

National Express Group

Modern Slavery & Human Trafficking Statement 2020

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 ending 31 December 2020 to ensure, to the extent possible, that no modern slavery or human trafficking takes place in any part of their businesses 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 a number of divisions: UK Coach & Bus (providing coach and bus services in the UK); North America Bus (providing student transportation, transit services and shuttle services in 39 US states and 3 Canadian provinces); ALSA (providing coach and bus services in Spain, Switzerland, Puerto Rico and Morocco); German Rail; and International (the Bahrain bus operation which the Group operates jointly with Ahmed Mansoor Al A'Ali through a joint venture).

The Group's revenue from its continuing businesses for the year ended 31 December 2020 was £2.0 billion and its normalised operating profit from those businesses for the same period was a loss of £52 million. During 2020, the Group was impacted by COVID but nevertheless, carried 578 million passengers and, as of 31 December 2020, the Group employed close to 48,000 people, the majority of which are drivers.

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

The Modern Slavery Act is relevant to all commercial organisations in any sector that supplies goods or services and which carry on a business or subsidiary in the UK. 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 and is committed to taking steps to enforce such approach, as detailed in this statement.

Our supply chains

The Group procures goods and services from suppliers around the world, which total several thousand in number and operate from multiple countries. Our vendors supply everything from rolling stock, road vehicles, fuel and utilities to uniforms, catering, cleaning, contract and agency employees (including drivers) 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/sustainability/policies/>) which we expect our suppliers to comply with. We have a practice of including in our supplier contracts the right to audit such compliance and take other remedial action against suppliers should we find non-compliance.

Our policies

As reported in our 2018 statement, the Group has adopted a Modern Slavery Policy (available at <http://www.nationalexpressgroup.com/sustainability/policies/>). The Group also has a number of other policies in place which support ethical behaviour and assist in deterring and detecting unethical behaviour, including modern slavery, as explained below.

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

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

There were no reports made to the whistle-blowing hotline regarding any suspected instances of modern slavery during 2020. Had there been any such reports, they would have been investigated fully and acted upon as necessary.

The Group is very proud to have been the first private transport group to commit to becoming a voluntary Living Wage employer. UK Bus secured Living Wage Foundation accreditation in January 2016, followed by UK Coach obtaining the same accreditation in October 2018. 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. The Group is also committed to providing a workplace that values diversity, champions inclusion and respects the rights of all employees. These are examples of the Group's commitment to conducting its business in an ethical manner and with integrity.

Steps taken by the Group

Over the year 2020, the Group focused on expanding the Modern Slavery Governance and controls to further ensure **the Group's supply chain is robust. This included the following:** specialised training for Procurement employees; continuing category assessment and supplier audits; updating supplier contracts with additional ethical clauses; compliance with the Modern Slavery process and governance across the Group. The summary of the actions is below.

91% of the Group's dedicated Procurement employees across UK, North America, Alsa and Bahrain have passed the Ethical Procurement and Supply course provided by the Chartered Institute of Procurement & Supply. The Group has also made this training a requirement for all Procurement employees to undertake on an annual basis.

The UK, North America and Alsa divisions work within the Group's Modern Slavery four-step process: Assess, Analyse, Action and Audit. All new suppliers are subject to the assessment stage and if they fall within a high-risk category, the analysis and action stages must be completed before a purchasing order is placed.

The UK division has conducted a detailed audit of its prime supplier for temporary drivers. The successful audit focused on how the supplier prevents Modern Slavery within the recruitment of temporary drivers by reviewing evidence of its use of subcontractors and pre-qualification process of sub-contractors, process and procedures for driver recruitment, procedures and policies for providing driver accommodation, Modern Slavery training for its staff and whistleblowing procedures.

North America and Alsa conducted risk assessments to identify suppliers in higher risk supply chain categories. North America analysed suppliers within its high-risk uniform category to review their policies and procedures for managing the risk of slavery in their businesses. As a result of the audit, the North America business updated its existing contracts with uniform suppliers with specific clauses to include Modern Slavery compliance.

In addition, North America, UK and Alsa divisions have continued to lead in developing and implementing new contract clauses for inclusion in all higher risk supply contracts. These require suppliers to ensure they are compliant with our Modern Slavery requirements.

The Group governed its progress through quarterly steering group meetings consisting of representatives from Procurement, Legal and Internal Audit. The steering committee will continue to engage in 2021 to ensure each division is focused on robust supply chain assessment utilising questionnaires, supporting audits across high risk supply categories and to further enhance and expand our modern slavery training across the Divisions we operate.

Approval of this Statement

The Audit Committee of the Board of Directors of National Express Group PLC 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. This statement has also been approved by the Boards of Directors of relevant UK subsidiaries of National Express Group PLC to which it also relates, being National Express Limited and West Midlands Travel Limited.

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

Ignacio Garat

Group Chief Executive officer

08 March 2021