



Society

To operate our services in a sustainable manner, reduce our environmental impact and be an outstanding member of the communities in which we operate

2015/16 ACHIEVEMENTS

- Four-star rating in Business in the Community Corporate Responsibility index
- Our rail companies have achieved ISO 15,001 certification
- Carbon Trust Standard triple accreditation
- Sector-leading Carbon Disclosure Project score
- 100% of our operating companies use the LBG (London Benchmarking Group) model to measure community investment activities

2016/17 TARGETS

- To continue working on our sustainability materiality review and non-financial KPIs target-setting
- To achieve ISO 15,001 certification in all our operating companies
- To maintain our Carbon Trust Standard triple accreditation for carbon, water and waste
- To consistently reduce underlying carbon emissions per passenger journey
- To continue to work with LBG to develop our measurement system for the impact of our community investment activities
- To optimise the relationships with our corporate partnerships: Transaid and Railway Children

Focused on our communities

For Go-Ahead sustainability means operating our business in a way that ensures it is viable for the long term. Our shareholders expect us to make good decisions to contribute to the long term sustainability of the organisation.

Contributing to national and local economies

Public transport is vital to building a strong and sustainable economy. Our services have continued to ensure that millions of people are able to get to work and access key services. Over the past year Go-Ahead has made a significant contribution to the UK economy through the 27,500 people we employ, the £222.4m generated by our rail operations for the government, and £24.8m paid in corporation tax. We are also pleased to have introduced the voluntary Living Wage as a minimum, irrespective of age, across the entire Group.

Being part of the local community underpins Go-Ahead's devolved management approach and enables our bus and rail companies to be more responsive to the different needs that different passengers have.

We have long-standing partnerships with community organisations in the areas where our companies provide transport services. Our operating companies make a big contribution to their local communities and have built mutually beneficial relationships

over time; such as the ten-year partnership between rail company Southern and the Sussex Community Rail Partnership or Go South Coast's Alzheimer Society's dementia friends initiative credentials gained over the past several years.

Activities such as these demonstrate the importance of measuring the impact of our community activities across the Group so we can further develop our community investment programmes.

Making our community investment matter

Our community investment strategy has three elements:

- At a corporate level Go-Ahead supports two international but UK-based charities that have a transport focus and therefore have strong links to our business: Railway Children and Transaid
- Our operating companies support more local initiatives that reflect the concerns and priorities of the communities they serve

- Individuals or groups of employees can also raise money for causes with which they have a personal link. These are supported by individual operating companies on an ad hoc basis by company initiatives like fund matching or sponsorships

As one of the UK's leading transport companies we have chosen organisations that work in the transport sector as our nominated corporate charities. We think it is important that there is resonance between the work that we do and our charity partners. We review our working partnership on an ongoing basis to ensure the relationship is beneficial for both parts. This connection helps employees and other stakeholders to understand why it is these particular charities receive our support.

Our relationship with the charities is in line with our general business philosophy. The devolved approach we take with our operating companies is echoed in the fact that they are empowered to choose charities that are relevant to the priorities in their local area and the activities they take part in are locally-made decisions.



Measuring our community activities

Having a devolved business structure means that our local companies are better placed to make a positive contribution to the communities they serve. But it is important for us that all our companies measure their community investment activities. For this reason, we have implemented the London Benchmarking Group (LBG) model to measure in order to maximise the benefits of their contribution



Working with our corporate charities

We are pleased to have strategic working partnerships with our corporate charities: Railway Children and Transaid. At this year's Group's annual management conference both corporate charities conducted thought-provoking interactive sessions with senior managers from across the Group. These workshops included training on identifying vulnerable children at stations and a case study on developing medical transport services in Madagascar.

Our strategy and key performance indicators continued

Society

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

SPADs per million miles

What does it mean? Across the rail industry train operating companies report signals passed at danger (SPAD). A SPAD could be a precursor to a catastrophic accident and every SPAD is treated as a serious incident. Many SPADs happen each year and most have little or no potential to cause harm and are the result of minor misjudgements of braking distance. All SPADs are given a risk ranking which considers the actual and possible consequences of each incident.

Why is it important? It helps us to measure against our commitment to provide a safe rail passenger service.

Risks Poor performance in this metric could impact on operational performance, resulting in a poor safety record and reputation.

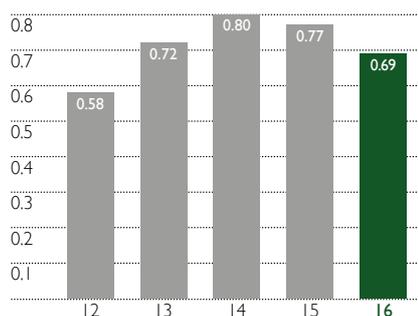
2016 performance The number of SPADs per million miles has decreased by nearly 10.4% to 0.69. Overall, we have achieved an improvement of 44.35% against our original 2007/08 baseline.

This result should be viewed in the context of many years of improvement in this metric across the industry. Performance is tracked against a very good baseline performance. We have tight controls around safety and high standards of driver training which minimise the likelihood of SPADs occurring. We also work closely with Network Rail to minimise the risk of SPADs and actively encourage accurate and timely reporting of incidents.

Due to the nature of these occurrences and high sensitivity to data changes, relative performance can fluctuate from one year to the next.

2020 target To maintain low levels of SPADs per million miles, delivering continuous improvement.

SPADs per million miles



RIDDOR accidents per 100 employees

What does it mean? RIDDOR (reporting of injuries, diseases and dangerous occurrences regulations) is a statutory requirement for all companies and relates to any work place incident that results in any absence from work for over seven days or any legally reportable incident to the Health and Safety Executive.

Why is it important? It helps us to measure against our commitment to provide a safe working environment for our employees.

Risks Failing to provide a safe working environment for our people goes against our objective to be the employer of choice in the sector. Poor performance could lead to issues around employee relations, including satisfaction and productivity, and could also increase employer's liability insurance claim costs.

2016 performance The number of RIDDOR accidents per 100 employees reduced by 11.43% to 0.62. Overall, we have achieved an improvement of 68.69% against our original 2007/08 baseline, exceeding our 2015 target of 60%.

We take our responsibility for the safety of our people very seriously and ensure our employees have the necessary equipment and training to do their jobs properly and safely. During the year, we continued to invest in staff training and upgrades to our facilities to ensure a safe working environment for our people. We investigate every accident and encourage accurate and timely reporting of incidents.

2020 target To maintain low levels of RIDDOR accidents per 100 employees, delivering continuous improvement.

Riddor accidents per 100 employees



Bus accidents per million miles

What does it mean? We monitor the number of bus accidents which result in a notification to a claims handler for every million miles we operate, including cases where we are not at fault.

Why is it important? It helps us to measure against our commitment to provide a safe and positive travel experience for our bus passengers and minimise risk to the general public. Good performance in this area can also reduce cost through lower insurance claim costs.

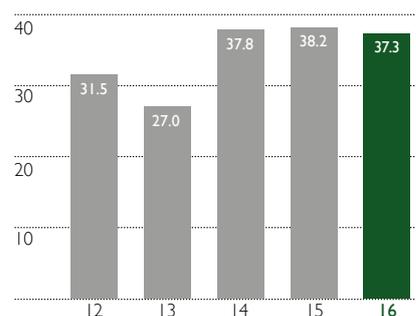
Risks Our objective to run our companies in a safe manner would be impacted by poor performance against this KPI. Risks associated with this include reputational risk and higher insurance claim costs.

2016 performance The number of bus accidents per million miles decreased by 2.35% to 37.3. Overall, we have achieved an improvement of 34.65% against our original 2007/08 baseline.

Bus accidents have reduced since 2011 as a result of action we have taken, despite an increase in accidents where we are not at fault. We invest heavily in training, monitor driving behaviour and encourage our drivers to improve their standards of driving through a range of initiatives across the division. We have improved end to end processes in place from accident prevention to claims management. We investigate every accident and encourage accurate and timely reporting of incidents.

2020 target To maintain low levels of bus accidents per million miles, delivering continuous improvement.

Bus accidents per million miles





Carbon emissions per passenger journey

What does it mean? We monitor all of the energy used within our operations and calculate our CO₂ emissions resulting from this energy use by using the appropriate CO₂ conversion factor. We divide our CO₂ emissions by the number of passenger journeys made to establish CO₂ per passenger journey and we use this metric to measure our performance.

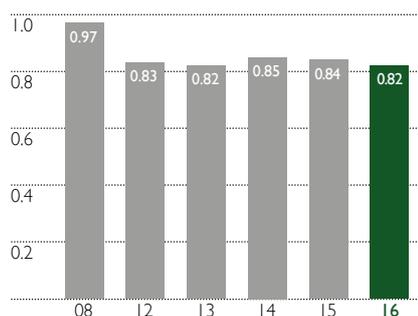
Why is it important? It helps us to measure against our commitment to improve energy efficiency while contributing to government's and local authorities' carbon reduction targets and providing a greener way for our passengers to travel. Good performance in this area also reduces cost through fuel efficiency.

Risks Our objective to run our companies in an environmentally responsible manner would be impacted by poor performance against this KPI. Poor performance could result in reputational risk for the Group and higher costs.

2016 performance The year on year rate in this metric has improved by 2.34% and we continue to make progress towards our 10% reduction target by 2018.

2018 target To reduce like for like carbon emissions per passenger journey by 10% on a 2014/15 baseline. This is a challenging target as we have already made significant improvements in this area. Carbon emissions per passenger journey have reduced 16.11% on a like for like basis from our original 2007/08 baseline.

Carbon emissions per passenger journey (kgs)



Greenhouse gas emissions

We report on greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the UK government's Environmental Reporting Guidance methodologies together with the emissions conversion factors from DEFRA/DECC GHG conversion factors for Company Reporting 2015. In line with this guidance, we have reported the emissions sources* that are required. These sources fall within businesses included in our consolidated financial statements.

Emissions are expressed in terms of equivalent carbon dioxide (CO₂e). Our relative performance metric is kilogrammes of CO₂e emissions per passenger journey.

Overall, CO₂ emissions in absolute terms have increased as a result of business acquisitions but CO₂ emissions per passenger journey have decreased largely due to improved efficiency in the use of traction electricity.

* Emissions from air conditioning equipment in our premises and vehicles are not included in this analysis due to the difficulty in obtaining this data. These emissions account for less than 0.5% of our total GHG emissions and are therefore not considered material.

	2015/16		2014/15	
	CO ₂ e tonnes ('000)		CO ₂ e tonnes ('000)	
Scope 1				
Passenger journeys (m)	1,297.23		1,241.20	
Gas (buses) kwhs (m)	6.3		6.9	1.3
Gas (premises) kwhs (m)	51.0	9.4	54.5	10
Bus diesel (10% bio-diesel blend) ltrs (m)	130.3	340.2	127.6	329.8
Rail diesel ltrs (m)	18.6	55.1	18.4	53.5
Scope 2				
Traction electricity kwhs ¹ (m)	1,368.9	564.1	1,169.3	540.4
Site electricity kwhs (m)	104.8	43.2	100.3	39.4
Electric buses kwhs (m)	0.07	0.03	n/a	n/a
Scope 3				
Electricity – transmission and distribution losses within the grid		54.9		44.6
Sub-total	1,066.93		1,019.0	
Outside of scopes				
Biogenic content of bio-diesel ²		7.9		11.0
Total	1,074.83		1,030.00	

1. Traction electricity consumption data relates to the period from 1 April 2015 to 31 March 2016. This provides the most accurate figure for consumption.
2. The biogenic content of bio-diesel is considered outside scope as there is no conversion factor for our baseline year. Emissions from this source are reported for 2015/16 but are excluded from the calculation of our relative performance metric as comparative data is not available. We define our organisational reporting boundary by applying the financial control approach with a materiality threshold set at 5%.

	2015/16	2014/15
Kgs CO ₂ per passenger journey	0.82	0.84

Kgs CO₂ per passenger journey only includes scopes 1-3 CO₂.



For more information, historical data can be found online at www.go-ahead.com/sustainability