



SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR JAGUAR LAND ROVER AUTOMOTIVE PLC AND ITS SUBSIDIARIES (JLR) FOR THE YEAR ENDED 31 MARCH 2016

JLR's Slavery and Human Trafficking Statement is made pursuant to Section 54 of the Modern Slavery Act 2015 "Transparency in Supply Chains". This Statement sets out the steps JLR has taken to address the risk of slavery and human trafficking taking place within its own operations and supply chains. For the purposes of this Statement JLR's joint venture arrangements are treated as being part of our supply chains.

OUR ORGANISATION

Business Sector

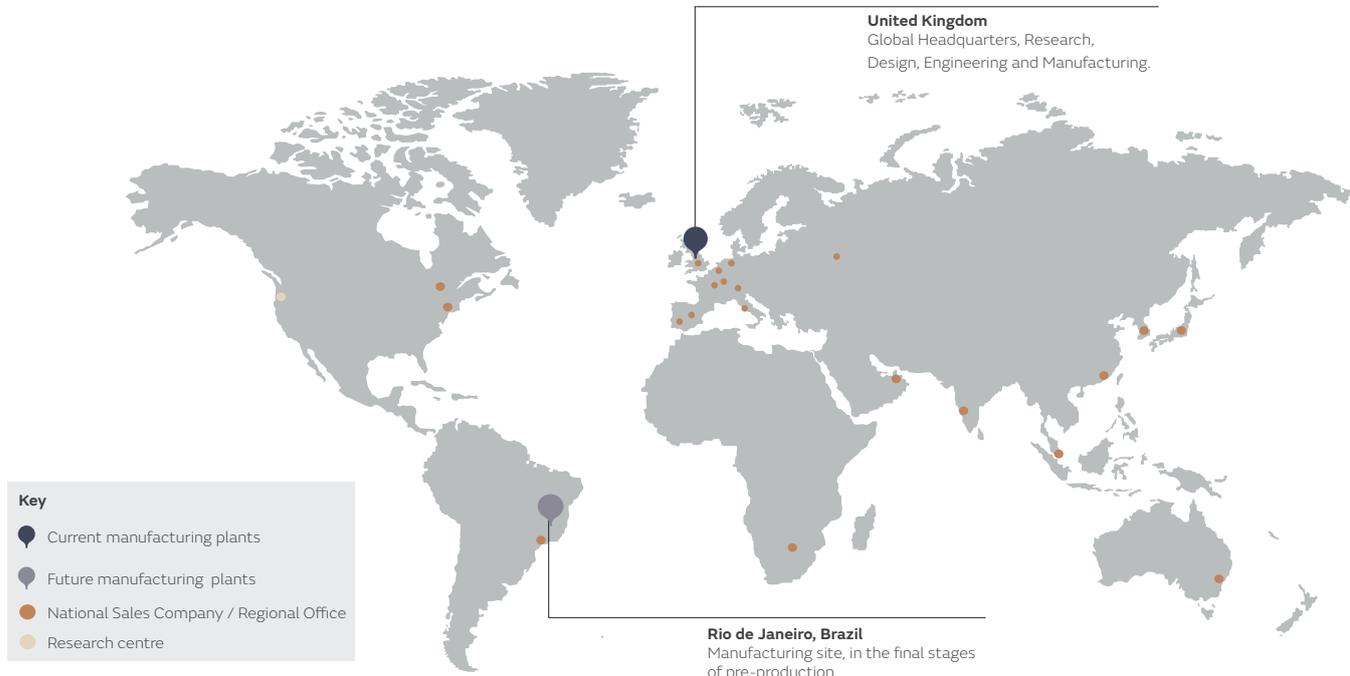
JLR's primary business is the manufacture of premium automobiles. JLR has two globally-recognised brands: Land Rover, a manufacturer of premium all-terrain vehicles and Jaguar, a manufacturer of sports cars and saloons. JLR also supplies automotive parts and services, branded merchandise and a range of driving experiences.

Organisational Structure

During the year ended 31 March 2016, the average number of staff working for JLR was approximately:

Average Staff Numbers ('000)	UK	Overseas	Total
Direct Employees (Salaried)	11.4	2.1	13.5
Direct Employees (Hourly Paid)	16.3	-	16.3
Agency Staff	7.0	0.2	7.2
Total	34.7	2.3	37.0

JLR has a global sales network across 160 countries and approximately 1,700 franchised dealer sites worldwide. We service 20 international markets with JLR owned National Sales Companies (NSCs). Other markets are serviced through export and import partners.



JLR's traditional manufacturing base is in the UK. As at 31 March 2016 a new JLR wholly-owned factory in Brazil was in the final stages of pre-production. Chery Jaguar Land Rover, the Company's joint venture in China with Chery Automobile Company Ltd, has been treated as part of JLR's supply chain for the purposes of this statement.

Responding to the Modern Slavery Act

JLR has mobilised a cross-functional working group, under the sponsorship of the Executive Director of Human Resources and Global Purchasing, to assess and respond to the requirements of the Modern Slavery Act 2015, with representation from Group Compliance, Purchasing, Human Resources and Corporate Social Responsibility. We have an ongoing programme to improve our response to slavery and human trafficking risk. Existing policies and practices have been reviewed and updated. The JLR Audit Committee has been kept regularly informed of progress with this programme.

SLAVERY AND HUMAN TRAFFICKING RISKS WITHIN JLR'S OPERATIONS

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

In light of the Modern Slavery Act 2015, we have reviewed the content of our Code of Conduct and Corporate Policies and updated our Policies to be more explicit about slavery and human trafficking.

Code of Conduct

The JLR Code of Conduct (the Code) is applicable to all personnel working for and on behalf of JLR globally (JLR Personnel), including direct employees and agency and contract staff. The Code states that: "We expect human rights to be respected and we will not tolerate the use of child labour or forced labour in our worldwide operations or by our business partners."

All JLR direct employees are required to sign up to the Code on joining the business. The Code is available to JLR Personnel on the JLR intranet and to external parties via the JLR Corporate website.

The JLR Annual Compliance Declaration process requires all JLR salaried staff globally and selected other staff to confirm that they are aware of the Code and acknowledge that they are bound by it. For the December 2015 declaration process, 99.97% of this population of approximately 16,000 people have completed their declaration.

Human Rights Policy

JLR's new Human Rights Policy was approved in March 2016. It articulates in a single policy pre-existing JLR requirements with regards to the protection of human rights. The Policy applies to all JLR Personnel and has been distributed company-wide. It sets out our commitment to respecting human rights and complying with laws, rules and regulations governing human rights in the territories in which we operate. This includes specific provisions addressing slavery, human trafficking, forced labour, child labour and upholding each employee's right to freedom of association.

Recruitment Practices

JLR undertakes "right to work" checks on all direct employees prior to them commencing their roles with the Company. This includes checking, where applicable, that the employee has a valid work visa and is of an appropriate age to work.

Trade Unions and Other Bodies Representing Workers

Through the Code, Human Rights Policy and employment practices, JLR recognises and respects each employee's right to freedom of association, including the right to join trade unions.

Access to Remedy for Victims

If JLR Personnel identify any potential signs of slavery, human trafficking or other human rights abuses, they are encouraged to report this to JLR management directly or through our externally run "Speak Up" confidential reporting facility. The guidance in our Confidential Reporting Policy has been updated to be more explicit about reporting concerns regarding slavery and human trafficking.

To date, JLR has received no reports of concerns regarding slavery or human trafficking in our operations. In the event that such issues were reported to us, we would undertake an urgent thorough investigation into the concerns raised under the supervision of Executive Committee members. If the investigation confirmed the concerns, we would put in place robust action plans to address the issue and protect the victims.

TRAINING ON SLAVERY AND HUMAN TRAFFICKING

A modern slavery briefing sheet has been provided to all JLR Personnel.

Training has been delivered to those individuals in roles most likely to be in a position to identify and address potential modern slavery risks, including our Human Resources and Purchasing functions. At the date of this report, 99% of the target population have completed this training.

RISKS OF SLAVERY AND HUMAN TRAFFICKING IN JLR'S OWN OPERATIONS

We have undertaken an assessment of slavery and human trafficking risks within JLR's own operations. We considered: the location of our operations; roles being performed; recruitment processes; and absence to date of reports of concerns regarding slavery and human trafficking.

As well as direct employees, JLR has agency and contract staff working at our sites. Contractual terms and conditions are in place with the companies that provide JLR with agency staff, requiring them to have a process in place to protect human rights.

Based on our risk assessments, we deem the risk of slavery or human trafficking occurring within JLR's direct employee population, or our agency and contract staff population under our direct supervision, to be low.

SLAVERY AND HUMAN TRAFFICKING RISKS WITHIN JLR'S SUPPLY CHAINS

JLR sources goods and services directly from a global network of approximately 10,300 active suppliers, based in 62 countries. These suppliers can be analysed by the area of the JLR business that they primarily supply goods and services to, as follows:

Area of JLR Business	Approximate Number of Suppliers
Production and Special Vehicle Operations	500
Non-production and NSCs	8,500
After-market	1,200
Merchandising	100
Total	10,300

Like other automobile manufacturers, JLR's supply chain is highly complex. This complexity and limitations on the visibility beyond the first tier of the supply chain mean there are inherent challenges in efficiently and effectively assessing and addressing supply chain issues, such as human rights risks. Therefore, our work to address slavery and human trafficking risks within our supply chains has been focussed primarily on our Tier 1 suppliers this year.

RELATIONSHIPS WITH SUPPLIERS

JLR actively manages its relationships with its Tier 1 suppliers. There are clear contractual arrangements in place with all direct suppliers, who are required to sign up to JLR's Global Terms & Conditions (Global T&Cs).

JLR communicates the standards expected of its suppliers through a variety of mechanisms including: supplier conferences; Achilles (a supply chain management platform); Covisint (a global supplier portal); direct buyer interactions; emails to suppliers; and via the JLR Corporate website.

The importance of addressing the risk of slavery and human trafficking in our supply chains was reiterated to key JLR suppliers at our supplier conference in May 2016.

EXPECTATIONS OF SUPPLIERS

The standards JLR expect its suppliers to meet, including standards equivalent to those articulated in the Code, are set out in the Global T&Cs, which also detail human rights requirements, including basic working conditions.

The Global T&Cs are supported by the JLR Sustainability Guide – Supplier Environmental & Social Requirements (The Sustainability Guide), which articulates the minimum environmental and social standards JLR expects all its suppliers and business partners to adhere to. It addresses working conditions (including specific reference to the Modern Slavery Act), with expectations of processes and safeguards to demonstrate compliance. There is an accompanying Minimum Standard of Working Conditions Self-Assessment Checklist.

There are a number of processes in operation that address human rights risks within JLR's supply chains. These include:

- The Achilles Automotive Community platform, which is used to engage with production and construction suppliers. To date, 237 production suppliers have completed self-assessment questionnaires which include questions regarding forced / bonded and child labour. No slavery or human trafficking issues have been reported to us through these questionnaires. Next year the Achilles questionnaire will be updated to more specifically address the Modern Slavery Act.
- The new Supplier Technical Assistance diagnostic tool (implemented in March 2016), which assesses all potential new suppliers for Production and Special Vehicle Operations. It includes six questions on human rights. Suppliers are asked to confirm that they do not employ any form of forced, prison or child labour. No slavery or human trafficking issues have yet been identified by this new process.
- Manufacturing Site Self-Assessment (MSSA), which is a pre-qualification process for new suppliers of branded merchandise. The MSSA asks for information on labour standards, whistleblowing facilities and ethical / social audits completed. Responses have been received from approximately 70% of current merchandising suppliers. No slavery or human trafficking issues have been reported to us through these self-assessments.
- JLR China Supplier Self-Assessments, which new suppliers to JLR China are asked to complete, addressing legal and regulatory obligations, including labour laws. We also undertake searches of publicly available sources to see whether concerns are highlighted. No slavery or human trafficking issues have been identified through these assessments.

If we became aware of slavery or human trafficking concerns within our supply chains, we would seek to work with the relevant suppliers to improve conditions for their workforce. We reserve the right to deselect suppliers if they were to fail to make the required improvements within a reasonable timeframe. To date, JLR is not aware of any reports of slavery or human trafficking within our supply chains.

ASSESSMENT OF RISKS OF SLAVERY AND HUMAN TRAFFICKING IN JLR'S SUPPLY CHAINS

We have undertaken an exercise to assess slavery and human trafficking risk within JLR's supply chains. We have evaluated our Tier 1 suppliers by considering the countries where our suppliers are based, products and services being supplied and the volume of spend. The data was evaluated against recognised external sources on perceived slavery risk within sectors and geographic areas, to assess whether suppliers potentially represent higher slavery risk.

In this first year of undertaking analysis of slavery risk in our supply chains, the geographical information on suppliers was restricted to the country in which the purchase order was raised, which we have used as a proxy for the country of operation of the supplier.

From our risk assessment work to date, considering the type of commodity or service being provided and the country in which the suppliers are based, we have identified 72 suppliers that may potentially represent an elevated risk of slavery or human trafficking. These suppliers span 12 countries: Brazil; China; Egypt; India; Morocco; Poland; Russia; Taiwan; Thailand; Turkey; United Arab Emirates; and Vietnam. We are currently seeking further information to understand how these suppliers protect human rights within their operations.

There are also a number of people working on our sites as employees of companies providing outsourced services, such as cleaning and catering. The nature of these services may mean there is an increased inherent risk of slavery and human trafficking. The companies that provide these services are subject to the Global T&Cs. We intend to seek additional assurances from these companies that they have effective procedures to protect their staff from slavery and human trafficking risks.

EVOLVING APPROACH TO SLAVERY AND HUMAN TRAFFICKING RISK IN SUPPLY CHAINS

The Code, our Policies and contractual terms are clear on the need to protect human rights. However, we recognise that these measures only give a limited degree of comfort that slavery and human trafficking are not occurring within our supply chains. We are working to determine how we can obtain further comfort over the effectiveness of anti-slavery and human trafficking measures beyond the first tier of our supply chain.

As our programme progresses, we will prioritise potentially higher risk suppliers for the mitigation measures we implement. These may include: seeking to obtain more reliable and granular data from suppliers; more detailed review of existing supplier information; supplier self-assessment questionnaires or declarations; and audits for selected suppliers. Under the Global T&Cs, JLR has the right to conduct audits of suppliers and / or ask suppliers to submit to third-party assessment. We are not currently exercising this right for the purposes of social audits. One of the next steps within our programme will be to assess whether to commission targeted social auditing of selected suppliers deemed to present a higher slavery risk.



Dr Ralf Speth
Chief Executive Officer of Jaguar Land Rover
4th July 2016