

Arriva plc

Slavery and Human Trafficking Statement

Introduction

The Modern Slavery Act 2015 (“the Act”) came into effect on 29th October 2015. This statement is made pursuant to section 54(1) of the Act and constitutes Arriva’s slavery and human trafficking statement for the financial year ending 31 December 2017. This is our second annual statement.

As an ethical company, we respect the human rights of everyone who works for us and those who work on our behalf. Arriva has zero tolerance to slavery and human trafficking in all its business dealings and is committed to the prevention of slavery and human trafficking in all its forms and will not tolerate or condone it within any part of its business or supply chains. We expect similar high standards from our business partners.

Organisation and Structure

Arriva (part of the Deutsche Bahn (“DB”) group) is one of the largest providers of passenger transport in Europe, employing 62,000 people and delivering more than 2.2 billion passenger journeys across 14 European countries each year.

Arriva is responsible for DB’s regional passenger transport services outside Germany, operating a wide range of services including local buses, regional and national train services, trams and light rail, water buses, demand response, non-emergency patient transport and airport related transport services within four separate operating divisions:

- UK Bus;
- UK Trains;
- Northern Europe; and
- Southern, Central and Eastern Europe.

This statement applies to all UK subsidiaries of Arriva plc and their global supply chains.

Supply Chains

Arriva’s supply chains comprise the provision of goods and services for the delivery and operation of passenger transport operations. Procurement activities take place in the UK and our suppliers are predominantly UK-based. Arriva Plc spend for the year ended 31 December 2017 amounted to £1,600 million in its UK Bus and UK Trains operating divisions and Group Head Office functions, across more than 8,800 suppliers.

Our major areas of supplier spend are rail infrastructure costs, and train and bus operating costs including fuel, maintenance and spare parts. A risk assessment has been conducted based on 2017 spend in these areas. No significant modern slavery risks have been identified.

Policy

Arriva's Group Anti-Slavery and Human Trafficking Policy reflects its continuing commitment to respect the human rights of those who work on our behalf. Arriva's Whistleblowing Policy ensures that both employees and non-employees can raise concerns about malpractice or wrongdoing, including in respect of slavery and human trafficking.

As reported in our previous statement, Arriva's Responsible Procurement Policy and its Code of Conduct for Business Partners form part of Arriva's commitment to ethical social, economic and environmental performance. We have reviewed our Responsible Procurement Policy and Code of Conduct for Business Partners and consider that these remain fit for purpose in the context of Arriva's exposure to modern slavery risks.

We launched our Standards of Business Conduct in the first half of 2018, with a plan to distribute to all Arriva employees in various formats and to be translated into local languages. The Standards of Business Conduct codifies and promotes our values including our position in respect of human rights including 'forced labour' and modern slavery.

Due Diligence and Risk Management

Due diligence in assessing modern slavery or human rights risk in operations or supply chains is not a legal requirement of the Act, but it is good business practice and as an ethical company, Arriva is committed to improving its procedures in a manner that is proportionate to the identified risk.

During 2017, 17 vendors identified as higher-risk (based on their responses to our questionnaire around CSR policies and practice) completed a third-party CSR rating tool. This tool provides Arriva with visibility of the actions taken by these vendors to improve their CSR rating. Arriva has commenced a Vendor Due Diligence programme, due to complete by the end of 2019, to define a common set of minimum standards and a risk-based approach to implementing these standards.

Arriva is also implementing an ERP system which will embed standard due diligence processes in addition to standardising other procurement processes over the next two years. The ERP system will also provide greater visibility of vendors across Arriva's operating companies.

Effectiveness

Our standard contracts impose obligations on our vendors to comply with all applicable anti-slavery and human trafficking laws, including the Modern Slavery Act 2015; and to have and maintain policies and procedures to ensure continuing compliance; and to not engage in any activity, practice or conduct that would constitute an offence under the 2015 Act if such activity, practice or conduct were carried out in the UK. These obligations have not been amended since our first statement.

Training

Arriva procurement personnel attended workshops during 2017 in use of the third-party CSR rating tool.

Board Sign-Off

The Board of Arriva plc remains dedicated to strengthening its practices to continuously reduce its exposure to slavery and human trafficking risks.

This statement has been approved by Board of Directors and executed by the Chief Executive Officer on their behalf.

A handwritten signature in green ink, appearing to read 'M. Rudhart', with a stylized flourish at the end.

Dr Manfred Rudhart
Chief Executive

September 2018