

**SECTION 172(1) STATEMENT for each of
London United Busways Limited (CRN: 02328561)
London Sovereign Limited (CRN: 02467207)
(the “Companies”)**

For the year ended 31 December 2021

SECTION 172(1) STATEMENT

The Directors of each of the Companies recognise their duty when making decisions, to act in the way they consider in good faith, which would be most likely to promote the success of the Companies for the benefit of its members as a whole whilst having due regard to the matters set out in Section 172(1)(a-f) of the Companies Act 2006:

- the likely consequences of any decision in the long term;
- the interests of the Companies’ employees;
- the need to foster the Companies’ business relationships with suppliers, customers and others;
- the impact of the Companies’ operations on the community and the environment;
- the desirability of the Companies’ in maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Companies.

In providing a leading passenger transport service, each of the Companies works closely with a range of stakeholders, beyond our employee base, including TfL, Unions and suppliers without whom the operating business would not succeed. Meetings with stakeholders are held regularly at all levels of the relevant Company’s organisation and decisions are taken with reference to their input and impact on the business operations and its sustainability. During 2021, the Companies electrified a number of garages to support its delivery of electric bus services that are contributing to TfL’s cleaner air agenda and long-term climate change mitigation in the community.

Customers

As the Companies’ principal customer, feedback from TfL and the metrics of the operating performance (as detailed in the Review of the business) helps inform our decisions and how we organise to provide an effective and efficient service.

Passengers

The passenger transport services that the Companies provides is a key requirement of the local communities without which residents would not be able to travel to their places of work or leisure as efficiently and cost effectively. Concessionary pass holders rely on the services we operate to provide a means of reliable transport that helps to support mobility and quality of life. The goal is to give everyone access to convenient transportation and a more pleasant city to live in.

As part of the Companies’ assessment of quality of service delivery to bus passengers, the Companies monitor the results of the BCES (Bus Customer Experience Survey) to inform and influence service delivery decisions. The BCES, managed by TfL, assesses the experience of bus travel from the customer’s point of view. The assessors, employed by an external agency, travel on different buses for about 15 minutes each time looking at the cleanliness of the bus as well as

the helpfulness and driving skills of the driver.

Employees

Each of the Companies recognizes the importance of our people in our business; the men and women who work for the Companies are at the heart of everything we do. That means offering our staff meaningful opportunities and bringing customers and passengers the solutions they trust us to provide. The skills, experience and knowledge that our employees bring to each of their roles and functions are critical to enable a safe and efficient service.

Treating one another with dignity, fairness and respect cultivates inclusion and the Companies is committed to fostering a diverse workforce and appreciates the uniqueness of each of our employees. Diversity drives innovation and creates a workplace where all employees can grow their careers, support their communities and lend to the success of the Companies.

The COVID-19 crisis represented the biggest challenge for the UK, London and the bus industry in recent times. The scale of this unprecedented event necessitated emergency and temporary measures to ensure that we could continue to serve London whilst operating in a sustainable manner, in co-operation with TfL and the trade union. During 2021 as the lockdown restrictions eased, our top priority which continued during this exceptional period was to protect and safeguard our workers and their families.

We also continued with the enhanced daily cleaning on the buses and in the premises, adopted where necessary the TfL-funded enhanced sick pay, provided personal protective equipment and advice on its use and balanced availability of drivers in a controlled manner.

The way the Companies deals with employee engagement is dealt with in the Directors Report under Employee Consultation.

Statement applicable to London United Busways Limited only

Following consultation with the Trustee Board of London United Busways Retirement Benefits Plan ("Plan"), London United Busways Limited transferred the Plan and changed the principal employer, effective from 17 June 2021 (date of signing of Deed of Substitution of Principal Employer and Apportionment) through a Flexible Apportionment Arrangement (FAA), to RATP Dev UK Ltd. The process for changing the principal employer, which was collectively agreed by the Trustee Board and London United Busways Limited, included an assessment of the overall covenant and a strengthening of the parent guarantee to the scheme.

Suppliers

The Companies engages with suppliers for the provision of services and products at all levels in the organisation and across all garages. Before COVID-19 restrictions, Board and management representatives would regularly attend supplier events to share ideas, build and develop relationships across the supplier network, this is now starting to slowly return as lockdown restrictions and social distancing measures eases. For key investments, such as electrification of the garage infrastructure, and financing of the vehicle fleet, competitive invitations to tender would be issued to the relevant suppliers in the market to source and select the most appropriate for the Companies, before awarding contracts. TfL and relevant industry commissioning bodies would typically be consulted or engaged in the process of garage of electrification.

Shareholders

The Executive management team and Board meets regularly including representatives from the parent company to provide and discuss health and safety matters, operational, financial updates and business performance, its liquidity status, forecasts, immediate and critical issues to long-term strategic plans. The Companies have a single shareholder and therefore the directors have no requirement to report in relation to acting fairly between members.

Environment

The Companies are proud of their ongoing investment in their fleet of vehicles improving emission standards as well as enlarging their fleet of zero emission buses that are contributing to the cleaner air agenda and long-term climate change mitigation in the community served by them. Where appropriate specific reporting on sustainability initiatives has been introduced and developed.

Reputation for high standards of business conduct

Ethical business is a cornerstone of each of the Companies strategic approach, as part of its wider focus to be a responsible and committed employer and business partner. The Directors ensure that each of the Companies implements procedures and awareness training which reflect the requirements of UK legislation such as the Bribery Act and the Modern Slavery Act, the Data Protection Act 2010 as well as the wider Group compliance procedures. Each of the Companies has reporting lines to the Board of Directors in place and is committed, in its day to day operations to uphold high standard of business conduct and integrity.

The Directors of each of the Companies also recognise the need for a robust governance system surrounding business ethics that has clear responsibility, accountability and reporting lines for all levels across the Companies.

Statement by the Directors in performance of their statutory duties in accordance with section 172 (1)(a-f) of the Companies Act 2006

Each of the Companies is controlled by RATP Dev Transit London Ltd, which is a joint venture. The ultimate majority partner is Régie Autonome des Transports Parisiens which has its own Group governance structures. The ultimate minority partner is Kelsian Group, which also has its own governance structure.

The Board of Directors of each of the Companies consider that they have properly discharged their duties and acted in good faith in a way they consider is most likely to promote the success of each of the Companies, having regard to the matters set out section 172 (1) of the Companies Act 2006 and the Group corporate governance rules and principles (Group Corporate Governance). The terms of the Group Corporate Governance are consistent with section 172 (1) of the Companies Act 2006 in that they say how each of the Companies should operate and how each of them should conduct its relationships with its employees, suppliers, customers, members and other stakeholders, and the communities in which it operates.

In accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this section constitutes each of the Companies' statement on engagement with other key stakeholders.

Decision-Making at the Board

All matters which under each of the Companies' governance arrangements are reserved for the decision by the Directors, are presented at board meetings. Directors are briefed on the

background and reason for any proposal and the associated costs, benefits and risks, as well as any potential impacts and risks for its employees, partners and other stakeholders, including its suppliers, the community and environment and how they are to be managed. The Directors take these factors into account before making the final decision which together they believe is in the best interest of the relevant Company and its member.

More details about our strategies are available in the published audited accounts of the Companies available at Companies House.