

**Go South Coast Limited**  
**(the “Company”)**

The following Section 172(1) Statement and Corporate Governance Report have been extracted from pages 5 to 13 of the Company’s Annual Report and Financial Statements for the year ended 3 July 2021. All references to “Group” in this document mean The Go-Ahead Group plc (registered number 02100855).

**Section 172 of the Companies Act 2006**

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

*The role of the board and how it operates*

The board is responsible for creating and delivering long-term sustainable value for the business. The board is accountable for balancing the varying interests of the business, including those of its ultimate 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 4 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 4 to 10 of this document) and is also available on the Company’s website: [www.gosouthcoast.co.uk](http://www.gosouthcoast.co.uk)

*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 (and in turn the wider Group), whilst also having regard to the interests 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 at the business. Further details are provided below:

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

At the Company, 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 in the Corporate Governance Report on pages 7 to 10 of this document for further details on why and how we engage with our stakeholders and examples of how we responded.

The Group’s devolved management operating model is a key feature of the board’s decision-making process, with the Group executive directors acting as an intermediary and ensuring there is two-way feedback between the Group Board and Company board. In line with this approach, the viability of a number of principal decisions (for example, acquisitions, disposals major capital investments and bid submissions) will first be considered at our

Company Board meetings. If approved, the Group executive directors will then submit a proposal to the Group Board. This process supports the board performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006. For example, in May 2021, agreement was reached between the Group Board and Company board to express interest in a Zero Emission Buses Regional Area bid for electric buses in Swindon.

The Company operates across a wide area of central southern England. This area includes dense urban and rural bus services, along with a large number of bus contracts, coach operations and a vehicle refurbishment business. This diversity means that the Company is not reliant on one particular market. The Company operates a devolved structure, allowing local managers to maintain a close and meaningful relationship with the clients and markets they serve.

The directors take the reputation of the Company seriously which is not limited to only operational and financial performance. The strong reputation and positive stakeholder relationships we have developed over many years have continued to be as important as ever. Particularly as our focus shifted to rebuilding after the impact of the national lockdown, and towards ensuring that we help our communities to grasp this opportunity to build back better, with public transport being crucial in helping to drive a greener and more inclusive economy than we saw immediately prior to the COVID-19 pandemic. During the year, the Company continued to work closely and collaboratively with key industry partners, such as the Department for Transport, local transport authorities and local universities to ensure that bus service provision remains at the right level, government policy is brought into effect, and transport operators receive funding to enable essential services to be delivered.

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

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

The directors understand the importance of the Company's employees to the long-term success of the business. Communicating with our colleagues was essential during the COVID-19 pandemic and we have gone to great lengths to ensure that colleagues are kept up to date and informed, and that they know we will support them in whatever way we can. For further details of how the Company regularly engages with its workforce, please refer to Principle 6 in the Corporate Governance Report on pages 7 to 10 of this document.

Safeguarding the health and wellbeing of the Company's employees (and other stakeholders) remains the main priority for the board. During the year, we have continued to build on the precautionary measures (disclosed in our 2020 annual report and financial statements) to meet the challenging demands brought by COVID-19. We introduced a number of initiatives to provide greater protection for frontline workers including securing early COVID-19 vaccinations for a significant number of employees, social distancing in the workplace and protective screens on the cab door of buses providing a shielded space should the need arise. Customers have been encouraged to use non-cash methods of payment wherever possible and two colleague videos have been produced to show how to clean the cab of the bus with an anti-viral wipe and how social distancing is to be applied to buses.

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

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. Key focus areas during the year have been the refresh of our driver training programme such that each driver is trained every year, in areas such as customer care and safe driving. We have also continued with our supervisor training programme. Colleagues from the Company continued to participate in Go-Ahead's Women in Bus programme during the year which is designed to support and empower female colleagues across the business. We are actively working to increase the number of women working for us in all parts of the Company. For example, around 12% of our drivers are women at present, and we plan to double this number by 2024.

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

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

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

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 annual surveys conducted by the independent watchdog, Transport Focus, although this year’s survey was suspended due to the COVID-19 pandemic. We build relationships with our customers through our passenger-facing colleagues, customer ambassadors and social media channels. Our customers’ needs are constantly evolving, and these interactions enable us to better understand the needs of our passengers and where to focus improvements.

We meet regularly with our corporate clients, and before COVID-19 restrictions, ran various activities to engage with passengers, such as Chatty Buses and new bus launch events which will start again as soon as circumstances allow. During the year, we attended a number of public transport user group virtual events such as, for instance, TravelWatch SouthWest.

Please refer to Principle 6 in the Corporate Governance Report on pages 7 to 10 in this document for further details on how we engage with our customers and suppliers.

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

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

We have re-launched our Mix vehicles telematics system at Bluestar, which assists drivers to drive in a smoother, more fuel-efficient way. Following the success of our small Salisbury Electrics fleet, we are now working on a number of zero emission bus projects across the Company.

Bluestar was our first unit to launch free travel for guide dog training in 2019, and we have since adopted this approach across all our operations. During the COVID-19 pandemic, we have continued to help train local guide dog puppies by offering some vital travel experience across our network.

We have worked very closely with local authorities and education establishments during the year following social distancing to ensure sufficient capacity is available on our services such that all children could continue to travel to school. This has involved us operating around 30 additional school services each day.

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 7 to 10 on 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 Company is owned 100% by Go-Ahead Holding Limited. However, the Company’s ultimate parent company and controlling party is the Group.

The Group operates a devolved operating model. Whilst day-to-day management of the Group’s activities, governance and oversight has been delegated to the Group executive directors, the directors of the Company both individually and collectively support them in this role and the Company is operated as an autonomous business unit. Board meetings are held on a monthly basis with the Group executive directors in attendance who scrutinise and challenge the local 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.

For details of how the Company engages with the Group, please refer to Principle 6 in the Corporate Governance Report on pages 7 to 10 of this document.

## **Corporate Governance Report**

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

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

### **Principle 1 – Purpose and Leadership**

Whilst the Company does not have a defined purpose statement, it is the board's intention to address this in the year ahead, developing it in partnership with our colleagues and stakeholders. Our purpose will be aligned to our vision which is to be the company that people want to work for, travel with and use.

The following core values underpin our vision:

- Trusting people and taking personal responsibility
- Being down-to-earth, 'can-do' people
- Building relationships and working together
- Staying one step ahead and being adaptable

These values are brought to life and promoted throughout our Company via initial induction training, our employee handbook, promotional posters and through virtual and physical employee briefings. We also strive to reward those who proactively display our values through our Employee of the Month schemes.

The board measures its performance against these values using a number of indicators, including employee turnover, absenteeism, accident rates and the responses of our quarterly engagement surveys.

Our strategic objectives throughout the year ended 3 July 2021, which were amended in response to the challenges faced by the COVID-19 pandemic, were:

- To ensure the safety and protection of our employees, customers and the wider public.
- For the Company to continue to play its vital role in society and local communities. This included providing transport for key workers and those seeking medical care, and as restrictions were eased, contributing to economic recovery through providing transport to work, education, retail and leisure activities.
- Making sure that the Company remained viable and financially sustainable by retaining as many lines of business as possible. This allowed us to protect our employees' jobs and allow for future investment in our fleet and other assets.

Progress on achieving our strategic objectives is measured through accident data, daily reports of the number of employees infected with the virus, as well as the seriousness of this infection, and the results from our bus cleanliness checks. Furthermore, our stakeholder surveys have enabled stakeholders to share their opinions of how we handled service changes throughout the various lockdowns which has proven to be a useful metric of success in regard to our strategic objectives.

We continue to monitor overall financial performance at business unit level on a monthly basis, and passenger journeys and revenue on a daily and weekly basis, paying particular attention to comparisons with the pre-pandemic period.

The business generates its revenue from its operations within the south of England. Revenue comes from members of the public purchasing tickets to travel on its services and from contracts to operate services, both from corporate partners and from local authorities. Additionally, the business receives revenue from local authorities for carrying customers free of charge under the English National Concessionary Travel Scheme. Other sources of revenue include various commercial contracts, educational establishments, vehicle hire and refurbishments, as well as, the conducting of MOT tests.

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

## **Principle 2 – Board Composition**

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

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

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

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

In addition, there are cross business forums that operate at Managing Director, Finance Director, Operations Director and Engineering Director levels. When circumstances permit, the Group Chairman and Group Non-Executive Directors visit regularly to challenge both our strategy and objectives.

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

The board is committed to developing a more diverse workforce, including at the most senior levels. The Company participates in a number of diversity initiatives including Women in Bus, and also has set targets to increase the number of women working for the company. For further details on the work we have undertaken on diversity and inclusion throughout the year, please see our Section 172 Statement on pages 1 to 4 of this document.

The board believes that continuous director training and development supports board effectiveness. With the ever-evolving regulatory landscape in which the Company operates, it is critical that the board maintains a good working knowledge of the transport sector and how the Company operates within its sector, as well as being

aware of recent and upcoming developments in the wider legal and regulatory environment. To assist the board in undertaking its responsibilities, regular presentations are provided from senior management. Where required, support is also provided from Group Company Secretariat.

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

### **Principle 3 – Director Responsibilities**

The board holds eleven scheduled meetings a year with all directors expected, wherever possible, to attend all board meetings. The board receives regular and timely information (at least monthly) on all key aspects of the business including health and safety, financial performance and KPIs, capital expenditure, contracts and tendering, operating and engineering performance, people and engagement, market and competition, customer surveys and stakeholder engagement, and environmental data.

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

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

The board believes in equal opportunities and 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. 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. Potential opportunities and risks are identified as part of our bottom-up corporate planning process. These include an analysis of competitors, their activities, and their strengths and weakness. Local management also monitors opportunities throughout the year through a number of channels, including stakeholders, trade and political announcements and other local intelligence. These items are brought to the board's attention and discussed in board meetings as appropriate.

A summary of the Company's key principal risks and mitigations are as outlined in the Strategic Report.

Ultimate accountability of risk identification and management lies with the Managing Director, supported by all other directors on the board. Various key risks, particularly around safety, vehicle maintenance, operator licence compliance and financial processes are audited by external organisations. Any deficiencies identified are addressed by management, with all results and outcomes being reported back to the board.

The assessment of key principal and emerging risks is embedded within the day to day operations of the Company. Such assessments are consolidated and reviewed as part of monthly board reporting as well as being reported to the Group twice a year in accordance with full year and half year results reporting. As part of this reporting process, risk reports are completed which outline the key principal and emerging risks facing the

company, provide an explanation of the procedures in place to mitigate and manage such risks and prioritise the most important risks from both an inherent and residual perspective. These reports are then discussed with the Group executive directors at bi-annual risk board meetings with discussion focused on the most important risk and control areas within the business. Following such meetings, the Group executive directors report to the Group audit committee with final approval being granted by the Group Board for key risks that could have a material impact on the Group performance, strategy or business model.

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

### **Principle 5 - Remuneration**

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

For the Managing Director, remuneration is determined by the Group Board in line with the Group's Senior Management Remuneration Policy. Remuneration for the Finance Director, Operations Director and Engineering Director is agreed between the Group Chief Executive and Managing Director. Remuneration is structured to support both the financial objectives and the strategic priorities of the Group in a manner which is aligned with shareholders' and stakeholders' long-term interests. The directors' remuneration is disclosed on page 33 (note 7) of the Company's 2021 Annual Report and Financial Statements.

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

Remuneration for senior management and office/administrative roles is reviewed individually and determined by line managers/directors with all changes required to be approved by a director and the Managing Director. Remuneration for most bus drivers and engineers is driven by a collective bargaining process. This approach allows for the Company's local management team to set priorities and adjust remuneration to meet specific demands, taking into account the labour market, workforce aspirations, operating conditions and competitor activity.

During the year, the board considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed plans to enhance performance. The mean gender pay gap is 3.8% (or 47p) which is significantly lower than the 14.4% national average. The mean bonus pay gap shows a variance of 45.6% (or £2,532) in favour of men. The median bonus pay gap is 6.1% (or £212).

### **Principle 6 – Stakeholders**

The board is clear on the importance of good governance and effective communication to protect the Company's brand, reputation and relationships with all our stakeholder community including the Group, workforce, customers, local authorities, suppliers, and the local communities in which we work. The board believes that listening and engaging effectively with our key stakeholders is critical to ensuring that the right decisions are made which consider their needs and priorities. In line with this, 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.

When circumstances permit, we hold a bi-annual Stakeholder Conference, to which we invite our main stakeholders. These conferences have been well received over the years, and we have been able to attract high-profile speakers such as a Government minister. We also now provide written updates for all our stakeholders on a regular basis.

### ***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.

Engagement with the Group takes the form of updates on key issues, participation in regular forums and, when circumstances permit, visits to the Company by Group personnel. During the year, examples of two way engagement with Group included approval of the three-year corporate plan, training for mental health first aiders and collaboration on decarbonisation initiatives. During the COVID-19 pandemic, input from the Group has been highly valuable in ensuring that local management stay up to date with latest policy developments from government and are aware of examples of best practice implemented elsewhere in the wider Go-Ahead group.

### ***Workforce***

The Company regularly communicates to its employees in a variety of ways such as, for instance, internal media, updates and director forums (taking place virtually rather than physically during the COVID-19 pandemic). All these sessions, either in person or electronically, give plenty of time for discussion and questions. The Managing Director meets long serving employees to celebrate their loyalty, and all employees with five and multiples of five years' service meet their local manager to celebrate.

During the year, the Company introduced a new employee communication app 'Blink', which is designed for dispersed workforces. The app allows two-way communication and is now used by most employees. It always allows for confidential two-way chats. When circumstances allow, directors undertake informal visits to all Go South Coast company locations, which provide another opportunity to give updates and answer questions.

From March 2021, the frequency of our employee engagement surveys was increased from two to four times per year. Quarterly "pulse" surveys are now performed and allow colleagues to provide honest feedback about their experience working at Go South Coast, the results of which provide a measure of colleague engagement and help us identify areas of improvement. The board considers the results of all colleague engagement surveys a good barometer of the workforce's confidence in the Company's strategic direction, optimism in the future and career opportunities. We are delighted that employee turnover has reduced across the company, and the results of the most recent survey suggest that the level of engagement is improving.

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 made great efforts through multiple channels to keep colleagues informed and up to date on all government changes and safe working practices during the COVID-19 pandemic.

The Company has a formal whistleblowing policy in place where employees can, in confidence, raise legitimate concerns about wrongdoing within their workplace. This policy is reviewed by the board on an annual basis, with this year's review confirming that the policy remains fit for purpose and enables a good level of communication with colleagues at all levels of the business. The Company makes use of intranet sites, notice boards, the employee app and induction processes to ensure that employees are fully aware of the process for raising concerns and providing a safe and secure environment for doing so. Employees also have access to a wide range of alternative and more informal channels through which to raise concerns. These include at 1:1 meetings with managers, depot forums, driver CPC question and answer sessions and through trade unions. Our employee app and the Managing Director's email and Twitter address are widely publicised to colleagues who can use this to raise concerns that they may be unwilling to raise at a more junior level. The Company also operates an 'open door' policy which gives a further opportunity to raise concerns.



## ***Customers***

We build our relationships with our customers through passenger-facing colleagues, customer events, public transport user groups and social medial channels. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs of our customers. Social media plays an increasing role in our communication and engagement with our customers, providing a platform for customers to engage with the Company and for the Company to understand the needs and demands of our customers. Customer events such as public new bus launches also give an opportunity for the company to interact directly with its customers.

Customer satisfaction is measured through on-bus surveys carried out by independent watchdog Transport Focus. Our most recent results (2019) are industry-leading, with 92.4% of our customers stating that they are satisfied or very satisfied. Customer satisfaction at our Salisbury Reds business was 96%.

Last year, as a result of government-instructed service reductions during the COVID-19 crisis, we asked our customers if they needed additional journeys. We received a number of responses to this request, an example of which was in Southampton, where key workers told us they couldn't get to their shift at Southampton General Hospital. We responded quickly by adding in an extra early morning trip from Weston towards the city centre and Southampton General Hospital, to ensure key workers were able to get to their place of work. This service pattern was reintroduced as the third national lockdown was imposed in January 2021.

In response to concerns from customers with social distancing, we also introduced a new online tool offering dynamic, colour coded bus timetables that show seat availability on our services. This gives customers the confidence to plan bus journeys avoiding busy times and allows them to add feedback to a live journey should they wish.

We also maintain and develop our relationships with our corporate customers through regular meetings and site visits, and by providing them with regular KPI reporting on our performance. It is important that we stay in touch with the changing needs of this group of customers and that we listen to them, and stay in touch with wider development that may affect them, so that we can stay one step ahead and act as a trusted advisor, allowing them to make informed decisions on their transport needs.

## ***Suppliers***

Our suppliers are fundamental contributors to the success of our business. Regular meetings and forums are held to manage relationships, understand challenges and to source, identify and implement new solutions and alternative ways of working. We work in partnership with suppliers. For example, we regularly hold meetings with our new main bus supplier, and have worked closely with them in improving designs, such as our inter-urban double deck bus layout, and the pioneering 'social seating' layout for buses in Swindon. We also favour smaller local suppliers where possible. These include building contractors, a local electrician, public relations consultancy and fire protection equipment.

## ***Local authorities***

Working closely with local authorities enables us to contribute our private sector experience and expertise to the public agenda and produce better policy outcomes and service delivery. We have a constructive and strong relationship with the local authorities in which we operate. Collaboration is built through regular discussion and meetings in order to discuss local short-term priorities as well as to understand the long-term strategic agenda. We are involved in the town planning process with all our councils, and as a matter of routine, comment on all councils' strategic land use plans, as well as major planning applications where these help or hinder bus services. We provide data on bus running times and passenger demand to local highway authorities in order to help them justify bus priority measures or other suitable investment. During the austerity period, we worked with all local councils to minimise the impact of users of public sector funding cuts and have altered and even introduced a new service at the request of the local authority. During the pandemic, we have worked very closely with all local transport authorities in our area, in particular to agree service levels to reflect demand during lockdowns, and also to provide around 30 additional school services to allow extra space for social distancing.

### ***Local communities***

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

We have sought meaningful ways to engage with and support our communities in many forms. Every year, each business unit within Go South Coast nominates a charity it wishes to support. For example, Salisbury Reds has long supported the Salisbury District General Hospital Stars Appeal and Bluestar's nominated charity this year was Abby's Heroes, a charity which supports children and their families when diagnosed with cancer and who come under the care of University Hospital Southampton.

We also operate a Community Fund, where small organisations or individuals can apply for funding for other help-in-kind from us. Recently, this enabled eight year old Jenson, who suffers from a rare genetic disorder, to visit our Morebus depot in Bournemouth.

During the year, we ran a COVID-19 Heroes competition, where communities nominated local people who they felt deserved recognition for their work during the pandemic. This attracted a large response, with the winner's name appearing on a bus in the local area.

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. For further information on the impact of the Company's operations on the community and environment, please see our 2021 Sustainability Report, available to download from our website (available on [www.gosouthcoast.co.uk](http://www.gosouthcoast.co.uk))