

Registered No: 04860660

**London & South Eastern Railway Limited**  
**(the “Company”)**

The following Section 172(1) Statement and Corporate Governance Report have been extracted from pages 8 to 18 of the Company’s Annual Report and Financial Statements for the year ended 27 June 2020.

**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 27 June 2020.

**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 The Go-Ahead Group plc (the Group), colleagues, customers and the communities it serves.

The composition of the board and how it operates is set out under Principle 2 (Board Composition) of our Corporate Governance Report on pages 14 and 15 of the Company’s 2020 Annual Report and Financial Statement (pages 7 and 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 27 June 2020. 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, is included on pages 14 to 18 of the Company’s 2020 Annual Report and Financial Statements (pages 7 to 11 of this document). It is also available on the Company’s website at [www.southeasternrailway.co.uk](http://www.southeasternrailway.co.uk).

**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 set out in the following table:

## Section 172 of the Companies Act 2006 (continued)

Section 172	Compliance
<p>a) The likely consequence of any decision in the long term;</p> <p>and</p> <p>e) The desirability of the company maintaining a reputation for high standards of business conduct.</p>	<p>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 Governance Report on Pages 17 and 18 of the Company's 2020 Annual Report and Financial Statements for further details (pages 10 and 11 of this document). 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.</p> <p>The viability of non-franchise business principal decisions (for example acquisitions, disposals, bids and board appointments) are considered and approved by the Group Board (under the Company's schedule of matters reserved for the Group Board). The Group's devolved operating management operating model is a key feature of this decision-making process, with the Group executive directors acting as an intermediary and ensuring there is two-way feedback between the Group Board and the Company board.</p> <p>Any decisions relating to franchise business such as, for instance, the negotiation of the Direct Award Contract and the Emergency Measures Agreement (EMA), are first considered and approved by the Company board. If approved, the Group Chief Executive would then submit a proposal to the Group Board for formal approval before obtaining approval from the Company's sole shareholder, Govia Limited. This is in accordance with the Govia Limited Revised Shareholders Agreement and Side Letter dated 3 August 2005 (the Govia Agreement).</p> <p>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 never been more important than during the COVID-19 pandemic. We have worked closely and collaboratively with key industry partners, such as the DfT and Network Rail to find solutions which ensure that service provision remains at the right level, government policy is brought into effect, and the Company received funding to enable essential services to be delivered.</p> <p>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 diversity of the communities we serve. During the year, we have seen the positive impact our inclusion and diversity initiatives can have providing an inclusive environment to our workforce, with our graduate and apprenticeship schemes notably bringing increased diversity into the business.</p> <p>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.</p>

## Section 172 of the Companies Act 2006 (continued)

Section 172	Compliance
<p>b) The interest of the company's employees</p>	<p>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 Gold standard by Investors in People.</p> <p>Safeguarding the health and wellbeing of the Company's employees (and other stakeholders) remains the main priority for the board with additional precautions having been taken over the past six months in response to the COVID-19 pandemic. Such actions have included adherence to government policies and guidelines and advice from WHO and other relevant advisory bodies; enhanced cleaning regimes and social distancing measures; measures taken to minimise contact, such as reduction in cash handling; provision of protective equipment for customers facing colleagues; customer information helping people to choose quieter services; working from home; increased levels of engagement with colleagues; and great access to enhanced mental health programmes and helplines.</p> <p>The Company regularly communicates to its employees through a range of channels including internal communications (for example digital, print and interactive channels); colleague and leadership forums; the People Board, colleague network groups and an area partnership programme. Regular employee pulse surveys are undertaken to allow colleagues to provide honest feedback about their experience working at the Company, the results of which provide a measure of colleague engagement and help us identify areas of improvement. Pulse surveys during the early months of the pandemic have been valuable in helping us understand the most effective way of communicating with colleagues and what's front of mind for them. One of the key insights from our survey data is the need to always explain the rationale for decisions and changes to plan, for example the change to industry guidance on facemasks</p> <p>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.</p> <p>The Company's workforce is represented by trade unions and employee representatives and the board strive to foster positive working relationships with them. This has never been more vital than in recent months. The Company has been working alongside trade unions to keep colleagues informed and up to date on all government changes and safe working practices during the COVID-19 pandemic.</p> <p>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 Company supports the cross industry 'Women in Rail' initiative which is a mentoring programme to support and encourage the coaching and development of women. Other key focus areas during the year have been the setup of other Colleague Network Groups such as The Company (LGBT+) and Mind the Gap (mental health group). These groups are open to everyone working at the Company and aim to drive positive change and positive action within the Company.</p> <p>We have recently been awarded Top Employer at the 2020 Women in Rail awards. In 2020, we also established a Colleague Network Group for colleagues from a Black, Asian and Minority Ethnic background.</p>

## Section 172 of the Companies Act 2006 (continued)

Section 172	Compliance
<p>c) The need to foster the company's business relationships with suppliers, customers and others.</p>	<p>The board regularly reviews how the Company maintains positive relationships with all its stakeholders, including suppliers, customers and others.</p> <p>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. During the COVID-19 pandemic, we have taken active steps to safeguard our essential supply chain, continuing to pay suppliers in line with the Prompt Payment Code and applying a fair and structured process when the reduction of supplier services has been necessary, in line with the Company's Sustainable Supply Chain Charter. Regular supplier engagement is key to maintaining good relations, and we communicate regularly with all suppliers to keep them abreast of key changes e.g. in respect of our franchise agreement, COVID-19 changes and Brexit planning, as well as routine tendering and contract variation discussions.</p> <p>Customers are at the heart of the business and the board is dedicated to providing 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 biannual surveys conducted by the independent watchdog, Transport Focus. During the year, we had some of the highest punctuality and customer satisfaction scores in the industry at 81% and 83% respectively in the first half of the year. We build relationships with our customers through our passenger-facing colleagues, customer ambassadors and social media channels. We conduct regular customer satisfaction surveys, which are analysed to gain insight into the drivers of satisfaction and to understand where to focus improvements. We also operate customer and run meet the manager sessions to gain further insight on our performance. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs of our passengers and where to focus improvements. Customer feedback has been incorporated into schemes such as the design of service disruption information, passenger wayfinding improvements at Lewisham station, and targeted improvements to facilities such as toilets, shelters and seating at a number of stations.</p> <p>In response to COVID-19, the Company rolled out swab testing at stations' high touch areas to confirm the effectiveness of its additional cleaning measures. Weight sensors fitted to trains help to identify when they reach maximum capacity while allowing space for social distancing, enabling front line colleagues to assist passengers on which train to board.</p> <p>Under the Emergency Measures Agreement (EMA), the DfT has a significant interest in the financial and operational performance of the Company and takes an active role in decision-making where the EMA allows. Communication with the DfT is via weekly senior meetings and a monthly board and finance review meetings, in addition to liaison by the Company's contract management team.</p>

**Section 172 of the Companies Act 2006 (continued)**

<b>Section 172</b>	<b>Compliance</b>
<p>d) The impact of the company's operations on the community and environment.</p>	<p>As a public transport operator, the Company has far reaching impact on The Go-Ahead Group plc (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.</p> <p>Trains are one of the greenest travel choices people can make and we are working hard to further reduce our environmental impact. A single train can carry over 1,000 people (where social distancing is not required), collectively taking thousands of cars off the road. Our train fleet is 100% electric and the electricity used by our trains (except on HS1) is produced without generating carbon dioxide emissions (CO<sub>2</sub>e). The Company has an ongoing environment and energy plan, which includes a target to reduce Scope 1 and Scope 2 CO<sub>2</sub>e, and this forms an element of our wider sustainability planning.</p> <p>The board recognises our role in the community. Rail is essential to the economic wellbeing of Kent, whether it be through providing travel for commuters, creating access, direct employment or through our spending in the community. We are active in our community in a range of social and economic ventures, including support to and collaboration with local charities, buying locally where we can, being active members of Visit Kent and working with local authorities to improve amenities and access, and to encourage greener travel.</p> <p>Moving forward over the next 2 years we will be seeking to bring together our range of environmental, social and community activities into a fully integrated sustainability strategy and vision for the next 5 to 25 years.</p> <p>The Company is working towards NIS compliance which is aligned to ISO 27001 for Information Security. It also holds ISO 140001 for environmental management system and ISO 50001 for energy management, which cover wider stakeholder/societal obligations.</p>

**Section 172 of the Companies Act 2006 (continued)**

<b>Section 172</b>	<b>Compliance</b>
<p>f) The need to act fairly as between members of the company.</p>	<p>The Company is owned 100% by Govia Limited. Govia Limited is a joint venture between Keolis (UK) Limited (35%) and the Group (65%). The Company's ultimate parent company and controlling party is the Group.</p> <p>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 management's team 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.</p> <p>As mentioned above, the Company operates in accordance with the Govia Agreement. This ensures that the board conducts the business in a manner which is most likely promote the success of the Company for the benefit of its stakeholders collectively.</p>

## Corporate Governance Report

For the year ended 27 June 2020, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the **Wates Corporate Governance Principles for Large Private Companies** (published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website.

These new corporate governance reporting requirements apply to company reporting for financial years that started on or after 1 January 2019 and Companies are able to adopt the Wates Principles as an appropriate framework when making a disclosure regarding corporate governance arrangements. We have adopted the disclosure in our 2020 Annual Report and Accounts and set out below is how we have applied the Principles over the past year throughout our work.

### Principle 1 – Purpose and Leadership

Whilst the Company does not have a defined purpose statement, it is focused on the communities it serves and has effective and longstanding partnerships with local user groups, commuter associations, local authorities and elected representatives.

The Company's vision is to deliver 'our best ever passenger experience' and its mission is to achieve '85% customer and colleague satisfaction'. This vision and mission have been distilled into a set of values (we care passionately about our people and passengers; we make the difference together; and we aim to be the best) which were developed collaboratively with colleagues through a series of workshops and consultations. The Company has developed several behavioural frameworks aligned to the organisation's structure with the Company's vision and mission sitting at the heart of each framework.

The Company has developed a Strategic Plan which clearly articulates the Company's strategic objectives, roadmaps setting out action plans for achieving those objectives and the key performance indicators used to measure attainment. The core objectives are centred on safety, passengers, performance, people, reputation and financial and contractual commitments. During the COVID-19 pandemic, the Company's strategy was a three phased approach: Respond; Recover and Come back stronger.

Our vision, mission, values and behavioural frameworks are all aligned to our strategic objectives and embedded and integrated throughout the employee life cycle through recruitment, induction, training, internal communications, performance development reviews, annual colleague engagement surveys and HR policies and procedures. Periodic pulse surveys, the Investors in People accreditation process and initiatives such as the Extra Mile recognition scheme which is directly aligned to our values and behaviours provide useful measures of how our people bring the value of our culture to life in their day-to-day roles.

Customer satisfaction is tracked through external / independent and internal surveys with customer feedback and sentiment being monitored through correspondence, social media and the press. The Company has established a People, Passengers and Reputation Board which meets every four weeks to oversee cultural measures and indicators.

### Principle 2 – Board Composition

The board operates in accordance with the Govia Limited Revised Shareholders Agreement and Side Letter dated 3 August 2005.

The board comprises the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors), the Company's Managing Director, the Company's Finance Director and the Group Managing Director of Rail Development (together the Go-Ahead directors) and two Keolis directors. All Go-Ahead directors on the board are full time employees of either The Go-Ahead Group plc (the Group) or the Company. This composition ensures that the board has the appropriate balance of skills, knowledge and experience.

The Chairman (the Group Chief Executive) leads the board and promotes a culture of open and constructive debate. This role is separate to that of the Company's Managing Director who is empowered to operate the business autonomously with the support of the rest of the board.

## **Principle 2 – Board Composition (continued)**

Board meetings are held on a monthly basis with the Group executive directors in attendance who scrutinise and challenge execution of strategy. Robust independent challenge is also ensured by the attendance of the Keolis directors who bring a range of perspectives from different businesses and geographies. The Train Services Director also attends meetings on a monthly basis and other members of the Company's Executive Team attend on rotation by invitation for deep dive exercises.

The Company 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.

We acknowledge that there is a relative lack of diversity on the board. The board is committed to developing a more diverse workforce, including at the most senior levels.

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. Examples of training and development opportunities provided during the year included the Finance Director's attendance at a week-long external training course for new directors. The company also provides training on the Competition Act, Anti Bribery and Corruption Act, Data Protection and Modern Slavery.

Whilst a formal board evaluation does not take place, the Group executive directors individual effectiveness is assessed as part of the Group Board's wider annual review. The individual effectiveness of the Group Managing Director of Rail Development, the Company's Managing Director and Finance Director are assessed by 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 the key business areas for each of the Company's Directorate: Safety, Finance, Train Services, Passenger Services, Commercial, HR and Communication and Publicity. This includes a KPI and Period Report for each area as well as a cycle of deep dive presentations by function. The board has formal and robust internal processes to ensure systems and controls to ensure that the quality and integrity of information provided to it is reliable and accurate.

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. More recently, this also includes an Operating Company Board Procedures Manual which sets out 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. The Company's HR policy sets out, amongst other things, policies on code of conduct, conflicts of interests and public interest disclosure.

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 apply fair and equitable employment practices. Our Code of Conduct, which is available to all colleagues through the company intranet, 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. The Company produces a corporate plan which includes identified risks and opportunities. The time limited structure of the franchise however mitigates against long term value excepting that delivery of good results and performance is a factor in bid evaluation.

Risk appetite is set at Group level and is monitored in aggregate for operating companies. Risk tolerance is advised to operating companies and is included in the Group's annual report.

Within the Company, the Objective Boards, each Chaired by a Director are responsible for ongoing and active risk identification and tracking mitigation. In addition, the Quarterly Business Forum, chaired by the Managing Director, moderates the risk register, supported by the Internal Audit Manager.

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.

A summary of the Company's key principal risks and mitigations are outlined on pages 6 and 7 of the Strategic Report in the Company's 2020 Annual Report and Financial Statements.

### **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 Company's board members, remuneration is determined by the Group Board in line with the Group's Senior Management Remuneration Policy. 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 Group executive directors and Group Managing Director of Rail development are remunerated by the Group. The Company's directors' remuneration is disclosed on page 44 (note 6) of the Company's 2020 Annual Report and Financial Statements. For further details of the remuneration policy which applies to the Group executive directors together with details of the remuneration paid to them in the 2020 financial year, please see pages 90 to 112 of the Group's Annual Report and Accounts.

Remuneration for senior management and administrative roles is recommended by HR and submitted to the board for their approval. Remuneration for the wider workforce such as, for instance, drivers and engineers is guided by the Company's Management and Admin Pay Setting Principles Policy. This Policy is reviewed by the board on an annual basis as part of an agreed collective bargaining procedure agreement. In line with this Policy, remuneration recommendations are put forward to the board for their endorsement, considerations of which will take into account several factors such as the Company's ability to pay, individual responsibility, market, economic climate and franchise obligations. As principle, all salaries, benefits, pensions and other elements of remuneration are benchmarked regularly to ensure they remain competitive in the markets in which we operate. When carrying out such exercises, the Company engages external remuneration consultants and accesses salary surveys from XPert HR.

DfT approval is required for bonus schemes both for directors and senior managers if the schemes are to be funded through subsidy.

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 improvement plans to enhance performance. This included changes made to the Company's recruitment process to attract more applicants, supporting network groups and addressing unconscious bias.

## **Principle 6 – Stakeholder Relationships and Engagement**

The board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our vision and protect the Company's brand, reputation and relationships with all our stakeholders. The Group's key stakeholders include the Group, DfT, workforce, customers, government and local authorities, strategic partners and suppliers, the communities we serve and a wide range of regulators, associations and administrative bodies.

### ***The Go-Ahead Group plc (the Group)***

The Group is the Company's ultimate parent. The board believe 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 sit on the Company's board, form 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.

### ***DfT***

Under the Emergency Measures Agreement (EMA), the DfT has a significant interest in the financial and operational performance of the Company and takes an active role in decision-making where the EMA allows. Communication with the DfT is via weekly senior meetings and a monthly board and finance review meetings, in addition to liaison by the Company's contract management team.

### ***Workforce***

Having an engaged workforce is key to our success. We use a range of engagement channels and approaches in our business and colleagues are kept informed of key messages through digital, print and interactive channels. We also conduct annual colleague engagement surveys, the results of which provide a measure of colleague engagement and help us identify areas for improvement. Colleague forums, colleague network groups and area partnership programmes are just some of the other channels that exist to enable colleagues to interact with senior management and have their say on the latest developments as well as share ideas.

The Company works collaboratively with trade unions, our focus being to maintain a trustful relationship and secure a mutual view of colleague engagement. A set of collective bargaining principles have been developed and agreed with a clear framework in place that covers effective joint working at all levels within the business. This is further facilitated by the Joint Company Council which meets three times a year and is attended by the Company's Executive Team, representatives of our managers forum and union representatives. The Company's relations with the Trade Unions have been positive and constructive resulting in minimal matters of conflict or industrial action for nearly two decades.

The Company has formal and comprehensive whistleblowing policy in place which is accessible to all colleagues via the HR section of the Company's intranet and provides them with the opportunity to raise legitimate concerns about any form of wrongdoing in confidence, anonymously and with protection from retaliation. 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. There is also a range of other channels which provide a genuine means for colleagues to raise concerns and these include discussions with line managers, performance development reviews, Tool Box Talks in Engineering, Skills Enhancement Days (drivers and conductors), local HR, Trade Union H&S representatives, Close Call reporting and the industry confidential reporting system CIRAS.

### ***Customers***

We build our relationships with our customers through passenger-facing colleagues, customer ambassadors and social medial channels. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs of our customers. We conduct regular customer satisfaction surveys, which are analysed to gain insight into the drivers of satisfaction and to understand where to focus improvements. We also operate customer panels and run meet the manager sessions to gain further insight on our performance.

### ***Government and local authorities***

Working closely with both central and local government enables us to contribute our private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery. In addition to meetings, newsletters and email correspondence, effective two-way engagement is facilitated by parliamentary engagement events and the Company's representation at local council committee meetings.

***Strategic partners and suppliers***

We work collaboratively with strategic partners, including Transport for London and Network Rail, and build strong relationships with core suppliers. Engagement takes place in the form of contract review meetings to discuss supplier performance and areas of improvement as well as to identify risk and mitigating plans. Detailed tender processes are undertaken for high value goods/service requirements to ensure that business requirements are fulfilled, ensure supply chain assurance and value for money.

***Communities***

Public transport is critical to the functioning of society and has been fundamental in supporting communities through the COVID-19 crisis. We have various channels for facilitating effective two-way engagement our communities, one example of which is Stakeholder Forums which take place twice a year. These provide stakeholders with an exclusive update on the Company's network developments such as, for instance, capacity, and provide an opportunity for them to ask questions. A virtual forum took place during the COVID-19 lockdown.

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 8 to 13 of the Company's 2020 Annual Report and Financial Statements (pages 2 to 6 of this document).

***Regulators, associations and administrative bodies***

The Company has relationships and engages with a wide range of regulators (Office of the Rail Regulator ("ORR"), Health and Safety Executive, Rail Safety Standards), associations (Rail Delivery Group ("RDG")) and administrative bodies (London Travel Watch, Transport Focus, Rail Users Consultative Committee, Rail Ombudsman and Rail User Groups). We engage with regulators by participating in consultation exercises, such as a recent ORR consultation on the Network Rail Fixed Track Access Charge, the Managing Director leads the RDG work on fares, the Finance Director for Group leads the RDG traction electricity purchasing scheme, and the Company is represented at other RDG forums including Engineering and Human Resources.