



SOUTHERN

*Taking our
communities places*

Corporate Responsibility Report 2011

SOUTHERN

Southern operates one of the busiest rail networks in the UK with 1.62 billion passenger journeys made last year. We are focused on delivering a great customer experience and a reliable service to our passengers and aim to be an employer of choice in our local communities.



We're a part of the
Go-Ahead
Group

www.southernrailway.com

Contents

About Southern	1	Safety	4
Message from the Managing Director	2	Environment	5
		Passengers	6
		Employees	7
		Community	8
		Data table	9



ABOUT SOUTHERN

We run Southern and Gatwick Express train services for commuter, business and leisure passengers in South East England. Running services across South London, Surrey, Sussex, Kent and Hampshire, we pride ourselves on the way we work in partnership with our local communities.

2011 HIGHLIGHTS

- Passenger journeys: 162 million
- Number of employees: 4,043
- Fleet size: 311 train units
- Stations managed: 157

WHERE WE OPERATE

Our train services transport passengers between London and the South East coast – through South London, Surrey, East and West Sussex, and to parts of Kent and Hampshire.



MESSAGE FROM
CHRIS BURCHELL,
MANAGING
DIRECTOR



We are working to create a sustainable rail network. With our passengers' needs at the centre of our business, we are committed to making rail travel more accessible, more affordable and environmentally efficient.

Our corporate responsibility approach is important to our business development. Our results show that by investing in our people and our communities and working together with our partners and stakeholders, we can build a resilient business that offers a great customer experience.

Driving improvement

The past year has presented us with many challenges, not least the exceptional weather last winter. The rail industry has rightly been challenged to improve the way it manages delays and disruption. We are acutely aware of the need to prepare for and manage extreme disruption events better for passengers and so we have been working closely with Network Rail and our stakeholders to better prepare our businesses for such times.

Another challenge faced on the Southern network is capacity. This year we introduced more Class 442 trains and a fleet of Class 313 trains to provide more capacity where it is most needed. The Class 313 trains have undergone extensive investment bringing them up to a standard our passengers expect, with new interiors, full CCTV coverage and a new passenger information system. In a climate where new trains were simply not a viable option to us at the time, we extended the life of an older fleet and eased capacity constraints.

Value for money

Now more than ever, it is important that we deliver real value for money to our customers. By offering discounted travel on our least busy services, we are making rail travel more affordable. Our flash-sale in May offered passengers up-to 90% discounts on off-peak fares and attracted 5,000 new passengers to southernrailway.com.

Our partnership approach is also essential to adding value to our business. On Gatwick Express services we now offer our first class passengers complimentary access to Gatwick's No.1 Traveller airport lounge when they book online. In partnership with local authorities we have significantly improved cycle parking across the network with 920 new spaces, created 30 new station travel plans and renamed Coulsdon Town station, formally Smitham, to make it more reflective of its community.

The green agenda

Reducing our impact on the environment is more than just the right thing to do, it also helps us reduce our costs. With a certified environmental management system successfully operating in our engineering depots, our focus between 2010 and 2011 has been to align our stations and offices to the same standard. Our approach has been a resounding success and we are confident that we will be certified by the ISO 14001 environmental management standard across our business this year:

Safety

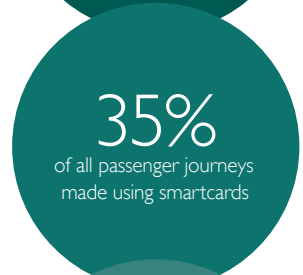
Safety continues to be a core focus in our business. Crime has reduced across the network by 11.5%. This success can be attributed to several factors including comprehensive live CCTV coverage at stations but also to our strong partnership with the British Transport Police through our Safer Travel Team.

At the heart of the community

Finally, I'm really proud of how we have developed our role in the community this year. Focusing our giving to local charities, we have adopted two new corporate charities, St. Catherine's Hospice and Rockinghorse. Our station partnership scheme has gone from strength to strength and we now have more than 20 flourishing partners. We have also engaged more young people this year. From work experience to our stakeholder advisory board's innovative 'Makin Tracks' competition we have worked hard to build new partnerships.

This year has seen many successes. In June 2011 we were delighted to achieve Investors in People accreditation, just months after our annual employee survey showed a 7% improvement in engagement. We also broke records at the National Rail Awards winning four awards for excellence in accessibility, engineering and stations. The forthcoming year holds more improvements for passengers with the introduction of Go-Ahead's smartcard, the key, and capacity improvements from longer trains on two routes. We are also working with the ODA and partners to prepare for the London Olympics. With the successes of this year behind us, our challenge for the year ahead is to maintain our growth bringing value and support to our passengers, employees and communities.

OUR 2011 PERFORMANCE



SAFETY | Safety at work

11.5%

reduction in reported crime

100%

stations now have
live CCTV

Last year we introduced a new online safety competency management system. To date, over 9,000 assessments have been completed. The system has proved efficient and reliable and we have been sharing our success with other train companies who also want to move their safety management online. We also introduced a fire safety e-learning project this year; over 900 employees have completed this training with others scheduled to take part next year. Selecting an e-learning programme minimises the impact of essential training on the service we provide. We have also been working in co-operation with our insurance brokers and underwriters to improve safety in the workplace through access to their independent safety experts. Our successes in safety management this year can be verified by our latest external audit which returned a positive verdict of 'no significant findings'.

Health and wellbeing

This year saw the fruition of an ambitious project to bring our occupational health management in-house. Previously supplied by external parties, we can now manage occupational health as well as general ill health more proactively through a dedicated team and medical centre. As well as performing fitness medicals and helping employees plan their return to work after ill health, we have also initiated a programme of wellbeing by offering our employees healthchecks.

Southern is your eyewitness

Our Safer Travel Team has gone from strength to strength in its second year with an 11.5% reduction in overall crime figures. Eyewitness, our innovative anti-social behaviour reporting system, has proved a success and took away the Cross Industry Partnership Award at the 2011 Railway Industry Innovation Awards. Eyewitness uses the eyes and ears of our employees to make our railway a safer place. This year we successfully extended the system to a sample of external stakeholders so we are currently adapting the system so that it can be extended again to passengers.



Southern's Safer Travel Team goes from strength to strength.

ENVIRONMENT

We are the champions

Our biggest environmental achievement this year has been to gain ISO 14001 approval for our environmental management system across all operations and support functions and to renew approval at our engineering depots.

This success is in a large part due to the commitment of our 43 new environmental champions, who have been proactively encouraging good working practices across our business. Thorough environmental audits coupled with local environmental impact assessments performed on new projects, have given us a better understanding of our environmental impact and enhanced our risk management.

Another big success has been an increased recycling rate to 64% of all waste; a 22% increase on last year which can be attributed to the introduction of mixed recycling points and a new contractor. Next year we will work towards completing the introduction of mixed recycling facilities.

We also designed and launched a new environmental e-learning package in partnership with Network Rail to increase environmental awareness across both organisations.

Driving energy further

Significant improvements have been made to stations this year with new ticket gates, more ticket machines, more information points and longer platforms, all of which have increased our demand for electricity. Nonetheless, our domestic electricity consumption continued to fall with a 1% improvement compared to last year. This reduction was achieved through good housekeeping as well as initiatives such as new energy efficient lighting at a further 11 stations and a voltage optimiser at our Brighton depot.

We plan to continue our programme of energy improvements and will investigate opportunities to introduce more solar panel and voltage optimiser systems. We believe that these measures will contribute to a reduction in our overall site energy CO₂, which although rising by 1.66% this year, has seen a 9.92% improvement against our 2007/8 benchmark. In line with the Go-Ahead Group's Driving Energy Further initiative we have set targets of a 5% reduction in both electricity and gas consumption over the coming year.

Traction electricity remains a substantial proportion of our total energy consumption and this year we improved traction fuel energy efficiency by 3.1% equating to just over 6,000 tonnes saving of CO₂. Next year we will also work towards improving our fleet's diesel consumption efficiency with energy efficient driving techniques and fuel additive trials. As part of our goal to encourage reduced energy consumption across our passengers' end-to-end journey, we will also pilot an electric vehicle charge point at Purley station and increase cycle parking across the network.

3.1%

traction electricity fuel economy improved by 3.1%

6.6%

carbon emissions per passenger journey 1.43 kilos – a 6.6% reduction from 2007/8 benchmark



Environment champions are a huge success.

PASSENGERS

920

new secure cycle spaces

4,909

online passenger
panel members

From door to door

A station travel plan helps manage the way people get to and from the station and encourages integration with other modes of transport including walking, cycling, bus and car sharing. Collaborating with local stakeholders we have created 30 station travel plans this year and next year we will be improving the opportunities for people to get to and from the station.

There have been significant improvements for cyclists this year. Across our network we have installed 920 new secure cycle parking spaces including brand new double deck racks. At Hove station the new two tier system holds 117 cycles in the same footprint as the old rack, an improvement of 57 spaces. We will continue to improve cycle facilities over the coming year and aim to have installed at least 1,500 new cycle spaces by 2013.

Inclusive travel

We have also been making it easier to get around the station. In partnership with the RNIB, we are the first train company to install 'Maps for All', which detail all the facilities available at the station in Braille and raised coloured plastic so that passengers can find their own way to the station facilities; a particular benefit to passengers with learning difficulties or who have a visual impairment.

To improve passenger communication, we trialled new touch-screen accessibility information points at several stations providing rail ticket and journey information, local accessibility information and interconnecting transport options. We also introduced a new Communications Guide designed to help employees communicate with those who cannot communicate well.

Ticket buying

Buying the right ticket quickly is a top passenger priority so we have installed 74 new ticket machines, including innovative 'Ticket on Departure' machines, making it easier for passengers to collect tickets bought online. We have also offered great value fares on Southern and Gatwick Express services with up to 90% discounts for off-peak travel.

From Autumn 2011, we will be piloting Go-Ahead's smartcard ticket, the key, which will transform the way in which passengers can purchase travel.



The grand opening of Access for All improvements at Dorking Station including a new lift.

EMPLOYEES

Investors in People



In June 2011 Southern was delighted to be awarded Investors in People accreditation, a standard which recognises commitment to continuous improvement through people. To achieve accreditation, Investors in People assessors interviewed over 400 Southern staff across the business to gather evidence that Southern fully engages its staff on topics such as recognition, leadership capability and opportunities for personal growth and development. We are immensely proud of this achievement and our people's passion for delivering a great service for their internal and external customers. It is testament to the professionalism and hard work of all our people across the business and acknowledges the investment we make in our people through training, support and reward.

Make their day!

In 2010/2011, 20,674 training days took place giving our employees the skills and behaviours they need to do their job well, as well as opportunities to develop such as studying for a customer service NVQ or a management diploma. In 2010 we introduced new customer service training for our customer-facing employees called 'Make Their Day', which gives our employees skills based on behavioural preferences. This helps them build rapport with customers and reduce conflict in difficult situations and in the last National Passenger Survey conducted by Passenger Focus we saw a 2% improvement in passenger perceptions of staff helpfulness at stations, a good improvement in customer service.

Employee survey

We are committed to finding out what our people think about us as an employer and improving Southern as a workplace. Last year, our annual survey told us that our people wanted to spend more time with their manager and have more regular business updates. We took this onboard and have introduced a new format of team briefing for customer-facing staff as well as more regular meetings with their managers. This has been a great success and in our 2011 employee survey we saw a 7% increase in engagement and a 17% increase in our response rate; a fantastic improvement. We will continue to make improvements and aim to increase employee engagement even further next year.



Employees recognised at a Service Quality Awards celebration.

COMMUNITY Youth community

£21,703

contributed to local community and charitable projects

20

flourishing Station Partnerships

Aiming to engage local young people in a new way, our Stakeholder Advisory Board launched a viral video competition, Makin Tracks, encouraging youngsters to write a song about their town on the Southern network. With the entries judged, the finalists will launch their winning videos online.

This year we revitalised our work experience programme for 14-18 year olds by introducing a project-based schedule giving the students real insight into the world of work. We have also initiated a partnership with the Job Centre to give work experience placements to unemployed young people aged between 18 and 24.

Our support was also lent to local projects through sponsorship. Sponsoring the Young Person of the Year category at Heart's Local Heroes awards gave us the opportunity to celebrate young role models in our local community and supporting Sussex County Cricket Club's community programme, which in summer 2010 saw 8,740 young people learning healthy living and teamwork through cricket. Next year we look forward to supporting Crawley Borough Council's youth 'Dance Off' at the Hawth Theatre.

Charitable giving

We believe in supporting the communities close to our network and giving to local charities is one way we can make a difference. This year we have worked closely with St. Catherine's Hospice, based in Sussex and Surrey.

In December 2010 we sponsored their fundraising Santa Run and in May 2011 supported their flagship 'Midnight Walk' promoting the event at local stations. Matthew Cornish, of St. Catherine's Hospice, said: "It's incredibly important that a company like Southern has chosen to support St. Catherine's. The hospice relies on the support of the local people and companies like Southern to ensure we can keep providing their vital service to the community."

Next year we will also be working with Rockinghorse, our employee chosen charity, and look forward to helping them raise funds and awareness of their cause.



Southern helps promote the St. Catherine's Hospice Midnight Walk 2011 at Crawley station.

	2010/2011	2009/2010	2008/2009
Safety			
SPADs (per million train miles)	0.89	0.83	0.6
Fleet with CCTV (%)	100	100	87
Environment			
Carbon emissions per passenger journey (kg)	1.43	1.41	1.56
Station/depot energy savings			
– Gas consumption (kwh)	16,147	13,670	15,121
– Electricity consumption (kwh)	27,981	28,280	33,738
Diesel Rail fuel efficiency (km per litre)	1.64	1.66	1.84
EC4T Rail fuel efficiency (km per kwh)	0.53	0.52	0.45
Passengers			
Number of journeys running to schedule PPM MAA (%)	89.43	90.7	90.7
Certified accessible trains RVAR (%)	63.7	68	72
Fully accessible stations (%)	64	60	55
Web sales (%)	9.5	6	0.64
Smartcard journeys (%)	34.9	24.7	20.23
Employees			
Number of employees	4,043	3,985	4,153
Turnover rate (%)	7	10	8
Absence rate (%)	3.7	4	4
Number of staff training days	20,674	16,531	25,496
Diversity by ethnic group (%)			
– Asian, black or other origin	18	18	19
– White	82	82	81
Diversity by gender (%)			
– Women	15	15	16
– Men	85	85	84
Average length of service (yrs)	9y 5m	9yr 2m	9yr 3m
Community			
Charitable giving and investment (£)	21,703	19,339	13,228
Number of stakeholder events	225	305*	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 Southern by visiting our website www.southernrailway.com and more information on how Southern 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:

Sarah Evans
Southern
Go-Ahead House
26-28 Addiscombe Road
Croydon
Surrey
CR9 5GA

Tel: 020 8929 8600

Email: communications@southernrailway.com



BUREAU
VERITAS

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>

This report was put together by The Go-Ahead Group and designed and produced by Black Sun plc, London.

Printed by Park Communications using environmental print technology which minimises any negative environmental impacts resulting from the printing of this document. We include the use of vegetable based inks, recycling 85% of dry waste, 85% of cleaning solvents and use 100% renewable energy.

Printed on Indigo Premium Smooth Uncoated which contains 100% post consumer waste and is FSC certified.