

Responsible business

Our ambition is to be the partner of choice for innovative and sustainable transport, accelerating the transition to a zero carbon world.

We are committed to building a business for the long term, and our sustainability agenda goes to the heart of who we are and what we do as an organisation. We have a critical role in creating a connected, healthy, zero carbon world, contributing to local prosperity and growth, reducing congestion on the roads, improving air quality and helping to reduce carbon emissions. Our newly formed Responsible Business Committee reports to our Board and oversees all our responsible business activities.

Climate leadership

We have recently set a science-based emissions reduction target aligned with a 1.5°C ambition and approved by the Science Based Targets initiative (SBTi). Climate-related KPIs are embedded into the variable remuneration of our senior leaders to support achievement of this target. We were the first public transport operator in the UK to officially support the Task Force for Climate-related Financial Disclosures (TCFD) and publish our third TCFD report this year.

Social value

We create jobs in many UK regions. We are committed to increasing the diversity of our workforce and building their skills for the future, all of which generates social value, alongside our support for communities.

Stakeholder engagement

We review our strategic priorities through robust materiality assessments and extensive dialogue and consultation with both internal and external stakeholders. We recognise this is a process that will continually evolve and so too will our work, with the needs and perspectives of our stakeholders continuing to inform our plans. See pages 78-80 for more information on our stakeholder engagement throughout FY 2023.

Our performance on ESG indices

We continue to be recognised as a leader by third party evaluations, ratings, and rankings of corporate ESG performance. We have been included in the Clean200 Report for a fourth consecutive year, which ranks the world's largest publicly-listed companies by their total clean energy revenues from products and services that provide solutions for the planet and define a clean energy future.

We were the only UK transport operator included in the 2022 S&P Sustainability Yearbook and our score improved to B on the CDP global disclosure programme this year. We also ranked third out of the world's 90 most influential transport companies in the World Benchmarking Alliance's new 2022 Transport Benchmark, making us the top performing UK transport company in the category.

Further recognition during the year includes:

- Green Economy Mark on the London Stock Exchange and recognised for our contribution to the global green economy
- ranked as the top performing bus and rail operator in our sector in the FTSE4Good Index
- 'Low Risk' rating on the Sustainalytics Index and ranked in the 94th percentile in our sector
- 'Prime' status on the ISS ESG Index and ranked in the top decile in our sector
- 'AA' ranking on the MSCI ESG Index for the sixth year running



Claire Hawkings
Chair, Responsible
Business Committee



The business continues to make progress on our sustainability agenda, with performance and future priorities overseen by the Responsible Business Committee.



CLEAN200™



FTSE4Good



London Stock Exchange
Green Economy Mark



Mobility Beyond Today

Our strategic framework for driving sustainability

Our three priority areas
drive our sustainability ambitions

Our foundations
underpin our framework



Underpinned by our Vision and Values

We provide easy and convenient mobility, improving quality of life by connecting people and communities.



Committed to our customers



Dedicated to safety



Accountable for performance



Supportive of each other



Setting the highest standards

Responsible business continued



Innovating for our customers

We are focused on providing services that have innovation, ease, convenience, and sustainability at their core, in order to have more people than ever travelling on our bus and rail services and taking cars off the road.

Our aims



Enabling the shift

Helping more people to use bus and rail services, increasing ridership and leading to fewer car journeys being made.



Driving innovation

Embracing new technologies and ways of working to deliver easy, convenient and sustainable mobility solutions for our customers.



Using our influence

Collaborating and partnering with stakeholders to shape the sustainable communities of the future.

Providing alternative modes of travel

We play a critical role in reducing congestion on our roads, improving air quality and helping to lower carbon emissions. Transport remains the largest element of the UK's carbon footprint. Government statistics also show that bus and coach transport accounts for only 2.2% and rail just 1.5% of greenhouse gas emissions produced within the transport sector, compared with 52% from cars.

Rail journeys emit up to 80% less carbon and bus journeys over 30% less carbon than journeys by car. We are focused on helping more people to make the shift to our bus and rail services, leading to fewer car journeys being made. Not only is this desirable for the UK to meet its Net Zero goals, but public transport is also vitally important for social inclusion, acting as a leveller for access to education, jobs and health facilities, reducing congestion and supporting social mobility and cohesion.

Our fully electric rail operator Lumo has achieved two major milestones in its first year, having attracted a million passengers and (alongside other rail operators) seen rail overtake air travel to become the preferred mode of transport between Edinburgh and London. Between April and August 2022, for the first time over half (57%) of journeys between Edinburgh and London were by rail. The sustainable rail operator carried its millionth passenger in November 2022 having run more than 2,500 services, the equivalent of around 4,125 full flights* each carrying 180 people.

First Bus welcomed the DfT's new £2 fare cap scheme, which came into effect in England in January 2023. The aim is to help the sector encourage greater bus use, whilst supporting customers at a time when the cost of living has increased. We welcomed the extension of the scheme until the end of November 2024 at £2.50, having seen more than five million passengers already utilise the £2 fare scheme on First Bus services since it began.

We have also been supporting the Scottish government's scheme to provide free bus travel for under-22s, which came into effect in January 2022. We launched a new marketing campaign called #FreeToExplore to promote this scheme in 2023.

Simplifying end-to-end journeys and supporting active travel

To reduce journeys made by private car, we strive to improve and simplify end-to-end passenger journeys, and to increase the integration of active travel, including cycling and walking, into our networks.

This year, our rail businesses have continued to install hundreds of secure bike spaces to allow even more people to choose a sustainable way of getting to and from the station. As an example, we opened a new cycle hub at Salisbury station with 74 cycle parking spaces and an e-bike docking station.

Just over a year after GWR's Dartmoor Line reopened to regular passenger trains, journey numbers on the line passed 250,000, exceeding the demand levels originally forecast.

➤ [Read more about Lumo on page 16](#)

* Estimated using Airbus A320 with seating capacity of 180 people.



Improving accessibility

We are committed to making our services accessible and we make every effort to support customers with disabilities or restricted mobility.

We recognise that access to public transport services is often fundamental to such customers' independence. We work with both national and local disability groups and continue to invest in making our services more accessible. We put in place a number of technological enhancements to improve accessibility on our services this year.

Avanti has launched a dedicated communications channel to provide disabled customers with instant help during their journey in a first for the UK rail industry. Called 'Travel Companion', the channel utilises WhatsApp, to connect passengers to accessible travel experts who can offer specialist support while travelling. To support blind or partially-sighted people Avanti has also included within this channel, Be My Eyes – a free app offering video support at a moment's notice from sighted volunteers and professionals who lend their eyes to solve tasks.

Travellers who are deaf or have hearing loss often struggle to hear station announcements and communicate with staff, which can make it harder to plan and carry out journeys. Both SWR and TPE have trialled Artificial Intelligence technology at various stations this year which translates live journey information into British Sign Language (BSL). This is displayed through a figure on digital totem screens, giving them more confidence on their journeys.

Combining excellent customer service with innovation

To encourage more people to use bus and rail services, we continue to invest in innovations to improve customer service, delivering more convenience, smarter, easier and more flexible ticketing, better real-time information and improved on-board amenities.

We have now launched 'tap on tap off' payment technology and ticketing options on our buses in various UK regions including Aberdeen, Glasgow, Cornwall, West Yorkshire and Leicester. This payment technology is now installed on all our fleet. It allows customers to pay by contactless for the journey they make – calculated from the point they 'tap on' to the point they 'tap off'. It also helps speed up boarding times and journeys.

Using our influence

Transport is public facing, often the topic of public and political debate and subject to significant interaction with government at local, regional and national level. Our goals are to advocate for innovation and investment in sustainable mobility, and to make the case for transport infrastructure decisions that help reduce congestion, enhance customer experience and decrease journey times. We achieve this by engaging with a wide range of stakeholders and policymakers.

With government

At Group level, we have long-established and strong relationships with government officials and departments, as well as positive engagement with ministers. We work with both government and opposition policy teams and advisers, as well as Parliamentary committee members, and MPs and councillors who are local to our businesses.

We engage with policymakers and seek to influence the development of policy both directly, and through the membership of sector trade organisations in the UK, who in turn engage with government and regulators to promote a positive policy environment for private sector transport. We welcome the government's recent announcement on the launch of a Bus Centre of Excellence in partnership with the Chartered Institute of Highways and Transportation (CIHT) to upskill, recruit and retain a new generation of bus professionals, and we look forward to engaging proactively following its launch in the spring.

Our project to deploy superfast on-board 5G Wi-Fi for SWR customers between Basingstoke and Earlsfield is underway. Engineers for the project by evo-rail and SWR, in partnership with Network Rail, have now installed the first series of rail-5G poles on the line between the stations on the South West Main Line. It will be the first railway line in the mainland UK to deploy the industry-leading rail-5G technology for customer use. With over 100 trains already fitted to accommodate the solution, the technology will cover 70km of the SWR network.

Responsible business continued

With local authorities

In First Bus we work closely with our local authority partners to pursue partnerships which help us deliver better services through measures which reduce road congestion and give priority to buses.

In First Rail, we deploy Regional Development Managers within our operating companies who liaise with local and regional government, local businesses, user groups and others.

This commitment to, and experience of, effective local and regional partnerships, underpins our approach to the partnership options set out in the government's National Bus Strategy, as well as our engagement with the devolved nations, to ensure that the experience and expertise of private operators remains central to the delivery of public transport services. This year we were delighted to successfully secure further funding with our local authority partners which we supplemented with our own investment for further electric buses in Norwich, Leicester, York, Bramley (Leeds) and Hoeford (Portsmouth) depots. Read more on page 43.

We have worked in strong collaboration with a number of local transport and combined authorities. For example, in Leeds with the West Yorkshire Combined Authority (WYCA) and Leeds City Council we exceeded our Enhanced Partnership target to implement 75% Euro VI vehicles in the authority, instead reaching 82% Euro VI. Wider collaboration with West Yorkshire operators and WYCA has enabled tap on tap off capping across all operators, with First Bus having invested £600,000 to ensure rapid implementation.

With our industry

In the UK, we engage with, and are members of, a number of business advocacy organisations, sustainability lobby groups and public transport campaigns. By working through these alliances, we amplify our influence on policy.

Our Group Engineering Director continues to chair the Industry Sustainable Rail Leadership Group and attends the industry wide Sustainable Rail Executive. In addition to this, representatives from First Rail and our train operating companies chair the Rail Environment Forum, the Air Quality Working Group and the Noise Working Group. We are also active members of other industry working groups. Along with other industry members we have been heavily involved in development of the Sustainable Rail Blueprint, led by the Rail Safety and Standards Board (RSSB). This sets out the industry-wide blueprint for sustainable rail.

First Bus is a proactive member of the Confederation of Passenger Transport. This year we have worked together to successfully develop the case to government for revenue support for bus operators as we adapt to changing travel patterns post pandemic and position ourselves for growth.

We comply with the Lobbying (Scotland) Act 2016 regulations and key personnel are registered with the UK Lobbying Register. FirstGroup's gifts and hospitality policy is strictly adhered to when engaging with stakeholders at all levels.

As company policy, we do not make political donations. More information on our stakeholder engagement strategies can be found on pages 78-80.



We're very grateful for the contribution of sustainability leaders from First Rail to drive forward progress across GB rail. They bring practical experience, innovation and are fully committed to tackling industry-wide challenges.

George Davies,
Director of Sustainable
Development, RSSB





Being the partner of choice for low and zero emission transport

We are taking action to combat climate change and improve local air quality by delivering low and zero emission mobility solutions for our customers. We are focused on eliminating carbon emissions associated with our operations in line with the latest climate science and our goal is for our operations to be net zero by 2050.

Our aims



Zero carbon

Eliminating the carbon emissions associated with our operations.



Air quality

Improving local air quality in our towns and cities through our cleaner fleets.



Climate resilience

Incorporating climate adaptation measures to improve the resilience of our services.

The vital role of public transport in helping to address the challenges of climate change has never been clearer. We are committed to delivering a more sustainable future for the communities we serve.

We actively manage our greenhouse gas emissions across our business and are working to eliminate the carbon emissions associated with our operations.

Zero carbon

We have set a near-term science-based emissions reduction target, approved by the SBTi and aligned with the ambition of the Paris Agreement to limit annual average temperature increase to 1.5°C above pre-industrial levels. Our target is to reduce Scope 1 and 2 GHG emissions 63% by FY 2035 from a FY 2020 base year. We also commit to reduce absolute Scope 3 GHG emissions from fuel and energy related activities 20% by FY 2028 from a FY 2020 base year, and that 75% of our suppliers by emissions, covering purchased goods and services and capital goods, will have science-based targets by FY 2028. More information on our Scope 1, 2 and 3 emissions can be found in the table on page 45.

In FY 2023, we have seen a 8% decrease in our carbon emissions compared with FY 2022, partly due to strike action affecting service levels in First Rail. We expect service levels to stabilise from FY2024 onwards, with continued growth driven by modal shift.

First Bus is at the forefront of the industry in the operation of low and zero emission vehicles and in 2020 announced a commitment to achieving a fully zero emission fleet by 2035. During FY 2023, First Bus and our local authority partners have been successful in securing government co-funding to boost their existing Zero Emission Bus Regional Area (ZEBRA) projects in four locations.

This means we are co-funding an additional 328 electric buses over the next year across our York and Bramley depots in West Yorkshire, our Leicester depot, one of our Norwich depots in Norfolk and the Hoeford depot in Hampshire, with 58% of the funding provided by First Bus and the remaining 42% from the UK Government's ZEBRA scheme. This brings the total investment across all ZEBRA projects that First Bus is delivering to £105m, alongside ZEBRA funding of £82m. At the conclusion of these ZEBRA projects in March 2024, First Bus will have over 600 zero-emission buses in its fleet.

Four of our depots will operate fully electric fleets by March 2024, with Hampshire, Leicester, York and Norwich set to become the UK's first bus depots outside of London to reach this milestone. In Leicester, First Bus will invest £6.6m to bring this project to fruition, alongside additional DfT funding of £2.9m secured in partnership with Leicester City Council. An additional 86 electric buses will arrive in Leicester by March 2024.

We also completed the transformation of our Caledonia depot this year, with 160 state-of-the art, rapid-charging EV points now installed.



We are thrilled to announce the completion of our Caledonia depot. It's a landmark moment on our journey to an entirely zero emission fleet and a vital step in decarbonising the local environment and improving air quality.

Duncan Cameron,
Managing Director
at First Bus Scotland

600

zero emission buses by
end of FY 2024

🔗 Read more about our
Caledonia depot on
page 15

Responsible business continued

While our total rail km powered by electric traction have remained the same as last year at 73%, we expect this to increase as the UK rail network gets progressively electrified.

To continue to eliminate carbon emissions from our operations it is critical that we continue to work with the UK and devolved governments, the Great British Railways Transition Team and other key stakeholders to support further electrification of the UK network. TPE continued to effectively support the route upgrade and electrification of the 72-mile York to Manchester route in support of its decarbonisation roadmap. Work progressed well in FY 2023 with nearly 20% of the route expected to be electrified by the end of 2024 and the significant remodelling at Stalybridge station successfully completed after a 26 day closure.

Where full electrification is not going to be possible, we support the case for other low or zero carbon alternatives to diesel trains. In Avanti, we achieved a key milestone in our project to replace old diesel trains with new electric and bi-mode trains, by commencing testing of two trains on the West Coast Main Line for the first time. The new fleet will be a mix of ten seven-carriage electric trains and 13 five-carriage bi-mode trains, with the ability to switch seamlessly between electric and diesel power. The new fleet is scheduled to enter service on the West Coast Main Line in 2023.

Over the past four years, Hull Trains has replaced four older diesel trains with five new bi-mode trains on the route from Hull into London. This has led to a 57% reduction in Hull Trains' carbon emissions between FY 2019 and FY 2023.

This year, GWR completed the purchase of assets from emission-free battery and hybrid trains manufacturer Vivarail, which went into administration. Through this deal, we have bought intellectual property, rolling stock and equipment relating to the development of high-performance battery technology designed to support wider introduction of battery-powered trains on the UK's rail network.

Sustainability is a key focus in all of the DfT rail contracts and we expect and support carbon-related metrics in future contracts and negotiations.

Air quality

Air quality has a significant impact on the health of our communities, and many cities and towns are already working to place restrictions on the most polluting vehicles and prioritise public transport. An important aspect of improving local air quality is to encourage modal shift away from car journeys, and to invest in convenient and cost-effective low emission public transport networks.

Alongside our long-term commitment to transition our business to become net-zero, we also have programmes in place to reduce the emissions of air pollutants from our existing fleet. Through the process of contract renewal, new contracts and planned fleet replacement, we are replacing our older, higher emission fleet with new models.

We have taken over as chair of the rail industry's Air Quality Steering Group. We continue to be part of the first ever Air Quality Monitoring Network across 105 stations in England and Wales. Our rail businesses have installed diffusion tubes and other monitoring equipment at various stations to monitor nitrogen oxide, nitrogen dioxide and particulate matters. We will use this data to inform air quality improvement plans where necessary. We are part of the industry idling reduction project which seeks to overcome the technical and operational barriers to reduce idling and improve air quality.

In First Bus, 77% of our diesel fleet has now achieved the equivalent of Euro VI low emission standards this year. As part of this, we continue to retrofit Exhaust After-Treatment Systems (EATS) to older diesel vehicles and we now have more than 1,600 retrofitted vehicles in our fleet. The growth of electric buses in our fleet will also continue to reduce our air quality impacts over time.

Climate resilience

To ensure the success of our business for the long term, we are not only focused on climate change mitigation but also climate resilience – understanding the physical and transition impacts climate change can have on our business over the short, medium and long term, and taking action to mitigate the risks and leverage the opportunities. Climate change is managed and reported as one of our principal risks and these considerations have been an integral part of our risk management framework for many years.

Following a qualitative review of climate-related risks and opportunities in FY 2021, and a quantitative scenario analysis and financial impact assessment in FY 2022, this year we have worked closely with key internal functions to understand how these risks and opportunities are being addressed and what further actions can be put in place as part of a broader, Group-wide transition plan. Our TCFD update on pages 57-65 provides more details on how we are assessing and managing these risks.

73%

rail distance powered by electric traction

5

new bi-mode trains in Hull Trains replacing older diesel trains over the past four years

Greenhouse gas (GHG) emissions

The Group's overall carbon emissions decreased by 8% from FY 2022 to FY 2023. This is partly due to strike action significantly impacting First Rail service levels over the last year, as well as improved emission factors and progress on bus electrification. We are continuing to pursue our goal to become a net-zero business by 2050 or sooner.

The primary factors affecting our FY 2023 performance are:

- First Rail have decreased service levels compared to FY 2022 due to strike action
- The use of bi-mode trains to, where possible, switch train operations from diesel to electric

- First Rail driver training and other energy efficiency initiatives
- Increased use of low emission and zero emission buses
- A reduction in carbon emission factors for electricity purchased

For a more detailed analysis and an understanding of our Group carbon performance please see FirstGroup's Environmental Performance Report 2023. (at www.firstgroupplc.com)

First Bus brought into service 83 zero emission buses during FY 2023. This has helped to increase our zero emission vehicles proportion to 6% (3.3% in FY 2022).

6%

of our bus fleet
now made up of
zero emission vehicles

Tonnes of carbon dioxide equivalent (tCO₂e):
Total by emission scope

	2023	2022	2021	2020	2019
Scope 1: Direct emissions from road and rail vehicle fuel, heating fuel, fleet fuel and fugitive refrigerant gas emissions	545,054	599,869	534,555	696,771	802,118
Scope 2: Indirect emissions from the generation of electricity purchased for buildings and to power electric road or rail vehicles (location-based)	204,777	221,420	239,844	221,018	217,277
Scope 3: Other indirect emissions inclusive of business travel, water use and downstream waste treatment and disposal	8,784	9,192	10,399	12,220	16,472
Out of Scope: Indirect emissions from biogenic content of our liquid and gas fuels	33,752	30,848	23,819	21,460	8,988
Total All scopes	792,367	861,330	808,617	951,469	1,044,855
% change YOY	-8%	7%	-15%	-9%	7%
% change (2019 baseline)	-24%	-21%	-23%	-9%	N/A
Adjusted¹ Total All scopes	792,367	861,330	808,617	1,083,002	1,246,614
% change YOY	-8%	7%	-25%	-13%	-1%
% change (2019 baseline)	-36%	-45%	-35%	-13%	N/A
Per £m revenue (tCO ₂ e/£m)	167	188	187	236	293

1 Adjusted total provides like-for-like comparison of our carbon emissions by adjusting for major changes in rail (inclusion of Avanti and SWR). Please see more detail in our methodologies section below.

Energy efficiency initiatives

FirstGroup tracks and monitors energy-saving initiatives to ensure we continue to focus on energy efficiency alongside switching to low and zero carbon energy choices. The following are examples of significant, approved initiatives in the short to medium term which will be driving continuous improvement in our energy and carbon performance:

- Great Western Rail (GWR) is trialling fast-charging battery technology to help bring regular battery-only rail services a step closer. The battery is currently being trialled from West Ealing to Greenford in north-west London
- The completion of the Caledonia depot with the introduction of a significant number of electric vehicles and associated charging infrastructure

- First Bus is investing £2.5m in more than 6,000 solar panels to help power 20 of its depots

Methodologies and calculations

Our carbon and energy reporting approach is prepared in accordance with the following standards and guidelines:

- Greenhouse Gas Protocol (GHG Protocol) for Corporate Accounting and Reporting Standard
- UK Government Streamlined Energy and Reporting (SECR) Guidelines

FirstGroup has an operational control boundary covering 100% of its business activities with a materiality reporting threshold of 5%.

Responsible business continued

The term 'carbon emissions' in this report refers to GHG emissions as required for a GHG inventory. This includes carbon dioxide alongside six other GHGs calculated in mass of carbon equivalent (CO₂e).

Our GHG inventory is reported in four categories or 'scopes', listing our direct and indirect emissions in accordance with the GHG Protocol:

Scope 1: Direct emissions from road and rail vehicle fuel, heating fuel and fugitive refrigerant gas emissions

Scope 2: Indirect emissions from the generation of electricity purchased for buildings and to power electric road or rail vehicles (location-based)

Scope 3: Other indirect emissions inclusive of business travel, waste disposal, water supply and water treatment

Out of Scope: relating to the combustion of biofuels

Our reported total carbon figure is inclusive of our reported 'Scope 3' and 'Out of scope' emissions.

Our gross carbon emissions are also provided with an adjusted total to account for the incorporation of SWR and Avanti in previous reported years. It applies the equivalent emissions of these businesses to prior reported years to better compare our performance free from the impacts of major business change. This is calculated in accordance with Appendix E of the GHG Protocol.

Our UK carbon and energy emissions are calculated using Government-issued emission factors:

- UK Government GHG conversion factors for company reporting: BEIS, 2022

There are limited examples where emission factors have been developed as 'bespoke'.

To calculate underlying energy use, liquid and gaseous fuels have been converted from a volume to kWh (Gross Calorific Value). The following sources have been used to derive fuel energy properties for these calculations:

- UK Government GHG conversion factors for company reporting: BEIS, 2022.

A detailed understanding of our calculation methodologies is available within FirstGroup's Environmental Performance Report 2023, which can be found on our website at www.firstgroupplc.com.

Monitoring our underlying energy use ensures we are focusing on energy efficiency as well as switching to low and zero carbon energy choices. The underlying energy use which affects our carbon footprint has decreased 16% since last year.

This year the proportion of renewable energy we used was 6%, impacted by the relative use of electric versus diesel vehicles in our fleet. For a more detailed analysis and understanding of our Group energy performance please see FirstGroup's Environmental Performance Report 2023.

Group revenues increased 4% compared to FY 2022. This, coupled with a 8% decrease in carbon emissions and an 16% decrease in energy use, has led to a 11% decrease in our carbon per £m revenue and a 19% decrease in our energy per £m revenue.

Total energy use (kWh)

Kilowatt-hours of energy (kWh HHV): Total by energy source and renewable content

	2023	2022	2021	2020	2019
Non-renewable sources	2,934,638,964	3,378,894,410	3,102,497,653	3,499,209,894	3,763,697,692
Renewable energy sources	172,559,038	309,115,330	304,782,436	627,153,709	80,185,975
Total All	3,107,198,003	3,688,009,740	3,407,280,089	4,126,363,602	3,843,883,667
% change (year-on-year)	-16%	8%	-17%	7%	8%
% change (2019 baseline)	-19%	-4%	-11%	7%	N/A
Per £m revenue (MWh/£m)	653	803	789	1,021	1,080

First Bus

Percentage of low and zero emission passenger fleet – First Bus

	2023	2022	2021	2020
Low emission buses (defined as diesel or biomethane powered buses with a 15% or greater carbon saving from a standard alternative)	30.8%	23.4%	21.6%	20.2%
Zero emission buses (electric or hydrogen powered)	6.0%	3.3%	1.1%	0.3%
Total passenger fleet	4,591	4,974	5,189	5,619



Supporting our people

We employ around 30,000 people in depots, stations and offices, providing vital services which connect people and communities. Our people are at the heart of our business, and we are extremely proud of the way they keep our customers moving.

Our aims



Diversity and inclusion

We value diversity and inclusion, and our workforce represents the communities we serve, increasing effective participation and equal opportunities.



Skills for the future

Our people have the skills, expertise and knowledge to drive the transition to a sustainable future.



Wellbeing

Our culture means that our employees are supported towards good mental and physical wellbeing.

Diversity and inclusion

To better understand and meet the needs of the diverse customers and communities we serve, we are committed to increasing the diversity of our workforce. We continue to recognise that attracting and retaining people with different backgrounds and experience requires an inclusive culture where everyone feels valued and respected. While we are proud of the progress being made in many areas, we do acknowledge there is still more to do in order to create an inclusive workplace for everyone.

Governance

In the past year we have established two separate bodies to help us drive our equality, diversity and inclusion (ED&I) agenda. Internally we have an ED&I working group where we share learnings across the business and develop strategy. Within this group we are also setting ED&I targets, for all of our operating companies, and are using strategic workforce planning to help us achieve them.

The Responsible Business Committee – a new committee of the Board, met for the first time in FY 2023 and one of its main duties is to review the practices and performance of the Group in supporting our people, and in particular our progress towards meeting the Group's goals and objectives with regard to ED&I.

As an organisation, we want our workforce to be reflective of the communities we serve. The four gender commitments we set out in 2017 remain a key focus, namely to:

- increase the number of female applicants for all roles
- encourage more women to stay and progress their careers with the company
- support and develop more women into higher paying roles
- ensure men are aware of the role they play in creating an inclusive workplace that is welcoming to women

Our aspiration is to have half of all the roles we recruit for, to be filled by women. We also aspire to be representative of the communities we serve from an ethnicity perspective, including within our senior management populations. We are also reviewing additional internal targets around specific roles to help us make positive progress against our respective pay gaps.

Transparency in our approach is important to us. We are already signatories to Change the Race Ratio, First Bus are now signatories to the Business in the Community Race at Work Charter and this is the second year that we have voluntarily published our ethnicity pay gap.

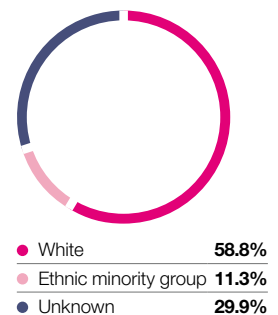
Workforce breakdown

Overall, this year the proportion of women in the Group has increased to 20.8% (2022: 20.3%). The proportion of women in senior management positions has also increased since the last report from 20.5% to 23.5% and 44% of our Board members are women. In terms of ethnicity, 11.1% of our workforce are from an ethnically diverse background (2022: 9.8%) and 2.7% (up from 2022: 0.9%) of our workforce consider themselves as having a disability.

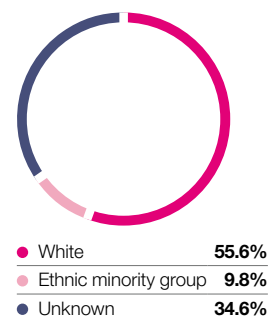
70%

of employees have shared their ethnicity vs 65% in FY 2022

Ethnicity – FY 2023



Ethnicity – FY 2022



Responsible business continued

We recognise the importance data brings in driving progress on our ED&I programmes and we are working hard to encourage our employees to share their personal information with us. First Bus have been conducting a census that is enabling them to get a more accurate view of their workforce. Across the whole of FirstGroup, we now have over 70% of our employees who have shared their ethnicity with us, compared to 51% two years ago. We have also started to ask for more detailed disability information from our colleagues to better understand their requirements and to be able to better accommodate their needs.

Development programmes

We have launched a Senior Women’s Leadership programme, which is designed to accelerate the readiness of women for senior leadership roles across FirstGroup by building advanced leadership capabilities and personal confidence. Our ‘Step Up/’Step Forward’ and ‘Reach Up/’Reach Forward’ programmes continue to make a significant contribution in our drive to promote better gender and ethnic minority representation across our senior and middle management populations. Of the current population that have gone through these programmes, 31.3% have either been promoted or given a development move.

Claire Weston of GWR a former attendee of Step Forward said “The Step Forward program has played a really key part in my development. It was a fantastic opportunity to meet some likeminded women from all across FirstGroup and made me reflect on how I could forge the path for myself and shape my career development. In 2021 I made the move over to GWR as the Head of Driver Training and in October 2022 I was promoted into the Head of Drivers position, the role that I had always aspired to achieve. The Step Forward program has achieved everything it set out to and was one of the best courses I have been on. I am looking forward to the Senior Leadership course to help me further progress my career.”

Recognition

First Bus won praise from Scottish advocacy organisation Close the Gap in its latest report into gender-equality progress in the workplace, highlighting the actions across recruitment, progression and promotion for women. They have introduced a Gender Balance Inclusion Network and recently launched two programmes to support and accelerate their journey towards gender inclusivity, a reverse mentoring programme and an Intentional Allyship Programme. GWR and the corporate functions have achieved the Bronze standard from Clear Assured, a globally recognised standard awarded to businesses that have shown that diversity and inclusion are reflected across all policies and processes.

At the 2023 Rail Business Awards, TPE won the Diversity and Inclusion award after being recognised for its data-led and evidence-based approach to diversity and inclusion and for demonstrating a full understanding of the issues. SWR were also highly commended in this category and recently received Inclusive Employers Standard silver accreditation, recognising the progress that has been made since launching its first inclusion and diversity strategy in 2021.

Attraction and recruitment

We have been making steady progress on attracting and hiring more women and employees from ethnically diverse backgrounds into the business. For the roles advertised over the last year, we have again increased the proportion of applications from women and ethnic diverse backgrounds and from those hired, 21.6% were women and 20.6% were from an ethnically diverse background.

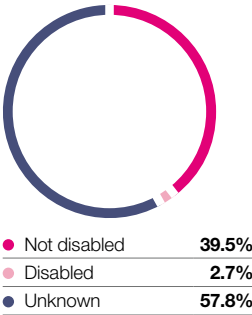
SWR have introduced ‘Have a Go Days’ for women to experience engineering and driver roles in order to increase the number of internal applications into these roles. Those who have participated have subsequently expressed an interest in applying for roles.

We want to continue to create a diverse pipeline of future applicants, so have launched specific engagement programmes in schools to promote our job opportunities in areas with high ethnic minority populations. We are utilising specialist recruitment portals such as Vercida, who showcase organisations that are looking to recruit diverse talent and we continue to update our careers website and social media channels to showcase examples of colleagues from under-represented groups.

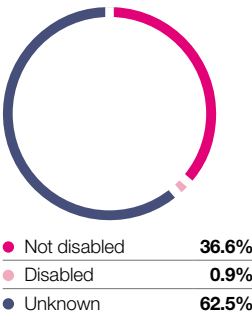
42%

of employees have shared their ability status vs 37.5% in 2022

Disability status – FY 2023



Disability status – FY 2022



Our gender breakdown

	FY 2023 ¹					FY 2022				
	Women		Men		Total	Women		Men		Total
	Number	%	Number	%		Number	%	Number	%	
Total population	6,540	20.8	24,937	79.2	31,477	6,298	20.3	24,766	79.7	31,064
Senior management ²	12	23.5	39	76.5	51	8	20.5	31	79.5	39
Board	4	44.4	5	55.6	9	4	44.4	5	55.6	9

1 Excludes 28 colleagues who have not disclosed their gender.

2 Hampton-Alexander definition.

A new mural at Euston station

With the aim of encouraging more women to consider working in rail as a career, a mural that commemorates Katie Harrison – one of the UK's first female train drivers, was unveiled at London Euston station. The mural was due to be on display until the end of Avanti West Coast's driver recruitment campaign, but due to its success which has seen record numbers of women applicants it will now remain permanently in place.

Daisy Hawker Wallace, Head of PR at Avanti said "With her feisty determination and impish good humour, Karen Harrison fought for women's rights and the rights of other minorities in rail. But she was no 'poster girl' for the railway. She was willing to be a public figure when others were not, believing in the courage of her convictions.

"At Avanti, we want to embrace equity. Women like me would not have senior positions in rail, if it were not for Karen's achievements paving the way. It's easy to forget how hard this would have been for a woman in the 1970s, but the female experience then was quite different to what it is today.

"By working with Network Rail to ensure the longevity of this mural, not only are we commemorating her legacy, we want to continue to inspire other women to work in rail."



Skills for the future

Each of our divisions provides training to enable our employees to deliver great service for our customers, and invests in the skills we need for the future. The changing nature of transport and mobility, particularly new vehicle technologies and energy transition, requires us to adapt the way we develop, operate and maintain our services. To deliver that change, we need a healthy, engaged, agile and diverse workforce with the skills and expertise for a zero carbon economy, equipped to innovate and deliver mobility for the future.

Our apprenticeship programmes are an important way of growing the engineering and operational skills which are vital to our business. We are running industry leading programmes that are fully integrated into the fabric of our organisation, working in key areas of the business such as Engineering, Human Resources, Customer Service and Business Administration.

This year we have once again increased the number of apprentices in training across First Bus and First Rail to a total of more than 850 as at the end of March 2023, with 32.4% of apprentices recruited over the last year being female, an increase of 0.9% from last year.

In First Bus, our partnership with Reaseheath College, Cheshire entered its second year. There are 82 apprentices currently learning at the UK's first engineering academy for the next generation of zero emission coaches and buses, specialising in mechanical and electrical engineering, coachbuilding and stores.

Earlier this year GWR received gold accreditation as part of the Investors in People 'We invest in Apprentices' programme with one of the apprentices also earning the accolade of Higher Apprentice of the Year from Exeter College.

850

apprentices across bus and rail in FY 2023

Responsible business continued

Commitment to the Schools Engagement Strategy through FY 2024 will continue to promote the rail sector and apprenticeships to younger people and also those from under-represented groups.

Shannon Pilkington on her experiences since joining TPE as apprentice from school: "I'm currently working as a customer information controller in the control team, a role that I have thoroughly enjoyed so far. A highlight of the apprenticeship scheme is the opportunity to learn different skills and build my knowledge to start my career on the railway. There are many different opportunities which I didn't realise before starting the apprenticeship and I'm looking forward to experiencing more of them."

To attract and retain the skills we need, we offer a competitive wage reflecting local market demands and conditions. Avanti, TPE and Tram Operations Ltd. are accredited Living Wage Employers and pay the Real Living Wage (RLW) to employees and to third-party contractors working directly for the company in accordance with the Living Wage Foundation rates of pay. GWR and SWR also pay the RLW to directly employed colleagues. Almost 98% of employees in First Bus, are paid at or over the RLW.

Wellbeing

The wellbeing of our employees remains a key priority for FirstGroup. Our employees have various wellbeing resources available to them through the Wellbeing Hub, accessed through our intranet. We have introduced webinars on neurodiversity and stress awareness, and marked Stress Awareness Month. We continue to offer training for colleagues who may wish to take up a future role as a Mental Health First Aider around the organisation.

GWR along with the DfT, have commissioned the charity Samaritans to lead a new research study on mental health and wellbeing support for the rail industry, in partnership with Mental Health at Work. The study will provide good practice recommendations for mental health provision, so that the industry can raise awareness for their staff and support those experiencing mental illness. It will aim to highlight existing barriers, as well as encourage a culture shift to destigmatise conversations around mental health.

SWR were recognised for building a supportive and inclusive workplace by winning the Wellbeing in Rail award at the 2023 Rail Business Awards. The judges praised their 'very honest' assessment, which has led to the introduction of a diverse range of mental and physical health initiatives. These included the introduction of wellbeing pods which have helped more than 1,600 colleagues, training up 140 colleagues as mental health first aiders and encouraging over 250 colleagues to be more physically active by participating in the Million Metre challenge.

Recognition for our apprentices

Ekaterina Cherkasenko, winner of the Higher Apprentice of the Year award at Exeter College on what the benefits of an apprenticeship

"I chose to do an apprenticeship as it's an opportunity to develop myself personally for the things that I aspire to do as part of my job and hopefully help to better GWR in the future.

"It's an opportunity to speak to some like-minded people at GWR. It's an opportunity to prove so many people wrong and an opportunity to achieve something for yourself, rather than just as part of your job.

"There's a lot of change happening and I want to be as equipped as I can to help people want to stay with GWR. Embrace the change and embrace the opportunity."



In the wake of the ongoing cost of living situation across the UK, First Bus have launched a comprehensive wellbeing guide that has been sent to each colleague within the division helping them be more aware of how to support their own wellbeing. They have also been working with an organisation called Better with Money, offering all First Bus colleagues the opportunity to attend webinars that offer financial support.

Employee engagement

All our businesses carry out regular Your Voice surveys giving employees the opportunity to share their views on the way they are managed, and how likely they are to recommend FirstGroup as an employer. These surveys are anonymous and managed by an external specialist company to encourage candid feedback.

Surveys from across our businesses conducted in 2023 have shown an improvement both in response rates in engagement levels. In February, First Bus conducted their latest survey, this showed a year-on-year increase of 16% in the response rate and an 8% increase in engagement. From the recent surveys conducted in March, within the open access train operators, Hull Trains and Lumo both have engagement levels above 80% and within the corporate functions, engagement was at 90%. The other Train operating companies, will be conducting their surveys later in the year.



Safety

Dedicated to safety, always front of mind – safety is our way of life

Our commitment to the safety of our customers, our employees, and all third parties interacting with our businesses remains unwavering and is articulated through our Dedicated to Safety value which applies in everything we do.

8.7

Employee Lost Time Injury Rate
(per 1,000 employees per year)

12.1

Passenger Injury Rate
(per million miles)

Every day our trains, buses and trams carry more than 1.8 million customers and we are responsible for almost 30,000 employees. By its nature, the transport industry involves safety risk, and therefore we take seriously our duty of care to ensure that our customers and other stakeholders can use our services safely and that our employees have a safe place to work. We continually strive to seek innovative safety mitigations to ensure the wellbeing of our people.

We maintain robust safety management systems throughout the Group, with a clear focus on ensuring compliance with legislation, policies, processes, and procedures.

Alongside this, we continue to invest in sophisticated technology solutions to assist our teams in delivering first class safety, reducing incidents, and monitoring and managing performance. We are proud of the safety culture we have worked hard over many years to establish.

Be Safe

Be Safe is our Group-wide approach to embed safety as a personal core value for all colleagues through the positive reinforcement of safe behaviours.

The principal elements of Be Safe include daily conversations (touchpoints) to reinforce good safety behaviours, as well as reward and recognition for safe working. Leadership set the tone from the top by conducting site safety tours throughout the year and Near Miss reporting is actively encouraged at sites to share learnings that improve workplace safety.

Safety leadership and governance

Strong leadership from the top is a key feature of our safety culture. Our Responsible Business Committee, involving the CEO, members of the Group Executive team, together with First Bus and First Rail senior leadership teams, oversee the Group's safety strategy and the performance, procedures, and practices across all operating companies.



Responsible business continued

First Bus

This year we achieved ISO 45001 certification across the division, and we will be audited every year against this standard by an independent United Kingdom Accreditation Service (UKAS) approved body to ensure we continuously improve our health and safety management system.

We have been aligning with the broader ED&I programme underway in the bus division this year. We have rewritten our safety policies and procedures to ensure they are simpler and more easily applied by our people. We have also partnered with an external provider to translate our documentation into a variety of languages to aid understanding and mirror the diverse nature of our workforce.

We are creating a bespoke qualification for our managers and supervisors which will be accredited by the Institute of Occupational Safety and Health (IOSH). This will be unique and relevant to the road passenger transport sector, and we have redesigned course content to ensure better applicability to road transport incidents as well as more interactive learning through bite size content. Our commitment is to support and equip our employees to offer a safer and more comfortable journey to customers.

Approximately a quarter of our customer and employee injuries happen each when they are getting on or off our buses. Therefore, we strengthened our existing campaign called 'Hold, Look, Land' to encourage safer behaviours to reduce slips, trips and falls, sharing the message with customers through onboard signage and our employees by embedding the message in local campaigns and messaging via the winter guidance documents and employee app.

Bus collisions with low bridges remain a risk and we continue to use learnings from the study we commissioned last year with the Institute of Transport Studies (ITS) at Leeds University. The study highlighted mental workload as a human factor into why bridge strikes might occur, and although technology to alert the driver to low bridge risk using GPS is currently in place, we have an opportunity to look at how we can reduce the mental workload of a driver so they can concentrate more on their awareness of road signs and immediate hazards. We are also exploring route navigation systems to achieve this and are running a trial of such technology in Aberdeen to test the effectiveness of the system and how our drivers feel about it.

Driver recruitment has been a challenge for the bus sector over the past year. Our data shows us that new starter drivers have a higher risk of incidents and therefore need additional support as we welcome them into the organisation. Our support programme called Thru-Care continues to support new drivers through their first year with us. Special rosters to ensure they are not overwhelmed, phasing their learnings, and tracking their performance through

our driving standards database, provides them with support until they gain the relevant experience. This early period is crucial in shaping their driving performance standards, and the support we provide also reduces potential attrition rates.

First Rail

Our approach across each of our rail businesses is firmly dependent upon:

- A comprehensive safety management system focused on risk avoidance that is continually reviewed and updated in light of new legislation, audits and recommendations from accidents and incidents
- A dedication to employee health and safety that is shared through induction, training, communication, briefings, line management, peer review and sharing of best practice
- An internal openness and accountability in identifying health and safety issues, which includes partnership working between employees and trade unions to ensure a safe workplace. Alongside this, we work closely with other rail industry partners to ensure we keep abreast of best practice and lessons learned.

During the year we continued to prioritise reductions in customer injuries on our trains and stations where we know slips, trips and falls are the most common cause of injury. Our station staff are focused on identifying and assisting vulnerable customers where possible. This applies especially for leisure trips and elderly customers and those who travel less frequently. Innovative publicity campaigns were developed that were themed around known risks such as not using handrails, minding gaps between trains and platforms and not rushing.

The elimination of Signals Passed at Danger (SPAD) risk continues to be at the forefront of our safety activities, with monitoring arrangements rigidly applied to both supporting performance metrics and the implementation of safety plans. We have many ongoing workstreams focused on mitigating SPAD incidents such as localised risk reduction plans, driver focused communications, and an engagement campaign called 'Respect the Red'.

Six Golden Rules

We launched our Six Golden Rules awareness campaign during Rail Safety Week in June 2022. The campaign publicised simple safety rules that could be easily and readily adopted by employees across all our rail businesses. A new rule was publicised each month up to December 2022, with topics ranging from situational awareness to communication. The campaign was promoted with videos from leadership teams, animations, posters and social media activities, and garnered positive employee involvement.





Communities

Enduring relationships with local communities

We are proud to support the communities in which we operate. We use our skills, reach and influence to make a positive impact and help those causes that can make a difference, both locally and nationally.

£617,000

invested this year in local communities

2,089

young people from Hull have been supported to travel beyond their local area in partnership with the Hull and East Yorkshire Children's University charity

Strong community engagement is at the heart of what we do. This year we supported hundreds of community causes and charitable organisations through volunteering, corporate donations and gifts in kind. These included donating advertising space and vehicle hires, event sponsorships and providing spaces at our stations.

Supporting local needs

First Bus launched two Go Greener Funds for local communities this year. The campaign was aimed at businesses in York and Bradford, offering ten businesses in each city a £2,000 cash injection to help them make greener, more sustainable choices and to encourage eco-friendly high street spending. Funds were awarded to a wide range of businesses including fashion retail, food and drink, artisan products, community projects and pharmacies.

Avanti has helped a Cumbrian community restore its Post Office with a new pop-up counter at Oxenholme station two years after it was deprived of its only service. The local community now has access to outreach Post Office services on set weekdays. It is believed to be the first of its kind on the West Coast Main Line and one of only a few Post Offices operating at a railway station in the UK.

Two of our rail businesses have been providing discounted rail tickets enabling young people to travel beyond their local areas. Hull Trains has worked with the Hull and East Yorkshire Children's University charity for over ten years. In the past year, 2,089 children and 692 adults have boarded Hull Train services to London. This helps them understand the world that exists outside their community and to build their aspirations and confidence.

Community use spaces

SWR expanded its programme of providing redundant spaces in stations for community use this year. It has spaces such as old waiting rooms and ex-retail units available at 14 different stations along its network and they are being utilised by a variety of community groups. A redundant room at Havant station has become the home of a thriving new community asset, after SWR agreed to hand the space over to local Community Interest Company, Solent Remade. The space is now being used as a hub for resource repair, reduce or reuse projects.

14

stations with community use space



Responsible business continued

Avanti also launched its Feel Good Field Trips initiative this year. The campaign is giving schoolchildren the chance to travel by train to destinations across the West Coast Main Line for hands-on learning, fun and culturally diverse days out. Avanti is partnering with 30 schools to offer up to 5,000 pupils previously unattainable field trip experiences.

New collaborations

SWR and GWR have both become accredited White Ribbon UK organisations and unveiled trains with new livery, as a way of raising awareness about male violence against women both in their business and the wider rail industry. The White Ribbon trains will travel across the GWR and SWR networks spreading the message of their commitment to supporting the education of men and boys to prevent violence against women.

TPE also partnered with the British Transport Police (BTP) to promote the new Railway Guardian app which has been developed by BTP and provides information on what to do if you witness or are a victim of harassment or sexual offences. To support the launch, TPE issued a series of four videos showing real-life situations faced by customers on the network and the difference rail users can make in keeping people safe from problematic behaviour.

Lumo launched a new partnership this year with The People's Kitchen. The charity provides meals for vulnerable people in Newcastle and Lumo plans to deliver volunteering days to support the efforts of the kitchen.

First Bus chose Macmillan as its first ever charity partner through a staff vote and plans to organise a range of fundraising activities across its depots over the next three years.

FirstGroup made a corporate donation to the Turkey-Syria appeal of the Disasters Emergency Committee and match-funded donations made by our employees. In total, FirstGroup and our employees donated £617,000 during FY 2023, as measured by the London Benchmarking Group model for community impact. See page 37 for a more detailed breakdown of our contribution.

For information on how we engage with our communities to improve our services and incorporate their feedback into our decision-making processes, see page 79 and our Section 172 statement on page 81.

Community Rail

Community Rail Partnerships (CRPs) are not-for-profit organisations that help to further connect the railway with the communities they serve. All over the country, CRPs work with communities to promote social inclusion and sustainable travel, champion economic development and bring stations back to life. These partnerships are attuned to local needs and their work is varied but driven by passionate volunteers. Each partnership has a steering group made up of local stakeholders, who agree on an activity plan of work.

Each year, our franchised rail businesses (Avanti, GWR, SWR, TPE) provide DfT funding to the various CRPs that exist along their networks and their community projects. In FY 2023, we supported over 60 CRPs around the UK and allocated over £1.3m in funding. Our rail businesses are actively involved with each CRP, working in partnership with them to deliver outcomes that benefit as many people locally as possible.

Community rail promotes understanding and confidence around rail and removes barriers to travel, and most community rail partnerships have achieved success in helping to attract passengers. As an example, The Worcestershire CRP work alongside GWR, and local communities to improve stations in the county and encourage rail use. It has produced four 'Line Guides' that showcase great places to visit and developed a set of rail trails that links local walking routes with railway stations.

6

Community Rail Partnerships supported this year





Environmental management

Reducing our impact on the environment

We have a robust framework in place for environmental management that supports continuous improvement.

98%

of operations (by revenue) covered by ISO 14001 Environmental Management System

6,000

solar panels being installed by First Bus to help power 20 of its depots

FirstGroup is committed to environmental protection and compliance, where we strive to reduce our environmental impact across the business. A robust environmental management system allows FirstGroup to consider the environmental impact of our services at the early stages of planning and monitoring. This allows FirstGroup to implement continuous improvement in our approach and operation.

We operate in accordance with BS EN ISO 14001 environmental management systems (EMS) across nearly all of our First Rail and First Bus operations. FirstGroup operates a localised approach to developing and implementing EMS systems. This allows our businesses divisions to adapt EMS systems to their specific needs allowing for a diverse portfolio of transport services.

An EMS allows the business to assess all environmental matters associated with a business, ranging from biodiversity, energy, carbon, water, waste management, circular economy, supply chain and community engagement. FirstGroup's environment policy outlines requirements for the Group and its divisions to reduce the impact of our operations and ensure legal compliance with regards to the environment. Supporting the environmental policy are internal standards for incidents and complaints, internal audit, carbon and energy reporting to provide more clarity on our governance and assurance of environmental management.

The implementation of an EMS has led to several improvements during FY 2023, such as:

- Zero environmental penalties issued to FirstGroup.
- First Bus investing £2.5m in more than 6,000 solar panels to help power 20 of its depots.
- SWR teaming up with the Royal Society for the Protection of Birds to create biodiversity gardens at five of its stations.

Please see our 2023 Environmental Performance Report on our website, which expands upon the information provided in here. It provides key metrics that track our material issues in relation to carbon, energy and our environmental impacts, alongside comprehensive information on our calculation approach.

Across the UK, we are either certified or conform with ISO 14001 across nearly 100% of our activities, and are certified to ISO 50001 in nearly all First Rail operating companies.

Responsible business continued



Ethics

Hold the highest ethical standards

In line with our Values and the expectations of our customers and partners, we are committed to conducting our business in an open and ethical manner, including in all of our interactions with our customers, employees and other stakeholders.

Our Values and ethical commitment shape not only what we do, but also how we do it. We invest time and effort to put in place the right processes, policies, governance structures and Board oversight to ensure we meet these high standards of integrity and professionalism.

Our policy framework

Adhering to an ethical framework is a vital part of our commitment to our customers and stakeholders and helps to ensure that our Vision and Values are at the heart of everything we do at FirstGroup. Our Code of Ethics, which is available at www.firstgroupplc.com/responsibility, makes sure that all of our businesses are performing to the highest ethical standards and are accountable for their performance. The Code of Ethics is supported by detailed policies and procedures which apply across the Group and, along with the Code of Ethics itself, are implemented and managed by the senior management team in each of our divisions, including anti-slavery, anti-fraud and anti-bribery policies, as well as policies on data privacy, competition laws and other areas of legal and ethical compliance.

Human rights

We are committed to recognising human rights on a global basis and recognise that we have a responsibility to ensure that FirstGroup operates in a way that respects, protects and champions the human rights of all those who come into contact with our operations. This includes a commitment to the prevention of modern slavery and human trafficking in all its forms both within our own businesses and in our supply chains. This commitment extends to all business dealings and transactions in which we are involved, regardless of location or sector. We have a zero-tolerance approach

to any violations within our company or by business partners. Our Modern Slavery and Human Trafficking Statement, which is updated annually, sets out our policies and the steps we take to address risks in our business and our supply chains and can be found at www.firstgroupplc.com. In line with our commitment to improving our performance by sharing best practice across the Group, our statement applies to all of our businesses, including those which are not legally required to make a statement under the Modern Slavery Act or equivalent legislation, regardless of their location, size or turnover.

We have a zero-tolerance approach to fraud in any form, including the facilitation of tax evasion and bribery. We never offer or accept any form of payment or incentive intended to improperly influence a business decision. Equally, we support free and open competition, gaining our competitive advantage by providing the highest level of service, not through unethical or illegal business practices. Similarly, we respect and protect the privacy of our customers, employees and stakeholders, and are committed to conducting our business in accordance with all applicable data protection legislation, including the UK's Data Protection Act 2018 and the UK and EU General Data Protection Regulations. We have internal control systems and procedures in place to counter bribery and corruption, and to ensure that we comply with data privacy, competition and trade laws. These systems and procedures are kept under regular review, to ensure that we continue to adopt appropriate defences and mitigations to ethical and legal risks that are faced by our businesses.

We have also mandated centrally a set of minimum requirements for training, testing and policy attestation across a range of ethical and compliance topics, including those referred to above. All non-frontline staff are required to complete an annual attestation confirming that they understand and comply with each of the policies. In addition, senior managers and higher risk individuals are required to complete training and pass tests annually. Compliance with these policy and training requirements is monitored regularly by the senior management team and at Board level. The minimum requirements are reviewed and updated as appropriate to address new or evolving risks.

Divisional management teams are responsible for ensuring that these core requirements are implemented and adhered to within their respective businesses. They are also responsible for assessing whether stricter or additional requirements are appropriate to the particular ethical and legal compliance risks faced by their respective businesses, and implementing such further measures as are deemed necessary to mitigate those risks.

We have an externally managed whistleblowing service for colleagues available across the Group with a helpline (online and phone-based) for the anonymous reporting of suspected wrongdoing or dangers at work. The hotline is actively communicated to colleagues via a number of channels, as well as being available via the Code of Ethics and other policy and training materials. All reported issues or concerns to the hotline are taken seriously and structures are in place to process reports and, where appropriate, investigate concerns and implement necessary mitigating steps, ensuring that confidentiality is respected at all times. The Board also receives reports on the operation of and any matters reported to this whistleblowing hotline.