CSR - The Challenges
A Public Transport Operator’s Perspective
Terri Vogt
Group Head of CSR
About FirstGroup

The leading transport operator in the UK and North America

• Turnover – around £5,000 million
• Employees – 137,000
About FirstGroup

UK

• The UK’s largest bus operator running more than 1 in 5 of local bus services—9,000 buses carrying 3 million people per day
• The UK’s largest rail operator running one quarter of the rail passengers network carrying over 275 million passengers per year.
About FirstGroup

North America

- Largest provider of school buses in North America—around 60,000 yellow school buses carrying 4 million students per day.
- One of the largest providers of transit management and contracting services
- The largest private sector provider of vehicle maintenance and ancillary support services
- Own Greyhound providing scheduled passenger services to approximately 3,100 destinations throughout US and Canada.
What Does CSR Mean to Us?

- Delivering more sustainable travel
- Supporting a strong economy
- Bringing communities together
- Reducing environmental impacts

Transforming Travel

“We want to lead the way in transforming the way people travel and the way they feel about public transport.”
Delivering more sustainable travel

- Engage with our stakeholders
- Deliver high quality passenger service
  - Valuing our employees
  - Ensuring the safety and security of our passengers and employees
- Minimising our environmental impacts
- Support local communities
Engage with our stakeholders

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<tr>
<th>Customers</th>
<th>Employees</th>
<th>Community</th>
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<td>Investors</td>
<td>Suppliers</td>
<td>Government</td>
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Delivering High Quality Passenger Service

• Investment
• Service performance
• Partnerships
• Innovation
Valuing Our Employees

- Engagement and communication
- Learning and development
- Recognition and rewards
Safety and Security

- Top level commitment
- Injury Prevention
- Performance monitoring
- Security
Environmental Impact

- Risk management
- ISO14001 accreditation
- Utilities management programmes
- Emissions reductions
- Waste management
Community

• Provide essential services, significant employer, community benefits such as reduced congestion, improved air quality
• Support community partnerships
• Charitable giving
Internal Management Structure

- CSR Steering Group
- CSR Working Groups UK and North America
- Direct reporting lines to Executive Management Board
CSR Challenges

Internal

• Developing consistency of approach across a large and diverse company
• Communication with employees—bringing them with us.
• Supply chain
• Stakeholder management
CSR Challenges

External

• Climate change
• Resource management
• Role of public transport
Climate Change

- Society has significant challenges ahead.
- Of high priority to many of our stakeholders.
- 60-80% carbon dioxide emissions reduction required by 2050
Transport Emissions Continue to Grow
Public Transport Key Part of Solution
Climate Change Strategy

Public transport plays an important role in reducing emissions, part of our contribution is to increase passenger growth.
Climate Change Strategy

- We are also committed to reducing our own emissions.

2020 Targets

- 20% reduction in emissions from UK Rail
- 25% reduction in emissions from UK Bus
- Developing strategy in North America
How will we get there?

The Fuel Efficiency Challenge

Trend of decreasing efficiency which we have to counter and then improve on.
How will we get there?

What we can do with existing vehicles

• Driver training
• Additives
• Operational efficiencies
• Engineering adjustments
• Improving diagnostic ability
• Biofuels???
The Future

- Vehicle design
- Life cycle analysis
  - Manufacture
  - Maintenance
  - Supply chain
  - Fuel/energy use
- New Technology – Hybrid then ??
Carbon Reduction Commitment

From 2010 energy usage in our buildings will be subject to an emissions trading scheme
Resource Management

- Oil availability/cost
- Water Usage
Role of public transport

- Perceptions
- Differing stakeholder expectations
- Social vs environmental agendas
Going Forward

• Driving further efficiency to optimise the sustainability of the operations
• Focus on delivering the customer promise
• Motivate our people

Influence
Innovate
Business Benefits

• Integral to business as effects, reputation, customer satisfaction, risks, costs.

• No question that business environment is changing and there will be further change – will the ability of business to adapt become a key differentiator?