



Sustainability statement



KEY HIGHLIGHTS

DEVELOPMENT OF Group ESG Strategy

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

CLIMATEACTIVE Carbon neutral certification¹

The company established a **Sustainability Committee, governed by a Charter, in 2019. In 2021, SG Fleet issued its first Sustainability Statement.**

The 2022 Sustainability Statement outlines the relevant actions taken by the company during the 2022 financial year with respect to the ESG risks identified as material in the Group ESG Strategy.

ISO 27001

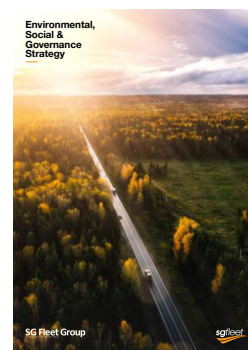
INFORMATION
SECURITY
MANAGEMENT
CERTIFICATION

ESG STRATEGY DEVELOPMENT

SG Fleet determines its sustainability reporting categories by considering the nature of its business operations, which are predominantly the provision of services in an office-based environment.



During the 2022 financial year, we undertook an ESG Materiality Assessment to further optimise how we determine our key ESG risks, how we approach the management of these risks, and how we report on our risk management in the yearly Sustainability Statement.



1. Australian operations

LEASEPLAN ACQUISITION

This process included the following steps:

- **Development of an initial risk universe**
To ensure a comprehensive assessment of all possible ESG risks, SG Fleet developed a risk register based on the categorisation defined by the Global Reporting Initiative (GRI). A number of categories specific to the environment in the geographies in which we operate were added to these standards, as well as those linked to reporting requirements in these countries. The resulting risk register included 36 ESG categories.
- **Stakeholder materiality assessment**
SG Fleet reached out to both internal and external stakeholders to gather data about the perceived importance of the 36 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.
- **Reporting requirements**
SG Fleet 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 materiality matrix, which outlines the risks most relevant to our stakeholders and our 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 for the purpose of the ESG Strategy.

The ESG Strategy was reviewed and approved by SG Fleet Group Limited's Board after the end of the 2022 financial year. From the 2023 financial year onwards, a yearly Action Plan will be developed prior to the start of each financial reporting period. This Action Plan will detail the execution of the company's ESG risk management, in line with the ESG Strategy.

On 1 September 2021, SG Fleet acquired the Australian and New Zealand businesses of international fleet management and leasing company, LeasePlan Corporation NV.

As part of the integration of this acquisition, SG Fleet re-prioritised a number of ESG-related initiatives to harmonise the approach of the acquired entity with its own.

As a result, work on the initial certification for the ISO 20400 Sustainable Procurement and the ISO 26000 Social Responsibility standards was paused to focus on the introduction at group-level of ISO standards already present in parts of the combined business. This includes the ISO 14001 Environment Management and the ISO 45001 Health & Safety Management standards. The harmonisation process continues in the 2023 financial year.

The acquisition integration also led to the temporary pausing of a number of other ESG-related initiatives earmarked for the 2022 financial year, such as the exploration of recycled waste collection options and the introduction of indigenous education programs. These initiatives will be re-started in the 2023 financial year.

“SG Fleet re-prioritised a number of ESG-related initiatives to harmonise the approach of the acquired entity with its own.”



ENVIRONMENT



“The Australian operations of SG Fleet obtained ClimateActive certification as a carbon neutral organisation during the reported period.”

22%

REDUCTION IN SCOPE 1 AND 2 EMISSIONS



SG Fleet ensures its day-to-day operations minimise resource consumption, waste and emissions. In addition, we work with our customers, business partners and suppliers to assist them with their environmental impact reduction initiatives.

SG Fleet’s ESG Materiality Assessment identified the following environmental risks as material to the company:

- Levels of emission impacting the environment

Risks that are perceived as relevant to the wider community, even if not directly material to SG Fleet due to the nature of its business, are:

- Other environmental risks, such as energy consumption levels and waste

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. We view it as our duty to deploy our knowledge and help others reduce the impact of their transport activities and make a positive contribution to the environment.

SG Fleet continuously explores options to further cut emissions across Scope 1 and 2 and, where under the company’s control, Scope 3. In order to reduce the use of consumables, measures have been introduced to lower the amount of printing.

This resulted in a 57% reduction in paper usage, equivalent to ca. 7.4 tonnes of CO₂ emissions. Emission reduction efforts have also targeted excessive air travel, although during the reported period, the return of business activity post-COVID-19 led to an increase in air travel over the preceding year, adding 104 tonnes in CO₂ emissions. Road mileage by our staff (excluding commuting) was reduced by 5%, a reduction of CO₂ emissions by ca. 19 tonnes. Where motor travel is essential, we seek to increase the use of low- or zero-emission vehicles. Total Scope 1 and 2 emissions were reduced by 22% during the reported period. Total emissions per FTE related to fuel and energy usage, air travel, and paper consumption were reduced by 40%¹.

With regards to customers, we offer the eStart Zero Emission Vehicle Transition Planning service, which plans and executes the transition from internal combustion to lower emission vehicles for our customers’ fleets. In the reported period, the number of electric vehicles in the managed fleet increased by 128%.

We also ask all our preferred suppliers to develop and submit their strategies and initiatives to reduce emissions.

The Australian operations of SG Fleet obtained ClimateActive certification as a carbon neutral organisation during the reported period.

Future Focus

SG Fleet aims to lower its GHG emission intensity ratio by putting in place additional initiatives to reduce overall emissions from company-owned resources, purchased energy and applicable Scope 3 categories.

We aim to increase the percentage of zero-emission vehicles in our own fleet and have put in place a group EV strategy to further promote take-up of zero emission vehicles amongst our customers as well as in the wider community.

Our goal is to help change behaviours across all of our stakeholder groups (customers, employees, business partners and suppliers) in terms of emissions awareness and mitigation.

1. All year-on-year comparisons exclude emissions and energy consumption data from the businesses acquired during the reported period



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. We are transitioning some of our office operations, such as lighting, to more energy-efficient solutions. In the reported period, the lighting transition process was completed, resulting in a 25% net reduction in energy consumption overall. We currently obtain 94% of our electricity from renewable, green resources. Where possible, the company explores opportunities with its landlords to further improve the sustainability of its office locations.



SG Fleet has an Environmental Impact and Performance Policy and holds ISO 14001 Environmental Management certification for parts of its business.

Future Focus

SG Fleet aims to lower its energy intensity ratio by putting in place additional initiatives to reduce overall energy consumption, including the adoption of 'smart working' set-ups. Our objective is to obtain 100% of our electricity from renewable resources as the business grows.

SG Fleet will also move to a group-wide ISO 14001 certification.

WASTE

SG Fleet does not produce meaningful quantities of waste for packaging or other purposes, but our aim is to further minimise waste generation in the conduct of our business. Where waste is generated, for example in the operation of offices, we explore opportunities to divert waste from disposal via the process of recycling triage.

Future Focus

In cooperation with our employees, we will investigate options to further reduce waste generation and optimise our disposal process, particularly in the areas of paper, food and equipment disposal, and the use of water. SG Fleet will also cooperate with its suppliers to pursue similar objectives.

OTHER ENVIRONMENTAL ASPECTS

While due to the nature of its business, SG Fleet does not utilise a meaningful amount of packaging materials or consume and discharge significant amounts of water, we do approach the management of any materials and water consumption as an integral part of our overall environmental approach. Accordingly, we continue our efforts to minimise associated impacts.

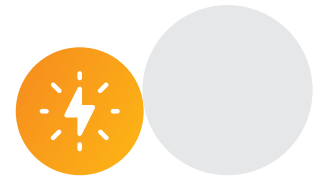
As an office-based business located in urban areas, SG Fleet's activities have a negligible direct impact on natural habitats.

Future Focus

During the reporting period, SG Fleet explored the extent to which its suppliers are minimising their impact on the environment. This assessment identified a wide range of approaches of varying effectiveness. Moving forward, we intend to introduce minimum environmental standards for the selection and engagement of suppliers to promote impact reduction initiatives in our supply chain.

25%

REDUCTION IN ENERGY CONSUMPTION



“Our objective is to obtain 100% of our electricity from renewable resources”

SOCIAL



“We have introduced Wellness Days in addition to annual leave entitlements.”

SG Fleet respects and seeks to further the interests of its customers, its employees and the wider communities in which we operate. Our culture is one of trust, respect, care and responsibility, and we aim to apply this in all our interactions with every individual, as well as with community groups.

SG Fleet’s ESG Materiality Assessment identified the following social risks as material to the company:

- Working conditions (employment) and training
- Diversity, non-discrimination, and equal opportunity
- Occupational health & safety
- Customer privacy and data security

Risks that are perceived as relevant to the wider community, even if not directly material to SG Fleet due to the nature of its business, are:

- Forced or compulsory labour in the company and its supply chain (Modern Slavery)
- Human rights
- Support of indigenous communities

WORKING CONDITIONS

SG Fleet’s success as a business and its ability to deliver excellence in services and products to its customers relies on a motivated workforce. Providing a positive work environment and optimal work conditions is an essential component of our efforts to support our employees.

As part of SG Fleet’s recruitment process, vacancies are evaluated for their suitability for flexible work arrangements and for arrangements other than full time. Eligible employees are able to participate in a ‘Purchase Annual Leave’ program to assist with balancing family commitments. We have also introduced employer-funded parental leave, a sick-leave donation program, and Wellness Days in addition to annual leave entitlements.

Future Focus

SG Fleet will continue to implement strategies that support role and work flexibility, including the adoption of workplace arrangements and approaches that reflect a greater awareness of the social impacts of working conditions.

OCCUPATIONAL HEALTH AND SAFETY

Safety in the workplace is of paramount importance to SG Fleet. We view a safe and welcoming environment as an essential prerequisite for the wellbeing and productivity of our employees.

In addition to providing our staff with a healthy work environment, we conduct regular e-training on a range of topics that can impact their wellbeing. These modules include sexual harassment prevention, work health and safety awareness, workplace bullying and occupational violence, and COVID-19 awareness. SG Fleet also has a Group Exposure Control Policy. In addition to risk mitigation education, we encourage our staff to proactively look after their physical and mental wellbeing. We provide access to a range of staff wellness benefits and activities.

SG Fleet holds ISO 45001 OH&S Management certification for parts of its business.

Future Focus

We intend to investigate other occupational health and safety aspects (with an increased focus on mental health), within the workplace and in support of our employees’ wellbeing outside the workplace and at home.

SG Fleet will move to a group-wide ISO 45001 certification.

TRAINING

SG Fleet is committed to supporting the continued growth of its people. We have a reputation within the industry of developing the best available talent and expertise. Upskilling our staff is essential in order to retain our industry leadership position.

SG Fleet's staff are given access to internal and external development opportunities, such as training programs and courses. Mentoring arrangements are also in place for appropriate roles and functions. All staff receive regular performance and career development reviews.



Future Focus

SG Fleet will investigate opportunities to extend the range of its current training structures, both in terms of training topics and the ability of staff to access training. We will also implement initiatives to optimise the onboarding and continued education process.

DIVERSITY AND EQUAL OPPORTUNITY

SG Fleet's business success is built on the expertise of its people. We recognise the importance of being an inclusive employer and have a strong commitment to equal opportunity and diversity, with a focus on gender diversity. Diversity drives the company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality of service to customers, and achieve sustainable growth.

As at 30 June 2022, the company's workforce was made up of 46% women and 54% men.

SG Fleet complies fully with the *Workplace Gender Equality Act (2012)* and is a complying employer with the Workplace Gender Equality Agency. We conduct regular e-training on equal employment opportunity.

Future Focus

SG Fleet continues to work towards a diverse workforce, including balanced gender representation at Board and Senior Management level. The company intends to widen its diversity focus to other areas, in addition to gender, and ensure that a more diverse representation also translates into actual inclusion of more diverse opinions.

NON-DISCRIMINATION

We celebrate the diverse range of cultural backgrounds and experiences of our employees and provide a work environment that is free from discrimination. In addition, SG Fleet is committed to ensuring no discrimination occurs against customers, suppliers, and other stakeholders.

SG Fleet's Code of Conduct stipulates compliance with the letter and spirit of a full range of anti-discrimination laws to establish a workplace free from any kind of discrimination. The company conducts regular e-training on discrimination to reinforce awareness and correct behaviours.

Future Focus

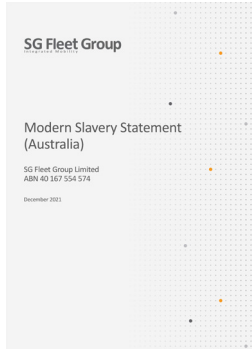
SG Fleet will continue to improve relevant education as well as enhance the necessary processes to identify and address related incidents. We will also investigate initiatives that will help break down perceptions that foster discrimination.

“SG Fleet is a complying employer with the Workplace Gender Equality Agency.”



SOCIAL CONTINUED

MODERN SLAVERY STATEMENT 2021



“We are a proud member of Supply Nation, which aims to promote and support procurement through indigenous organisations and create a more inclusive economy, and we currently source a number of goods from these businesses.”

FORCED OR COMPULSORY LABOUR

SG Fleet does not tolerate any form of enslavement or exploitation and we are committed to ensuring measures are in place to minimise the risk of modern slavery in our business and in our supply chain. The company has voluntarily put in place a Modern Slavery Policy, which outlines our overall approach to combatting modern slavery. In the reporting period, this included a comprehensive survey of approximately 10,000 suppliers to identify any modern slavery risks, as well as the review of the modern slavery statements of our preferred suppliers. No significant risks, issues or causes of concern were identified through this process in the 2022 financial year.

SG Fleet issues Modern Slavery Statements overviewing its initiatives during the respective reporting periods in Australia (pursuant to the *Modern Slavery Act 2018 (Cth)*) and the United Kingdom (pursuant to the *Modern Slavery Act 2015 (UK)*).

Future Focus

SG Fleet intends to adopt a more robust supplier assessment methodology to optimise the process by which it identifies modern slavery risks, as well as how any identified risks are investigated and addressed.

In addition, SG Fleet will introduce an assessment of its suppliers' performance against a number of other social criteria, and, where possible, work with its suppliers to achieve better outcomes across a range of related aspects.

HUMAN RIGHTS

As an office-based services company, SG Fleet's direct exposure to the risk of human rights infringement is limited. The company does however expect partners in its supply chain that are more likely to encounter human rights issues to take necessary measures to mitigate against this risk. Our Supplier Code of Conduct stipulates our expectations with regard to the conduct of suppliers in terms of modern slavery risks, the treatment of labour and human rights generally.

SG Fleet's approach to ensure responsible internal conduct with respect to human rights centres on the training of staff on related topics, such as modern slavery, non-discrimination, and diversity and equal opportunity.

Future Focus

SG Fleet will continue to investigate the need for additional human rights-related employee training. We also intend to introduce supplier selection criteria that take into account human rights management and behaviours of potential suppliers.

INDIGENOUS COMMUNITIES

SG Fleet is committed to furthering wherever possible the cause of Aboriginal and Torres Strait Islander and other indigenous communities in the geographies in which it operates.

In addition to offering employment opportunities, the company actively supports indigenous business ventures. We are a proud member of Supply Nation, which aims to promote and support procurement through indigenous organisations and create a more inclusive economy, and we currently source a number of goods from these businesses. In the reported period, SG Fleet directed 2.0% of its spend¹ to indigenous organisations, up from 1.2% in 2019, the year in which the company joined Supply Nation.

Future Focus

SG Fleet is aiming to build the right perspective amongst its leadership and its people to work towards an effective and impactful Reconciliation Action Plan in the future. We will also put a greater emphasis on supporting indigenous businesses and employment where practical and viable.

1. Eligible spend

CUSTOMER PRIVACY

To be able to create value for its customers and conduct its business in an efficient manner, SG Fleet needs to collect and process certain personal and business information. The way we collect, use and retain this information is governed by strict protocols and detailed processes. SG Fleet complies with all applicable privacy laws in each jurisdiction in which we operate and processes customer information in accordance with its privacy policies. Our Personal Data Protection Policy sets out how we protect the personal data we collect.

The awareness of the importance of customer privacy and the need for secure handling of data is reinforced at the individual employee level through regular staff updates and continuous training via our e-learning portal.

In the reported period, no incidences of loss of customer data were recorded.

The SG Fleet Group has ISO 27001 Information Security Management certification.



Future Focus

Further enhancements of SG Fleet's relevant processes will be introduced as the cyber security environment continues to evolve. The company will also further enhance staff data security awareness.

OTHER SOCIAL ASPECTS

SG Fleet interacts with local communities in Australia, New Zealand, and the UK as a significant employer and as a purchaser of goods and services. We firmly believe that we have a responsibility to the communities in which we operate, as well as people elsewhere, to give back and make a positive contribution in other areas wherever we can.

SG Fleet supports a number of initiatives across a wide range of areas. As a company, our community contribution comes in the form of financial support, and the provision of goods or vehicles.

Our people also contribute generously by collecting donations or by volunteering in their own communities or for charitable activities of their choice.

Wherever possible, we look to deploy our mobility expertise to the advantage of organisations or individuals who have limited access to transport or to support road safety initiatives.

During the 2022 financial year, we supported a wide range of initiatives, including NSW Wheelchair Sports and Wheelchair Rugby in Australia, the Northland Emergency Services and Auckland Rescue Helicopter Trusts in New Zealand, and local community Christmas initiatives in the UK.

NSW Wheelchair Sports and Wheelchair Rugby (Australia)

SG Fleet has been supporting NSW Wheelchair Sports for a number of years, providing vehicles to transport para-athletes and their equipment to and from events, including the marquee GIO Down Under 10K Race in Sydney on Australia Day.



Northland Emergency Services and Auckland Rescue Helicopter Trusts (New Zealand)

Northland Emergency Services Trust on-duty pilots and engineers use vehicles provided by SG Fleet to conduct their vital emergency rescue work.

We also provide the Auckland Rescue Helicopters Trust with a small fleet of essential vehicles, including two Rapid Response units, which allow the Trust to deliver emergency services both from the air and on the ground.



LOCAL COMMUNITY CHRISTMAS SUPPORT (UNITED KINGDOM)

In the UK, our people raised money for Cancer Research and The Alice Charity. We also collected gifts and food items for the Hobs Moat Community Café to help local families in need over the Christmas period.



WHEELCHAIR RUGBY AUSTRALIA

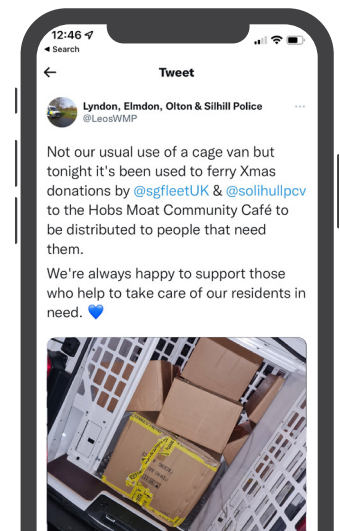
Photo Credit – Stephen Tremain



NORTHLAND EMERGENCY SERVICES TRUST



LOCAL COMMUNITY CHRISTMAS SUPPORT



GOVERNANCE

“We have a number of policies in place to instil and promote ethical behaviour across the organisation, as well as our supply chain.”

Across our organisation, we ensure we adopt responsible business practices and policies in all aspects of our operations.

As a listed entity, SG Fleet Group Limited also reports against the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition) via its Corporate Governance Statement. This statement describes the rules, systems and processes we have in place to manage our company and our operations in a responsible manner.

In addition to the requirements set out by the ASX Corporate Governance Council, we have a number of policies in place to instil and promote ethical behaviour across the organisation, as well as our supply chain. SG Fleet also ensures its people are aware and observant of these policies by conducting regular e-learning sessions.

SG Fleet’s ESG Materiality Assessment identified the following governance risks as material to the company:

- Business ethics and conduct
- (Presence of) whistle-blower policy
- Supply chain management
- Anti-corruption and bribery
- Anti-competitive behaviour
- Risk and crisis management

BUSINESS ETHICS AND CONDUCT

Our people are expected to conduct themselves in a manner consistent with the company’s standards and in compliance with all relevant legislation. SG Fleet’s Code of Conduct outlines how we expect our representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

Future Focus

SG Fleet will continue to review its Code of Conduct as required, further improve the processes in place to ensure adherence to the Code, including training, and optimise how it addresses any breaches.

WHISTLE-BLOWER POLICY

SG Fleet is committed to ensuring that serious misconduct or malpractice is identified and addressed appropriately. We believe that the ability to raise related concerns is an important mechanism to ensure that the company functions efficiently and in accordance with its own principles of conduct.

SG Fleet has adopted a Whistle-blower Policy in accordance with the Corporations Act. The Whistle-blower Policy encourages whistle-blowers to raise concerns and reportable conduct, where there are reasonable grounds to support such action and to ensure that serious misconduct or malpractice is identified and addressed appropriately.

Future Focus

SG Fleet’s Audit, Risk and Compliance Committee will continue to review its Whistle-blower Policy annually, and further improve employee awareness of and access to the whistle-blower process.

SUPPLY CHAIN MANAGEMENT

We view it as our responsibility to promote ethical behaviour not just within our business operations, but also at supplier level. SG Fleet takes great care in selecting suppliers of goods and services and we expect our suppliers to operate to recognised national and international standards, and appropriate codes of practice.



In order to do so, we have put in place a Supplier Code of Conduct and a Procurement Policy. These policies set out the requirements we expect from our suppliers in the areas of: ethical business practice, anti-competitive conduct, labour and human rights, work health and safety, environment, and confidentiality of information.

Future Focus

SG Fleet continuously explores opportunities to optimise its supply chain management process, including in terms of the expected qualifications and behaviours of suppliers.

The company intends to pursue ISO 20400 Sustainable Procurement certification in the future.

ANTI-CORRUPTION AND BRIBERY

SG Fleet prohibits bribery and corruption in any form, whether direct or indirect, and in any country in which it operates. We have adopted an Anti-bribery and Corruption Policy, detailing our commitment to conducting business activities with integrity and ensuring measures are in place to prevent bribery and corruption. The company expects its employees to demonstrate honesty, integrity and fairness in all aspects of their business dealings and exercise a high standard of professionalism and ethical conduct in all their activities.

We promote employee awareness of and compliance with its policies against bribery and corruption through appropriate dissemination of our own procedures, policies and training programmes.

Future Focus

SG Fleet will continue to review its Anti-bribery and Corruption Policy as required, further improve the processes in place to ensure adherence to the Policy, including training, and optimise how it addresses any breaches.

ANTI-COMPETITIVE BEHAVIOUR

The company aims to maintain its reputation of having a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with competitors and customers.

SG Fleet's Code of Conduct stipulates the behaviours required to meet its standards in terms of responsible business practices. We actively monitor for any breaches of the Code. In the reported period, no actions or issues occurred in respect of anti-competitive behaviour.

Future Focus

SG Fleet will continue to review its Code of Conduct as required, further improve the processes in place to ensure adherence to the Code, including training, and optimise how it addresses any breaches.

RISK AND CRISIS MANAGEMENT

The presence of effective risk management structures and processes is essential for the continued conduct of SG Fleet's business operations. We maintain a combined Audit, Risk and Compliance Committee as a subcommittee of its Board, as well as a dedicated internal audit function.

The Committee reviews the company's risk management framework and internal control framework, while the internal audit function provides the Board and management with independent and objective assurance on the effectiveness of governance, risk management and internal control processes.

Future Focus

SG Fleet will continue to review its risk management approach and processes, in line with the evolving nature of its business and its operational environment.

OTHER GOVERNANCE ASPECTS

Visit the Governance section of our Investor Centre to read our [Corporate Governance Statement](#), which covers a number of additional governance aspects.

UN GLOBAL COMPACT

During the 2021 financial year, SG Fleet became a signatory to UN Global Compact, committing to its corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

In the reported period, the company lodged its first UN Global Compact Communication on Progress report.

WE SUPPORT



“The company aims to maintain its reputation of having a high standard of ethical behaviour in conducting business and to behave with integrity in all dealings with competitors and customers.”

