

Working responsibly continued

CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group has prepared the following disclosures in line with the 2021 updates to the TCFD Final Report and Annex, including supplementary guidance for all sectors. At the time of publication, and in accordance with the FCA's Listing Rule 9.8.6R(8), the Group has made climate-related financial disclosures consistent with the TCFD recommendations. We continue to develop our net zero strategy and to assess climate-related risks and opportunities and their potential financial impact.

Our climate-related financial disclosures also comply with the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. We are at the very early stages of considering nature-related risks and a nature-positive strategy, with a view to reporting on these in the future in line with the recommendations from the TNFD.

TCFD recommended disclosure	Group progress
Governance 1. Describe the Board's oversight of climate-related risks and opportunities. 2. Describe management's role in assessing and managing climate-related risks and opportunities.	<p>Climate governance is integrated into our existing processes, with accountability embedded across the business. The Corporate Responsibility Committee holds the Executive Directors to account for climate-related risks and opportunities and their impacts on the business and the wider environment. The Responsible Change Forum meets quarterly to manage these day to day and track progress against climate goals and targets.</p>
Risk management 3. Describe the organisation's processes for identifying and assessing climate-related risks. 4. Describe the organisation's processes for managing climate-related risks. 5. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	<p>The Board is collectively responsible for determining the nature and extent of the principal risks that may impact the business. We have a well-established risk management framework with three lines of defence: our ALT and oversight functions, our Committees and our independent assurance. Our risk management framework, including our processes for identifying, assessing and managing risk, is described on pages 43 to 44, and the Group risk register includes climate change as a principal risk. Climate-related risks are reviewed at least twice a year through our overall risk review process, overseen by the Risk Forum. We consider a range of risks and opportunities, including physical and transition factors, and aim to capture opportunities from the shift to electric vehicles while mitigating risks.</p> <p>Our risk management approach supports ongoing identification and assessment of climate-related risks. We maintain an environment/climate risk register, reviewed regularly by the risk owner, their delegates and our risk management team. Each climate-related risk has an owner, with controls and mitigating actions recorded.</p> <p>Autotrader plays an important role in the UK automotive ecosystem, and climate change is driving unprecedented industry change. This is largely driven by the transition from internal combustion engine ('ICE') vehicles to Zero Emission Vehicles ('ZEVs'), which could significantly reshape automotive retail. We support this transition by providing content to help consumers 'demystify' EVs, lobbying Government to incentivise uptake and sharing our data and insights to inform EV policy.</p> <p>Climate change also presents risks to our business and supply chain, including through regulatory change. It is therefore essential that our risk management process considers climate change so we can understand its impacts on our business and the automotive industry.</p>
Strategy 6. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. 7. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. 8. Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.	<p>Our environmental strategy focuses on the following areas: (i) Autotrader's net zero commitments; (ii) supporting the automotive industry and informing public policy and regulation; and (iii) supporting our consumers. We have undertaken climate scenario analysis and refined our assessment of the risks and opportunities posed by climate change and how they might impact our business, including consideration of the resilience of our business strategy. See pages 31 to 32 for more information.</p> <p>We have identified key climate-related risks and opportunities that could significantly impact our operations and strategy over the short (1-5 years), medium (5-10 years), and long term (10+ years). A summary of these risks is provided in the table on page 32.</p>
Metrics and targets 9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. 10. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks. 11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>The most relevant metrics, on which we report annually, are our GHG emissions and carbon intensity ratios, which provide a clear view of the Group's footprint. See page 33 for our 2026 footprint. We submitted our annual CDP questionnaire and received a B rating for the 2025 reporting cycle. Scores range from A (best) to D-. Our current score indicates we understand climate impacts and are taking coordinated action.</p> <p>To help us accurately assess and develop strategies to reach our net zero target, the reporting of our GHG emissions includes a full inventory of Scope 3. We are committed to the Science Based Targets initiative and our near-term (2030) and long-term (2040) targets have both been validated by the SBTi. We are committed to:</p> <ul style="list-style-type: none"> (i) Reduce absolute Scope 1 and 2 GHG emissions 50% by FY2030/31 from a FY2022/23 base year; (ii) Reduce absolute Scope 3 GHG emissions 46.2% over the same timeframe; and (iii) Reduce absolute Scope 1, 2 and 3 GHG emissions 90% by FY2040/41 from a FY2022/23 base year. <p>Our GHG emissions have been audited by a third party, SE Advisory Services, providing assurance over our emissions reporting.</p> <p>We also monitor other metrics to assess our progress against our environmental priorities. These are set out on page 34.</p>