

# Corporate social responsibility

A successful company must have built into its culture a desire to create sustainable relationships with all stakeholder groups: employees and shareholders, customers and suppliers, the wider community and regulators.

Corporate social responsibility is fundamental to Jarvis' business plan and long-term strategy. We have worked to develop a zero accidents culture and we are seeing measurable results in improved health and safety for our employees and communities affected by our services. In turbulent times extensive communication with staff has been a management priority, maintaining and extending good working conditions both inside and outdoors have remained a main concern and the company's obligations to safeguard the environment have been undiminished.

## Balanced business scorecard

A rigorous balanced business scorecard approach to performance has been developed and driven right through the core businesses. This approach is not just about ensuring the highest levels of company performance but also about embedding a stronger culture of social responsibility throughout the business.

The Jarvis balanced scorecard measures:

- safety – the number one priority: employee safety, operational safety and environmental protection;
- learning and growth – innovation, employee development, staff satisfaction;
- customer satisfaction – quality of service, cost to customer, customer relationships;
- internal business processes – delivery, operational capability and efficiency, process improvement; and
- finance – cash, business growth and business sustainability.

Balanced scorecard measures are entirely linked to the Jarvis business plan and the new approach has been driven through the organisation by way of workshops attended by all members of staff.

## Working to contribute to society

Jarvis' business activities are generally in sectors that contribute to the well-being of safety: in particular, public transport and road safety products. We are not involved in businesses involved in the production of armaments, alcoholic drinks, tobacco, pornography, nuclear power, gambling facilities or animal testing.

Although we are not involved in promoting alcohol or tobacco as a main source of revenue, as part of our standard student accommodation facilities management offered during the year we provided bar

facilities where these products were sold. This part of the facilities management operation has been sold.

Under our FM contract at the Army Foundation College at Harrogate, we are responsible for managing the armoury and small arms training facilities. The fees from these activities are estimated to make up less than 2% of the overall revenue on this contract.

## External recognition

All Jarvis' core businesses have now achieved ISO 14001 accreditation for their environmental management systems.

Prismo became the first road safety surfacing manufacturer to be awarded the Prince Michael International Road Safety Award. The award was made in recognition of Prismo's company-wide culture "Helping You Save Lives". Director of the awards Adrian Walsh stated that: "Prismo is a company committed from top to bottom to making our roads safer."

## Health and safety

A zero accidents culture has been embedded throughout Jarvis and we are constantly seeking to improve and spread best practice throughout the Group. Staff now receive a regular newsletter, Safety First, sharing experiences across rail, road and plant divisions with the aim of improving existing practices across all disciplines. Latest information on health and safety - including internal policies and procedures and points of contact - is also communicated through a special area of the Jarvis Group intranet.

Health and Safety continues to be the first item for discussion and action at all Board meetings across the Group. During the past year we have concentrated efforts on responding to the recommendations of the review carried out by DuPont Safety Services. DuPont encouraged us to become less reliant on H&S professionals and to drive through greater ownership, and solutions of the issues through line managers. To do this we have rolled out a programme of safety leadership training throughout the rail business and extended it into our road operations. Operationally, within Rail most Supervisors have now had safety training leading to formal qualification. Fastline's railway safety case has been revised to include freight operations and has been accepted by the Health and Safety Executive.

## Health and Safety initiatives

We have provided fresh impetus to our system for reporting and investigating near misses to support our learning and best

practice culture. Reports of near misses are recorded and forwarded to line managers and Jarvis' safety department for review and investigation. This is not designed to be a process to apportion blame and no recriminations are held against staff who report near misses. The aim is to explore ways of preventing more serious accidents happening.

Investment in personal protective clothing continues to be a priority and a 'hotline' service that was established for use by our Rail Division has been extended to the Roads business. Using this system means that orders can be received within 48 hours and a fast and efficient service made available to employees.

Jarvis control centre based in York is also being extended from rail to the roads business to improve safety. The centre holds staff training records and ensures that individual skills are at the required level for particular tasks. The centre is now used for the reporting of all accidents and incidents.

Ahead of the winter months the Fastline business offered staff a free flu vaccination service in an initiative to reduce the risk of ill health and time loss at work.

As part of the European Safety initiative Jarvis launched a campaign designed to raise awareness of the dangers of accidents caused by slipping, tripping and falling. These are the main causes of accidents to employees.

## Potters Bar

The Rail Safety and Standards Board published their Formal Inquiry report into this tragic accident in March 2005. This inquiry was not concerned with the allocation of blame or responsibility; its purpose is to make recommendations for the improvement in Railway Safety.

The inquiry was not able to establish with certainty how the points at Potters Bar came to be in the condition in which they were found following the derailment. But the report said that the method in use for positioning and securing nuts could have been a factor and that this method was unlikely to be confined to any individual maintenance contractor.

In April last year Network Rail and Jarvis formally accepted liability on behalf of the rail industry for all legally justified claims brought by those bereaved and injured in the Potters Bar crash.

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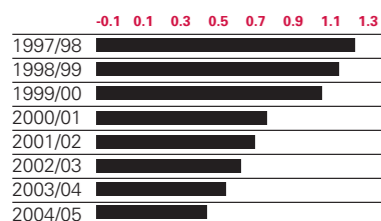
## Accident reporting

Jarvis closely monitors accidents, incidents and near misses with the aim of preventing similar accidents happening again. Where possible, our performance is measured against national benchmarks.

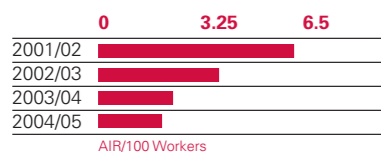
Currently the following measures are used to calculate the various accident rates:

- Accident Frequency Rate (AFR) – number of reportable accidents multiplied by 100,000, divided by the number of hours worked (rail business); and
- Accident Incident Rate (AIR) – number of reportable accidents multiplied by 100, divided by the number of workers at risk elsewhere in the business.

## Jarvis Rail Accident Frequency Rates (AFR) 1997-2004



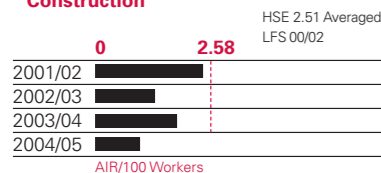
## Continuous Improvements in AIR – Highways



## Continuous Improvements in Prismo

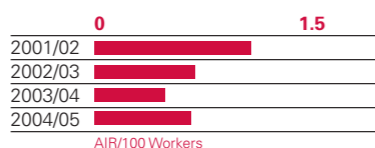


## Continuous Improvements in AIR – Construction



HSE 'Statistics Highlights' Reportable Accident to Workers

## Facilities Management AIR



## Progress against targets

All businesses continue to demonstrate continuous improvement.

Rail activities have shown an improvement of 8% although we did not meet the challenging Network Rail AFR target of 0.38.

Highways and PRISMO both achieved improvements with PRISMO delivering a 25% reduction.

The Construction activities showed a substantial improvement from last year, but this was accompanied by a reduced volume of work activity. Our Facilities Management business reported a small increase in the AIR rate, mainly due to increasing volumes of work.

Most accidents continue to be non-serious slips, trips and falls.

## Operational Safety in Rail

As a major operator of rail plant we are measured against the number of signals passed at danger (SPADs) by our drivers. This year Jarvis were responsible for 4 SPADs. The main cause of these involve driver discipline around entering and leaving track possessions and this issue has been made a special focus of attention.

## Operational Safety in Facilities Management

In our activities to support schools, universities, hospitals, leisure facilities and other public buildings we have concentrated on providing individual safety audit reports on the following key operational safety elements:

- design considerations
- fire risk
- asbestos
- electricity and utility services
- Legionella
- food hygiene
- statutory examinations, inspection and testing of plant and equipment

## Social and stakeholders issues

People issues remain at the heart of our vision to be the preferred supplier of services across road, rail and plant markets. We recognise that means investing in Jarvis people, strengthening customer relations and delivering on our responsibility to the wider community.

## People and skills

In a challenging year Jarvis people – and their commitment and loyalty - have been vital to the survival of the company. Thanks to them the Group has delivered improved service, building customer satisfaction and made real progress in realising its potential.

The proposition to our people is not to take that commitment for granted but to refresh it by investing in training – particularly in health and safety and communication as well as building a stronger business for the future. We are working together to realise our vision of making Jarvis a great place to work.

We have continued to develop our relationship with the trades unions who have been extremely supportive during difficult times and we are developing our internal communications tools to share information, best practices and successes. The Jarvis Group intranet is updated on a regular basis with news and we have introduced a Group wide team briefing process - including appropriate training for managers - to encourage real dialogue throughout the business.

## Customer relationship management

Customer satisfaction is one of the five key measures of our balanced scorecard approach.

These measures show if we are creating the level of sales by our chosen customers and measures that are aimed at satisfying customer expectations. This often takes the form of customer satisfaction indices. These measures and targets are designed to ensure we will satisfy our customers. Some examples would be new contracts won with desired customers, number of repeat orders from desired customers, number of times identified as preferred supplier, etc.

In the rail business enormous efforts have been made to improve customer relations with a new programme. The Improving Customer Satisfaction programme is based on regular reports of customer feedback collected into monthly data and supported by an annual customer attitude evaluation.

A major survey conducted in March this year demonstrated major improvements in satisfaction with particularly high ratings for safety, helping customers to achieve goals and recognition of continued improvements in the value that Jarvis delivers.

The Roads business has established a new 0845 customer relations line open 7am to 7pm on weekdays to provide a dedicated point of contact for Prismo clients' feedback and to give additional support to the

Customer Relations Manager. Prismo's aim is to drive service improvements at a grass roots level and the Customer Relations Manager has been tasked not just with resolving issues but also identifying root causes and feeding back service improvements to clients directly.

## Wider social responsibility

Jarvis Rail tries at all times to employ best practicable means to reduce noise and vibration from its work. There are times, though, when some disruption is inevitable, especially when crews are working at night near residential areas. In those circumstances the Company strives to carry out the work as quickly as possible and keep the local community fully informed about the progress of the works.

Prismo's 'Helping You Save Lives' campaign underlines the commitment to the wider community that the business embraces. The award of the Prince Michael International Road Safety award was recognition that a culture of safety and care runs throughout the company.

Prismo supported National Walk to School week organised by Living Streets. The organisation which is part of the Pedestrian's Association asked the company to provide plastic feet made from Prismo's Flexiline product that could be laid down to spell out the message "Let's walk to school together". Hundreds of these were supplied to primary schools in Somerset, Gateshead and London so that pupils could walk to school and apply their foot to the playground to form a permanent message.

## Environmental issues

Jarvis has established clear environmental policies based on embedding environmental management in the business, the efficient use of resource and waste management. We continue to work on implementing these across our business and supply chain. We are determined to reduce any negative impact which the Group's activities might have on the environment, year on year.

## Embedding environmental management in the business:

All Jarvis core businesses have now been certified to ISO 14002 : 2004 demonstrating the Group's commitment to high environmental standards, compliance with legislation and our aspiration for continued improvement. Jarvis Rail gained re-certification to the Standard in August 2004 – marking more than three years that it has held ISO 14001 for its Environmental Management System for all functions. The plant business contributed towards the Standard by identifying the level of CO<sub>2</sub> emissions from Jarvis company cars and

commercial vehicles and reducing the level of emissions by following a policy of changing petrol company cars to diesel cars.

Much of the technology employed by the company is also driven by high environmental standards. The rail business' unique Accutrack system has a measurably lower environmental impact than traditional processes for renewing track. It produces lower CO<sub>2</sub> emissions through a reduction in the amount of plant required and the use of new plant with cleaner and more economical engines; operations are completed more quickly ensuring less impact on wildlife habitats, a reduction in noise, site lighting and waste storage. In addition because sleepers are used as soon as they are delivered rather than stored for any length of time alongside the track there is less temptation for vandals. In the past loose sleepers beside the track were often used to damage rail property, block pathways and even derail trains.

## Efficient use of resources

We are continuing to reduce the number of leased company cars running on petrol. By March 2005 the proportion was down to 19% of the total compared to 30% a year ago. This should reduce annual CO<sub>2</sub> emissions. 2004 is the first year that we have data for all Jarvis vehicles and Fastline Small Plant, for which petrol now accounts for 13% of the total. The total CO<sub>2</sub> emissions for all vehicles and small plant for the year is 14,441.28 tonnes. We have also converted four of our Crewmaster vans to LPG and are continuing to replace old engines on our on-track plant with new, more efficient Cummins engines.

A sample of the road vehicle fleet will be monitored for fuel consumption against the manufacturer's recommendations, and the OTM fleet fuel consumption will also be monitored to establish efficiencies.

Our utilities management software (STARK) is well established and is used to monitor the use of water, gas, oil and electricity across properties occupied and managed by Jarvis. The Group has been able to gather meaningful information that will be used in the development of a major energy conservation campaign. We are currently measuring energy use in the new York headquarters, Meridian House, to develop a carbon neutrality building. Jarvis will plant an appropriate number of trees to offset CO<sub>2</sub> emissions from Meridian House in a plantation established by Future Forest, the climate change company.

We are also continuing to work to introduce renewable energy to Jarvis. Wind turbines

are to be sited in four of our depots. Ecotricity will supply, erect and maintain the turbines, which will generate 'green electricity' for the depots and allow spare capacity to be put back into the national grid. In return Jarvis will buy electricity from Ecotricity's recommended green suppliers.

On Jarvis' road and rail sites portable lighting is being changed from halogen to fluorescent – reducing energy use and noise nuisances as half the number of generators are required to power the lighting. This new system provides effective lighting with less noise, less energy required, and reduced numbers of generators required. All generators are now fitted with integral drip trays. Fastline are also developing a tunnel lighting solution using LEDs and batteries to eliminate fumes and noise from the conventional diesel/petrol generators system.

Jarvis has also engaged the services of Envirowise, a government programme dedicated to helping companies reduce their environmental impact and become more competitive and more profitable by reducing waste at source. Envirowise produced a report that will help Jarvis:

- identify strategies and actions that could be taken to reduce water and effluent volumes
- identify actions to achieve reductions in waste amounts
- examine energy issues leaving the details for discussion with the Carbon Trust

## Waste management

Jarvis' aim is to recycle as much waste as possible – already more than 80 per cent of all waste we produce is recycled through industry-specific schemes and company-led initiatives.

## Support for sustainability and bio-diversity

It is Jarvis' policy only to procure timber from verifiably sustainable sources and we ask all our sub-contractors to ensure that wood is accredited by the Forest Stewardship Council or other recognised bodies.

Herefordshire Jarvis Services (HJS) has produced a bio-diversity information booklet with useful colour photographs for all staff to help them identify protected species, plants and their habitats. The booklet is designed to help teams and individuals to be aware of and recognise legally protected wildlife and plants likely to be found on the roadside, in open spaces and in other areas where HJS carry out works.