

Smartgroup  
Green Report  
February 2022

# Contributing to a Sustainable Future

smart  
group  
corporation



# Smart Sustainable Thinking

For Smartgroup, sustainability is not just about the environment and social responsibility, it is about the integration of sustainable thinking into all our decisions, business processes and relationships. It is part of the way we do business and essential to our ongoing success. We aim to continuously optimise our operations, avoid harm to the environment and find innovative and timely improvement solutions.

**Here at Smartgroup, we have a strong commitment to environmental, social and governance (ESG) issues and understand that our actions impact our people, the communities around us and the world at large.**

**We're working on the development and rollout of our group-wide Sustainability Strategy, which includes a focus on reducing our direct and indirect impact on the environment.**

The purpose of this document is to highlight the actions we've been taking (and will continue to take) in the ESG space. Our aim is to be transparent and accountable in everything we do, and we're pleased to be able to take the opportunity to share our ESG journey with all our stakeholders.

In 2021, our Carbon Offset Program donated **over \$1,966,000** to our environmental partners Greenfleet, Carbon Positive Australia and The Nature Conservancy.

We're pleased to report that we have already made good progress in our ESG journey. In 2021, we established a board sub-committee for ESG, and took some important steps, including the appointment of an external strategic agency and began the development of our carbon footprint analysis.

We believe we have a serious role to play in helping protect the planet. We're proud to have had our Carbon Offset Program in place since 2008, partnering with a number of leading organisations in this space with a focus to reduce the impact on climate through carbon sequestration and restore critical animal habitat.

Overall we pay close attention to the day-day management of our environmental impact, and strive to employ a number of sustainable practices across our organisation from fleet efficiency initiatives to reduced travel.

We are also pleased to be making progress on our electric vehicle strategy. Take up of electric vehicles is gaining momentum in Australia, and will form part of a sustainable future. We're aiming to be the partner of choice in this space.





A key part of our approach to being a good corporate citizen is to support the communities where we live and operate, whether that be with projects and initiatives that are important to our clients, or our people.

In 2021, we provided help to a number of worthwhile causes over the course of the year through the Smartgroup Foundation. At different times throughout the year, we also held fundraising events for various causes that matter to us.

Our culture is so important to us. We believe in promoting a highly engaged, high-performing culture of people that support one another, through special training, information sessions and virtual events. Despite the challenges posed by COVID, we have worked hard to ensure a connected team environment – even when we were physically distanced.

We're very happy with the progress we've made so far. However, the work is far from over. ESG is of great importance to us, and we look forward to working hard each and every year to make sure we are continuing to improve and progress.



We believe in promoting a highly engaged, high-performing culture of people that support one another.

### ESG sub-committee established

In 2021, we continued our journey towards improving our sustainability governance and framework with the establishment of a formal ESG Board sub-Committee, which reports to the full Smartgroup Board. The purpose of this Board Committee, as set out in its Charter, is to consider and make recommendations to the Board on the social, environmental and ethical impact of our business activities, major corporate responsibility initiatives and changes in policy and our communications with stakeholders about our corporate responsibility and sustainability policies.

### Important steps on our ESG journey

We always want to be moving forward on our ESG journey, and we are pleased with the progress we made in 2021. Some of the steps we took included:

- Appointing an external advisor to help us develop our Sustainability Strategy
- Making advances in our carbon footprint analysis – this will give us real information that can help us better understand how our operations impact the environment. We will be able to use the insights we gain to help us set carbon targets in the future
- Launching an engagement project with internal and external stakeholders to better understand what they want us to achieve with our ESG work
- Completing a detailed desktop review and risk analysis to better understand our risks and how we can mitigate them

We are confident the steps we have taken will move us further on the path of implementing our Sustainability Strategy in full.





# Helping to Protect our Planet

We have a two-pronged approach to helping the environment: by supporting specific causes and projects, and by engaging in sustainable practices in the day-to-day running of our business.

Our main area of focus for the environment has been driven through our Carbon Offset Program, which was launched in 2008. In the time since, the program has directly contributed to the sequestration of hundreds of thousands of tonnes of carbon from the atmosphere.

We first partnered with Greenfleet, a leading carbon offset organisation (and the first of its kind in Australia), before expanding our program in 2020 to include partners; The Nature Conservancy and Carbon Positive Australia.

In addition to our work with our Carbon Offset Program, we employ a number of sustainable practices in how we operate our business. This includes steps to mitigate the environmental footprint of novated leasing and fleet management, with the help of our clients and customers. We also have robust policies around recycling, energy consumption, and printing and paper usage.

## Our partnership with Greenfleet

In 2021, our Carbon Offset Program donated over \$795,000 to our environmental partner Greenfleet which contributed to approx. 53,000 tonnes of carbon being sequestered over the life of the forests planted. Our partnership with them extends to a number of important ongoing initiatives and site projects such as Anam Talamh on Bundjalung Country (restoring a critically endangered Lowland Rainforest), Corymbia Farm in West Gippsland (protecting the rare Giant Gippsland Earthworm made famous by Sir David Attenborough), Koala Crossing in South East Queensland (improving



biodiversity and creating habitat for threatened native species), as well as Kosciuszko National Park in New South Wales (reforesting more than 250 hectares of the national park with native species and working with the Traditional Owners to help preserve indigenous artefacts discovered during site work).

We were pleased to also organise two Smartgroup and Greenfleet Tree Planting Days last year. Our NSW and QLD team members volunteered to help plant over 2,700 trees in April and May. In NSW, working together with Sutherland Shire Council, we revegetated an area of ecological importance called Bonna Point Reserve, where the new trees will help provide habitat for endangered shorebirds in the region. In QLD, our team planted trees at Aroona, a working cattle property that is also being revegetated with native species to restore biodiversity and build wildlife habitat.

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### The Nature Conservancy

in 2020, we expanded our environmental partnership program to include The Nature Conservancy, a global conservation organisation dedicated to conserving the lands and waters on which all life depends. Specifically, we have been working with them on a project involving “blue carbon” and the restoration of Adelaide coastal wetlands.

The process by which carbon is removed from the atmosphere and captured in trees, plants and soils is known as carbon sequestration. It’s a natural climate solution that can help fight climate change. Coastal wetlands which include mangroves forests, saltmarshes and seagrass meadows are powerful natural climate solutions. They absorb and store carbon at a much greater rate than forests and grasslands and, if undisturbed, they are the only ecosystem that can continuously store carbon in soil for millennia. This type of carbon sequestration is known as ‘blue carbon’ because it takes place in marine ecosystems.

The Nature Conservancy is at the forefront of blue carbon in Australia. We are one of the first Australian companies to invest in a blue carbon project involving the restoration of coastal wetlands to form effective carbon sinks as part of our partnership project with The Nature Conservancy.



We are one of the first Australian companies to invest in a blue carbon project to restore coastal wetlands in Adelaide. Restoration of a typical 360ha coastal wetland could result in the capture of 9,000 tonnes of carbon

The potential for this project is extraordinary. Restoration of a typical 360 ha coastal wetland could result in the capture of 9,000 tonnes of carbon. That’s equivalent to taking 7,000 cars off our roads for a year. The project site adjoins the Adelaide International Bird Sanctuary National Park - Winaityinaityi Pangkara, a critically important habitat for many Australian and migratory birds. Over 15,000 shorebirds travel here for up to six months each year. They fly in from breeding grounds in China, Siberia and East Asia.

By expanding the habitat available to these birds, the project strengthens global conservation efforts along one of the world’s three great migratory bird flight paths.

Restoration activities to capture blue carbon involve removing man-made barriers such as roads or bund walls to allow the natural flow of tidal water back into previously dry areas. This in turn enables the assisted regeneration of saltmarsh and mangrove vegetation. Other restoration work being considered includes pest, plant and animal control and revegetation to accelerate plant growth.

Biodiversity and associated blue carbon gains will be monitored to demonstrate that wetland restoration has win-win outcomes for people and nature.



### Carbon Positive Australia

Our other major partnership commitment involves an important restoration project in the Eurardy Reserve in Western Australia with Carbon Positive Australia, where 1,350ha of previously cleared bushland is being restored to its former natural glory.

Eurardy Reserve is owned by Bush Heritage and forms a crucial ecological linkage between the Kalbarri National Park to the west and the Toolonga Nature Reserve to the northeast. This area contains at least 12.6% of the world’s rare flora and fauna and is of great cultural and biological significance. Eurardy is also located within what is known as the South Western Botanical Province. The Reserve protects more than 700 plant species, including five nationally endangered or vulnerable species.

As part of our partnership, Smartgroup customers who offset the carbon emissions of their novated leased vehicles also contribute to planting native trees at Eurardy Reserve.

1,350ha of previously cleared bushland is being restored to its former natural glory in Eurardy Reserve, WA, thanks to the work being done by our Carbon Offset partner, Carbon Positive Australia



### Seabin Foundation

The Seabin Project is about implementing a “whole solution” approach to the issue of ocean pollution, using education, science, technology and community activation. The world’s marinas, ports and yacht clubs are the perfect place to start helping clean our oceans. With no huge open ocean swells or storms, these relatively controlled environments provide the perfect locations for Seabin installations.

The Seabin V5 is a revolution in ocean cleaning technology, helping to create cleaner oceans with healthier marine life by collecting up to one ton of debris per bin per year. Two Seabin units, sponsored by us in 2020, have now found a home at D’albora Marinas in Rushcutters Bay. A plaque has been installed nearby with Smartgroup branding.

In July, we helped raise awareness for Plastic Free July by collaborating with Seabin for a virtual STEM (Science, Technology Engineering, and Mathematics) workshop demonstrating how a Seabin works.



Looking after our environment and actively contributing to the communities in which we work and live is essential to our ongoing business success.







## Sustainable Practices

**Providing support to environmental causes is important, but it is only one part of the battle. The positive outcomes in spaces like the Carbon Offset Program are far less meaningful if we are not also engaging in sustainable business practices each and every day.**

**We live sustainability by doing what we can to support reducing the impact of novated leasing, while also using specific fleet efficiency initiatives to help reduce our clients' environmental footprint. Further, our team is placing a clear focus on supporting electric vehicles now and into the future.**

**Our embrace of virtual meetings and video conferencing in the COVID era has allowed us to reduce our travel, and to reassess how much we plan to do in the future. The day-to-day management of the business is designed to also minimise our impact, in areas that include energy consumption, resource usage and recycling.**

### Demonstrating sustainability in leasing and fleet management

Novated leasing and fleet management provide our clients and customers with convenient and cost-effective ways to own and operate vehicles. Though these vehicles are selected and owned by our clients and customers, we recognise that we have a unique ability to help contribute to lowering Australia's carbon load.

In addition to our Carbon Offset Program we continue to look at how we engage with clients and customers, and what products we offer. By doing so, we aim to find real and meaningful ways that we can reduce any negative impacts on the environment.

### Fleet efficiency initiatives

We are committed to facilitating the efficient use of vehicles in our clients' workplaces across Australia. While the vehicles we allocate through our fleet business travel many millions of kilometres collectively every year, we contribute to a reduction in our clients' environmental footprints through a number of initiatives and processes:

- Smart vehicle allocation through our Pool Vehicle Booking system, and car sharing via our partnership with DriveMyCar has equated to over 440,000 bookings each year.
- Telematics by Smartfleet, a partnership with FleetComplete, allows clients to accurately capture real-time feedback to improve fuel efficiencies and reduce running costs.
- The Vehicle Disposal Program allows for improved efficiencies by saving on multiple transport logistics or third parties like auction houses.

To help support clients in their transition to lower-emitting fleets, we provide alternative vehicle options with varying fuel consumption, fit for purpose. We also assist Not For Profit clients with our 9-Month Buy-Back offering, where vehicles are replaced with updated and new vehicles in 9 months time, which are more fuel efficient, and have the latest technology and safety features.

In addition to efficiencies in sustainability practices, Smartfleet supports the communities in which we work and operate by engaging small to medium and large suppliers locally, regionally and nationally.

We recognise that we have a unique ability to help contribute to lowering Australia's carbon load.





All waste toner and cartridges from our machines is recycled through Planet Arc and then goes on to be used in roads and in children's playgrounds.

**Going electric**

With millions of electric vehicles now on roads around the world, it is an industry that is continuing to grow. Along with this comes a lot of exciting possibilities, particularly around the role electric vehicles can play in heading toward a more sustainable future.

Alongside our clients and customers, we want to be part of this movement, and our goal is to become the partner of choice for electric vehicles.

As part of our strategy, we are looking to build our capabilities and expertise in this space. This will allow us to better support our clients who want to make a successful transition to using electric vehicles.

In our immediate future, we aim to:

- Create an education process to help clients and their employees understand the key aspects around a transition from conventional vehicles to lower-emission alternatives e.g. HEV, PHEV or BEV.
- Ensure our supply chains and operations effectively support the transition to electric vehicles, by facilitating a broad product range, national dealer network coverage and alternative charging infrastructure (at home, at work and mobile).
- Help clients and their employees understand their mobility needs to help facilitate a transition strategy.

**Travel**

Once again, air travel was significantly lower in 2021 because of COVID-19 restrictions and our increasing use of video conferencing technology. Flights generated 23.85 tonnes of carbon dioxide, which is 31.10 tonnes less than in 2020. With a permanent shift to hybrid working and a roll out of video conference technology and remote working capability across the whole organisation, we expect that the trend of decreasing professional travel will continue. Once again, we offset 100% of the annual carbon emissions from work-related air travel.

**Reducing our energy consumption**

We again engaged BidEnergy to measure our electricity usage and emissions for all offices around Australia as we continued to look for ways to reduce our electricity usage and carbon emissions.

**Environmental management day-to-day**

Improving our digital capabilities and our online offering has enabled us to further reduce the waste created by paper forms and documents, and therefore lessen the amount of paper and by-products used to print. We have a relationship with eWaste, a certified electronics recycler, to recycle all redundant and end of life IT equipment throughout our business and also continue to separate waste and encourage recycling in each of our offices nationally.

**Recycling tyres**

Australia has become the first country in the world to ban exports of unprocessed waste to other countries. That ban on waste exports includes tyres. Since 2018, we've partnered with Tyre Stewardship Australia (TSA), an Australia Competition and Consumer Commission accredited recycling program, to ensure that tyres collected in Australia are responsibly managed at the end of their life. Our tyre partners are either direct members of TSA, use accredited recyclers/collectors or are accredited retail chains.

**Printing**

The toner we use for our Konica Minolta machines is a cultured toner, which means it is specifically grown for use in our Konica machines and is sustainable. All waste toner and cartridges from our machines is recycled through Planet Arc and then goes on to be used in roads and in children's playgrounds. Any toner-printed waste paper generated from our production process is recycled through approved Australian recycling channels.



# Standing alongside our communities

Our philosophy has always focused on supporting not just our clients but also the communities within which they work.

Throughout the year, we were proud to support community and charity organisations directly through sponsorships and initiatives, as well as through the Smartgroup Foundation.

Every year, we're looking to stand alongside the communities where we live and operate by offering our support to a number of worthwhile causes.

We have particularly close ties to the public benevolent institution sector, working with a number of organisations to offer them our services. While doing so, we also look for opportunities where we can align with their interests and objectives and offer our support – whether that be with financial assistance, or through our people volunteering.

Throughout the year, we were proud to support community and charity organisations directly through sponsorships and initiatives, as well as through the Smartgroup Foundation.

It was not always easy for us to decide where we could lend our support, particularly with the impact that COVID-19 has had on a wide range of communal activities. We confirmed key partnerships across sports, the arts, and our Aboriginal and Torres Strait Islander programs.

Some of our regular commitments included our involvement in International Women's Day, raising money for cerebral palsy, new initiatives like the Biggest Morning Tea and our own twist on Jeans for Genes Day.

We were also pleased to provide various scholarships to assist in recipients' career development. Meanwhile, The Smartgroup Foundation supported 22 different organisations with almost \$250,000 in funding – all grassroots initiatives that are making real and tangible differences in people's lives.

### Our partnership with PCYC

We have extended our partnership with Police-Citizens Youth Clubs (PCYC) Queensland and the work they do through critical community initiatives such as the Catch Me If You Can program, aimed at fostering stronger connections and relationships between Aboriginal and Torres Strait Islanders, at-risk youth and the Queensland Police Service.

Catch Me If You Can restarted in October 2020 and has since expanded into new areas including Cairns, Edmonton, South Burnett, and Logan. The program itself includes sporting activities, mentoring workshops and leadership development, and has been shown to generate noticeable improvements in behaviour, level of communication and school attendance.

We intended to support PCYC's biggest event of the year – the Bunburra beach football tournament - which brings together more than 200 young Aboriginal and Torres Strait Islander players, but it was postponed to 2022 because of COVID-19.

Smartgroup for STEPtember  
Move together for cerebral palsy

**\$15,263**

Siblings Luke and Sarah Minton  
for the Kokoda Foundation using  
their MAD Days

**\$2,739**



### New ways of getting involved

New initiatives this year included hosting Australia's Biggest Morning Tea in our Sydney, Adelaide, Perth, Melbourne and Brisbane offices to help the Cancer Council raise much needed funds for vital cancer research, support services, prevention programs and advocacy. We also decided to do our own version of Jeans for Genes Day called Beans for Genes Day where we asked our people to donate the cost of a coffee to Jeans for Genes. This new initiative supported our client the Children's Medical Research Institute, which is dedicated to finding ways to treat or prevent genetic diseases to create a brighter future for all children.



We continue to support and explore ways to be involved with the community.

### Ongoing commitments

We continue to support and explore ways to be involved with the community. Make a Difference (MAD) days, for example, are two paid days per year when Smartgroup people can lend a hand to our environment, a local community, or a charity close to their heart.

In March 2021, we supported the UN Women National Committee Australia and hosted tables at UN Women's International Women's Day lunch in Brisbane.

In September 2021, we stepped up with STEPtember for cerebral palsy, raising \$17,071.

We supported International Day of People with Disability in December 2021 with guest speaker Sam Bloom, to show our commitment to supporting and celebrating differences, diversity and disabilities in our team members and community.

We also offered scholarships for further education through the Smartsalary Epworth Scholarship, which funds valuable career development to talented employees of the organisations we work with.

Another continuing initiative was the AccessPay Training and Development Scholarship (Anglicare WA) to support Anglicare's staff in remote communities to be able to access educational opportunities.



We asked our people to donate the cost of a coffee to Jeans for Genes, supporting our client the Children's Medical Research Institute.





Established in 2019, Smartgroup Foundation receives an annual grant from Smartgroup Corporation to support charities with Deductible-Gift-Recipient (DGR) status.

We currently have six areas of focus, chosen by our team members:



Animal welfare



Mental illness



Children's illnesses and disabilities



Children and families at risk



Cancer

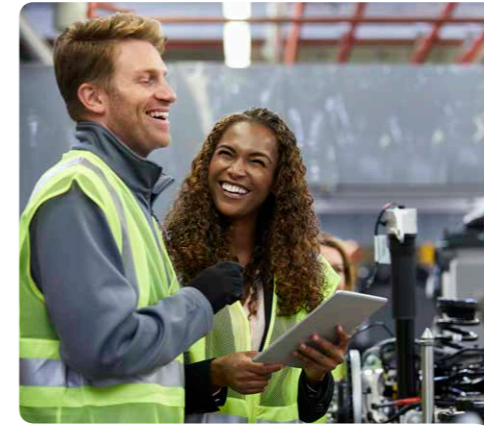


The environment

Grant recipients differ every year. This year we provided funding for projects run by 22 organisations through two rounds of grants. The projects chosen are all grassroots initiatives that improve our communities within the areas nominated by our team members. Each project must meet the selection criteria required for approval and is assessed through a structured approval process.

**22**  
organisations

We welcomed the introduction of the Modern Slavery Act and recognise the important role we can play in ensuring ethical businesses practices in both our own operations and those of our suppliers.



**Responding to modern slavery risks**

As an organisation with a zero-tolerance approach to modern slavery in any form within our business, we welcomed the introduction of the Modern Slavery Act and recognise the important role we can play in ensuring ethical business practices in both our own operations and those of our suppliers. Smartgroup was proud to deliver its first Modern Slavery Statement in June 2021, covering the period from 1 January 2020 to 31 December 2020.

Most of our annual supplier spend focuses on facilities, IT, contractors and temporary staff, consulting and specialist advice, business development and marketing. These agreements are overseen by the relevant Executive and by our Procurement Manager and Finance team. Our Group Procurement Policy aims to: achieve value for money; encourage sustainable competition; demonstrate probity, ethical behaviour and accountability; make efficient and effective use of resources and mitigate supplier risk.

We are committed to continually reviewing and improving our practices to ensure we are taking all appropriate steps to reduce the risk of modern slavery and contributing to global efforts to eradicate all forms of modern slavery.



We have reviewed our operations and supply chains and undertaken a comprehensive risk assessment to identify areas at risk of modern slavery practices ... Overall, Smartgroup's operations and supply chains are at a low risk of modern slavery practices.



# A culture of connection and cohesion

Our people are our greatest asset and are integral to achieving our goals. To support our highly engaged, high-performing culture, we continue to invest in our team members. We also continue to provide coaching and training programs to our people leaders, to help them be their best – and bring their teams right along with them!

Once again this year, COVID-19 brought stresses and separation that challenged our teams. With resilience and agility our people rose to those challenges, staying connected even when physically apart. This allowed us to keep innovating and delivering services and support to our customers around Australia.

We always encourage diversity and inclusion, and we stand up for equality, safety, support and respect – from our CEO right through our organisation. During the year, we also hosted guest speakers from different backgrounds to share their experiences and achievements.

Above all, our values are the foundation of our strong culture. We are proud to share our values with each other and the world, and work to live up to these each and every day.

## Connecting our teams

Our COVID-19 response plan was designed to ensure the wellbeing and safety of our team members and to maintain collegiality and collaboration when teams are physically remote from one another. Our Wellbeing Program for 2021 focused on raising awareness around managing mental health. Implementing resilience training, using mental health speakers, sending care packs, holding vaccination information sessions,

Our COVID-19 response plan was designed to ensure the wellbeing and safety of our team members and to maintain collegiality and collaboration when teams are physically distanced from one another.



giving access to digital tools like Smiling Minds and using our all-hands webinars to share best virtual-working strategies equipped Smartgroupers to tackle the frequent changes and challenges presented by the pandemic.

Again this year, our teams found innovative ways to work and thrive together whilst being physically separated. Working from home for extended timeframes was enabled by technology and finding new ways to collaborate and connect. As well as care packs, our events went virtual, with trivia, comedy, DJ sets and some well-known guest speakers helping to keep spirits high.



## STRIVE leadership

We are passionate about investing in and growing our people in every role and part of our business. Great leadership, in particular, is essential to bring out the best in our people and ensuring they have opportunities to achieve their full potential. For this reason, we introduced STRIVE leadership, an extensive coaching and education program that offers comprehensive Smartgroup-specific training and facilitation on leadership and people management.

Customer excellence is another pillar of our Smart Future. All our customer-facing teams completed Customer Service Institute of Australia ('CSIA') Customer Excellence Training this year to further enhance our service culture and continuously improve our customer experience. We were very proud to be recognised yet again by the CSIA Australian Service Excellence Awards, with our Smartleasing Vehicle Customer Service Team winning the runner up of Service Champion award and Customer Service Manager Mark Valena from AccessPay winning the runner up of Service Hero award.

We are very proud that our Reconciliation Action Plan (RAP) received official accreditation by Reconciliation Australia and that Smartgroup was recognised as a member of the RAP network in October 2021.



## Recognised for our diversity and inclusion

We pride ourselves on being an inclusive and diverse employer. Our commitment to creating and sustaining a diverse and inclusive culture, where every person feels valued, respected and welcome, is a central tenet of our culture.

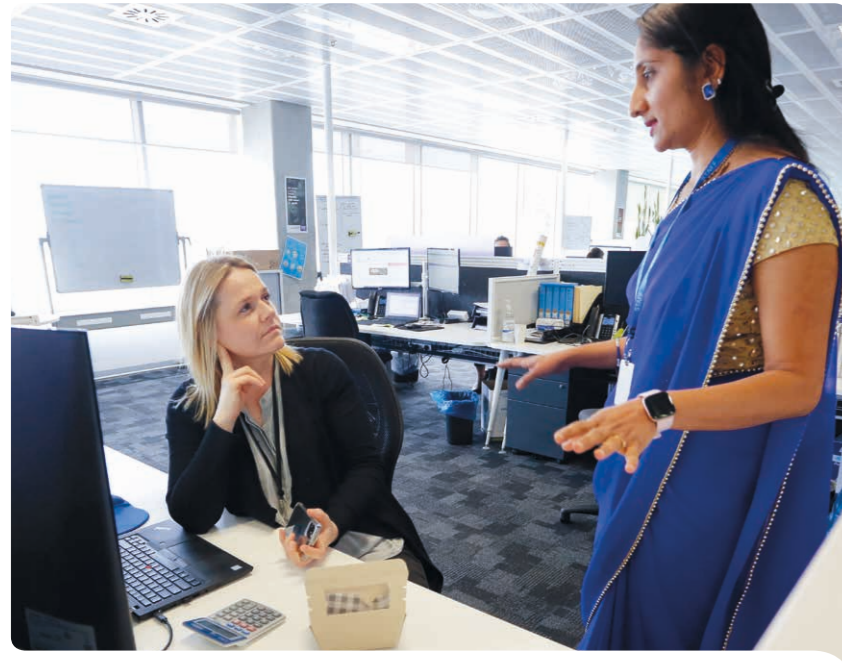
In 2021, we were again recognised as an Employer of Choice for Gender Equality by WGEA – the Workplace Gender Equality Agency. Smartgroup was one of a select group of employers across Australia who met the stringent criteria to achieve this citation.

We were also recognised, for the third year in a row, as an Inclusive Employer by Diversity Council Australia. To be awarded this recognition, we had to achieve a number of benchmarks related to recognising and celebrating culture, faith and gender diversity as well as embracing the LGBTQI+ community and challenges associated with mental health in our teams.



Customer experience is a pillar of our Smart Future program. All of our customer-facing teams completed Customer Service Institute of Australia (CSIA) Customer Excellence Training this year, to further enhance our service culture and continuously improve our customer experience.





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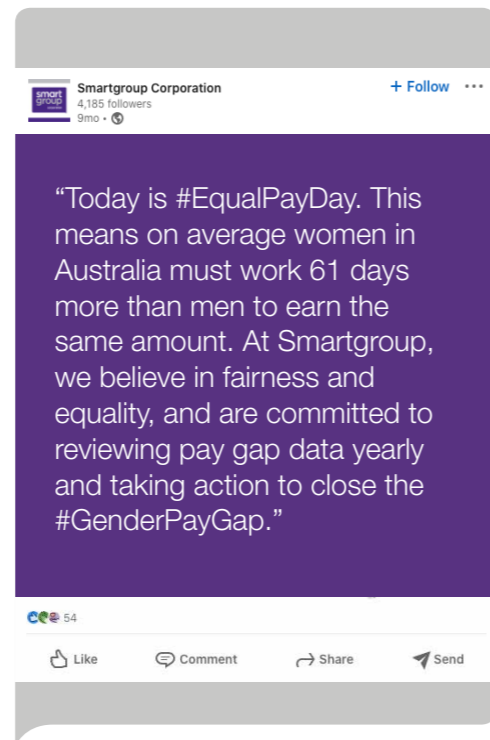
**Speaking up for equality, safety, support and respect**

Tim Looi was one of 200+ Australian CEOs this year who vowed to Stand Up For Respect. We also celebrated Equal Pay Day as we continue to identify and address gender-based pay gaps to ensure a bias free workplace where contribution is fairly rewarded. As we commented on our LinkedIn page, “Today is #EqualPayDay. This means on average women in Australia must work 61 days more than men to earn the same amount. At Smartgroup, we believe in fairness and equality, and are committed to reviewing pay gap data yearly and taking action to close the #GenderPayGap.”

Participation and recognition of women at Smartgroup continues to exceed Australian benchmarks, with at least 40% of our executive team comprising women and at least 40% of women team members at all organisational levels. With three female Board members, Smartgroup has close to 40% representation of women at the Non-Executive Director level, and the appointment of a female chair for a Board sub committee shows our determination to progress equality and forge strong gender role models.

Supporting and valuing all team members through every stage of life, in practical and impactful ways, is important to Smartgroup. Our parental leave provisions are one of Australia’s leading schemes, with 20 weeks paid leave for all parents regardless of secondary or primary status and superannuation paid on unpaid parental leave.

In 2021, we launched the Women’s Room - a monthly forum for Smartgroup women to share, celebrate and inspire each other on women’s issues in the workplace. CEO Tim Looi also established and leads our Male Champions of Change group to ensure the business is: achieving gender equality; advancing more and diverse women in leadership; and building respectful and inclusive workplaces. As part of this strategy, men with power and influence step up to stand beside women leaders.



**Sharing the experiences of others**

We first introduced our Diversity Speaks programme in 2019 to inspire and celebrate diversity and difference. Speakers have included three-time Olympian and Australian icon Cathy Freeman, speaking about her career and pride in being an indigenous role model, and former AFL great and Brownlow medallist Adam Goodes speaking about his work in the community post-football promoting indigenous culture and harmonisation.

In December, to highlight the importance of ability in the workplace, Sam Bloom, best-selling author, Para-Olympian and disability advocate joined us to speak about the importance of disability issues, access and inclusion in workplaces and the community.

**Participating in indigenous justice**

We are proud that our Reconciliation Action Plan (RAP) received official accreditation by Reconciliation Australia and that Smartgroup was recognised as a member of the RAP network in October 2021. Our engagement with reconciliation and Aboriginal and Torres Strait Islander peoples to date has been manifested through internal initiatives, such as NAIDOC Week celebrations and community partnerships such as the PCYC Queensland programs.

The artist behind our new iconic First Nations artwork is Jade Kennedy of the Tatti-Tatti/WadiWadi/Muddi-Muddi-West Kulin Nation and Wajak/Kaardjin-Noongar Nation. The artwork represents our reconciliation journey and will be used in all platforms whenever we report on our RAP actions. The artwork proudly welcomes visitors as they enter our Sydney office lobby.



**We value our values**

How we work is the foundation of our strong culture and our values signify and demonstrate the importance we place on the right behaviours delivering great outcomes for our people, customers and business.

We continue to celebrate #onecompany #oneteam and to embed our values of Care, Accountability and Team. With each team developing their own Values Code and Annual Awards to recognise individual and team behaviours, our values have become the foundation of our culture and “how we do things around here” going forward.

Smartgroup was recognised as a member of the RAP network in October 2021.







More parents than ever (both male and female) took paid parental leave.

# Towards a sustainable future

Having reviewed our updated Corporate Sustainability Scorecard for 2021, we are pleased with the direction we are heading in, but know there is still so much more to do. Based on the year we have had, we've identified some areas of achievement, and areas we want to focus more on in the future.

Critical to us is our continued work to quantify how we're influencing the environment, while progressing our strategies around sustainability and electric vehicles.

Some positive trends that we'd like to continue include reduced travel emissions and an improved risk culture.

There are achievements we're proud of too. Our employee engagement improved. More parents than ever (both male and female) took paid parental leave. We have a gender-balanced workplace.

All of this gives us great optimism about the positive role we will play towards a sustainable future.

Critical to us is our continued work to quantify how we're influencing the environment, while progressing our strategies around sustainability and electric vehicles.





**Our updated Corporate Sustainability Scorecard for 2021 features four years' worth of data in a range of key areas. Seven trends are worth noting:**



We are progressing with our carbon footprint work, but we are yet to fully understand our direct and indirect impact to the environment. We hope to be in a position to report on our Scope 1, Scope 2 and Scope 3 emissions following the completion of this work in 2022.



We continue to progress with the development and roll out of our group wide Sustainability Strategy, as well as continuing progress on our Electric Vehicle strategy with the goal of becoming the partner of choice for Electric Vehicles. We are creating an education process for our clients and customers to assist them to understand their mobility requirements, as well as ensuring that our suppliers and our operations effectively support the transition to Electric Vehicles.



Our emissions from travel, electricity and printing again dropped in 2021 as the continuing impacts of COVID-19-related lockdowns restricted our travel and access to office sites.



We were very pleased to see our employee engagement score improve to 61% in 2021, particularly in the context of the continuing COVID-19 related challenges, including lockdowns and remote working.



Our risk culture score continued to improve, rising from 66% in 2018 to 84% in 2021 – reflecting a continued improvement in risk awareness, values and behaviours across our team members.



A record number of males and females took parental leave in 2021, with many of them benefiting from our market-leading paid parental leave scheme.



We are proud to have a gender-balanced workforce at the levels of executive, senior management and all employees. The Board continued to work towards its target of 40/40/20 (to be achieved by the end of December 2023) with the appointment of a further female Director in 2021.

**Corporate sustainability scorecard**

	2021	2020	2019	2018
<b>People</b>				
Headcount	685	697	762	752
Full-time equivalents (FTEs) (excluding temps)	673	630	689	695
Number of permanent employees	632	605	661	670
Permanent employees who are female (%)	54%	54%	51%	50%
Number of full-time permanent employees	576	547	594	605
Full-time employees who are female (%)	51%	50%	47%	46%
Number of part-time permanent employees	56	58	67	65
Part-time employees who are female (%)	88%	88%	90%	83%
Number of fixed-term/temp/casual employees	53	92	100	82
Fixed-term/temp/casual employees who are female (%)	53%	52%	55%	60%
Employee engagement score (%)	61%	54%	52%	55%
Employee participation in the engagement survey	79%	69%	79%	76%
Eligible employees receiving annual performance reviews (%)	100%	100%	100%	100%
Team members eligible to participate in training and development (%)	100%	100%	100%	100%
Safety incidents per FTE (total)	<0.01 (5)	<0.01 (2)	0.07 (45)	0.08 (59)
Lost-time injury frequency rate (injuries/million hours worked)	0.8	1.6	3.2	2.8
Absenteeism (%)	2%	2%	2%	2%
Risk culture score (risk awareness, values and behaviours) (%)	84%	80%	74%	66%
<b>Parental leave*</b>				
Number of employees who took parental leave	F 50 M 33	F 18 M 18	F 31 M 20	F 40 M 11
Number of employees who returned to work after leave	F 45 M 33	F 13 M 17	F 21 M 19	F 28 M 5
<b>Employee share ownership</b>				
Employee share plan participation rate (% of eligible employees)	53%	49%	54%	63%
Number of employee shareholders (via share plan)	376	325	422	422
<b>Employee gender diversity</b>				
Board	F 33% M 67%	F 25% M 75%	F 25% M 75%	F 14% M 86%
Executive	F 50% M 50%	F 50% M 50%	F 43% M 57%	F 38% M 62%
Senior management	F 53% M 47%	F 46% M 54%	F 47% M 53%	F 46% M 54%
All employees	F 54% M 46%	F 53% M 47%	F 51% M 49%	F 51% M 49%
<b>Environment</b>				
Electricity – total consumption (kWh)	368,235	402,922	557,707	690,207
Electricity (tonnes CO <sub>2</sub> -e per FTE)	0.38	0.50	0.65	0.78
Air travel (tonnes CO <sub>2</sub> per FTE)	0.04	0.09	0.66	1.00
Land travel (tonnes CO <sub>2</sub> -e per FTE)	0.04	0.13	0.25	0.31
Printed material (tonnes CO <sub>2</sub> -e total)	0.55	0.79	2.44	2.07
<b>Customers</b>				
Net Promoter Score (average score) – Smartgroup**	46	38	–	–
Customer complaints (as a percentage of total customers)	0.29%	0.32%	0.74%	1.02%

\* Parental leave in 2021 includes both primary and secondary carer's leave. Prior years reporting includes primary carer's leave only.  
 \*\* Average NPS for Smartsalary, Smartleasing, AccessPay and Advantage.



We're pleased to have been able to take you through some of the key elements of our recent ESG journey, and the steps we're planning for the future. Having already made progress in several key areas, we look forward to building on our existing momentum.

Our strategy for the environment revolves around providing support to projects that make a positive difference, while operating our business in a sustainable way that minimises environmental harm.

For the communities around us, we aim to be a good corporate citizen, providing real support to a variety of causes.

Along the way, we promote a strong team culture within our business, one that is always striving for high performance and excellent service. Our values help shape who we are each and every day, and that is why we always place such importance around them.

We're confident we'll be able to contribute more in the ESG space, building on our existing foundation, as we continue to learn and grow into the future.

## Key wins for 2021



- Formation of the Board Environmental, Social and Governance Committee



- Equal representation of men and women at the executive and senior management levels



- Lodgement of our first Modern Slavery Statement



- A record 22 grants made by the Smartgroup Foundation to worthwhile community projects



- Recognition for the second year as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency and for the third year as an Inclusive Employer by Diversity Council Australia



- Contributing to approximately 106,127 tonnes of carbon being sequestered from the environment through trees planted by our Carbon Offset Program partners



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