

# H. LUCKETT & CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021






#### Strategic Report – s.172(1) Statement

This statement is made in accordance with section 414CZA Companies Act 2006 (as amended).

In accordance with their duties under section 172(1) Companies Act 2006, the Company's Directors have collectively, and individually, acted in a way that they consider, in good faith, promotes the success of the Company for the benefit of its members as a whole.

In doing so they have had regard, not just to financial factors – denoted by the £ symbol – but also the factors specified in s.172(1)(a) to (f) Companies Act 2006 (the "Factors") and given due attention and prominence to each of these factors, as demonstrated below – denoted by the symbols shown below.

The table below explains why the Directors always have regard to the Factors in their decision-making:


Factor	Explanation of why the Directors have regard to this Factor
<p>(a) <i>The likely consequences of any long-term decision</i></p> 	<p>Our Vision – which is to be the world leader in mass transit and lead in safety, reliability and environmental standards, and is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future - means that we must make decisions for the long-term and that we must also consider the impacts of such long-term decisions as regards their ability to further and achieve our Vision. Further information about the Group's Vision, and how this has formulated our Purpose and is underpinned by our Values, is set out on page 1.</p>
<p>(b) <i>The interests of the Company's employees</i></p> 	<p>Our employees and members of our wider workforce are our most valuable asset. They are the key to realising our Vision and achieving our Purpose. See Directors' Report, page 7, for information about how we engage with our employees to enable us to take their interests and views into account in decision-making.</p>
<p>(c) <i>The need to foster business relationships with stakeholders</i></p> 	<p>Our customers are the heart of our business and we strive to earn their loyalty by providing safe, reliable and great value multi-modal services. We also foster strong relationships with other key stakeholders including our partner operators, central and local government and transport authorities, our regulators, industry groups and our other suppliers. See Directors report, page 9, for who our key stakeholders are and how we foster relationships with them to enable us to take their interests and views into account in decision-making.</p>
<p>(d) <i>The impact of the Company's operations on the community and environment</i></p> 	<p>We play a vital role in the communities we serve by connecting the people who live in those communities with their work, leisure, family and friends. We are also focused on reducing the environmental impact of our operations. Per passenger, coach travel is less polluting than trains and vastly better than petrol and diesel cars. As such, modal shift (getting people out of cars and onto coaches) is the single most important thing we can do. Because of this, we take both the community and the environment into careful consideration in our decision-making</p>
<p>e) <i>Maintaining a reputation of high standards and business conduct</i></p> 	<p>Our reputation is key. It underpins our ability to earn the loyalty of our customers and thereby to grow our business through increased commercially contracted revenue. Our Group prides itself on being one of, if not the, safest transport service providers in the world. As a coach operator, we are also required to hold and maintain a PSV operator licence, pursuant to which we must meet a requirement of good repute. We will always therefore consider the importance of our reputation when making decisions.</p>

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## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### Strategic Report – s.172(1) Statement (continued)

<p>(f) <i>Acting fairly between members of the Company</i></p> 	<p>Being wholly owned subsidiary, the Company has a sole shareholder, National Express Group PLC. The Company always seeks to act in the best interests of both the sole shareholder and the wider Group, in order to assist in delivering the wider Group's aims and objectives. See page 18 of the Financial Statements for information on financial performance.</p>
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The table below describes certain key decisions taken by the Directors of the Company during its financial period ended 31 December 2021 and how such Directors had regard (among other matters) to the Factors in relation to those decisions:

Key Board Decision	Factor(s)	Explanation of how the Directors have had regard to such Factors
<p><i>Temporary shut-down of certain operations and furlough or lay-offs of colleagues</i></p>		<p>The decision to temporarily shut down the NX white coach network services was in direct response to reduced customer demand and increased government restrictions. This was vital to reducing variable costs and cash outflow connected with services where revenue was severely impacted. The use of CJRS until September 2021 was also approved as this was key to the prospect of saving colleagues' jobs in the longer term and protecting local communities.</p>
<p><i>Further investment in health and safety</i></p>		<p>From early in the pandemic, the directors approved the implementation of additional health and safety measures to protect customers and employees from Covid-19. These included the distribution of PPE, enhanced cleaning regimes, social distancing measures and working from home in line with government guidance.</p> <p>As a result of the decision to invest, fewer customers and employees have been exposed to Covid-19, the Company's reputation as a trusted and responsible provider/employer would be maintained and the Company would play in the vital efforts to reduce the spread of Coronavirus in the community.</p>
<p><i>Continued relationship with trusted vehicle suppliers to ensure all new coaches are to most modern standard and meet all environmental standards</i></p>		<p>These relationships ensure we can purchase vehicles for the most economic value and that all vehicles we operate are to the most modern standard in terms of emissions.</p> <p>In addition, maintaining a modern fleet ensures that customers are able to travel in comfort.</p> <p>We have continued to engage with our vehicle suppliers during the pandemic to ensure supply of key components has continued</p>
<p><i>Continuation of various contracts with sports clubs, schools and Local Businesses to provide transportation services to their teams</i></p>		<p>The continuation of these service allows us to continue to foster good business relationships with clients by providing quality mass transit services to such customers and securing a source of revenue, to the long-term benefit of the Company</p>