

Modern Slavery Statement (Australia)

SG Fleet Group Limited
ABN 40 167 554 574

February 2021

Modern Slavery Statement

A. Reporting entity

This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) by SG Fleet Group Limited (ABN 40 167 554 574) and its related entities (together, “SG Fleet” or “the Company”) for the financial year ending 30 June 2020. It outlines the approach and initiatives taken by the Company and its related entities to identify and address the risks of modern slavery in its operations and supply chain. The Company has consulted its related entities during the preparation of this statement.

This statement has been approved by the Board of Directors of SG Fleet on 15 February 2021.



Andrew Reitzer
Chairman
SG Fleet Group Limited

B. Structure, operations and supply chains of SG Fleet

1. Business Overview

SG Fleet is a leading provider of integrated mobility solutions, including fleet management, vehicle leasing and salary packaging services, with a presence across Australia, as well as in the United Kingdom and New Zealand. In the 2020 financial year, the Company employed approximately 700 staff worldwide and had over 140,000 vehicles under management.

SG Fleet operates under two brands across corporate and consumer business segments: sgfleet (operating in Australia, UK and New Zealand) and nlc (Australia).

SG Fleet’s services and activities for each jurisdiction are summarised in the table below:

Australia	United Kingdom	New Zealand
Provider of: <ul style="list-style-type: none"> passenger, light commercial and heavy commercial vehicle operating leases, finance leases and fleet management services for 	Provider of: <ul style="list-style-type: none"> contract hire, finance lease, daily rental and fleet management services for passenger, light commercial and heavy commercial vehicles for corporate and government clients 	Provider of: <ul style="list-style-type: none"> passenger and light commercial vehicle operating leases and fleet management services for corporate and government clients disposal of passenger and light commercial vehicles

<p>corporate and government customers</p> <ul style="list-style-type: none"> • passenger vehicle novated leases and consumer finance for individuals • insurance products relating to leased and managed vehicles for corporate and government customers and for novated leases • disposal of passenger, light commercial and heavy commercial vehicles • other mobility solutions, including car share and subscription services • other vehicle-related services, such as mobility and EV consulting, and repairer portals 	<ul style="list-style-type: none"> • vehicle salary sacrifice services for individuals • personal vehicle contract hire for individuals and sole traders • disposal of passenger, light commercial and heavy commercial vehicles • insurance products relating to salary sacrifice leases for individuals 	<ul style="list-style-type: none"> • other vehicle-related services, such as mobility and EV consulting
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Further information about SG Fleet’s business activities can be found on the Company’s website at www.sgfleet.com.

2. Supply Chain

SG Fleet’s operations are primarily office-based. The main categories of supply chain activities relating to or supporting the Company’s business activities are as follows:

- provision of daily rental and lease vehicles
- procurement, delivery and disposal of vehicles
- in-life movement of vehicles
- roadside emergency breakdown services

- maintenance and repair of vehicles
- registration, fuel, toll, infringement and accident management services
- sourcing and installation of after-market products, such as electronic devices, racking, and protective equipment for personal and commercial vehicles
- telematic and other hardware devices, and associated software
- lease portfolio funding

Other major categories of suppliers include IT, commercial property, insurance, financial, marketing and other professional services.

In Australia, SG Fleet works with approximately 9,000 suppliers, ranging from small businesses to multi-national companies.

C. Risks of modern slavery practices in the operations and supply chains of SG Fleet

SG Fleet aims to do business with suppliers that have similar values and ethical business practices, including those related to human rights. The Company assesses risks in its operations and supply chain through consultations with relevant internal stakeholders. Risk factors include the location of the supplier, the nature of the goods and services provided, the level of control SG Fleet has over the supplier and the Company's understanding of the supplier's level of corporate governance.

Following this consultation process, the Company has assessed its exposure to the risk of modern slavery and human trafficking as low as its business operations take place in countries with a relatively low prevalence of slavery. However, the Company recognises that modern slavery risks may go beyond its immediate suppliers, for example where suppliers have operations in countries where slavery and human trafficking is more prevalent, or where suppliers use raw materials in manufacturing (for example the manufacturing of motor vehicles) where those raw materials are sourced from high risk countries.

D. Actions taken by SG Fleet to assess and address modern slavery risks

1. Policies & Governance

SG Fleet is committed to compliance with all applicable laws and standards in the sectors and jurisdictions in which it operates. The Company's corporate values of trust, excellence, collaboration and innovation underpin its culture and the way it conducts business.

SG Fleet aims to identify and mitigate the risk of modern slavery and human trafficking occurring within its supply chain and business operations. To this end, the Company maintains a set of policies and procedures that govern the way it operates. The Company's policies and procedures are aligned to its values, govern the way it operates and reflect how it manages its potential human rights issues with regard to operations and supply chain. These policies and procedures include an Employee Code of Conduct, employment screening, equal opportunity and diversity

and whistle-blower programs and a Supplier Code of Conduct. Compliance with business policies and procedures are monitored through an internal audit program.

2. Supplier Code of Conduct

SG Fleet has adopted a Supplier Code of Conduct, which articulates the Company's expectations from its suppliers, including in respect of their stance on modern slavery and human trafficking, ethical business practices, anti-competitive conduct, safe and fair work conditions and environmental responsibility.

The Supplier Code of Conduct specifically states that suppliers must ensure that all work is undertaken without coercion or any form of forced, bonded, indentured or involuntary labour.

SG Fleet's standard new (and renewed) supplier agreements include an obligation to comply with its Supplier Code of Conduct or to have an equivalent policy. The Company also reserves the right to conduct ad-hoc audits on suppliers to confirm their adherence to the terms of the agreements.

3. Employees & Training

SG Fleet is committed to maintaining a safe work environment for all staff, which values equal opportunity and is free from discrimination, harassment and victimisation. Educating staff is fundamental to creating such an environment and to ensuring that potential human rights and modern slavery risks are identified and managed.

SG Fleet entities have policies and procedures concerning employment screening (including work eligibility checks), employment conditions and appropriate workplace behaviour. All staff are expected to abide by the requirements of these policies, in addition to demonstrating behaviour consistent with the Company's values. All new staff are required to complete comprehensive training in relation to SG Fleet policies (including codes of conduct), laws and regulations of each state and country relevant to an employee.

Annual 'refresher' compliance training is mandatory for all staff. Completion is monitored and tracked through an online system. Failure to complete the training within the specified timeframe is escalated to the employee's line manager.

Non-compliance with the SG Fleet Employee Code of Conduct and other policies is taken seriously. Any failure to comply with the Code of Conduct may lead to disciplinary action, which can include termination of employment.

4. FY2020 Performance

In the 2020 financial year, SG Fleet continued its endeavours to combat slavery and human trafficking by:

- reviewing its Supplier Code of Conduct to ensure ongoing compliance with relevant legislation;
- maintaining its requirement that suppliers comply with SG Fleet's Supplier Code of Conduct is to be included in new (and renewed) supplier contracts, or alternatively, that suppliers must have an equivalent policy;
- working on the implementation of a supplier due diligence questionnaire that requests details of the relevant supplier's modern slavery statement or details of how they prevent modern day slavery within their supply chain; and
- maintaining whistleblowing policies to facilitate the reporting of incidents with regard to corporate social responsibility, including modern slavery and human trafficking.

Case Study

During the 2020 financial year, the Company also implemented of a supplier due diligence questionnaire that requests details of the relevant supplier's modern slavery statement or details of how they prevent modern day slavery within their own supply chain. This survey was launched on 23 March 2020 and completed on 1 May 2020.

As part of this process, the Company identified and attempted to engage with more than 9,000 suppliers. As SG Fleet's suppliers vary in their countries of origin, industries and operation, corporate structures, and levels of sophistication, the Company categorised suppliers into a number of groups to determine the best method of engagement. For the smaller number of larger corporate entities, personal meetings with senior representatives were arranged to discuss the supplier's risk mitigation efforts and to obtain a copy of its Modern Slavery statements. The larger volume of small-to-medium sized enterprises were contacted by email to request the completion of an online survey. The online survey posed questions regarding the supplier's own industry and supply chain, including its knowledge of where products originated, and whether their own suppliers adhered to modern slavery and other human rights conventions.

SG Fleet's analysis of responses to the questionnaire did not identify any high-probability risk of modern slavery within its suppliers or extended supply chain. While this analysis showed varying levels of knowledge and comprehension regarding modern slavery amongst suppliers, SG Fleet acknowledges that the survey's results were dependent on the truthfulness and accuracy of the suppliers and their own suppliers' responses and disclosure.

E. Assessment of the effectiveness of SG Fleet's actions

1. Effectiveness of the Company's actions

Although it is very difficult to assess the effectiveness of the steps referred to above, relevant indicators include:

- the number of issues or potential issues identified by management;
- the number of notifications of risks or issues raised by staff, the public or law enforcement agencies;

- the incidence of suppliers or other participants in the Company's industry being involved in modern slavery.

SG Fleet has not received any notifications or identified any issues. However, the Company will continue to remain alert to the risk of modern slavery and human trafficking.

2. Continuous Improvement

Whilst the Company takes the view that it operates in a relatively low risk business sector and that its management and processes minimise the risk of modern slavery or human trafficking occurring, the Company is committed to further improvements and will continue to review and enhance its approach to addressing human rights risks by taking further steps. This may include:

- the introduction of specific annual "refresher" modern slavery compliance and risk training for staff;
- ongoing consideration and assessment of the Company's supply chain in order to monitor the risk posed;
- other measures as the Company may decide are appropriate having regard to its ongoing assessment of the risks.

F. Process of consultation with any entities that SG Fleets owns or controls

The senior management of the related entities has been consulted in the preparation, and have reviewed the content of, this statement.

G. Other relevant information

Impact of COVID-19

The impact of COVID-19 on SG Fleet's operations and supply chains during the 2020 financial year was as follows:

- a significant proportion of staff were moved to a work-from-home arrangement
- demand for the products and services of the Company declined temporarily
- supplies from suppliers impacted by COVID-19 saw some disruption

The Company takes the view that these impacts did not alter its modern slavery risk profile.