

## Appendix 2 – System of internal control

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