

Plymouth Citybus Limited
(the “Company”)

The following Section 172(1) Statement and Corporate Governance Report have been extracted from pages 5 to 14 of the Company’s Annual Report and Financial Statements for the year ended 3 July 2021. All references to “Group” in this document mean The Go-Ahead Group plc (registered number 02100855).

Section 172 of the Companies Act 2006

This report sets out how the directors comply with the requirements of Section 172 of the Companies Act 2006 and how these requirements have impacted the Board’s decision making throughout the year ended 3 July 2021.

The role of the board and how it operates

The board is responsible for creating and delivering long term sustainable value for the business. The board is accountable for balancing the varying interests of the business, including those of its parent company, colleagues, customers and the communities it serves.

The composition of the board and how it operates is set out under Principle Two (Board Composition) of our Corporate Governance Report which follows the strategic report in the Company’s 2021 Annual Report and Financial Statements (pages 7 to 8 of this document).

Board Governance

The Board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 3 July 2021. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance. They also support directors to meet the requirements of Section 172 of the Companies Act 2006 by providing guidance on the following areas:

- Purpose and leadership;
- Board composition;
- Director responsibilities;
- Opportunity and risk;
- Remuneration; and
- Stakeholders.

The Corporate Governance Report, which evidences how the Company applies the principles, follows the strategic report in the Company’s 2021 Annual Report and Financial Statements (pages 4 to 10 of this document) and is also available on the Company’s website.

Compliance with section 172(1) of the Companies Act 2006

The directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board’s desire to act fairly for its parent, maintain a reputation for high standards of business conduct, and consider the long term consequences of the decisions they take, have underpinned the way it operates at every level of the business. Further details are provided below:

Section 172(1)(a) and (e) - the likely consequence of any decision in the long-term and the desirability of the company maintaining a reputation for high standards of business conduct

At Go South West, actively listening to and engaging effectively with our wide variety of stakeholders is key to ensuring responsible decisions are made. Please refer to Principle 6 in the Corporate Governance Report on pages 8 to 10 of this document for further details on why and how we engage with our stakeholders and examples of how we responded.

We appreciate the need to ensure that the decisions we take create value for all our stakeholders and support creation of long-term sustainable value so that, ultimately, we can continue to be a vital part of the communities we serve.

The Company operates across a wide area of Plymouth and Cornwall. This area includes dense commercial urban and rural bus services, along with many bus contracts and a Commercial Vehicle Garage business. This

diversity means that the Company is not totally reliant on one location or market. The Company operates a devolved structure, allowing local managers to maintain a close and meaningful relationship with the clients and markets they serve; enabling an agile response to external influences on our trading environment.

The Group's devolved management operating model is a key feature of the board's decision-making process, with the Group executive directors acting as an intermediary and ensuring there is two-way feedback between the Group Board and Company board. In line with this approach, the viability of several principal decisions (for example, acquisitions, disposals and major capital investments) will first be considered at our Company board meetings. To give an example in action, September 2020 saw Plymouth Citybus winning 8 tenders for local bus services in Plymouth; having assessed the viability of the original proposition in line with our operating model. If approved, the Group executive directors will then submit a proposal to the Group Board. This process supports the board performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006.

The directors take the reputation of the Company seriously which is not limited to only operational and financial performance. The strong reputation and positive stakeholder relationships we have developed over many years have continued to be as important as ever. Particularly as our focus shifted to rebuilding after the impact of the national lockdown, and towards ensuring that we help our communities to grasp this opportunity to build back better, with public transport being crucial in helping to drive a greener and more inclusive economy. We have continued to work closely and collaboratively with key Transport Authorities, such as Cornwall and Plymouth councils, to ensure that service provision remains at the right level, government policy is brought into effect, and transport operators receive funding to enable essential services to continue to be delivered.

The directors are committed to the highest standards of ethical conduct, honesty and integrity in our business practices. The board seeks to have a workforce that more accurately reflects the diversity of the communities we serve. During the year, we have seen the positive impact our inclusion and diversity initiatives have had on our workforce; helping to achieve Investors in People Platinum accreditation, the first transport operator - of any mode - to have done so.

During the year, the board approved the Company's modern slavery statement (available on the Company's website). The board also considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed improvement plans to enhance performance.

Section 172(1)(b) – the interest of the company's employees

The directors understand the importance of the Company's employees to the long term success of the business and the Company is certified to a Platinum standard by Investors in People, along with a Queen's Award for Enterprise for its work assisting the most vulnerable and disadvantaged find employment through its Social Mobility programme (The Queen's Award was presented in May 2021 by Lord Lieutenant Devon David Fursdon).

Safeguarding the health and wellbeing of the Company's employees (and other stakeholders) remains the main priority for the board. During the year, we have continued to build on the precautionary measures introduced to meet the challenging demands brought by the COVID-19 pandemic. During the year, we have continued to build on the precautionary measures to meet the challenging demands brought about COVID-19. For example, our local Crisis Management Team have been meeting weekly to deliver the Business Continuity Plan ensuring adherence to government policies and guidelines, we have also implemented enhanced cleaning regimes for vehicles and administration offices, promoted social distancing amongst our workforce and maintained increased levels of engagement via newsletters and e-mails with our colleagues and stakeholders. Furthermore, we have provided and encouraged greater access to enhanced mental health programmes, helplines, and internal support from Mental Health First Aiders.

In addition, to support employee interests, we have introduced WPA health insurance, sick pay eligibility enhancements, improvements to Maternity Pay and Parental Leave. We have restructured and relaunched five employee Forums to drive engagement and receive feedback to be acted upon.

For details of how the Company regularly engages with its workforce, please refer to Principle 6 in the Corporate Governance Report on pages 8 to 10 of this document.

Being an employer of choice is important to maintaining a high level of employee retention. The Company provides market competitive remuneration and comprehensive benefit packages. Colleagues are recognised and

rewarded for their contribution and commitment. Please refer to Principle 5 in the Corporate Governance Report on page 7 of this document for further details on remuneration.

The Company's workforce is represented by trade unions and employee representatives and the board strive to foster positive working relationships with them. The Company has continued to work alongside trade unions to keep colleagues informed and up to date on all government changes and safe working practices during the COVID-19 pandemic.

The Company places a premium on an inclusive and diverse workforce, enabling all colleagues to reach their full potential, to be empowered and engaged with a strong commitment to personal development. The key focus areas for 2020/2021 included continued training on the practice of Unconditional Positive Regard and through work by the Go Respectfully Forum (covering Diversity, Inclusion and Belonging topics) initiated specific recruitment campaigns and events and flagged up additional training needs where training courses have been provided, covering topics such as neurodiversity, dyslexia, Makaton and resilience.

All team members undertake a self-lens and one to one review process each year. The Company develops its people development strategy through our restructured and relaunched five forums, which are now supported by additional administration assistance: Go Safely, Go On Time, Go Fix It, Go Well (Health and Wellbeing) and Go Respectfully (Diversity Inclusion and Belonging). The Company also ensures equal opportunities for progression and is actively looking to employ more women drivers, aiming to increase the percentage of female representation of all drivers from the current 14% to 20% by 2024.

Section 172(1)(c) – the need to foster the company's business relationships with suppliers, customers and others.

The board regularly reviews how the Company maintains positive relationships with all its stakeholders, including suppliers, customers and others.

The directors understand the importance of the Company's supply chain in delivering the long-term plans of both the Company and the Group. Through our Sustainable Supply Charter, we demonstrate high standards of integrity, responsibility and professional conduct. We endeavour to support our suppliers to improve the sustainability of their business. We support the Group's compliance and endeavour to pay suppliers in line with the Prompt Payment Code and, when the reduction of supplier services has been necessary during the COVID-19 pandemic, we have applied a fair and structured process in line with the Company's Sustainable Supply Chain Charter where possible.

Customers are at the heart of the business and the board provides them with safe, convenient, and reliable services. Customer satisfaction is a strong indicator of how well we are meeting customers' needs and the directors monitor this through annual surveys conducted by the independent watchdog, Transport Focus. In the independent Autumn 2020 Bus Passenger Survey conducted by Transport focus, our customers gave us an overall satisfaction rating of 94%. This figure improves upon the previous year, with an increase of 1%.

We conduct a detailed annual survey of our key stakeholders to understand what they think about the business, what we do well and where we can improve further. The last survey between December 2020 – February 2021 Stakeholders gave the Company a 9.7 score out of 10 (up from 9.3 the year before) and featured many positive comments such as: "They faced a serious challenge and kept being challenged. Systems and processes were put in place. It was huge disruption for Plymouth Citybus, but all looked good for those on the outside" and "It was a very challenging time and they did an incredible job. They delivered and were very flexible".

Please refer to Principle 6 in the Corporate Governance Report on pages 8 to 10 of this document for further details on how we engage with our customers and suppliers.

Section 172(1)(d) - the impact of the company's operations on the community and environment

As a public transport operator, the Company has far reaching impact on the Group (as its ultimate parent company) as well as its customers, employees, regulators and the communities it serves. The Company aims to align its business values, purpose and strategy with the social, economic and environmental needs of its stakeholders, embedding responsible and ethical business policies and practices in everything it does.

Last year, the Company was awarded a Queens Award for Enterprise in the Promoting Opportunity category, the highest honour that can be bestowed on a business and the first bus company to be honoured in this way. We know all too well we operate in an area where 14% of households are workless and where child poverty

statistics are heart-breaking. Collectively, everyone at Go South West strives to help as many disadvantaged people into work as we can, and this award recognises our achievements in that area. Our Social Mobility Pledge underpins our commitment to support the most vulnerable and disadvantaged in our society and that includes members of our own workforce.

16 life-saving defibrillators donated by the charity Hearts Together, were fitted to the Company's fifteen 21/21A buses in Plymouth – the first such scheme in the UK. Where possible, support to charities and organisations like Age UK and Jeremiah's Journey (a children's cancer charity) continued, for instance with tickets offered to assist their volunteers.

We are committed to a cleaner environment and improving air quality for all who visit, live and work across the Go South West region. The Company has worked to reduce its impact on the environment through effective management of waste, increased local procurement (specifically purchasing local products required for the pandemic, thus supporting the small business economy) and water recycling. The Company is also progressing on its clean propulsion strategy; currently operating Gas Buses and Low Carbon Certificated EURO 6 diesel engine vehicles. Looking forward the Company is a partner with Plymouth City Council, The Royal Navy and Babcock exploring the potential for Plymouth to become a hydrogen city.

Further details of our sustainability initiatives can be found in our 2021 Sustainability Report, which is available for download from our website.

Section 172(1)(f) - the need to act fairly as between members of the company

The Company is owned 100% by Go-Ahead Holding Limited. However, the Company's ultimate parent company and controlling party is the Group.

The Group operates a devolved operating model. Whilst day-to-day management of the Group's activities, governance and oversight has been delegated to the Group executive directors, the directors of the Company both individually and collectively support them in this role and the Company is operated as an autonomous business unit. Board meetings are held on a monthly basis with the Group executive directors in attendance who scrutinise and challenge the local managements team's execution of strategy. These more formal meetings are supported by several cross-business forums (such as health and safety, engineering, HR and diversity and inclusion) that serve to facilitate the sharing of knowledge, ideas and best practice. This approach encourages the right balance between local and Group initiatives and facilitates fair discussion and decision-making. It also ensures that we deliver more operating collectively than we would independently.

Corporate Governance Report

The board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 3 July 2021. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance.

We have adopted the disclosure in our 2021 Annual Report and Financial Statements and set out below is how we have applied the Principles over the past year throughout our work.

Principle 1 – Purpose and Leadership

Go South West has a clear sense of purpose and a stated vision which is communicated internally and externally. Our vision is to be the provider of choice, the employer of choice and the investment of choice for transport within our operating area. This vision is reinforced through our strapline 'Every journey taken care of' and aligns closely with Go Ahead Group plc's purpose: 'To be a local partner taking care of journeys that enhance the lives and wellbeing of our communities across the world'.

The Company's decision-making at Board level has, at its heart, the desire to provide affordable, reliable access to employment, education, and leisure for all. We aim to generate value for our customers and stakeholders by building a sustainable transport business which meets their needs today and in the future. The Company is committed to dealing with the changing world with Company-wide agility so that every journey is taken care of. Our vision is backed up by strong values, beliefs, and attitudes which are embedded in the Company's recruitment, induction, and day-to-day working, as well as in our stakeholder partnerships and community engagement processes.

Our values focus on community, respect, integrity and fun and laughter in our working environment. Our beliefs encourage us all to trust people, be can-do people, build relationships and stay ahead. Our attitudes ask

us to be accountable, down-to-earth, collaborative, and agile. This value-based culture in the Company is seen in daily action and is at the forefront of company development. We undertake customer satisfaction surveys as well as customer engagement events, supported by literature and promotional branded materials, websites, and social media platforms.

Internally we have established a Teamwork Charter which lays out our positive behavioural framework. We promote our values and beliefs through newsletters and Team Notices, a quarterly magazine, training programmes, specialist workshops, wellbeing, and engagement opportunities (also using external specialists) and Pulse staff surveys. We engage with staff through five key quarterly Forums: Go Well, Go Respectfully, Go Safely, Go On Time and Go Fix it. We have also recently introduced the Hapi app, to complement our use of easily accessible digital and video material for our colleagues' benefit.

Go South West's strategic objectives are:

- To protect and grow our core
- Win new bus contracts
- Develop for the future
- To work safely and healthily
- To protect the environment

The effectiveness of our values and progress on strategic objectives are measured by the Board through monthly Leadership meetings which report on operating KPIs such as: customer satisfaction scores; punctuality; customer numbers; revenue and operating profit as well as employee feedback from our Forum activities, employee attrition, absenteeism and employee turnover rates.

During 2020/21, the Company was also heavily supported by government funding to maintain service provision during the COVID-19 pandemic. In July 2021, we welcomed the Department for Transport's (DfT's) commitment to continue to provide funding for regional bus services in the coming months while passenger volumes remain suppressed. It is critical that a full timetable of services is available so people can continue to travel safely and conveniently on reliable bus services as restrictions begin to ease. Government support is also essential in preserving the bus network which will be vital in supporting societal and economic recovery in months and years to come.

Principle 2 – Board Composition

For the year ended 3 July 2021, the Board comprised the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors), the Managing Director, Operations Director and Engineering Director. Following the year end, Elodie Brian resigned as Group Chief Financial Officer and a director of the Company with effect from 27 September 2021. She was replaced in these roles by Gordon Boyd who was appointed as Interim Group Chief Financial Officer and director of the Company with effect from and including 28 September 2021 up to and including 28 March 2022 when he resigned. David Brown retired as Group Chief Executive and director of the Company with effect from 5 November 2021 and was succeeded in these roles by Christian Schreyer with effect from the same date. Christian Schreyer resigned as director of the Company with effect from 10 June 2022 and was replaced as a director of the Company by Martin Dean with effect from the same date.

All directors on the Board during the year were full time employees of either the The Go-Ahead Group plc (the Group) or the Company. This size and composition of the Board are appropriate for our business and ensures that the Board has the appropriate balance of skills, knowledge and experience.

The Group Chief Executive chairs the board and promotes a culture of open and constructive debate. This role is separate to that of the Managing Director who is empowered to operate the business autonomously with the support of the local management team.

Board meetings are held on a monthly basis, excluding August, with the Group executive directors in attendance who scrutinise and provide independent challenge of the local management team's execution of strategy.

In addition, there are cross business forums that operate at Managing Director, Engineering Director and Heads of Department levels to help ensure best practice and learnings are shared across the Group. When

circumstances permit, the Group Chairman visits annually to conduct a deep dive into execution of strategy and there are regular visits by Group Non-Executive Directors that challenge both our strategy and objectives.

During October 2020, the Group CEO undertook a site visit and explored the issues of safety standards, Covid response measures and commercial performance at Go South West.

The Managing Director reports to the Group executive directors directly on day-to-day management issues including risk and is responsible for ensuring compliance with the Group's policies and procedures.

The board is committed to developing a more diverse workforce, including at the most senior levels. For further details on the work we have undertaken on diversity and inclusion throughout the year, please see our Section 172 Statement on pages 1 to 4 of this document.

The board believes that continuous director training and development supports board effectiveness. With the ever-evolving regulatory landscape in which the Company operates, it is critical that the board maintains a good working knowledge of the transport sector and how the Company operates within its sector, as well as being aware of recent and upcoming developments in the wider legal and regulatory environment. To assist the board in undertaking its responsibilities, regular presentations are provided from senior management. Where required, support is provided from Group Company Secretariat.

Whilst a formal board evaluation does not take place, the Group executive directors' individual effectiveness was assessed as part of the Group's wider annual review. The individual effectiveness for the other directors was assessed by functional key performance indicators and formal appraisal interviews.

Principle 3 – Director Responsibilities

The board holds eleven scheduled meetings a year with all directors expected, wherever possible, to attend all board meetings. The board receives regular and timely information (at least monthly) on all key aspects of the business including, but not limited to, financial performance and KPIs, capital expenditure, contracts and tendering/franchise bidding, health and safety, cyber security, data management compliance, operating and engineering performance, people and engagement, market and competition and industrial relations. The board also reviewed the results of the Stakeholder Engagement Survey, monthly passenger-focussed survey results and environmental data from the Engineering Department (for example monthly fuel, water usage) throughout the pandemic.

The Group Board reviews governance processes, including policies and procedures, on at least an annual basis to ensure that these remain fit for purpose and strengthen the governance of the Company. The Company complies with the Group Policies and Procedures Manual and reports its compliance to the Group annually on a self-certification basis. A comprehensive Operating Company Board Procedures Manual is maintained which provides an overview of the governance and reporting framework within which the board should operate. It includes formal procedures for the working of the board, delegated authorities, the timely provision of

appropriate information and the duties and responsibilities of directors, including standards of conduct and compliance. This Operating Company Board Procedures Manual is based on the Manual used by the Group.

The board has established robust procedures for ensuring that its power to authorise conflicts of interest is operated in accordance with the Companies Act 2006. All directors are required to make the board aware of any other commitments and actual/potential conflicts of interest that could interfere with their ability to act in the best interests of the Company. Situations considered by the board and authorisations given are recorded in the board minutes and in a register of conflicts and are reviewed annually by the board. The authorisations are for an indefinite period, but the board retains the power to vary or terminate the authorisation at any time. The board believes that this system operates effectively.

The board believes in equal opportunities and applies fair and equitable employment practices. Our Code of Conduct states that all employees should be treated with respect and that their health, safety and basic human rights should be protected. The Company has a zero-tolerance approach to bribery and corruption and all our colleagues are required to adhere to our Anti-bribery and Corruption policy.

Principle 4 – Opportunity and Risk

The board seeks out opportunity whilst mitigating risk. Our Corporate Planning process encourages regular reviews of activity and forward planning. Our locally based directors fully immerse themselves in their local communities, building connections and relationships, maintained across the public and private sector. We work

in partnership with our stakeholders to develop and improve our network of services. These close ties allow us to continually update our knowledge and experience and identify opportunities for revenue growth and service development. For example, during September 2020, in addition to monitoring and responding to Covid-19 induced service requirements, in partnership with the local authority and key organisations, we established new contracts with Cornwall Council and Plymouth City Council for additional bus services.

A summary of the Company's key principal risks and mitigations are as outlined in the strategic report. Ultimate accountability of risk identification and management lies with the Managing Director, supported by the Engineering Director and the Heads of Department.

The assessment of key principal and emerging risks is embedded within the day-to-day operations of the Company. Such assessments are consolidated and reviewed as part of monthly board reporting as well as being reported to the Group twice a year in accordance with full year and half year results reporting. As part of this reporting process, risk reports are completed which outline the key principal and emerging risks facing the Company, provide an explanation of the procedures in place to mitigate and manage such risks and prioritise the most important risks from both an inherent and residual perspective. These reports are then discussed with the Group executive directors at bi-annual risk board meetings with discussion focused on the most important risk and control areas within the business. Following such meetings, the Group executive directors report to the Group audit committee with final approval being granted by the Group Board for key risks that could have a material impact on the Group performance, strategy or business model.

The level of risk the Company is willing to take to achieve its strategic objectives, together with the level of risk shock that it can withstand is aligned with that set out in the Group's risk appetite statement. The Company benchmarks its bi-annual risk reporting against the Group's risk appetite statement, with any key risks being identified and discussed with the Group executive directors at bi-annual risk board meetings.

Principle 5 -Remuneration

Remuneration arrangements are based on the principles that reward should be sufficient to attract and retain high calibre directors, senior management and the wider workforce.

For the local management team (Managing Director and Engineering Director) and senior management, remuneration is individually reviewed and determined by the Group Chief Executive in line with the Group's Senior Management Remuneration Policy (where applicable). Remuneration is structured to support both the financial objectives and the strategic priorities of the Group in a manner which is aligned with shareholders' and stakeholders' long-term interests. The directors' remuneration is disclosed on page 36 (note 8).

In response to Covid-19 and staff wellbeing concerns, we introduced an enhanced eligibility for sick pay for staff with less than 12 months' service. In April 2020 there had been a temporary suspension of pay rises, but in April 2021, there was an RPI increase applied along with productivity concessions to working practices. During this last financial year, we have also introduced enhanced maternity pay and parental leave entitlements to meet gender balance objectives.

During the year, the Group executive directors were remunerated by the Group. For further details of the remuneration policy which applied to the Group executive directors together with details of the remuneration paid to them in the 2021 financial year, please see pages 108 to 142 of the Group's 2021 Annual Report and Accounts.

Remuneration for the wider workforce (including bus drivers, engineers and office/administrative roles) is driven by a collective bargaining process and is generally linked to the headline company pay award, except for special cases of role progression/changes or other circumstances of note. This approach allows for the Company's local management team to set priorities and adjust remuneration to meet specific demands, taking into account the labour market, workforce aspirations, operating conditions and competitor activity.

During the year, the board considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed plans to enhance performance. Plymouth Citybus Limited, has achieved a zero median pay gap, compared to the national average of 17.3% (2019).

Principle 6 - Stakeholders

The board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the Company's brand, reputation and relationships with all our stakeholder community including the Group, workforce, customers, local authorities, suppliers and the local communities in which we work. The board believes that listening and engaging effectively with our key stakeholders is critical to ensuring that the right decisions are made which consider their needs and priorities. An established reporting process is in place, where the Company is required to report formally to the Group Board on what engagement has taken place with our key stakeholders and the outcome of such engagement.

The Go-Ahead Group plc (the Group)

The Group is the Company's ultimate parent. The board believes that effective communication and proactive engagement with the Group is paramount in establishing a mutual understanding of both the Company's and the Group's wider objectives. The Group executive directors, who also sat on the Company's board, formed the primary communication route between the Company's board and the Group Board. This facilitates effective open, transparent and two-way engagement, the feedback from which forms part of the board's strategic discussions. Examples of this two-way engagement include our subsequent work on bidding for tenders rationale, Capex requests for investment, commercial business opportunities and Health and Safety management.

Workforce

The Company regularly communicates to its employees in a variety of ways such as, for instance, through a Joint Consultative Committee and five specialist workforce forums, which meet quarterly and are: Go Safely, Go Fix It, Go Respectfully, Go On Time and Go Well.

We use internal media including videos, newsletters, magazines and business updates to keep staff up-to-date. Throughout the year the Managing Director has produced regular, detailed specific Covid-19 updates, designed to explain measures and business decisions and to reassure staff as to prevailing situations. During the pandemic lockdown, our Bus Heroes social media campaign publicly identified and thanked team members for their exceptional efforts and dedication to duty in the most testing of times and attracted much support and engagement from passengers. In January 2021 we have also introduced an employee experience and engagement platform for all team members to use, where essential information and reward and recognition tools will improve communication within the business.

Looking after the health and wellbeing of our colleagues is of utmost importance. Colleagues, within a safe environment, are encouraged to open-up about their mental health, with wellbeing assistance provided through an Employee Assistance Programme which offers information, advice, training and services to help them deal with events and issues in both their work and personal lives. Employees now all benefit from inclusion in a WPA health insurance scheme.

A 'Go Well' forum is also held quarterly to provide a two-way engagement channel for wellbeing issues, feedback from which recently saw the introduction of free female sanitary products at all toilets across the business. We have recently introduced working with an external wellbeing organisation, providing workshops and videos on topics such as anxiety, sleep, exercise and nutrition.

Employee engagement surveys are performed on a quarterly basis as part of the Group's Pulse survey activity, designed to highlight areas of improvement. The board considers the results of all employee engagement surveys a good barometer of the workforce's confidence in the Company's strategic direction, optimism in the future and career opportunities. The Company is certified to 'Platinum' standard by Investors in People – an important external validation of the Company's policies and performance in leading, supporting and managing employees well for sustainable results.

The Company has a formal whistleblowing policy in place where employees can, in confidence, raise legitimate concerns about wrongdoing within their workplace. This policy is reviewed by the board on an annual basis, with this year's review confirming that the policy remains fit for purpose and enables a good level of communication with colleagues at all levels of the business. The Company makes use of the "Hapi benefits" intranet site, notice boards, and the induction processes to ensure that employees are fully aware of the process for raising concerns and providing a safe and secure environment for doing so. Employees also have access to a wide range of alternative and more informal channels through which to raise concerns. These include one to one meetings, Joint Consultative Committee, open door policy, team forums, company provided GP and counselling service, mentors and trade unions.

Customers

We build our relationships with our customers through passenger-facing colleagues, customer events and social medial channels. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs and demands of our customers.

Social media plays an increasing role in our communication and engagement with our customers and, during the year, we increased our social media presence via Facebook and Twitter and expanded the resources within our Customer Experience department. Not only do these platforms enable us to update our customers regularly, but they also allow us to listen to customers' needs and act upon them by adjusting our network accordingly. For example, during the first lockdown, we engaged with feedback from key workers who relied on bus travel to commute to work and ensured that our services were running to allow as many as possible to reach their workplace.

Customer events such as town surgeries and attendance at community events also provide an opportunity to engage with our local communities. During the year, we proactively held our own 'bus surgeries' to allow all our passengers to raise any questions or concerns about returning to bus travel directly with us, following the easing of Government restrictions.

In order to keep our customers safe throughout the pandemic, we produced a safety video for our social channels, YouTube and TV adverts. This enabled us to reassure our customers of the precautions we had put in place for their own wellbeing, as well as providing key tips on how they can best keep themselves safe when travelling. Despite the disruption caused by the effects of Covid-19, we were able to continue to support 'virtually' a number of charitable organisations, so maintaining important links, including a local children's cancer charity, Jeremiah's Journey, Age UK, Chestnut Breakwater Swim in aid of prostate cancer and the Good Grief Trust.

Suppliers

Our suppliers are fundamental contributors to the success of our business. Regular meetings and forums are held to manage relationships, understand challenges and to source, identify and implement new solutions and alternative ways of working. To maintain local and sustainable community links, we aim to use local suppliers wherever possible. For example, throughout the course of the pandemic, we purchased key items from local providers including for instance, hand sanitiser for onboard our services and within our depots, as well as the protective screens fitted in the drivers' cabs on buses and in front of all colleagues' desks. We have continued to work closely with these companies to ensure a quick delivery, whilst also supporting local businesses that were struggling due to the pandemic.

Local authorities

Working closely with local authorities enables us to contribute our private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery. We have a constructive and strong relationship with the local authorities in which we operate. Collaboration is built through regular discussion and meetings in order to discuss local short-term priorities as well as to understand the long-term strategic agenda. We hold monthly meetings with Plymouth City Council (PCC) and Cornwall Council to discuss areas of improvement and support the objectives of the Bus Punctuality Improvement Plan (BPIP). For instance, during the year, we improved the traffic light prioritisation for buses. Additionally, we work closely with PCC to administer our joint bus operator ticket scheme, Skipper, with bi-annual meetings also being held to discuss ticket usage and promotions. We have worked with local authorities to raise passenger awareness of specific promotions and new services, as well as reviewing punctuality and performance at monthly intervals. This process enables us to agree adjustments to timetables for example and improve reliability.

Local communities

Public transport is critical to the functioning of society and has been fundamental in supporting communities through the COVID-19 crisis and other emergencies.

During the onset of the pandemic, we were forced to reduce our network, but we adopted measures to ensure key workers were still able to use our services. In particular, we were in daily contact with the local NHS Trust to make sure these changes did not impact on any key workers that needed to get to work, especially those operating from Derriford Hospital – the main healthcare provider in the area. By continuing to work closely with the NHS Trust throughout the pandemic, we have been able to adjust our services, where necessary, to prevent any gaps or key workers being unable to access their place of work.

During the year, we also established regular communication channels with the local supermarkets to ensure that our services continued to reach these essential businesses. In particular, this engagement has allowed us to tailor our routes throughout the pandemic and allowed us to ensure services were available for key workers and customers during the new, extended hours.

In making decisions, the board considers how the Company's activities may impact both current and future stakeholders, which, for example, could include impacts on the environment. Further details are provided in our section 172(1) statement on pages 1 to 4 of this document.