

## **NATIONAL EXPRESS GROUP - MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2016**

### **INTRODUCTION**

This statement is made pursuant to the Modern Slavery Act 2015. It sets out the steps taken by National Express Group plc and its relevant subsidiaries (together, the “Group”) during their financial year ended 31 December 2016 to ensure, so far as possible, that no modern slavery or human trafficking takes place in any part of their business or supply chains.

### **OUR BUSINESS**

The National Express Group is a leading public transport provider with bus, coach and rail services in the UK, Continental Europe, North Africa, North America and the Middle East.

The Group is organised into 6 divisions: UK Coach (consisting of its UK scheduled coach network, Eurolines, Kings Ferry and the newly acquired Clarkes of London); UK Bus (consisting of its bus operations in the West Midlands, Coventry and Dundee and the Midland Metro Tram); North America Bus (providing student transportation and transit services in 36 US states and 4 Canadian provinces); ALSA (providing coach and bus services in Spain and Morocco); Rail (made up of UK and German Rail); and International (being the Bahrain bus operation which the Group operates jointly with Ahmed Mansoor Al A’Ali through a joint venture). On 10 February 2017 the Group disposed of its UK Rail operation; however this statement includes such operation as it relates to the year ended 31 December 2016.

The Group’s revenue from its continuing businesses for the year ended 31 December 2016 was £2,103.7 million and its normalised operating profit from those businesses for the same period was £219.0 million. During 2016, the Group carried a record 921 million passengers and, as at 31 December 2016, the Group employed over 45,000 people.

For more information about the Group’s businesses, please visit our website at <http://www.nationalexpressgroup.com/about-us/>.

It is the Group’s policy to conduct its business in an ethical manner and with integrity. Accordingly, the Group has a zero tolerance approach to slavery and human trafficking. While the Group has a number of existing policies and practices to uphold this zero tolerance approach, the Group is committed to taking steps to strengthen such approach as detailed below.

### **OUR SUPPLY CHAINS**

The Group procures goods and services from suppliers from around the world, which total several thousand in number and operate from multiple countries and which supply everything from rolling stock, road vehicles, fuel and utilities to uniforms, catering, cleaning and security.

The Group aims to ensure that its suppliers meet high standards with respect to both the conduct of their business and their management of social and ethical issues. To this end, the Group has in place Ethical Sourcing Standards (available at <http://www.nationalexpressgroup.com/our-way/suppliers/ethical-sourcing/>) which we expect our suppliers to comply with. We have a practice of including in our supplier contracts rights to audit such compliance and take other remedial action against suppliers should we find non-compliance.

### **OUR POLICIES**

The Group has in place a Workplace Rights Policy and a Human Rights Policy (available at <http://www.nationalexpressgroup.com/our-way/policies/>).

The Group also has in place a Whistleblowing Policy (available at <http://www.nationalexpressgroup.com/our-way/policies/>) and operates a confidential whistleblowing hotline in the UK, America, Spain, Morocco, Germany and Bahrain.

The Group is also very proud to have been the first private transport group to commit to becoming a voluntary Living Wage employer. After announcing our commitment that all UK divisions would secure Living Wage Foundation accreditation by the end of 2017, UK Bus became the first in January 2016. For any other country in which the Group operates, the Group has committed to pay at least 10% above the national minimum wage in that country. These are examples of the Group's commitment to conducting its business in an ethical manner and with integrity.

**STEPS TAKEN BY THE GROUP**

During 2016, the Group reviewed its policies and commenced an audit to identify where the risks of slavery may be highest in its businesses and supply chains. A working group comprised of key stakeholders from the Group legal, human resources and procurement teams was established for this purpose and that working group undertook bespoke training to inform their activities.

As noted, the Group has a range of policies which reflect its commitment to acting ethically and with integrity. To reinforce this approach as regards its stance on slavery and human trafficking, the Group has developed a Modern Slavery Policy, which policy expressly prohibits behaviours which amount to slavery and human trafficking and actively encourages staff to use the whistle-blowing hotline to report any suspected instances of such behaviour. All reports made to the whistleblowing hotline are, and will continue to be, fully investigated.

Through its audit, the Group has recognised that the risk of slave labour being used in certain countries in which the Group operates, or in certain types of work that the Group performs, is potentially greater than in other countries and type of work. For example, a number of bus drivers and other workers who perform services for our Bahrain joint venture are recruited from India and other South East Asian countries. The Group has therefore worked closely with the agencies it uses for such recruitment to understand their processes and procedures and ensure they are aligned to the Group's values.

Through its audit, the Group has also recognised that certain categories of products and services that it procures potentially carry a higher risk of slave labour being used in those supply chains. For example, this may be the case for certain lower value supplies, such as cleaning services and the supply of uniforms. The Group has therefore sought to ensure that the contracts it enters into with suppliers contain rights of audit and rights of termination which it can use to identify and act upon instances of suspected slavery.

The Group will continue to take steps which are designed to identify and eliminate the risk of slavery and human trafficking in its businesses and supply chains. The Audit Committee of the Board of Directors of National Express Group plc will also keep the effectiveness of those steps under review.

**APPROVAL OF THIS STATEMENT**

The Board of Directors of National Express Group plc, and of each relevant member of the Group, has concluded that the Group's policies, together with the steps taken and expected to continue to be taken by the Group, provide reasonable assurance that the Group is acting in a way which reduces the risk of slavery and human trafficking in both its own business and in its supply chains.

This statement has been approved by the Board of Directors of National Express Group plc and each relevant member of the Group.



Dean Finch  
Group Chief Executive

For and on behalf of National Express Group plc and each of its relevant subsidiaries

Date: 17 May 2017