



# MODERN SLAVERY AND ANTI-TRAFFICKING STATEMENT 2020

---



## 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 remain committed to working to prevent modern slavery and human trafficking from occurring within our business operations and supply chains. We fully recognise the importance of collaborating with our wide range of stakeholders and actors to eradicate modern slavery in all of its forms.

ADL is absolutely 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 continued to develop and drive activity in relation to modern slavery and is working hard to increase knowledge and understanding, build capacity and to seek to make ADL toxic to those individuals and organised criminals who would seek to exploit both vulnerable people and corporations. I am pleased to report that in 2019, this working group, with the support of colleagues throughout our business, has overseen:

- The roll out of a programme of an Independent Modern Slavery Threat Assessments for within our own business operations and those of suppliers in high risk geographies or sectors.
- The training of 99% of its employees regarding modern slavery and human trafficking.
- The training of 100% of key individuals, with specific responsibilities for supply chain engagement, regarding modern slavery in a global context and within high risk supply chains.
- Bespoke visits and interactions – visits, training, ongoing monitoring, remediation - with suppliers in high risk geographies and as a result of the work undertaken regarding the Slavery & Trafficking Risk Template risk analysis activity.

- Enhanced supplier understanding of the issues of modern slavery and human trafficking; with one of our key suppliers committing to engage in the STRT Development Committee in order to further their understanding and with a view to extending the scope to their own suppliers.



In 2020, the MSWG will continue to work on:

- The further development of its Independent Modern Slavery Threat Assessment programme across UK manufacturing sites and the delivery of an associated programme of awareness raising modern slavery activity.
- The development and delivery of updated, revised and enhanced online training and awareness programme regarding modern slavery and human trafficking.
- The development of human rights due diligence processes for our business operations and global supply chains.
- The continuation of the roll-out of ADLs Modern Slavery Champions programme across UK business operations; ensuring that employees know how to spot the signs, how to report safely, and how to seek internal support as needed.
- Expansion of the Top 50 High Risk Suppliers Engagement Programme to include a further 30+ suppliers in high risk geographies.

Driven by our MSWG and fired by the engagement of our employees and suppliers ADL has made good progress in the last 12 months 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 2020.”

Colin Robertson

Chief Executive Officer



## Structure of the Organisation

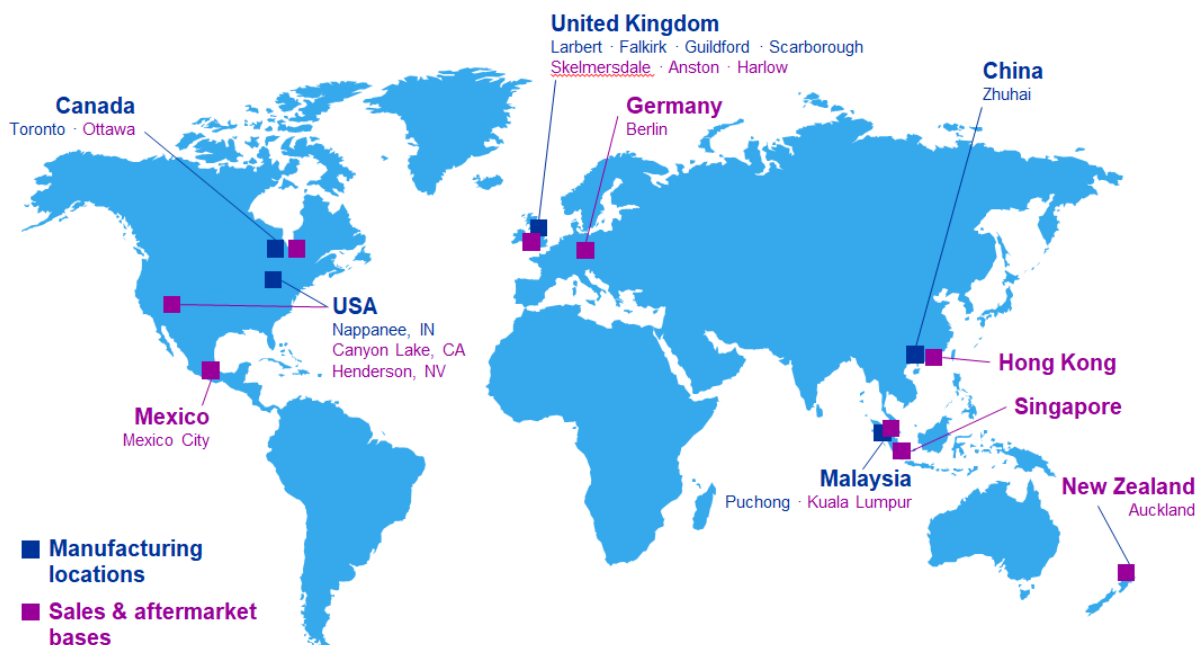
Alexander Dennis Limited (ADL) is part of leading independent global bus manufacturer NFI Group.

ADL is a global leader in the design and manufacture of double deck buses and is also the UK's largest bus and coach manufacturer. ADL offers single and double deck buses under the Alexander Dennis brand as well as Plaxton coaches, with vehicles in service in the UK, Ireland, Europe, Hong Kong, Singapore, New Zealand, Mexico, Canada and the United States.

ADL's history and heritage of design, engineering and manufacturing excellence spans more than a century. As a pioneer in embracing the latest technology, ADL has brought the widest range of low and zero emission buses to market

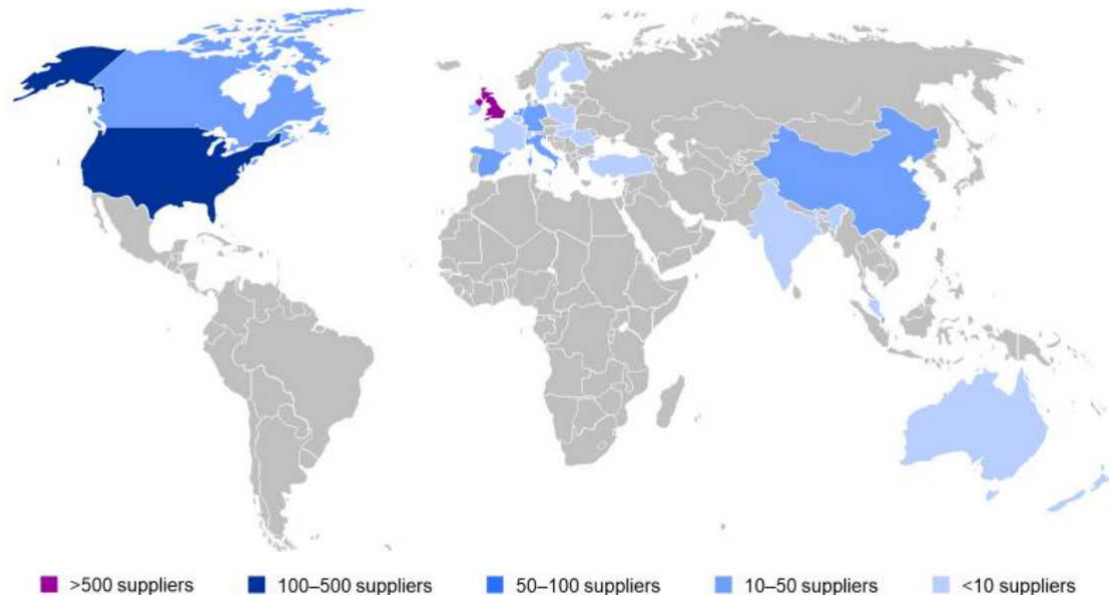
We employ over 2,700 people worldwide and have more than tripled our revenue in the last ten years, with an increasing proportion resulting from our expanding international footprint. This growth is attributable to our clear strategic focus – delivering lightweight, fuel efficient vehicles with industry-leading reliability, lowest cost of ownership and world class aftermarket support

To find out more about the nature of our business, please visit [www.alexander-dennis.com](http://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. All of these policies are reviewed annual and updated as appropriate.

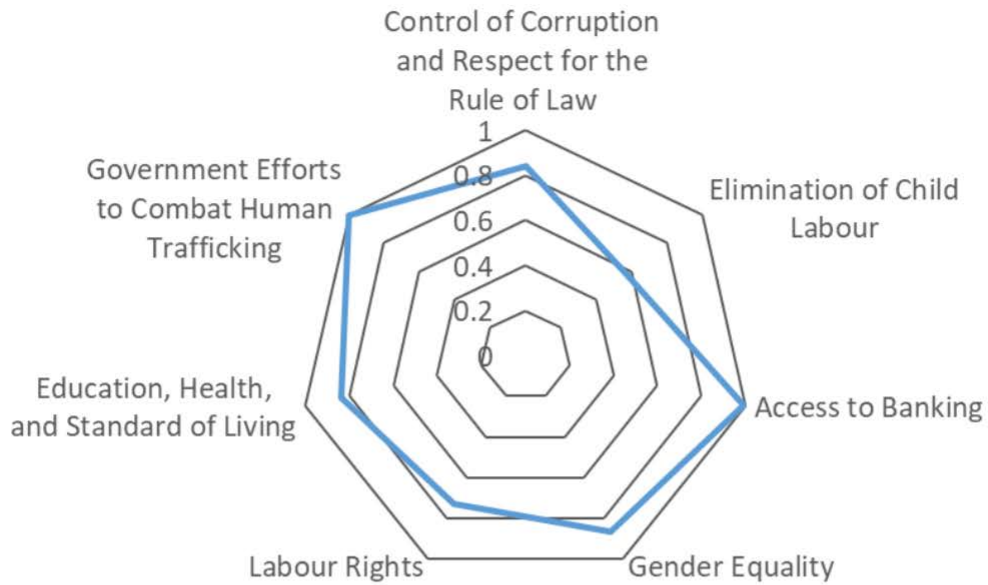
## **Supply Chains & Identification of Risk**

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.

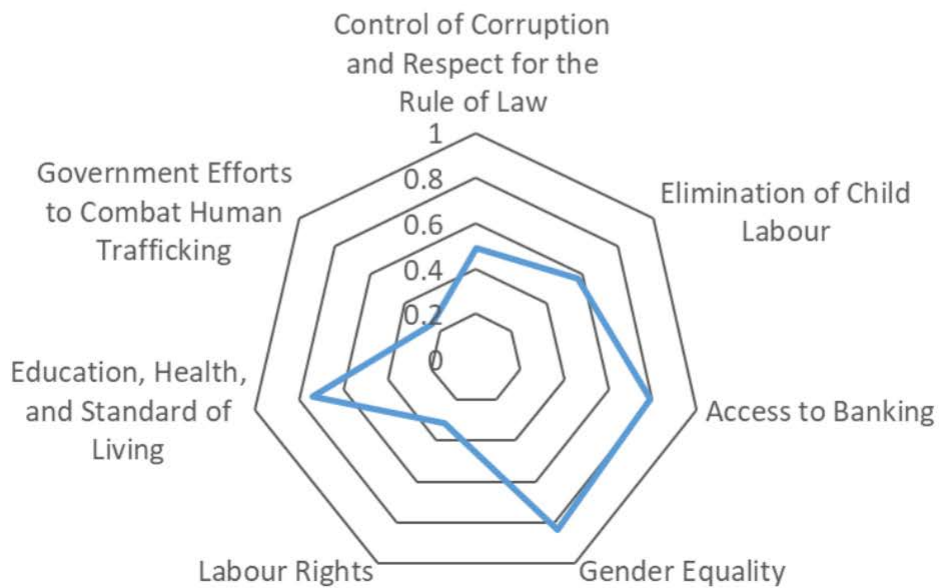
ADL has analysed its business operations and supply chains by country. This assessment includes the best publicly available information in relation to public sector corruption and the rule of law; labour rights; government efforts to combat human trafficking; gender inequality; the measures in place to eliminate child labour; education, health & standards of living, and access to banking. By continuing to analyse this information alongside financial data, ADL has been able to prioritise its efforts for 2020. The UK, China, India & Turkey remain focus areas, however ADL is working with a range of key suppliers in many different geographies as a result of its ongoing programme of slavery & trafficking risk analysis. (Please find below examples of our risk mapping for the UK, China, India and Turkey.)



## Modern Slavery Risk Mapping: the UK



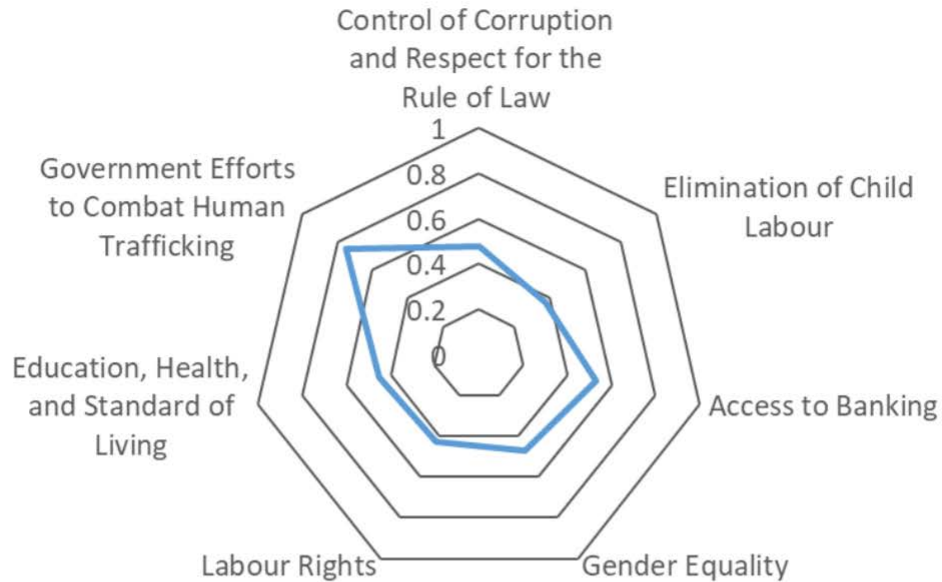
## Modern Slavery Risk Mapping: China



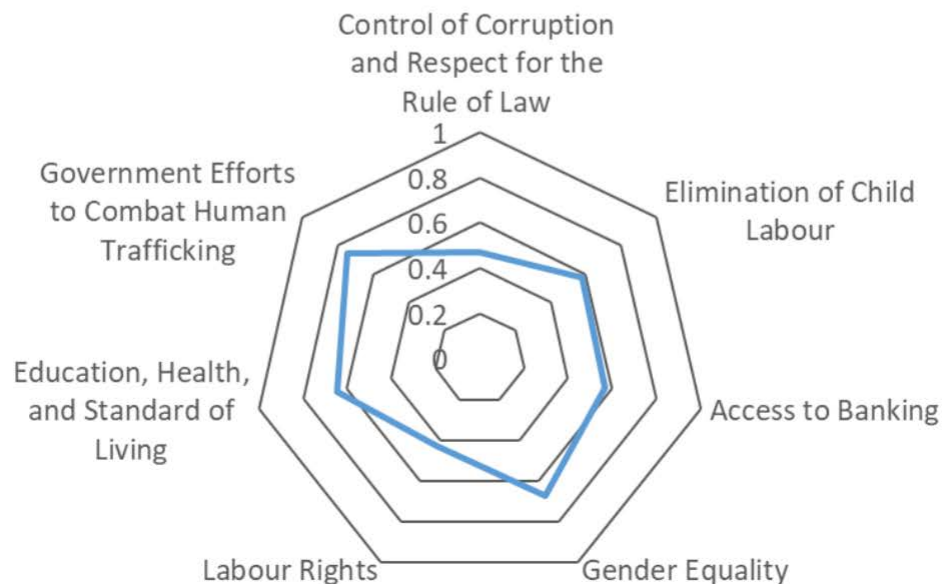


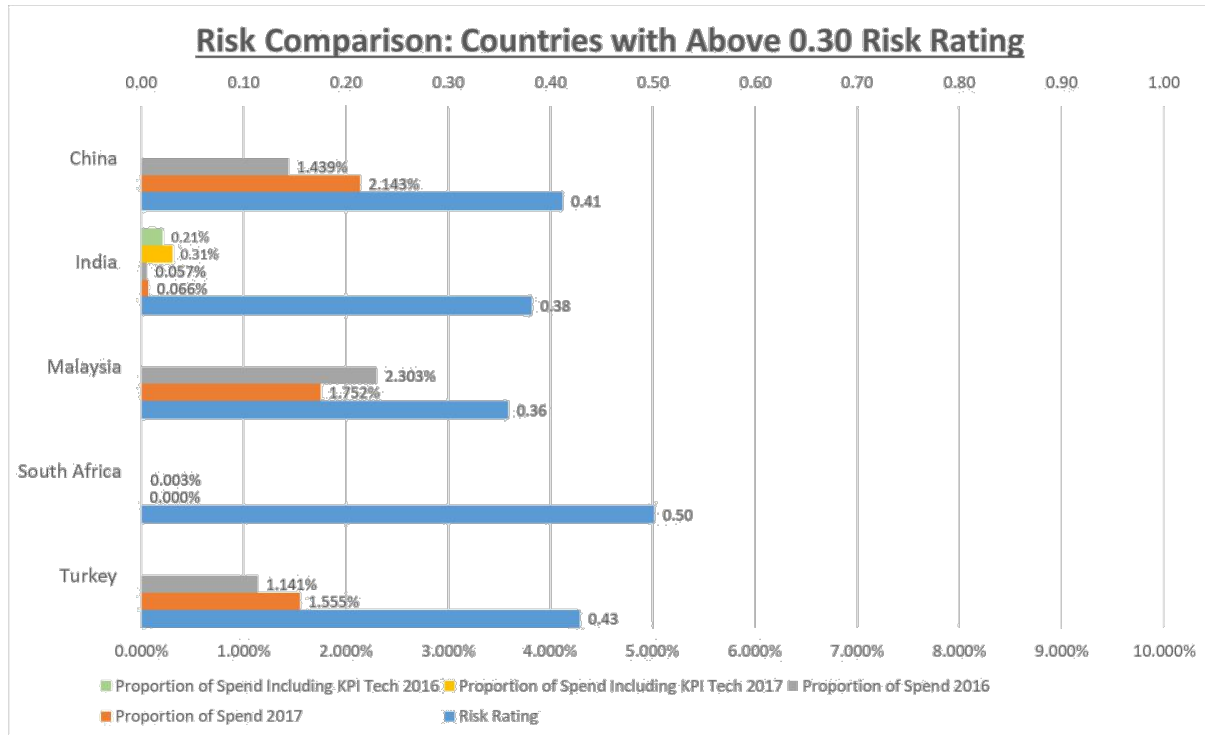


## Modern Slavery Risk Mapping: India



## 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 UN agencies and others, to uphold, support and promote human rights.

To continue to evaluate the nature and extent of our exposure to the risk of modern slavery, during 2020 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 and where we therefore have most leverage.

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 and human trafficking.



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 2020 we will continue to engage with suppliers in those particular geographies identified as high risk for ADL, building on our Top 80 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 continued to make significant strides in developing its understanding of potential risks within its operations and supply chains and the organisation is working towards a comprehensive programme of human rights due diligence.

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 2019 we undertook the following actions:

#### Top 80 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 will be extended in 2020 to include a further 30+ suppliers in high risk geographies; making this the Top 80 High Risk Supplier Engagement Programme.

This Top 80 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** 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 an extremely robust, 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 and will be repeated during 2020. Throughout 2020 ADL will continue to work with identified suppliers on any appropriate corrective action plans and to enhance their understanding of modern slavery.

ADLs own operations continue to be assessed using the STRT process and a programme of Independent Modern Slavery Threat Assessments.

## **Effectiveness and Objectives**

During 2019 the following KPIs have been delivered:

- ✓ 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 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

Alexander Dennis has developed further key performance indicators for the financial year ahead starting 30<sup>th</sup> December 2019 and ending 29<sup>th</sup> December 2020 to further drive activity and demonstrate its commitment to preventing modern slavery and human trafficking.

- Continued implementation of the Independent Modern Slavery Threat Assessment programme across all ADL UK manufacturing sites; delivery of associated programme of internal awareness raising activities.
- Further development of the Top 50 High Risk Suppliers Engagement Programme; including IMSTA (Independent Modern Slavery Threat Assessments), bespoke engagement of ADLs Business & Human Rights Lead in high risk overseas supply chains as appropriate.

- Special focus upon South East Asia supply chain; STRT, IMSTA, supplier training and engagement.
- Renewed, revised and enhanced internal awareness raising and online training campaign to 100% of the UK & overseas workforce, including executive and non-executive directors.
- Development and complete 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 2019 the organisation has delivered, with the assistance of its business and human rights lead, bespoke training programmes with key individuals and departments both in the UK and overseas. This training reflected the complexities and legal requirements in different geographies, as well as making clear ADLs legal and moral commitments.

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 2020.



## **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 human trafficking 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 1<sup>st</sup> January 2019 and ending 29<sup>th</sup> December 2019.