

2024 Climate-Related Disclosure Report

For the twelve months ending 31 March 2024

Turners.
Automotive Group



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1. Introduction

1.1 Our Climate Disclosure

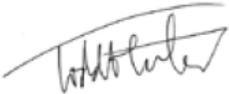
Turners Automotive Group Limited (TAG) is a climate-reporting entity under the Financial Markets Conduct Act 2013 (FMCA). This document represents TAG’s first Climate-Related Disclosures (CRD) report in relation to TAG and its subsidiaries for the reporting period 1st April 2023 to 31st March 2024 and constitutes TAG’s group climate statements in respect of that period under the FMCA. This report complies with Aotearoa New Zealand Climate Standards 1, 2 and 3 issued by the External Reporting Board. All figures and commentary relate to the full year ended 31st March 2024, unless otherwise indicated.

The field of climate-related risk management is still evolving, often relying on developing and uncertain data and methodologies. Our statements reflect our understanding in respect of FY24 as of 19 July 2024. This report includes forward looking statements relating to climate-related scenarios, projections, forecasts, statements of TAG’s future intentions, estimates and judgements that are inherently uncertain and subject to change in future reports. This report includes metrics and targets that are based on estimates and assumptions which are uncertain and subject to limitations, dependencies and potential barriers which mean they may not evolve as predicted. Challenges relating to data inputs may change over time and impact uncertainty of projections. TAG is committed to progressing towards our targets as outlined in this report, however due to uncertain technological changes, economic factors and environmental changes, our targets and strategies are subject to change. TAG cautions reliance on forward-looking statements that are necessarily less reliable than other statements TAG may make in its annual reporting. TAG gives no representation, warranty or assurance that actual outcomes or performance will not materially differ from statements made in this report. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this report. Nothing in this report constitutes the Group’s financial, legal, tax or strategic growth guidance or advice.

For and on behalf of the Board. 19 July 2024.



Grant Baker
Chairman



Todd Hunter
Group Chief Executive Officer

For its initial climate-related disclosures, TAG has chosen these first-year adoption provisions:

Adoption Provision	Description
Adoption provision 1: Current financial impacts	This adoption provision provides an exemption from disclosing the current financial impacts of the physical and transition impacts identified and from disclosing an explanation of why we are unable to disclose this information.
Adoption provision 2: Anticipated financial impacts	This adoption provision provides an exemption from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity and from disclosing an explanation of why we are unable to disclose this information. It also provides an exemption from disclosing a description of the time horizons over which the anticipated financial impacts of climate related risks and opportunities could reasonably be expected to occur.
Adoption provision 3: Transition planning	This adoption provision provides an exemption from disclosing the transition plan aspects of our strategy, including how our business model and strategy might change to address its climate-related risks and opportunities; and the extent to which transition plan aspects of our strategy are aligned with our internal capital deployment and funding decisionmaking processes.
Adoption provision 4: Scope 3 GHG emissions	This adoption provision provides an exemption from disclosing greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (CO2e) classified as scope 3.
Adoption provision 6: Comparatives for metrics	This adoption provision provides an exemption from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
Adoption provision 7: Analysis of trends	This adoption provision provides an exemption from disclosing analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period to be disclosed.

2. Governance

2.1 Board Oversight

The Board holds overall responsibility for climate-related disclosure (CRD) governance, setting and monitoring metrics/targets for managing climate risks and opportunities. The ARMS Committee, comprising three non-executive Directors, oversees climate risk and opportunity management across the organization, guiding TAG's transition toward a low-emission, climate-resilient future.

Climate considerations are integrated into all strategic decision-making processes, including property investment due diligence. Climate Risk and Opportunity is a standing Board agenda item. Strategy is reviewed and potentially reset annually, and at this time, the Board considers all risks and opportunities, including climate-related ones. The ARMS Committee considers new or emerging risks for Board approval at the next Board Meeting as appropriate.

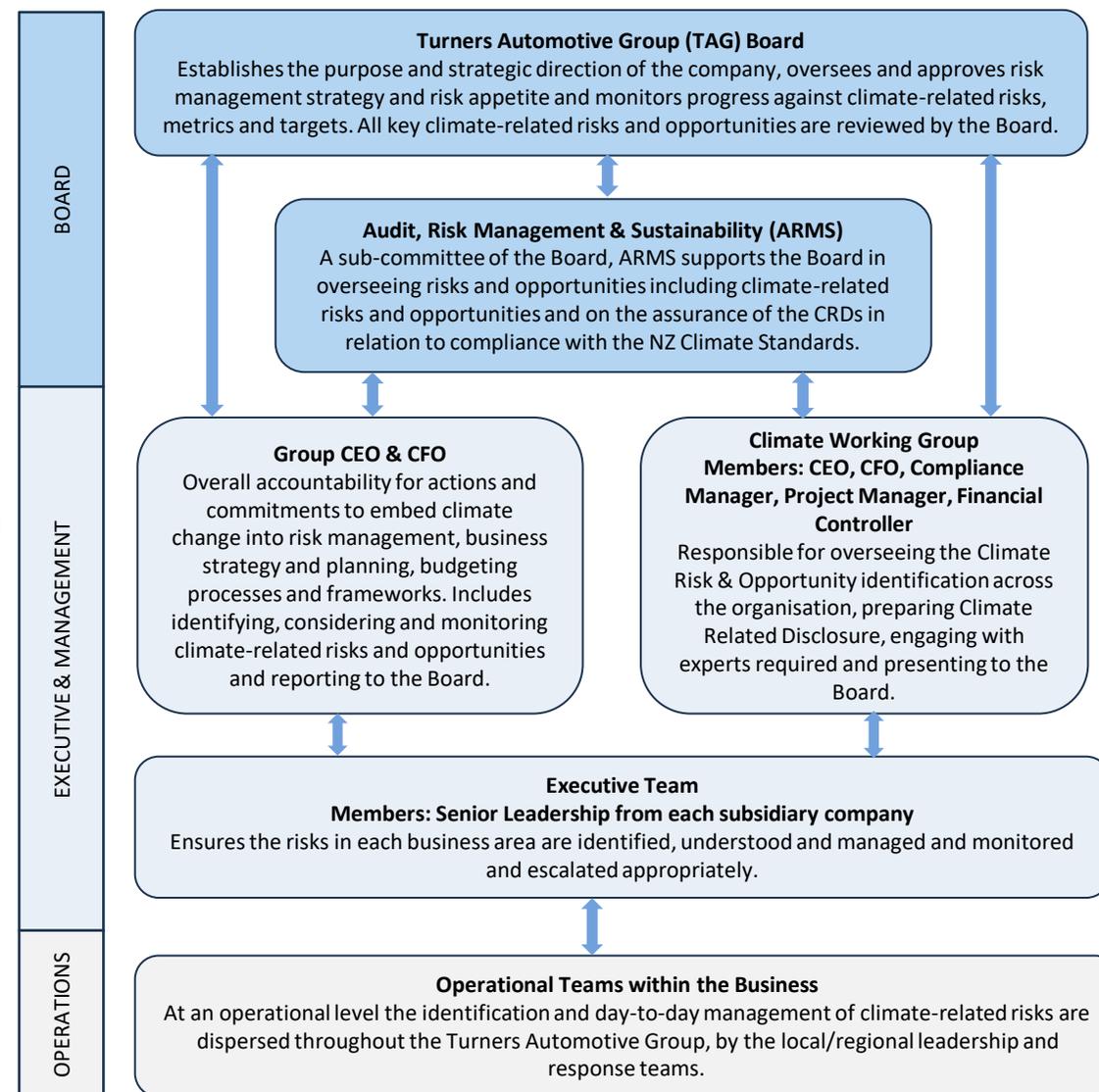
The ARMS Committee meets at least quarterly, and members participated in climate change workshops covering Strategy, Risks & Opportunities, Scenario Planning, Metrics, and Targets. Directors pursue climate upskilling through the Institute of Directors and Chapter Zero Group. Board skills, including climate expertise, are regularly reviewed and disclosed in the Annual Report.

In the reporting period, the Board met 12 times and the ARMS committee 10 times. The Board engages external consultants as needed, including Deloitte for climate reporting obligations. Comprehensive records are maintained, including a Training Register, Workshop minutes, and external consultant reports.

2.2 Management's Role

TAG's CEO and CFO hold ultimate responsibility for climate-related responsibilities. A dedicated Climate Working Group, comprising of a Project Manager and team members with diverse expertise in areas such as accounting, risk management, operations and compliance, meets weekly to manage climate risks and opportunities. This is the primary mechanism by which management is informed about, makes decisions on and monitors climate-related risks and opportunities. At each monthly Board meeting, progress reports from the Climate Working Group are presented to both the TAG Board (which includes the ARMS Committee), ensuring regular oversight at the highest level.

The Board allocates climate roles leveraging the ARMS Committee's risk management skills, who seek input from subsidiary Financial Controllers as needed. Weekly meetings assess progress and plan actions, maintaining a coordinated and well-informed climate change management process with transparency, expertise integration, and continuous progress towards climate objectives.



3. Strategy

3.1 Current climate-related physical and transition impacts

Climate-related impacts during this reporting period were limited to:

- **Physical impact:** Extreme winds in September caused damage to awnings at Turners Auto Retail Wellington Branch, with the costs of damage estimated at \$16,000.
- **Physical impact:** Although Cyclone Gabrielle and the Auckland Anniversary Day floods occurred towards the end of FY23, the sale of flood-damaged vehicles from these events in Auckland and Hawke's Bay took place in FY24, resulting in increased revenue for TAG.
- **Transition Impact:** TAG adjusted its Japanese used car purchasing strategy in response to changes in the Clean Car Policy Standard and discount regime, which incentivised the import of low-emission vehicles and disincentivised high-emission vehicles.

Business continuity remains a priority for TAG. The company has taken steps to further strengthen its resilience as it develops an understanding of the risks and opportunities presented by climate change, such as investing in back-up power generators

3.2 . Current business model and strategy

TAG's business model is focused on making it easy for customers to buy, sell, finance and insure their vehicle through TAG's trusted brands and businesses. TAG continues to grow through additional retail branches, local sourcing, brand awareness driving market share, and competitive advantage via technology advancements. TAG closely monitors for upcoming climate-related policy changes that could affect its operations and adapts its strategy accordingly. For example, policy changes affecting used car imports. TAG has started on the journey of developing a transition plan as it gains a deeper understanding of its climate-related risks and opportunities in what is an evolving landscape.

3.3 Approach to scenario analysis

The purpose of scenario analysis is to identify a range of plausible climate futures and assess the potential climate-related risks and opportunities arising from them, informing our strategic planning process. TAG actively participates in the Aotearoa Circle Transport Sector Climate Scenarios Working Group, enabling a wider perspective and insight into industry best practices.

Deloitte facilitated an end-to-end scenario analysis and risk assessment process which were conducted through a series of workshops designed to enable Turners to:

- establish the scope and boundary of the climate risk and opportunities assessment.
- determine the global warming scenarios (IPCC and NGFS) and the strategic time horizons against which to test exposure to climate hazards.
- to identify, engage, and facilitate the Steering Committee to identify and rate the physical and transition climate risk and opportunities that are currently impacting, and which are anticipated to impact Turners.

The Climate Working Group and ARMS Committee oversaw and was closely consulted throughout the process to qualify the identified climate risks and opportunities. They also assessed and validated the assessment results. Multiple iterative rating rounds were conducted, ensuring Turners had ample opportunity to test, evaluate, and challenge the risk and opportunities assessment outputs. While scenario analysis was conducted as a standalone process, these climate risks have been integrated into the company's established enterprise risk management framework. No additional modelling was carried out beyond that reflected in the scenarios relied on above.

TAG has established climate-related time horizons as follows: short-term (2024-2030), medium-term (2031-2040), and long-term (2041-2050) for its scenario analysis, risk assessment, strategic planning and capital deployment plans. These also align with New Zealand's transport sector dynamics. These timeframes were selected as these align with the varying timeframes our divisions operate within:

- The automotive division can quickly adapt to market changes due to rapid inventory turnover.
- Insurance and Finance divisions operate on short cycles, with the typical duration of finance contracts and insurance policies at inception being 3-4 years.
- TAG business premises (both owned and leased) are typically occupied for terms of up to 20 years.

3. Strategy

TAG assessed Transition risks referencing the scenarios provided by the Network for Greening the Financial System (NGFS), which include the Orderly, Disorderly and Hot house scenarios. A description of these and the reasons selected are provided below.

	Orderly	Disorderly	Hot house																																													
Short-term Present day – 2030	<p>Early implementation of policies</p> <p>Physical: Low Transition: Medium</p>	<p>Delayed policies</p> <p>Physical: Low Transition: Low</p>	<p>Current policies – limited ambition</p> <p>Physical: Low Transition: Low</p>																																													
Medium-term 2030-2040	<p>Ambitious decarbonisation goals and policies are introduced immediately, and emissions decline rapidly and steadily to halve global emissions by 2030 and achieve net zero by 2050.</p> <p>Physical: Low Transition: High</p>	<p>Significant decarbonisation is delayed until the mid-2030s. There is high transition risk due to a global run-on resources in the 2040s, with punitive policies and measures introduced to achieve net zero 2050 targets.</p> <p>Physical: Medium Transition: High</p>	<p>No additional policies are introduced to curb emissions, and emissions continue to rise. Warming reaching >3°C.</p> <p>Physical: High Transition: Low</p>																																													
Long-term 2040-2050	<p>Net-zero target achieved</p> <p>Relatively low exposure to physical climate-related risks. Exposure to transition risks is high, early economic contraction followed by strong growth and minimised social and economic costs.</p> <p>Physical: Low Transition: Low</p> <div data-bbox="397 901 1034 1193" style="border: 1px solid green; padding: 5px;"> <ul style="list-style-type: none"> ❖ IPCC SSP 1- 1.9, 1.4 °C ❖ NIWA RCP 1.9 ❖ NGFS – Net Zero by 2050 <table border="0" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Policy ambition</td> <td>Policy reaction</td> <td>Technology change</td> <td>Carbon Dioxide Removals</td> <td>Regional policy variation</td> </tr> <tr> <td>1.4°C</td> <td>Immediate and smooth</td> <td>Fast change</td> <td>Medium-high use</td> <td>Medium variation</td> </tr> </table> </div> <p>This scenario is required as stipulated by XRB for “a 1.5 degree Celsius climate related scenario”.</p>						Policy ambition	Policy reaction	Technology change	Carbon Dioxide Removals	Regional policy variation	1.4°C	Immediate and smooth	Fast change	Medium-high use	Medium variation	<p>Slight overshoot of net zero by 2050 target. High social and economic costs are incurred, due to resources scarcity driven by demand shocks and moderately higher exposure to physical risk.</p> <p>Physical: Medium Transition: Low</p> <div data-bbox="1098 901 1735 1193" style="border: 1px solid blue; padding: 5px;"> <ul style="list-style-type: none"> ❖ IPCC SSP 1 – 2.6, 1.8°C ❖ NIWA RCP 2.6, 4.5 ❖ NGFS - Delayed Transition (1.6°C) <table border="0" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Policy ambition</td> <td>Policy reaction</td> <td>Technology change</td> <td>Carbon Dioxide Removals</td> <td>Regional policy variation</td> </tr> <tr> <td>1.6°C</td> <td>Delayed</td> <td>Slow/fast change</td> <td>Low-medium use</td> <td>High variation</td> </tr> </table> </div> <p>TAG considers this to be a more plausible scenario than NGFS – Net Zero, and hence more relevant to ensure a meaningful range for TAG’s risk assessment, modelling, and strategy.</p>						Policy ambition	Policy reaction	Technology change	Carbon Dioxide Removals	Regional policy variation	1.6°C	Delayed	Slow/fast change	Low-medium use	High variation	<p>Overshoot of net zero by 2050 target. Severe resource scarcity due to supply shocks relating to climate events. Extreme exposure to physical risks but limited exposure to transition risks.</p> <p>Physical: High Transition: Low</p> <div data-bbox="1803 901 2474 1193" style="border: 1px solid red; padding: 5px;"> <ul style="list-style-type: none"> ❖ IPCC SSP 5 – 8.5, 4.4°C ❖ NIWA RCP 8.5 ❖ NGFS - Current Policies Hothouse World – 3 °C+ <table border="0" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Policy ambition</td> <td>Policy Reaction</td> <td>Technology Change</td> <td>Carbon Dioxide Removals</td> <td>Regional policy variation</td> </tr> <tr> <td>3°C+</td> <td>None – current policies</td> <td>Slow change</td> <td>Low use</td> <td>Low variation</td> </tr> </table> </div> <p>This upper scenario was selected as NIWA has metrics for NZ. NIWA will transition to SSP3-7.0 TAG is likely to also adopt this in next year’s report.</p>						Policy ambition	Policy Reaction	Technology Change	Carbon Dioxide Removals	Regional policy variation	3°C+	None – current policies	Slow change	Low use	Low variation
																																																
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3. Strategy

3.4 Climate risks and opportunities

Turners Automotive Group Limited engaged Deloitte to provide support adjacent to their ongoing organisational climate related physical and transition risks and opportunities assessment, as well as scenario analysis narrative development, to enable Turners to align with existing leading practice, additionally TAG utilised in-depth sector related scenarios from The Aotearoa Circle Transport Sector Climate Scenarios to provide additional context.

To varying degrees all TAG's assets and activities are vulnerable to both physical climate risk and transition climate risk.

The assessment performed was a qualitative climate risk assessment, in the form of workshop-based brainstorming and activities designed to assist identifying and prioritising climate risks and opportunities. This exercise identified 31 transition and 61 physical possible climate-related risks for the TAG.

The process was facilitated via a series of workshops, leveraging NIWA's downscaled climate change projections for New Zealand to assess physical impacts and the Network for Greening the Financial System (NGFS) data to assess Transition Risks, and by applying the methodology provided by:

- The Ministry for the Environment's National Climate Change Risk Assessment Framework.
- ISO 14091 2021 For the physical climate risk and opportunities assessment.
- The TCFD guidance (October 2021 for identifying and categorising transition risk and opportunities).

It's worth noting that across all TAG's entities, the rating of climate-related risks was consistently low. Out of a total possible exposure and vulnerability score of 250, the highest score recorded was 40.

Among the most significant risks identified were potential impacts on business continuity and operational disruptions. These included flood-related site access impairment and damage to premises. Phone and network outages were also identified as significant risks. Additionally, the assessment identified potential impacts of wind events on call-centres due to communication network outages, power outages, and site access impairment caused by slips or fallen trees on roads and power lines. While these risks already exist, they are expected to increase in frequency and severity over the long term.

Material physical and transition climate related risk and opportunities are shown on the following pages:



3. Strategy

Category	Entity	Anticipated impacts	Time Horizon	Anticipated Financial Impacts
KEY PHYSICAL RISKS				
Operations	ALL	Extreme weather and wind events are expected to disrupt power and communications infrastructure, impacting TAG’s ability to operate and generate revenue. Floods and landslips could cause site access impairment and to disrupt transport and logistics routes, which could negatively impact productivity, causing revenue loss.	Present day, with risk increasing over time, especially if Hothouse World scenario eventuates.	Operational costs Revenue loss
People	ALL	Increasing occurrences of physical climate-related events may result in an increased number of health and safety incidents and deteriorating physical and mental wellbeing amongst staff, contractors and those employed by TAG.	Present day, with risk increasing over time, especially if Hothouse World scenario eventuates.	Loss in productivity Lost days Welfare costs
Assets		Extreme climate hazards could result in damage to Turners premises and vehicles, and result in increases to capital and operational expenditure – mainly due to the costs associated with asset replacement, remediation and upgrades.	Present day, with risk increasing over time, especially if Hothouse World scenario eventuates.	Operational costs Asset value loss Revenue loss
KEY PHYSICAL OPPORTUNITIES				
Operations	  	The impact of climate hazards on both public vehicles and the Turners fleet could present a number of operational opportunities, from greater inventory churn rate and the larger volume of damaged vehicles, thereby generating higher revenue for both the end-of-life and insurance and financing parts of the Groups operations.	Present day, with opportunity increasing over time, especially if Hothouse World scenario eventuates.	Increase in revenue
Market	ALL	The possible increase in immigration from Climate Refugees would lead to an increase in product demand and staff availability.	Potential opportunity impact in 5-10 years.	Increase in revenue Improved access to labour

Entity Key:  Turners Automotive  Oxford Finance  DPL Insurance

3. Strategy

Category	Entity	Anticipated impacts	Time Horizon	Anticipated Financial Impacts
KEY TRANSITION RISKS				
Technology	  	The availability of new technologies, such as autonomous vehicles could result in the transition away from the traditional car ownership model resulting in market contraction in NZ's overall light vehicle fleet and associated revenue loss.	Potential risk impact in 15-20 years.	Revenue Loss
Market	  	If economic contraction occurs due to the transition to a low carbon economy, and transition to LEV's, it could result in a strain on household incomes and reduced overall demand for vehicles, resulting in reduced transactions and revenue.	Potential risk impact in 10-15 years.	Revenue Loss
Policy and Legal		The requirement from banks to disclose financed emissions may result in a risk of reduced access to capital and/or increased costs of capital. Further, increasingly stringent government regulations may lead to increases in cost of compliance.	Potential risk impact in 5-10 years.	Operational costs
Reputation		Association with high-emissions sector, i.e., the second-hand ICE car market, could expose TAG to an increased risk of reputational impacts and litigation.	Potential risk impact in 5-10 years.	Operational costs
KEY TRANSITION OPPORTUNITIES				
Products and services	  	Turners' local sourcing capability, a competitive advantage amid emission regulations restricting suppliers, presents an opportunity to gain market share as smaller competitors exit. Further, a shift in consumer preference for second-hand used cars would drive increased demand for used vehicles, finance and mechanical breakdown insurance.	Potential opportunity impact in 5-10 years.	Increase in revenue
Markets	  	Turners' infrastructure, footprint, and capital strength position it favourably to participate in the alternative fuel/technology vehicle market, increasing competitiveness. Additionally, as New Zealand transitions from ICE to LEVs, displaced vehicles represent a significant opportunity for Turners' End-of-Life business via recycler sales, especially if emission criteria are added to WoF testing, making numerous vehicles uneconomical to upgrade.	Potential opportunity impact in 5-10 years.	Increase in revenue
Energy Resource		Given the extensive roof areas at most Turner's sites, the installation of solar panels becomes a viable option for generating renewable energy, as this becomes economic.	Potential opportunity impact in 5-10 years.	Cost reduction Reduce carbon footprint
Entity Key:  Turners Automotive  Oxford Finance  DPL Insurance				

4. Risk Management

4.1 Processes for managing climate-related risks

The Risk Management section of our Climate Disclosure provides an understanding of how our climate-related risks are identified, assessed, and managed and how those processes are integrated into our existing risk management processes.

Climate Related Risk Management Process	Process Description	Integration of climate-related risk management processes
Climate Risk Identification	Climate related risks and opportunities are identified through a series of workshops with members from the Climate Reporting Working Group (include the Group CEO and CFO), Executive Team from each company.	TAG integrates its climate-related risks and opportunities into the broader framework of its business audit and risk management processes.
Climate Change Risk Assessment Process	After these risks have been collated by the Climate Reporting Working Group, they are rated and materiality assessed in a series of additional workshops by members from the Climate Reporting Working Group (include the Group CEO and CFO), Executive Team from each	The risks are reported to ARMS and the full Board for inclusion in the risk register.
Group Risk Management Process	The Climate Working Group, ARMS and Board reviews the risks and provides any feedback. Any new risks identified during the year are updated in the Risk Register and raised in the Bi-monthly ARMS meeting. Climate Risks are reviewed by the Board annually.	This process describes the climate risk capture and reporting and general management which is includes in the overall TAG Risk Management framework.

4.2 Climate - related risk tools and methods

This was TAG’s inaugural climate-related risk assessment following the process described in the strategy section, for the same short, medium and long-term time horizons used for the scenario analysis. All parts of the value chain identified for each division were considered for both scenario analysis and risk assessment. TAG intends to repeat this assessment annually to ensure the identified risks, opportunities, and management responses remain relevant, comprehensive, and contribute to building resilience in our response to climate change.

The insights from this assessment are systematically documented in a risk register, considering factors such as the likelihood of occurrence, sensitivity of exposure, and adaptability of at-risk elements. The risk matrix is then utilized to categorize and prioritize risks based on their severity. Scenario analysis, incorporating different climate projections, aids in exploring the potential impacts of climate change.

This methodology enables TAG to make informed decisions and develop effective strategies to mitigate climate-related risks. A comprehensive reassessment is planned every three years. In the interim, any new risks and opportunities that arise are reviewed and added to the Risk Register by the ARMS committee and reported to the Board as appropriate.

TAG's climate risks are maintained within the same framework as other risks, with all risks being reviewed and prioritized by the ARMS committee. This ensures that, climate change risks are evaluated using the same rigorous methodology as all other risks, enabling their appropriate prioritization in accordance with the remaining unmitigated risks.

5. Metrics & Targets

5.1 Our Targets

The following goals and targets were published in our FY23 annual report. For transparency and consistency, we've chosen to continue reporting our progress against them. We acknowledge that these targets do not meet the criteria for the Science Based Targets initiative standards, and we have not assessed their contribution to limiting global warming to 1.5 degrees Celsius. TAG isn't currently purchasing offsets nor investing in nature-based solutions.

Reduction in total aggregate emissions from vehicles imported by Turners.¹

Our target is to reduce the estimated annual aggregate emissions of Turners' total 'first time imports' (FTI) vehicles sold to below 7,000 tonnes of CO₂ by FY25. In FY24, the FTI emissions were 3,016 tonnes of CO₂. This represents an 85% reduction from the FY19 base year level.

Increase the proportion of Low Emitting Vehicles in the Turners Subscription fleet.²

In 2020, we launched Turners Subscription and, in partnership with EECA, we expanded our subscription EV fleet. We currently have around 300 vehicles on subscription, of which about 180 are EVs or Hybrids. There is high demand for these subscription cars, helped by the "try before you buy" philosophy. Our target is to have Low Emitting Vehicles make up 50% of our Subscription fleet by FY25.

Reduce the average emissions from vehicles financed.¹

By assisting people to buy newer, lower-emitting cars, we are supporting a reduction in vehicle related emissions. Since our FY19 base year, this measure have reduced year on year. Our target is a 25% reduction in estimated average annual CO₂ emissions per financed vehicle by FY25 (from FY19 levels). The estimated average annual emissions per vehicle financed for FY24 has reduced 16% from FY19.

Reducing operational emissions across our business.

Our target is to reduce absolute operational Scope 1 and 2 emissions by 20% by FY25 (from an FY23 base year). Primarily, this will be achieved by transitioning our company vehicle fleet to lower emitting vehicles over time and by identifying opportunities to increase renewable electricity generation at our premises.

Year on year progress targeted	Year on year progress achieved
Reduction in aggregate emissions from vehicles imported and sold by Turners by 10.2% in FY24.	Turners achieved a 43% reduction in the annual CO ₂ emissions (in aggregate) for vehicles imported in FY24 over those imported in FY23 ¹ Note: this is an absolute target
Increase proportion of Low Emitting Vehicles in Turners Subscription Fleet to 50% in FY24.	As at March 2024, the proportion of Low Emitting Vehicles (Hybrids and EV's) in Turners Subscription Fleet has increased to 59% from 18% in FY23 ² Note: this is an absolute target
Target 5% reduction in average CO ₂ emissions of vehicles financed in FY24 (vs FY23).	Turners has achieved a 6% reduction in the average annual CO ₂ emissions for vehicles financed in FY24 over those financed in FY23 ¹ Note: this is an intensity target
Achieve a further 5% reduction in operational (Scope 1 & 2) Emissions in FY24.	Turners achieved a 1.5% reduction in absolute operational Scope 1 and 2 emissions in FY24 from FY23. Turners experienced significant growth in FY24. Using a revenue-based intensity metric that takes this growth into account. Turners achieved an 9% reduction in Scope 1 and 2 emissions per \$M of revenue in FY24 compared to FY23. Note: Recalculated using newest Ministry for the Environment 2024 emission factors.

¹ These targets are based solely on CO₂ tailpipe emissions, using carbon emissions data provided by the Energy Efficiency and Conservation Authority (EECA) and assumes an annual average distance travelled of 14,000km per vehicle. As this data set only covers CO₂ emissions, it does not include additional CO₂e emissions as defined by the Greenhouse Gas Protocol, in particular, the data does not incorporate emissions from other greenhouse gases such as methane (CH₄) or nitrous oxide (N₂O) and does not account for emissions from electricity consumption by plug-in hybrid electric vehicles (PHEVs) and battery electric vehicles (BEVs). Turners has used this data set for a number of years, as it facilitates a direct match to unique vehicle identification numbers (matching accuracy: First time Imports 99%, Vehicles financed 95%). Turners has elected to continue to report on this basis in the interests of accuracy, comparability and consistency.

² Low emitting vehicles means Hybrid Electric Vehicle (HEV), Plug-in Hybrid Electric Vehicle (PHEV) and Battery Electric Vehicle (BEV).

5. Metrics & Targets

5.2 GHG emissions

The following GHG inventory has been prepared in accordance with GHG Protocol, utilising:

- Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard
- Ministry for Environment – Measuring emissions: A guide for organizations.

TAG has used the operational control consolidation approach. Ministry for the Environment (MfE) 2024 emissions factors have been used in TAG's calculations.

Emissions (tCO ₂ e)	FY23	FY24
Scope 1	1,338	1,315
Scope 2	144	146
Total Reported Emissions	1,482	1,461
tCO₂e (Scope 1 and 2) per \$1m of Sales Revenue	3.80	3.50

5.3 Scope 3 Emissions

Given the nature of the sector in which TAG operates, scope 3 emissions make up the majority of TAG's overall emissions profile. These emissions are difficult to measure and influence, due to their variability and being outside TAG's direct control, spanning complex supplier networks.

TAG has embarked on developing a methodology, working with appropriately qualified experts to determine the makeup of these emissions and how to engage with suppliers to reduce them.

As TAG has such a diverse range of operations, there are significant hurdles in identifying emissions in many of the categories, including:

- Category 1: Purchased goods and services.
- Category 2: Capital Goods.
- Category 11: Use of sold products.
- Category 15: Investments.

Given the complexity of the scope 3 calculations, there is considerable work ahead. In the coming year, TAG aims to deepen its understanding of its Scope 3 emissions profile and improve the quality of the data and assumptions used in its calculations. TAG plans to disclose its Scope 3 footprint in next year's climate-related disclosure.



5. Metrics & Targets

5.4 Other Metrics and Targets

- TAG does not currently use an internal emissions price.
- During FY24 TAG has not made any investments that specifically address climate related risks or opportunities, nor allocated any specific capital expenditure or financing.
- TAG has not currently assessed any of its assets or business activities as being specifically aligned with climate-related opportunities.
- Management remuneration (compensation) is not directly linked to climate-related risks and opportunities. As TAG’s understanding of climate-related risks and opportunities evolves, and a clear roadmap and transition plan are developed, consideration will be given to explore the appropriate weighting that climate-related factors should have on overall management remuneration.

5.5 Inclusions, methodologies and uncertainties

With regards to metrics and targets, TAG has utilised the exemption provisions 4, 6 and 7 in NZ CS-2 for 2024, this being our first reporting year as a Climate Related Entity.

SCOPE 1	Mobile combustion emissions from motor vehicles and forklifts are calculated from fuel purchase transaction history and conversion factors Global Warming Potential (GWP) from MfE guidelines 2024. The vast majority of Scope 1 fuel is based on actual volumes purchased; for the remainder, fuel volume has been estimated based on spend. Accuracy has therefore been estimated at 98%. Fugitive emissions from refrigerants used by refrigeration equipment have been deemed immaterial, primarily using the Top Up method and have a low uncertainty (refer appendix 6.4 for more detail).
SCOPE 2	Purchased energy emissions from electricity consumption are calculated from electricity providers’ invoices by operating location. The location-based method with high-quality data is used, resulting in low uncertainty due to complete invoice sets (refer to Appendix 6.6 for more detail).
SCOPE 3	Scope 3 emissions not included in this first year’s report – NZ CS-2 adoption provision 4.

6. Appendix

This section provides additional information on the key parameters used within the disclosure, including:

- information about methods and assumptions used in the disclosure.
- sources of emission factors and conversion factors.
- sources of reference for scenario narratives.

6.1 Operating Entities

TAG is a dual-listed (NZX/ASX: TRA), its primary operating country is New Zealand, with EC Credit having a presence in Australia. The following operating companies were included in scope for this group climate statement:

Company within the Group	NZ Company Number
Turners Automotive Group Limited	247933
Turners Group NZ Limited	73426
Turners Fleet Limited	101812
Turners Property Holdings Limited	1221406
Carly NZ Limited	7868816
DPL Insurance Limited	25150
Oxford Finance Limited	525530
EC Credit Control (NZ) Limited	639706
	AUS Company Number
EC Credit Control (AUST) Pty Ltd	160747133

6.2 Organisational Boundary and Scope

The organisational boundaries used for this reporting include all operating entities owned by TAG. GHG emissions for these entities are calculated based on operational control, using the methodology described in the GHG Protocol.

The scope for the financial period FY24 is 01/04/2023 - 31/03/2024 for the reporting controlling entity Turners Automotive Group Limited.

6.3 TAG Group Reporting - Scope

TAG is comprised of multiple companies. Where possible, emissions have been calculated and recorded for each company without exclusions. However, the accounting for some companies is combined as they share offices and resources. This ensures comprehensive and accurate emissions reporting without double-counting.

Turners Property Holdings (TPH)

Turners Property Holdings is responsible for property development; however, construction is carried out by third-party contractors, without TPH having any direct control over emission sources. Therefore, the associated emissions from these activities have been categorised as Scope 3 under C2 capital goods.

Carly NZ Limited (Turners Subscription)

TAG doesn't include emissions from vehicles out on lease in its Scope 1 emissions, as it is using Operational Control as the boundary. Since Turners Subscription doesn't directly control how often or for how long lessees use these vehicles, the emissions from their fuel consumption are classified as Scope 3, in accordance with Appendix F of the GHG Protocol Standard.

6. Appendix

6.4 Scope 1 Reporting considerations

Scope 1 – Staff / Pool Car Fuel

For Scope 1 fuel consumption, company vehicle usage and distance travelled are not available, but the amount of petrol and grade of petrol are known from Fuel Card statements which are used to calculate emissions.

LPG used in Turners Forklifts was purchased by kg from ELGAS. For conversion to litres, the conversion factor published on ELGAS’s website was used (1kg = 1.969 litres).

Scope 1 Emission factors were sourced from the Ministry for the Environment "Measuring Emission Guidance Emission Factors Workbook 2024", as below.

Transport Fuels	Unit	Kg CO ₂ e
Regular Petrol	litre	2.373
Premium Petrol	litre	2.407
Diesel	litre	2.678
LPG	litre	1.618

Scope 1 – Bulk Purchase Fuel

At most of its branches, Turners Auto Retail purchases bulk fuel, which is stored in on-site tanks. The majority of vehicles arrive with minimal fuel levels. Once in inventory, these vehicles undergo fuel top-ups with petrol or diesel to facilitate various activities, including on-site movements, transportation to repair facilities, customer test drives, and providing sufficient fuel for customers to reach a gas station after purchase.

TAG cannot accurately differentiate the specific usage of the purchased fuel, but as fuel is added to vehicles under the company's control, the associated emissions from this purchased fuel have been categorized as Scope 1 emissions. The vast majority of Scope 1 fuel is based on the actual volumes purchased; for the remaining fuel, the volume has been estimated based on spend.

Scope 1 – Refrigerants

TAG doesn’t operate any cold stores, refrigerants are used within offices devices only, these include, fridges, water coolers, air conditioners/heat pumps (HVAC).

The emissions from refrigerants have been deemed immaterial via the prescribed screening process¹.

Scope of refrigerant emissions evaluation for screening purposes:

HVAC (Heating, Ventilation, and Air Conditioning) systems have been included in our emissions calculations only for sites where we maintain and operate the units. For many of our leased sites, the HVAC units are owned and maintained by third parties, which fall outside our operational control. However, for sites owned or maintained by TAG, the HVAC units have been accounted for. Additionally, emissions from other devices utilizing refrigerants, such as water coolers and refrigerators across all our sites, have been included in the screening calculations.

For all but 2 of our owned sites, the HVAC maintenance records show no top-up of refrigerant was used. For the remaining 2 sites, the CO₂e emissions for refrigerants has been calculated for screening purposes only, using Method C¹ (using estimation for both the volume and leakage rate of the refrigerant). On this basis, the estimated CO₂e emissions are less than 3 tonnes CO₂e, which is ~0.2% of scope 1 emissions, and therefore deemed immaterial, i.e., less than 5% of total Scope 1 emissions.

¹Ministry for the Environment - Measuring emissions: A Guide for organisations (2024 detailed guide)

6. Appendix

6.5 Scope 2 Reporting considerations

Scope 2 emissions are calculated using the location-based method, from electricity consumption taken from the electricity provider’s invoices for each site. Electricity consumption for our two Data Centres is metered and reported by the third-party provider.

CO₂e emission factors for NZ purchased electricity was calculated using guidelines and emission factor set out in the Ministry for the Environment - Measuring emissions: A Guide for organisations (2024 detailed guide) using the emission factors as below:

Purchased energy emission factors – Electricity used annual average		
Emission source	Unit	Kg CO ₂ e
2023	kWh	0.0728917
2022	kWh	0.0772253

EC Credit Control Australia (ECCC AU) offices are in Sydney NSW. Their Scope 2 purchased electricity was calculated using the emission factor (NSW) 0.73kg/kWh from Australian National Greenhouse Account Factors, February 2023, Table 1 (as below):

State, Territory or grid description	Scope 2 Emission Factors	
	kg CO ₂ e/kWh	kg CO ₂ e/Gj
New South Wales and Australian Capital Territory	0.73	202

6.6 Reference sources for scenarios

The scenario narratives used by TAG used the following sources for reference.

1. NIWA, Projected regional climate change hazards [Projected regional climate change hazards](#) .
2. Task Force for Climate-related Disclosures (2017). Recommendations of the Task Force on Climate-related Financial Disclosures –Final Report: pages 5 –7. [FINAL-2017-TCFD-Report-11052018.pdf \(bbhub.io\)](#).
3. The Shared Socioeconomic Pathways and their energy, land use, and greenhouse gas emissions implications: An overview -[The Shared Socioeconomic Pathways and their energy, land use, and greenhouse gas emissions implications: An overview –ScienceDirect](#).
4. IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I.Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu and B. Zhou (eds.)]. Cambridge University Press.
5. Bodeker, G., Cullen, N., Katurji, M., McDonald, A., Morgenstern, O., Noone, D., Renwick, J., Revell, L. and Tait, A. (2022). Aotearoa New Zealand climate change projections guidance: Interpreting the latest IPCC WG1 report findings. Prepared for the Ministry for the Environment, Report number CR 501, 51p.
6. NGFS, Climate Scenarios Database Technical Documentation V3.1, September 2022.
7. Climate change projections and impacts for Taranaki, Taranaki Regional Council, April 2022.

