Registered no: 00216628

East Yorkshire Motor Services Limited
(the "Company")

The following Section 172(1) Statement and Corporate Governance Report have been extracted from pages 5 to 13 of the Company's Annual Report and Financial Statements for the year ended 3 July 2021. All references to "Group" in this document mean The Go-Ahead Group plc (registered number 02100855).

Section 172 of the Companies Act 2006 Statement

This report sets out how the directors comply with the requirements of Section 172 of the Companies Act 2006 and how these requirements have impacted the Board's decision making throughout the year ended 3 July 2021.

The role of the board and how it operates
The board is responsible for creating and delivering long term sustainable value for the business. The board is accountable for balancing the varying interests of the business, including those of its ultimate parent, The Go-Ahead Group plc (the "Group"), colleagues, customers and the communities it serves.

The composition of the board and how it operates is set out under Principle Two (Board Composition) of our Corporate Governance Report which follows the strategic report in the Company's 2021 Annual Report and Financial Statements (pages 4 to 6 of this document).

Board Governance
The Board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 3 July 2021. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance. They also support directors to meet the requirements of Section 172 of the Companies Act 2006 by providing guidance on the following areas:

- Purpose and leadership;
- Board composition;
- Director responsibilities;
- Opportunity and risk;
- Remuneration; and
- Stakeholders.

The Corporate Governance Report, which evidences how the Company applies the principles, follows the strategic report in the Company's 2021 Annual Report and Financial Statements (pages 4 to 9 of this document) and is also available on the Company's website: www.eastyorkshirebuses.co.uk.

Compliance with section 172(1) of the Companies Act 2006
The directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board's desire to act fairly for its parent, maintain a reputation for high standards of business conduct, and consider the long term consequences of the decisions they take, have underpinned the way it operates at every level of the business. Further details are provided below:

Section 172(1)(a) and (e)- the likely consequence of any decision in the long term and desirability of the company maintaining a reputation for high standards of business conduct
At the Company, actively listening to and engaging effectively with our wide variety of stakeholders is key to ensuring responsible decisions are made. We appreciate the need to ensure that the decisions we take create value for all our stakeholders and support creation of long-term sustainable value so that, ultimately, we can continue to be a vital part of the communities we serve. Please refer to Principle 6 in the Corporate Governance Report on pages 7 and 9 of this document for further details on why and how we engage with our stakeholders and examples of how we responded.

The Group's devolved management operating model is a key feature of the board's decision-making process, with the Group executive directors acting as an intermediary during the year and ensuring there was two-way feedback between the Group Board and Company board. This approach supported the board in performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006.

The Company operates across East and North Yorkshire as well as North Lincolnshire. This area includes both urban and rural regions and the Company has a diverse range of income sources to supplement the commercial revenue generated by local bus services. These include local bus tenders, school services, coaching and contracting work for National Express. During the 2020/2021 financial year, a restructure took place in order to reduce central costs to the business to deliver a leaner cost base and right-size the business ahead of any reduction in revenue following the national restrictions.

The directors take the reputation of the Company seriously which is not limited to only operational and financial performance. The strong reputation and positive stakeholder relationships we have developed over many years have continued to be as important as ever. Particularly as our focus shifted to rebuilding after the impact of the national lockdown, and towards ensuring that we help our communities to grasp this opportunity to build back better, with public transport being crucial in helping to drive a greener and more inclusive economy that we saw immediately prior to the COVID-19 pandemic. We have continued to work closely and collaboratively with key industry partners, such as the Department for Transport and Local Transport Authorities, to ensure that service provision remains at the right level, government policy is brought into effect, and transport operators receive funding to enable essential services to be delivered.

The directors are committed to the highest standards of ethical conduct, honesty and integrity in our business practices. The board seeks to have a workforce that more accurately reflects diversity of the communities we serve. Please see the Section 172(1)(b) section below for further details.

During the year, the board approved the Company's modern slavery statement (available on the Company's website). The board also considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed improvement plans to enhance performance.

Section 172(1)(b) – the interests of the company's employees

The directors understand the importance of the Company's employees to the long-term success of the business. We listen to our colleagues and engage in regular and constructive dialogue with trade unions to ensure our colleagues' voices are heard. For further details of how the Company regularly engages with its workforce, please refer to Principle 6 in the Corporate Governance Report on pages 7 and 9 of this document.

Safeguarding the health and wellbeing of the Company's employees (and other stakeholders) remains the main priority for the board. During the year, we have continued to build on the precautionary measures to meet the challenging demands brought by the COVID-19 pandemic. For example, in addition to the actions disclosed in our 2020 Annual Report and Financial Statements, we fitted every bus in our fleet with temporary screens to protect drivers and introduced new technology using artificial intelligence to work out which journeys were most likely to be busy, so people could choose to travel at quieter times. These actions have been supplemented by regular discussions with the team to ensure these actions work for them in respect of keeping them safe.

Being an employer of choice is important to maintaining a high level of employee retention. The Company endeavours to provide market competitive remuneration and comprehensive benefit packages as well as recognise and reward colleagues for their contribution and commitment. Please refer to Principle 5 in the Corporate Governance Report on page 7 of this document for further details on remuneration.

The Company's workforce is represented by trade unions and employee representatives and the board strive to foster positive working relationships with them. This has never been more vital than during the COVID-19 pandemic where the Company has continued to work alongside trade unions to keep colleagues informed and up to date on all government changes and safe working practices.

The Company encourages applications from diverse backgrounds, and this will be a key focus in order to move towards a more balanced workforce. We are committed to the Group's 'Women in Bus' initiative, aimed at encouraging more women to join the bus industry and creates a forum for women to raise issues, share experiences and support each other. We are proud that 14.2% of our workforce is women, well ahead of the average of 11% for other bus operators. We have women at all levels across our business, with around one in ten of our drivers being female, and women in supervisory, training and management positions. Whilst plans to hold a recruitment event focused on women were thwarted due to COVID-19, we are very much looking forward to rescheduling these once circumstances allow.

We strive to enable all colleagues to reach their full potential, to be empowered and engaged with a strong commitment to personal development. The Company offers an Engineering apprenticeship scheme and Graduate management trainee scheme. Our Annual Long Service Awards also provide the opportunity to celebrate achievements and milestones of our more experienced team members.

Section 172(1)(c)- the need to foster the company's business relationships with suppliers, customers and others

The board regularly reviews how the Company maintains positive relationships with all of its stakeholders, including suppliers, customers and others.

The directors understand the importance of the Company's supply chain in delivering the long-term plans of both the Company and the Group. Through our Sustainable Supply Charter, we demonstrate high standards of integrity, responsibility and professional conduct. We endeavour to support our suppliers to improve the sustainability of their business. We support the Group's compliance and endeavour to pay suppliers in line with the Prompt Payment Code and, when the reduction of supplier services has been necessary during the COVID-19 pandemic, we have applied a fair and structured process in line with the Company's Sustainable Supply Chain Charter where possible.

Customers are at the heart of the business and the board is dedicated to providing them with safe, convenient and reliable services. Customer satisfaction is a strong indicator of how well we are meeting customers' needs and the directors monitor this through annual survey conducted by the independent watchdog, Transport Focus although this year's survey was suspended due to the COVID-19 pandemic. We have also recognised that our customers' needs will have changed during the pandemic and have introduced a new, more flexible ticketing product. Called the Flexi5, this is priced at the cost of a weekly ticket but allows our customers to use five day tickets over the course of 12 months in line with the move away from daily commuting.

We conduct an annual survey of our key stakeholders to understand what they think about the business, what we do well and where we can improve further. Feedback from stakeholders was very positive in respect of the willingness to be flexible and communicate changes and updates throughout the pandemic and during the recovery period. This was a particularly important issue for education establishments who were very keen to keep their students safe.

Local Authorities are a key stakeholder and East Yorkshire welcomes the publication of the government's National Bus Strategy. Early discussions have commenced with the five local authorities that cover the operating area with some very positive steps having been taken already to move towards Enhanced Partnerships. These will build upon the already strong relationships that exist. Initial proposals have been developed in respect of a potential bid for zero emission buses in Scarborough.

Please refer to Principle 6 in the Corporate Governance Report on pages 7 and 9 of this document for further details on how we engage with our customers and suppliers.

Section 172(1)(d) - the impact of the company's operations on the community and environment

As a public transport operator, the Company has far reaching impact on the Group (as its ultimate parent company) as well as its customers, employees, regulators and the communities it serves. The Company aims to align its business values, purpose and strategy with the social, economic and environmental needs of its stakeholders, embedding responsible and ethical business policies and practices in everything it does.

The impact of East Yorkshire's actions in the community were recognised at the 2021 Heart of East Yorkshire awards where the Company was successful in being awarded the Business in The Community trophy as well as the overall Heart of East Yorkshire award.

By providing essential bus services, the Company helps people connect with each other and get where they want to go, enabling access to education, retail and employment. This is a particularly important part of the business which operates in a predominantly rural area and has a large number of school contracts.

The Company places great importance on partnership, adopting a collaborative approach with local governments, local communities and strategic partners, and we are committed to providing our communities with affordable and reliable access to employment, education and leisure activities. This has been recognised in the very positive results of the 2020 stakeholder survey which recognise the business as being good at communicating with our most important partners.

The Company is also looking to the future as part of our commitment to improve air quality. Since acquisition by Go North East Limited in 2018, 42 low emission Euro VI buses and coaches have joined our fleet to support our commitment to ensuring that our buses provide a clean, safe and efficient way of getting around our region as the local economy recovers.

The Company is proud to hold the ISO50001 accreditation, an international standard which shows we have enhanced our energy performance, based on a model of continual improvement.

For further information on the impact of the Company's operations on the community and environment including engagement, please refer to Principle 6 in the Corporate Governance Report on pages 7 and 9 of this document and our Sustainability Report, which is available to download from our website.

Section 172(1)(f) - the need to act fairly as between members of the company

The Company is owned 100% by EYMS Group Limited which is in turn owned 100% by Go North East Limited. However, the Company's ultimate parent company and controlling party is the Group.

The Group operates a devolved operating model. Whilst day-to-day management of the Group's activities, governance and oversight has been delegated to the Group executive directors, the directors of the Company both individually and collectively support them in this role and the Company is operated as an autonomous business unit. During the year board meetings were held on a monthly basis, as part of the wider Go North East Limited board meetings, with the Group executive directors in attendance who scrutinised and challenged the local management's team execution of strategy. During the year, these more formal meetings were supported by several cross-business forums (such as health and safety, engineering, HR and diversity and inclusion) that served to facilitate the sharing of knowledge, ideas and best practice. This approach encouraged the right balance between local and Group initiatives and facilitates fair discussion and decision-making.

For details of how the Company engages with the Group, please refer to Principle 6 in the Corporate Governance Report on pages 7 and 9 of this document.

Corporate Governance Report

The board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 3 July 2021. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance.

We have adopted the disclosure in our 2021 Annual Report and Financial Statements and set out below is how we have applied the Principles over the past year throughout our work.

Principle 1 – Purpose and Leadership
Whilst the Company does not have a defined purpose statement, our ultimate aim is to use public transport to connect people to their communities, making Yorkshire and North Lincolnshire a great place to live and work. The Company considers that its undefined purpose is influenced and aligned with The Go-Ahead Group plc's purpose "To be a local partner taking care of journeys that enhance the lives and wellbeing of our communities across the world". This drives all decision-making by the board along with the consideration of all our internal and external stakeholders' interests, further information of which is provided in Principle 6 (Stakeholder Relationships and Engagement).

We are committed to providing our communities with affordable and reliable access to employment, education and leisure. The Company has adopted the values of its parent company, Go North East Limited, including a set of beliefs (we work together as one team; we trust people; we stay one step ahead; and we build strong relationships) and a set of attitudes (be respectful; be positive; be YOU at your best; and proud to be part of Team East Yorkshire). Corporate videos, the intranet, emails, posters, internal newsletters and depot-based information screens are used to demonstrate our values in action. These values are also embedded in the Company's induction and onboarding programmes. The effectiveness of our values is measured through customer satisfaction surveys, colleague engagement surveys, public correspondence, stakeholder surveys, absenteeism and turnover key performance indicators.

The Company targets revenue growth through increased investment in colleague recruitment and training, in new technologies including new contactless enabled ticket machines, real time apps and redesigned websites, as well as continuing a program of cost reductions through improvements in operational and fuel efficiency. The Company's three key strategic objectives are based on those of The Go-Ahead Group plc (the Group) and include (i) Protect and grow the core; (ii) Win new bus and rail contracts; and (iii) Develop for the future of transport. Progress on achieving our strategic objectives is measured through a set of KPI's including customer satisfaction scores, punctuality, number of bus incidents, employee turnover, number of commercial passengers, revenue growth and operating profit.

During 2020/21, the Company was also heavily supported by government funding to maintain service provision during the COVID-19 pandemic. In July 2021, we welcomed the Department for Transport's (DfT's) commitment to continue to provide funding for regional bus services in the coming months while passenger volumes remain suppressed. It is critical that a full timetable of services is available so people can continue to travel safely and conveniently on reliable bus services as restrictions begin to ease. Government support is also essential in preserving the bus network which will be vital in supporting societal and economic recovery in months and years to come.

Principle 2 – Board Composition
For the year ended 3 July 2021, the board comprised the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors), the Area Director for East Yorkshire and the Go North East Limited senior management team (Managing Director, Finance Director, Operations Director, Engineering Director and Commercial Director). Following the year end, Elodie Brian resigned as Group Chief Financial Officer and a director of the Company with effect from 27 September 2021. She was replaced in these roles by Gordon Boyd who was appointed as Interim Group Chief Financial Officer and director of the Company with effect from, and including, 28 September 2021 up to and including 28 March 2022 when he resigned. David Brown retired as Group Chief Executive and director of the Company with effect from 5 November 2021 and was succeeded in these roles by Christian Schreyer with effect from the same date. Christian Schreyer resigned as director of the Company with effect from 10 June 2022 and was replaced as a director of the Company by Martin Dean with effect from the same date. Christian Schreyer resigned as a director of the Company with effect from 10 June 2022 and was replaced as a director of the Company by Martin Dean with effect from the same date.

All the directors on the Board during the year were full time employees of either the The Go-Ahead Group plc (the Group) or Go North East Limited. The size and composition of the Board is appropriate for our business and ensures that the board has the appropriate balance of skills, knowledge and experience.

The Group Chief Executive chairs the board and promotes a culture of open and constructive debate. This role is separate to that of the Managing Director who is empowered to operate the business autonomously with the support of the rest of the local management team.

Board meetings are held on a monthly basis excluding August (as part of the wider Go North East Limited board meetings), with the Group executive directors in attendance who scrutinise and challenge the local management's team execution of strategy. In addition, there are cross business forums that operate at East Yorkshire and the Go North East Limited senior management team levels. When circumstances permit, the Group Chairman visits annually to conduct a deep dive into execution of strategy and there are regular visits by Group Non-Executive Directors that challenge both our strategy and objectives.

During the year, The Managing Director reported to the Group executive directors directly on day to day management issues including risk and is responsible for ensuring compliance with the Group's policies and procedures.

The board is committed to developing a more diverse workforce, including at the most senior levels. For further details on the work we have undertaken on diversity and inclusion throughout the year, please see our Section 172 Statements on pages 1 to 4 of this document.

The board believes that continuous director training and development supports board effectiveness. With the ever-evolving regulatory landscape in which the Company operates, it is critical that the board maintains a good working knowledge of the transport sector and how the Company operates within its sector, as well as being aware of recent and upcoming developments in the wider legal and regulatory environment. To assist the board in undertaking its responsibilities, regular presentations are provided from senior management. Where required, support is also provided from Group Company Secretariat such as, for instance, in relation to the reporting requirements to assist the Group in complying with the revised version of the UK Corporate Governance Code published in July 2018 and, more recently, the Section 172(1), corporate governance and other requirements under The Companies (Miscellaneous Reporting) Regulations 2018.

Whilst a formal board evaluation does not take place, the Group executive directors' individual effectiveness is assessed as part of the Group Board's wider annual review. The individual effectiveness of the local management team is assessed by formal annual performance reviews and appraisals.

Principle 3 – Director Responsibilities
During the year, the board held eleven scheduled meetings a year with all directors expected, wherever possible, to attend all board meetings. The board receives regular and timely information (at least monthly) on all key aspects of the business including financial performance and KPIs, capital expenditure, contracts and tendering/franchise bidding, health and safety, environmental data, operating and engineering performance, people and engagement, market and competition and industrial relations.

The Group Board reviews governance processes, including policies and procedures, on at least an annual basis to ensure that these remain fit for purpose and strengthen the governance of the Company. The Company complies with the Group Policies and Procedures Manual and reports its compliance to the Group annually on a self-certification basis. A comprehensive Operating Company Board Procedures Manual is maintained which provides an overview of the governance and reporting framework within which the board should operate. It includes formal procedures for the working of the board, delegated authorities, the timely provision of appropriate information and the duties and responsibilities of directors, including standards of conduct and compliance. This Operating Company Board Procedures Manual is based on the Manual used by the Group.

The board has established robust procedures for ensuring that its power to authorise conflicts of interest is operated in accordance with the Companies Act 2006. All directors are required to make the board aware of any other commitments and actual/potential conflicts of interest that could interfere with their ability to act in the best interests of the Company. Situations considered by the board and authorisations given are recorded in the board minutes and in a register of conflicts and are reviewed annually by the board. The authorisations are for an indefinite period, but the board retains the power to vary or terminate the authorisation at any time. The board believes that this system operates effectively.

The board believes in equal opportunities and apply fair and equitable employment practices. Our Code of Conduct states that all employees should be treated with respect and that their health, safety and basic human rights should be protected. The Company has a zero-tolerance approach to bribery and corruption and all our colleagues are required to adhere to our Anti-bribery and Corruption policy.

Principle 4 – Opportunity and Risk
The board seeks out opportunity whilst mitigating risk. Opportunities for long-term value creation are identified through monthly board reviews, the corporate planning processes, engagement with external stakeholders and regular strategic business reviews performed by local management. For example, during 2020/21 we were awarded the Just Go Demand Responsive Transport Contract with North Lincolnshire Council further expanding our operations into new geographical areas. A summary of the Company's key principal risks and mitigations are as outlined in the Strategic Report.

Ultimate accountability of risk identification and management lies with the Managing Director, supported by all other directors on the board.

During the year, the assessment of key principal and emerging risks was embedded within the day to day operations of the Company. Such assessments were consolidated and reviewed as part of monthly board reporting as well as being reported to the Group twice a year in accordance with full year and half year results reporting. As part of this reporting process, risk reports were completed which outlined the key principal and emerging risks facing the Company, provide an explanation of the procedures in place to mitigate and manage such risks and prioritise the most important risks from both an inherent and residual perspective. These reports were then discussed with the Group executive directors at bi-annual risk board meetings with discussion focused on the most important risk and control areas within the business. Following such meetings, the Group executive directors reported to the Group audit committee with final approval being granted by the Group Board for key risks that could have a material impact on the Group performance, strategy or business model.

During the year, the level of risk the Company was willing to take to achieve its strategic objectives, together with the level of risk shock that it could withstand was aligned with that set out in the Group's risk appetite statement. The Company benchmarked its bi-annual risk reporting against the Group's risk appetite statement, with any key risks being identified and discussed with the Group executive directors at bi-annual risk board meetings.

Principle 5 -Remuneration
Remuneration arrangements are based on the principles that reward should be sufficient to attract and retain high calibre directors, senior management and the wider workforce.

The Area Director for East Yorkshire and the Go North East Limited senior management team are remunerated by Go North East Limited and their remuneration is determined by the Group Board in line with the Group's Senior Management Remuneration Policy. Remuneration is structured to support both the financial objectives and the strategic priorities of the Group in a manner which is aligned with shareholders' and stakeholders' long-term interests. The directors' remuneration is disclosed on page 33 (note 6).

During the year the Group executive directors were remunerated by the Group. For further details of the remuneration policy which applied to the Group executive directors together with details of the remuneration paid to them in the 2020 financial year, please see pages 108 to 142 of the Group's 2021 Annual Report and Accounts.

Remuneration for senior management is led by the Area Director for East Yorkshire and is generally linked to the headline company pay award, except for special cases of role progression/changes or other circumstances of note. Remuneration for all remaining colleagues is driven by a collective bargaining process. This approach allows for the Company's local management team to set priorities and adjust remuneration to meet specific demands, taking into account the labour market, workforce aspirations, operating conditions and competitor activity.

During the year, the board considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed plans to enhance performance. In East Yorkshire Motor

Services Limited, the mean gender pay gap is 8.1% (or 97p) which is significantly lower than the 14.4% national average. The mean bonus pay gap shows a variance of 31.3% in favour of men. 104 men and 30 women received a safe driving award which is classified as a bonus.

This bonus gap is heavily influenced by the sample size which was significantly reduced this year due to more women being on furlough at the time. It should also be noted that this scheme is only eligible to drivers, a larger proportion of which are male.

Principle 6 – Stakeholders
The board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the Company's brand, reputation and relationships with all our stakeholder community including the Group, workforce, customers, local authorities, suppliers and the local communities in which we work. The board believes that listening and engaging effectively with our key stakeholders is critical to ensuring that the right decisions are made which consider their needs and priorities. An established reporting process is in place, where the Company is required to report formally to the Group Board on what engagement has taken place with our key stakeholders and the outcome of such engagement.

The Go-Ahead Group plc (the Group)
The Group is the Company's ultimate parent. Effective communication and proactive engagement with the Group is paramount in establishing a mutual understanding of both the Company's and the Group's wider objectives. The Group executive directors, who also sit on the Company's board during the year, formed the primary communication route between the Company's board and the Group Board. This facilitated effective open, transparent and two-way engagement, the feedback from which forms part of the board's strategic discussions. This engagement has been particularly crucial during the COVID-19 pandemic with sharing of best practice in respect of keeping colleagues and customers safe.

Workforce
The Company regularly communicates to its employees in a variety of ways including direct face to face engagement at depots, the fortnightly "Buzz" newsletter, media screens, social media and fostering and open and visible leadership culture. This is supported by regular discussions with the Trade Union.

The board considers the results of all employee engagement surveys a good barometer of the workforce's confidence in the Company's strategic direction, optimism in the future and career opportunities. Quarterly "pulse" surveys are now performed to allow colleagues to provide honest feedback about their experience working at the Company, the results of which provide a measure of colleague engagement and help us identify areas of improvement. For example, the employee engagement survey conducted in March 2021 led to a number of changes in the business being considered such as, for instance, the parameters by which drivers' duties are scheduled.

The Company has a formal whistleblowing policy in place where employees can, in confidence, raise legitimate concerns about wrongdoing within their workplace. This policy is reviewed by the board on an annual basis, with this year's review confirming that the policy remains fit for purpose and enables a good level of communication with colleagues at all levels of the business. The Company makes use of intranet sites, notice boards, staff intranet and induction processes etc. to ensure that employees are fully aware of the process for raising concerns and providing a safe and secure environment for doing so. Employees also have access to alternative and more informal channels through which to raise concerns. These include regular depot level 'Employee Relations Forums' with senior management, staff representatives, closed group depot social media sites, management site visits, personal development reviews, grievance procedures, one-to-one meetings with managers, 'open-door' policies and trade unions.

Customers
We build our relationships with our customers through passenger-facing colleagues, customer events and social medial channels. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs of our customers and where to focus improvements. Social media plays an increasing role in our communication and engagement with our customers, providing a platform for customers to engage with the Company and for the Company to understand the needs and demands of our customers. Customer events such as depot open days gives an opportunity to engage with our local communities.

During the COVID-19 pandemic, keeping our customers informed of changes to services, cleanliness and COVID-19 safe procedures has been crucial. These have been communicated by on board signage, social media and our website. We have also invested in technology using artificial intelligence to ensure that customers know which journeys are likely to be busy, so they can choose to travel at quieter times.

Suppliers
Our suppliers are fundamental contributors to the success of our business. Regular meetings and forums are held to manage relationships, understand challenges and to source, identify and implement new solutions and alternative ways of working.

Whilst many suppliers are managed by the Group, we continue to use local businesses where practicable to ensure that we play our part in supporting the local economy. Examples of this include local maintenance teams such as electricians and decorators for the depot.

Local authorities
Working closely with local authorities enables us to contribute our private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery. We have a constructive and strong relationship with the local authorities in which we operate. Collaboration is built through regular discussion and meetings in order to discuss local short-term priorities as well as to understand the long-term strategic agenda. During the COVID-19 pandemic we also engaged with our external stakeholders such as local authorities and local politicians through regular discussions to keep them informed on all of the actions taken by East Yorkshire in response to the pandemic. More recently, this has involved working closely with local authority partners to ensure the comprehensive provision of school services whilst maintaining social distancing for customers.

Local communities
Public transport is critical to the functioning of society and has been fundamental in supporting communities through the COVID-19 crisis and other emergencies.

We're proud to be an involved and active member of the communities we serve, and the importance of our role in society has never been more highlighted than by the COVID-19 pandemic. During all three national lockdowns, when the majority of the population was advised to stay at home, our drivers, engineers, cleaners and operations team have continued to work, helping key workers get to their jobs at hospitals, retail outlets and care homes. Our efforts within the community were recognised during the recent Heart of East Yorkshire awards, where the company was successful in receiving the overall winner award as well as the Business in the Community Award. This was in recognition of the many initiatives undertaken by the Company including, Chatty Bus, donating old buses for use as school libraries and keeping children entertained with games during the pandemic, in addition to the many other initiative in recent years.

In making decisions, the board considers how the Company's activities may impact both current and future stakeholders, which, for example, could include impacts on the environment. Further details are provided in our section 172(1) statement on pages 1 to 4 of this document and our 2021 Sustainability Report, available to download from our website.