

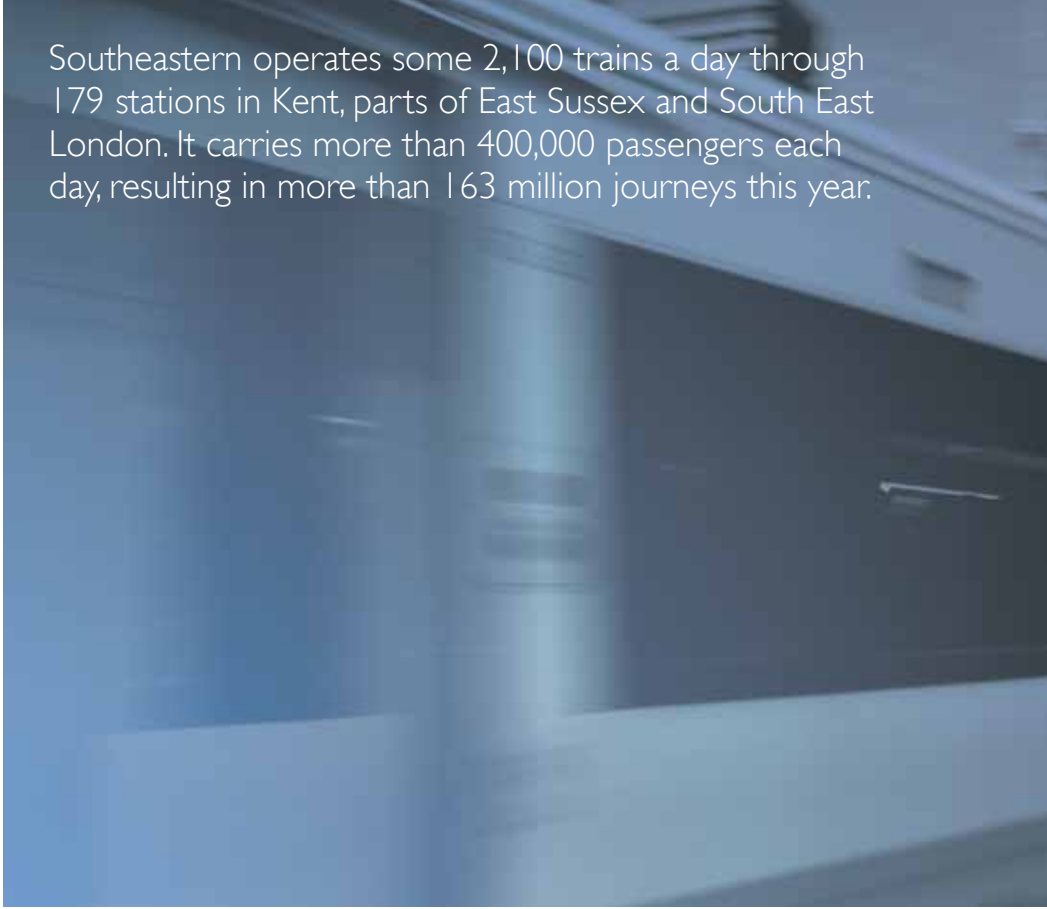


southeastern

*Working together to bring
people together...*

Corporate Responsibility Report 2011

southeastern.



Southeastern operates some 2,100 trains a day through 179 stations in Kent, parts of East Sussex and South East London. It carries more than 400,000 passengers each day, resulting in more than 163 million journeys this year.

We're a part of the
Go-Ahead
Group

www.southeasternrailway.co.uk

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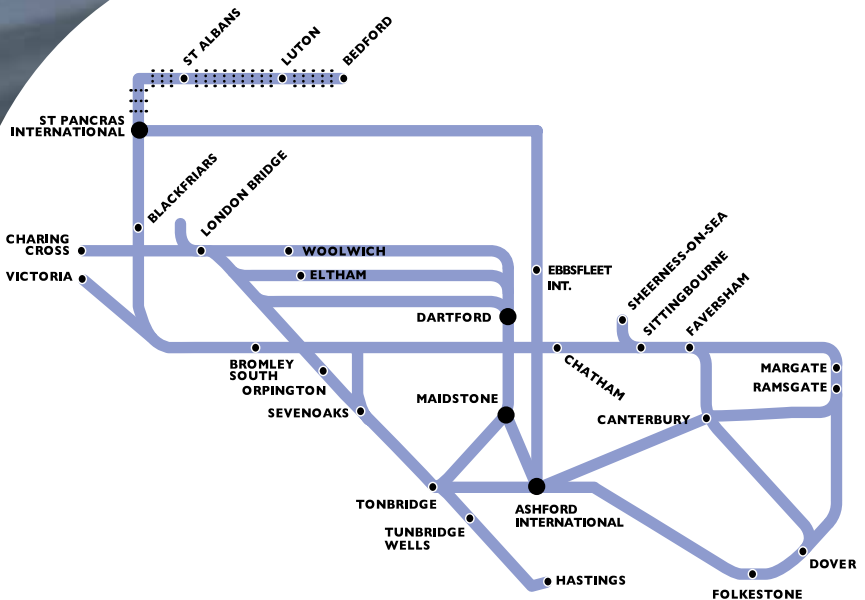


ABOUT SOUTHEASTERN

Southeastern operates some 2,100 trains a day, over 748 route miles and through 179 stations in Kent, parts of East Sussex and South East London. It carries more than 400,000 passengers each day, resulting in more than 162 million journeys in the past year and employs 3,700 people.

2011 HIGHLIGHTS

- Independent survey records passenger satisfaction at an all time high
- Regional winner of National Training Award for employee development
- Silver Investors in People accreditation
- More passengers travelling on our services
- More train services operating than ever before
- 60 Stations with safer Station Accreditation
- 70% of waste recycled
- Increased use of rural branch line services



MESSAGE FROM
CHARLES HORTON,
MANAGING
DIRECTOR



Southeastern's purpose is to serve people. We run train services to enable customers to get to work, make business trips, and visit family, friends and places.

People are at the heart of everything we do. Our company vision – created by employees from across the business – is 'working together to bring people together' and this is supported by our mission to 'run a service that passengers like and we're proud of'. These statements reflect the spirit of Southeastern and the strong commitment we have to continue to improve all aspects of the service we provide for our customers.

Our reputation is important to us and we want employees to be proud of the company they work for and customers to value the service they receive. So we aim to enhance our reputation by continuing to make a positive contribution to the communities we serve by concentrating our efforts on our company objectives: developing our employees; improving customer satisfaction; enhancing safety, security and being environmentally responsible; further improving the train service; and making a financial contribution to the Go-Ahead Group.

Over the past year we've faced some challenges: with a tougher economic climate; bedding-in the largest timetable change for 40 years; and the severest winter on record in Kent for several decades. But, despite these challenges, our employees have proven themselves to be committed, customer-focused and dedicated to serving our customers.

It's testament to their work and achievements to see the latest national passenger survey showing customers have noticed an improvement with their service and 82% overall satisfaction is the highest score ever achieved in this part of the UK's network.

There are also more people travelling on our trains than in previous years, and we're operating more services across our network than ever before. Although these are encouraging results, there's always more that can be done, and we're never complaisant.

In the past year we've successfully achieved Investors in People silver status demonstrating our continued investment in training and developing customer-facing and management staff. We've also achieved the highest level of customer satisfaction for this region – according to the most recent independent survey by Passenger Focus.

Our commitments to recycle more waste and reduce our energy consumption have been very successful, moving from 10% to around 70% of all our waste now being recycled. Southeastern is recognised in the industry for its environmentally responsible approach. We've worked with industry partners to modify trains so that unused electrical power can be recycled back into the network. And in all workplaces our 'environmental champions' employees from all areas of the business, encourage colleagues to be creative and think of ways to reduce energy use and recycle waste both at work and at home.

The railway in this region has always played an important role historically and it continues to do so in the current time. This was the first area of railway in the UK to be electrified and Brixton station was the first to have electrical lighting. Britain's oldest railway station in Deptford is being re-furbished and re-modelled to meet today's travellers' needs.

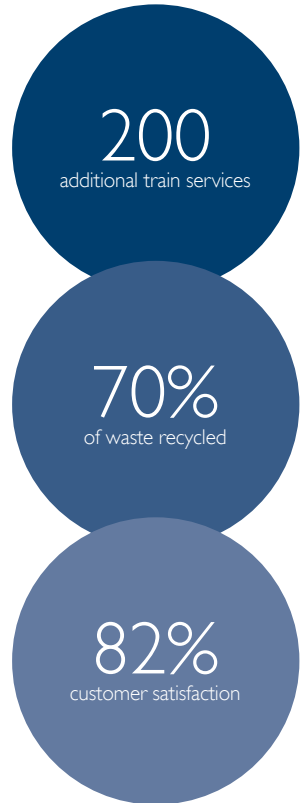
So, as it did in the past, today, the rail service continues to be a vital element in the economic sustainability of the region and is making a strong contribution to regeneration of areas such as North Kent and Thames Gateway. Over the past year our high speed domestic service has expanded to incorporate more towns and villages and provide local people and businesses with greater opportunities.

By working in partnership with industry colleagues and local authorities and stakeholders we respond to the current and contribute to the future needs of the region we serve. We'll continue to listen to our stakeholders, passengers and employees and as ever welcome feedback on what we can do to improve things further.

Charles Horton

Managing Director

OUR 2011 PERFORMANCE



SAFETY

Take personal responsibility for our actions

95%

stations with Secure Station accreditation

75%

of trains have CCTV

Continuous improvement in our health and safety performance plays a major part of our corporate responsibility strategy. The safety of our passengers, employees and contractors is extremely important. We have a dedicated safety plan which seeks to reduce the risk associated with our activities.

To ensure that our employees are able to work in a safe environment we've revisited our health and safety management arrangements to identify any risks and implement controls to reduce them. We're also working to develop an interdependent safety culture where every employee takes an active interest in their own safety and that of their colleagues.

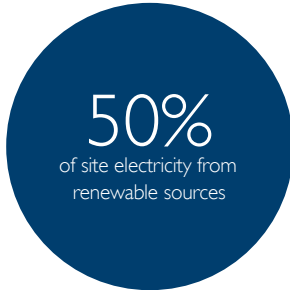
Working in partnership with the British Transport Police (BTP) to deter crime and anti-social behaviour on our trains and at our stations has been successful with the lowest level of reported crime on our network since records began.

To date 60 of our stations have achieved safety certificates as part of the Secure Stations Scheme managed by the Department for Transport and British Transport Police. These awards acknowledge the on-going effort to deter crime and anti-social behaviour at our stations, and are dependent on meeting strict security criteria including a reduction in crime rates at stations, good station maintenance (lighting, CCTV etc) and positive results in an independent passenger survey. Our Rail Enforcement Officers (REOs) continue to make a strong positive contribution to ensuring both passengers and employees feel safe. Accredited and trained by the British Transport Police they provide a visible and reassuring presence and are deployed across our network. Their work is regularly commended by the police for the assistance and support they give.



ENVIRONMENT

Operate in a socially
and environmentally
responsible way



We have continued commitments to reducing the amount of electricity, gas and water we use and to recycling more of the waste we create. We are now 7% better than our 10% reduction target for gas consumption. 'Environmental champions' across our company encourage colleagues to work responsibly – turn off lights and dispose of waste correctly. They also encourage people to find innovative energy saving solutions.

The environmental champions are a group of volunteers who've mobilised colleagues to be greener, both at home and at work. They've worked with the wider community, raising funds through recycling for local charities and sharing best practice with local businesses and other train companies.

Wherever possible we use regenerative braking on our trains to harness energy from braking and return it as electricity to the network. Our drivers have been trained in energy efficient driving techniques, we reduce the mileage run by empty trains and install software to reduce the power trains use when berthed at sidings.

We've introduced a programme to upgrade our lighting to new energy efficient systems which use 60% less electricity. And at stations we've installed Suntracker technology, an automatic time system for lights which adjust to local sunrise and sunset times. We've also fitted Smart Meters to our buildings so we can monitor electricity and gas usage more accurately.

We've had many successes in reducing waste, re-using equipment and recycling. Over the past few years we've moved from recycling 10% of our waste to 70%.

Around 70 tonnes of newspapers left at trains and stations each month are recycled and we've teamed up with Metro newspapers to produce on-platform recycling systems at several stations. Waste from our London operations is sent to a 'waste to energy' plant where it is used to generate electricity.

Over the past year we've reduced the amount of waste produced by 17%.

PASSENGERS

Take care of our customers

82%

customer satisfaction in national passenger survey

5%

more passengers travelling by rail



We now have more passengers travelling with us than ever before and we're operating more train services than previously. This June we achieved our best ever customer satisfaction score in the spring National Passenger Survey conducted independently by Passenger Focus. More than eight out of 10 people who use our services find the service they receive satisfactory or good (82%).

A punctual service that passengers can rely upon is their number one concern. Since January 2011 we've regularly been running over 90% of all train services on time* day-in, day-out. Each month our average performance is above 90%. Our priority remains to continue to improve on this. But another important aim is for us to improve the information we provide passengers particularly during times of disruption.

With industry partners we've developed smart phone apps to assist passengers with their journey planning and are making more use of social media such as Twitter. We've also provided many more of our employees with Blackberrys and other technology so they can be better informed and assist customers. We're implementing the national scheme to 'zone' all stations so that there's consistent information for travellers at all, such as 'onward travel maps'.

We've been working with industry partners Network Rail and the Department for Transport to improve the station environment for passengers. Improvement work has been taking place at many stations across our network to install lifts and ramps, refurbish booking halls, create waiting areas, improve lighting, and generally make the stations better places to use and work. With the DfT, around £150k has been invested to improve cycle racks and storage at our stations, encouraging people to cycle to their stations.

Work to refresh the interior of some of our train carriages is also underway – and we're hopeful passengers will continue to notice the improvement work and this is reflected in future surveys.

* 'on time' is measured as trains arriving at their destination within five minutes of the scheduled timetable.

EMPLOYEES

Support our colleagues

45%

of employees hold a national vocational qualification

Southeastern's commitment to training of employees and encouraging continued learning and development has been recognised by winning a National Training Award for the South East region. And in the past year we've also achieved 'Silver' Investors in People (IIP) accreditation.

We are recruiting and training people from disadvantaged groups and are supporting a new Department of Work and Pensions tool on employing people with disabilities. We have good links with local educational establishments, and run apprenticeship schemes in some of our departments, such as engineering.

Our focus is on being a good employer to work for that is committed to continued employee development. We place a great deal of emphasis and importance on staff training and development and aim to create an internal culture that 'continual learning' is part of. We're continuing to work with Investors in People and aim to progress to 'Gold' status in the coming year.

At the start of our franchise we committed to improving the skills of our employees and for 35% of employees to have a National Vocational Qualification (NVQs) by the end of 2009. We now have more than 45% of employees with NVQs in a range of subjects including engineering, customer services, security service and leadership and management and have invested more than £10.3m in training overall.

To help our managers we've developed a new leadership and management framework and a mentoring scheme for senior managers. We've created a management development programme which offers more formal training at the Institute of Leadership and Management supported by a Virtual Learning Resource Centre, developed in partnership with Ashridge Business School.

We're supportive of, and work with, Rail Union Learning, a group established to promote life-long learning and basic life skills.



COMMUNITY

Work collaboratively with stakeholders

150

stakeholder meetings
over the year

The railway service is at the heart of many local communities. Our stations are in 170 towns and villages across the region. We play an important role in many community programmes whether it's providing good links to London for businesses, installing a lift or ramp at a local station to make it more accessible or having schoolchildren visit to learn how to read timetables.

We have an on-going engagement programme with stakeholders to understand the concerns of passengers. We meet with MPs, councillors and user groups in both individual and public meetings as well as hold twice annual forums to which all user groups are invited for an update and ask questions of senior managers. We have a stakeholder advisory board, a group of volunteer customers who provide regular feedback to senior management. And every month senior managers also attend Meet the Manager sessions at a London terminus giving passengers the chance to talk directly with directors and senior managers about the service.

Working in partnership with local authorities we have successfully made funding applications to make many of our stations more accessible. With Network Rail under the 'national station improvement programme' or the Department for Transport's 'access for all' programme we are upgrading and improving stations to make them better places for passengers, employees and the local communities.

We've been recognised for our work with Kent County Council and Ashford's Future to support sustainable travel options for commuters. We've created 150% more cycle spaces and a secure cycle compound at Ashford station. We've also supported 600 personalised travel plans aimed at increasing cycling, walking and car-sharing to and from the station.

Over the past year we've contributed to several arts projects in the region – the opening of the Turner Contemporary at Margate and also Folkestone Triennial. By working closely with the organisers and creating joint marketing opportunities we've supported the local community to showcase their artistic work and to encourage investment and tourism into the area.

We continue our work with Visit Kent and Locate in Kent to encourage tourism and business growth in the region – particularly in areas of deprivation, needing economic regeneration.

We continue to support both with advice and financial assistance, the community rail partnership initiatives on the Medway Valley line and also the line between Sittingbourne and Sheerness on the Isle of Sheppey. These rural branch lines have seen an increase in passenger numbers with the Medway Valley line going up by 25% over the past few years.

	2010/2011	2009/2010	2008/2009
Safety			
SPADs (per million train miles)	0.76	1.13	1.1
Fleet with CCTV (%)	74	74	70
Environment			
Carbon emissions per passenger journey (kg)	1.37	1.48	1.54
Station/depot energy savings			
– Gas consumption (kwh)	8,659	10,856	9,569
– Electricity consumption (kwh)	25,902	25,163	28,328
Diesel Rail fuel efficiency (km per litre)	n/a	n/a	n/a
EC4T Rail fuel efficiency (km per kwh)	0.57	0.51	0.47
Passengers			
Number of journeys running to schedule (%)	89.0	89.2	90.8
Certified accessible trains (%)	48.2	48.2	43
Certified accessible platforms (%)	50.0	84	45
Web sales (%)	0.0	0.3	0.07
Passenger journeys using smartcards (%)	36.0	24.7	18.69
Employees			
Number of employees	3,709	3,751	3,829
Turnover rate (%)	7.0	6.5	8
Absence rate (%)	3.0	3.8	4
Number of staff training days	11,242	13,648	12,571
Diversity by ethnic group (%)			
– Asian, black or other origin	8.9	11.1	10
– White	91.1	88.9	90
Diversity by gender (%)			
– Women	9.5	14.8	15
– Men	90.5	85.2	85
Average length of service (yrs)	12yr	11yr 6m	11yr 9m
Community			
Charitable giving and investment (£)	6,625	28,000	15,020
Number of stakeholder events	150	100*	n/a

* First year of data collection.

For information on the full Group data please visit our corporate website www.go-ahead.com

We're a part of the **Go-Ahead** Group

You can find out more about Southeastern by visiting our website southeasternrailway.co.uk and more information on how Southeastern manages its corporate responsibilities can be found by visiting www.go-ahead.com/responsibility

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please write to:

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Verification of Corporate Responsibility data

For the third year Bureau Veritas UK Ltd has worked with the Go-Ahead Group plc (Go-Ahead) to verify and to provide an independent opinion on selected corporate responsibility (CR) key performance indicators (KPI) data contained within the Go-Ahead Group's Corporate Responsibility Report 2011. The information and data reviewed for this verification process relates to the reporting period 1st of July 2010 to the 2nd of July 2011. The verification incorporated site visits, interviews, document review and checking of Group and Operating Company data.

The full Bureau Veritas verification statement is available in Go-Ahead's Corporate Responsibility Report and at <http://www.go-ahead.com/responsibility.aspx>

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