

SG Fleet Group

Integrated Mobility

Sustainability Statement 2023



Sustainability Statement

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 ('ESG') behaviours should be integrated into daily business practices. The company established a Sustainability Committee, governed by a Charter, in 2019. In 2021, SG Fleet issued its first Sustainability Statement. The Group's ESG Strategy was launched in 2022, followed by a revised Environmental Policy in 2023.

The 2023 Sustainability Statement outlines the relevant actions taken by the company during the 2023 financial year with respect to the risks identified as material in the Group's ESG Strategy.



ESG Strategy Launch

In August 2022, SG Fleet Group Limited's Board approved the company's first comprehensive ESG Strategy, which was launched for internal and external stakeholders the following month.

The ESG Strategy further optimises how we determine our key ESG risks and how we approach the management of these risks, outlining both current practices and future focus areas. The determination process takes into account the nature of our business operations, which are predominantly the provision of services in an office-based environment.

The ESG Strategy, which will be reviewed on a three-yearly basis, can be found on the Corporate Social Responsibility page of the www.sgfleet.com website.



Governance Structure Enhanced

In December 2022, the company introduced a new ESG governance structure, replacing the Sustainability Committee founded in 2019. The structure reflects the broader scope of our approach under the new ESG Strategy. The ESG Committee's Charter was established in January 2023 and the first quarterly meeting took place in March 2023.

The ESG Committee's primary roles include monitoring the company's adherence to the ESG Strategy, the development of the yearly Action Plans and the verification of their execution, the centralised management of all ESG-related statements, and any reporting to the Board and Executive Committee. The ESG Committee is composed of senior executives responsible for the business areas related to the company's key ESG risks.

ESG Action Plan Development

The first yearly ESG Action Plan, which spanned the second half of the 2023 financial year, was developed in cooperation with internal and external stakeholders in late 2022. New Action Plans will be developed in June of every calendar year and apply to the subsequent financial year period.

The Action Plan consists of a list of initiatives grouped under the Environment, Social, or Governance headings and linked to specific key ESG risks. These initiatives are earmarked to be executed during the period or assessed for potential execution in future periods. Consideration is also given to the relevance of the initiatives for the Group as a whole or for specific jurisdictions.

◆◆ Future Focus

In the 2024 financial year, we will focus on aligning our ESG values across the organisation to take full advantage of the strong commitment of our people to sound ethical behaviours. Part of this will be the organisation of ESG-themed staff events covering environmental, physical and mental health, and diversity topics.

Key Highlights

- Group ESG Strategy, Committee, and Action Plan launch
- Environmental Policy sets emission reduction target
- ✓ UK operations achieve carbon neutral certification



Environment

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

Group Environmental Policy

In April 2023, SG Fleet Group Limited's Board approved the company's new harmonised Environmental Policy, which superseded its Environmental Impact and Performance Policy, the corresponding policy of the acquired LeasePlan businesses, and the UK Environmental Policy.



The Policy outlines the company's approach to achieve the following objectives: (a) continually improve its overall environmental performance and management, (b) reduce the Scope 1, 2, and 3 emissions that fall within the boundaries of its environmental impact assessment, and (c) fulfill any compliance obligations.

With regard to the emission reduction objective, SG Fleet aims to reduce emission intensity, measured as tCO₂-e per Full-time Equivalent to take into account growth in the business, by 33% by the end of the 2030 financial year, with the 2023 financial period as the base year.

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, SG Fleet operates an environmental management system ('EMS'), which is based on global and local standards, including ISO 14001:2018, and all applicable regulations and laws. Several company executives attended training relating to the ISO 14001:2018 standard during the reported period and the company aims to obtain group-wide certification for the standard during the 2024 financial year.

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.

The environmental component of the ESG Action Plan, referred to as the Emissions Reduction Action Plan, or E-RAP, lists environmental initiatives earmarked for execution or assessment during the period. The initiatives are grouped by the relevant risk, the corresponding emissions-producing activity, as well the scope under which these emissions fall. E-RAP 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 Environmental Policy and E-RAP, as well as the operation of the EMS, involve the implementation of adjustments to a range of ongoing business practices.

Supporting Eco-diversity

We were thrilled to see the official opening of the Wildbark Visitor Centre in Throsby in November 2022. SG Fleet has been a proud sponsor of the Woodlands and Wetlands Trust in the Australian Capital Territory for some years, offering our support as it continues to provide rich and diverse environments for current and future generations.



Educating and Supporting Our People, Our Customers, and the Community

We believe that we can create a positive environmental impact not only by reducing the company's own footprint, but also by shaping and supporting behaviours with our various stakeholders. In addition to instilling environmentally sound practices in the workplace, we aim to provide our people with information on how to contribute to a more sustainable future in every walk of life. The same objective is also the foundation of the work we do with our customers to support their organisational sustainability objectives.

SG Fleet's core expertise is mobility and during the 2023 financial year, we stepped up the way in which we share our know-how and our operational scale by introducing our customers to the latest advances in electric vehicles and micro-mobility. EV Drive Days proved particularly successful, with multiple sessions organised in Australia and New Zealand during the year. The Drive Days provided our customers with an opportunity to get behind the wheel of a range of electric and hybrid cars and trucks for a test drive, talk to experts about everything organisations need to know about operating and driving an EV, and plan for a new business mobility future with SG Fleet. This initiative, combined with several government incentives, undoubtedly contributed to the five-fold increase in EVs in the company's Australian customer fleet.

The future is multi-modal, and our solutions are not limited to traditional vehicle types. The functionality of alternative modes of transport is increasingly recognised in the personal and delivery transport space, with consumers and companies exploring micro-mobility as an environmentally friendly, viable alternative.

SG Fleet's cooperation with eMobility provider Zoomo offers customers additional options to improve the efficiency of their fleets, both in terms of flexibility and sustainability.

In the 2023 financial year, SG Fleet's expertise in sustainable mobility was again recognised by the industry and its peers, with the company's UK operations winning the coveted Business Car Best Eco Initiative Award for the eStart EV transition solution.



SG Fleet's contribution to a better transport future isn't limited to its day-to-day services. We also actively collaborate with industry bodies and organisations across all of our geographies to inform, foster debate, and break down barriers. In Australia, the company is represented on the Board of the Electric Vehicle Council and an active member of the Australian Hydrogen Council. In New Zealand, we have joined Drive Electric NZ and the Sustainable Business Council. In the UK, we work with the British Vehicle Rental and Leasing Association (BVRLA) to assist with the Government's Road to Zero strategy, sharing our know-how on an industry panel investigating 'second life' EVs and supporting the BVRLA's response to the Financial Conduct Authority's consultation on finance for positive sustainable change.



Future Focus

In future periods, in addition to continuing to make a difference by supporting our stakeholders' environmental objectives, we will widen the scope of our focus. This includes exploring the environmental performance of our premises with landlords, reciprocal participation in our customers' sustainability efforts, and the introduction of specific environmental training modules for our people.

Environment

Emissions

SG Fleet measures its emissions footprint both as direct CO₂ emissions and as the emissions equivalents associated with a range of business or support activities. As an office-based services company, SG Fleet does not directly produce meaningful levels of CO₂ in its day-to-day business operations. We only operate a small internal fleet of vehicles, and the provision of our services does not generally require significant travel or transport.

The main contributors to our emissions equivalent total are IT equipment and services, electricity consumption, staff commuting, and to a lesser extent, waste, direct emissions from our own fleet, and air travel. We continuously explore options to further cut emissions across Scope 1 and 2 and, where under the company's control, Scope 3, with a particular focus on these main contributors

Where possible, we move IT-related equipment and services off premises towards more sustainable solutions to reduce their emissions equivalent impact. Where possible, we also source equipment that includes offsets as part of the purchasing or leasing contract.

During the year, the company has stepped up its efforts to facilitate staff commuting by offering arrangements and facilities that will reduce fuel consumption overall. This includes carpooling clubs, the availability of eBikes, and the installation of bicycle storage shed at our offices.

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. As the integration of premises acquired as part of the LeasePlan businesses continued, we transitioned additional office operations to more energy-efficient solutions and to renewable green energy sources.

At the end of the period, LED lighting and Green Energy arrangements were in place for all offices that will remain part of our network and where we have direct control over lighting and energy set-ups.

The rate of transition of SG Fleet's own fleet to low and zero-emission vehicles accelerated during the period, increasing from 10% at the end of the 2022 financial year to 35% at the end of the 2023 financial year. Use of our on-premises EV chargers increased significantly, in line with the higher proportion of EVs in our own fleet and amongst our staff.

The Australian operations of SG Fleet obtained ClimateActive certification as a carbon neutral organisation during the 2022 financial year. SG Fleet's UK operations achieved carbon neutrality early in the 2023 financial year.



◆◆ Future Focus

SG Fleet aims to accelerate its progress in reducing direct and equivalent emissions by targeting sources within its control, including the sourcing of lower emissions equivalent IT equipment and services.

We will explore new areas to minimise commute-related emissions by introducing shuttle buses where practical, supporting staff EV penetration by upgrading our charging infrastructure, and by offering further incentives to boost the use of eBikes. A new travel policy will also be introduced to ensure air travel is undertaken only when necessary.

The company is also targeting group-wide carbon neutrality status by completing the New Zealand certification currently underway.

◆◆ 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 and sensor/timed lighting and air conditioning systems. Where possible, the company continues to explore further opportunities with its landlords to improve the sustainability of its office locations.

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 or disposal of hardware, we explore opportunities to divert waste via the process of recycling triage.

IT assets, including desk and data centre hardware, are recycled wherever possible after extracting optimal, life-time use of the equipment. Company-issued mobile phones are offered for sale to the user, or if unsold, go into our external disposal process, with a third-party provider recycling, refurbishing, re-selling, or securely destroying these and other end-of-life IT assets. In selecting the third-party provider, we assess the company's disposal process and environmental commitments.

While SG Fleet does not dispose of vehicle tyres itself, the company is a member of Tyre Stewardship Australia, whose stated mission is to create productive outcomes for end-of-life tyres and increase the use of locally tyre-derived products. We actively encourage our customers to join this worthwhile scheme.



During the 2023 financial year, recycling facilities were boosted across our offices, including in our Pymble (NSW) Head Office, where the office refurbishment included the installation of additional, designated disposal receptacles.

We also increasingly source eco-friendly, lower-waste alternatives for merchandise and other small items, including bamboo or 'seeded' name badges used for events and conferences.

◆◆ Future Focus

We continue to look at opportunities to further reduce the production of waste and optimise its disposal. In our offices, plastic water bottles will progressively be phased out in favour of reusable containers, and we are exploring targeted recycling of items such as disposable cups and cutlery. Alternative disposal solutions for IT and telephony hardware are also under investigation. Internal items such as business cards and various certificates will be replaced by digital alternatives, as will be various items provided to customers, such as in-car documents and fuel cards, where practicable.



Other Environmental Aspects

While due to the nature of its business, SG Fleet does not utilise a meaningful amount of packaging or other materials such as paper, 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.

Since the 2021 financial year, we have reduced paper use across the Group by 38%, despite the business growing substantially as a consequence of the acquisition of LeasePlan ANZ during that period. This was helped further by the introduction of a 'paperless & clean desk' policy in our newly refurbished Pymble head office in the 2023 financial year.

SG Fleet conducts yearly audits on the outsourced wash facilities used for the cleaning of end-of-lease vehicles, monitoring detergent use and water disposal processes.

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

Social

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
- Occupational health & safety
- Diversity, non-discrimination, and equal opportunity
- 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:

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



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 environment and optimal work conditions is an essential component of our efforts to support our employees.

During the 2023 financial year, we introduced a number of initiatives to provide a better and more flexible workplace, and increased employment benefits. Our efforts included a state-of-the-art refurbishment of our head office, with social, relaxation, and privacy spaces, additional disabled accessibility and facilities, as well as a greening of the workspace.

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 also offer employer-funded parental leave, a sick-leave donation program, social activities, 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.





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. We provide formal and informal advancement and learning opportunities that recognise and grow the ability, capacity, and leadership skills of our people.

In the 2023 financial year, SG Fleet significantly stepped up its training and development activities. In addition to multiple e-learning modules and the various external courses and webinars offered, we launched a General Education Budget, providing financial support to staff wanting to develop their knowledge in areas relevant to their roles. This initiative forms part of a broader Learning Development Policy introduced in the second half of the year.

A strong emphasis was also put on the way we welcome new staff to the workplace. Staff orientation sessions were re-designed, and the improved workplace introduction process was duly recognised with the Brandon Hall Group Gold Medal Award for best new hire onboarding program at the 2023 HCM Excellence Conference.

At various levels of the organisation, we introduced additional development programs, such as the Gear Up manager development modules, and the executive and general manager talent pool frameworks.



◆◆ Future Focus

SG Fleet will continue to 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 continued education process.

In line with our strong commitment to provide further e-learning opportunities for employees at SG Fleet, we will be providing all of our people with access to the LinkedIn Learning facility, which contains a digital library of over 20,000 courses covering a wide range of technical, business, software, and creative topics.

LinkedIn Learning

Social

Occupational Health and Safety

To champion our people, we place their well-being as our top priority, and foster a cooperative and supportive environment where our teams can thrive. Following several years of significant socio-economic changes and the resulting impact on individual's lives and workplaces, SG Fleet increased its efforts during the 2023 financial year to ensure it supported the health and mental wellbeing of its people.

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, and workplace bullying and occupational violence. 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, such as subsidised gym memberships and on-site classes.

SG Fleet also actively supports others in the community to raise awareness of the importance of good physical and mental health. We are a sponsor of the Men's Health Awareness Ball and the Workplace Wellness Festival.



Safety in the workplace is a core element of our efforts to support the wellbeing of our people and staff regularly participate in relevant e-learning modules. During the year, additional training was provided to first aiders, as well as to those tasked with addressing mental health challenges.

SG Fleet holds ISO45001 OH&S Management certification for parts of its business.

◆◆ Future Focus

We intend to investigate other occupational health and safety aspects within the workplace and in support of our employees outside the workplace and at home. In addition to expanding the mental health training program, we will be offering additional wellbeing benefits and introducing regular delivery of free healthy food options.

Diversity, Equal Opportunity, and Non-discrimination

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. This 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.

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. As at 30 June 2023, the company's workforce was made up of 46% women and 54% men.



In the 2023 financial year, we launched SG Fleet's Women's Network in New Zealand and the United Kingdom, followed by the launch of the Australian Chapter shortly after the end of the year. In March, we held our International Women's Day events, with staff attending Australian HR Institute lunches across various locations to celebrate woman's achievements, raise awareness about discrimination, acknowledge gender inequality, and increase efforts to address it.

We also celebrate the diverse range of cultural backgrounds and experiences of our employees and provide a welcoming work environment that is free from discrimination. During the year, we introduced designated locations for prayer, reflection, and general wellness activities. The company's new intranet also provides a calendar of activities celebrating culturally significant events such as Pride Month, Harmony Week, World Food Day, and others.



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 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. We will also investigate further initiatives, including e-learning, that will help break down perceptions that foster discrimination.



Indigenous Communities

SG Fleet is committed to furthering wherever possible the cause of Aboriginal and Torres Strait Islander, Māori, 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.

As part of the tender process, our procurement staff check the Supply Nation Membership list for any relevant suppliers. Indigenous businesses are then invited to tender and evaluated amongst other bidders. We currently source a number of goods from these businesses.



◆◆ Future Focus

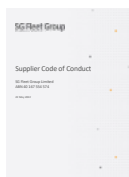
SG Fleet is aiming to build the right perspective amongst its leadership and its people to work towards an effective and impactful Reconciliation Action Plan in the future. We will also continue to put a greater emphasis on supporting indigenous businesses and employment where practical and viable.

We intend to build on the Acknowledgement of Country Guide made available to our people in the 2023 financial year by introducing relevant information on our digital platforms. Similar initiatives will also be rolled out for our New Zealand operations to recognise the Māori heritage. Various events related to indigenous communities in both Australia and New Zealand are now included in our cultural activities calendar.

Social

Human Rights, and Forced, Compulsory, or Child Labour

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.



We do 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. During the 2023 financial year, we embarked on a review of our supplier modern slavery survey approach, with the aim of broadening the assessment to a wider range of environmental, social, and governance (ESG) criteria.



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 roll out a more robust supplier assessment methodology, based on the survey review currently underway, to optimise the process by which it identifies modern slavery and other ESG risks, as well as how any identified risks are investigated and addressed. We also intend to introduce selection criteria that take into account human rights management and behaviours of potential suppliers and work with our existing suppliers to achieve better outcomes across a range of related aspects.

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. The SG Fleet Group has ISO27001 Information Security Management certification.

During the 2023 financial year, the company continued to enhance its relevant security set-up and maintain a robust data and privacy protection standard, including through regular penetration testing and crisis simulations.

◆◆ 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 enhance staff data security awareness by providing regular bulletins on how to identify potential threats.



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. For that purpose, we offer staff the opportunity to take two volunteer leave days each year. 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.

As in previous periods, we supported a wide range of initiatives in the countries in which we operate during the 2023 financial year. These included National Road Safety Week, the Santos Wheelchair Rugby National Championship, Friendship Circle, the Aboriginal and Torres Strait Islander Community Health Service, the Cancer Council's Biggest Morning Tea, Kmart Whishing Tree Appeal, and Redkite in Australia, Northland Emergency Services Trust, Auckland Rescue Helicopter Trust, Special Children's Christmas, Road Safety Week, and Pink Shirt Day in New Zealand, as well as support for Cancer Research UK (CRUK), the Motor Neuron Disease Association, and Guide Dogs for the Blind in the UK.

National Road Safety Week (Australia)

As a longstanding supporter, SG Fleet attended the launch of the National Road Safety Week in Perth in May. Many national icons around the country lit up in NRSW's yellow colours to remind people to 'Pledge To Drive So Others Survive'.



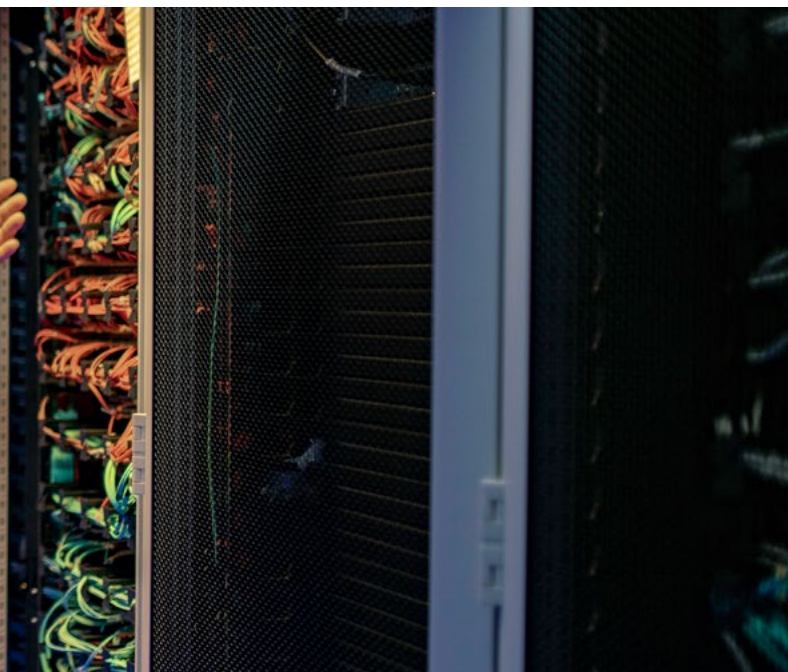
Pink Shirt Day (New Zealand)

The SG Fleet team in New Zealand took a stand against bullying in May, donning their colourful shirts in support of this worthwhile cause. Pink Shirt Day seeks to encourage inclusion and celebrate our unique differences, emphasising bullying is never OK.



Medical Research Support (United Kingdom)

In the UK, our people raised money for both Cancer Research UK (CRUK) and motor neuron disease research via 'Stand Up to Cancer' and a range of other activities.



Governance

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

SG Fleet's governance standards were again recognised in the 2023 financial year, with its Company Secretary Tawanda Mutengwa named as a finalist in the Governance Top 100 Awards.

The Governance Top 100 organisation emphasises the value and benefit that robust governance frameworks, and the individuals that are responsible for driving these initiatives, bring to an organisation.



TAWANDA MUTENGWA
GROUP COMPANY SECRETARY
SG FLEET GROUP LIMITED FINALIST 2022

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.

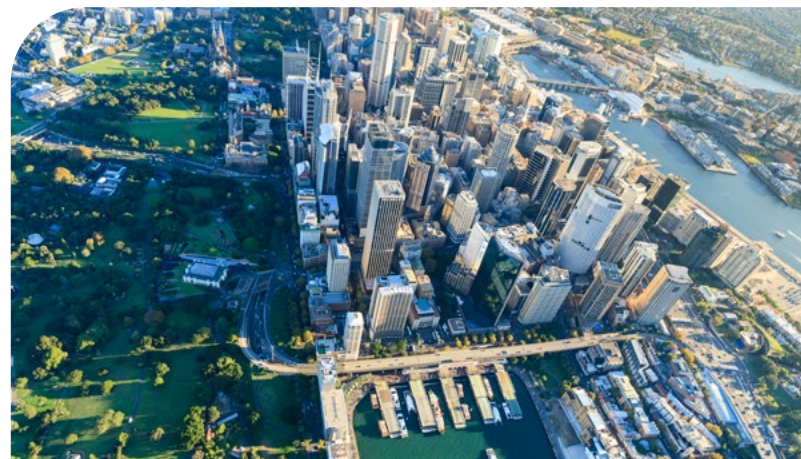
Whistle-blower Policy

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 reviews its Whistle-blower Policy annually, and we will 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 started a review of its supplier ESG assessment process during the 2023 financial year and intends to roll out an optimised approach in future periods.

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 our 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. SG Fleet has a strong risk management culture and a robust operating model, imbedding governance and risk responsibilities across multiple lines of defence.

We maintain a combined Audit, Risk and Compliance Committee as a subcommittee of the company's 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.

Corporate Governance Statement

<https://investors.sgfleet.com/Investors/?page=corporate-governance-statement>

UN Global Compact

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

In the 2023 financial year, the company joined UNGC's Early Adopter Programme to lodge its second Communication on Progress, assisting the organisation with the development of its digital reporting platform.



