

oxford
bus company

The Oxford Bus Company
Sustainability report 2015

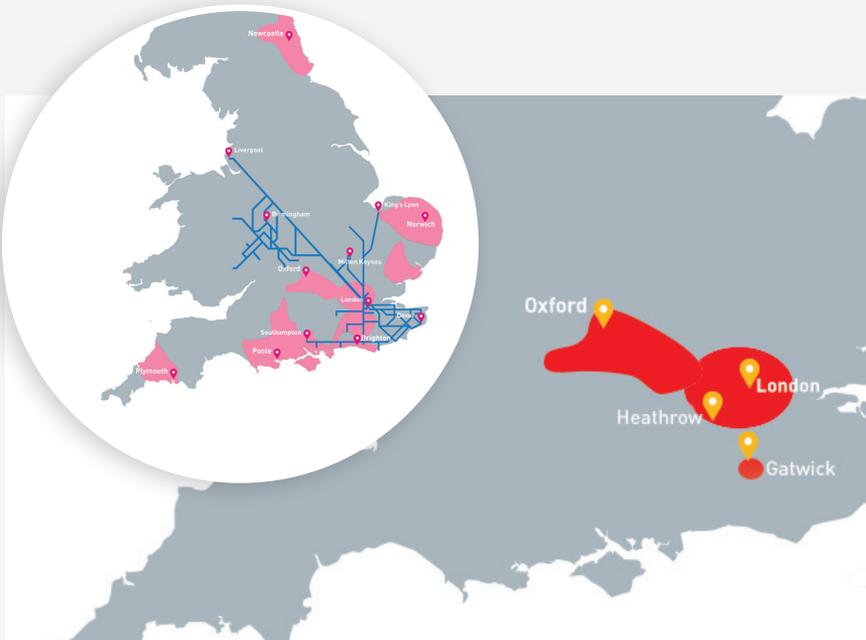


**STRONGER
TOGETHER**

OVERVIEW

Oxford Bus Company's fleet of 160 vehicles runs services in and around Oxford as well as coach services between Oxford and London, Oxford and Gatwick and Oxford and Heathrow. The company also runs the popular park and ride service connecting five car parks outside the city limits to the city centre. With over 570 employees, Oxford Bus Company is one of the city's largest employers.

WHERE WE OPERATE



2015 HIGHLIGHTS

- First Euro 6 vehicles introduced into service in Oxford, as part of the renewed BROOKESbus contract.
- Innovative Gyrodrive project to harvest vehicle kinetic energy without heavy batteries - shortlisted for UK Bus awards and University "Green Gown" Awards. Up to 17% fuel savings achieved.
- We are part of the Steering Committee of Low Carbon Oxford (along with Oxford City Council and Brookes) and supported Low Carbon Oxford week with giveaways, competitions and the provision of a free bus trip to a local farm in support of Good Food Oxford.

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57

buses in the fleet now have hybrid technology

10,000

of our X90 Oxford - London mobile ticketing app in the first six months

Gold

for 'Access for All' Tourism Award at the Beautiful South Awards, for our work in extending and enhancing our offering to passengers with disabilities

180,000

kWh of electricity generated by our solar array at the depot since its inception in 2013



For more information about The Go-Ahead Group and our operating companies, visit: www.go-ahead.com

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We're part of the
Go-Ahead
Group

MANAGING DIRECTOR'S MESSAGE



Phil Southall,
Managing Director

Welcome to our 2015 sustainability report. Last year the company continued to innovate to ensure that we lead the way on environmental issues. A number of exciting projects commenced that will continue to reduce our environmental impact in the coming years.

We're proud to be playing our part in keeping Oxford's air clean, and providing a quality bus service for its people.

Some of our achievements included introducing 14 of the first 'Euro 6' buses into Oxford City and 8 new coaches operating to the same emission standard that reduce harmful nitrous oxide emissions by over 80% when compared to Euro 5.

We also introduced the GKN Gyrodive system to the 20 buses used on our BROOKESbus network that uses a kinetic energy recovery system (KERS) to reduce fuel use and emissions further. With this further investment over 40% of our fleet is either Euro 6 or operates with hybrid technology. This has greatly assisted in reducing fuel consumption and CO2 emissions further.

A Memorandum of Understanding was also signed with Mitsui-Arup Strategic Partnership, Oxford City Council and Oxfordshire County Council to conduct a feasibility study into the introduction of wirelessly charged electric or 'virtual electric' vehicles to our Park & Ride fleet. This is as our local authority partners

HIGHLIGHT

Free to user WiFi on 100% of our fleet



22 Euro 6 vehicles introduced
– the strictest emissions
standard available

look to start introducing a 'zero emission zone' to the City of Oxford from 2020 to build on the low emission zone introduced to this area in 2014.

Our Solar panel array installed on our depot roof had generated 180,000kWh of electricity by the year end since its inception in October 2013. We also provided senior staff to assist local social enterprise 'Low Carbon Hub' with their accounts on a pro bono basis. The Hub successfully raised £1.7m of new share capital during the year and had 1MW of installed solar panel assets in service.

Delighting customers also remains a top priority with free to use WiFi introduced to 100% of our fleet as well as more buses with audio-visual next stop information for those who have hearing difficulties or are visually impaired. We have now given a commitment on both of these that they will be standard on any new vehicles introduced to our fleet going forward. We helped our customers to make just under 19 million journeys last year and with continued employee and community engagement we endeavour to be the mode of choice across Central Oxfordshire in the years ahead.

OUR REPORTING STRUCTURE

We are committed to operating our bus services in a safe, environmentally and socially responsible manner



SOCIETY

To run our companies in a safe, socially and environmentally responsible manner.



CUSTOMERS

To provide high quality, locally focussed passenger transport services.



OUR PEOPLE

To be a leading employer in the transport sector.



FINANCE

To run our business with strong financial discipline to deliver sustainable shareholder value.

Visit www.go-ahead.com/sustainability to find out more about our approach →

With assistance from the Government's SuperConnected Cities programme, we were able to reach the milestone of fitting free to use WiFi to 100% of our fleet. The popularity of the free service has been unprecedented, and one of our greatest customer-focussed achievements in recent years.

Visit www.go-ahead.com/sustainability to find out more about our approach →



SOCIETY

Oxford Bus Company works closely with a variety of local charities and community-based organisations. We're proud to give back to Oxford and make a positive contribution to the community in which we live and work.

Throughout the year we supported a number of charities close to Oxford's heart. We regularly offered free advertising space (posters and on-board digital screens) to good causes. Most notably we promoted the Crisis Homeless charity's Christmas appeal, helping increase their support over this important period. Other local charities included, among others, Aspire Oxford, Helen & Douglas House, Down's Syndrome Oxford, and Oxfordshire Association for the Blind.

"Our employees are given the opportunity to vote on the charities we support – this ensures the beneficiaries are those that are important to our people."

KEY HIGHLIGHTS

£10,000

in cash and in-kind donations to local charities

20+

charities and community organisations supported

Partnership

Long term partnerships maintained with Ashmolean Museum and Oxford Playhouse

Charity

All unclaimed passenger change and lost property donated to charity



CASE STUDY



Our people are the face of our company

We are proud to continue our partnership with the Ashmolean Museum. The museum is the world's oldest University museum and houses some of the world's rarest and most valuable pieces. The museum relies heavily on charitable donations, and as part of the Ashmolean's Corporate Circle we assist in raising awareness of its exhibits which in turn brings in further donations from visitors.



CUSTOMERS

Our aim is to build loyalty and trust with our customers to turn them into ambassadors for our service. Repeat travel is not taken for granted - we need to provide a clean, reliable, service with a smile. We recognise that it is only through consistently good service that we will grow our patronage.

Social media growth: throughout the year we have increased our social media following by 37%. This has allowed us to interact with our customers on a more personal level than ever before. Our response times have been among the industry's best. Our responsive website is continuing in its success, with over half of visitors now accessing it from mobile devices. Online sales for the key have also increased dramatically throughout the year, exceeding expected targets.

Our ongoing partnerships with disability groups have continued to assist us in formulating our disability policies and driver training programme. By collaborating with OXTRAG (Oxfordshire Transport Access Group), RNIB, Guide Dogs for the Blind and others, we've been able to respond to detailed feedback from this community.

With the introduction of our new BROOKESbus fleet, we were able to include 'next-stop' audio-visual announcements on these 14 new vehicles. This was particularly helpful for new students who were unfamiliar to the city, and continues to be an aid to members of the general public and those with visual impairment.

KEY HIGHLIGHTS



Positive Customer Feedback

"Drivers are great and have a lot of patience."

"Your twitter staff do a great job keeping things up to date, and it's much appreciated. Your drivers do a great job under trying circumstances - thanks."

*Transport Focus Bus Passenger Survey

On Christmas day, for the first time we operated services to and from Heathrow airport; in addition we ran local services between Abingdon, Oxford city centre and the John Radcliffe hospital.

Mobile ticketing was introduced on the X90 Oxford - London coach service. The popularity of the app has been unprecedented, with 10,000 downloads made in the first six months, and a considerable contribution to overall revenue made. Customers have found the app to be the most convenient way of purchasing tickets - even more so than using the key. Tickets can also be 'gifted' to family and friends.

CASE STUDY

It is only through listening and responding to our customers that we can deliver an ever-improving service. One of the ways we do this is through constantly surveying our passengers to help us further understand where we can do better. The results of these surveys are circulated to the senior management team and key supervisors so that actions can be generated.

In addition, we conduct door-drop surveys to help understand the needs of passengers in particular areas. This helps better cater for existing passengers, and understand the requirements of those who may not already travel with us.





OUR PEOPLE

At the heart of any organisation are its people. Oxford Bus Company is a people-based organisation which aims to support and develop individuals in order to maximise their talents. Our local talent pool gives people the opportunity to step outside of their day to day role and apply their skills to other areas of the company.

Oxford Bus Company has a long-established culture of promoting from within. Many of our supervisors, managers and even directors began in the company as apprentices or trainee bus drivers.

Maintaining a highly engaged workforce that is largely remote from our depot for most of the time is an industry-wide challenge. Our employee engagement surveys have given detailed information to help us improve the way we involve our staff in the business and as a result we have embarked on numerous initiatives aimed at improving the way in which we communicate with, involve, recognise and support our employees.

This year we have introduced a local talent pool, which gives those wishing to progress within the company the opportunity to apply their skills to challenges within the business. This is the first step towards formalising our internal progression plan, as well as ensuring that our most talented employees receive the recognition they deserve.

Oxford Bus Company invests heavily in training for its staff. Through the Go-Ahead Academy and numerous external agencies we have developed the talents of our people, enhancing their contribution and helping the company adapt to the ever-changing environment in which we operate.

KEY HIGHLIGHTS

196

months for average length of service

8.75%

staff turnover rate

10%

female employees

19.6%

Asian, Black and other ethnic group employees

“This year we have introduced a local talent pool, which gives those wishing to progress within the company the opportunity to apply their skills to challenges within the business.”

Providing a forum for all members of staff to express ideas is an important aspect of employee engagement. To this end, we have introduced employee focus groups, aimed at gaining a broad cross-section of perspectives in order to implement new ideas and solve existing challenges.



AWARDS

BEAUTIFUL SOUTH AWARDS

'Access For All' Gold Award for our work in making Oxford's transport accessible for those with special requirements.





FINANCE

Oxford Bus Company is part of The Go-Ahead Group plc.

Go-Ahead makes a contribution to the UK economy through the employment of 26,000 people, the taxes the company pays, payments to its suppliers and the contribution its rail franchises make to Government finances.

SUPPORTING THE UK ECONOMY

Public transport brings benefits to individuals, communities and the nation as a whole. Economically, it connects workers to jobs and enables trade. Socially, it provides access to employment, education, and health care, and unites friends and family. For many, especially older people, people with disabilities and children, public transport is often the only viable option

During the year, Go-Ahead made a direct contribution to the economy through the £20.3m we paid in UK corporation tax and its net increase in contributions to the DfT in the year was £191.9m, up to £255.9m. Indirectly, we also support economic growth through the employment of 26,000 people; investing £1.08bn in staff; and by providing millions of people with the means to travel to work, shops and other key services and leisure activities every day.

KEY HIGHLIGHTS



FAIR TAX MARK

Go-Ahead is the first FTSE 350 company to be awarded the Fair Tax mark for being a good taxpayer, open about its tax affairs and paying the right amount of corporation tax at the right time and in the right place. A fair tax system is to the benefit of everyone and crucial to support a vibrant mixed economy.

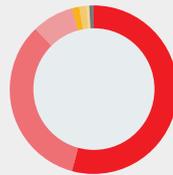
ETHICAL PROCUREMENT

Go-Ahead's ethical procurement is embedded in its supply chain procurement and management processes. As a buyer of goods and services we have a responsibility for the supply chains from which these goods and services come into the organisation. We will take into account ethical as well as commercial and technical factors, when considering which suppliers to partner with.

The company encourages its suppliers to adhere to similar high standards of corporate responsibility and to have in place appropriate safeguards against bribery, corruption and facilitation payments. In particular, Go-Ahead expects its suppliers to be committed to high standards of health and safety and demonstrate a respect for the environment.

THE GO-AHEAD GROUP ECONOMIC CONTRIBUTION

£3,215.2m



| | |
|---|-----------|
| ■ Payments to suppliers | £1,746.8m |
| ■ Staff costs | £1,079.6m |
| ■ Net rail contribution to DfT | £255.9m |
| ■ Economic value retained by shareholders | £52.2m |
| ■ Capital expenditure | £42.3m |
| ■ Corporation tax payments to Government | £20.3m |
| ■ Finance costs | £18.1m |

KEY DATA

| Oxford Bus Company | 2014/2015 | 2013/2014 |
|--|-----------|-----------|
| Society | | |
| Carbon emissions per passenger journey (%) | 0.9 | 0.97 |
| Water used per passenger journey (l) | 0.52 | 0.43 |
| Recycling rate (%) | 57.84 | 54 |
| RIDDOR accidents per 100 employees | 1.1 | 2.4 |
| Accidents per million miles | 32.7 | 29.0 |
| Community spend per employee (£) | 13.93 | 18.5 |
| Customers | | |
| Customer satisfaction (%) | 91 | 92 |
| Punctuality (%) | 98.6 | 95.8 |
| Our people | | |
| Employee engagement index (%) | 46 | n/a |
| Absenteeism (%) | 3.6 | 3.2 |
| Employee turnover (%) | 8.75 | 14.6 |
| Diversity by gender (%) | | |
| – Women | 10 | 9.1 |
| – Men | 90 | 90.9 |
| Finance | | |
| Revenue (£m) | 38.7 | 36.9 |
| Passenger volume growth (%) | -4.1 | 2.0 |

For information on the full Group data, please visit our corporate website www.go-ahead.com →

MORE INFORMATION

You can find out more about Oxford Bus Company by visiting our website www.oxfordbus.co.uk and more information on how Go-Ahead London manages sustainability can be found by visiting www.go-ahead.com/sustainability

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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BUREAU
VERITAS

Summary Verification Statement from Bureau Veritas UK Ltd

For the seventh year, Bureau Veritas UK Ltd has worked with the Go-Ahead Group plc to verify selected sustainability key performance indicator (KPI) data contained within the Group's annual report.

The information and data reviewed for this verification process relates to the period from 28 June 2014 to 27 June 2015.

Produced by the Go-Ahead Group and designed by Black Sun plc, London