



Environment Policy

Version 1.0
Updated: March 2024

**smart
group**
corporation

1 Overview

Smartgroup Corporation Ltd and its related corporate bodies (**Smartgroup**) recognise the importance of environmental stewardship and promoting sustainability within our operations.

In 2022, Smartgroup launched its *Smarter, More Sustainable Tomorrow* Sustainability Strategy setting out how we look to achieve sustainable outcomes across our business, for our clients and their employees (our customers), and the communities in which we operate and the environment.

Sustainable thinking is a part of everything we do at Smartgroup and essential to our ongoing success. We aim to continually find ways to optimise our operations, to minimise our impact on the environment and find innovative and timely improvement solutions to improve our sustainability outcomes and performance.

Environmental sustainability is an important component of Smartgroup's sustainability strategy.

The purpose of this policy is to provide an overview of Smartgroup's environmental management approach and activities that support the delivery of our environmental commitments.

2 Scope

Smartgroup conducts its operations solely within Australia, but engages service providers both in Australia and outside. This policy applies to all Smartgroup's operations.

3 Environmental management approach

Smartgroup is committed to managing the environmental impacts throughout our operations.

Strategy

Smartgroup's *Smarter, More Sustainable Tomorrow* Sustainability Strategy is focused on achieving sustainable outcomes across our business and includes a range of initiatives and targets.

Our key targets and commitments related to our operational environmental impacts are included under our *Smart Business* pillar. Our targets and commitments are:

- All the sites we control will source 100% renewable energy by 2026
- Our direct operations will be net zero by 2030
- We will issue annual reporting of our Scope 3 emissions by 2026
- We will achieve a demonstrable reduction in Scope 3 emissions intensity by 2026

Activities

To meet our targets and further mitigate our environmental impact, Smartgroup is committed to increasing the use of renewable energy in our offices, making it a key criteria when renovating or assessing new leasing contracts. We also work with our landlords to manage and reduce the waste from our operations and participate in technology recycling initiatives to reduce e-waste.

Internal and external reporting

The ESG Committee, with the support of the CLSO, provides updates to the Board on environmental performance at least three times a year.

Progress on environmental performance is reported annually in Smartgroup's Sustainability Report. The Annual Report also refers to our sustainability strategy and performance as part of the company's risk and opportunities assessment. Both reports are published simultaneously.

4 Roles and responsibilities

Our ESG framework and initiatives are overseen by the Board ESG Committee. This Committee has been charged with the responsibility to ensure that Smartgroup operates its business ethically, responsibly and sustainably and communicates clearly and transparently to stakeholders about its policies and progress as a leader in corporate responsibility and sustainability.

Specifically, the ESG Committee has responsibility for:

- Reviewing our environmental and social priorities and commitments, including management systems and strategy plans;
- Ensuring that these priorities are integrated within our operating framework and long-term values; and;
- Assessing progress against those priorities and commitments.

The other three Board Committees (Audit and Risk, IT and Innovation and Human Resources and Remuneration) also play a role in decision making relating to managing our environmental and social impacts. For example, the Audit and Risk Committee supports a consideration of environmental and social risks in its assessment of the risk profile and appetite of the group.

Operationally, the ESG Committee has delegated responsibility for managing sustainability, including environmental management, to the Chief Legal and Sustainability Officer (CLSO) and the Chief People Officer (CPO), working closely with the Chief Executive Officer (CEO). However, all our Executives share responsibility for sustainability performance and have KPIs connected to initiatives in the Sustainability Strategy.

Responsibilities are also delegated to functions within the business, including finance, people and culture, operations and marketing. The CLSO works closely with these teams to embed sustainable business practices. The CPO and CLSO regularly report progress back to the ESG Committee during their scheduled meetings.

The ESG Committee meets at least three times a year and is comprised of four non-executive directors.

5 Related documents

ESG Committee Charter

Annual Report (includes a high level update on our sustainability strategy performance)

Sustainability Report (includes an annual update on our environmental performance)



6 Reporting and notification

The ESG Committee, with the support of the CLSO, will provide updates to the Board on environmental performance, risks, opportunities, and other environmental matters, including stakeholder engagement activities and updates on strategies, frameworks, and policies at least three times a year.

7 Governance, oversight and review

Smartgroup's Environment Policy has been approved by the Board. Oversight is provided by the ESG Committee to ensure the effective implementation of the policy.

The CLSO will facilitate a periodic review, at least every two years or earlier in response to changes in relevant law or regulation, material changes in the business structure or operating environment.

8 Document Control

Version	Date	Author	Reason
1.0	20/3/2024	Sophie MacIntosh	Initial draft