

Environmental Impact and Performance Policy

SG Fleet Group Limited
ABN 40 167 554 574

Adopted by the Board on 16 August 2021

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1. Scope

SG Fleet Group ("Company") promotes practices that minimise harm to the natural environment, and which are consistent with the role the company plays in the community. For example, in its daily operations, customer relationships and supplier management, the Company promotes, and has preference for, those practices that minimise the use of natural resources, emissions and waste. These practices are in addition to the Company complying with minimum legal and regulatory requirements.

This policy is supported by, and complementary to, the Procurement Policy, the Travel and Entertainment Policy, the Code of Conduct, the Supplier Code of Conduct, the Motor Vehicle Policy and the HR manual.

2. Purpose

The Company's Environmental Impact and Performance Policy aims to reduce the Company's negative impact on the environment. The policy will outline measures to reduce the use of natural resources, reduce the volume of all waste, and increase the use of 'green' or renewable energy sources. This purpose is aligned with, and therefore complementary to, societies' pursuit of more environmentally-friendly business practices, and of interest to the Group's stakeholders, including shareholders, governments and regulators, customers, employees, suppliers and general community.

3. Policy statement

The Company's stakeholders expect it to make regular public statements about its environmental impact and performance, such as via tender responses and industry presentations. These statements may detail the Company's impact on the environment, its efforts to reduce or improve these impacts, and forecasts for future performance. Ultimately, stakeholders may base their decisions to associate and do business with the Company on much of the information presented in these statements and presentations.

4. Responsibilities for environmental impact and performance

It is the responsibility of all employees to act, behave and perform in accordance with the 'letter' and the 'spirit' of this policy.

Specific responsibilities include:

- **Board of Directors:** approves the Company's policy and oversees compliance
- **Executive Management:** assists the Board in reviewing and overseeing the Company's commitments to stakeholders, which may include setting and communicating the Company's environmental targets and performance levels via annual reports, presentations, regulatory

reporting and industry accreditation bodies; and ensures that the responsibility and authority for the management of the environmental impact and performance are assigned and communicated. Executive Management is also responsible for appointing the Sustainability Committee

- **Sustainability Committee:** is responsible for periodically reviewing the Company's environmental impacts, such as energy usage, adoption of renewable energy, waste and carbon emissions, fostering an environmental-aware culture and reporting to the Executive Management on the effectiveness of improvement initiatives.
- **Senior Management:** is responsible for promoting awareness of the policy and its targets, monitoring compliance within their business areas and addressing any breaches related to the Policy.
- **Internal Audit Management:** provides independent assurance on the effectiveness of internal controls and process improvement. Role and responsibilities of the Head of Internal Audit are stated on the Internal Audit Activity Charter – SG Fleet.
- **All employees:** All employees may identify, enact and report on the effectiveness of any environmental improvement initiatives, in their workplaces, with approval from their General Manager or Department Head.

5. Process

Employees are expected to consider minimising the environmental impacts and/or improving environmental performance in:

- The acquisition and management of the Company's and its customers' motor vehicle fleets, for example by including consideration of hybrid, electric, hydrogen or other low-emission vehicle options and the setting of residual values, running, maintenance and fuel costs at levels to support adoption of these options.
- The provision of Customer Service by ensuring customers are aware of the emissions that their respective fleets produce, both prior to purchase and ongoing throughout the term of their fleet operations
- Corporate travel and entertainment – for example, consideration of phone or video conferencing as an alternative to air travel; or eliminating single-use plastics or containers in entertainment functions.
- Corporate facilities management, including opportunities to reduce energy, water and waste. For example, enabling processes that save water, reduce electricity usage, reduce paper usage, and eliminating single-use plastics (including drinking straws) from the workplace.
- Procurement and supplier operations, including questions and assessment of suppliers' credentials and historical performance in relation to environmental impacts, when selecting suppliers. This includes supplier selection criteria that fosters continuous improvement of environmental impacts across the supply chain.

6. Governance

The Executive Management team is to develop and propose the Company's environmental targets for the Board to review and approve. These environmental targets are attached as Annexure A to this policy. The Company will report periodically on its performance against these targets.

The Company will consider opportunities to affiliate itself, through appropriate avenues such as memberships and the adoption of applicable standards, with other organisations with similar goals and aspirations to reduce negative impacts on the natural environment.

Annexure A – Company environmental targets

The Company is committed to meet or exceed minimum regulatory requirements for its environmental impact and performance, in all its chosen markets. A review of the Company's business activities across Australia, New Zealand and United Kingdom has identified opportunities to achieve significant improvements in how it sources and uses natural resources to run its operations. The Company's environmental targets are as follows:

Business Activity	Australia	New Zealand	United Kingdom
Corporate travel	20% reduction in air travel from an average of 3.99 flights per FTE, per annum to 3.19 flights per FTE	20% reduction in air travel from an average of 7.24 flights per FTE per annum to 5.79 flights per FTE	20% reduction in fuel used in domestic road (car) travel from 440 litres (of combined petrol / diesel) per FTE per annum to 352 litres per FTE per annum
Paper usage	30% reduction, from 10.5 reams of A4 paper, per FTE per annum, to 7.35 reams per FTE per annum	50% reduction from 10.24 reams of A4 paper per FTE per annum to 5.12 reams per FTE per annum	50% reduction from 5.87 reams of A4 paper per FTE per annum to 2.94 reams per FTE per annum
Electricity consumption	Introduce LED lighting and reduce emissions from energy consumption by 14%	Introduce LED lighting and reduce emissions from energy consumption by 14%	Introduce LED lighting and reduce emissions from energy consumption by 14%
Electricity source	100% 'green' energy, sourced from renewables by 1 July 2021.	100% 'green' energy, sourced from renewables by 31 December 2020.	Switch to 'green' renewable energy for 50% of offices by 30 June 2022