Key performance indicators

1 Focused and disciplined bidding in our contract businesses

First Student and First Transit contract retention
(%)

88%

89%

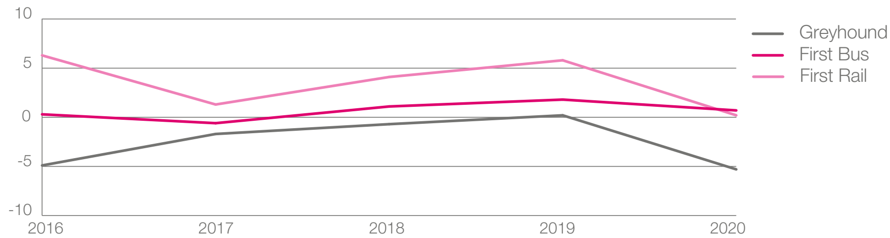
We measure contract retention as a percentage of existing business subject to bid in the year, rather than as a percentage of the contract portfolio as a whole.

First Student's record high customer satisfaction scores assisted in delivering a contract retention rate of 88% (2019: 92%) on business up for renewal, ahead of our expectations and balanced with favourable pricing. Across our entire portfolio of multi-year relationships, retention was 96% (2019: 97%).

In First Transit, we maintained our retention of at-risk contracts at 89% (2019: 89%) in the year.

2 Driving growth through attractive commercial propositions in our passenger revenue businesses

Greyhound, First Bus and First Rail change in like-for-like (LFL) revenue
(% change year-on-year)



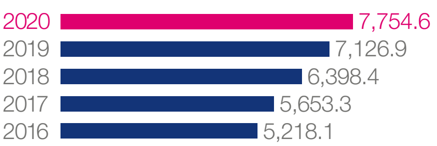
Like-for-like (LFL) revenue adjusts for changes in the composition of the divisional portfolio, holiday timing, severe weather and other factors that distort the year-on-year trends in our passenger revenue businesses.

Coronavirus compounded a challenging year for Greyhound with lower immigration-related demand, strong competition and lower fuel prices resulting in LFL revenue reductions of (5.3)%.

First Bus LFL passenger revenue of +0.7% reflects the previously reported poor weather in H1 and the coronavirus outbreak.

In First Rail, excluding Avanti, LFL passenger revenue growth was +0.2% reflecting changing work patterns and lifestyles resulting in a shift away from season tickets towards pay-as-you-go offerings, as well as the coronavirus impact.

Group revenue
(£m)



Group revenue in the year increased by 8.8%. In constant currency, Group revenue increased by 7.2%, or by 2.6% excluding the initial contribution of the Avanti rail franchise. This principally reflects growth in First Student, First Transit and First Rail; LFL passenger revenue growth in First Bus was offset by disposals while Greyhound experienced LFL revenue declines compared with the prior year and the effect of the withdrawal from loss-making routes in Western Canada. The coronavirus outbreak and the measures taken by authorities to control its spread in the final weeks of the year significantly affected revenue in all divisions.

3 Continuous improvement in operating and financial performance

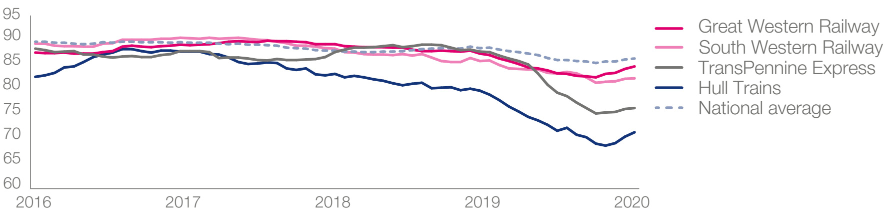
Punctuality

Greyhound on-time performance[1]
(%)

First Bus punctuality
(%)

1 We implemented GPS tracking in 2017; earlier data is not comparable due to this change in methodology.

First Rail Public Performance Measure
(PPM)



Note: The Group began operation of the Avanti West Coast rail franchise in December 2019. A complete year of data will be included in the 2021 Annual Report.

Greyhound's on-time performance improved to 78.4% for the year. The retirement of older buses from the fleet as well as introduction of some newer, more reliable buses plus focused efforts to improve driver retention contributed to the increase.

First Bus punctuality measures percentage of services no more than one minute early or five minutes late and has seen a further year-on-year improvement, even though congestion remained a significant issue for much of the year in many of the cities we operate in. Further work has taken place to try and mitigate this, both with local authorities and through insights gained from GPS data systems on board our buses.

The national average score of rail punctuality and reliability (PPM) saw a decrease during the year with contributory factors including poor Network Rail infrastructure performance and external events (e.g. trespass). The introduction of new fleets presented particular challenges across several of our networks including TPE and Hull Trains, however, improvement plans were put in place to address this and new trains are delivering benefits for passengers where they have been introduced. GWR's new fleet plans stabilised and they outperformed their target this year.

Safety

Employee lost time injury rate
(per 1,000 employees per year)

Passenger injury rate
(per million miles)

Note: Historical data is restated annually to incorporate the most accurate information for the previous 36 months.

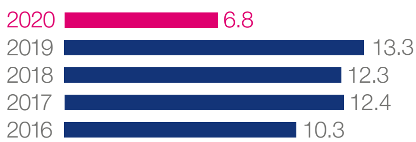
We achieved a 12% reduction in our employee lost time injury rate thanks to reductions in all divisions. Total employee injuries were also reduced by 4%, in line with the continuing focus on positive reinforcement of safe behaviours, supported by rules enforcement, in our Be Safe programme. There has also been progress in all divisions in reducing severity of injuries, with major injuries significantly down.

Passenger Injuries per million miles have reduced by 3%, primarily driven by reductions in First Bus and First Rail. Although total reported passenger injuries in Greyhound, First Transit and First Student increased, these divisions had significant reductions in passenger major injuries. We continually review the root cause of passenger injuries, using data analysis to shape the focus of our safety programmes. More information on our approach to safety can be found on page 42.

Financial performance

Adjusted operating profit
(£m)

Adjusted EPS
(pence)



Adjusted operating profit and adjusted EPS highlight the recurring financial results of the Group before amortisation charges and certain other items (as set out in note 4 to the financial statements) which distort year-on-year comparisons.

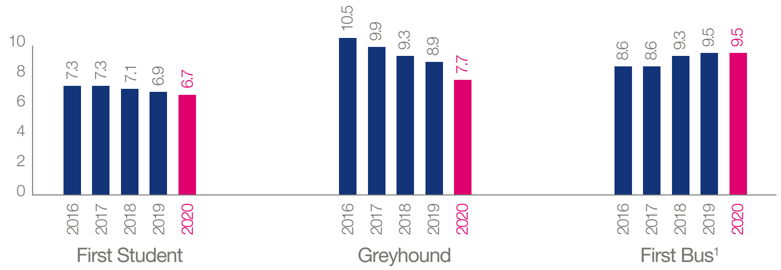
Excluding the coronavirus impact, the Group's adjusted operating profit performance was broadly comparable to the prior year; adjusted operating profit decline of (20.1)% in constant currency principally reflects reductions in service volumes due to coronavirus in the final weeks of the financial year.

Adjusted EPS decreased by (49.6)% in constant currency, reflecting the lower adjusted operating profit and first-time adoption of IFRS 16 (lease accounting) on financing costs.

Key performance indicators continued

4 Prudent investment in our key assets (fleets, systems and people)

Average fleet age
(Years)



1 First Bus 2018 data onwards calculated on basis of vehicles in service. 2017 data also restated on that basis.

First Student made investments in buses during the year, reflecting the strong retention rates and uplift in new business wins achieved; therefore, our average fleet age reduced to 6.7 years.

Following a number of years where Greyhound required few additional vehicles, the fleet renewal plan added 120 vehicles this year. As a result the reported average fleet age reduced to 8.3 years at the end of February (March 2019: 11.6 years) with the effective fleet age reduced to 7.7 years (March 2019: 8.9 years). Adjusting for the 600 buses parked due to the coronavirus pandemic at the end of March, the effective age was 5.5 years.

In First Bus, our capital investment during the year was focused on areas where we work closely with stakeholders to progress our shared ambitions to deliver thriving and sustainable bus services. Over the last two years we have made considerable progress in downsizing the fleet and securing clean air compliance. Average fleet age remained stable at 9.5 years (2019: 9.5 years).

Group ROCE
(%)

Reported return on capital employed (ROCE) is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax by all year end assets and liabilities excluding debt items.

Group ROCE pre-IFRS 16 was 8.2%. In the prior year on a comparable basis it was 9.7% at constant exchange rates and 10.5% as reported. ROCE in the Road divisions was 4.8% (2019: 5.9% at constant exchange rates and 6.4% as reported).

5 Maintain responsible partnerships with our customers and communities

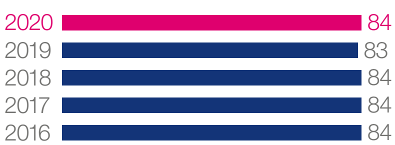
Customer and passenger satisfaction

First Student
(Average rating out of ten)

First Transit
(Average rating out of ten)

Greyhound
(Net Promoter Score)

First Bus
(% satisfied with their journey overall)



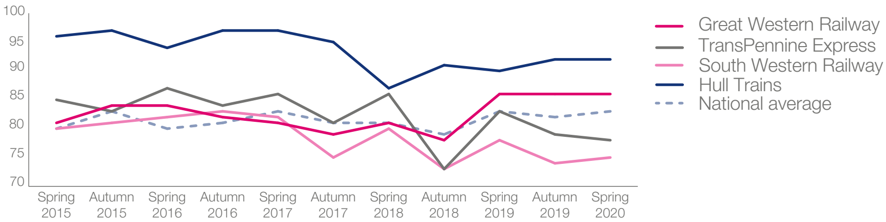
First Student increased their overall customer satisfaction score to record levels this year (8.93 out of ten), despite sector-wide driver shortage challenges. Our teams collaborated with school districts to collectively problem solve and develop awareness around recruitment measures.

First Transit also maintained their strong overall satisfaction score, with 8.87 out of ten; just below last year's high achievement of 8.88.

Greyhound's Net Promoter Score improved year-on-year thanks to improvements in on-time performance and as a result of fleet investments.

Overall satisfaction with First Bus in the independent Transport Focus Bus Passenger Survey in England was 84%, a slight increase compared to last year (83%). A key factor in overall customer satisfaction is punctuality, where our satisfaction score improved by 1%. Our driver welcome/greeting score improved again in 2019 from 70% to 72%, and our driver helpfulness and attitude score improved from 72% to 73%. These results demonstrate the benefit of focus given to driver behaviour through our Journey Makers programme and to driver engagement, facilitated by First Bus Connect, our colleague app which is well used by drivers.

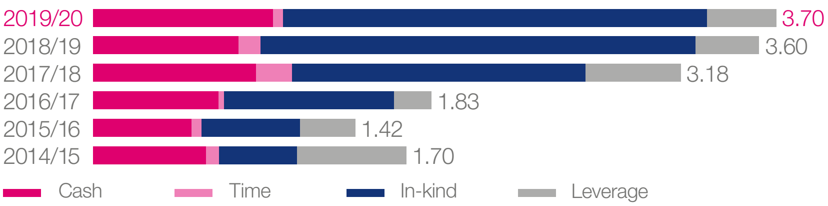
Transport Focus National Rail Passenger Survey
(% satisfied with their journey overall)



Note: The Group began operation of the Avanti West Coast rail franchise in December 2019. A complete year of data will be included in the 2021 Annual Report.

Independent passenger watchdog Transport Focus undertakes the National Rail Passenger Survey (NRPS) twice yearly. The Spring 2020 survey was curtailed due to coronavirus, with 19,500 interviews completed, three-quarters of the target. Nationally, overall satisfaction was unchanged from the previous Autumn 2019 survey at 82%. GWR's overall score was four points higher than the national average, unchanged from the previous survey. Customer satisfaction with TPE fell by 1%, reflecting disruption caused by a delayed roll out of new trains. Although SWR also saw performance issues in this period, three-quarters of customers were satisfied, unchanged from the previous survey. Hull Trains is consistently one of the strongest performers in this survey. This continued with a 92% score, 10% higher than the UK average.

Community investment
(£m measured using LBG model)



This year we contributed £3.7m to the communities we serve across the UK and North America. This was measured by using the method of the London Benchmarking Group (LBG) model which tracks cash contributions made directly by the Group, time (employee volunteering), in-kind support (such as travel tickets, advertising space) and leverage (including contributions from other sources such as employees, customers and suppliers).

Greenhouse gas emissions
(Tonnes of carbon dioxide equivalent – $tCO_2(e)$)

Data is split between Non-UK and UK in order to comply with SECR* requirements	**2020****	2019	Baseline year 2016
Scope 1 – Non-UK	**1,414,417**	1,542,650	1,568,008
Scope 1 – UK	**696,782**	802,118	848,773
Scope 2 – Non-UK	**40,907**	48,647	127,634
Scope 2 – UK	**221,164**	217,277	139,607
Scope 1 + 2 – Total Non-UK	**1,455,324**	1,591,296	1,695,642
Scope 1 + 2 – Total UK	**917,946**	1,019,396	988,380
Scope 1 + 2 – Total FirstGroup	**2,373,270**	**2,610,692**	**2,684,022**
Scope 3 – Total FirstGroup	**19,670**	18,179	15,126
Out of Scope – Total FirstGroup	**27,532**	14,654	13,585
All scopes – Total FirstGroup	**2,420,471**	2,643,524	2,712,733
% change (against prior year)	**-8.4%**	–	–
% change (against baseline year)	**-10.8%**	-2.6%	–
Scope 2 (market-based) – Total FirstGroup	**42,587**	48,768	72,134
Per £1m of revenue	**312**	371	–
% change (against prior year)	**-15.8%**	–	–

* Streamlined Energy and Carbon Reporting (SECR).

** Emissions from Avanti are included in our 2020 data, but only from the franchise start date of 8 December 2019.

Further notes on methodology can be found on page 58. For more information on our ambition to eliminate the carbon emissions associated with our operations, see page 38.

97.4% of our carbon emissions derive from the fuel and electricity we use to power our road and rail vehicles (2019: 94%).

In the past year, we have reduced our overall gross carbon emissions by 8.4%, and our carbon intensity (per £1m revenue) by 15.8%. Since our baseline year of 2015/16, our carbon footprint has reduced by 10.8%.

Relevant factors in this include a reduction in our use of fossil fuels, through efficiency and other measures such as replacing older buses and trains with newer, more efficient alternatives, and an increasing swing towards electric traction in our rail portfolio, primarily through the addition of Avanti West Coast.

The decarbonisation of the power networks we draw from continues at pace, as renewable and lower carbon power generation replaces fossil fuel power plants. This, coupled with the aforementioned increased electrification in First Rail, has played a key role in reducing our carbon intensity per passenger km and per £1m revenue. This electrification is also driving improvements in our air emissions, supporting our ambitions to be the partner of choice for cleaner fleets for our customers and communities, improving local air quality in our cities and towns (read more on page 38).

An Environmental Data Report (2020) is available on our website (www.firstgroupplc.com/responsibility) and provides further analysis on our carbon, energy and environmental impacts, alongside information on our data and assurance processes.

Key performance indicators continued

Energy consumption
(Kilowatt-hour equivalent – kWhe)

Data is split between Non-UK and UK in order to comply with SECR* requirements	Reporting year				Baseline year	
	2020**		2019		2016	
	Non-UK	UK	Non-UK	UK	Non-UK	UK
Scope 1 (kWhe)	5,387,526,267	3,261,710,888	5,954,334,260	3,076,736,576	5,669,749,085	3,203,454,096
Scope 2 (kWhe)	94,094,333	864,652,714	108,031,558	767,147,091	115,378,135	82,254,804
Scope 1 + 2 (kWhe)	5,481,620,600	4,126,363,602	6,062,365,818	3,843,883,667	5,785,127,220	3,285,708,900
Total FirstGroup (kWhe)	9,607,984,203		9,906,249,485		9,070,836,120	
% change (against baseline)	5.9%		9.2%		–	
Energy intensity:						
kWhe per £1m of revenue	1,475,537	1,021,478	1,699,665	1,079,712	–	–
Total FirstGroup kWhe per £1m of revenue	2,497,015		2,779,377		–	
% change (against previous year)	-10.2%		–		–	

* Streamlined Energy and Carbon Reporting (SECR).

** Energy consumption equivalent from Avanti is included in our 2020 data, but only from the franchise start date of 8 December 2019.

Energy and emission reduction initiatives

In the past year, we have continued to optimise our energy use, leading to a year-on-year reduction in our energy intensity (per £1m revenue) of 10.2%, as shown in the table above.

Since our baseline year of 2015/16, our absolute energy footprint has increased by 5.9%, primarily driven by the addition of Avanti and SWR to our rail portfolio in that time.

In 2020, we continued to undertake energy efficiency initiatives and investment in measures to reduce our carbon emissions and limit local air emissions, including the following:

- In our road fleets, we have continued to replace older vehicles with more efficient, newer model year alternatives. In First Student, for example, this has contributed to a reduction of 38,666 tCO_2e from fuel burnt by our vehicles this year and a reduction of 180 tonnes of NOx. 32% of all miles driven by First Student buses in 2020 were achieved by vehicles from the 2017 model year or newer.
- In First Bus this year, we introduced 193 new Euro VI or better buses, including 74 biogas buses for Bristol (with a further three scheduled for delivery shortly). Our biogas fleet offers a certified carbon reduction of 84% (Well-to-Wheel) when compared to an equivalent Euro V diesel bus fleet.
- Across First Rail, the average carbon intensity of journeys undertaken on our services has reduced to 33.7g CO_2/pkm, supported in part by the continuing electrification of our portfolio, and the use of more biofuel blends in some of our diesel services.
- The carbon intensity of the electricity grid used to power our First Rail fleets has fallen this year by 9.7%, helping to reduce the emissions of our rail business.
- We have achieved carbon reductions related to our use of fuel additives in GWR, SWR and TPE and from the extension of our Driver Advisory System to our new Hull Trains fleet.
- Lighting accounts for around 80% of the energy used at stations in First Rail. In 2019/20, we completed a replacement programme for 4,940 light fittings using efficient LEDs on GWR and SWR station platforms, car parks and ticket halls.
- We have fitted emission-reducing technology ('selective continuously regenerating traps') on trial fleet in SWR. This has contributed to a reduction in carbon emissions, and a reduction of up to 80% in NOx emissions.

Notes and methodology

Our carbon and energy reporting approach is described in full in our Environmental Data Report (2020), which is available on our website (www.firstgroupplc.com/responsibility).

Our reporting follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, applying the operational control approach to our organisation boundary against a materiality threshold of 5%. Any operation emitting less than 5% of the Group's total GHG emissions (or in combination with other emissions, less than 5% of corporate emissions) is regarded as immaterial.

Carbon and energy figures have been restated in consideration of changes in methodologies, improvements in the accuracy, or discovery of errors in previous years' data as per our stated policy.

Our gross carbon emissions have been classified in the following way:

- Scope 1 – Direct emissions from: vehicle use (owned and leased); fugitive refrigerant gas emissions; heating fuels used in buildings, and road and rail fuel use. This year we have also included business car mileage (in compliance with the Streamlined Energy and Carbon Reporting Regulations 2019).
- Scope 2 – Indirect emissions from: electricity used in our buildings, and to power our electric rail and bus fleet. We report both location-based emissions (taking into account the UK grid average) and market-based emissions (reflecting the amount of energy from renewable sources).
- Scope 3 – Indirect emissions from: First Travel Solutions (including third-party vehicle provision); business travel by air and taxi; hotel stays; water supply; and waste recycling and disposal.
- Out of Scope – Indirect emissions from: biofuel usage from all divisions in line with DEFRA reporting guidelines.

Data in the table above has been independently assured by Carbon Intelligence.