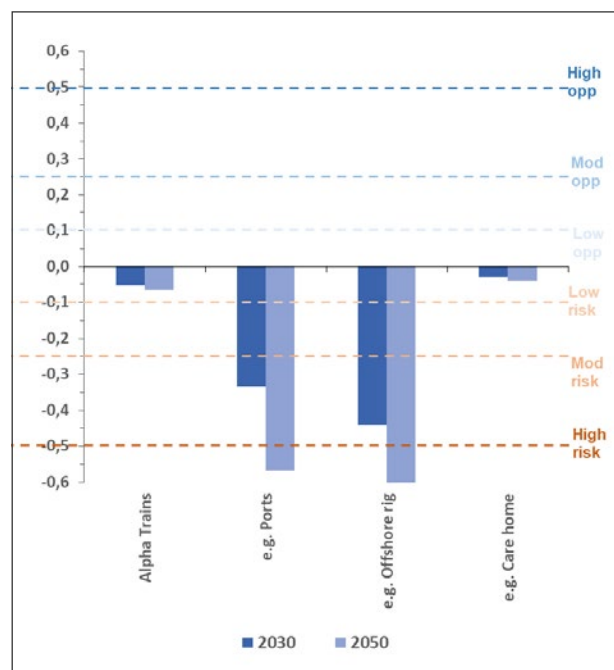
The TCFD organises climate-related information in a corporate context into four pillars:

- Governance
- Risk Management
- Strategy
- Metrics and Targets

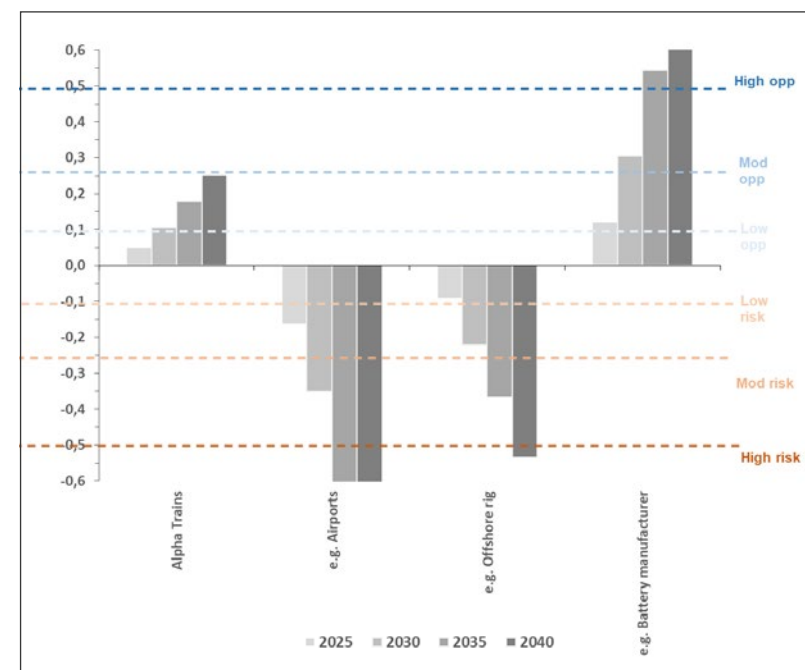
As climate-related risks (both transitional and physical) are increasingly recognised as material factors for consideration in financial decision-making and planning, global standard setters, financial institutions and even regulators are looking more to the TCFD as the basis for climate-related reporting. While the original implementation of TCFD recommendations was voluntary, plans for mandatory TCFD reporting are becoming more common. Alpha Trains supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the results of a 1st TCFD analysis are available for our company.

As a result, the analysis concludes that Alpha Trains' average physical climate risk is low compared to other companies in the infrastructure sector and that the transition to a low-carbon economy is an opportunity, not a risk, which is in line with our business strategy to support the transition to a low-carbon, resilient economy.

Alpha Trains Physical Scores



Alpha Trains Transition Risk



The scenario analysis has given us a clearer understanding of the impact of climate change on our business and has not identified any significant risks to our business model. In future, Alpha Trains will deepen its analysis and disclosure of climate change risks and mitigation in line with the recommendations of the TCFD.

UN GLOBAL COMPACT

The world's largest corporate sustainability initiative

“ Signing the UN Global Compact (UNGC) was the next important step for Alpha Trains to firmly embed sustainability within the business.”

*Shaun M. Mills,
Alpha Trains CEO*

The UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders to create the world we want.

Alpha Trains supports the goals of the United Nations Global Compact (“UNGC”) and formally became a signatory in November 2021.

Alpha Trains thus aligns itself with the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption and reaffirms its commitment to contribute to the implementation of the Sustainable Development Goals.



We are committed to integrating the UN Global Compact and its principles into our company's strategy, culture and day-to-day operations. From next year on our annual sustainability report also serves as our "Communication on Progress" report.

The ten principles of the UN Global Compact



HUMAN RIGHTS

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Make sure that they are not complicit in human rights abuses.



LABOUR

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

The elimination of all forms of forced and compulsory labour.

Principle 5:

The effective abolition of child labour.

Principle 6:

The elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Undertake initiatives to promote greater environmental responsibility.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

SUSTAINABLE DEVELOPMENT GOALS

Alpha Trains SDGs focus

At the United Nations (UN) Sustainable Development Summit in 2015, world leaders adopted the 17 Sustainable Development Goals (SDGs).

These global goals aim to address inequalities and challenges all across the planet whilst aiding development and protecting the environment. Meeting the target date of 2030 will require the work and co-operation of all these governments and the UN along with businesses and members of the public.



Alpha Trains focuses its sustainable efforts principally on the following Sustainable Development Goals:

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all and investing in and increasing energy efficiency and the proportion renewable energy contributes to the global energy supply.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth (endeavouring to decouple growth and environmental degradation), full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Promote infrastructure and inclusive industrialisation that is reliable, resilient, affordable and sustainable with equitable access for all.

11 SUSTAINABLE CITIES AND COMMUNITIES



Increase the number of cities and human settlements, improving the sustainability, inclusivity, resource efficiency and resilience to extreme events and ensuring adequate, affordable and safe housing and services, transport for all.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable management, consumption and production regarding use of natural resources, halving global per capita food waste and encouraging companies and the public to adopt sustainable practices and procurement to reduce, recycle and reuse waste.

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts, increasing every country's resilience and ability to adapt to climate change, improving education and awareness and implementing national measures against climate change and the commitments made to the UN FCCC in assisting developing countries mitigate and adapt.

The background of the page is a close-up photograph of vibrant green leaves, likely from a plant like a laurel or similar, with clear vein patterns. The leaves are densely packed and fill the entire frame, creating a natural and fresh aesthetic. The lighting is bright, highlighting the texture and color of the foliage.

EU GREEN DEAL

EU Taxonomy and EU Green Bond Standard taking shape

To meet the EU's 2030 climate and energy targets and to realise the objectives of the European Green Deal, it is essential to channel investments into sustainable projects and activities.

The current COVID 19 pandemic has also clearly demonstrated the need to channel capital flows into sustainable projects to make economies, businesses and societies, especially health systems, more resilient to climate and environmental shocks and risks.

To achieve this, there is a need for a common language and a clear definition of what is “sustainable” and what cannot be considered sustainable. For this reason, the Action Plan on Financing Sustainable Growth called for the creation of a common classification system for sustainable economic activities, an “EU taxonomy”.

This **EU taxonomy** is an important basis for scaling up sustainable investment and implementing the European Green Deal. By providing businesses, investors and policymakers with appropriate definitions of what economic activities can be considered environmentally sustainable, it should provide certainty for investors, protect private investors from greenwashing, help businesses plan for the transition and help direct investment where it is most needed.

In addition, green bonds are playing an increasingly important role in financing assets needed for the low-carbon transition.

Therefore, the European Green Deal has also underlined the need to better channel finance and capital flows into green investments. The European Green Deal Investment Plan of 14 January 2020 announced that the Commission will introduce an **EU Green Bond Standard** (EUGBS).

The proposed regulation will set a gold standard for how companies and public authorities can use green bonds to raise funds on capital markets to finance ambitious large-scale investments while meeting strict sustainability requirements and protecting investors.

This will benefit both issuers and investors of green bonds. For example, issuers will have a solid tool to demonstrate that they are financing legitimate green projects in line with EU taxonomy. And investors buying the bonds will be able to evaluate, compare and trust that their investments are sustainable, making it easier to reduce the risks of greenwashing.

We support these initiatives and follow with great interest the further development of the EU taxonomy and green bond standards.

We are excited about the incredible potential that modal shift plays as a lever to reduce the overall environmental impact of transport as well as an opportunity for sustainable economic growth in the EU and therefore aim for an **early adoption of the EU taxonomy** in our business.

GREEN FINANCING

Alpha Trains - Pioneers in Green Financing

Alpha Trains' pioneering Green Financing initiatives, dating back to 2016 and crowned with a Green Bond Award, align to contribute to a healthier environment and better mobility of people and goods in Continental Europe by promoting modal shift in the passenger and freight transport sector.

As part of its sustainability and financing strategy, Alpha Trains went a step further in green finance and issued a Green Finance Framework to substitute its 2016 Green Bond Framework.





FIRST PUBLIC GREEN FINANCE FRAMEWORK IN THE SECTOR

The Green Finance Framework applies to any green financing issued or used by Alpha Trains based on a portfolio approach.

Since October 2019, it applies to and includes the:

- €250M inaugural green notes issuance in December 2016
- €200M green notes issuance in October 2019
- €140M green loan obtained in October 2019

The Alpha Trains' Green Finance Framework abides by the:

- Green Bond Principles of the International Capital Markets Association
- Green Loan Principles of the Loan Market Association

Alpha Trains intends to update its framework to be aligned with the EU Green Finance Standard and the EU taxonomy for Sustainable Finance during its next green financing occasion.

The net proceeds from green financings will be used by Alpha Trains to finance and/or refinance, in whole or in part, existing and/or new "Eligible Green Assets".



ELIGIBLE GREEN ASSET CATEGORIES

As Eligible Green Assets, Alpha Trains has selected the following asset categories in conformance with the "Eligibility Criteria" as defined in Alpha Trains' Green Finance Framework:

- electric passenger trains
- electric locomotives (freight and passenger transport)
- select energy efficient diesel locomotives which meet the $gCO_2/tonne\text{-km}$ thresholds of the International Energy Agency (IEA)

Locomotives (electric or diesel) which are employed in fossil fuel transport are not treated as Eligible Green Assets.



GREEN FINANCE COMMITTEE

Alpha Trains has also established a Green Finance Committee in 2020 which meets twice a year and monitors the pre-defined green asset portfolio to ensure that net book value of the green asset portfolio always exceeds the outstanding principal of all green financings added together.



ALLOCATION REPORTING

The €250M inaugural green notes issuance in December 2016 was fully allocated to the purchase of Eligible Green Assets.

The €200M raised in the 2019 Green Private Placement were partially allocated to refinance existing debt, related to Eligible Green Assets, as well as to finance the purchase of Eligible Green Assets.

As of 31 December 2020, the €140M Green Loan was drawn in an amount of €59.1M to make stage payments for new-build Eligible Green Assets (Identified Green Projects) and €80.9M thereof remained undrawn.

As of 30 June 2021, the Green Portfolio and its composition by Eligible Green Asset categories was as follows:

30 June 21			
Asset Type		Qty	NBV €M
Eligible Operational Assets	Locomotive Diesel	39	91.9
	Locomotive Electric Pax	32	80.7
	Locomotive Electric Freight	151	321.2
	Passenger Electric	239	1,026.0
Eligible Assets under Construction (WIP)	Locomotive	35	51.9
	Passenger	18	33.1
Total Green Portfolio		514	1,604.8

30 June 21		
Tranches		€M
Senior Bank Term Loan	ACF A Green Loan (Cedar)	77.1
	Green Notes (LS)	115.0
Senior Institutional Facilities	Green Notes (LS)	135.0
	Green Notes (Cedar)	200.0
Total Green Financing		527.1
Portfolio/financing ratio		3.0x



CHANGES TO GREEN PORTFOLIO BETWEEN 31/12/2020 AND 30/06/2021

The €250M inaugural green notes issuance in December 2016 was fully allocated to the purchase of Eligible Green Assets.

The €200M raised in the 2019 Green Private Placement were partially allocated to refinance existing debt, related to Eligible Green Assets, as well as to finance the purchase of Eligible Green Assets.

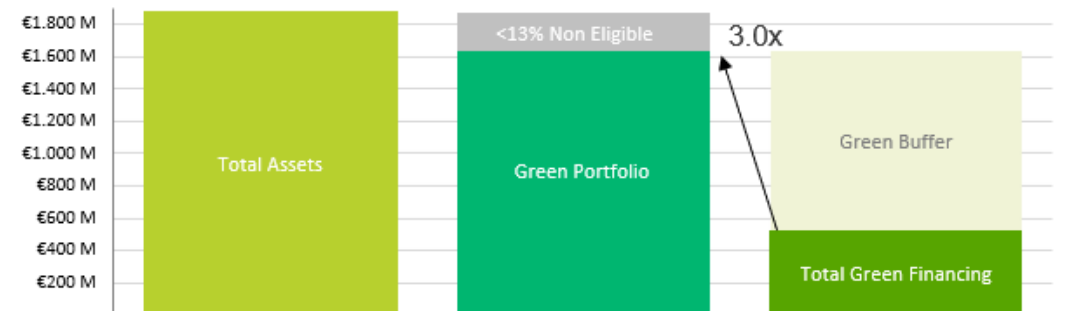
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As of 30 June 2021, the Green Portfolio and its composition by Eligible Green Asset categories was as follows:

Asset Type	30 Jun 21		31 Dec 20		
	Qty	NBV €M	Qty	NBV €M	
Eligible Operational Assets	Locomotive Diesel	39	91.9	30	56.3
	Locomotive Electric Pax	32	80.7	32	83.0
	Locomotive Electric Freight	151	321.2	142	308.4
	Passenger Electric	239	1,026.0	239	1,064.5
Eligible Assets under Construction (WIP)	Locomotive	35	51.9	34	61.6
	Passenger	18	33.1	18	8.1
Total Green Portfolio	514	1,604.8	495	1,581.9	



GREEN FINANCING THREE TIMES COVERED BY GREEN PORTFOLIO





IMPACT REPORTING - CARBON SAVINGS

Given the nature of its business model, Alpha Trains currently only has direct access to the annual kilometre data of its assets. Exact freight and passenger transport data is proprietary information of Alpha Trains' customers and - in passenger transport - the public transport authorities.

Therefore, in its annual environmental impact reporting relating to its Eligible Green Assets, Alpha Trains focuses - on a best effort and portfolio approach basis - on the following impact metric:

- Prospective annual carbon dioxide equivalents (e.g. carbon dioxide, methane and nitrous oxide) emission reduction by asset employment category using Alpha Trains' Eligible Assets instead of comparable road vehicles:

a) Eligible electric passenger trains and electric locomotives in passenger transport (tonnes of carbon dioxide equivalents).

The annual carbon dioxide equivalents emissions of assets employed in passenger transport are calculated based on:

- actual annual passenger km and seat capacity per train¹
- publicly available information on average load factor of regional trains¹
- publicly available information on average passenger train emissions of carbon dioxide equivalents (well-to-wheel as per the German energy mix and on a passenger-km basis)²
- publicly available information on average car emissions of carbon dioxide equivalents (well-to-wheel and on a passenger-km basis)²

b) Eligible electric and diesel locomotives in freight transport (tonnes of carbon dioxide equivalents).

The annual carbon dioxide equivalents emissions of assets employed in freight transport are calculated based on:

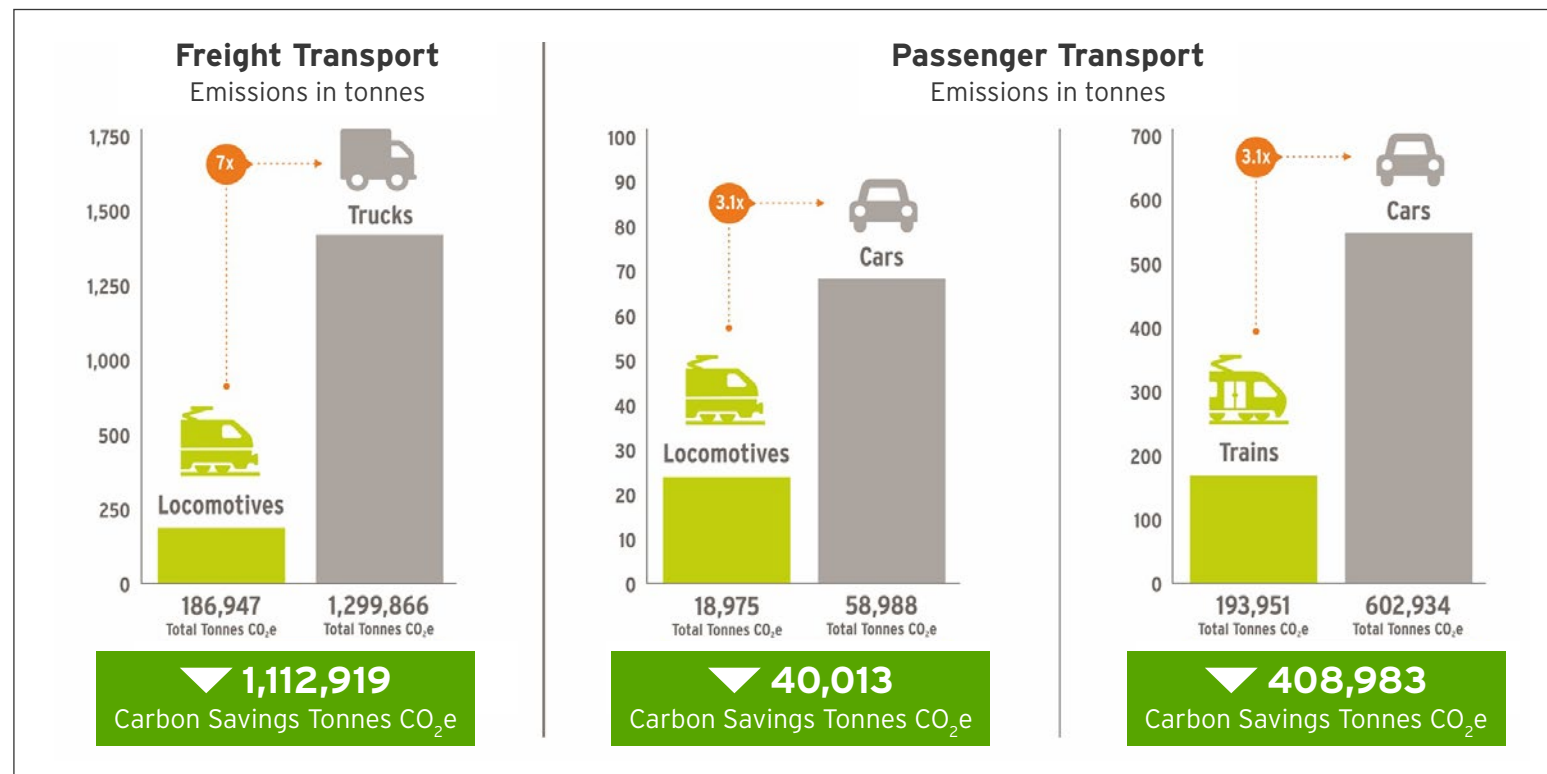
- actual annual freight transport km³
- estimated average load in tonnes³
- publicly available information on average locomotive emissions of carbon dioxide equivalents (well-to-wheel as per the German energy mix (electric) or diesel consumption (diesel) on a tonne-km basis)⁴
- publicly available information on average truck emissions of carbon dioxide equivalents (well-to-wheel and on a tonne-km basis)⁵

As shown in the following chart, the estimated carbon savings achieved by freight goods transported by Alpha Trains' green portfolio locomotives as opposed to by trucks, were 1,112,919 tonnes of CO₂e in the year 2020.

The estimated carbon savings obtained by people travelling by Alpha Trains' green portfolio trains as opposed to by cars, were 408,983 tonnes of CO₂e (thereof electric locomotives employed in passenger service: 40,013 tonnes of CO₂e and electric passenger trains: 368,970 tonnes of CO₂e).

1. Actual kilometres travelled multiplied by seat capacity and average load factor of 28% (Source: German environmental agency, 11/2020). 2. 46 gCO₂e/Pkm for electric trains/locomotives and 143 gCO₂e/Pkm for cars (Source: German environmental agency, 11/2020). 3. Actual kilometres travelled multiplied by own estimates on average load in tonnes. 4. 17 gCO₂e/tonne-km for electric locomotives and 14 gCO₂e/tonne-km for energy efficient diesel locomotives with assumed average load of 1000 tonnes per km (Source: German environmental agency, 11/2020 and own estimates). 5. 111 gCO₂e/tonne-km, considering an average of truck types (Source: German environmental agency, 11/2020).

Carbon Savings in Tonnes CO₂e in Rail Transport



SHARE OF FINANCING VERSUS REFINANCING WITH CURRENT GREEN FINANCING INSTRUMENTS AS OF 31 DECEMBER 2020

Of the total green financing proceeds since 2016, Alpha Trains used 78% to finance new green assets and 22% to refinance existing debt relating to green assets. See hereafter the corresponding ratios per financing event:

- €250M green notes (2016) - 100% financing
- €200M green notes (2019) - 57% refinancing / 43% financing
- €59M drawn of the €140M green loan (as of 31 Dec 2020) à 100% financing

SUSTAINABLE BONDS

Times Square is green

Since December 2020 Alpha Trains is part of the Nasdaq Sustainable Bond Network, where only green, social and sustainable bonds are showcased: A strong sign of global relevance of and investor interest in the sustainable finance activities of Continental Europe's largest private rolling stock lessor.





SUSTAINABILITY REPORTING

Facts on our sustainability performance

To continuously improve our sustainability performance, we need to be able to measure the environmental, social and governance footprint of our company. Therefore, in addition to the usual financial key figures, we also report on non-financial sustainability indicators.

We have established a reporting framework that we use to standardise our sustainability reporting process.

Alpha Trains' sustainability reporting system is designed to identify, assess, manage, report and monitor all key performance indicators in each of the relevant areas of safety, health, quality, environment, social responsibility and governance.

The reporting system is a value adding tool for the business and a building block for a sustainable and profitable business. The reporting system helps us to meet our duty to provide transparent reports and support our external stakeholders in assessing our sustainability performance.

SELECTING THE INDICATORS

In selecting indicators, we are guided by international recommendations and guidelines, such as those published by the Global Reporting Initiative (GRI), UN Global Compact, or ISO frameworks like ISO 9001, ISO 14001 or ISO 45001.

We systematically select and develop our CR indicators based on a annual materiality analysis of our key business issues.

ACCOUNTING FRAMEWORK

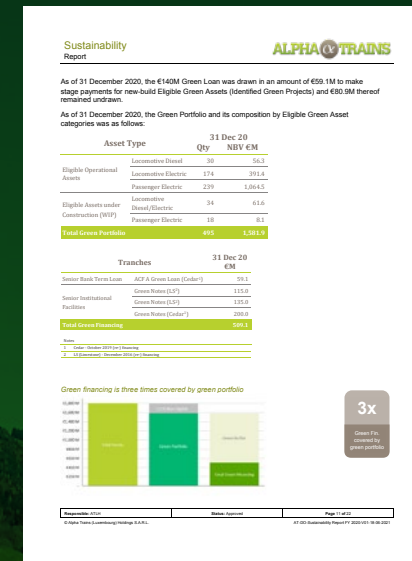
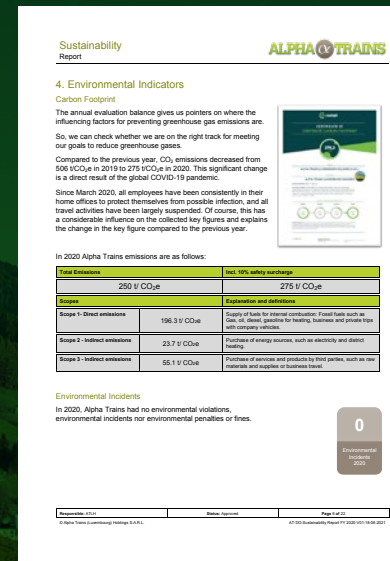
Reflecting our corporate structure, our sustainability indicators are disaggregated from the Alpha Trains Group level into the Divisions: Passenger, Locomotives and HQ (including Finance).

REPORTING PERIOD

All indicators refer to the financial year from January 1 to December 31. For each indicator, there is a defined reporting frequency, which varies from monthly to quarterly, half-yearly or annually.



Examples of Alpha Trains Sustainability Reports

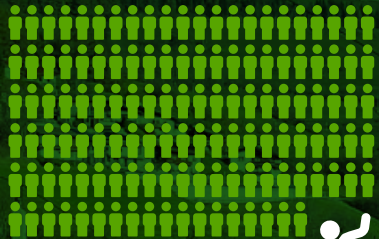




HEALTH & SAFETY KPIs

130

Average Headcount



Only

1

Lost Time Incidents in 2020



67

Number of Business Cars



With only

3

Working Days Lost

vs



26,620

of available Working Days

Car Accident Rate is

0*

* no severe accidents with personal injuries or damages above 5.000 EUR



HEALTH & SAFETY KPIs



CARBON NET
ZERO

Since 2020



G R E S B

★★★★★ 2021

96/100 points



5 ★ ★ ★ ★ ★
STAR RATING

for the 5th time in a row



SILVER MEDAL

CERTIFICATES



ISO 9001

ISO 14001

ISO 45001

ECM

CARBON FOOTPRINT



2,256

kg/CO₂e
per employee

ESG RELATED MISCONDUCT



penalties, incidents
or accidents

CORPORATE CARBON FOOTPRINT

Our path to zero emission

To manage and reduce our organisation's greenhouse gas emissions, we first need to understand what emissions are caused by the organisation's activities.

Quantifying greenhouse gas emissions helps us understand what our main sources of emissions are, how our organisation contributes to global emissions and what opportunities we have to reduce our emissions.

We can then set up a GHG reduction plan that identifies ways to reduce our GHG emissions and limit emissions from future activities - and we can measure what progress we have made.

The aim is to identify GHG emissions and their interrelationships within the defined system boundaries, assess their magnitude, evaluate their materiality and prioritise them accordingly. The basis is our ESG corporate policy on climate protection.

The annually updated balance sheet gives us indications of where the influencing factors for avoiding greenhouse gas emissions lie. This allows us to check whether we are on the right track to achieve our greenhouse gas reduction targets.



SCOPE AND REPORTED INDICATORS

The footprint of the Alpha Trains Group, consisting of an organisational footprint to measure greenhouse gas emissions from all activities of the company, including energy consumed in buildings, industrial processes and company vehicles in all subsidiaries under Alpha Trains (Luxembourg) Holdings S.A.R.L. with its offices in Luxembourg, Cologne, Antwerp, Madrid, Paris and Warsaw. The reporting frequency is annual from 01.01. to 31.12.

Alpha Train's Carbon Footprint is externally verified on an annual basis by Carbon Footprint Ltd.

Alpha Trains' scopes and reported indicators in detail

SCOPES	REPORTED INDICATORS
SCOPE 1 - Direct emissions	Supply of fuels for internal combustion: Fossil fuels such as Gas, oil, diesel, gasoline for heating, business, and private trips with company vehicles.
SCOPE 2 - Indirect emissions	Purchase of energy sources, such as electricity and district heating.
SCOPE 3 - Indirect emissions	Purchase of services and products by third parties, such as raw materials and supplies or business travel.

REPORTED INDICATORS	EXPLANATION AND DEFINITIONS
SCOPE 1 - Direct emissions	
Company Cars	Fleet consumption in Litres (L)
Natural Gas	Natural gas consumption in kWh
SCOPE 2 - Indirect emissions	
Electricity	Electricity consumption in kWh
District heating	Consumption in kWh
SCOPE 3 - Indirect emissions	
Flights	Flight distance in km
Rail	Rail travel distance in km
Rental Cars and Taxi	Rental car and taxi consumption in Litres (L)
Paper	Paper consumption in sheets
Waste	Waste in m ³
Water	Drinking water consumption in m ³

ALPHA TRAINS' CARBON FOOTPRINT 2018 - 2020

CARBON FOOTPRINT		
2018	2019	2020
436 t/CO₂e (total emissions)	460 t/CO₂e (total emissions)	250 t/CO₂e (total emissions)
480 t/Co₂e (+10% safety surcharge)	506 t/Co₂e (+10% safety surcharge)	275 t/Co₂e (+10% safety surcharge)
3,964 kg / CO₂e per employee	3,898 kg / CO₂e per employee	2,256 kg / CO₂e per employee

With 3,898 kg/CO₂e per employee in 2019 we have achieved a

**reduction of
66 kg / CO₂e
per employee**

compared to 2018.



Carbon footprint changes significantly under the influence of the COVID19 pandemic.

Since we are a growing business, we consider the per employee indicator most relevant.



CARBON NET ZERO

Investing in green projects

Alpha Trains reduced its CO₂ emissions by investing in modern office buildings, modern IT, reducing travel emissions and using renewable energy to power Alpha Trains' offices.

In addition to the reduction of greenhouse gas emissions, however, the issue of offsetting CO₂ emissions that cannot be avoided or are difficult to avoid is becoming increasingly important, as it actively supports greenhouse gas reduction projects that would not have been created without this income.

Since July 2019 Alpha Trains reaches carbon neutrality, by both reducing and offsetting its carbon emissions. Thus, the company became the first private lessor of locomotives and trains in Continental Europe to announce being carbon neutral which underlines the lessor's strong commitment to sustainability.

By additionally purchasing carbon credits to offset unavoidable carbon emissions, Alpha Trains reached CO₂ neutrality.



Verified Carbon Standard
A VERRA STANDARD

Gold Standard[®]

Climate Security & Sustainable Development

In 2020 Alpha Trains, working with Carbon Footprint Ltd - a leading sustainability consultancy, invested in the "India Wind Power" project which is certified by **Verified Carbon Standard (VCS VCS1523)** and meets the requirements under the Quality Assurance Standard (QAS) for Carbon Offsetting.

In 2021 Alpha Trains invested in the "Aksu Wind Farm Project" which is certified by **Gold Standard (GS 1134)** and meets the requirements under the Quality Assurance Standard (QAS) for Carbon Offsetting.

“ We are very proud to have supported Alpha Trains in achieving this significant milestone. To be the first rolling stock leasing company in Continental Europe to become carbon neutral should be applauded and celebrated by the industry, as well as hopefully being an example to follow.”

Dan Hill-Morriss, Carbon Footprint Ltd.

“ Our efforts to reduce Alpha Trains' carbon footprint reflects the commitment towards becoming a sustainable organization by improving environmental performance and driving long-term, sustainable growth. Protecting the planet for future generations and providing future-oriented mobility solutions are important for Alpha Trains and becoming carbon neutral is a major step forward on our sustainability journey.”

Shaun M. Mills, Alpha Trains CEO



OUR FURTHER COMMITMENT

Energy saving and climate protection

Our goal is to continuously reduce our carbon footprint and thus contribute to reducing global warming and climate change. One concrete measure, for example, was the complete switch to green electricity, which led to a significant reduction in our carbon footprint. In addition, we were able to further optimise our energy consumption through the consistent replacement of inefficient IT equipment.

Resource conservation

In 2020 and 2021, we were able to reduce our paper consumption compared to previous years. Already in 2019, we have started to successively make our publications climate neutral. This applies, for example, to our annual sustainability report. In the construction of our new location in Cologne, we are increasingly relying on environmentally friendly products and materials as well as modern, energy-efficient building technology.

Mobility

We encourage the use of public transport. Employees at the Luxembourg, Cologne and Antwerp sites have the option of using a Job Ticket. In the future, we will support electromobility with e-charging stations for electric cars at our new Cologne office. There will also be a charging station for e-bikes. Our fleet now includes several plug-in hybrid vehicles, which reduce the environmental impact of our fleet.

Sustainable procurement

We give preference to service providers from our region. In the case of comparable offers, we give preference to those who or whose products are certified by sustainability seals. Our service providers guarantee compliance with labour agreements and all legal regulations.

Data protection and compliance

We attach great importance to data protection and compliance with all legal regulations. This is monitored by our compliance and data protection officers.

Security Awareness Training

An end user Security Awareness Training provided by the renowned SANS Institute has been launched and is being provided with the objective of using computer-based training to foster employee engagement, train best-in class security behavior and improve defense against phishing.

Litigation

There were no sanctions nor cost for non-compliance, including settlements and fines.

Bribery, Corruption or Fraud

In 2020 zero cases of external fraud, corruption nor fraud has become known.

Human Rights

In 2020 Alpha Trains had no incidents related to the violation of Human Rights like e.g., Child labor, Discrimination, Forced or compulsory labor, Freedom of association, Gender and diversity, Labor standards/ working conditions.

Employee Grievances

In 2020 Alpha Trains had no employee grievances.



CUSTOMER SATISFACTION

We listen to our customers

The satisfaction of our customers is one of our most important goals. That is why we conduct satisfaction analyses to learn from the results.

Regardless of the satisfaction analysis, complaints and suggestions can be made at any time. We follow up on every concern and request and take it as an incentive to improve further.



Customer survey - Division Passenger

In 2020, the Alpha Trains Passenger division carried out a customer survey using the same Net Promoter Score methodology as the Locomotives division and achieved a response rate of 56%. The outcome was very positive with an NPS Score of 49 (on a scale between -100 and +100). Of all respondents there were 19 promoters and only 2 detractors.

In comparison with competitors (marked with “5”), the Alpha Trains Passenger team was rated with an average score of 7.4.

The very positive outcome of the customer survey underlined Alpha Trains’ approach to work on long-term customer relationships which is key in the very long-term passenger business environment.



Customer survey - Division Locomotives

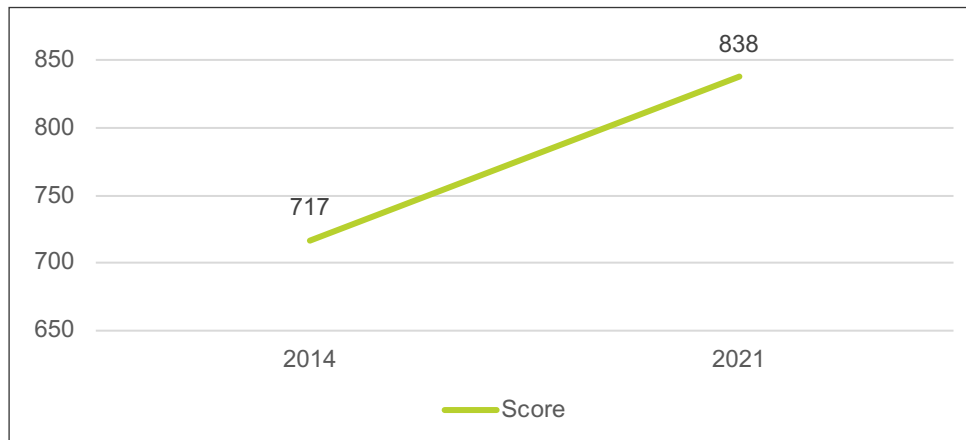
For a second year in a row, Alpha Trains Locomotives conducted a survey among its customers in December 2020. The response rate and customer feedback were excellent. This time, 103 participants from 73 different customers were invited to participate in the survey. 74 participants from 59 customers responded, which represents a 72% response rate of participants, but more importantly 81% of the customers invited. The survey uses the Net Promoting Score mechanism and Alpha Trains Locomotives’ NPS almost doubled, as it increased from 26 in 2019 to 50 in 2020. Of all the respondents, there was only 1 detractor (a reduction of 5 compared to last year) and 35 promoters. The comparison to competitors also increased from an average of 6.85 in 2019 to 7.04 (on a scale of 0 to 10, had competitors been rated 5) in 2020. These magnificent customer survey results underpin the strong customer focus approach that Alpha Trains has in general and applied especially during COVID-19.

EMPLOYEE ENGAGEMENT

We listen to our employees

We conduct an annual employee engagement survey that focuses on management effectiveness, engagement, culture and overall workplace wellbeing.

Employee Engagement Score



Employee feedback, and the results are incorporated into ongoing improvements within the company.





CORPORATE SOCIAL RESPONSIBILITY

Our contribution to local communities

At Alpha Trains we are committed to behaving ethically and contributing to economic development whilst improving the quality of life of our employees and their families, the local community and society at large.



Employee Benefits - Health & Performance & Working Conditions

Working for Alpha Trains

We offer our employees long-term employment prospects with good development opportunities. Most of our employees live in the region where our offices are located. More than 99 % of employment contracts are permanent.

Equal opportunities and diversity

We live a culture of equal opportunities between genders, religious affiliations, nationalities and people with and without physical disabilities. Equal opportunities are an integral part of our work.

In 2021 40 % of our employees are women. The proportion of women in management positions is currently 28 %. Flexible full- and part-time options apply to all employees, as well as remuneration regardless of gender.

Health promotion

We actively promote the health of our employees. This includes individual, preventive health counselling (stress, ergonomics at the workplace), counselling and support for employees with health restrictions and health coaching.

Flu vaccination

All employees can get an annual flu vaccination free of charge at the company's occupational health service, which provides comprehensive protection.

Burnout Prevention Survey

We are aware of the need to monitor emotional, physical, and mental stress amongst our employees. To help them to deal with these issues and to support them, we regularly undertake burnout prevention surveys.

Overall, our results - the social climate scores - are very positive. The following actions and measures have been derived so far:

Improved guidance and examples with regards to ergonomics in the workplace. We make sure that our employees are protected against physical injury by appropriately designing their workplace and to understand what elements and practices can help create a good, working environment such as:

- appropriate positioning of monitors, keyboards
- adjustable chairs
- use of a mouse mat
- use of a monitor filter
- provision of adequate lighting and ventilation
- frequent breaks away from the computer.

A voluntary workshop has been arranged on topics such as sleep hygiene, relaxation techniques, how to detach from the job after work etc.



Training / Professional Development

All employees have equal access to training in a mix of traditional event formats and digital learning. A wide range of professional training, personality-related topics and team development opportunities enables employees to develop further while at the same time keeping up to date.

We invest around € 120,000 per year in vocational and professional training for our employees.



Private Life and Career

We attach great importance to the compatibility of private and professional life. We offer a wide range of options for this, such as variable working hours, customised arrangements for returning to work after maternity leave, parental leave or illness, as well as support for childcare and the development of a career.



Mini-Sabbatical & Unpaid Leave

In addition to a generous amount of days of holiday, we also offer our employees the opportunity to take up to 5 days of unpaid leave.

Employees also can take a “Mini-Sabbatical” for up to maximum of 5 weeks of unpaid leave.



Food & Beverages

We care about our employees and their daily efforts and contributions are truly appreciated. We provide free beverages, snacks, sweets and organic fruit for all our employees. Furthermore we have regular cake days and company lunches, which also embraces social responsibility and fosters connections between our employees.



Bike Leasing

To support our employees’ health and to contribute to climate protection Alpha Trains offers a bike leasing scheme to all permanent employees.



Commuting Allowance

To encourage employees to use the most environmentally friendly and safe method, Alpha Trains offers tram “job tickets” for all German employees. This fast and safe means of transport for example helps to reduce personal stress, avoid traffic jams and solves parking problems. The job ticket subscription is tax-free and is financed by Alpha Trains.



Working from Home

Modern IT systems and the widespread use of the Internet have made it easy to communicate and exchange documents with colleagues or customers. This paves the way for working from home.

Working from home means saving cost and saving time. No nerve-racking traffic jams, subway delays or other incidents. The working day starts much more relaxed and at the end of the day there is more free time.

The elimination of commuting to work also saves costs: having your own car means costs - in terms of purchase and maintenance. Under certain circumstances, employees can also save on bus or train tickets if they work from home.

Alpha Trains offers modern and appropriate arrangements for working from home.



Social Initiatives & Charitable Giving

Promoting community and society

Our moral duty in society is direct linked to our sustainable vision. We want to take responsibility and create sustainable benefits for our local communities and society. In doing so, we supported various social and environmental initiatives with a range of donations in 2020 and 2021.

As a new way of participation, we asked all employees to vote together on which charitable projects we would like to donate to. And so they decided that our donation will go to the following initiatives:

2020

- Cologne - **Kinderkrankenhaus Köln**
Amsterdamer Straße
- Antwerp - **Beyond the moon**
- Luxembourg - **Fondation Autisme**

2021

- Cologne - **flutspenden.de**
- Antwerp - **natuurpunt.be**
- Luxembourg - **natur&ëmwelt**

Charity donations

In addition, we spontaneously decided to donate to the victims of the flood disaster in Germany.

Social engagement

Social engagement and volunteering can lead to better, happier employees and a stronger sense of community within the company. In addition to monetary donations, Alpha Trains also actively encourages and supports our employees' participation in charitable and community-building initiatives. For example, in our Croque Monsieur initiative, our employees make and sell delicious "Croque Monsieures". The donations go to a local charitable foundation each year.



IMPRINT

We warmly invite all stakeholders to provide feedback and comments and welcome your feedback and thoughts:

sustainability@alphatrains.eu

Publisher

Alpha Trains Group S.à r.l.
RCS Luxembourg: B 137.614

48, rue de Bragance
1255 Luxembourg

T: +352 2786 - 3400
F: +352 2786 - 3419

info@alphatrains.eu

Design, concept and production

SONIA MARDANI GESTALTUNG

Friesenwall 130
50672 Cologne

T: +49 160 4456622

post@soniamardani.com



Carsten Schnurpfeil
Sustainability Manager



Heike Zimmermann
Group Head of PR & Marketing

We would like to thank all of our colleagues and partners who have helped us to create this report.

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