

Appendix 2 – System of internal control

Third line of defence	Board of Directors Sets and monitors delivery of Group strategy, sets Group risk appetite, assesses the Group's principal and emerging risks and approves significant matters reserved to it		
	Audit Committee Assists the Board in assessing risk management and reviews the effectiveness of the internal audit function and the external audit process		
	Internal Audit Function Audits the effectiveness of the Company's first and second line internal controls through the independent observation and objective assessment of such controls		
Second line of defence	Group Executive Committee monitors the frameworks, policies and procedures and effectiveness of the functions referred to below		
	Group Risk Management Framework sets the methodology under which Group and its divisions identify, assess, manage and monitor existing and emerging risks	Group Policy Compliance Framework under which corporate policies, such as those on anti-bribery and anti-modern slavery, are created and enforced	
	Group Safety Policies set minimum expectations for safety outcomes, such as speeding and driver risk monitoring	Group Standard Operating Procedures set minimum standards for operations, such as vehicle maintenance and driver rostering	
	Group Whistleblowing Policy by which internal and external stakeholders can raise concerns about wrongdoing	Group Cyber Security Programme and Team set cyber security strategy and control and monitor progress against that strategy and compliance with those controls	Group Environmental Data Reporting Guidelines & Group Sustainability Steering Group help track delivery of environment strategy and ensure the integrity and consistency of environmental data collection and its reporting
	Group Consolidated Financial Reporting & Group Finance Team consolidate and review Group financial results	Group Treasury & Tax Functions centrally manage Group treasury activities and set Group tax strategy and review tax compliance	Group Legal Reporting & Group General Counsel monitor, report and provide legal advice on Group legal risks
First line of defence	Divisional Executive Committees monitor the policies and procedures and the effectiveness of the functions referred to below		
	Divisional Safety, Operational, Cyber and Environmental Policies and/or Procedures which implement Group policies and/or procedures		
	Divisional Risk Registers & Management track divisional risks and develop mitigations	Divisional Budgets & Forecasting set divisional financial expectations and monitor delivery	
	Divisional Finance Teams maintain the financial ledgers and prepare divisional accounts	Divisional Legal Teams provide legal advice and assistance on divisional legal risks	