



Our sustainability journey

Progress report 2021-22



Who we are and what we do

Overview

Stagecoach is one of Britain's leading public transport businesses, helping connect communities for over 40 years. Our team of 23,431 people and our 8,318 buses, coaches and trams are part of the fabric of daily life.

We connect people sustainably with jobs, skills and training, bring customers to our high streets, connect tourists with visitor attractions, and draw families, friends and communities together.

*Includes support functions



Our customers



- **Great value travel:** amongst the lowest weekly bus fares in the UK
- **Making journeys better:** investing in improvements and new technology to make travel easier
- **High customer satisfaction:** 100% focus on our customers

Our employees



- **Supporting jobs:** we support 1 in every 1,000 jobs in the UK
- **Boosting skills:** over 1,000 people being trained through our industry leading apprenticeship programme
- **Promoting diversity and inclusion:** new employee networks and a range of initiatives to create a more diverse workforce.

Introduction from Martin Griffiths



Following the launch of our new Sustainability Strategy in 2021, I am delighted to provide you with an update on our progress over the last year.

Our role in working with our community partners to help deliver a more sustainable future for the planet is central to our business strategy. The plans we are taking forward are consistent with the 2015 Paris Agreement to limit global warming to 1.5°C by 2050, and are also aligned closely with the UN Sustainable Development Goals.

This report provides an overview of the work we have undertaken over the during 2021-2022 to make a difference for our planet, our people and the prosperity of the country.

I am pleased to report that we have made good progress across the Environmental, Social and Governance (ESG) spectrum. We are addressing our carbon footprint and safety, boosting diversity and inclusion, improving customer service, and giving back to our local communities.

Delivering a more sustainable future requires significant investment, strong leadership and close partnership working. All of these are elements at the heart of our plans. Arriving at destination net zero will also require flexibility and the ability to adapt to a changing environment where our plans have multiple dependencies.

We have continued to invest in our people, our communities and in our fleet of vehicles over the past year. I am particularly proud that we are set to deliver the first all-electric city bus networks in the UK in 2023.

Earlier this year, we also published a landmark piece of industry research looking at how to transition the bus sector most effectively to net zero. Specifically, we considered the views of current and potential bus users, as well as looking at the implications for our own workforce. This allowed us to identify a roadmap for the sector and a package of recommendations.

Public transport has a bright future ahead: the power to drive economic recovery, level up our communities and deliver a more sustainable future for everyone. We look forward to continuing our work to make these opportunities a reality and delivering leading industry best practice.

Martin Griffiths
Chief Executive, Stagecoach

Our vision

Our vision is for a greener, smarter, safer, healthier and fairer country with sustainability at the heart of our business strategy.

The strategy and plans we are progressing are closely aligned with specific United Nations Sustainable Development Goals relevant to us and designed to address the core materiality in our business.



Our areas of focus



Air Quality

Transitioning our fleet to cleaner technologies and maximising the use of our assets to drive modal shift to mass transit.



People

Becoming an employer of choice by continuing to advocate for diversity in the workplace, and providing our people with development opportunities.



Policy

Respected influencer of public policy to support sustainable development of public transport solutions.

Community

A community force for good, transporting key workers, creating social inclusion, preventing loneliness, allowing people and communities to thrive.



Value Chain

Being responsible managers and users of natural resources, reducing waste, moving up the waste hierarchy.



Carbon Strategy

Goal of a zero emission UK bus fleet by 2035.



Stakeholders

Working with stakeholders to achieve more sustainable outcomes.

Authenticity

Integration of sustainable principles into the core business model.

Highlights and initiatives

Our sustainability plans are divided into four areas: Planet, People, Prosperity and Governance and each of these areas has its own set of goals and initiatives.

We are pleased to have made significant progress against our core Environmental, Social and Governance (ESG) objectives during 2021-22.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Planet

Take steps to protect our environment for future generations.

Encourage modal shift and continue to invest in cleaner, zero emission vehicles

75 new zero emission buses introduced

Reduce the carbon footprint of our operations

32% reduction in scope 1 & 2 CO₂e emissions per passenger journey

Minimise our use of natural resources and eliminate waste wherever possible

100% renewable energy now being procured across the business

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



People

Develop a diverse and inclusive team that reflects the communities we serve.

Protect the health and safety of our people, partners and customers

Industry-leading low bridge warning technology fitted across 4,000 double decker buses

Rail replacement team awarded ISO 45001 accreditation for health and safety

Continue to invest in the wellbeing and development of our people

135 employees completed Mental Health First Aid (MHFA) training

Foster a diverse and inclusive working environment

Ethnic minority representation up to 21.8% of total workforce

21.3% of leadership team female with new talent initiatives to boost representation

11 SUSTAINABLE CITIES AND COMMUNITIES



Prosperity

Generate long-term value in our communities through employment and wealth generation.

Contribute to the success of the communities we serve

Sector-leading net promoter score in our independent annual stakeholder survey, up by 16 points to +39

Promote social inclusion through our services and operations

New UK customer contact centre delivering new employment opportunities

Foster community development through our charitable activities

Four national charity partnerships in place and over £150k donated to charities and community causes through new 'Giving for Good' initiative in 2021/22

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Governance

Focus on doing the right thing and sharing our success with our customers, communities and employees.

Embed sustainability into every aspect of our business

New Head of Sustainability appointed and Sustainability Steering Group in place

Achieved "B" rating* in benchmark CDP annual global carbon assessment

Supply chain engagement programme initiated through procurement team as part of our value chain initiatives

New Group Environment Policy introduced

* B rating means we have achieved the management level, one level below Leadership. The road transport sector average is D rating.

Our environmental impact

We provide important public transport services which help reduce the personal impact of millions of people on the planet.

We have taken steps over a number of years to reduce our environmental impact, and we are continuing to progress well against our key environmental improvement plans.

This is an overview of our carbon, water and waste footprint based on the financial year 2021-22 (covering 2 May 2021 to 30 April 2022)



488,495

Carbon (tonnes of CO₂e)
Scope 1 and 2 Location-based



17%

Increase in Scope 1 emissions
in 2021-22



14%

Increase in Scope 2 emissions
in 2021-22

Reducing our carbon emissions

Our sustainability strategy makes clear that there are a number of dependencies which have a direct impact on our plans and targets. These include significant factors outside our control, including government policies and funding, the ability of technological developments to support our transition, supportive measures by our partners and supply chain as well as the pace of economic recovery from the pandemic.

The environmental landscape has changed since our targets were set and there are a number of reasons why

our carbon usage increased year on year, including:

Scope 1 increase:

- In previous years, we have used higher than average biodiesel blends. Our engineers reported a correlation between premature parts failure and higher bioblend fuels. As a result, we have reduced to a standard blend in 2021-22, which has contributed to an increase of around 51,048 tonnes of CO₂e compared to our target.
- Emissions factors for mineral and biodiesel blends have worsened

compared to last year, which has adversely affected us by around 3,014 tonnes of CO₂e.

- We have also seen an increase in gas emissions due to increased use of our paint shops following their closure during the pandemic. As a result, gas kWh quantity has increased by 35% compared to the previous year.

Scope 2 increase:

Electricity consumption has increased in line with the new electric buses we have brought into service this year - this has resulted in a 13% consumption increase.



19,531

Modal shift (tonnes of CO₂e saved annually)

Without Stagecoach, there would be an extra 19,531 tonnes of carbon in the earth's atmosphere with people using other modes of transport, such as cars, which emit more carbon per mile than a bus.



Carbon intensity

0.42kg
CO₂e per
£ of revenue

1.41kg
CO₂e per
vehicle mile

0.77kg
CO₂e per passenger
journey



2.2%

of our UK bus fleet is now
zero emission



488,046

Water consumption (m₃)



90.7%

Waste diverted from
landfill rate*



9,643

Waste (Tonnes)

* Waste diverted from landfill target set at 95% by 2026



Planet

We have a responsibility to understand our corporate and individual impacts on the planet and take steps to protect our environment for future generations.

Our role includes working with our stakeholders to address climate change, delivering cleaner air, minimising waste, conserving water, and protecting biodiversity and natural resources. Technology alone will not achieve these aims. We need to change our collective behaviours.

Our key targets

- Fully net zero business by 2050
- Target zero emission UK bus fleet by 2035
- Purchase 100% renewable energy for our buildings and fleet
- Energy use: a forecast reduction in Stagecoach GHG emissions (Scope 1 and 2) of 30% by 2026 and 69% by 2035
- Energy management systems: ISO50001 aligned by 2027
- Science based targets: work towards setting targets for ratification by the Science Based Targets Initiative
- Waste: 95% of waste diverted from landfill by 2026 and 98% by 2031
- Reporting: begin reporting waste in Scope 3 emissions by 2023
- Reduce resource use: further digitalise systems to reduce use of paper
- Climate adaptation programme: to risk assess our sites and plan how to protect them.



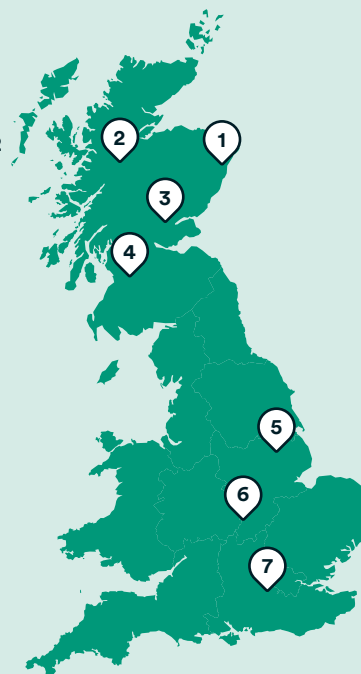
Zero emission bus roll-out

We've invested more than £1bn in over 5,000 new greener vehicles in the last 11 years, and we are continuing with our plans to target a zero emission UK bus fleet by 2035.

During 2021-22, we introduced 75 new zero emission buses across the country, and in the year ahead we are set to deliver the first all-electric city bus networks in the UK in Inverness and Perth. With support from the Scottish Zero Emission Bus Challenge Fund ("ScotZEB"), we will be introducing a total of 109 new electric buses on our networks in Aberdeen, Ayr, Dunfermline, Kirkcaldy, Inverness, Kilmarnock and Perth. Stagecoach will also start running 10 new hydrogen buses in Liverpool in 2023, the first of their kind for the region, operated through a partnership between ourselves, Liverpool City Region Combined Authority and Arriva.

Electric buses introduced in 2021/22

- 1 22 in North East Scotland
- 2 1 in Scottish Highlands
- 3 9 in East Scotland
- 4 15 in West Scotland
- 5 2 in East Midlands
- 6 1 in Midlands
- 7 25 in London





Conserving energy, materials and water

As part of our Sustainability Strategy, we are committed to conserving energy, materials and water and have achieved a number of key milestones during 2021-22.

Energy-saving LED lighting

We've continued to invest in upgrading our heating, lighting and energy management systems to reduce energy use, this included introducing a new LED lighting system across all of our Supertram stops in Sheffield. **The system saves about 800,000 kWh each year, enough to power about 258 UK homes*.**



800,000kWh savings

powering 258 UK homes

We have also begun the roll out of LED lighting systems across Scotland. Based on the sites converted to date, the significant investment is expected to yield an annual saving of approximately 147,000 kWh.

This saving will further increase as more sites are converted across the country throughout 2023.

Streamlined printing

We also began a refresh of our print management contract. The aim is to improve and streamline printers across our estate and to become a more modern and digitally-led business. Our 'think before we print' programme will help us reduce both paper and energy consumption, having a more positive impact on the environment and also helping to reduce costs.

Repairing water leaks

In 2021-22, we identified three main water leaks across our estate which were causing a significant loss of water. We worked closely with our water supplier to quickly identify and repair these issues, which has resulted in an estimated **41,539m³ water saving.**



Sustainable seating covers

Since 2014, we have been using ELeather as a more sustainable alternative to leather on the seating of some of our coach services.

The revolutionary process diverts leather waste from landfill to become sustainable, durable material. ELeather turns waste leather into fibres, entangling them around a high-performance core using nothing but high pressure water.

The process helps avoid waste to landfill and supports a UK based business.

* assumed usage of 3,100 KWh; source data "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1018725/efus-Household-Energy-Consumption-Affordability.pdf



Our people are fundamental to our success.

Their safety, skills, talent, health and wellbeing are critical to our business performance and we have a duty to develop a diverse and inclusive team that reflects the communities we serve.

It is also central to delivering for our customers and maximising the benefit from our wider value chain as we look to shape and transform future mobility for everyone.

Our key targets

Happy and engaged people

- **Inclusive and equitable workforce:** 40% of leaders female and 25% of workforce identifying as from ethnic minorities by 2026
- **Training and development:** increase workforce in “earn and learn” positions and widen mentoring
- **Diversity and inclusion:** achieve independent company accreditations
- **Health & Safety Systems:** ISO45001 certificated by 2026

Safety excellence

- **Safety performance:** further 15% reduction in passenger and staff accidents by 2025-26 versus 2018-19
- **Safety maturity:** year-on-year improvement across all our businesses measured via assurance process

Fostering a diverse and inclusive team

We continue to build on our inclusive culture where differences are celebrated with the aim of attracting, retaining and developing more diverse talent throughout the organisation.

Launch of new employee networks

We have introduced and embedded six employee-led networks:

- Veterans
- Parents
- Women@Stagecoach
- LGBTQ+ community
- Carers
- Multi-faith/multi-ethnic communities

Our networks have all grown in awareness and popularity, and we now have almost 600 members of the networks from all areas of our business helping to shape the agenda and bring about lasting change.



We recognise the importance of employee networks to support diversity and inclusion in our business, and to enable us to better represent the customers and communities we serve.

Through our employee networks, we have delivered initiatives such as:

- Pride liveried buses supporting a variety of festivals across the country
- A new Family Friendly policy introduced in 2022, with improved conditions for maternity, paternity, adoption and miscarriage leave
- Our commitment to supporting veterans and serving military personnel has been strengthened by offering free travel on Armed Forces Day and Remembrance Day.

Embedding inclusive behaviour

To further embed inclusive behaviour across our business, we have signed the Stagecoach Inclusion & Belonging Pledge. This commits to:

- Create workplace cultures where everyone can be themselves and do the right thing which will enable us to keep safety and people at the heart of everything we do.
- Work together to create a culture of understanding of all our differences and continue to unlock all the talent that exists in our business.
- Celebrate all the differences our people bring to the business. This will offer insights into how we deliver services for the future to meet and exceed the needs of the customers and communities we serve.



People

Strengthening our diversity and inclusion plans

In 2022, we appointed our first ever Inclusion and Culture partner, Imran Sama.

Diversity and inclusion (D&I) is the ethos of our business to ensure all are welcomed and included, no matter what walk of life people come from. A togetherness which will elevate our business into reaching our people sustainability targets and in helping to ensure we attract the best talent to support our business.

Imran and the team will be developing a number of initiatives to support our D&I targets including:

- Ensure we celebrate and raise awareness of key D&I dates across 2023, including supporting mental, physical and financial wellbeing
- Further raising awareness amongst our people at all levels in recognising and celebrating D&I
- Inclusion and belonging calendar to support local and national events
- Introduce a programme of events to help educate around different cultures and communities to support the customers and communities we serve as well as our own people
- Supporting our leaders by enhancing current campaigns and adverts to emphasise diversity
- Support and develop our six Employee Network Leads and Health and Wellbeing Champions across the UK.



Investing in employee health and wellbeing



MHFA England

We continue to invest in the training of Health and Wellbeing Champions and Mental Health First Aiders across the business.

135 of our colleagues have completed Mental Health First Aid (MHFA) training, enabling them to provide additional support to our employees. A further 32 employees will be trained by the end of 2022.

The health and wellbeing of our people continues to be a focus, particularly in relation to physical, financial and mental wellbeing. Our Inclusion & Belonging Calendar of events ensures we have a planned approach throughout the year for all inclusion and belonging activity.

We are continuing to deliver our central wellbeing activity through our employee platform Blink, while also supporting

our Wellbeing Champions with the tools to support people locally. Our benefits platform provides our employees with easy access to a whole host of wellbeing resources, such as the Employee Assistance Programme, alongside offering discounts for shopping and entertainment.

Now more than ever, we are aware of the growing need to improve the support we provide around financial wellbeing. Our partnership with Salary Finance helps our people to take practical steps to adopt good money habits and use tools and education to make them more financially resilient.



Improving our safety culture

The Health and Safety team in our Stagecoach East operating company, which covers Cambridge, Bedford and Peterborough, have worked hard to strengthen their local safety culture by creating a long-term vision called KOPS (Keeping our People Safe).

The strategy aims to raise awareness and educate people on the importance of safe practices, with a goal of reducing employee accidents across the East by 25% every year for the next three years.

Safety forums are held every eight weeks with the depot Health and Safety reps, Managers and Directors and KOPS working group, with a focus on initiatives such as reducing slips, trips and falls and cab related injuries.

Protecting the health and safety of our people, partners and customers

We have now successfully completed the national roll-out of our low bridge alert technology, a key safety enhancement project.

In partnership with GreenRoad, we have become the first bus operator in the UK to roll out new low bridge detection functionality across our nationwide fleet of double decker buses, equating to more than 4,000 vehicles.

The £4m project will strengthen existing measures in place to prevent bridge strikes and build on our industry-leading use of the GreenRoad driver safety and fuel efficiency system. Using a simple traffic-light-like LED system on the dashboard, the system gives drivers instant feedback about their driving manoeuvres, encouraging smoother, safer, more fuel-efficient driving that is more comfortable for passengers.

Carla Stockton-Jones, UK Managing Director of Stagecoach, said “The project team, in partnership with GreenRoad, have worked incredibly hard to achieve this milestone and I am proud of this great achievement and the benefits it will provide to our employees and customers. Everything we do starts with safety: for our customers, our people, pedestrians and other road users. Buses are already one of the safest forms of travel. But every year we invest millions of pounds in training our professional driving team and new technology to make our public transport operations even safer.”



The intelligent GreenRoad system will use GPS vehicle location data and mapping services to alert the driver to nearby low bridges. If the technology determines that the bus is heading towards a low bridge, it will sound an in-cab alert, allowing a safe exit route that avoids the bridge.



Prosperity

Our aim is to play our part in building sustainable communities by generating long-term value through employment and wealth generation. We pay our way in taxes which fund vital public services, contributing to a fairer society, challenging convention, and championing new ideas.

We seek to work with a wide range of stakeholders to help shape our services and support our drive to get a better deal for sustainable public transport.

Our focus is to work with national and local governments to deliver a broad network of high quality, accessible and sustainable transport services. We have worked closely with local authorities across our network in England to develop ambitious bus service improvement plans (BSIPs) as part of the Government's National Bus Strategy.

We are now looking forward to working with successful local authorities to deliver the joint plans for improvement in bus services as quickly as possible. We are also working closely with the devolved governments to develop future bus service plans for Scotland and Wales.

Our key targets

- **Customer advocacy:** improving our year-on year net promoter score
- **Stakeholder advocacy:** improved year-on-year annual stakeholder survey results
- **Policy influencer** at local and national level
- **Giving back:** focused on initiatives around: health & wellbeing; young people, skills & employment; loneliness & social isolation; accessibility & opportunity
- **Sharing success:** allocate 0.5% of profit before tax to charities and other good causes

Supporting our communities

We continue to play a huge role in supporting the communities we serve and sharing our success with local people and communities by funding the work of local, national and international charities.

Our new initiative 'Stagecoach – Giving for Good' supports our ongoing commitment to donate 0.5% of pre-tax profits every year to charitable causes across four key themes which closely align with our purpose and values:

- **Promoting health and wellbeing**
- **Supporting young people, skills and employment**
- **Addressing loneliness and social isolation**
- **Increasing accessibility and opportunity**

To match these themes, we have chosen four national charities who we are supporting and working with over the coming year.

We know how important it is to also continue supporting local charities in the communities we serve and have a monthly fund dedicated to providing one-off support to smaller, local charities, which are selected by our charity sub-committee – a team of front-line employees from right across our business.



Our four national charities are:



A national charity that offers support to missing children and adults, and their loved ones.



Supporting a nationwide network of food bank centres to provide emergency food and support to people locked in poverty, and campaign for change to end the need for food banks in the UK.



Providing specialist nurses and support for seriously ill children.



Helping terminally ill, sick, disabled and abused children and young carers with respite breaks, holidays and day trips.



Prosperity

Industry-leading research on the transition to zero emission buses

Our landmark report provides new ideas on how the bus sector can most effectively transition to a zero emission bus (ZEB) fleet.

Independent research highlighted in the report shows that over a million new passengers could start using buses if the transition to ZEBs is done right, having a significant impact on modal shift from cars to public transport.

The key recommendations are around improvements in:

- Infrastructure
- Workforce
- Funding

21 specific recommendations cover funding, infrastructure/operational changes, and workforce challenges, and highlight the importance of all stakeholders working collaboratively to solve the practical barriers to roll out.



The report has been welcomed by Department for Transport, Transport Scotland and a number of passenger representative groups. At the launch of the report, The Rt Hon Norman Baker, Director of External Affairs for Campaign for Better Transport, said: "It is great to see the enthusiasm within the bus industry for a determined move towards a zero emission bus fleet. This reinforces the point that the bus is key to any strategy to tackle climate change and rightly positions the bus as part of the solution and a vehicle firmly grounded in the future. We welcome this report from Stagecoach."

For more information visit
www.stagecoachgroup.com/zeb-report.pdf

Best-in-class stakeholder feedback

Our annual independent stakeholder survey helps us to track our performance with stakeholders at a national and regional level and identify any improvements needed.

The recent survey in 2021/22 by Savanta ComRes shows that we continue to have the highest net promoter score of our peer group, with a marked year on year improvement.

Overall satisfaction with Stagecoach is high, with stakeholders viewing us as a reliable contractor who provides high quality services. Findings from the survey are used by Stagecoach's Stakeholder Board, led by the UK Managing Director, to develop our Stakeholder Engagement Strategy.



Stakeholders said that we were a reliable contractor providing high quality services and rated our response to the Covid-19 pandemic very positively. Other key positive feedback demonstrates:



Stagecoach is perceived as well-positioned to navigate the post-pandemic landscape



Our expertise and partnerships with local authorities are seen as putting us in a good position to navigate the challenges going forward



Stakeholders believe Stagecoach works positively with them in developing transport and policy solutions providing valuable insight



Stakeholders continue to praise Stagecoach's communication and engagement

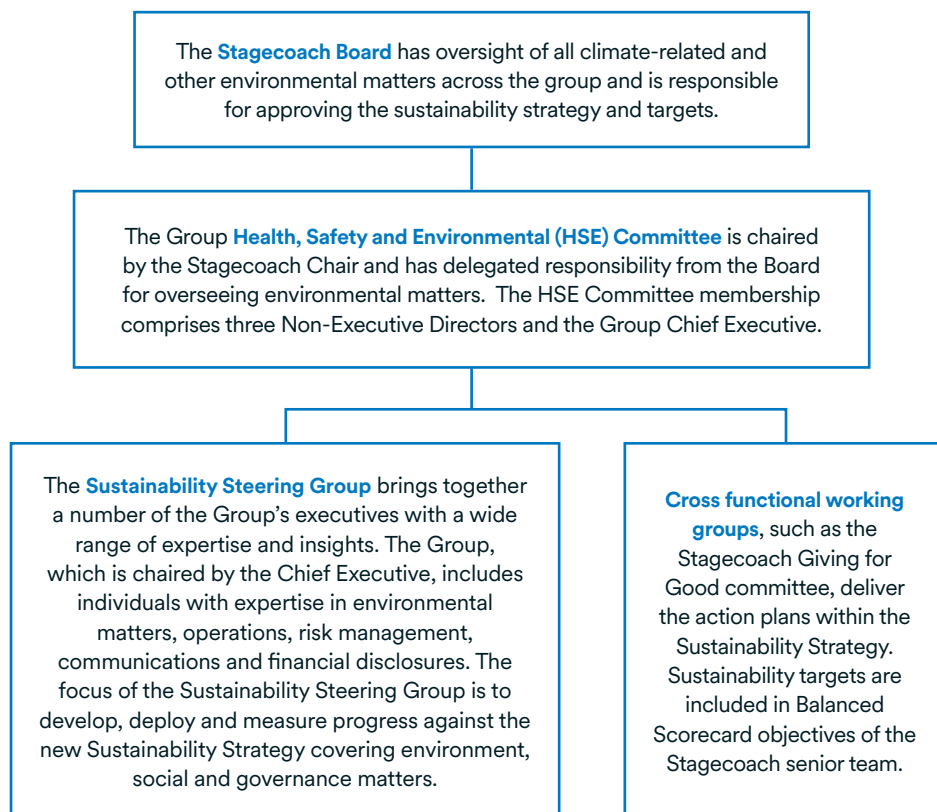


Governance

We are embedding sustainability into every aspect of our business. Our Board is responsible for defining our purpose, managing risk and promoting ethical behaviours across the business.

Our focus is on doing the right thing and sharing our success with our customers, our communities, our people and our investors.

Our governance structure



CDP climate change rating

We received one of the highest ratings in the UK public transport sector in the latest CDP (formerly the Carbon Disclosure Project) assessment of company performance on addressing climate change.

We achieved a “B” rating, which is significantly above the average for the road transport sector, which was classed as “D”. It was also above the global average of “B-”.

This score is given to those organisations who are taking taking coordinated action on climate issues. The disclosure of information to CDP also resulted in Stagecoach receiving an “A” rating for emissions reductions initiatives, an “A” for governance and an “A-” for targets.



As a mission-based non-profit charity that runs the global environmental disclosure system, CDP greatly values the support of Stagecoach Group. Action this decade is critical to ensuring that we can limit global warming to 1.5°C and safeguard our planet’s natural resources. Through its 2021 disclosure to CDP, Stagecoach has demonstrated its clear commitment to transparency around its environmental impacts and its strategies for action, which benefits shareholders, customers, and employees alike.

Sonya Bhonsle
Global Head of Value Chains & Regional Director Corporations, CDP



CDP is an independent not-for-profit charity running the global disclosure system for investors, companies, cities, states and regions to manage their environmental impact.



Governance

Managing climate-related risks and opportunities

Climate-related risks and opportunities are considered as part of our strategic risk management process and are embedded in our strategic planning and decision making.

As part of our governance process, the Stagecoach Board reviews the principal risks twice a year, and these are also considered in setting the Group's strategic objectives. The report of principal risks is supported by more detailed risk trackers for each region and for certain "functional" areas.

The Director of Risk & Assurance who co-ordinates the risk management process, reviews the regional and functional risk trackers and ensures that overall principal risks reflect those where appropriate. Input is obtained from a range of executives, as well as the Board, with the breadth of functional representation assisting in identifying and assessing not only current risks but also emerging risks.

Pictured is Stagecoach's new Cwmbran depot. The depot features a bus wash with a water recycling system, 10 electric charging bays, intelligent heating, solar panels and an environmentally friendly grass roof for rainwater harvesting.





Taskforce on Climate-related Financial Disclosures

Like many organisations, our focus on climate change matters has changed in recent years.

The Taskforce for Climate-related Financial disclosure (TCFD) was established in 2015 and is responsible for developing a framework that makes disclosure of climate-related risk and opportunities more streamlined and transparent. Focusing on four main themes of Governance, Strategy, Risk Management and Metrics and Targets, companies are able to provide forward looking information that supports business improvement and forward looking clarity.

Having implemented the recommendations of TCFD in 2020/21, our focus has more recently been on enhancing our reporting on climate change risk, recognising this is an area of evolving practice.

In 2021, we undertook a scenario planning exercise in accordance with the requirements of the TCFD, with representation from right across the business. The question we tested was “How could climate change plausibly impact Stagecoach’s UK bus and coach operations by 2050” From this, we identified that the principal climate-related risks we face are primarily transition risks related to public policy, regulatory change, technology, and customer habits. We confirmed our exposure to physical risks, such as those related to weather, however we concluded that the potential financial impact on us to be greater from transition risks than physical risks.

From this work, we derived the two major themes to create the scenarios based on their potential impact and uncertainty. These themes are:

1. net zero policy quickly and centrally driven or slowly and inconsistently implemented; and
2. higher overall travel demand or lower overall travel demand.

The results of our scenario planning are used to inform our strategy, our ongoing assessment of risks and opportunities and our action plans. We have reasonable confidence that we can adapt our strategy for any of the four core scenarios considered, while recognising that our strategy would not be resilient to more extreme public policy or demand outcomes.

More information is available in our [Annual Report](#).



Forward look

Greg Ritt, Head of Sustainability



Establishing a sustainable future requires us to create, support and maintain a greener, smarter, safer, healthier, and fairer country. We will do this by creating better places to live and work through four key focus areas of People, Planet, Prosperity, Governance.

We are pleased to have made some good progress against the sustainability strategy we launched in 2021, achieving several of the planned milestones in each of our four focus areas.

I'm proud of becoming part of a team that has been keeping communities connected for over four decades, providing a crucial service that gets people to work, education, as well as family and friends. Our bus, coach and tram services offer some of the most affordable, efficient, and sustainable modes of transport in the UK, with bus journeys emitting about half the carbon emissions than the equivalent car journey per passenger mile.

As we progress towards our sustainability goals, we are reinforcing our commitment to lower emissions by continuing to invest in reduced and zero emissions technology. With an eye on our long-term goal of achieving a zero emission UK bus fleet by 2035, we will continue to work in partnership with national and devolved governments, local authorities, bus operators, and our supply chain.

In 2023 and 2024, we will reassess the ESG factors that could have a material impact on our business. We will continue to work with organisations whose aims are to increase transparency of sustainability-related information. We will also continue to work with our suppliers to strengthen transparency and engagement. We will identify suppliers with strong sustainability credentials and aligning, where possible, with those that disclose ESG information and have set or are committed to setting a Science Based Target.

There is still much to be done but we are making good progress and are working hard to ensure that everything we do focuses on our core sustainability goals.

I am looking forward to working collaboratively with all stakeholders to deliver actions that will help us achieve our sustainability objectives and, more importantly, encourage others to do the same.

This report provides data about Stagecoach's environmental, social and governance performance during the financial year 2021-2022, which covers the period 2 May 2021 to 30 April 2022.



We publish a number of policies related to our Sustainability Strategy along with case studies and further information about our sustainability commitment in action, to find out more go to **www.stagecoachgroup.com/sustainability**



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