

The Task Force on Climate-related Financial Disclosures

Introduction

The Group has complied with the requirements of UK Listing Rule 6.6.6R (8) by including climate-related financial disclosures consistent with all 11 of the TCFD recommendations and recommended disclosures. These disclosures also incorporate the mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

This report partially applies the IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2 as issued by the International Sustainability Standards Board (ISSB). The Company currently anticipates achieving full compliance with IFRS Sustainability Disclosure Standards when the requirements of the UK Sustainability Reporting Standards come into effect, which were published in early 2026 and have used the ISSB standards as a foundation.

During 2025, the Group has updated its approach to climate risk assessment and reporting, this includes an update to our scenario analysis, risk modelling, and near and long-term targets. The triennial scenario analysis and modelling was performed during the year in line with best practice, and our carbon emissions and near-term targets re-baselined following the North America School Bus disposal in July 2025.

TCFD Recommended Disclosures	IFRS S2 Disclosure Requirement	Location in Report
Governance		
a. Describe the Board's oversight of climate-related risks and opportunities.	IFRS S2 6(a)(i)–(v): Governance body roles and oversight	Page 43
b. Describe management's role in assessing and managing climate-related risks and opportunities.	IFRS S2 6(b)(i)–(ii): Management's role in governance processes	Pages 44 and 45
Risk management		
a. Describe the organisation's processes for identifying and assessing climate-related risks.	IFRS S2 25(a)(i)–(vi): Processes for identifying/assessing risks	Page 44
b. Describe the organisation's processes for managing climate-related risks.	IFRS S2 25(b): Processes for managing opportunities	Page 45
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	IFRS S2 25(c): Integration with enterprise risk management	Page 45
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	IFRS S2 9–12: Identification of risks/opportunities and time horizons	Pages 46 to 49
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	IFRS S2 13–21: Effects on business model and value chain	Pages 49 to 51
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	IFRS S2 22: Climate resilience assessment using scenario analysis	Page 52
Metrics and targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	IFRS S2 29(a): GHG emissions (Scope 1 to 3)	Pages 52 to 55
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	IFRS S2 29(a)(i)–(vi) – 32: GHG measurement methodology	Pages 52 to 55
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	IFRS S2 33–37: GHG reduction targets and carbon credit governance	Pages 52 to 55



Governance

Board's oversight and review of climate-related risks and opportunities

The Board is charged with governance and oversight of climate-related risks and opportunities through its dedicated Sustainability Committee, with a remit to cover the governance of all applicable environmental and sustainability matters. The Sustainability Committee met twice during 2025, and once in Q1 2026. The terms of reference can be found on the Company's website at www.mobicogroup.com/about-us/corporate-governance/committees/, of which the responsibilities are reflected in section 7.

The key activities of the Sustainability Committee during the period can be found in the Sustainability Committee Report. On behalf of the Board, the Committee is informed about climate-related risks and opportunities and monitors progress against our climate-related goals and targets, primarily through monitoring and reviewing a KPI dashboard which is presented at each Committee meeting. To monitor operational progress against the Group's environmental strategy and decisions on major transactions and the related financial impact, the Board performs an annual review of both the long-term strategic plan, of which the latest runs until 2030, and the annual budget, the most recent of which is for CY 2026. Both exercises consider the transition to a low-carbon economy and the potential impact of physical risks from climate change, which are discussed in detail in the Strategy section of this disclosure. These strategic decision processes also compare against other significant trade-offs, such as capital investments, network and other operational choices, and customer demands to make decisions. Please refer to the risk management section for how the Board exercises oversight regarding incorporating climate-related issues into the risk management processes.

Board reporting

The Sustainability Committee reports to the Board of Directors with the Committee Chairs providing updates to the Board after each Committee meeting on the matters discussed. Climate risks and opportunities form part of the Group's overall risk management process which the full Board is specifically updated on, as described in the Risk Management section. The Sustainability Committee also provides a report which details their activities each year to the Company's Shareholders, which is approved by the Board.

Board training and development

The skills and competences of the Committee are monitored by the Board every year. To assist them in both discharging their oversight responsibilities on the Group's strategy and having the ability to give direction and raise challenges, the Committee receives presentations from ESG specialists as necessary on current climate-related topics. During 2025, the Committee received regular updates and insights regarding forthcoming ESG legislation including the UK Sustainability Reporting Standards and the Corporate Sustainability Reporting Directive from management experts. Committee members can also access climate-related resources, including Chapter Zero.

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Management's role in assessing, managing and overseeing climate-related risks and opportunities

The Company's Executive Directors are responsible for the delivery of the Group's environmental strategy and are the sponsors of its overall 2040 ambitions to achieve net zero for Scope 1 and 2 emissions. The Group has a dedicated Environmental Policy, available at www.mobicogroup.com/about-us/our-policies/.

The below diagram explains the role both Board Committees and different senior leaders play in having oversight of assessing and managing climate-related risks and opportunities:



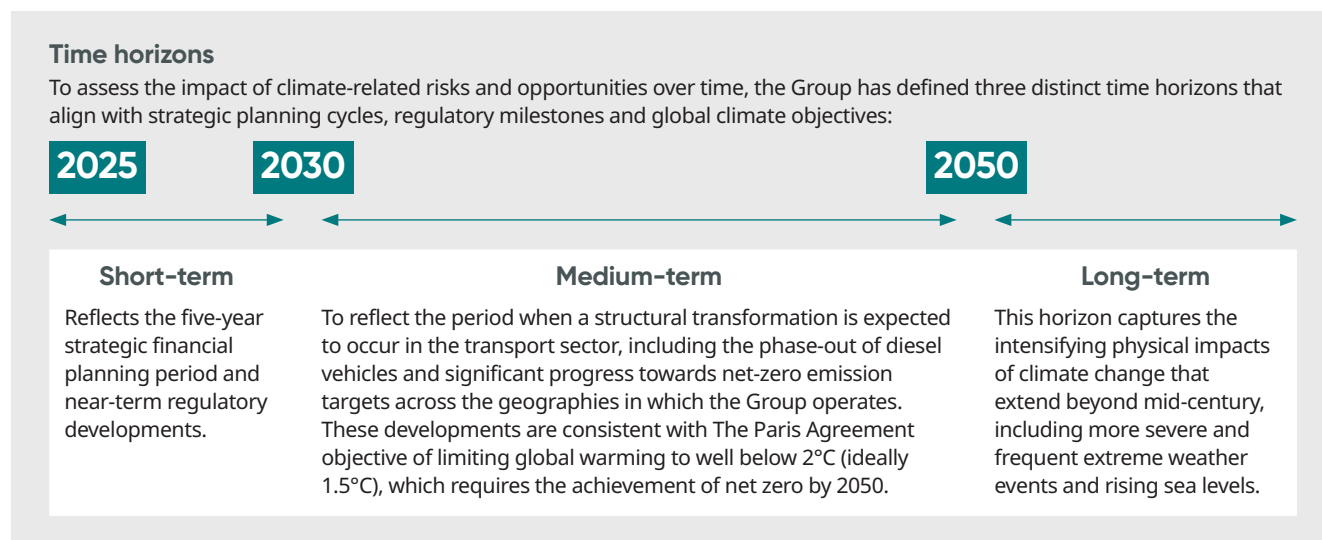
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Strategy

Climate-related risks and opportunities

We assess our exposure to climate-related risks and opportunities with an approach that is anchored in robust scenario analysis.

The scenario analysis enables us to identify and ultimately assess the impact of risks from transitioning to a low-carbon economy and the physical risks from climate change over defined time horizons.



The above time horizons represent a refinement of previously used scenarios and have been introduced to strengthen the robustness of our climate-related risk analysis. The medium-term timeframe was extended from 2028–2035 in previous assessments to 2030–2050, as the Group believes this horizon better captures the critical transition risks facing the bus, coach and rail sectors. This period encompasses anticipated regulatory milestones such as the phase-out of diesel vehicles, accelerated adoption of zero-emission technologies and infrastructure investments required to support electrification and alternative fuels. It also reflects evolving customer expectations and policy commitments across our operating geographies, ensuring that our strategy remains aligned with the pace of decarbonisation in the transport sector.

The long-term horizon was previously defined as extending to 2050; however, the Group has extended this horizon beyond 2050 to better capture the intensifying physical risks of climate change. By looking beyond 2050, the Group ensures its strategy remains resilient to the long-term trajectory of climate change and aligned with scientific projections that highlight the lagging effects of greenhouse gas concentrations.

These time horizons are applied consistently across the Group's scenario analysis and strategic planning processes to ensure robust evaluation of transition and physical risks and opportunities.

Climate scenario analysis

In 2025, the Group updated its climate scenario analysis with the support of an external sustainability consultancy, Bureau Veritas. In previous years the Group's climate risk assessment relied on two 'bookend' scenarios, representing extreme physical and transition risk outcomes. These scenarios were qualitative in nature, and offered valuable insights into how risks and opportunities might realistically affect our operations.

As an extension to the previous approach, the Group has now integrated quantitative, publicly available scenarios developed by leading international research institutions and policy organisations, including the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS), and the World Bank.

These scenarios provide transparent, science-based projections of global emissions pathways, climate impacts, and socioeconomic trends. By leveraging this extensive, peer-reviewed modelling, the Group gains deeper insight into macro-level factors such as energy demand, carbon budgets and policy assumptions, enabling a more comprehensive evaluation of climate-related risks and opportunities.

Transition risk scenario selection

For transition risk analysis, the Group selected the Net Zero 2050 (~1.5°C) scenario published by NGFS as its primary reference. This scenario provides national and regional outputs, allowing for geographically relevant and focused insights across the Group's diverse operations. It is aligned with the Paris Agreement objective of limiting global warming to well below 2°C (ideally 1.5°C) and achieving net-zero greenhouse gas emissions by around 2050.

This scenario highlights the risks most pertinent to the Group's medium-term horizon, particularly the pace at which the diesel fleet must transition to ZEVs and the broader actions required to reduce emissions.

To supplement this analysis, additional scenarios were utilised including:

- NGFS's Below 2°C Scenario;
- NGFS's Delayed Transition 2070; and
- IEA's Net Zero Emissions by 2050 scenario.

These scenarios were used to support trend analysis and identify a wider range of risks and opportunities. Together, these scenarios provide a comprehensive view that aligns with Group operations, ambitions and approach to climate risk management.

Transition risk scenarios summary

Scenario	Global net-zero by:	Temperature rise by 2050	Assumptions
Net Zero 2050 – NGFS	2050	< 1.5°C	- Assumptions for the transport sector, with outputs for passenger road and rail. - Transport fuel mix in the transport sector is broken down in five-year intervals by country. - Separate assumptions and outputs for each country where the Group operates, alongside regional aggregates (e.g. North America and Europe). - Country-level carbon price trajectories are modelled through to 2050.
Below 2°C – NGFS	2070	< 2°C	
Delayed Transition– NGFS	2070	< 2°C	
Net Zero Emissions by 2050 – IEA	2050	< 1.5°C	- Transport fuel use is aggregated at the global level. - Includes assumptions on battery capacity in ZEVs. - Outputs provided at a global level with vehicle categories including buses.

Physical risk scenario delection

To strengthen our assessment of physical climate risks, the Group has refined its scenario analysis by integrating quantitative projections from the World Bank Climate Knowledge Portal. Projections of future climate over three time horizons, in all countries in which the Group operates, were utilised.

The portal provides climate projections derived from global climate models (GCMs) that are run under the Representative Concentration Pathway (RCP) scenarios. Each RCP represents a different trajectory of greenhouse gas concentrations and radiative forcing, allowing users to explore future temperature, precipitation and extreme event trends under different emissions scenarios from RCP 2.6, which reflects ambitious global mitigation aligned with the Paris Agreement's 1.5°C goal through to RCP 8.5, a high-emission trajectory with limited policy intervention.

Using a single authoritative source ensures comparability across geographies, improves efficiency and enhances accessibility for decision makers. This science-based approach builds upon our previous narrative-based analysis, providing transparent and credible data for stress testing business resilience.

Projections cover both chronic risks such as rising temperatures and shifting precipitation, and acute risks, including storms and heatwaves. Key variables include:

- Average summer and winter temperature changes (mean, maximum, minimum);
- Number of days exceeding 30°C;
- Seasonal precipitation changes; and
- Number of days with rainfall above 20mm.

Together, these indicators provide a clear picture of evolving climate trends and their potential impacts on operations and supply chains, supporting scenario analysis and resilience planning.

For physical risk, the Group selected RCP 8.5 as the primary reference scenario. This high-emission pathway is widely recognised as the benchmark for stress-testing resilience under severe climate outcomes. By focusing on RCP 8.5, we capture the full extent of potential physical climate impacts in a high-emission scenario, ensuring our strategy is robust against worst-case conditions. While this may overstate the risks if global mitigation succeeds, it provides a prudent basis for long-term planning and highlights vulnerabilities requiring action.

For reference, RCP 4.5 was also considered as a stabilisation pathway, offering context on how the climate may evolve under moderate mitigation efforts and current policy commitments. Although the RCP 8.5 was the primary scenario analysed, this pathway was utilised to provide a reference of how risks and opportunities evolve if current or moderate policies succeed. This offers a credible alternative to RCP 8.5 and replaces the previously used RCP 2.6, as we believe that it offers more plausible insights into trends in future climate.

By integrating quantitative climate projections into the Group scenario analysis, we can clearly understand changes in temperature extremes, precipitation intensity and seasonal averages under multiple climate pathways. We can use this data to map the interactions of these changes with our operations and to assess both acute and chronic risks across our geographies. This approach ensures our disclosures are both useful and credible and enhances the robustness of our climate risk assessment while providing valuable insights into how climate change may impact our operations and strategy over the short, medium, and long term.

By utilising these scenarios, the Group scenario analysis employs credible, science-based scenarios that capture both transition and physical risks across a range of potential futures.

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Physical risk scenarios summary

Projections	RCP	Spatial scope	Description	Variables
Climate Knowledge Portal Climate Projections (World Bank)	RCP8.5	Global, with projections at country and subnational resolution	A high-emission pathway with limited climate policy intervention, resulting in significant physical climate risks such as extreme weather events and chronic changes in temperature and precipitation patterns.	A range of variables for high and low temperatures, precipitation, heatwaves, droughts and heavy rainfall occurrences.
	RCP4.5		- A pathway where global emissions peak around mid-century and then decline, assuming moderate mitigation efforts. - Results in reduced but still material physical climate risks, including shifts in temperature, precipitation and extreme weather patterns.	

Risk and opportunity identification

The output of the climate scenario analysis was the identification of climate-related risks and opportunities by time horizon, to be taken forward to the risk assessment process, as outlined in the Risk Management section above. A key enhancement to our approach was the use of regionally specific scenario outputs to define risks and opportunities at the divisional level. This ensured that climate-related risks and opportunities were assessed in the context of each of the Group's operations (UK Bus, UK Coach, Alsa, Germany, WeDriveU, and Head Office), rather than solely at a consolidated level. The table below summarises the material risks that were identified through the process of scenario analysis and risk assessment outlined above, with the division(s) most likely to be affected by each risk or opportunity highlighted; and the time horizons in which we currently anticipate the greatest impact is also shown.

Material climate-related risks and opportunities

Risk/opportunity description	Time horizon and impact			Division most affected
	Short	Medium	Long	
Physical				
Flooding of stations and railways leading to damage of vehicles and equipment, disruption of services, safety hazards and financial losses			●	Germany
Increased impact of snow days beyond what is currently experienced, resulting in route/rail closures, reduced visibility and hazardous conditions, leading to widespread service delays and cancellations			●	Germany, UK (all), WeDriveU
Transition				
Carbon pricing having an impact on the supply chain with increased costs of vehicle procurement, infrastructure and parts being passed onto the Group. Particularly in an accelerated transition scenario, where there is greater government action, this was identified in every division and seen as the most financially material	●	●	●	Group-wide
Shifts in government policy, regulatory frameworks, or emissions thresholds, particularly if introduced with limited lead time, leading to rapid operational changes being required	●	●		Group-wide
Increased regulatory and reporting requirements increasing compliance costs (for example, third-party assurance or advisory services being needed); particularly in the event of an accelerated transition	●			Central functions
Increasing investor and other stakeholder pressure to transition. Failure to meet expectations may result in reduced stakeholder confidence and erosion of brand credibility		●		Group-wide
Expansion of low or no emissions zones which include public service vehicles, requiring faster than planned transition		●	●	UK Coach)

Risk/opportunity description	Time horizon and impact			Division most affected
	Short	Medium	Long	
Transition continued				
Uncertainty around the ZEV transition in the long-haul coach market, including: • Uncertainty around availability and commercial viability of zero emission vehicles, fuels and related infrastructure; • Volatility in price of zero emission fuels, such as electricity and hydrogen, resulting in higher operating costs; • Risk of limitations in range and battery life for long-haul solutions delaying the transition; • Risk of investing in unproven technologies in an accelerated transition scenario and recoverability of diesel residual values; and • Reliance on the ability of third-party operators to be able to transition.				Alsa and UK Coach
Fluctuations in the reliability of the grid in the face of higher demands for electricity, and the price impact and ability of the Group of selecting to switch to renewable energy sources for electricity.				Germany
Opportunity				
Increase in passenger use of public transport due to modal shift from private cars to mass transport, increasing numbers of passengers, and improving asset utilisation driving divisional revenue generation.				Group-wide

Transition plan and strategic response

Achieving net-zero GHG emissions by 2050 is critical to limiting global warming to 1.5°C and avoiding the worst impacts of climate change. To support these global efforts, the Group has set both near-term (2035) and longer-term (2040) targets aligned with the 1.5°C global temperature limit under the Paris Agreement and approved by the Science Based Targets initiative (SBTi); details of which are set out in the Metrics and Targets section.

The key driver of achieving these targets is the transition of our fleet to ZEVs. Vehicle emissions currently account for over 90% of Scope 1 emissions, making fleet decarbonisation essential to meeting our net-zero goal. Except for Germany, which already operates a fully electric rail fleet, all divisions must successfully transition to ZEVs. As a result, we anticipate that carbon offsetting will play only a minor role in our strategy.

As part of an industry with high emissions, delivering this transition is critical to reducing our contribution to global emissions while continuing to provide public transport services that already help avoid emissions. To address this, the Group takes a proactive approach, engaging continuously with suppliers, partners, and customers to accelerate progress.

The Group has been in the process of developing an integrated Climate Transition Plan, to be presented as a structured roadmap that supports the delivery of our short and near-term net-zero targets. This roadmap is informed by our climate-related scenario analysis and outlines how the Group and its divisions will adapt business strategy, operations, and governance to meet both near and long-term decarbonisation goals.

The plan incorporates a set of foundational assumptions and dependencies reflecting current market conditions, regulatory landscapes, technological trajectories and stakeholder expectations. These assumptions are critical to the feasibility and effectiveness of proposed actions.

The integrated Climate Transition Plan is based on our existing Group-wide net-zero commitments, including our 2040 ambition and the associated near-term carbon-reduction targets. As further detailed regulatory requirements are released in relation to transition plans, the Group will update and expand its disclosures accordingly.

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A summary of each divisional transition plan, along with progress to date, is provided in the tables below.

UK Bus: UK	Urban Bus: Alsa	Shuttle & Transit: WeDriveU
UK urban bus operations are progressing rapidly towards zero-emission fleet deployment. The strategy focuses on electrification, infrastructure readiness and operational optimisation to meet near-term targets while ensuring cost efficiency and service reliability.	Alsa's urban bus transition strategy emphasises incremental electrification supported by hybrid and biodiesel solutions, while working closely with public authorities to ensure infrastructure readiness and contractual alignment.	WeDriveU's North American operations prioritise supplier partnerships and grant funding to accelerate fleet electrification, supported by robust infrastructure planning and proven ZEV technology availability.
Details	Details	Details
Key activities • Fleet electrification with 31% already zero-emission or on order (up from 27% at the end of 2024) • Driver training programmes focused on regenerative braking optimisation • Solar panel installation at depots for onsite electricity generation • Installation of LED lighting has been completed at 11 locations • Depot redesign – four depots now fully designed for ZEVs • Infrastructure and funding partnerships leveraging proven learning	Key activities • 197 new EV additions or orders during 2025 • Hybrid and alternative fuel vehicles (biodiesel) deployment as interim measures • Close collaboration with Public Transport Authorities on electricity availability • Iterative transition strategy aligned with contract counterparties	Key activities • Fleet electrification and ZEV deployment • Supplier contracts guaranteeing battery and vehicle charging • Grant funding utilisation • Infrastructure partnerships for depot charging • Market engagement for proven ZEV technology
Assumptions & dependencies	Assumptions & dependencies	Assumptions & dependencies
• Proven electric vehicles available from UK suppliers • Electricity network capacity sufficient at depot locations • Vehicle purchasing requirements is not a significant proportion of available market capacity • Grant funding availability to support transition • Operational benefits (lower maintenance, reduced running costs, higher customer satisfaction) will continue • Supplier contracts guaranteeing battery and vehicle charging • Electricity network infrastructure at depot locations • Supplier partnerships for vehicle sourcing and infrastructure installation • Market availability of proven ZEV technology	• Longer transition timescale than UK due to operating conditions • Suitable vehicles will be available in the market • Public Transport Authorities will support vehicle and infrastructure initiatives • Similar operational benefits will emerge as transition progresses • Electricity infrastructure will be expanded by authorities • Contract counterparties agreement on transition timetable • Public Transport Authorities controlling electricity availability and depot charging capacity • Operating conditions (route length, ambient temperatures) compatibility with ZEV technology • Market availability of suitable vehicles for diverse operating conditions	• Supplier contracts will ensure battery and charging availability • Continued grant funding support • Electricity network capacity at depot locations • Market availability of proven ZEV technology • Supplier partnerships for vehicle sourcing and infrastructure installation • Electricity network infrastructure readiness • Market supply of ZEV technology

Long-haul: UK and Alsa

The long-haul coach strategy explores hydrogen and battery, electric solutions for decarbonising intercity travel. Collaboration with industry bodies and infrastructure planning are critical to overcoming range and charging challenges.

Details

Key Activities

UK operations

- Hydrogen coach trials with UK suppliers meeting specification requirements
- Battery ZEV deployment on shorter routes (e.g. airport operations)
- Technology monitoring of both hydrogen and electric solutions
- Supplier engagement and industry collaboration through CPT ZEV taskforce
- Infrastructure assessment and planning for charging/fuelling solutions

Alsa operations

- Electric supercharger exploration at stations aligned with mandatory driver breaks
- Infrastructure planning coordinated with driver rest requirements
- Industry collaboration through International Federation of Public Transport (UITP)
- Technology solution development for long-distance operations

Assumptions & dependencies

UK specific assumptions

- Hydrogen technology will produce longer range than battery ZEV
- Battery ZEV is viable for future long-distance journeys
- Hydrogen cost per kilogram will decrease as industrial production scales up

Alsa specific assumptions

- Electric supercharger technology can be deployed at station locations
- Mandatory driver breaks provide sufficient charging windows
- UITP and industry partners will develop viable long-distance solutions

UK specific dependencies

- National hydrogen infrastructure development and availability
- Local hydrogen availability at operational locations
- Fuel cost competitiveness, currently uneconomical vs. diesel/electric
- Hydrogen production scaling to reduce costs per kilogram

Alsa specific dependencies

- Station infrastructure availability for supercharger installation
- Charging technology development enabling rapid recharge during breaks
- Electricity grid capacity at key stations for supercharger deployment
- Regulatory framework supporting driver break and charging infrastructure coordination

Shared dependencies

- Supplier progress on ZEV technology meeting operational specifications (long-distance ZEV coach)
- Technological advancement in both hydrogen and battery ZEV options
- Industry collaboration through CPT (UK) and UITP (Alsa)
- Government and private investment in infrastructure development
- Regulatory coordination on operational requirements and infrastructure standards

Rail: Germany

Rail operations in Germany are already fully electric, with a focus on energy optimisation and renewable integration. The fleet is equipped with regenerative braking. Driver assistance systems and infrastructure upgrades will further reduce emissions and enhance efficiency.

Details

Key Activities

- Driver assistance systems for energy optimised driving
- Energy usage reduction initiatives
- Renewable energy feasibility assessment
- Continuous monitoring of energy efficiency opportunities

Assumptions & dependencies

- Current fully electric fleet of 120 trains operational
- Driver assistance systems will reduce energy consumption
- Renewable energy transition feasible and desirable
- Public Transport Authorities will support renewable energy commercial viability
- Technology improvements will enable further emissions reductions
- Public Transport Authorities support for renewable energy transition
- Technology availability for driver assistance systems
- Infrastructure capability for renewable energy integration
- Regulatory framework supporting renewable energy adoption
- Operational integration of new energy-saving technologies

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Resilience of the Group's strategy

The Group acknowledges the urgent need to reduce emissions and address the risks posed by climate change, however, there remains inherent uncertainty with assessing and anticipating future climate risks. Despite these uncertainties, the Group anticipates its strategy and business model will have the capacity to adapt to climate-related changes, developments and uncertainties based on the outcome of the climate-related scenario analysis and the maturity of the Climate Transition Plan.

Our strategy is designed to remain resilient under a range of climate scenarios, supported by a combination of operational flexibility, financial strength and proactive investment in low-carbon solutions. Key factors underpinning resilience include:

- **Geographical diversification:** The Group operates across multiple regions, reducing the likelihood that physical climate risks will significantly impact operations in any one location. Where necessary, assets can be relocated to mitigate risks such as flooding;
- **Risk transfer and cost recovery:** Comprehensive insurance coverage protects depots and vehicles against physical damage. Many contracts and operations allow for costs to be passed through to customers, mitigating financial exposure from increased costs or lost revenues;
- **Experience in zero-emission transition:** Early adoption of zero-emission vehicles (ZEVs) provides a proven blueprint for wider rollout. This experience strengthens our ability to manage infrastructure, training, and operational changes efficiently.

- **Procurement advantage:** As a market leader, the Group's purchasing power enables cost efficiencies in acquiring ZEVs and related infrastructure, supporting a cost-effective transition;
- **Government support and policy alignment:** Public transport remains a priority for governments, with initiatives such as dedicated bus lanes, low emission zones, and grants for ZEVs. Our strong relationships with local and national authorities facilitate collaboration on infrastructure and fleet transition;
- **Strategic Investment and Growth Opportunities:** Investment in ZEVs enhances our ability to win new contracts and meet evolving customer requirements. Modal shift towards public transport offers a natural offset to transition risks and aligns with broader decarbonisation goals; and
- **Financial hedging and operational adaptation:** As electricity consumption rises with EV adoption, we anticipate opportunities to hedge electricity costs. Operational adjustments, such as EV driver training and streamlined maintenance, are already integrated into our plans.

While physical risks and transition risks may present challenges over time, our mitigation measures and strategic positioning create resilience. We see potentially significant opportunities from fleet electrification and modal shift; both key to our strategy. Commercial viability of long-haul low-carbon solutions continues to improve, though it remains an area of uncertainty. Overall, we do not anticipate material changes to our strategy, resource allocation, or business model due to climate risks, beyond incremental operational enhancements already underway.

Metrics and targets

Climate-related metrics

Emissions results

In July 2025, the Group completed the disposal of the North America School Bus (NASB) business. This triggered a recalculation of the baseline year in line with the Group's recalculation policy. 2024 baseline emissions have therefore been restated to remove emissions relating to the NASB business. Likewise, the results for the 12-months ending 31 December 2025 and 15-months ending 31 March 2026 also exclude NASB to enable a like-for-like comparison to the prior year and to see progress in reducing emissions against the baseline year. For completeness, NASB emissions for full year 2024 and for 2025 up until disposal are shown separately to enable disclosure of the entire emissions footprint for both years and to reconcile to prior period disclosures.

Note that, in all of the below tables, the 2024 v 2025 percentage change comparison column is shown for the 12-months ending 31 December 2025 compared to the 12-months ending 31 December 2024 for ease of comparability.

Emissions (tCO ₂ e) – location-based	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Scope 1	788,994	643,830	693,662	-7.2%
Scope 2 (location-based)	95,545	75,337	77,162	-2.4%
Total Scope 1 and 2 baseline	884,539	719,167	770,714	-6.7%
North America School Bus – Scope 1	67,450	67,450	121,666	-44.5%
North America School Bus – Scope 2 (location based)	2,248	2,248	3,775	-40.5%
Total Scope 1 and 2 for the period	954,237	788,865	896,155	-12.0%

Emissions (tCO ₂ e) – market-based	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Scope 1	788,994	643,830	693,552	-7.2%
Scope 2 (market-based)	180,361	143,838	137,358	+4.7%
Total Scope 1 and 2 baseline	969,355	787,668	830,910	-5.2%
North America School Bus – Scope 1	67,450	67,450	121,556	-44.5%
North America School Bus – Scope 2 (market-based)	2,248	2,248	3,775	-40.5%
Total Scope 1 and 2 for the period	1,039,053	857,366	956,351	-10.4%

Intensity metrics (excludes North America School Bus)	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Location-based:				
Total Scope 1 and 2 per million passenger kilometres	33.03	32.46	30.85	+5.2%
Total Scope 1 and 2 per £000's revenue	0.263	0.263	0.297	-11.5%
Total Scope 1, 2 and 3 per million passenger kilometres	49.78	48.69	47.55	+2.4%
Total Scope 1, 2 and 3 per £000's revenue	0.397	0.394	0.457	-13.9%
Market-based:				
Total Scope 1 and 2 per million passenger kilometres	36.20	35.55	33.26	+6.9%
Total Scope 1 and 2 per £000's revenue	0.289	0.288	0.320	-10.1%
Total Scope 1, 2 and 3 per million passenger kilometres	52.95	51.78	49.96	+3.6%
Total Scope 1, 2 and 3 per £000's revenue	0.422	0.419	0.481	-12.8%

As required by IFRS S2 29 (a) (iv), Scope 1 and 2 emissions are further disaggregated as follows (note these exclude North America School Bus):

Scope 1	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Consolidated accounting group	765,833	624,635	675,555	-7.5%
Other investees (associates and joint ventures)	23,161	19,195	18,107	+6.0%
Total Scope 1	788,994	643,830	693,662	-7.2%

Scope 2 (market-based)	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
Consolidated accounting group	179,408	142,999	136,641	+4.6%
Other investees (associates & joint ventures)	953	839	717	+17.0%
Total Scope 2 (market based)	180,361	143,838	137,358	+4.7%

Scope 3 emissions by category are as follows. The other categories are not applicable to the Group.

Scope 3 by category	15-months ending 31 March 2026	12-months ending 31 December 2025	12-months ending 31 December 2024	Change (2024 versus 2025)
1. Purchased goods and services				
2. Capital goods	40,076	30,596	75,993	-59.7%
3. Upstream fuel and energy production and distribution	213,501	173,303	181,917	-4.7%
4. Upstream transportation and distribution	147,862	117,616	113,221	+3.9%
5. Waste and water	834	714	382	+86.9%
6. Business travel	4,096	3,131	2,222	+40.9%
7. Employee commuting	39,483	31,948	18,910	+68.9%
8. Upstream leased assets	4	4	20,662	-100.0%
13. Downstream leased assets	743	596	101	+490.1%
15. Investments	1,980	1,572	3,861	-59.3%
Total Scope 3 (baseline)	448,579	359,480	417,269	-13.8%
North America School Bus	56,577	56,577	123,956	-54.4%
Total Scope 3 for the period	505,156	416,057	541,225	-23.1%

The Group already has incentives in place across all divisions to lower our carbon footprint in our operations, for example being embedded within employee targets and objectives. In addition to this, capital investment requests and bid models are scrutinised for their environmental impact. Given that these processes already meet the aim of using a carbon price, we are not currently utilising one in our internal reporting at this stage; however, this will be kept under review.

The Task Force on Climate-related Financial Disclosures continued

Environmental targets have a 25% weighting within the annual long-term incentive plan (LTIP) awards granted to the former Executive Director(s) in 2023 and 2024. The Group does not currently collect data in sufficient detail to enable reporting of metrics under IFRS S2 29 (b) to (e) inclusive.

Emissions performance commentary

Absolute emissions for calendar year 2025 showed improvement on 2024. Scope 1 emissions reduced year on year on a like-for-like basis (i.e. adjusting both years to remove NASB for better comparability), principally as a result of increased ZEVs in service and increased consumption of HVO fuel in Alsa. Scope 2 emissions (market-based) increased as a result of the higher number of ZEVs; although absolute Scope 1 and 2 combined emissions still showed a year-on-year reduction.

Scope 3 emissions reduced by 13.8% on a like-for-like basis principally driven by lower capex costs arising from new vehicle orders.

Emissions reporting methodology

We measure and report our Scope 1, 2 and 3 greenhouse gas emissions in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), together with appropriate emission actors taken from recognised public sources including, but not limited to, the Department for Business, Energy & Industrial Strategy (BEIS), Defra, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change.

We have used a materiality threshold of 5%, have accounted for all material sources of GHG emissions and have reported emissions for both the calendar year ending 31 December 2025 to enable comparability to prior years, and for the 15-months ending 31 March 2026 to align to our Financial Statements.

The Group applies an Operational Control approach to all business divisions reporting emissions for collecting this data as it best captures the emissions the Group is responsible for. A regular review is undertaken to ensure any changes to the Group structure are reflected in capturing emissions data; this included updating the emissions baseline for 2024 to reflect the North America School Bus disposal which completed in July 2025. The Group's GHG Emissions Recalculation Policy can be found at www.mobicogroup.com/about-us/our-policies/.

Scope 1 emissions (from combustion of fuels, and use of natural gas and refrigerant gases) represent the largest category for emissions, with vehicle emissions representing over 90% of Scope 1 emissions. Scope 2 emissions (from electricity usage) represent energy usage both in our buildings, in our German Rail operations and electric vehicles in operation in other divisions. A small portion of Scope 1 and 2 is estimated based on prior year data with a current year factor applied, only where current year invoices are not available on time for reporting. Scope 3 emissions have been calculated as follows:

- For categories 1 and 4 combined, 2 (purchased goods and services, upstream transportation and distribution, and capital goods), the calculation methodology is based on actual spend data;
- For category 5, waste, actual data is used where available, and if not available, a best estimation is made, based on averages of existing data;
- For employee commuting (category 7), reasonable assumptions have been made around commuting patterns applied to the actual number of employees at each location. This category includes the optional emissions arising from home working;

- For investments (category 15), the 'average data' method is used, based on the sector the investee company operates in, which drives the sector specific emission factor used, applied to investment value data; and
- For all other Scope 3 categories relevant to the Group (3, 6, 8 and 13), actual usage data has been obtained.

Assurance

External assurance from Carbon Responsible Limited has been obtained over the Group's Scope 1 and 2 absolute emissions, to a limited level of assurance to the ISO14064-3 standard.

Climate-related targets

In April 2026, the Science Based Target initiative (SBTi) validated the Group's new near-term carbon reduction targets covering Scope 1, 2 and 3 emissions.

These were an update to the Group's previous SBTi validated targets following the sale of North America School Bus in July 2025, requiring a recalculation of the baseline and the Group's near-term targets. The baseline year in the new targets was updated to 2024 to both use the latest available data and to ensure that NASB and WeDriveU data could be appropriately disaggregated in the baseline year (following the separation of the two businesses during 2024).

The targets are aligned with the Paris Agreement of controlling the increase in global warming to below 1.5°C degrees. These targets are gross greenhouse gas (GHG) emissions targets and included CH₄ and N₂O global warming potential carbon equivalents. The Group does not utilise or plan to utilise carbon credits or offsetting at this stage. The approved targets were as follows:

Mobico Group PLC commits to reduce absolute Scope 1 and 2 GHG emissions 63% by 2035 from a 2024 base year. Note the target boundary includes land-related emissions and removals from biogenic feedstocks. Mobico Group PLC commits to reduce absolute Scope 3 GHG emissions 37.5% by 2035 from a 2024 base year.

Carbon emissions data for Scope 1 and 2 is collected and analysed on a quarterly basis, and Scope 3 on an annual basis, in order to regularly review progress against the targets.

Progress in 2025 (calendar year) against the baseline year for Scope 1 and 2 emissions is shown below:

Calendar year	Scope 1 and 2 emissions (market-based, tCO ₂ e)	Reduction against baseline %
2024	830,910	–
2025	787,668	5.2%

Progress in 2025 (calendar year) against the baseline year for Scope 3 emissions is shown below:

Calendar year	Scope 3 emissions (tCO ₂ e)	Reduction against baseline %
2024	417,269	–
2025	359,480	13.8%

Other KPIs are also measured and collected to review progress against both the above target and the Group's long-term targets of (a) achieving net zero by 2040 for scope 1 & 2 emissions and (b) operating a fully zero emission fleet by 2040. These are summarised in the table below:

KPI	At 31 March 2026	At 31 December 2024	Change YoY
Number of zero emission vehicles in service or on order	1,329	1,100	+20.8%
% of total fleet that is zero emission (including on order)	9.9%	4.1%	+5.8%
Impact on operating profit from extreme weather events	(£1m)	(£5m)	(£4m)
Net book value of diesel vehicles at 2040	£nil	£nil	–

Streamlined Energy and Carbon Reporting (SECR)

The below tables set out the required disclosures under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Note these exclude the emissions from North America School Bus which was disposed of during the year and has therefore been removed from our emissions baseline.

Scope 3 by category	12-months ending 31 December 2025 UK & offshore area	12-months ending 31 December 2025 Rest of world	12-months ending 31 December 2024 UK & offshore area	12-months ending 31 December 2024 Rest of world
Scope 1 (tCO ₂ e)	135,819	508,011	162,751	530,911
Scope 2 (location based) (tCO ₂ e)	5,186	70,151	5,064	72,099
Scope 2 (market based) (tCO ₂ e)	15	143,823	–	141,133
Total Scope 1 and 2 (market based) (tCO ₂ e)	135,834	651,834	162,751	672,044
Energy consumption used to calculate above emissions (mwh)	634,755	2,336,799	665,911	2,667,297
Intensity metrics (market based):				
Total Scope 1 and 2 per £000's revenue	0.2314	0.3027	0.2612	0.3399
Total Scope 1 and 2 per million passenger kilometres	31.77	36.46	38.82	32.33

The methodology for calculating the above results is set out in the 'emissions reporting methodology' section above.

Energy efficiency action taken

Fleet electrification continues to represent our highest energy saving opportunity, with the number of zero emission vehicles having increased year on year as set out in the KPI section above. Electric vehicles save a significant amount of energy measured in MWh compared to diesel equivalents.

In addition, during the current year other initiatives have also contributed to energy savings. In the UK, installation of LED lighting has been completed at eleven locations.