

Resources, relationships and responsibilities

Focused on our Vision; driven by our Values

Our Vision and Values continue to underpin the way we run our business. Our aim is to be recognised internationally as a market leader and our Values provide focus in achieving this.

During 2016 we continued to make progress in delivering against our five Values – Excellence, Safety, Customers, People and Community



Excellence

We constantly strive to be excellent in all that we do



Safety

We only do what is safe and stop any unsafe behaviour



Customers

We place them at the heart of our business and relentlessly meet their expectations



People

We develop the talents, reward the exceptional performance and respect the rights of all our employees



Community

We are active in the communities we serve to generate economic, social and environmental value



Excellence

Our success as a business is dependent upon us securing and maintaining a reputation for operational excellence.

For existing customers this means consistently delivering the services they want at competitive prices they can afford. For new customers it means demonstrating to them that we will provide the service they want in a convenient way while offering good value for money.

A measure of our success is through external accreditation. During the year, UK Coach joined c2c in achieving a five-star EFQM rating. UK Bus and ALSA each hold a four-star EFQM rating and will be looking to achieve a higher score when they are next assessed in 2017. North America continues to hold a Bronze Award from the Illinois Performance Excellence Center, increasing the score by 50% in their 2016 assessment.

Alongside our excellence accreditations, we were pleased to win another record number of industry awards during the year, reflecting the exceptional achievements of our employees and the best practice they deliver. In particular, National Express West Midlands was judged Bus Operator of the Year in the National Transport Awards, The Kings Ferry won UK Coach Operator of the Year at the UK Coach Awards and ALSA was awarded the best customer experience for transport in Spain.

In December the Group Chief Executive, Dean Finch, launched a new initiative to champion operational across the business. The Delivering Excellence programme will review the way businesses in the Group carry out similar operational functions to seek best practice, learn from any external examples and then develop a Global Operating Standard for that activity. This programme will both look to further embed excellence across the business and draw on talented individuals across the Group to develop the skills and experience of future managers.



Above: In December, our Driving Out Harm safety programme was recognised at the Prince Michael International Road Safety Awards
Left: UK Coach was successful in achieving a five-star EFQM rating following its assessment in 2016



Safety

Safety will always be the highest priority for our business. Overall responsibility for safety sits with Dean Finch, Group Chief Executive, and our Divisional Managing Directors who set out annual plans and priorities for improved performance.

We have commented on the tragic incident in Chattanooga in the Chairman's, the Group Chief Executive's and the North America reviews of the year. These make clear our profound sorrow that such an accident should happen on one of our buses, that we have pledged our full support to the ongoing investigations and identified the actions we are already taking. We will learn any necessary lessons and implement any appropriate changes that the ongoing investigations identify.

Arthur D Little continues to act as our external safety adviser. Each year they undertake a review of our safety performance and systems and we have again included a summary written by them on the next page.

We use the Fatalities and Weighted Injuries ('FWI') as our key safety indicator. In 2016, as a result of the Chattanooga incident we scored 17.823, compared with 12.242 in 2015. Excluding Chattanooga, the FWI was 11.323, in a year when we carried more passengers and ran more services (see Figure 1 right). Figure 2 also illustrates our FWI alongside our significant increase in mileage as our business has grown, demonstrating we have consistently delivered significant reductions on this measure as well.

Three months after the tragic accident in Chattanooga, the regulatory authorities have not identified any faults in our maintenance systems, or the background screening, training or management of our driver.

The underlying reduction in FWI reflects the investment we have made in systems and training to reduce accidents. For example, Lytx DriveCam is now installed across the UK Coach fleet, and is being rolled out across UK Bus, ALSA and North America. This provides video evidence of how drivers are performing and it helps us to monitor individual driving behaviours and provide tailored training.

Our safety achievements have continued to be recognised by external bodies during 2016. We were pleased to be honoured with a Prince Michael International Road Safety Award which recognised our Driving Out Harm programme. The award was in the Safer Road Users category, particularly focusing on our work to reduce accidents in Morocco.

Another highlight was the award of the British Safety Council Sword of Honour to all three of our UK businesses: Bus, Coach and Rail – alongside them all achieving five-star ratings.

The members of each of our Divisional Boards and Group Executive continue to make safety tours, providing both assurance and the visible confirmation of the importance of safety in the Group. During 2016, 774 safety tours were made (2015: 653). We publish this figure annually as a demonstration of our commitment to safety.

Figure 1: Safety – Fatalities and Weighted Injuries ('FWI')

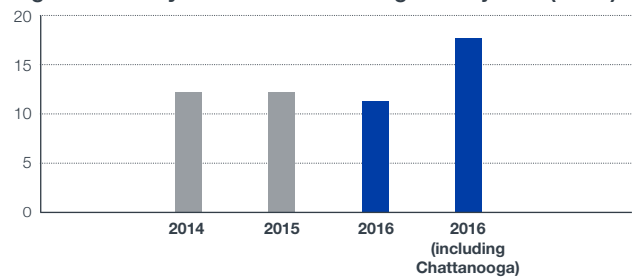
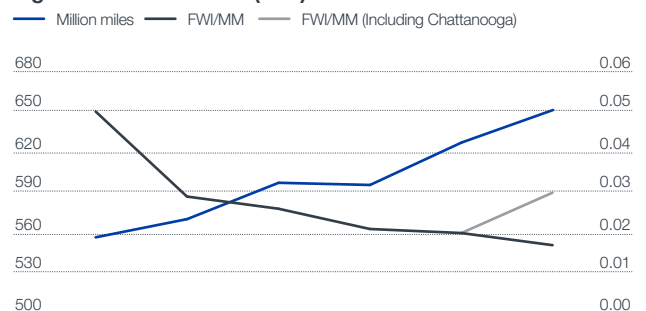


Figure 2: Million miles (mm) vs FWI trend



Resources, relationships and responsibilities continued

Independent Safety Performance Review

Arthur D Little has been engaged as an independent safety consultant at National Express since 2010, including helping to create and launch the Driving Out Harm safety programme. Since the programme was developed we have conducted six annual reviews of each divisions' safety progress and performance. We report our findings to the PLC Board and make recommendations for improvements. We have visited a wide range of operational locations in all businesses. We draw on our experience of a range of client organisations worldwide and consider Driving Out Harm to be an excellent safety programme with very strong leadership from the Chief Executive, and highly effective safety governance from the Executive and PLC Board.

Our 2016 safety review has reached the following overall conclusions:

- Taken in isolation, responsible harm was higher than in previous years, which has otherwise trended downwards year on year since 2011. The increase was due to a serious accident in North America – setting this aside, total responsible harm was 10% lower than in 2015 and 60% lower than in 2011 when Driving Out Harm was initiated
- Reported collisions in 2016 are flat but the vast majority are very minor and average severity is decreasing – further supporting our view that the continuing focus on Driving Out Harm is delivering clear ongoing Group-wide improvements in safety management
- New businesses have made good progress in safety and, by leveraging the approaches and standards within Driving Out Harm, are demonstrating standards above those which are typical in-country. This is a consistent finding from our visits and reviews
- There is a very clear Group-led focus on further strengthening the primary area of risk – safe driving:
 - ‘World Class Driver’ was launched at the end of 2015. 2016 has seen strong buy-in to this programme from the divisions with specific improvements already evident, and clear direction for further improvements over the next three years
 - Where installed, smart camera (Lytx DriveCam) systems are being very effectively used to strengthen driver standards. Plans to roll these out extensively are now in place, which will bring a further step change in safety.
- Aside from driving, there have been continued reductions in lost time injuries across the Group
- The Group has set clear priorities for further improvement, based on learning from accidents, and strong ongoing review. These priorities include accelerating smart camera fitment and developing standardised approaches to driver evaluations and monitoring. In particular:
 - The roll-out of DriveCam is a significant opportunity to enhance driver performance, through performance monitoring and targeted training. However, it also requires enhanced management capabilities to maximise the opportunity
 - Greater consistency in implementing World Class Driver will also help achieve the Group's goals

Marcus Beard

Associate Director, Arthur D Little



Right: Nearly 100 Platinum buses have joined our fleet during the year. These provide extra legroom and free wifi

Far right: We have launched ALSAcab, a new door-to-door car-pooling service, in Madrid, which provides a shared transfer to their homes

“During 2016, we continued to deliver new customer initiatives which enhance passengers’ experience of travelling with us.”



During the year, we launched Auto Delay Repay in c2c, the first UK rail operator to automatically compensate passengers for delays, and Flexi-Season tickets – another industry first which benefits part time workers.

Our focus on providing excellent customer service continues to be recognised externally. For the fourth year running, UK Coach has been ranked as the most trusted ground transportation brand by the UK's Institute of Customer Service. In Spain, ALSA won an award for the Best Customer Experience Initiative Involving Employees in the Asociación para el Desarrollo de la Experiencia de Cliente Awards (Association for the Development of Customer Service). Our introduction of contactless ticketing on the Midland Metro led to the Best Customer Initiative at the Global Light Rail Awards.



Customers

Customers lie at the heart of our business, and maintaining their loyalty is key to our success. During 2016, we continued to deliver new customer initiatives which enhance passengers' experience of travelling with us.

The launch of the VUER app in UK Coach provides customers with a varied package of entertainment and information delivered to their own phone or tablet. VUER is the first 'infotainment' system for coach passengers in the UK, and is being rolled out across the fleet. It is proving popular, with customer satisfaction scores for those coach passengers who have used VUER 5% higher than those who have not.

In UK Bus, we introduced nearly 100 new Platinum buses, extending them to Black Country routes. Platinums are more fuel efficient than conventional buses, and provide more legroom for passengers who can make use of free WiFi and USB charging points.

ALSAcab is a new 'carpooling' door-to-door service launched in Madrid, which enables customers to book a shared car transfer as part of their journey. ALSAcab allows customers to make use of ALSA long-distance services with the convenience of a shared car transfer from coach station to home.



People

Every division conducts an annual employee survey, except in ALSA where they hold one every two years. These confidential surveys are run by independent companies: VaLUENTiS in the UK; TNS Employee Insights in North America; and ALCOR in ALSA. The results of these provide a measure of employee engagement and influence how we make National Express a better place to work.

The following table shows our employee engagement scores over the last four years. We continue to record high scores across the Group. For the third year running, UK Coach has registered the highest score for the bus and coach industry in the VaLUENTiS database at 732. UK Bus achieved its highest ever engagement score of 692, ahead of the bus and coach industry average of 672. North America, using a comparable methodology, scored 805 and Bahrain, which completed its first survey, scored 789.

These survey results, the commitment to invest in our staff and the innovations we are bringing to this area demonstrate the seriousness with which we take our People Value to 'develop the talents, reward the exceptional performance and respect the rights' of our employees.

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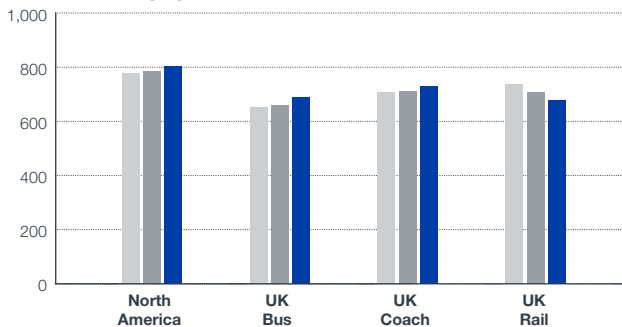
Our Master Driver programme has continued to champion best practice in driving, with 4,800 drivers either qualified to Master or Advanced Driver standard across Spain, Morocco and the UK. Master Driver provides a framework to measure the performance of drivers and identify those with an impeccable safety record and outstanding driving skills.

Our innovative Health Bus in UK Bus continues to support the wellbeing of our employees, and was recognised with a Nursing in the Community award at the UK Nursing Times Awards – the leading awards for the nursing profession. Similar health checks have been introduced in other areas of the Group.

Employee, senior management and Director numbers by gender at end of 2016

	Male	Female
Directors	7	2
Senior managers	65	16
All employees	26,114	18,887

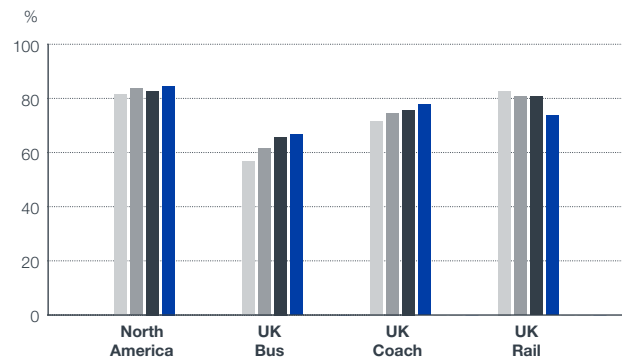
Employee engagement score*



* Maximum score is 1,000. Spain conducts employee satisfaction surveys biannually and so is excluded.

Employee engagement survey

I would recommend my company as a good place to work



Our commitment to our people

We have a number of policies in place to protect the rights of our employees. Our Workplace Rights Policy and Human Rights Policy have been in place for a number of years and are published on our website. We investigate and take appropriate action to deal with any alleged breaches of these policies. Wherever our employees choose to be represented by unions, we actively seek to maintain relationships based on mutual respect and transparency.

We recognise the importance of the provisions of the Modern Slavery Act, which came into effect in 2015. The Group has a zero tolerance approach to modern slavery and human trafficking and remains committed to strengthening its practices to uphold that approach. To reflect our commitment to acting ethically and with integrity, and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our business or supply chains, we have developed a number of initiatives in 2016, including the development of a new Modern Slavery Policy. We will be publishing a signed copy of the Group's first Modern Slavery Statement on our website during the year. This statement will set out all steps taken by the Group in this financial year to ensure that there is no slavery or human trafficking in our business or supply chains. We will review the effectiveness of the steps we have taken each year and report on this in subsequent statements.



Our Master Driver programme is championing best practice in driving skills across the Group



Community

We are rooted in the heart of the communities we serve. Aside from providing vital transport services, we have a duty to be a good neighbour and manage our impacts on the environment.

In every place we operate, we maintain links with local stakeholders to engage them on relevant matters. For example, we seek to engage local councillors and community groups when planning changes to services. This engagement helps create a more receptive environment for change. We assess the strength of these relationships through holding annual stakeholder surveys.

Our community engagement activities across the Group continue to focus particularly on supporting young people.

The National Express Foundation, in its fifth year, continues to support young people through educational bursaries and grants to community groups. Following an increase in funding from the Group, the Foundation was able to support an even greater number of young people in 2016. By the end of last year over 11,000 young people had benefited from grants totalling £535,000 since the launch in 2012.

As part of its Youth Promise, UK Coach encourages its employees to spend a day volunteering for one of our partner charities. Uptake has been encouraging with 146 people – nearly 10% of the workforce – giving their time in 2016. Youth Promise partners The Prince's Trust, Whizz-Kidz and Scouts have now been joined by the Girl Guides. Like Scouts, this partnership provides Guiding groups with 25% discount on coach travel.

In UK Bus, our garages continued their partnerships with a local charity of their choice. This provides a focus for local fundraising activity, raising just over £10,000 between them in 2016.

Our UK Employee Charity Panel, which supports employees who carry out fundraising or volunteer for community groups, made 56 awards during the year.

ALSA has launched a programme to encourage the integration of people with disabilities through training, inclusion and employment. Called 'What are you capable of?', it aims to help disabled people to fully develop their professional competences and demonstrate their abilities. ALSA directly employs the individuals through agreements with organisations that work with disabled people. During 2016, 11 courses have been delivered to 93 students, of which 46 went on to be employed by the Company.

In North America, our School Bus operations reach across 34 US states and four Canadian provinces. They are a highly visible part of the community and our employees give up their time to help local causes. This includes Stuff the Bus initiatives and offering transport for Special Olympics events. We also donate redundant buses to support local projects, such as the Huntsville City Schools Summer Feeding programme in Alabama, which provides free meals to children during the summer holidays.

Across the Group, we made charitable donations totalling £562,125 (2015: £530,431).



Bus donations such as this one in Huntsville, Alabama, make a huge difference to the local community

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Environment

Managing our environmental impacts

We are committed to working in partnership with our stakeholders and partners to mitigate the impact of climate change.

At National Express we recognise we have an important role in enabling and delivering climate change strategies, both in terms of vehicles and sites.

Although we have a global fleet of around 29,000 vehicles, we continue to significantly reduce our carbon emissions through a combination of cultural commitment to improvement, capital investment and research into pioneering fuel efficiency technologies.

Across seven countries we have a series of carbon intensity reduction programmes linked to energy and water use in our buildings and the broader supply chain to help mitigate our static emissions.

In 2016, our success in curbing our own emissions was demonstrated with external recognition in the areas of voluntary carbon and water reporting, climate change leadership and environmental excellence.

We are determined to continually improve the extent and accuracy of our data and reporting. We have identified remaining data issues in this report but are pleased to continue to perform well in external rankings such as the Carbon Disclosure Project and the Carbon Saver Standard.

Environmental Performance – KPIs targets 2014-2017

In 2016, we made significant progress towards achieving our environmental performance targets to reduce fuel/traction energy, site-based energy, waste, water and total carbon emissions per million passenger kilometres ('pass.km') from our business activities.

The data has been restated to reflect improved coverage of data across the UK Coach business with additional data included from 2013 onwards, which serves as the baseline year for our data.

KPIs: 2014-2017	Metric	2013 (baseline)	2014	2015	2016	Percentage change 2013-2016	Year on year % change 2015-2016
Fuel/traction energy: 3% reduction in energy use (fuel and electricity)	MWh / million passenger km	80.74	82.70	76.09	73.85	-8.53%	-2.94%
Site: energy 20% reduction in consumption	tCO ₂ e	40,049	42,016	43,050	42,464	6.03%	-1.36%
Waste: 80% reduction in non-hazardous waste to landfill	metric tonnes	5,750	5,357	5,648	7,449	29.55%	31.89%
Water: 10% reduction in consumption	m ³	n/a	1,008,363	978,922	514,821	-48.94%	-47.41%
Total carbon emissions: 4% reduction in carbon emissions per pass.km	tCO ₂ e per million passenger km	23.69	24.11	22.55	22.01	-7.08%	-2.40%

Summary for 2016

- The increase in site energy emissions is principally as a result of an increase in reported electricity consumption in North America
- The increased volume of waste to landfill is as a result of improved reporting. UK Coach supplied data for the first time in 2015 and improved the scope and completeness of reporting further in 2016
- Significant improvement in water consumption reporting. In 2015, approximately 85% of water data was estimated. This has reduced to 18% estimated in 2016. (The baseline is calculated from 2014)
- Passenger kilometre ('pass.km') figures have increased by 16.2% between 2013 and 2016 whereas total emissions have increased by just 8% over the same period resulting in the reported improvements in carbon efficiency. As the business grows this metric is likely to see year on year fluctuations within a longer-term trend for improved efficiency

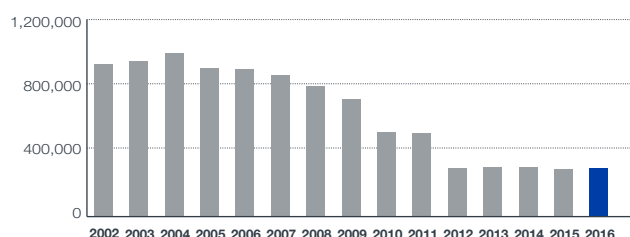
Note:

As data quality continues to improve as a result of improved visibility, we have restated our absolute emissions and associated KPIs across the full reporting period, including 2013, 2014 and 2015.

The principal changes relate to improved data quality for UK Coach, particularly around the emissions associated with the division's contract arrangements.

Greenhouse gas ('GHG') emissions reporting 2016

UK GHG emissions 2002 vs 2016 (tCO₂e)



Carbon emissions

2016 saw a 7% increase in total CO₂e emissions for the Group to 904,656 tonnes CO₂e from 846,496 tonnes CO₂e in 2015. This increase in emissions was driven by new business opportunities in Germany, our first full year of operation in Bahrain and organic business growth in both North America and ALSA's Moroccan market. These changes saw a jump in the Group's passenger kilometres from 37 billion in 2015 to 41 billion in 2016, a year on year increase of 9.5%. That this growth in passenger numbers has been achieved with only a 7% increase in carbon emission over the same period is due to investment in new fleet, driver training and on site energy savings initiatives.

The largest category to see an increase is in 'leased vehicles and business travel', from 641 tonnes CO₂e in 2015 to 1,254 tonnes CO₂e in 2016. This has been attributed to an increase in air travel due to the growing international footprint of the Group.

As a result of substantial business growth in ALSA and North America, an increase in carbon emissions can be seen, with our UK Coach division reporting a 4% year on year increase due to the inclusion of partner operators for the first time.

2016 marks the first year for comparative reporting for our bus operations in Bahrain.

As a Group we have invested heavily in improving the data collection and reporting to improve accuracy. The outcome of this approach in particular can be seen in four areas: leased vehicles and business travel; our bus operations in Bahrain; UK Coach; and, our School Bus and Transit operations in North America.

A positive carbon emission reduction trend can be seen in the UK Bus and Rail divisions with both showing year on year reductions as a result of continued investment in new fleet. For instance, UK Bus has invested £8 million in 100 new Euro 6 Platinum buses. Built in Britain, these Platinum buses are lighter, more fuel efficient and, with their Euro 6 engines (all Low Carbon Emissions certified), are cited as amongst the cleanest in the world.

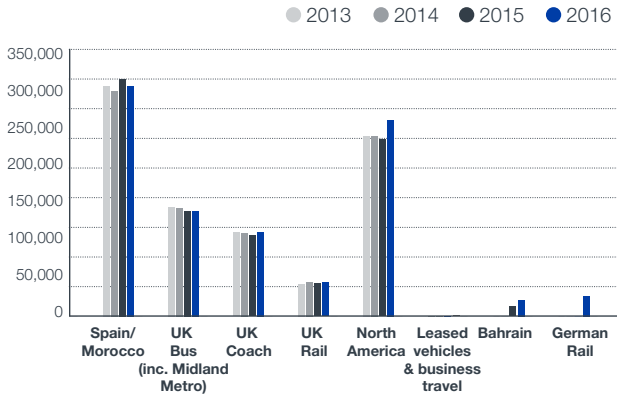
National Express GHG emissions 2013–2016 by division

	2013 (tCO ₂ e)	2014 (tCO ₂ e)	2015 (tCO ₂ e)	2016 (tCO ₂ e)	Percentage change (2015/2016)
National Express					
Spain and Morocco	303,351	296,214	311,985	303,537	-2.71%
UK Bus (inc. Midland Metro)	143,485	142,312	138,822	138,449	-0.27%
UK Coach	110,317	109,225	106,203	110,799	4.33%
UK Rail	42,816	44,755	43,408	44,341	2.15%
North America	237,314	236,979	232,576	258,183	11.01%
Bahrain	–	–	12,862	21,698	68.70%
German Rail	–	–	–	26,395	n/a
Leased vehicles and business travel	611	441	641	1,254	95.33%
Group total	837,894	830,273*	846,496	904,656	6.87%

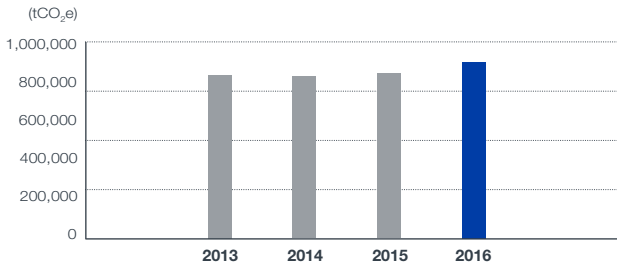
* Includes water-related emissions of 347 tCO₂e reported for the first time in 2014 and subsequently included in divisional figures.

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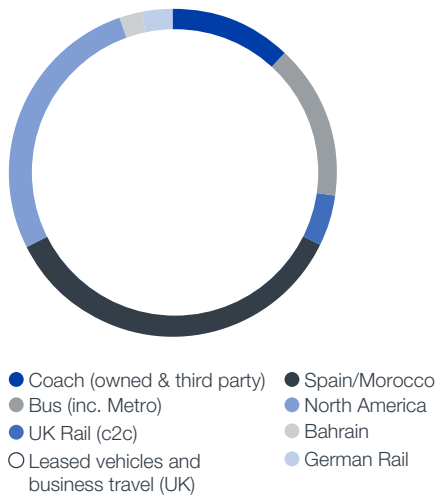
National Express GHG 2013 – 2016 by division (all scores)
(tCO₂e)



National Express Group Total Emissions 2013 – 2016



Greenhouse Gas Emissions Reporting for 2016 (tCO₂e)



Driving environmental excellence

One of our key goals to achieve Excellence in our environmental performance is to ensure external standards are maintained.

In 2016, this goal was achieved through the enhancement and extension of our existing ISO/BS energy and environmental accreditations. Significant achievements were made by ALSA, with international certifications renewed in the EU eco-management and audit scheme ('EMAS'). This is a premium management instrument to evaluate, report and improve environmental performance. We also maintained the ISO 14064 standard, a GHG emissions integrated programme aimed at measuring, quantifying and reducing greenhouse gas emissions, along with both ISO 14001:2004 and 50001:2011 management standards.

Our operations in the US saw successes in the NSTA (National School Transportation Association) Green Fleet Certification programme. This is an environmental stewardship award recognising school bus operators for their efforts to reduce their fleet emissions by over 90%, and accelerate the adoption of newer engine and emission reduction technologies.

Endorsed by the USA Environmental Protection Agency's Clean School Bus USA programme, Platinum and Gold certification levels were awarded to Durham School Services in Ottumwa, Iowa and Indianapolis, Indiana, and to Stock Transportation in Halifax, Nova Scotia.

Carbon Saver Standard performance

During the year all our UK divisions achieved the Carbon Saver Gold Standard for the third time. We achieved an increase of 15% in our performance score two years ago. This achievement is testament to our seven-year programme of reducing carbon emissions through a continued commitment in driving sustainability, cutting our energy costs and adopting carbon emissions reduction measures in both fleet and site operations.

Water disclosure

In 2016, we were awarded a performance band level B from the Global Water Disclosure Program. This was the first time the Group has reported to the Water Disclosure Program, and is the only public transport company in CDP's Industrial category. This programme requires us to identify our water risks and opportunities, providing greater transparency.

Measurement and transparency

In 2016, we made a significant improvement in data collection and target setting, with all divisions adopting a Group-wide web-based sustainability reporting system for our GHG accounting system.

We use the resulting data to guide our energy and fuel reduction activities. These are centered on:

- behaviour change by drivers, resulting in improved miles per gallon figures
- investment in Solar photovoltaics and smart metering technologies at our site locations
- investment in new low carbon fleet, including hydrogen fuel-based vehicles, and retrofitting of new technologies to existing fleet to improve efficiency

We continue to re-define our environment reporting processes across the Group, providing greater visibility and ownership. These have helped attain a number of environmental awards, and in achieving Carbon Reporting (CDP) and Commitment to Climate Change via Science Based Targets.

In 2016, for the third year running, we improved our ranking in the global Carbon Disclosure Project (CDP). We achieved a Climate Change Performance Band level B, an improvement on last year (level C). This achievement signals we are a company that continues to embed climate change into our corporate business strategy.

Commitment to climate Change Action via Science Based Targets

In 2015, we made two business-focused Climate Change Action Commitments – the only listed public transport company globally to do so:

1. Reporting climate change-related information in our mainstream reports
2. Adoption of science – based emissions reduction targets

We continue to adopt Group-wide emissions targets in line with climate science and we can now better plan our longer-term goals 2030 to 2050; our intensity (eg tCO₂e per million passenger km) and absolute target metrics. Completing a heat map which will acknowledge all of our Scope 3 emissions (supply chain) our targets will then be verified in accordance with the Science Based Targets initiative's Call to Action criteria by April 2017.

Fleet technologies

We continue to implement pioneering fleet technologies across our business, sharing innovative low carbon solutions to improve efficiencies and achieve sustainable performance.

We are working with Birmingham City Council on a project to deploy 20 hydrogen buses in 2018, and have secured funding for low emissions projects including electric buses.

In addition, we have secured £2.2 million of government funding towards a programme to upgrade 210 buses with emissions traps, which upgrade older buses to Euro 6 standards.

Global GHG emissions data for calendar year 2016

	2014 Tonnes of CO ₂ e	2015 Tonnes of CO ₂ e	2016 Tonnes of CO ₂ e
Global GHG emissions data for calendar year 2016 emissions from:			
Combustion of fuel and operation of facilities (GHG Protocol Scope 1)	754,859	771,922	799,929
Electricity, heat, steam and cooling purchased for own use (GHG Protocol Scope 2)	67,186	66,317	95,107
Other upstream emissions (GHG Protocol Scope 3)	8,228	8,257	9,620
Total	830,273	846,496	904,656

Intensity metrics	2014	2015	2016	Percentage (2016 vs 2014 for KPIs from 2014)
(tonnes CO ₂ e / £ million revenue)	445	428	430	-3.37%
Group totals (million pass.km)	37,450	37,540	41,107	9.77%
total tCO ₂ e per million pass.km	22.46	22.55	22.01	-2.00%

GHG emissions reporting methodology

National Express has reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our consolidated statements.

The method we have used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from recognised public sources including, but not limited to, Defra, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change. In applying the GHG Protocol Corporate

Accounting and Reporting Standard (revised edition) we have calculated emissions associated with electricity consumption solely using the location-based Scope 2 calculation method.

We have used a materiality threshold of 5% and have accounted for all material sources of GHG emissions.

We are committed to ensuring that our GHG accounting system, results and accompanying reports remain robust; they continue to enhance our Group-level year on year emission performance; and are in compliance with the mandatory requirement of the Carbon Reporting Framework (the Greenhouse Gas Emissions (Directors' Reports) Regulations 2013), for GHG emissions to be included in the Annual Group Financial Director's report.