

Dear fellow shareholder

I am pleased to present the Safety & Environment Committee Report for 2021. Safety, where we believe we are already an industry leader, remains our number one priority. Our zero emission fleet transition strategy and ambitious net zero and zero emission fleet targets, as described in this Report, demonstrate our desire to become an industry leader in combating climate change and poor air quality.

Safety

Safety governance

The Group CEO has overall responsibility for the Group's safety system and performance, supported by the Group Safety Director, Divisional CEOs and Divisional Safety Directors. The Committee's role is to review the effectiveness of the Group's safety system and report to the Board on the same.

Safety system

The Company has a well defined and developed safety system which operates across its global businesses. This system has its foundations in the Company's 'Driving Out Harm' programme which originated in 2011 and comprised the creation and implementation of a wide variety of driver and vehicle safety standards and constantly evolving safety initiatives. It was built upon in 2017 with the introduction of five new Global Safety Policies relating to speed management, driving evaluation, competence of driving evaluators, driver monitoring and driver performance management. These were fully implemented across the majority of the Group's operations by the end of 2020 but continue to be implemented in those cities and countries in which the Group has more recently commenced operations, such as Rabat and Casablanca in Morocco. The Committee is pleased with the progress made to date in these locations where the safety programme is already transforming the safety of passenger transport for the citizens of and visitors to such cities.

In response to the pandemic, the Group implemented a range of additional safety measures, focused on controlling the spread of Covid-19, which were summarised in last year's Committee Report. Some of these measures have become regular safety procedures, including the maintenance of protective screens between drivers and passengers, enhanced cleaning of vehicles and the fitment of enhanced air filtration systems on vehicles, which measures help to protect drivers and passengers alike from Covid-19 and other infectious diseases.

While we hope the worst of the pandemic is behind us and stronger government-imposed measures to control Covid-19 are not reintroduced, our operations have been adept at implementing new protective measures when and as the need has arisen. This has given the Committee and the Board assurance on how well the business is able to respond to changing safety risks and in turn we trust it will give our passengers confidence to either carry on, begin or return to using our services.

The Group also continues to be alert to the emergence of new safety risks and to devise appropriate plans to mitigate their effects. For example, during the year we have seen significant driver shortages across a number of our operations, but particularly those in North America due to the after-effects of the pandemic on the general labour market and Covid infection rates still causing higher than normal absence rates in our own workforce. As in other industries, staff shortages place more pressure and more responsibility on those staff who remain at work which, in our industry, could reduce their focus on safety. Having identified this risk, specific plans were put in place to mitigate it, including by reducing the non-safety related responsibilities of staff to ensure safety can remain their priority. The Committee reviewed and approved these plans.

Safety performance

The Committee assesses the Group's safety performance by reference to a number of KPIs which include:

- the Group's FWI Index score, which measures and weights according to severity all responsible major, minor and lost time injuries and any responsible fatalities;
- the Group's Preventable Accidents score, which counts the number of vehicle accidents that should, by compliance with the safety system, have been capable of being prevented; and
- the Group's DriveCam Driver Risk score, which counts the number of driver risk incidents recorded by the DriveCam technology on the Group's fleet.

Both the target scores for these KPIs, which were set by reference to the Group's (best ever) 2019 FWI Index score and its 2019 (last normal year of operation pre-Covid-19) Preventable Accidents and DriveCam Driver Risk scores – which targets also comprised the safety targets in Executive Directors' and senior managers' 2021 bonuses – and the actual scores achieved in respect of 2021 are set out in the table below:

KPI Target and 2021 Bonus Target	Bonus Weighting	Target Score	Actual Score
Group FWI Index score (per million miles)	5%	0.003	0.006
Group Preventable Accidents score	5%	14.38 ¹	13.62
Group DriveCam Driver Risk score	5%	2400.70	1504.78

¹ The 2021 target Group Preventable Accidents score has been restated from that reported in the Company's 2020 Annual Report to include the Casablanca operations to ensure a like-for-like basis of calculation with the 2021 actual score

Although clearly disappointing that the Group did not achieve its target Group FWI Index score, the actual 2021 Group FWI Index score still represented the Group's third best ever score in 11 years, reflecting the stretching nature of the target and the Group's continuous investment in, and relentless focus on, safety. The significant positive impact of that investment and focus over the last 11 years is illustrated by the graph below:

FWI per million miles operated

