



MODERN SLAVERY AND ANTI-TRAFFICKING STATEMENT 2019



CEO Statement

“Alexander Dennis Limited (ADL) understands that modern slavery and human trafficking is a crime which results in 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.

With business operations and supply chains across the globe, ADL 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. We fully recognise the importance of collaborating with our wide range of stakeholders to eradicate modern slavery in all of its forms.

ADL is committed to ethical and responsible business practices which seek to protect workers from being abused or exploited in both its own organisation and its global supply chains.

In January 2017 ADL introduced an internal Modern Slavery Working Group (MSWG), consisting of key individuals from within the organisation and external business & human rights advisors. Since then this MSWG has driven activity in relation to modern slavery and continues to work hard to increase knowledge and understanding, build capacity and to seek to make ADL toxic to those organised criminals who would seek to exploit both vulnerable individuals and corporations. I am pleased to report that in 2018, this working group, with the support of colleagues throughout our business, has overseen:

- 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.
- The implementation of an online modern slavery training programme available to all employees.
- The development of an internal awareness raising and online training campaign.



- The development and delivery of a Top 50 high risk supplier assessment programme.
- Piloted an Independent Modern Slavery Threat Assessment process in Turkey, with a view to rollout in 2019.

In 2019, the MSWG will work on:

- The implementation of an Independent Modern Slavery Threat Assessment programme across UK manufacturing sites and the delivery of an associated programme of awareness raising modern slavery roadshows.
- The development and delivery of a training and awareness programme for our overseas manufacturing sites.
- The development and roll-out of ADLs Modern Slavery Champions programme; ensuring that employees know how to spot the signs, how to report safely, and how to seek internal support as needed.
- Development of the Top 50 High Risk Suppliers Engagement Programme; including Independent Modern Slavery Threat Assessments as appropriate.

Driven by our MSWG and fired by the engagement of our employees and suppliers ADL has made good strides in implementing the Modern Slavery Act. We look forward to continuing this journey, building our understanding, working with closely with suppliers and collaborating with other stakeholders both in our sector and beyond throughout 2019.”

Colin Robertson

Chief Executive Officer

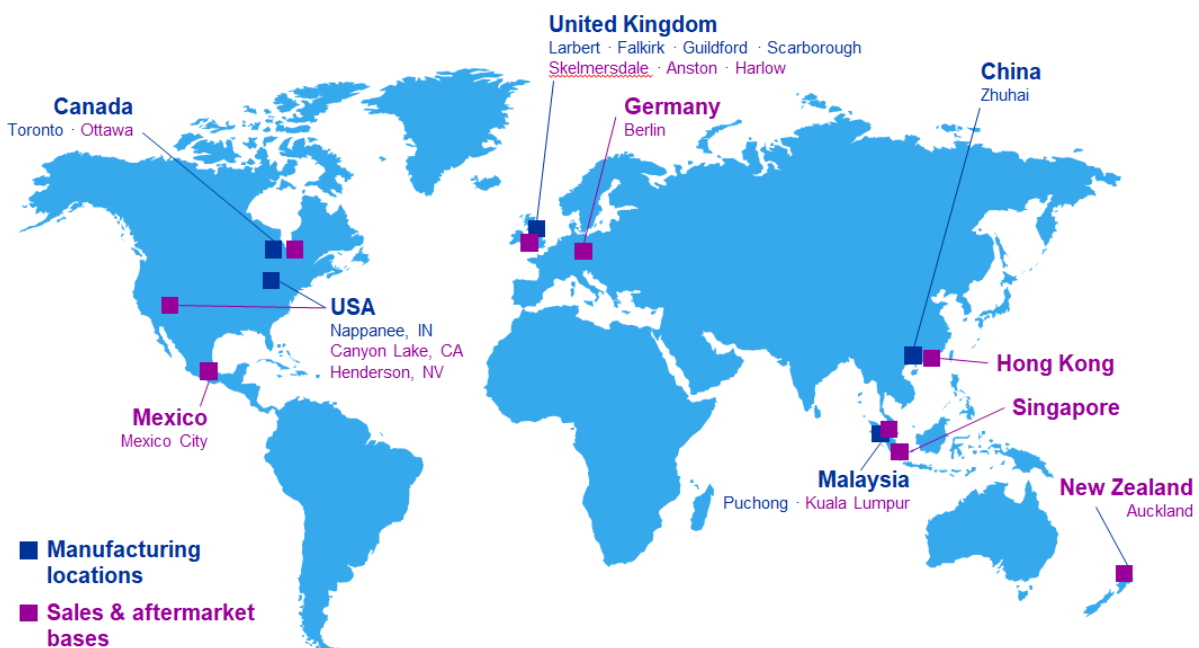


Structure of the Organisation

Alexander Dennis Limited (ADL) is one of the world's leading bus and coach builders with a history and heritage of design, engineering and manufacturing excellence that spans more than a century with offices in UK, USA, Canada, Mexico, Europe, Hong Kong, Singapore, Malaysia and New Zealand. As a pioneer in embracing the latest technology, ADL has brought the widest range of low and zero emission buses to market. The group is now recognised as the leading bus and coach manufacturer in the UK and one of the fastest growing bus and coach builders in Western Europe.

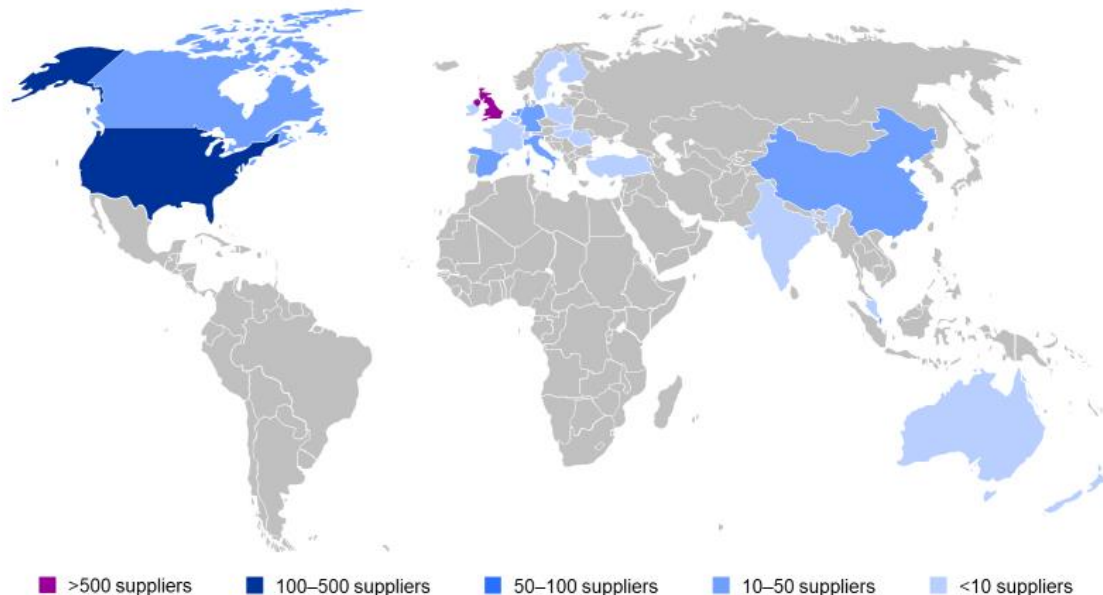
We employ over 2,400 people worldwide and have more than tripled our revenue in the last 10 years, with an increasing proportion resulting from our expanding international footprint. This growth is attributable to our clear strategic focus – delivering lightweight, fuel efficient vehicles with industry-leading reliability, lowest cost of ownership and world class aftermarket support

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





ADL supplier heatmap



- Around the globe, ADL buses carry 25,000 passengers every minute of every day.
- In London alone ADL buses carry over 3.5million passengers per day.
- ADL is fastest growing bus and coach builder in Western Europe.

Policies in Relation to Slavery & Human Trafficking

In 2018 ADL published and communicated its Human Rights Policy - <https://www.alexander-dennis.com/adhoc-documents/modern-slavery-anti-trafficking-statement/>

As part of ADL's commitment to combating modern slavery, since our last MSA statement we have also reviewed and updated the following policies:

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



The Human Rights policy and those policies which have been revised and updated have been shared with all suppliers.

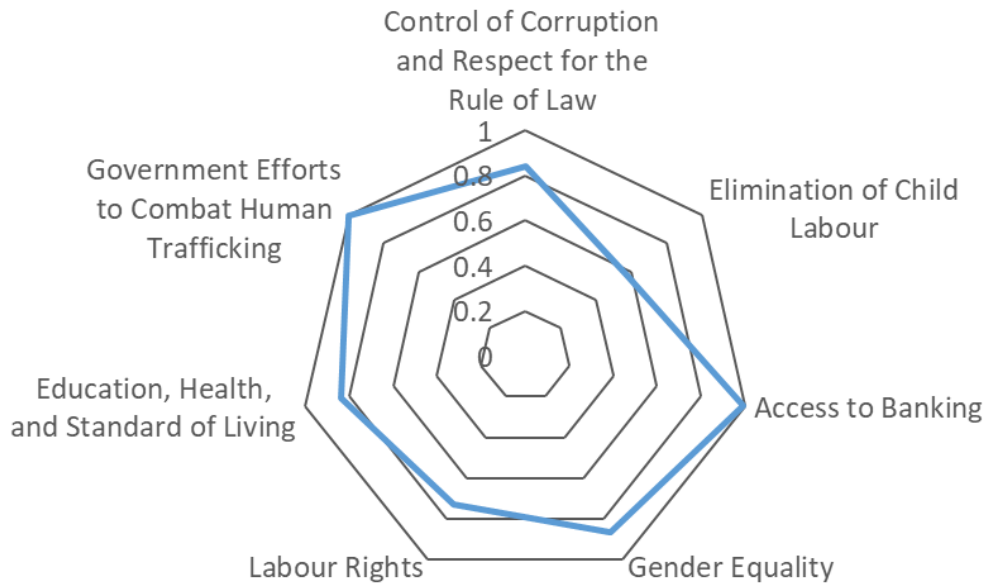
Supply Chains & Identification of Risk

ADL has global supply chains which consist of component suppliers, outsource manufacturing and use of labour providers. ADL has a global supplier base – please see the map above.

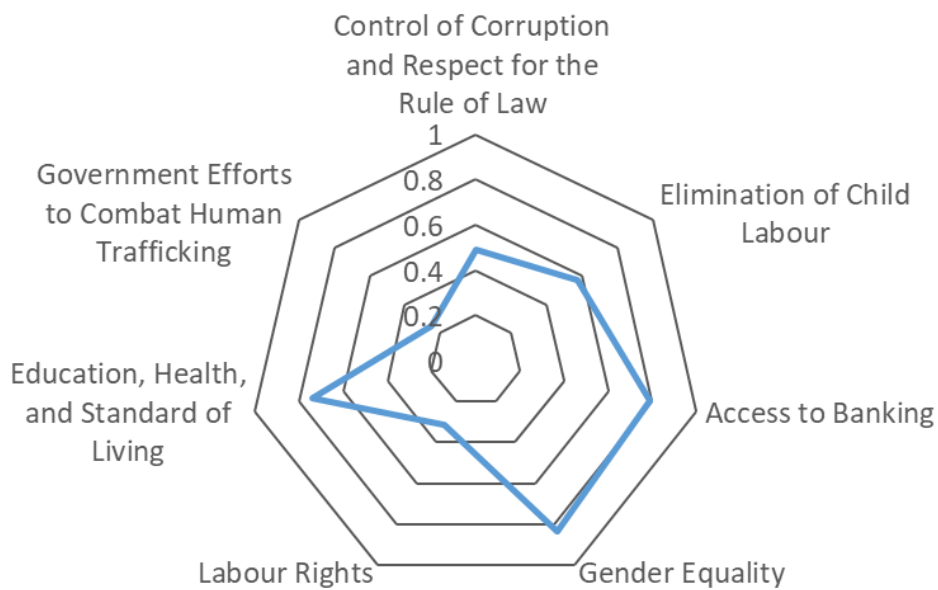
ADL has analysed its business operations and supply chains by country. This assessment includes the best publicly available information in relation to public sector corruption and the rule of law; labour rights; government efforts to combat human trafficking; gender inequality; the measures in place 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 2019. The UK, China, India & Turkey remain focus areas, however ADL is working with a range of key suppliers in x different geographies as a result of its programme of slavery & trafficking risk analysis in 2018. (Please find below examples of our risk mapping for the UK, China, India and Turkey.)



Modern Slavery Risk Mapping: the UK

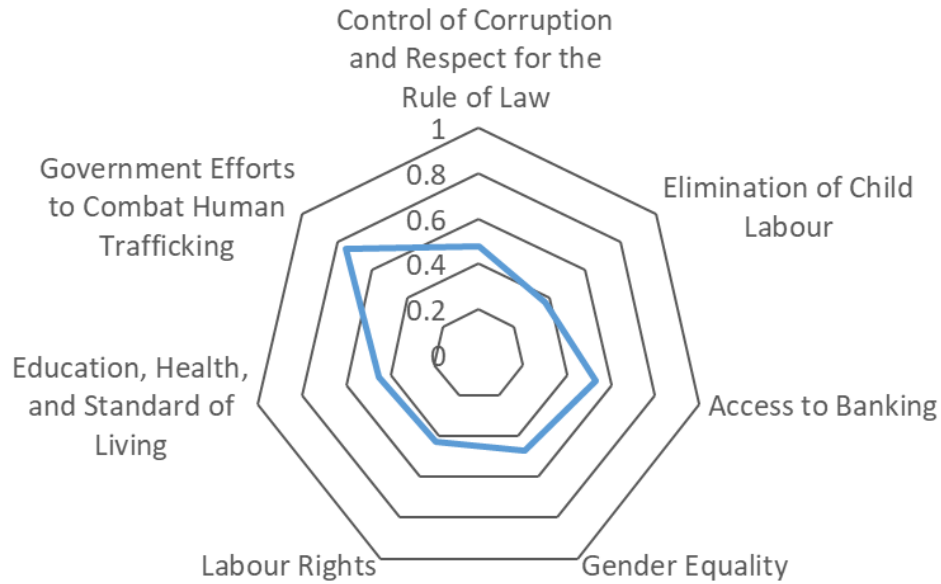


Modern Slavery Risk Mapping: China

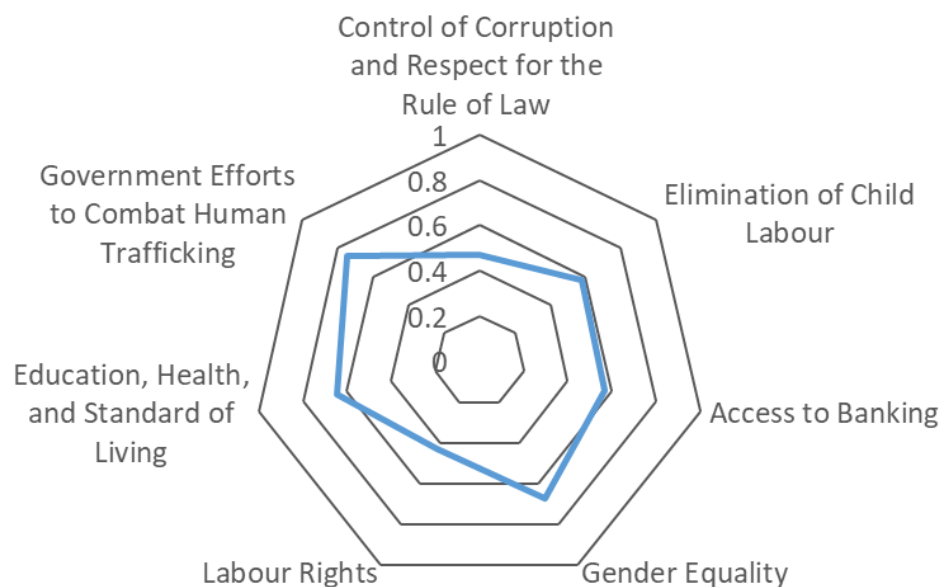


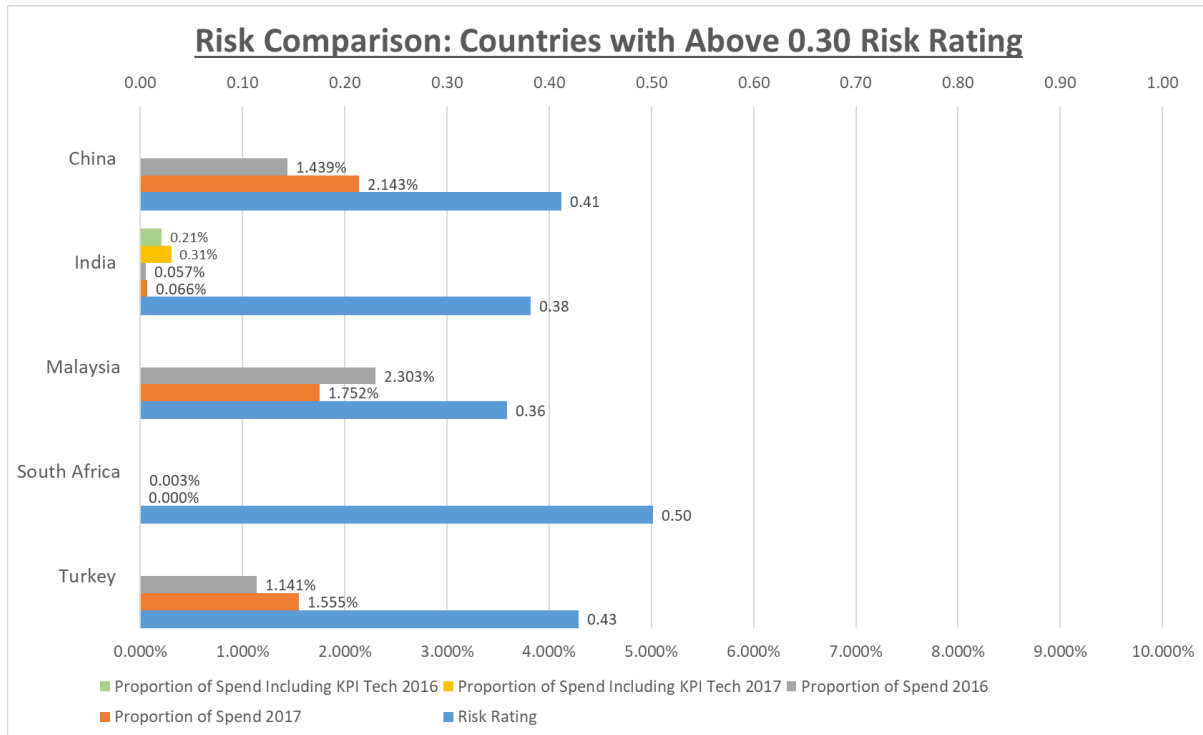


Modern Slavery Risk Mapping: India



Modern Slavery Risk Mapping: Turkey





Steps taken to Prevent and Manage Risk

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, law enforcement, anti-slavery partners and others, to uphold and promote human rights.

To continue to evaluate the nature and extent of our exposure to the risk of modern slavery, during 2019 ADL will continue mapping its supply chain activity in the UK, China, India & Turkey to assess risk and to take any appropriate action. We will also concentrate on suppliers in high risk geographies where ADL spend is significant.

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 with 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.

Due Diligence Processes

As part of ADLs ongoing 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 reviews its due diligence processes and procedures on an annual basis. During 2019 we will continue to engage with suppliers in those particular geographies identified as high risk for ADL, building on our Top 50 High Risk Suppliers programme and our STRT activity, in order to better understand any issues and to work with suppliers to bring about appropriate changes.

Ethical Auditing, Responsible Procurement & Modern Slavery Threat Assessments

ADL has made significant strides in terms of developing its understanding of potential risks within its operations and supply chains. In preparation for the Top 50 High Risk Supplier programme, ADL identified 50 key suppliers according to risk, spend and volume of product. Work in this area supports suppliers to self-assess their own operations in relation to modern slavery.

In order to identify further areas of risk and to help ensure that slavery and human trafficking is not taking place in our business or supply chains, during 2018 we undertook the following actions:

Top 50 High Risk Supplier Engagement Programme

Having undertaken geographical risk mapping ADL has been able to cross reference this with internal financial data to identify those suppliers where spend is high and the indicators of



slavery are significant or high. Through this process we identified an initial tranche of 50 suppliers in order that we could undertake a modern slavery risk assessment process.

This Top 50 High Risk Supplier Engagement Programme has 4 objectives:

1. To **reduce risks for ADL** by engaging with suppliers and identifying issues to be addressed by the supplier or in conjunction with ADL.
2. To **demonstrate positive action** regarding modern slavery legislation and responsible sourcing, particularly for use in tenders and for auditing requests.
3. To **further develop ADL's supplier code of conduct and auditing processes** and requirements in relation to ethical labour sourcing and modern slavery.
4. To **work towards independent verification (BRE ELS 6002)** of ADL's own business operations and supply chains in relation to modern slavery.

ADL chose to use the global open source 'Slavery & Trafficking Risk Template' which has been developed by the Social Responsibility Alliance and its global development committee - <https://www.socialresponsibilityalliance.org/>

The Slavery & Trafficking Risk Template (STRT), is the free, open-source industry standard template used to assist companies in their efforts to comply with human trafficking and modern slavery legislation and improve their supply chain-related public disclosures. The STRT helps companies and their suppliers work together to build socially responsible supply chains by facilitating accurate data collection.

The STRT facilitates human trafficking and modern slavery related data collection and analysis, helping companies and their supply chains work together to engage in more ethical operations. The data collected gives companies visibility into their supply chain operations and prioritize due diligence and risk mitigation actions. The STRT is designed to meet the need for a universally-accepted template among global supply chains. The template was developed with support and input from a consortium of stakeholders involved in the STRT Development Committee.



An initial assessment of data took place at the end of 2018. Throughout 2019 ADL will work with identified suppliers on any appropriate corrective action plans and to enhance their understanding of modern slavery.

ADLs own operations have also been assessed using the STRT process.

Independent Modern Slavery Threat Assessment Pilot – Turkey

Working with its business & human rights advisors, during 2018 ADL developed and piloted its Independent Modern Slavery Threat Assessment (IMSTA) Process. The scope of the assessment includes; pre-site visit questionnaire; review of modern slavery related policies; review of recruitment procedures; management and staff interviews; review of human resources recruitment policies and procedures; and site observations. Recommendations are then made as a result of the process and the suppliers identified as either standards, medium or high risk in relation to modern slavery. ADL has since liaised with the supplier regarding the outcome of this assessment and the implementation of recommendations. Further IMSTAs are planned throughout 2019 as appropriate.

Effectiveness and Objectives

Delivery of 2018 Objectives

- ✓ The development & publication of ADL's Human Rights Policy and supporting Guidance,
- ✓ 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,
- ✓ Delivery of an internal awareness raising and online training campaign to 50% of the UK & overseas workforce, including executive and non-executive directors.



Alexander Dennis has developed key objectives for the financial year ahead starting 1st January 2019 and ending 31st December 2019 to further demonstrate its commitment to preventing modern slavery.

- The implementation of an Independent Modern Slavery Threat Assessment programme across UK manufacturing sites; delivery of associated programme of awareness raising MS roadshows.
- Continuation of the Top 50 High Risk Suppliers Engagement Programme; including IMSTA in high risk overseas supply chains as appropriate.
- Delivery of an internal awareness raising and online training campaign to 75%/100% of the UK & overseas workforce, including executive and non-executive directors.
- Development and roll-out of ADL Modern Slavery Champions programme in the UK; ensuring that employees know how to spot the signs, how to report safely, and how to seek internal support as needed.

Training and Capacity Building

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. ADL has a specific modern slavery online training programme available to all employees. In addition, throughout 2018 the organisation has delivered, with the assistance of anti-slavery partner Hope for Justice, bespoke training programmes to key individuals and departments within its operations.

Towards the end of 2018 ADL completed the development of a specific overseas training programme for its operations around the globe; this training reflects the complexities and legal requirements in different geographies, as well as making clear ADLs legal and moral commitments. This programme will be delivered in 2019.

Capacity building with its supplier base has been significantly enhanced through the Top 50 High Risk Supplier Engagement programme and the use of the Slavery and Trafficking Risk Template. ADL looks forward to building on this process further throughout 2019.



Closing Statement

This statement, which is approved by ADL's board, reaffirms the organisations absolute commitment to implement the Modern Slavery Act and to upholding its own Human Rights Policy; 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 2018 and ending 31st December 2018.