



GOOD HEALTH
AND WELL-BEING

SUSTAINABLE
CITIES
AND COMMUNITIES

SUSTAINABLE PROCUREMENT

Supply Chain Charter 2019

Go Ahead



GENDER
EQUALITY



CLIMATE
ACTION



DECENT WORK AND
ECONOMIC GROWTH



Go-Ahead believes that procuring in a responsible and innovative manner helps us deliver better value to customers and society as a whole, whilst also improving resilience, and reducing risk. Signatories to this charter have agreed to support us in delivering social, economic and environmental benefits from our supply chain.

Our Supply Chain Charter supports our sustainability strategy. This document outlines our procurement sustainability priorities, and the areas where we mandate minimum standards from suppliers, alongside those areas where we aspire to work with our suppliers to deliver more complex sustainability goals. Our procurement sustainability priorities are closely aligned with our corporate sustainability strategy, which governs how we currently operate our businesses.

Following receiving independent assurance that Go-Ahead is operating in accordance with the international standard on sustainable procurement (ISO20400:2017), our ambition is to deliver best in class sustainable procurement in collaboration with our suppliers. We encourage all our current and possible future suppliers to come forward with innovative ideas and embrace Go-Ahead's ambition to deliver best in class sustainable procurement.

Go-Ahead will endeavour to create a level playing field for all its suppliers, irrespective of size, employees or turnover and will seek to collaborate with small and medium sized enterprises (SMEs) when possible. This includes instances when smaller, local organisations can offer key benefits such as enhanced local knowledge, the provision of local employment or benefits to the local community. Go Ahead uses the EU definition of SME enterprises; organisations with less than 250 employees and a turnover of less than £44m



OUR STRATEGY

The Go-Ahead Group takes care of over a billion bus and rail passenger journeys a year. We recognise that to achieve our vision of 'a world where every journey is taken care of', we need to work collaboratively with our suppliers and our partners.

To deliver our vision, we specifically need to work together to deliver: safer services; better teams; happier customers; stronger communities; smarter technology and a cleaner environment.



A WORLD WHERE EVERY JOURNEY IS TAKEN CARE OF

We generate value for our investors, by building a sustainable business which meets the needs of our customers and communities

OUR VISION WILL BE DELIVERED BY OUR THREE STRATEGIC OBJECTIVES



Protect and grow the core

Safeguarding and developing our core bus and rail businesses through our three operating divisions



Win new bus and rail contracts

Securing contracts in the UK and using our core experience to expand into international markets



Develop for the future of transport

Using our skills, knowledge and assets to explore new growth opportunities for the future of our business

WITH RESPONSIBILITY AS A BUSINESS FOR SAFER AND...



Better teams

We are committed to attracting, developing and retaining the best talent and driving high levels of motivated and engaged colleagues.



Happier customers

Our customers are at the heart of what we do. We aim to provide high levels of customer service across all our operations.



Stronger communities

We enable communities to flourish by providing access to education, retail and employment allowing people to stay connected.



Smarter technology

We invest in technological solutions and utilise our market leading retail capabilities to drive market leading retail capabilities to drive growth and innovation.



Cleaner environment

We promote the benefit that public transport has over private in improving air quality and strive to reduce any negative impact we may have on the environment.

OUR APPROACH IS UNDERPINNED BY OUR CORE BELIEFS AND ATTITUDES



We believe in

- Trusting people
- Being can do people
- Building relationships
- Being one step ahead

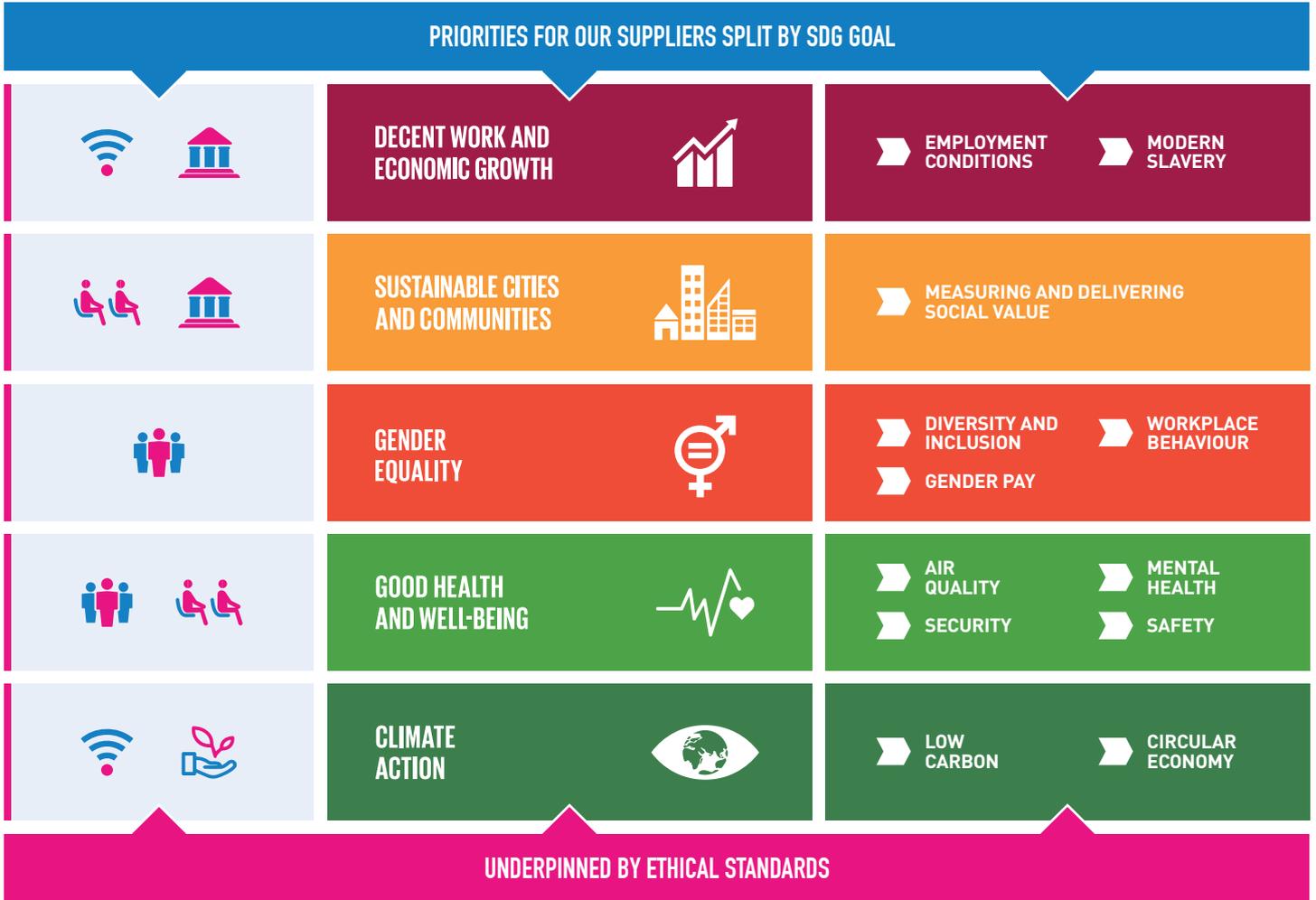


We are

- Accountable
- Down to earth
- Collaborative
- Agile

GO-AHEAD SUSTAINABILITY STRATEGY

The priority areas we are asking our suppliers to focus on are linked with the Go-Ahead sustainability strategy, which is built around five key UN Sustainable Development Goals. These are the five goals where Go-Ahead believes it can make a positive impact. The diagram below maps these goals with our supply chain priorities.





GO-AHEAD SUSTAINABILITY STRATEGY

Everyone is expected to demonstrate a high standard of integrity, responsibility and professional conduct in their dealings with customers, suppliers, competitors, fellow colleagues and other stakeholders. We place great importance in corporate culture and values, and will not be using suppliers who:

- Give or receive bribes or participate in corruption
- Falsify financial and other reports and records
- Defraud or deceive anyone, act dishonestly or misuse company property or resources
- Claim for something they are not entitled to
- Use language or communications materials that are not consistent with our values, beliefs and attitudes

SUSTAINABLE PROCUREMENT

Suppliers can expect the priority areas identified in this document to be evaluated during the procurement process and for relevant KPI's to be reflected in contracts, with a greater focus on sustainability factors in our contract management meetings. For those suppliers already in contract with Go Ahead, you are invited to come forward with proposals to address any of our priority areas.

The sustainability priorities are split into two categories:

- **Minimum standards / 'will'** – these are expected to be mandatory requirements in tenders.
- **Aspirational goals / 'work with'** – these will also apply to tenders as appropriate, but in addition, we are looking to work with existing suppliers to explore these areas and the benefits which may be unlocked.

Of course, the sustainability priority areas will be relevant to every procurement or existing contract. The Heat Map at Appendix 1 details where we consider there may be an opportunity or risk for each priority area, mapped against our categories of spend. The priorities highlighted in red are more likely to be considered as factors within the tender assessment or areas we may wish to explore with existing suppliers. Each procurement and existing contract is different, and the heat map is intended as a guide only, and is subject to change.

DECENT WORK AND ECONOMIC GROWTH



SUPPLY CHAIN PRIORITIES

- ▶ EMPLOYMENT CONDITIONS
- ▶ MODERN SLAVERY

OUR SUPPLIERS WILL

Exclude zero hours contracts unless requested by the employee

Exclude any unpaid work

WE WOULD LIKE TO WORK WITH OUR SUPPLIERS TO

Align their employment practices with internationally recognised standards such as the Ethical Trade Initiative Base Code¹

Provide accredited training and professional qualifications for the workforce that is proportionate for their roles

Use the best available guidance² and all reasonable endeavours to eliminate Modern Slavery from our indirect operations

Work with us to better understand the multiple tiers of our supply chain for goods to mitigate ethical and environmental risks

¹ Ethical Trade Initiative Base Code

<https://www.ethicaltrade.org/eti-base-code>

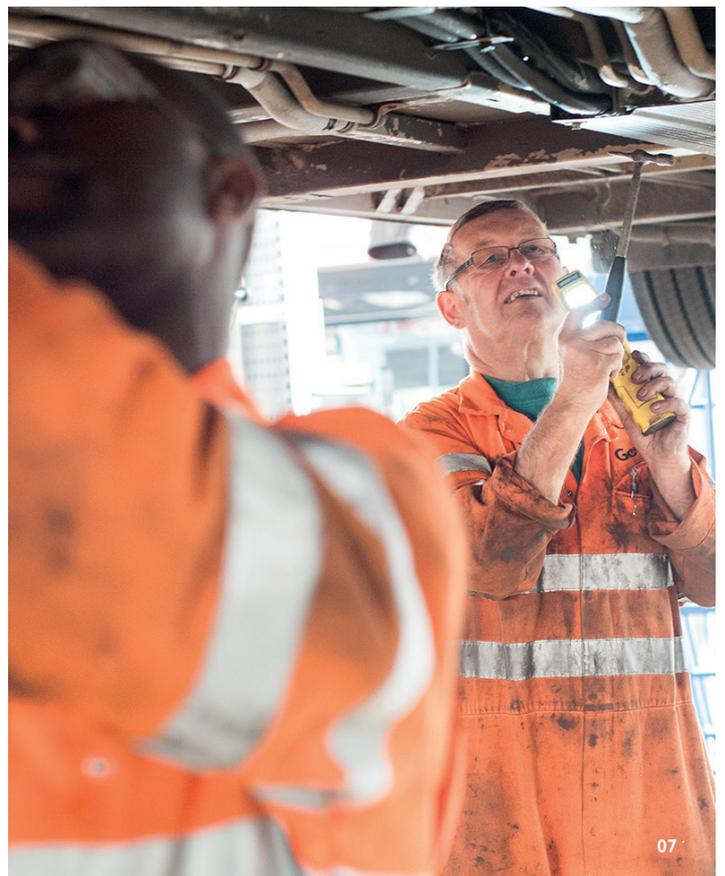
² Supply Chain School Modern Slavery Guidance

<https://www.supplychainschool.co.uk/default/modern-slavery.aspx>

HOW TO DEMONSTRATE PROGRESS

To demonstrate a high impact in this area, we expect our suppliers to demonstrate (both through the tendering process and once on contract):

- To what extent requirements for zero hours contracts and unpaid work are being met
- % of workforce receiving accredited training or professional qualifications
- % of workforce receiving Modern Slavery awareness training
- Progress in supply chain mapping and risk mitigation



SUSTAINABLE CITIES AND COMMUNITIES



SUPPLY CHAIN PRIORITIES

- ▶ MEASURING AND DELIVERING SOCIAL VALUE
- ▶ LOCAL EMPLOYMENT

- ▶ LOCAL SPEND
- ▶ SME SPEND

OUR SUPPLIERS WILL

Measure and optimise the proportion of local procurement³ and local employment⁴, when mandated by Go-Ahead

WE WOULD LIKE TO WORK WITH OUR SUPPLIERS TO

Provide full and fair opportunity for Small to Medium Enterprises (SMEs) to participate in relevant tiers of our supply chain

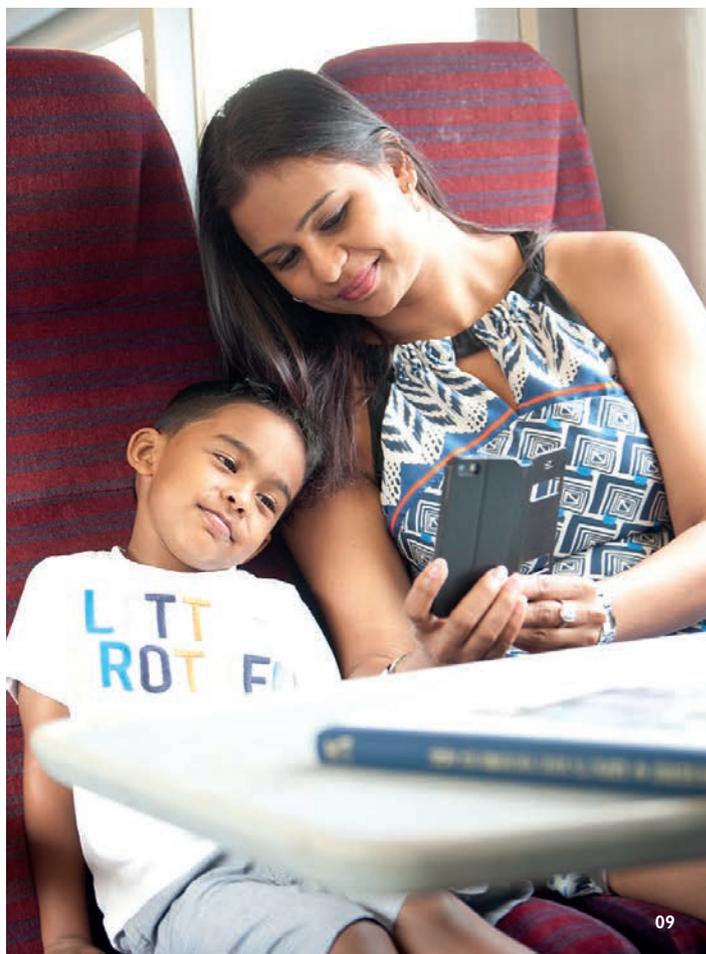
Work with us to improve accessibility to our services ensuring we provide transport for all

Work with us on identified projects to implement the RSSB Common Social Impact Framework⁵ to plan deliver and measure social impacts, initially in rail but across our operations in the longer term

HOW TO DEMONSTRATE PROGRESS

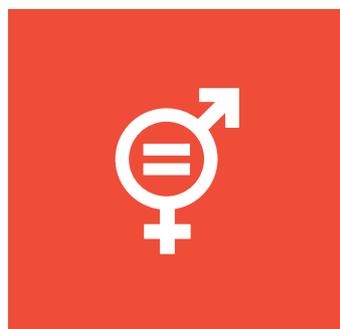
To demonstrate a high impact in this area, we expect our suppliers to demonstrate (both through the tendering process and once on contract):

- % local spend
- % local workforce
- % spend with SMEs
- To what extent the agreed metrics, indicators and targets from the Common Social Impact Framework are being achieved



³To be defined by Go-Ahead depending on the procurement
⁴A local employee is a person who has a permanent address and pays Council Tax in the area we deem to be local
⁵RSSB Common Social Impact Framework
<https://www.sparkrail.org/Lists/Records/DispForm.aspx?ID=25815>

GENDER EQUALITY



SUPPLY CHAIN PRIORITIES

► DIVERSITY REPORTING

► WORKPLACE BEHAVIOUR

► GENDER PAY

WE WOULD LIKE TO WORK WITH OUR SUPPLIERS TO

Use the best available guidance⁷ to create a working environment that respects and includes people regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation

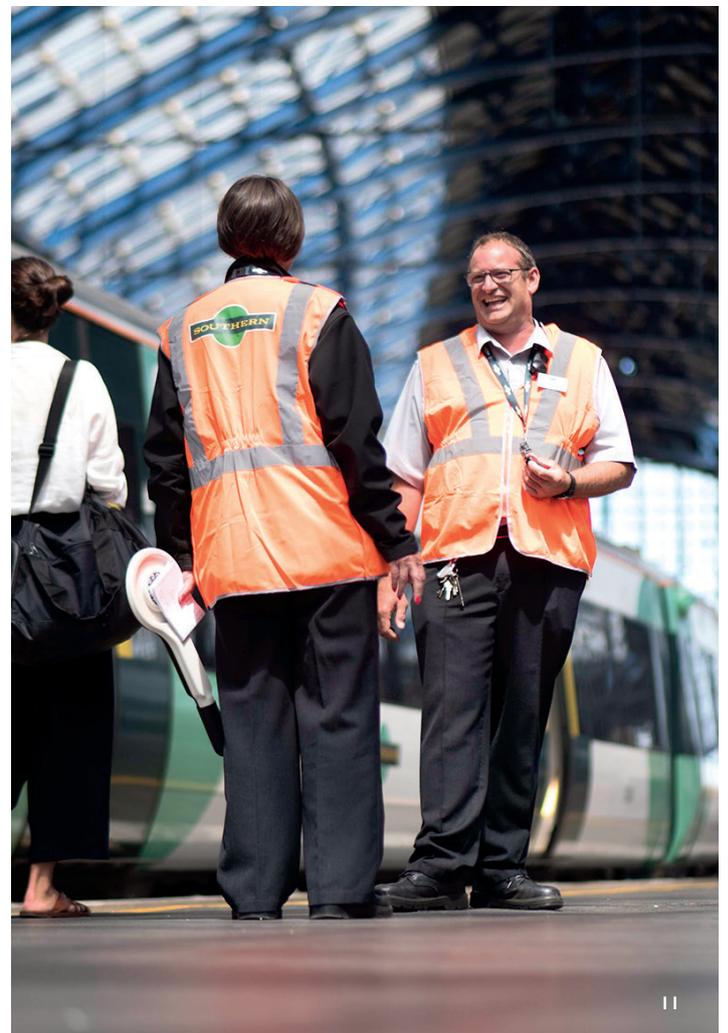
Use the best available guidance⁸ in recruitment and retention of people to address; unconscious bias, flexible working, recruitment policies, workplace behaviour, inclusive leadership and promoting opportunities to underrepresented groups

Develop an Equalities, Diversity and Inclusion policy and action plan

HOW TO DEMONSTRATE PROGRESS

To demonstrate a high impact in this area, we expect our suppliers to show (both through the tendering process and once on contract):

- % of workforce from underrepresented groups and actions to represent the local demographic
- % of workforce receiving diversity and inclusion and unconscious bias training
- Gender pay gap and actions to narrow it



⁷Supply Chain School Fairness, Inclusion and Respect
<https://www.supplychainschool.co.uk/uk/fir/construction/default.aspx>

⁸Supply Chain School Fairness, Inclusion and Respect
<https://www.supplychainschool.co.uk/uk/fir/construction/default.aspx>

GOOD HEALTH AND WELL-BEING



SUPPLY CHAIN PRIORITIES

▶ AIR QUALITY

▶ WORKFORCE USING PUBLIC TRANSPORT

▶ MENTAL HEALTH

▶ HEALTH AND SAFETY

HEALTH AND SAFETY

Health and safety is critical to Go-Ahead. We set a high standard for qualification as a Go-Ahead supplier and our health and safety procedures on our sites are mandated and enforced.

For products and services which potentially create health and safety risks, suppliers can expect Go-Ahead tenders to apply a significant weighting to health and safety and management of risks once on contract. You can also expect monitoring of your products and services and a strong focus on health and safety at all levels during our relationship with you.

Go-Ahead strives to encourage a culture of learning and continuous improvement and we require full transparency from our suppliers for health and safety non-compliances, incidents or near misses. Where we are purchasing goods, you can expect health and safety to feature strongly in our specifications and will likely include mandatory requirements. We will procure new assets which meet or exceed the latest standards and industry guidance, and will reward innovation and advancement in health and safety improvements.

OUR SUPPLIERS WILL

Monitor and meet the latest health and safety standards

Provide the workforce with access to welfare facilities and services appropriate to their role and duties

WE WOULD LIKE TO WORK WITH OUR SUPPLIERS TO

Work with us to develop the highest standards of health and safety and continually improve

Provide access to accredited Mental Health First Aid training (including suicide prevention) and provide assistance to signpost workers towards support

Work with us to tackle loneliness issues within the communities where we operate

Work with us to go beyond compliance with air quality requirements, delivering innovative technical and operational solutions to reduce emissions harmful to health

Have staff travel policies and procedures that encourage use of active and public transport

HOW TO DEMONSTRATE PROGRESS

To demonstrate a high impact in this area, we expect our suppliers to demonstrate (both through the tendering process and once on contract):

- Offers of innovative solutions to reduce NOX emissions and other particulate emissions
- % of workforce with access to mental health support
- % of workforce using public transport

CLIMATE ACTION



SUPPLY CHAIN PRIORITIES

▶ LOW CARBON

▶ CIRCULAR ECONOMY

▶ EXTREME WEATHER RISK

▶ HAZARDOUS MATERIALS

OUR SUPPLIERS WILL

Provide goods and services that are adaptable to extreme weather events where appropriate

Offer goods and services with the best Whole Life Cost taking into account energy consumption, operation, maintenance and disposal costs

WE WOULD LIKE TO WORK WITH OUR SUPPLIERS TO

Work with us to provide innovative, energy-efficient and low carbon transport solutions to support our objective to reduce carbon emissions, both in their design, operation and use of innovative and sustainable fuels

Work with us and your supply chain to define and reduce the embodied carbon footprint of our key products, supplies and services

Offer goods that can be upcycled or recycled at the end of life

Help us to reduce waste arisings and support circular economy solutions by:

- Providing products that can be reused, refurbished or upgraded as many times as possible to keep them at their highest value
- Eliminating or reducing packaging where possible
- Where packaging is necessary, ensure it has recycled content and provide take-back schemes for packaging re-use. When this is not possible, ensure the packaging is recyclable and is recycled
- Eliminating or reducing waste arisings from services through efficient use of materials
- Where waste is unavoidable, eliminate or reduce waste to landfill

HOW TO DEMONSTRATE PROGRESS

To demonstrate a high impact in this area, we expect our suppliers to demonstrate (both through the tendering process and once on contract):

- Risk analysis and mitigation related to extreme weather events
- Carbon emissions for services and logistics
- Embodied carbon footprint for key products purchased
- % recycled content
- % goods that can be upcycled or recycled at end of life
- % sustainable fuels and lubricants supplied



BUS HEAT MAP



Here we map procurement categories of spend against our sustainability priorities to identify areas of focus for our suppliers

Key:

- Likely to be considered through the procurement process
- More information required
- Unlikely to be considered through the procurement process

SPEND CATEGORY

Fuel, Oils and Lubricants

- Diesel Fuel
- Oils and Lubricants

Bus and Coach Vehicles

- Manufacture
- Parts and Spares
- Tyres
- Maintenance

Cleaning

- Bus and Coach Cleaning

Utilities

- Electricity
- Natural Gas

Buildings

- Building Maintenance

IT Retail

- Mobile Ticket Issuing System

Recruitment Services

- Permenant and Temporary

Clothing

- Staff Clothing

Office / Premises Services

- Waste Disposal (Non-Hazardous)

Buildings

- Building Works

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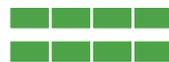
Zero Hours Contracts
Unpaid work
Modern Slavery
Workforce reviving education

Local Spend
SME Spend

Diversity
Gender Pay Gap

Air Quality
Health and Safety
Workforce Mental Health Support
Workforce using public transport

Extreme Weather Risk
Energy and Carbon
Recycling and Circular Economy
Waste
Hazardous Materials



SUSTAINABLE SUPPLIER AWARDS

Go-Ahead celebrates an annual sustainability competition recognising suppliers that support us in delivering social, economic and environmental benefits from our supply chain.

The award highlights best practice among Go-Ahead's suppliers, with a focus on the supply chain charter principles. We encourage all our suppliers to enter the competition by providing examples of where your company has delivered against the Go-Ahead sustainability priorities (Appendix 1), detailing the impact you believe this has had on Go-Ahead, our customers and/or society.

The judging panel is comprised by procurement and sustainability specialists from key partners including representatives from:

- Go-Ahead Procurement
- Go-Ahead Sustainability
- Consultancy Action Sustainability
- Business in the Community

The Awards Ceremony will take place in the last week of April coinciding with the UK Responsible Business Week. Submissions will be required in March. For further details, contact:

Glyn Watts, Group Head of Rail Procurement
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David Vazquez, Group Corporate Affairs and Sustainability Manager
David.vazquez@go-ahead.com



SIGNATORIES

Signatories to this charter have contributed to the development of this policy and have agreed to support us in meeting our goals where possible. The following suppliers that have contributed to the development of this charter:



Greenenergy



SIEMENS

All our UK bus and rail companies have been consulted on this charter.

southeastern

GTR

goeastanglia

Go Ahead-London

PLYMOUTH
city bus

oxford
bus company

Brighton & Hove
essential travel for our city

METROBUS

go southcoast

Go Ahead
BAHN & BUS

Go Ahead
Singapore

Go North East

Go Ahead
NORDIC

Go Ahead
Ireland

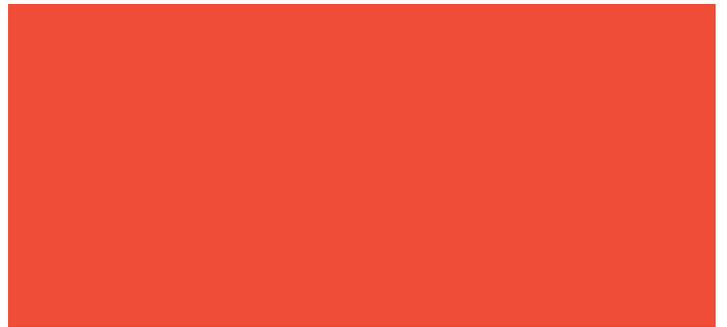
We have worked with supply chain management consultancy experts, Action Sustainability, to develop this charter.



If you have any comments or would like to know more, please contact:

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David Vazquez, Group Corporate Affairs and Sustainability Manager
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