

Appendix 2 – System of internal control

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