



An Empowered Future

Sustainability Strategy 2028



Acknowledgement of Country

Smartgroup acknowledges the Custodians of Country throughout Australia. We pay our respects to them and to Elders past and present and thank them for their ongoing custodianship of this land and community.

kengatha-nak-thangi Grow Mother Country

By Jade Kennedy of the Tatti-Tatti/ WadiWadi/ Muddi-Muddi -
West Kulin Nation and Wajak/ Kaardjin - Noongar Nation.

About Smartgroup

Smartgroup is Australia's leading salary packaging and novated leasing provider.

We are on a journey to becoming a scalable digital business that unlocks more for Australia's workers – teachers, nurses, health professionals, charity workers and public servants.

We are here for more, unlocking more ways to make life better for our customers. We do this across our stable of brands – Smart™, Smartfleet, Autopia and AccessPay.

2.5 million

potential customers
across existing clients

3,300

employer clients

900

Smart™ people who make up
our workforce

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CEO message

At Smartgroup, we believe sustainability is not just a responsibility – it's an opportunity to show leadership, drive positive impact and take accountability for our actions.

Our 2028 sustainability strategy, *An Empowered Future*, is about continuing to embed sustainability into the very foundations of how we operate – because strong foundations are the platform from which we can deliver real impact.

This is not the start of our sustainability journey and I am proud of what we have already achieved under our first sustainability strategy, *A Smarter, More Sustainable Tomorrow*. Highlights have included reducing our Scope 1 and 2 direct emissions by more than 50 per cent since 2022, implementing our Reflect and Innovate Reconciliation Action Plans (RAPs) and developing innovative new partnerships to support our customers.

This strategy represents an evolution of our journey and intentionally seeks to more closely align to our corporate strategy and our strategic planning cycle, so we can sustain momentum and continue to drive positive change over the next three years.

An Empowered Future is a commitment to deeper customer connection, tangible benefits for all stakeholders, and long-term, responsible growth. I am looking forward to seeing each individual working at Smartgroup playing a role in co-creating the future we want to see.

In a world of changing regulation and evolving expectations around sustainability, we have sharpened our focus on the areas where we can deliver the greatest impact at scale.

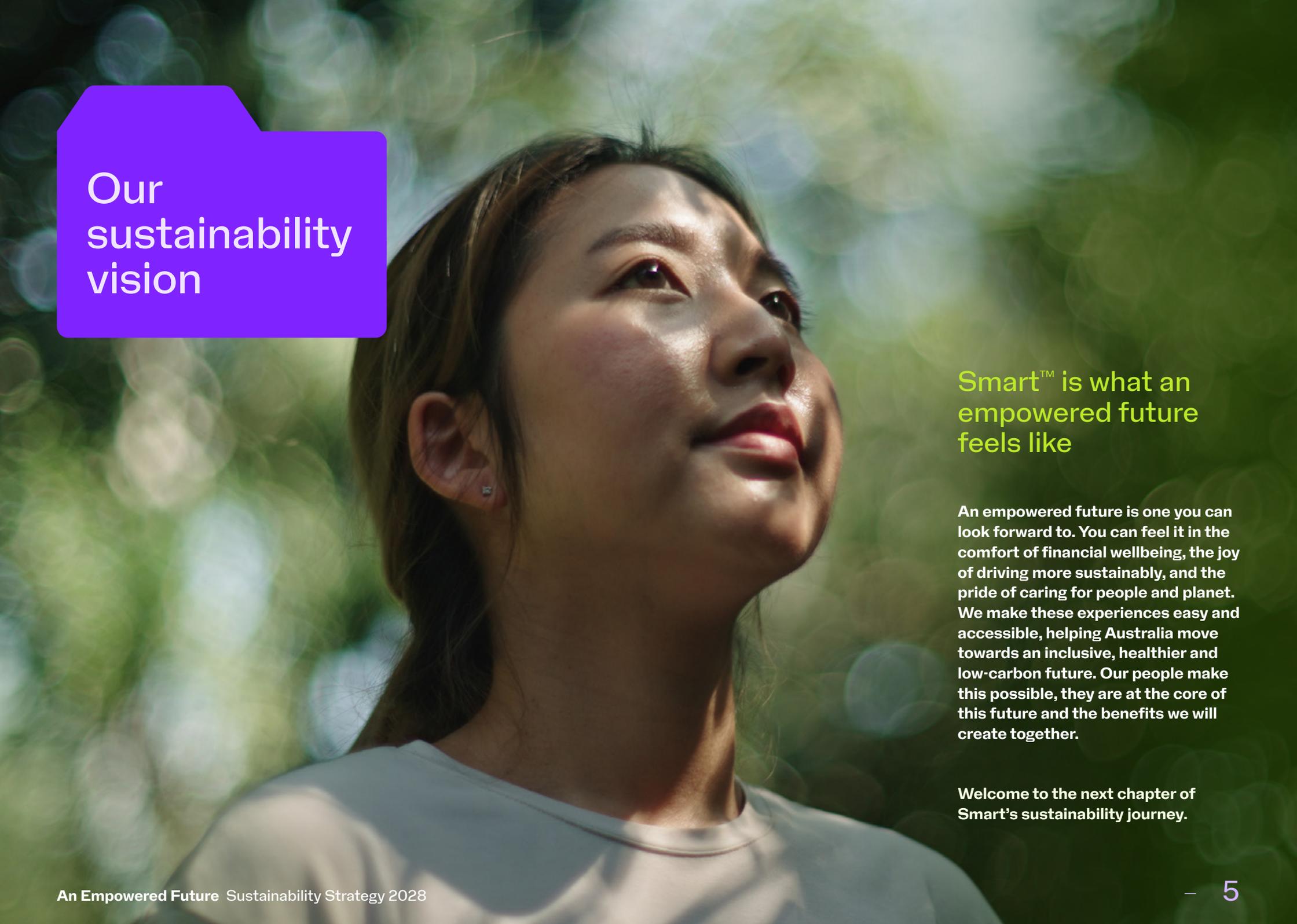
Our key opportunity to drive improved sustainability outcomes lies in empowering others – our clients, customers, and partners – to make lower-emission choices by offering them timely, accessible and impactful solutions through an ecosystem of partners.

This strategy also recognises the unique role we can play in empowering our customers to improve their financial wellbeing – through education, tools and financial solutions that help them get more from their pay – more savings, more value and more money in their pocket.

This strategy is part of our framework for making great decisions and seeking better outcomes for every person and community Smartgroup engages with.

Together, we can turn ambition into action and help shape an inclusive, healthier future for our customers and the wider Australian community.

Scott Wharton
Managing Director & CEO

A woman with dark hair, wearing a light blue t-shirt, is looking upwards and to the right. The background is a soft, out-of-focus green bokeh, suggesting an outdoor setting with sunlight filtering through trees. A purple speech bubble-like shape is on the left side of the page.

Our sustainability vision

Smart™ is what an empowered future feels like

An empowered future is one you can look forward to. You can feel it in the comfort of financial wellbeing, the joy of driving more sustainably, and the pride of caring for people and planet. We make these experiences easy and accessible, helping Australia move towards an inclusive, healthier and low-carbon future. Our people make this possible, they are at the core of this future and the benefits we will create together.

Welcome to the next chapter of Smart's sustainability journey.

Our sustainability journey

2021

- ✓ Established the ESG Committee, a new sustainability-focused Board sub-committee
- ✓ Reflect Reconciliation Action Plan (RAP) launched

2022

- ✓ First ESG materiality assessment conducted
- ✓ *A Smarter, More Sustainable Tomorrow* sustainability strategy launched
- ✓ First standalone Sustainability Report in line with GRI standards

2024

- ✓ First climate-related financial disclosure published
- ✓ Innovate Reconciliation Action Plan (RAP) launched
- ✓ Qualitative scenario analysis of climate risks and opportunities completed
- ✓ Human rights and modern slavery roadmap developed
- ✓ Partnered with Intellihub to provide energy saving solutions to customers

2025

- ✓ Partnered with Finspo to help customers with a home loan to save money
- ✓ Relocated our Sydney head office to a 5.5 star NABERS energy rated building
- ✓ Updated ESG double materiality assessment conducted
- ✓ *An Empowered Future* sustainability strategy launched

2023

- ✓ Social Impact Framework developed
- ✓ Human rights policy developed
- ✓ First Accessibility Action Plan released
- ✓ Switched to renewable energy at our three largest corporate offices
- ✓ Identified climate risks and opportunities
- ✓ Included in the Dow Jones Sustainability Indices for the first time

Defining what matters most

Our updated sustainability strategy has been informed by an ESG Double Materiality Assessment.

During 2025, we consulted extensively with internal and external stakeholders to determine the environmental, social and governance issues that are most important to Smartgroup and our stakeholders. We interviewed 16 key stakeholders from our Board, executive leadership team and key partners, and received almost 200 responses to internal and external surveys.

We explored the impact Smartgroup could have on people, planet and the economy (**impact materiality**) and the impact these issues could have on Smartgroup's operations (**financial materiality**).

As a result of this process, we narrowed our focus to 8 ESG topics most material to Smartgroup and our stakeholders, down from 14 topics in 2022. Importantly, this reduced list of

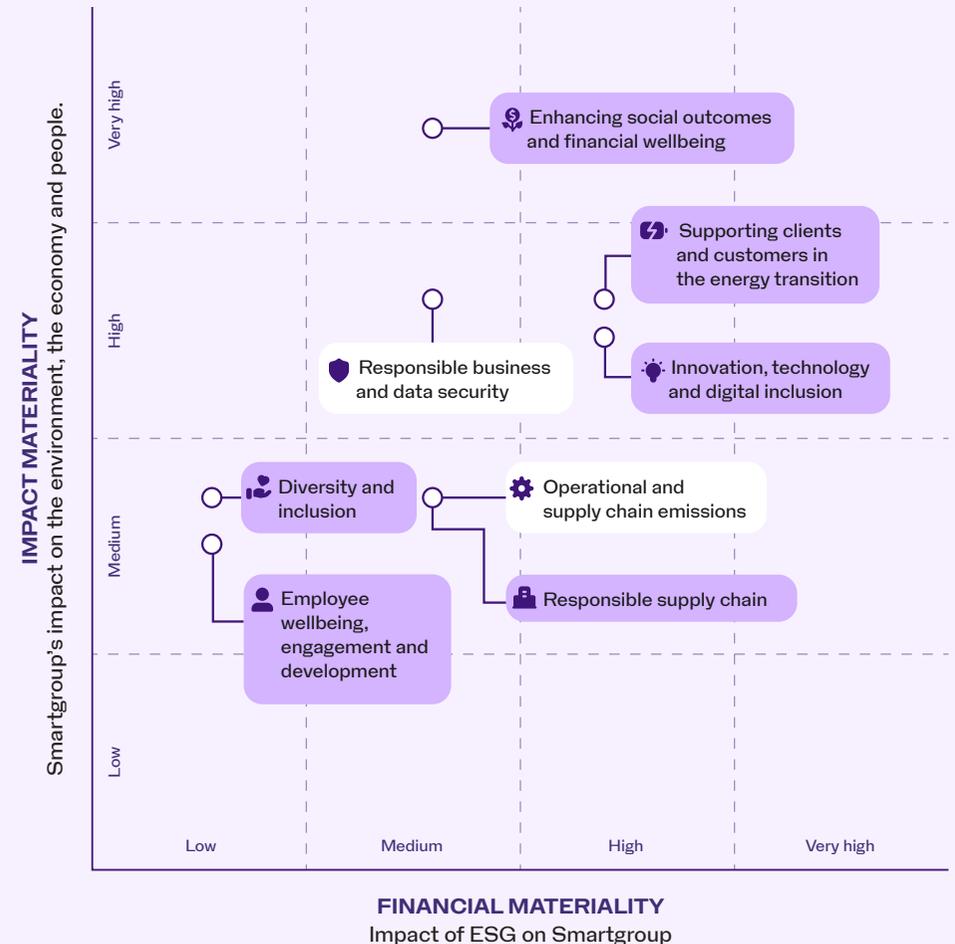
topics reflects a sharper focus for our business, recognising that we have more ability to influence and impact some areas and not others.

On each of these 8 topics, we analysed the potential risks and opportunities. The outcome of this process is our **ESG Materiality Matrix**, with the **highlighted** topics presenting the most significant opportunities for Smartgroup.

All of these topics have been addressed in developing our 2028 sustainability strategy. However, two areas were identified as key focus areas where Smartgroup can have the greatest impact, and these are reflected in the sustainability strategy:

- Enhancing social outcomes and financial wellbeing; and
- Supporting clients and customers in the energy transition.

ESG Materiality Matrix



Highlighted topics present significant opportunities for Smartgroup

Our sustainability strategy

The results of our ESG Double Materiality Assessment, including stakeholder feedback, have informed our 3-year sustainability strategy for 2026 to 2028. Our strategy-on-a-page reflects our key pillars, our aspiration for the future and our key ambitions.

For further detail on each pillar refer to [pages 9-13](#).

An empowered future Sustainability strategy 2028

Smarter Ecosystems

Empowering a lower emissions transport future for our customers and clients.

We will be the provider of choice in lower emission passenger vehicles for novated leasing and fleet management, within our key client segments.

At least 50% of annual novated lease orders for new vehicles to be EVs or hybrids by 2028.

Fleet clients representing 25% of total fleet managed vehicles have been supported to adopt a lower emissions vehicle transition strategy by 2028.

Demonstrate a year-on-year reduction in the emissions intensity across our car park (ie. novated lease vehicles and fleet vehicles under management) by 2028.

Smarter Together

Creating value for customers and communities through strengthening financial wellbeing.

We will deliver positive social outcomes through strengthening the financial wellbeing of our customers and clients and the communities in which we operate.

Grow access to Smart™ benefits and savings by driving a year-on-year increase in participation in salary packaging benefits among eligible employees in our client base.

Support community and social impact initiatives via financial and in-kind contributions equivalent to 2% of NPATA by 2028, aligning to our key client segments.

Provide at least \$250,000 community investment annually via Smartgroup Foundation to initiatives aligned to the Social Impact Framework.

Smarter Foundations

Building trust and accountability by embedding sustainability into our business.

We will take responsibility for the impacts of our business and embed robust sustainability governance. Solid foundations in sustainability will be the platform from which we can make the most of our opportunities and deliver positive change in our Smarter Ecosystems and Smarter Together focus areas.

Enhance our understanding and measurement of Scope 3 supply chain emissions by the end of 2026 and identify opportunities to reduce emissions over 2026-2028.

Implement a new Diversity and Inclusion Strategy in 2026 with measurable targets to drive more inclusive outcomes across the organisation.

Enhance sustainability reporting to comply with the Australian Sustainability Reporting Standards for 2027 reporting.

How we enable this future

Innovation, technology, and digital inclusion | Education & advocacy | Customer & client engagement | Culture and values





Smarter Ecosystems

Empowering a lower emissions transport future for our customers and clients

Our commitment	<ul style="list-style-type: none"> We will be the provider of choice in lower emission passenger vehicles for novated leasing and fleet management, within our key client segments.
Our ambition	<ul style="list-style-type: none"> At least 50% of annual novated lease orders for new vehicles to be EVs or hybrids by 2028. Support fleet clients representing 25% of total fleet managed vehicles to adopt a lower emissions vehicle transition strategy by 2028. Demonstrate a year-on-year reduction in the emissions intensity across our car park (ie. novated lease vehicles and fleet vehicles under management) by 2028, by uplifting reporting and ensuring all customers are informed about the emissions of their vehicle choice.
Additional measures of success	<ul style="list-style-type: none"> Build our ecosystem of partners to support EV and hybrid transition, increasing customer participation in partner solutions by 15% by 2028. Implement a program to provide educational resources to novated lease customers to promote greater understanding and more informed purchase decisions regarding the emissions intensity of their ICE, hybrid or electric vehicle. Continue to partner with recycling and recovery providers (e.g. tyres, batteries) to reduce the environmental footprint of vehicles within our novated leasing and client fleets by 2028 and meet regulatory and consumer expectations. Direct at least \$1m p.a. into environmental restoration programs via our customer Carbon Offset Program.
Key initiatives	<ul style="list-style-type: none"> Develop digital tools to educate customers by providing clear upfront comparisons of vehicle efficiency, emissions rating and savings, and measure the impact on customer decision-making. Develop innovative partnerships that reward/ incentivise customers for making more sustainable vehicle, charging and energy choices. Develop a product/ offering and enhanced reporting that supports fleet clients to implement a lower emissions vehicle transition strategy. Promote the Carbon Offset Program to customers and periodically review the program to ensure projects are geographically diverse and delivering tangible social and environmental impact.



Smarter Together

Creating value for customers and communities through strengthening financial wellbeing

Our commitment	<ul style="list-style-type: none"> We will deliver positive social outcomes through strengthening the financial wellbeing of our customers and clients and the communities in which we operate.
Our ambition	<ul style="list-style-type: none"> Grow access to Smart™ benefits and savings by driving a year-on-year increase in participation in salary packaging benefits among eligible employees in our client base. Support community and social impact initiatives via financial and in-kind contributions equivalent to 2% of NPATA by 2028, aligning to our key client segments. Provide at least \$250,000 community investment annually via the Smartgroup Foundation, comprising at least 20 grants annually to initiatives aligned to the Social Impact Framework.
Additional measures of success	<ul style="list-style-type: none"> By 2028 >80% of Smart™ customers report improved financial outcomes driven by Smart’s education-focused initiatives, partnerships, or innovative new offerings. Increase participation of First Nations service providers within our supply chain for novated leasing. By 2028, increase the number of Smart™ team members accessing Smart™ benefits by 50% from a baseline of year end 2025.
Key initiatives	<ul style="list-style-type: none"> Deliver innovative new digital products, services, partnerships and education to enhance financial wellbeing and drive positive social impact, including solutions for groups who face challenges in accessing existing benefits (e.g. employees on parental leave, single income households, First Nations customers). Develop new products or services to improve access to mobility and transport options for customers with disabilities. Develop a Knowledge Management AI tool to answer customers’ questions about products and services, enhancing customer understanding of salary packaging benefits and building financial knowledge. Expand Smartrewards discount platform to be available at no cost to all eligible employees across all Smart™ employer clients. Expand the Social Impact Framework to clearly define the measurement of social impact outcomes, aligned to the 2028 Sustainability Strategy. Onboard a First Nations owned financier and other indigenous-owned businesses within our supply chain.

Spotlight: Delivering positive impact

We have a longstanding commitment to the community and the environment via the Smartgroup Foundation and our customer Carbon Offset Program. Continuing to drive positive impact through both of these initiatives is a key element of *An Empowered Future*.



Smartgroup Foundation

The Smartgroup Foundation was established in 2019 to provide financial contributions to Australian based initiatives that drive meaningful social and environmental impact.

In 2023, we developed our Social Impact Framework to ensure grants align to three key focus areas: Natural climate solutions, inclusive and equitable communities and financial wellness.

\$1.5 million has been awarded to community organisations over the past seven years, benefiting over 120 community projects.

Our 2028 commitment: We will provide at least \$250,000 p.a. in community investment via the Smartgroup Foundation, with at least 20 grants to be awarded annually to initiatives aligned to the Social Impact Framework.



Carbon Offset Program

Our Carbon Offset Program was launched in 2008 to allow customers to contribute to offsetting their novated lease vehicle emissions.

In the 17 years of the program, Smartgroup customers have contributed more than \$14.5 million towards projects to restore degraded sites and enhance biodiversity outcomes at sites across Queensland, New South Wales, Victoria and South Australia, and more than \$3 million towards biodiversity outcomes in Western Australia.

The investment will result in more than 1 million tonnes of carbon being offset over the lifetime of the biodiverse forests planted by our not-for-profit environmental partners.

Smartgroup team members have also contributed to planting thousands of trees at volunteering days across the states where our team members work.

Our 2028 commitment: We will direct at least \$1 million p.a. into environmental restoration programs via our customer Carbon Offset Program.



Smarter Foundations

Building trust and accountability by embedding sustainability into our business

Our commitment	<ul style="list-style-type: none"> We will take responsibility for the impacts of our business and embed robust sustainability governance. Solid foundations in sustainability will be the platform from which we can make the most of our opportunities and deliver positive change in our Smarter Ecosystems and Smarter Together focus areas. 		
Key priorities	<ul style="list-style-type: none"> Enhance our understanding and measurement of Scope 3 supply chain emissions by the end of 2026 to identify opportunities to reduce emissions over the period of 2026 to 2028. Adopt a new Diversity and Inclusion Strategy in 2026 for implementation across 2026-2028 with measurable targets to drive more inclusive outcomes across the organisation. Enhance sustainability reporting to comply with the Australian Sustainability Reporting Standards for 2027 reporting. 		
Measures of success	Operational emissions: <ul style="list-style-type: none"> Undertake advocacy with landlords to enable us to source 100% renewable energy at all our sites by 2030. 	Diversity and inclusion: <ul style="list-style-type: none"> Maintain or improve our inclusive organisation score as measured via the Inclusive Employer Survey. Maintain 40% male and 40% female gender balance at Board level and all levels of the organisation below Board (40/40/20). 2% of Smart's workforce identify as Aboriginal and/or Torres Strait Islander and/or First Nations by the end of 2026. Diverse organisations to make up 20% of supplier base (by number) by 2028. (This includes BCorps, indigenous or female-owned businesses, small and medium enterprises (SMEs) and not-for profit (NFP) enterprises). 	Employee wellbeing and development: <ul style="list-style-type: none"> By 2028, increase the percentage of Smart™ team members who agree that they have strong opportunities to learn and grow at Smart™. Implement action plans to achieve a 10% improvement in Smart™ team member survey scores related to psychosocial safety by 2028. By 2028, >33% of all new role appointments within Smart™ to be filled by internal team members.



Smarter Foundations

Building trust and accountability by embedding sustainability into our business

Key initiatives

Operational emissions:

- Implement reporting tools and/ or technology solutions to improve data quality on our supply chain emissions, strengthen data governance and mature our emissions reporting approach.
- Engage with our supply chain on emissions data, emissions reduction strategies and progress, including ESG assessments of new suppliers.
- Progress work in 2026 to explore science-based targets for reduction of Scope 1, 2 and 3 emissions.

Diversity, inclusion and employee wellbeing:

- Publish a second Innovate RAP in 2026 to drive improved financial and social outcomes for First Nations team members, customers and communities.
- Implement a new Diversity and Inclusion Strategy with comprehensive targets to drive more inclusive outcomes and build team member knowledge and engagement in key focus areas of gender equality, accessibility, Pride and reconciliation.
- Implement a psychosocial safety framework to identify, assess and reduce related risks for Smart™ team members.
- Develop a Veterans' Employment Framework in 2026 to guide how we attract, support and grow veteran talent.

Governance and reporting:

- Deliver on the commitments and future actions detailed in our 2025 Modern Slavery Statement.
- Implement our sustainability reporting roadmap to uplift climate reporting capability and disclosures to ensure compliance with the mandatory Australian Sustainability Reporting Standards (ASRS) for 2027 reporting.

Sustainability governance

Robust governance and accountability will be a key element in delivering on the commitments within *An Empowered Future*. The Smartgroup Board and Board committees oversee our approach to sustainability and performance. Our executive team have direct responsibility for sustainability. A new Sustainability Working Group will have responsibility for implementing the initiatives in the sustainability strategy and monitoring progress.

Updates

Updates on progress and performance under the sustainability strategy will be reported annually in our voluntary **Impact Report**. Climate-related governance, strategy, risk management and metrics and targets will be reported in our annual climate disclosure within the Annual Report (this will become our mandatory **Sustainability Report** from the 2027 reporting period).

Smartgroup Sustainability Governance Model

The Board

ESG Committee

Responsible for overseeing the Sustainability Strategy and Climate Disclosure Roadmap.

Human Resources and Remuneration Committee

Contribute to managing Smartgroup's economic, environmental and people impacts.

IT and Innovation Committee

Audit and Risk Committee

Executive Leadership Team

Working closely with the Chief Executive, the Group Executive for Legal, Risk and Corporate Affairs and Chief People Officer have direct responsibility for Smartgroup's sustainability performance.

However, the whole Executive Leadership Team (ELT) is responsible for managing risks associated with climate change. All executives have relevant KPIs that are directly aligned to meeting targets in the sustainability strategy.

Sustainability Working Group

Representatives from across the business responsible for implementing key initiatives and tracking progress against sustainability commitments.



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