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# Verification Statement – Reasonable Assurance

## Verification Scope

Carbon Credentials Energy Services Ltd (CCES) was contracted by FirstGroup PLC (“FirstGroup”) for the independent third party verification of direct and indirect carbon dioxide equivalent emissions (CO2e) as provided in the company Annual Report and Accounts 2014 to a reasonable level of assurance.

Verification activities were performed in accordance with ISO 14064-3:2006 *Specification with guidance for the validation and verification of greenhouse gas assertions*. The verification time period was 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.

## Roles and responsibilities

The management of FirstGroup is responsible for the organisation’s GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the quantification and reporting of GHG emissions.

It is CCES’ responsibility to express an independent GHG verification opinion on the emissions as provided in the FirstGroup Annual Report and Accounts 2014.

## Title or description of activities

The organisational boundary was established following the financial control approach on a global basis. The scope of this verification covered coterminous emissions from the following GHG sources occurring within FirstGroup facilities:

### Scope 1 Emissions

- Combustion of Gaseous Fuels
- Combustion of Liquid Fuels

### Scope 2 Emissions

- Electricity Consumption

## Objectives

The objectives of this verification exercise were, by review of objective evidence, to confirm whether the GHG emissions as declared in the organisation’s GHG assertion were: accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Our work involved review and substantiation of information through selected interrogation of both source and consolidated data in conjunction with interviews with corporate staff responsible for data collation, management and report content.

## Criteria

Criteria against which the verification assessment was undertaken:

1. **Reporting standard:** World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*, Revised Edition (the GHG Protocol)
2. **Reference calculation methodologies:** DEFRA (2013) Environmental Reporting Guidelines: *Including mandatory greenhouse gas emissions reporting guidance*
3. **Regulatory:** Part 7 of *The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013*

## Level of Assurance and Materiality

The level of assurance agreed was that of reasonable assurance and a 5% materiality threshold was applied at the gross organisational level. Note that assessment of compliance and materiality was undertaken against the stated calculation methodology.

## Conclusion

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the reported GHG emissions for the period are fairly stated.

We conducted our verification with regard to the GHG assertion of FirstGroup which included evaluation of the company GHG information system and monitoring and reporting methodology. This assessment included the collection of evidence supporting the reported data, and checking whether the provisions of the legislation, reporting standard and calculation methodologies referenced in the verification criteria, were consistently and appropriately applied. This statement shall be interpreted with the GHG assertion of FirstGroup as a whole.

CCES' approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emissions information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

Based on the data and information provided by FirstGroup and the processes and procedures conducted, CCES concludes with reasonable assurance that:

- The GHG inventory methodology applied by FirstGroup is sound, valid and based on best practice
- The estimated annual emissions are accurate, complete, consistent, transparent and free of material error or omission in relation to the requirements of the calculation methodologies employed

The GHG information for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 disclosing emissions of 2,821,457 metric tonnes of CO<sub>2</sub> equivalent are verified by CCES to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

Emissions by scope are verified as follows:

Reporting Period 1st April 2013 to 31 <sup>st</sup> March 2014	
Scope 1	Scope 2
Reported Emissions: 2,477,381 tonnes of CO <sub>2</sub> e	Reported Emissions: 344,076 tonnes of CO <sub>2</sub> e

#### Observations

- Based on our work, Carbon Credentials considers that material GHG sources are appropriately identified and reported on.
- Data and information supporting the GHG assertion were calculated based on measured as well as estimated data, with a significant level of automatic measurement and monitoring in place across emitting activities
- FirstGroup continues to engage with a wide range of stakeholders and to improve management oversight of greenhouse gas reporting across its global operations. Looking forward, greater engagement would enhance GHG reporting processes and the timely availability of data and information.
- FirstGroup has greatly improved its policy, procedural and methodological documentation and it is evident that these are being used to improve GHG quantification and reporting at a divisional level. Looking forward, more detailed documentation and description of control procedures coupled with a structured database system for collation and storage of data and information would enhance the auditability and maturity of FirstGroup's GHG reporting process.

#### Attestation:



Paul Bosworth  
Lead Verifier

On behalf of  
Carbon Credentials Energy Services Ltd



*No member of the verification team has a business relationship with FirstGroup PLC, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.*