

ASSURANCE STATEMENT

TO THE STAKEHOLDERS OF FIRSTGROUP PLC.

Carbon Clear Limited was engaged by FirstGroup plc, (FirstGroup) of 37 North Wharf Road, London, W2 1AF to conduct limited assurance of its 2017/18 greenhouse gas (GHG) emissions assertion using the ISO14064-3¹ standard.

OPINION

Based on the data and information provided by FirstGroup plc. and the assurance process followed by Carbon Clear, nothing has come to our attention to indicate that the following GHG assertions are not fairly stated and free from material error:

Scope	Emissions (tonnes of CO ₂ e)
Scope 1 Direct Emissions	2,308,915
Scope 2 Energy Indirect Emissions	276,973
Scope 3 Other Indirect Emissions	9,340
Out of Scope Emissions	10,065

KEY RECOMMENDATION

FirstGroup should use data mapping and its Cr360 environmental data management system to better analyse and report on its environmental impacts.

The FirstGroup Corporate Responsibility team is committed to effectively managing the group's GHG emissions throughout all aspects of its operations and supply chain. However, the Cr360 system used to store and process these data is under-used, with numerous data management and manipulation processes taking place outside Cr360. This reduces the visibility of primary evidence to the team and during the assurance process. As a consequence, there is a significant impact on FirstGroup's personnel to ensure that source data is complete and that emissions calculations are accurate.

FirstGroup should work with its operating companies to develop the mapping of existing data sources into usable indicators in Cr360. This would improve the group's sustainability performance reporting and reduce the risk of mis-reporting. Using its existing systems more effectively could also enable FirstGroup to develop more detailed analysis and reporting on its air quality and climate impacts.

OBJECTIVES

The objectives of this assurance engagement were to confirm whether the GHG emissions as declared in FirstGroup's GHG emissions assertion are fairly stated and free from material error or omission in accordance with the criteria outlined below.

CRITERIA

- Reporting criteria: World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol); FirstGroup Corporate Responsibility Reporting Guidelines 2018
- Assurance Standard: ISO14064-3 2006: Specification with guidance for the validation and verification of greenhouse gas assertions
- Reference methodologies: Credit360 system emissions factors and calculations; DEFRA Emissions Factors, (EF's) 2017; US EPA Emissions Factors for Greenhouse Gas Inventories (2018); GHG Protocol Stationary Combustion tool v4.1; other emissions factors sources and reporting guidance as applicable.

¹ ISO 14064-3:2006 - Specification with guidance for the validation and verification of greenhouse gas assertions.

ROLES AND RESPONSIBILITIES

The management of FirstGroup is responsible for the organisation's GHG emissions and the development and maintenance of records and procedures in accordance with its reporting guidelines. It is Carbon Clear's responsibility to express an independent assurance opinion on the GHG emissions reported by FirstGroup for the period April 1st 2017 to March 31st 2018.

LEVEL OF ASSURANCE

FirstGroup plc. engaged Carbon Clear Ltd. to provide limited assurance of its 2017-18 GHG assertion, using the relevant requirements of the ISO 14064-3:2006 standard.

DESCRIPTION OF ACTIVITIES

The organisational boundary of FirstGroup is defined in the company's Corporate Responsibility reporting guidelines as its operations and activities in the UK and US, using the operational control approach. This includes fuel used to provide transport services, energy use in vehicles, offices and depots, waste production and business travel.

The scope of this engagement included the assurance of FirstGroup's GHG assertion for 2017-18 and of emissions calculations derived from data in the FirstGroup environmental data management system, Cr360. Data and calculations reviewed included those related to Scope 1 Emissions, (Combustion of fuels), Scope 2 Emissions, (Purchased electricity consumption) and Scope 3 Emissions, (Waste, business travel).

As part of its scope of work, Carbon Clear identified emissions sources material to the GHG assertion, focusing on those areas of the business subject to new contracts, data or reporting arrangements. Carbon Clear verified FirstGroup's emissions through the review and testing of consolidated data and evidence, along with the testing of a sample of underlying data back to its primary source evidence. We then verified selected aspects of the emissions calculation and the GHG assertion in accordance with the organisational and operational boundaries outlined above.



Gavin Tivey
Senior Consultant
London, April 2018

STATEMENT OF INDEPENDENCE

Carbon Clear is an independent company specialising in carbon footprint calculation and assurance and in carbon management consulting. The team has extensive experience in the assurance of carbon data, information, systems and processes.

All Carbon Clear staff are given relevant training on the identification and management of conflicts of interest. The data required for the greenhouse gas assertion described in this statement was compiled by FirstGroup plc. The greenhouse gas assertion described in this statement was calculated by FirstGroup plc. No member of the Carbon Clear assurance team has a business relationship with FirstGroup plc., its Directors or Managers beyond that required of this assurance engagement and to our knowledge there has been no conflict of interest.