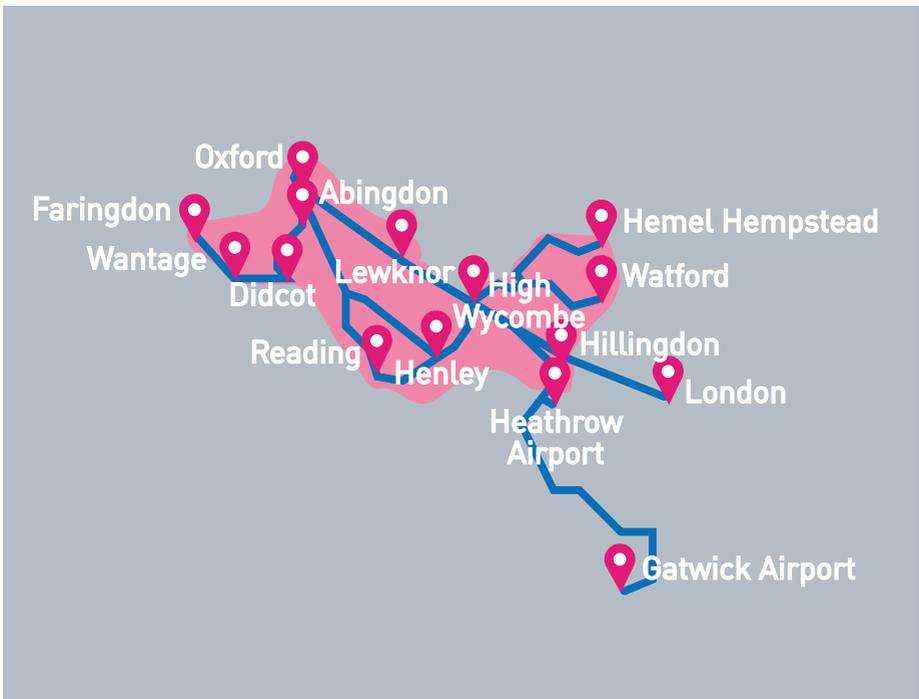


The Oxford Bus Group Sustainability Report 2017

ABOUT US

Oxford Bus Group's fleet consists of 268 vehicles across 3 depots in Oxford, Wallingford and High Wycombe. Our bus services operate across Oxford, South Oxfordshire, Reading and Buckinghamshire, as well as coach services between Oxford and London, Heathrow and Gatwick.

The company also runs the popular park and ride service which connects Oxford's five purpose-built car parks outside the city limits to the city centre. With nearly 800 employees, Oxford Bus Group is an important employer in the region.



In this report

- 2 Managing Director's message
- 4 Our approach
- 6 Society
- 8 Customers
- 10 Our people
- 12 Finance
- 13 Key data

Our reporting structure

We are committed to operating our bus services in a way meets the needs of the communities we serve. This report is split into four sections:



Society

To run our company in a safe, socially and environmentally responsible manner.
page 6



Customers

To provide high quality, locally focused passenger transport services.
page 8



Our people

To be a leading employer in the transport sector.
page 10



Finance

To run our business with strong financial discipline.
page 12

Follow us on Social Media:

-  facebook.com/oxfordbuscompany
-  facebook.com/ThamesTravel
-  [@OxfordBusCo](https://twitter.com/OxfordBusCo)

For more information, visit our websites:

- www.oxfordbus.co.uk
- www.thames-travel.co.uk
- www.carouselbuses.co.uk

We're part of The
Go-Ahead
Group

oxford
bus company

Thames Travel

 **carousel**

MANAGING DIRECTOR'S MESSAGE

“Over the last year, the team working across our 3 companies has continued to excel in the face of many challenges. As Oxford has undergone the largest city centre development seen in decades, we have continued to invest in our people, our fleet and our community.”

Phil Southall
Managing Director



In Oxford it has been an extremely challenging year with more roadworks causing disruption to our customers along with a challenging retail environment leading to fewer customers travelling. We have also had increased competition from rail in the London market and this too has led to us having to change the way we do things.

However, the year had many positives – the launch of our new departure lounge and improved colleague facility at Gloucester Green along with the new Park & Ride fleet.

Perhaps the largest milestone was the introduction of our new ticket machines. It's hard to believe that one device can have such a profound effect on our colleagues and customers all at once, but it does. Vehicle tracking, revenue tracking and reconciliation, smart card usage, contactless payment, and much more is all achieved by this important piece of equipment, and so it's critical that we get it right. And we have.

The withdrawal of local authority funding for bus services in South Oxfordshire has brought about unique challenges for Thames Travel which, prior to this, was primarily a contract-based operation. With a strong

team and the adage that 'necessity is the mother of invention', we've found creative ways to improve efficiency and commercialise many of these services.

Similarly in Buckinghamshire, Carousel has made good progress into new markets whilst we have developed those that were already established wherever possible. There's more work to do, and we have a passionate team on the ground ready to rise to any challenge.

We have lived by our Vision and Values in every sense, which has helped to focus our minds commercially, environmentally, and collaboratively. We'll continue with this into 2018 to ensure that every journey is taken care of for our customers, and our continuing success remains a reality.

There are two main areas of focus for the coming year. The first is to maintain our common mission to 'work as a team to deliver an ever improving customer experience' and to live and breathe our five core values. The second is to ramp up our partnership working to ensure that buses, and public transport in general, are at the forefront of politicians' and decision makers' minds.

2017 highlights

- Signed RNIB Bus Charter
- Get Around card introduced to give better value travel to 16-18 year olds
- New travel shop, waiting lounge and driver rest area opened at Gloucester Green coach station
- Introduction of new, smarter ticket machines with contactless payment
- New park and ride fleet



£1.1m

Invested in new ticket machines

776

Drivers, engineers and support staff

91%

Customer satisfaction

£5.5m

Investment in new clean vehicles

99

Of our local buses use hybrid technology

£100k

Spent on new travel shop

OUR APPROACH

Our vision and values

At Oxford Bus Group our company mission statement is “One team, delivering an ever-improving customer experience.” This embodies the idea that pleasing our customers is an endless journey – there will always be more we can do, and our efforts build on work already done.

This is delivered and recognised by our team, through 5 core values:

- Continued Success
- Customer Focus
- Embracing Diversity
- Social Responsibility
- Working as a Team

Lean

We have begun the journey of implementing 5S methodology into everything we do. This has begun with our engineering department, which has seen substantial changes made in order to better use the space provided, reduce waste and increase efficiency. Servicing and other engineering functions have become an overnight function, meaning we now have better fleet utilisation during the day.

Technology

The market has continued to provide innovative solutions to the challenges faced by modern bus companies. Be it fleet management software, smart travel solutions for customers or clean vehicle technology, Oxford Bus Group has worked closely with Go-Ahead’s Retail and Procurement teams to implement the best the industry has to offer.

Experience

Having been part of Oxford’s heritage for over 136 years, our longevity and growth speaks for itself in many ways. By continuously

Get Around Card

Oxford’s young people have been able to gain more independence, thanks to Oxford Bus Company’s “Get Around” card. Available to anyone aged 18 and under, the card gives youngsters £1 single fares anywhere within Oxford Bus Company’s cityzone area – any day, any time. At the same time, the policy of allowing free travel to accompanied children on the X90 coach service to London was expanded to cover every day of the week.

This is just one of the ways we have been working hard to get young people onto sustainable transport.



Our five inter-connected change themes

1

Lean

Delivering what our customers want in more efficient ways.

2

Technology

Using technology to improve processes, increase customer satisfaction and drive revenue.

3

Experience

Considering every aspect of peoples' journeys to continually improve customer experience.

4

Cultural change

Operating with aligned values and common goals.

5

Leadership

Developing the Group's current and future leaders.

building on our experiences and incorporating customer feedback into everything we do, we are able to deliver an ever-improving customer experience.

Cultural change

No business can be successful without a motivated and engaged workforce. Our programme of cultural change, which began in 2015, continues to infiltrate all aspects of our day to day conduct and staff communications.

Leadership

Strong business leadership isn't just about having good incumbent managers and directors, it's also about planning for the future.

In addition to Go-Ahead's 'Talent Pool', Oxford Bus Company has its own local development scheme for those who show promise and initiative on a consistent basis.

Once selected for the programme, candidates are given the opportunity to work on special projects to demonstrate their skills. This assists in our succession planning process.

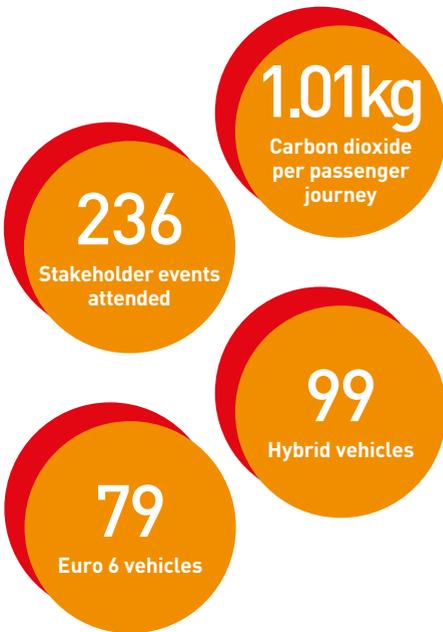


SOCIETY

Doing good for society goes hand in hand with good business. As a provider of services direct to the public, we help tens of thousands of people get where they need to go every day. Being such an integral part of peoples' days gives us a responsibility to make a positive impact on society.



Key highlights



“Giving back to the community is the duty of any organisation. We support dozens of local organisations in various ways, from providing free travel to refugees, to funding community projects.”

Andy Morison
Commercial Manager, Oxford Bus Company

Community

Our workforce strongly reflects the diverse society in which we work. For this reason, many of our colleagues have community and charity organisations which they feel strongly about.

Our charity of the year, Sobell House Hospice, receives financial and other support from the company regularly. Our colleagues frequently make requests on behalf of local charities and community organisations that are important to them and the company helps wherever possible.



Whether it be helping combat homelessness, assisting refugees, supporting cancer research, or transporting a football team to a game, we embed ourselves positively in society at every opportunity.

Environment

Any transport organisation in today's world needs to be mindful of the fact that carbon-dioxide and other emissions are damaging to our planet and the local environment. We tackle this challenge aggressively in every area of our business.

The operation of vehicles is naturally carbon-intensive so ensuring that our vehicle purchases incorporate the best available emissions reduction technology, whilst meeting our needs, is important. At the end of the financial year, around 99 of our vehicles employed hybrid technology and 79 met the Euro 6 standard for NOx.

Safety

In addition to having a dedicated Health, Safety & Environmental Manager, the company pro-actively manages risk first and foremost from a public wellbeing standpoint, but also through its insurance cost management mechanism.

It's not good enough for us to simply comply with the relevant legislation; for this reason we aim to always stay ahead of the curve and be driven by both industry best practice and the feedback we get from our colleagues who encounter new and unique scenarios on a daily basis. This feeds into our comprehensive Health and Safety Management system, covering every aspect of the business and reducing risk wherever it is encountered.



The Story Museum gets a bus full of Animals

Oxford Bus Company celebrated its partnership with The Story

Museum by decorating one of its buses with an animal menagerie. The bus will have been used to promote the museum's 'Animal!' exhibition. During 2016 the company also provided free travel to The Story Museum to children at Windale School in Blackbird Leys to enable them to take part in a 6-month long project to boost their reading and writing skills.



CUSTOMERS

We care passionately about delivering an ever-improving customer experience, as is reflected in our company mission statement.

Constant feedback, which influences our policies and planning, is fed through a customer service team 7 days per week at our depot, as well as at two city centre travel shops.

Key highlights



Customer experience

In a society where customer demand and expectations grow ever higher, bus companies have to push boundaries to stay engaged with their customers. This has never been more true than today, with car ownership on the rise and the competition from rail and other modes of transport continually throwing 'curve balls' to challenge us. Strong engagement with our customers isn't just about maintaining the status quo, but rather about exceeding expectations and creating advocates and ambassadors for our services.

Oxford Bus Company has helped stay ahead of trends by ensuring its customers can get what they need, when they need it – whether it be tickets, service information or a listening ear to voice a concern, Oxford Bus Company provides channels for all demographics to do so.

Traditional methods of contact include the telephone and post, as one might expect. The phones are manned throughout the core hours of operation, as is the public-facing





email inbox and social media channels. For the latter, Oxford Bus Company has amassed over 20,000 followers across its popular Facebook and Twitter accounts. A 'live chat' feature is also present on its website, enabling its customers to instantly chat directly to a customer services assistant without logging in or having a social media account.

Two city centre travel shops also provide a face-to-face customer experience for queries, smartcard top ups, and various other services. In addition to opening a brand-new facility at Oxford's Gloucester Green coach station, Oxford Bus Company has also introduced self-service smartcard top up machines in both its travel shops. These have seen record growth as the demand for fast, convenient access to our travel products grows.

Regular customer surveys also take place, both as a general method of obtaining feedback, and also as a consultation channel for proposed changes to our services.

Technology

Embracing technology to enhance the customer experience and improve business efficiency is a philosophy that Oxford Bus Group has always embraced.

Following a £1.1m investment in new ticket machines for the entire bus and coach fleet, contactless payment was able to be subsequently introduced on board all services.

The deployment is believed to be the largest outside of London to use back office technology based on the UK Cards Association (UKCA)'s "Model 2". The new system has the potential to offer London

style "pay as you go" ticketing with fares calculated – and capped – in the back office, rather than by the driver's ticket machine. It is also the first Model 2 deployment to feature a fully integrated EMV reader within the bus ticket machine.

"Visa is proud and excited to partner with Oxford Bus Company to offer contactless payments. Whether riders are paying for their daily commute or a short weekend break, it will now be a faster and easier experience."

Kevin Jenkins

Regional MD, Visa UK & Ireland

Everybody wins

The innovative contactless payment system is able to help mitigate the increased

transaction costs which operators face from introducing contactless payments, by "aggregating" multiple transactions from the same customer together into a single debit to their account.



OUR PEOPLE

A good organisation is built on the people within it. From school leavers on apprenticeships to long-serving employees – some of whom have been with the company for over 40 years – the success of our business depends on the quality of the team behind it.

Key highlights



One Team

Our success depends on our peoples' expertise and commitment to service, and our colleagues live by one philosophy – our constant drive to deliver the highest standards of safety, reliability and customer experience.

In 2015, Oxford Bus Company embarked on an employee engagement journey; this was in response to a low engagement score of 46% in Go-Ahead's benchmarking exercise. This engagement score is calculated via employee surveys, and used to benchmark operating companies against each other.

Following an intensive programme of culture change at all levels within the company, progressed through numerous workshops conducted by an outside consultancy, Oxford Bus Company formulated a comprehensive set of company 'visions and values'. These have been incorporated into every aspect of working life at the company, from staff induction right up until employee exit interviews. The values are a basis for everything we do, and guide decisions at all levels of the business.

Since the culture change programme and the implementation of the company vision and values, two significant goals have been achieved: a boost in engagement to 60%, and even more impressively, Investors in People Accreditation – for the first time ever.

Our colleague newsletter, entitled 'On Board – Working in Partnership' is governed by a strict policy of not containing any 'instructional' material. Instead it is used as a good news publication, with stories about our people, and positive stories relating to the company's activities.



Diversity

The company has a 'Diversity Champion' position which is periodically reallocated to a new colleague; this gives all colleagues a peer through whom ideas and issues can be addressed.

Training

Our training programme ensures that our customer-focussed mindset is 'built in' to new recruits from day one. However, our ongoing customer services, disability awareness, hazard perception, cyclist empathy and other training modules help our front-line colleagues feel confident that they have the necessary training for any situation they may come across. Health and Safety has been heavily expanded as well, to create a renewed awareness of hazards in our ever-evolving Lean work environment.



All employees



● Male 89%
● Female 11%

Awards

CUBO Awards – Gold

Oxford Brookes University and Oxford Bus Company were recognised at the CUBO (College and University Business Officers) Awards for their strong partnership which delivers a high quality bus service designed to enhance the student experience.

UK Coach Awards 'Top Express Operation' – Bronze

UK Coach Awards 'Making Coaches a Better Choice' – Gold

Oxford Bus Company was recognised in this award category for its substantial investment into a new travel lounge and waiting facility in Oxford City.

The judges had this to say about Oxford Bus Company's gold award:

"In response to increased competition from rival coach operators and expanding rail services, Oxford Bus Company introduced a customer waiting lounge and travel shop at the city's Gloucester Green coach station. Offering comfortable seating, tea, coffee and snack facilities, free customer WiFi and USB charging points and live departure boards, the facility dramatically improves the customer experience and has been designed to give an excellent first impression in what is a highly competitive market.

The judges were pleased to see this investment in facilities for passengers before they board the vehicle which really enhances the overall experience."



Oxford Bus Group makes a contribution to the UK economy through the employment of 776 people, the taxes the company pays, payments to its suppliers and the fact that nearly two-thirds of visitors to Oxford City Centre get there by bus.

Key highlights

£5.5m

Spent on new vehicles

100%

Of fleet fitted with CCTV

100%

Of fleet DDA compliant

During the year, Oxford Bus Group made a direct contribution to the economy through the £252k we paid in UK corporation tax and £2.54m in National Insurance contributions. Indirectly, we also support economic growth through the employment of 776 people, investing £29.5m in staff. We also provide tens of thousands of people with the means to travel to work, shops and other key services and leisure activities every day.

Making coaches a better choice

In December 2016, Oxford Bus Company opened a new waiting lounge and driver rest facility at Gloucester Green coach station in Oxford. This was recognised with a Gold award at the UK Coach Awards and we've seen exponential growth ever since.



A world class welcome

As part of our partnership working with Oxford City Council and the Westgate Alliance, a brand new fleet of park and ride of vehicles was acquired at the end of 2016. Featuring social seating, a sofa, free WiFi, USB charging points and information screens, they form an integral part of Oxford's 'World Class Welcome'.



KEY DATA: OXFORD BUS GROUP

2016/17 2015/16 2014/15

SOCIETY

Safety

Bus accidents per million miles	28.5	27.1	32.7
Fleet with CCTV (%) ⁺	100	100	100

Environment

Carbon emissions per passenger journey (kg)	1.01	0.93	0.9
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Community

Community Spend per Employee (£)	15.22	45.37	13.93
Stakeholder events (number)	236	268	274

CUSTOMERS

Customer satisfaction (Latest Passenger Focus score) (%)	91	91	91
Deregulated/local bus punctuality (%) ⁺	79.4	84.3	98.6
Expenditure on new buses in financial year (£'000) ⁺	5,473	6,493	3,290
Average age of bus fleet*	5.7	6.3	6.2

Accessibility

Bus fleet which is DDA compliant (%) [*]	100	94	94
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OUR PEOPLE

Average number of employees ⁺	776	804	708
RIDDOR accidents per 100 employees ⁺	0.3	3.1	1.1
Employee engagement index	60	46	46
Employee turnover rate (%) ⁺	19.4	8.3	8.75
Absenteeism rate (%) ⁺	4.9	3.5	3.6
Training Spend per Employee (£)	650	333	83

Diversity

% of female employees	11.0	10.3	10
% of Asian, black and other ethnic group employees	20.6	17.8	19.6

FINANCE

Passenger Journeys (m)	23	24	23
Passenger volume growth (%)	(4.6)	2.5	(4.3)

Key

+ For the reporting period

* As at the reporting period end

RIDDOR – Reporting of injuries, diseases and dangerous occurrences regulations at workplaces

DDA – Disability Discrimination Act

 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 Group by visiting our website www.oxfordbus.co.uk and more information on how Oxford Bus Group 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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Summary Verification Statement from Bureau Veritas UK Ltd

Bureau Veritas UK Ltd (Bureau Veritas) has provided verification for The Go-Ahead Group plc. (Go-Ahead) over selected sustainability Key Performance Indicators (KPI) data contained within the Group's Annual Report. The information and data reviewed in this verification process covered the period 3 July 2016 to 1 July 2017.

The full verification statement including Bureau Veritas' verification opinion, methodology, areas of good practice, recommendations and a statement of independence and impartiality can be found on the Go-Ahead Group website: www.go-ahead.com/sustainability

Produced by The Go-Ahead Group and designed by Black Sun plc



Bureau Veritas UK Ltd
October 2017

We're part of The
Go-Ahead
Group