

MODERN DAY ANTI-SLAVERY STATEMENT.

Modern Slavery Statement for Group 1 Automotive and subsidiary companies for financial year ending 31 December 2018.

ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

Group 1 Automotive has adopted a statement of our corporate value on the prevention of modern slavery and human trafficking. The value statement governs all our business dealings and the conduct of all persons or organisations with whom we contract directly or who we appoint to act on our behalf.

We expect all who have, or seek to have, a business relationship with Group 1 Automotive and/or any member of our Group, to familiarise themselves with our anti-slavery value and to act at all times in a way which is consistent with our anti-slavery value.

GROUP 1 AUTOMOTIVE ANTI-SLAVERY VALUE

As part of our culture of good governance for good business, at Group 1 Automotive we operate to a set of core values around professionalism, integrity, transparency and teamwork, which reflect our relationships with our principal stakeholder groups: customers, manufacturers, shareholders, suppliers and team members. We adopt a behavioral value for all our business relationships, reflecting our attitude to the exploitation of individuals in any form, and more particularly the offences under the Modern Slavery Act 2015. We are committed to opposing modern slavery in all its forms and preventing it by whatever means we can. We demand the same attitude of all who work for us and expect it of all with whom we have business dealings.

Our attitude to modern slavery is: zero tolerance.

PURPOSE OF THIS POLICY

Modern slavery is a criminal offence under the Modern Slavery Act 2015 (the “Act”). Modern slavery can occur in various forms, including servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain. This document sets out the policy Group 1 Automotive (the “Company”) and its subsidiaries as listed below have written to prevent opportunities for modern slavery to occur within its businesses or supply chain. This policy’s use of the term “modern slavery” has the meaning given in the Act.

As a Group, we have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own businesses or those of our suppliers.

We include in the directors’ report accompanying our annual financial statements a reference to our Slavery and Human Trafficking Statement.

CORPORATE STRUCTURE AND SUPPLY CHAINS

This statement covers the activities of the following automotive groups and the retail of the associated brands:

Barons Automotive Limited: Automotive retail, service and repair of the BMW and MINI brands

Hodgson Automotive Limited: Automotive retail, service and repair of the Audi brand

Think One Limited: Automotive retail, service and repair of the Ford brand

Spire Automotive Limited: Automotive retail, service and repair of the Audi, Jaguar, Land Rover, SEAT and Volkswagen brands

Beadles Group Limited: Automotive retail, service and repair of the Jaguar, Land Rover, Volkswagen, Skoda, Toyota and Kia brands

Barons Autostar Limited: Automotive retail, service and repair of the Mercedes-Benz and SMART brands

Reference to Group 1 Automotive within this policy covers the above entities.

We are determined to ensure that slavery and human trafficking are not taking place in any of our supply chains. Most of our supply chains provide the supply of vehicles and parts from the international automotive manufacturers we represent as detailed above.

These lower risk manufacturer supply chains constitute the majority of our total supply chain. We are pleased to note that most of these manufacturer suppliers uphold their own standards of anti-slavery and anti-human trafficking compliance and some of our partner manufacturers are involved in ethical committees. For example, the Ford manufacturer are members of the Responsible Business Alliance, a non-profit coalition that promotes high standards in human rights, safety and security, environmental protection and business ethics. We review the statements from our manufacturer suppliers and the steps they are taking in relation to modern slavery and we will continue to do so regularly.

We also identify the following services within our supply chains:

Cleaning services;

Valeting services;

Office stationery suppliers;

Coffee suppliers;

Printer and copier suppliers;

Promotional branded items suppliers;

Bodyshop contractors;

Building contractors; and

Recruitment agencies.

These non-manufacturer suppliers comprise a very small proportion of our supply chain, but we consider them to be at higher risk of potential breaches of the modern slavery obligations.

We communicate our modern slavery statement through our supply chain compliance programme that consists of:

A procurement process expecting all high risk non-manufacturer service providers and contractors to perform their services in accordance with our anti-slavery policy; and

Undertaking continual confirmation procedures with our high risk non-manufacturer suppliers to ensure compliance with our policies.

We will continue to consider whether it is proportionate to take further steps to ensure these non-manufacturer high risk suppliers comply with our values on anti-slavery and human trafficking in light of the level of risk they are considered to pose and the degree of influence that we may have over them.

STEPS FOR THE PREVENTION OF MODERN SLAVERY

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect

the same high standards from all of our contractors, suppliers and other business partners, and we are evolving and updating our contracting processes to include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect our suppliers to hold their own suppliers to the same high standards.

All team members have an obligation to familiarise themselves with our procedures to help in the identification and prevention of modern slavery and to conduct business in a manner such that the opportunity for and incidence of modern slavery is prevented. Adherence to this policy forms part of all team members' obligations under their contract of employment.

To strengthen our modern slavery governance, we have established a due diligence programme and we regularly review our existing suppliers through this programme by:

Broadly mapping the supply chain to assess particular product, service or geographical risks of modern slavery and human trafficking;

Creating a risk profile for non-manufacturer suppliers;

Monitoring the modern slavery statements issued by each new supplier and all suppliers on a regular basis, and evaluating the modern slavery and human trafficking risks;

Reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping and the suppliers compliance with our programme;

Submitting the risk assessment related to supply chains for director consideration;

Assisting suppliers with improvements to their working practices; and

Retaining the power to invoke sanctions against suppliers with substandard anti-slavery practices or whom seriously violate our Company values, including the termination of the business relationship.

Whilst recognising our statutory obligation to set out the steps we have taken to ensure that modern slavery and human trafficking is not taking place in our supply chains, we acknowledge that we do not control the conduct of individuals and organisations in our supply chains. Our continuous action plan to underpin our compliance with practical steps, includes consideration of the following measures:

Continue to carry out risk assessments to determine which parts of our business and which of our suppliers are most at risk of modern slavery so that efforts can be focused on those areas;

Continue to engage with our suppliers both to convey to them our anti-slavery policy and to gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses;

Where appropriate, as informed by our risk assessment, seek to introduce supplier pre-screening (for example as part of our tender process) and self-reporting for our suppliers on safeguarding controls;

Introduce contractual provisions for our suppliers to confirm their adherence to this policy and accept our right to audit their activities and (where practicable) relationships, both routinely and at times of reasonable suspicion.

Review, update and formalise our supplier code of conduct.

RELEVANT POLICIES

The following policies are integral to our continued dedication to identify modern slavery risks and prevent slavery and human trafficking in its operations:

Whistleblowing policy

We encourage all its employees, workers, contractors, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the Company. The whistleblowing procedure is designed to be easy for individuals to make disclosures in confidence and without fear of retaliation. The Company also encourages members of the public or people not employed by us to write, in confidence to the Managing Director or the Human Resources Director via our registered head office to raise any concern, issue or suspicion of modern slavery in any part of our business or supply chain

Employee code of conduct

Our code clarifies the principles, actions and behaviours expected of our employees, workers and contractors when they represent the Company. This code is reviewed periodically and all updates are communicated to our employees and workers as they happen.

Supplier code of conduct

Suppliers are required to demonstrate that they uphold the Company's values of integrity, transparency, teamwork and professionalism and specifically that they provide safe working conditions and act ethically and within the law in their use of labour.

Recruitment policy

We operate a preferred supplier list of reputable recruitment agencies for all vacancies. This list is created against a set of strict regulations, of which their compliance to modern slavery is included. Our preferred supplier list is reviewed on a regular basis and any serious violations of modern slavery standards will lead to their removal from the list.

SAFEGUARDS

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. The Company will accept and take seriously concerns communicated anonymously.

However, retention of anonymity does render investigations and validation more difficult and can make the process less effective. Individuals are therefore encouraged to put their names to allegations.

Any claims or allegations made which are found to be malicious or vexatious will result in disciplinary action being taken against the individual.

RESPONSIBILITY FOR THE POLICY

Ultimate responsibility for the prevention and prevention of modern slavery rests with the Company's leadership. The board of directors of the Company has overall responsibility for ensuring this policy and its implementation comply with our legal and ethical obligations.

Team leaders at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery.

REVIEW

This Anti-Slavery and Human Trafficking Policy will be reviewed by the Company's Board of Directors on a regular basis and may be amended from time to time.

Version: 31st March 2019

Approval Signature: Darren Guiver, Managing Director