



# THE GO-AHEAD GROUP PLC

ENVIRONMENTAL & SOCIAL REPORT 2007

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# Go-Ahead



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## CHIEF EXECUTIVE'S STATEMENT

# CLIMATE CHANGE IS THE MOST PRESSING ISSUE FACING THIS GENERATION. THE WEIGHT OF SCIENTIFIC EVIDENCE IS SUCH THAT GOVERNMENTS AND OTHERS ARE LOOKING URGENTLY TO ADDRESS THE CHALLENGES WE FACE.



Surface transport is part of the climate change 'mix', accounting for around a quarter of UK carbon emissions. However, public transport is also part of the solution as buses and trains can be up to 10 times more efficient per passenger journey than the private car.

Go-Ahead has always put environmental responsibility at the heart of its business. We have invested in the most modern bus fleet of the major operators and also in an excellent maintenance regime. We have innovated through testing environmentally friendly fuels and additives as well as hybrid and electric buses. When the technologies work, we back them. One example is our industry-leading programme to retro-fit our existing fleet with particulate traps, which matches our commitment that all new vehicles we purchase will carry this or equivalent technology. This year, we were the first company in the UK to introduce buses powered by Euro V engines, setting a new high standard for environmental efficiency.

This focus has delivered results. We again commissioned the TAS Partnership, a specialist public transport consultancy, to compare the environmental performance of our bus fleets outside London against over 100 competitors from both independent fleets and big groups. Go-Ahead companies dominate the listing of the top five best performing bus fleets.

Our rail, aviation and parking companies share this commitment to environmental excellence. We work with Network Rail on initiatives to reduce the electricity used for traction. Southern has championed the cause of environmental efficiency, running a major employee engagement campaign involving workgroups, posters and a dedicated half-day environmental forum for its top 300 managers.

We are proud of our record as an environmental leader in our industry and are committed to continuing to set the pace. In addition to the TAS Partnership report, we were the first company in our sector to publish our environmental performance data and continue to do so. We believe that our record provides an important market incentive to stimulate others in the industry to improve their performance.

We attribute our success to our company culture. We believe passionately in empowerment: letting local people make local decisions based on local need. Only through truly being a part of local communities can we respond effectively to the issues that matter to passengers and other stakeholders. We know that local people care about the services we offer and the role these play in local communities. This is why each of our operating businesses also produces their own separate environmental and social report.

I have focused on the environment for this message because of the current importance placed on climate change issues. Environmental responsibility is of course only one part of the wider corporate responsibility agenda. We bring the same enthusiasm, energy and focus to the other corporate responsibility issues that we, together with our stakeholders, have identified as being the most important for Go-Ahead. I am committed to the Group continuing to make progress in this area.

Keith Ludeman  
Group Chief Executive



## GROUP OVERVIEW

# THE GO-AHEAD GROUP IS A LEADING UK PUBLIC TRANSPORT COMPANY.

## OUR FOCUS IS TO INVEST IN MAKING PUBLIC TRANSPORT AN ATTRACTIVE ALTERNATIVE TO THE PRIVATE CAR.

We carried an extra 75 million passengers this year, taking the total number of passenger journeys to over 875 million. Our operations span the following areas:

- Bus services in London and the South, West Midlands and north east England
- Commuter rail networks in London and the South East. We were also awarded the West Midlands rail franchise this year
- Parking services at airports, railway stations, shopping centres and hospitals across the country
- Aviation ground handling services across the UK and the Republic of Ireland.

### OUR ROLE IN SOCIETY

We are proud of the role that public transport plays in improving the quality of life for our customers. We believe that our investment in public transport strengthens the economy, creates jobs, reduces traffic congestion and air pollution, and helps tackle social exclusion. Our focus is, therefore, on running our business efficiently and innovating, so that more people can enjoy the benefits public transport offers passengers and the wider society.

### WHY CORPORATE RESPONSIBILITY MATTERS TO US

Being recognised as taking a responsible approach to business helps deliver competitive advantage for Go-Ahead through:

- A reputation as a responsible company among local communities and with transport policy makers
- Maximising our access to capital from investors, particularly Socially Responsible Investment (SRI) funds
- Attracting and retaining good people
- Our positive reputation as a service provider for passengers.

We believe any vision of a sustainable future in the UK must involve a strong and growing public transport sector. It is our role to innovate and invest in services to increase capacity and make them more attractive to passengers. At the same time, we must demonstrate our

commitment to minimising our environmental impact by continuing to lead the way in our sector by setting new standards of environmental responsibility.

Our business strategy is to focus on developing our business in cities and regions where there is economic growth and strong local authority and public sector support for public transport. Our business philosophy is to empower our local business managers to make local decisions about the services they provide.

### BENCHMARKING OUR PERFORMANCE

We participate in the Business in the Community (BITC) Corporate Responsibility Index and the companion Environment Index. These voluntary indices help us compare our performance against other leading UK businesses, including many FTSE100 companies. We again increased our score in both these indices and were ranked as 'Gold Standard' by BITC. We again recorded maximum marks for our emissions management.

We have been included within the FTSE4Good series of indices since their introduction. These indices are made up of companies that meet globally recognised corporate responsibility standards.

Once again, we commissioned the TAS Partnership, a specialist independent transport consultancy to benchmark the emissions performance of our bus businesses. This confirmed that Go-Ahead bus companies lead the field for emissions management. We were also delighted to be named winner of the Contribution to Sustainable Transport category in the 2007 National Transport Awards.



### BUS



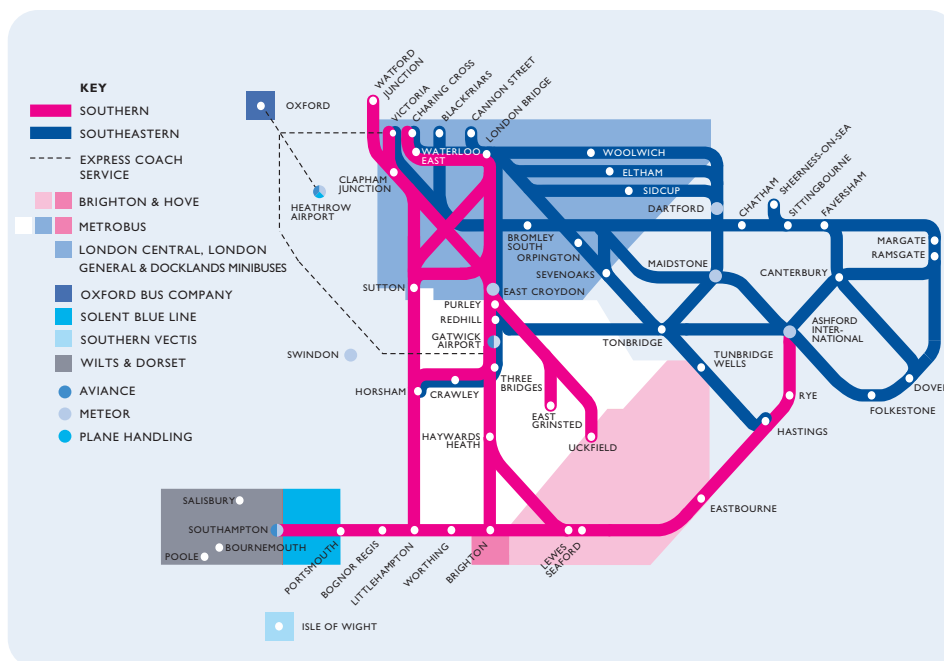
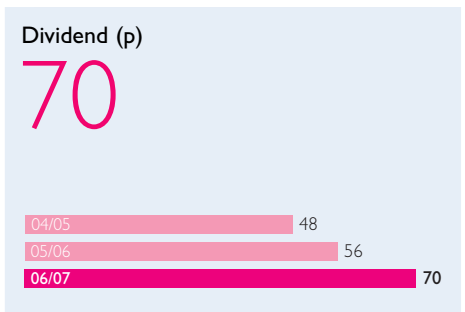
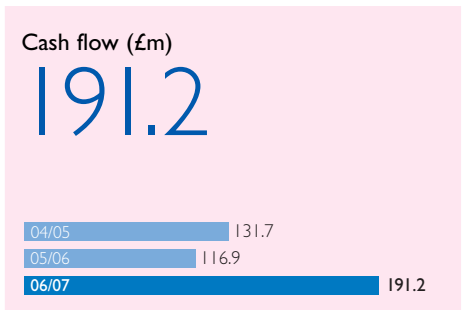
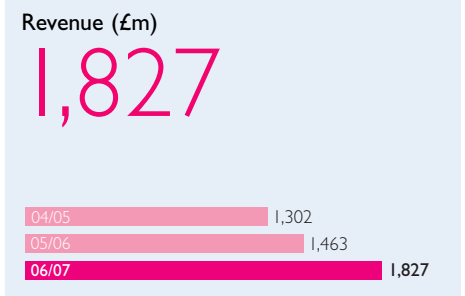
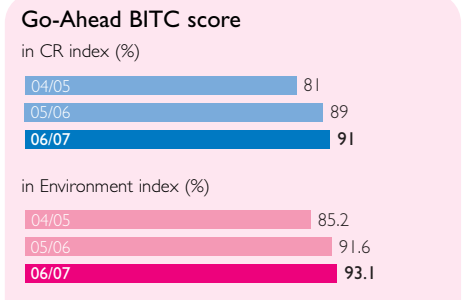
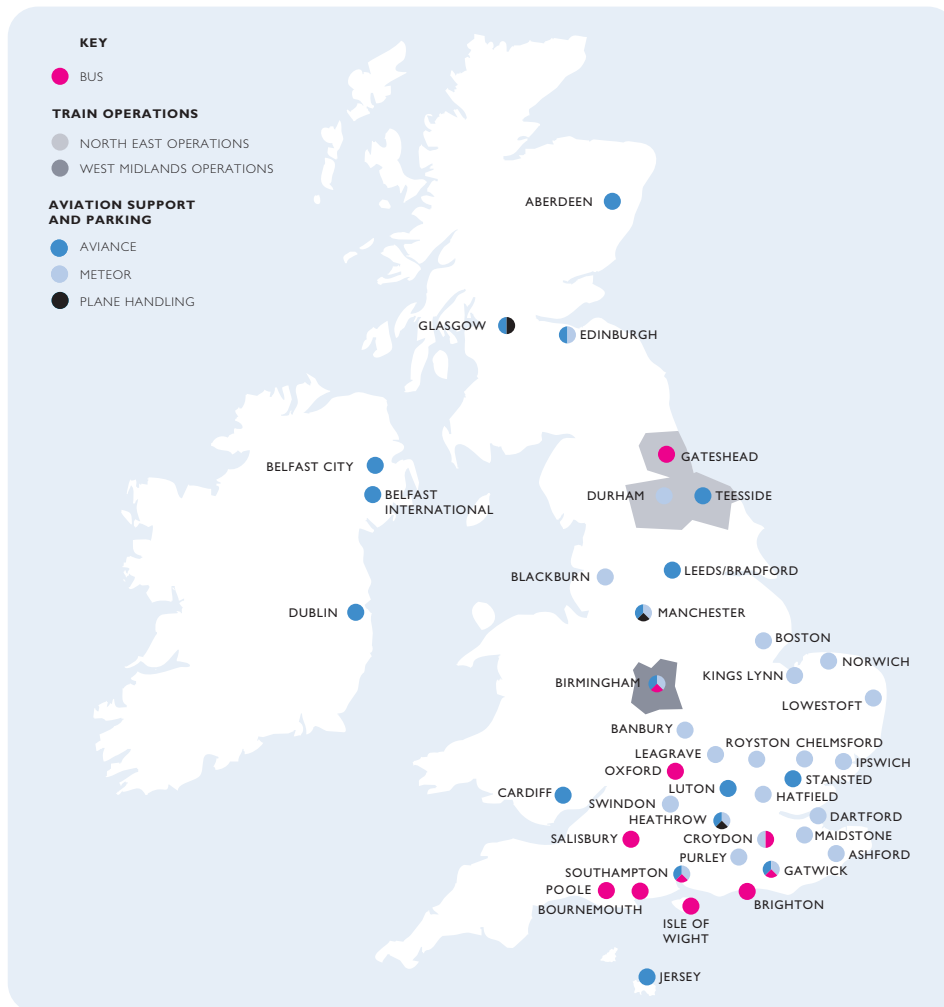
### RAIL



### AVIATION SUPPORT AND PARKING



## NATIONAL OPERATIONS



## INTRODUCTION – OUR RESPONSIBILITIES

**THIS REPORT DESCRIBES OUR PERFORMANCE FOR THE 12 MONTHS TO 30 JUNE 2007. IT IS DIVIDED INTO FOUR MAIN SECTIONS AS SHOWN BELOW WHICH DESCRIBE THE IMPACTS OF OUR ACTIVITIES IN DIFFERENT AREAS, AND OUR EFFORTS TO MANAGE THESE RESPONSIBLY.**

To keep this report short, we have placed a lot more information on the web [www.go-ahead.com/corporateresponsibility](http://www.go-ahead.com/corporateresponsibility). It is also possible to view our past reports on the website.

## SECTIONS

## MARKETPLACE

How we run our services



## ISSUE

Reliability, convenience and punctuality of services.

Affordability for people on low incomes.

Accessibility for all, particularly people with disabilities.

## OUR RESPONSIBILITIES

Our responsibility is to run our services to timetable and ensure that passengers have a positive journey experience.

Our responsibility is to help as many people as possible use our services.

Our responsibility is to help as many people as possible use our services.

## OUR RESPONSE

All our businesses have metrics to measure our performance. Our aim is to satisfy our passengers every time they travel with us. It is not possible to get it right all of the time, so each of our companies has a complaints procedure in place.

Our companies run a range of schemes that offer reduced rate services for particular groups – older people, off-peak travellers and young people.

When our companies invest in new buses and trains, we make sure that the design takes into account ease of access for everyone. We train our employees to offer practical help to people in need of assistance.

This report includes some examples of how our bus, rail, parking and aviation services businesses put our approach into practice in these areas.

## CONSULTING OUR STAKEHOLDERS

We developed a responsibility grid (below) through a structured programme of consultation with passengers, employees, representative bodies and others to confirm the issues that matter most. Our stakeholders share our view that our most important responsibility is to increase the use of public transport, and that the factors that influence bus and train use are:

- Reliability, convenience and punctuality
- Accessibility for all
- Safety and security
- Affordability.

At the same time, our stakeholders expect us to manage and reduce the negative impacts of our business with the priorities being:

- Climate change and local air pollution
- Noise and congestion.

As public transport is integral to communities, we also seek to play a full part in local community and sports activities.

We also asked our stakeholders how we should report on corporate responsibility and have shaped our practice according to their feedback. As a result, we have:

- Developed our responsibility grid
- Set and reported on measures of responsibility relevant to these issues
- Communicated our performance locally as well as for the Group.

## PERFORMANCE INDICATORS

We established a set of key performance indicators based on the issues and responsibilities described below. These are to be reviewed by The Go-Ahead Group's board of directors. We have also integrated target and goal setting to improve local social and environmental performance as an integral part of our wider operating and financial planning process.

## A NOTE ON THE SCOPE OF THIS REPORT

This year we report for the first time on the Southeastern rail franchise. In addition, London General acquired Docklands Minibuses and Solent Blue Line acquired Marchwood Motorways during the reporting period. Data on these operations are included in this report and in the respective local operating company reports.

London General also acquired Blue Triangle Buses recently. However, as this happened at the end of the reporting period, it has not been included in this report.

## WORKPLACE

Issues that affect the people who work for us



## ENVIRONMENT

How we manage and reduce our impact on the environment



## COMMUNITY

Making the communities where we operate better places to live and work



Safety and security

As an employer:

Improving our environmental performance.

Strong relationships with local communities.

Our responsibility is to ensure the safety and security of passengers, our employees and the general public.

Our responsibility is to provide a positive work environment conducive to the recruitment and retention of staff.

Our responsibility is to minimise the environmental impact of our buses and trains. This includes emissions and noise.

Understanding and support from stakeholders is a basic requirement for running and expanding our services.

Safety and security is a board issue for every operating company. We are committed to deterring any physical or verbal abuse of passengers or staff. We have invested in technology (e.g. CCTV), train our staff to deal with incidents and employ the expertise of our own security guard business. We also prepare for major incidents, such as an act of terrorism.

We are committed to being seen as a good employer. We treat people fairly, regardless of gender, race, age or disability. We have invested in recruitment, personal development and training opportunities.

We have invested heavily in new buses and trains, as well as technology to reduce emissions. Maintenance of our vehicles is a priority for us.

We are active participants in local communities. We contribute to and invest in developing an improved transport infrastructure. We seek opportunities to ease congestion by working with partners on local initiatives. Our operating companies offer in-kind support to local charities.

## THE MARKETPLACE BUS OPERATIONS – OUR RESPONSIBILITIES

# LAST YEAR, WE CARRIED OVER 540 MILLION PASSENGERS ON OUR FLEET OF 3,657 BUSES. OUR OPERATIONS SPAN ESSENTIAL LOCAL BUS SERVICES, LONGER DISTANCE TRAVEL AND PARK AND RIDE SCHEMES.

Our buses run seven days a week and sometimes 24 hours a day, and covered some 242 million kilometres in total.

Our commercial imperative is to increase bus patronage, but it is also the most important contribution we can make to help the communities in which we operate.

That's not to say it is not without its difficulties. It is an established phenomenon that as income rises, bus usage tends to fall. At the same time, the fragmentation of employment centres and emergence of out-of-town shopping and leisure destination centres create extra challenges for us in running viable services. Therefore, we are proud that together our bus companies carried an extra 40 million passengers this year:

Through consultation with our stakeholders, we identified the four main factors which help to increase bus usage:

- Reliability, convenience and punctuality
- Accessibility for all
- Safety and security
- Affordability.

Our devolved structure is designed to allow our operating companies to develop bus services that are effective in meeting the needs of local people. This approach has delivered a range of initiatives all designed to improve performance across these four areas.

## OUR RESPONSIBILITY: RELIABILITY, CONVENIENCE AND PUNCTUALITY

Our bus companies are committed to finding innovative ways of attracting and retaining passengers. We are introducing new technology to provide real-time information on bus services at bus stops, destination centres, online and direct to mobile phones. We are also investing in increasing service frequency, purchasing new buses and developing locally branded services.

The performance of Southern Vectis since its acquisition by Go-Ahead two years ago demonstrates our approach. By making sure that the right bus is in the right place at the right time, Southern Vectis added an extra 1.4 million passengers this year, up 38% on 2005/06.

Southern Vectis' approach was to ask passengers on the Isle of Wight what they wanted, and as a result, it substantially increased the network of services offered. Typical of the changes was a new service connecting Newport and Cowes. Passengers also wanted services that were easy to understand, so Southern Vectis combined three routes into Route 1 offering increased frequency and 'turn up and go' connections for the fast ferry to Southampton. This was such a success that Southern Vectis repeated the formula this year for Route 9, which meets the ferry at Ryde. Both services run 24 hours a day.

A copy of the new, simpler Southern Vectis timetable describing the enhanced network has been sent to nearly every household on the island. This is supported by a simpler fee structure, a website [www.islandbuses.info](http://www.islandbuses.info) together with a new range of leaflets such as 'getting to school'.

Elsewhere, Metrobus continues to grow, carrying an extra 6 million passengers this year. Fastway – connecting Gatwick, Horley and Crawley through a network of dedicated bus lanes and guideways, which shortens journey times and avoids traffic hotspots – continues to set the standard for modern bus travel. Excluding the flagship Fastway services, the number of passengers carried by Metrobus in Crawley has grown by 28%.

Excellent reliability has been a key feature of the Metrobus operation in Crawley. In the past six months, some 99.63% of Metrobus' scheduled provincial mileage was operated. Metrobus also operates routes on behalf of Transport for London (TfL), which publishes quality league tables of bus operators in the Capital. Metrobus topped the 'smaller operators league table' for departing on time and was consistently in the top three for mileage operated.



New technology allows our customers to receive real-time information on their mobile phones.





We have achieved our target of making 80% of our fleet low-floor.

### OUR RESPONSIBILITY: ACCESSIBILITY FOR ALL

Low-floor buses fitted with powered ramps have made a real impact on making bus travel accessible. Only 10 years ago, less than one in 12 of the buses on the road were accessible to people in wheelchairs. Go-Ahead has had a Group policy for a number of years that all new buses will be low-floor models and fitted with ramps. Last year we set a new target that 80% of our fleet would be low-floor buses, and we are pleased to report we have achieved this target.

The Metrobus fleet is 92% low-floor and on the Crawley town network, all services include low-floor buses. Metrobus has worked closely with the local Councils to match its investment in buses by upgrading bus stops with high kerbs to provide easier access for those in a wheelchair or with buggies to board our vehicles. Also, all our companies provide training to drivers on how to support travellers with mobility problems.

### OUR RESPONSIBILITY: SAFETY AND SECURITY

Safety of passengers, employees and the general public is an absolute priority for us, and all our operating companies have invested in developing comprehensive health and safety management systems.

We believe that CCTV is effective in deterring, detecting and helping prosecute criminals. Oxford Bus Company has been at the vanguard of investment in CCTV and has already achieved its target of fitting systems in every bus. Working with Meteor Security,

the transport security specialist within Go-Ahead, the company has been able to maximise the benefit of this investment.

The Oxford Bus Company has also been active in helping reduce vandalism by young people – such as smashed windows from stone throwing, damage to tyres and graffiti – through an active school visit programme and poster campaign.

### OUR RESPONSIBILITY: AFFORDABILITY FOR PEOPLE ON LOW INCOMES

Buses play a vitally important and positive role in local communities. With jobs less geographically concentrated than they used to be and shopping and leisure facilities migrating out of town and city centres, the jobless and car-less often face difficulties in getting around. Bus transport can often be the only practical travel option making the services offered and their affordability crucially important.

Go North East is leading the way in reducing some fares in areas of high social exclusion and for groups on low incomes. The social and economic impact of these initiatives on the local community is being studied in partnership with Nexus, the Tyne & Wear Passenger Transport Executive. Go-Ahead has also introduced new discounted fares for students and families: two social groups identified in research as having issues with travel costs.

The innovative Bus ID scheme pioneered by Brighton & Hove, which offers discounted fares to young travellers, continues to be successful and is used as a model by our other companies.



#### Passenger journeys (m)\*



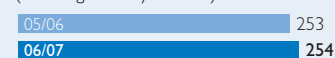
#### Scheduled kms operated (%)



#### Passenger vehicle kms (m)\*



#### Total vehicle kms travelled\* (including ancillary vehicles)



#### VOSA PSV vehicle test pass rate\*

Our average



National average pass rate



#### Vehicle accidents (responsible for)\* per million kms travelled



#### Fleet\*

with low-floor access (%)



#### Fleet\*

with CCTV (%)



\*Includes data from Meteor's bus operations. Information on its parking and security operations can be found on pages 22 to 27.

## THE WORKPLACE BUS OPERATIONS – OUR RESPONSIBILITIES

# RUNNING A MODERN BUS SERVICE DEPENDS ON HAVING SKILLED AND EXPERIENCED DRIVERS WHO FEEL MOTIVATED AND RESPONSIBLE FOR THE PASSENGERS ON BOARD.

Three-quarters of our employees are drivers and act as our public face in dealing with passengers.

Together, the Go-Ahead bus companies employ over 11,000 people, making us the one of the largest employers in many of the cities we operate in.

A challenge facing the bus sector is staff turnover due to a combination of shift work and stresses of the job. We are committed to offering a competitive package of benefits, as well as investing in training and development, to help us recruit, retain and motivate good people.

## OUR RESPONSIBILITY: TRAINING AND DEVELOPMENT

All our bus companies appreciate the value of good training programmes. We offer rigorous and extensive driver training for those that are new to the company and driver refresher courses for experienced staff.

We also provide personal development opportunities for employees. Brighton & Hove has set up a dedicated learning centre equipped with a mix of IT learning materials and outside specialist tuition providers – offering courses such as computing, English language and numeracy – at each of the company depots and garages. Its commitment was recognised outside the company too, when Brighton & Hove was named Best Company in the Learn Direct Southern Region Awards.

In addition, many of our companies focus on customer service training. In particular, London Central and London General were the first bus companies in London to provide opportunities for all their employees to attain BTEC Level 2 or higher accreditation in customer service.

## OUR RESPONSIBILITY: EQUALITY AND DIVERSITY

Having a workforce that reflects the diversity of the communities in which we operate is important to us. Diversity among our drivers allows us to understand and respond to the needs of diverse passengers.

Our bus businesses in London are typical of our approach. London Central and London General provide a programme of support for employees designed around their specific needs, as well as mentoring and personal development training. Both companies are active supporters of the Women in the Bus Industry programme promoted by TfL. This aims to change the perception that the bus industry is just for men. To this end, we have run women-only recruitment days and set up a working group that has:

- Updated family-friendly policies, introducing new benefits such as childcare vouchers
- Developed specific literature aimed at women drivers
- Offered mentoring and support for new women joiners
- Reviewed the work environment for women.

Outside London, the Oxford Bus Company remains an active member of the Oxfordshire Employers Race Equality Network, sharing experience and good practice with members.

## OUR RESPONSIBILITY: INVESTING IN PEOPLE

Developing our people has always been a priority for us. Go North East and Go West Midlands have both secured accreditation as an Investor in People, and Go North East was re-confirmed as meeting the standard this year. Investors in People is a nationally recognised standard, which ensures employees have access to the right knowledge, skills and motivation to work efficiently and effectively.



'Bus Doctors' is one of the new initiatives launched by Go North East to improve the running of its fleet.

### OUR RESPONSIBILITY: STAFF TURNOVER

All our companies have invested to reduce the rate of employee turnover and, as a result, the overall rate has fallen again this year. Initiatives have included improved staff communication, the launch of a staff magazine, increased flexibility for local managers to respond to issues as they arise and a staff suggestion scheme. Companies have also set up employee boards to provide an additional forum to discuss issues and concerns.

### OUR RESPONSIBILITY: GETTING CLOSER TO OUR CUSTOMERS

Go North East is changing the way it operates, delegating responsibility for local services to local teams and creating a network of service delivery managers. Its latest initiative has been the introduction of local marketing to the company. Each service delivery manager has received a budget together with training support to develop his or her marketing ideas. This has resulted in some innovative ideas such as 'Bus Doctors': teams that take to the streets of North Tyneside to solve travel problems.

"London Central and London General provide a programme of support for employees designed around their specific needs, as well as mentoring and personal development training."

### OUR RESPONSIBILITY: HEALTH AND SAFETY

Each of our operating companies has a comprehensive health and safety management system. Managers, supervisors and drivers are encouraged to take personal responsibility for improving performance, with health and safety performance reviewed weekly. In addition to our own risk assessments, we use an external specialist consultancy to monitor and audit our performance.

Health and safety training is provided for new drivers and existing drivers receive refresher courses. Managers and supervisors in our engineering department also pursue external qualifications.

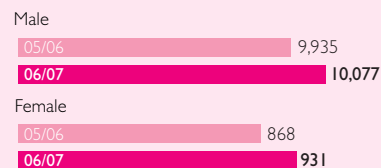
### OUR RESPONSIBILITY: EMPLOYEE DIALOGUE

Our bus companies recognise a range of trade unions and work closely with them. Unions recognised include the General Municipal Boilermakers Union (GMB), Unite (a new union formed from the merger of the Transport and General Workers Union (TGWU) and Amicus), National Union of Rail, Maritime and Transport Workers (RMT). All meet regularly to review employee conditions and company strategy.

The Oxford Bus Company was also the first bus company to set up a Stakeholder Board. The Board brings together employees, individual passengers, large employers and representative bodies to share views and discuss how services might be improved. This model of engagement has been adopted by other companies in The Go-Ahead Group.



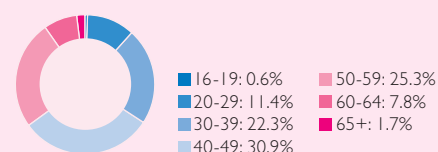
#### Gender breakdown



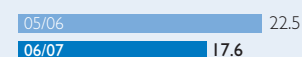
#### Total number of employees



#### Diversity by age



#### Employee turnover rate %



London Central and London General are active supporters of the Women in the Bus Industry programme promoted by Transport for London.



THE ENVIRONMENT BUS OPERATIONS – OUR RESPONSIBILITIES

# AN INDEPENDENT STUDY HAS CONFIRMED GO-AHEAD HAS THE MOST ENVIRONMENTALLY FRIENDLY FLEET IN THE UK, ASSISTED BY ITS INTRODUCTION OF THE FIRST EURO IV AND V BUSES IN THE COUNTRY.

All companies have a responsibility to work to alleviate climate change, but this responsibility is central to public transport companies.

Buses are a vitally important means of tackling emissions, local congestion and air quality. Buses are responsible for only 1% of kilometres travelled but carry 6% of all passengers.

Our belief is that we have a dual responsibility: we must innovate to attract passengers away from their cars and we must also invest to make our fleet as environmentally responsible as possible.

We are proud that our investment programme over the last 10 years has meant that we now have consistently the most environmentally friendly local bus fleets in Britain.

## OUR MAIN ENVIRONMENTAL IMPACTS

With over 3,600 buses, our most significant environmental impact relates to exhaust emissions, which affect both the air we breathe and climate change.

A range of factors affect levels of emissions including the age and type of engine, investment in catalytic converters and particulate traps, the type of fuel used, number of passengers carried, our maintenance regime and the technique of the driver. We have, therefore, invested in each of these areas to reduce our impact.

Our depots, garages and offices use energy for maintenance, heating and cooling. We use water to clean our buses and maintenance generates waste. As a result, we set reduction targets for our energy, invest to recycle water and recycle waste where we can.

## VEHICLE INVESTMENT

The age and type of engine are important predictors of environmental performance. Each generation of engine introduces new standards of fuel efficiency. At a European level, fuel efficiency standards for five generations of engine have been defined and engines can be characterised as Pre Euro, Euro I, Euro II, Euro III, Euro IV and Euro V.

Last year, we were the first in the UK to introduce regular buses powered by engines that meet the Euro IV standards. This year, we can report another first for the UK in introducing buses powered by Euro V compliant engines, which aren't due to be enforced until 2009. These set new standards for fuel efficiency and emissions.

Our vehicle purchasing policy is to specify that new vehicles purchased should comply with the latest available Euro standard (currently Euro IV). Additionally, all new vehicles must be supplied (where appropriate) with Continuously Regenerating Traps (CRTs) or equivalent technology.

As a result of this policy, Go-Ahead has some of the most modern fleets within the industry. Our commitment to invest in new vehicles means that recently acquired companies – such as Docklands Minibuses, Go West Midlands and Southern Vectis – will see the average age of their legacy fleets fall over the next few years. For example, seven new buses powered by Euro V engines joined the fleet at Southern Vectis this year, and were the first new full-size, single-decker vehicles purchased by the company since 1976.



Southern Vectis' purchase of seven Euro V powered buses this year exemplifies our commitment to invest in the newest and greenest vehicles for our fleets.





Oxford's innovative star rating system provides an 'at a glance' snapshot of how environmentally friendly each of their buses are.

Our main responsibility is to attract customers away from the private car, as this delivers the greatest environmental return. This means that sometimes we have to trade off comfort against minimising environmental improvement. For example, newer buses offer air conditioning, which is an important factor for many passengers.

### VEHICLE MAINTENANCE AND EMISSIONS TREATMENT

Fleet maintenance is critical to controlling emissions. We operate a rigorous maintenance schedule including an emissions test up to every five weeks. We also invest in the latest emissions testing equipment and our systems are independently assessed by the Vehicle Operator Services Agency (VOSA), which carries out annual and random emissions tests. Virtually all our companies achieved a 100% pass rate in these independent tests.

Exhausts fitted with add-on technology can also reduce emissions, sometimes by up to 90%. The most significant technology continues to be Continuously Regenerating Traps (CRTs). We have pioneered the practice of retro-fitting CRTs to our existing fleet, and some of our companies have now fitted these to all their vehicles, where appropriate. We also continue to investigate viable alternatives to CRTs.

### FUEL USE

Go-Ahead continues to use Ultra Low Sulphur (ULS) Diesel as standard for its fleet. ULS Diesel is a high specification diesel that is considered to be more environmentally friendly than the standard European grade, reducing particulate emissions by 40%. Following extensive tests we have also adopted a biofuel mix of 95% ULS Diesel and 5% oil derived from plant material.

We also carried out extensive testing of hybrid buses at London Central, London General and Meteor. However, they failed to meet the standards of reliability Go-Ahead expects, so we continue to test the hybrid vehicles looking

for ways to improve reliability in order to secure environmental gains.

### OUR RESPONSIBILITY: RAISING ENVIRONMENTAL AWARENESS

An independent study carried out by The TAS Partnership has again confirmed that Go-Ahead leads the field in having the most environmentally friendly bus fleets in Britain. The Oxford Bus Company leads the field in having the most environmentally friendly bus fleet in Britain. Go Wear, Go Gateshead (both parts of Go North East) and Brighton & Hove were also consistently ranked in the top five.

The environmental achievements of the Oxford Bus Company were recognised in the Social Responsibility category of the prestigious UK Bus Awards 2006. The judges were particularly impressed by the innovative star rating system on the company buses providing an at a glance snapshot of how environmentally friendly each one is. During a visit to the company by the then Secretary of State for Transport, Douglas Alexander, he said that: 'Reducing air pollution is a priority for Government and industry alike. By operating vehicles that meet the highest air quality standards the Oxford Bus Company are making a contribution to tackling transport's impact on the air we breathe. I'm pleased to see the Oxford Bus Company takes their environmental responsibilities so seriously'.

The stars are based on independent standards set by the European Environment Agency and range from no stars to five stars. All Oxford Bus Company buses are either three, four or five star. Full details can be found on the section of the Oxford Bus Company website dedicated to clean air at [www.oxfordbus.co.uk/air](http://www.oxfordbus.co.uk/air).

### OUR RESPONSIBILITY: MEASURING OUR PERFORMANCE

For a third year, the Go-Ahead Group participated in the Business in the Community Environment Index. We again increased our score to 93%, including maximum marks for our performance on emissions management.



#### VOSA emissions pass rate

Our average pass rate



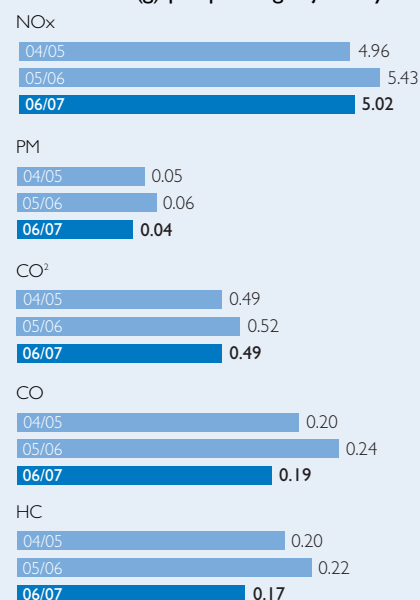
#### % of fleet with Euro II engines or above



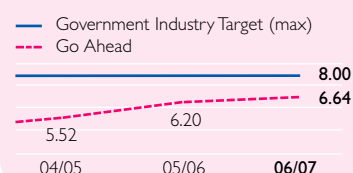
#### % of fleet with CRT



#### Emissions (g) per passenger journey



#### Average age of fleet (years)



THE COMMUNITY BUS OPERATIONS – OUR RESPONSIBILITIES

BUS COMPANIES ARE ESSENTIAL TO LOCAL COMMUNITIES: OUR SERVICES HELP TACKLE COMMUNITY ISOLATION AND WE ARE ALSO SIGNIFICANT EMPLOYERS IN MANY TOWNS AND CITIES.

We believe our responsibilities in the community extend beyond our services and support for employees to include the broader wellbeing of the communities we serve.

- Examples of projects supported are:
- Initiatives to tackle crime including partnerships with schools, local authorities, housing associations and the police
  - Local regeneration initiatives, particularly those relating to transport
  - Encouragement and support for employee involvement in local communities and fundraising for local and national charities
  - Free travel and other donations in kind for community causes.

GO-AHEAD GROUP: EDUCATION PACK

Go-Ahead has funded the development of a transport focused education pack designed to support children's education. The education pack materials – covering Key Stage One to Business Studies A-Level – have been produced in partnership with education specialists MBA. The education materials are being tested by



Go-Ahead piloted its new education pack at The Four Dwellings High School in Quinton, Birmingham, supported by local MP Gisela Stuart, before being launched nationally to secondary schools across the UK.

classrooms in The Four Dwellings High School in Quinton, Birmingham, prior to refining and launching nationally to secondary schools across the country.

Priorities for next year

2006 PRIORITIES	2006 OUTCOME	2007 PRIORITIES
Increase the proportion of buses fitted with CRTs to over 70% for all the fleet	Not achieved (68% of fleet with CRT)	Increase the proportion of buses fitted with CRTs to over 70% for all the fleet
Further reduce emissions for PM, CO and HC	Achieved	Further reduce emissions for PM, CO and HC
Achieve 80% standard for low-floor buses across all the fleet	Achieved 81.1%	Increase to 85%
Continue to grow passenger numbers on new services	Achieved	Continue to grow passenger numbers on new services
Maintain VOSA pass rate above the national average	Achieved	Maintain VOSA pass rate above the national average
Continue to reduce staff turnover rates	Achieved 15% reduction	Continue to reduce staff turnover rates



Wilts & Dorset bus in livery designed by one of the children at Julia's House Hospice.

### BRIGHTON & HOVE: PLAYING AN ACTIVE ROLE IN THE LIFE OF THE CITY

The company has continued to play a leading role in many city-wide forums and partnerships. The Managing Director continued his role as Chair of the Brighton & Hove Local Strategic Partnership, which oversees the city's sustainable community strategy. The company also plays an active role in the Economic Partnership, the Economic Development and Enterprise Board, and the City Business Forum. The Managing Director also continued his role as Chairman of the Martlets Hospice and as a Trustee of the Argus Appeal. Support was given to both charities in various ways, including operation of the popular 'Santa Bus' for both charities.

### WILTS & DORSET: JULIA'S HOUSE

We have linked up with Julia's House, the Dorset children's hospice. Julia's House was opened to mark the tragic early death of inspirational children's nurse, Julia Perks, in 1997. It is the realisation of her ambition to improve care for young people with life-limiting conditions.

This year, we ran a special initiative offering the charity the opportunity to design its own bus livery. Children attending the Hospice put forward their ideas and the best three were chosen by a committee of drivers. The winning design on one of our buses provides an eye-catching mobile advertisement for the charity.



### Community spend



£193,880  
58.8% of total Group spend  
(£329,987)

At a local operating company level community investment is driven through 'support in kind' activities, while the PLC handles direct financial donations. The figures above include an element of both these community investment streams.

## What we can do better

2006 GOAL	2006 OUTCOME	2007 GOALS
Extend real-time information to more bus stops across our operating companies and look at the possibility of including SMS 'text' messaging	Achieved. Services extended in Birmingham, Brighton, Wilts & Dorset, Southampton and Oxford including 'SMS' text messaging	Continue to extend real-time information to more bus stops across our operating companies, and look at extending to include SMS 'text' messaging
Continue to develop strategic partnerships with other transport providers	Achieved. Partnerships with rail companies and other bus operators in place	Continue to develop strategic partnerships with local authorities and others
Review how community investment can be better managed across the Group	New Group community investment programme introduced	
Introduce buses powered by engines that meet Euro V standards (not legally required until 2009)	Achieved at Oxford Bus Company, Go North East and Southern Vectis	Further introduce buses powered by engines that meet Euro V standards (not legally required until 2009)
Hold sessions covering areas of diversity including age		Reduce energy use at our buildings by 15%

## THE MARKETPLACE RAIL OPERATIONS – OUR RESPONSIBILITIES

# THIS WAS A YEAR OF CONSIDERABLE PROGRESS FOR OUR RAIL FRANCHISE BUSINESS. SOUTHERN AND SOUTHEASTERN TOGETHER CARRIED OVER 280 MILLION PASSENGERS LAST YEAR – EQUIVALENT TO A THIRD OF ALL RAIL JOURNEYS THROUGH LONDON.

Our rail services are operated by Govia, a partnership majority owned by Go-Ahead with the balance owned by Keolis, a French transport company backed in part by SNCF.

Southern runs train services through south London and connects London to the south coast through Sussex and parts of Kent and Hampshire. The Southern franchise runs from August 2001 to September 2009. Southeastern is a new rail franchise for us which started in April 2006 and runs to March 2012. It provides train services throughout Kent, parts of Sussex and south-east London.

During the year, we were successful in being awarded the new West Midlands rail franchise, which will run from November 2007 to September 2015. In addition, the Gatwick Express services are to be incorporated into the Southern rail franchise from May 2008.

Rail transport is vitally important to the health of the economy and the environment, and in meeting communities' need for accessible travel.

Go-Ahead Group's earlier consultations with the Southern Stakeholder Advisory Board helped us to identify the key factors that influence people to travel by rail:

- Reliability, convenience and punctuality
- Accessibility for all
- Safety and security
- Affordability.

## OUR RESPONSIBILITY: PROVIDING RELIABLE, CONVENIENT AND PUNCTUAL SERVICES

Six years into our franchise at Southern we can report on a service transformed. Southern continues to hit record highs for customer 'overall satisfaction', ahead of regional and national averages. For the third year running, Southern has been consistently ahead of its Department for Transport targets.

An important factor in this success was Southern's 'Think like a passenger' campaign among its employees. This helped them focus on the issues that matter to their passengers. For instance, they were told that train punctuality and reliability are important. They responded by setting targets for key managers to reduce delays, overhauled the way they managed train crew availability and introduced an award-winning maintenance regime to ensure their fleet was always ready for service. Southern once again also exceeded the targets set for them on rail industry measures for both punctuality and reliability.

Southern was also told that train overcrowding was a problem. They responded by introducing a new system that automatically counts passenger numbers through an innovative weighing system on trains. This system has provided much improved travel data and helped them target services where crowding is an issue. The result is that Southern reduced the number of passengers they carried in

excess of capacity by 2.8% in 2006 – making them only one of two train companies in the region to achieve a reduction. This was a major achievement against a backdrop of rising passenger numbers and no additional trains. Southeastern has also achieved its target of fitting load weight measuring its equipment to its Class 375 and 376 coaches.

Southern has also invested in improved ticket buying facilities and car parking, and this has been reflected in improved customer satisfaction scores for these aspects of our service.

Southeastern is set to emulate the success of Southern. The company has set out its vision to be a 'growing railway for a growing region'. This first year has been spent by Southeastern laying the foundations to make this vision a reality, including the introduction of new train services, investment in new ticket machines and a restructuring of the management team to sharpen accountability and speed up the delivery of further changes.

Southern exceeded the reliability standards required for both mainline and metro services; for punctuality, Southeastern exceeded the minimum standards for its mainline services and was close to meeting the metro targets. Southeastern has set its own target for nine out of 10 trains to exceed the punctuality target within three years. During part of this year, its metro services achieved this level of performance for the first time in 10 years.

## OUR RESPONSIBILITY: ENSURING ACCESSIBILITY FOR ALL, PARTICULARLY DISABLED PEOPLE

We want to make travel by train as easy as possible for people with mobility problems. Climbing on and off older trains has been difficult or impossible for some passengers. 55% of our trains now meet the Rail Vehicle Accessibility Regulations standards.





Over half Southern's stations are accredited with secure station status.

Investment in new and refurbished trains is a reflection of the importance we place on ease of access. Following consultation with disabled passengers and representative groups, Southern has introduced wide aisles, dedicated wheelchair spaces, stepboards closer to platforms, colour contrasting design for the visually impaired and priority seats on trains. Three-quarters of Southern trains have on-board passenger information systems and improvements are being made to the systems on new trains to provide better information about services that split towards two destinations.

At stations, Southern has invested in accessible ticket offices and machines, help points with induction loops fitted for the hearing-impaired, new signage and a 'white' lighting scheme at inner London stations.

Some stations were built before 1940 and, unfortunately, have either no step-free access or only offer partial access. Both Southern and Southeastern's websites provide details of which stations are accessible to wheelchair users. In addition, portable ramps are available at many stations with assistance provided by members of their staff. Last year, Southern committed to improving step-free access and has done so for 10 of their platforms. They also completed a programme to fit all ticket offices with induction loops, and are currently midway through a programme of introducing step-free signage. Southeastern has a programme of improving station access with a focus this year on painting signage, working with the RNIB and further investment in induction loops.

#### OUR RESPONSIBILITY: ENSURING THE SAFETY AND SECURITY OF PASSENGERS, EMPLOYEES AND THE GENERAL PUBLIC

Safety and security remains the highest priority. Passengers want to feel safe and secure at stations and on board trains.

At Southern, 84 of their stations are accredited with secure station status – up from only 24

last year. This means over half of all their stations now meet the strict security criteria set under the scheme, which assesses factors such as staff training, good CCTV coverage and lighting, reduced crime trends and how safe passengers feel. Southern are committed to increasing the number of stations with this status to 100 this year. At Southeastern, the first of its stations have received secure station accreditation.

The award-winning Southern Task Force – combining revenue protection officers, the British Transport Police and rail enforcement officers drawn from specialist security services company – continues to set the pace in tackling anti-social behaviour on targeted routes and stations.

Both Southern and Southeastern are strong advocates of CCTV and the role it plays in both deterring and detecting crime. Southern has installed real-time CCTV on 96% of its coaches and at its stations, and uses the data to help the police bring criminals to court. Southeastern is embarking on an £18 million investment programme in CCTV both at stations and on board trains. Just under half of Southeastern train carriages now carry CCTV systems and 79% of its stations.

#### OUR RESPONSIBILITY: AFFORDABILITY TO ENSURE AS MANY AS POSSIBLE CAN USE OUR SERVICES

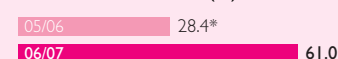
Public transport is essential to many households without a private car. However, the cost of rail travel can be daunting for those not in work. Southern and Southeastern operate commuter services, so it is in our interest to provide incentives for people to build their skills in preparation for work. By partnering with local authorities in the region, we offer a discounted student fare for 16 to 18 year olds, at a third of the cost of standard season tickets. This programme is in addition to the standard national discounts offered to older people and people with disabilities.



#### Passenger journeys (m)



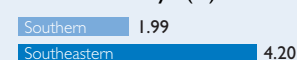
#### Train kms travelled (%)



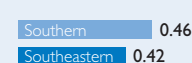
\*Southern only.



#### Own fault delays (%)



#### Own fault cancellations (%)



#### Accessibility (%)

Coaches fully meeting Rail Vehicle Accessibility Regulations 1998

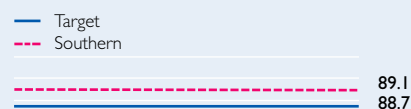
Southern

71

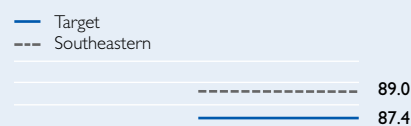
Southeastern

43

#### Public performance measure %



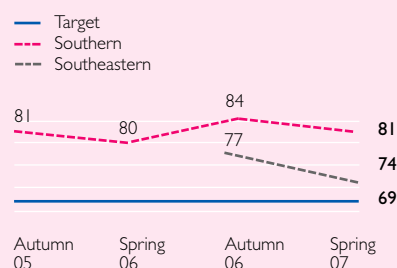
#### Public performance measure %



05/06

06/07

#### National passenger survey overall satisfaction (%)



**THE WORKPLACE** RAIL OPERATIONS – OUR RESPONSIBILITIES

# OUR BUSINESS SUCCESS DEPENDS ON OUR EMPLOYEES. OUR DRIVERS NEED TO BE SKILLED AND SAFE, AND OUR EMPLOYEES ON TRAINS AND AT STATIONS NEED TO BE HELPFUL, FRIENDLY AND PROFESSIONAL, AS THEY ACT AS THE PUBLIC FACE OF OUR RAIL COMPANIES.

Together, Southern and Southeastern employ around 7,500 people. Here we report on how they manage their responsibilities as employers in providing training and development opportunities, a competitive benefits package and a safe working environment.

A challenge across the public transport industry is staff turnover, due to the necessary shift work and the stresses linked to customer-facing roles.

## OUR RESPONSIBILITY: TRAINING AND DEVELOPMENT

We know that good customer service does not just happen; successful companies have to invest to develop skills and motivate employees. We invested over £3.2 million in training new and existing staff last year. In particular, Southern spends three times more on training now than it did two years ago.

Both Southern and Southeastern have in-house training and development teams providing technical and customer service training. Both have developed their own NVQ-based customer service programmes for all frontline staff, including supervisory and management grades.

Personal development continues to be encouraged at both companies. Partnerships have been set up with rail unions and local education colleges to offer employees a number of learning initiatives ranging from English to gardening.

## OUR RESPONSIBILITY: RETENTION OF STAFF

Both companies have a good record in retaining staff, reflected in the low turnover rates achieved. One way that Southeastern is working to improve the way it supports and develops employees is through Investors in People (IiP) accreditation. Its target is to achieve the IiP standard by December 2009.





Over £3.2 million was invested in training new and existing staff last year.

### OUR RESPONSIBILITY: EQUALITY AND DIVERSITY

Both companies have equal opportunities policies and this is reflected in the recruitment and people management policies adopted by the companies. Both are working hard to address barriers to employment for women and have looked at its family-friendly policies, shift working and mentoring. Both companies share a commitment to increasing accessibility and have a dedicated accessibility manager with responsibility for customer and employee-related accessibility issues.



Southeastern is working to improve the way it supports and develops its employees through Investors in People accreditation.

### OUR RESPONSIBILITY: HEALTH AND SAFETY

Safety of employees, passengers and the general public is a priority for all Go-Ahead operating companies. We believe in giving every employee individual responsibility for health and safety matters, and this is backed up by an extensive training programme. We monitor our performance weekly, carry out audits and use external consultants to review our performance.

“Both Southern and Southeastern have developed their own NVQ-based customer service programmes for all frontline staff, including supervisory and management grades.”



#### Total number of employees



\*Southern only.



05/06 Southern staff turnover data has been restated to improve consistency and comparability across our operations.

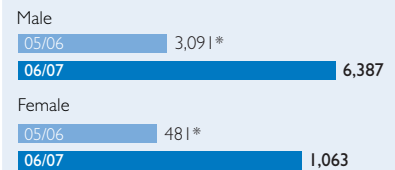
#### Average turnover rate (%)



\*Southern only.



#### Gender breakdown



\*Southern only.



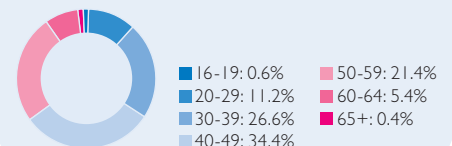
#### Physical attacks on staff (per million passenger journeys)



\*Southern only.



#### Diversity by age





THE ENVIRONMENT RAIL OPERATIONS – OUR RESPONSIBILITIES

# ALL COMPANIES HAVE A RESPONSIBILITY TO WORK TO ALLEVIATE CLIMATE CHANGE, BUT THIS RESPONSIBILITY IS CENTRAL TO PUBLIC TRANSPORT COMPANIES.

Persuading more people to choose rail over the private car reduces carbon emissions as well as local pollution and congestion.

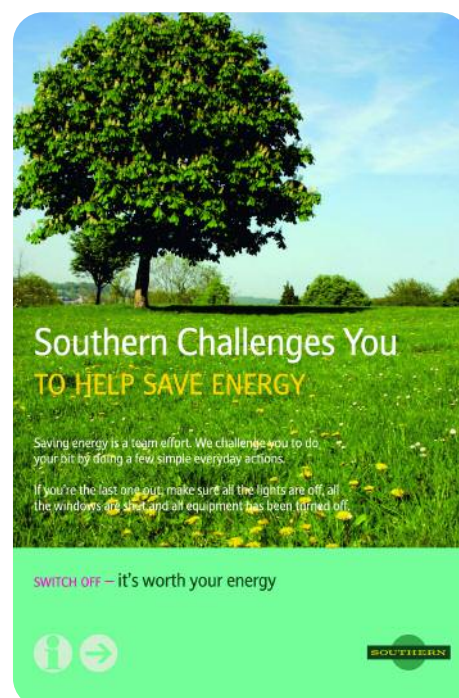
We take environmental responsibility very seriously. This year we have reviewed and re-issued our environment policy as part of our wider commitment to improving environmental management. We also encourage and support team efforts. Most notable this year was the achievement of the five-man maintenance team at Southern's Brighton Lovers Walk depot, which won the team award at the Network Rail Environment Awards, for their outstanding record at reducing and recycling waste at the depot.

## OUR RESPONSIBILITY: REDUCING EMISSIONS AT OUR STATIONS AND MAINTENANCE DEPOTS

The Go-Ahead Group set a stretching target for each of the operating businesses to reduce energy usage in its buildings by 15% by November 2007.

Southern launched a major 'switch off' campaign at an event bringing together over 100 senior staff in November 2006 in a half-day workshop designed to raise awareness of the issues around energy usage and generate energy saving ideas. This was followed by a programme of posters, competitions and team meetings, providing an opportunity for all Southern employees to put forward initiatives for environmental improvements. An environmental management group reviewed their suggestions and the best have been implemented.

Initiatives at both rail companies include investment in energy efficient lighting, lighting controls and gas management systems, helping us achieve substantial savings.



One of the posters from Southern's 'Switch-off' campaign.





Our drivers are taught energy efficient techniques to improve traction efficiency.

### OUR RESPONSIBILITY: REDUCING EMISSIONS FROM OUR TRAINS

We operate a fleet of 608 electric trains as well as 15 diesel trains. Our most significant impact is the electricity we use for traction purposes. We declare our electricity usage based on the figures provided by Network Rail.

Demonstrating environmental improvement is a particular challenge for train operating companies. As an integral part of the railway network, we are dependent on the infrastructure around us to deliver our services. In many situations, it is not possible for Network Rail to isolate our environmental impact accurately. But we have been working with Network Rail on initiatives to improve traction efficiency including new braking techniques, energy efficient driver training techniques and the use of low sulphur diesel or biofuels for diesel trains.

### OUR RESPONSIBILITY: INTEGRATED TRANSPORT

Rail is an integral part of the overall public transport infrastructure network. We know that we can work more closely with other public transport providers to make it easier for passengers to connect to different types of transport.

Southeastern has teamed up with the PLUSBUS scheme, so that passengers can now purchase PLUSBUS tickets (offering both rail and bus services on a single ticket) at 18 of its stations. These can be purchased as singles, returns or period tickets. Southern continues to work with Brighton & Hove, Metrobus and other bus companies to offer integrated rail and bus services on a single ticket, as well as synchronise bus and train timetables more effectively.

Improving bus connections is an integral part of the programme to upgrade and improve many Southeastern stations. At Sittingbourne station, for example, Southeastern has worked with the local bus provider to launch a new bus service improving local connections.

“Most notable this year was the achievement of the five-man maintenance team at our Brighton Lovers Walk depot, which won the team award at the Network Rail Environment Awards.”

#### Electricity usage for traction (kwh)



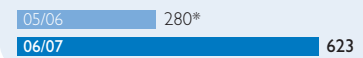
#### Air pollution per passenger journey CO<sub>2</sub> (kg)



\*Southern only.



#### Size of rail fleet



\*Southern only.



We encourage our employees to put forward initiatives for environmental improvements.

THE COMMUNITY RAIL OPERATIONS – OUR RESPONSIBILITIES

RAIL COMPANIES PROVIDE ESSENTIAL SERVICES FOR PEOPLE THAT LIVE, VISIT AND WORK IN THE COMMUNITIES THAT WE SERVE. RUNNING SERVICES IS THE MAIN WAY THAT WE CONTRIBUTE TO THE WELLBEING OF THESE COMMUNITIES.

We also have responsibilities to the people we employ and their families. Vibrant and successful communities are in the interest of everybody.

- Some of the other ways in which we contribute to local communities are:
- Initiatives to tackle crime including partnerships with schools, Network Rail, the police and local authorities
  - Regeneration, particularly relating to transport
  - Support for causes related to transport heritage
  - Supporting causes linked to employees.

**SOUTHERN: ENCOURAGING YOUTH COMMUNITY INVOLVEMENT**  
We have sponsored many children's sporting clubs across our network including Marle Palace, Burgess Hill U11s football team, Redhill FC U17s, Meridian Athletic FC U8's, Arundel colts U14s football team, Royal United U11s football team and Brighton & Hove cricket club's U15 girls team.

Priorities for next year

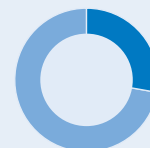
2006 PRIORITIES	2006 OUTCOME	2007 PRIORITIES
Continue commitment to leadership and frontline customer service training	Achieved	
Engage employees at Southern in developing team-specific action plans for improving the work environment	Achieved	
Launch energy efficiency programme at Southern	Achieved	Meet energy reduction target of 15% in our buildings
Secure Park Mark designation for six car parks at Southern	Achieved	
Further build on the success in improving overall passenger satisfaction levels at Southern	Highest ever ratings achieved	Further build on the success in improving overall passenger satisfaction levels at Southern and Southeastern
Extend environmental and social reporting to include Southeastern	Achieved	
Establish a Stakeholder Advisory Board at Southeastern	Achieved	
Achieve Secure Station status at 56 Southern railway stations	84 Achieved	Gain Secure Station accreditation at 100 railway stations at Southern



The Brighton & Hove U15 girls cricket team who Southern sponsored this year.



#### Community spend



£92,395  
28.0% of total Group spend  
(£329,987)

At a local operating company level community investment is driven through 'support in kind' activities, while the PLC handles direct financial donations. The figures above include an element of both these community investment streams.

### SOUTHERN: HELPING SAVE YOUNG LIVES

Death and serious injury among young people playing on railway tracks is a problem across the rail network. To raise awareness of the risks and to provide alternatives for young people, we launched the SouthernTrax initiative. Young people are encouraged to send music to a dedicated website and the public then vote on their top 20. These are then judged by industry professionals, with the very best receiving valuable support from music industry giant, EMI. The website also features album reviews, competitions, videos and more. This supports initiatives run by Network Rail and other train operating companies.

### SOUTHEASTERN: COMMUNITY RAIL PARTNERSHIPS

Community Rail Partnerships (CRPs) help to put railway stations at the heart of local communities. Southeastern currently supports two CRPs: SwaleRail and the Medway Valley Line. We are developing a third CRP for the route between Hastings and Tonbridge. As well as innovative marketing, improved signage and better bus links, environmental and community projects are vital to a successful CRP. At Kemsley, we are working on a landscaping and planting scheme in partnership with the Sittingbourne Community College.

### SOUTHEASTERN: ATTRACTING NEW RECRUITS

Newham is one of London's most disadvantaged boroughs. Southeastern is supporting the 'Rail School' initiative, backed by the London Borough of Newham, Newham College of Further Education and the Learning and Skills Council. The school helps jobseekers and 14-to-19-year-olds prepare for a railway career; it provides rail companies with a pool of skilled recruits who have knowledge of safety culture, business and industry issues.

### What we can do better

2006 GOAL	2006 OUTCOME	2007 GOALS
Continued investment in station facilities to include easier access, CCTV, new signage and cycle facilities	Achieved	Continued investment in station facilities to include easier access, CCTV, new signage and cycle facilities
Review how Southern can get involved with local community groups across its network	Southern Trax and other initiatives launched	
Develop the diversity of the Southern workforce	Partially achieved	
Improve PPM train performance at Southeastern	Achieved	Continue to improve PPM train performance at Southeastern
Introduce passenger load device on the entire Southeastern Electrostar fleet	Achieved	

## THE MARKETPLACE AVIATION SUPPORT SERVICES AND PARKING – OUR RESPONSIBILITIES

# GO-AHEAD IS REPRESENTED IN THE WIDER TRANSPORT MARKET THROUGH AVIANCE UK, PLANE HANDLING, REED AVIATION AND METEOR.

aviance UK and Plane Handling provide ground handling services at airports across the UK and Ireland, while Reed Aviation delivers UK national newspapers and mail contracts to over 40 countries worldwide. Meteor provides car park management and specialist security services for the transport industry.

## ABOUT GROUND HANDLING

Plane Handling and aviance UK provide a range of ground handling services at airports across the UK and Ireland. We load and unload commercial cargo from freight flights, provide baggage handling and check-in services for passenger airlines, operate executive lounges and information desks, and manage aircraft slots and customs clearance.

aviance UK is a member of the first ever alliance of airport services providers in the world. The alliance was created in 1999 under the 'aviance' brand to provide airlines with a co-operative alternative to existing global handlers. In May of this year, aviance UK agreed to take over the ground handling operations of British Airways at Aberdeen, Edinburgh, Glasgow and Manchester under a five-year contract.

## ABOUT PARKING AND SECURITY

Meteor manages off-street parking, runs bus services connecting car parks to airport terminals and provides specialist security services for the parking and transport industries.

Meteor's expertise is used extensively by other Go-Ahead companies. Meteor manages car parks for Southern and Southeastern, and its security service professionals forms part of the security teams at the rail companies. Meteor also provides CCTV installation and management expertise for a number of transport businesses, including other members of The Go-Ahead Group.

## OUR RESPONSIBILITY: PROVIDE A RELIABLE AND PUNCTUAL SERVICE FOR PASSENGER AIRLINES

Delayed flights have a significant impact on our airline customers, passengers and the smooth running of an airport. Reducing delays is an absolute priority for us and we significantly reduced the number attributable to aviance UK this year. This was achieved through a range of strategies including weekly performance reporting by airline and site, weekly performance review meetings, training, safety weeks and financial incentives.

Delays can occur at passenger check-in and baggage handling. One initiative to reduce delays has been our passenger presentation service. This provides regular check-in progress updates so extra resources can be deployed if needed, and gives early warnings about any likely delays. This initiative forms part of wider work being carried out by aviance UK to explore passenger check-in psychology. Flight delays can occur due to bunching of passengers arriving at the same time to check-in, for example; so by studying the behaviour of passengers at different times of the day, we can plan our resources better.

## OUR RESPONSIBILITY: ENSURE THE ACCESSIBILITY OF AIR TRAVEL FOR ALL, PARTICULARLY THOSE WITH DISABILITIES

In some airports, aviance UK assists passengers with mobility problems to board and disembark from their flights and to connect with the terminal building. The priority is that this service is provided in a dignified and timely manner: aviance UK at Luton Airport has developed a specially designed chair, which has been endorsed by the Health & Safety Executive, to help disabled passengers transfer to their seats in a constrained area. This has since been adopted by all aviance UK airports where this service is provided.



To avoid potential delays at check-in, aviance UK provides regular updates so additional resources can be deployed.





Meteor is a strong advocate of ParkMark, the car park security accreditation scheme.

A review of the service we offer this year resulted in a significant investment in three new Ambulifts – a lift device on a van that allows passengers to board without using the stairs – and two new modified minibuses at Luton Airport. A similarly modified minibus is to be added at Southampton Airport.

#### OUR RESPONSIBILITY: SAFETY AND SECURITY

Crime and fear of crime is a major issue for society. The security business at Meteor is at the forefront of providing strategic advice and practical support for clients both to deter and detect crime. Services offered include CCTV installations and ongoing monitoring, warehouse security, protection on trains and manned guarding at a range of buildings. Meteor's experience in operating complex CCTV systems and revenue protection on trains is used widely by other operating companies within The Go-Ahead Group. This year, a key holding business was also added to Meteor's security portfolio.

Meteor is a strong advocate of ParkMark, the car park security accreditation scheme. Meteor discusses the terms of the scheme with contracting bodies and recommends, where practical, that attainment of accreditation is included as a contract objective.

In the current climate of heightened awareness of terrorist threats, all transport companies must be extra vigilant with regard to security. At aviance UK, all applicants are screened for security purposes and the company works closely with the police and airport authorities to ensure consistent procedures are in place, as well as to raise any concerns.

#### OUR RESPONSIBILITY: IMPROVING CUSTOMER EXPERIENCE AT OUR CAR PARKS

Meteor delivers against performance indicators set out by its various contracting bodies. These vary from a simple focus on cost minimisation and revenue maximisation through to a range of complex measures assessing the quality of the parking experience. It continues to see a shift among key contractors towards an increased focus on service delivery.

Meteor has always taken the view that service delivery is vitally important and developed a range of opportunities to allow parking users to record their views. In addition to the traditional communication channels of telephone and website, Meteor also operates very successful opinion meters, which provides an easy and non-intrusive way for users to register comments.

"aviance UK at Luton Airport has developed a specially designed chair, which has been endorsed by the Health & Safety Executive, to help disabled passengers transfer to their seats in a constrained area."



Meteor provides security and management expertise for a number of transport businesses.

**THE WORKPLACE** AVIATION SUPPORT SERVICES AND PARKING – OUR RESPONSIBILITIES

# TOGETHER, OUR AVIATION SUPPORT SERVICES AND PARKING COMPANIES EMPLOY 6,525 PEOPLE, PROVIDING WORK OPPORTUNITIES FOR SEVERAL LOCAL COMMUNITIES.

Competition for good people is intense, particularly at airports. For Meteor, many of its contracts require short-term, fixed period working.

The stresses of shift work and working in these industries mean that there is a high turnover of staff. As such, our companies provide competitive benefits packages and invest in training and development to help attract and motivate our people.

## OUR RESPONSIBILITY: SKILLS DEVELOPMENT

Both companies have a strong commitment to training and development. Meteor has an in-house training and development team, which develops bespoke programmes for its employees. This year, Meteor developed and introduced a company-wide induction programme.

A second focus for Meteor is developing the skills within its security business. Meteor invested this year in this area by enrolling its 300 security employees on a three-day Skills for Security course in security guarding and a one-day course in conflict management. This programme allowed security employees to secure accreditation and a security licence.

## OUR RESPONSIBILITIES: HEALTH AND SAFETY AT AIRPORTS

aviance UK has a long record of innovation in health and safety management, and this is a major priority for us.

aviance UK works closely with its unions, regularly audits its own performance and uses external consultants to review its work as well. Two days of training is provided for existing frontline employees with new staff enjoying five days of training. An annual award scheme also promotes good practice.

aviance UK's main performance indicator is accident reduction. Following a reduction two years ago, accident rates were maintained at last year's level.



*aviance UK have a strong commitment to the training and development of their staff.*



Meteor has reviewed its recruitment practices to ensure the best people are employed from the outset.

### OUR RESPONSIBILITY: CREATING A HEALTHY WORK ENVIRONMENT

Reducing time off work is good for employees and good for our business. Both Meteor and aviance UK have comprehensive programmes that are designed to understand the underlying causes of time off work and to offer employee benefits and access to medical support that can help prevent illness.

This year, aviance UK further developed its programme with IPRS, a provider of employee health services. This gives employees at aviance UK and Plane Handling's operations at Heathrow access to specialist physiotherapy for musculoskeletal injuries. This year, the service was extended to airports at Southampton, Cardiff and Birmingham.

### OUR RESPONSIBILITY: EMPLOYEE COMMUNICATION AND REDUCING STAFF TURNOVER

Both Meteor and aviance UK have introduced a more open style of management and a greater emphasis on career development for existing staff. Recruitment practices have also been reviewed to ensure that the best people are employed from the outset and that they receive the necessary training and development to keep them interested in their roles and the company. Meteor also continues to actively recruit older workers and has introduced a loyalty bonus in the security business.

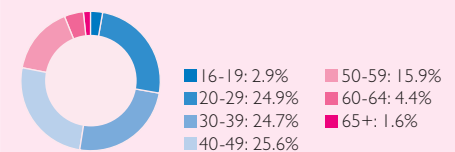
"Meteor has an in-house training and development team, which develops bespoke programmes for its employees."



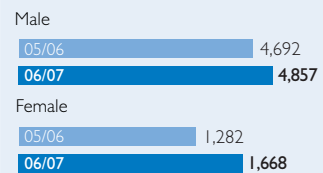
#### Total number of employees\*



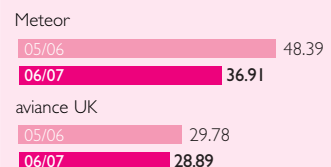
#### Diversity by age\*



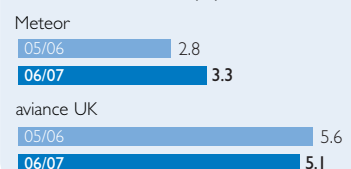
#### Gender breakdown\*



#### Staff turnover (%)\*



#### Staff absenteeism (%)\*



\*All data relates to aviance UK and Meteor.



## THE ENVIRONMENT AVIATION SUPPORT SERVICES AND PARKING – OUR RESPONSIBILITIES

# ALL COMPANIES HAVE A RESPONSIBILITY TO WORK TO ALLEVIATE CLIMATE CHANGE. DEMONSTRATING ENVIRONMENTAL IMPROVEMENT IS A PARTICULAR CHALLENGE FOR GROUND HANDLING COMPANIES.

As an integral part of the airport, aviance UK is dependent on the surrounding infrastructure to deliver its services, so in many situations it is not possible to isolate the company's environmental impact.

For Meteor, environmental management of car parks normally falls within a broader separate facility brief and, as such, usually falls outside its contractual remit. The main environmental responsibility for Meteor, therefore, relates to the environmental impact of the 70 vehicles it operates. This is reported on as part of the bus section of this report, but some examples of its work are detailed below.

## OUR RESPONSIBILITY: REDUCING EMISSIONS IN OUR GROUND HANDLING OPERATIONS

The most significant source of emissions for aviance UK comes from its fleet of over 1,500 vehicles. aviance UK operates cars, vans, buses, aircraft tugs, de-icing rigs, towing buggies and conveyor belts powered by diesel and electricity. This year, aviance UK operations at London Gatwick piloted a monthly fuel usage monitoring scheme. This helped reduce the fuel used and the plan is to extend the scheme across the company in 2008. At London Heathrow, aviance UK is currently reviewing vehicle idling and investigating how this might be reduced.

A major area of focus for aviance UK has been energy savings in buildings. Data capture has been improved to cover over 90% of the buildings and significant opportunities for energy savings have been identified.



aviance UK piloted a monthly fuel usage monitoring system to help reduce fuel usage.

aviance UK estimates that energy usage has been reduced by around 20% based on last year's limited figures.

## OUR RESPONSIBILITY: REDUCING EMISSIONS

Meteor uses Ultra Low Sulphur (ULS) Diesel as its fuel of choice. ULS Diesel is a high specification diesel that is considered to be more environmentally friendly than the standard European grade.

Last year, Meteor added two hybrid electric buses to its fleet to test their performance and reliability. New hybrid electric vehicles have two power sources: one that converts diesel fuel into usable energy and a second that uses an electric motor to lower the demand placed on the first power source. However, to date, the test results have indicated that these vehicles do not currently perform to the level of reliability required by Meteor. As such, they no longer form part of the Meteor fleet. Instead, next year, Meteor will be investing in seven new vehicles powered by Euro IV engines. These engines have high standards of fuel efficiency, which will help Meteor reduce its emissions profile next year.

In line with other Go-Ahead bus companies, Meteor also operates a rigorous maintenance schedule including a regular emissions test. Its systems are independently assessed by VOSA, which carries out annual and random emissions tests. In addition, Meteor ensures that its driver training includes steady driving and techniques to help reduce emissions, such as ensuring engines are not running idle unnecessarily.



**THE COMMUNITY** AVIATION SUPPORT SERVICES AND PARKING – OUR RESPONSIBILITIES

# OUR COMPANIES ARE PART OF THE FABRIC OF THE AIRPORTS, HOSPITALS, TOWNS AND SHOPPING CENTRES WHERE WE PROVIDE GROUND HANDLING SERVICES OR MANAGE CAR PARKS.

Vibrant and successful communities are in everybody's interest. We contribute through cash and in-kind donations and by encouraging employee involvement. The Go-Ahead Group also provides cash donations on behalf of its operating companies.

**OUR RESPONSIBILITY: GETTING INVOLVED IN THE BOSTON COMMUNITY IN LINCOLNSHIRE**

Meteor has built a strong partnership with Boston Borough Council to help the council provide the best possible parking options in the town.

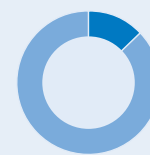
Meteor plays an active role in the community. The company has organised charity fun days at the Pescod Square shopping centre and car park. Raising over £2,500 for various local causes including the community theatre, Meteor organised a charity car boot sale, fashion show,

local singers from the community theatre, a karaoke competition, fire brigade and police displays, and an auction of donated gifts from local retailers within Pescod Square. As a result of the activities, footfall for the day in the centre and the car park exceeded any other Sunday in the year.

Meteor also sponsored and printed the programmes for a production of a local theatre group, extending its support to scenery removal and front of house staff on the day of the performance.

**AVIANCE UK: EMPLOYEE INVOLVEMENT**

aviance UK employees get involved in a range of community causes. Employees visit local further education colleges and invite students to see aviance UK operations at UK airports. Employees also raise funds for charities: for example, employees at London Gatwick raised funds for Marie Curie Cancer Care and Breast Cancer Care.


**Community spend**


**£43,712**  
13.2% of total Group spend  
**(£329,987)**

At a local operating company level community investment is driven through 'support in kind' activities, while the PLC handles direct financial donations. The figures above include an element of both these community investment streams.

## Priorities for next year

2006 GOAL	2006 OUTCOME	2007 GOALS
Further 5% reduction in accidents and injuries	Not achieved	Further 5% reduction in accidents and injuries
Reduce energy use by 5%	Achieved 20%	Further reduce energy use by 5%

## What we can do better

2006 GOAL	2006 OUTCOME	2007 GOALS
Improve recognition of employee health and safety performance	Achieved. Award scheme introduced	Investigate how idling times for equipment can be reduced
Introduce electronic measurement of fuel consumption for bus fleet at Meteor	Achieved	Extend fuel usage monitoring to all airports served by aviance UK

## COMPANY SPECIFIC DATA TABLE

Brighton & Hove	Go North East	Go West Midlands	London Central, London General and Docklands Minibuses	Metrobus	Oxford Bus Company	Solent Blue Line	Southern Vectis	Wiltshire & Dorset	Southeastern	Southern	aviance UK	Meteor	Head Office	Go-Ahead Group Total
<b>2006-07 data</b>														
Passenger vehicle kms travelled (million)	20.30	55.01	14.22	75.16	26.29	16.24	5.83	5.92	19.83	31.20	28.72	—	3.31	— 302.03
Passenger journeys (million)	43.12	68.66	12.05	315.94	52.30	17.84	4.91	6.87	21.87	147.44	135.41	43.89	5.02	— 875.32
Bus/Train fleet size at year end	278	656	197	1,376	380	149	101	93	380	344	279	—	47	— 4,280
Average age of fleet	6.80	6.90	10.40	5.40	4.60	6.80	8.14	9.69	9.25	—	—	—	5.20	— 6.64
<b>Environment</b>														
Fleet with CRT (%)	59.71	55.95	18.27	96.51	85.60	100.00	0.00	0.00	23.68	—	—	—	12.77	— 67.52
Electricity usage for traction power (000/kwh)	—	—	—	—	—	—	—	—	—	423,712	366,270	—	—	— 791,543
CO <sub>2</sub> process ppj (kg)	0.47	0.77	1.37	0.31	0.61	0.76	1.12	1.06	0.90	1.24	1.25	22.97	0.72	— 0.72
CO ppj (g)	0.19	0.35	0.87	0.05	0.18	0.12	1.37	1.54	0.82	—	—	—	0.13	— 0.19
NO <sub>x</sub> ppj (g)	5.02	7.54	13.57	3.10	6.41	7.17	13.08	13.25	10.23	—	—	—	6.40	— 5.02
PM ppj (g)	0.03	0.08	0.16	0.01	0.05	0.01	0.56	0.47	0.24	—	—	—	0.03	— 0.04
HC ppj (g)	0.15	0.41	1.23	0.01	0.11	0.06	1.95	1.32	0.72	—	—	—	0.06	— 0.17
<b>Society</b>														
Fleet with low floor (%)	76.26	79.12	77.60	96.51	92.12	55.70	39.73	31.18	55.00	—	—	—	85.25	— 81.12
Scheduled km operated – bus (%)	99.51	99.64	99.05	97.80	98.80	99.14	99.17	99.69	99.35	—	—	—	—	— 98.85
Services on time – train (%)	—	—	—	—	—	—	—	—	—	89.00	94.84	—	—	— 91.92
SPADs	—	—	—	—	—	—	—	—	—	30.00	17.00	—	—	— 47.00
Women employed (%)	8.77	8.60	6.28	7.31	9.61	9.06	9.61	10.46	11.11	14.94	13.56	26.89	19.24	52.08 14.73
Average length of service (years and months)	7y6	11y2	3y2	8y0	4y9	7y10	8y9	7y9	7y4	11y1	9y8	5y6	2y4	6y5 6y11
Turnover rate (%)	16.44	16.08	25.28	16.75	15.27	18.93	20.30	26.60	23.80	7.11	8.90	28.89	36.91	17.20 17.5
Absence rate (%)	6.80	3.71	3.28	4.37	4.90	4.40	6.99	5.51	5.79	3.96	3.73	5.08	3.30	2.10 4.23
Charitable giving and investment (£)	5,798	7,139	0.00	16,500	10,993	20,303	1,000	10,200	2,840	2,300	63,627	7,594	9,650	172,043 329,987

## BITC CR Index

For the third year, the Go-Ahead Group came top of the public transport companies that participated in the Business in the Community (BITC) Corporate Responsibility Index. We scored 91% (89% in 2005), a significant improvement, and were ranked in the 'Gold Band' by BITC. In the Environment Index we did even better, improving our score to 93.11% (from 91.62% in 2005) which included maximum marks for the Group's performance on emissions management.

## SUMMARY INDEPENDENT ASSURANCE STATEMENT

The SMART Company was commissioned by The Go-Ahead Group plc to provide independent assurance of the environment and social information within the Environmental and Social Reports for the period July 2006 to June 2007.

The assessor conducting the verification did not participate in any part of the data gathering and report writing process. This statement represents an independent opinion. The verification was undertaken with reference to the underlying principles of the assurance standard AA1000, namely materiality, completeness and responsiveness.

This is the sixth consecutive year that The SMART Company has provided assurance for Go-Ahead as part of a rolling programme of audits, ensuring all operating companies are audited at least once every three years. In 2007, the assurance process included five sample operating companies (incorporating site visits), comprising Meteor; Solent Blue Line, Southern Vectis, Go West Midlands and Southeastern.

Interviews were conducted with managers responsible for the internal reporting and validation of data and sample checks of consolidated data were undertaken. On the basis of the assurance method and scope of the work undertaken we are satisfied that this report is a reliable and accurate reflection of the performance of the company.

A full verification report, containing a more detailed analysis together with recommendations for developing the processes for measuring, managing and reporting Go-Ahead plc's environmental and social impacts, can be found at [www.go-ahead.com/corporateresponsibility](http://www.go-ahead.com/corporateresponsibility).

The SMART Company, August 2007



THE SMART COMPANY

## GROUP REPORTING

Corporate responsibility reports for each of the Go-Ahead operating companies are available from The Go-Ahead Group plc at the address on the back cover. Members of the group operate bus services (in the south of England, the West Midlands, London and the north east of England), commuter train networks, aviation ground handling and parking services. The companies within the group are:

- aviance UK
- Brighton & Hove Bus Company
- Go North East
- Go West Midlands
- London Central, London General and Docklands Minibuses
- Meteor
- Metrobus
- Oxford Bus Company
- Solent Blue Line
- Southeastern
- Southern
- Southern Vectis
- Wilts & Dorset



## Contacts and feedback

More information on how Go-Ahead and each of its operating companies manage their responsibilities can be found at [www.go-ahead.com/corporateresponsibility](http://www.go-ahead.com/corporateresponsibility)

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please write to:

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This report was put together by The Go-Ahead Group with help from The SMART Company, and designed and produced by Rare Corporate Design, London.



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Printed on Revive 75 Matt which contains 75% recovered fibres, is FSC certified and is CarbonNeutral®.

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