

Media Release

National Express Shareholders Call for Review of Workplace Rights

London 15:00-GMT: Investors representing 2% of the ownership of National Express Group Plc (NEX:LN) have urged the company to back their AGM resolution seeking to establish an independent review of employment practices in its US school bus business.

The investors, including Greater Manchester, Nottinghamshire and Islington pension funds, have filed a shareholder resolution at the company to address long-standing complaints about Durham School Services. Other co-filers are the General Fund of the International Brotherhood of Teamsters, which represents many Durham employees, and individual National Express shareholders.

The resolution, drafted by the pension funds, calls on National Express to undertake an independent review of the allegations made about the US bus business. For several years, school bus employees have complained to the board and shareholders that local managers violate their freedom of association rights. A resolution on the same subject submitted to last year's AGM received a record level of support for a proposal addressing workplace issues.

This year's resolution requests that the company obtain an independent assessment of these long-standing investor concerns through the appointment of a suitable person to review the situation. This person would report their findings to the company, unions and shareowners by the end of Q3 2015.

As long-term shareowners, the pension funds believe that their proposal will mitigate the risk of both reputational damage and the impact on shareholder value resulting from continuing disputation.

The initiative is the latest example of shareholder resolutions being utilised to support constructive engagement with UK-listed companies over environmental, social and governance issues. Increasingly companies are responding positively. Already in 2015, both BP and Shell have recently recommended that investors vote FOR resolutions filed by shareholders that call for improved transparency and disclosure on climate risks. Shareholders are now encouraging National Express to follow suit.

Kieran Quinn, LAPFF Chair said: "There has been a crop of shareholder resolutions on ESG issues in the UK this year. Companies like BP and Shell understand that this represents an opportunity to demonstrate that they do take these issues seriously, and to work constructively with investors. We hope that National Express will also choose to respond positively."

"This is also an opportunity for responsible investors to demonstrate they believe that employment issues matter alongside governance and environmental issues. Companies often say that people are their greatest asset. If investors agree this is the case then they need to actively encourage companies like National Express to treat employees fairly."

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For further information contact:

Andrew Whiley
Head of Communications
PIRC Ltd
Mobile: (0)7914 158 838
Tel: +44 (0) 2073 927 887
Email: andrew.whiley@pirc.co.uk

Tessa Younger
Engagement Services Manager
PIRC Ltd
Tel: 020 7392 7880
Mobile: 07507 844 561
Email: Tessay@pirc.co.uk

About the Local Authority Pension Fund Forum (LAPFF)

Founded in 1991, LAPFF is a voluntary association of 63 public sector pension funds based in the UK with combined assets of approximately £150 billion. It exists to "promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest." PIRC is the Research and Engagement partner to the Forum. www.lapfforum.org