

FIRSTGROUP PLC VERIFICATION STATEMENT - LIMITED ASSURANCE

Client: Jim Harbidge & Sunny Pawar - FirstGroup PLC

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18th June 2020





Carbon Intelligence document for:

Jim Harbidge & Sunny Pawar - FirstGroup PLC

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INTRODUCTION

Carbon Credentials Energy Services Ltd (Carbon Intelligence) 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) and associated energy consumption, as provided in the company annual report and accounts 2020 to a limited level of assurance. This verification exercise has been performed to the ISO 14064-3 standard.

DECLARATION OF INDEPENDENCE

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

ROLES AND RESPONSIBILITIES

The management of FirstGroup is responsible for the organisation's GHG and energy information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of energy consumption and GHG emissions information.

It is Carbon Intelligence' responsibility to express an independent GHG and energy verification opinion on the emissions as provided in the FirstGroup's annual report and accounts 2020 for the period 01/04/2019 – 31/03/2020.

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 and energy consumption 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.



CRITERIA

Criteria against which the verification assessment was undertaken:

- I. Reporting standard:
 - i. 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:
 - i. Scope 1 & 2 emissions - World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol)
 - ii. Scope 3 emissions - World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: Corporate Value Chain (Scope 3)
- II. Regulatory: Part 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

LEVEL OF ASSURANCE AND MATERIALITY

The chosen level of assurance must reflect the needs of intended users of the GHG and energy assertion as well as the relative degree of confidence required by Carbon Intelligence in order to provide our conclusions.

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 and energy assertion of FirstGroup, which included assessment of the company GHG and energy 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 and energy assertion of FirstGroup as a whole.

Carbon Intelligence' approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission and energy 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 Intelligence concludes with limited assurance there is no evidence that the GHG and energy assertion:

- is not materially correct and,
- is not a fair representation of the GHG emissions data and energy 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 and energy use for the stated period and boundaries.

The energy information for period 01/04/2019 - 31/03/2020 is verified by Carbon Intelligence 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 01/04/2019 - 31/03/2020			
Energy Type	Energy Source	kWh Consumption	
		Non-United Kingdom	United Kingdom
Non-Renewable	Fuels	5,104,683,581	2,709,995,289
	Electricity	93,452,702	6,001,847
Renewable	Fuels	282,842,687	551,715,599
	Electricity	-	858,650,867
	Steam	641,631	-
Total by UK & Non-UK		5,481,620,600	4,126,363,602
Total Energy Consumption		9,607,984,203	



The GHG information for the period 01/04/2019 - 31/03/2020 is verified by Carbon Intelligence 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 01/04/2019 - 31/03/2020				
<p>Scope 1</p> <p>Reported Emissions: 2,111,199 tonnes of CO2e</p>	<p>Scope 2 (location-based approach)</p> <p>Reported Emissions: 262,070 tonnes of CO2e</p>	<p>Scope 2 (market-based approach)</p> <p>Reported Emissions: 42,587 tonnes of CO2e</p>	<p>Scope 3</p> <p>Reported Emissions: 19,670 tonnes of CO2e</p>	<p>Out of Scopes</p> <p>Reported Emissions: 27,532 tonnes of CO2e</p>

OBSERVATIONS

- Based on our work, Carbon Intelligence considers that material GHG and energy sources are appropriately identified and reported on.
- All material errors in reported data identified during the verification process have been duly corrected.

RECOMMENDATIONS

- Consider increasing the frequency of data collation and reporting from all Operating Companies within the Group, to at least a quarterly basis. This will allow for improved management information from which future decisions and improved scenario analysis can be made.
- The implementation of a strategic data management approach would improve the accuracy of data and would aid resource utilisation and help reduce FirstGroup’s environmental impact.
- Consider using a value based approach to capturing and reporting all relevant Scope 3 categories as defined in the GHG Protocol.

ATTESTATION

Oliver Smallman

Lead Verifier



Carbon Intelligence document for:

Jim Harbidge & Sunny Pawar - FirstGroup PLC

On behalf of Carbon Intelligence 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.