Modern Slavery Statement

NATIONAL EXPRESS GROUP - MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2018

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 2018 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 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 and transit services in 38 US states and 3 Canadian provinces); ALSA (providing coach and bus services in Spain and Switzerland and Morocco); German Rail; and International (being 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 2018 was £2.45 billion and its normalised operating profit from those businesses for the same period was £257.7 million. During 2018, the Group carried 898 million passengers and, as of 31 December 2018, the Group employed over 47,700 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/.

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 suppliers 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 noncompliance.

Our policies

As reported in our 2017 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 behavior 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 whistle-blowing hotline regarding any suspected instances of modern slavery during 2018. 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

In addition to annual communication of the Modern Slavery Policy among the Group's employees along with a robust training component, during 2018 the Modern Slavery working group (which was established in 2016) developed a 2018 Modern Slavery Action Plan which included implementation and completion of various actions. A summary of the key actions is below.

In 2018, the Group reinforced several Codes of Conduct and Codes of Ethics policies and provided training on the same. ALSA's policies were reinforced regarding Modern Slavery and now expressly inform all employees, in Spain and Morocco, of the availability of the "whistle-blower hotline" to communicate any suspected cases of non-compliance. The Modern Slavery policy also became a part of ALSA's Corporate Social Responsibility policy. North America began preparing a Supplier Code of Conduct in 2018 and will finalise it in 2019. The UK business, having trained key stakeholders on the Modern Slavery policy in 2017, had those key stakeholders roll out training to their teams during 2018. The Group's Modern Slavery policy has also now been translated into French and communicated throughout our Swiss and French businesses.

The Group continued its review in 2018 of the modern slavery risk in its supply chains, through which it determined that certain categories of products and services that it procures from suppliers potentially carry a higher risk of slave labour being used by those suppliers or in their supply chains. For example, it was determined that there was a higher risk in respect of lower value supplies, such as cleaning services and the supply of uniforms. In 2018, the Group has conducted risk assessments of the higher risk suppliers' policies and procedures for managing the risk of slavery in their businesses, including by carrying out audits of its uniform and recruitment agency suppliers.

In addition, our North American business has followed the UK and ASLA 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 Divisional companies rights to terminate contracts for non-compliance with such laws. During 2018, these clauses were routinely added to new North American supply contracts where appropriate and, as existing contracts expire, such clauses will be 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.

Through the ongoing review of modern slavery risk, the Group also 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 for other types of work. For example, 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. During 2018, the Group continued to take steps to ensure the Bahrain recruitment processes and procedures mitigated the risk of Modern Slavery. We carried out an audit of our principal recruitment agency's processes for recruiting and we trained our employees who are recruited through the agencies to make them aware of modern slavery and their rights, which in turn helps them identify and report if there are unethical practices and enables us to act if such reports are received. Ongoing review and assessment of jurisdictions in which the Group does business and/or contracts with the governmental entities will continue in 2019, including a survey of all applicable laws in each jurisdiction to ensure compliance with anti-slavery laws in those jurisdictions.

In 2019, 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 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.

Dean Finch

Group Chief Executive 28 March 2019

Dean Finch