

GHG Emissions

Basis of Reporting and Methodology FY26

May 2026

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GHG Emissions

Basis of Reporting and Methodology FY26

Background

The AA Limited (The AA) is the UK's leading provider of roadside assistance serving 14.5 million roadside members with over 2,700 patrols attending 3.5 million breakdowns last year. Our services extend to offering motor and home insurance policies, The AA Driving School and BSM, AA certified garages and Accident Assist amongst others. The AA's mission is to create confidence for drivers now and for the future – anticipating drivers' needs since 1905 and striving to be always ahead.

Operational Net Zero target

The AA is committed to supporting the transition to a low-carbon economy. We have set ourselves an ambitious target of being net zero for our operational emissions by 2035. This target covers our Scope 1 and 2 emissions and means reducing these emissions by at least 90% in absolute terms by 2035. Our ESG Report is available on The AA Corporate website with more information on our net zero transition plan and progress against this: www.theaacorporate.com

The AA has reported on all emissions sources outlined in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and our greenhouse gas emissions inventory covers all entities/assets where we have operational control. The period covered is 1 February 2025 to 31 January 2026 and will be referred to as FY26 from here onwards.

Our emissions have been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard. We calculate our Scope 2 emissions using a dual reporting approach, publishing both a location-based footprint and a market-based footprint.

We calculate emissions from input data using emission conversion factors from varied sources including the UK's Department for Energy Security and Net Zero (DESNZ), the International Energy Agency (IEA) and contract specific factors for market-based Scope 2 emissions calculations.

Introduction

The purpose of this document is to summarise how The AA prepares its reporting for Scope 1, Scope 2 (location-based), Scope 2 (market-based) and limited Scope 3 GHG emissions. This document is supported by the GHG Inventory Management Plan (IMP) which describes the AA's processes and methodology for completing an annual GHG inventory. The IMP is available upon request via email: environmentteam@theaa.com

It is the responsibility of The AA management to ensure that appropriate internal procedures are in place to report GHG emissions performance data, in all material respects, as set out in this document.

These procedures ensure that:

- Reported information is complete and accurately reflects The AA's performance for the reporting period.
- Data is prepared in accordance with defined organisational and operational boundaries, and consistent application of methodologies. Any exclusions are transparently disclosed and justified.
- Key assumptions, emission factors and calculation methodologies are documented, applied consistently, and aligned to recognised standards; and
- Disclosures are presented with sufficient transparency to enable users to assess their reliability, comparability and integrity.

Scope

The reporting inventory is reviewed on an annual basis and in the event of any significant change to company structure, operations or data management processes to ensure that it is accurate and representative of the AA's business activities.

Baseline Year

The baseline year was reviewed in FY21 for the GHG inventory and reset as 2019/20 (FY20). The baseline has been recalculated due to the new ownership that has taken place moving from The AA Plc to The AA Limited. 2019/20 was used due to the impact of Covid-19 on the 2020/21 dataset. The GHG dataset has been collated to meet the requirements of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

The FY20 baseline has been retained as major GHG sources such as fuel from operational fleet (circa 95% of GHG emissions), workforce and the key buildings of Basingstoke, Oldbury, Newcastle and Cheadle (up to 31st December 2025) remain.

Baseline Recalculation and Restatement Policy

We recalculate our base-year greenhouse gas (GHG) emissions where this is required to maintain an accurate, consistent and comparable emissions inventory over time.

Recalculations are made where there are material changes to the business, including acquisitions, disposals or other changes to organisational boundaries, updates to calculation methodologies or emission factors, or where material errors are identified. We do not recalculate the base year for normal business changes, such as fluctuations in activity levels or the opening and closure of sites, unless these relate to a structural change.

All base-year recalculations are clearly disclosed in subsequent reporting.

Any base-year recalculations are transparently disclosed and documented in subsequent GHG inventories.

In accordance with the GHG Protocol, The AA applies a $\pm 5\%$ significance threshold to determine when recalculation of base year emissions is required. This threshold is evaluated against total gross emissions (Scope 1, 2 and 3) and aligns with common industry practice.

Reporting Methodology

The Environmental Reporting Guidelines (including SECR – streamlined energy and carbon reporting guidance) recommend that quoted companies report on emissions for the period corresponding to their financial year.

The AA has therefore aligned with its annual financial report and is reporting GHG emissions for the period 1 February – 31 January.

In line with the GHG Protocol, the AA's GHG emissions sources are reported as Scope 1 (direct emissions, for example from gas boilers), Scope 2 (indirect energy consumption, such as from electricity use) and Scope 3 (other indirect emissions, for example hire cars and grey fleet). This is in line with SECR reporting.

Emissions are generated across the AA's operations, including at sites, by vehicles and through employee business travel using company cars, grey fleet and hire cars.

Under the UK Government's Streamlined Energy and Carbon Reporting (SECR) regulations, large private entities like The AA are required to report on their GHG emissions from activities for which they are responsible and are separated into certain Scopes of emissions.

Scope 1, 2 and 3 emissions listed below are mandatory:

- Scope 1 emissions (natural gas, diesel/petrol, gas oil, refrigerants)
- Scope 2 emissions (purchased electricity, heat, steam)
- Scope 3 emissions (hire cars and grey fleet)

The AA applies the operational control consolidation approach. Emissions are included where the AA has authority to implement operating policies. This includes roadside assistance operations, corporate offices, operational facilities and vehicles operated by AA employees.

Exclusions

Entities Considered Out of Reporting Scope:

- AA Law Limited
- ARC Europe SA (Belgium)

The following areas of the business have been deemed out of Scope in terms of whether The AA Limited has operational responsibility for:

- The AA Driving School Agency Limited
- Home-based Teleworkers
- Leased buildings where The AA has no control or influence on energy procurement.
- Entities without physical assets

Data Collection

Data was collected from those operations and activities deemed within The AA's reporting Scope as outlined above.

A list of all contacts for each activity/operation can be found in the Inventory Management Plan (IMP) Report. Where required, all estimation calculations follow the principles of the GHG Protocol which requires transparency. All methodologies are outlined in the IMP Report.

A number of personnel, processes and systems are involved in providing the data needed to compile The AA's GHG inventory. The roles and responsibilities of all personnel involved in managing data relating to the GHG inventory are outlined in the IMP Report.

Data and records are managed and retained in accordance with the AA Records Management Policy.

Data is collected across the business and aggregated to provide a group-wide carbon footprint. All underlying data is collated by each business

using consistent methods of collection, e.g. half-hourly meter readings, utility bills and physical meter readings.

The data is subject to review and approval by each business area before being submitted for aggregation at the AA group level. Following submission, it is further reviewed by the group sustainability environment team to confirm the accuracy and reliability of the data submitted for inclusion into the GHG inventory. Queries are raised with data owners to address anomalies.

Auditing and Verification

CBRE has been engaged to assist in the collation of an accurate and transparent GHG inventory. As part of the GHG reporting process, CBRE executes an internal quality assurance process by a member of the Sustainability team not directly involved in the reporting.

As part of the GHG reporting process, The AA conducts internal quality assurance processes by a member of the Sustainability team not directly involved in the reporting.

For the FY26 reporting year, The AA instructed DNV to independently verify the accuracy, completeness and consistency of GHG emissions data against ISO 14064-1 and ISO 14064-3, to a limited level of assurance.

The FY26 verification assurance statement can be found on pages 11 to 14 of this document.

GHG Emissions Conversion Factors

2025 DEFRA conversion factors were used for our FY26 emissions reporting. The Global Warming Potentials (GWPs) used in the calculation of CO₂e in the DEFRA conversion factors used are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

Gibraltar, a site which has not been in the reporting Scope prior to FY23, is a British Overseas Territory. Since 2015, the GHG Conversion Factor Repository launched by DEFRA has stopped providing a 'Rest of the World' electricity emission factor. In the absence of this, the IEA emission factor for Gibraltar of 0.5088 kgCO₂e/kWh was used (2025).

Market-based Scope 2 Emission Factors

As per the guidance set out by the GHG Protocol, The AA calculates Scope 2 emissions using a dual reporting approach, publishing both a location-based footprint (using regional average grid-mix), and a market-based footprint (determined from suppliers' standard fuel mix).

Instead of taking emission factors based on the country of residence, the guidelines require the use of emission factors supplied by the relevant energy suppliers.

Emission factors are provided by suppliers when it is feasible to cover REGO or conventional supplies. Where this is not available, UK Residual Mix by the Association of Issuing Bodies (AIB, latest version 2023) factors are used.

Where REGOs are in place, as is the case across the UK portfolio, the market-based emission factor is zero.

There is no supplier-specific emissions factor for Gibraltar, and there is no European residual mix / RE-DISS-style factor available for Gibraltar. Spain and Great Britain do have residual mix factors, but those are lower than the IEA country grid factor. To avoid understating emissions, the IEA factor has been selected as the more conservative option.

Intensity Ratios

Intensity ratios compare emissions data with an appropriate business metric which allows for comparison of performance over time and with similar types of organisations.

The AA discloses its emissions to reflect the share of environmental impact across the business, in particular with regard to emissions from property, and emissions from the operational fleet.

Emissions are considered with regard to:

- Occupied Floor Area – The AA Corporation Limited sites
- Number of operational job tasks



VERIFICATION OPINION

Introduction

DNV Business Assurance USA, Inc. (DNV) has been commissioned by the management of the AA Limited (Jacky So, Plant, Basing View, Basingstoke, Hampshire, RG21 4HG) to carry out an independent verification of its GHG Emissions Inventory (Scope 1, Scope 2 and limited Scope 3 emissions). These statements are relevant to the Reporting Period 1 February 2025 to 31 January 2026.

The AA Limited has sole responsibility for preparation of the data and external report. DNV, in performing assurance work, is responsible to the management of the AA Limited. The assurance statement, however, represents DNV's independent opinion and is intended to inform all stakeholders.

Objective

The objective of this verification is to verify:

- Conformance with applicable verification criteria, including the principles and requirements of relevant standards or GHG programmes, within the scope of the verification;
- The organisation's GHG inventory of GHG emissions;
- any significant changes in the organisation's GHG inventory since the last reporting period;
- the organisation's GHG-related controls.

Scope of Assurance

Reporting Period is 1 February 2025 to 31 January 2026 Greenhouse Gas (GHG) emissions inventory Scope 1, Scope 2 and limited Scope 3 emissions.

Organisational Boundary for Reporting Energy Use and GHG emission

Operational Control is used as the reporting principle and the scope includes the sites and operations. The scope of the verification is defined by:

- The AA Limited's head office at Plant, Basing View, Basingstoke, Hampshire, RG21 4HG and 13 installations where the AA Limited has operational control, located in the United Kingdom & Gibraltar. The site's addresses/locations are:
 1. Fanum House - Basing View, Basingstoke, Hampshire, RG21 4EA.
 2. Bedford – Unit 3 Singer Way, Woburn Road, Industrial Estate, Kempston, Bedford, MK42 7AW.
 3. Belfast - Unit 4 West Bank Drive, 5 West Bank Drive, Belfast, BT3 9JL.
 4. Cheadle Park Square - Part of 2nd Floor, Cheadle, Stockport, SK3 0XN.
 5. Clevedon - Unit 8, Carey Industrial Estate, Clevedon, BS21 6RR.
 6. Dartford Autocentre - Unit 23, Quadrant Court, Crossways Business Park, Dartford, Kent, DA2 9AY.
 7. Gibraltar – Unit 2/1 Waterport Place, Waterport Road, , Gibraltar, GX11 1AA.
 8. London Blue Fin, 10th Floor, 110 Southwark Street, London, SE1 0SU.
 9. Newcastle - Q3, Quorum Business Park, Benton Lane, Newcastle, NE12 8EX.
 10. Oldbury - Swallowfield One, Wolverhampton Road, Oldbury B69 1AB.

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11. Redditch - Unit 10 IO Centre, Nash Road, Old Forge Drive, Redditch, Worcestershire, B98 7AS.
12. Tunbridge Wells, Unit 2, Century Place, 1 Lamberts Road, Tunbridge Wells, TN2 3EH - No AA ownership of the energy procurement or management of the supply contract. F-gas is in scope under AA control.
13. Cardiff, 16-17 Floors, Capital Tower, Greyfriars Road, Cardiff, CF10 3AZ - No AA ownership of the energy procurement or management of the supply contract. F-gas is in scope under AA control.

Reporting Period

1 February 2025 to 31 January 2026.

Verification Criteria:

World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol and Corporate Accounting and Reporting Standard.
ISO 14064-1:2018 : Greenhouse gases -- Part 1: Specification with guidance at the organisation level for the quantification and reporting of greenhouse gas emissions and removals.

Verification Protocol:

ISO 14064-3:2019 : Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

Level of Assurance

Limited Level of Assurance.

Materiality Level

Errors / omissions which represent 5% of total emissions, single or aggregated, are considered material.

Verification Methodology

DNV used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both the AA Limited and its stakeholders.

The following methods were applied during the verification of the AA Limited's GHG data and management processes, the data that supports the company's GHG data, and the GHG statements presented by the company:

- Review of documentation, data records and sources relating to the corporate GHG data and emission statements including a site visit to Oldbury;
- Review of the processes and tools used to collect, aggregate and report on GHG emissions;
- Assessment of GHG information systems and controls, including:
 - Selection and management of all relevant GHG data and information;
 - Processes for collecting, processing, consolidating, and reporting GHG data and information;
 - Systems and processes that ensure the accuracy of the GHG data and information;
 - Design and maintenance of the GHG information system;
 - Systems and processes that support the GHG information system.

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- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative data included in the GHG Report;
- Examination of the GHG data and information to develop evidence for the assessment of the GHG statements;
- Confirmation of whether the organisation conforms to verification criteria; and
- Evaluation of whether the evidence and data are sufficient and support the AA Limited's GHG Statement.

Data Verified

Greenhouse Gas Emissions

Scope 1 Emissions

Fuel: Combustion of Fuel From the Operational Fleet: 35,786 TCO₂e (35,316 TCO₂, 5.77 TCH₄, 453 TN₂O. Note HVO fuel is TCH₄ and TN₂O only but these proportions cannot be individually identified).

Fuel: Combustion of Fuel From Company Cars (Fuel Card): 1,159 TCO₂e (1,145 TCO₂, 0.61 TCH₄, 13.58 TN₂O).

Fuel: Combustion of Fuel From Company Cars (Mileage): 126 TCO₂ only.

Fuel: Combustion of Fuels From Stationary Assets (e.g. generators): 0.5 TCO₂e (0.5 TCO₂, 0 TCH₄, 0.01 TN₂O).

Fuel: Natural Gas: 361 TCO₂e (360 TCO₂, 0.55 TCH₄, 0.18 TN₂O).

Fugitive Emissions: Refrigerant Losses: 208 TCO₂e (breakdown not possible, note this excludes one loss of R22 equaling 1.76 TCO₂e).

Total Scope 1 Emissions: 37,640 TCO₂e (based on the above being rounded to the nearest tonne of CO₂e).

Scope 2 Emissions

Electricity: Scope 2 Location Based from Property: 519 TCO₂e (512 TCO₂, 2.62 CH₄, 3.55 TN₂O).

Electricity: Scope 2 Location Based from EV charging: 114 TCO₂e.

Total Scope 2 Location Based Emissions: 633 TCO₂e (based on the above being rounded to the nearest tonne of CO₂e).

Electricity: Scope 2 Market Based from Property (CO₂ only): 105 TCO₂.

Electricity: Scope 2 Market Based from EV charging (CO₂ only): 266 TCO₂.

Total Scope 2 Market Based Emissions: 371 TCO₂ (based on the above being rounded to the nearest tonne of CO₂e).

Scope 2 Location Based and Market Based Factors are reported on the basis of the following electricity consumption: Property: 2,916,953 kWh and EV Charging 632,733 kWh (Total 3,549,686 kWh).

Market Based Emissions Factors are based on the following: Total Energies through the Inspired Energy Contract REGO for the AA Limited (October 2024 to September 2026 for Clevedon, Dartford, Newcastle, Oldbury and Redditch,), SmartestEnergy Renewable Electricity Commitment Certificate for London Blue Fin (April 2024 to March 2027), SmartestEnergy Renewable Electricity Commitment Certificate for Cheadle (March 2025), the latest supplier fuel mixes and the latest available European Residual Mixes

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(2024). Note that this data is CO₂ and not CO₂e. For Gibraltar the IEA Emissions Factor 2025 was used for the location based and market based emissions reporting and this is CO₂e. For all other Emissions Factors, the latest UK Government GHG Conversion Factors for Company Reporting were used (based on the IPCC Fifth Assessment Report AR5).

Scope 3 Emissions

Scope 3 (Category 6 Emissions From Business Travel) – Grey Fleet & Hire Cars Only: 281 TCO₂e.

Assurance Opinion

Based on the verification process conducted by DNV, we provide a Limited Assurance of the GHG Statement for the AA Limited. DNV found no evidence that the statement:

- is not materially correct;
- is not a fair representation of the GHG emissions information; and
- is not prepared in accordance with the Reporting Criteria.

Independence

DNV was not involved in the preparation of any part of the AA Limited’s data or report. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV Business Assurance USA, Inc.

Date 7 April 2026

Lead Verifier
Graham Wood

Technical Reviewer
Chandran Ilango

Digitally signed by Bachamanda, Shruthi Poonacha
Date: 2026.04.07 11:59:40 -0400

Approver
Shruthi Bachamanda

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