

## Sustainability continued

# Environment

We are committed to environmental sustainability, both globally and in our local communities, and reducing our environmental impact. It is our mission to empower our customers to accelerate the development of vehicles that are not only safer, but also more efficient with less of an impact on the environment. We are continually looking for opportunities to improve; environmental sustainability is essential.

## Our commitment

We are committed to the goal of becoming net zero for market based Scope 1 and 2 emissions by 2040 and working to be a net zero organisation by 2050. Our definition of net zero is to reduce greenhouse gas emissions to zero or to a residual level consistent with reaching net zero emissions at the global or segment level, and to neutralise any residual emissions by the net zero target date, and any GHG emissions released into the atmosphere thereafter with certified emission reductions. Our net zero commitments are in line with the United Nations and Science Based Targets initiative (SBTi) definition.

In FY 2025, the focus of the Group has been on expanding the scope of Group-wide data collection, in particular for Scope 3 emissions, in order to identify a clear path towards our net zero objectives. Simultaneously, we have continued to identify and implement initiatives to reduce our carbon emissions, waste and water usage wherever possible, with annual reduction targets in place at a subsidiary level.

We continue to develop the quality and range of Scope 3 carbon emission data that we will ultimately report on. Significant time and resources are being invested in this area to validate the data that is being collected, which will ensure that future carbon reduction planning decisions are based on robust information.

The nature of this detailed validation work means that it will take time to complete, which is reflected in the commitment timeframes stated above.

As a business that is growing rapidly, we know that our absolute emissions will increase unless we can decouple our growth from the adverse impacts that our operations have on the environment. In the short term, we aim to complete the Group-wide collection and validation of all material Scope 3 emissions by the end of FY 2026. We will then use this data to produce a detailed decarbonisation roadmap, including establishing our targets in accordance with the SBTi, which we will aim to publish in the next two to four years.

In this report, we also include information on our climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See pages 48 to 53 for the TCFD report.

## Our approach

We are actively seeking steps to reduce our environmental impact to achieve our net zero goal. The focus of our ongoing emissions reduction efforts includes greenhouse gas emissions, energy consumption, the use of renewable energy, water resources and the reduction and management of waste. The Group's commitment to transparency includes the regular public disclosure of our emissions.

We established the Net Zero Working Group (NZWG) in FY 2023 to oversee our carbon reduction plan and implement the activities and functions required to meet our objectives. This includes the development of a comprehensive engagement programme and climate awareness groups throughout all our businesses. The NZWG comprises representatives from all Group subsidiaries with Environmental Champions within each subsidiary to promote awareness and best practice. The NZWG is chaired by the Group CEO and its work is overseen by the Sustainability Committee, which in turn provides regular progress reports to the Board.

We have also partnered with Auditel, a leading carbon solutions company, to assist us in reducing our carbon emissions and related costs as, in the near term, we aim for verification with ISO 14068-1 (Climate change management – Transition to net zero – Part 1: Carbon neutrality).

The Group recognises the importance of creating environmental awareness, protecting the environment and using natural resources efficiently by continuously reducing the environmental impacts of our operations and services. In turn, the Board and senior management are committed to continually measuring, monitoring, evaluating and improving the environmental performance of all the Group's operations. We will continue to deploy green technology wherever possible and appropriate, and to make careful and considered decisions in all our operations to reduce our current carbon footprint.

We are focused on finding ways to reduce our impact across the whole value chain to achieve our net zero commitments. Beyond our own operations, we will also continue to assist the global automotive sector to develop new technologies and processes that will reduce CO<sub>2</sub> emissions.

## Our strategy

Our strategy is to reduce our global GHG emissions through improving efficiency to reduce consumption and waste.

- Scope 1 associated emissions are being addressed through the adoption of green fuels and upgrading of facilities and equipment to be more efficient or to use alternative greener energy sources
- Scope 2 associated emissions are being addressed by implementing energy efficient practices and upgrading facilities to aid in energy efficiency. We are also using certified renewable energy, verified with REGO certificates
- Scope 3 emissions tracking continues to be developed to ensure we have a clear understanding of these emissions, so that we can plan a clear and effective route to achieve our reduction targets

## Sustainability continued

### Environment continued

#### Improvements in FY 2025

In FY 2025, we continued to develop our approach towards reducing carbon across our operations. Some of the significant milestones include:

- Collection of Scope 3 emissions data continued for all material Scope 3 emissions for our UK locations
- Improvements made in the collection of standardised data across the Group and the development of the Group's carbon reduction plans
- Successful re-certification of the ISO 14001 standard for our Environmental Management System applicable to Anthony Best Dynamics Limited, our largest subsidiary, and AB Dynamics GmbH, our largest German subsidiary, with rFpro currently waiting for accreditation to ISO 14001 standard
- Continued use of green renewable energy in the UK and Germany, including the use of solar panels at three of our sites in the UK and one in Germany, which generated a total of 134,244 kWh of power in FY 2025
- Completed assessment of our climate-related risks and opportunities in alignment with the recommendations of the TCFD (see report on pages 48 to 53)
- Number of Environmental Champions increased to 42, helping to identify new initiatives and share these across the Group
- MSCI ESG rating of AAA maintained

#### Managing environmental performance

The Group's activities can be summarised as largely manufacturing and assembly operations, combined with office based research, product development and vehicle testing. Therefore, the Group's main direct impact on the environment is limited to the consumption of heating and power in its manufacturing operations, and fuel or electricity for customer vehicles while providing test services or developing and testing products. The Group does not use its own logistics or freight. We recognise the importance of monitoring, controlling and improving our environmental performance in order to meet our net zero targets.

We are expanding our Scope 3 emissions coverage and during the year we continued a comprehensive project with our external advisers to better understand our Scope 3 baseline carbon footprint, and continued to collect data for all material categories for the UK part of our business. Note that the data relating to the new categories is not yet available for the global Group and is therefore excluded from the reported GHG emissions values.

The categories which are currently included in the Scope 3 emissions data for the Group disclosed below are as follows:

- Category 1: Purchased goods and services – currently we collect data for water supply and treatment
- Category 6: Business travel – currently we collect data on air travel, automotive hire and hotel usage

We are continuing to review the following categories, which we believe will capture all emission types that are material to the Group, and have begun collecting data for our UK locations:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel and energy related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution

This year, the Group has continued to build on its environmental reporting processes and procedures across its subsidiaries to provide a unified framework. The main tools used to track and monitor our environmental impact across our sites are our Environmental Management Systems. Both internal and external environmental audits have been completed at Anthony Best Dynamics Limited and AB Dynamics GmbH, resulting in a successful surveillance audit of our ISO 14001 accredited Environmental Management System. In FY 2025 the Environmental Management System was implemented at rFpro and is currently waiting for accreditation to ISO 14001 standard. Over the next year, we aim to implement the Auditel Carbon Management System that will allow subsidiaries across the Group to be able to upload data directly, enabling emissions to be monitored monthly in real time.

Our environmental reporting covers all entities over which the Group has financial control for the Financial year ended 31 August 2025, i.e. all our subsidiaries. Data for businesses acquired during each reporting period is also included where available.

We are pleased with our environmental performance for the year and can confirm that we have not received nor paid any environmental fines nor penalties either in the last twelve months or in the previous five years.

## Sustainability continued

## Environment continued

## Energy and greenhouse gas emissions for FY 2025

The Group's emissions are broken down by Scope 1, Scope 2 and some Scope 3 emissions. Scope 2 emissions associated with the Greenhouse Gas Protocol 'market based' method have also been calculated, in addition to 'location based' Scope 2 emissions.

Excluding the impact of acquisitions, in FY 2025 the Group's total Scope 1, 2 and 3 emissions (market based) increased by 4% year on year and increased by 5% on an intensity basis (per £m of revenue) year on year. This was driven by an increase in Scope 2 emissions.

Our total energy consumption increased by 31% year on year on an absolute basis. This was primarily due to acquisitions and increased energy usage.

Subsidiary level targets set as part of the Environmental Management System were met by AB Dynamics GmbH, with a combined energy reduction of 15% and although Anthony Best Dynamics Limited failed to meet its 5% reduction target for energy usage due to increased operations, combined market based and gas emissions were significantly reduced due to switching to 100% renewable energy at our main production area.

## GHG emissions

|                                                | Units              | Absolute emissions (including Bolab Systems) |                   |              |       |                   |       |                       | Like-for-like emissions (excluding Bolab Systems) |                   |              |       |                   |       |                       |
|------------------------------------------------|--------------------|----------------------------------------------|-------------------|--------------|-------|-------------------|-------|-----------------------|---------------------------------------------------|-------------------|--------------|-------|-------------------|-------|-----------------------|
|                                                |                    | 2025                                         |                   |              | 2024  |                   |       | YoY % change in total | 2025                                              |                   |              | 2024  |                   |       | YoY % change in total |
|                                                |                    | UK                                           | Global (excl. UK) | Group        | UK    | Global (excl. UK) | Group |                       | UK                                                | Global (excl. UK) | Group        | UK    | Global (excl. UK) | Group |                       |
| <b>Scope 1 total</b>                           | tCO <sub>2</sub> e | <b>110</b>                                   | <b>485</b>        | <b>595</b>   | 110   | 393               | 503   | +18%                  | <b>110</b>                                        | <b>485</b>        | <b>595</b>   | 110   | 393               | 503   | +18%                  |
| Gas                                            | tCO <sub>2</sub> e | <b>96</b>                                    | <b>26</b>         | <b>122</b>   | 95    | 19                | 114   | +7%                   | <b>96</b>                                         | <b>26</b>         | <b>122</b>   | 95    | 19                | 114   | +7%                   |
| Company owned vehicle use                      | tCO <sub>2</sub> e | <b>14</b>                                    | <b>459</b>        | <b>473</b>   | 15    | 374               | 389   | +22%                  | <b>14</b>                                         | <b>459</b>        | <b>473</b>   | 15    | 374               | 389   | +22%                  |
| <b>Scope 2 (location based)</b>                | tCO <sub>2</sub> e | <b>135</b>                                   | <b>1,495</b>      | <b>1,630</b> | 154   | 947               | 1,101 | +48%                  | <b>135</b>                                        | <b>1,491</b>      | <b>1,626</b> | 154   | 947               | 1,101 | +48%                  |
| <b>Scope 2 (market based)</b>                  | tCO <sub>2</sub> e | <b>1</b>                                     | <b>1,495</b>      | <b>1,496</b> | 70    | 726               | 796   | +88%                  | <b>1</b>                                          | <b>1,486</b>      | <b>1,487</b> | 70    | 726               | 796   | +87%                  |
| <b>Total Scope 1 and 2 (location based)</b>    | tCO <sub>2</sub> e | <b>245</b>                                   | <b>1,980</b>      | <b>2,225</b> | 264   | 1,340             | 1,604 | +39%                  | <b>245</b>                                        | <b>1,976</b>      | <b>2,221</b> | 264   | 1,340             | 1,604 | +38%                  |
| <b>Total Scope 1 and 2 (market based)</b>      | tCO <sub>2</sub> e | <b>111</b>                                   | <b>1,980</b>      | <b>2,091</b> | 180   | 1,119             | 1,299 | +61%                  | <b>111</b>                                        | <b>1,971</b>      | <b>2,082</b> | 180   | 1,119             | 1,299 | +60%                  |
| <b>Scope 3 total</b>                           | tCO <sub>2</sub> e | <b>785</b>                                   | <b>496</b>        | <b>1,281</b> | 1,051 | 869               | 1,920 | -33%                  | <b>785</b>                                        | <b>467</b>        | <b>1,252</b> | 1,051 | 869               | 1,920 | -35%                  |
| Business travel                                | tCO <sub>2</sub> e | <b>784</b>                                   | <b>494</b>        | <b>1,278</b> | 1,050 | 868               | 1,918 | -33%                  | <b>784</b>                                        | <b>465</b>        | <b>1,249</b> | 1,050 | 868               | 1,918 | -35%                  |
| Water supply and treatment                     | tCO <sub>2</sub> e | <b>1</b>                                     | <b>2</b>          | <b>3</b>     | 1     | 1                 | 2     | +50%                  | <b>1</b>                                          | <b>2</b>          | <b>3</b>     | 1     | 1                 | 2     | +50%                  |
| <b>Total Scope 1, 2 and 3 (location based)</b> | tCO <sub>2</sub> e | <b>1,030</b>                                 | <b>2,476</b>      | <b>3,506</b> | 1,315 | 2,209             | 3,524 | -1%                   | <b>1,030</b>                                      | <b>2,443</b>      | <b>3,473</b> | 1,315 | 2,209             | 3,524 | -1%                   |
| <b>Total Scope 1, 2 and 3 (market based)</b>   | tCO <sub>2</sub> e | <b>896</b>                                   | <b>2,476</b>      | <b>3,372</b> | 1,231 | 1,988             | 3,219 | +5%                   | <b>896</b>                                        | <b>2,438</b>      | <b>3,334</b> | 1,231 | 1,988             | 3,219 | +4%                   |

## Sustainability continued

## Environment continued

## Energy and greenhouse gas emissions for FY 2025 continued

## Emissions intensity

|                                                      | Units                             | Absolute emissions<br>(including Bolab Systems) |       |                             | Like-for-like emissions<br>(excluding Bolab Systems) |       |                             |
|------------------------------------------------------|-----------------------------------|-------------------------------------------------|-------|-----------------------------|------------------------------------------------------|-------|-----------------------------|
|                                                      |                                   | 2025                                            | 2024  | YoY %<br>change<br>in total | 2025                                                 | 2024  | YoY %<br>change<br>in total |
|                                                      |                                   | Group                                           | Group |                             | Group                                                | Group |                             |
| Revenue                                              | £m                                | 114.7                                           | 111.3 | +3%                         | 110.3                                                | 111.3 | -1%                         |
| Intensity by revenue (Scope 1 and 2 market based)    | tCO <sub>2</sub> e per £m revenue | 18.2                                            | 11.7  | +56%                        | 18.9                                                 | 11.7  | +61%                        |
| Intensity by revenue (Scope 1, 2 and 3 market based) | tCO <sub>2</sub> e per £m revenue | 29.4                                            | 28.9  | +2%                         | 30.2                                                 | 28.9  | +5%                         |

## Energy consumption by type

|                                       |     | 2025      |                      |           | 2024      |                      |           | YoY %<br>change<br>in total |
|---------------------------------------|-----|-----------|----------------------|-----------|-----------|----------------------|-----------|-----------------------------|
|                                       |     | UK        | Global<br>(excl. UK) | Group     | UK        | Global<br>(excl. UK) | Group     |                             |
| <b>Total electricity</b>              | kWh | 907,809   | 2,712,596            | 3,620,405 | 874,518   | 1,339,584            | 2,214,102 | +63%                        |
| Purchased electricity                 | kWh | 785,563   | 2,700,598            | 3,486,161 | 741,399   | 1,339,584            | 2,080,983 | +68%                        |
| On-site generated electricity (solar) | kWh | 122,246   | 11,998               | 134,244   | 133,119   | —                    | 133,119   | +1%                         |
| <b>Gas</b>                            | kWh | 525,917   | 144,171              | 670,088   | 519,867   | 102,386              | 622,253   | +8%                         |
| <b>Company owned vehicle use</b>      | kWh | 49,097    | 1,842,171            | 1,891,268 | 60,734    | 1,558,117            | 1,618,851 | +17%                        |
| <b>Personal vehicle Company use</b>   | kWh | 36,625    | 109,822              | 146,447   | 69,823    | 311,616              | 381,439   | -62%                        |
| <b>Total energy consumption</b>       | kWh | 1,519,448 | 4,808,760            | 6,328,208 | 1,524,942 | 3,311,703            | 4,836,645 | +31%                        |

## Notes:

Emissions for the Group are calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard. Source data (meter readings) has been used wherever possible; where this is not available, this has been supplemented by billed data and an amount of estimated data.

For FY 2025, the UK government's GHG Conversion Factors for Company Reporting 2025 (Department for Energy Security and Net Zero factors) were used for fuels and UK electricity. Emissions factors were also provided by Carbon Footprint Ltd, the Carbon Database Initiative and US EPA for operations in other locations globally.

Scope 1 vehicle emissions include Group owned vehicles and those that are controlled by the Group for testing purposes.

The Scope 2 emissions associated with the Greenhouse Gas Protocol 'market based' method have been calculated in line with the Greenhouse Gas Protocol guidance. This figure has been calculated using residual-mix emissions factors where available (Germany and UK). In our other operating regions where residual-mix emissions factors were unavailable, country-specific emissions factors have been used instead (as per the location based method) in line with the Greenhouse Gas Protocol guidance. Where sites consume grid electricity backed by REGOs, this has been taken into consideration within the calculations.

Business travel data is inclusive of private vehicles used for business purposes, train travel, air travel, car hire and hotel stays. Metering and monitoring improvements continue to be implemented to capture and improve the Company's data stream.

## Sustainability continued

### Environment continued

#### Water management

Water usage data across the Group continues to be collected this year so we are able to set a baseline and future targets to reduce water consumption can be identified and established across the business. The Group's usage of water is minimal and predominantly relates to cleaning, bathrooms and staff refreshments. Water is not widely used in the design, manufacturing or servicing of our products; however, we acknowledge that water is a scarce resource and careful management of water consumption is essential to minimise our impact on water availability and quality.

FY 2025 saw a slight decrease in water consumption across the Group. A number of our subsidiary sites continue to be based in shared or leased premises where water consumption is included in lease fees, therefore water consumption data for those businesses is not available.

#### Group water withdrawal

|                                                 | 2025  | 2024  |
|-------------------------------------------------|-------|-------|
| Freshwater withdrawal (m <sup>3</sup> )         | 6,982 | 7,176 |
| Intensity ratio (m <sup>3</sup> per £m revenue) | 60.9  | 64.5  |

#### Waste management

The Group remains committed to identifying and assessing environmental risks, such as packaging waste, arising from all operations. Waste management initiatives are encouraged and supported by the Group and materials are recycled where practicable. Local management teams are committed to good environmental management practices and are responsible for implementing the necessary initiatives to meet their local obligations. Each facility participates in recycling paper, plastic, cardboard and wood from pallets and continues to focus on reducing energy consumption through the efficient use of heating and lighting.

All Group waste (both hazardous and non-hazardous) is managed in a sustainable manner, complying with all relevant environmental legislation and regulations as they relate to each location and community we operate in. We follow a waste management hierarchy of Prevention, Reuse, Recycling, Energy Recovery and Disposal to ensure the reduction in waste sent to landfill and the associated reduction in GHG emissions support our net zero ambition. Our Environmental Management System contains procedures for waste management and frequent reminders are made to ensure waste is recycled wherever possible.

In FY 2025, 99% of all waste produced was non-hazardous with 15% being recycled and the remainder being treated, sent to landfill or used in waste-to-energy programmes.

Anthony Best Dynamics Limited and AB Dynamics Europe GmbH continue to meet their waste reduction targets and recycled over 40% of waste during 2025.

#### 2025 waste management

|                    | Unit                 | Non-hazardous waste | Hazardous waste | Total waste  |
|--------------------|----------------------|---------------------|-----------------|--------------|
| Tonnes to landfill | Metric tonnes        | 133.5               | —               | 133.5        |
| Tonnes recycled    | Metric tonnes        | 28.5                | —               | 28.5         |
| Tonnes incinerated | Metric tonnes        | 20.2                | —               | 20.2         |
| Tonnes treated     | Metric tonnes        | —                   | 1.7             | 1.7          |
| <b>Total</b>       | <b>Metric tonnes</b> | <b>182.2</b>        | <b>1.7</b>      | <b>183.9</b> |

#### Waste management intensity

|                 | Unit                  | Non-hazardous waste | Hazardous waste | Total waste |
|-----------------|-----------------------|---------------------|-----------------|-------------|
| Intensity ratio | Tonnes per £m revenue | 1.6                 | —               | 1.6         |

#### Waste by type

| Material type                                                                 | Unit                 | Hazardous waste | Non-hazardous waste | 2025 total waste | 2024 total waste |
|-------------------------------------------------------------------------------|----------------------|-----------------|---------------------|------------------|------------------|
| Gases (in containers), paints, adhesives, oils, batteries, accumulators, etc. | Metric tonnes        | 1.7             | —                   | 1.7              | 5.1              |
| Paper/cardboard                                                               | Metric tonnes        | —               | 14.9                | 14.9             | 33.9             |
| Mixed construction waste                                                      | Metric tonnes        | —               | 1.6                 | 1.6              | —                |
| Other mixed commercial waste                                                  | Metric tonnes        | —               | 152.2               | 152.2            | 138.0            |
| Plastic and plastic packaging                                                 | Metric tonnes        | —               | 4.5                 | 4.5              | 76.5             |
| Metal                                                                         | Metric tonnes        | —               | 3.1                 | 3.1              | 3.6              |
| Wood                                                                          | Metric tonnes        | —               | 4.5                 | 4.5              | 7.4              |
| Electrical/electronic                                                         | Metric tonnes        | —               | 1.4                 | 1.4              | 0.5              |
| <b>Total</b>                                                                  | <b>Metric tonnes</b> | <b>1.7</b>      | <b>182.2</b>        | <b>183.9</b>     | <b>265.0</b>     |