



SUSTAINABILITY REPORT

Setting the Environmental Standard

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LETTER FROM OUR CEO



OUR BRAND PROMISE IS SIMPLE:
CARING FOR STUDENTS IS OUR FIRST PRIORITY.

At First Student, our mission is to provide unmatched care and the safest ride to school, so when students arrive, they start and end their day with an exceptional experience and are ready to achieve their full potential.

As North America's leading school transportation provider, First Student moves more passengers per day than all U.S. airlines combined. With a team of highly trained drivers and a strong safety record, First Student delivers exceptional, quality transportation in all the communities we serve. We recognize that with every ride, we can positively impact each student's day, so they reach their destination prepared to achieve anything.

Our brand promise is simple: Caring for students is our FIRST priority. These words signify our commitment to serve as a trusted partner in a school district's mission and within the entire community. At First Student, safety is a core value and a way of life for all of our employees. Safety has always been at the heart of everything we do. As a result, we're the only school transportation company to have received the prestigious National Safety Council (NSC) Green Cross for Safety® medal, the highest award for safety in North America. As part of a company that places the utmost value on safety, each employee is accountable for helping deliver safe, dependable service to our student passengers.

Every First Student team member, together and individually, commits to our Core Values: Focus on Safety, Care for Our Students, Surpass Customer Expectations, Foster Teamwork and Set the Highest Standards.

First Student is actively growing and working hard to deliver incomparable value to our customers and stakeholders. While the national driver shortage presents ongoing challenges, First Student has a clear strategy in place. Our calculated efforts have increased applications, streamlined the candidate experience, and incentivized retention of our invaluable team members.

First Student values our customer partnerships and we are proud of our excellent retention rate. We were thrilled to receive an all-time high customer satisfaction score of 8.94. Even after 18 months of operating in a pandemic, customer relationships have never been stronger. This is a remarkable sign that First Student is not only operating at a high level, but our market reputation is strong. Our customers consistently recommend First Student as the best school transportation provider in North America.

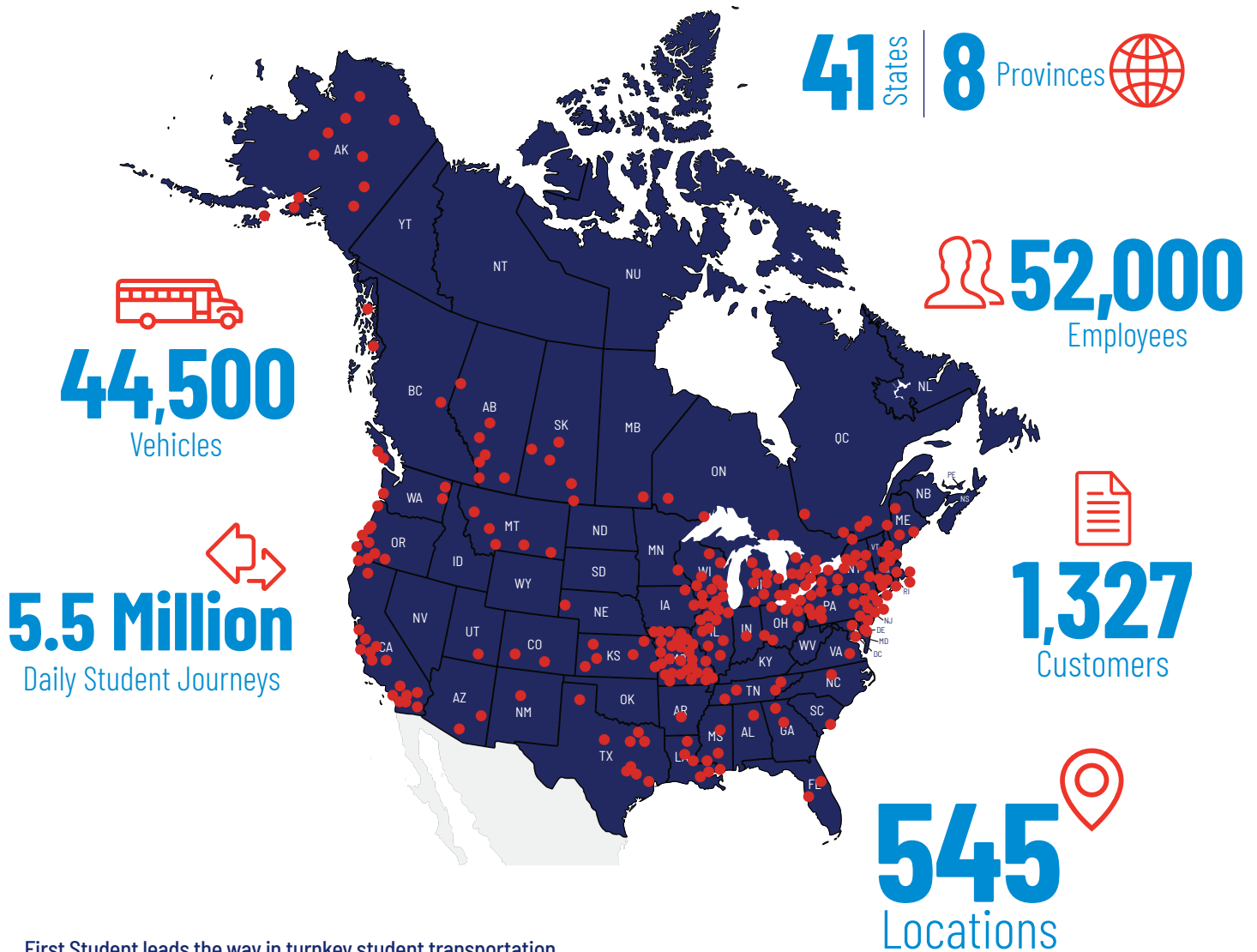
A handwritten signature in black ink, appearing to read 'J. Kenning', written over a light grey background.

JOHN KENNING
Chief Executive Officer and President

A woman in a green safety vest is operating a school bus. In the foreground, a woman and a young girl are hugging. The woman is wearing a light pink top, and the girl is wearing a red top. The background is a blurred view of the school bus interior.

ABOUT OUR COMPANY

FIRST STUDENT'S 545 LOCATIONS PROVIDE THE BEST START AND FINISH TO EACH SCHOOL DAY FOR THE STUDENTS AND FAMILIES WE SERVE.



First Student leads the way in turnkey student transportation with our century-long commitment to caring for students. As the largest provider in the industry, First Student sets the benchmark. Our innovative practices and tools ensure the wellbeing of our student passengers and provide unmatched reliability to our district partners. We have built student-centered safety programs that establish and uphold an effective safety culture our district partners can trust – one where we are continuously learning and proactively applying best practices.

First Student's 545 locations provide the best start and finish to each school day for the students and families we serve. For large and small school districts alike, we offer tailored, cost-effective solutions spanning full-service transportation and management, special needs transportation, route optimization, maintenance and charter services.

Emissions play a critical role in First Student's sustainability efforts, as ground transportation is the root of our business with 44,000 commercial vehicles on the road. Emission reductions are a core focus of our Environmental, Social, and Governance (ESG) initiatives. While reducing emissions is our primary focus due to its significant impact, we are also committed to addressing social and governance concerns. Our goal is to adopt a more balanced approach that benefits both the environment and society as we progress toward our environmental goals.

OUR INNOVATIVE PRACTICES AND TOOLS ENSURE THE WELLBEING OF OUR STUDENT PASSENGERS AND PROVIDE UNMATCHED RELIABILITY TO OUR DISTRICT PARTNERS.

OUR ESG COMMITMENT & GOALS

As the leader in student transportation, sustainability is reflected in our strategy, our company values, business priorities and our culture. First Student is the largest operator of zero-emission school buses in North America. Our commitment to electric vehicles is not a pilot program, it is a reality with more than 300 electric buses currently on the road and a goal to have more than 365 in the next year.

Operating cleaner, greener electric buses is vital to achieving both our environmental and social goals. Making sustainability a priority allows us to lower our carbon footprint through our electric vehicle initiative. To set the environmental standard, our target goal is electrifying more than 50 percent of our fleet by the end of the decade.

Additionally, we have implemented various initiatives to enhance the performance and environmental impact of our gas-powered vehicles. These efforts focus on three key areas: active idle reduction, adoption of cleaner technology powerplants, and route efficiency optimization.

Our active idle reduction program, supported by comprehensive driver training, has significantly decreased idling times during pull-out, stops and breaks. This proactive approach conserves fuel and minimizes emissions, contributing to a greener operation.

In terms of powerplants, we continuously assess and invest in cleaner technology options. This commitment includes upgrading to engines meeting or surpassing the latest emission standards mandated by regulatory bodies. By embracing cleaner technologies, we aim to mitigate harmful emissions such as nitrogen oxides (NOx), particulate matter (PM), and carbon dioxide (CO2), while upholding the reliability and performance of our fleet.

Efficient route planning is essential for reducing fuel consumption and lessening our environmental footprint. To achieve this, we have established a dedicated team tasked with analyzing and optimizing our routes regularly. Leveraging advanced route planning software and real-time data analytics, we identify opportunities to streamline routes, minimize unnecessary detours, and decrease overall mileage. This strategic approach not only reduces fuel consumption and emissions but also enhances the efficiency of our transportation services, benefiting both the environment and our valued customers.

OUR COMMITMENT TO ELECTRIC VEHICLES IS NOT A PILOT PROGRAM, IT IS A REALITY WITH MORE THAN 300 ELECTRIC BUSES CURRENTLY ON THE ROAD AND A GOAL TO HAVE MORE THAN 365 IN THE NEXT YEAR.



NUMBER OF SCHOOL BUSES ELECTRIFIED

30,000

BY 2035

ENVIRONMENT

SINCE 2018, FIRST STUDENT'S SCOPE 1 CO₂e EMISSIONS FROM MOBILE COMBUSTION HAVE DECREASED BY 9.7% DESPITE THE FLEET SIZE INCREASING 13.4%...

TOTAL EMISSION REDUCTIONS

In the chart below, Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (GHG) emissions, measured in tonnes of carbon dioxide equivalents (CO₂e), are calculated for First Student, Inc.. Overall, direct (Scope 1) emissions compose 99% of First Student's total Scope 1 and Scope 2 GHG emissions combined. The size of our fleet has increased over time, and as such our total emissions reflect that. When looking at First Student's direct emissions data in Scope 1, based on the number of miles driver every year, we have successfully reduced emissions by 94.37 tons.

FIRST STUDENT – CO₂E EMISSIONS (TONNES)

YEAR	MILES DRIVEN ANNUALLY CALENDAR YEAR (million miles)	SCOPE 1		SCOPE 2	
		Total tons per million miles driven	Total (tons)	Location based + heat and steam	Market based + heat and steam
2023	562	1,179	662,616	11,882	11,765
2022	509	1,273	648,099	8,808	8,569



For 2023:

- **1.6%** of First Student's Scope 1 emission sources were from stationary combustion sources.
- **97.75%** of First Student's Scope 1 emission sources were from mobile combustion.
- **0.65%** of First Student's Scope 1 emission sources were from mobile air conditioning units.

The organizational boundary utilized is the operational control approach, and 2022 emissions are considered First Student's base year emissions for GHG reduction targets.

Scope 1 and Scope 2 (CO₂e) emissions were calculated utilizing the Greenhouse Gas Protocol calculation tools, except for Scope 2 CO₂e emissions from purchased electricity for the United States (U.S.), which were calculated utilizing an Environmental Protection Agency (EPA) calculation spreadsheet tool. All assumptions and emission factors for the emission calculations are built into the tools, except the Scope 2 market-based emissions from purchased electricity for the U.S. for which emissions factors published by green-e.org were used. All spreadsheet tools were downloaded from ghgprotocol.org except the tool used for U.S. — purchased electricity, which was downloaded from epa.gov.

Table 1 provides links and file names for the tools.

The direct GHG emission sources (Scope 1) generally include:

- 1** stationary combustion sources to produce electricity, steam, heat or power using equipment in a fixed location,
- 2** mobile combustion of fuels in fleet transportation sources; and
- 3** fugitive emissions that are not physically controlled but result from intentional or unintentional releases, such as hydrofluorocarbons (HFCs) from refrigeration leaks from the mobile fleet air conditioning units.

First Student operations' primary stationary combustion emission sources are facility and building heating units. These sources represent >95% of the First Student stationary combustion sources. Most of the First Student facility heating units use natural gas. Regarding the mobile combustion of fuels in the fleet transportation sources, the First Student fleets use the following fuel types:

- Diesel
- Biodiesel
- Liquefied natural gas (LNG)
- Gasoline
- Compressed natural gas (CNG)
- LPG

TABLE 1. CALCULATION TOOLS FOR CO₂E IN 2021 AND 2022

EMISSION SOURCE	TITLE	URL	FILE NAME	TOOL DATE
Stationary Combustion	GHG Emissions from Stationary Combustion (English)	https://ghgprotocol.org/calculationtools	Stationary_combustion_tool_(Version4-1).xlsx	May-15
Mobile Combustion	GHG Emissions from Transport or Mobile Sources	https://ghgprotocol.org/calculationtools	Transport_Tool_v2_6.xlsx	May-15
Fugitive Emissions from Fleet (Mobile) Air Conditioning	Refrigeration and Air-Conditioning Equipment	https://ghgprotocol.org/calculationtools	hfc-pfc_0.xls	Jan-15
Purchased Electricity – US Location Based	Power Profiler Emissions Tool 2021	https://epa.gov/egrid/powerprofiler#/	power_profiler_zipcode_tool_2021.xlsx	30-Jan-23
Purchased Electricity – US	Power Profiler Emissions Tool 2021	https://epa.gov/egrid/powerprofiler#/	power_profiler_zipcode_tool_2021.xlsx	Jan-23
Purchased Electricity – Canada Location Based	GHG Emission Calculation Tool	https://ghgprotocol.org/calculationtools	GHG Emissions Calculation Tool_0.xlsx	Mar-21
Purchased Electricity – Canada Market Based	GHG Emission Calculation Tool	https://ghgprotocol.org/calculationtools	GHG Emissions Calculation Tool_0.xlsx	Mar-21

First Student mobile combustion sources include:

- Passenger vehicles
- Vans
- School buses (types A–D)
- Transit heavy duty vehicles
- Light duty trucks
- Minivans
- Sport utility vehicles
- Highway coaches
- Transit medium duty vehicles
- Service vehicles

All CO₂e emissions from vehicles were calculated using fuel consumption data only, which is tracked in First Student’s INFOR system. The GHG Mobile Combustion tool requires fuel usage to be categorized by vehicle type, fuel used and vehicle year. Fuel usages per fleet vehicle, accompanied by fleet data for each vehicle, are provided. The data set is considerable, since this is the primary source of First Student’s Scope 1 and Scope 2 GHG emissions, and some assumptions and corrections were made where needed. Regarding fugitive HFC emissions, some on-road vehicles owned

and operated by First Student have air conditioning systems (AC), but most of the school buses do not have AC. Refrigerant leaks are likely to occur through the use and maintenance of those systems. Only emissions from certain refrigerants are required to be reported, according to the GHG Protocol. HFCs are the primary GHG of concern for motor vehicle air conditioners; typically, HFC-134a is a standard refrigerant used for mobile air conditioning systems, and this is what was assumed to be used.

The indirect GHG emissions (Scope 2) of the North American First Student operations are associated with the purchase and use of electricity. The residual mix method was used, involving multiplying usage by emission factors to calculate GHG emissions for purchased electricity: market based. Table 2 provides all data gathered by First Student associates, which were utilized for input into the calculation tools.

TABLE 2. SOURCE DATA FROM FIRST STUDENT IN 2023

TYPE OF DATA	NAME OF FILES
First Student Fuel & Fleet Data	<ul style="list-style-type: none"> • 2023 Jen-Dec Equipment Report with Miles.xlsx • 2023 CSR Data Collection.xls (1/25/2024)
First Student Energy Data	<ul style="list-style-type: none"> • FS_EP_2023_02082024.xls (2/9/2024) • FS_FUELOIL1_2023_02082024_v1.xls (2/12/24) • FS_FUELOIL2_2023_02082024_v1_with Volume.xls (2/12/2024) • FS_NG_2023_02082024.xls (2/9/2024) • FS_PROPANE_2023_02082024.xls (2/9/2024)
Vehicle AC Units	<ul style="list-style-type: none"> • First Student-First Transit – Vehicle Air Cond as of 12-31-2023.xls (1/17/2024)

WE ARE NORTH AMERICA'S LARGEST OPERATOR OF ELECTRIC SCHOOL BUSES WITH OVER 300 UNITS OPERATING IN DAILY STUDENT TRANSPORTATION SERVICES.



INDUSTRY LEADING ELECTRIFICATION

WE ARE NORTH AMERICA'S LARGEST
OPERATOR OF ELECTRIC SCHOOL BUSES
WITH OVER 300 UNITS OPERATING IN DAILY
STUDENT TRANSPORTATION SERVICES.

SUMMARY OF ELECTRIC VEHICLE EFFORTS

First Student is proud to be the leader in electric school bus deployment and innovation. We are North America's largest operator of electric school buses with over 300 units operating in daily student transportation services. We continue to add new units to our fleet each month. First Student is fully committed to the electrification of our fleet so that we can transport our student passengers in a zero-emission environment and also positively impact the air quality of the communities where we operate.

In order to successfully deploy electric school buses, First Student has developed a team led by our Head of Electrification. The team comprises all disciplines in the company from grant writing, to procurement, to cost

estimation and engineering, operations and maintenance. First Student's deep internal capabilities is unique to the school bus industry. Our approach allows First Student to develop tailored plans for each school district so that our deployments are not only successful from an environmental standpoint, but also operationally and economically for First Student and our school district partners.

First Student leads innovation as it relates to the electrification of school buses. Our work on charging infrastructure that resulted in a trenchless installation approach has been awarded innovation awards in the school bus industry and is seen as a model for any medium and heavy-duty fleet program.

2M Mile Mark



Since 2019, First Student has deployed over 300 electric school buses and has reached a major milestone around electric miles, driving two million miles across North America this year alone. In doing so, we have reduced our overall carbon footprint by 12 million pounds — equivalent to 3.75 pounds of CO₂ for every mile driven. Going even further in creating a healthier school bus experience, our EVs have zero tailpipe emissions and are substantially quieter than diesel buses, helping to reduce both air and noise pollution.

Replacing one diesel bus with an electric bus can reduce greenhouse gas emissions by 54,000 pounds every year. We are pleased to announce that we have set a goal to electrify 30,000 school buses by 2035 and are continuing to make strides in helping our districts to reach this goal. We have 10-15 EVs delivered each month and have already approved the ordering of 539 EVs, with an additional 1,000 more in the assessment process. These efforts will collectively reduce greenhouse gas emissions by 460,000 tons — demonstrating our commitment to providing cleaner transportation options for students and communities throughout North America.

To demonstrate the potential environmental impact of transitioning to electric school buses, calculations were based on established industry data. Replacing one diesel bus with an electric model was found to reduce greenhouse gas emissions by 54,000 pounds annually, equivalent to 3.75 pounds of CO₂ per mile driven. Extrapolating this to a fleet of 300 electric buses yields a total reduction of 16,200,000 pounds. With 2 million miles driven, estimated avoided emissions amount to 7,500,000 pounds.





ENERGY EFFICIENCY

First Student is not only committed to adding electric school buses to our fleet, but to do so with efficiency in mind. There are two critical elements to that efficiency.

1 Operational efficiency

The company will develop training programs so our drivers operate in the most energy efficient manner. Traditional in the fossil fuel era this has often been measured as MPG, with a higher MPG being the goal. In the electric era, one measure of this energy efficiency is kW/m or kilowatts used per mile. In this metric, a lower number is preferred. First Student is setting a target to operate at 1.75 kW/M in the next five years.

2 The amount of energy or electricity used to charge the electric school buses, the price paid and the sourcing of the electricity generation.

First Student will work on each deployment to right size charging infrastructure and electric school bus routes. These actions will minimize the amount of electricity needed to charge the buses daily, as well as avoiding circumstances that could increase energy costs such as “demand charges”. First Student will also look to source “green electricity” from renewable generation to further reduce our climate impact.

ELECTRIC VEHICLE GOAL

First Student is the leader today in school bus electrification and will continue to be going forward. We have set aggressive goals as a company for the deployment of electric school buses. Our goal is to electrify 30,000 of our school buses by 2035, for an estimated reduction of 810,000 tons of carbon dioxide. We do this by continuing our current strategy of utilizing grants and incentives to deploy electric units and the necessary charging infrastructure. We will also continue to explore new models to reach Total Cost of Ownership parity so that we can accelerate deployments. This will include developing and utilizing various utility and energy sector economic models (frequently referred to as “vehicle to grid”) to find new approaches to bringing additional units to operation.



INNOVATION



Innovator of the Year: Alex Cook

Alex Cook, Chief Engineer for First Student, has been named the inaugural recipient of the

Innovator of the Year Award presented by School Transportation News and the National School Transportation Association (NSTA). The award recognizes significant, tangible contributions to the school bus industry within the past year in the areas of operations, safety or green energy.

Cook is recognized for developing an innovative behind-the-meter charging infrastructure solution that allows positioning, mounting and protection of high-voltage circuits for electric school buses. The design is flexible, quickly deployable and can be moved or relocated easily if needed.

"Alex has always had a passion for driving environmental change and is most deserving of this prestigious recognition" said First Student Senior Vice President of Maintenance Todd Hawkins. "His continuous focus on

innovation, combined with a desire to leave a better environment for future generations, underpins his motivation for eliminating carbon and greenhouse gas emissions. Alex has devoted his career to engineering solutions that benefit our employees, student passengers, the communities we serve and the school bus industry as a whole."

There are nearly 30 projects underway at First Student that will utilize Cook's inventive approach, including the deployment of 281 electric school buses in Quebec. First Student is the largest owner and operator of zero-emission school buses in North America.

Since joining First Student as chief engineer in 2004, Cook has brought to the marketplace several other new technologies to pioneer safety and efficiency. These innovations include real-time front axle load monitoring and management, overhead structure safety restraint system development and high energy battery protection system devices.



...His continuous focus on innovation, combined with a desire to leave a better environment for future generations, underpins his motivation for eliminating carbon and greenhouse gas emissions...

Todd Hawkins,
First Student Senior Vice President
of Maintenance



WE BUILD STUDENT-CENTERED SAFETY PROGRAMS THAT ESTABLISH AND UPHOLD AN EFFECTIVE SAFETY CULTURE YOU CAN TRUST...



SAFETY

School districts that partner with First Student gain the support of an entire safety organization. We build student-centered safety programs that establish and uphold an effective safety culture you can trust – one where we are continuously learning and proactively applying best practices. We foster a commitment to safety and accountability by training our managers how to progress learning outcomes, reinforce the right work habits, build employee morale and develop a team of determined problem solvers.

Safety Performance Data:

Newly acquired TTC safety data has been included for FY23 only. Apple Bus safety data is included in comparison and results beginning in FY22 P9 to present.

As of June 24, 2023 (FY23 year-end) we exceeded FY-2022/2023 staff injury KPI targets and achieved year-over-year reductions for:

PREVENTABLE STAFF INJURIES	-9%	PREVENTABLE LOST TIME INJURIES	-13%
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- Preventable Staff Injury rates have improved for 6 consecutive years, which includes rate reductions for 11 of 12 periods in FY 2022/2023.
- Preventable Lost Time Injuries showed rate reductions in 9 of the last 12 periods.

WE BUILD STUDENT-CENTERED SAFETY PROGRAMS THAT ESTABLISH AND UPHOLD AN EFFECTIVE SAFETY CULTURE YOU CAN TRUST...

Several key initiatives contributed to these strong results:

Slip/Trip/Fall Initiative

Our focus is on the prevention of slips and falls which are the leading staff injury cause. Key elements include:

- Use of high visibility backpacks to promote 3-point contact while carrying objects.
- Transitional traction aids worn when snow/ice is present.
- *Unlike traditional traction aids, transitional traction aids can be worn on a wide variety of surfaces without the need to remove.*
- Emphasis of Hold/Look/Land when exiting the bus steps.
- Daily Safety and Health Walkthrough Inspections prior to staff arrival.
- Root Cause Analysis.
- Positive reinforcement for observed safe behaviors to prevent slips and falls.

Over the past two years, our slip/trip/fall initiative involved 122 First Student locations and resulted in a 58% reduction in slip/trip/fall injuries, and a 65% reduction in those involving lost time.

This initiative has been expanded to all First Student locations which experienced two or more slip/trip/fall injuries during the prior year.

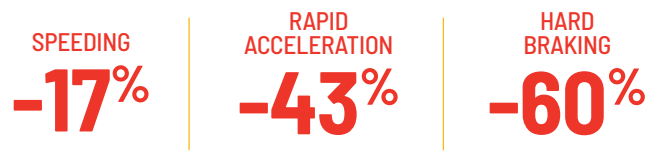
Mobile Manager/DriverScore

Our DriverScore™ Program was developed to promote safe driving habits and behaviors. There are four key performance indicators scored daily:

- Speeding
- Rapid Acceleration
- Idling
- Hard Braking

Our Location Managers use performance scores viewed on our Mobile Manager application to recognize safe driving and provide individualized coaching to drivers.

During FY-2022/2023 driver scoring improved key driving behaviors year-over-year:



* This is an improvement of ALL Drivers not just coached drivers.

Drivers receive consistent ongoing feedback and positive reinforcement for improved driving behaviors. Coaching is delivered where further improvement is desired. During FY-2022/2023, nearly 37,000 documented coaching engagements were delivered around these three key driving behaviors.



Site Safety Reviews (SSRs) and Riskonnect

Our Area Safety Managers perform safety audits to ensure our locations are adhering to high safety standards. Locations are placed on an annual safety review cycle if they score low on the previous year's site audit, change location management or experience a major injury or collision. The reviews examine more than 260 individual company and regulatory compliance items, and all locations will receive a Site Safety Review during the current school year.

In order to streamline our safety audit process, we utilize a comprehensive online platform called Riskonnect. Riskonnect is a global risk management and EHS (Environmental, Health and Safety) software platform which can be accessed from any device, anytime – improving efficiency and reaction time. Safety audit information is captured and updated in near real-time as the review is occurring. Advanced analytics allow us to conduct global and local trend analysis across sites. It also includes tracking of open action items to closure and escalates notices to managers when action items become overdue.

The output of our safety audit process (highlighted on the right) is a comprehensive safety action plan, which outlines, by category, any steps necessary for improvement. Locations also use a self-audit tool at regular intervals throughout the year to ensure safety practices are being followed per company operating procedures.

RISKONNECT IS A GLOBAL RISK MANAGEMENT & ENVIRONMENTAL, HEALTH AND SAFETY SOFTWARE PLATFORM WHICH CAN BE ACCESSED FROM ANY DEVICE, ANYTIME – IMPROVING EFFICIENCY AND REACTION TIME.



SITE NOTIFICATION

- A short notice is given to the location prior to the site visit.
- Some pre-work may be involved, i.e., gathering driver or training files.



SITE SAFETY REVIEW

- Auditor arrives onsite with tablet containing Process Map software.
- An audit of 260 points is performed.
- Examples: OSHA requirements, training/safety meetings, driver files.



EVALUATE

- Photos or recordings are taken.
- Inspection and examination of records, facilities, equipment, etc.
- Extensive review of files.



DOCUMENTATION

- Audit is completed.
- Action items stemming from audit are tracked in Riskonnect.



PUBLICATION

- All results are published at the end of the year and shared with the organization.
- The analytics allow for a global and local trend analysis across sites/locations.



ACTION PLAN

- What needs done, by who and by when.
- A timeline with an escalation plan is given to the location managers on each of the non-compliant audit topics.



RESULTS PROVIDED

- Any audit topic that receives a non-preferred result generates a finding and is assigned an action plan.
- Areas that need fixed are remedied and tracked to completion.



RESEARCH SHOWS THAT A COMBINATION OF COACHING AND TRAINING IS 70% MORE EFFECTIVE THAN A PROGRAM THAT PROVIDES TRAINING ALONE.

Trainer Hub

TrainerHub™ is a driver training efficiency tool that provides an automated solution for managing new driver candidates' progress through training, recordkeeping and documentation and effectiveness score. The program allows for optimization in our Driver Training Program by reducing time to hire and increasing new driver retention, focusing on quality and consistency of new driver trainers, and creating career path opportunities for high performing trainers.

First Serves

FirstServes™, our training and support system for responding to student behavior, focuses on understanding that children's behavior is a form of communication. Instead of a traditional "behavior management" approach, the program emphasizes understanding and influencing students' actions and providing proper training to staff in order to respond in the most beneficial manner.

The program is supported by an Advisory Board comprised of nationally recognized experts from backgrounds that range from behavioral

psychology and special education to human resource development. The board develops and delivers research and trauma-informed training, facilitates training for local leaders and consults on a case-by-case basis for unique behavioral issues.

Research shows that a combination of coaching and training is 70% more effective than a program that provides training alone. The FirstServes™ program provides participants with a balanced mix of training sessions and coaching sessions with our Advisory Board and the FirstServes™ program team, setting our program up for long-term success in a district.

In addition to regular working sessions, employees enrolled in the FirstServes™ training program have access to the FirstServes™ Resource Center. The Resource Center is a self-access learning center that houses FirstServes™ training materials, best practices and other vital resources like tip sheets and social stories. Program participants have ongoing access to the Resource Center to use as a support tool, as well as a place to share new findings and best practices as the program grows.

DIVERSITY & INCLUSION

First Student recognizes the importance of investing in our people and the diversity of our team is our greatest strength. First Student created a Diversity and Inclusion Council in September 2020. The 35-member council is reflective of many backgrounds and ethnicities within our diverse workforce.

The Council's mission statement is:

- *We aspire to have a culture where all people are first.*
- *We strive to attract and develop a diverse workforce by promoting teamwork and embracing cultural differences.*
- *We all play a role in advancing an inclusive environment where everyone is empowered to share their perspectives, listen and respect others.*
- *We will achieve this by our leadership fostering a people focused environment and engaging with our employees, customers and communities.*
- *In doing so, we will sustain an inclusive culture that supports future growth and fulfills our social responsibility.*

Below are several initiatives the D&IC Council has launched or are currently working to implement.

New Director of Diversity & Inclusion

In 2024, we will name a Director of Diversity & Inclusion to lead and expand our D&I efforts. This role was created to strengthen our efforts to foster an increasingly diverse workforce and inclusive culture at First Student.

Employee Charitable Contributions

This past year, Council launched Employee Charitable Contributions to further advance our diversity and inclusion mission and social responsibility. Employees may choose to contribute to one of three non-profit organizations, including Room to Read, My Sister's House and The Trevor Project. To date, we've raised over \$38,000.

Diversity & Inclusion Onboarding Sessions

The Council incorporated diversity and inclusion as part of new team member onboarding. The diversity and inclusion onboarding sessions for First Student include a video message from John Kenning. Making diversity and inclusion part of the onboarding process sets the foundation for employees and our aspiration to have a culture where all people are first.



Diversity & Inclusion Manager Certificate Program

Since May 2021, more than 165 leaders have completed the Diversity and Inclusion Manager Certificate Program with an additional 90 participants enrolled in the cohort due to complete March 2024. The four-month program focuses on in-depth learning on race, gender, equity and equality.

Diversity & Inclusion Champion Spotlight

The Council created the Diversity & Inclusion Champion Spotlight designed to acknowledge diversity and inclusion excellence and celebrate outstanding and significant contributions to the community. We've had the privilege to celebrate four leaders in various departments for the impact they've made on the communities we serve.

Diversity & Inclusion Moments

To keep diversity and inclusion top of mind, the Council is developing Diversity & Inclusion Moments, an inspirational quote or story to share during meetings similar to Safety messages. In addition, we've created the Diversity & Inclusion Monthly Moments that focus on specific monthly topics and includes toolkits that provide activities and resources for managers to utilize in discussions with their teams (i.e.: May - Mental Health Awareness Month, June - Juneteenth and Pride).

The council will continue to build on our success and be more intentional about promoting and encouraging sustainable cultural change within the organization.

WE STRIVE TO ATTRACT AND DEVELOP A DIVERSE WORKFORCE BY PROMOTING TEAMWORK AND EMBRACING CULTURAL DIFFERENCES.

TRAINING & DEVELOPMENT

From the very first day an employee joins our team, First Student's dedication to our students' physical and emotional safety is evident. We focus on safety and accountability by reinforcing the right work habits, building employee morale and developing a team of determined problem solvers.

To support Safety and Training Program initiatives our safety organization:

- Ensures quality and consistency of all training programs and safety in-service meetings through training standards.
- Manages new driver training efficiency with our TrainerHub™ app.
- Confirms the right level of staffing is provided for safety and training initiatives with data modeling.
- Provides coaching guidance informed by our driver performance program, DriverScore™.
- Supports talent development and employee retention activities.

Safety Leadership

Our BeSafe Leadership program is a foundation of our safety culture. We identified specific safety-critical behaviors that link to the prevention of collisions, on-road risk and injuries. We develop safety leaders to positively influence their team members to use these critical behaviors through impactful interactions.

Continual education and development for our leaders around safety is a key focus area that has ongoing enhancements and programs.



Developing Safety Culture Through Training

Our commitment to continuous learning and applying best practices to our training anchors our strong safety culture. Through our training, we communicate safety practices and ideals to every employee.

Trainer Certification

Every safe ride we provide for a student started with a First Student Trainer. All First Student trainers must complete our Trainer Certification Program, which sets a standard for consistent and professional training across our company.

The rigorous process consists of qualification, self-study, classroom instruction and in-vehicle coaching. All trainers are evaluated in their first 90 days, then biennially. Trainers receive monthly professional development topics and annual refresher training.

Professional Driver Development Program

We expect our drivers to meet and exceed all driving qualifications as outlined by district, local, state and federal guidelines. We invest in each new driver's success to help them develop essential customer service and safe decision-making skills.

Our signature training methods prepare the adult learner for success by blending classroom instruction with immediate hands-on application on a closed course. The curriculum meets FMCSA Entry Level Driver Training requirements for Class B CDL, Passenger and School Bus Endorsement.

Drivers are evaluated in their first 90 days of service and then on an annual basis. Our drivers must participate in 5.5 hours of safety refresher training throughout the year. Topics are identified by analyzing company safety data and focusing on the critical behaviors linked to preventable incidents.

Transporting Students with Special Needs

Every child with physical and developmental disabilities and other concerns is an individual with unique characteristics, personality and abilities. We educate our staff on the characteristics of disabilities, how to address challenges and give a safe and enjoyable bus ride for every student.

Drivers and attendants are required to complete a specially designed training program prior to service on a special needs route. Classroom instruction is developed by behavioral experts. On-the-bus instruction features guidelines, best practices and tools while one-on-one on-boarding and off-boarding is practiced with specialized equipment.

School Bus Attendant Training

The school bus attendant's primary role is to provide the compassionate care and dedicated focus needed to help each student complete their journey with the greatest comfort and support possible. Each attendant is prepared for this role with training focused on responsibilities, emergency preparation, loading and unloading of students and students with special needs.

Positively Influencing Student Behavior

Drivers and attendants learn age and ability-based methods for interacting and communicating with students. We teach our staff how to set age-appropriate behavior expectations and offer sincere praise.

While we emphasize positive reinforcement, sometimes behavior intervention is required to maintain safety and order on the bus. Our team knows how to report conduct improvements and infractions and work together with school personnel to create a cohesive and effective student behavior program.

**ALL TRAINERS ARE EVALUATED IN THEIR
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AND ANNUAL REFRESHER TRAINING.**

ETHICS AND ANTI-CORRUPTION

First Student has a Code of Conduct policy that encompasses ethics and anti-corruption and routinely trains on and requires acknowledgment of the policy as part of employee on-boarding and periodic check-ins. First Student also has an employee hotline to allow employees to anonymously report any ethical or anti-corruption issues, to be followed up on via investigation and reporting of findings.

Modern Slavery

First Student diligences its vendors to best assure that its practices guard against any human trafficking risks. First Student's standard corporate purchase agreement also includes a Corporate Social Responsibility checklist that includes expectations regarding child labor avoidance and humane treatment.

Anti-Bribery

First Student has an anti-bribery policy in which relevant employees undergo periodic in-person and module-based training. All training is logged and registered within the organization. First Student promotes a hotline to report any instances of suspicions of bribery behavior for follow-up investigation. First Student's audit team periodically audits First Student's anti-bribery compliance program to ensure the core pillars of the program (policy, training, hotline, and audit) are being followed.

Ethical Procurement

We recognize there are opportunities to multiply the economic benefits and contribute to the economic sustainability of our local operations. First Student locations source and procure supplies from businesses within the community and surrounding area as much as possible. This includes the purchase of products and services such as building and property maintenance, shop supplies, towing and body work and janitorial services. Additionally, we have built a robust search tool for identifying and developing new disadvantaged suppliers within our supply chain. We maintain and grow this small, disadvantaged supplier program in line with our support of overall sustainability.



COMMUNITY INVOLVEMENT

We're building something bigger with our districts – a transportation solution that puts caring for students at the forefront, and a partnership that sees each community as its own. This partnership invests in the people, ideals and events that help make each community unique. Partnering with our customers and their communities is of upmost importance to First Student. We have an unwavering commitment to support our districts and uphold the values that define a district. First Student location staff participate in daily briefings, regularly scheduled customer meetings and school board/superintendent service update meetings. We believe continuous and transparent communication with a district builds a strong, committed partnership.

Community Engagement

Many of our employees are multi-generational members of our communities, with children, grandchildren and other family members attending the same schools they once attended. Our local teams have a sense of service that goes well beyond the jobs they do each day – because at the end of the day, they are neighbors deeply committed to our communities' resilience and success.

Our local teams are most in tune with the needs of the communities they serve, which is why all charitable initiatives and volunteer projects are employee-led. First Student employees are always ready and willing to help their communities prosper. They are proud of where they live and often find creative ways to lend a hand when there are challenges to overcome. They also participate in activities which strengthen connections within the community, such as festivals, parades and special events. The following are some examples of how we contribute to the communities we serve:

Volunteering to deliver food drive donations for a local non-profit in Buffalo, New York.

Hosting Stuff-the-Bus events to collect school supplies for students in the community who do not have the resources for the upcoming school year.

Rewarding employees for designating an annual percentage of their paycheck to donate to one of three charities selected and approved by our Diversity & Inclusion Council.

Donating our bussing services to local non-profit events, such as Cincinnati, Ohio's Flying Pig Marathon which raises money for charities like the American Cancer Society and Juvenile Diabetes Research Foundation.



“*The students truly are my motivation. They depend on me, and I don't want to let them or their families down.*”

Sharon Lanham,
First Student Driver

Sharon Lanham is the perfect example of our employees' passion for their students and their communities. After hearing an ad on the radio, Sharon decided to apply to become a school bus driver at First Student. Her husband also supported the decision. He joked that, “I was always driving our two children and my friends around town, so I might as well become a professional driver and get paid to do it,” shares Sharon. She has driven a variety of routes over her career with First Student.

For the past 15 years, Sharon has transported students with complex learning needs to a special needs school in Calgary. “Because these are students with special needs, it is important not only to build trust with the children, but also their parents,” she said. She begins to develop a rapport with families before students board the bus for the first time. Sharon contacts parents before the school year begins to introduce herself and learn more about the children on her route. She has found it greatly reduces the anxiety that everyone tends to feel on the first day of school.

Bus Box Program in Helena, Montana

In Helena, Montana, First Student Driver Theresa Loney observed some of her student passengers braving the cold without hats and gloves. In response, she rallied the community on Facebook, sparking an outpouring of support that birthed the Bus Box program. Now, our First Student location, the school and two local businesses serve as donation hubs for winter gear. Children boarding First Student buses in Helena find warmth in over-the-door organizers – filled with donated gloves and hats. It's drivers like Theresa and the entire First Student Helena team that make it possible to serve our community in an impactful way. ***The Bus Box program exemplifies our commitment to caring for the well-being of our students and reflects the unity of the Helena community.*** Together, we're creating a cozier journey for every young traveler.



Elementary School Mural

Back-to-school is bold, bright and colorful for our team in Kenosha, Wisconsin. Over the summer, a new mural was installed and unveiled on the side of their building. More than 500 students and adults at Whittier Elementary School made the mural out of bottle caps. The community came to our location to see the new mural revealed and to support the local artists who worked on it.

Location Manager Michael Comstock says it's ***“one of the most rewarding and humbling experiences as a Location Manager.”***

This mural is replacing another one that was created by Kenosha students five years ago.



FirstFeedback®

While these community enrichment activities are important to us, our first priority is always transporting students safely. Our online feedback management system, FirstFeedback®, provides parents and community members with a place to submit feedback about a driver, bus or experience in a few easy steps. ***Our team manages submissions to gather information, research and respond to each one, keeping your community happy and your students safe*** while maintaining a log for long-term reporting and performance evaluation.

GOVERNANCE

A young boy with light hair and freckles, wearing a blue polo shirt and a dark backpack, is smiling and looking upwards. In the background, a man in a blue shirt and a high-visibility yellow vest is working on a piece of machinery, possibly a tractor or excavator, in an outdoor setting. The overall scene is bright and positive.

FIRST STUDENT'S BOARD IS COMMITTED TO A HIGH STANDARD OF CORPORATE GOVERNANCE, WHICH IS ESSENTIAL TO BUSINESS INTEGRITY AND MAINTAINING INVESTORS' TRUST IN THE ORGANIZATION.



OUR BOARD OF DIRECTORS

First Student's Board is committed to a high standard of corporate governance, which is essential to business integrity and maintaining investors' trust in the organization. The six-member Board expects all senior leadership, directors, managers and employees to make honest and fair decisions, focused on integrity and respect. This allows the Board to guide and oversee decisions on behalf of First Student, while maintaining investors' confidence in the business.

In July 2021, First Student was acquired by EQT Infrastructure. EQT is one of the world's largest infrastructure investors. The firm focuses on advancing companies with a

strong reputation for financial performance and operational excellence. EQT's goal is to future-proof companies with a mission to help them develop into great and sustainable companies. With EQT's support, First Student will continue to ramp up our investment in the electrification of school buses and our industry-leading programs and innovations such as Mobile Manager, First Serves™, FirstView® and FirstACTS®.

The Board of Directors serve as advisors and stewards of the investment made by EQT to support our growth.

FIRST STUDENT IS PROUD TO HAVE THE BOARD'S INSIGHT, EXPERTISE, AND COUNSEL AS WE EXECUTE OUR STRATEGIES TO CONTINUE TO GROW.

ECONOMIC PERFORMANCE, BUSINESS CONTINUITY, AND RESILIENCY

First Student manages its economic performance from the bottom up. Ultimate responsibility rests with our CEO, board of directors and equity partners. We aim to maintain industry-leading economic performance and sufficient liquidity to manage unexpected downturns.

First Student monitors risks to its business, reputation and economic performance through the risk management team. We have identified the primary risks that impact our business and regularly review the list, the severity they could have on our business and the likelihood that we could experience one of those events. We have mitigating factors in place for all the risks that could potentially impact our business, and we continually update our risk assessment and implement additional mitigating factors where appropriate.

Our company's resiliency was tested greatly by the COVID-19 pandemic and the accompanying school shutdowns. We are proud to say that First Student adapted effectively to this challenge. In fact, our customer service scores increased during the heart of the pandemic. Ultimately, First Student does not aim merely to endure economic downturns, but to grow into a stronger, better company.

PUBLIC POLICY & GOVERNMENT RELATIONS

As a company that interacts daily with governmental entities at the federal, state and local level, a sound public policy and governmental relations program is critical. At First Student, we follow all rules and regulations as it relates to involvement with the public sector. This includes following procurement guidelines to working to shape public policy and legislation. All requests for political donations must be presented to and approved by the First Student board. The hiring of any lobbyists and consultants must be reviewed and approved by the First Student Legal Department and Audit Department, with the retention of any lobbyist/consultant governed by a standard consulting agreement drafted by the law department that includes protective language regarding anti-bribery and hiring of subcontractors.

Industry Associations

First Student plays an active role in several professional associations representing the student transportation industry. We take pride in working collaboratively with our colleagues to raise the standard for student transportation.



CYBER SECURITY

First Student has deployed an information security program that protects the information that is entrusted to us by our clients. Through the concept of Defense in Depth, this security program uses a multitude of strategies within the environment to ensure that nothing can have access to the data without going through multiple tools and processes.

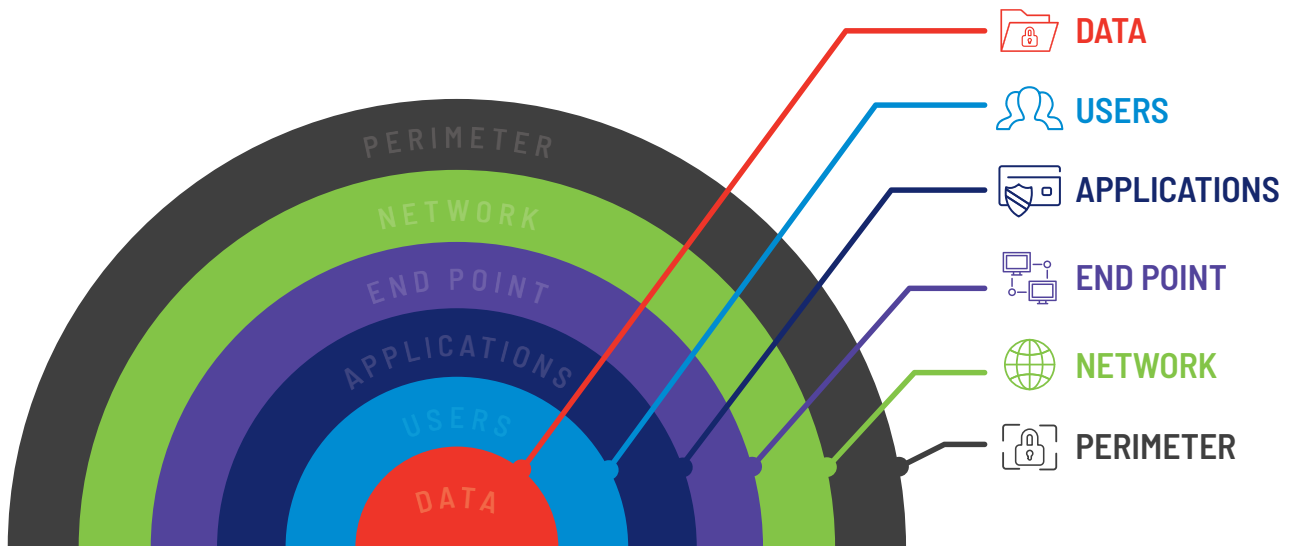
These high-end security tools include:

- **Endpoint Detection and Response (EDR)** for protection of workstations and servers.
- **Email filtering** for all accounts that protect against spam and phishing attacks.
- **Web filtering** on all internet access to ensure users are not going to malicious websites.
- **Vulnerability management** that runs scans on a continuous basis with remediation of issues in agreed upon timeframes.
- **Access Review software** that allows us to keep up to date on access within our critical environments.
- **Security information and event management (SIEM)** tooling that can recreate issues that happen in the environment for quicker resolution.

In addition to tooling, there are processes within the environment that help to keep our sensitive data safe from threats:

- **Incident response (IR) / Business continuity planning (BC) / disaster recovery plan (DR)** to help ensure that if an issue was to happen, there would be a plan in place to keep the business moving forward.
- **A Security Operations Center (SOC)** that is manned 24 hours a day, 365 days a year to handle any issues from our workstations, server, and SIEM environments.
- **Dedicated security personnel** that monitor security issues, drive completion of security projects, train end users.
- **Security training** that includes required classes for end users and phishing campaigns to test effectiveness of the training.

During a recent audit of our security, a 3rd party rated our program to be 28% better than other transportation companies. This comes not from just a commitment within the IT space of the company, but agreement from executive management that this is an important part of what we do daily, and that significant investment needs to be made in this area to keep our clients safe.





firststudentinc.com