

Environmental and Climate Change Policy

Scope and Purpose of the Policy:

The purpose of the Environmental policy is to outline the overall intentions and direction of how the company will relate to its effect on the environment. All decisions and actions taken by the organization must be consistent with, and designed to accomplish the commitments made in the Environmental policy.

This policy applies to all activities, employees (and contractors) and operations within Secto.

Secto's Environmental Aim and Objectives:

Secto's overall Environmental aim is to create value in our operations by managing our Environmental impact. These practices are integrated into Secto's day-to-day activities and practices to contribute to achieving sustainable development.

To do this, Secto aims to understand what our impact is on the surrounding environment and what our significant environmental issues and risks are.

To achieve the above, some key Environmental matters have been identified as being material to Secto's sustainability and will be the focal point of this policy and of supporting policies and plans. This was assessed through assessing Secto's key activities as well as ensuring adherence to legal and constructive obligations and compliance with the Principal Adverse Impact (PAI) Indicators, the Do No Significant Harm principles, the United Nations Global Compact Principles and OECD Guidelines for Multinational Enterprises). These material matters include:

- Our GHG Emissions (focusing on the emissions associated with the leasing of vehicles),
- Our Renewable Energy Mix: Gradually transitioning our fleet to Electric Vehicles to increase our mix of renewable energy and to reduce our overall carbon footprint,
- Waste Management, reducing the amount of waste we produce and managing the activities associated with waste management (such as recycling),

We further aim to take the necessary steps to cease or prevent our current impact through mitigation activities.

Achieving the Environmental aims and objectives:

Future ambition: Stakeholder engagement enhances outcomes on environmental topics by incorporating a broader set of perspectives on an issue and is a key part of due diligence and risk assessment processes.

Setting goals based on our key environmental matters as identified above, and reporting on these environmental matters.

Always consider the remediation implications associated with our activities.

Specific activities that will be undertaken includes:

- In order to achieve the long-term temperature goal set out in Article 2 [of the Paris Agreement], we will track and report on our emissions to help expedite emission reduction efforts in line with global targets, and can further help Secto manage risks and opportunities. In this instance our focus will be on our Scope 3 emissions, with a special focus on emissions associated with our vehicle leasing activities.
- We will focus our efforts on increasing our mix of electric vehicles within our leasing portfolio. This will also be beneficial on contributing to a greater mix of renewable energy throughout our operations and to encourage the development and diffusion of environmentally friendly technologies. We will further look to do so through exploring potential new and efficient technologies to achieve sustainable development.
- We will consider the potential impacts of climate change on our operations, and determine whether we need to consider putting adaptation measures in place.
- **Future ambition:** We will implement or provide support to projects related to ecosystem restoration, reforestation and/or protection of forests and other ecosystems where possible and feasible.
- We will monitor the amount of waste that we produce as part of our operations and work on implementing activities that will: reduce the amount of waste that we produce, leads to the reuse of some waste types or leads to the recycling of waste. Further to this, we will measure the amount of hazardous waste that we produce and put measures in place to reduce our hazardous waste (as needed).

All staff need to adhere to the specific strategies and goals that have been set out for them by their divisional leaders.

Environmental Reporting:

Tracking the effectiveness of our actions is necessary for Secto to learn if our policies and processes are being implemented optimally. It is also necessary for knowing if we have responded effectively to our impacts and to drive continuous improvement.

For a full list of all KPI's that Secto is reporting against, refer to Secto's Reporting Plan.

Environmental Risk Management

Future ambition: Secto will, on a periodic basis, identify and monitor the key Environmental Risks and document them.

We will also develop responses to these risks to make sure they are sufficiently mitigated and integrated into the business activities. Lastly, we will monitor our response to these risks to ensure that they are sufficiently managed.

Reference to other relevant policies and plans:

ESG Policy
Social and Labour Policy
Human Rights Policy
ESG Governance Model
ESG Reporting plan