

METROBUS

ENVIRONMENTAL & SOCIAL REPORT 2006



We're part of the
Go-Ahead
Group

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OUR RESPONSIBILITY

A message from the Managing Director

Welcome to this, our second annual Corporate Responsibility report.

At Metrobus our formula for success is simple: we focus on making the bus the preferred way to travel. This focus is also at the heart of what being responsible means to us.

The effect that this approach has on our business is evident from our growth. Metrobus was founded in 1983 with a fleet of just six buses, whereas today we carry over 40 million people on our fleet of over 350 buses. Our growth is even more remarkable as some one-third of it has occurred outside of London against a general national backdrop of falling levels of bus patronage.

Our Gatwick Fastway operation continues to set the standard in the industry for a modern bus service, with patronage up by a staggering 40%. Customers for our other bus services in the Crawley area are also up by a quarter.

Service quality and reliability are vitally important areas of responsibility for our business; we know this from discussions with our stakeholders, when we asked about the issues that mattered most to them. This report is designed around their responses.

This year has been a momentous one for us, we have moved into a purpose-built depot in Beddington Lane, Croydon, replacing our previous inadequate depot at Godstone and we have completed the rebuild of our largest depot at Green Street Green near Orpington. This investment in infrastructure is good for our customers through increased service reliability, good for employees who benefit from safer workplaces and good for the environment through new equipment such as bus-washing processes that use a third less water and when possible, harvest that from rainfall.

We hope you find this report useful and informative. Please let us know your views about its contents and share with us your ideas on how we can improve.

Alan Eatwell
Managing Director

WHO WE ARE

Metrobus services run in parts of Kent, Surrey, East and West Sussex and South East London. Our fleet of over 350 buses runs local services in and around Crawley and throughout the surrounding area, as well as tendered services for Transport for London in Croydon and Orpington.

About The Go-Ahead Group plc

Metrobus has been part of The Go-Ahead Group plc since 1999. Go-Ahead is a major provider of transport services across the UK employing over 24,000 people and carrying around 800 million passengers. Its operations span bus, rail and aviation services (including parking).

The Go-Ahead Group believes that local people make the best decisions on running local services. However, the Group also believes in the importance of a common framework for measuring each company's impact on local communities and the environment. This report describes our performance against the framework developed by the Go-Ahead Group.



Our company structure ensures that local management make local decisions about local services.

About this report

This report describes our performance for the 12 months to 1 July 2006. It is divided into four main sections, which describe the impacts that we have on the world around us and how we approach managing these responsibly:

- Marketplace** – how we run our services
- Workplace** – issues that affect the people who work for us
- Environment** – how we manage and reduce our impact on the environment
- Community** – making the communities where we operate better places to live and work.

As part of our annual business planning, we have set targets and goals to improve our social and environmental performance for 2006/7.

To keep this report short, we have placed a lot more information on the web www.go-ahead.com/corporateresponsibility

THE MARKETPLACE

Our responsibilities in the marketplace

Our main social and environmental responsibility is to maximise the number of people that use our buses. This is also our commercial imperative.

Increasing bus use is good for the community as transport plays a key role in tackling social exclusion and giving people access to work. It is also good for the environment as more people can travel by bus than in a private car, reducing the number of vehicles on the road.

The realities of the bus market make the objective of increasing passenger numbers difficult to achieve. As incomes rise, bus usage can decline. This phenomenon is reflected in the 80% growth in road traffic since 1980, almost all due to increased car ownership.

Most bus companies outside London report falling passenger numbers. In contrast, an extra 3 million people travelled with Metrobus this year. We are particularly proud of our record in Crawley where we have grown passenger numbers for our Fastway services by 40% and since Fastway began operating the rest of Crawley Town network has seen passenger numbers increase by 25%.

We have achieved this impressive performance by being single-minded about growing passenger numbers wherever there is the opportunity to do so.

Consultation with passengers, employees and other stakeholders confirmed that our most important responsibility is to increase bus usage and indicated how we can continue to achieve this, through:

Reliability, convenience and punctuality

Accessibility for all

Safety and security

Affordability

We are therefore reporting our performance in each of these key areas.

Our responsibility: providing reliable, convenient and punctual services

Fastway, which connects Gatwick, Horley and Crawley, continues to be our flagship service. Fastway uses dedicated bus lanes and guideways to shorten journey times and avoid traffic hotspots. Since its launch in September 2003, Fastway has continued to exceed forecast passenger numbers by about 40% with no abstraction from our regular bus services.

Gatwick Airport is a significant centre of employment. A quick, convenient and reliable bus service therefore creates employment opportunities for those living along the length of the route. This year, we began operating Fastway 20, the second phase of the Fastway routes, into Horley. It is being operated in advance of planned housing developments which will increase ridership levels.

Getting the right bus in the right place at the right time is part of the secret of our success. An example of this is our 'route 2' to the new multi-million pound leisure centre in Crawley, K2. In consultation with the Council, we have introduced a high-frequency service offering a direct link from the town centre to a purpose-built bus stop at the centre. This successful service has made the centre accessible to those without cars and relieved pressure on the centre's car park.

“We are particularly proud of our record in Crawley where we have grown passenger numbers for our Fastway services by 40%”

Our responsibility: accessibility for all, particularly people with disabilities

Traditionally bus design has been geared towards the able bodied. Low-floor buses fitted with powered ramps are a major step forward in improving access for all.

We have invested in making our buses as accessible as possible. In the last three years, the proportion of low-floor buses in our fleet has almost doubled so that now over 90% of our buses are low floor and wheelchair-accessible.



Low floor bus with extended ramp.

Our responsibility: safety and security of passengers, employees and the general public

Safety of passengers, employees and the general public is a huge priority for us and we have invested in a comprehensive health and safety management system. We run safety committees, carry out risk assessments and encourage our employees to raise issues.

Metrobus has a good safety record compared to similar bus companies. Our focus on driving standards has helped to reduce the number of road traffic accidents involving our vehicles over the last three years, despite ever-increasing traffic volumes. In a recent independent Driving Standards survey for Transport for London, we came fourth out of 16 bus companies.

We have also invested in CCTV equipment to detect and deter crime whilst improving personal safety and increasing confidence. We have again increased the proportion of buses carrying CCTV to 92% and have achieved 100% coverage for regular daily services. CCTV footage is helping us to tackle graffiti and window etching, and supports our campaign in schools to increase respect for buses, bus drivers and other users.

Our responsibility: affordability to ensure as many as possible can use our services

All young people under 15 are entitled to half-price travel on Metrobus services, when they display ID such as a Citizenship Card. Discounted half-price travel is also available for young people aged 16 to 18 in full-time education.

Metrobus operates a range of local authority-funded discount schemes for older people and people with disabilities.

Passenger journeys **45.68m**

Total vehicle kms **31.66m**

Passenger vehicle kms **26.21m**

Vehicle accidents per million kms travelled **9.32**

Low-floor buses (%)

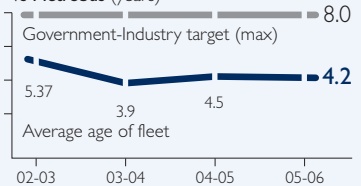
05-06	91
04-05	83
03-04	80
02-03	49

Size of bus fleet

05-06	368
04-05	353
03-04	333
02-03	309

Average age of fleet:

Government-Industry target vs Metrobus (years)



VOSA PSV vehicle test pass rate

Metrobus **99.15%**

National average **85.30%**

Scheduled km operated buses

Metrobus **99.3%**

Industry target **99.5%**

THE WORKPLACE

Our responsibilities in the workplace

Our business success and ability to run our services is dependent on every one of the more than 1,150 people we employ. Over three-quarters of our employees are drivers and their contact with passengers is what shapes our reputation.

Our responsibility is to provide a work environment that encourages people to stay with us whilst attracting new recruits. We support each individual regardless of gender, race, age or, where practical, disability and also provide an attractive package of employee benefits.



We carry out health and safety refresher courses for all our directors, managers and engineering supervisors.

Our responsibility: health and safety training

As part of our extensive health and safety management system, we carried out a major refresher programme involving all directors, managers and engineering supervisors. This will give our managers and elected safety supervisors formal health and safety qualifications such as those awarded by the National Examination Board in Occupational Safety and Health (NEBOSH).



Metrobus News - Metrobus' quarterly staff newsletter.

Our responsibility: developing skills

We invest in our people and provide opportunities for both professional and personal development. We believe in the value of excellent training and this is why over 600 of our drivers have so far gained a BTEC qualification ahead of the introduction of a national Certificate of Professional Competence for bus drivers. All new employees are expected to qualify for this qualification in their first year of employment. We also provide rigorous and extensive driver training both for new recruits and existing drivers. We invested over £1.25m in training last year.

Our responsibility: staff engagement

We have always prided ourselves on our productive relationship with union representatives. Over the last year, we have invested in improving our staff communication and introduced an employee magazine, Metrobus News, to which our staff are actively encouraged to contribute. We plan to introduce an employee award scheme next year.

“We invested over £1.25m in training last year.”

Number of employees

05-06	1,183
04-05	1,171
03-04	1,097
02-03	784

Employee turnover rate (%)

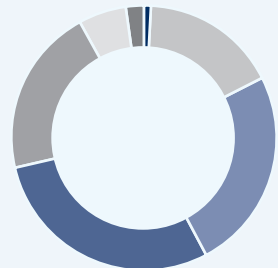
05-06	20.1
04-05	18.0
03-04	21.7
02-03	21.8

Diversity by gender (Male)

05-06	1,079
04-05	1,067
03-04	1,003
02-03	703

Diversity by gender (Female)

05-06	104
04-05	104
03-04	94
02-03	81



Diversity by age

16-19: 0.6%	50-59: 20.7%
20-29: 16.6%	60-64: 5.7%
30-39: 24.8%	65+: 2.2%
40-49: 29.4%	

Diversity by ethnic group

Asian, black or other origin	129
White	1,054

Physical assaults on staff per million passenger journeys

05-06	1.53
04-05	1.75
03-04	0.99
02-03	0.23

THE ENVIRONMENT

Our responsibilities to the environment

Concern over environmental issues has never been higher. The impact of emissions on the climate worries both Governments and individuals around the world, and local air quality and congestion issues are also high on the agenda.

We believe that the bus is part of a sustainable environmental solution for transport. However, we also believe that it is our responsibility to invest in environmentally friendly vehicles and technology.

We are proud that our investment programme over the last few years means that we have one of the most modern and fuel-efficient fleets in the country.

Our responsibility: reducing emissions

We want to continue leading the industry when it comes to reducing our environmental impact. Our commitment involves investment in new buses and technology, good maintenance and the use of low-emission fuels.

The average age of our fleet is only 4.2 years, substantially below both the industry average and the government target of 8 years. We benefit from the latest fuel-saving engine designs and all new buses acquired are fitted with Euro IV engines. We have also retro-fitted vehicles in our current fleet with particulate traps as part of our maintenance programme, reducing vehicle emissions by up to 90% in some instances.

This year, we are testing Envirox, a new fuel additive that aims to make diesel burn up to 10% more efficiently. The additive uses minuscule particles of cerium oxide to catalyse the combustion reactions between diesel and air. Currently we are using a 5% bio-diesel mix as standard at all our depots. All these initiatives are designed to reduce our emissions.

Fleet maintenance is critical to controlling emissions. We operate a rigorous maintenance schedule including regular emissions testing. As part of our move to a new depot, we invested in the latest emissions-testing equipment. Our systems are independently assessed by the Vehicle and Operator Services Agency (VOSA), which carries out annual and random emissions tests.

We also invested heavily in the bus wash facilities – rainwater is harvested from the roof of the depot and stored in an underground tank – up to 25% of water needed can come from this facility. Water usage is further reduced by reclamation from the wash for re-use in the next cycle.



The scissor lift at the new depot: £5.5million was invested refitting the building including rainwater harvesting from the roof for the bus wash.

Our responsibility: reducing congestion

In common with many towns and cities, congestion is a problem on the roads of London, Horley and Crawley. We believe that attracting car drivers onto the bus is our main contribution to tackling congestion and we continue to be successful at growing bus use.

We work closely with our local authorities to promote and improve the services we offer. Fastway is an example of these partnerships in action. We also work with Crawley Borough Council to promote alternatives to car use.

We offer discounted travel, maps and timetable information to local companies in Crawley to help them with their travel plans.



Our responsibility: green travel

The timing of shifts can make it difficult to get to work. Introducing a 24-hour service on Fastway helped solve this problem for many of the employees at our Crawley depot. All Metrobus staff benefit from free travel on Go-Ahead bus networks in the region.

Our responsibility: measuring our performance

For the second year, the Go-Ahead Group came top of the public transport companies that participated in the Business in the Community Corporate Responsibility Index. The Group scored 89%, a further significant improvement. In the dedicated environment index, we did even better; improving to a score of 91.5%, which included maximum marks for our emissions management performance.

VOSA emissions pass rate

Metrobus **100%**

% of fleet with Euro II engines or above

05-06	89
04-05	87
03-04	87
02-03	72

% of fleet with CRT

05-06	75
04-05	70
03-04	42
02-03	39

Air pollution: NOx (g)*
per passenger journey

05-06	6.36
04-05	6.81

Air pollution: PM (g)*
per passenger journey

05-06	0.05
04-05	0.10

Air pollution: CO² (kg)*
per passenger journey

05-06	0.63
04-05	0.68

Air pollution: CO (g)*
per passenger journey

05-06	0.23
04-05	0.32

Air pollution: HC (g)*
per passenger journey

05-06	0.15
04-05	0.27

*This year, we updated the way we calculate our emissions. Our 04-05 emissions have been restated using the new system and this will be our new baseline. Our full report on the web provides emissions data using both the previous system of calculation and the new data as published above.



THE COMMUNITY

Our responsibilities to the community

We provide essential services for thousands of people who live and work in the communities we serve. We also employ over a thousand people and have responsibilities to both them and their families.

Vibrant and successful communities are in everybody's interest. We contribute to our communities through fundraising, in-kind donations and free advertising for good causes. In addition, the Go-Ahead Group provides cash donations on behalf of all its operating companies.

Bromley Education Authority

Travelling on a school bus for the first time can be a difficult transition for many primary school children. We are working with Bromley Education Authority on an innovative project, that involves using a Metrobus bus to teach children about good bus etiquette.

Pride in Brighton & Hove

With 80,000 attendees, Brighton Pride is the largest free event in Europe aimed at promoting equality and diversity and combating discrimination against the Lesbian, Gay, Bisexual and Transgender community. As in previous years, Metrobus provided a special 10-minute shuttle service connecting the Old Steine area of Brighton with Preston Park, site of the event. The shuttle raised over £2,000 for the Pride charity.

Employee fundraising

Employees at Metrobus have a strong tradition of raising funds for charity. Each year, a Metrobus team of 18 enters the Brighton Bike Ride to raise funds for the British Heart Foundation. Employees also participate in Children in Need and the annual Christmas Party raises funds for special-needs children's charities. Metrobus applauds the individual effort of everyone involved.



Metrobus raised money for Pride by donating half of the passenger fare to the Pride charity.

SUMMARY INDEPENDENT VERIFICATION AND AUDIT STATEMENT

The SMART Company was commissioned by the Go-Ahead Group plc to undertake an independent review of their Environmental and Social Report for the period July 2005 to June 2006. A Senior Consultant, who did not participate in the data gathering and report writing process, conducted the verification.

The verification was undertaken using the principles of the assurance standard AA1000: materiality completeness and responsiveness. This is the fifth consecutive year that SMART has provided assurance for Go-Ahead and we have undertaken a rolling programme of audits, ensuring all operating companies have been audited at least once during this period. In 2006 a sample of three operating companies were visited as part of the verification process, as well as a visit to the Group Head Office.

Sample checks of the data sources were undertaken and interviews were conducted with members of the management team who had been responsible for data collection. We are therefore satisfied that this report is a reliable and accurate reflection of the performance of the company. A full verification report, containing a more detailed analysis together with recommendations for developing the processes for measuring, managing and reporting Go-Ahead plc's environmental and social impacts, can be found at www.go-ahead.com/corporateresponsibility.

Zoë Hatherly
Senior Consultant, The SMART Company,
August 2006

Go-Ahead

Metrobus is part of The Go-Ahead Group plc. Members of the Group operate bus services (in the South of England, London, West Midlands and the North East of England), commuter train networks, aviation ground handling and parking services. Other companies within the Group are:

- aviance-UK
- Brighton & Hove Bus Company
- Go North East
- Go West Midlands
- London Central & London General
- Meteor
- Oxford Bus Company
- Solent Blue Line
- Southeastern
- Southern Railway
- Southern Vectis
- Wilts & Dorset

There is no report for Southeastern as the rail franchise was not awarded to us until April 2006.



More information on how Metrobus manages its responsibilities can be found at www.go-ahead.com/corporateresponsibility

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please use the enclosed form or write to:

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This report was put together by The Go-Ahead Group with help from The SMART Company, and designed and produced by Rare Corporate Design, London.



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Printed on Revive Silk which is made from 75% post consumer waste.

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CarbonNeutral® publication

In order to minimise the environmental impacts of our reports, Go-Ahead is working with The CarbonNeutral Company to assess and 'offset' the greenhouse gas emissions created by the production and distribution of our annual and corporate responsibility reports. 12.31 tonnes of CO² will be balanced through native forestry in Northumberland and Snowdonia, making both these reports CarbonNeutral.