
Verification Statement – Limited Assurance

Carbon Credentials Energy Services Ltd (Carbon Credentials) has been contracted by FirstGroup PLC (FirstGroup) of The Point, 37 N Wharf Rd, Paddington, London W2 1AF for the independent third party verification of direct and indirect carbon dioxide equivalent emissions (CO₂e) as provided in the company annual report and accounts 2019 to a limited level of assurance. This verification exercise has been performed to the ISO 14064-3 standard.

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 calculation and determination of GHG emissions information.

It is Carbon Credentials' responsibility to express an independent GHG verification opinion on the emissions as provided in the FirstGroup PLC's annual report and accounts 2019 for the period 01/04/2018 – 31/03/2019.

Title or description of activities

The organisational boundary was established following the operational control approach. The scope of this engagement covered the assessment of 100% of emission sources required for disclosure by *The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013*:

Scope 1 Combustion of fuels and operation of facilities and vehicle fleet	• Natural gas combustion • Gas oil combustion • Fuel oil combustion • Kerosene combustion • Biodiesel combustion • LPG combustion • Kerosene combustion • Propane combustion • CNG combustion • LNG combustion • Road petrol combustion • Road diesel combustion • Fugitive emissions
Scope 2 Electricity and steam purchased for own use	• Electricity consumption • Steam consumption
Scope 3 Indirect emissions from third party vehicles, business travel and waste disposal	• Gas oil combustion in third party vehicles • Business travel by air • Hotel stays • Waste generated in operations • Water supply and treatment

Objectives

The objectives of this verification exercise were, by review of objective evidence, to confirm whether any evidence existed that the GHG emissions as declared in the organisation's GHG assertion were not: accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Criteria

Criteria against which the verification assessment was undertaken:

- i. **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)
- ii. **Reference calculation methodologies:**
 - o Scope 1 emissions: WRI/WBCSD: *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* (the GHG Protocol)
 - o Scope 2 emissions: WRI: *GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard*
 - o Scope 3 emissions: WRI: *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*
- iii. **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 is that of limited assurance. A materiality level of 5% was applied. 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 limited level of assurance based on the process and procedures conducted.

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

Carbon Credentials' approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a limited 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, Carbon Credentials concludes with limited assurance there is no evidence that the GHG assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the criteria listed above.

It is our opinion that FirstGroup has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

The energy information for period 01/04/2018 – 31/03/2019 is verified by Carbon Credentials to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria. 100% of energy by source is verified as follows:

Reporting Period 01/04/2018 – 31/03/2019		
Energy Type	Energy Source	MWh Consumption
Non-Renewable	Fuels	8,703,924
	Electricity	107,263
Renewable	Fuels	327,213
	Electricity	767,147
	Steam	769
Total		9,906,316

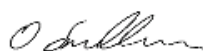
The GHG information for the period 01/04/2018 – 31/03/2019 is verified by Carbon Credentials to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria. 100% of emissions by scope are verified as follows:

Reporting Period 01/04/2018 – 31/03/2019			
Scope 1 Reported Emissions: 2,344,768 tonnes of CO ₂ e	Scope 2 (location-based approach) Reported Emissions: 265,924 tonnes of CO ₂ e	Scope 2 (market-based approach) Reported Emissions: 48,768 tonnes of CO ₂	Scope 3 Reported Emissions: 18,179 tonnes of CO ₂

Observations

- Based on our work, Carbon Credentials considers that material GHG sources are appropriately identified and reported on.
- Implementation of a structured database system for ongoing data collection throughout the reporting year will improve reporting efficiency, reduce risk of misreporting and improve the quality of information available to decision-makers.
- All material errors in reported data identified during the verification process have been duly corrected.

Attestation:



Oliver Smallman
Lead Verifier

On behalf of
Carbon Credentials Energy Services Ltd



No member of the verification team has a business relationship with FirstGroup, 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.