Sustainability Policy

Document Classification:

Public (approved for publication on website and sharing with third parties)	x
RAC Internal (not to be published without Policy Owner and Legal approval)	
Restricted (restricted to specific departments within RAC)	
Confidential (only available to colleagues who need to know to perform their roles)	

Date of document: The date upon which this document was prepared	6 May 2026
Policy Owner: The SMF function holder ultimately responsible for the content of the policy and compliance with the Policy Framework Requirements	Jo Baker CFO
Policy Manager: The person to whom the Policy Owner has delegated responsibility for the drafting, reviewing and publication of the policy and to whom any questions or requests for advice should be directed in the first instance	Jennie Lowe Head of Corporate Finance
Target Review Date: The target date for review to ensure the policy is up to date. This policy will remain in force however, until updated or replaced.	June 2027
Board Approval Required? Some policies require regular review and approval by the Board for legal or regulatory reasons. Please specify if this requires Board approval.	No
Approval: I confirm that I have reviewed and approved this Framework	Signed: Exec: Jo Baker Date: 12 June 2026
Committee Responsible for Sign-Off: Reviewed and approved by	Cttee: Board Sustainability Committee Date: 12 June 2026

22

Sustainability Policy

1. Policy introduction

This policy sets out RAC's approach to sustainable and responsible business practices. We consider sustainability across our operations, ensuring compliance with applicable regulatory requirements and incorporating relevant considerations into decision-making where appropriate. Our focus is on practical actions that support measurable outcomes over time.

This Policy applies to:

- RAC Group (Holdings) Limited and its subsidiaries ("the RAC")
- All territories in which the RAC operates
- All employees and temporary workers/employees including contractors of the RAC

We encourage our suppliers to adopt this policy and have enshrined the key aspects of this in our Supplier Code of Conduct, which applies to all the RAC's suppliers, and Sustainable Procurement Policy. We work with our supply chain to share our experiences in order to help them progress on their Sustainability journey.

2. Legal and/or Regulatory Requirements

RAC is required to adhere to various legal and regulatory Sustainability requirements including but not limited to the following:

- Companies Act 2006 (including section 172 statement)
- Streamlined Energy and Carbon Reporting
- Climate-related Financial Disclosure Regulations 2022
- Energy Saving Opportunities Scheme
- Prudential Regulation Authority SS5/25

We are aware of the changing landscape of Sustainability regulation and maintain a forward-looking approach to ensure we are compliant with new, pending and evolving requirements such as the UK Sustainability Disclosure Standards.

This Policy is not required under the above regulations but sets out the RAC's approach to Sustainability which supports our compliance with the above.

3. The Policy

We maximise the positive impact of our Sustainability actions and the value they deliver for our business by following four strategic pillars:

Members: we take account of sustainability considerations within product governance processes to support fair and appropriate outcomes for members.

Sustainability considerations are considered within product oversight and governance processes, ensuring products and services remain appropriate, accessible and deliver value over the long term. They also support our obligations under Consumer Duty, including delivering good outcomes for members, particularly those in vulnerable circumstances, through safe, reliable and responsible service delivery. 23

Additionally, by using the strength of our brand and the skills of our colleagues to champion drivers, we aim to support the communities we are part of.

- Decarbonisation: we seek to reduce energy use and carbon emissions across our operations..

  We measure our emissions and are committed to achieving Net Zero by 2050, and to a 50% reduction in scope 1 and 2 emissions per job by 2035 (against a 2021 baseline). We have a decarbonisation plan which we monitor and review every year to ensure we are making progress against our targets, and that our targets remain appropriate.

  We continue to explore and adopt lower emission vehicles in our fleet where viable. We also focus on driver behaviour, efficient attendance and route optimisation to reduce emissions from ICE vehicles. We purchase renewable energy for our offices and training sites where we are in control of the supply. We adopt measures to reduce water consumption and waste and seek to reuse and recycle where possible. We continue to measure and assess our scope 3 emissions and will evolve our approach and commitment to targets as data quality and methodologies improve and technologies evolve.

- People: we aim to maintain a safe and inclusive working environment.

  We strive to achieve the highest standards of physical and mental health and safety for all our colleagues. We have zero tolerance for abuses of Human Rights or Modern Slavery at the RAC or in our supply chain.

- Governance: we seek to operate in a transparent, ethical and responsible manner including adopting strong compliance and anti-corruption controls. Sustainability risks, including climate-related physical, transition and liability risks, are considered as part of our wider enterprise risk management framework.

We set targets annually to support our Sustainability journey. Progress against these is monitored by the Board Sustainability Committee, and is driven by a range of committees and working groups across the organisation, overseen by members of our Executive (see section 4 for further details). Our performance is based on evidence-based progress. All targets and disclosures are subject to appropriate governance, review and evidence standards to ensure they are fair, clear and not misleading. We do not make commitments to targets we do not believe we can achieve, nor do we condone "green-washing".

Mandatory and voluntary disclosures can be found in our Annual Report, which is available on our website for each Financial Year and is usually released in late February or early March for the prior period. This includes our section 172 statement, Streamline Energy and Carbon Report and Climate-related Financial Disclosures.

RAC understands that Sustainability considerations will continue to evolve and mature, and we are committed to both short-term and long-term continual improvement across all aspects of our Sustainability strategy.

4. Roles and Responsibilities

This Policy is approved by the Board Sustainability Committee ("BSC"). The BSC reports to the main Board of the RAC on Sustainability related matters, including climate risk and the environment, people and social related matters and Sustainability-related governance.

Since Sustainability is embedded in the RAC's strategy, policies and guiding principles, there is overlap between the roles of certain committees. Accordingly, the BSC receives updates from other committees, such as the Conduct and Culture Committee, on matters that fall within the Sustainability remit.

Senior Management responsible for ensuring the policy is applied are:

- The Chief Financial Officer, for climate and environmental matters

- The Chief People Officer, for people and social related matters, including overseeing Sustainability as it relates to our members
- The Chief Risk and Legal Officer, for all governance matters (including but not limited to Sustainability related governance)

The Decarbonisation Group, chaired by the Chief Financial Officer, is responsible for driving forward initiatives related to the reduction of emissions by the RAC Group. This Group comprises representatives from across the RAC including but not limited to Facilities, Fleet, Roadside Operations, SMR and Procurement.

The Executive Risk and Audit Committee, which reports to the Board Risk and Audit Committee, receives updates on the most material climate-related risks and opportunities from the Decarbonisation Group. Climate-related risks and opportunities are formally reviewed by the Decarbonisation Group at least quarterly, with material developments escalated to the Board Sustainability Committee and, where relevant, the Board Risk and Audit Committee

Related Documents

Please also refer to the following strategies, statements and policies:

- RAC's Sustainability Strategy
- Anti-Bribery and Corruption Policy
- Colleagues with Disabilities Policy
- Committees and Colleague Consultation Policy
- Environmental Management Policy
- Environmental Policy Statement
- Equality Diversity and Inclusion Policy
- Health and Safety Policy
- Health and Safety Policy Statement
- Human Rights Policy
- Modern Slavery Statement
- Product Oversight and Governance Policy
- Quality Policy Statement
- Supplier Code of Conduct
- Sustainable Procurement Policy
- Vulnerable Customer Policy

This list is not exhaustive – please refer to the Hub for all company policies.

5. Revision History

Version	Date	Author	Approver	Remarks
1.0	6 May 2026	Jennie Lowe	Jo Baker	This policy was previously a policy statement