Sustainability Committee report

CAROLYN FLOWERS
Sustainability Committee Chair

Activity highlights

- Assessed the Group's performance against its sustainability strategy and targets and reviewed the plans for achieving its sustainability ambitions, which included a review of KPI dashboards and receiving updates on the Group's Places strategy
- Approved the Group's revised environmental targets following the sale of the North American School Bus business, the targets for which have been approved by SBTi, and reviewed the Group's performance against those revised targets
- Reviewed the Group's performance against its previous Global People strategy and approved the Group's new 'People and Culture' strategy that will be launched in 2026
- Educated on future sustainability reporting requirements, including the Corporate Sustainability Reporting Directive, UK Sustainability Reporting Standards and ISSB Sustainability Standards
- Reviewed and approved the Group's sustainability disclosures reported in this Annual Report

For information on the primary role and key responsibilities of the Sustainability Committee, please visit the Committees page of the Company's website: **www.mobicogroup.com/about-us/corporate-governance/committees/**

Membership, meetings and attendance

Committee member	Appointed	Meetings attended/held
Carolyn Flowers (Chair)[1]	11/05/2022	3/3
Jorge Cosmen	11/05/2022	3/3
Karen Geary[1, 2]	11/05/2022	2/3
Helen Weir[3]	31/01/2023	0/1
Nigel Pocklington[1]	01/08/2023	3/3

1 Independent Non-Executive Director
2 Karen Geary missed one Committee meeting due to exceptional circumstances
3 Helen Weir resigned from the Board on 1 May 2025. She was unable to attend one meeting of the Committee due to exceptional circumstances

Other attendees: Company Secretary, Executive Chair, Group CPO, Group Director of Organisational Effectiveness & Employee Experience, Group Finance Director, Head of Group Accounting and Reporting, and Group ESG Reporting Manager

Governance

The Executive Directors are the sponsors of the Group's sustainability ambitions and are responsible for the delivery of the Group's strategies relating to sustainability, supported by the Group CPO, divisional CEOs and divisional sustainability specialists.

The Committee's role is to review the appropriateness of the Group's sustainability ambitions and strategies in the context of its broader strategy, to monitor and report to the Board on the Group's progress in achieving those ambitions and delivering those strategies. It also plays a key role in overseeing the Group's sustainability reporting.

Reporting and communication

The Group's external report on climate-related risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) for the 15-month period ending 31 March 2026 is set out on pages 42 to 55. Its mandatory disclosures on energy consumption and carbon emissions, including under the Streamlined Energy and Carbon Reporting regulations (SECR), can be found on page 55. These disclosures have been reviewed and approved by the Committee.

The Committee also received updates during the 15-month period ending 31 March 2026 on the Corporate Sustainability Reporting Directive (CSRD), which the Group will need to comply with over the coming years, and the UK Sustainability Reporting Standards which are expected to be based on the already published ISSB Sustainability Standards and which the Group has partially adopted ahead of expected required compliance.

Progress on internal sustainability reporting has continued during the 15-month period ending 31 March 2026:

i. The Committee continued to review environment and people KPIs, which track key environment and people metrics, enabling the Committee to monitor progress;
ii. The Committee endorsed management's proposal to continue having the Group's Scope 1 and 2 carbon emissions externally assured by Carbon Responsible Limited;
iii. The Committee was pleased to hear of the efforts being made to improve the quality and quantity of disclosure to external ESG rating agencies, including the Group receiving an A score from the Carbon Disclosure Project in January 2026 and the Group being re-confirmed as an AA rating with MSCI in February 2026; and
iv. The Group has partnered with both pollution and biodiversity sponsors.

Last year, the Committee reviewed and approved the Group's Sustainability Report for 2023/24 as part of its role in overseeing how the Group communicates and reports sustainability matters to its stakeholders. The report sets out progress made by the Group against the overarching sustainability strategy, and it is available on the Company's website at: **www.mobicogroup.com/media/whmhnjcf/mobico-sustainability-report-2023-24.pdf**. The Group also has an overarching Environmental Policy, which was approved by the Committee during 2024 and an Emissions Recalculation Policy, both of which can be found at **www.mobicogroup.com/about-us/our-policies/**.

Sustainability overview

The Committee has continued to monitor progress against the Group's overarching sustainability strategy during the 15-month period ending 31 March 2026, which it endorsed during 2023. The strategy is based on three pillars: Planet, People and Places, which are linked to our Purpose, to drive modal shift. Please see pages 35 to 41 for more information.

The Committee monitored progress of each pillar of the overarching sustainability strategy as set out below.

Environment – Planet

Environment ambitions

The Group's environment strategy is centred around transitioning its fleet of vehicles across its operating subsidiaries to Zero Emission Vehicles (ZEVs). Over 90% of the Group's Scope 1 and 2 carbon emissions originate from fuelling its fleet, so the transition to ZEVs will have the greatest effect in reducing the Group's impact on the environment and improving air quality in the communities it serves.

During the period, and following the disposal of the North America School Bus (NASB) business, the Committee agreed to revise its previously stated divisional targets to one Group target: that, by 2040, 100% of the Group's vehicle fleet will be ZEVs. The new Group-wide target reflects developments in the business including the shift to franchising in UK Bus and the Group's continuing need to keep capital expenditure under close control, while remaining fully aligned to the Group's net-zero ambitions.

In accordance with the Group's Emissions Recalculation Policy, the Committee reviewed the Group's previously validated carbon reduction targets following the sale of the NASB business in 2025. As a result, the Group submitted revised near-term carbon reduction targets covering Scope 1, 2 and 3 emissions to the SBTi in order to both obtain external validation of these targets and to ensure continued alignment with the Paris Agreement, with these targets having been reviewed and approved by the Committee prior to submission to SBTi. SBTi completed their validation process in April 2026 and the approved targets are set out on page 54.

Environment performance

The Committee monitored progress against the Group's ZEV transition plan during the period, which included an update on progress against the fleet ambitions and the projected impact on our emissions. As at 31 March 2026, the Group had 1,329 ZEVs in service or on order, compared to 1,100 vehicles in service or on order as at 31 December 2024, which included 64 NASB vehicles. The Committee was pleased to observe that our ZEV portfolio continued to grow during the 15-month period ending 31 March 2026 despite both the sale of the NASB business and our unrelenting focus on cash generation and deleveraging.

The Committee reviewed progress against its SBTi-approved targets during the year, and the results are set out in the table on pages 54. Scope 1 and 2 absolute emissions (under the market-based methodology aligned to our SBTi targets) are down 5.2% in 2025 from 2024 on a calendar year basis. Scope 3 absolute emissions have decreased by 13.8% compared to 2024 on the same basis. See page 54 for further commentary.

As also explained in previous Annual Reports, the Remuneration Committee sets environmental performance metrics in the annual long-term incentive plan (LTIP) awards granted to the former Executive Director(s) in 2023 and 2024. The vesting level of the 2023 LTIP is set out in the Directors' Remuneration Report: see page 103 for further detail.

Social – People and Places

Social ambitions

The Group's people are a critical component of our successful delivery of our goals – including safe and reliable services. The welfare of our employees is a key driver of our target to be the employer of choice. Our focus is to engage with our employees to ensure their physical and mental safety. Our people strategy for the period in question, which was launched in 2022, had three pillars: Embrace, Energise and Elevate, which were underpinned by our Essentials. The Committee was pleased to note progress against all four 'E's during the 15-month period ending 31 March 2026, including the new driver recruitment and retention initiatives, which includes Sumando Conductores (Adding Drivers) in Alsa which aims to bring professionals from other countries or sectors into the driving profession. The overall total driver headcount for the Group has increased by over 200 drivers in 2025 compared to 2024. Driver recruitment and retention continues to be a focus for the divisions.

A new Group 'People and Culture' strategy was endorsed by the Committee in March 2026 under the banner of 'Going further, Being close'. This is closely aligned with the Company's core Values: Excellence, Safety, People, Community & Environment and Customers. These Values are reinforced by our guiding behaviours: the four 'H's – Humility, Honesty, Humanity and Humour. The strategy is structured around four key priorities: (i) powered by talent, (ii) connection makes us stronger, (iii) culture shapes who we are and (iv) driven by diversity, each of which are supported by targeted initiatives linked to the Group's priorities. The new 'People and Culture' strategy reinforces the Group's commitment to being an employer of choice, attracting and developing top talent, and recognising that our people are the drivers of our success. Please see pages 07 and 38 for more information. The Committee will review progress against this new 'People and Culture' strategy going forwards.

The Committee monitored implementation of the Group's overarching wellbeing strategy, 'Be Well', which was launched in 2024 to build on the framework in place within the divisions, and remains part of the new 'People and Culture' strategy. The Group has partnered with Mental Health UK and is focused on actively promoting activities and campaigns that encourage open conversations, reduce stigma and empower colleagues to seek help when needed.

The Committee also received an update on the Places pillar, which is the Group's commitment to serving its communities. Our support for our communities has always been at a divisional level, reflecting the desire to partner with communities and charities that mean the most to our diverse local businesses, with initiatives and best practice being shared amongst the divisions at the meetings of the Global Sustainability Steering Group. During the period, the Committee endorsed continuing with that approach rather than switching to a Group-led approach and was pleased to learn of some of the activities undertaken by the divisions in the communities they serve, including:

i. Local partnerships with 'Stuff the Bus' in WeDriveU and GreenTheUK in Group; and
ii. Electrifying the Glastonbury festival shuttles.

Social performance

The Group has previously tracked its social performance for People through the results of the 'Your Voice Matters' all-employee survey, through improvements to global engagement and eNPS scores. As reported in last year's Committee report, the difficult decision was made to postpone the 2024 'Your Voice Matters' survey with the Group leveraging other methods to measure the Group's culture, engagement and sentiment. Due to the volume of change underway across some of the divisions, it was felt that timing was not practical to run the survey in every part of the business during 2025. In late 2025, the survey was run in Bahrain and Alsa only, and achieved response rates of 93% and 65%, respectively. The Bahrain engagement survey shows strong employee engagement, with high participation and positive sentiment across most experience areas and with results well above benchmark. While many areas improved since 2023, recognition, management communication and collaboration show slight declines, highlighting opportunities to enhance leadership visibility, feedback and cross-team connections. Headline results in Alsa show a slight decline in response rate amongst operational staff following the move away from paper surveys. Engagement also reduced most with operational staff in Spain and Morocco, the largest workforce segment, which drove an overall decline. However, wellbeing scores were high across all regions. Action plans are being devised to target key areas.

The Committee also recognises that it is vital to measure the Group's culture, engagement and sentiment in divisions that did not undertake the formal survey. The Committee was pleased to hear about, and endorsed, alternative methods adopted to ensure that employee engagement was well-monitored during 2025. These included the continued use of pulse surveys (comprising a shorter set of questions issued to specific segments of the workforce as well as a general cross-section). The Group Executive continued to monitor engagement via its 'mood board' which uses information gathered from 'mood checkers' on the Group's intranet, internal and external social and work channels, as well as information from divisional HR directors, with key findings presented to the Committee at each meeting.

These methods provide actionable feedback. The Committee noted that some key themes arising are:

i. The Group's new wellbeing strategy has been well-received by employees, as demonstrated by improved wellbeing responses to pulse surveys and a 28% increase in our external benchmark score; and
ii. The Global Finance team reported more positive responses on work-life balance (which was up 3%) and workload management (which was up 13%).

These were target areas for 2025 and therefore the Committee was pleased to hear of these improvements.

Progress for the Places pillar is monitored though the following KPIs:

i. Passenger journeys;
ii. Cities operated in; and
iii. Public transport contracts won.

Although we disposed of our North America School Bus business in the year, we continue to show strong progress against our Places KPIs, including 29 new public transport contracts won in the period. We remain focused on serving our local communities and we now operate in 50 cities and have carried our passengers over 26 billion passenger miles.

Carolyn Flowers
Sustainability Committee Chair

28 July 2026