

# ENVIRONMENT

On a per passenger kilometre basis, the rail, coach and bus services operated by our Group are significantly more environmentally friendly than journeys undertaken using other transport modes.

Using public transport for journeys is the single best way in which to reduce our individual environmental footprint.

We recognise the need to promote the environmental benefits that greater use of our services will generate. Such benefits form the cornerstone of the case for public transport.



## Corporate

### Goals for 2005

- ◆ Continued focus on improving utilities management
- ◆ Continued social and environmental supply chain programme
- ◆ Understand opportunities arising from public transport through the EU GHG Emissions Trading Scheme

### Progress in 2005

- ◆ The total energy consumption has decreased from 71,889 tCO<sub>2</sub>e to 61,929 tCO<sub>2</sub>e
- ◆ We have continued our programme of supplier audits where we focus on suppliers of potentially high impact services
- ◆ There are currently no plans to include public transport in the EU Emissions Trading Scheme

### Objectives for 2006

- ◆ Review and reissue management system guidance to UK businesses
- ◆ Continue to promote environmental benefits of public transport with key opinion formers

## Coaches

### Goals for 2005

- ◆ Continued investment in new, cleaner vehicles
- ◆ Review low emission road vehicles on market

### Progress in 2005

- ◆ We have continued to reduce the average age of our fleet. The age of our owned fleet has dropped from 5.9 to 5.5 years and our network fleet from 4.45 to 4.3 years
- ◆ On an ongoing basis we review market developments

### Objectives for 2006

- ◆ Review options for improving fuel efficiency and reducing exhaust emissions of existing fleet and new vehicles
- ◆ Reduce site energy use

## Buses

### Goals for 2005

- ◆ Continued investment in new, cleaner vehicles
- ◆ Review low emission road vehicles on market

### Progress in 2005

- ◆ We have continued to reduce the average age of our fleet.
- ◆ On an ongoing basis we review market developments (see divisional text for details)

### Objectives for 2006

- ◆ Review options for improving fuel efficiency and reducing exhaust emissions of existing fleet and new vehicles
- ◆ Reduce site energy use



New technology can play a key role in helping us to improve our environmental performance. However, bus and coach prioritisation on roads and the efficient running of the rail network can also have a dramatic impact on our emissions performance. In addition, if we can reduce journey times then more people will be attracted to our services – which will further improve our performance on a per passenger kilometre basis.

The significant environmental issues which impact our business are:

- ♦ Emission of greenhouse gases (GHGs)
- ♦ Emission of local air pollutants (e.g. NOx, PM10 and HC)
- ♦ Incidents and prosecutions
- ♦ Depot infrastructure & land contamination

One of the key challenges we face is that new diesel vehicles (bus, coach and trains) which have lower emissions of exhaust pollutants paradoxically are less fuel efficient and so produce more GHGs. The reason for this is that cleaner engines, which comply with the latest exhaust emissions standards, use more fuel than older engines. In addition, the vehicles themselves are heavier due to improved accessibility, climate control or safety measures. This is a well known and documented trade-off.

Our environmental performance has continued to improve. In the 2004 Business in the Environment (BiE) index we again improved our score and overall rank. We finished 51st in the index and were again second in the transport sector behind BAA.

## Trains

### Goals for 2005

- ♦ Continued support to the rail industry Sulphur Free Diesel Initiatives and operate an in service trial
- ♦ Review waste management contracts in the 'one' franchise

### Progress in 2005

- ♦ MML provided a high speed train (HST) engine for test bed trials. The industry working group has decided there is no need for the in service trial.
- ♦ Rolling review with selective contract consolidation

### Objectives for 2006

- ♦ Review options for improving fuel efficiency and reducing exhaust emissions of existing fleet
- ♦ Reduce site energy use
- ♦ Improve benchmarking of the use of utilities across depot operations

## North America

### Objectives for 2006

- ♦ Review environmental management in North America