

Safe Driving

ESP® and the UK Fleet Market

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Invented for life



Introductions



David Ward

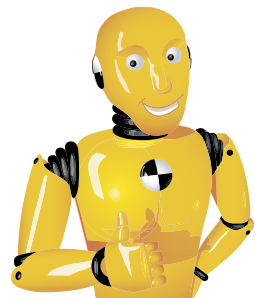
Director General, FIA Foundation
President eSafetyAware! and the
ChooseESC! campaign

Employees are a company's most valuable asset and those who drive for work purposes have a crucial role in the company's performance. Statistics in Britain show that between 800 and 1000 people are killed annually whilst driving at work. Work-related road safety and the careful management of its risk are now a vital issue that no company can afford to ignore.

The European Union has set out the ambitious target of halving the number of road fatalities by 2010. We certainly need to do all that we can to reduce the risk of death and serious injury on our roads.

Along with driver safety training and occupant protection systems, crash avoidance technologies like ESP® (Electronic Stability Program) also known as ESC (Electronic Stability Control) offer business leaders and fleet managers an effective and lasting solution to risk management.

ChooseESC! a public awareness campaign supported by the European Commission and Euro NCAP, is promoting the huge safety potential of ESC to save lives. Research shows that ESC could reduce the likelihood of being involved in a fatal crash in the UK by as much as 25%. So as President of this campaign I would urge all fleet operators to take this simple step: If you are thinking of renewing your fleet make sure it has ESC on board!



**CHOOSE
ESC!**



Julie Jenner

ACFO Chairman

ACFO represents fleet operators throughout the UK and I am delighted that our membership has enthusiastically supported and participated in this important research on ESP®. In 2007 56 % of new car sales were funded by the corporate sector, so in making their fleet choices, fleet managers need to be aware of vehicle safety technologies.

When reviewing the latest sales analysis for electronic stability control in the UK's top 10 fleet cars, it is disappointing to see that the installation rate is eight percentage points below the UK average of 45 %.

The results of the research provide ACFO members with a foundation to build from. Almost 20 % of fleet managers are already specifying ESC as

compulsory equipment within their own company vehicle policy. The task now is for all fleet managers to demand that ESC is included in discussions with their vehicle supplier and to support the majority call to make ESC standard equipment.

Ask your vehicle(s) supplier for cars and vans with ESC on board!



The Premier Organisation for Fleet Operators

Active Safety Systems

Active Safety Systems are crash avoidance technologies that help drivers to prevent accidents. The Electronic Stability Programme ESP® has been heralded as the biggest life-saver since the introduction of the seat belt.

The Electronic Stability Program ESP® combines the functions of the Antilock Brake System ABS and the Traction Control System TCS and additionally helps drivers to avoid crashes by significantly reducing the danger of skidding.

ESP® is an evolution of the pioneering ABS technology first launched by Bosch in 1978.

In critical driving situations, the wheels of a vehicle may lock during braking, thus reducing the adhesion between tyres and the road surface. Locked wheels prevent the steerability of the vehicle and increase stopping distances. ABS detects imminent wheel locking and modulates braking pressure at individual wheels. With ABS the driver can brake safely and steer around sudden obstacles.

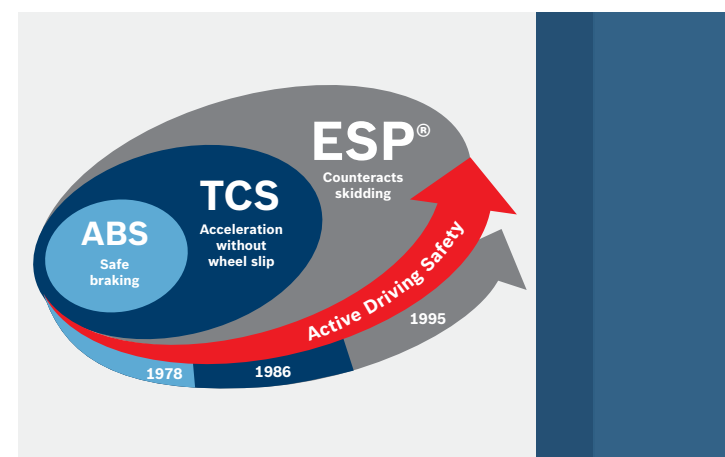
Loss of control of the vehicle can occur not only while braking, but also when starting off and accelerating, particularly on slippery roads and on hills. Based on ABS technology, the TCS prevents wheels from spinning by applying the brake at the spinning wheel and by reducing the drive torque. With TCS the driver maintains control of the vehicle when accelerating and has optimal traction.

Sudden manoeuvres such as rapid steering and countersteering, sudden lane changes and obstacle-avoidance may create vehicle instability and lead to skidding. ESP® becomes active when skidding is imminent. It detects the risk of a skid at an early stage even before the driver and uses the vehicle's brakes to steer the vehicle safely back on

track. 25 times a second it compares whether the driver's steering intention corresponds to the actual direction of the vehicle. If the vehicle moves in a different direction and starts to slide out of control, ESP® intervenes instantly by braking the relevant wheel. This selective braking intervention generates the desired counteracting force, so that the vehicle reacts as the driver intends.

Stability is particularly important in the case of vans, since their design and use leave them with tighter safety margins. Depending on the load, a van's centre of gravity and weight can shift significantly. The load-adaptive ESP® provides an optimised solution for these vehicles and moreover significantly reduces roll-over.

ESP® substantially reduces the complexity of the steering process in critical situations and lessens the demands placed on the driver.



ESP® in the UK Market

ESP® is mainly offered as a factory fitted option. When renewing your fleet - ask for ESP®!



The number of vehicles equipped with ESP® has increased steadily. The latest installation rate data shows that 47 per cent of newly registered vehicles in Europe were equipped with ESP®. In the UK this rate amounts to 45 per cent of all new car registrations and 37 per cent of the top 10 fleet models. Whilst in the premium car segment ESP® has long been considered a standard safety fitment, in the high-volume small to compact segment this active safety system hardly features as standard equipment. Only 31% are sold with ESP®. These segments account for over two thirds of new cars sold in the UK. ESP® can be offered as standard equipment or as a factory fitted option.

In July 2007, the ChooseESC! campaign was launched in the UK market. Under the patronage of the European Commission and Max Mosley, President of the FIA, the campaign aims to improve road safety on European roads through the acceleration of the ESP® fitment in new cars.

In September 2007 the European Commission announced its intention to make ESP® mandatory on all new vehicles as per 2011. In the United States a mandatory requirement to equip all vehicles up to 4,5 tons with ESP® as per September 2011 has been passed in April 2007.



Driving for Better Business

When it comes to keeping employees safely on the road, the investment in ESP® can make a difference.



The wider proliferation of ESP® across the vehicle fleet has allowed the evaluation of its effects in actual crash situations in many countries. In June 2007 the Department for Transport published the first study that investigated the effectiveness of ESP® on British roads. The study found that vehicles equipped with ESP® are 25 per cent less likely to be involved in a fatal accident than those without it. It concluded, that if every vehicle were fitted with ESP® 380 lives could be saved and 7,800 accidents avoided each year.

The HSE estimates that up to one third of all road traffic accidents involve someone who is at work. The road safety toll amounts to 20 fatalities and 250 serious injuries every week and a total cost for UK business of up to 2.7 bn pounds.

Work-related road safety and the careful management of its risk have recently gained attention with the arrival of the Corporate Manslaughter and Homicide Act in April 2008. The new legislation can hold companies and organisations accountable for manslaughter on the basis of gross corporate failures in health and safety resulting in fatalities. The Department for Transport's Driving for Better Business Campaign managed by ROADS SAFE aims to cut work related injuries whilst driving on business.

Euro NCAP, ROADS SAFE and UK insurers research organisation Thatcham, strongly recommend new car buyers to choose cars equipped with ESP®. To assist private and corporate buyers in their vehicle selection, Thatcham provides an ESC fitment rate guide for each car model sold in the UK (www.thatcham.org).

ESP® – The Business Case

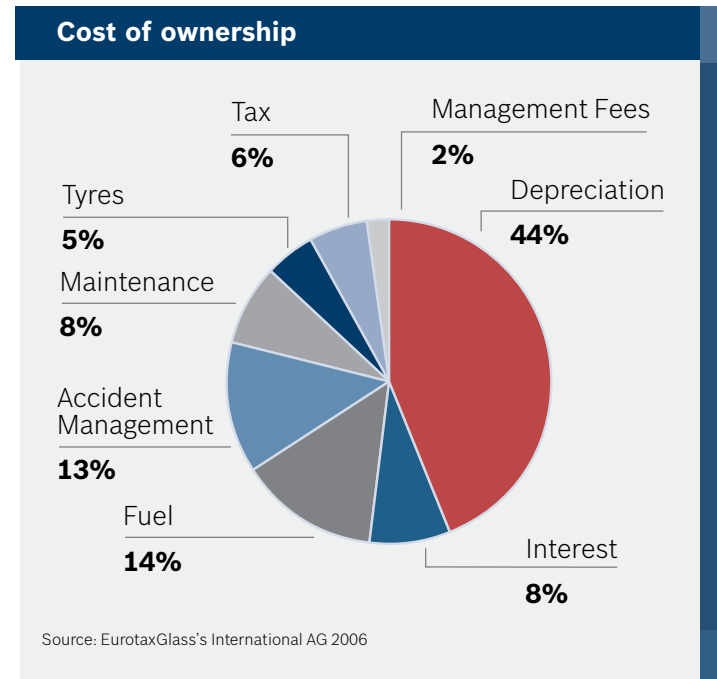


It is of paramount importance for fleet operators to estimate the total cost of ownership for the running time of their fleet and to optimise its cost.

The benefit of ESP® in avoiding accidents has a direct impact on reducing a company's accident costs - which according to EurotaxGlass's International account for 13 % of a fleet's total cost of ownership.

ESP® can also contribute to reducing depreciation. With contract hire agreements running for a time period of up to five years a new car purchased today with ESP® on board! will assist in the re-marketing of the vehicle following the end of the hire agreement. The European Commission has announced its intention to mandate ESP® for new cars sold within the European Union from September 2011 onwards. It is expected that after this date it will become increasingly difficult to re-market a car without ESP® on board!

Human resource professionals also welcome the development of ESP® on company vehicles. Lost working days and associated medical and insurance costs arising from employees involved in vehicle accidents can have a significant impact on personnel costs and resultant loss of productivity.



Research Methodology



215 respondents took part in the survey which was conducted in November and December 2007. One third of the respondents were ACFO members.

The total size of the fleets managed by the respondents amounted to 54,725 cars and 22,625 vans.

The survey respondents work in a cross section of industries throughout the UK for both private and public sectors. 30% of companies have a workforce of more than 1000 employees.

The majority of respondents have car fleets of over 50 vehicles and LCV fleets of under 50 vehicles. 30% had no LCV's.

Over half of the respondents identified themselves as decision makers and all had influence over fleet decisions. Over 30% reported that HR managers and directors were involved in fleet management, followed in significance by the Managing Director and Finance Director.

Contract hire was the principal method of fleet funding for over 60% of respondents. 88% had a fleet policy in place.

Qualitative research was also undertaken with eleven leasing companies managing 900,000 vehicles and with four rental companies.

The survey has been conducted by apd Fleet Research consultancy.

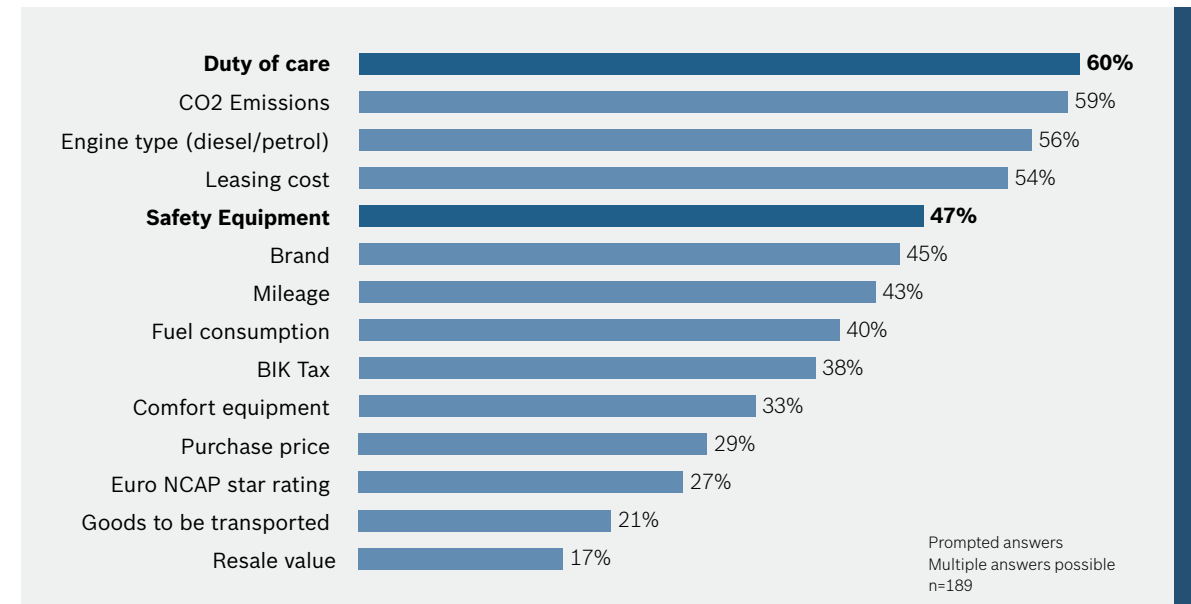


Research

Duty of care and emissions are main fleet management issues



What are the general areas covered under your fleet policy in terms of vehicle choice?



Duty of care is cited by 60% of respondents as an important fleet management policy issue. The Corporate Manslaughter and Homicide Act, which comes into effect in April 2008, will reinforce this concern.

Ensuring safe working conditions for employees by providing a safe vehicle can be viewed in this context: 47% of the respondents state that safety equipment is an integral part of their fleet policy.

Apart from criteria related to safety, the economic aspect is of paramount importance in fleet policies. With 59% of the respondents citing CO2

emissions being part of their fleet policy, this criterion is a close second. Along with environmental considerations, the associated costs are a key factor: CO2 emissions are directly reflected in the BIK tax.

“A good safe fleet is a cost-effective fleet”.
(Leasing company)

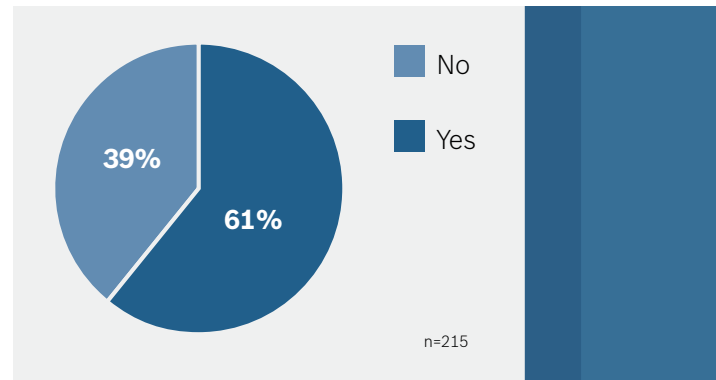
“Safety is coming high on the agenda, particularly over the last 12 months”.
(Leasing company)

Initiatives to improve road safety

Safety is an important criterion for selecting a vehicle

Have you recently introduced any initiatives to improve the road safety of your employees?

Safety issues continue to remain at the top of many fleet managers' agendas. However, when it comes to actually managing fleets, these safety concerns do not always readily translate into initiatives to improve road safety: only two thirds of the fleet managing companies have recently introduced initiatives to prevent accidents.

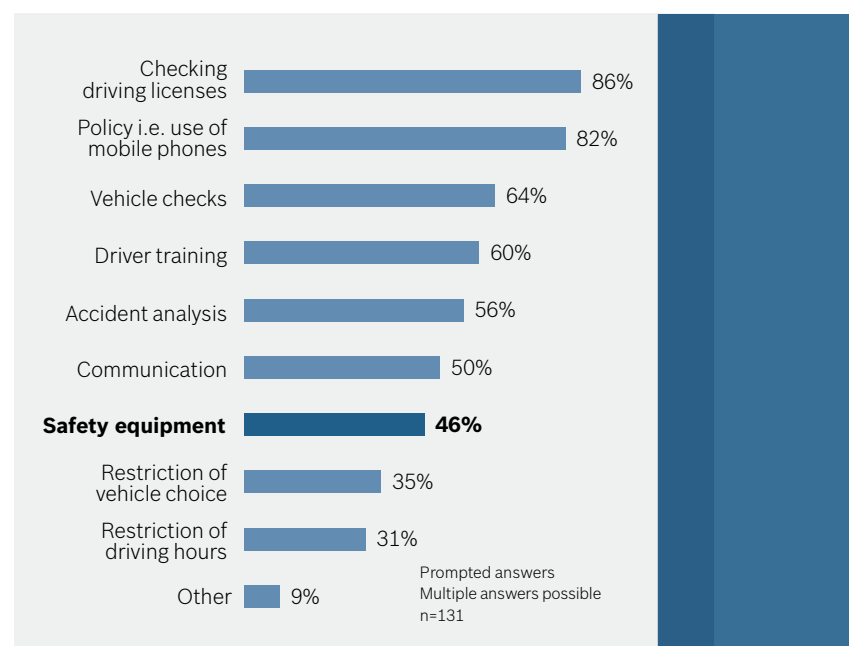


Which type of actions have you recently introduced?

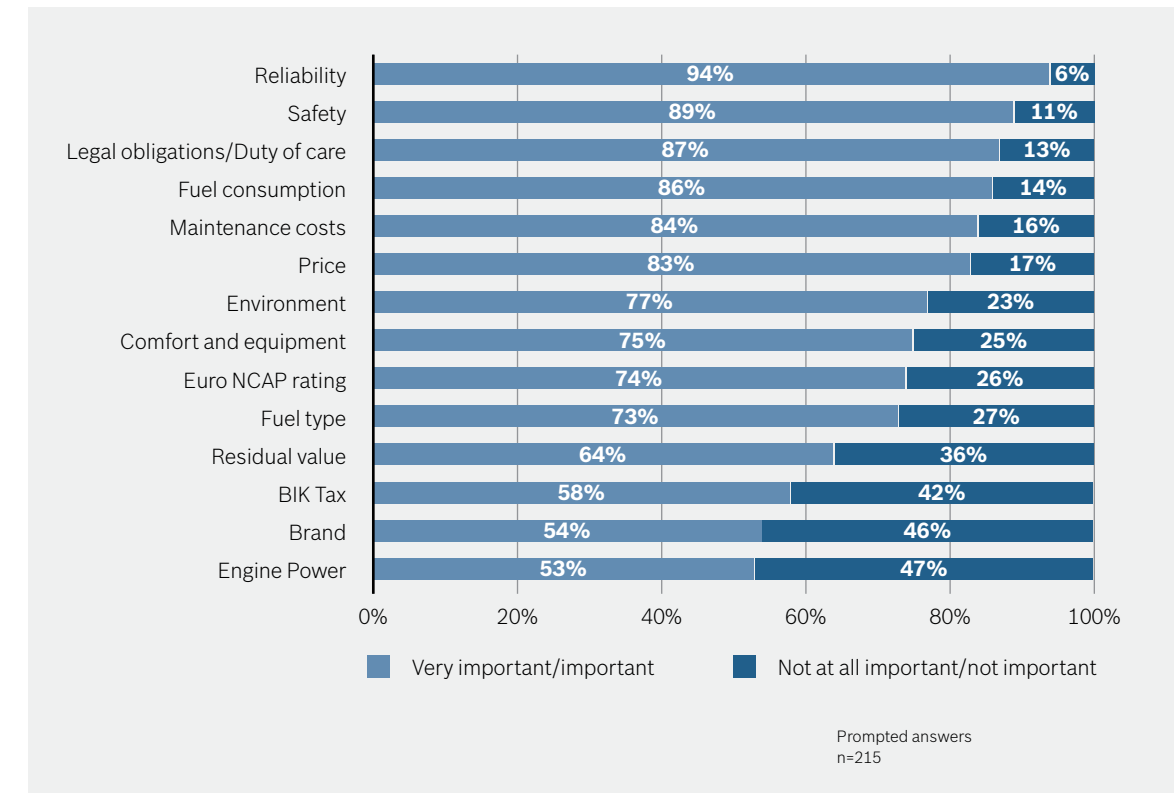
Companies that have introduced initiatives to improve road safety mainly focus on actions linked to their duty of care and legal obligations.

60% of the companies confirm to have conducted driver training and 50% made drivers aware of safety relevant issues by communicating related information.

Only 46% said they have integrated additional safety equipment in their fleet.



How do you rate the following in terms of their importance when deciding which vehicles to include on your fleet?



Reliability is cited as the most important criterion for selecting vehicles. 94% of the respondents say it is either important or very important, while the relevance of this criterion can be viewed in the context of its direct impact on fleet costs.

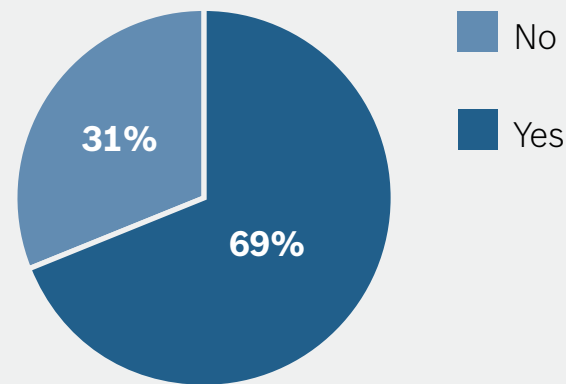
Considering the high relevance of other economic criteria such as fuel consumption, maintenance costs, or the price for the

vehicle choice, fleet managers' focus on cost control is apparent.

Safety however is the second most crucial criterion for vehicle choice and is either important or very important for 89% of the fleet decision makers. Duty of care is a close third and stresses again the importance of safety as a vehicle selection criterion.

Minimum safety standards are a must

Considering vehicle safety, do you have minimum safety standards in your fleet policy that your vehicles have to comply with?

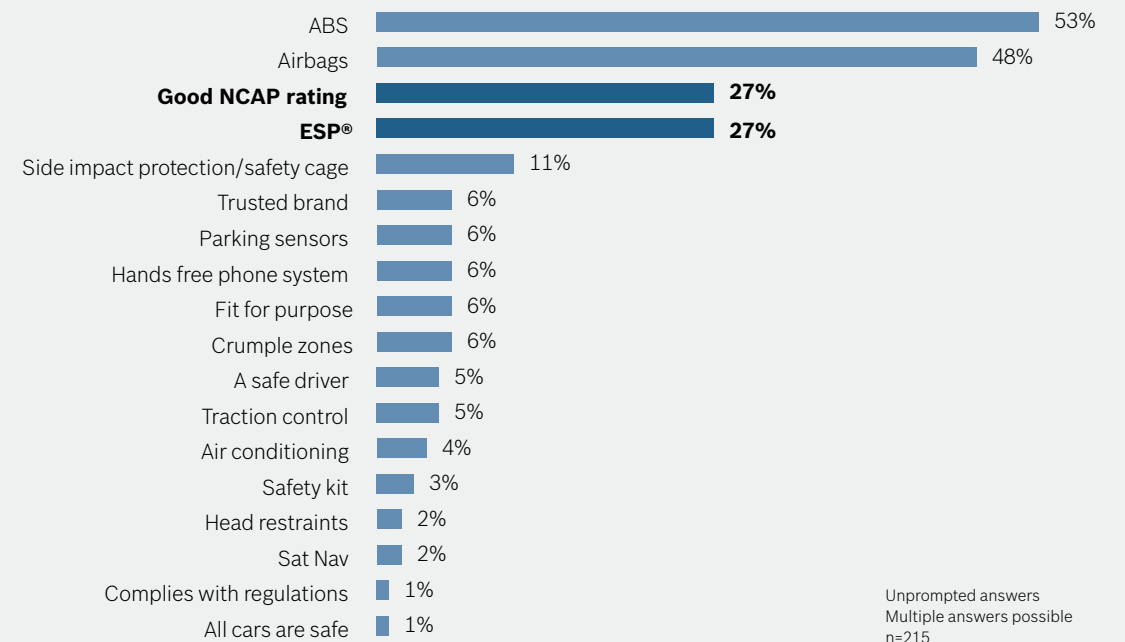


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Safety does not only play an important part in the choice of vehicles, the majority of companies state that minimum safety standards are integrated in their fleet policy.

Importance of active safety systems

What is a safe car to you, what features or equipment should it have?



When asked spontaneously, 53% of the respondents cite ABS as an important vehicle equipment, followed by airbags with 48%. ESP® and EuroNCAP come in joint third position with 27%.

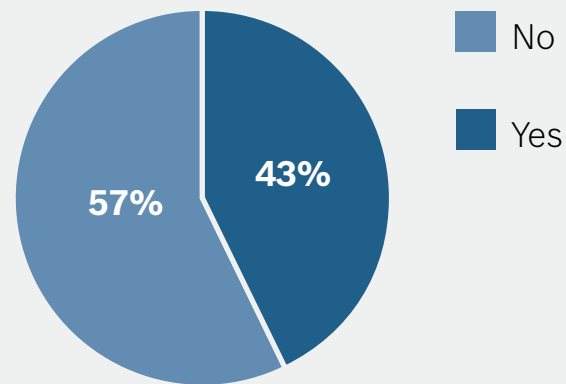
The importance of active safety systems becomes clear when considering their ranking: they represent two out of the three most important criteria.

Some equipment, such as ABS and airbags are standard on all new passenger cars. On the other hand, ESP® often remains an option. If vehicles are to be fitted with this life saving equipment, fleet decision makers have to keep in mind they need to make sure the vehicle has ESP® on board.

“A safe car would have nothing lower than a 4 star NCAP rating”. **(HR Manager)**

Compulsory fleet equipment

Do you specify any particular equipment or features as compulsory on your fleet?



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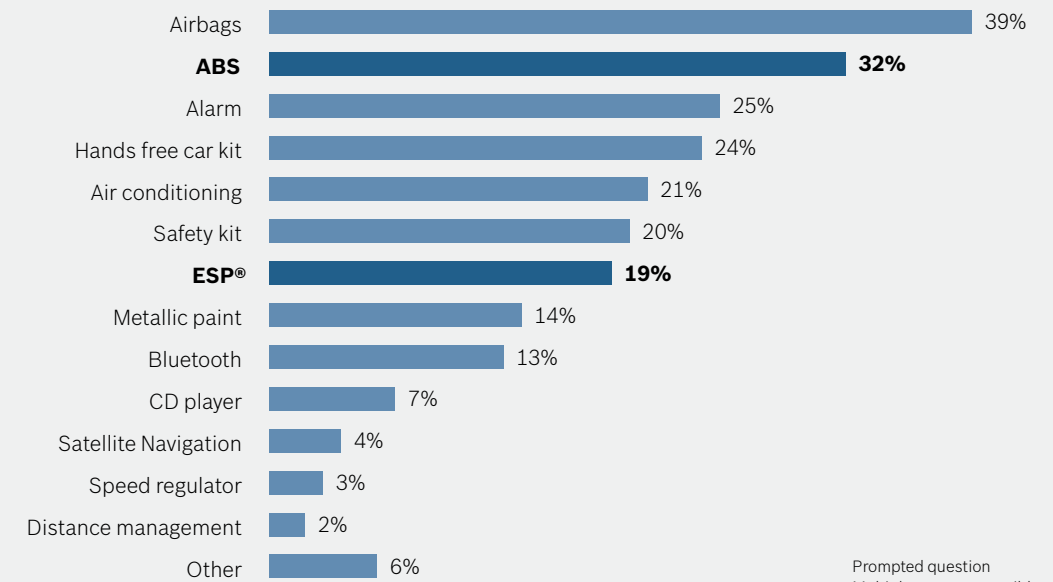
When asked, only 43% of the fleet decision makers state to have compulsory equipment on their fleet which leaves an alarming 57% of companies that have not mandated any features.

“I wouldn’t drive a car without ESP® in a million years”. **(Leasing company)**

“Drivers should have the best cars they can. I don’t expect my drivers to have to pay for safety”.
(HR Manager)

Active safety systems are rarely mandated by fleets

What equipment or features are compulsory on your vehicle fleet?



Prompted question
Multiple answers possible
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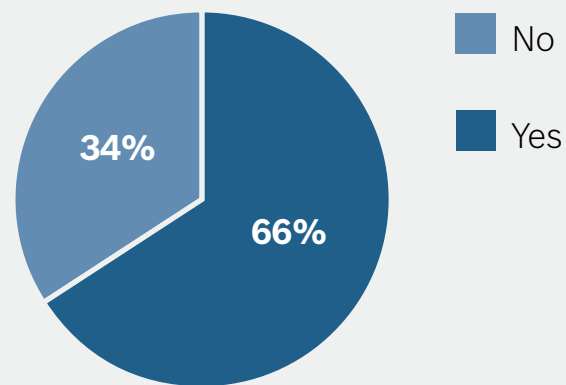
When fleet decision makers specify compulsory equipment on fleet vehicles, the top two listed items are safety related: 39% of the decision makers state that airbags are required on their fleet, followed by ABS with 32%.

ESP® is mandated by 19% of the fleets. Consequently, 81% still do not require an electronic stability program as standard equipment in their

fleet although it has been recommended by EuroNCAP and worldwide studies unanimously prove the live saving benefits.

Awareness of ESP®

Have you ever heard of ESP®?

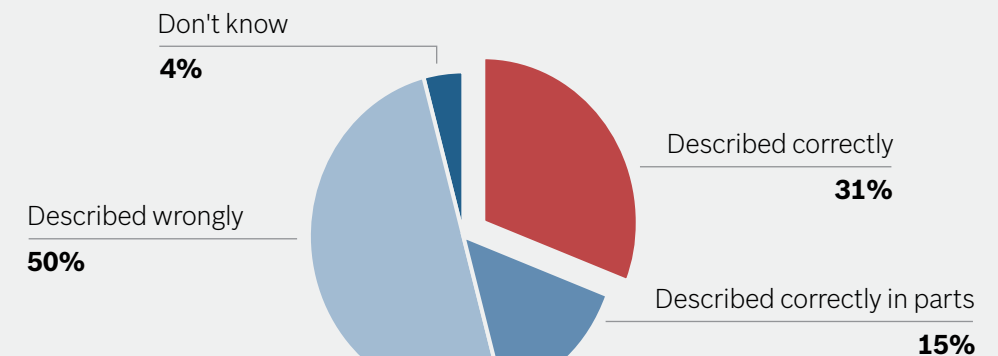


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Although 66% of the decision makers confirm to have heard of the electronic stability program, one third of the fleet managers have not heard of ESP® yet.

Benefits of ESP®

What are the benefits of ESP®?



If ESP® is known
n=124

The majority of respondents are not aware of the benefits of this life saving technology. This lack of knowledge inhibits demand and thereby a further widespread proliferation of ESP®.

What's more, 66% of the decision makers state that ESP® had not been brought to their attention when they last reviewed the vehicles to be included in their fleet with their leasing companies or manufacturers.

"It detects that the vehicle has gone into a skid and adjusts the power to the wheels to keep the vehicle in lane". **(Fleet manager)**

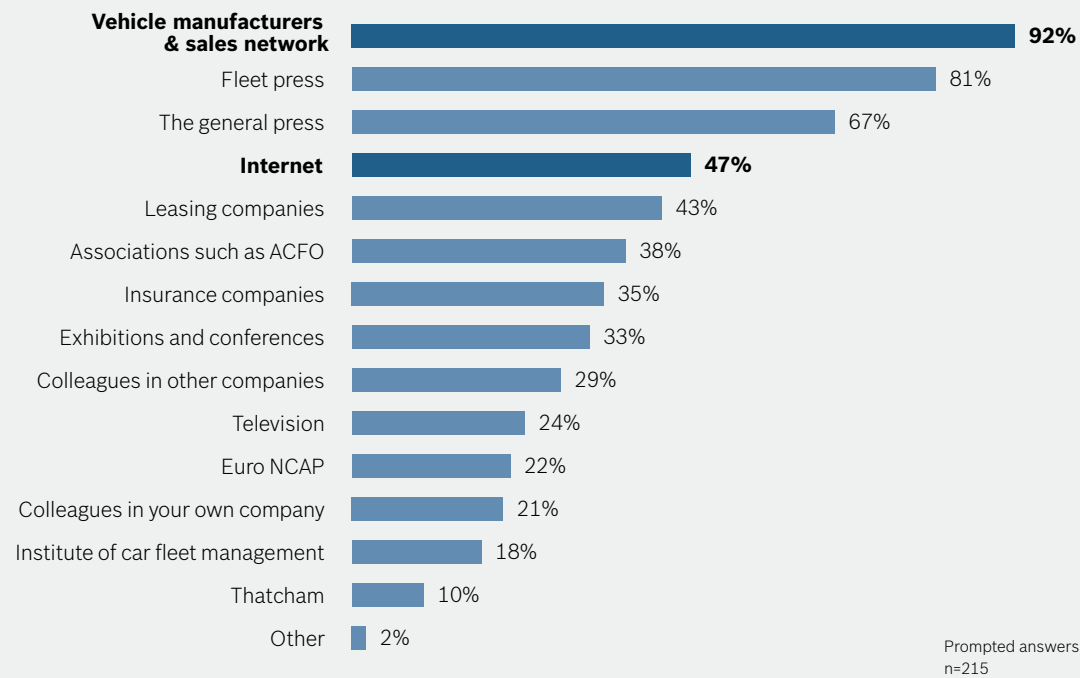
"Can help prevent skids and allow the driver to take evasive action". **(Fleet manager)**

"Detects when the car is skidding and compensates through braking on the four wheels". **(Business services manager)**

Shared communication responsibilities

Relevance of leasing companies as consultants

How do you keep yourself informed about vehicle safety systems?

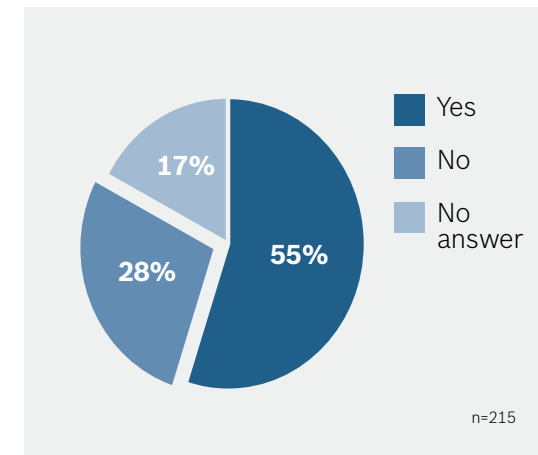


A large majority of fleet decision makers keep themselves informed by OEMs and their dealer network. The specialised fleet press comes second with 81%.

Surprisingly, leasing companies are at 43%, after the internet with 47%.

Obviously, these players have a high responsibility of providing relevant information about safety systems such as ESP®.

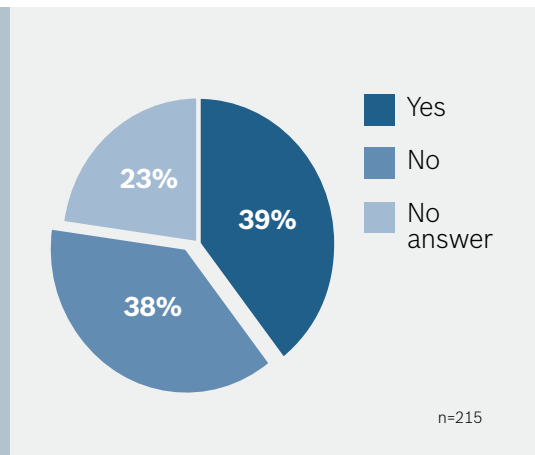
Do you expect your leasing company to give you advice on fleet policy and vehicle choice?



Fleet decision makers have high expectations towards leasing companies: 55% want to be advised on fleet policy and vehicle choice while more than one third of the decision makers believe that their leasing company does not provide sufficient advice on vehicle safety.

This is certainly one explanation why leasing companies are currently not among the most important sources of information for fleet managers, in particular when it comes to road safety.

Does your leasing company advise you sufficiently about vehicle safety?



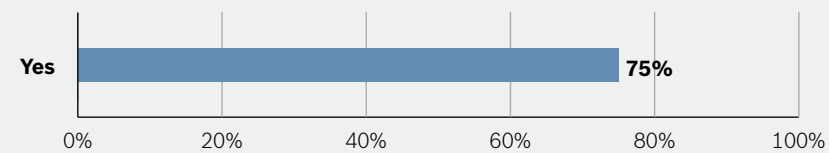
Fleet management advisory services such as duty of care management are increasing in importance for leasing companies. Fleet managers expect the consultants' advice to include information on vehicle safety.

In this context, one of the UK's largest contract hire and leasing companies called on all businesses to have electronic stability control as a mandatory feature on company cars.

ESP® fitted in future fleet vehicles

ESP® should be standard equipment

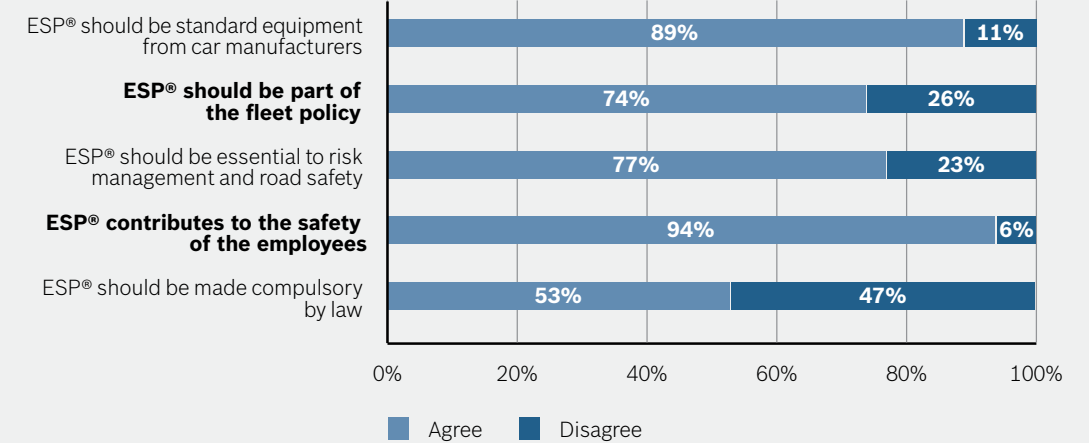
Will you be considering ESP® to be fitted to all your new company vehicles in the future?



After the benefits of ESP® were explained
n=215

After the benefits and functions of ESP® were explained, 75% of the fleet decision makers are convinced of its added value and will take into consideration to have it fitted to all their new company vehicles.

Do you agree with the following statements?



After the benefits of ESP® were explained
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The majority of fleet decision makers acknowledge that ESP® is essential safety equipment and should be fitted as standard.

“There shouldn’t be an option on safety”. **(Leasing company)**

“Manufacturers should ultimately provide the safest vehicles they can”. **(HR Manager)**

Frequently asked questions

What is ESP®?

ESP® or Electronic Stability Program is a vehicle safety technology that can help a driver avoid a crash by reducing the danger of skidding. Every day drivers are faced with potential skidding hazards. A child suddenly runs into the road; the door of a parked car suddenly opens, or a car in front suddenly changes lane. These scenarios require rapid and emergency steering manoeuvre actions. Without ESP® the car or van will most probably skid potentially causing a fatal or serious accident.

How does ESP® work?

ESP® is always active. 25 times per second ESP® checks the driver's steering intention against the actual vehicle direction. When these are not in sync, and the car is starting to slide out of control, ESP® intervenes by braking the relevant wheel. ESP® can also automatically reduce engine torque during the avoidance manoeuvre.

Can ESP® be retrofitted on vehicles?

ESP® cannot be retrofitted. Therefore it is important for the new car or van buyer to ask for ESP® either as standard equipment or a factory fitted option.

Is ESP® different from Antilock Braking System (ABS) and Traction Control System (TCS/ASR)?

ESP® incorporates ABS and TCS with the additional benefits of stability control. By preventing the wheels from locking up, ABS keeps the vehicle steerable under emergency braking. TCS prevents the wheels from slipping when accelerating and ensures optimal traction. While ABS and TCS work in the longitudinal driving direction, ESP® assists in the sideways lateral driving movements which lead to skidding.

Are there studies proving the effectiveness of ESP®?

Independent studies to assess the effectiveness of ESP® have been undertaken by vehicle manufacturers and road safety organisations in Europe, Japan, Australia and the United States. In June 2007 the UK Department of transport issued a report that concluded that vehicles fitted with Electronic Stability Control are 25% less likely to be involved in a fatal accident than those without it equating to 380 fewer fatal accidents each year. Accordingly ESP® technology is placed high on the UK road safety agenda after the seat belt.

Why should ESP® form an integral part of a road safety strategy?

Governments, agencies and road safety organisations are continuously evolving their national road safety strategies to reduce deaths and accidents on roads. Vehicle safety forms an essential strand of national strategy. The HSE estimates that up to one third of all road traffic accidents involve someone who is driving at work.

Is ESP® a cost effective investment?

Investing in ESP® is cost effective for both fleet and human resources managers. Fleet managers can see potential reductions in fleet management costs particularly in costs of ownership and added value to fleet re-marketing. Human resource managers can view ESP® as potentially reducing employee accident, absenteeism and insurance costs with the benefit of keeping company vehicle drivers on the road working for the financial benefit of the company.

Do drivers have to change their driving behaviour when they drive a car with ESP®?

No. ESP® supports the driver in critical skidding situations. It does not require any change in driving styles or behaviour. Drivers should always drive attentively and carefully.

Does my vehicle fleet need ESP® if my vehicles are only driven short distances?

Yes. Emergency avoidance skidding situations can unfortunately occur at low speeds and differing road conditions e.g. ice.

In my company employees have regular driver training. Is this not sufficient?

Driver training is an important part of a company's risk management policy. Choosing ESP® is an additional measurable tool in reducing risk and combined with driver training provides a safe and effective solution.

Does ESP® have different names?

Yes, though the majority of European car manufacturers call it ESP®, this life-saver is also known as DSC (Dynamic Stability Control), VSA (Vehicle Stability Assist), and VSC (Vehicle Stability Control).

Full details of Electronic Stability Control applicability and naming for new cars sold in the UK can be viewed at www.thatcham.org.



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