

Impact Report 2025

Motability
Operations



Certified

Corporation

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To dig into the data behind our Impact Report, see our ESG Data Book.



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Thoughts from our Chief Finance Officer

I’m pleased to introduce this year’s Impact Report. In a period of significant change across the mobility sector, our focus remains firmly on supporting the 890,000 disabled people who rely on the Motability Scheme for their independence. This year, we refreshed our Impact and Sustainability (I&S) strategy to embed greater resilience and ensure we continue delivering the Scheme responsibly and for the long term.

A key milestone has been achieving B Corp Certification and joining a global community of businesses committed to being a force for good. This reflects the strong foundations we have built as a purpose-driven organisation and recognises how we support disabled people with access to independence and freedom. The certification also underpins responsible business principles which support our people, communities and the planet.

Delivering against our I&S strategy continues to make a meaningful difference for customers. There are now over 105,000 electric vehicles on the Scheme, and we have worked closely with customers to understand their needs and develop solutions that will support a fair and inclusive transition to electric mobility when they are ready.

At the same time, our customer base continues to grow, and wider market pressures, including insurance inflation, supply chain disruption and the Government’s recent changes to the Scheme’s tax treatment, are adding further pressure to our operating model. These changes, which introduce VAT on Advance Payments and remove the exemption from Insurance Premium Tax, will increase our cost base and require careful adjustment to protect affordability for customers.

Our Social Bond programme and prudent financial planning continue to safeguard affordability, while our SBTi-approved targets and Climate Transition Plan provide a clear framework for navigating the shift to a lower-carbon future. Our carbon footprint has decreased year on year, and we remain committed to our ambition to reach net zero by 2050 at the latest.

None of this happens in isolation. By working closely with industry partners and policymakers, and through the commitment of our people, we are driving better outcomes for customers today and helping to build a more inclusive transport system for tomorrow.

Read on to see how we are sustaining our purpose through Impact and Sustainability.



Matthew Hamilton-James
Chief Finance Officer



2025 at a glance

Our net zero science-based targets were approved by the SBTi



88%
employee engagement score



MSCI
ESG RATINGS **A**



919hrs
volunteered by our employees

9.4 / 10

customer satisfaction rate, with 890,000+ customers across the UK

Certified as a B Corp, scoring

100.4

in the B Corp assessment



7,234hrs

of training delivered to employees through...

3,766
courses

Over

105,000

customers supported in the transition to EV

First Climate Transition Plan published →

12,000

customer service and dealer specialists received EV training

10%

reduction in total Scope 1, 2 & 3 emissions (location-based)

+14hrs

Scheme customers able to work as a result of their Scheme vehicle

Our purpose

We exist to deliver smart, sustainable solutions that improve our customers' mobility in a fast-changing world





Who we are

We are Motability Operations, the purpose-led business delivering the Motability Scheme, overseen by the Motability Foundation. Together, we help disabled people across the UK to stay mobile.

The Scheme’s approach is simple and convenient. Customers can choose to exchange their qualifying disability allowance for a vehicle lease, giving them access to good value, reliable transport.

But behind every lease is something bigger. The life-changing freedom and independence that mobility makes possible. It means our customers can access work, healthcare, education and training, stay connected with friends and family, and seize everyday opportunities.

For almost 50 years, we have helped our customers to live on their own terms. This has a positive ripple effect on the UK economy, including supporting 34,000 jobs across the country. To ensure we continue providing for them for the long term, we have placed Impact and Sustainability (I&S) at the heart of our approach.

Our I&S Strategy enables us to deliver practical, inclusive solutions, support the transition to electric vehicles and shape a future that moves everyone forward, ensuring no one is left behind.

Explore our full business model in our Annual Report



Our strategy

This year, we refined our approach to Impact & Sustainability (I&S). Our updated strategy guides how we operate, strengthening our resilience and inspiring new ways to support our customers. By embedding I&S across our business, we protect the Motability Scheme for the long term, ensuring disabled people stay mobile, creating greater social and economic value, and addressing our impact on the planet.



Delivering for our customers is at the centre of our strategy, supported by our three pillars and the [UN Sustainable Development Goals \(SDGs\)](#).



A strong Motability Scheme

Sustaining the Motability Scheme for our customers for the long term

- Supporting our customers →
- Leading with integrity →
- Driving economic activity →
- Engaging ESG investors →

- Linked UN SDGs
- 8 DECENT WORK AND ECONOMIC GROWTH
 - 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 - 10 REDUCED INEQUALITIES
 - 13 CLIMATE ACTION



A greener tomorrow

Protecting our planet by decarbonising our operations, fleet and supply chain

- Decarbonising our operations →
- Decarbonising the Scheme →
- Engaging our supply chain →
- Protecting the environment →

- Linked UN SDGs
- 7 AFFORDABLE AND CLEAN ENERGY
 - 11 SUSTAINABLE CITIES AND COMMUNITIES
 - 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 - 13 CLIMATE ACTION



A thriving society

Fostering equity for our customers, employees, communities and society

- Championing our customers →
- Partnering for greater impact →
- Giving back to communities →
- Developing our inclusive workforce →

- Linked UN SDGs
- 3 GOOD HEALTH AND WELL-BEING
 - 4 QUALITY EDUCATION
 - 5 GENDER EQUALITY
 - 8 DECENT WORK AND ECONOMIC GROWTH

We're a B Corp

In 2025, we certified as a B Corp, joining a global community of businesses committed to being a force for good.

B Corp businesses meet high standards of social and environmental performance, accountability and transparency. We achieved certification because of our commitment to keep disabled customers moving, underpinned by responsible business practices.

Becoming certified supports the values we've held since we were first established. It recognises the way we support our customers, employees and communities, showing that we are led by our purpose and always make decisions with them in mind.

Certification also holds us to account. Every three years, we must demonstrate our ongoing social and environmental progress to recertify. In this way, B Corp strengthens our commitment to responsible business practices and to delivering sustainable and practical solutions for generations to come.



For more information see our B Corp page



* Totals may not equal the overall verified score (100.4) due to B Lab's category weighting and rounding

Our total **B Corp Score**, verifying our performance as a purpose-driven business*

100.4

What we do for our **customers**

27.9

How we support our **employees**

26.9

Purpose and good **governance**

16.7

Giving back to our **communities**

14.6

Protecting the **environment**

14.0



“ To change the role of business in society, we need organisations like Motability Operations that lead with purpose and accountability by putting people and planet at the heart of their decision-making. By helping to shape a fair and equitable transition for the transport sector, Motability Operations is improving the lives of their customers, while supporting the UK economy and embodying B Corp values.”



James Ghaffari

Director of Growth & Product, B Lab UK

A strong Motability Scheme

Sustaining the Motability Scheme for our customers for the long term

Summary	➔
Supporting our customers	➔
Leading with integrity	➔
Driving economic activity	➔
Engaging ESG investors	➔

A strong Motability Scheme

We know the world is changing fast - that's why one of our core strategic focuses is sustaining a strong Motability Scheme. We're putting the right support in place to ensure we're always here for our customers, protecting what matters today and preparing for tomorrow. With robust governance, sustainable investment and customer-driven insight, we can continue to tackle accessibility barriers, strengthen the Motability Scheme, drive economic activity and support disabled people to enjoy the everyday freedoms that matter most.



The big ambition

We will ensure the long-term sustainability of the Scheme by raising 100% of new capital under a sustainability funding framework by 2030

To understand how we engage our ESG investors and what this means for our impact, see page 25.

“ Without the Motability Scheme I'd be housebound. Public transport isn't great where I live but having my own vehicle helps me stay connected. I regularly take part in charity work for Great Ormond Street Hospital and I recently completed the Great North Run in my wheelchair.”



Louise
Motability Scheme Customer

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

13 CLIMATE ACTION

Click here for more information on the UN Sustainable Development Goals



Supporting our customers

The Motability Scheme offers much more than vehicles. It is a lifeline for disabled people and their families. We use customer and partner insights from across the automotive sector to guide our decisions and design solutions that keep our customers moving.

As the automotive industry moves to electric vehicles (EV), we are committed to supporting our customers through the transition when they're ready. Many of our customers have made the switch already and we're piloting new approaches to understand and improve mobility options for those who cannot make the switch today.

890k+

total customers

105k+

EV customers

40,000

WAV

26,000

micromobility

Delivering impact for customers

9.4 / 10
average satisfaction with the Scheme among our car customers*

Over 6,000
members of our Headlight customer research community, who provide valuable feedback on their experience of the Motability Scheme

2+ days
The average additional time per week, the Scheme enables customers to work

*Technical note: Ipsos interviewed 5572 Motability Scheme Car customers online between 27 February 2025 - 20 March 2025. Data has been weighted to the profile of Motability Scheme car fleet customers.

Since joining the Scheme...

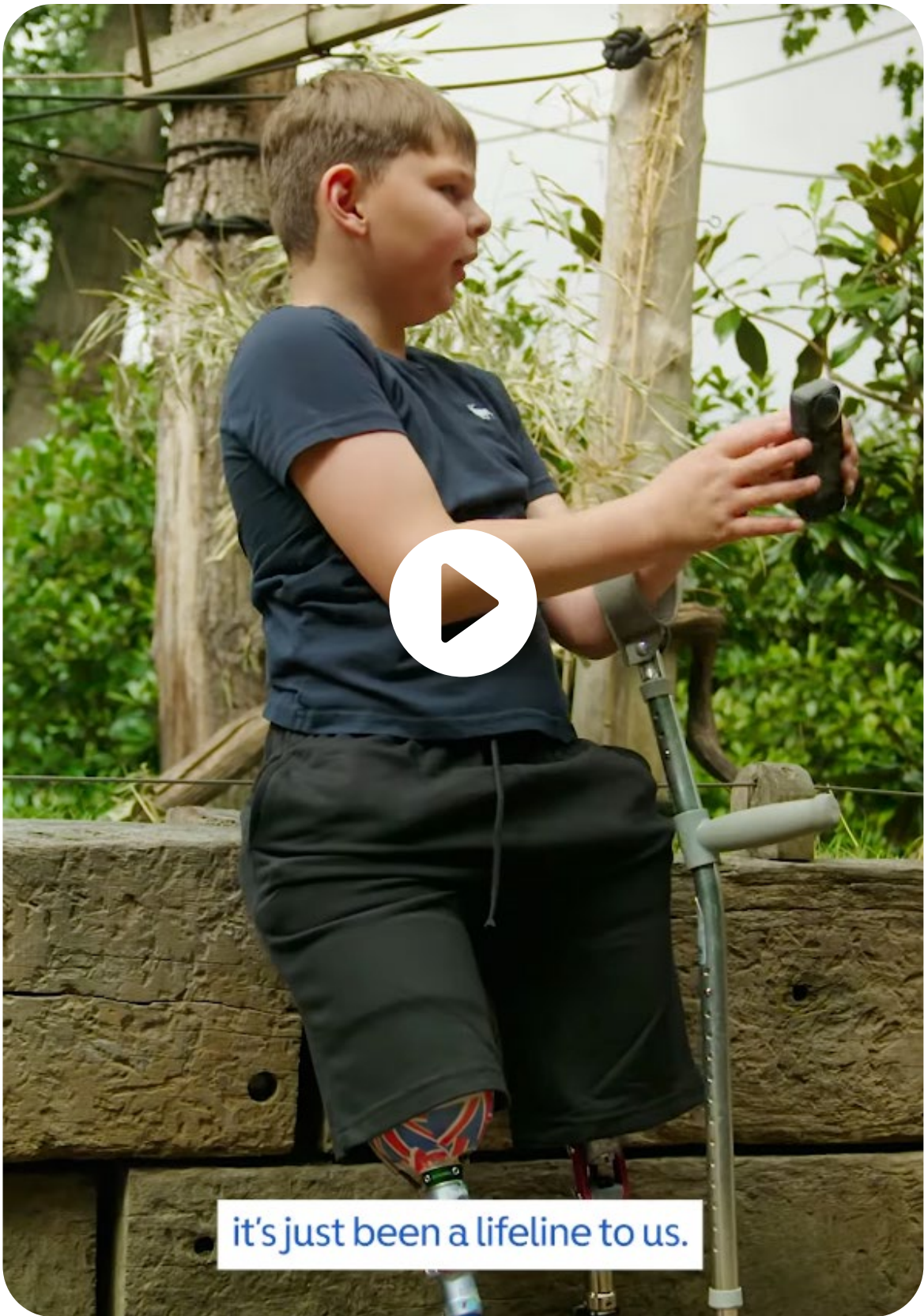
73%
of customers who were previously reliant on public transport now enjoy greater mobility

54%
of Wheelchair Accessible Vehicle (WAV) customers travel more

46%
of customers travel more on average*

*Figures reported in The Motability Scheme Brochure 2025. Figures sourced from Oxford Economics Research 2025.

Hear from Tony and his mum, Paula, Motability Scheme Ambassador and customer about the difference the Scheme makes



We are working with our partners to put accessibility at the heart of the UK’s transition to electric vehicles (EV). This means making sure the right vehicles, charging infrastructure and technology is available to our Scheme customers.

So that no one is left behind, our dedicated Electric team develop solutions informed by customer insights and industry knowledge. This helps us deliver the Scheme, maintain customer satisfaction and introduce new and exciting technologies to our customers.

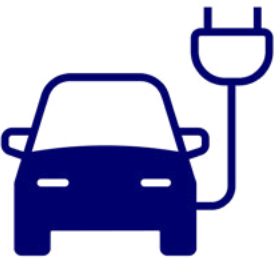
“ I’ve been on the Scheme for about 25 years. When I had a petrol car, I’d have to plan when I was going to the petrol station. Having an EV means I can charge it at home, I don’t have to ask anybody to do it for me. Joining the Scheme changed my life, it made going out fun, it made going out possible.”

Vanessa, Motability Scheme EV Customer



Leading charging accessibility

Our new app, [Go with the Motability Scheme](#), provides access to 65,000+ public chargepoints from over 70 different operators across the UK. “Go” brings together real-time chargepoint data with customers lived experience, so they can plan journeys that suit their vehicle and their needs. Customers can review the accessibility of their charging experiences, creating a connected community of drivers and a better, smoother experience for all.



Testing new ways to charge

We’re partnering with local authorities to fund cross-pavement charging trials that will inform more inclusive infrastructure planning and simplify approval processes. We are currently identifying eligible Scheme drivers to offer them the choice to participate. For those who enrol, we’ll secure council approval and fund the installation of chargers at their homes.



Building confidence

Our [EV Cost Calculator](#), launched in 2025, helps our customers to understand if an EV could work for their needs and budget. The Calculator takes into account current makes and models, upfront costs, running costs and charging options.

Understanding the transition

This year, we launched a quarterly Electric Vehicle (EV) Transition Tracker to understand the barriers preventing our customers and the public from switching to an EV and the solutions that can help address these.



“ I switched to an EV in February this year. The home chargepoint installed by Motability [Operations] is easy to use and saves me money thanks to my solar panels but the public charging network is a different story. The bays are too small, and cables too heavy for disabled people. The facilities are also too far, meaning you’re just sitting in your car while you wait.”

Louise M, Motability Scheme EV Customer

Driving a data-led transition

24%

of the public say there are enough chargers across the UK

9%

however, only 9% of our disabled customers say there are enough chargers across the UK

44%

of disabled customers find it difficult to locate their nearest charging point

59%

of customers would consider an EV if public charging was better



Read the latest report to see what the data reveals about the UK’s transition to electric vehicles

“ From working directly with customers every day, we’re developing insights that will address and remove barriers to driving electric vehicles.

The EV Transition Tracker brings all of this into sharp focus, combining data from customers and the general public to highlight the issues that matter most.

The Tracker highlights solutions for industry to learn from and explore as they support drivers to make the transition.”



Lisa Thomas
Chief Marketing Officer



[Click here for our latest EV Transition Tracker Report](#)

Driving change for Wheelchair Accessible Vehicle customers

We are investing in the future through partnerships and technological developments, to ensure all our customers remain mobile through the transition to EV. Today, over 35,000 customers lease a Wheelchair Accessible Vehicle (WAV), vehicles that have been adapted to fit a wheelchair user, of which there are very few electric models.

In response to the challenge of converting electric vehicles for WAV users, we launched an electric WAV concept. In 2025 we unveiled a prototype version of eVITA. eVITA was developed with CALLUM design studio and its design was informed by insights

from our customers to address the obstacles wheelchair users face. We are working closely with manufacturers and vehicle converters to build in accessibility from the start of their design processes, to ensure that wheelchair users can make the transition.

eVITA provides a blueprint for manufacturers to follow. This year, we worked with Kia on the development of a WAV variant of the PV5. This electric WAV is expected to be available on the Scheme in late 2026.

“ My Motability Scheme vehicle gives me the freedom to live my life on my terms. As a full-time wheelchair user, public transport often isn’t an option. Without my WAV I’d miss out on work, connection and everyday independence. This Scheme has made all the difference . My WAV really means liberation for me and involvement in life in the way that I want and choose to be involved.”

Alex, Motability Scheme WAV Customer

Find out more about the PV5



“eVITA champions inclusive design and ensures that the 1.2 million wheelchair users in the UK can be part of the transition to electric vehicles. eVITA provides a blueprint for manufacturers, showing how thoughtful, accessible design ensures that everyone can enjoy the benefits of sustainable mobility. We continue to welcome manufacturer engagement in this important project.”



Sukhi Clark
Head of Accessible Vehicles and Non-Executive Director at Institute of the Motor Industry (IMI)





Leading with integrity

We take our responsibility as a purpose-led business seriously which is why we embed Impact & Sustainability (I&S) through our governance structures, systems and processes, ensuring our actions uphold our values.

The Board oversees Motability Operations’ I&S strategy, goals and progress. Our Chief Financial Officer has Executive responsibility for managing impacts along with the I&S team, who report progress back to the Board at least annually. To hold us accountable at the very top level, executive remuneration performance targets are set against key drivers of our aspirational goals.

We adhere to the Wates Corporate Governance Principles for Large Private Companies. This framework guides our reporting, ensuring it not only meets legal requirements but also demonstrates best-in-class corporate governance standards. Furthermore, we employ a strategic and rigorous approach to risk management, using the Three Lines Model which incorporates ESG-related risks.

Find out more about corporate governance and policies

Policies updated in 2025

Procurement Policy

Environment, Social and Governance Policy

Supplier Code of Conduct

Modern Slavery Statement

Advocacy Approach

Human Rights Policy

Environment Health, Safety and Wellbeing Policy

Roles and responsibilities

1

The Board

The Board approves and drives the strategy, targets and progress, supported by representatives from our four shareholder banks, while the Chief Financial Officer holds executive responsibility.

The Audit Committee, led by an independent Non-Executive Director, reports quarterly to the Board, focusing on financial, climate, and non-financial reporting and controls.

Motability Operations is owned by four shareholding banks who have waived their rights to dividends. Each shareholding bank is represented on the Board.

2

Executive Committee

The Board delegates responsibility for developing the business strategy (including I&S) to the Executive Committee who receive I&S updates monthly.

3

I&S Committee

Meets monthly to oversee I&S progress, future strategy and develop new initiatives.



Equity, Diversity & Inclusion (EDI) Committee

Meets quarterly to oversee EDI progress and strategy.



Risk Management Committee

Meets monthly to oversee business risk including climate-related risks.

4

I&S Team

Educates the business to embed and amplify our contribution to environmental stewardship, positive social impact and good governance. The I&S team influence the business to make more sustainable decisions, reduce its footprint and align its operations to a resilient and equitable future for the benefit of all stakeholders.



Business Risk Team

Supports the business to assess and manage business risks, including climate risks.

5

Employee Networks

We're committed to an inclusive culture that allows everyone to thrive and is reflective of our customers and communities. Our employee networks empower diverse voices to share their experiences, foster two-way learning and help us to understand and meet the needs of our employees.

The ImpACT network, launched in 2025, is dedicated to social and environmental change, supporting the I&S team and driving clear communication between employees and leadership.



People Team

Support the development of the People & EDI strategy to guide how we look after our employees.

Undertaking our Double Materiality Assessment

A double materiality assessment (DMA) is an assessment of the material impact and sustainability (I&S) topics that matter to a business. Considering materiality ensures we focus on the things that matter to us and our stakeholders, allowing us to prioritise effectively. A DMA seeks to understand the materiality of key impact and sustainability topics from two perspectives:

Impact materiality
How our activities impact people and the environment.

Financial materiality
How sustainability topics impact our financial performance and long-term value creation.

Why are we committing to these?

Two years ago, we completed our first materiality assessment, which informed our I&S roadmap and helped get us where we are today.

Now, with the shift to a DMA, we have the complete picture of the impact we create and the effect this could have on the business. Our DMA enables us to make smarter, multi-dimensional decisions that consider the views of all stakeholders, reinforcing our new strategy. The DMA also helps to guide and inform our transition plan, our pathway to net zero.



Our material topics

To determine our material topics, we reviewed our 2023 topics, economic capital and major risk registers, best-in-class materiality assessments, and our 2024 TCFD and climate-scenario analysis. From this we created a longlist of 53 sustainability topics.

Impact and Sustainability Committee members ranked all 53 topics by impact and influence. Each ranking was assigned an equivalent numerical score and any topic that scored above an assigned threshold was deemed material, resulting in a shortlist of 35. After reviewing and consolidating to avoid overlap, we arrived at a final list of 20 material topics.

Stakeholder engagement

We identified key stakeholder groups through a value chain mapping exercise of internal, external and third-party stakeholders, partnering with our sustainability consultancy Seismic.

SEISMIC

Learn more about our material topics and how we engaged with key stakeholder groups in our ESG data book



Key MO stakeholders engaged

Internal:



Board members



Executive Committee



Impact and Sustainability Committee



Members of Employee networks



Employees

External:



Motability Scheme customers



Motability Foundation



Scheme dealers



Vehicle logistics providers



Consultants



Investors and assurance providers



Scheme partners

“

It was important for us to conduct a DMA to understand the role we play in contributing to sustainability risks and opportunities, and how this in turn might impact our ability to create value and support our customers. The insight we have gained from engaging with a range of stakeholders will shape our strategy and influence the next steps of our sustainability journey.”



Isabelle Haigney
Sustainability Engagement Lead

Materiality matrix

- 1

Access to finance
- 2

Business risk and compliance
- 3

Climate risk
- 4

Scheme quality
- 5

Business continuity
- 6

Economic empowerment
- 7

Fleet forecasting
- 8

Stakeholder perception and reputation
- 9

Sustainability reporting
- 10

Transition to electric vehicles
- 11

Business emissions and waste
- 12

Supply chain management
- 14

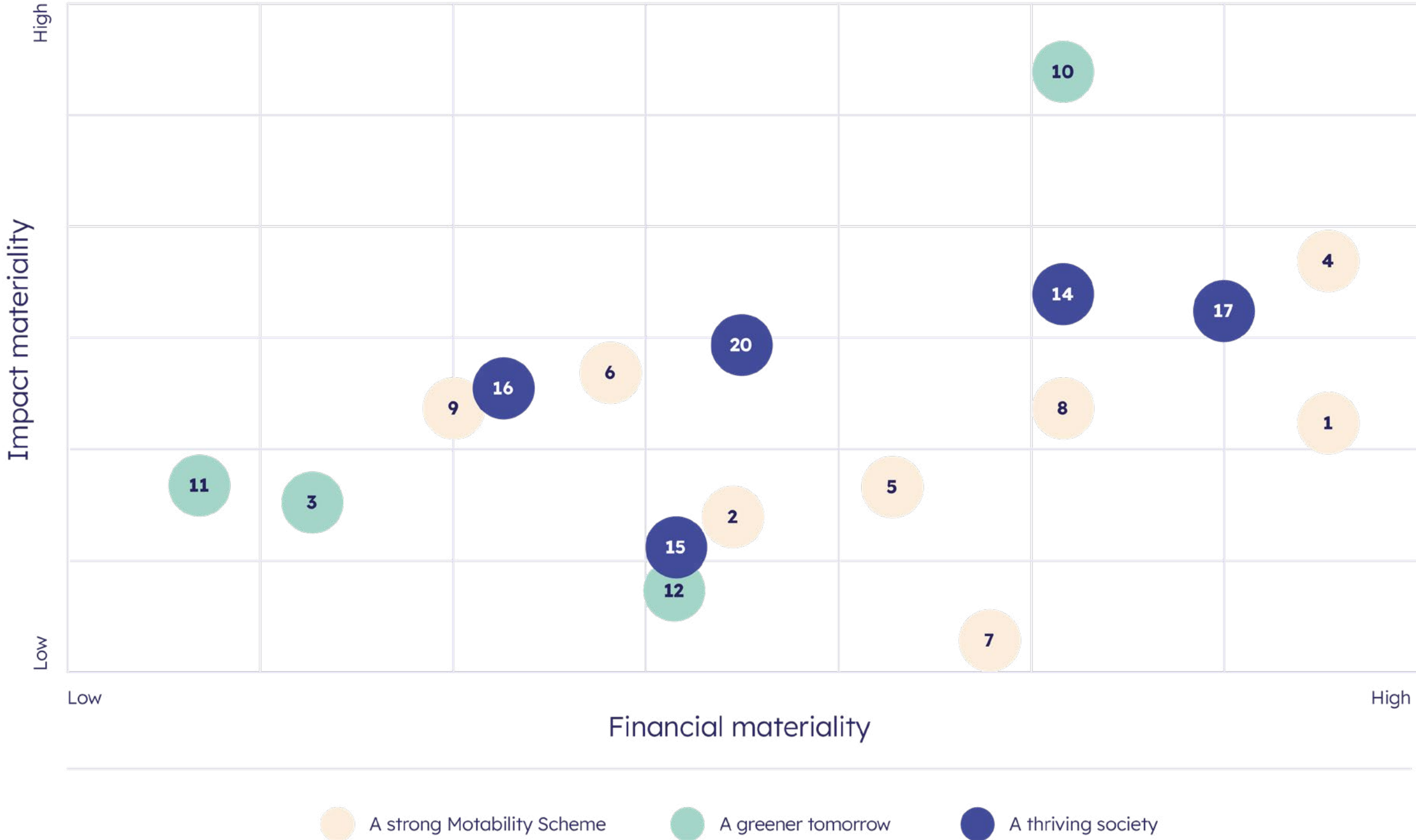
Equity, diversity and inclusion
- 15

Talent retention
- 16

Health, safety and wellbeing
- 17

Employee engagement and culture
- 20

Embedding sustainability in operations



From our longlist of 53 potential topics, 20 were selected for stakeholder feedback. Of these, 17 have been identified as material due to their financial materiality, impact materiality or both.

It’s important to note that a like-for-like comparison to our 2023 materiality assessment is not possible, as we have evolved our approach and grouped some topics. For example, **Scheme management** and **customer support** are now grouped under

Scheme quality, while **ethical supply chain**, **responsible purchasing** and **material sourcing** are all grouped under **supply chain management**.

There are also several new and important topics. For example, **stakeholder perception and reputation** has emerged as a key focus amidst a volatile political landscape, as has **Equity, Diversity and Inclusion (EDI)**, with an increased focus on implementation of EDI targets.

The matrix above plots the results of our DMA for each topic. The X axis represents financial materiality, the actual and potential impact of sustainability issues on our business. The Y axis represents impact materiality, our actual and potential impact on people and the environment. Topics in the upper right quadrant are considered material from both perspectives.



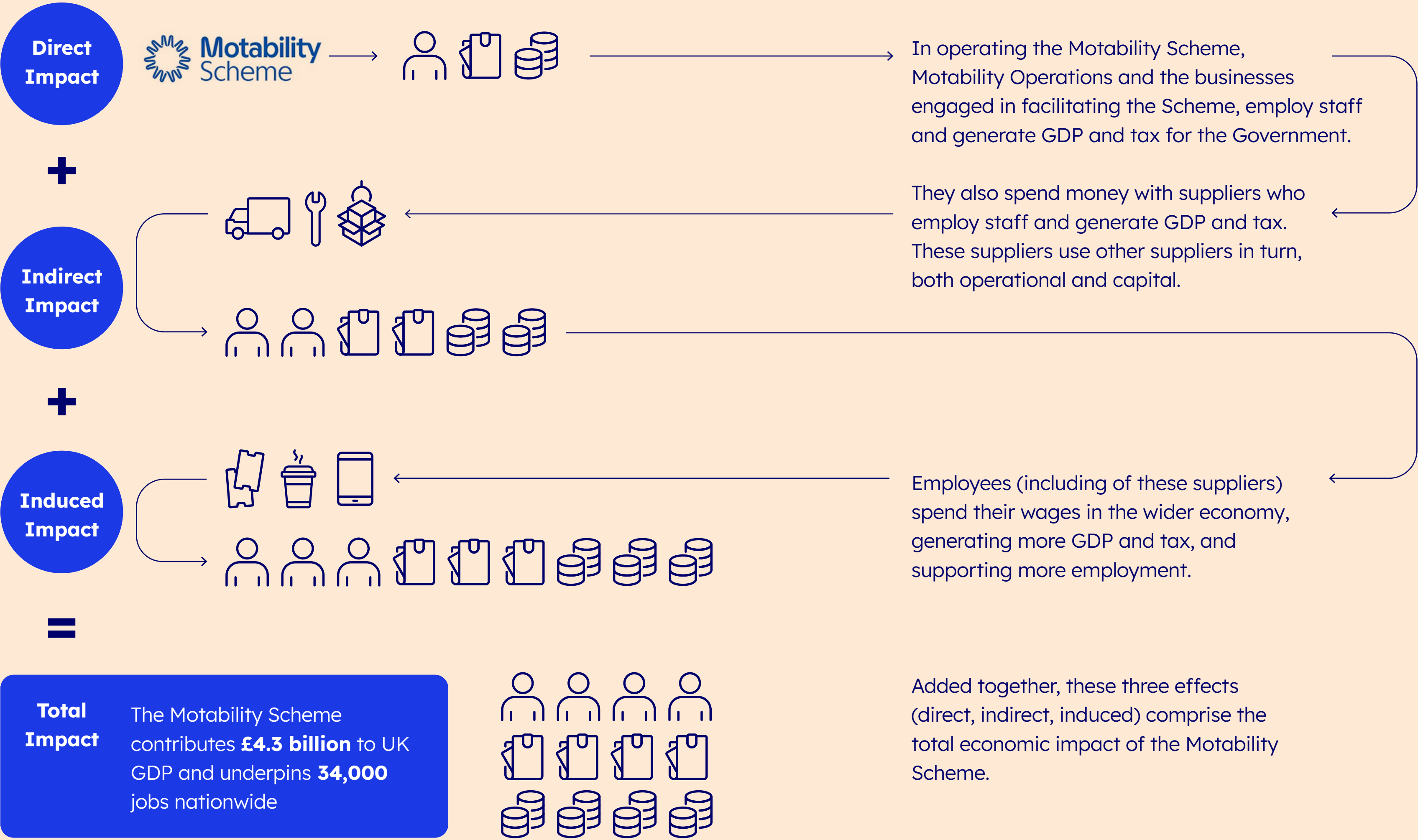
Driving economic activity

The Scheme delivers significant social benefit to our customers and makes a major contribution to the UK economy, benefitting communities nationwide. This positive economic impact is created by improving disabled people’s chances of getting and keeping a job, while also sustaining employment across the automotive manufacturing, supply chain and dealership networks.

“ When I left college, I tried going to work in offices and quickly discovered that wasn’t going to work for me. That’s where the idea for my business, Inkfire, was born from. We’re here to help people get inclusive work. My Motability car is my main source of transport - getting me to client offices and seeing them in person.”

Imali, Motability Scheme Customer

Calculating economic impact



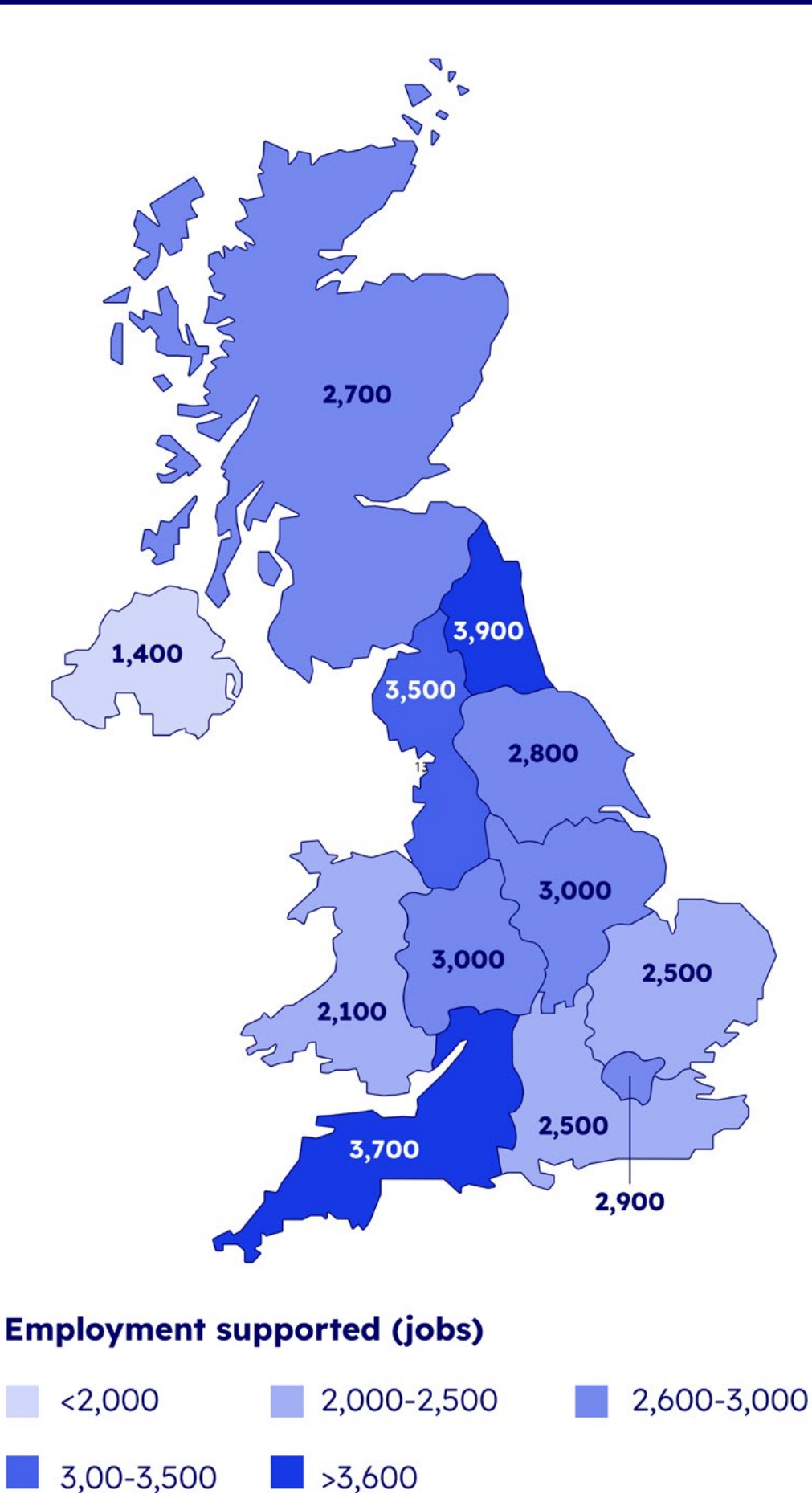
“Kwik Fit is a proud partner of the Motability Scheme, providing comprehensive tyre, brake, MOT, and servicing solutions to Scheme customers across the UK. With a nationwide network of over 700 retail centres and 200 mobile vans, the Scheme represents a vital part of our business—accounting for the employment of approximately 520 full-time Kwik Fit colleagues across both operational and administrative roles, underscoring our strong commitment to supporting the Scheme and its customers.”



KwikFit

Tom Edwards
Fleet Director

We aspire that **25%** of Scheme vehicles will be UK-built by 2030



The Scheme helps **51%** of customers gain back at least **2 hours a week** from traveling, freeing time for leisure, work and more fulfilling activities

Learn more about the Impact of the Scheme in research by Oxford Economics



Nearly 2 in 3 customers tell us that the Scheme makes a substantial difference in their ability to see loved ones more often



1 in 4 Scheme customers report improved access to training and education, equipping them with the skills needed to secure employment

21.2% of Motability Scheme customers report improved job opportunities due to their Scheme vehicle

Engaging ESG investors

Our financial model is designed to protect the Motability Scheme, ensuring our customers can benefit from it now and in the future.

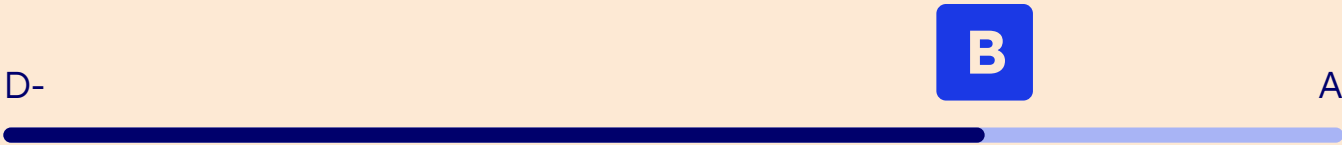
We raise finance by issuing bonds, a form of loan through the debt capital markets. Today, all our bonds are issued against a [Social Bond Framework](#), which stipulates that the capital raised must contribute to a social project. In this case, that means purchasing vehicles for Scheme customers.

We also reinvest all of the money we make from selling vehicles once they are handed back by customers at the end of their lease. By reinvesting profits, we reduce the need for external borrowing and keep the running costs of the Scheme low.

Our capital reserves, in the form of assets (Scheme vehicles), acts as a crucial buffer, protecting customers from market volatility and the Motability Scheme from risk. This means we can insulate customers from unexpected costs during their lease and safeguard the Scheme for the future.

Bond classification

As a social bond issuer, our funds can be classified by investors as either Article 8 or Article 9 funds. Classifying an investment fund as Article 8 signals the level of sustainability and positive impact ambition of investment funds, with Article 9 being the highest standard for investors focused on driving change.



Our CDP score shows how transparently and effectively we manage major environmental risks like climate change, signalling to investors our commitment to future-proofing the business.



As of 03 September 2025, Motability Operations received an MSCI ESG Rating of A. This measures resilience to long-term, industry-specific sustainability risks. Ratings span from AAA to CCC.



The Sustainalytics ESG Risk Rating provides an absolute score from 0 (best) to 100 (worst) for our overall unmanaged ESG risk. Our score of 19.3 puts us in the Low-Risk category, successfully minimising potential long-term liabilities.



The Bloomberg ESG Score is a measure of how much ESG information we publicly share (0 to 10). While our score of 2.55 is below the median, investors can be confident that clear, comprehensive and transparent data is available for their analysis.



The ISS ESG Corporate Rating (A+ to D-) assesses our management of material ESG issues and adherence to global standards. Our C+ Prime rating demonstrates our solid performance and management effectiveness in these critical areas.



Sustainable Fitch assigns ESG ratings on a scale from 1 to 5, where 1 represents full alignment with ESG best practices. Our upgrade to a score of 2, alongside an increase in our entity score from 62 to 67 reflects our ongoing efforts to strengthen sustainability across all aspects of our operations.

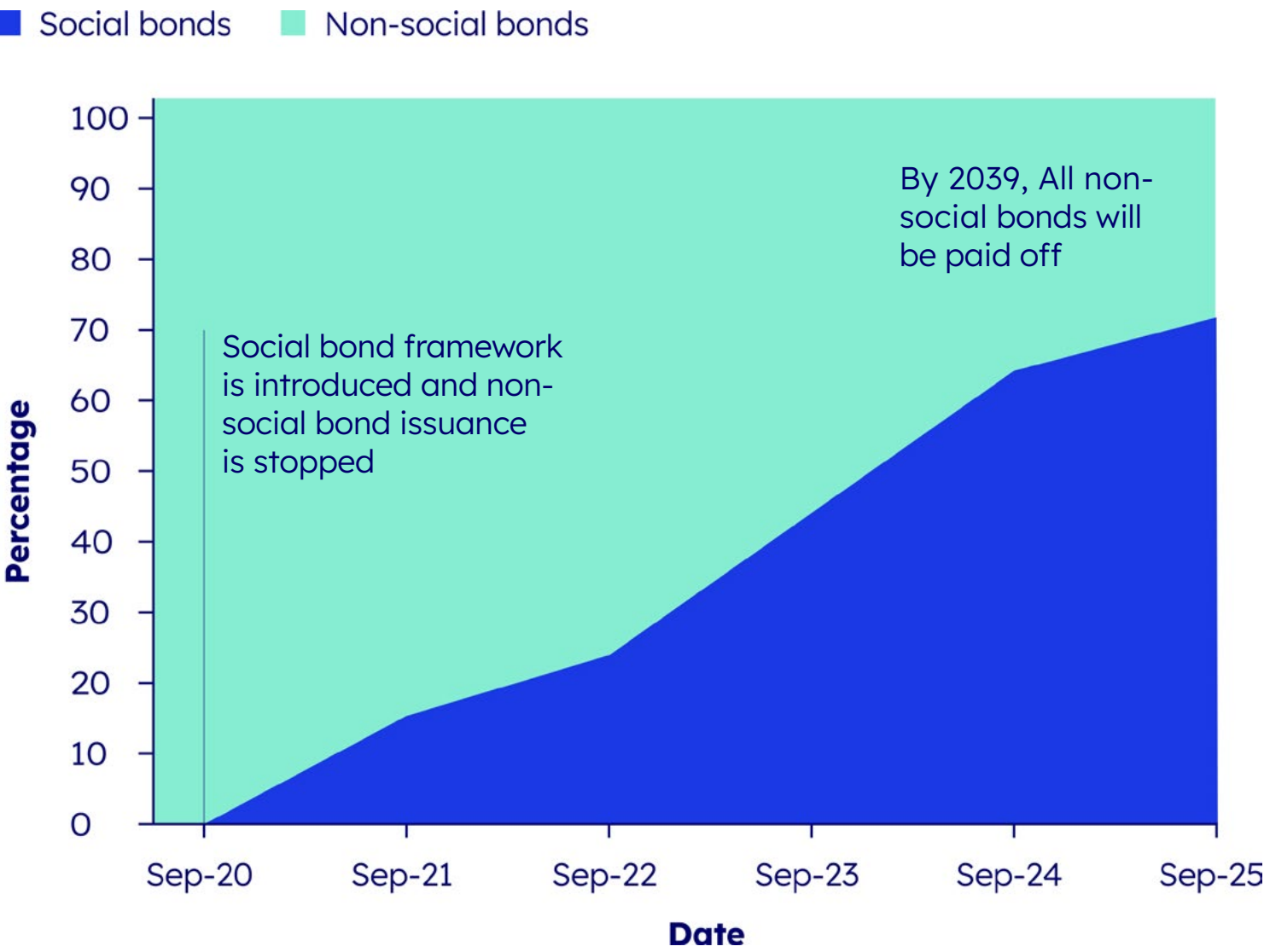
Financing a sustainable future

Due to the unique nature of our business and value of bonds raised annually, we are one of the leading UK issuers of socially-linked finance. As we transition our customers to low-emission options, we have an opportunity to lead in both social and sustainable financing.

We are developing a Sustainability Bond Framework, which will evolve our current social bond framework to include additional environmental measures. We are working closely with the debt capital markets and expect to launch this new framework in 2026.

Transitioning our financing ensures we can continue to support our customers, communities and the environment for the long term.

Social Bonds as a percentage of total issuance



The big ambition

Initiated Progressing Advancing Achieved

By 2030, we will raise 100% of all new finance under a sustainability funding framework

“ Since we established our Social Bond Framework in 2021, 100% of bonds issued have been social. These bonds, worth over £8.4bn, have been well supported by long-term, high-quality investors. In that time, we have purchased over 1.2 million Scheme vehicles, of which over 130,000 are electric vehicles, to keep our disabled customers moving. Looking ahead, we will add environmental metrics to complement our social bond framework and strengthen our sustainability ambitions.”



Dominic Hart
Head of Treasury

To dive deeper into what this means for our business, see our Chief Finance Officer’s statement in our Annual Report and Accounts

For full details on the social bonds issued this year and the impact, see our ESG Data Book

A greener tomorrow

Protecting our planet by decarbonising our operations, fleet and supply chain

Summary



Decarbonising our operations



Decarbonising the Scheme



Engaging our supply chain



Protecting the environment



A greener tomorrow

Creating a greener tomorrow means taking action today to reduce our environmental impact, knowing this is how we'll keep our customers mobile for the long term. We're working to decarbonise every aspect of our business, from our offices and sites, to our vehicle fleet, to the suppliers and partners we collaborate with, building a future that works for everyone.



The big ambition

We will provide for our customers now and in the future by meeting and exceeding our near-term science-based targets for carbon reductions across all aspects of our business by 2032 and reaching a net zero position no later than 2050

To see our emissions reduction progress and how we're making these targets a reality, head to pages **29** and **30**.

“ This year the Science Based Targets Initiative (SBTi) approved our long-term emissions reduction targets, setting us on a clear and credible pathway to net zero. Transitioning our customers to EV is a crucial part of the plan, providing practical solutions that ensure equitable access, while supporting a more sustainable automotive ecosystem in the UK.”



Mark Brown
Head of Impact & Sustainability

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Click here for more information on the UN Sustainable Development Goals

Decarbonising our operations

Our carbon footprint starts with us. From how we work across our offices in Bristol, Edinburgh and London, our vehicle reconditioning site in Coalville, to our small company car fleet, we must reduce our environmental impact.

These activities make up our Scope 1 and 2 emissions, coming directly from our operations and energy use. Measuring them helps us understand where we can reduce emissions, and how effective our actions are in driving change.

Our Scope 1 & 2 reduction targets, validated by the SBTi

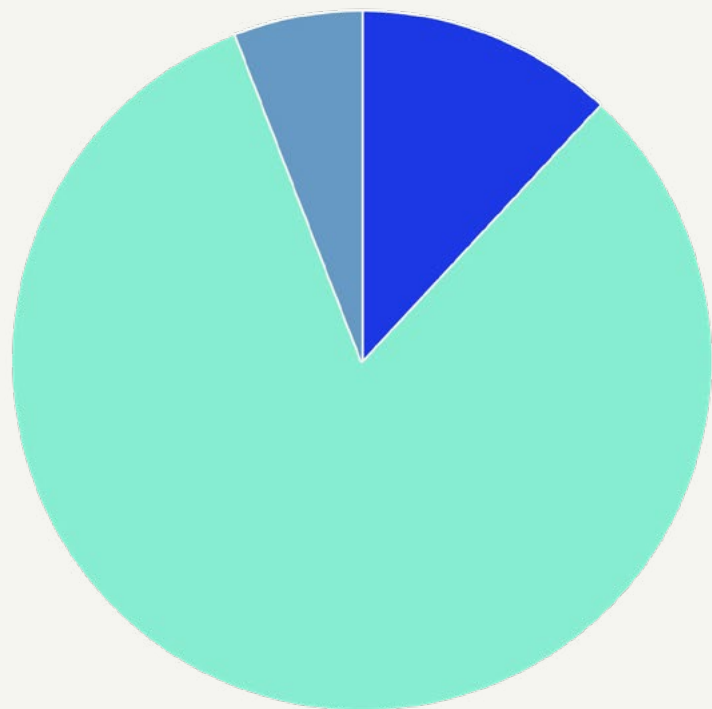
Near-term target
Reduce absolute Scope 1 and 2 emissions 50.4% by 2032



Net zero target
Reduce absolute Scope 1 and 2 emissions 90% by 2050

(Versus a base year of FY21)

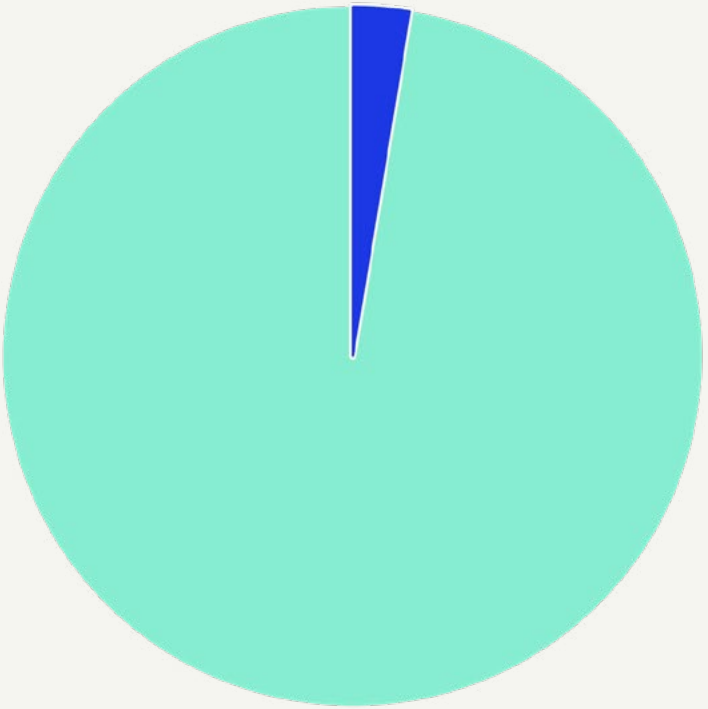
Scope 1 emissions



- Company vehicles
21.3 tco₂e
- Natural gas
147.0 tco₂e
- Other fuels
10.5 tco₂e
- Refrigerant gas
0.0 tco₂e

Total
178.8 tco₂e

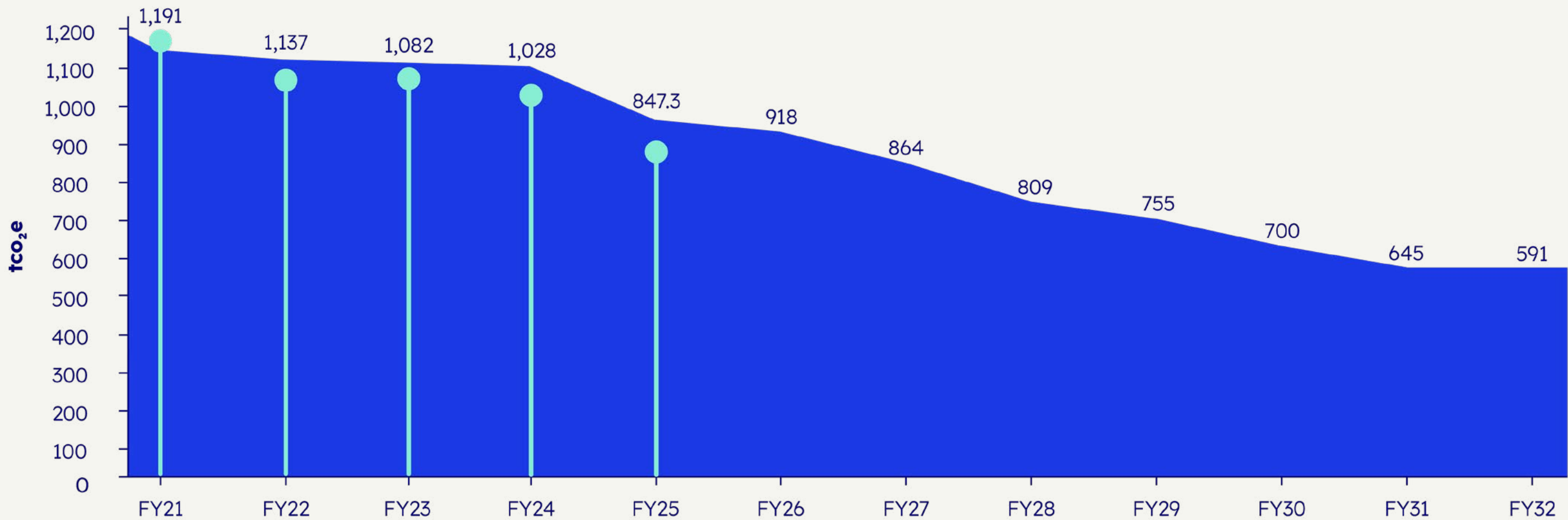
Scope 2 emissions



- Company vehicles
17.5 tco₂e
- Electricity
651.0 tco₂e

Total
668.5 tco₂e

Scope 1 and 2: Science-based targets progress

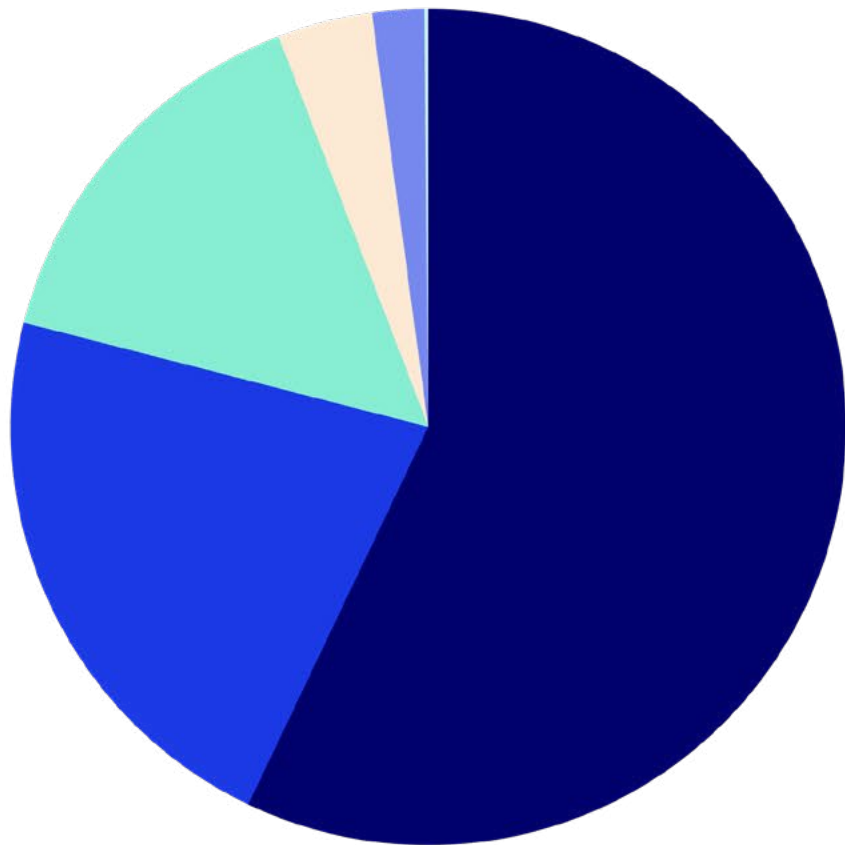


Decarbonising the Scheme

Our carbon footprint doesn’t stop at our own operations. It extends to everything connected to how we deliver the Scheme, categorised under our Scope 3 emissions. Our Scope 3 indirect emissions include the things we buy, the vehicles we lease, the manufacturing emissions associated with these as well as our own business travel and commuting.

Over 99% of our total emissions fall under Scope 3, so this is where we can make the biggest difference. Helping our customers transition to electric vehicles when they’re ready is the single most significant action we can take to reduce these emissions.

Scope 3 emissions



- Use of sold products
5,376,754 tCO₂e
- Downstream leased assets
2,065,134 tCO₂e
- Capital goods
1,426,256 tCO₂e
- Purchased goods and services
346,066 tCO₂e
- Upstream transport and distribution
190,358 tCO₂e
- Downstream transport and distribution
10,953 tCO₂e
- Employee commuting
2,239 tCO₂e
- Fuel - and energy related activities
291 tCO₂e
- Business travel
284 tCO₂e
- Waste generated in operations
73 tCO₂e

Our Scope 3 targets, validated by the SBTi

Near-term target
Reduce Scope 3 emissions by 58.1% per vehicle by 2032

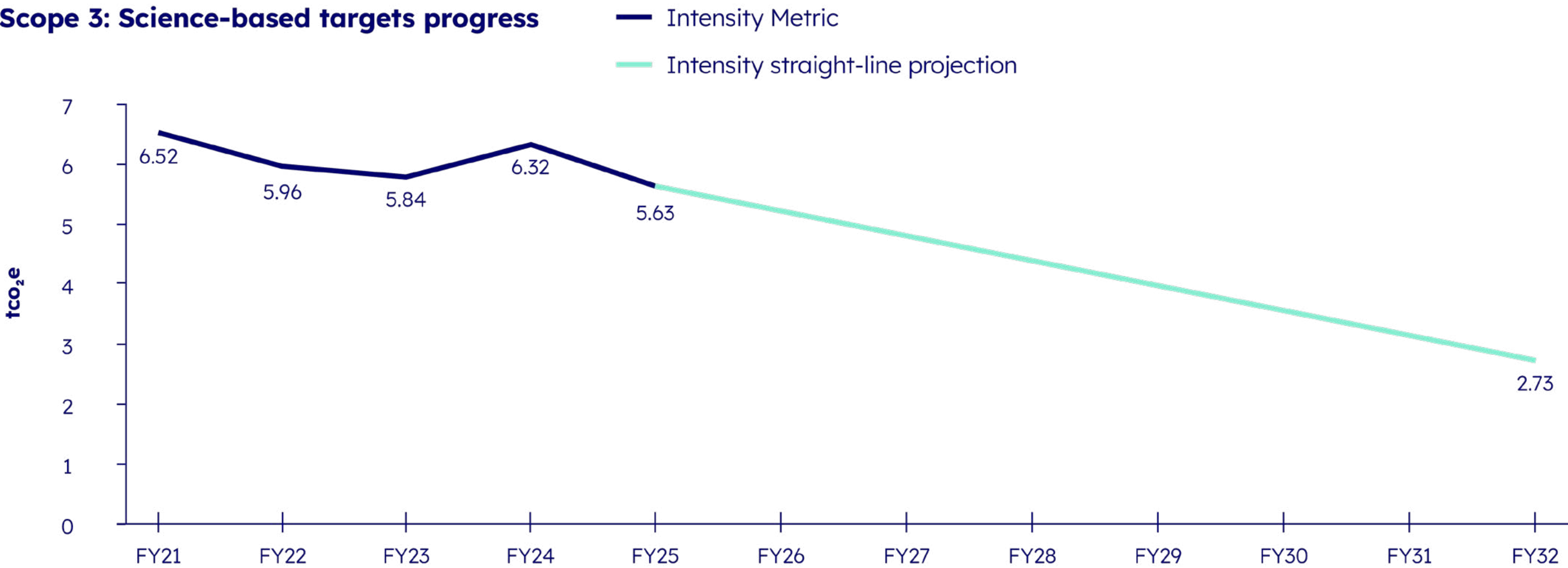


Net zero target
Reduce Scope 3 emissions by 97% per vehicle by 2050

(Versus a base year of FY21)

As agreed with the SBTi, we track our Scope 3 emissions on a per-vehicle basis, allowing us to measure progress as our fleet evolves and the mix of petrol, diesel and electric vehicles changes over time.

Scope 3: Science-based targets progress



Our carbon footprint

Our total FY25 emissions decreased to 9.42 million tCO₂e (from 10.43 million tCO₂e in FY24), driven by reductions in Scope 1 and 2 (down to 847.3 tCO₂e) and progress in several Scope 3 categories. Scope 3 remains the dominant part of our footprint, with use of sold products, capital goods, and downstream leased assets being the largest contributors. We maintain our focus on reducing emissions across the full value chain through supplier engagement, operational efficiencies, and lower-carbon solutions.



As environmental pressures increase across the automotive industry, collaboration is essential. Through our fleet insurer, Direct Line Group, we support an independent group of repairers promoting the ARIES Standard (Accident Repair Industry Environmental Standard). This is a practical framework that helps reduce carbon emissions and improve sustainability and efficiency in vehicle repairs.

“ We’ve upgraded our carbon footprint tools, giving us clearer insights and real-time visibility of our emissions. This means better reporting, a more informed business and smarter decision making. Managing our carbon data has shown me how small, consistent actions drive real change and it’s inspiring to see collective effort making a real difference.”



Wayne Turnbull
Sustainability
Performance and
Analysis Manager

The big ambition



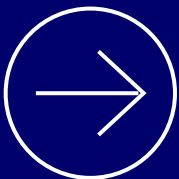
Initiated **Progressing** **Advancing** **Achieved**

By 2032, we will meet and exceed our near-term science-based targets for carbon reductions across all aspects of our business and reach a net zero position no later than 2050.

Where are we today?

We remain on track to meet our near-term target of a 58.1% emissions reduction by fiscal year 2032. While continued efficiencies and the growing shift to electric vehicles (EV) drive this progress, our reduction pathway will not be a linear year-on-year decline. Fluctuations will occur due to fleet cycle variations, particularly large defleet years (when significant numbers of vehicles are returned). However, the longer-term trend remains positive, and as our product mix favours EV and customer vehicles are powered by cleaner energy, we expect sustained progress toward our 2032 target.

Explore how we’re decarbonising our operations and Decarbonising the Scheme in our Transition Plan



Engaging our supply chain

Motability Operations runs the Motability Scheme, overseen by the Motability Foundation. We deliver the Scheme with an ecosystem of suppliers who provide services like insurance, breakdown and logistics.

Suppliers, partners and third-parties are crucial in helping us to deliver the Motability Scheme. They also contribute to our carbon footprint and to achieve our net zero target, we must engage and support them to reduce their emissions. This is a key step in future-proofing our supply chain and the Scheme for our customers.

Upstream

Providing the right mobility solutions



What we deliver

- Secure funding from financial markets
- Negotiate prices and purchase vehicles from Original Equipment Manufacturers (OEMs)

How our partners support this

- Adapt vehicles to suit customer needs
- Convert Wheelchair Accessible Vehicles
- Install home chargers for electric vehicles

Midstream

Delivering the Scheme for our customers



What we deliver

- Operate customer contact centres in Bristol and Edinburgh
- Manage third-parties in the delivery of their services like insurance
- Innovate new solutions to keep customers moving
- All supported by business operations like HR and Finance

How our partners support this

- Provide insurance, breakdown assistance, servicing and maintenance of vehicles and logistics

Downstream

Maximising value to reinvest in the Scheme



What we deliver

- Refurbish vehicles at Coalville
- Sell vehicles through B2B e-commerce platform, mfldirect

How our partners support this

- Refurbish vehicles
- Sell vehicles at auction

How we’re engaging suppliers



Policy and governance

We created and rolled out our Supplier Code of Conduct and Human Rights Policy, setting out clear requirements and expectations for our suppliers.



Risk management

We’re strengthening supplier oversight with the implementation of new risk management software launching in November 20205. This tool will include impact and sustainability assessments of third parties and greater visibility of their sustainability credentials.

To support this, we’ve hired a third-party risk manager, who is ensuring robust governance and appropriate oversight of supplier engagement.



Value chain mapping

We completed a full mapping of our value chain and supply chain to build the foundation for identifying critical human rights, environmental and operational risks.



Monitoring, auditing and performance measurement

We’re working to establish clear metrics and audit processes to track supplier performance against our Code and policies.



Reporting and communications

We regularly review upcoming regulations focused on responsible supply chain standards to ensure compliance and best practices are followed. In 2026, we will be launching a Sustainable Supplier Questionnaire to gather reporting information.

“ Procurement and Impact & Sustainability are working together to advance the Third-Party Risk Management Framework, to ensure sustainability is embedded. This integrated approach not only meets Scheme requirements but also reinforces our commitment to continuous improvement as a certified B Corp.

Our immediate priority is implementing a supplier due diligence platform. This will allow us to assess a broad spectrum of risks, including geopolitical, sustainability, adverse media, cyber, and financial, while deepening our understanding of suppliers, their sustainability commitments, and opportunities to collaborate on raising performance and standards.”



Claire Rose
Third Party Risk Manager

Protecting the environment

Growing demand for transport and infrastructure strains natural ecosystems, accelerating biodiversity loss and related risks. Sustainable mobility must protect natural resources by keeping materials in circulation for longer and promote responsible behaviours.

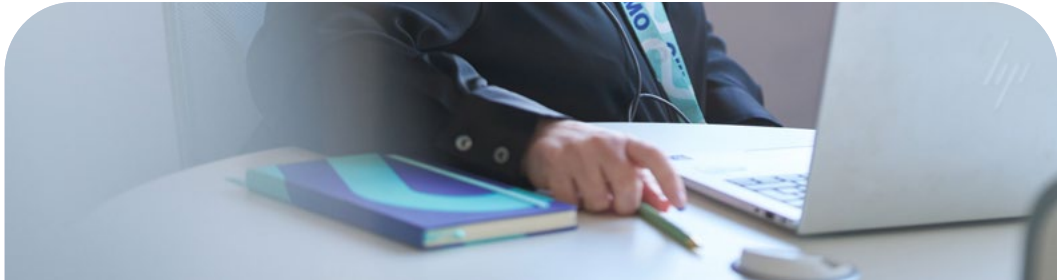
Our Coalville vehicle reconditioning site allows us to refurbish ex-Motability Scheme vehicles, helping us to maximise value to reinvest in the Scheme when they are resold. The purpose-built facility enables our teams to work smarter, improve efficiency, and reduce waste. Bringing reconditioning in-house allows us to maximise vehicle value, with profits directly reinvested to keep the Scheme affordable for our customers.

We recognise that small actions add up, therefore we have been gradually transitioning key activities to make incremental resource savings across our sites.



Bees for business

At our Edinburgh office, we transformed previously unused land into a vibrant garden, complete with bird boxes, hedgehog homes, a pond and six thriving beehives cared for by our team on their lunch breaks. It's a small intervention but provides a tangible way for us to connect with nature.



Responsible AI

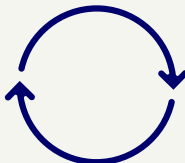
We are introducing responsible artificial intelligence (AI) training for employees to guide smart, considered usage of new technologies in the workplace.

Reducing our impact at Coalville



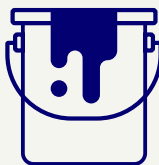
Tyres

We buy tyres from the Tanvic Group, who specialise in the responsible recycling and disposal of used tyres. Tanvic's commitment to proper waste management helps reduce landfill waste and supports the reuse of valuable materials.



Adaptation recycling and green parts

To support the mobility of our disabled customers, vehicle adaptations like steering balls or hoists previously often had a single life. We are now creating a more circular system by collecting used adaptations for refurbishment and increasing our use of green parts. These are salvaged components from end-of-life or damaged vehicles that are cleaned, tested, refurbished, and reused in our repairs.



Reducing paint waste

Since September, we've used less paint per vehicle by switching suppliers. We've also introduced air-dry primers and UV products for smaller jobs, which means we can cure repairs with UV lights instead of a gas paint booth.



Conserving water

Every vehicle that is processed at Coalville is washed before and after refurbishment. The water used is recycled through a closed loop system and topped up with rainwater.

A thriving society

Fostering equity for our customers, employees, communities and society

Summary	➔
Championing our customers	➔
Partnering for greater impact	➔
Giving back to communities	➔
Developing our inclusive workforce	➔

A thriving society

We exist as part of a broader ecosystem, connected to our customers, our people and our communities. This interdependence is a strength, and when we work together with shared goals, we can create real, lasting value.

By championing the rights and voices of our customers, collaborating with nonprofits and partners doing vital work, and nurturing our own talented and passionate team, we are helping to build a fairer, more inclusive society where everyone can thrive.

“ I’m incredibly proud of the passion, voice, and enthusiasm that our employee network groups bring to our workplace every day. Each network plays a vital role in shaping an inclusive culture where everyone feels valued and empowered to be themselves. Their energy and commitment help us listen, learn, and take meaningful action, whether by celebrating identity or championing accessibility. Together, they remind us that diversity is one of our greatest strengths, and their collective voice continues to drive positive change across our organisation.”



Jo Rose
Head of
People Experience

The big ambition

- We will foster equity for our customers, employees, communities and society by:
- Achieving EDI and engagement parity for our workforce at all levels in line with the UK census by 2030
 - Supporting 8 out of 10 customers in the UK to seamlessly transition to an electric vehicle by 2032

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Click here for more information on the UN Sustainable Development Goals





Championing our customers

We work closely with partners, authorities and dealerships to improve accessible transport options and drive positive change for our customers, including removing barriers to electric vehicle adoption. Our goal is to bring the automotive industry on this journey with us, so that every decision made considers the people who rely on their vehicles the most.

We use data and research to inform our position, keeping it grounded in evidence, and share insights gathered from real customer experiences. This allows us to communicate effectively, making sure the voices of disabled people are heard and represented, and shape solutions that address real needs.

“

Before my condition worsened, I worked as a postman for Royal Mail. Being on the Motability Scheme has kept me connected to society, helping me travel to Burnley Football Club where I now work in the wellbeing department.”

Brian
Motability Scheme customer

“

Our vehicle is fully electric and it fits into family life perfectly because we’ve got solar panels, we’ve got air-source heat pumps in the house - carbon footprint is something I’ve always been interested in decreasing. The car just enables that further step towards a zero footprint.”

Ronnie
Motability Scheme customer

“

I worked for the NHS for over 18 years. Since retiring, I’m now a carer for my mother. Living in a small town in Yorkshire, my Motability car has allowed me to keep my independence, allowing to get out to the shops and go to my medical appointments.”

Stuart
Motability Scheme customer

Key moments where we’ve championed our customers this year



We took to the stage with Kia at the Financial Times’ Future of the Car event, calling for accessibility to be placed at the centre of the UK’s EV transition.

“ Our aim is to work with as many manufacturers and converters as possible to share our learnings and support the development of solutions that will safeguard disabled people’s mobility as the industry moves towards electric.”



Andrew Miller
Chief Executive Officer

At MOVE: Mobility Reimagined, we showcased how inclusive design can transform independence.

“ By working together, we all win. If we get this right for our customers, we get it right for everyone.”



Damian Oton
Chief Commercial Officer



At the BVRLA Fleets in Charge Conference, we shared solutions for an inclusive EV future.

“ It goes back to positivity. The more exposure we can give, the more positive stories we can tell, the more positive experiences we can give to customers of EV, the more we can change the dynamic.”



Lisa Thomas
Chief Marketing Officer

Partnering for greater impact

We partner with nonprofits, advocacy groups and values-aligned businesses to enhance the lives of disabled people. By working together, we can make a bigger difference and deepen the social and economic impact of the Motability Scheme. We take a purposeful approach to these partnerships that is consistent with our strategic commitments, meaning we are driving value for people who represent our customers, their experiences and what matters most to them.



Supporting the growth of grassroots wheelchair basketball across the UK, improving access and opportunities, helping more people move in a way that suits them.

Hear from Charlotte Moore, a GB Women’s wheelchair basketball player



Developing smart vehicle adaptations for Team BRIT drivers, giving them a level playing field to go further and faster in motorsport and beyond.

Understand how adaptations are transforming the driving experience with Team BRIT driver Noah Cosby



Making sport, physical activity and physical education more accessible in Scotland by expanding opportunities for disabled people across Scotland and spotlighting the transformative impact of the Motability Scheme.

Meet para-swimmer and SDS’ UK Disability Inclusion Training Tutor Laura Pilkington



Collaborating with Sociability, a disabled-led tech company, to enhance accessibility information for our offices. Our Edinburgh office information is now live and updated in real time so anyone can plan their visit with confidence.

Read more here





We've also continued partnering with our Motability Scheme ambassadors, a diverse group of customers who share their authentic experiences to raise awareness of the Motability Scheme and the independence and freedom it provides.

“ If transportation isn't accessible or it's a really hot day so it's difficult to walk with my guide dog, my Motability Scheme car is there for me. It really is my little home on wheels.”

Lucy Edwards
Motability Scheme Customer and Ambassador

“ The Motability Scheme has impacted my life in all positive ways. It’s given me an amount of freedom that I didn’t have before. Without it, I wouldn’t be anywhere near where I am.”



Noah Cosby
Team BRIT driver
and Motability
Scheme customer

“ It’s enabled us to be able to travel around the country and to basketball games and fit everything we need in our car, with just the peace of mind that we’re going to get everything in and get to our destination.”



Kirsty Van der Poll
Para-athlete and
Motability Scheme
customer

The big ambition

Initiated Progressing Advancing Achieved

Support 8 out of 10 customers in the UK to transition to an electric vehicle by 2032.

Where are we today?

So far, we’ve supported more than 100,000 customers to transition to an EV, laying the groundwork for a future where there is transport equity for all. Through continued investment, research and collaboration, we are helping to shape a more accessible and inclusive mobility landscape.

Giving back to our communities

We are committed to supporting our local communities and those that support our customers nationwide. This work is driven entirely through our people. The passion of our colleagues, the dedication of our charitable partners, and the lives of the customers we serve every day.

Volunteering

Every employee is given one volunteering day a year to support a cause of their choice. Many teams choose to volunteer together in their local area. In FY25, our people spent over 900 hours volunteering in their local communities.



Matched funding

When our people raise money for causes and charities, we match any money they raise up to £500. Employees from our sites led fundraising activities for causes they care about, and we supported 35 of these this year.

Charity partners



Empowering Futures volunteer day



In July, a group of our employees spent the day volunteering at Empowering Futures, a Care Farm that supports disadvantaged young people and provides a safe space to encourage their development.

The volunteers completed what would have been a multi-week job in one day, re-laying the pathway and making the farm accessible all year round.

The opportunity was found through our volunteering platform Neighbourly, which has been an essential tool making it easy for our employees to find meaningful opportunities close to them.



“

In Coalville we have supported Leicestershire Cares with volunteering this year, a charity that connects businesses with community projects. We’re focusing on practical, people-first initiatives that make a difference close to home.

Our colleagues used their volunteering day to support the Marlene Reid Centre – rolling up their sleeves to clear and tidy shared spaces, refresh outdoor areas and remove clutter helping to create a safer, more welcoming environment for residents and groups who rely on the centre’s support.

Together, we’re making a difference for our local communities.”



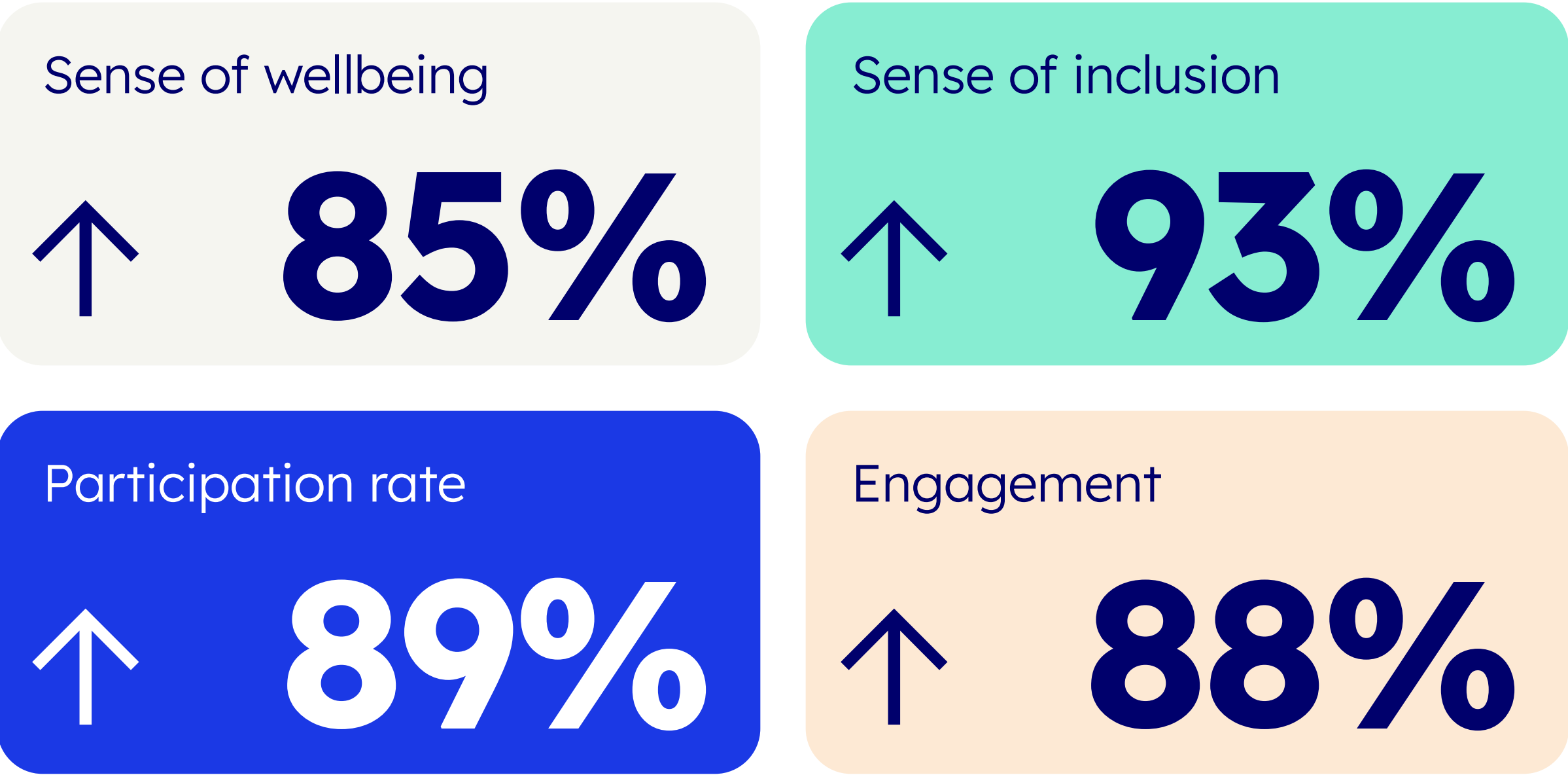
Rebecca Green
HR Manager

Developing our inclusive workforce

Developing a workforce where everyone feels they belong is fundamental to how we deliver the Motability Scheme. It’s also important our team reflects and understands the different lives of our customers, helping us find the smartest and most inclusive solutions.

While our high retention rates show many enjoy being part of our team, low turnover makes it challenging to quickly improve representation. That’s why we’re focused on closing the engagement gaps identified in our surveys. Through new initiatives and training, we are continually working to build an environment where every team member feels fully included and supported.

What we’ve learned from our 2025 engagement survey



Strategies in action

We invest in our teams with the necessary tools for training, development and wellbeing. Providing consistent and effective support to all teams was the driver for us formalising these foundational aspects of our organisation in 2024. We launched two key strategies: **Nurturing talent for tomorrow** and our **Wellbeing strategy**.

Today	Next Steps	Launching in 2026
<div>Established a new Learning & Development platform and onboarded all employees.</div> <div>63% of employees have completed a self-assessment against the new Skills Framework.</div>	<div>Managers and employees will work together to validate these insights and identify focus areas to guide targeted skill development.</div> <div>We are retraining and upskilling an additional 18 Mental Health First Aiders.</div>	<div>We will strengthen our development pipelines through inclusive progression by launching intensive talent programmes and expanding succession planning and talent mapping, all with EDI embedded.</div>
<div>We have 42 Mental Health First Aiders across the business. This is a governed qualification recognised as most effective for workplaces in the UK, equipping our team with the skills to have appropriate mental health conversations.</div>	<div>Introducing monthly wellbeing sessions for managers across the business.</div>	<div>Our goal is to establish our Mental Health First Aiders and provide mental health training for all managers to ensure coverage across all sites and increase opportunities for positive, preventative mental health.</div>

Our 2025 pay gap headlines

Being a responsible business means transparency about our progress and challenges. Sharing our pay gap report is a vital part of this commitment. It keeps us accountable, provides a clear picture of where we are today and our future, driving ongoing progress in Equity, Diversity and Inclusion (EDI). Our pay gap report discloses gender, disability, sexuality and ethnicity pay gaps.

“ This year, our people have shown, once again, the passion and integrity that drive Motability Operations and the impact we deliver for our customers. Through transformation, our people have continued to deliver outstanding service to our customers, while strengthening the sustainability, inclusivity and future readiness of our business. I’m especially proud of the progress we’ve made on engagement and inclusion, with continued high levels of participation in our myView employee survey and outstanding scores for belonging and leadership.



Sarah Lewis
Chief People Officer

Pay gap mean

Gender pay gap 18.1%

Our gender pay gap has reduced by 4.3% since 2024

Disability pay gap 14.4%

Our disability pay gap has increased by 2.6% since 2024

LGBTQ+ pay gap 15.8%

Our LGBTQ+ pay gap has reduced by 6.7% since 2024

Ethnicity* pay gap 9.9%

Our ethnicity* pay gap has reduced by 2.5% since 2024

Ethnicity pay gap 24.3%**

Our ethnicity** pay gap has reduced by 6.6% since 2024

Read our full pay gap report to find out more

*The mean pay gap between White and Black, Black British, Caribbean, or African employees was 9.9%, meaning that Black, Black British, Caribbean, or African employees have a higher average pay.

**The mean pay gap between White and Asian or Asian British employees stands at 24.3%, meaning Asian and Asian British employees have a higher average pay.

Bringing our employee networks to life in 2025

We strive for a team that reflects the diverse UK society and communities we proudly serve. Our employee networks champion diverse voices and educate the entire business, strengthening our understanding of one another and our customers.



“Celebrating and leveraging the talents of people with physical disabilities.”

We ran a five-week campaign inspired by the Disability Pride flag, with each colour spotlighting a different aspect of disability. It covered neurodiversity, sensory, and physical disabilities, mental health, and undiagnosed conditions, sharing personal stories and guidance to help colleagues learn and get involved.



“Celebrating the vibrant community of LGBTQ+ colleagues and providing a platform for growth and awareness.”

We celebrated Trans Awareness Week with a presentation from Dani St James, founder of the charity ‘Not A Phase’. She explained the challenges trans people are facing, what we can do to help and how to be a more inclusive workplace.



“Race, Equity, and Cultural Heritage: empowering our ethnically diverse colleagues to thrive.”

We celebrated South Asian Heritage Month with a focus on “Routes to Roots”. Our colleagues facilitated a heartfelt panel where they shared powerful, intergenerational stories of cultural duality, migration and strength.



“Existing to create gender equity and equal opportunities for colleagues.”

For International Women’s Day (IWD), themed #TakingAction, we empowered employees to share inspiring stories through the IWD Cuppa Club. We hosted impactful events with one exploring how all colleagues, especially male allies, can take action to drive gender equity, reinforced by internal pledges for change.



Belonging@ awareness day

“ I want to educate others on the diverse narratives within the African diaspora, particularly the strength and unity of Nigerians globally. Being part of REACH at Motability Operations Ltd symbolises the spirit of community - a shared journey of growth, mutual support, and amplifying our collective voices.

I’ve faced challenges like navigating cultural expectations and societal stereotypes, but these experiences have only strengthened me. I’m proud of embracing my heritage while excelling in my career and contributing to my community.”



Nancy Owolabi,
Junior Data Scientist,
part of our REACH Network

Moving beyond awareness

Facilitated by our enABLE Employee Network, the powerful three-part series, Access All Areas: Being Me, was designed to develop an inclusive environment where diverse talent thrives.



Simon Minty, dedicated disability rights advocate, hosted the sessions featuring a variety of internal and external speakers who shared their journeys of growing up with disabilities or mental health conditions building successful careers.



We discussed...

Disability and parenting

Ambassador Paula Hudgell OBE and Gavin Thomson, our COO covered family life, legal reform and professional approaches.

Identity and careers

Mark Ormrod and three Coalville colleagues shared candid stories of their mental health journeys in an open, stigma-challenging session designed to help people connect, reflect, and support one another.

Inclusion in practice

Paralympian Robyn Love and Team Coach Daisy Ross explored visible vs. invisible disabilities and defined authentic workplace inclusion.

This educational series equipped our team with the tools to support, develop and retain talent, helping us deepen our inclusive culture and amplify diverse voices.



envision

We are proud to be a cornerstone partner of Envision, a charity that empowers underrepresented young people to build essential skills and confidence to enter the workforce feeling positive and prepared. This year, young people from Envision worked with two teams of mentors from Motability Operations to design, develop and deliver social action projects that made a positive change in their school or college community.

3

young people supported across two schools in Bristol and London

19

mentors from Motability Operations directly involved

100%

of young people supported said the program helped to develop their confidence

94%

of our mentors felt they developed their own essential skills and confidence

“ I use all the skills I developed during the programme in my day-to-day work. It was a turning point for me, especially in terms of gaining confidence in public speaking. The skills I developed laid a foundation that I have built on throughout my academic and professional life.”



Amina
Current Solutions Account Manager
and Envision Programme graduate

The big ambition

Initiated

Progressing

Advancing

Achieved

By 2030, we aspire to achieve EDI parity across all levels of the business

Where are we today?

This year, we’ve made strong progress towards our targets of achieving EDI parity with UK census data and equal employee engagement. We’ve met our goals for gender, disability, and LGBTQ+ representation, and engagement among women and LGBTQ+ colleagues is above average. We continue to develop strategies to ensure an inclusive workplace for all.

Awards and accreditations

Accreditations



External Awards

Motability Operations	Won	Best use of AI	South West Contact Centre Awards
Anna Jones	Won	Trainer of the Year	South West Contact Centre Awards
Motability Operations	Bronze	Best Customer Centric Culture	European Contact Centre and Customer Services Awards
Motability Operations	7th	Best 40 Small to Medium Sized-Schemes	RateMyPlacement Awards

Internal Awards

We hold annual employee awards to recognise and celebrate the outstanding contributions of our employees in delivering the Motability Scheme for customers.

The Values Award	Gary Hiscox Fleet Control Specialist
The Belonging Award	Sian Robinson Micromobility Dealer Relationship Manager
The Impact and Sustainability Award	Nargis Siddiqui Financial Operations Analyst
The Leadership Award	Emma Courtney Head of Insurance Solutions
The Bright Idea Award	Victoria Thomas VRM Operations Coordinator
The Outstanding Service Award	Jason Gan Enterprise Architect
The Teamwork Award	The Christmas Cheer Group

Transition Plan 2025

Thoughts from our CEO	→
Foundations and targets	→
Implementation strategy	→
Engagements, metrics and governance	→

Contents

Our Transition Plan is structured in line with the UK Transition Plan Taskforce (TPT) framework and addresses the five key elements of a credible climate Transition Plan:

Foundations

Implementation strategy

Engagement

Metrics and targets

Governance

Foundations and targets

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Thoughts from our CEO

The Zero Emission Vehicle (ZEV) mandate is already reshaping the automotive market. While this government policy supports the UK’s climate ambitions, it also brings immediate challenges for disabled people on the Motability Scheme. The shift to electric vehicles (EV) has reduced the availability of petrol cars, increased lease costs and pushed some customers towards vehicles they are not yet confident will meet their needs. For disabled people with specific mobility requirements or complex adaptations, these changes have real consequences for independence and everyday life.

Our latest research illustrates this clearly. The EV Transition Tracker shows that disabled people are finding the transition harder than the general public: only 26% feel positive about EV, compared with 42% of the wider population, and just 28% would choose one for their next lease. Confidence in public charging is particularly low. Only 12% of disabled drivers feel there are enough chargepoints locally, and almost a quarter of EV drivers on the Scheme avoid the public network due to accessibility concerns. With the average household more than 11 minutes’ walk from a charger, and only 31% willing to walk that far, the lack of nearby accessible infrastructure remains a significant barrier. These findings highlight why a transition that prioritises fairness, availability and customer confidence is essential.

Our responsibility is to manage this transition with care. We will continue to support customers who are ready to switch, while ensuring as far as we can that no one is disadvantaged because the market does not yet meet their needs. This includes securing suitable and affordable vehicles, working with industry to improve accessible charging and providing clearer information and planning tools so customers can make informed choices. Crucially, we recognise that progress will not be linear. We depend on factors outside our direct control – from vehicle supply and design to national infrastructure and policy – and collaboration with manufacturers, suppliers, government and regulators will be essential.

Reducing our environmental impact is central to the long-term sustainability of the Scheme. More than 95% of our emissions come from the customer fleet, and cutting these is critical to meeting our science-based targets and our commitment to reach net zero by 2050. This Transition Plan sets out a credible pathway with clear actions across our operations, fleet and supply chain. It reflects what we know today and where we need support from others, and we will update it as policy, technology and customer needs evolve.

However, the scale of the challenge is becoming clearer. Our EV fleet remains smaller than what we might expect over the long term, shaped both by policy factors outside our control and by the real, practical barriers many disabled people encounter when considering the transition. In November 2025, we registered around 3,000 EVs – about 12% of new cars on our fleet – compared with 29% in the wider market. While this gap has grown since November 2024, when our EV share was 22% against 26% for the wider market, it underlines an important point: the market is progressing and evolving, but customer confidence and suitability especially for disabled individuals is not yet keeping pace with policy ambition.

We are also mindful of investor and regulatory expectations. A transparent transition plan strengthens our long-term resilience and supports continued access to sustainable finance. We are embedding climate considerations into governance, financial planning and decision making, and preparing to broaden our social bond framework into a wider sustainability funding approach. These steps help ensure we remain a stable and responsible steward of the Scheme throughout this period of change.

Above all, our focus remains on disabled people. The Scheme exists to provide freedom and independence, and that commitment will always guide every decision we make. The challenges are significant, but so is the importance of getting this right. The challenges are real, and government targets are another tension that the Scheme has to manage. But by working closely with customers, industry and government, we can help shape an EV transition that is accessible, affordable and inclusive, reducing Scheme emissions, while safeguarding the future of the Scheme and the independence it provides for generations to come.



A handwritten signature in blue ink that reads "Andrew Miller". The signature is fluid and cursive, with a long, sweeping underline.

Andrew Miller
Chief Executive Officer

Strategic alignment

This Transition Plan sets out our plan to achieve our target of reaching a net zero position by 2050 at the latest. It is aligned to our Impact and Sustainability pillars, turning our purpose into action and strategy into measurable impact.



Find out more about our strategic pillars

➔



A strong Motability Scheme

Implementation and oversight

Embedding sustainability into culture, governance, and finance to ensure accountability and transparency.

Our big ambition

Ensure that no one is left behind and secure the long-term sustainability of the Scheme by raising 100% of new capital under a sustainability funding framework by 2030. As one of the largest bond issuers in the UK, we aspire to influence and demonstrate leadership in sustainable financing with the provision of capital linked to electric vehicles, carbon reduction and social impact for traditionally underserved groups.

How we'll achieve this: Board oversight, training and workforce engagement, transparent disclosure and assurance.



A greener tomorrow

Our decarbonisation strategy

Reducing emissions across our operations, fleet, and supply chain in line with our science-based targets.

Our big ambition

We'll meet and exceed our science-based targets for carbon reductions across all aspects of our business by 2032. We will reach a net zero position no later than 2050.

How we'll achieve this: Fleet electrification, renewable energy sourcing, supplier ESG engagement.



A thriving society

Ensuring a fair and just transition

Using our unique position and influence to support an inclusive, low-carbon mobility transition.

Our big ambition

- Support over 800,000 disabled people in the UK to seamlessly transition to an electric vehicle by 2032. We will advocate for our customers where the industry cannot provide suitable and sustainable mobility solutions, and address the challenges faced by our customers.
- By 2030, our customers will be supported by an engaged and diverse employee base that is representative of UK society across all levels of the business.

How we'll achieve this: Supporting OEMs and suppliers, enabling accessible EV adoption, influencing industry and policy.

Our plan at a glance

Our Transition Plan outlines how we’ll reach net zero while continuing to provide inclusive, affordable mobility for disabled customers. It prepares us for the low-carbon transition, aligns our strategy with a 1.5°C pathway, and shows how we’re building a resilient, sustainable future for customers, investors, and regulators.

Whilst we have aligned this Transition Plan to the best available science, we recognise that climate understanding and global trajectories will continue to evolve. The UK Climate Change Committee currently projects a pathway consistent with around 2°C of warming, and we expect further updates as evidence, policy and modelling develop. As this landscape shifts, we will adapt this Transition Plan to reflect emerging science and guidance.

Our targets

- Achieve net zero by 2050
- Exceed 50.4% science-based reduction for Scope 1 and 2 by 2032
- Exceed 58.1% science-based reduction for Scope 3 by 2032
- Raise 100% of new capital under a sustainability funding framework by 2030

How we’ll get there



Measures of success

- Transition to EV**
Seamlessly transition over 800,000 disabled customers to low-carbon vehicles
- Managing climate risks**
Meet investor and regulatory expectations and improve ESG ratings across the board
- Protect access to finance**
Establish confidence in social and sustainable finance with investors
- Drives business efficiency**
Reduce emissions and drive resilience and efficiency across our operations

Our net zero target

We’re committed to achieving net zero greenhouse gas emissions across our value chain by 2050, in line with a 1.5°C pathway, verified by the Science Based Targets initiative in 2025.

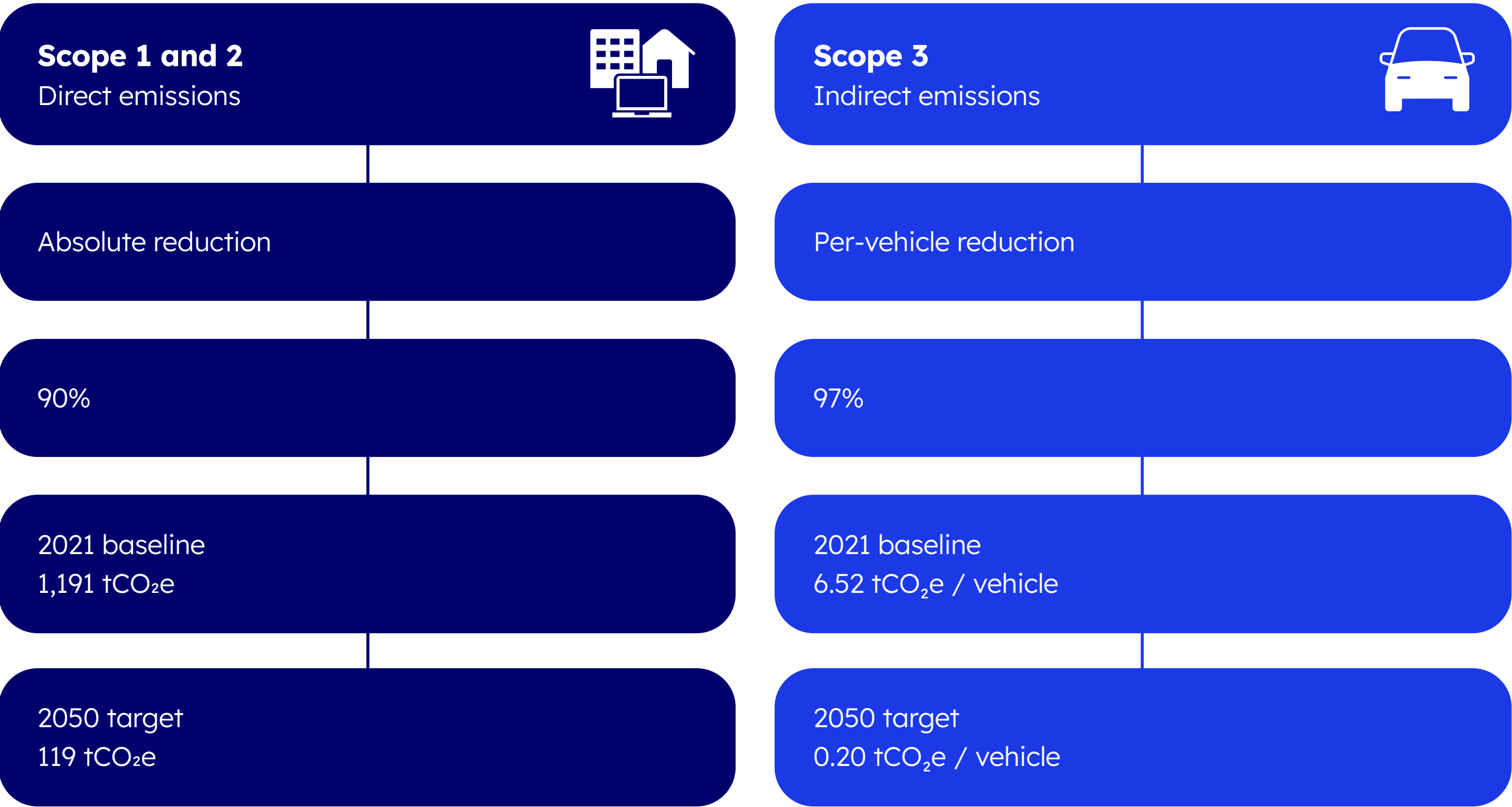
This plan targets emissions across all scopes and ensures we tackle both direct and indirect emissions which makes up the bulk of our footprint, while maintaining meaningful reductions.

Over 99% of our emissions come from our customer vehicle fleet. Supporting our customers through the transition to an electric vehicle will have the most significant impact on achieving our net zero target.

Our total carbon footprint in FY25

9.4 M tCO_2e

Our science-based targets



Our near-term target

A key milestone in our journey towards net zero, requiring emissions reduction across Scopes 1, 2 and 3. In the short term, our progress won't be linear as reducing our Scope 3 emissions is dependent on customer vehicle choice. Based on current fleet forecasts, we are anticipating a reduction of 38.5% in our Scope 3 emissions by 2029.

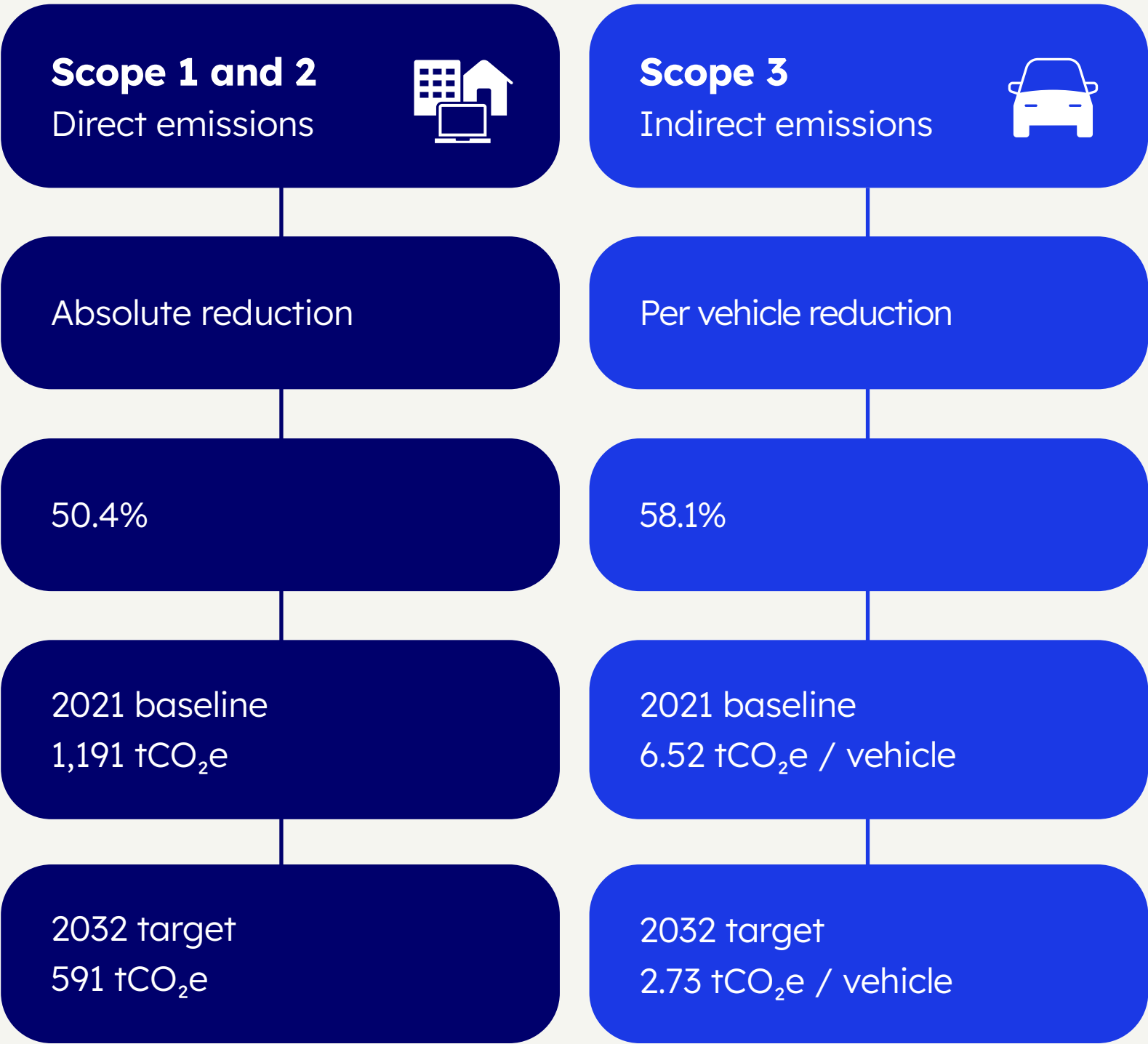
We are committed to ensuring our disabled customers remain mobile and that there is an appropriate choice of vehicles available on the Motability Scheme.

We also know that an electric vehicle does not work for all our customers today and that change needs to happen before electric vehicles work for disabled people.

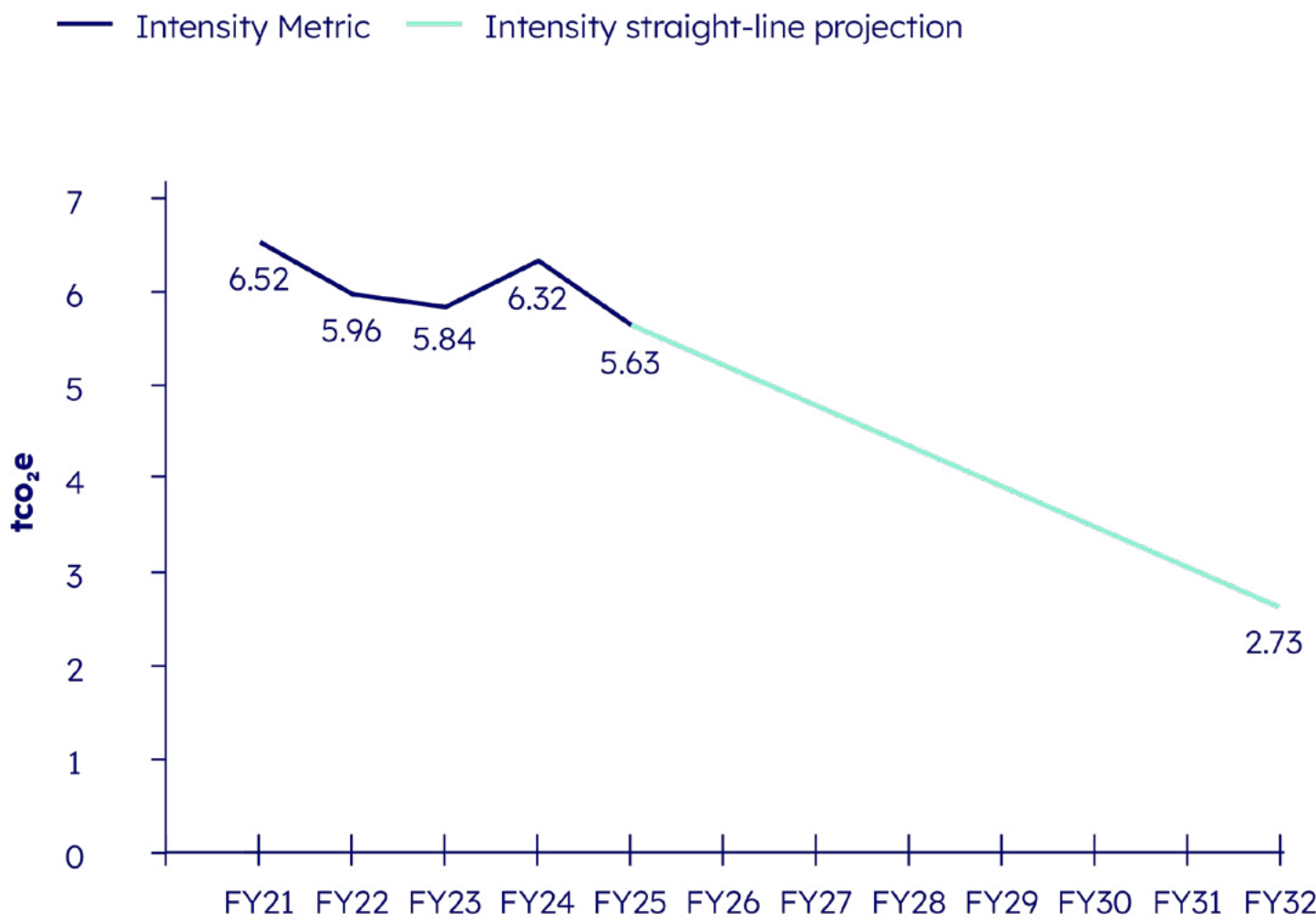
To find out how,
read our Impact Report



Our science-based target



Our overall reduction pathway



An intensity ratio represents the emissions of our vehicles, divided by the number of vehicles on the Scheme or sold that year. It allows us to track the average emissions of fleet vehicles over time, independently of fleet size.

We use emission factors provided by the UK Department for Environment, Food and Rural Affairs (DEFRA)





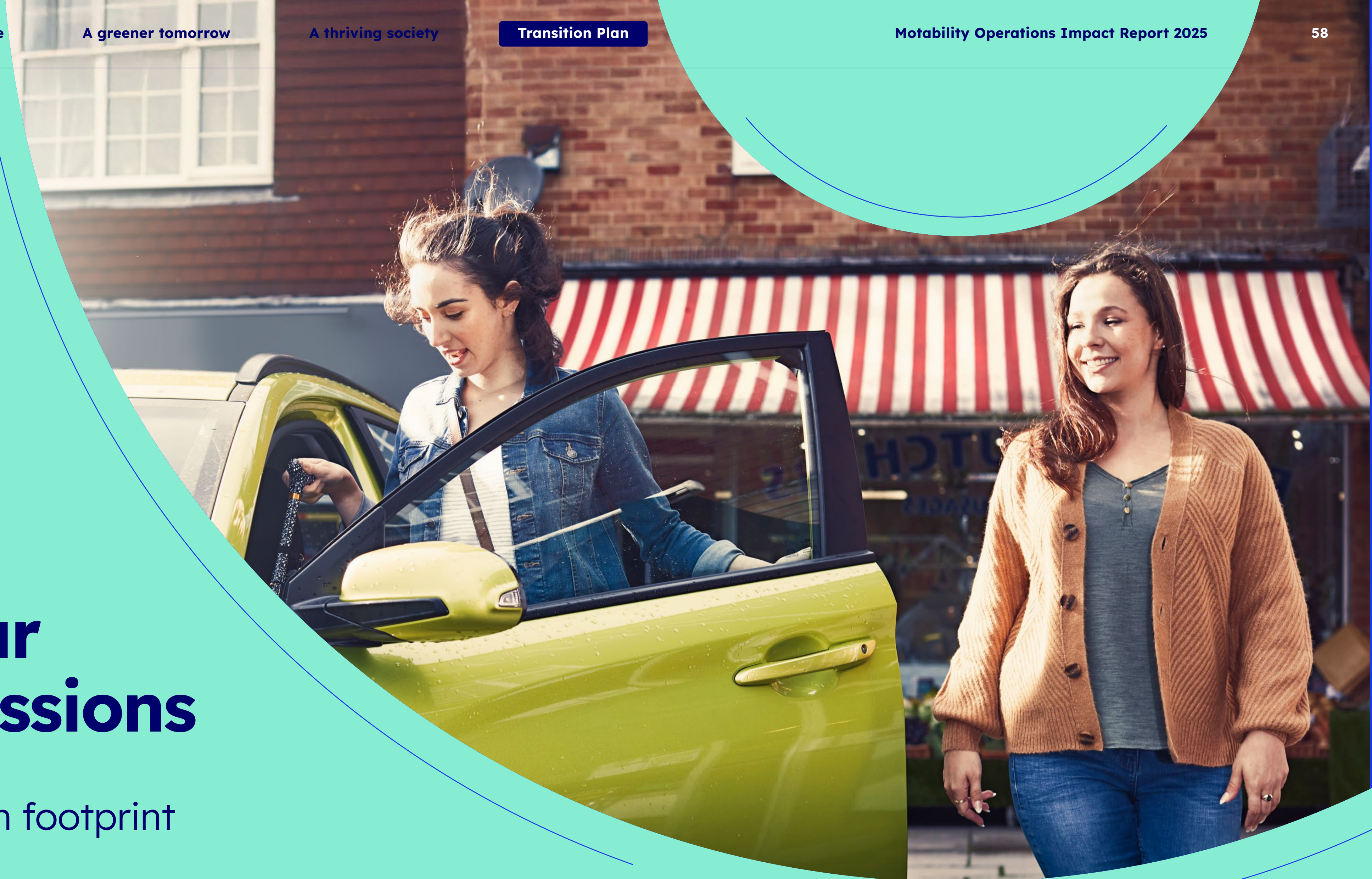
“ We remain fully committed to our science-based targets and to achieving net zero no later than 2050. Our ability to reach this ambition will be shaped by the pace at which we transition customers to low- and zero- emission vehicles, while responsibly phasing out remaining internal combustion models. We forecast our fleet volumes over a five-year time horizon, aligned with our business planning cycles to reflect realistic assumptions of fleet size, customer transition rates, and technology changes. At the same time, we’re taking action to remove barriers to EV adoption for our disabled customers. This includes improving the accessibility of public charging infrastructure and advancing inclusive vehicle design. These efforts are essential to ensuring that every customer can participate in the shift to an electric future.”

Clare Ickringill
Chief Asset Risk Officer



Reducing our Scope 3 emissions

99% of our total carbon footprint



Scope 3

Scope 3 refers to the indirect emissions generated across our value chain.

Our Scope 3 emissions account for more than 99% of our total emissions and represent the largest part of our carbon footprint.

These indirect emissions are generated throughout our value chain, from the manufacturing of the vehicles we purchase, to the ways we travel to work.

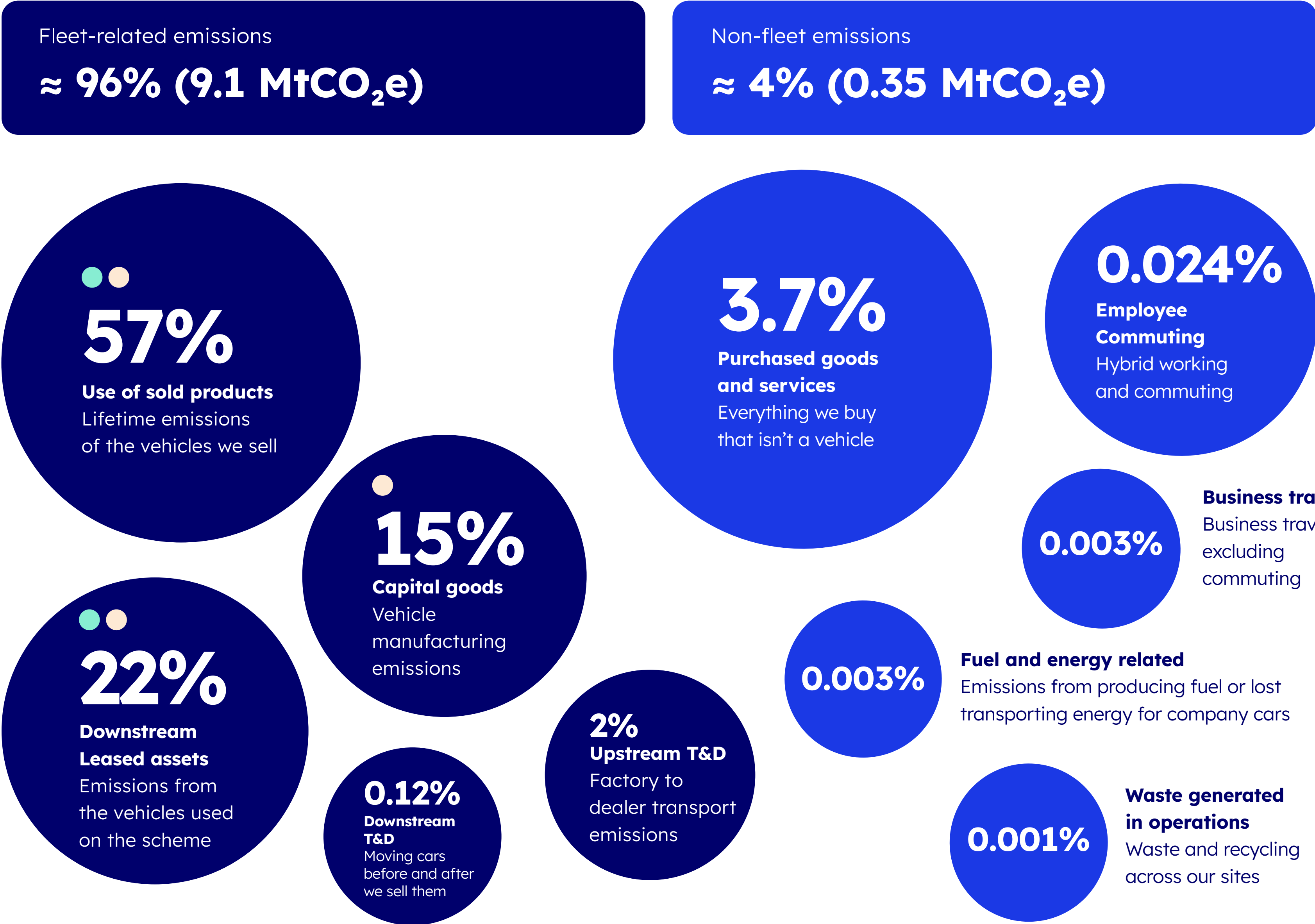
Measuring, managing and reducing our Scope 3 emissions is central to our Transition Plan.

To achieve our targets, we must engage our suppliers, partners and employees to build shared accountability and drive measurable reductions across every category.

Key:

Included in near-term targets

Included in net zero targets



Fleet-related emissions: Leased assets

The **tailpipe emissions** generated by the vehicles on the Motability Scheme. It is based on fuel consumption, mileage and driving behaviour during each customer lease. Achieving a reduction in this category is central to our net zero transition and is our primary focus in the short term.

Helping our disabled customers transition to low-emission vehicles will have the single greatest impact on our carbon footprint.

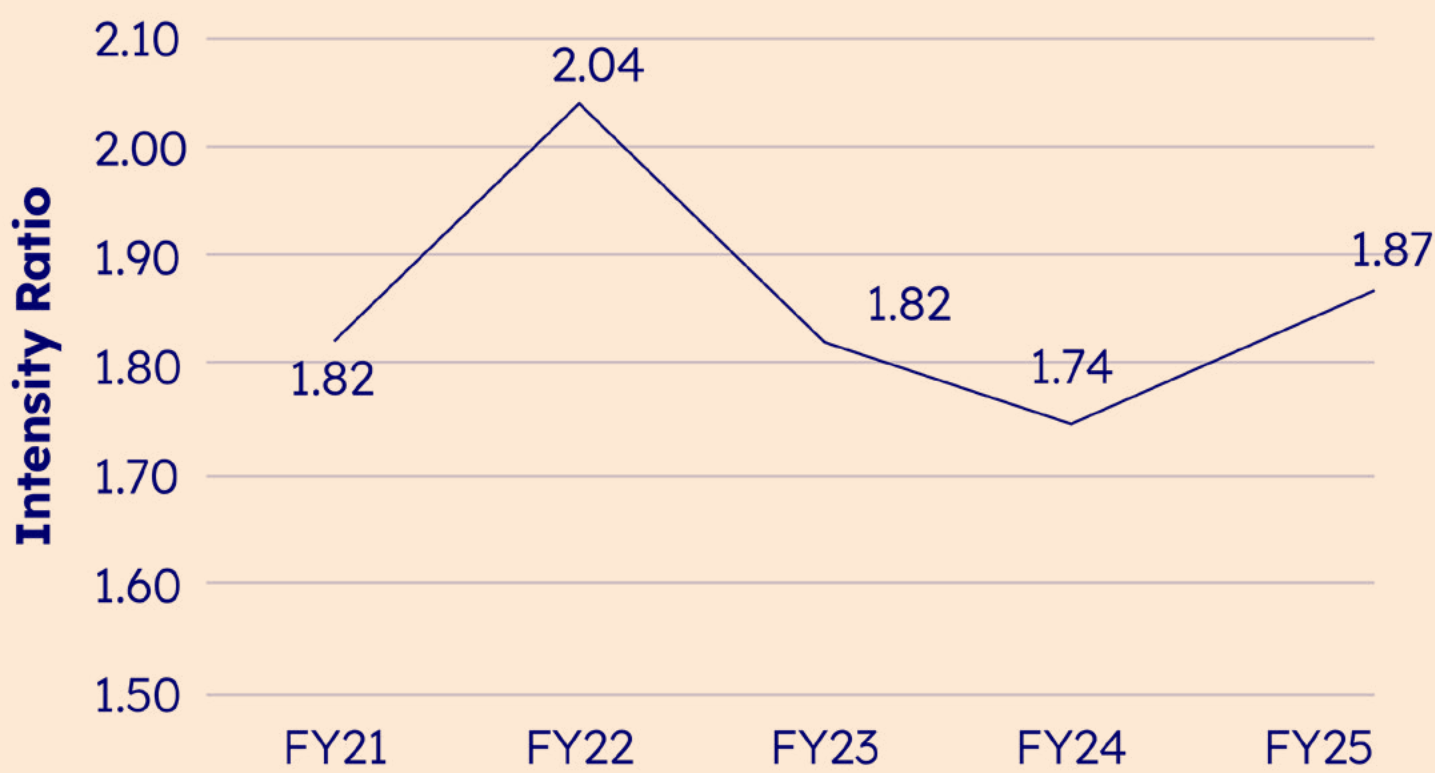
FY25 emissions

2.1 MtCO₂e

representing 21.93% of total Scope 3

This figure is expected to decline as customers transition from ICE to EV vehicles. Emissions intensity per vehicle is tracked under our SBTi intensity target (–58 % by 2032; –97 % by 2050).

Leased assets intensity ratio



An intensity ratio represents the emissions of our vehicles, divided by the number of vehicles on the Scheme or sold that year. It allows us to track the average emissions of fleet vehicles over time, independently of fleet size.

Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Customer confidence	Understand customer needs and barriers to EV adoption	Build confidence through education, marketing, customer service and events	Maintain confidence through ongoing communication, performance data and peer advocacy
Customer support	Provide resources and guides to inform EV purchasing decisions	Launch tools to support customers in the EV transition (e.g. Go app, comparison tools)	Continuously improve platforms with better accessibility and real-time insights
OEM collaboration	Ensure affordable, available EV and hybrid models	Partner with OEMs to secure affordable, accessible EV supply	Co-develop EV specs and procurement frameworks aligned with net zero
Resourcing	Strengthen internal EV expertise, customer service and supplier management	Partner with OEMs to secure affordable, accessible EV supply	Embed transition roles into business-as-usual operations and workforce planning

Fleet-related emissions: Use of sold products

The lifetime emissions of the **vehicles we sell** at the end of their lease. As the original purchaser of Scheme vehicles, we must account for the expected emissions generated by these vehicles over their lifetime. Vehicles are typically on the Scheme for three to five years and the ‘expected lifetime’ refers to the following 11 years. This is calculated by taking the average UK mileage multiplied by an emissions factor determined by vehicle size and fuel type. Although, these vehicles are no longer part of our fleet, their ongoing use contributes significantly to our footprint.

By transitioning our fleet to electric vehicles, we reduce the lifetime emissions of every car we sell.

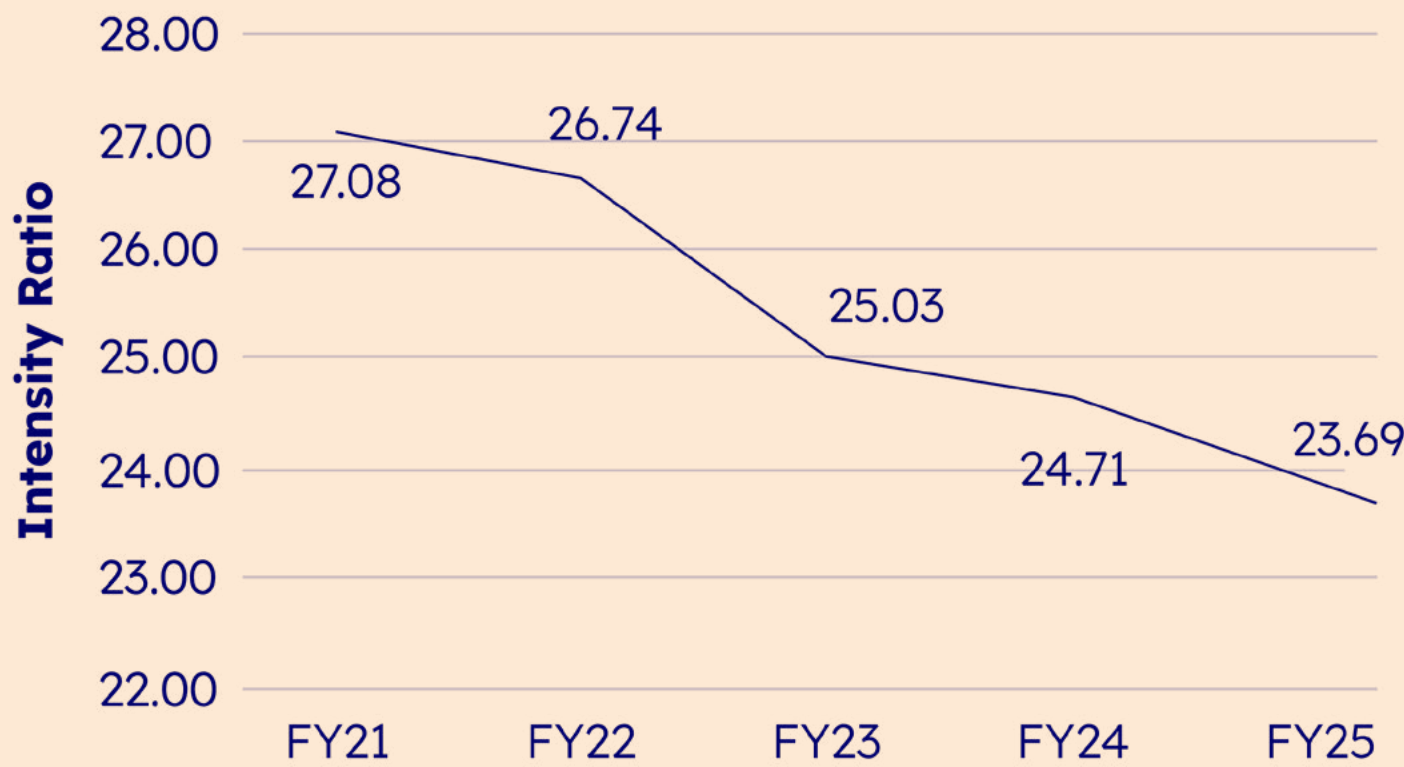
FY25 emissions

~5.4 MtCO₂e

representing 57.09% of total Scope 3

This category remains one of the largest contributors to our footprint, due to the volume of ICE vehicles being sold. As more customers choose electric vehicles, these emissions will decline in line with our target.

Use of sold products intensity ratio



Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
EV adoption	Developed battery health tools and dealer info	Improve EV availability and health data for end-of-lease sales	Achieve 100% zero-emission vehicle sales by 2035 (UK regulation)
Customer transition tools	Introduced cost and range tools to support low-emission choices	Launch further EV transition tools (e.g. Go app, comparison tools)	Enhance tools using predictive insights and real usage data
Improve data quality	Built in-house carbon reporting by vehicle type and fuel	Partner with OEMs to refine long-term vehicle usage data	Improve emissions accuracy through advanced data integration

We use emission factors provided by DEFRA



Fleet-related emissions: Capital goods

The emissions generated during the manufacturing of the **vehicles we purchase** each year and lease to customers through the Motability Scheme. The emissions in this category come from the manufacture of steel, batteries, vehicle components, and the energy used in this process. This is calculated by multiplying the number of vehicles purchased by an emissions factor based on fuel type.

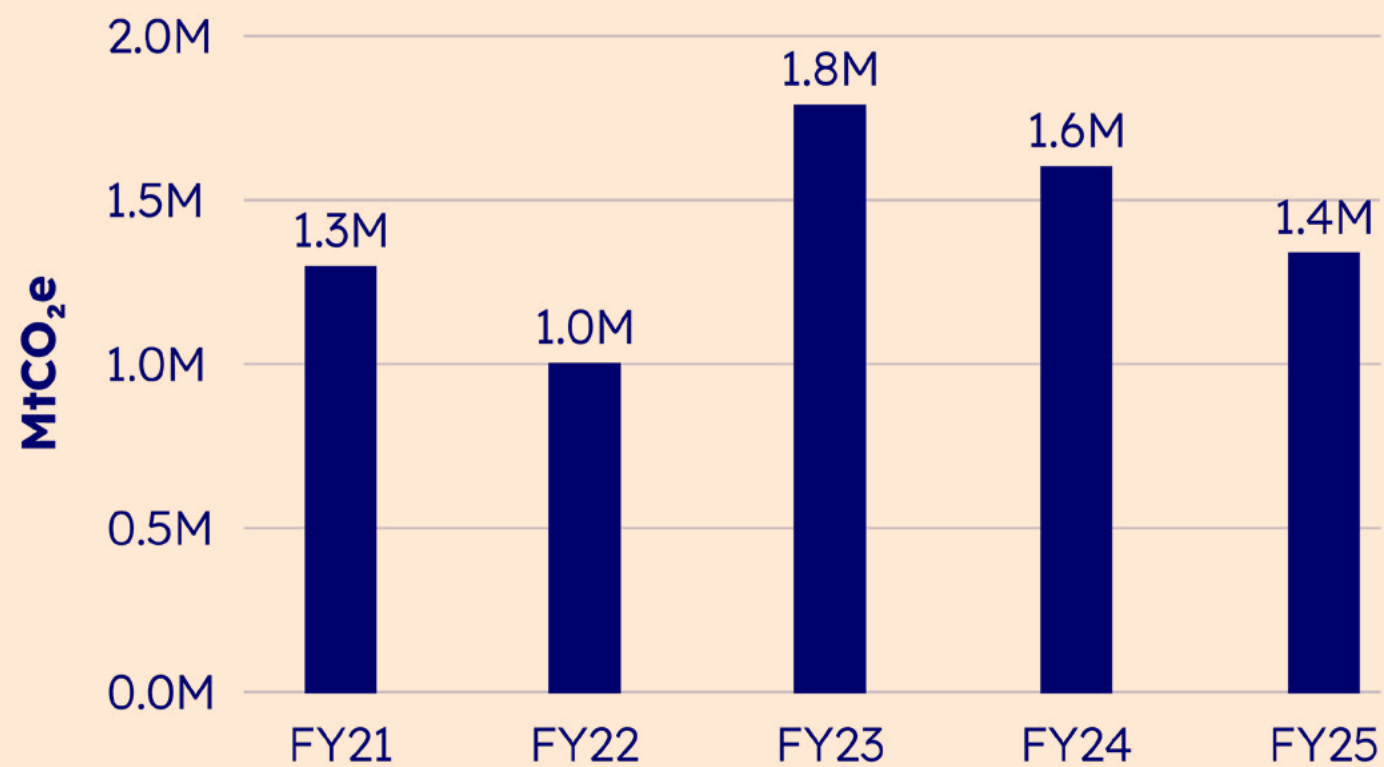
FY25 emissions

1.4 MtCO₂e

representing ~15.14% of total Scope 3

These emissions reflect the emissions intensity of vehicle manufacturing. While these emissions fluctuate in the short term, reductions will come from the automotive industry’s shift to low-carbon manufacturing and materials.

Capital goods emissions



Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Supplier engagement	Introduced third-party risk framework and supplier code of conduct	Develop platform to capture and assess supplier ESG credentials	Integrate life-cycle analysis (LCA) data into procurement to drive low-carbon manufacturing
Improve data quality	Built in-house reporting on vehicle emissions by type and manufacturing factors	Collect cradle-to-gate emissions data from OEMs and assess manufacturing efficiency	Support OEMs to deliver low-carbon vehicles and use renewable energy
Reporting	Publish annual Impact Report with in-house carbon data	Continue annual reporting on supply chain emissions	Work with OEMs to track progress toward net zero goals



Fleet-related emissions: Upstream transportation and distribution

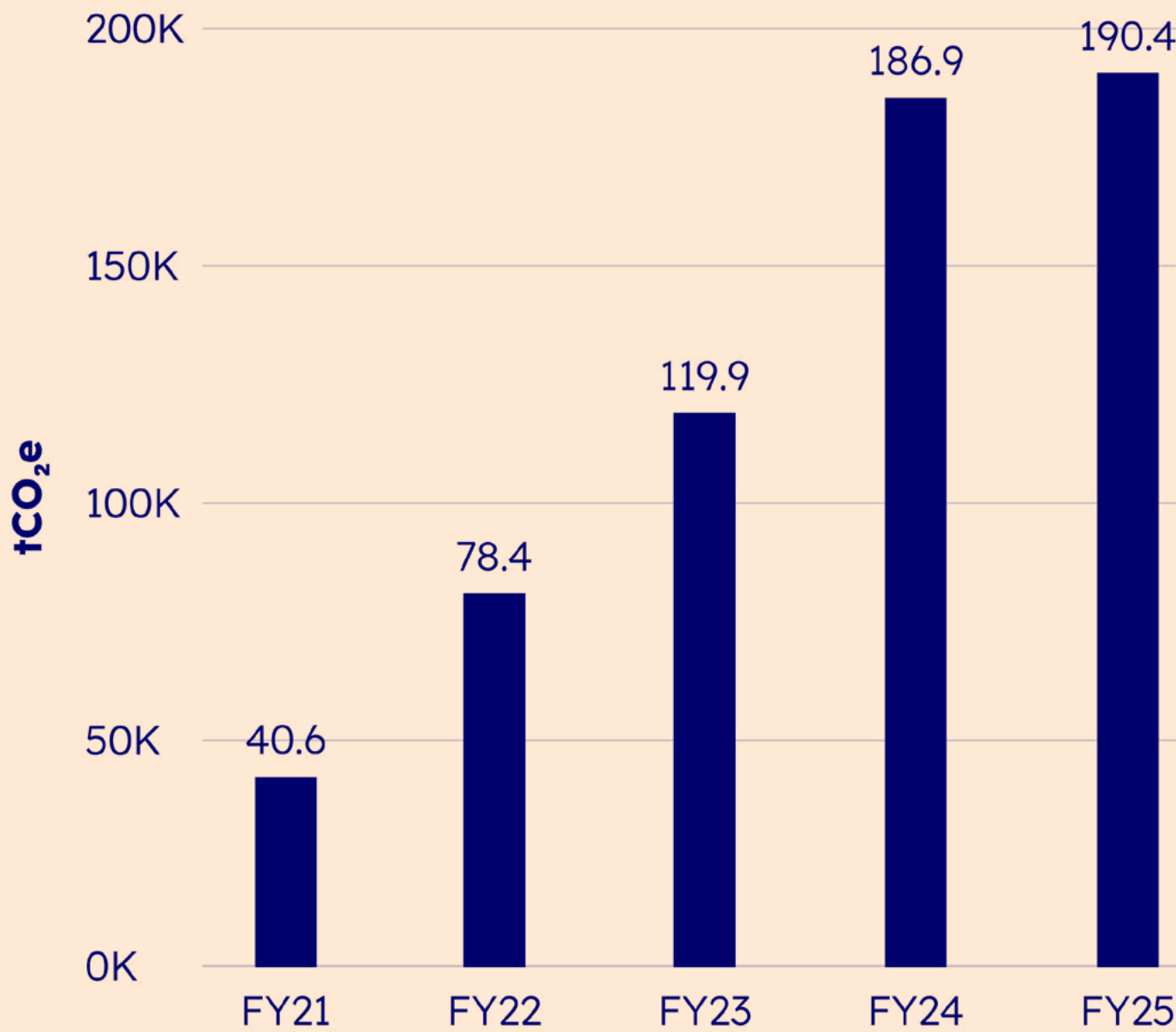
Emissions **generated during transport** from the production factory to a Scheme customer’s local dealership. This is calculated by purchased vehicles country of origin.

FY25 emissions

~190.4k tCO₂e

representing ~2.02% of total Scope 3

Upstream transport emissions



Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Improve data quality	Report emissions for vehicle transport and distribution by country of origin	Enhance logistics emissions data through OEM engagement	Develop full value chain emissions reporting across partners
Local sourcing	Set aspirational target to purchase more Scheme vehicles from British manufacturers	Purchase 25% of vehicles from British manufacturers by 2030	Purchase 50% of vehicles from British manufacturers by 2035



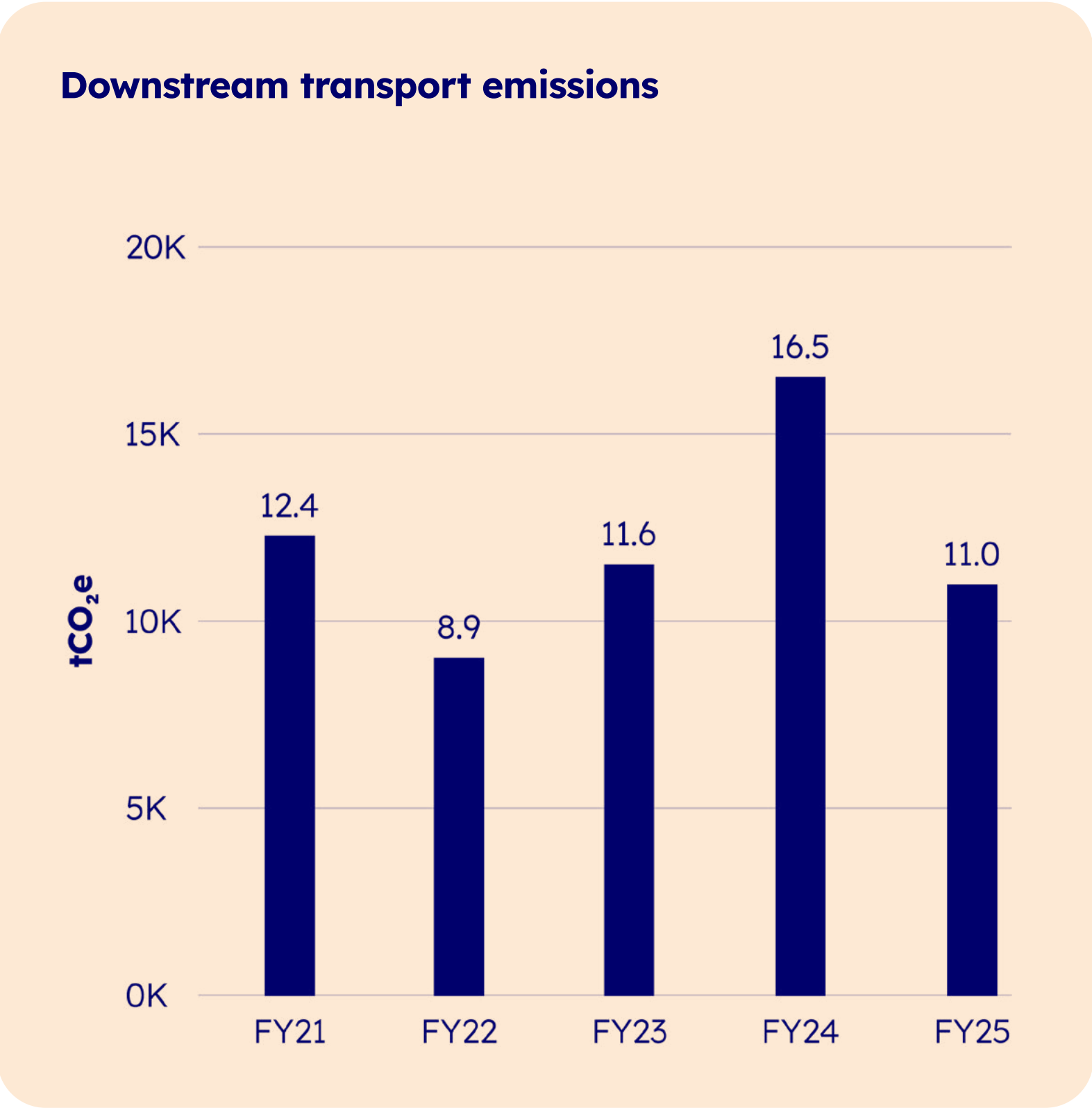
Fleet-related emissions: Downstream transportation and distribution

Emissions generated by **moving vehicles post-lease**. Typically, vehicles are transported from a customer’s local dealership to a remanufacturing site, auction or a purchasing dealer. This is calculated by the number of deliveries made multiplied by the distance travelled.

FY25 emissions

~11k MtCO₂e

representing ~0.12% of total Scope 3



Our Transition Plan			
Transition item	Implemented	Short term	Mid-long term
Our Vehicle Remarketing team (VRM), track all vehicle movements, pre and post lease.	Partnered with logistics providers to optimise routes, transport options and scheduling	Work with logistics partners using electric/hydrogen HGVs and low-carbon shipping	Continue tracking all vehicle movements pre- and post-lease through the VRM team



Non-fleet emissions: Purchased goods and services

Purchased goods and services includes **all products and services we procure**, including vehicle parts, IT systems, professional services and office supplies. This category is calculated using a spend-based methodology, accounting for the type of service and amount of spent multiplied by an emissions factor.

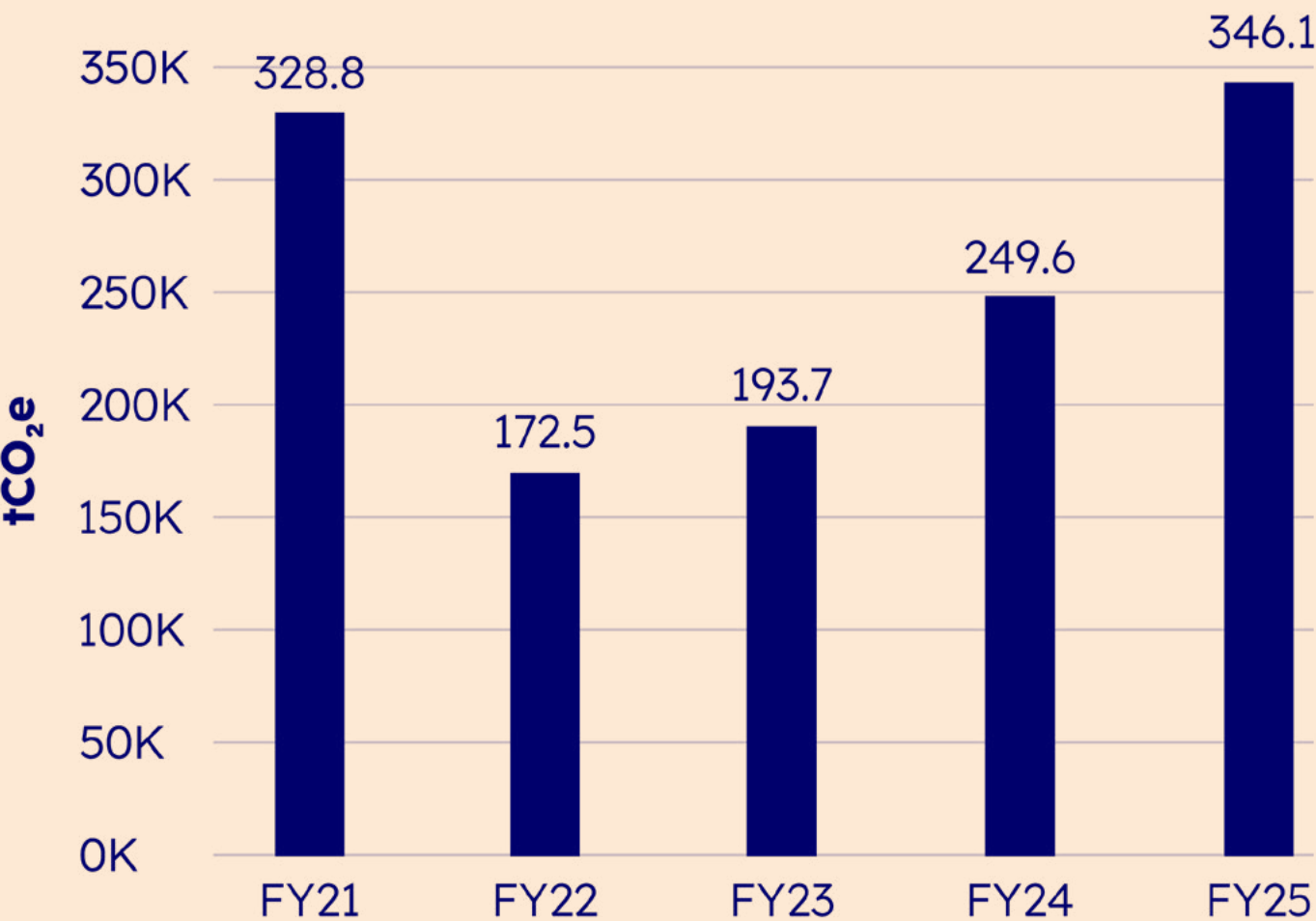
FY25 emissions

~346.1k MtCO₂e

representing ~3.67% of total Scope 3

Spend-based analysis only provides an indication of any emissions associated with the products and services we purchase. It does not take into account any emission reductions activities of suppliers. This category will evolve to use supplier-reported data, providing a more accurate view of impact and progress.

Purchased goods and services emissions



Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Shift to supplier -specific data	Appointed third-party risk manager and introduced sustainability-focused supplier onboarding	Engage top 80% of suppliers to share emissions data	Achieve full supplier emissions disclosure and net zero alignment for material spend
Engage suppliers	Implemented supplier risk framework and code of conduct	Embed ESG and climate criteria in tenders; train suppliers on emissions tracking	Co-create decarbonisation roadmaps and integrate sustainability into supply chains



We’re evolving from spend-based data to actual emissions and will work with our suppliers to deliver measurable, science-based reductions across our value chain

Non-fleet emissions: Operational

These emission categories represent our **indirect operational emissions**, areas where we can lead by example through efficiency, behaviour change, and supplier engagement.

Waste generated in operations

Waste and recycling from our offices and Coalville site.

FY25 emissions:

72.8 tCO₂e

Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Shift to supplier-specific data	Appointed third-party risk manager and introduced sustainability-focused supplier onboarding	Engage top 80% of suppliers to share emissions data	Achieve full supplier emissions disclosure and net zero alignment for material spend
Engage suppliers	Implemented supplier risk framework and code of conduct	Embed ESG and climate criteria in tenders; train suppliers on emissions tracking	Co-create decarbonisation roadmaps and integrate sustainability into supply chains

Operational categories represent an opportunity to demonstrate leadership in sustainable working practices and operational efficiencies. We have already achieved operational efficiencies at our Coalville site, find out more



Business travel

The emissions generated by employee travel (excluding commuting).

FY25 emissions:

284.2 tCO₂e

Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Active travel	Tracked business travel emissions through the booking system	Promote virtual meetings and sustainable travel options to reduce unnecessary trips	Introduce carbon budgeting and integrate travel emissions into team KPIs

Non-fleet emissions: Operational

These emission categories represent our **indirect operational emissions**, areas where we can lead by example through efficiency, behaviour change, and supplier engagement.

Fuel and energy related

Emissions from producing and transporting the energy we consume.

FY25 emissions:

291.3 tCO₂e

Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Energy efficiency	Switched to 100% REGO-backed energy, installed solar panels and heat pumps at Coalville, and used low-emission materials	Improve energy efficiency across offices through materials, heating/cooling, and lighting upgrades	Expand on-site renewable generation and refurbish older sites to maximise efficiency



Employee commuting

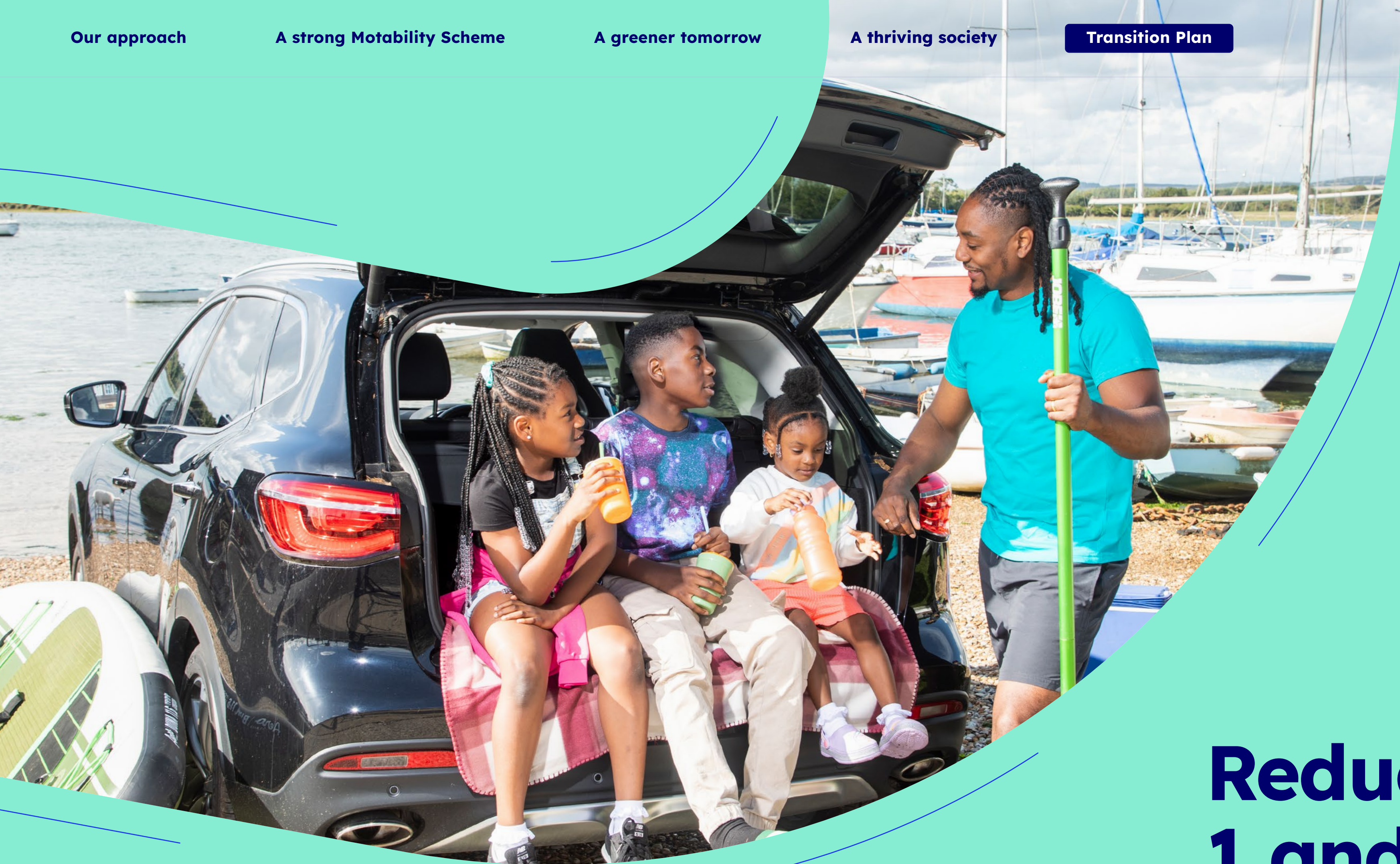
The average emissions generated by commuting and/or hybrid working emissions.

FY25 emissions:

2,238.6 tCO₂e

Our Transition Plan

Transition item	Implemented	Short term	Mid-long term
Active travel	Promoted cycling and public transport through cycle-to-work schemes, bike shelters, showers, and liftshare options	Maintain low-carbon commuting infrastructure and partnerships with travel providers	Build a culture of sustainable commuting, expand incentives, and offset unavoidable emissions
EV adoption	Offered EV salary sacrifice scheme to all employees	Encourage EV uptake via events, education, and training	Maintain salary-sacrifice benefits, workplace charging access, and transparent EV impact reporting
Working patterns	Adopted hybrid working to reduce travel demand	Continue hybrid working to lower emissions	Embed flexible working as standard and include commuting emissions in operational reporting



Reducing our Scope 1 and 2 emissions

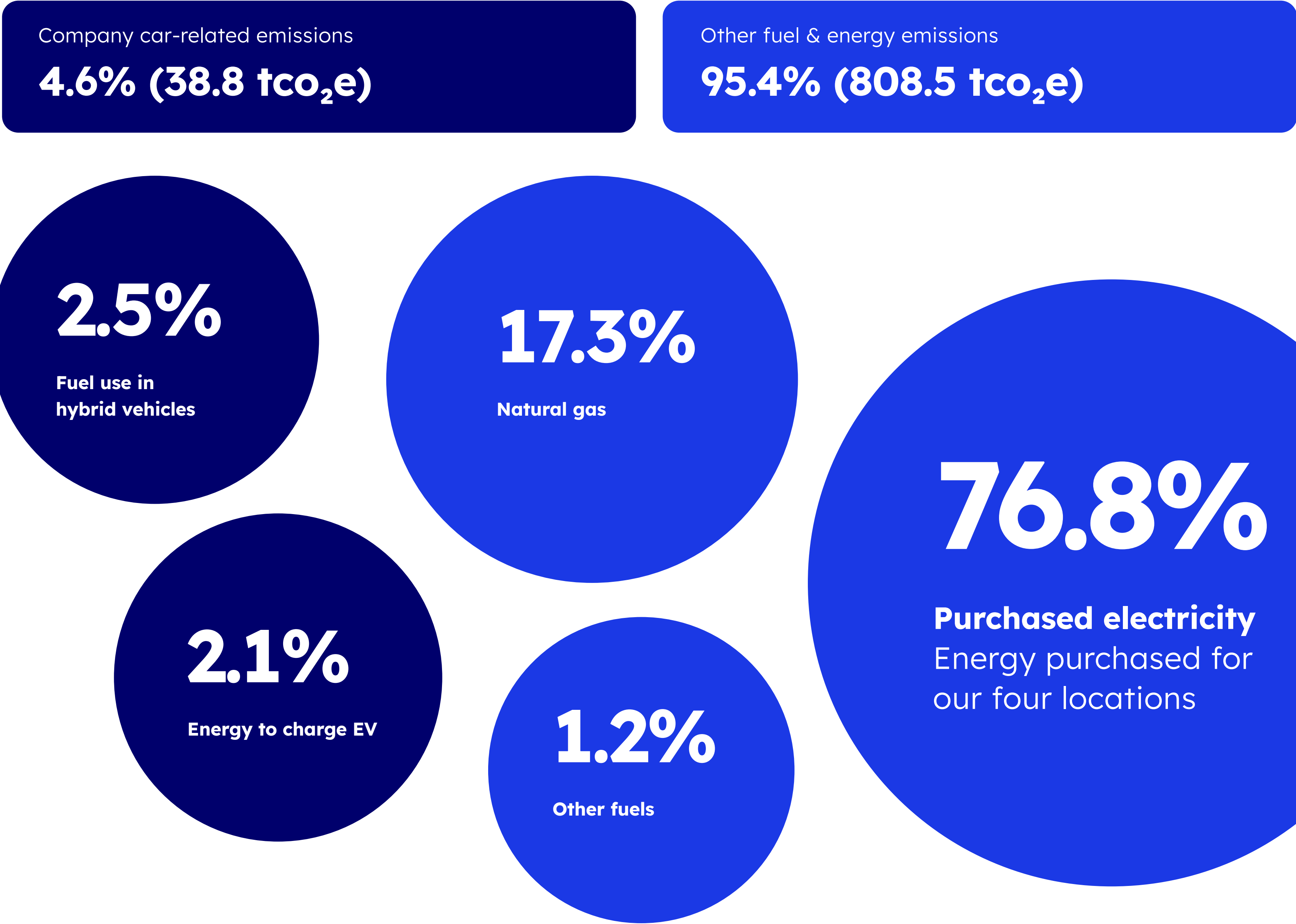
0.0001% of our total carbon footprint

Scope 1 and 2

Scope 1 and 2 emissions are the direct emissions we control. Scope 1 and 2 make up a small part of our total footprint but are just as important for us to reduce in line with our science-based targets.

Scope 1 and 2 emissions are generated by our offices in Bristol, Edinburgh and London, our reconditioning site in Coalville, and our company car fleet.

All Scope 1 and 2 emissions are included in our near-term and net zero target



Company car emissions reduction

We provide company cars as a benefit-in-kind for executives and for employees with field-based roles that demand frequent travel.

In FY25, we had 88 company cars, made up of 25% Hybrid vehicles and 78% Electric vehicles.

There are two key direct sources of emissions that relate to company cars:

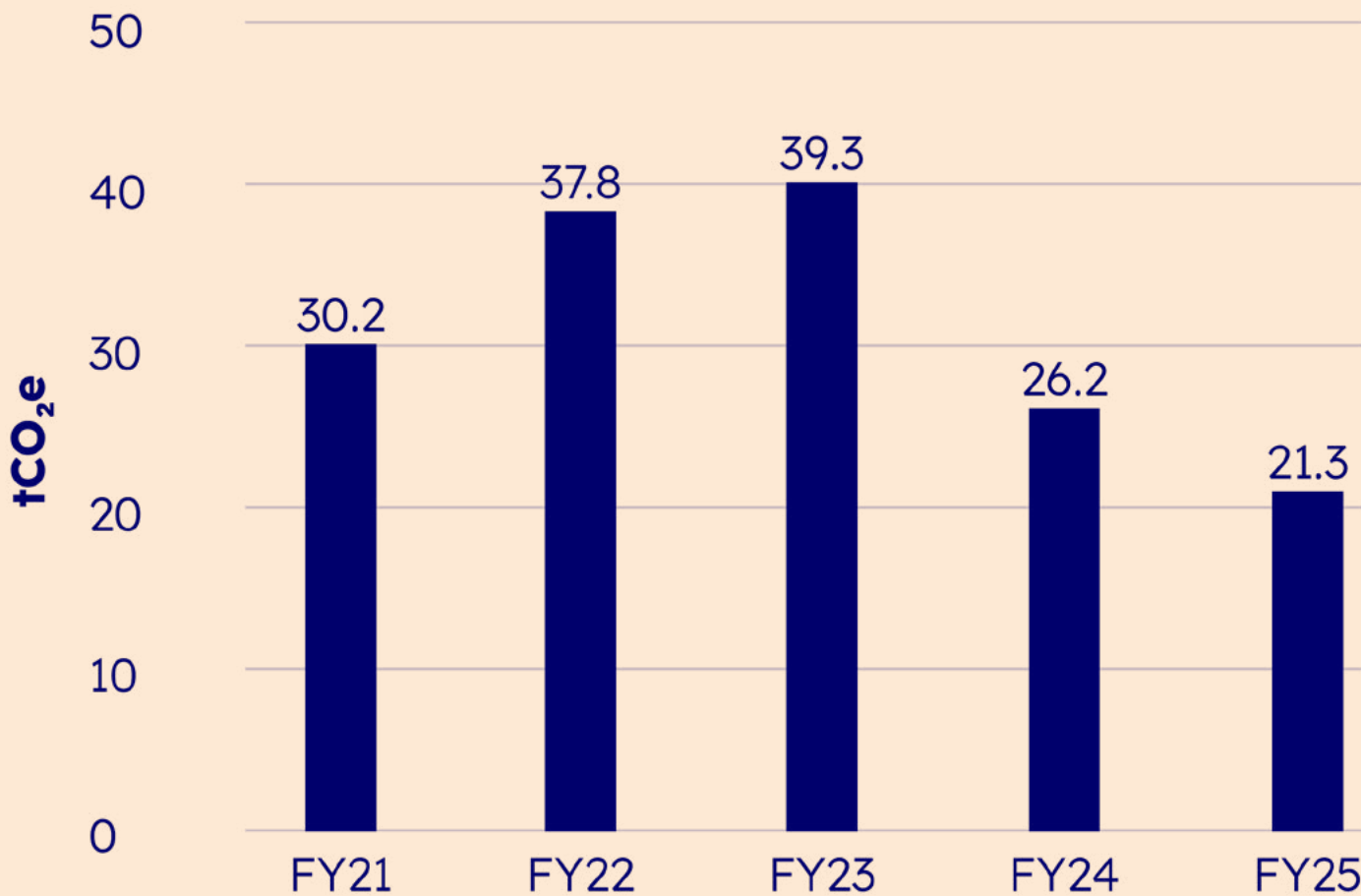
Scope 1: Emissions generated by the fuel used to power company cars. Historically this would have included Petrol and Diesel vehicles as well as Hybrid vehicles. Now it is just Hybrid vehicles.

FY25 emissions: 21.3 tCO₂e, representing 2.5% of total Scope 1 and 2.

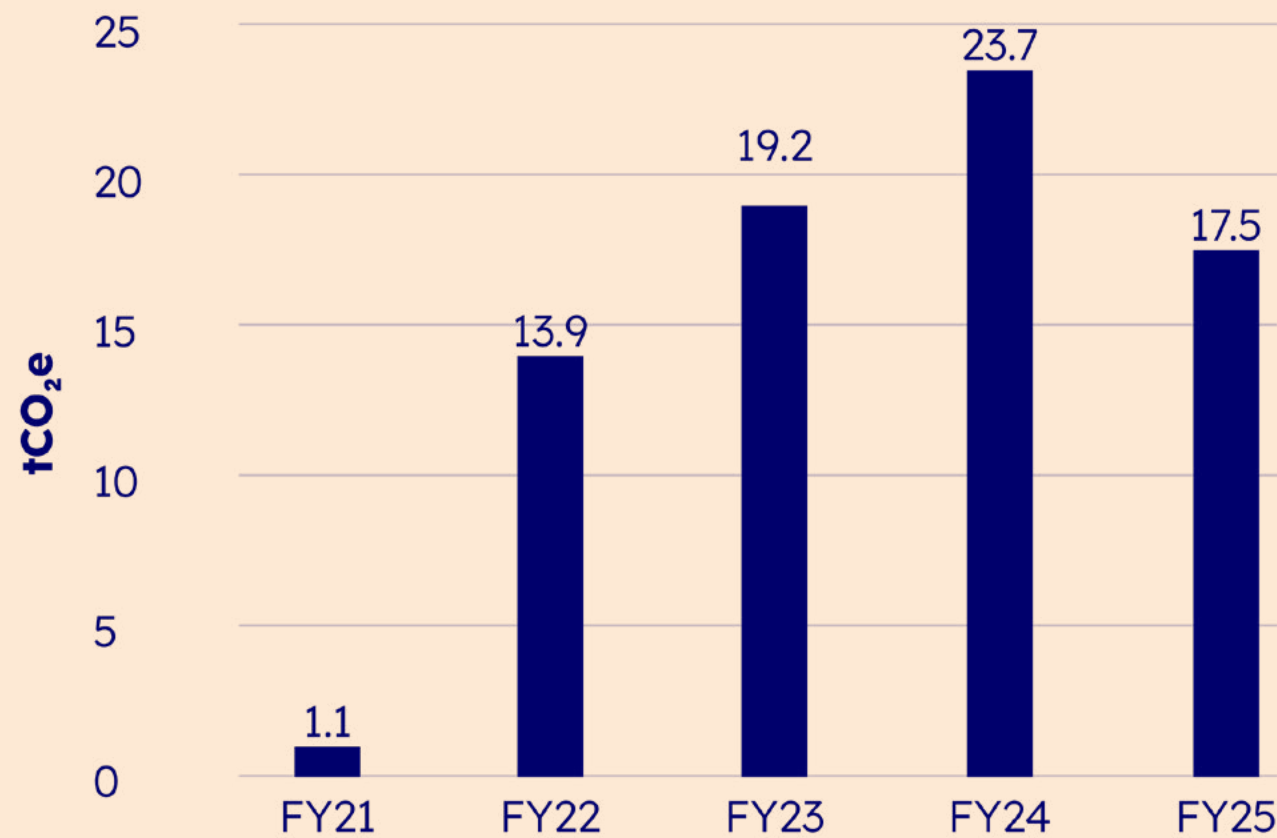
Scope 2: Emissions generated during the creation and transport of electricity used to charge electric vehicles.

FY25 emissions: 17.5 tCO₂e, representing 2.1% of total Scope 1 and 2.

Company cars (Scope 1)



Purchased electricity for company EV (Scope 2)



Our Transition Plan

Scope	Scope 1	Scope 2
Transition item	Hybrid company cars	Purchased electricity for company EV
Implemented	Company car fleet transitioned to 100% electric and hybrid vehicles	Energy efficiency
Short term	Company car fleet transitioned to 100% electric vehicles by 2030	100% renewable electricity (REGO-backed) available at office locations
Mid-long term	Increase availability of EV charging infrastructure at offices	Monitor EV charging demand and efficiency; implement smart charging and off-peak scheduling



Purchased energy emissions reduction

We operate three office locations across the UK in Bristol, Edinburgh and London. From January 2025, we also operate a vehicle reconditioning site in Coalville.

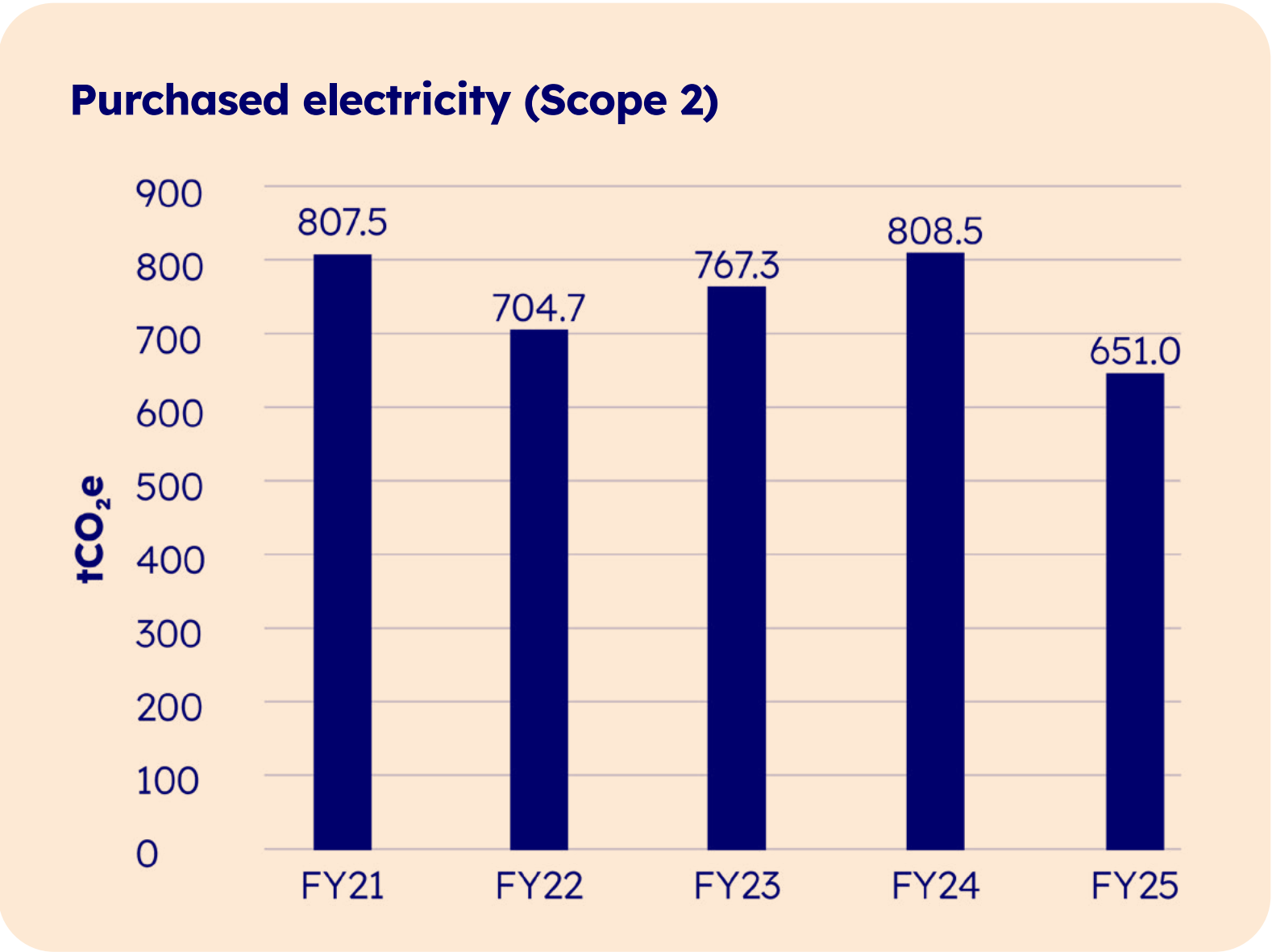
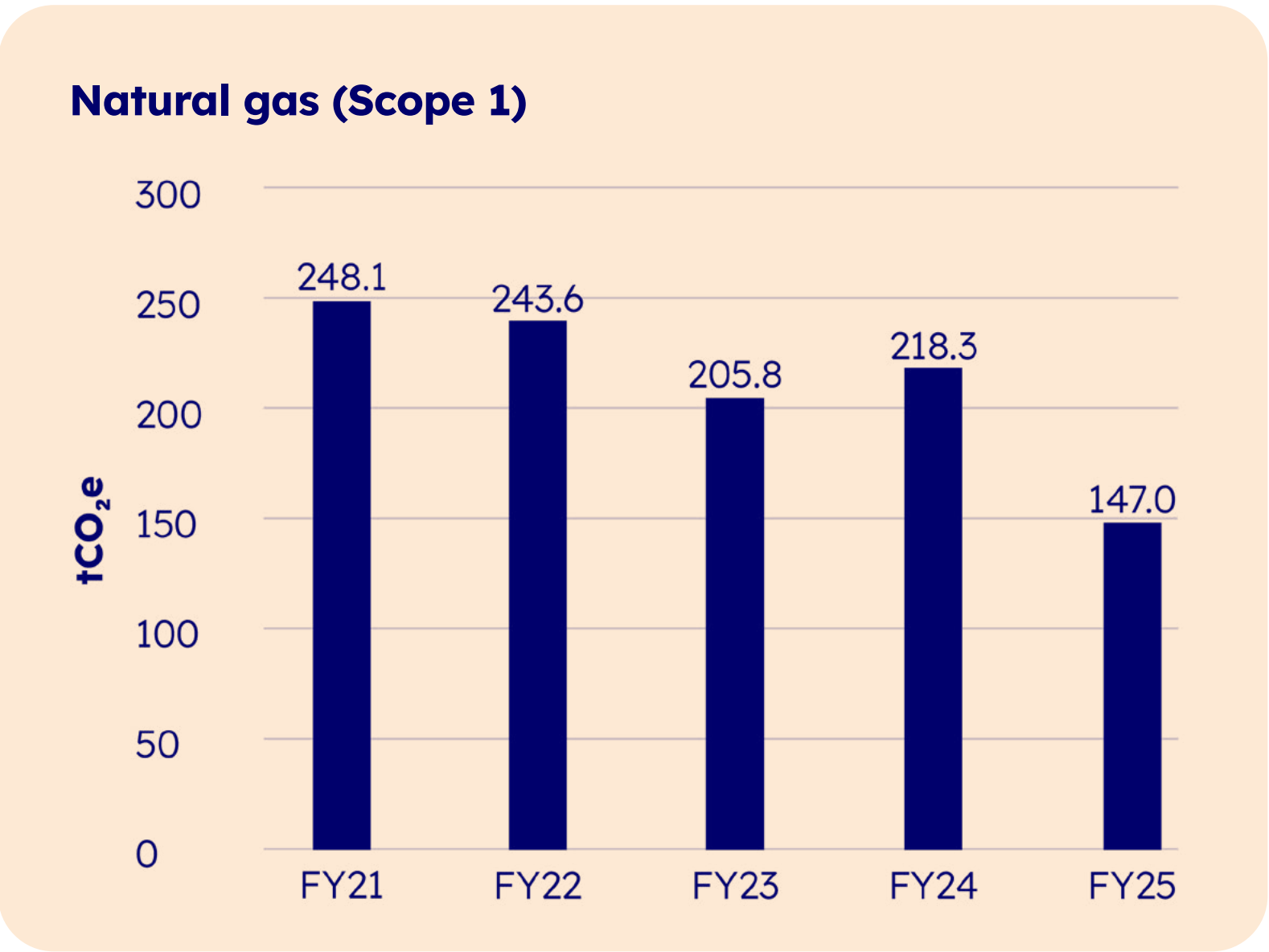
There are two key sources of emissions that relate to purchased energy:

Scope 1: Emissions from natural gas, used for heating and cooling in our office locations and Coalville.

FY25 emissions: 147 tCO₂e, representing 17.3% of total Scope 1 and 2.

Scope 2: Emissions from Electricity Purchased across our office locations and Coalville.

FY25 emissions: 651 tCO₂e, representing 76.8% of total Scope 1 and 2.



Our Transition Plan		
Scope	Scope 1	Scope 2
Transition item	Natural gas	Purchased electricity for buildings
Implemented	Energy efficiency	Energy efficiency
Short term	Efficiency improvements at London and installed heat pumps at our Coalville site; ongoing energy management	100% renewable electricity (REGO-backed) available at office locations
Mid-long term	Audit natural gas use across offices; phase out gas heating systems where feasible; implement smart controls and improved insulation	Continue to improve building energy efficiency (lighting, HVAC, IT systems); optimise use of energy management data

Find out more about our Coalville site

Read our SECR disclosure

Engagement, metrics and governance

“ Ensuring that we’re able to successfully deliver our targets and transition to a low carbon world is an essential part of sustaining the Motability Scheme for the long-term and keeping our disabled customers moving.”



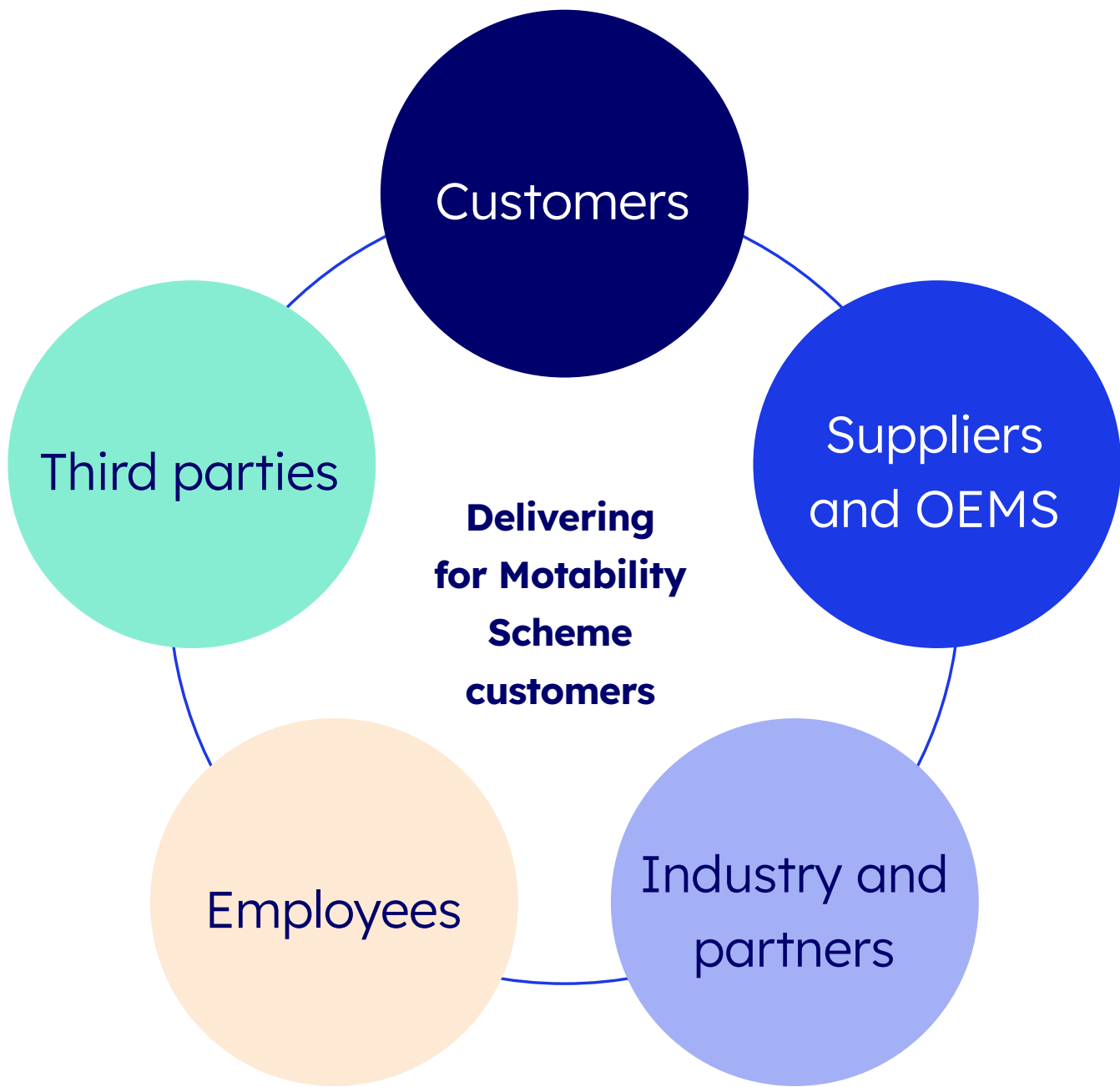
Matthew Hamilton-James
Chief Finance Officer, Motability Operations



Our engagement framework

Stakeholder engagement is key for us to build understanding, confidence, and collaboration across our value chain to ensure no one is left behind in the transition to a low-carbon future. Our engagement strategy underpins the delivery of our Transition Plan.

It is driven by our guiding principles of inclusivity, collaboration and transparency.



Customers

Relevance

Critical to EV adoption and confidence

How we engage

EV education tools, customer events, new technologies (e.g. Go app)

Desired outcome

Confidence to transition to EVs; improved mobility and inclusion

Third parties

Relevance

Shape policy and infrastructure

How we engage

Regular dialogue, evidence submissions, sharing customer insights

Desired outcome

Educate to ensure an inclusive, practical EV transition supported by policies and infrastructure

Employees

Relevance

Deliver behavioural change and customer support

How we engage

ImpACT network, sustainability training, internal campaigns, executive remuneration

Desired outcome

Empowered and informed workforce driving behaviour change

Industry and partners

Relevance

Shape wider system reform

How we engage

Collaboration through trade associations, B Corp community and with our partners

Desired outcome

Influence wider system change and support fair transition for disabled drivers

Suppliers and OEMs

Relevance

Influence vehicle availability, pricing, ZEV mandate

How we engage

Joint decarbonisation roadmap, data sharing, procurement criteria, innovation pilots

Desired outcome

Shared transition to net-zero and a value chain that prioritises sustainable outcomes

Dependencies and assumptions

External dependencies

- Stable policy landscape:** consistency in regulation, taxation and incentive frameworks supporting EV transition and renewable energy uptake
- Switch to renewable energy:** continued decarbonisation of grid electricity in line with the UK’s net zero strategy
- Delivery of ZEV mandate:** manufacturers meeting mandated sales quotas for zero-emission vehicles
- EV affordability and availability:** continued decrease in upfront and lifecycle cost of EV due to scale, technology advances and incentives
- Charging infrastructure rollout:** national and local investment in reliable, accessible charging networks across the UK
- OEM emissions performance:** reductions in manufacturing emissions and supply chain efficiencies by vehicle manufacturers

Operational assumptions

- Customer EV adoption:** sustained customer confidence and willingness to transition to EV
- Fleet forecast accuracy:** Scheme adoption of EV aligns with internal forecasting
- Supply chain engagement:** collaboration with suppliers to reduce their emissions and prioritise sustainability
- Availability of renewable energy:** continued use of renewable electricity across all Motability Operations sites
- Data quality and reporting:** accuracy of emissions measurement across Scope 1, 2 and 3 maintained through improved data systems

Modelling assumptions

- Fleet growth and composition:** alignment with fleet forecasting projections and sustained demand
- Accurate emission factors:** aligned to latest DEFRA and SBTi datasets
- No major regulatory or economic changes:** assumes market stability allowing delivery of the Transition Plan



Risks, Opportunities and DMA

To deliver our Transition Plan and achieve net zero by 2050, we must identify and manage climate-related risks and opportunities.

Insights from our 2025 Double Materiality Assessment and 2024 Climate Scenario Analysis inform our priorities and risk management processes. The DMA highlights stakeholder views on key climate topics, while the CSA explores how different climate scenarios might impact our customers, operations and supply chains. Our enterprise risk model integrates all principal risks, including climate-related risk.

Enterprise Risk Management

Our ERM framework is embedded in day-to-day operations and overseen by our Risk Management Committee.

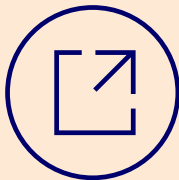
The framework enables early identification and management of risks and opportunities through a dynamic business partnering approach. This ensures the business remains focused on key risks within our agreed risk appetite (financial, reputational, operational and strategic).

We use the ‘three lines model’ to define ownership, control, and assurance, supported by regular reviews and horizon scanning. Our approach keeps risk management aligned with business strategy, including our impact and sustainability strategy and Transition Plan.

Climate Scenario Analysis

In 2024 we undertook a CSA to explore climate-related risks, their likelihood, financial impact and mitigation strategies. This considered 1.5 (low-carbon) and 4 (high carbon) warming scenarios.

[Read our 2024 CSA](#)

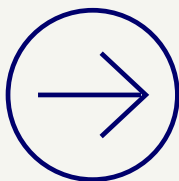


Double Materiality Assessment

In 2025 we completed our first DMA, following a single materiality assessment in 2023. This process sought to understand our most material sustainability topics from an impact and financial perspective.

The materiality matrix maps 17 material topics including four that relate directly to climate: transition to electric vehicles, supply chain management, climate risk, business emissions and waste.

[Read our 2025 DMA](#)



CSA

Our climate scenario analysis (CSA) details the highest-impact risks that could impact our progress toward net zero and the most material opportunities that accelerate it. These areas represent the core levers through which we can build resilience, deliver customer value, and achieve long-term sustainability outcomes.

We have committed to undertaking bi-annual climate scenario analysis that considers:

- Short-, medium- and long-term time frames.
- High carbon scenario (4 degrees of warming).
- Low carbon scenario (1.5 degrees of warming).
- Impacts, likelihoods, risks and opportunities.

Our most recent climate scenario analysis was completed in 2024.

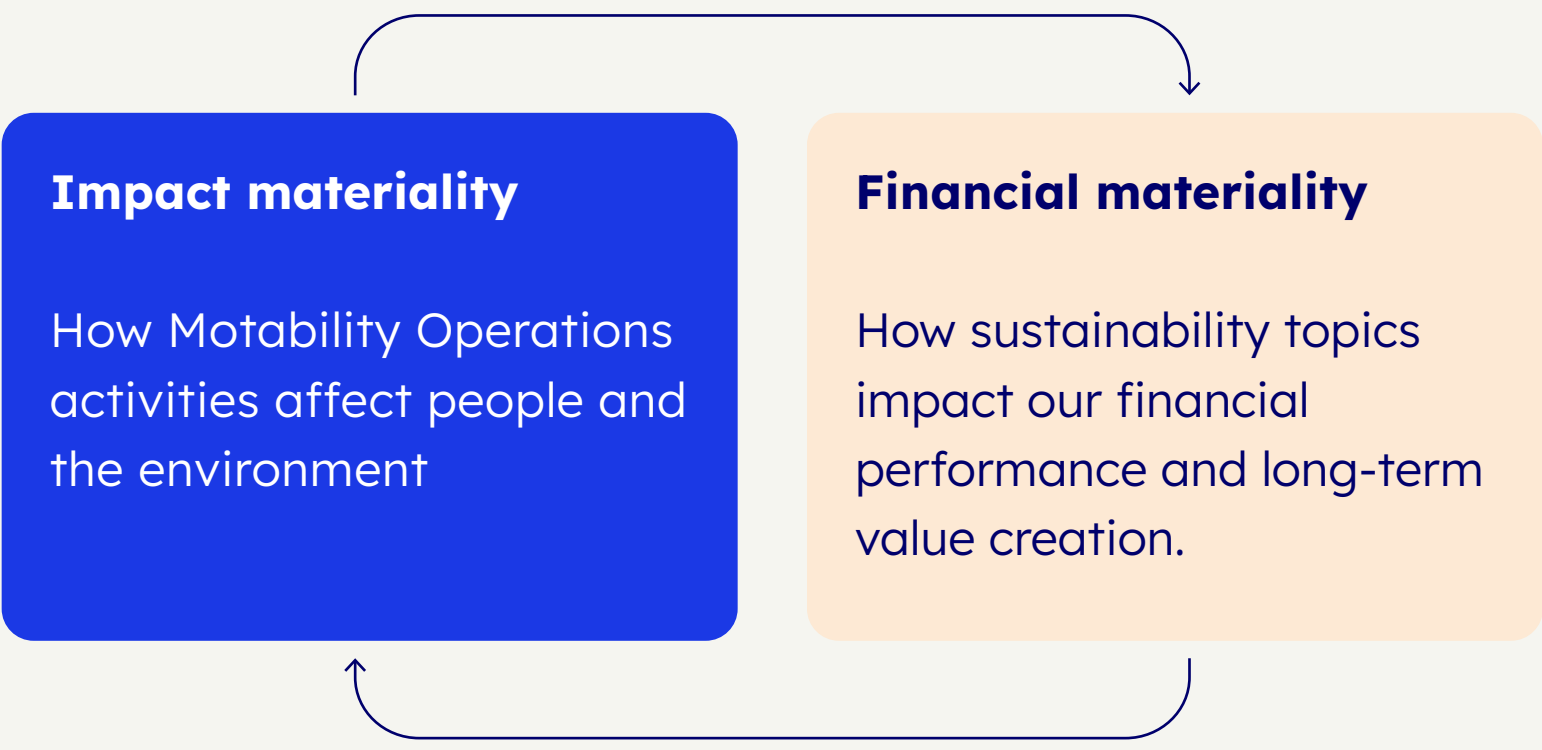
View our full CSA table

Risks	Potential financial impact	Mitigation
Changes in residual values of vehicles (decrease in ICE values) due to transition to zero emission vehicles	Decreased asset value or early write-offs	Quarterly forecasting; use of Bank of England climate scenarios and multiple data sources to inform valuations
Implementation of carbon pricing and taxation affecting business operations	Increased operating costs	Supply chain diversification; quarterly pricing reviews; manufacturer engagement; advanced payments to manage cost increases
Reduction in range and services MO can offer due to regulatory or technical limits (e.g. EV infrastructure)	Reduced revenue due to lower demand for services	Rapid adaptation to regulation; tracking EV uptake; transition customers to EV by 2032
Changing stakeholder sentiment reducing reputation or investment attractiveness	Decreased access to investment	Active ESG engagement; investor roadshows; 100% sustainability-linked finance goal by 2030; social-to-sustainability bond transition

Opportunities	Potential financial impact	Mitigation
Potential increased fleet value due to UK government EV policy	Policy-driven demand and higher residual values for EV	Increased fleet value and competitiveness
Increased affordability of ZEV following 2035 ICE ban	Mandate drives greater supply and lower costs	Reduced acquisition costs and improved customer affordability
Developing partnerships and investing in EV-related innovation	Collaboration with OEMs and charge-point providers	New revenue streams and stronger brand positioning
Increased investment opportunities from sustainability-linked financing	Growing ESG capital targeting low-carbon business models	Lower cost of capital and improved liquidity
Implementing circular economy principles across refurbishment	Reuse and recycling reduce material use and waste	Cost savings and improved resource efficiency

DMA

This year we completed our first Double Materiality Assessment (DMA). Complimentary to our risk processes and climate-scenario analysis, a DMA seeks to understand the materiality of key impact and sustainability topics from two perspectives:



Climate-related material topics
Stakeholders from across our value chain rated each material topic as a risk, an opportunity, or both a risk and opportunity. They also rated the materiality of each topic in the short (0-3), medium (3-5) and long term (5+).

Of all the material topics explored, four related to our environmental pillar **a greener tomorrow**. These were **transition to electric vehicles, climate risk, business emissions and waste, and supply chain management**.

Materiality matrix

- 3Climate risk
- 10Transition to electric vehicles
- 11Business emissions and waste
- 12Supply chain management



Key	Material topic	Definition	Impact materiality	Financial materiality	Analysis	Transition Plan reference
10	Transition to electric vehicles	Our approach to incorporating electric vehicles into its customer vehicle fleet in response to changing regulation, customer demand, and market developments	High	Medium-high	Our most material impact and sustainability topic, representing a key sustainability goal and a commercial imperative to future-proof the Scheme	<ul style="list-style-type: none">• Use of sold products• Leased assets
12	Supply chain management	How we work with suppliers and partners across our value chain to meet business, regulatory, and sustainability requirements	Medium-Low	Medium	An environmental and operational opportunity, but not yet a major driver of financial risk or return.	<ul style="list-style-type: none">• Capital goods• Transportation and distribution• Purchased goods and services
3	Climate risk	The potential financial, operational, or reputational effects on the business arising from physical climate impacts (e.g. extreme weather) or transition factors (e.g. new regulations, market shifts)	Medium	Low-Medium	Climate risk is a less material topic today, although it becomes more material in the medium- and long-term	<ul style="list-style-type: none">• Monitored and managed through Enterprise Risk Management
11	Business emissions and waste	The monitoring, management, and reduction of greenhouse gas emissions and waste generated by our operations	Medium	Low-Medium	Less material compared to the transition of Scheme vehicles to electric. Still, it remains an area of focus for reduction and reporting.	<ul style="list-style-type: none">• Waste generated in operations• Business travel• Employee commuting• Scope 1 and 2

Financing and resourcing the transition

Achieving net zero requires sustained investment, from the electrification of our customer vehicle fleet to decarbonising our operations and supply chain. We align existing capital and operational spending with our transition pathway rather than treating it as new cost. We plan to report a transition cost in future iterations of our Transition Plan.

Allocating capital to the electric vehicle transition

Vehicle procurement remains our largest area of expenditure, and we purchase around 200,000 new vehicles every year. To purchase vehicles, we use a combination of capital from the sale of used vehicles and capital raised in the bond market. By 2030, 25% of the vehicles we purchase will be made in Britain, reducing the distance travelled and bolstering our economy.

Since 2021, all bonds have been issued under a social bond framework. This stipulates that any capital raised is allocated to a social purpose, in this case, the vehicles that keep our customers moving. Bonds issued before this date, whilst not explicitly social, also contributed to this purpose and expire in 2039.

One of our B Corp goals, and a key component of financing our Transition Plan is the implementation of a sustainability funding framework. This will expand on our social bond framework to include sustainability outcomes.

Strategic investment and business case considerations

Our investment decisions now prioritise EV, accessible charging, and customer support infrastructure. We are refining our financial models to reflect EV-specific costs (residual values, maintenance, insurance, battery life). Capital allocation is reviewed annually against our science-based targets.

Operational investments

- Energy efficiency upgrades across offices and facilities
- Transition to 100% renewable electricity under REGO-backed supply.
- Future investment focus: onsite renewables, building retrofits, and resource efficiency across our sites.

Resourcing and capability

- Dedicated Impact and Sustainability Team reporting to CFO.
- Ongoing training for procurement and finance teams on integrating ESG criteria.



Governance

Our Transition Plan is underpinned by strong oversight, clear accountability, and a culture that considers sustainability outcomes.

Executive remuneration

Performance metrics linked to EV transition, customer satisfaction, and sustainability progress

Risk and assurance

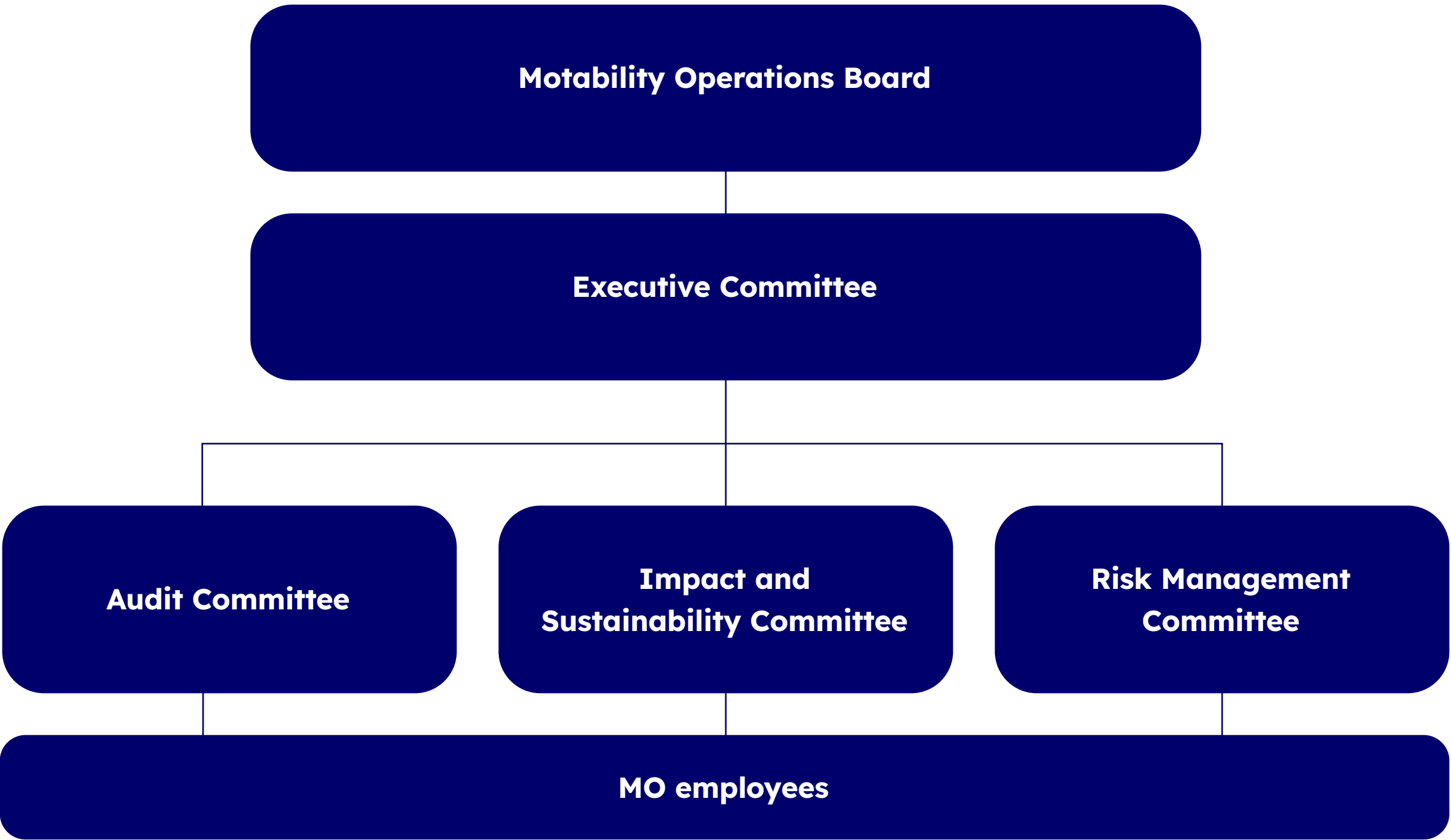
ESG-related risks integrated into our risk framework following the Three Lines Model

Transparency

Publication of annual Impact Reports, Transition Plan updates and CPD score

Continuous improvement

Governance framework reviewed annually to ensure alignment with TPT, SBTi, and best practice



Data and systems

ESG data platform linking impact, risk, and financial reporting

People and capability

Dedicated Impact and Sustainability team and ImpACT network, supported by our Equity, Diversity and Inclusion (EDI) framework to build an inclusive culture for transition

Integration into planning

Climate targets embedded within business planning, budgeting, and investment appraisal

External assurance

Third-party review of SBTi targets, emissions data, and impact reporting

Stakeholder engagement

Ongoing dialogue with customers, suppliers, and regulators to inform governance priorities

Board oversight

The Board approves and oversees the impact and sustainability strategy, including climate transition progress and targets

Executive responsibility

The CFO holds accountability for climate risk, SBTi targets, and reporting

Committee structure

Impact and Sustainability Committee oversees delivery; Risk Management Committee reviews climate-related risks monthly

Frequency

Updates provided to the Executive Committee monthly and to the Board monthly, transitioning to a quarterly cadence from 2026

Embedding sustainability

The I&S team ensures climate goals are integrated into decision-making across functions

Workforce engagement

ImpACT Champions support culture change through monthly business engagement

Training and awareness

ESG training to be delivered for Board members and employees to build understanding of climate risk and opportunity

Monitoring and reporting

Oversight and review

- Board oversight**
Reviewed twice a year via the Impact & Sustainability Committee and Audit Committee
- Executive accountability**
CFO accountable for climate risk and SBTi progress. Continue to review Executive targets
- Annual review**
Full Transition Plan progress assessment conducted each financial year
- Continuous improvement**
Updated in line with evolving regulation, CDP, SBTi and TPT guidance

Key metrics and indicators

- Public reporting**
Through our Annual Report, Impact Report, and CDP submission
- Third-party assurance**
Selected environmental data verified annually by an independent provider
- Alignment**
Reporting structured around the UK Transition Plan Taskforce and TCFD frameworks
- Transparency**
Annual publication of key metrics and progress towards SBTi targets



Material topics	Metrics	Frequency	Disclosure
Business emissions and waste	Total GHG (tCO ₂ e); Scope 1 and 2; Scope 3 by category; Intensity ratio	Quarterly	Impact and Sustainability Committee, ESG Factbook, Impact Report
Transition to electric vehicles	% EV fleet; % EV deliveries; customer accessibility data	Quarterly	Impact and Sustainability Committee, ESG Factbook, Impact Report
Energy and operations	% renewable electricity; energy intensity; site efficiency	Quarterly	Impact and Sustainability Committee, ESG Factbook, Impact Report
Supply chain management	% strategic suppliers with ESG disclosure; % spend covered by SBTi-aligned suppliers	Annually	Impact Report / CDP
Embedding sustainability	% staff trained on sustainability; inclusion of climate KPIs in remuneration; employee engagement (MyView survey results)	Annually	Impact Report
Scheme quality	Customer Satisfaction Index (CSI); qualitative feedback from Scheme customers	Quarterly	Impact and Sustainability Committee, Impact Report
Access to finance	% of financing linked to sustainability criteria	Annually	Annual Report

Next steps

With this Transition Plan in place, our focus now is delivery. The following milestones outline how we’ll turn ambition into measurable progress, balancing pace with inclusivity.

Establish and embed (2025–2026) Phase 1 – Build the foundation

- Embed the Transition Plan across all business functions, aligning teams, budgets and KPIs to net zero delivery.
- Launch operational roadmaps for Scope 1 and 2 energy, fleet, and site emissions reduction.
- Activate supplier engagement, moving from spend-based to supplier-specific Scope 3 data.
- Build internal capability through ESG-led training.
- Strengthen governance and reporting, with the Impact & Sustainability Committee overseeing quarterly progress.
- Align financing and investment frameworks to sustainability criteria and SBTi targets.

Achieve and sustain (2027-2032) Phase 2 – Scaling delivery

- Deliver the near-term SBTi target: 50.4% reduction (Scope 1 and 2) and 58.1% Scope 3 intensity reduction.
- Accelerate EV transition, supporting 800k customers into zero-emission vehicles.
- Deepen supplier partnerships, aiming for 100% of strategic suppliers disclosing ESG data and majority SBTi-aligned.
- Integrate emissions reduction into business planning, fully linked to performance and remuneration.
- Publish verified Impact Report and TPT-aligned updates annually.
- Sustain culture and inclusion focus, with continued workforce engagement through MyView, ImpACT Champions and EDI strategy.

Plan oversight

Activity	Frequency	Output
Board review	Twice yearly	Impact and Sustainability Committee updates
TPT review	Annual	Transition Plan Progress Report
External assurance	Annual	Verified Impact Report
CDP and SBTi disclosure	Annual	Public reporting