



MODERN SLAVERY AND ANTI-TRAFFICKING STATEMENT



CEO Statement

“Alexander Dennis Limited (ADL) knows that modern slavery and human trafficking is a crime resulting in an abhorrent abuse of human rights; constituted in the Modern Slavery Act 2015 by the offences of 'slavery, servitude and forced or compulsory labour' and human trafficking.

ADL has business operations and supply chains across the globe and is aware of its responsibilities to respect and protect the rights of employees and individuals and communities affected by its activities. We are committed to working to prevent modern slavery and human trafficking from occurring within our business operations and supply chain and to collaborating with our wide range of stakeholders to eradicate modern slavery in all of its forms.

ADL promotes ethical and responsible business practices that seek to protect workers from being abused or exploited in its own organisation and supply chains.

During the financial year starting 1st January 2017 ending 31st December 2017, ADL introduced an internal Modern Slavery Working Group (MSWG), consisting of key individuals from within the organisation and external business & human rights advisors. I am pleased to report that in the last year, this working group has overseen:

1. the identification, through analysis, of ADL high risk operations/geographies,
2. the development of a longer term plan of action for higher risk operations/geographies,
3. the development of processes & procedures regarding casual/temporary labour procured directly by ADL, and
4. the investigation of opportunities for potential partnerships and collaborations with various bodies and national modern slavery working groups.

In 2018, the MSWG is currently working on a range of matters including: the development & publication of ADL's first Human Rights Policy, the development and internal publication of supporting Human Rights Guidance documentation, the re-drafting of standard supplier terms to reflect modern slavery act implementation, the development of a programme regarding the provision of temporary labour sourced via temporary labour agencies, the development & revision of ADL's whistle blowing policy, and the implementation of a modern slavery online training programme available to all employees.

By developing our Human Rights Policy and the implementation of due diligence and compliance procedures this year, ADL has been working hard to embed processes with its suppliers in support of the Modern Slavery Act.”

Colin Robertson

Chief Executive Officer



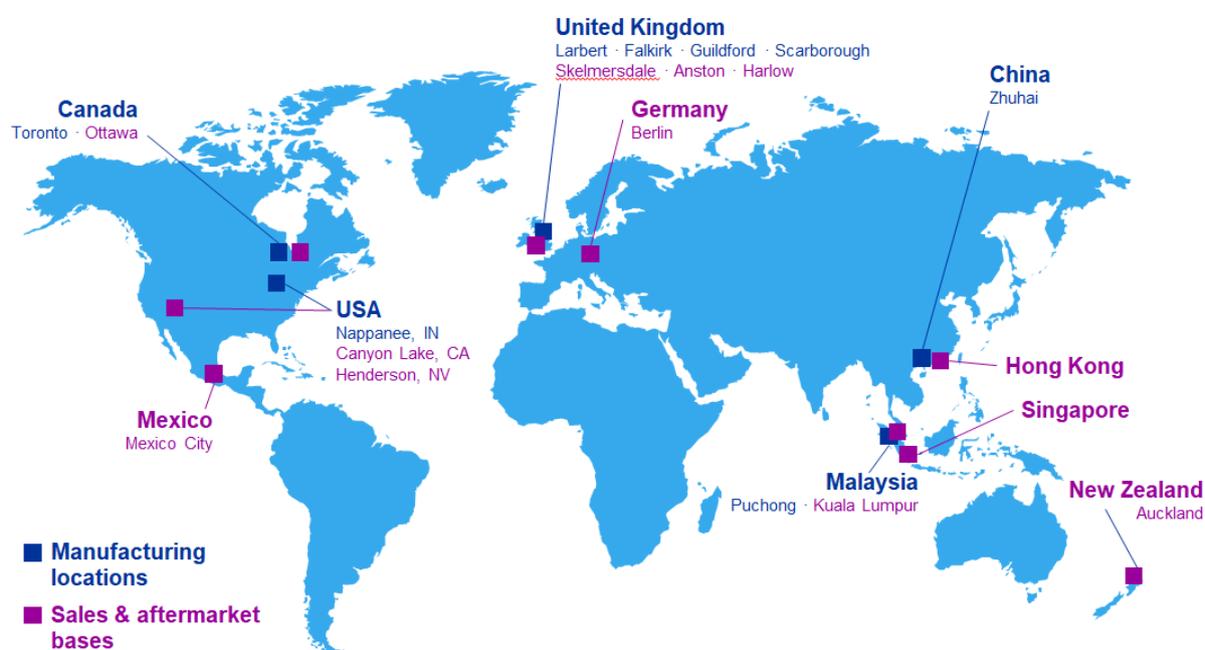
Structure of the organisation

Alexander Dennis is the UK's leading bus and coach manufacturer, employing around 2,500 people at facilities in the UK, Asia and North America.

Alexander Dennis has a global annual turnover in excess of £600m. To find out more about the nature of our business, please visit www.alexander-dennis.com

As Britain's biggest bus and coach manufacturer, ADL produces the UK's market leading range of single and double deck bus chassis and bodies. Other key markets include the Asia Pacific region and North America. Across these areas ADL works with a range of suppliers.

Our supply chain consists of component suppliers, outsource manufacturing and use of labour providers.





Policies

As part of ADL's commitment to combating modern slavery, since our last MSA statement we have identified the following internal policies which required updating:

- Business Ethics Policy
- Public Interest Disclosure Policy
- Anti-Bribery Policy
- Competition Policy

Our dedicated compliance function is working through these policies to make the necessary changes. ADL is also developing and communicating a bespoke Human Rights Policy.

Once the policies are finalised, ADL will share them with all suppliers and discuss with them their role to identify, remediate and eradicate all forms of modern slavery and human trafficking in their own supply chains.

These policies are being developed in conjunction with Human Resources, Legal and Procurement, and with the assistance of Business & Human Rights specialists.

Due diligence

As part of ADL's efforts to identify areas of risk, report instances, remediate, monitor and to seek to reduce the risks of slavery and human trafficking within our supply chains, the organisation has engaged in reviewing its due diligence processes and procedures. During 2018 we are seeking to engage with suppliers in those particular geographies identified as high risk for ADL in order to better understand any issues and to, where possible, work with suppliers to bring about appropriate changes.

Assessment of Business Operations & Suppliers by Country

Since its last Modern Slavery Statement ADL has analysed its business operations and supply chain by country. This assessment has included the best publicly available information in relation to public sector corruption and the rule of law; labour rights; government efforts to combat human trafficking; gender inequality; the measures in place to eliminate child labour; education, health & standards of living, and access to banking.

By analysing this information alongside financial data, ADL has been able to prioritise its efforts for the next year to include; the UK, China, India & Turkey.



Ethical Auditing & Responsible Procurement Journey

During 2017 ADL has made significant strides in terms of developing its understanding of potential risks within its operations and supply chains. As a result, the organisation is enhancing & further developing its due diligence processes & procedures. ADL has now identified 50 key suppliers according to risk, spend and volume of product and will work with them as part of its commitment to developing its own approach to ethical auditing, responsible procurement and modern slavery risk assessment activity. Work in this area will include supporting suppliers to self-assess their own operations in relation to modern slavery.

Risk and compliance

ADL will continue to increase its focus on identifying the risks associated with modern slavery within its business operations and supply chains. We acknowledge the complexities involved and are committed to actively working and collaborating with a wide range of stakeholders, including employees, suppliers and others, to uphold and promote human rights.

To evaluate the nature and extent of our exposure to the risk of modern slavery, during 2018 ADL will progress with mapping its supply chain activity in the UK, China, India & Turkey to assess risk and to take any appropriate action.

Where a potential risk is identified within this process ADL will ensure that it is fully investigated, a corrective action plan is implemented in collaboration with suppliers, and that monitoring is put in place to bring about viable and sustainable solutions which are proportionate but effective in dealing with issues of modern slavery.

Where ADL has concerns that issues identified cannot be addressed through collaboration and support from a supplier, the organisation will terminate all further business on the basis that the supplier has breached its code of conduct.

ADL will continue to increase its communication with suppliers regarding modern slavery and will encourage suppliers to establish their own risk assessment processes. ADL will aim to update contracts with suppliers, reserving the right to undertake audits and modern slavery risk assessments to ensure compliance with its own standards specifically in relation to modern slavery and human trafficking.



Effectiveness and Objectives

Alexander Dennis has now developed key objectives for the financial year ahead starting 1st January 2018 and ending 31st December 2018 to further demonstrate its commitment to preventing modern slavery.

The objectives which have been developed include:

1. The development & publication of ADL's Human Rights Policy and supporting Guidance,
2. The re-drafting of standard supplier terms to reflect modern slavery act implementation,
3. The development of a programme regarding the provision of temporary labour sourced via temporary labour agencies,
4. The development & revision of ADL's whistle blowing policy,
5. Delivery of an internal awareness raising and online training campaign to 50% of the UK & overseas workforce, including executive and non-executive directors.

Training

ADL will continue to invest in educating its personnel to recognise the risks of modern slavery and human trafficking in its business and supply chains. Through induction programmes, personnel are made aware of internal policies and are encouraged to identify and report any potential breaches of our anti-slavery and human trafficking policy.

Closing Statement

This statement affirms ADL's absolute commitment to working to implement the Modern Slavery Act and to upholding our own Human Rights Policy – to working diligently in all respects to support and uphold the United Nations Guiding Principles on Business & Human Rights.

ADL recognises the extremely complex nature of modern slavery and will continue to emphasise the importance of collaboration with others to raise awareness and ensure compliance with the requirements of the Act.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Alexander Dennis' slavery and human trafficking statement for the financial year commencing 1st January 2017 and ending 31st December 2017.