

Engaging our stakeholders

Our partnership approach to stakeholder relations

Our drive to be a trusted partner to all our stakeholders is rooted in our Purpose. We form relationships based on mutual understanding and respect and, by engaging meaningfully, we gain valuable insights which influence decision-making at every level of the business from the Board to local management teams. Acting on these insights helps us continuously improve what we offer to stakeholders, further reinforcing this virtuous circle.

How our Board of Directors engages with and has regard to stakeholder views

While the majority of engagement with stakeholders takes place within the business divisions and is led by divisional management, the Company's Board engages directly with certain stakeholders, as described on pages 67 to 72 of the Corporate Governance Report. The Company's Directors are also kept regularly apprised of all stakeholders' views through divisional reports to the Board, so that Directors are able to have regard to such views in their decision-making, as illustrated by reference to various stakeholders' interests in our Section 172(1) statement on pages 46 and 47 of this Strategic Report.



Our people

Our greatest asset is our experienced, diverse and dedicated workforce. Their commitment drives the delivery of a safe and reliable transport service. We are committed to personal development, ensuring colleagues are appropriately supported and rewarded for all they do.

They told us they value

- A workplace that values diversity, champions inclusion and respects the rights of all employees
- Opportunities for progression
- Fair pay and reward
- Health, safety and wellbeing

How we engage with them

- Engagement is executed locally against global policies:
- Frequent newsletters and feedback opportunities in each division
 - Regular corporate communications to keep colleagues informed about how the Group is performing
 - Regular communication with local management
 - Wellbeing pulse surveys
 - Diversity and inclusion surveys
 - Open and constructive dialogue with trade unions

Engagement focus in 2020

- With the unprecedented changes in working practices driven by our response to the pandemic we significantly increased engagement:
- Enhanced health and safety briefings for front-line workers
 - Support for remote working practices to balance childcare/home-schooling etc.
 - Wellbeing support during periods of furlough
 - More frequent business updates

The value of engagement

The overwhelming feedback from our colleagues was praise for our response to the pandemic and specifically how we have engaged them. We believe we have maintained and even enhanced our colleagues' trust, resulting in a more engaged workforce which will reinforce talent retention.

Links to our KPIs

FWI
Passenger journeys



Passengers

As a public transport company, our ongoing success is grounded in continuing to exceed passengers' expectations for safe and reliable services at a fair price on clean and increasingly green vehicles.

They told us they value

- Safe and reliable services at a fair price
- Consistent service performance that builds trust
- Prompt and pragmatic response to changing demands
- Open and honest communication, especially during times of uncertainty and disruption

How we engage with them

- Engagement is tailored to specific segments in each market and is increasingly digital in nature:
- Increased communication via websites, apps and social media, particularly on service changes
 - Rapid updates on travel restrictions and up-to-date advice on health and safety measures
 - Continual review of customer feedback via customer service centres
 - Ongoing customer panels and focus groups

Engagement focus in 2020

- We increased engagement with our passengers as government responses to the pandemic have materially impacted our services:
- Reassurance of safety measures for passengers
 - No quibble reimbursement for cancelled travel
 - Continuous, real-time updates on service changes

The value of engagement

Our passengers have communicated a pent-up demand for our services providing a strong base from which to rebuild revenue once restrictions are lifted. Throughout the pandemic, we have seen positive feedback on how we have run our services.

Links to our KPIs

FWI



Customers

Public transit authorities, school boards and other corporates are key customers and we aim to earn their loyalty by providing safe, reliable and great value services transportation solutions on clean and increasingly green vehicles.

They told us they value

- Safe and reliable services that represent great value for money
- Consistent delivery that builds trust
- Accurate and open dialogue about successes and challenges
- A good company, giving something back

How we engage with them

- Given the nature of our business, customer relationships are managed locally in each division:
- Direct bilateral dialogue with school board, transport authority and corporate customers
 - Engagement through existing and newly created industry bodies
 - Ongoing customer surveys tailored to understand the impact of the pandemic and our response

Engagement focus in 2020

- We have been in near constant contact with our customers to understand their changing needs in the context of the pandemic:
- Reassurance on safety measures for passengers
 - Flexing services and schedules in line with changing travel restrictions
 - Negotiating support packages to enable us to retain colleagues where services are not running

The value of engagement

We have received praise for communication levels during the pandemic and we believe we have preserved and even enhanced customer relationships through the crisis. This should provide a strong platform for growth once travel restrictions are removed.

Links to our KPIs

FWI
Passenger journeys



Governments & regulators

Public transit authorities, in addition to being customers in some cases, are key partners through their role of setting transport policies and providing grant funding for transport initiatives. Regulators also monitor the high standards we operate by.

They told us they value

- Safely delivering reliable transport services for communities
- A partner to help to solve the challenges of congestion, carbon, clean air and inclusive growth
- Broader positive community impact

How we engage with them

We engage in dialogue with central and local government departments and transport authorities in each market in which we operate both as a company and through industry associations:

- Bus Alliance in the West Midlands
- Transport for London (for UK coach)
- North America Transit Alliance
- National Student Transport Association
- CONFEBUS for the Spanish transport industry

We also comply with our reporting obligations to regulators

Engagement focus in 2020

Engagement has centred around working together to respond to the pandemic:

- Clarifying evolving laws and guidance on travel restrictions and associated safety guidelines
- Securing critical funding for transport providers and their employees adversely affected by government-imposed travel restrictions
- Evolving partnership models to speed the introduction of zero emission buses and associated infrastructure

The value of engagement

We have received significant positive support from governments and feedback from elected members who have recognised our people as key workers. We believe our partnership approach has been reinforced and rewarded which will assist us to deliver our strategy going forwards.

Links to our KPIs

FWI
Passenger journeys
GHG emissions



Suppliers

Our suppliers, which range from large multinational companies to small independently run businesses, partner with us in delivering innovative solutions for our customers from the latest in zero emission buses to cutting edge technology development.

They told us they value

- A long-term partner, investing in collaborative innovation
- Fair engagement and payment terms
- A responsible and sustainable supply chain

How we engage with them

Dedicated relationship managers for Group-wide suppliers coordinated through our central procurement team:

- An e-procurement platform is utilised to assist robust supply chain tenders
- Structured contract reviews are conducted to monitor and improve service levels
- In our UK coach business, 60% of the network is run by third party operators who we supported during shut-downs

Engagement focus in 2020

We have worked closely with our suppliers to mitigate the impact of the pandemic on the Company's resources:

- Delaying orders
- Extending payment terms and adjusting contracts to reflect changed circumstances
- Developing critical new supplier relationships with PPE suppliers
- Supporting third party coach operators in the UK with exceptional funding whilst the UK coach network was mothballed

The value of engagement

We have reduced capital expenditure at a critical time, created new relationships and reaffirmed existing relationships with key suppliers. In addition, we have enabled smaller operators to survive the crisis, facilitating restart once restrictions are lifted.

Links to our KPIs

ROCE



Investors & debt holders

Efficient access to capital is critical to the long-term sustainability of our business and the delivery of our Vision and Purpose.

They told us they value

- Clarity of strategy and business model
- Consistent financial performance and returns
- Financial risk management and protection of investment grade rating
- Strong reputation and leadership on sustainability and 'ESG' performance

How we engage with them

The Group CEO and CFO, supported by Treasury and Investor Relations, maintain an active ongoing relationship with key investors:

- Financial results presentations and roadshows
- Dynamic investor relations programme with upwards of 100 meetings per year
- Periodic market updates when considered helpful
- Remuneration Committee Chair engages with major shareholders on Directors' remuneration

Engagement focus in 2020

Engagement has materially increased around Covid-related financing activities:

- Regular equity market updates as Covid scenarios evolved
- Seeking amendments to debt covenants
- Raising new financing both from equity shareholders and a debut hybrid issuance
- Incremental quarterly financial reporting to debt investors
- Our new CEO meeting with many of our major shareholders

The value of engagement

We have retained the confidence of equity and debt investors and strengthened our relationships with them, raising fresh capital and securing continued access to financial support.

Links to our KPIs

Underlying operating profit
Free cash flow
ROCE



Communities

As a public transport operator, we provide social mobility, transporting people to work, education and leisure activities and helping to combat air pollution and congestion as we make the modal shift away from single occupancy vehicles more attractive.

They told us they value

- Safe and affordable transport services
- Broader positive community impact
- Opportunities for rewarding employment

How we engage with them

Each division has well established partnerships with charities and community organisations. We support the delivery of their work via funding or employee volunteering, including the following:

- The Youth Promise in the UK
- Partners Beyond the Bus in North America
- ALSA's Integra Foundation partnership
- Our own National Express Foundation – helping young people to succeed in life

Engagement focus in 2020

Across the Group, we have supported communities broadly in response to the pandemic:

- Providing free shuttle services to hospitals for hospital staff
- Providing additional shuttle services for patients to and from healthcare facilities
- Delivering food parcels on behalf of local authorities

The value of engagement

By providing safe and affordable public transport solutions we are supporting social mobility in the communities we serve

Our support for charity partners funds the delivery of many social and community support services.

Links to our KPIs

GHG emissions