

Gender Pay Report 2022

At National Express, gender parity is a key element of our drive to create a diverse and inclusive workplace for everyone. In 2022, we launched our new 'Being Part of the Future Today' people strategy with Embrace (our approach to equity, diversity and inclusion) one of the three pillars of that strategy.

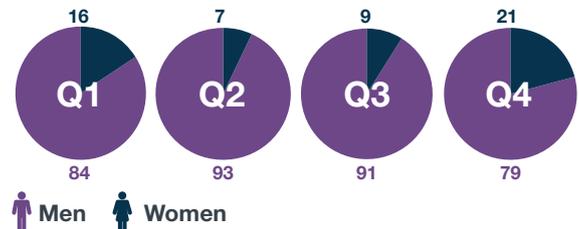
While all of our metrics look favourable compared to their equivalent national statistics, our desire is to create parity across all demographics, including gender, across the organisation. This is something that is not just the right thing to do but clearly having diverse teams means a stronger business, which benefits our customers and makes us a more attractive employer.

Since our last report, we have continued to build momentum and seen positive progress as a result of a number of initiatives across all our territories, not just in the UK. More on our initiatives can be found on page 2 of this report.

We welcome the requirement for more transparency on pay and we take our responsibility to our colleagues very seriously. Whilst we are pleased that the majority of our colleagues agree, we are expanding our engagement depth with employees to better assess and understand sentiment. We will report more on this next year.

Pay Quartiles:

Population quartiles are created by ranking all relevant employees from highest to lowest paid and dividing them into four equal parts (quartiles). The percentage of men and women in each of the 4 quartiles is then calculated.



There are fewer women employed across our UK businesses and this is reflected at all levels of our organisation.

The pay quartiles reflect the gender imbalance across the organisation which is driven by the traditional sector we operate in.

We have seen a marginal increase of women employed in the upper quartile compared to last year of 2%.

Bonus Eligibility:

A higher proportion of male employees are entitled to a bonus. This is a contrast to 2021, this is driven by the implementation of driver loyalty bonus payments which a number have been paid this year, most driver positions are occupied by men (92%).



The gender pay gap is not about equal pay. Equal pay is ensuring that men and women doing equivalent jobs are paid the same. We are confident that we have equal pay for equal work at National Express this is supported by our internal processes and regular reviews. National Express is committed to fostering a transparent and equitable working environment and rewarding employees fairly.

The figures below show our "gender pay gap" for the aggregated UK entities, which is the difference in the average pay and bonuses of all men and women across our business. The mean pay gap is the difference in the average hourly pay for women compared to men and the median pay gap represents the difference in hourly pay between the middle paid woman and middle paid man. The data is taken as at the 5 April 2022 and in line with government regulations.

According to the Office of National Statistics the gender pay gap is slowly declining the National median hourly pay gap is 14.9% for all employees and the mean hourly pay gap is 13.9%. Both our gender pay gaps are better than the UK national averages. Our median pay gap favours our male workforce but the gap has reduced since last year. Our mean pay gap remains in favour of our female workforce and this has increased since our 2021 report at (-10.77%).

At a UK aggregate level in contrast to last year more men are paid a bonus this due to the number of drivers in receipt of a loyalty bonus to support our driver retention campaign, our driver population is 92% male therefore skewing eligibility in favour of our male employees. Despite this the mean and median bonus pay gap this year has greatly improved since 2021 results. With a mean bonus gap of (-179%) v's 60% therefore in favour of female workforce and median bonus gap of 0% v's 82% in 2021. This is driven by a large proportion of men receiving a number of smaller one off payments.

National Average
The National Median gender pay gap is 14.9%
The National Mean gender pay gap is 13.9%

<p>-10.77%</p> <p>'Mean' Pay Gap</p> <p>On average men earn 89p for every £1 that women earn, that is 11p less, when comparing hourly pay.</p> <p>↑ 2021: -8.69%</p>	<p>4.9%</p> <p>'Median' Pay Gap</p> <p>On average women earn 95p for every £1 that men earn, that is 5p less, when comparing hourly pay.</p> <p>↓ 2021: 11.5%</p>	<p>0%</p> <p>'Median' Bonus Gap</p> <p>On average women and men earn the same when comparing bonus pay.</p> <p>↓ 2021: 82%</p>	<p>-179%</p> <p>'Mean' Bonus Gap</p> <p>On average women earn £1.79 for every £1 that men earn, when comparing bonus pay.</p> <p>↑ 2021: 60%</p>
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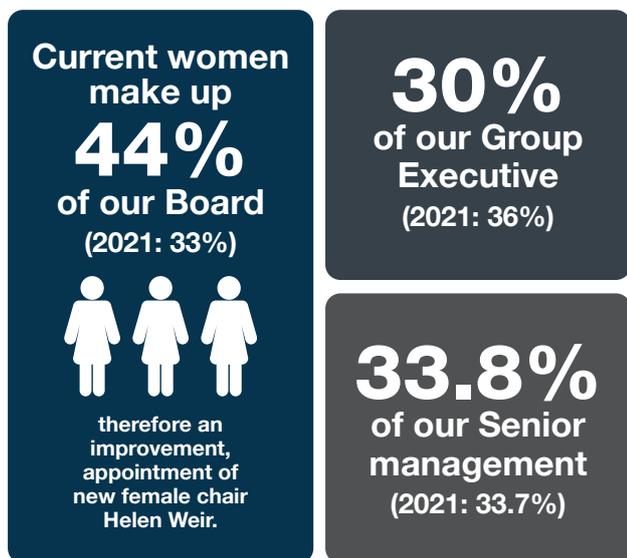
What progress are we making?

Firstly, our colleagues recognise progress has been made - as part of our 'Your Voice Matters' campaign, we carried out our first global engagement survey across our 46,200 colleagues. With a **77%** response rate, **76%** of colleagues agreed that the organisation promoted EDI.

Progress has continued to be made over the last year to appoint female talent but also identify and grow our talent within the organisation. Key to this is not focussing on gender specifically but seeking to ensure our recruitment processes are fair and we are widening the range of people attracted to joining National Express.

We were delighted to announce the appointment of Helen Weir as Chair during 2022, joining the Board in October and formally taking over the role on 1 January 2023. Further, we also announced the appointment of Emer McNally as Chief Information Officer during 2022. Our Executive team all have specific goals to continually drive improvements within their functions.

As the statistics below show, our drive to improve gender equality starts at the top of the organisation. We have set an aspiration that women will make up **40%** of our senior management population by the end of 2025 and believe this starts from the top.



Our focus remains on continuing to drive these improvements further but also significantly broadening the number of women at all levels of the organisation, where women represent c. **15%** in the UK (consistent with 2021) and **33%** across the Group (**35%** in 2021) - a figure that is not where we want to be but is a typical representation of our industry.

The UK head office has also seen an uplift in % of female graduates at head office rising from **50%** in 2021 to **67%** in 2022, and the UK has also increased their numbers of apprentices in head office functions with a **50%** even gender split. The business undertook dedicated activity to support International Women's Day #Breakthebias, with a variety of activity from CEO messaging to IWD panel interviews to showcased profile videos.

In addition many resources were promoted such as menopause webinars and general wellbeing resources were cascaded across the business.

We have also continued to evolve our learning practices building on the Unconscious Bias and Dignity at Work programmes in the UK, which have had a total of 3,602 course completions on various other diversity and inclusion related courses since launch. Examples of additional activity include 'Women in exclusion: the value of labour integration' and 'Cognitive Gender Biases' training programmes in ALSA.

ALSA has been focused in recent years on increasing the number of women in the workforce. Female driver representation increased to **8%** amongst drivers and to **21%** across the senior management population. The business is also a member of the national 'More Women Better Companies' initiative, which has the following targets:

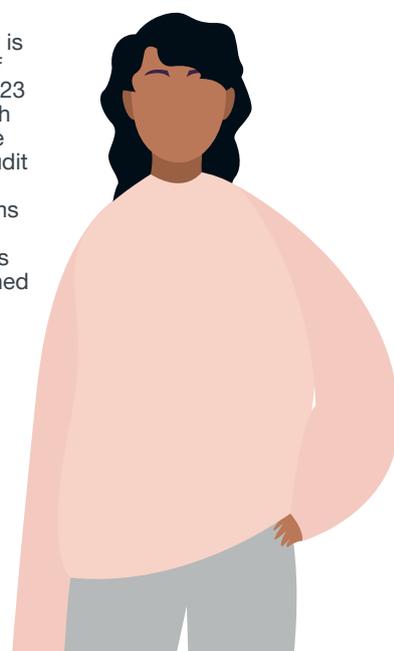
- In pre-management positions from **24%** to **34%**
- In management positions from **10%** to **20%**
- In the Exec Management Committee, from **7%** to **20%**.

ALSA also had delegates participate in the 'Promociona' and 'Progresia' projects (promoted by CEOE and ESADE Business School) which are executive programmes for middle and executive women managers, specifically designed to strengthen and develop leadership skills. In Morocco, the business has set up an equality and diversity committee. Members of the Committee have received expert input from outside of the business so they are able to mentor colleagues. The initiative earned an external recognition in the form of a Diversity Badge. Not only this, ALSA has financed driving licences for women in Morocco (7 in Rabat and 21 in Casablanca), as many women wish to join the labour market as drivers, but are not able to bear the costs for obtaining a driving licence.

In North America, the Women's Inspiration Network (WIN) launched in North America in 2022 and aims to equalise access and opportunity for women in our organisation and in the transportation industry by nurturing a community that celebrates and promotes women's advancement and achievement. The network supports professional development, networking, and mentorship programmes with women leaders inside and outside the company, as well as supporting women's causes.

But our progress with the Embrace pillar is much wider than just gender and a great example is the launch Unidos for National Express which is a new Employee Resource Group (launched in 2022) in North America, and is a voluntary, employee-led forum to promote an inclusive work environment, support members' professional advancement, attract top Hispanic/Latino talent and grow our business. It offers members networking and educational opportunities, resources to connect with mentors and senior leaders, and also internally promotes volunteering with organisations that serve the Hispanic/ Latino population.

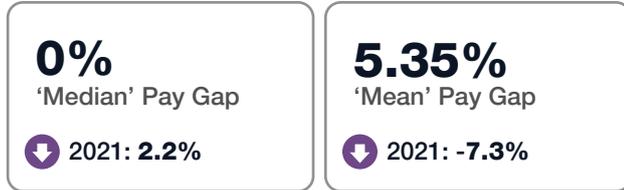
Although much positive progress can be seen, we also recognise it is nearly three years since launch of our EDI strategy in 2020, so in 2023 we will be refreshing the approach to Embrace. With this in mind, we recently carried out an internal audit to provide an objective review of progress against the strategic aims and wider progress of the 2020 strategy. We are using the outputs from this audit to launch a refreshed approach to Embrace as EDI is a crucial enabler of the Evolve outcome of being an 'Employer of Choice.'



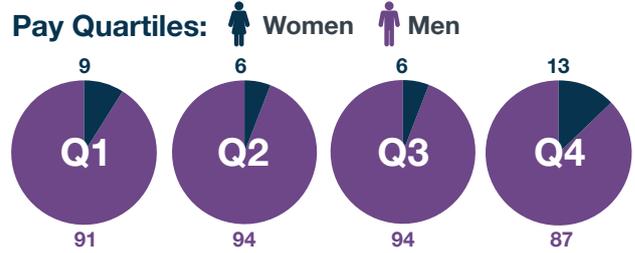
Appendix

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Gender Pay Gap – West Midlands Travel



Bonus Pay Gap – West Midlands Travel

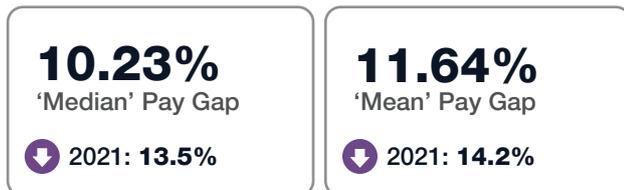


Bonus Eligibility:

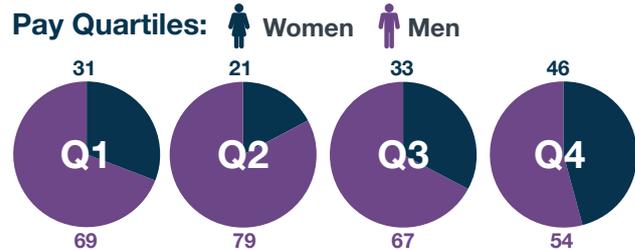
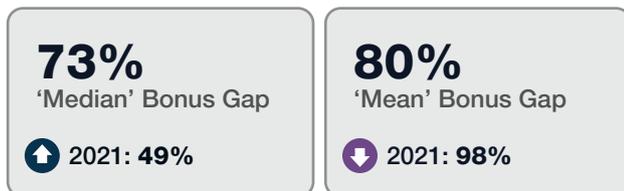


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Gender Pay Gap – National Express Ltd



Bonus Pay Gap – National Express Ltd



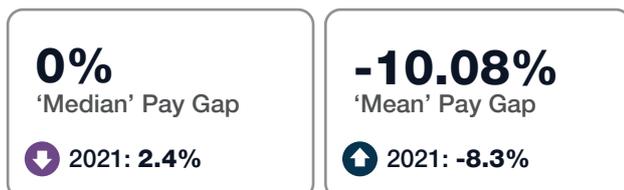
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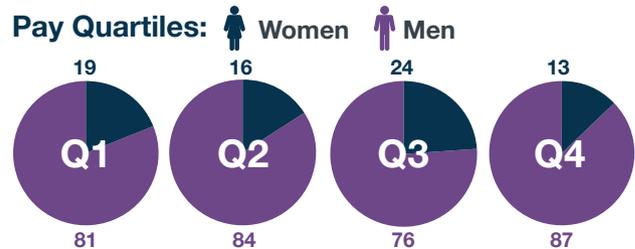
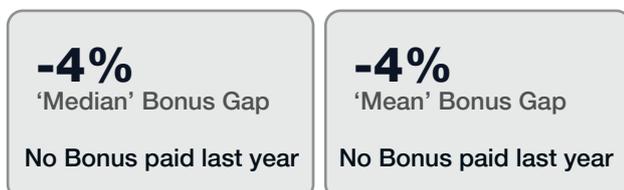
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Accessible Transport

Gender Pay Gap – Accessible Transport



Bonus Pay Gap – Accessible Transport



Bonus Eligibility:

