

**Govia Thameslink Railway Limited
(the “Company”)**

The following Section 172(1) Statement and Corporate Governance Report have been extracted from pages 9 to 20 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(1) of the Companies Act 2006 Statement

This report sets out how the Directors comply with the requirements of Section 172 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 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 Two (Board Composition) of our corporate governance report which follows the strategic report in the Company’s 2021 Annual Report and Financial Statements (pages 5 to 10 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 5 to 10 of this document) and is also available on the Company’s website: www.gtrainway.com

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

The directors are mindful of their duty to promote the success of the Company for the benefit of its shareholder having regard to the interest of a range of other stakeholders. In doing so, the Board's desire to act fairly for its shareholder, 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 its business. Further details are set out below:

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

Actively listening to and engaging effectively with our wide variety of stakeholders is key to ensuring responsible decisions are made. 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. Please refer to Principle 6 of the corporate governance report on pages 8 to 10 of this document for details on why and how we engage with our stakeholders and examples of how we responded.

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.

Any decisions relating to franchise business such as, for instance, the negotiation of the Emergency Recovery Measures Agreement (ERMA) in September 2020, 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).

The directors take the reputation of the Company seriously which is not limited to only operational and financial performance. The stakeholder relationships we have developed over many years have continued to be as important as ever. During the year, the Company continued to work closely and collaboratively with key industry partners, such as the DfT and Network Rail to find solutions which ensure a safe and reliable service for our customers.

The directors seek to ensure high standards of ethical conduct, honesty and integrity in our business practices. In addition to a supportive culture where the workforce is able to raise any concerns, the Company's Code of Conduct facilitates the understanding and embodiment of behaviours that align colleagues with the culture as set by the Company Board. Policies are also in place in relation to corruption, fraud and bribery. Additionally, the Company Board keeps under review any conflict or potential conflict of interest situations authorised by the board.

During the year, the Board approved the Company's modern slavery statement (available on www.gtrainway.com). With respect to Gender Pay Gap reporting, the Company has been working with the Group to ensure consistency in the collation of the data and reporting and appropriate action plans are being developed to promote gender pay equality.

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 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. Both Thameslink and Great Northern and Southern and Gatwick Express are certified to a Silver standard and have been assessed by Investors in People to be making good progress against their plans to achieve Gold.

Safeguarding the health and wellbeing of the Company's employees (and other stakeholders) remains the main priority for the Board. We have continued to build on the precautionary measures introduced in 2020 (and disclosed in our 2020 annual report and financial statements) to meet the challenging demands brought by COVID-19. For example, during the year, we implemented driver training bubbles with regular COVID-19 testing and introduced widespread workplace COVID-19 testing. We also enabled flexible working for those with parental or carer responsibilities. We regularly re-assess workplace risk, to ensure the safety of our employees.

To ensure our colleagues' voices are heard, the Company regularly communicates to its employees through a range of channels including internal media, management forums, newsletters and business updates. For further 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 endeavours to provide market competitive remuneration and comprehensive benefit packages as well as recognising and rewarding colleagues for their contribution and commitment. Following the government's announcement of a public sector pay freeze in November 2020, the Company is currently operating a mandated pay freeze for rail workers and have suspended payment of performance related bonuses and most discretionary benefits. Please refer to Principle 5 in the Corporate Governance Report on pages 8 to 10 of this document for further details on remuneration.

With the exception of directors and managers, 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 continued to be vital as the COVID-19 pandemic has progressed and 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 such as, for instance, driver training bubbles mentioned above.

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. Our People Strategy includes the goal 'Making Diversity and Inclusion part of our DNA'. We aim to build a culture where we attract, develop and retain talent that is truly representative of the communities we serve; where all colleagues can thrive and be themselves at work, where everyone intrinsically feels welcome, valued and safe.

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. Key focus areas during the year have been Learning and Development and Diversity and Inclusion initiatives, for example the development and implementation of a Learning Hub for all colleagues; two online manager training sessions on unconscious bias in the workplace; and our first Race Equality Network online event chaired by our Group Chief Financial Officer in post at the time.

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 stakeholders, including suppliers, customers and others. Details of stakeholders are set out in Principle 6 of the corporate governance report on pages 8 to 10 of this document.

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 applied a fair and structured process in line with the Company's Sustainable Supply Chain Charter, where possible. 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. In accordance with DfT policy, the Company also introduced rent payment holidays during the year for station retail tenants.

Customers are at the heart of the business and the Board is dedicated to providing them with safe, convenient and reliable services. During the year, the industry paused the bi-annual Transport Focus customer satisfaction surveys normally conducted. However, the directors continued to monitor customer satisfaction through internal online surveys. For example, our "On Time" measure (trains arriving within 59 seconds of the scheduled stop) was 71.4%. This resulted in a customer satisfaction score of 7.76 out of 10 in March 2021, the highest score since the survey began in May 2020. 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 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. Last year, weight sensors were fitted to trains to help identify when maximum capacity was reached while allowing space for social distancing, enabling front line colleagues to assist passengers on which train to board. This year, we built upon this further by implementing real time data apps to monitor and understand the passenger numbers through the gatelines and on board. This data driven approach enables more efficient train planning, with hotspots at stations being identified as well as when trains have reached their full capacity.

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 suppliers, customers and others.

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

As a public transport operator, the Company has a far-reaching impact on the Group 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.

With many people using our trains every day to get to work, school or see friends, we understand the importance of rail to passengers, communities, our staff and the economy. Therefore, the Company's commitment is to strengthen our contribution to the economy, increase customer satisfaction, boost local communities through local decision making, and give our employees and communities the opportunity of more jobs and a rewarding career in rail. Highlights for the year ended 3 July 2021 were as follows:

- Additional services in line with the needs of the community, for example the development and introduction of eight-car trains on the Fen Line in December 2020 to support long-term growth for the regions along the route, particularly the Cambridge growth corridor.
- Pre-employment programmes help to upskill unemployed or long-term unemployed people and get them work-ready, which can contribute to improved social mobility:
 - Eight young people completed the Prince's Trust pre-employment programme 'Get into Railways' with 5 GTR role placements pending.
 - 12 people completed our first Sector-based work academy programme, with 2 subsequently employed in GTR.
 - Three young people have commenced their 6-month work placements at Kings Cross through the government's Kickstart scheme.
- Over 550 children educated in railway safety
- 95 station partnerships making local stations more welcoming and vibrant

For further information on the impact of the Company's operations on the community and environment, including engagement, please refer to Principle 6 in the Corporate Governance Report on pages 8 to 10 of this document and 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 immediate parent company and immediate controlling party of Govia Thameslink Railway Limited is Govia Limited. Govia Limited is a joint venture between Keolis (UK) Limited (35%) and The Go-Ahead Group plc (65%). In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is The Go-Ahead Group plc (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 management's team execution of strategy. These more formal meetings are supported by several cross-business forums (such as safety, IT, engineering, HR, diversity and inclusion, commercial, operations and finance) 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

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.

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

Govia Thameslink Railway Limited

Corporate governance report

For the year ended 3 July 2021

For the year ended 3 July 2021, under The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by 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.

Information on how the Company has applied the Principles over the past year throughout our work is set out below.

Principle 1 – Purpose and Leadership

During the year, work was undertaken to articulate a new Company purpose which is: “Bringing people together”. The Company is focused on the communities it serves and has effective and longstanding partnerships with local user groups, commuter associations, local authorities and elected representatives. During the past year, this has expanded to include those who needed our services the most - from those working in the health service to those pupils and teachers at schools. Within the Company, we are bringing improvements to our services and customer experiences across our network, so that our customers feel we are with them.

The Company has worked closely with industry groups and partners to develop its thinking around purpose and the strategy to deliver to its maximum potential. This has taken the form of canvassing views and opinions in forums and meetings and has been briefed out to colleagues and stakeholders in business wide events.

The purpose of the Company and the three strategic pillars of “brilliant basics, strong partnerships and shifting perceptions” have been incorporated into the corporate governance of the business, with business cases and organisational design reflecting these pillars. The strategic objectives of the Company include:

- Advancing the business – targeting scarce resource and investment in key strategic areas.
- Providing robust governance – recognising the growing importance of capturing, storing and providing secure, effective access to data that is growing exponentially year on year.
- Supporting operational excellence – providing structural solutions that support the business and various departmental service excellence initiatives.
- Simplifying system complexity and supporting one version of the truth – reducing the burden of maintaining and evolving existing systems and services, thereby making resources available to further deliver advances to the business.

The Company is additionally required to produce an Annual Business Plan for the Department for Transport (DfT), aligned to the DfT’s rail sector objectives.

Our purpose is supported by a set of values (continuous improvement; dedicated to safety; excellence; working together and committed to customer) and behavioural frameworks. All of these aspects are aligned to the strategic objectives and embedded and integrated throughout the employee life cycle through recruitment, induction, training, internal communications, performance development reviews, colleague engagement surveys, HR policies and procedures, and the Investors in People accreditation process. Initiatives such as the Excellence award recognition scheme are directly aligned to our values and behaviours and provide useful measures of how our people bring the value of our culture to life in their day-to-day roles.

The Company’s three-year People Strategy was approved by the Board in February 2020. Our ambition is to have the highest levels of employee engagement and customer satisfaction in the industry. The Company believes that if we care for our people and they love to work at the Company, they will care for our customers and help the Company build a sustainable, high performance organisation. In line with its People Strategy, the Company is determined that its focus will therefore be on the following:

- *Leadership provides a strong strategic narrative*; repeated and amplified so all colleagues understand who we are, what we are seeking to achieve and where their contribution fits in
- *Get the best from our operating model*; decentralised, agile and responsive, ensuring that we continuously learn and improve our business
- *Fix the basics for our colleagues*; to demonstrate that they are valued and respected
- *Make diversity and inclusion part of our DNA*; ensure that we are representative of the communities we serve and that all colleagues can succeed and thrive in our inclusive culture

Govia Thameslink Railway Limited
Corporate governance report
For the year ended 3 July 2021

- *Foster a culture of life-long learning*; colleagues are encouraged to take ownership of their own development and access to on-line development resources are available to all
- *Develop capable and engaging managers*; our managers are empowered; we expect them to care, coach, support, resolve problems and develop their people
- *Ensure our colleagues have a voice – and show we are listening*; we seek feedback from our colleagues and check-in regularly to know how they are feeling and hear their ideas for improvement
- *Recognise and celebrate our everyday heroes*; we ensure our colleagues feel valued and recognised for a job well done

To make sure we are delivering on our strategy it is essential to measure progress against our goals and objectives and to do this we need to ensure that we are completing our tasks and delivering the milestones on time and budget.

From time to time it will be necessary to implement additional actions if a milestone is slipping or interventions are not having the desired effect and all this should be visible from a simple dashboard of Key Performance Indicators (KPIs) and Performance Indicators (PIs). These include: Customer Experience (NRPS); People (Employee Engagement); Performance (On-time Railway); Community Engagement; Safety (Fatalities and Weighted Accidents Index) and Sustainability (Operating Profit).

Principle 2 – Board Composition

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

During the year ended 3 July 2021, the Board comprised the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors), the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the Group Managing Director of Business Development (together the "Go-Ahead directors") and two Keolis directors.

Following the year end, Elodie Brian resigned as Group Chief Financial Officer and director of the Company with effect from 27 September 2021. She was replaced in this role 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. Stephen White resigned as the Company's Chief Operating Officer with effect from 8 October 2021.

All Go-Ahead directors on the Board during the year were full time employees of either the Group or the Company. The Audit Committee Chair of the Group will be appointed to the Board with effect from 1 April 2022. 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 Chief Executive Officer who is empowered to operate the business autonomously with the support of the rest of the Board. Board meetings are held on a four-weekly basis with the Group executive directors in attendance who scrutinise and challenge execution of strategy. Robust independent challenge is also ensured by attendance of the Keolis directors who bring a range of perspectives from different businesses and geographies.

The Company's Chief Executive Officer 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. To assist the Board in

Govia Thameslink Railway Limited
Corporate governance report
For the year ended 3 July 2021

undertaking its responsibilities, regular presentations are provided from senior management. Where required, support is also provided from Group Company Secretariat such as reporting requirements in relation to Section 172(1) and corporate governance arrangements. All directors have completed unconscious bias and accessibility training during the year. Mandatory training on Competition Law, Anti-Bribery and Corruption, Modern Slavery, Data Protection and Information Security is completed on a regular basis.

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 director effectiveness for the other Go-Ahead directors on the Board was assessed through peer review, regular one to one meetings, annual appraisals and team building events.

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 every four weeks) on all key aspects of the business including financial performance and KPIs, capital expenditure, contracts and tendering, health and safety, operating and engineering performance, people and engagement, market and competition and industrial relations. The Board continuously challenges itself and governance procedures against the strategy set out in Principle 1 (Purpose and Leadership).

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. This 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. The authorisations given by the Board in respect of such actual/ potential conflicts of interests 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 states that all employees should be treated with respect and that their health, safety and basic human rights should be protected. 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 important in securing future franchises or management contracts. 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.

Ultimate accountability of risk identification and management lies with the Company's Chief Executive Officer, supported by all other directors on the Board. The Head of Internal Audit and Compliance co-ordinates a quarterly review and update of the corporate risk register for Board approval.

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 periodic 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

Govia Thameslink Railway Limited
Corporate governance report
For the year ended 3 July 2021

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 as outlined in the Strategic report.

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 Chief Executive Officer and Chief Finance Officer (the Company directors), remuneration is determined by the Group Board in line with the Group's Senior Management Remuneration Policy as was the case for the former Chief Operating Officer. 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. During the year, the Group executive directors and Group Managing Director of Business Development were remunerated by the Group. The Company directors' remuneration, including the former Chief Operating Officer, is disclosed within note six of the financial statements. 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 senior management and administrative roles is reviewed annually and is linked to job performance. Total remuneration for these roles is linked to level, contract of employment and market forces. Remuneration for the wider workforce such as, for instance, drivers and engineers is collectively bargained with trade unions. As a 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. DfT approval is required for all pay increases, bonus payments and discretionary benefits with the exception of multi-year pay deal agreed before the company entered into EMA. Following the government's announcement of a public sector pay freeze in November 2020, the Company is currently operating a mandated pay freeze for rail workers and has suspended bonus payments and most discretionary benefits with the exception of multi-year pay deal agreed before the company entered into EMA.

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 training for all managers on how to address 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. In addition to our key stakeholder groups, we also engage with politicians and industry partners such as Transport for London, Network Rail, other train operating companies, the Rail Delivery Group, unions and internal and external suppliers.

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 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.

Govia Thameslink Railway Limited
Corporate governance report
For the year ended 3 July 2021

During the year, outcomes of engagement with the Group included approval of the Company's annual three-year corporate plan, approval of the sustainability plan and the future of finance programme.

DfT

Under the Emergency Recovery Measures Agreement (ERMA), 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 ERMA allows. Communication with the DfT is via weekly senior meetings and a periodic Board meeting, in addition to liaison by the GTR contract management team.

During the year, we worked collaboratively with the DfT in the delivery of the Annual Business Plan 2021/22, starting with a briefing session to the DfT in January 2021 to provide assurance that we understood what was required and our approach to address the cost challenges. We continued with weekly update sessions on the initiatives identified and actions being taken to address the remaining challenges. We recognise the scale of the financial support that government has provided for the rail industry and the scrutiny that the DfT is under on costs so we have developed a framework to ensure we deliver value for money and respond to queries in a timely manner.

Workforce

Having an engaged workforce is key to our success. The Company uses a range of engagement channels and approaches in our business and colleagues are kept informed of key messages through internal media, management forums, newsletters and business updates. In August 2020, the Company issued a survey for all staff 'Working Through Lockdown' which gave us valuable insights into what our people needed to feel valued and safe. Regular COVID-19 Manager Briefings and other Forums have given all managers the opportunity to ask questions, raise issues and concerns, and receive responses from our leadership team. We receive daily valuable and honest feedback through our twelve successful Yammer communities which is often picked up and actioned by operational teams. 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 become positive and constructive in recent years.

The Company has formal and comprehensive whistleblowing policy in place which is accessible to all colleagues 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, Skills Enhancement Days (drivers and conductors), local HR, Trade Union H&S representatives, Close Call reporting and the industry confidential reporting system CIRAS.

On 31 March 2021, we launched our in-house Learning Centre following several briefing sessions with managers. This is an integrated self-serve system where all our managers can access events, e-learning and e-briefs to expand their knowledge and skills and become the next generation of leaders. Initially showing development for our management and administrative colleagues, the site will be expanded throughout the year giving the opportunity for everyone to take ownership of their development.

Customers

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

Govia Thameslink Railway Limited
Corporate governance report
For the year ended 3 July 2021

To help customers plan their routes safely, we have developed a technological solution that will give them access through our Internet sites to train loading information. This will give customers more choice and help to reassure them that they can socially distance effectively during their journey.

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 representation at local council committee meetings.

This year has seen us work closely with the Department for Work and Pensions (DWP) and the DfT regarding skills for young people and the Kickstart programme as well as with working with local authorities on getting people back to rail safely, local travel plans, improvements to stations, sustainability and active and integrated travel.

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.

During the year, we agreed a joint strategy with Network Rail in relation to sharing data. This included the creation of a Joint Data Sharing Strategy Steering Group with members from across both organisations, as well as referencing the Rail Data Council (RDC) to ensure that data requirements across all business areas have been considered.

Communities

Public transport is critical to the functioning of society and has been fundamental in supporting communities through the COVID-19 crisis. The Company has various channels for facilitating effective two-way engagement our communities, one example of which is Stakeholder Forums which take place regularly. 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 has taken place during 2021.

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. Refer to the sustainability report for more details (available on www.gtrainway.com).

Updates on our environmental work are provided through our annual Sustainability Forum which is attended by local authorities, Councils, Rail User Groups and Community Rail Partnerships. In 2021, we used the forum as an opportunity to discuss what we can do to encourage more of our customers to use active and sustainable travel modes when travelling to and from our stations. The forum highlighted how the Company can influence the first and last mile of customer's journeys by encouraging transition from car journeys to cycling and walking by providing better facilities and enabling the progression of electric cars.

Regulators, associations and administrative bodies

The Company has relationships and engages with a wide range of regulators (Office of the Rail Regulator, Health and Safety Executive, Rail Safety Standards), associations (Rail Delivery Group) and administrative bodies (London Travel Watch, Transport Focus, Rail Users Consultative Committee, Rail Ombudsman and Rail User Groups).

We work with the Rail Delivery Group to improve and modernise the Rail Industry and representatives of GTR attend its Boards and Committees. During the year, as part of an industry-wide programme, we successfully completed our programme to update gatelines at our medium and large stations to read QR codes on e-tickets and mobile tickets. We are now seeing a corresponding increase in sales of digital tickets.