

SG Fleet Group

Integrated Mobility



2021 Sustainability Statement

Value every journey



SG FLEET GROUP LIMITED
ABN 40 167 554 574

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 behaviours should be integrated into daily business practices.

SG Fleet established a Sustainability Committee, governed by a Charter, in 2019. Our aim is to move towards an Integrated Reporting approach ahead of the introduction of relevant regulation.

The company 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. These categories are then cross-referenced against globally recommended reporting standards as set out by a number of international bodies, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

The 2021 Sustainability Statement outlines the relevant actions taken by the company during the 2021 financial year.

Key Highlights

28%
reduction Scope 1
and 2 CO₂ emissions

ISO27001
standards framework
implementation

**UN Global
Compact**
signatory

SG Fleet Group
INTEGRATED MOBILITY

Sustainability Committee

Charter

December 2019

Environment

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

Minimising our environmental impact

The company is targeting a significant reduction in its environmental impact across a number of measures, including energy efficiency, waste management, and reduction in CO₂ emissions.



During the 2021 financial year, we transitioned all office lighting in our Australian offices to LED. This resulted in a 70% reduction of lighting-related electricity consumption, or a 14% net reduction in energy consumption overall.

In order to reduce the use of consumables, measures were introduced to significantly lower the amount of printing and promote the use of handheld devices in meetings. This resulted in a 30% reduction in paper usage, equivalent to ca. 4 tonnes of CO₂ emissions.

As SG Fleet does not produce meaningful levels of CO₂ in its day-to-day business operations, our reduction efforts have primarily targeted emissions related to travel. During the 2021 financial year, air travel was reduced by 90%, equating to a reduction in CO₂ emissions by about 250 tonnes. Road mileage by our staff (excluding commuting) was reduced by 20% during the year, a further reduction of CO₂ emission by approximately 77 tonnes. Where motor travel is essential, we are proactively increasing the proportion of low or zero-emission vehicles in our own fleet. Currently, 12% of our own fleet uses lower emission propulsion technology. This percentage is increasing rapidly as we replace older vehicles. Overall, we achieved a 28% reduction in Scope 1 and 2 emissions during the 2021 financial year.

Future Focus

SG Fleet is significantly stepping up its environmental initiatives for future years. In the 2022 financial year, we will introduce our Australian Environmental Impact and Performance Policy, which will further structure our efforts in this area and set clear targets for reductions in energy and consumables usage, and CO₂ emissions. This policy will complement the existing UK Environmental Policy. It is our intention to achieve certified carbon neutrality for our Australian business, which accounts for three quarters of our group revenues, for the full financial period. Separately, we will also explore further options for recycled waste collection across our offices.



Helping our customers minimise their environmental impact

Vehicle expertise is SG Fleet's lifeblood. 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. We were one of the first providers to recognise the positive potential of lower emission vehicles in a fleet context and launched our eStart Zero Emission Vehicle Transition Planning service a number of years ago. As a result of our ability to plan and execute the transition from internal combustion to lower emission vehicles for our customers' fleets, we have seen a sharp rise in the use of more environmentally friendly transport solutions across the fleets we manage. At the end of the 2021 financial year, we achieved a 47% year-on-year increase in the number of low emission vehicles managed in our Australian and New Zealand fleets. In our novated business, we also offer drivers the possibility to carbon-offset their own vehicle.

Future Focus

Encouraged by the rapid increase in EV interest, SG Fleet has put in place a group EV strategy, and is the lead-contributor to an industry whitepaper, to further promote take-up of zero emission vehicles amongst its customers as well as in the wider community.

Encouraging and supporting our business partners' environmental initiatives

We offer our customers our unique expertise and services just as we rely on the specific skill sets of our business partners. We share with them the desire to operate in a responsible and ethical fashion and this extends to environmental practices. For this reason, we ask all our preferred suppliers to develop and submit their strategies and initiatives to reduce emissions.

"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."

327 tonnes

reduction in air and road travel-related CO₂ emissions



“Safety is an important aspect of transport and mobility, and many of our solutions are specifically targeted at protecting our customers’ wellbeing.”

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 respect, care and responsibility, and we aim to instil these values in all our interactions with every individual, as well as with community groups.

Protecting customer privacy and ensuring data security

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 (Australia, the United Kingdom and New Zealand) and processes customer information in accordance with our privacy policies. These policies are available to the public online. The SG Fleet Group Personal Data Protection Policy sets out how we protect the personal data we collect.

The hosting and management of data, including Disaster Recovery services and infrastructure management, is supported by external providers that hold all required certification. As an extra layer of protection, a Security Operations Centre provides 24/7 monitoring of the data environment and can alert the company to any cyber security threats. Formal Disaster Recovery and Business Continuity Plan policies are in place and tested on a regular basis. Penetration testing is also conducted on a regular basis by an independent provider.

The day-to-day management of the data environment involves standard safety processes such as encryption, two-factor authentication for remote access, geo-blocking to limit network access and multiple threat-detection layers.

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.

Relevant modules include:

- Electronic communication
- Privacy awareness
- Cyber security awareness
- Email phishing awareness

Future Focus

Further enhancements of SG Fleet’s relevant processes will be introduced as the cyber security environment continues to evolve. Currently, we are in the process of implementing the ISO27001 framework across the SG Fleet group, with full certification expected early in the 2022 financial year.

Focusing on our customers’ satisfaction and safety

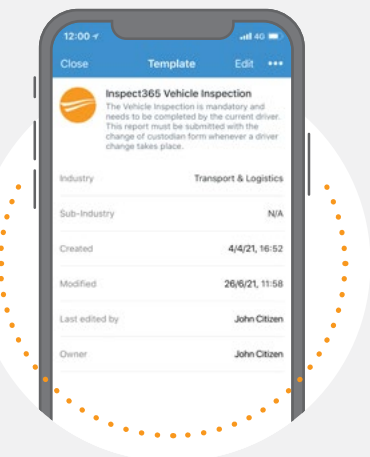
SG Fleet thrives as a business because we are able to create value for our customers. We aim to understand our customers’ needs and how those needs evolve. Our innovative thinking also ensures we are able to anticipate future needs, develop solutions and bring them to market rapidly. To this process we then apply a second layer of value-add, made possible by the ability to create flexible, tailor-made solutions addressing specific needs of our customers.

Feedback is invaluable to us and we ensure this information is collected and analysed to further improve how we deliver for our customers. We utilise Net Promoter Scores to track how we are doing. For the majority of the 2021 financial year, our NPS scores were near the 50 mark, a sign of strong customer satisfaction.

In addition to service delivery excellence, the quality of our products and solutions is the cornerstone of our reputation as a leader in our field. Before we bring new products to market, a lengthy assessment and development process is conducted to ensure these products deliver on our promise to help improve how our customers move.

Safety is an important aspect of transport and mobility, and many of our solutions are specifically targeted at protecting our customers’ wellbeing. We provide the ability to monitor driver behaviour and offer driver safety training to correct driving techniques. Reinforcing a responsible approach to sharing the roads in this way not only protects our customers but all members of the public.

SG Fleet’s Inspect365 is Australia’s most complete safety inspection solution for heavy vehicles. It helps our customers improve inspections and manage their compliance responsibilities. Inspect365’s ‘closed loop’ system provides an objective record of actions taken, which is a critical part of ensuring vehicle safety and demonstrating compliance. This safety focus is embedded in all the services we offer.



At SG Fleet, we believe that our solutions must always be fit-for-purpose and meet the specific requirements of our customers. We take great care to fully understand their needs and we make sure they are properly informed about every aspect of our products. Responsible selling practices are something we will not compromise on. In offering a product to a prospective customer, we provide fully transparent and detailed information, highlighting the range but also the limitations of its capabilities.

Future Focus

SG Fleet's unique in-house innovation capability ensures we are able to create and develop new products quickly and efficiently. The company plans to bolster this capability in future years as we continue to broaden our products and services offering.

Supporting our people

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.

SG Fleet celebrates the diverse range of cultural backgrounds and experiences of its employees and is committed to providing equal employment opportunities and a work environment that is free from harassment, discrimination and workplace bullying. The priority when recruiting is to ensure an appropriate mix of experience, expertise, and qualifications, regardless of age, nationality, gender, sexuality, religious beliefs or physical ability.

SG Fleet complies fully with the *Workplace Gender Equality Act (2012)* and is a complying employer with the Workplace Gender Equality Agency. As at 30 June 2021, the Company's workforce was made up of 46% women and 54% men. During the 2021 financial year, there was a 25% increase in female employees being promoted to management positions. SG Fleet continues its focus on the development of female leaders with its Women and Leadership Development Program.

As a part of SG Fleet's recruitment process, vacancies are evaluated for their suitability for flexible work arrangements and for arrangements other than full time.

Around 12% of employees are currently accessing formal flexible work arrangements including part-time work. This excludes informal team-based flexibility. Requests for formal flexibility within the financial year fluctuated in line with the prevalence of remote working environments resulting from COVID-19 response measures. Eligible employees continue to be able to participate in a 'Purchase Annual Leave' program to assist with balancing family commitments. Employer-funded paternal leave was introduced in the previous financial year.

Safety in the workplace is of paramount importance to SG Fleet. 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
- WH&S awareness
- Workplace bullying and occupational violence
- Discrimination and Equal Employment Opportunity

In the previous financial year, we also introduced a Group Exposure Control Policy and a COVID-19 awareness e-learning module.

In addition to risk mitigation education, we encourage our staff to proactively look after their physical and mental wellbeing. The company provides access to a range of staff wellness benefits and activities.

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“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.”

30+

charitable causes supported across Australia, New Zealand, and the United Kingdom

SG Fleet is committed to support the continued growth of its people. We have a reputation within the industry of developing the best available talent and expertise. Our staff are given access to internal and external development opportunities, such as training programs and courses.

The success of our initiatives to support our people in their professional growth, workplace wellbeing, and personal mental and physical health, as well as our approach to supporting staff through the COVID-19 pandemic, have been reflected consistently in our engagement measures. In our latest ‘pulse’ survey, our people reported strong positive sentiments around general wellbeing and resilience.

Our community involvement

SG Fleet has operations in Australia, New Zealand and the United Kingdom. We interact with local communities as a significant employer and as a purchaser of goods and services. However, 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 2021 financial year, we supported the following initiatives, amongst others:

In Australia



In New Zealand



In the United Kingdom



In Australia, SG Fleet is committed to furthering the cause of Aboriginal and Torres Strait Islander communities wherever possible. In addition to offering employment opportunities, we are also actively supporting their 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.

Future Focus

We believe that supporting communities starts with understanding their history, their challenges and their strengths. With respect to indigenous Australians, we intend to introduce educational programs at SG Fleet that will help us build the right perspective amongst our leadership and our people to develop an effective and impactful Reconciliation Action Plan in the near future.



Governance

Across our organisation, we ensure we adopt responsible business practices and policies in all aspect 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.

Code of Conduct

Our people are expected to conduct themselves in a manner consistent with current community and the company's own standards, and in compliance with all relevant legislation. The Code of Conduct outlines how the company expects its representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

Whistleblowing Policy

The Whistleblowing Policy is in place to encourage our people to raise concerns and flag reportable conduct where there are reasonable grounds to support such actions. We are committed to ensuring that serious misconduct or malpractice is identified and addressed appropriately.

Anti-bribery and Corruption Policy

SG Fleet prohibits bribery and corruption in any form, whether direct or indirect, and in any country in which it operates. We take appropriate steps to ensure that we do not, directly or indirectly, offer, promise, give, accept or demand a bribe or other undue advantage in order to obtain or retain business. The company promotes employee awareness of, and compliance with, company policies against bribery and corruption through appropriate dissemination of our own procedures, policies and training programmes.

Modern Slavery Policy and Statements

SG Fleet does not tolerate any form of enslavement or exploitation and we are committed to ensure 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. We also issue Modern Slavery Statements overviewing our 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)*).

UN Global Compact

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

Procurement practices

We view it as our responsibility to promote ethical behaviour not just within our business operations, but also at supplier level. Across the group, we take 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 set out for our suppliers in the areas of: ethical business practice, anti-competitive conduct, labour and human rights, work health & safety, environment, and confidentiality and provision of information.

Future Focus

SG Fleet intends to introduce further policies, standards and processes to support its environmental, social and governance practices. In the 2022 financial year, we will adopt, amongst others, the ISO 20400 Sustainable Procurement and ISO 26000 Social Responsibility standards.



Visit the Governance section of our Investor Centre to read our Corporate Governance Statement.

WE SUPPORT



“We are committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.”

Voluntary introduction of



