

Engaging our stakeholders



Colleagues

Why they are important to strategy

Our people are the heart of our business. They are at the front line of executing strategy, ensuring that our services are the safest and most reliable and that our customers are the most satisfied

How we engage

- Group HR oversight with divisional HR programmes
- Regular Group communications and divisional newsletters
- Open lines of communication with Group and divisional management and two-way dialogue with the Board
- Constructive dialogue with trade unions
- Employee engagement surveys

What they value

Our employees expect us to look after their safety, health and wellbeing. They expect a workplace that values diversity and champions inclusion, and an employer that respects legal rights. They want fair reward and recognition for their work and opportunities for progression. They value regular and clear communication

Delivering for them

- We maintain the highest safety standards to protect health and wellbeing
- We were the first transport company to adopt the real Living Wage or equivalent
- We have increased investment in development programmes
- We are promoting diversity and inclusion

[Link to KPIs: FWI](#)

Market and regulatory factors

- Labour laws can impact working conditions and cost of employment
- Qualification and training regulations can impact recruitment time
- Immigration laws can impact access to labour pools
- Competitor pay and working conditions can impact recruitment and retention
- Flexible working conditions and benefits can attract and retain a more diverse workforce

Opportunities

- An engaged workforce can better support delivery of strategic goals
- Knowledgeable and well trained employees can help us innovate and identify new opportunities
- Favourable workplace conditions can attract and retain talent

Risks

- Labour shortages can hinder our ability to deliver reliable services
- Discontent can lead to strikes or attrition
- Mandatory Covid-19 vaccinations or testing can cause attrition and increased process and costs



Passengers and customers

Why they are important to strategy

Our ability to win passenger and customer loyalty and satisfaction in both our B2B and B2C businesses by meeting expectations for the provision of safe and reliable services is central to our ability to consolidate our markets and compound our growth

How we engage

- Local relationships guided by Group standards
- Intuitive and highly rated websites, apps and social media, and easily accessible customer service centres, for passengers
- Direct dialogue with transport authority, school board and corporate customers
- Passenger feedback and customer satisfaction surveys

What they value

Our customers and passengers want safe and reliable services, and great value for money. They value consistent service delivery that generates trust. They expect prompt and pragmatic responses to changing demands, and open and honest communication. Increasingly they also want to do business with a socially responsible and sustainable company

Delivering for them

- We are consistently the most trusted transport provider in B2C passenger trust scores and we have consistently improved our B2B customer satisfaction scores
- We invest heavily in our safety programme
- We train our employees to offer great passenger and customer service
- We adapt our services, develop operational initiatives and invest in technology, to best meet our passengers' and customers' needs

[Link to KPIs: Passenger journeys and FWI](#)

Market and regulatory factors

- Passenger confidence in public transport and changing travel behaviours as we emerge from the Covid-19 pandemic impact demand
- Regulation to achieve better air quality in cities can increase the relative attractiveness of shared mobility for passengers and prompt B2C customers to seek more shared mobility solutions
- The de-regulation or re-regulation of certain markets can create new opportunities and risks

Opportunities

- More optimised transport networks, and greener fleets, can attract more passengers
- Increased North America school bus outsourcing and corporate client shuttle solutions can create new customer opportunities
- Increased congestion and clean air charging increases the relative attractiveness of shared mobility

Risks

- Macro political and economic events can change travel behaviours and transport funding
- Increased competition can erode market share and reduce margins



Suppliers

Why they are important to strategy

Our suppliers partner with us to supply the resources we need to deliver our services, and innovative solutions to continuously improve those services, in furtherance of our strategy

How we engage

- Local divisional relationships supplemented by oversight from the Group procurement team
- Tendering contracts and engaging in contract negotiations
- Governing contracts including by formal contract reviews

What they value

Our suppliers want to work in partnership and collaborate with us and invest in relationships over the long-term to achieve mutual benefits. They value good line of sight on placement of orders and fair engagement and payment terms

Delivering for them

- We invest in long-term supply relationships and give good visibility on orders wherever we can, with a focus on new long-term relationships with suppliers of zero emission vehicles and alternative energy supplies
- We contract on mutually acceptable commercial terms
- We meet our payment obligations

[Link to KPIs: ROCE](#)

Market and regulatory factors

- Component shortages and labour shortages can disrupt the supply chain
- Increased regulation affecting suppliers, such as changes in import/export rules and charges, can impact the cost and speed of the supply chain

Opportunities

- Our scale and long-term relationships give us access to more competitive pricing and to priority in manufacturing slots and so delivery times
- Investing in long-term relationships can aid our transition to a zero emission fleet by giving suppliers confidence to invest in developing innovative solutions with us

Risks

- Poor quality control by suppliers can compromise our supplies
- Financial difficulties for suppliers can compromise our supplies

Our Section 172(1) Statement

Our Company Directors have had regard to our stakeholders' interests as described on these pages, and the other matters set out in Section 172(1) (a) to (f) of the Companies Act 2006, when making key decisions on behalf of the Company during the year under review. Two case studies, examining the way in which they did so when making two of the Board's most material decisions, are set out on pages 56 to 59 of the Corporate Governance Report, and are incorporated into this statement by reference.



Equity and debt investors

Why they are important to strategy

Our equity and debt investors give us ready access to capital which enables us to fund the delivery of our strategy

How we engage

- Market announcements, financial results presentations and investor roadshows, including the Capital Markets Day to communicate the Evolve strategy
- Annual General Meeting and other direct engagement by the CEO, CFO, Chair and other Board Directors with shareholders and by the CFO and treasury team with debt providers

What they value

Investors value clarity of strategy and business model and consistent financial performance and returns. They expect strong risk management and internal controls, and compliance with listing obligations and debt terms. They increasingly expect commitment to sustainability and environment, social and governance matters

Delivering for them

- Pre-pandemic, we had a consistent track record of strong financial performance, which is being rebuilt post pandemic
- We maintained an investment grade rating throughout the pandemic, which was recently upgraded
- We secured MSCI rating AA for ESG, with particularly strong governance scores
- We are recognised as a top-rated ESG Performer by Sustainalytics

[Link to KPIs: Underlying Operating Profit, free cash flow, ROCE](#)

Market and regulatory factors

- Macro events such as the pandemic and its impact on our operations and financial performance can materially impact our share price and liquidity
- Regulation relating to our equity listing can increase our costs
- Regulation of debt providers can impact access to and/or cost of capital

Opportunities

- Investors' increased focus on ESG should increase the demand for quality public transport stocks
- Cost and access to debt capital should favour purpose-led companies with positive environmental impact

Risks

- Constrained equity and/or debt markets could increase the costs of capital or debt financing
- Capital is diverted towards 'moon shot' disruptors impacting fundamental valuations



Governments

Why they are important to strategy

Central and local government authorities set transport policies and provide funding for transport initiatives, which can create favourable conditions for the delivery of our strategy

How we engage

- Local relationships guided by Group standards
- Formal alliances, such as the Bus Alliance in the West Midlands
- Direct bilateral discussions
- Industry groups and associations

What they value

Governments want safe, reliable and good value passenger transport services for the benefit of the communities they serve. They seek partners who will work with them to solve the challenges of clean air and traffic congestion

Delivering for them

- We invest consistently in the safety and operational reliability of our services
- We keep service standards high while keeping prices low on services that generally serve communities
- We are working towards ambitious fleet decarbonisation targets across our markets

[Link to KPIs: Passenger journeys, GHG emissions and FWI](#)

Market and regulatory factors

- Governments can impose restrictions on travel, as they did through the pandemic, impacting demand
- Laws and regulations on driver licensing and training, vehicle condition and testing, and Covid-19 vaccinations or testing directly impact our economics
- Increased regulation to reduce carbon emissions can create demand for green technologies but make older technologies obsolete

Opportunities

- UK bus franchising and re-regulation of certain markets present new opportunities in markets we are not yet in
- Increased grant funding to support transition to zero emission fleet can improve our economics

Risks

- Spanish concession re-tendering and de-regulation of certain markets can reduce margins or increase competition
- Reduction or withdrawal of government support for public transport can worsen our economics



Communities

Why they are important to strategy

The communities in which we operate drive the demand for transport services that underpins our strategy as well as being where our employees live and work

How we engage

- Each division has well established community support programmes under the umbrella of the National Express Foundation
- The Youth Promise in the UK
- Partners Beyond the Bus in North America
- The Integra Foundation Partnership in ALSA

What they value

The communities in which we operate look to us for safe and affordable transport services and opportunities for rewarding employment. They also value companies which give back to their communities

Delivering for them

- We offer attractive employment opportunities by investing in colleague health and wellbeing, paying a fair wage, investing in training and development, and promoting diversity and inclusion
- We support our communities through making donations to community charities

[Link to KPIs: Passenger journeys and FWI](#)

Market and regulatory factors

- Mobility restrictions put in place through the pandemic have dented the confidence of some members of communities in public transport
- Increasing regulation such as Low Emission Zones will help drive modal shift to public transport

Opportunities

- Increased congestion and clean air charging increases the relative attractiveness of shared mobility
- Increasing awareness of global warming and air quality issues creates demand for alternatives to the car

Risks

- Community confidence in using public transport may not return, and/or travel behaviours by members of the community may not revert to pre-pandemic norms