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Environmental Policy

Version 2.0

SG Fleet Group Limited
ABN 40 167 554 574

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1. Environmental Management Approach

SG Fleet Group Limited's ('SG Fleet' / 'the Company') approach to long-term value creation for all of its stakeholders is driven by the principle that industry-leading environmental, social, and governance (ESG) behaviours should be integrated into daily business practices.

The Company's purpose is to make a positive contribution to the wellbeing of its employees, customers, shareholders, and the wider communities in which it operates by providing mobility solutions in a socially, environmentally, and ethically responsible manner. These services aim to optimise the efficiency and safety of these solutions and in doing so manage its impact on the environment and the community.

SG Fleet aims to ensure that its day-to-day operations minimise resource consumption, waste, and emissions. In addition, the Company works with its customers and business partners to assist them with their environmental impact reduction initiatives.

2. Purpose

The SG Fleet Environmental Policy ('the Policy') outlines the Company's approach to achieve the following objectives:

- continually improve its overall environmental performance and management
- reduce the Scope 1, 2, and 3 emissions that fall within the boundaries of its environmental impact assessment (see: 'Scope')
- fulfill any compliance obligations

The execution of the Policy is independent of the Company's carbon neutrality status in its various geographies and the Company will continuously explore options to further cut emissions and progressively reduce its reliance on carbon offsets to achieve carbon neutrality.

To achieve the above objectives, the Company operates an environmental management system ('EMS'), which is based on global and local standards, including ISO 14001:2015, and all applicable regulations and laws. The Company has ISO 14001:2015 Environmental Management System accreditation for its operations in Australia, New Zealand, and the UK. The EMS is comprised of the Environmental Policy, the environmental component of the ESG Action Plan, the ESG Committee governance structure, and all associated monitoring, measurement, management, and reporting activities. It focuses in particular on the areas identified as the main contributors to the Company's emissions total. As these areas are an integral part of the Company's day-to-day operations, the execution of the Policy and the operation of the EMS involve the implementation of adjustments to a range of ongoing business practices. Further detail on the EMS can be found in section 6. Environmental Management System.

3. Scope

3.1. Environmental scope

3.1.1. Environmental risk assessment

The Company has conducted a materiality assessment across all ESG categories based on the risk categorisation defined by the Global Reporting Initiative (GRI). To these standards were added a number of categories specific to the geographies in which SG Fleet operates, as well as those linked to specific compliance and/or reporting requirements in these countries.

The Company also reached out to both internal and external stakeholders for input as to the perceived importance of various ESG risks to each stakeholder group and the impact of the management of these risks on stakeholders' assessment and decisions with respect to the Company. The Company took into consideration risks related to specific reporting requirements, even if these risks would not normally be perceived as material from a stakeholder's perspective.

The findings of this process were recorded in a risk matrix, which outlines the risks most relevant to the Company's stakeholders and its business. In some instances, risks that would be deemed less material from the perspective of the Company's business activities were identified as material from the perspective of certain external stakeholders and accordingly were retained as a key risk. In addition to the focus areas directly material to its stakeholders and its business, the Company also considers risks that may be relevant to the wider community or society as a whole.

The environmental risk assessment, which formed part of the overall ESG materiality assessment, takes into account the nature of the Company's business (services) and its operational sites (predominantly offices in an urban environment). These characteristics limit the risk of significant environmental impacts.

SG Fleet's potential environmental impacts, as determined by this environmental risk assessment, are:

- Level of emissions impacting the environment
- Other environmental risks, such as energy consumption levels and waste

The materiality assessment did not identify:

- Potential emergency situations at the Company that can have an environmental impact (potential non-environmental emergency situations are covered by the Company's business continuity planning)
- Any potential for external environmental conditions to specifically affect the Company (as opposed to conditions affecting society as a whole, such as weather events)

Emissions

As an office-based services company, SG Fleet does not produce meaningful levels of CO₂ in its day-to-day business operations. The Company only operates a small internal fleet of vehicles, and the provision of its services does not generally require significant travel or transport.

Energy consumption

SG Fleet's energy consumption is largely limited to the operation of its office and warehouse locations, including lighting, power sources, and heating.

Waste

SG Fleet does not produce meaningful quantities of waste, for packaging or other purposes.

3.1.2. Environmental impact assessment

The environmental impacts of the Company's operations are assessed every year by external parties in each of its three geographies. These assessments determine the Company's total environmental impact by determining the 'emissions equivalent' of various business-related activities.

Activities with the most significant impact include: IT and electronic equipment and services, electricity, telecommunications, employee commuting, business travel, waste, and other professional services.

The Policy and the EMS will focus on these and any other areas identified as contributing the Company's total emissions where the Company has the authority and ability to exercise control and influence on environmental impacts.

Assessment boundaries

The boundaries of the environmental impact assessment have been defined based on an operational control test. This means that emissions produced by the assets financed and/or managed on behalf of SG Fleet's customers are excluded from the assessment as the Company has no control over the selection and operation of these assets.

Regardless of the exclusion of these emissions for the purpose of its environmental impact measurement, the Company actively deploys its expertise to help customers reduce the impact of their transport activities and make a positive contribution to the environment.

3.2. Organisational scope

The Policy and the EMS apply to the SG Fleet Group and its operations in Australia, New Zealand, and the UK, and all staff and contractors employed by these operations.

The following sites, which constitute a list of all of SG Fleet Group's operational locations, are within scope:

Australia

- Level 2, Building 3, 20 Bridge Street, Pymble NSW 2073
- Suite 12.02, Level 12, 167 Macquarie Street, Sydney NSW 2000
- Level 1, 13 George Street, North Strathfield NSW 2137
- Campus Business Park, Building F, Unit 3/350 Parramatta Road, Homebush West NSW 2140
- Level 7, South Wharf Tower, 30 Convention Centre Place, South Wharf VIC 3006
- Level 3, Building 3, 13 Albert Street, Preston VIC 3072
- Unit 1, Building 2, 1 Dairy Road, Fyshwick ACT 2609
- 14 Gibberd Road, Balcatta WA 6021
- Level 1, 81 Salamanca Place, Battery Point TAS 7004
- Level 1, 81 King William Street, Kent Town SA 5067

- 57 Radley Street, Virginia QLD 4014

New Zealand

- Level 3, 632 Great South Road, Ellerslie, Auckland 1051
- Level 1, Awly Building, 287-293 Durham Street, Christchurch 8013
- Part Level 5, 117 Lambton Quay, Wellington

United Kingdom

- Station Court, Old Station Road, Hampton-on-Arden, Solihull B92 0HA
- Unit 5, Tunstall Arrow, James Brindley Way, Stoke-on-Trent, ST6 5GF

Third parties

While not within direct scope of the Policy, the Company encourages its suppliers, business partners, and other third parties to actively manage their respective environmental impacts. Relevant clauses are included in the Company's Suppliers Code of Conduct and Procurement Policy.

4. Interaction with Other Strategies, Policies, and Plans

The Policy outlines SG Fleet's approach to the management of the environmental component of the Company's ESG Strategy, which can be found at: <https://investors.sgfleet.com/Investors/?page=ESG--Sustainability>.

The initiatives aimed at improving the Company's environmental impact performance are contained in the Company's yearly overall ESG Action Plan. A dedicated Emissions Reduction Action Plan, with country-specific variations where appropriate, is extracted from this ESG Action Plan (see: 'EMS').

SG Fleet's Code of Conduct (which can be found at: <https://investors.sgfleet.com/Investors/?page=policies>) specifies how staff can report actions that are not environmentally responsible or in breach of applicable laws and regulations.

References to the recommended environmental behaviours of the Company's suppliers are contained in its Procurement Policy, and in its Supplier Code of Conduct, which can be found at: <https://investors.sgfleet.com/Investors/?page=policies>

5. Environmental Impact Reduction Targets

SG Fleet's objective is to reduce the negative environmental impact of its operations, which is determined by calculating the 'emissions equivalent' of various operational and organisational activities.

5.1. Emission intensity (Scope 1/2/3)

The Company has set an emissions reduction target in the form of an emission intensity objective, which takes into account the growth of the business as expressed in FTE (full time equivalent) employment terms.

By the end of the 2030 financial year, SG Fleet aims to reduce emission intensity, measured as tCO₂-e/FTE, by 33% from the 2023 financial year base. Emission intensity is measured across the Scope 1, 2, and 3 emissions that fall within the boundaries of the environmental impact assessment.

5.2. Net zero (Scope 1/2)

In addition to maintaining carbon neutral status and reducing emission intensity, the Company has set a target to achieve net zero greenhouse gas emissions by the end of the 2030 financial year. The net zero target applies to Scope 1 (direct) and 2 (indirect energy footprint) emissions.

These targets apply to the Group as a whole. Actual reductions per individual country or site may vary as their emission profiles and emission measurement methodologies differ.

Country, Scope, and emission source-specific quantitative and/or qualitative targets are included in the Emissions Reduction Action Plan (see: 'EMS').

The Company's actual emission total for carbon neutrality purposes is independently verified by country on a yearly basis.

6. Environmental Management System (EMS)

SG Fleet uses an EMS approach to achieve its Policy objectives. Performance of the EMS (Emissions Reduction Action Plan – see below) is subject to yearly internal audits.

The environmental component of the Company's ESG Action Plan includes:

- Initiatives aimed at a continuous general improvement of the Company's approach to environmental management and sustainability, including the improvement of its EMS processes, the raising of environmental awareness amongst staff, business partners, and customers, and support of external environmental initiatives.
- Initiatives specifically aimed at reducing the emissions equivalent of the Company's various operational and organisational activities to meet its emission impact reduction targets. These initiatives are extracted from the ESG Action Plan as a dedicated Emissions Reduction Action Plan ('E-RAP'), with country-specific variations where appropriate. The E-RAP lists initiatives by country, scope, and emission source.

The ESG Action Plan, including the environmental component and the E-RAP, is updated yearly at the end of the financial year to include additional initiatives, and covers the following financial year.

Execution of general and E-RAP initiatives is managed and tracked on an ongoing basis by the Company's ESG Manager. The ESG Manager works with relevant internal (e.g. Operations, Facilities Management, IT, Innovation Team, Marketing, People & Culture) and external stakeholders to complete the initiatives within the agreed time period. Execution of the initiatives is managed on a day-to-day basis via the Company's Issue Management System (IMS), which creates workflows for individual initiatives.

The ESG Manager reports on progress on a weekly basis to the Chair of the ESG Committee (see: Governance). The full ESG Committee convenes on a quarterly basis to monitor progress against ESG objectives, including those set in the environmental component.

7. Governance

7.1. ESG Committee

The ESG Strategy, including its environmental component, is governed by the Company's ESG Committee.

The mandate of the Committee is to ensure that the Company has the necessary approach, actions, and initiatives in place to be able to fulfil its ESG objectives and demonstrate the ESG behaviours the Company and its various stakeholders deem appropriate and essential.

The primary purpose of the Committee is to:

- Monitor adherence to the ESG Strategy, including the environmental component, and review the ESG Strategy every three years
- Monitor effectiveness and conformity of the EMS, report on its performance, and make improvements as required
- Develop the ESG Action Plans on a yearly basis and monitor their execution on a quarterly basis (qualitative and quantitative)
- Monitor and discuss emerging trends in ESG and associated regulations and reporting requirements
- Ensure compliance with the requirements set out by relevant laws and regulations in each jurisdiction and by applicable ISO standards
- Verify the register of ESG-related information (see: 'Statements')

The Committee consists of representatives from areas that are instrumental in the management of the ESG areas and risks identified as material to the Company. These areas are:

- Corporate Services
- Investor Relations
- People & Culture
- Legal
- IT
- Procurement
- Facilities management
- Risk
- Marketing
- Business Development & Tenders
- Innovation & Technology
- Additional representatives for the New Zealand and United Kingdom operations

Membership of the Committee reflects a cross-functional approach to ensure the integration of ESG, including EMS, requirements into all day-to-day business practices.

The Committee meets on a quarterly basis. Committee members may request additional meetings if deemed necessary in order to meet the objectives of the Committee, the ESG Strategy, or the ESG Action Plan.

7.2. Compliance and information integrity

Compliance obligations

The ESG Committee provides, if required, a quarterly update on compliance with the requirements set out by relevant laws and regulations in each jurisdiction and by applicable ISO standards by maintaining (and updating) a compliance register by jurisdiction (register of applicable compliance and legislation) and by applicable ISO standard.

Environmental Data

The Company's emissions total, measured as an 'emissions equivalent' of various operational and organisational activities, is calculated annually by an independent third party for each country of operation. The Company calculates its emission intensity for the purpose of its environmental impact reduction targets by applying the average number of FTEs in the corresponding period.

Statements

The Company maintains a central register of ESG (including environmental) status, achievements, performance, and related information from which the Company sources statements for public disclosure and for the purpose of responding to requests from external parties. This register is verified periodically, and the findings of this verification are reported to the ESG Committee.

8. Further Information

8.1. Policy access

The Policy is available to all staff via the Company's intranet and is publicly available at: <https://investors.sgfleet.com/Investors/?page=ESG---Sustainability>.

8.2. ESG Statement

As part of its annual reporting activities, the Company publishes a yearly ESG Statement (previously referred to as the Sustainability Statement), overviewing major environmental, social, and governance achievements and reporting against environmental objectives for the financial period. The ESG Statement can be found at: <https://investors.sgfleet.com/Investors/?page=ESG---Sustainability>.

Document control

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Revision history

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V1.0	2023/04/04	Yves Noldus	SG Fleet Group Environment Policy – Harmonised Policy Supersedes SG Fleet’s Environmental Impact and Performance Policy, LeasePlan’s corresponding policy and SGF Group UK Environmental policy	ISO Approval IMS SGISO-1150
V2.0	2024.10.25	Yves Noldus	Updated the section on Environmental Impact Reduction Targets to include Emission intensity and Net Zero for Scope 1 & 2 emissions and minor updates to the overall policy	ISO Approval IMS SGISO-1324



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