

Modern Slavery Statement

NATIONAL EXPRESS GROUP - MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2019

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 2019 to ensure, so far as 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 passenger 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 2019 was £2.74 billion and its normalised operating profit from those businesses for the same period was £295.3 million. During 2019, the Group carried 938.6 million passengers and, as of 31 December 2019, the Group employed over 51,191 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 supply goods or services and which carry on a business 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/our-way/suppliers/ethical-sourcing>) 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/our-way/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/our-way/policies/>).

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

There were no reports made to the whistleblowing hotline regarding any suspected instances of modern slavery during 2019. 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. 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 2019, 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: benchmarking a major FTSE 100 organisation; enhanced annual communication to Group employees; continuing category assessment and supplier audits; and refining the Modern Slavery process for North America, Spain & UK following internal review. The summary of the actions is below.

National Express has benchmarked its Modern Slavery approach with a major FTSE 100 energy contractor. This involved assessing supplier risk categorisation and the supplier assessment process. It is planned that continued benchmarking of best practice will be conducted moving forward to study best practices in connection with Modern Slavery. National Express not only meets the legal requirements but also benefits from sharing best practice with a FTSE 100 company. Additionally, North America has engaged with Busses on the Lookout, an agency designed to train drivers on how to spot Modern Slavery and human trafficking with a goal to

partner with law enforcement and other agencies and marshal the resources of the partnerships to combat the crime.

Each division completed Modern Slavery training during 2019. In some divisions, the training was expanded to include more robust training around procurement rules, contract requirements and supplier requirements. Training will continue for all appropriate employees and training will be amended if a significant change in law arises which would dictate training on an expedited schedule. In addition, our North American business continued to follow the UK and ALSA businesses' lead in developing and implementing new contract clauses for inclusion in all higher risk supply contracts which require suppliers to ensure they are compliant with UK Modern Slavery laws and give the US division companies rights to terminate contracts for non-compliance with such laws. During 2019, North America continued to add to new North American supply contracts where appropriate and, as existing contracts expire, such clauses were added to renewals. ALSA has also updated its pro forma compliance clauses for inclusion in higher risk supply contracts to specifically include Modern Slavery compliance and the UK business continues to include its pro forma compliance clauses in its new and renewing higher risk supply contracts.

In 2018, the Group conducted risk assessments of the higher risk suppliers and their policies and procedures for managing the risk of slavery in their businesses, including by carrying out audits of its uniform and recruitment agency suppliers. During 2019, Group Procurement continued the assessments and performed audits that focused on high risk supply categories such as uniform supply and cleaning contractors. As a result of the audit, the UK division changed coach uniform suppliers and also updated the UK cleaning contract with updated ethical standard clauses.

All Group divisions refined their Modern Slavery process to not only review and audit high risk suppliers from a geographic and scope perspective, but also include a four step process for further review: Assess, Analyze, 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.

Through an ongoing review of Modern Slavery risk, the Group recognises 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 for other types of work. A higher risk continues to exist in relation to bus drivers and other workers who perform services in our Bahrain joint venture who are recruited from India and other South East Asian countries. Ongoing review and assessment of jurisdictions in which the Group does business and/or contracts with the governmental entities was completed in 2019, including a survey of all applicable laws in each jurisdiction to ensure compliance with anti-slavery laws in those jurisdictions. 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.

The focus for 2020 will be to have all supply chain facing employees complete Ethical Sourcing training. The training plan has been developed with a goal to complete all employees by the end of 2020. Additionally, high risk suppliers will continue to be audited and assessed.

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

A handwritten signature in black ink that reads "Dean Finch". The signature is written in a cursive, slightly slanted style.

Dean Finch
Group Chief Executive
25 February 2020