

LONDON CENTRAL, LONDON GENERAL AND DOCKLANDS MINIBUSES

ENVIRONMENTAL & SOCIAL REPORT 2007



We're part of the
Go-Ahead
Group

OUR RESPONSIBILITY

A message from the Managing Director



In our ever changing world all transport providers must be aware of the environmental and social impact that our services have on passengers, staff and the communities in which we operate. This is why we have produced annual corporate responsibility reports for the last three years. We remain the only major regulated bus company in London to produce a stand-alone report on our social and environmental performance.

In London, services are regulated by Transport for London (TfL). This means that our key responsibility is to work closely with TfL to make sure that we meet their standards of performance. Convenience and reliability are very important to Londoners. TfL knows this and publishes quality league tables to help passengers compare the performance of all the London bus operators. We are proud of our achievements and have a track record of consistently exceeding the London Bus Services averages and of topping the quality league tables. The standard of service now enjoyed by travelling Londoners is the best since records began. Our level of performance has been recognised through many new bus contract wins and industry awards.

Our aim is to be the best at what we do. We have made good progress on our objective of being the first London bus companies to adopt the national BTEC qualifications established by UCAS for both controllers and drivers, improving customer service. We were also the first company in London to train all its supervisors and admin staff in the latest BTEC qualification, 'Supporting the Delivery of Bus Services in London'. We have also fully endorsed the TfL campaign to attract more women into the industry, running women-only recruitment days and offering a range of family-friendly benefits. As part of our commitment to health and safety, we have also introduced a 'Well at Work' scheme, allowing our employees to get health advice at their home garage through a mobile surgery.

We are acutely aware of the environmental challenges that London faces and are committed to working with TfL to minimise our exhaust emissions. This is good for local air quality and good for the global climate. We are already testing the latest hybrid buses to learn more about the efficiency standards of the technology. The next buses we purchase will be powered by engines complying with the latest and most stringent Euro V standard. Many of the initiatives relevant to this report come through our relationship with TfL. We enthusiastically support these initiatives and look for opportunities to get involved as new priorities emerge.

If you have any thoughts on this report or advice on how we can improve further, please let me know.

John Trayner
Managing Director

Contents

- 2 The Marketplace
- 4 The Workplace
- 6 The Environment
- 8 The Community

IBC Independent Assurance Statement

Cover photo: Big Ben and the Houses of Parliament,
a landmark site on our network.

WHO WE ARE

LONDON CENTRAL, LONDON GENERAL AND DOCKLANDS MINIBUSES OPERATE A NETWORK OF BUS ROUTES SERVING SOUTH EAST, SOUTH WEST AND CENTRAL LONDON.



We provide services in south east, south west and central London.

About us

Between them, London Central and London General run a fleet of more than 1,350 buses representing around 15% of the London bus market, 315 million passenger journeys annually and about 100 day and night routes. London Central runs over 600 buses in south east and central London from garages in Bexleyheath, Camberwell, New Cross and Peckham. London General operates a fleet of more than 700 vehicles in south west and central London from garages at Merton, Putney, Stockwell, Sutton, Waterloo and Waterside Way. Most of the routes operated by London Central and London General are under five or seven-year contracts with Transport for London (TfL).

In September 2006, London General acquired Docklands Minibuses, a small independent east London bus operator. Based from a single depot in Silvertown, Docklands Minibuses operates a fleet of approximately 30 vehicles on four Transport for London contracts. Docklands Minibuses data is included in this report. We also announced the acquisition of Blue Triangle Buses (based in Rainham, Essex) in June 2007. As this purchase took place at the end of the current financial year, it has not been included in this report.

About The Go-Ahead Group plc

We are part of The Go-Ahead Group plc. Go-Ahead is a major provider of transport services across the UK employing over 25,000 people and carrying over 875 million passengers. Its operations span bus, rail, parking and aviation support services. The Go-Ahead Group believes that local people make the best decisions about local services. This ethos runs throughout the Group. Go-Ahead has also developed a common framework for managing companies' impact on local communities and the environment, and we measure our performance against this framework.

About this report

This report describes the performance of the Go-Ahead London bus companies 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. As part of our annual business planning, we have set targets and goals to improve our social and environmental performance for 2007/08.

To keep this report short, we have placed a lot more information on the web. You can find this at www.go-ahead.com/corporateresponsibility

MARKETPLACE

How we run our services



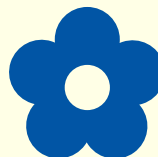
WORKPLACE

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



THE MARKETPLACE – OUR RESPONSIBILITIES

BUSES ARE PART OF THE FABRIC OF LONDON: THEY HELP PEOPLE GET AROUND THE CAPITAL, WHETHER THAT IS TO WORK, SHOP, LEARN, VISIT THE THEATRE OR TAKE PART IN A HOST OF OTHER ACTIVITIES.

Many commentators describe the 'London effect' – the magnetic pull that the capital city exerts on people from around the world. This places extra pressures on our transport infrastructure, particularly our roads. Private cars, pedestrians, cyclists and taxis all compete with buses for a share of the road. Our role is to help reduce congestion by offering a viable alternative to the private car:

The London bus market is unique in the UK. TfL sets the operational framework for running buses in the capital and has a rolling programme, whereby contracts are awarded for five to seven-year periods. As a bus operator, our challenge is to demonstrate to TfL and our bus passengers that we can outperform other providers against the range of performance indicators set by TfL. We are proud of our sustained record of high achievement so far. We also continue to enthusiastically support and partner with TfL and the Mayor's Office on a range of groundbreaking social and environmental initiatives.

Under the visionary leadership of the Mayor and TfL, London has enjoyed an increase in bus use at a time when bus passenger numbers are falling in some other parts of the country. This has been achieved through a coherent integrated transport strategy designed to increase the use of all forms of public transport, including buses. As testimony to the success of this initiative, our buses carried over 300 million people last year:

Our most important responsibility as a business is to increase travel by bus, as this has benefits both for quality of life and the environment. The most important factors influencing how people travel are:

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

Our responsibility is, therefore, to provide services that meet each of these criteria.

Our responsibility: providing reliable, convenient and punctual services

TfL operates quality incentive contracts designed to reward excellent customer service. TfL monitors all the bus operators running its contracts and publishes comprehensive league tables of performance. London Central and London General consistently top these quality league tables.

The quality league tables provide a breakdown of mileage and reliability information, show current and previous operator performance and positions, and compare outcomes against minimum performance standards, benchmarks and network averages.

The latest quality tables can be viewed at www.tfl.gov.uk/businessandpartners/busoperators/1232.aspx

Our responsibility: accessibility for all, particularly people with disabilities

Traditionally bus design was geared towards the able bodied. Now, low-floor buses fitted with powered ramps are a major step forward in improving access for all.

Following a sustained investment programme in low-floor and wheelchair accessible vehicles, 100% of our services are now low-floor and fitted with ramps. We also operate a commitment that we will not run a service with a faulty ramp.

Working with TfL, we were the first company to introduce 'bendy buses' to London. We were attracted by their open boarding and cashless principle, as well as features such as climate control to ensure passengers travel in greater comfort, and enhanced safety features such as CCTV, which help passengers enjoy a greater level of security on our buses.



We consistently top TfL's performance tables. Our reputation is backed up by one of the garages, Putney, being voted the TfL Garage of the Year.

Accessible buses are only part of the solution, however; confident and sensitive support from our bus drivers is also vital. We are the first London bus company to complete the BTEC customer service training programme for all our drivers, which includes training on the needs of our disabled passengers. It is a commitment we will continue to honour for all new recruits.

Our responsibility: safety and security of passengers, employees and the general public

CCTV is now fitted to all buses on the London Bus Network. CCTV is vitally important in improving customer and staff safety, and security. It can provide evidence and, more importantly, is an effective deterrent to possible offenders.

Our partnership with TfL, the police and local media to combat crime and vandalism continues to be a priority for us. We are participating in a London-wide crackdown on the vandals responsible for graffiti and etching on buses. We piloted the initiative on 10 of our buses and the zero tolerance campaign has now been extended. CCTV images of alleged offenders and pictures of any damage are provided in an evidence pack used by a specialist police squad to show in court. We also continue to operate our successful 'shop-a-yob' campaign with a newspaper local to our Bexleyheath Garage.

Our responsibility: affordability to ensure as many as possible can use our services

TfL has established a common framework for discount schemes in London. These include free travel for children under 16 years of age and freedom passes for older people and the disabled.



315.94m

Passenger Journeys

75.38m

Total Vehicle kms

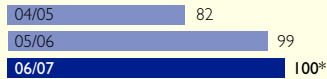
75.16m

Passenger Vehicle kms



Low-floor buses (%)

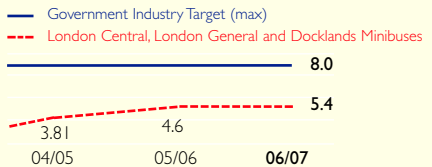
*Excluding private hire fleet.



Size of bus fleet



Average age of fleet (years)



VOSA PSV vehicle test pass rate

99.7%

London Central, London General and Docklands Minibuses

85.7%

National average pass rate



Scheduled km operated buses

97.8%

London Central, London General and Docklands Minibuses

99.0%

Transport for London

THE WORKPLACE – OUR RESPONSIBILITIES

A KEY PART OF OUR SUCCESS IS OUR COMMITMENT TO BEING A GOOD EMPLOYER. AS SUCH, WE INVEST IN A RANGE OF INITIATIVES TO RECRUIT, RETAIN, TRAIN AND MOTIVATE OUR PEOPLE.



We hold women-only recruitment days and offer a range of family-friendly benefits.

We recognise that our reputation is built on the people we employ. Our drivers are the public face of the company, and we know that we can only maintain our consistent position at the top of the TfL bus quality league tables if we have sufficient happy and motivated employees to run our services to timetable.

Our responsibility: training and development

Good training is central to the the Go-Ahead London bus companies approach. We were the first bus company to provide opportunities for all our employees to attain BTEC Level 2 or higher accreditation in customer service. We also provide rigorous and extensive driver training both for new recruits and refresher courses for our existing drivers. In addition, we are working on a learning partnership with our trade union.

Our responsibility: equality and diversity

London is a diverse and vibrant city, and our employee mix reflects this diversity. We provide a programme of support for our employees designed around their specific needs. We also offer mentoring and personal development training.

“London is a diverse and vibrant city, and our employee mix reflects this diversity. We provide a programme of support for our employees designed around their specific needs. We also offer mentoring and personal development training.”

We continue to be active supporters of the Women in the Bus Industry programme run by TfL. As part of a major review of how we recruit female staff, we have set up a working group to help tackle the perception that the bus industry is just for men. In addition to women only recruitment days and literature we have:

- Updated our family-friendly policies and introduced new benefits, such as discounted childcare
- Introduced mentoring and support for new women joiners
- Reviewed the work environment for women.

Our responsibility: retention and recruitment

Our employee turnover rate fell again for a second year. This improvement has been achieved through our investment in a comprehensive package of employee benefits and increased employee recognition and reward. For example, we offer a package of staff discounts that range from discounted childcare to discounted books and CDs.

It is inevitable that each year a number of people will leave us, so we have an active programme to recruit new drivers. One of our partnerships is with Jobcentre Plus and offers a tailored package for people returning to work.

Our responsibility: wellbeing at work

As part of our wider commitment to health and safety, we have introduced a Well at Work scheme. This enables all our employees to be screened at their home garage for conditions such as heart disease, high blood pressure, cholesterol and diabetes. The focus is on prevention and employees have access to a doctor for free advice and guidance. Advice on issues such as quitting smoking and tackling obesity also feature in the programme.



Number of employees

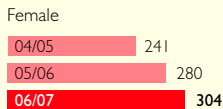


Employee turnover rate (%)

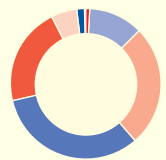
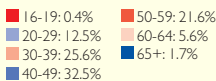
*Relates to all leavers voluntary and involuntary in line with the reporting procedures for all other Go-Ahead operations.



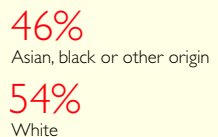
Diversity by gender



Diversity by age



Diversity by ethnic group



THE ENVIRONMENT – OUR RESPONSIBILITIES

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

“Last year we introduced the first production Euro IV buses into London utilising Ad Blue (a urea additive) and providing lower emissions than Euro III vehicles fitted with particulate traps.”

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

We also recognise our responsibility to demonstrate that we are minimising the environmental impact of our buses. We do this through investment in our fleet, new technology and good maintenance programmes.

Our depots and garages use energy for maintenance, heating and cooling, and water for bus washing. Last year, we introduced a new bus washing machine that collects and uses recycled rainwater, helping us to reduce the mains water we use by a third. We are now looking to extend the use of these machines to other depots.

Our responsibility: reducing congestion

Central and inner London is severely hampered by congestion. Before the introduction of the congestion charge, the average speed had fallen below three miles an hour. Now, with an improved bus network and the introduction of the congestion charge, central London has become a more pleasant location for residents, visitors and businesses. Our role is to ensure that the quality of our bus services attracts new passengers and keeps existing users.

Our responsibility: reducing emissions

Our objective is to be at the vanguard of partnering and supporting TfL in introducing environmental initiatives to improve London's environment. For example, we have fitted particulate traps across our fleet as an integral part of our maintenance programme. Following extensive tests we have now adopted a biofuel mix of 95% Ultra Low Sulphur Diesel and 5% oil derived from plant material.



One of our new Euro IV buses introduced to London last year.



VOSA emissions pass rate

100%

London Central, London General and Docklands Minibuses



% of fleet with Euro II engines or above



% of fleet with CRT

*Reduction due to incorporation of Euro V buses into fleet



Air pollution: NOx (g) per passenger journey



Air pollution: PM (g) per passenger journey



Air pollution: CO² (kg) per passenger journey



Air pollution: CO (g) per passenger journey



Air pollution: HC (g) per passenger journey



Last year, we were the first bus company in the UK to introduce regular buses powered by engines that met the Euro IV standards. Next year, we will take delivery of 30 buses powered by engines that meet the new Euro V standard, helping us deliver new standards of fuel efficiency and reduced emissions to the city.

In partnership with TfL, we introduced six new single-decker diesel-electric hybrid buses on route 360 in March 2006. Hybrid vehicles operate a combination of a conventional diesel engine and an electric motor, which helps to reduce emissions by at least 30% compared to a conventional diesel bus. However, to date, we have found that these buses do not meet the standards of reliability we need to meet the demanding road conditions of London. Therefore, we are testing different approaches to improve reliability.

Our responsibility: measuring our performance

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.



THE COMMUNITY – OUR RESPONSIBILITIES

WE PROVIDE ESSENTIAL SERVICES FOR THOSE LIVING IN, WORKING IN OR VISITING THE COMMUNITIES THAT WE SERVE.

The problems of social exclusion are very real and often exacerbated by poor transport. A growing trend is for employment opportunities to be fragmented, and shopping and leisure to be located outside the core of our towns and cities. This poses difficulties for those who don't have a car. Running our bus services is, therefore, the most important way that we contribute to community wellbeing.

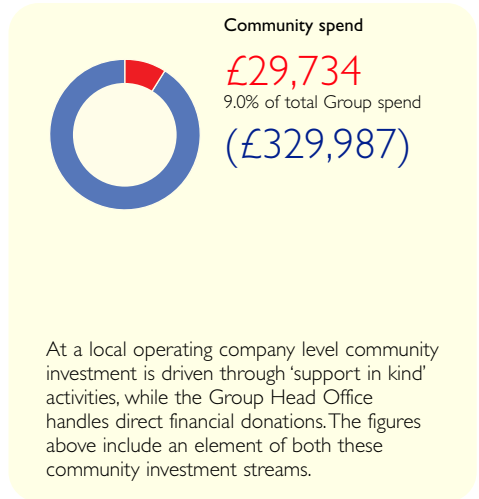
Vibrant and successful communities are in everybody's interest. We contribute through cash and in-kind donations and by encouraging employee involvement. The Go-Ahead Group also provides cash donations on behalf of its operating companies.

Support for local groups

During 2007, we funded one of the popular Local Intervention Fire Education (LIFE) courses run by the London Fire Brigade. LIFE is an intensive five-day course in which young people learn firefighting skills from London firefighters.

We have also built links with a contact at a job centre local to one of our garages by sponsoring the kit for a local football team. Indirectly, the company also helped the London Transport Museum raise over £650 by donating two lots, a day's hire and a 'drive a Routemaster' experience, to their fundraising auction.

“Vibrant and successful communities are in everybody's interest. We contribute through cash and in-kind donations and by encouraging employee involvement.”



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



One of the popular Local Intervention Fire Education (LIFE) courses run by the London Fire Brigade.

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 assesor 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 AA 1000, 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.

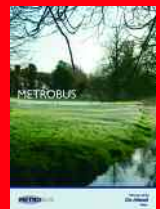
The SMART Company, August 2007



Go-Ahead

London Central, London General and Docklands Minibuses are part of The Go-Ahead Group plc. Members of the group run bus services (in the South of England, London, the West Midlands and the North East of England), commuter train networks, aviation ground handling and parking services. Other companies within the group are:

- aviance UK
- Brighton & Hove Bus Company
- Go North East
- Go West Midlands
- Meteor
- Metrobus
- Oxford Bus Company
- Solent Blue Line
- Southeastern
- Southern
- Southern Vectis
- Wilts & Dorset



More information on how the Go-Ahead London bus companies manage their responsibilities can be found at 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 use the enclosed form or 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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CarbonNeutral® print production