

Corporate Social Responsibility

Our mission

The way we do business across the Group reflects our commitment to profitable growth, sustainable development and integrity. Our principles set the framework in which we pursue our economic goals and business ventures. Norms of best practice: The principles are rooted in national and international law relating to Corporate Responsibility, much of which is guided by the Universal Declaration of Human Rights (UN, 1948), the Labour Standards embodied in the Fundamental Conventions of the International Labour Organisation (ILO, 1930-1999) and the environmental Conventions agreed following the Rio Declaration on Environment and Development (UN, 1992). They also build on associated 'norms' of responsible business practice, the most significant of which are the UN Global Compact (2000), the OECD Guidelines (2000), the UN Norms of Human Rights Responsibilities of Multinational Companies (2002) and the July 2002 Communique of the European Commission concerning corporate social responsibility.

Continuous improvement

These principles address both compliance and aspiration. Their force lies in their continuous implementation as part of the way we do business. This is why we continue to develop policies and programmes to communicate these principles throughout our operations and those of our partners. In the event that our principles are compromised by those partners with whom we work, we seek to address any problems. We do not tolerate consistent failures to adhere to the principles.

Implementation

We will measure progress by developing relevant indicators which monitor our performance. We report publicly on our progress and open ourselves to scrutiny through independent audit. In this way we seek to promote continuous improvement, demonstrate our accountability to all our stakeholders, and promote Jarvis as a responsible corporate citizen and attractive business partner.

Principle 1: Corporate governance and accountability

We will be accountable, promote Shareholder value, and operate transparently and to a high standard of corporate responsibility, to deliver our long-term commitments.

We work actively to achieve market leadership and to deliver sustained returns for all our Shareholders. In doing so, we are guided by UK law and best practice codes of corporate governance and responsibility. We require all our business activities to be undertaken in accordance with the principles of transparency and accountability. We are committed to ensuring that the way we do business demonstrates long term financial and societal returns, and that our accounts reflect our performance accurately and fairly.

Principle 2: Integrity and ethics

We will be ethical, lawful, transparent and honest, in our business operations.

Our success depends on doing the right thing in the right way. We work proactively to earn the respect and trust of the public as a whole. We believe in ethical business practice and seek to uphold the law and regulations. We reject all dealings that could discredit the Jarvis Group or our customers. We do not allow the giving or accepting of bribes, and we report potential conflict of interest situations as they arise.

Principle 3: Employees

We promote a diverse, committed, and well-trained workforce which recognises the rights of all employees.

Our employees make us successful. We are committed to the development of a professional and motivated workforce throughout the business. We are committed to providing a stimulating and diverse working environment, and aim to enhance skills and capacity through investment in employee training, effective working practices and career development. We ensure that the due rights of our employees are protected. We encourage diversity and opportunity, and are dedicated to the provision of fair and equitable conditions of work. We do not discriminate against employees on the basis of gender, age, sexual orientation, marital status,

ethnicity or religious belief. We seek to uphold the highest labour standards, rejecting child or involuntary labour, excessive overtime or unfair rates and terms of pay. We support the rights of our employees to enter into collective bargaining, and to join lawful trade unions or form workers associations.

Principle 4: Business partnerships

We believe partnerships are a fundamentally important way to do good, successful and meaningful business.

We believe in collaborative working arrangements. We are dedicated to public-private partnerships as a means of facilitating sustained improvement in both public and business sector performance, and thereby enhancing our contribution to society. We seek to engage with, and contribute to, communities and society through the regeneration of public infrastructure and public services. Our partnerships are long-term commitments and are a fundamental part of the way we do business.

Principle 5: Supply chain responsibility

Our supply chains are important, so we will work to support suppliers and sub-contractors that want to work with us to improve the way we do business. We will stop working with those that don't.

We seek to build long-term relationships and 'value chains' with our customers, partners, suppliers, and sub-contractors. We are committed to ethical and responsible business practice and expect the same from our partners in our supply chains. We are committed to meeting the growing demands and expectations of our customers by delivering high social, safety, and environmental standards which are ethical. We will ensure that the same high standards we expect of ourselves are also requested of our suppliers in our procurement practice. All companies or people doing business with Jarvis will receive a copy of our Corporate Responsibility Principles. We seek to assist willing suppliers or sub-contractors when their performance is found to be of poor quality. We stop working with any supplier or sub-contractor that consistently fails to improve their social and environmental performance.

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Principle 6: Community engagement

We will work with and in our communities as part of the service we deliver to support their growth and development. We are committed to improving the quality of life of the communities in which we operate. We recognise the social impact of our business, and believe in consulting with local communities about our activities and the safety and environmental implications of our operations. Some of our work is in disadvantaged areas, and we are sensitive to the need to promote social inclusion through our local projects. We are committed to social responsibility and believe the success of our business is contingent on the quality of the relationships we build with communities and public interest groups where we work.

Principle 7: Continuous improvement in Health and Safety

Safety is our number one priority for employees, users and sub-contractors. We will do all we reasonably can to design, build and manage safe projects and services.

The health and safety of our employees, customers and communities, and sub-contractors, is our number one priority and the responsibility of us all. We view legal requirements as the minimum standard for minimising the risks of injury, ill health, and damage to property arising from our work. We are committed to making continued investments in safety training and awareness building across our businesses. We will continue to report on our progress.

Principle 8: Our ecological footprint

We view continuous improvement in our environmental performance as an integral part of the services and facilities that we deliver.

We will do this in accordance with recognised environmental management systems.

We believe improvements to our environmental performance can make a difference to society and to the efficiency of our core business practices. We are committed to assessing the impacts of our operations on land, water, air, and biodiversity, and to managing our waste in all of its forms by reusing and recycling it,

wherever possible. We seek to minimise the adverse environmental impacts caused by our work and the services we provide. We will work to prevent leaks and spillages, to manage any accidents responsibly and to reduce our use of energy and materials. We will manage and improve our environmental performance in accordance with evolving legal requirements and international standards. We are committed to the continuing certification and improvement of our environmental management systems in key areas of our business.

Principle 9: Innovation and risks review

We will use innovation and robust risk management tools to reduce risk, promote opportunities and improve the services and products that we deliver to our customers and users.

We promote continuous innovation in all aspects of our business and robust risk management. We work hard to understand the needs of our customers. We apply technological and management innovation to improve the efficiency and quality of our service provision, extend our market penetration and manage risk and opportunity responsibly.

External recognition

The February 2006 Lloyds six-monthly surveillance audit of the Jarvis Environmental Management System (EMS) against the International Standard ISO 14001:2004 reported:

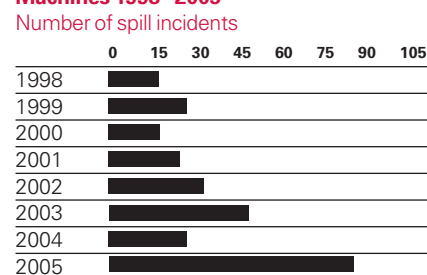
“The Jarvis Rail and Fastline EMS continues to be effective in delivering the policy commitments, including achieving actual improvement in environmental performance. The Jarvis EMS has been effectively implemented at Prismo, with personnel demonstrating a commitment to improvement”.

Main environmental concerns

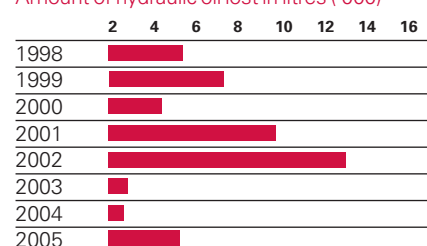
Jarvis Rail/Fastline has implemented an EMS to meet its legal and contractual obligations and to understand and manage environmental impacts and risks which arise through its activities. Our main areas of concern currently are oil/fuel storage and spills.

Fastline have converted the majority of its On Track Machine (OTM) fleet to biodegradable hydraulic oil and have introduced a new specification of hoses. This together with an increased preventative maintenance inspection programme has helped Fastline reduce the amounts of hydraulic oil lost per spill, however, the number of spills recorded and the amount of oil lost increased in 2005 compared with the previous two years because we are now recording even very minor spills, see Table 1.

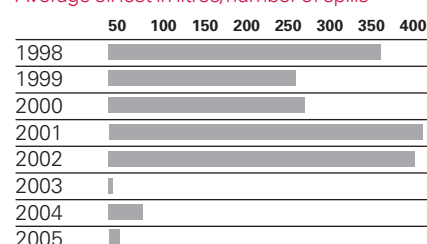
Oil spills from Jarvis/Fastline On Track Machines 1998 - 2005



Amount of hydraulic oil lost in litres ('000)



Average oil lost in litres/number of spills



Jarvis plc 2006 objectives

Objective	Action	By
Combine EMS for all businesses Fastline, Rail, and Prismo with one accreditation body, Lloyds.	Head of Environment	31/12/06
Network Rail require any changes to work in progress or working practices to be identified and the Contract Environmental Plan amended accordingly.	Head of Environment	EP/03/03 Revised & issued Dec 05
Display Jarvis Helpline/ Incident Number on all suitable plant and equipment/ vehicles etc.	MD Fastline	MOR's decision
Encourage SME suppliers and contractors not accredited to ISO 14001 to adopt BS 8555: 2003.	Head of Environment	On-going 31/12/06
Reduction in OTM hydraulic oil spills by 10 per cent.	MD Fastline	31/12/06
Reduction in energy use by 10 per cent.	All business MDs	31/12/06
Reduction in fuel consumption by 10 per cent.	All business MDs	31/12/06
Introduce all businesses to the Carbon Neutral Company, 30 per cent of the Group to be Carbon Neutral by end 2006.	Head of Environment/ MDs	31/12/06
Promote Prismo's lead-free products with emphasis on the reduction of environmental impact.	Head of Environment	31/12/06

- The ISO 14001 certification awarded for the quality of Jarvis Rail's Environmental Management System (EMS) – has already helped win business with clients who place environmental and sustainability concerns at the top of their agenda.
- We have taken initiatives in 3,000 sensitive UK line side sites where we work which includes Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty, Conservation Areas and badger sets.

The measures include:

- Jarvis has developed the Accutrack system using a combination of its Mole (Rapid Ballast Excavator or RBE) technology to prepare the ballast bed and its Slinger (Track Renewal System or TRS) to remove and deliver rail and sleepers. These were developed to renew track quicker, more safely and with less environmental impact.

A typical Accutrack renewal site gives the following results:

- 1 Lower CO2 emissions and lower fuel consumption by reducing the numbers of machines and using new machines with cleaner and more economical engines.
- 2 Fewer vehicles on site reduces, noise and congestion.
- 3 Less impact/intrusion to wildlife habitats, 50 per cent less disruption to SSSI's, nesting birds, breeding sand lizards and other protected species.
- 4 50 per cent reduction in Statutory Nuisance as described in the Environmental Protection Act 1990 such as intrusion from site lighting, material and waste storage, and litter; and reduction in noise, dust, smoke and fumes.
- 5 Fewer materials, i.e. sleepers and rail, left at site before work starts, means less ammunition for vandals and an improved view for our neighbours.

- The introduction of innovative track plates to identify sensitive locations. After an unfortunate incident when the habitat of a protected sand lizard was disturbed, Jarvis pioneered trackside plates to delineate the boundaries of protected areas. Although sensitive sites are identified in the network's Hazard Directory, a more proactive protection regime was required and now Network Rail is introducing the system throughout the industry.

- Working in partnership with English, Welsh and Scottish Nature, local badger groups etc. to promote and support community activity, resource sharing, and the concept of sustainable development within the rail industry.
- Working with Future Forests towards the ultimate goal of becoming a "carbon neutral" Company. The first initiatives include making Meridian House in York a carbon neutral building. At present the building generates 1,089 tonnes of carbon dioxide each year, which costs around £11,000.00 to offset.

These initiatives were recognised at the 2005 Chartered Institute of Logistics and Transport's (CILT) Annual Awards for Excellence when they were short-listed for the Environmental Improvement award.

The citation spoke of: "Jarvis understanding the challenge of its key customer to improve productivity and minimise downtime on their rail network".

Jarvis developed a system, Accutrack, which offered a safer, faster more flexible and cheaper solution to conventional methods but also delivered a better quality output. The development of the equipment demonstrated both innovative thinking and engineering. The system also reduced the impact on the environment and resources employed in achieving the customer's objective, (CILT Annual Awards 2005).