

Sustainable Momentum

Building on Progress



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About this Report

This sustainability report highlights Element’s contributions for our key stakeholders: our people, clients, investors, and the communities where we work and live.

About Element

Element Fleet Management Corporation is the largest publicly traded, pure-play automotive fleet manager in the world. For more information, visit www.elementfleet.com/investors.

Report Content

Element has published this report to provide an overview of its operations related to sustainability topics.

Reporting Period

Unless otherwise specified, all data and information in this Sustainability Report pertains to efforts in fiscal year 2023, which began on January 1, 2023, and ended on December 31, 2023.

Report Cycle

Issued annually since 2021.

Report Boundaries

Element North American operations (U.S., Canada, and Mexico) as well as Australia and New Zealand, which operate as Custom Fleet.

Currency References

Canadian dollars except where otherwise noted.

Reporting Frameworks

This report was created with reference to the Sustainability Accounting Standards Board (SASB) standard for the Car Rental and Leasing Standard industry in the transportation sector. In addition to this report, Element aligns to TCFD, responds to CDP Climate, EcoVadis, ISS, MSCI, Sustainalytics, and issues a Communication on Progress to the United Nations Global Compact.

Subsidiaries

Custom Fleet is a wholly owned subsidiary of Element Fleet Management providing fleet management to clients in Australia and New Zealand.

Independent Assurance

Element obtained limited assurance provided by EY over our Scope 1, Scope 2, and Scope 3 emissions for 2019 and 2023. Refer to the [Independent Practitioner’s Assurance Report](#).

Review

Element’s sustainability disclosures and data underwent internal quality checks and are factual to the best of our knowledge at the time of reporting. The report underwent a formal review and approval process by senior management from each functional area, the Executive Sustainability Steering Committee, and executive management.

Forward-Looking Statements

This Sustainability Report contains certain forward-looking statements and forward-looking information regarding Element Fleet Management Corp. (“Element” or the “Company”) and its business, which are based upon Element’s current expectations, estimates, projections, assumptions and beliefs. In some cases, words such as “plan”, “expect”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “could”, “predict”, “project”, “model”, “forecast”, “will”, “potential”, “target”, “by”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements and forward-looking information.

These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information.

Forward-looking statements and information in this Report may include, but are not limited to, statements with respect to, among other things, the Company’s sustainability targets and objectives, including science-based targets, Element’s and our clients’ greenhouse gas emissions,

fleet electrification, and transition of client vehicles, charging access, decarbonization strategies, future climate reporting, potential climate-related opportunities, diverse supplier spending, team member engagement, making a difference in the community, data governance, ethics and compliance, and other sustainability related impacts, objectives and expectations.

By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our sustainability priorities, targets (including fleet electrification and GHG reduction targets), commitments and goals will not be achieved. As we work to advance our sustainability strategy, external factors outside of Element’s reasonable control may impact our performance and ability to achieve our goals, including government policies, legislation and regulatory actions, global supply-chain disruptions, geopolitical risk, the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, the failure of third parties to comply with their obligations to us and our affiliates or associates, our ability to implement various sustainability-related initiatives internally and with our clients under expected timeframes, the availability of comprehensive and high-quality GHG emissions data and standardization of sustainability-related measurement methodologies, the need for active and continuing participation, cooperation and collaboration from various stakeholders, deployment of new technologies and industry-specific solutions, the evolution of client behaviour, varying decarbonization efforts across economies, manufacturer timing and availability, client decisions and preferences, the need for thoughtful climate policies globally, the challenges of balancing interim emissions goals with an orderly transition, and the continuing development and evolution of regulations, guidelines, principles, and frameworks internationally and Element’s compliance thereto, which could lead to us to being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines. These and other factors may cause actual results to differ materially from the expectations expressed in the forward-looking statements and may require Element to adapt its

initiatives and activities or adjust its commitments, metrics, targets and goals. The forward-looking statements in this Report speak only as of the date of this Report and are presented for the purpose of assisting our stakeholders and others in understanding our objectives and strategic priorities and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement except as required by law.

In addition, a discussion of some of the material risks affecting Element and its business appears under the heading “Risk Management” in Element’s Management Discussion and Analysis for the twelve-month period ended December 31, 2023, and under the heading “Risk Factors” in Element’s Annual Information Form for the year ended December 31, 2023, as well as Element’s other filings with the Canadian securities regulatory authorities, which have been filed on SEDAR+ and can be accessed on Element’s profile on www.sedarplus.com.

Additional Information

For additional information, visit our website at www.elementfleet.com



A Letter from Our CEO

Today, for tomorrow

As we live our Purpose to *Move the world through intelligent mobility*, it is more important than ever to prioritize a vision for the future that extends well beyond the immediate horizon. At Element, our commitment to sustainability is not just about achieving quick wins; it's about fostering an enduring legacy of positive change.

Sustainability is about taking a long-term view. Moving beyond fast results or short-term achievements, we are guided by an understanding that the decisions we make today have second-order impacts. In short, sustainability is essential for our long-term success, mitigating risks and creating new opportunities for growth and innovation. This understanding ensures that our governance, the treatment of our people, and our impact on the planet aim for a positive long-term outcome. When we act, we are doing so with a view to a future that extends beyond our existence for our people, clients, communities, and environment.

Defining our aspirations

Over the past year, we made several advancements to define the aspirations – and put clear measurements in place – that focus on the long-lasting impacts to all our stakeholders.

We proudly received a B Score from CDP, a global non-profit that runs the world's leading environmental disclosure platform. Not only does this climate score represent a significant improvement, but it also means we now rank higher than the North American regional average.

Core to our improved CDP climate score this year was the disclosure of our greenhouse gas (GHG) emissions. For Element, scope 3 is 99% of our emissions in service of our clients' fleets. Along with this disclosure, we joined more than 8,000 companies globally who are taking action to reduce emissions by formally committing to the Science-based targets initiative (SBTi) – the gold standard for corporate climate target validations.

With a focus on creating a more equitable and inclusive world, we deepened our efforts to increase our impact by disclosing our full inventory of GHG emissions, committing to the SBTi, and aligning our disclosures to the Task Force on Climate-related Financial Disclosures (TCFD) framework.

To take our company to new heights, we embarked on the foundational work to articulate our Purpose. A key step in the future we are designing together, our Purpose to *Move the world through intelligent mobility* provides clear line of sight to what we deliver and how our efforts truly make a difference – for our clients, communities, and each other.

Creating a better world for future generations

At Element, we will continue to set targets and continuously deliver sustained and positive differences where we live and work. Our actions and commitments are about holding ourselves accountable to the high standards of progress for the long-term sustainability of our business, planet, people, and communities. This commitment starts from within, with a clear plan for meaningful change. We remain dedicated to building on this momentum, guided by what is in the best interest of future generations.

Sincerely,



LAURA DOTTORI-ATTANASIO
President and Chief Executive Officer



Q&A with Board Chair Katie Taylor

Q: What are your views on sustainability overall, and what does sustainability mean to you?

A: Sustainability is more than just an ideal — it's a key component of building a successful and resilient company for the long-term. It's a core strategic mindset integrated into every aspect of our business and decision-making and championed by our leadership team.

At its core, sustainability is a promise to build an organization that is successful across multiple levels and resilient over time. This includes the ethical use of the planet's resources, funding our future, and engaging talent. It also helps to ensure strong corporate governance and the appropriate oversight of management decisions. Sustainability done well is complex work and requires multi-stakeholder engagement and a responsible and adaptive approach to evolving conditions.

Q: How do you view the Board's role in overseeing Element's sustainability strategy?

A: Our Board is accountable for overseeing management's strategy, risk appetite, and enterprise approach to people, performance, and culture, among other things. Sustainability is inherently embedded in every aspect of our overall strategy, risk management, and human capital policies. The role of the Board evolves as the complexity around sustainability grows, and it's our job to ensure that Element's business strategy, risk appetite and talent goals are aligned with our sustainability objectives.

Q: From your perspective, how can Element help drive change?

A: For Element, there are numerous opportunities to influence the industry and serve our clients in alignment with our Purpose to *Move the world through intelligent mobility*. These opportunities include continuing to evolve our business practices, offering compelling services and products, and collaborating with our network of clients and partners to drive awareness and knowledge of environmental impact. The key for us is to

continue to be a champion for sustainable solutions that help our clients achieve their global emission reduction goals and other sustainability objectives.

Q: How important is it to engage stakeholders in shaping our sustainability agenda?

A: By definition, stakeholders are the individuals and groups that our business affects on a daily basis. For this reason, they are central to everything we think about as we set sustainability priorities. This requires us to effectively engage with stakeholders in a consistent and meaningful way to ensure sustainability is fully embedded in the company's culture and operations.

Given Element's position as the largest pure-play fleet manager in the world, we have a significant opportunity to use our knowledge and influence to advance a broad sustainability agenda. When considering the sheer number of clients Element serves and suppliers with whom we engage — and factoring in all their drivers and team members — this represents an incredible opportunity to make a significant impact. Be it decarbonization, driver safety, diversity, or any other number of factors, Element has the responsibility to share with its stakeholders how we can work together with a common goal of protecting our planet for future generations.

Q: What sustainability goals do you anticipate prioritizing in the coming years?

A: The prioritization of sustainability goals flows directly from our business objectives. Sustainability extends beyond the environment to our people, clients, and communities we serve. Fostering an inclusive environment where our people can learn, grow, and share diverse perspectives is the strong foundation we build upon. Together, we focus on understanding the opportunities for decarbonization in our industry and consider and

communicate how we can develop initiatives that best support our clients.

Prioritizing goals is not just about setting targets. It's also about ensuring these targets are realistic and adaptable to what we learn along the way. For example, transitioning to an electrified fleet involves more than just operational adjustments; it requires a comprehensive approach to mitigate broader environmental impacts, including assessing the carbon footprint of new electric equipment and charging infrastructure. This is a big undertaking and a gradual journey that we are embarking on with our clients, requiring participation at all levels and driven by leadership dedicated to achieving sustainability priorities over time.

Q: What aspects do you find most effective in fostering a culture of leadership and accountability around sustainability within the Board and across the company?

A: Fostering a culture of sustainability begins with an informed strategy, measurable targets, and clear plans for executing with excellence. But we also need to create room for experimentation, pushing the envelope, and being aspirational about what we think we can get done. This requires leaders to cultivate a safe, empowered environment where experimentation and continuous learning is encouraged, allowing for rapid iteration and adaptation.

Sustainability is also about ensuring a fair and orderly economic transition. This requires leadership to have a nuanced understanding of the challenges and opportunities in our operating environment. By doing so, we can effectively support our clients on their transition journey. Ultimately, it's about creating a sustainable and responsible ecosystem that benefits all stakeholders.



About Element

At Element, we are experts in simplifying complex challenges for our clients. As the largest publicly traded pure-play automotive fleet management company globally, we are committed to delivering exceptional services to the owners and drivers of more than 1.5 million commercial vehicles.

We offer a comprehensive range of fleet solutions tailored to the unique needs of our diverse client base, including corporations, governments, and non-profits across the United States, Canada, Mexico, Australia, and New Zealand (ANZ). Our end-to-end suite of fleet management services encompasses the entire fleet lifecycle – from acquisition and financing to program management and vehicle remarketing, ensuring that our clients achieve optimal performance and productivity at every stage.

As global leaders in fleet management, we take pride in providing quality client experiences and bespoke solutions, powered by our deep industry expertise that consistently drives results. Our commitment ensures that our clients' vehicles operate safer, smarter, and more efficiently.

Client satisfaction is our top priority. We strive to deliver superior experiences, foster robust partnerships, and maintain the highest standards of service. We measure our service effectiveness and consistency using Net Promoter Scores (NPS¹). In 2023, our global NPS reached 41, reflecting an increase from 40 in 2022. Building on this, we established a dedicated "Path to 50" NPS target and achieved an NPS of 48 in our first quarter of 2024.²

CDP Progress

Element engages annually with CDP (formerly known as the Carbon Disclosure Project). In 2023, we achieved a B score in the climate change section of CDP, marking a significant improvement from our previous D rating. This progress can be attributed to enhanced risk management processes, comprehensive disclosure of GHG emissions, and the promotion of low carbon solutions. Through these initiatives, Element demonstrates our commitment to environmental responsibility and transparency, positioning us above the North American regional average.



At Element, we continue to set targets, share our progress, and continuously improve our sustainability performance globally. Our CDP score this year acknowledges the important actions we are taking on climate issues and the sustained and positive differences we are delivering where we live and work.



DAVID COLMAN, EVP, CHIEF LEGAL AND SUSTAINABILITY OFFICER

2.7K⁺

Team Members around the globe

4.1K⁺

Clients

1.5M

Vehicles under management

50⁺

Countries serviced through our Element-Arval Global Alliance

The Element Advantage

- Superior client experience
- Tailored solutions and services
- Deep expertise and coverage
- Financial strength and resilience

48²

Global Net Promoter Score

Our Purpose

Move the world through intelligent mobility

¹ Net Promoter Scores ("NPS") are established by asking a group of clients "How likely is it that you would recommend Element to a friend or colleague on a scale of 1-10?"

² This increase can be attributed in part to a methodology adjustment made in Q1 2024, where we began to assign equal weight to all client responses, previously revenue-weighted (under previous methodology, NPS was 45 at the end of 2023).

Our Purpose

In May 2023, we began the journey to unlock and articulate Element's Purpose. Together with our people and our clients, we uncovered insights through one-on-one interviews, surveys, workshops, and other key engagements to help surface our distinctive capabilities and aspirations.

In June 2024, we reached an exciting milestone with the launch of Our Purpose:

Move the world through intelligent mobility

Our Purpose focuses on what we do and our unwavering commitment to client-centric service, leadership within the industry, and the positive impact we make today for a better tomorrow.

To *Move the world* is an embodiment of our dedication to seamless, intelligent mobility — reinforcing the impact we can make in reshaping the world through our services and commitment to building a sustainable future.



“
I Move the world for future generations.

TESSA, SUSTAINABILITY



“
I Move the world with intentionality, with action, and with a sense of urgency when it comes to serving our clients, communities, and my colleagues.

ERIC, COMMERCIAL



“
I Move the world to fund our clients and ensure they can grow and thrive.

HEATH, FINANCE

2023 Highlights

At Element, our efforts are rooted in contributing to a more sustainable and inclusive world. We are committed to driving progress that enriches our people, clients, suppliers, and communities and paves the way for a brighter future for all. Central to this commitment is our dedication to accountability and transparency. We have formally committed to setting science-based targets, ensuring that our actions align with rigorous standards and contribute to driving sustainable growth.



Our Planet

- Achieved 100% electrification of our internal fleet in Australia and New Zealand²
- More than doubled active EV pilots globally compared to 2022
- Committed to the Science Based Targets initiative
- Scored a B on CDP Climate Change questionnaire



Our People

- 51% women globally and 24% Racially and/or Ethnically Diverse⁴ people in our workforce
- 84% team member engagement diversity index score
- 73% team member engagement index score
- More than 10,500 vehicle collision accidents prevented and \$61M in repair spend avoided through safety products



Our Communities

- 30% increase in team member volunteer hours over the previous year totalling more than 2,700 hours
- Donated more than \$570k to non-profits



Our Business

- Top 8% of 219 Canadian companies in The Globe and Mail's Board Games
- EcoVadis Silver Medal, top 25% of companies assessed
- Signatory of the United Nations Global Compact
- Aligned to the Task Force on Climate-related Financial Disclosures Framework

¹ Compared to 2019 baseline, reduction calculated utilizing Scope 2 market-based GHG emissions.

² 100% electrification of Australia's internal fleet was achieved in March 2024.

³ Inclusive of Plug-in Hybrid Electric Vehicles (PHEV) & Hybrid Electric Vehicles (HEV)

⁴ U.S. and Canada

Sustainability Balanced Scorecard

Element is dedicated to fostering a more sustainable and inclusive future. To achieve this, we've integrated sustainability principles into our business strategy. Since 2020, we've set measurable targets and assessed our performance across Our Planet, Our People, Our Communities, and Our Business pillars. Our resulting Sustainability Scorecard is part of Element's global Balanced Scorecard, driving performance improvements across the organization.

	Strategic Objectives	Metrics	Status	Results
Our Planet Reduce carbon footprint and invest in decarbonization solutions	Reduce carbon emissions	Electrification of internal fleet	●	<ul style="list-style-type: none"> Ended the year on target, with Australia and New Zealand at 100%,¹ U.S./Canada at 35% and Mexico at 28%
	Enable client fleet electrification	EV originations	●	<ul style="list-style-type: none"> 62% increase in EV originations over the prior year²
Our People and Our Communities Catalyze positive social impact in the communities where we live and work	Attract and develop a diverse workforce	Diversity representation index	●	<ul style="list-style-type: none"> Met our targets on both women globally and Racially and/or Ethnically Diverse promotions and Racially and/or Ethnically Diverse external hires³
	Promote diversity across our supply chain	Supplier diversity	●	<ul style="list-style-type: none"> \$2.43B spent with diverse suppliers
	Give back to our communities	Total team member volunteered time Corporate donations	●	<ul style="list-style-type: none"> 2,737 team member volunteer hours Met our target for donations to non-profits
	Improve team member and client satisfaction	Team member engagement index Global NPS	●	<ul style="list-style-type: none"> 73% team member engagement score 41 NPS
	Improve client and driver safety	Number of accidents per million kilometres driven	●	<ul style="list-style-type: none"> 4.3 preventable accidents per million kilometers driven
Our Business Evolve sustainability reporting, education, and awareness	Improve external sustainability scores	EcoVadis and ISS scores	●	<ul style="list-style-type: none"> EcoVadis silver medal — top 25% ISS ratings indicated high social disclosure, medium environmental disclosure, and medium governance risk
	Board composition	Director independence, diversity, and tenure	●	<ul style="list-style-type: none"> Exceeded target of 50% women on our Board of Directors, achieving 60% women representation

¹ 100% electrification of Australia's internal fleet was achieved in March 2024.

² U.S. and Canada, inclusive of PHEV & HEV

³ Race and/or Ethnicity is inclusive of team members who self-identify as:

• Canada: Aboriginal/Indigenous, Black, Chinese, Filipino, Korean, Latin American (Non-White), Non-White West Asian, North African, or Arab, Person of Mixed Origin, South Asian/East Indian or Southeast Asian
 • U.S.: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian/Other Pacific Islander, Two or more races or Hispanic or Latino

● Achieved ● Outperformed ● Missed

Materiality Assessment

To focus our efforts on the areas of greatest impact and influence, Element engaged a third-party to conduct an assessment of material topics. This assessment identified 10 material topics that are most important to our business. Among the 10, EV Solutions, our GHG footprint, and DEI&B were highlighted as having the highest importance to Element’s long-term performance.



Stakeholder Engagement

Our stakeholders play an essential role in shaping our strategy and programs. We regularly engage key stakeholder groups to ensure they are considered in our decision-making processes. A comprehensive understanding of priority sustainability topics is crucial to Element’s strategic planning and reporting.

Stakeholder	Stakeholder Expectations	How we engage
Our Clients	Delivering reliable service, solutions, and building trust through transparent exchanges to ensure needs are met efficiently and effectively while fostering long-term partnerships	<ul style="list-style-type: none"> Regular discussions/meetings Participation by clients at Advisory boards Business reviews Surveys
Our People	Meaningful work, transparent communication, development opportunities, a sense of belonging, work-life balance, and fair and equal treatment	<ul style="list-style-type: none"> Business Resource Groups Development conversations Performance reviews Engagement Surveys
Our Investors	Understanding expectations for financial performance and strategic growth while building trust through transparent exchanges, ensuring investments are managed prudently while fostering confidence in our long-term vision and value creation	<ul style="list-style-type: none"> Regular meetings Investor events, including conferences and Investor days Annual and quarterly disclosures Investor perception surveys
Our Suppliers	Meeting expectations for fair and timely transactions, fostering collaborative partnerships, and building trust through transparent exchanges, all to ensure mutually beneficial relationships that support efficient and reliable supply chain operations	<ul style="list-style-type: none"> Supplier scorecards Requests for proposals Diverse supplier conferences Supplier satisfaction surveys
Our Communities	Addressing expectations for corporate social responsibility, contributing positively to community initiatives, and fostering sustainable and beneficial relationships that enhance community well-being	<ul style="list-style-type: none"> Volunteerism Community giving Community partnerships Promoting sustainability initiatives

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) provide a blueprint for a sustainable and inclusive world. Element aims to contribute by focusing our efforts on five UN SDGs that we believe are most relevant to our global business. We are actively engaged with the United Nations, participating in programs including the Climate Ambition Accelerator and sponsoring the [“SDG in Action” podcast](#).



¹ 100% electrification of Australia's internal fleet was achieved in March 2024.

Recognition

We were honoured to have our efforts in 2023 recognized by the following organizations:



Globe and Mail Board Games

Top 8% of 219 Canadian companies in 2023



Geotab Innovation Award

Element was awarded the Geotab Innovation Award for Electric Vehicle Innovation



CDP Climate

Scored a B, which is the “Management” level ranking higher than the North American regional average



Australian Workplace Equality Index (AWEI) Bronze Award

for LGBT inclusion



EcoVadis

Silver Medal placing Element in the top 25% of companies assessed



Sustainable Supply Chain Case Study Award



Grupo Expansión MX for work climate & culture study

Element ranked #41 of 763 for participating companies with fewer than 500 team members



Work 180 Endorsement

Recognising our policies and practices create a great place to work for women



Johnson Controls Sustainability Supplier Leadership Award



CSR Certification (Empresa Socialmente Responsable) by CEMEFI



Better Companies from Butterfly

Element Mexico ranked #19 out of 170 companies in Latin America for companies with 300+ team members



IR Magazine Canada:

- Best overall investor relations (mid-cap)—Element Fleet Management Corp (EFN:CA)
- Best investor relations officer (mid-cap)—Michael Barrett, VP of IR & Investments
- Best IR by a small or mid-cap senior management team

Our Sustainability Approach

Element is committed to integrating sustainability principles into the core of our business operations, supported by structured oversight at every level of our organization.

Board Level Oversight

The Compensation and Corporate Governance Committee of the Board of Directors plays a critical role in overseeing all material sustainability matters. This committee, which meets quarterly, is also responsible for reviewing the corporation's governance policies, ensuring the Board functions independently of management, and monitoring potential conflicts of interest.

Sustainability Steering Committee

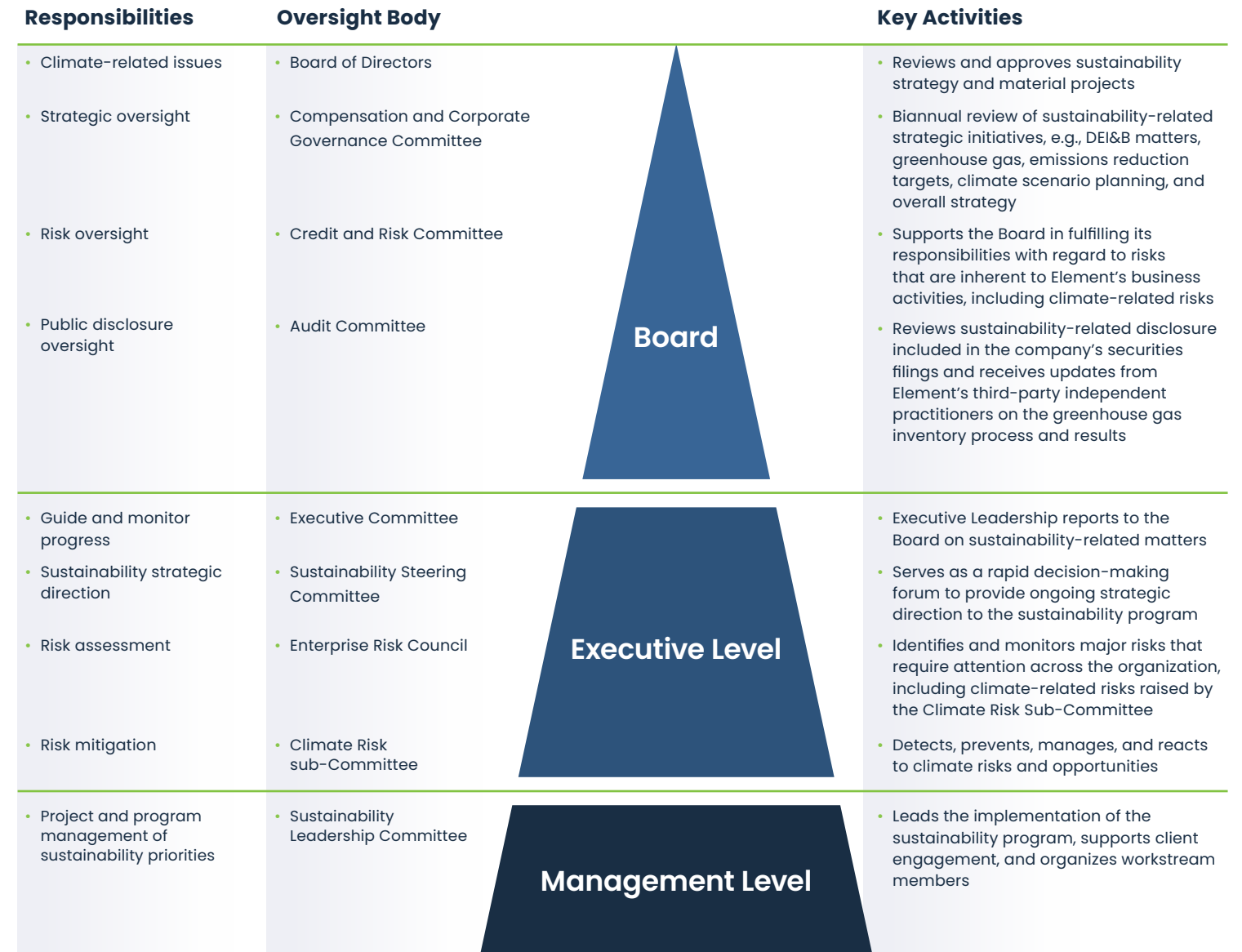
At the operational level, the Sustainability Steering Committee includes Executive Vice Presidents and Vice Presidents from Finance, Commercial, Operations, Electric Vehicles, People, Performance and Culture, and Legal. This committee convenes quarterly to steer our sustainability initiatives' strategic direction.

Climate Risk Sub-Committee

The Climate Risk Sub-Committee was established to specifically address and manage climate-related risks. Comprising key stakeholders across the business, this sub-committee meets biannually to detect, prevent, and respond to climate risks, aligning with Element's strategic objectives.

Sustainability Leadership Committee

This group of global leaders from diverse functional areas meets monthly. Their primary role is to implement the sustainability program effectively, engage with clients on sustainability issues, and manage workstream members actively participating in our sustainability initiatives.



Our Planet

Element is committed to reducing our greenhouse gas footprint, helping our clients meet their decarbonization goals, and helping move the fleet management industry to a lower carbon economy. We have developed a comprehensive and actionable strategy to establish targets and realize our climate ambitions. Central to our strategy is advancing the electric vehicle (EV) industry and educating our people. This ensures a unified understanding of our responsibilities, impacts, and opportunities.



Fleet Electrification

Element continues to make steady progress towards reducing the carbon footprint of both our own fleet and our clients' fleets.

Electric Vehicle Goals

Goal

Access to charging across main global sites by 2023¹

Electrify² our internal fleet in Australia and New Zealand by mid-2024 and North America by the end of 2025

Transition 350,000 client vehicles by 2030⁵

Progress

Charging is accessible at our global main sites, including Toronto, Mississauga, Hopkins, Owings Mills, Mexico City, Auckland, and Melbourne

Australia: 100% electrified³
 New Zealand: 100% electrified⁴
 U.S./Canada: 35% electrified
 Mexico: 28% electrified

Transitioned 45,000 client vehicles, or 13% of the 2030 target

Arc by Element™: Empowering Client Fleet Electrification

Element is committed to accelerating our clients' transition to EVs. With growing momentum for electrification, new opportunities continually arise. Arc by Element, our end-to-end electric vehicle fleet offering, has been pivotal in guiding our clients through the complex transition from internal combustion engine (ICE) vehicles to EVs. Through dedicated client engagement, our global portfolio of electric vehicles under management (eVUM) expanded by approximately 70% in 2023 compared to the previous year. The trajectory for EV adoption remains positive, supported by policies that encourage industry investment and reinforce confidence in the ongoing shift to decarbonization. Both Element and our clients remain committed to this transition.

Responding to Client Demand

Our clients' needs are diverse, mirroring the varied sectors and specific fleet requirements of the industries we serve. While recognizing these unique demands, we have identified and are addressing common needs across our client base. Our approach includes assisting our clients in developing and executing fleet strategies that align with their sustainability goals. We provide expert guidance on integrating EVs into their fleets and offer customized solutions that cater to the specific requirements of their drivers, fleets, and organizations.

Simplifying the EV Journey

With strong strategic partnerships and recognizing the complexity of managing mixed ICE/EV fleets, we support our clients through their initial EV rollouts with an approach to simplify the EV transition and get them ready for electrification at scale. We provide extensive vehicle data, charging solutions, and ongoing training and support to ensure a smooth and efficient switch to EVs.



¹ Goal has been modified to include additional sites, acknowledge charging infrastructure made available by our landlords, and prioritize accessibility over installation.
² Inclusive of Battery Electric Vehicles (BEVs) and PHEVs
³ 100% electrification of Australian fleet was achieved March 2024, ahead of target.
⁴ 100% electrification of New Zealand fleet maintained since 2021.
⁵ Client vehicles inclusive of BEVs, PHEVs and HEVs.

EV Charging Product Development

Home Charging: Our turnkey charging solution simplifies home charger installations for our clients, reflecting our commitment to enhancing EV infrastructure. In 2023, the deployment of chargers for client drivers grew substantially — by almost 5x the previous year, reflecting the acceleration that Arc by Element generates for clients on their electrification journey.

Public Charging: With key strategic partnerships, we facilitate access to extensive roaming networks.

Depot and Workplace Charging: We help clients identify depot and workplace sites well-suited for electrification. We also engage with our strategic partners to deploy customized

financing, hardware, and installation services while helping them navigate the complexity of designing and rolling out this type of infrastructure.

Charger Financing: We assist clients in identifying their charging infrastructure needs, from selecting the appropriate equipment to financing solutions, ensuring each solution is tailored to meet their specific requirements.

EV Incentive Support: Navigating incentives for EVs and EV supply equipment deployment can be complex. We guide our clients in effectively accessing and utilizing credits, rebates, grants, and other incentives.

In 2023, the deployment of chargers for client drivers grew substantially—by almost 5x the previous year

EV Transition and Decarbonization Planning

Strategic Transition Support: Recognizing the need for a strong strategic plan, Element supports clients with developing decarbonization strategies, specific GHG reduction goals, long-term EV transition plans, EV feasibility studies, and customized EV rollout program design.

EV Rollout Planning, Design, and Management: Tailored to each client’s specific needs, our comprehensive support program encompasses transition strategy, EV feasibility and availability analysis, infrastructure strategy, charger procurement and

financing, rollout monitoring, driver training, and program reporting. This extends to full vehicle lifecycle fleet management from EV acquisition all the way through to remarketing. Our support for client EV deployments has evolved significantly, with our number of active global EV pilots more than doubling in 2023 over the previous year.





We recognized early that as leaders in fleet management, we have a significant amount of reach and influence. With that, comes a responsibility to assist our clients in focusing on their sustainability objectives and enabling them to meet their targets through the service we provide.



CHRIS TULLOCH, COUNTRY HEAD
AUSTRALIA AND NEW ZEALAND

Industry Leading Progress in Australia and New Zealand

In ANZ, our team continued to demonstrate leadership and progress in advancing fleet electrification. Our internal fleets in ANZ are leading the charge towards our global internal fleet electrification goal, with New Zealand maintaining 100% fleet electrification since 2021 and Australia achieving this target in early 2024.

The ANZ team secured approximately \$1M (AUD) in state and federal incentives for both vehicles and charging infrastructure to assist clients in reducing the transition costs, addressing a significant barrier to commercial fleet EV adoption.

Our teams have successfully doubled the number of EV chargers deployed at our client premises over the past year. Key projects included fleet electrification for a major Australian bank and insurance company, EV delivery vehicle trials for two of Australia's major supermarket chains, as well as service vehicles for a national commercial building maintenance company.

We continue to assist our clients in the transition to low-carbon fleets through direct engagement and support for regulatory initiatives like Australia's recently announced New Vehicle Efficiency Standard,¹ to ensure a smooth and strategic shift towards fuel-efficient vehicle adoption.

Decarbonizing Last Mile Delivery in Mexico

Element's Mexico team conducted a tailored analysis for a client in the pharmaceutical sector, focused on transitioning their last-mile delivery operations to a lower-carbon model. Our team meticulously analyzed various factors, including usage, operational patterns, distance travelled, and fuel consumption, coupled with a market survey to identify suitable EVs. The analysis compared the client's existing ICE fleet and potential battery electric vehicle (BEV) alternatives over the span of the vehicles' lease term (assumed to be 48 months). The findings highlighted significant cost savings primarily due to a substantial 82% decrease in fuel expenses.

Achieved
100% electrification
of our internal fleets
in Australia and
New Zealand



¹New Vehicle Efficiency Standard

Opportunities and Trends

At Element, we take pride in being at the forefront of the evolving EV landscape. By continuously enhancing our solutions, we excel at meeting the dynamic demands of our clients within the rapidly shifting EV market.

INVESTMENT IN ELECTRIC VEHICLE AND CHARGING

INFRASTRUCTURE: The investment landscape for EVs and their associated infrastructure continues to grow, fueled by both government initiatives and private sector commitments. Original equipment manufacturers (OEMs) have planned more than \$500 billion USD collectively for vehicle electrification between 2022 and 2030.¹ This investment is further supported by legislative measures, including the Inflation Reduction Act (IRA), which provides tax credits for U.S. EVs and allocates \$10 billion USD towards developing EV charging infrastructure.² Australia's Driving the Nation Fund allocates \$500 million AUD³ to support EV adoption, focusing on expanding the rollout of EV charging infrastructure and supporting the integration of battery electric vehicles into commercial fleets.

EV INCENTIVES AND CREDITS: Government programs play an important role in accelerating EV adoption. The Incentives for Zero-Emission Vehicles (iZEV) Program and the IRA are key examples of such initiatives. In response to the IRA, we have established a leasing program designed to optimize incentives, ensuring our clients receive the maximum benefit. Similarly, our approach towards the iZEV program positions us to effectively support our clients in taking full advantage of available incentives. Canada's Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles (iMHZEV) Program provides substantial financial support to encourage the adoption of ZEVs in this category.⁴

REGULATORY LANDSCAPE: The regulatory frameworks set by the Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) establish stringent emissions standards that drive the shift towards EV adoption. Canada's Zero-Emission Vehicles (ZEV) Act mandates a minimum sales requirement of new vehicles sold by manufacturers to be ZEVs over time, with 100% of new vehicles sold to be ZEVs by 2035. The Mexican Fuel Economy Standard limits emissions and fuel efficiency for new light and medium duty vehicles in Mexico, enforcing stricter fuel consumption and emissions criteria for vehicles manufactured or imported into the country.

RANGE, MODELS, AND CONNECTIVITY OF VEHICLES: 2023 saw a 15% increase in the number of available EV models compared to the previous year, accompanied by improvements in battery technology and enhanced vehicle range.⁵ This expansion in model availability and range brings increased flexibility and choice to commercial fleet electrification, catering to diverse operational needs. Additionally, the transition by many OEMs to Tesla's North American Charging Standard (NACS) plug promises wider accessibility to charging facilities. The resurgence of hybrids and plug-in hybrids reflects the industry's commitment to offering a wide range of sustainable mobility solutions, highlighting various pathways available for fleet electrification and the mechanisms to support meeting overall emission reduction targets.

MAINTENANCE: Element's proprietary managed network is continuously adapting to meet market demands by integrating EV-capable 'In Network Dealers' and advancing our technology for better service visibility. Continuous training for our maintenance team ensures effective EV maintenance assistance for our clients.

Expansion in model availability and range brings increased flexibility and choice to commercial fleet electrification, catering to diverse operational needs.



2023 saw a
15%
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¹ Environmental Defense Fund

² IRA: EV Provisions

³ Driving the Nation Program

⁴ Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles

⁵ International Energy Agency(IEA) Global EV Outlook 2024

Engagement Highlights

Element continued to solidify our leadership across all operational markets by actively engaging in the advocacy of commercial fleet electrification. We are dedicated to playing our role as thought leaders in the evolving landscape of fleet management.



The Sustainability team represented Element at Climate Week 2023, including participation on the panel “Partnerships for Impact – How Businesses are Driving Impact through Collaboration in the United States.” This discussion highlighted the diverse ways the U.S. private sector contributes to advancing global sustainability goals.



Our Director for Mobility and Strategic Partnerships in ANZ participated in a panel discussion at the New Zealand Sustainability Leaders Summit.

The EV Strategy team hosted our “Leading the Charge” webinar, which discussed fleet electrification strategies in partnership with Cox Automotive, MotorQ, and National Grid.

Our Australia and New Zealand team hosted an EV expert panel discussion at our “Get Charged” event, focused on providing clients with valuable insights about the EV fleet transition process. Keynote addresses and interactive panels featured experts from our ANZ team.



EV Track Days in New Zealand and Mexico

In New Zealand, we hosted over 50 clients who had the opportunity to drive more than 30 different EVs. This hands-on experience included a series of driving challenges – such as braking, slalom, and lane changing – allowing attendees to assess the performance and advanced safety features of various EV models directly.

In Mexico, we celebrated the launch of EV Day, where over 30 clients had the opportunity to test drive EVs supplied by partners during a full-day track experience. This event also marked the inaugural meeting of our Mexico EV Council, where partners and clients discussed strategies to enhance electromobility in Mexico, providing valuable insights into industry challenges and opportunities.



Our EV leaders in Mexico engaged in several panel discussions and industry events, including those organized by ANTP, LATAM Mobility Summit, and Expo Eléctrica Internacional. They shared best practices and insights on how Element supports its clients in fleet electrification.

Moving the Industry Forward

Progress Driven Through Collaboration

Element recognizes the value of collaboration in advancing the adoption of electric vehicles. In 2022, we established our EV Advisory Council, which involves members from leading organizations and stakeholder groups. In 2023, we included EO Charging, Motorq, National Grid, and RMI in the session. Our EV Advisory Council is instrumental in developing cross-functional solutions and leading discussions on EV readiness, guiding the shift from ICE vehicles to EVs. In 2023, our key collaborative initiatives included:

EV READINESS ROADMAP: Leveraging insights from our EV Advisory Council, Element developed an EV readiness checklist designed to simplify the transition to EVs for our clients and enhance the efficiency of EV adoption.

RESEARCH AND DATA-DRIVEN STRATEGIES: Our partnership with RMI and the Environmental Defense Fund's (EDF) Climate Corp PhD fellowship program underscores Element's commitment to informed decision-making. This initiative has enriched our research capabilities through client surveys, in-depth interviews, and analytical data evaluation. The insights gained from this fellowship play an important role in informing the EV Advisory Council's work, ensuring that our fleet electrification strategies are data-driven and aligned with client needs.

Strategic Alliances

Our ongoing engagement with global alliances underlines our commitment to advancing decarbonization in the fleet management industry. We continue to position ourselves as a key player in the global shift towards fleet decarbonization, offering expertise and advocating for a sustainable automotive landscape.



Our ongoing engagement with global alliances underlines our commitment to advancing decarbonization in the fleet management industry.



The Corporate Electric Vehicle Alliance (CEVA)

CEVA, led by Ceres, is a collaborative group of companies focused on accelerating the transition to EVs across all use cases and class sizes. Element actively participates in CEVA, which supports companies in setting and achieving ambitious fleet electrification goals. The alliance works with industry leaders to understand corporate demand for EVs and to strengthen the business case for producing a broader array of EV models.¹



Accelerate

Accelerate aims to integrate Zero Emission Vehicle manufacturing and components into Canada's industrial and economic future. The alliance is a non-partisan and not-for-profit initiative that works with members, partners, and collaborators in all sectors of the economy – industry, government, Indigenous interests, labour, and academia – to help develop the capabilities needed to build and integrate a world-class, zero-emissions vehicle industry and supply chain for the benefit of all Canadians.²



The Electric Vehicle Council (EVC)

The EVC represents members from across the sector's value chain, driving the investments and awareness needed to accelerate the EV industry in Australia. Our membership positions our team to serve as a trusted advisor and industry advocate to governments and other decision-makers in Australia.³



Drive Electric

Drive Electric engages with government, media, industry, and individuals to promote the benefits of accelerated electric vehicle uptake across the country. Membership includes a collective of businesses and individuals who, together, instigate change and impart expertise in the key conversations bringing New Zealand closer to a fully electric future.⁴

¹[Ceres Corporate Electric Vehicle Alliance](#)

²[Accelerate ZEV](#)

³[Electric Vehicle Council](#)

⁴[Drive Electric](#)

Beyond Electrification: Decarbonization Strategies

As industry leaders dedicated to sustainability, we recognize the importance of decarbonization strategies that go beyond fleet electrification. Our commitment to reducing carbon emissions drives us to explore alternative fuel and vehicle options, invest in optimization technology and telematics, and collaborate with our clients to find the best combination of GHG reduction strategies to fit the wide range of fleet needs. We are committed to exploring additional ways to reduce GHG emissions within our ICE vehicles under management, including low carbon fuels, lubricants, and the use of more sustainable consumables like tires and fluids.

HYBRID ELECTRIC VEHICLE (HEV) STRATEGIES: Element remains proactive in securing allocations for highly sought-after hybrid vehicles, recognizing their effectiveness in decarbonization efforts and amid evolving production scales within the automotive industry. Our expertise has proven instrumental in assisting clients in navigating the complexities of EV and HEV readiness and lower-carbon vehicle adoption, guiding them to find the best fit-for-use mix for their specific fleet needs.

REDUCING CLIENT FLEET PETROLEUM CONSUMPTION: Leveraging advanced telematics and optimization technology, we enable clients to achieve significant fuel efficiency gains through idle-tracking and reduction, fleet rationalization, and optimized utilization strategies such as route planning and maintenance scheduling. Additionally, our services include supporting our clients in reducing and removing underutilized or inefficient vehicles from their fleets.

CLIENT-CENTERED APPROACH: Our cross-functional team collaboration – spanning fleet operations, safety, health, sustainability, and advisory services – strengthens our holistic approach to client service. This integration ensures unified progress towards electrification and broader decarbonization objectives. In 2023, our Strategic Advisory Services team identified \$1.6B in fleet management savings opportunities for clients, with approximately \$513M actioned across the entirety of our clients' vehicle lifecycles.

CASE STUDY

Empowering Client Success in Sustainability Initiatives

A parcel delivery client partnered with Element's Mexico office to transform their cargo fleet to EVs, aiming to align their fleet operations with their broader sustainability objectives. Our Strategic Advisory Services team conducted a comprehensive analysis considering operation specifics, distance driven, fuel usage, and availability of charging stations. The client's fleet was successfully transitioned by integrating 200 electric transit vehicles. A pilot program was implemented to quantify the savings from the transition, providing valuable insights into the efficiency and cost-effectiveness of switching to EVs.



Cost Savings

Over the span of the vehicles' lease term (assumed to be 48 months) and an average of 30,000 km driven per vehicle, the estimated cost-savings amounted to \$52M MXN or approximately \$3M CAD in total savings for a 200 unit fleet.

Fuel Savings

The transition resulted in significant fuel savings, achieving a reduction of \$2.8 MXN (or \$0.18 CAD) per km driven, equating to a 69% decrease in fuel costs.¹



Exclusive Decarbonization Benefits for Clients

One of the services we offer to clients includes the calculation of emissions associated with supplier spend, empowering clients to grasp the environmental impacts of their purchases.

¹69% fuel savings if using diesel fuel

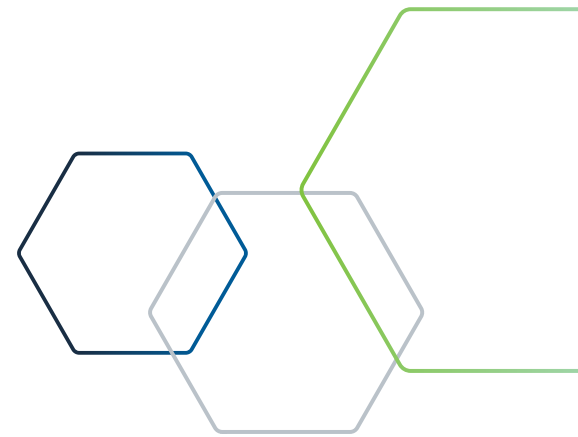
Sustainability in Our Operations

Recognizing that our operations play an important role in our sustainability efforts, we are dedicated to reducing our environmental impact through energy-saving initiatives and responsible waste management practices. We identify office spaces within Leadership in Energy and Environmental Design certified buildings with three out of our seven locations being Leadership in Energy and Environmental Design (LEED) spaces and an additional location achieving LEED Interiors Gold Certification.¹

Across all our facilities, we offer recycling and promote responsible decommissioning, diverting waste from landfills, and transitioning to digital alternatives for mail and documentation. Additionally, our buildings' dining services prioritize sustainable practices by providing reusable and recyclable containers and cutlery. Embracing energy efficiency, we have upgraded to LED lighting across all office spaces, complemented by smart sensors and timers for automated shut-off.

Element has committed to collaborative engagement with landlords across the office buildings that we occupy. We continued our work to ensure energy savings tracking systems were in place and received Energy Star certification at our Mississauga and Hopkins locations. In ongoing initiatives at our Mississauga location, we have optimized the water supply and increased the fuel efficiency of water heaters through engagement with building management. Through thoughtful management of our leases, we reduced our overall office footprint in 2023 by 35%.

¹Leadership in Energy and Environmental Design (LEED)



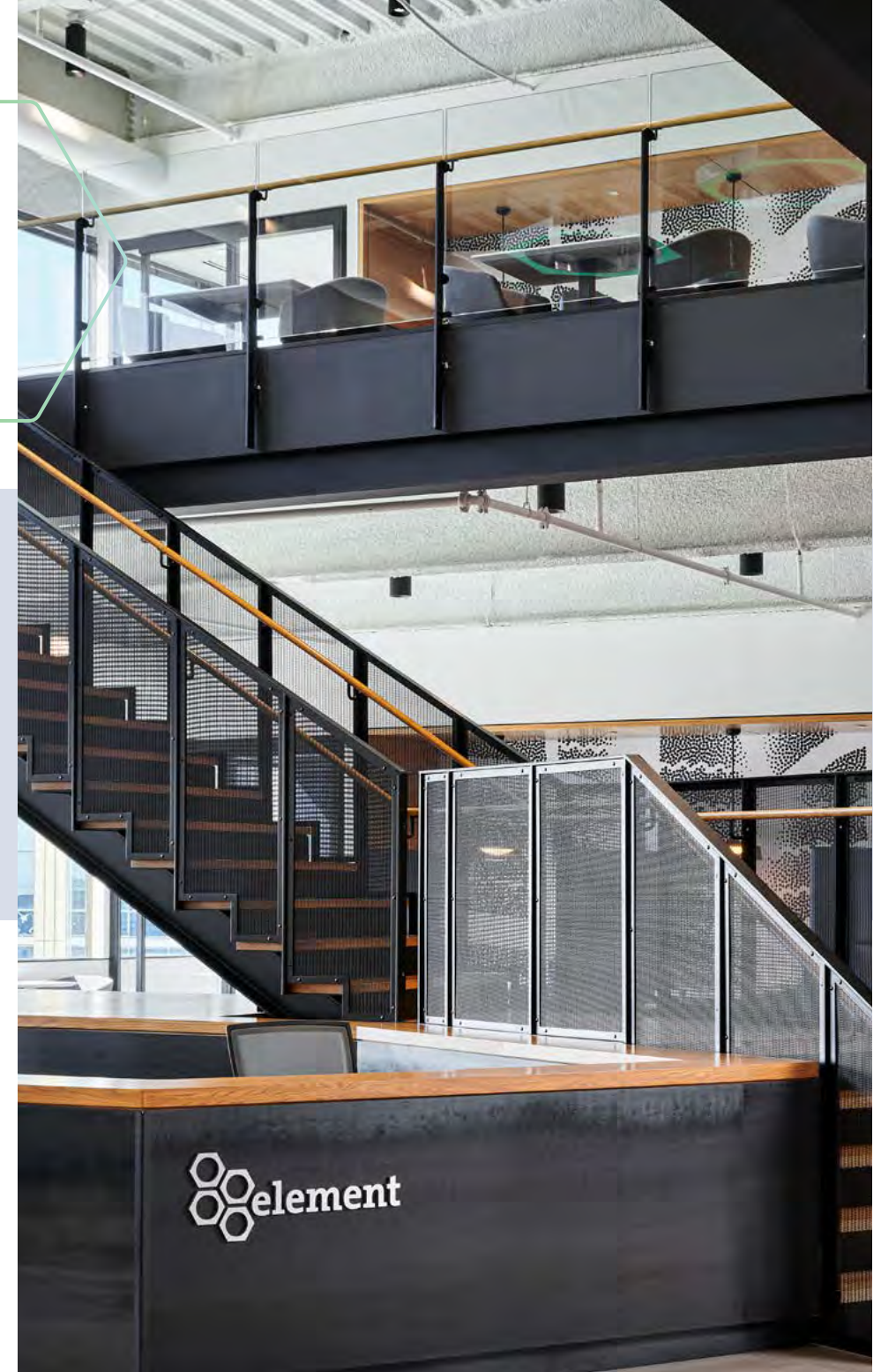
HIGHLIGHT

Australia and New Zealand

All our ANZ sites have upgraded waste segregation processes, contributing to the mitigation of our environmental impact by effectively separating landfill waste, organics, paper, and recyclables. Our new Sydney office has achieved a 5-star 'Excellent' rating from the National Australian Built Environment Rating System (NABERS), setting a benchmark for energy efficiency and sustainable operations. The expansion of EV charging infrastructure at our Melbourne office further supports our approach to accelerating the transition towards a more sustainable fleet management industry.

Element's Sustainable Building Credentials

- Energy Star
- WELL Certification
- LEED EB OM Gold Certification
- BOMA Best® Certified
- BOMA Certificate of Excellence
- BOMA 360
- BOMA Toronto – Corporate Real Estate Sustainability Trailblazers (CREST) Awards – Performance Leadership Category for Water
- BOMA – TOBY Award (The Outstanding Building of the Year) Toronto
- Fitwel Viral Response Certified
- Rick Hansen Foundation Accessibility Certification
- Recycling Council of Ontario – Gold Award
- LEED Interiors Gold Certification
- Cradle to Cradle Certified (Silver)
- NSF 140 (Gold)
- CRI Green Label Plus
- Certificado De Cumplimento Ambiental Environment Secretariat



Sustainable Sourcing

At Element, we recognize that our purchasing decisions have profound impacts on the environment, society, and the economy. We aim to incorporate sustainability considerations into our sourcing practices, striving to make responsible purchasing decisions that align with our sustainability objectives. In recognition of our efforts, we scored a B on our CDP Supplier Engagement rating, aligning with our overall climate disclosure score. Element was also awarded the 2023 Sustainable Supply Chain Alliance (SSCA) Sustainable Supply Chain Case Study Award and the 2023 Johnson Controls Sustainability Supplier Leadership Award.

In 2023, we took additional steps to enhance our sustainable sourcing strategy by distributing our inaugural supply chain survey. This initiative represents a critical step towards deeper analysis and more robust reporting, marking a continued effort towards transparency, accountability, and data-driven insights within our supply chain, laying the groundwork for ongoing improvements and more informed decision-making processes.

Our sourcing team remains dedicated to strengthening connections between our supply chain and our clients, ensuring sustainability is a central consideration in these relationships. By supporting our clients in their transitions towards more sustainable solutions, we are responding to the growing demand for sustainable options, such as low carbon vehicles, optimized routes, and reduced fuel usage, and playing an active role in driving sustainability within the industry. This approach allows us to clearly convey to our clients how their investments are being used to support sustainable practices.



Our inaugural supply chain survey represents a critical step towards deeper analysis and more robust reporting, marking a continued effort towards transparency, accountability, and data-driven insights within our supply chain.



Emissions

In 2023, Element engaged a third-party firm to calculate our emissions for the reporting year. We continue to use 2019¹ as our baseline to measure our impact and progress. Our emissions inventory, calculated in accordance with the Greenhouse Gas Protocol², includes our Scope 1³, Scope 2⁴, and Scope 3⁵ emissions. New this year is the inclusion of our full Scope 3 emissions inclusive of both upstream and downstream categories.

We continued to invest in our climate-related data and capabilities to improve the quality, accuracy, and coverage of our reporting. Subsequent to 2019, we observed changes in our Scopes 1 and 2 emissions for 2023 compared to our baseline measurements in 2019 due primarily to the availability of more precise emissions factors from external sources. As more refined emissions factors and country specific data become available, we are committed to incorporating these into our emissions disclosures. As a result, we restated Scopes 1 and 2 for our 2019 baseline year. Please refer to our [2019 Emissions Restatement](#) for details. This restatement is important as it enhances the accuracy of our disclosure, enabling improved comparability and transparency. We will continue incorporating improvements into our emission measurements in future disclosures.

We are committed to improving resource efficiency across our operations, with the goal of reducing our emissions footprint. In 2023, we achieved a cumulative reduction of 44% across our Scope 1 and 2 emissions ([restated 2019 baseline](#)). This decrease was largely driven by our initiatives in electrifying our internal fleet and reducing energy consumption. Additionally, we reduced our global real estate footprint by 35% from our 2019 baseline, which contributed to a notable decrease in emissions from our facilities.

For Scope 3 Categories 11 (Use of sold products) and 13 (Downstream leased assets), we applied the Well-to-Wheel (WTW) emissions boundary in accordance with the Science Based Targets initiative (SBTi) Land Transport guidance⁶ to capture a fulsome view.

¹ 2019 baseline year was the most recent operating year from the time of initial calculation, not influenced by extraordinary macroeconomic factors.

² WRI/WBCSD [GHG Protocol Corporate Standard](#)

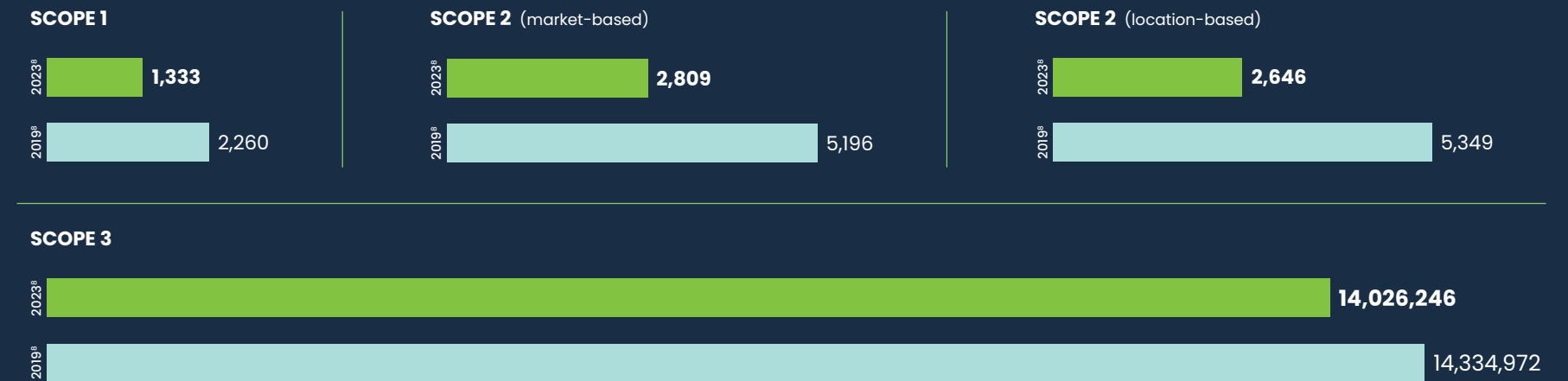
³ Scope 1: Emissions from sources owned or controlled by the reporting company.

⁴ Scope 2: Emissions due to activities of the reporting company but occur at sources owned or controlled by another company.

2019^{1,8} and 2023⁸ Greenhouse Gas Emissions (MTCO₂e⁷)

Values rounded to the nearest whole number

Scopes 1 and 2 GHG emissions from our operations are restated for our baseline year (2019). Please see [2019 Emissions Restatement](#) for an explanation of the restatement.



The emissions associated with vehicle usage include both Well-to-Tank (WTT) emissions upstream in the value chain of the fuel production (e.g., gas, diesel, etc.) and Tank-to-Wheel (TTW) emissions which cover the energy used once transformed (e.g., fuel combustion) which together form WTW emissions. The SBTi requires companies to cover WTW emissions for greenhouse gas target-setting.

Our Scope 3 emissions decreased 2% from our 2019 baseline driven by Category 13 (Downstream leased assets). Average fuel consumed per gallon decreased, which correspondingly impacted the volume of fuel consumed. We also observed the introduction of hybrid and electric vehicles across all geographies between 2019 and 2023.

Several Scope 3 categories increased from our baseline year to 2023. As our business continues to grow, we originated more vehicles (Capital Goods) on behalf of our clients and grew our vehicles under management (VUM). This growth in vehicle count allows Element to further our work with clients to provide infrastructure and solutions to reduce TCO of fleet operations, as well as provide a path to decarbonization. As ZEV model availability

⁵ Scope 3: Emissions due to activities from assets not owned or controlled by the reporting organization, but the organization indirectly impacts in its value chain.

⁶ [Science-based Targets Land Transport Guidance](#)

⁷ Metric Tonnes of Carbon Dioxide equivalent

⁸ 2019 and 2023 Scope 1, 2, and 3 emissions were assured to a [limited extent](#) by EY.

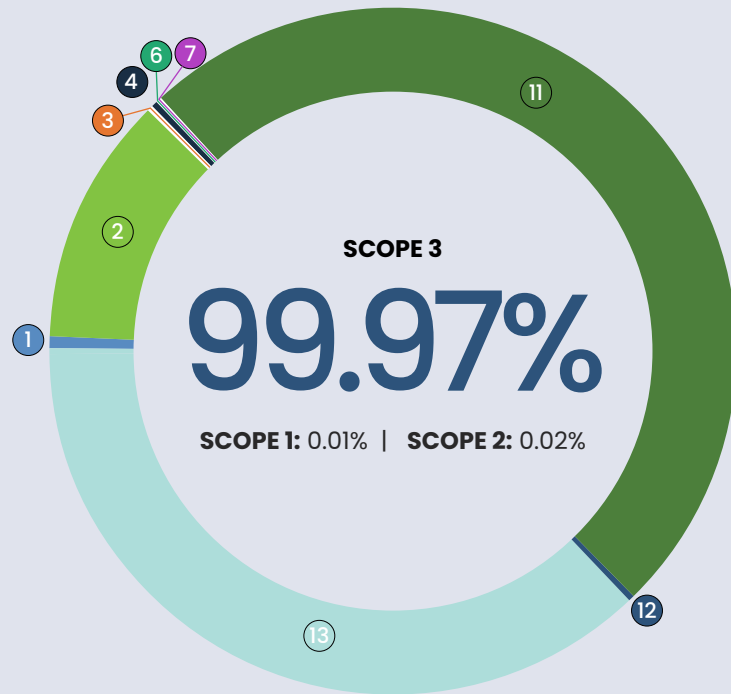
continues to grow in the market, we are committed to ensuring the full scope of decarbonization options are highlighted to clients through our Arc by Element offering – this includes ZEV introduction, idle reduction analysis, and fleet rationalization. We also leverage advanced analytics to conduct GHG emission modelling for our clients to help support their emission reduction targets.

Looking Forward

Element continues to lead with integrity and build strong governance practices. As our sustainability strategy matures, we will continue to enhance our public disclosures, ensuring we are meeting all reporting obligations, including climate disclosure requirements, and promoting a commitment to transparency. We are building the plans, infrastructure, and systems necessary to meet future climate reporting requirements.

Breaking Down our FY23 Scope 3 Emissions by Source

Element's Scope 3 emissions account for approximately 99.97% of our total emissions, with the majority of these emissions coming from two downstream categories; Use of Sold Products (Category 11), and Downstream Leased Assets (Category 13), and one upstream; Capital Goods (Category 2).



1	Purchased Goods and Services	0.18%
2	Capital Goods	12.07%
3	Fuel and Energy-Related Activities	0.01%
4	Upstream Transportation and Distribution	0.17%
5	Waste Generated in Operations	0.00%
6	Business Travel	0.01%
7	Employee Commuting (including teleworking)	0.02%
8	Upstream Leased Assets (Element is Lessee)	0.00%
11	Use of Sold Products	50.00%
12	End-of-Life Treatment of Sold Products	0.19%
13	Downstream Leased Assets (Element is Lessor)	37.31%



Science Based Targets initiative

Through the Science Based Targets initiative (SBTi), Element committed to setting near-term science-based targets (SBTs). We are establishing emissions reduction goals to align our operations with the latest climate science, aiming to mitigate the most severe impacts of climate change while ensuring sustainable business growth. We are developing a clearly defined pathway to reduce our greenhouse gas emissions. This is an important step underscoring our commitment to contributing meaningfully to global climate action.

We are developing near-term targets:

Proposed Scope 1 and 2 Target: Element commits to reduce absolute Scope 1 and 2 GHG emissions 63.7% by 2034 from a 2019 base year.¹

Proposed Scope 3 Target: Element will reduce its Category 11 Use of Sold Products and Category 13 Downstream Leased Assets emissions 66.4% per dollar of net revenue by 2034 from a 2019 base year.¹

¹ These are the proposed targets Element submitted to the SBTi. The targets are subject to change, pending validation from the [Science Based Targets initiative](#).

Our People

We are deeply committed to the well-being and development of our people. Recognizing our responsibility to future generations, we actively address societal challenges through sustainable practices. By investing in our people – through education, empowerment, and equity – we strive to foster a workplace that not only thrives today but paves the way for a more sustainable future.



Diversity, Equity, Inclusion, and Belonging

At Element, we understand that the diversity our team members bring to the workplace enhances our collective strength and drives success across all facets of our business. We are committed to promoting diversity, ensuring our people have access to opportunities, and fostering an inclusive work culture where every team member feels like they belong. We recognize and celebrate the impact and importance of diverse backgrounds and perspectives to ensure the strength of our business, achieve the best outcomes for our clients, and support our people and the communities where we work and live.

By embedding these values into our operations and measuring their impact through insights gained in our team member engagement survey, we aim to ensure that all team members feel safe, supported, and valued for their unique backgrounds and perspectives. We continue to measure our progress through DEI&B metrics included in our Balanced Scorecards at the global and functional levels. Our team member engagement diversity index – a key indicator of our workplace environment – achieved an 84% favourable score, above the industry benchmark.

Representation in Our Workforce

Globally, Element employs over 2,700 individuals, with women representing 51% of our workforce, a proud reflection of our commitment to gender balance. In 2023, we realized increased gender diversity for our people leaders and senior leaders. In addition to our female President and Chief Executive Officer, we welcomed our first female Board Chair in May 2024.

Diversity self-identification by our team members occurs through our annual Count Me In! campaign, in which participation continues to improve, with 84% of team members participating in the U.S. and Canada in 2023. Team members who self-identified as Racially and/or Ethnically Diverse comprise 24% of our people, with increased representation across all levels and significant gains at the overall representation level.

In Mexico, our commitment to gender diversity continues to expand through initiatives including women-centric focus groups, which aim to enhance the workplace experience and improve retention rates. Our hiring practices are tailored to increase female representation at all levels, particularly in senior and mid-level positions, and attrition rates are closely monitored to refine and improve our strategies continually.



DEI&B is a cornerstone of our culture at Element. We pride ourselves on a DEI&B strategy that promotes diversity, fosters equity, supports inclusion and ultimately creates a safe environment where everyone feels like they belong.



J'NAI BUCHANAN, DIRECTOR, DIVERSITY, EQUITY, INCLUSION, AND BELONGING



24%
of team members self-identify as Racially and/or Ethnically Diverse¹

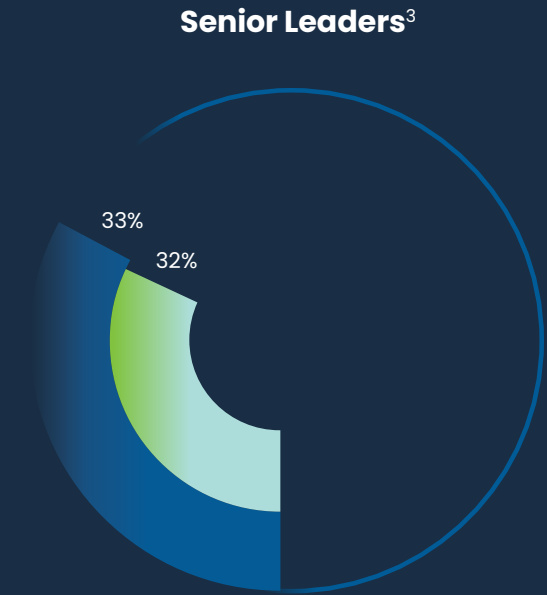
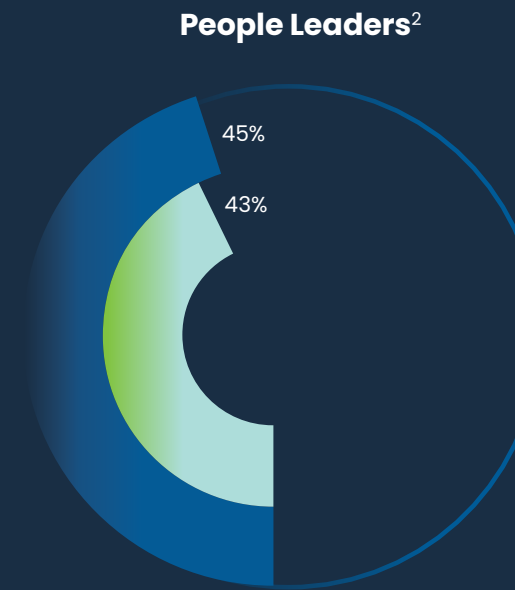
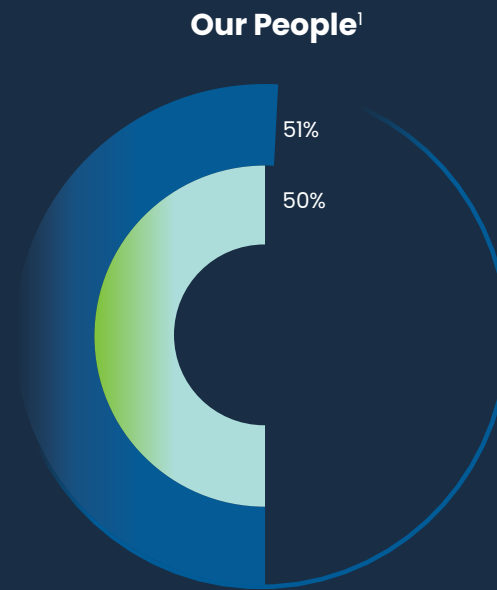
84%
Team member engagement diversity score

¹ US and Canada

Representation at Element

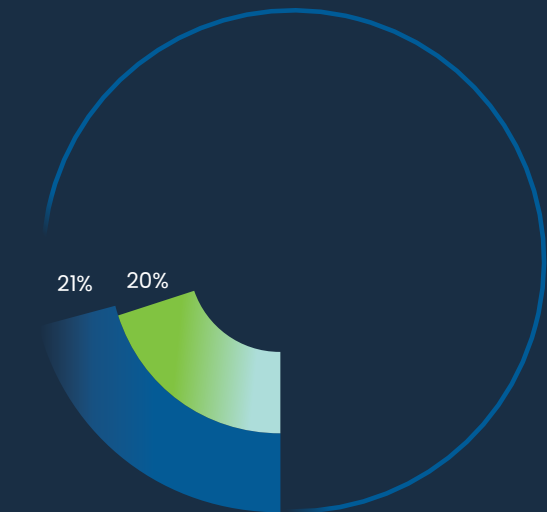
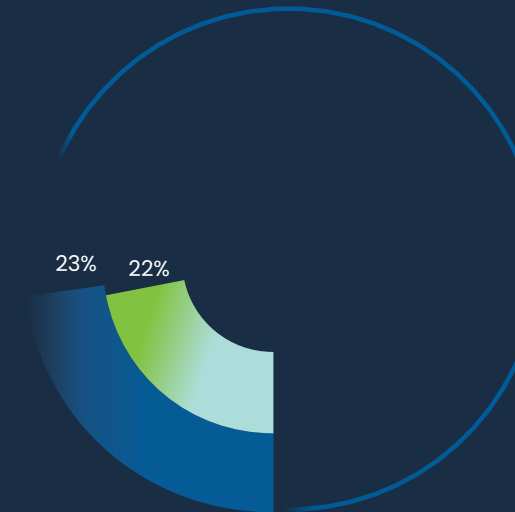
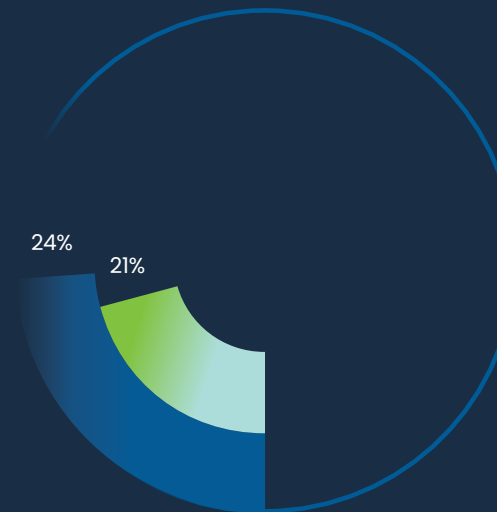
Year-over-year diversity self-identification data captured from team members through our annual Count Me In! campaign.

Women



Racially and/or Ethnically Diverse⁴

2022 ● 2023 ●



¹ Entire global workforce
² Supervisor and above, global
³ VP and above, global
⁴ U.S. and Canada

Diverse Talent Recruiting and Development

Element is committed to actively promoting gender diversity from the ground up, ensuring cohesive integration with our talent acquisition strategies and overall team member experience. Our aim is to maintain gender equity throughout our organization, ensuring a gender-diverse workforce that reflects the communities we serve. By incorporating unconscious bias training into our talent review process, we continue our efforts to raise awareness and prevent biases in talent assessment and development.

The McKinsey Pilot program has been instrumental in advancing leadership skills across various career stages within our organization. Our aim is to grow diverse leadership and offer women and Racially and/or Ethnically Diverse team members differentiated professional development and leadership opportunities. With 33 participants in our 2023 cohorts — 63% women — and a total of 77 participants since 2021, the program boasts a 93% satisfaction rate.¹

We have continued to improve our efforts to support persons with disabilities. Our active engagement with DisabilityIN: Minnesota includes participation in inclusive job fairs and sponsoring the celebration of the International Day of Persons with Disabilities. We have laid the groundwork in 2023 for our continued investment in support for persons with disabilities.

The ANZ team has been recognized at the Australian Workplace Equality Index (AWEI) LGBT Inclusion Awards with a Bronze Level Certification and has achieved [Work 180 Endorsed Employer](#) status as a great place to work for women. These recognitions highlight our ongoing efforts to support diverse communities globally. The team is a proud member of [Pride in Diversity](#), [Diversity Council Australia](#), [Rainbow Tick NZ](#), and [Supply Nation](#).

Equal Pay for Equal Work

Our compensation philosophy and principles are rooted in our pay-for-performance approach. For the past four years, we have conducted analyses in the U.S. and Canada with an independent external firm to assess differences in pay levels, adjusting for factors such as role, job level, experience, and geography. We are committed to ensuring pay parity across all of our locations, for all of our team members. Where gaps have been identified, these have been addressed in year or as part of the year-end compensation adjustments. In 2023, we expanded the scope of this assessment to include our operations in Mexico, Australia, and New Zealand. The results of our latest review confirm that we have consistently achieved pay parity for Racially and/or Ethnically Diverse team members.¹ We are also proud of our journey to ensure pay parity for women. We have achieved pay parity globally, with women being compensated 99% of that received by men. We will continue to enhance our efforts to ensure our team members are compensated fairly and equitably. Our commitment to “equal pay for equal work” includes conducting this review on an annual basis, continuing to address any emerging gaps to ensure that women and Racially and/or Ethnically Diverse team members are compensated equivalently to their male and non-Racially and/or Ethnically Diverse peers.

¹ Where satisfied is defined as 4 or 5 on a 5 point scale

² U.S. and Canada

Element’s compensation strategy is competitive, reflecting market rates for roles, experience, and performance. We regularly benchmark against other companies both within and outside our industry to ensure our pay is competitive and have been working diligently over the past few years to ensure equal pay for equal work across the organization. We have done this by expanding eligibility, harmonizing annual bonus targets, and integrating targeted salary adjustments to address any legacy pay gaps, ensuring an equitable approach for all team members. In addition, providing managers with transparency to pay ranges has ensured their ability to position pay appropriately and equitably for their team members. Our commitment to a pay-for-performance approach, combined with our focus on a diverse workforce, will continue driving the advancement and representation of all dimensions of diversity, including, but not limited to, race, ethnicity, and gender. In addition, we are committed to ensuring a living wage for our team members by annually reviewing living wage rates to ensure our salaries are at or above these levels.

Australia and New Zealand’s Reconciliation Action Plan

In 2023, our ANZ team launched their Reconciliation Action Plan (RAP), an industry-leading initiative aimed at fostering equity and inclusion for Aboriginal and Torres Strait Islander and First Nations peoples across Australia and New Zealand. This comprehensive plan involves regular meetings of our RAP Working Group, held bi-annually at minimum, with quarterly progress updates provided to our broader team members. Our vision for reconciliation is that Aboriginal and Torres Strait Islander peoples will have the same pathways to opportunities that see them celebrated in our communities and thriving in a country that is fair, equal, and respects the millennia of connection and belonging Aboriginal and Torres Strait Islander people have to the land.

Element has achieved compensation parity for women globally and Racially and/or Ethnically Diverse² team members.

19%
of all Racially and/or Ethnically Diverse team members have participated in the McKinsey Connected Leaders Academies.



Business Resource Groups

Our nine Business Resource Groups (BRGs) have experienced significant growth and development. In Mexico, we have restructured our BRG chapters, aligning them with our broader engagement strategies. This alignment ensures a consistent and unified approach to diversity, equity, inclusion, and belonging across the continent.

2023 marked a notable 20% increase in BRG membership over the previous year. Our BRGs play a crucial role in fostering DEI&B by offering our team members valuable opportunities to connect, share experiences, and learn. With increasing focus on leadership and business engagement, our BRGs have evolved into vital contributors to community involvement and professional development within the organization.

Our BRGs are both a place for celebration and engagement, as well as platforms for meaningful action and support for charitable causes. In 2023, our BRGs supported numerous non-profits, underscoring our collective commitment to giving back to the communities where we work and live. We also held events and activities throughout the year that were aligned with our pillars of career, community, culture, and clients, celebrating, honouring, and providing opportunities for our team members to grow and learn from each other.

We are committed to the continual investment in our people, from professional development opportunities to leadership programs and awareness and education through our BRGs and learning resources. DEI&B remains a key driver for Element's growth and success. We will continue to include relevant goals in our business plans at a corporate and functional level and listen and gather team member feedback to ensure DEI&B plays an integral role in our culture.



Able & Disabled Empowering People Together (ADEPT) BRG



Activate! Wellness



Asian Team Member BRG



Black Team Member BRG



Communities, Activities, Recreation, and Environment (CARE) BRG



Latin BRG



LGBTQ2+ Allies BRG



Veterans BRG



Women's BRG



Our ANZ diversity network, Intersection, has expanded in size - doubling over the previous year - and increased in scope. Intersection now has four streams of BRG activity aligned towards a mission to foster a safe and unbiased environment for people from diverse, marginalised, underrepresented, and intersectional backgrounds to grow and thrive confidently:

- **CULTURALconnect** – enhancing cultural inclusion
- **PRIDE** – enhancing LGBTQIA+ inclusion
- **elevateHER** – enhancing Gender Equality
- **capABILITY** – enhancing disability, neurodiverse, and mental health inclusion

Supplier Diversity

Create

At Element, we recognize our supplier diversity program as a cornerstone of our DEI&B strategy. We have built a strong network of over 4,800 diverse suppliers, directing \$2.43B in spending across our network in 2023.

\$2.43B

spent with
diverse suppliers

4,800⁺

diverse suppliers

Support

We are dedicated to connecting our clients with a diverse range of suppliers. In 2023, we integrated Diverse Spend Dashboard capabilities into our proprietary supplier locator application. The update enhances our clients' ability to easily identify and engage with diverse suppliers. This tool is used approximately 50,000 times per month by our clients' drivers, with the diverse supplier filter being utilized at approximately three times the rate of other filters available in the tool. Including diverse spending opportunities in the Supplier Locator Tool offers a unique opportunity to support local businesses and drive diverse supplier spend in everyday business operations.

Partner

Element continues to be a proud member of the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), the Canadian Council for Aboriginal Business (CCAB), and Disability:IN Minnesota. In 2023, we expanded our role in the Canadian Aboriginal and Minority Supplier Council (CAMSC), with our VP, Sustainability, representing Element as a CAMSC Corporate Member Committee member.

Our commitment to supporting supplier diversity remains a strategic focus and ongoing journey. In 2023, diverse supplier spend increased 38% from the previous year. Notable engagements included:

- Sponsoring and exhibiting at Institute for Supply Management (ISM) World and taking their [Diversity Pledge](#) to support a diverse and inclusive workplace and supplier networking.
- At the Women Business Enterprise National Council (WBENC) National Conference, we engaged with over 50 diverse supplier contacts, referring 35 of them to internal business partners.
- Attending the National Minority Supplier Development Council (NMSDC) Annual Conference & Exchange, where we networked with over 60 diverse supplier contacts and referred 49 of them to internal business partners.

Women-Owned Businesses

In Mexico, we continued our program to track women-owned businesses in our maintenance network. In 2023, we directed \$6.4M across 94 service shops, an outcome of 183 client interactions with our network of women-owned businesses. Our Mexico team remains committed to working closely with this network to elevate gender diversity across our supply chain.

The team in Australia became the founding sponsor of [Women in Automotive](#), underlining our commitment to advancing women in the automotive industry globally.



Team Member Engagement

We are committed to continuously enhancing our team member experience, demonstrated by our focus on career growth and development, health and safety, and fostering collaboration and innovation among our team members. This holistic approach ensures that our team members are supported and empowered to excel and innovate in their roles.

11
Over 11 hours per team member of continuous education and training

Team Member Satisfaction and Engagement

We engage our team members annually through our Team Member Engagement Survey to capture and understand their experiences and sentiments. In 2023, we expanded our strategy by introducing pulse surveys, enhancing our ability to quickly assess and respond to the impact of our actions. Additionally, we expanded our Global Engagement Advisory Board to include key business partners, focusing on brainstorming and implementing initiatives to boost engagement.

Ending 2023 with a Team Member Engagement score of 73% and a global participation rate of 89%, our team members have demonstrated a strong commitment to providing positive and constructive feedback, but we have work to do to elevate our overall engagement score. In response, we are dedicated to implementing meaningful and timely action plans to enhance the team member experience. As we move into 2024, pulse surveys and our comprehensive engagement survey will continue, enabling us to maintain positive momentum or make quick adjustments as necessary.

Development

At Element, we recognize the vast expertise, skills, and talent within our workforce and are committed to fostering continued growth and career advancement. Our comprehensive development resources and activities are designed to support our team members throughout their professional journey, including:

- Tailored on-the-job experiences, skill-building, and personalized career advancement planning
- Access to a wide range of online courses, workshops, and seminars to enhance skills and knowledge
- Completion of over 96,000 structured learning courses via our online platform, Learn@Element
- English language classes to enhance communication skills for our team members in Mexico
- Expansion of the [McKinsey Leadership Academy](#) to include early career segments

Australia and New Zealand's Green Light Program

Launched in 2023, The Green Light Program (GLP) at our Australia offices exemplifies our commitment to supporting the development of emerging women leaders, fostering strong retention, and belonging. In 2023, the GLP cohort participated in the Lead and Succeed Pro program, a nine-week program focused on enhancing foundational leadership skills, including self-awareness, effective communication, delegation, influencing, conflict, and resilience. The training provided participants with a profound understanding of their unique strengths and how to apply them effectively to their roles. The impact of the GLP has been significant, evidenced by marked improvements in participants' confidence, abilities, and behaviours relating to the high-level skill areas in the program. These improvements are summarized below by category in the Emerging Leaders final program report.¹



EMERGING LEADERS FINAL PROGRAM REPORT

Self Awareness	Coaching	Presentation	Innovation	Delegating	Team Strengths	Conflict	Resilience
21% ^	30% ^	30% ^	3% ^	11% ^	12% ^	23% ^	19% ^

In Mexico, we launched two new programs aimed at enhancing the effectiveness and interpersonal skills of our workforce:

- A client-facing team member program that provides practical tools for enhancing self-awareness, trust, empathy, communication, and collaboration
- An individual coaching program for our People Leaders, offering one-on-one coaching aligned with identified leadership competencies. A total of 27 leaders benefited from this program in 2023, with plans to expand the reach of this opportunity further in 2024 for current leaders and team members with potential to be leaders in the near future

These initiatives are central to Element's dedication to developing skilled leaders and a proficient workforce capable of navigating the complexities of the fleet management industry.

¹ How Custom Fleet strengthened its emerging female leadership pipeline by powering up on self awareness, strengths & resilience.

Health and Wellness

Element fosters a culture of well-being centered around three key dimensions: physical, emotional, and financial. This holistic approach reflects our commitment to supporting our people in their personal and professional lives. Our Team Member Engagement survey revealed a well-being index score of 74%, which falls below our industry benchmark of 80%. While we received positive feedback on work-life balance and leader support for well-being, we recognize the need for improvement and are taking action to reinforce our commitment to health and safety, provide clarity on flexibility, and foster a stronger sense of belonging. Our wellness strategy aims to create a workforce that is engaged, resilient, and invested in the success of our organization, enhancing productivity, creativity, and the impact of our work.

Physical

Understanding the importance of physical health, we offer a range of services and programs to support our teams' well-being, including comprehensive medical coverage, telehealth services, health coaching, disease management programs, and wellness rewards programs.

Emotional

We value the emotional health of our people, providing resources including counselling, family support, company-wide paid time off, and an annual winter break that extends holidays across all geographies to ensure our people have the necessary time to dedicate to emotional well-being.

Financial

Element's Total Rewards program is designed to help team members achieve financial wellness by providing them with a wide range of resources, including personal finance information webinars.



Introducing the Betterfly Wellness App in Mexico

Betterfly provides app-based access to medical, psychological, nutritional, and many other benefits services for team members. By interacting with the apps' services, team members can learn to adopt better habits and donate to social causes.

Team Member Wellness Programs

Element supports our people through various wellness programs, including our Employee Assistance Program (EAP), Eldercare, and Parenting resources. Team members with 12 months of continuous service are eligible for Paid Parental Leave (PPL). Depending on the region, paid maternity leave is offered for up to 52 weeks, and paternity leave is offered for up to six weeks following the birth of a child or placement of a child with them for adoption.

Reproductive Healthcare

The health benefits we make available to our people are in support of the philosophy that decisions on healthcare — and equal access to that care — is a personal right that should be afforded to all our people. With that in mind, we are fundamentally committed to providing a variety of resources to help our team members and their families care for their total well-being, which includes access to reproductive healthcare.

Team Member Health and Safety

The well-being and safety of our team members, clients, and suppliers are of the utmost importance to us. We remain committed to maintaining a safe and secure workplace, holding ourselves accountable for promoting a positive work environment for all. Element complies with all applicable laws and regulations related to workplace safety and health, and we expect every team member to contribute to upholding these standards. To ensure compliance with our standards and practices, we have established the Team Member Environment, Health, and Safety Program, which includes mandatory annual training covering a range of topics including Workplace Health and Safety, Anti-Harassment, Workplace Violence, Safe IT and Data Practices, Unconscious Bias, and other core policies. We closely monitor completion to ensure that all team members complete this mandatory training.

Work Arrangements

Our Flexibility within a Framework is grounded in our Ways of Working (WOWs) and the guiding principles of productivity, flexibility, and team member well-being. Element's expectations are that our people will fulfill business obligations while taking the time off they need.



Driver Safety

Driver safety is a top priority at Element, reflecting our dedication to the well-being of our team members, our clients' drivers, and the communities where we operate. Through our concentrated efforts in creating and implementing innovative solutions, products, and services, we strive to elevate driver safety standards and encourage the widespread adoption of our safety resources. Element's primary objective is to reduce accidents and their associated severity and costs.

How We Address Driver Safety

Element's comprehensive suite of products and services equip clients with the necessary tools to assess and mitigate driver risk effectively.

Our **DRIVERCARE RISK MANAGER**® solution integrates various data streams to analyze and assess driver risk levels, providing tailored online training and structured driver coaching to improve drivers' skills and road safety awareness. The platform is customizable, allowing for adaptation to each client's specific safety needs. **DRIVERCARE CONNECT**® delivers a connected solution that utilizes driver competition, education, and recognition to facilitate proactive coaching and remediate at-risk behaviours. **DRIVERCARE COPILOT**® is optimized for use on mobile devices and captures additional safety data points, providing clients with an objective basis to enhance driver safety across their fleets. By offering insights into individual driver, team, and fleet scores and trends, along with the ability to identify and address behaviours related to phone interactions, we empower clients to improve driver safety proactively. Element additionally offers **DRIVERCARE COPILOT**® to all Element team members and family members in the U.S. and Canada at no charge.

- **CONNECTED VEHICLES** Our suite of driver safety products pinpoints critical driver behaviours, such as hard braking and quick acceleration, allowing for focused remedial actions. Among drivers identified with unacceptable behaviours, according to the client's parameters, those drivers improved their performance scores by 14%, correlating with reduced collision rates of up to 15%.
- Element's **FLEET SAFETY CONSULTING** team expertly analyzes collision and risk data to provide tailored improvement recommendations, supporting clients in making informed decisions to enhance fleet safety.
- In addition to safety training that addresses technical driving skills, Element offers **DRIVER WELL-BEING** resources for all client drivers and team members aimed at preparing drivers mentally, emotionally, and physically for safe driving.
- We continue to enhance our **DRIVERCARE** solution, integrating in-cab camera data to **DRIVERCARE CONNECT**®, creating a market-leading solution that provides continuous, comprehensive, closed-loop vehicle monitoring.

Leading-Edge Safety Products

We take a proactive prevention approach to driver risk management and safety in contrast to a reactionary remediation approach. In 2023, clients enrolled in Element's safety program had 37% fewer preventable incidents per million miles than Element clients who were not enrolled in our safety program. Our innovations in connected driver behaviour leverage integrated collision and behavioural data collected from in-vehicle telematics devices, in-cab cameras, and mobile telematics available through a smartphone app to assess and dampen risk-causing behaviours. Our team continues to use data-driven insights to upgrade our client safety solutions and provide greater insight into the relationship between driver behaviours and collision risk.



Driver safety is critical to our industry and a top priority at Element. Our products continue to reduce preventable collisions for our clients. In 2023, this reduction for our clients was 37%.



TERRY WINSLOW,
VP, COLLISION AND SAFETY

DriverCare Connect in Action

A recent analysis offered the chance to assess the impact of our **DRIVERCARE CONNECT**® program on a client's fleet over a 12-month period, tracking performance metrics before and after implementation.

Following the deployment of **DRIVERCARE CONNECT**®, the data revealed a compelling narrative of enhanced safety and success. After joining the program, the client observed a notable 6.8% reduction in preventable incidents, which equated to 51 fewer preventable collisions. This reduction not only improved safety but also led to savings of approximately \$1.3M.¹ These savings account for the additional financial benefits related to factors such as injuries, workers' compensation, and associated liabilities.



The Driver's Experience

Through **DRIVERCARE COPILOT**®, when a fleet driver downloads the CoPilot app on their smartphone, they:

- Can see trip trends and tips on specific behaviours to educate them on safer driving
- Receive results within minutes of trip completion
- Locate driving events on an interactive map to identify exactly when and where they occurred
- Compare their individual score to the team score

6.1%
fewer collisions

¹ Based on the average cost per incident provided by [National Highway Traffic Safety Administration \(NHTSA\)](#).

Our Communities

As responsible corporate citizens, we are dedicated to making a positive impact in the communities where we live, work, and do business. Our commitment to sustainability informs our community engagement strategy, guiding us to confront societal challenges through thoughtful investment of our resources – time, talent, and financial support.



Community Involvement

At Element, we embrace our role as responsible corporate citizens and actively engage in the communities where we work, live, and do business. Our [Corporate Social Responsibility Policy](#) underscores this commitment, guiding our actions in corporate financial donations, team member volunteerism, and support for equity in education, environmental innovation, and emergency response efforts.



Education

Education plays a crucial role in nurturing the future leaders of our communities. We actively support access to education for historically underrepresented groups through scholarships, donations, volunteerism, and local community engagement programs that give diverse students opportunities and access.



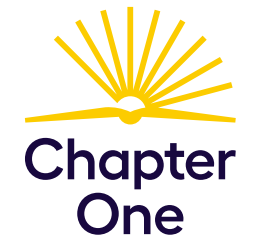
For the 2023-24 school year, we continued our partnership with [UNCF](#), increasing our scholarship support from 5 to 8 scholars.



We also deepened our collaboration with [Reading Partners](#), providing students with the proven, individualized support they need to foster literacy and love for reading. In 2023, our efforts culminated in supporting three schools, 340 students, and donating 660 books.



In New Zealand, we continued our support for the [First Foundation](#), who provide financial assistance, paid work experience, and dedicated mentorship to bright young Kiwis whose circumstances make it harder to attend university. Our contributions support a candidate's completion of their university degree and a work experience opportunity within Element.



[Chapter One](#) is on a mission to transform children's futures with one-to-one reading support at the time they need it most. The global nonprofit serves more than 2,000 children in 8 provinces and territories across Canada. In 2023-2024, Element's donations funded tutoring staff and resources for four under-resourced classrooms, with Element team members contributing 25 hours of support and 76 one-on-one reading sessions throughout the school year.



In Mexico, we support [Casa Hogar Alegría](#), a non-profit that transforms the lives of girls without parental care by providing them with food, housing, and integral education, empowering them to become independent women. In 2023, the Element team contributed 38 volunteer hours and supported 205 girls through volunteer engagements and financial contributions.

Environment

Element's commitment to fostering environmental sustainability has continued to grow within our communities; our support is marked by valuable partnerships that cultivate a positive impact on the environment. In 2023, the Element team amplified our efforts in Mexico through collaboration with [Bosque Urbano](#), [Palo que Habla](#), and [Reforestamos México](#), three non-governmental organizations dedicated to reforestation. Our team's enthusiasm for environmental stewardship was exemplified by more than 95 team members and family members coming together to plant 1,354 trees in Mexico City and Guadalajara, contributing 293 volunteer hours to these initiatives.

The momentum of our environmental initiatives extends globally through continued support for [Clean Up Australia](#) and [Keep New Zealand Beautiful](#). These ongoing partnerships exemplify Element's global commitment to environmental responsibility and community engagement.

Element Mexico's Annual Reforestation Event

In 2023, 95 Element team members and their families contributed 293 volunteer hours to plant 1,354 trees in Mexico City and Guadalajara.



Emergency Response

When our people or clients are impacted by a natural disaster, we do what we can to help. We take the approach of combining immediate aid with long-term sustainable development through donations to organizations, including, but not limited to, [The Red Cross](#) and [TECHO](#). These partnerships allow us to expand our reach, providing essential resources when and where they are needed most. In 2023, our team supported global response efforts, including:

- Contributing \$89K MXN and volunteering 77 hours in support of TECHO in Mexico. TECHO's initiatives focus on creating clean water facilities and providing permanent housing solutions to alleviate the housing crisis, aiming to foster resilience in affected areas.
- Following the Morocco earthquake in September 2023, Element donated to the Canadian Red Cross to support mobilization efforts that provided immediate relief, recovery efforts, and resilience activities.
- In the wake of Hurricane Otis, which devastated Acapulco Bay, we donated through the Mexican Red Cross and provided essential items to those in need.

We take the approach of combining immediate aid with long-term sustainable development through donations to organizations such as The Red Cross and TECHO.

Giving Back to Our Local Communities

Element demonstrates a commitment to building strong communities through our ongoing partnerships and philanthropic initiatives. We take pride in encouraging team members to volunteer in local communities, supported by our Volunteerism Policy. In 2023, our team member volunteer hours increased by 30% compared to the previous year. Additionally, each of our BRGs support local community organizations for which they volunteer and champion, making an impact through numerous local organizations in 2023. Other impactful volunteer initiatives include:

- Our CARE BRG organized events in our U.S. offices to pack goods for local non-profits during National Volunteer Month.
- In Canada, our team members volunteered at a local food bank, where their efforts resulted in sorting 7,000 lbs. of food and providing around 8,000 meals to those in need.
- The Lift Garage received financial contributions and practical assistance through the distribution of winter car kits, in addition to funds raised from a golf tournament and time volunteered through our Client Advisory Board (CAB) event.
- In Mexico, our LGBTQ2+ BRGs organized clothing and hygiene product donations for a non-profit organization that assists kids & young adults marginalized by HIV.

Element team members volunteered more than 2,700 hours in 2023 and donated more than \$570k to local organizations





Our Business

We are committed to strong governance practices that align with our objective of delivering sustainable returns for our investors. Recognizing the critical importance of sustainability to long-term success and value creation, we focus our efforts on enhancing oversight, reporting, and disclosures, ensuring transparency, accountability, and integrity for our stakeholders.



Element's Board of Directors

With Element's recent Board Chair succession from David Denison to Kathleen (Katie) Taylor in May 2024, we have continued our history of strong Board leadership. Like David, Katie has extensive experience both as an executive and a director, including some of North America's largest and most respected organizations. She previously served as CEO of Four Seasons Hotels & Resorts and Chair of the Board of Royal Bank of Canada. Her experience carries on a strong foundation that extends to the rest of Element's Directors.

Our Board is comprised of individuals from a variety of backgrounds and with diverse perspectives, which fosters better decision-making and promotes improved corporate governance. The Board has made the identification of diverse candidates a key search criterion in the director selection and nomination process. At the 2024 annual shareholder meeting, Luis Tellez was elected to join the Board, adding geographic diversity as our first director in Mexico.

The Board has no director entrenchment and continuously brings in new perspectives with new directors joining the Board in five of the last six years.

Board of Directors Snapshot¹

Directors

10 Directors

9 Independent Directors
(with the CEO as the only non-independent director)

Short-term incentives for the Chief Executive Officer (CEO) and other NEOs (Named Executive Officers) are directly aligned with key strategic objectives and metrics outlined in Element's 2023 Global Balanced Scorecard. These incentives are distributed with at least 50% based on financial performance and 25% based on Sustainability priorities. For more details, please refer to our [management proxy circular](#).

Committees

Audit

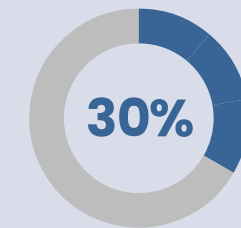
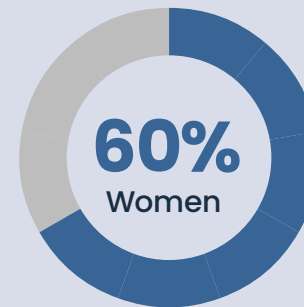
Compensation and Corporate Governance

Credit and Risk

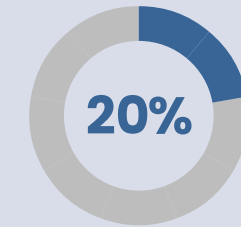
Gender

6 Women

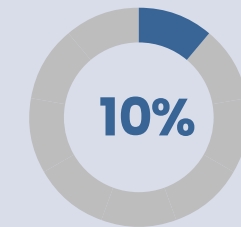
4 Men



Climate and Sustainability Skills/Experience



Racial and/or Ethnic Diversity



Persons with a Disability

¹ As of 2024 AGM

Sustainability Oversight

Board Oversight

Element's Compensation and Corporate Governance (C&CG) Committee oversees climate-related issues. The actions that the C&CG Committee takes to fulfil its responsibilities with respect to corporate governance include, among other things:

- Conducting periodic reviews of the Corporation's corporate governance policies
- Reviewing the Corporation's public disclosure in respect of corporate governance
- Reviewing the mandate of the Board and each committee of the Board
- Recommending procedures to ensure that the Board and each of its committees function independently of management
- Monitoring for any real or perceived conflicts of interest of both the Board and management
- Conducting a periodic review of the Corporation's strategy with respect to sustainability issues

Element's Board of Directors receives regular updates on Element's sustainability initiatives and practices. The C&CG Committee receives biannual updates on sustainability strategy, including the timing of Element's scenario planning, Greenhouse Gas inventory results and overall strategy. Additionally, Element's Audit Committee receives an update from our third-party independent practitioners on the emissions inventory assurance process.

ENTERPRISE RISK COUNCIL

Our Enterprise Risk Council is a cross-functional group led by our Chief Financial Officer. Risk owners from across Element regularly update the Council on their risks, the steps to mitigate these risks, and any potential emerging trends.

CLIMATE RISK SUB-COMMITTEE

Our newly introduced Climate Risk sub-committee is comprised of key stakeholders from across the business and works to detect and prevent climate risk. This sub-committee was established at the end of 2023 with the intent to meet on a bi-annual basis to detect and prevent risks in the short, medium, and long term.

This Committee provides company-wide oversight in achieving risk mitigation vision around climate risks. The vision is to support Element's strategic objectives

by preventing, managing, and reacting to both emerging and current climate risks, as well as maximizing opportunities. Enterprise "Climate Risks" are defined as any significant climate-related event that could affect or impact the achievement of the Company's objectives, whether strategic-, operational-, financial-, or compliance-related.

Sustainability Steering Committee

The Sustainability Steering Committee is comprised of Executives and Vice Presidents from Finance, Commercial, Operations, Electric Vehicles, People, Performance and Culture, and Legal. The Steering Committee meets quarterly and serves as a rapid decision forum to provide ongoing strategic direction to the sustainability program. At the helm are:

- **DAVID COLMAN**, Executive Vice President and Chief Legal and Sustainability Officer: Governance
- **JIM HALLIDAY**, Executive Vice President and Chief Operating Officer: Electric Vehicle Solutions, Sustainable and Diverse Sourcing, Safety
- **FRANK RUPERTO**, Executive Vice President and Chief Financial Officer: Risk management, greenhouse gas emissions, sustainability-related controls and audits
- **DAVID MADRIGAL**, Executive Vice President and Chief Commercial Officer: Client decarbonization initiatives and efforts
- **AVNINDER BUTTAR**, Senior Vice President and Head of Electrification
- **KURT JOHNSON**, Senior Vice President and Deputy Chief Financial Officer
- **SHERI MCGRATH**, Vice President, Sustainability

Sustainability Leadership Committee

The Sustainability Leadership Committee convenes global leaders from Finance, Operations, Electric Vehicles, People, Performance, and Culture, Product Management, Sourcing, Strategic Consulting, and Legal in monthly meetings to lead the implementation of the sustainability program, support client engagement, and organize workstream members.



Understanding and Assessing Our Climate Risks and Opportunities

Element initiated a thorough assessment of our climate-related risks and opportunities with the assistance of a third party, covering all risk categories highlighted by the TCFD framework.

The climate-related risks and opportunities analyzed were built upon the topics identified in our [materiality assessment](#). Like our materiality process, we followed a methodology rooted in stakeholder input and analysis to identify material climate-related risks and opportunities to Element.

Our Climate Risk Sub-Committee played a pivotal role in identifying and evaluating the physical and transition risks across various timeframes to gauge their overall impact on our operations. These risks and opportunities were assessed in terms of their short-, medium-, and long-term implications, aligning with our financial planning strategy. The impact of these risks was assessed by considering both their likelihood and Element's vulnerability.

To outline the climate scenario analysis of our critical facilities and examine our physical risks, we utilized Sust. Global¹, an independent provider of geospatial climate intelligence. Leveraging this intelligence, we analyzed risks using both worst-case and middle of the road Intergovernmental Panel on Climate Change (IPCC)² scenarios.



EXAMPLES OF PHYSICAL RISKS AND POTENTIAL IMPACTS

Risk Type	Description	Examples of Potential Impact
Physical³	Result from the impacts of physical hazards (e.g., weather events) on facilities, infrastructure, operations, and supply chain	We assessed exposure levels to acute and chronic physical hazards of eight ⁴ material sites ⁵ across six hazards ⁶ through 2050 and concluded that water stress ⁷ poses the highest physical risk exposure in the short- and long-term while other hazards (e.g., sea level rise, flooding, etc.) pose relatively low exposure and do not present a significant threat
Acute Physical	Event-driven, including increased severity of extreme weather events such as flooding or wildfires	Increasing damage and insurance claims due to extreme weather events
Chronic Physical	Longer-term shifts in climate patterns that may cause sea level rise or chronic heat waves	Chronic weather can cause damage or destruction to vehicle assets or unavailability of vehicles

EXAMPLES OF TRANSITION RISKS AND POTENTIAL IMPACTS

Risk Type	Description	Examples of Potential Impact
Transition³	Result from the changes and actions of transitioning to a lower-carbon economy	The most significant transition risks identified are those associated with the cost of transitioning to low-carbon technology, including the transition to EVs
Policy and Legal	Includes policy actions that attempt to avoid, mitigate, and adapt to climate change and litigation for noncompliance	Potential regulatory mandates on the measurement and disclosure of climate-related risks, opportunities, management, and performance
Market	Includes shifts in behavior and supply and demand for certain commodities, products, and services	Evolving industry as consumption of fuel decreases and EV adoption increases
Technology	Improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system	Potential increased costs associated with compliance with regulatory mandates on the use of low-emissions energy sources and technology
Reputation	Based on changing perceptions of Element's contribution to, or detraction from, the transition to a lower-carbon economy	Potential impacts due to increasing pressure and expectations on Element's climate strategy, performance, and disclosures

¹ Sust. Global

² IPCC Sixth Assessment Report, Climate Change 2021: The Physical Science Basis

³ TCFD

⁴ Toronto, Mississauga, Hopkins, Owings Mills, Mexico City, Melbourne, Sydney, Auckland

⁵ Over 10,000 square feet and over 100 team members

⁶ Sea level rise, heatwave, flooding, water stress, wildfire, and cyclone

⁷ Water stress is defined as changing water availability due to climate change, coupled with increasing demand from population growth and economic activity.

In addition to climate-related risks, opportunities were also identified to highlight potential benefits to Element's business across all five opportunity areas put forth by the TCFD recommendations. The impact of these opportunities was assessed based on likelihood and value to Element's business, level of effort to implement, and expected financial benefit. Element recognizes opportunities as our business and the industry transition to a lower-carbon future. Increased revenues from integrating new sustainable products/services were identified to potentially have a positive impact in the long-term.

EXAMPLES OF POTENTIAL CLIMATE-RELATED OPPORTUNITIES

Opportunity ¹	Definition	Examples of Potential Opportunities
Resource Efficiency	Technological innovation and improvements, can result in reduced operating costs and emissions	Operate in more efficient buildings and decrease operational footprint and contribute to clients' increased efficiency efforts
Energy Source	Transitioning to low-carbon energy sources can result in cost savings and reduced emissions	Decrease our overall emissions and take advantage of new technologies that may improve product offerings and provide cost savings
Products and Services	Development of new products and/or services can improve competitive position and capitalize on shifting consumer and producer preferences	Support and develop services for clients seeking to improve performance of their current fleet
Markets	Seeking opportunities in new markets or assets can result in diversification and better positioning for the transition to a low-carbon economy	Potential access to new funding and/or incentives for EV adoption or vehicle decarbonization
Resilience	Development of adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities	Partner with supply chain companies invested in own climate-related activities



Element remains dedicated to further enhancing our governance approach, building upon current accomplishments to ensure robust and effective implementation of sustainable practices, including building resiliency around our growing EV offerings.

¹ TCFD

Shareholder Engagement

Element has an engaged and supportive shareholder base. At Element's 2023 Annual Meeting, shareholders voted with over:

- 93% approval for every director on our Board
- 97% approval for Element's Say on Pay resolution

The overwhelming support for Element's Say on Pay resolution reflects our commitment to sensible executive compensation practices, including a compensation program that promotes close alignment between compensation and shareholder returns.

Ethics and Compliance

Maintaining integrity in all we do is essential to building trusting relationships with all stakeholders. Element is committed to ethical conduct and has implemented comprehensive policies, training, and monitoring to ensure compliance with these standards. Our [Code of Business Conduct and Ethics](#) (Code of Conduct), which is approved by Element's Board, outlines Element's expectations and sets out our policies on topics including conflicts of interest, confidentiality, competition, health and safety, and the prohibition of harassment and discrimination. The Code of Conduct encourages team members to raise concerns without fear of retaliation and includes a confidential reporting process and anonymous helpline. We strongly encourage team members to discuss concerns or seek clarification on ethics and compliance policies, laws, and regulations and to do so anonymously if they so choose.

Element's Board also reviews and approves Element's [Anti-Corruption Policy](#), which sets out detailed rules for engaging with clients and suppliers, including government entities. In addition, Element's Credit Policy has Know-Your-Client obligations to help prevent money laundering. Element conducts due diligence at the time of vendor onboarding, and, in the U.S., a daily update is provided via LexisNexis to ensure funds are not sent to entities that may appear on any government watch list.

Team members are required to review and certify their adherence to our core policies on an annual basis, including:

- [Anti-Corruption](#)
- [Code of Conduct](#)
- [Data Protection](#)
- [Disclosure Policy](#)
- [Insider Trading](#)
- [Whistleblowing](#)
- [Modern Slavery](#)

Element's Board has direct oversight over our compliance program. We provide a quarterly report to the Audit Committee on any concerns raised related to the Code of Conduct or Whistleblowing Policy. We will continue to place significant emphasis on maintaining transparency within our organization, built on strong ethics and integrity.

Human Rights

We continue to advance our [Human Rights Policy](#), which outlines Element's principles with respect to human rights, including prohibitions against child labour, forced labour, and discrimination. Element conforms to the United Nations Declaration of Human Rights and is committed to a safe working environment and the freedom of association of its team members.

Element is committed to respecting human rights, not infringing on the rights of others and addressing any risk(s) or instance(s) of modern slavery within our operations and supply chain, acting in accordance with all federal, state, and provincial legislation.

Vendor Code of Conduct

We seek to ensure that our vendors and suppliers live up to our high standards for ethical conduct, which are outlined in Element's Vendor Code of Conduct. This policy outlines the expectation that our vendors are responsible stewards of the environment, including the implementation of environmental controls in their operations. We collaborate with vendors and suppliers to reduce resource and energy consumption through continuous improvement and innovative solutions. Our goal is to source materials from legal and sustainable sources and to prioritize recognized, responsible vendors and suppliers when possible.

In addition, we expect vendors to share our commitment to human rights and implement practices that reflect respect for human rights and conform with the International Labour Organization (ILO) standards appropriate to the location and context in which their activities take place. This includes, but is not limited to:

- Prohibition of child labour, human trafficking, and slavery
- Commitment to freedom of association and fair and livable working conditions, including working hours and living wages
- Actions to ensure anti-discrimination and anti-harassment
- Worker health and safety

We expect our suppliers to adhere to our Vendor Code of Conduct. In addition, we conduct assessments of our suppliers, which include both virtual and on-site inspections.



Risk Management

Element has risk management processes in place to monitor, evaluate, and manage the principal risks it assumes when conducting its business activities. One of the key risk mitigation activities is the Enterprise Composite Risk Index (ECRI), which is comprised of six indices:

- Revenue
- Credit and Collections
- Treasury
- Operations
- Information Technology
- People

The organization's ability to effectively manage these risks has matured through increased awareness and monitoring. Our cross-functional Enterprise Risk Council, led by our Chief Financial Officer, was created to drive risk awareness deeper into the organization. The Risk Council identifies and monitors major risks that require attention across the organization. Council members include all Executive Vice Presidents, as well as delegates from key functional areas and quarterly reports are provided to the Credit and Risk (C&R) Committee of the Board of Directors. The C&R Committee is currently comprised of five independent directors, including a chairperson. To learn more about Element's risk management process, see Element's [annual management information circular](#).

Business Continuity

Element's Business Continuity Plan (BCP) focuses on providing continuity of a consistent, superior client experience for our clients and drivers, as well as the best possible support for our team members, suppliers, and investors. The BCP is designed to minimize impact on our clients — and their clients — who rely on Element products and services by providing a comprehensive written plan for use during a business disruption event.

Our BCP provides guidance and resources for managing, coordinating, and communicating during short- or long-term events which may impact Element's normal operations, products, and services, including loss of utility services, connectivity interruptions, catastrophic events (weather, natural disaster, building damage), pandemics, and data centre or significant IT application outages.

BCP teams are designated for each type of event to execute the plans, and during a business disruptive event, the teams are prepared to support BCP efforts across impacted site locations, as well as across departments as needed, including support for our clients and drivers. In addition, the BCP team ensures communication and training to relevant stakeholders.

Data Privacy and Cyber Security

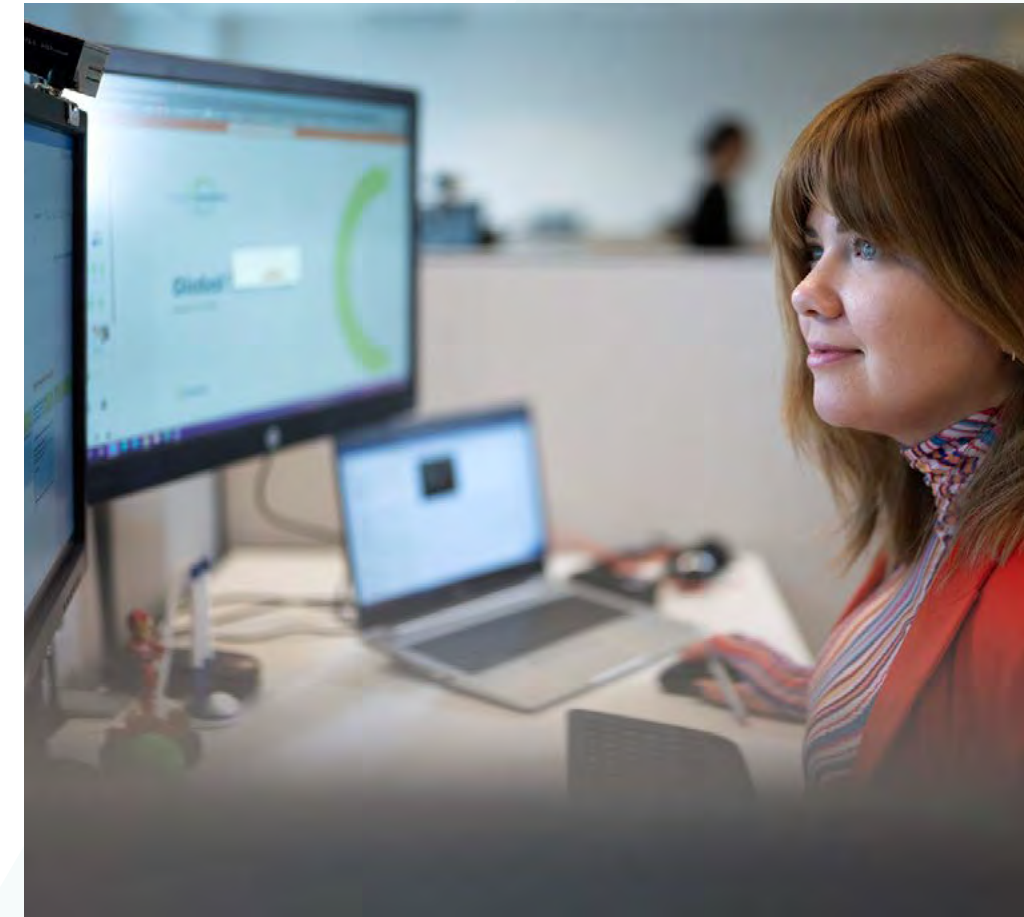
Data privacy and cyber security is a critical component of any business, especially in the current digital environment. Element places significant emphasis on its data management and information security. As part of Element's approach to enterprise risk management, both the executive management team and the Board of Directors, through its C&R Committee, provide oversight of Element's information security and data governance.

The C&R Committee receives quarterly risk assessments from executive management, including risks related to information security and efforts to mitigate ongoing threats. Element's legal team, in consultation with external experts, has developed and implemented data governance and protection policies to ensure that Element is meeting its data protection and data security obligations.

We leverage Managed Security Services in a 24x365 operating model for continuous security monitoring of Element's systems and applications for threat detection and response to security events and incidents. In addition, Element's IT team works extensively to protect and monitor our systems to detect vulnerabilities, prevent data breaches, and respond quickly in the event any system anomalies are detected.

All Element team members are required to complete annual information security training to defend against phishing, social engineering, data protection, and other types of malicious activity. Element conducts regular enterprise phishing simulations as training exercises. Security incidents affecting Element systems have been managed and supported by a strong incident response process and several key members of a dynamic incident response team. When security incidents occur, a rapid response process is initiated to initially triage and scope incidents and to engage the core incident response team. Extended capabilities inclusive of Information Security, Legal, Executives, Communications, and other functional business area representatives are invited to contribute and coordinate the security incident response effort as needed. To date we have not seen direct compromise of our internal systems or any material loss of Element data. There have been instances where Element vendors experienced data or security incidents, but with no material loss or exposure of personally identifiable information about Element clients.

Element's information security program is aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). We have engaged an independent 3rd party audit company (Deloitte) to review our Cyber Security Maturity on an annual basis to support Element's cyber security program and continuously enhance our defense and resilience to cyber threats and system vulnerabilities. Element will continue to focus on data security and engage both legal and technical experts to maintain strong data governance and cybersecurity.



Element's IT team works extensively to protect and monitor our systems to detect vulnerabilities, prevent data breaches, and respond quickly in the event any system anomalies are detected.

The Road Ahead

We are enthusiastic about the future and robust support for sustainability from our executive leadership, Board, and clients. While 2023 was a year focused on building and enhancing upon existing sustainability infrastructure, we are optimistic about the transformative potential in the years ahead, particularly in the following key areas:

DECARBONIZATION

Decarbonization remains a top priority as we continue to push the boundaries of sustainable innovation. We reinforced our commitment by committing to the SBTi, which received full endorsement from our Board and executive committees, ensuring Element's strategies align with global environmental objectives. Scope 3 emissions are critical to these targets, and we are proactively assisting our clients in transitioning towards electrification and decarbonization, thus reducing greenhouse gas emissions throughout the value chain. We are meticulously refining our operational footprint through thoughtful planning and selection of our office locations and spaces. Through these concerted efforts, we are not just adapting to a more sustainable future; we are actively defining it.

SOURCING

Sustainable Sourcing plays a key role in our strategy moving forward. We have begun offering supplier emissions calculations to our clients, providing them with transparent data to make informed, environmentally conscious decisions. This effort extends to nurturing supplier diversity in Canada, where we are committed to introducing an Indigenous category by the year's end. By directing client business towards diverse suppliers, we foster inclusive economic growth and enrich our supply chain with varied perspectives and sustainable practices. This approach underscores our unwavering dedication to DEI&B and the integration of sustainability across all operational facets.

SAFETY

Client, driver, and team member safety will remain core to our work as we move forward. Recognizing that driver safety is critical to our clients' operations, we are committed to continually evolving and providing tailored solutions that meet the varied and unique needs of our clients' fleets. We will continue to enhance our technology-based offerings to minimize collision frequencies and reduce injuries. Element's safety solutions will be elevated by further leveraging our data collection infrastructure, which is essential for generating insights that inform effective safety measures. Our dedication to reducing risks and incidents across geographies will be reinforced as we introduce our digital safety products to new markets.

EDUCATION

Education remains vital to advancing our commitments to DEI&B and sustainability. We recognize the importance of fostering dialogue on key topics such as sustainability, electrification, diversity, equity, inclusion, and belonging. We are focused on enhancing our leaders' and all team members' understanding of these critical areas through the introduction of new educational tools and managerial coaching. We remain invested in our teams' development as an essential driver for continuous improvement and innovation.

Driving Forward Together

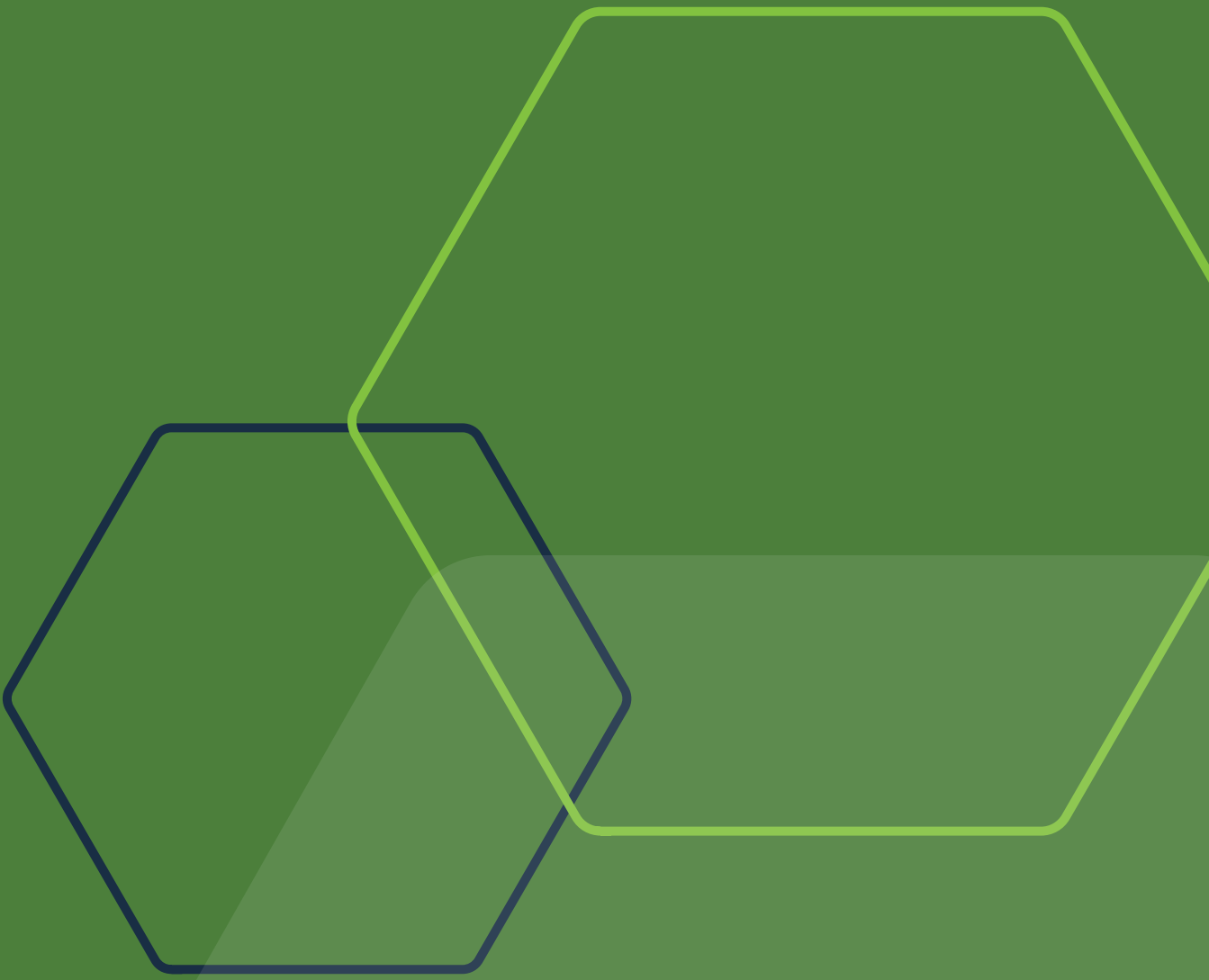
The Sustainability team will continue to collaborate cross-functionally across Element's business units with increased support from the Board and executive leadership team. This support underscores the importance of governance as we advance towards our commitments and prepare for regulatory reporting in various regions.

We have expanded our reporting and disclosure in 2023 through the Task Force on Climate-related Financial Disclosures and expanded CDP disclosure in our reporting. We intend to continue this progress in reporting and transparency as we prepare for our first ESRS-aligned double materiality assessment ahead of disclosure to the [E.U.'s Corporate Sustainability Reporting Directive \(CSRD\)](#).

Decarbonization remains a top priority as we continue to push the boundaries of sustainable innovation.



Indices



2019 Emissions Restatement

We continued to invest in our climate-related data and capabilities to improve the quality, accuracy, and coverage of our reporting. Subsequent to 2019, we observed changes in our Scopes 1 and 2 emissions for 2023 compared to our baseline measurements in 2019 due primarily to the availability of more precise emissions factors from external sources. As more refined emissions factors and country specific data become available, we are committed to incorporating these into our emissions disclosures. As a result, we restated Scopes 1 and 2 for our 2019 baseline year. This restatement is important because it provides more accurate disclosure, which allows for better comparability and transparency. We will continue to reflect improvements in our emissions measurements in future disclosures.

SCOPE 1

In 2023 more precise emission factors were identified for natural gas, refrigerant losses, and vehicles as specified in the table to the right. The data from these sources was obtained for our baseline year (2019) and current year (2023) and reported in Scope 1 in the [GHG Index, Table 1](#) and [Table 2](#). The total sum of additional MTCO₂e¹ for 2019 is 255 MTCO₂e.

SCOPE 2

In 2023 more precise emission factors were identified across our regions as specified in the table to the right. The data from these sources was obtained for our baseline year (2019) and current year (2023) and reported in Scope 2 in the [GHG Index, Table 1](#) and [Table 2](#). The total sum of additional MTCO₂e for Scope 2 Location-based is 453 MTCO₂e. The total difference of MTCO₂e for 2019 Scope 2 Market-based is (15) MTCO₂e.

SCOPE 3

No such analysis has been conducted on Scope 3 this year.

SCOPE 1

2019 INITIALLY REPORTED TOTAL – 2,005 MTCO₂e

2019 Restated Total	2,260 MTCO ₂ e
Variance	255 MTCO ₂ e
Natural Gas	Incorporated location-specific emission factors for our Canadian provinces provided by the Canadian government (2023)
Refrigerant Losses	Utilized more recent Global Warming Potential data (IPCC AR6, 2021) Updated annual refrigerant leakage (kg) formula to account for percent active across facilities impacting four facilities.
Vehicles by Country	
U.S.	The emissions factor source utilized was changed from DEFRA (2019) to US EPA (2020)
New Zealand	For diesel and petrol sources, the emissions factor source utilized was changed from DEFRA (2019) to factors published by the New Zealand Government (2020)
Mexico	Mexico fuel consumption was incorrectly converted to gallons in the initial calculation. Consumption was kept in liters to align with the emission factor available
Canada and ANZ	The emissions factor source utilized was changed from DEFRA (2021) to DEFRA (2019) as DEFRA instructs to use the 2019 dataset to report on 2019 emissions

SCOPE 2

2019 INITIALLY REPORTED TOTAL – 4,897 MTCO₂e

2019 Restated Total (Location-based)	5,349 MTCO ₂ e
Variance (Location-based)	452 MTCO ₂ e
2019 Reported Total (Market-based)	5,211 MTCO ₂ e
2019 Restated Total (Market-based)	5,196 MTCO ₂ e
Variance (Market-based)	(15) MTCO ₂ e
U.S.	Sparks, MD location updated the eGRID emission factor to RFCE region instead of SRVC All Green-e factors related to market-based were replaced with those published in 2021 reflective of 2019 data Two facilities updated to include an estimated consumption value for purchased electricity as they were incorrectly reported as having no activity for the year
Canada	All location-based and market-based emissions factors were changed from the national average to region-specific factors for 2019 reported by the Canadian government (2023)
Mexico	The emission factor was changed from the IEA to the emission factors reported by the Mexican Government (2019)
Australia	All emission factors were changed to those reported by the Australian Government per region for 2019 (2021) Two facilities updated to include an estimate consumption value for purchased electricity
New Zealand	The emission factor was changed from the IEA to the national average reported by the New Zealand Government for 2019 (2022)

¹ MTCO₂e – Metric Tonnes Carbon Dioxide equivalent

GHG Index

Direct (Scope 1¹), Indirect (Scope 2²) and Other Indirect (Scope 3³) GHG emissions:⁴
Values rounded to the nearest whole number

	2023 ^{6,7}	2019 ^{6,7}
Scope 1: Direct – MTCO₂e⁵		
Scope 1	1,333	2,260 ⁸
Scope 1 Subtotal	1,333	2,260 ⁸
Scope 2: Direct – MTCO₂e		
(Location-based)	2,646	5,349 ⁸
(Market-based)	2,809	5,196 ⁸
Scope 2 Market-based Subtotal	2,809	5,196 ⁸
Scope 3: Indirect – MTCO₂e		
Purchased goods and services	25,927	16,238
Capital goods	1,693,550	1,646,134
Fuel- and energy-related activities	1,218	1,592
Upstream transportation and distribution	24,551	90,607
Waste generated in operations	137	933
Business travel	1,993	934
Employee commuting (including teleworking)	3,020	682
Upstream leased assets (Element is lessee)	414	–
Use of sold products	7,015,016	6,346,457
End-of-life treatment of sold products	26,206	33,554
Downstream leased assets (Element is lessor)	5,234,215	6,197,842
Scope 3 Subtotal	14,026,246	14,334,972
Grand Total (Scope 1 + Scope 2 Market-based + Scope 3) MTCO₂e	14,030,388	14,342,428

1. Scope 1: Emissions from sources owned or controlled by the reporting company.

2. Scope 2: Emissions due to activities of the reporting company but occur at sources owned or controlled by another company.

3. Scope 3: Emissions due to activities from assets not owned or controlled by the reporting organization, but the organization indirectly impacts in its value chain.

4. Element's greenhouse gas footprint is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

5. MTCO₂e – Metric Tonnes Carbon Dioxide equivalent

6. GHG inventory conducted for baseline year (2019) and most recent year (2023).

7. 2019 and 2023 Scopes 1, 2, and 3 emissions were assured to a [limited extent](#) by EY.

8. 2019 Scopes 1 and 2 GHG emissions values are restated, please see [2019 Emissions Restatement](#) for an explanation of the restatement.

GHG Protocol Corporate Standard

Organizational Boundaries – Operational Control

Element defines its organizational boundaries for corporate reporting of consolidated GHG emissions according to the Organizational Control Approach.¹ Under this approach, Element will account for 100 percent of the GHG emissions for operations over which it has operational control. This approach was chosen to align with our goal to reduce GHG emissions across all our facilities.

Base Year – 2019

The fiscal year ending in 2019 is the base year for Element's greenhouse gas inventory (Scopes 1, 2 and 3). This year was chosen as the most recent operating year from the time of initial calculation, not influenced by extraordinary macroeconomic factors. Both Market- and Location-based methodologies were used to calculate 2019 and 2023 Scope 2 inventories in accordance with the GHG Protocol Corporate Accounting and Reporting Standard Scope 2 Guidance.

Adjustments to Base Year Emissions – Structural and Methodology Changes

Structural changes include mergers, acquisitions, and divestments of operations or facilities and/or outsourcing or insourcing of GHG emitting activities. Methodology changes include changes in activity data accuracy, changes in emission factors, and/or changes in the methodology used to calculate GHG emissions. Discovery of significant errors in base year emission calculations can necessitate a change in the base year emissions inventory. In cases where changes are made, these changes will be made to the baseline and current year, so that all emissions are reported using the same basis. In this way, the boundary of the reduction goal inventory remains consistent throughout the goal period.

Element defines a "Significance Threshold" requiring a change in the base year emissions as a significant structural or methodology change or discovery of error(s) resulting in at least a +/- 5% change in Scope/Category corporate-wide GHG emissions. Also, a Significance Factor of +/- 10% change in individual category GHG emissions from the

previous year's emissions will trigger an internal verification review for that category. Finance Leadership will evaluate the Significant Thresholds on an annual basis and may make adjustments to the thresholds as deemed appropriate once additional historical data is developed for the facilities.

Structural changes (e.g., mergers, acquisitions, and divestments of operations or facilities, and/or outsourcing or insourcing of GHG emitting activities) will be identified during the annual inventory reporting process using a standard year-end questionnaire distributed to team members in Real Estate and other relevant local facility managers.

Methodological changes will be identified during the annual inventory reporting process via data review by Sustainability Leadership. Element will monitor regulatory changes as well as newly published technical guidance by the GHG Protocol, CDP, the Science Based Targets initiative, or any other organizations with authority in the field of GHG Management and GHG emission accounting.

Emissions Quantification Methods

Element's GHG emissions are quantified using emissions factors from the Environmental Protection Agency (EPA), the (UK) Government, the International Energy Agency (IEA), and other credible and public sources as outlined in [Table 1](#).

For Scope 3 Categories 11 (Use of sold products) and 13 (Downstream leased assets) the Well-to-Wheel (WTW) emissions boundary was used in alignment with the SBTi Land Transport guidance.²

Emissions Factors

The emission factors applied in the calculations quantify direct and indirect emissions as well as the calculation and estimation methodology are listed in [Table 1](#) in adherence with 5.2.1 of the GHG Protocol Corporate Accounting and Reporting Standard.¹



¹ [GHG Protocol Corporate Standard Revised \(English\), 2015](#)

² [Land Transport Science-Based Target-Setting Guidance Version 1.0 March 2024](#)

Table 1

ELEMENT'S EMISSIONS FACTORS FOR EMISSIONS QUANTIFICATION

Scope 1	Relevant Emission Factors (EFs)	Calculation and Estimation Methodology
Facility Heating via natural gas	Appropriate emission factor for natural gas from EPA ¹ and other country-specific publications ²	When utility data is not directly available (for example because utilities are included in the rent), Element uses either state-specific or country-specific averages, or when such data is not available or with insufficient detail, the weighted average energy use per square foot (for example, mmBTu/sqft) was used as a proxy.
Facility Cooling – refrigerant leakages	Current Global Warming Potential (GWP) ³ of HFC-134a (assumed refrigerant used in facility cooling)	Estimated for all facilities based on their square footage using available industry averages for the amount of refrigerant used and leaked in office buildings and manufacturing facilities.
Transportation of materials, products, waste, and employees	Appropriate emission factor for consumed fuel types (e.g., diesel, gasoline) from EPA ¹ and other country-specific publications ² , or DEFRA ⁴ where country-specific factors were not provided	Calculated emissions from fuel consumption data for each vehicle in Element's private fleet.
Scope 2	Relevant EFs	Calculation and Estimation Methodology
Electricity	Appropriate emission factors associated with the electric grid sub-region defined by eGRID ⁵ for the USA and other country-specific publications ⁶ . Residual mixes should be utilized where available, if a residual mix is not available it shall be documented and disclosed while unadjusted grid average emission factors such as those used in the location-based method are utilized.	When utility data is not directly available (for example because utilities are included in the rent), Element uses either state-specific or country-specific averages, or when such data is not available or of insufficient detail, the weighted average energy use per square foot (for example, kWh/sqft) as a proxy. When utility spend is provided but kWh consumption is not, Element uses average electricity prices for the relevant country to estimate kWh usage. Electricity associated with the charging of Element's owned vehicles were also calculated.
Steam, Heating, or Cooling	Appropriate emission factors for heat and steam from DEFRA ⁴	For steam, utility data was used where applicable. Estimates were not made for all facilities as steam use/purchasing is limited across Element facilities.
Scope 3	Relevant EFs	Calculation and Estimation Methodology
Cat. 1 - Purchased goods and services	EEIO Supply Chain ⁷ spend-based emission factors for indirect emission from supply chains	For vendor-specific spend, emission factors were pulled from the EEIO spend-based emission factor database based on that vendor's industry code. For spend by category, emission factors were pulled from the EEIO spend-based emission factor database. ⁷
Cat. 2 - Capital goods	EEIO Supply Chain ⁷ spend-based emission factors for indirect emission from supply chains	For spend by category, emission factors were pulled from the EEIO spend-based emission factor database. ⁷
Cat. 3 - Fuel- and energy-related activities	Well-to-tank EFs from DEFRA ⁸ and average grid loss factors on specific energy consumption from Scope 1 & 2 (Electricity)	Electricity regions were assigned to each facility based on location, and in line with those used for Scope 2 calculations. Where region specific data was unavailable, country-specific emission factors were used. For fuel usage including natural gas, diesel, gasoline, and propane, DEFRA ⁸ Well-to-Tank (WTT) emission factors were applied based on usage.
Cat. 4 - Upstream transportation and distribution	EEIO Supply Chain Greenhouse Gas Emission Factors ⁷ for spend-based data. For consumption or distance-based data, appropriate emission factors from EPA ¹ .	EEIO emission factors were used to estimate emissions based on spend on transportation services. Where available, calculated emissions based on fuel consumption or mileage data for transportation services.
Cat. 5 - Waste generated in operations	EPA emission factors ¹ from Waste Generated in Operations; applied based on type of waste and appropriate waste stream. EEIO ⁷ spend-based emission factors where only spend was available.	Calculated based on weight of waste that Element Corp. recorded over the reporting year or estimates based on per capita waste generation averages across countries. EPA emission factors ¹ were applied based on type of waste and appropriate waste disposal method. EEIO ⁷ spend-based emission factors were used where only spend on waste removal services was recorded.

Table 1
ELEMENT'S EMISSIONS FACTORS FOR EMISSIONS QUANTIFICATION

Scope 3	Relevant Emission Factors (EFs)	Calculation and Estimation Methodology
Cat. 6 - Business travel	DEFRA ⁴ emission factors for flights, vehicles, buses, taxis, rail/train, and hotel stays.	For flights, mileage data for each flight was used where readily available and multiplied by haul-specific and class-specific emission factors. Where mileage data was not readily available, it was estimated using spend on flights and the average price and length of Element's flights where price and distance data was available. For hotel stays, the number of hotel nights for each business trip was used where readily available and multiplied by a country specific emission factor. Where the number of hotel nights was not readily available, it was estimated using spend on hotels and the average price of hotel nights in the country of stay. All spend associated with business travel for car rental, taxis, or other ground transportation was used to attain an estimate of average mileage per dollar spent to multiply by an associated emission factor for the method of travel.
Cat. 7 - Employee commuting	EPA and other country-specific emission factors for electricity ⁵ and natural gas. ¹ DEFRA ⁴ employee commuting emission factors (car, taxi, bus, subway/rail). IEA ⁹ baseline residential energy intensity emission factors by region.	Estimated based on number of employees at each of Element's facilities and their assumed percentage of hybrid, remote and/or in person. For employees who commute, average commutes were used for certain locations. Other location commute distances were estimated based on city/region trends. Mode of transportation was assumed for each location based on city or region data. An emission factor for each commuting mode was then used to retrieve emissions. For remote employees, emissions were estimated using regional energy intensity emission factors for both natural gas and electricity usage.
Cat. 8 - Upstream leased assets (Element is lessee)	Appropriate emission factors for electricity and natural gas from EPA and other country-specific publications. Appropriate emission factor for heat and steam from DEFRA. ⁴	For the facilities subleased by Element, calculated emissions based on methodologies described in Scopes 1 and 2. As sub-leasing arrangements expire Cat. 8 emissions will be reflected in Scopes 1 and 2 as appropriate.
Cat. 9 - Downstream transportation and distribution	Not Relevant, Downstream transportation emissions determined to be immaterial with majority falling under category 4.	
Cat. 10 - Processing of sold products	Not Relevant, Element does not sell products that require further refinement.	
Cat. 11 - Use of sold products	DEFRA ⁴ and EPA ¹ emission factors for fuel types and passenger vehicles. EPA ⁵ and other country-specific emission factors for electricity (charging of electric vehicles).	While not required by the GHG Protocol, the Well-to-Wheel emissions boundary was used in alignment with the Science Based Targets initiative Land Transport guidance ¹¹ . Estimated based on data related to vehicles sold. Vehicle make, vehicle type, mileage, fuel type and model year were used. Assumptions were made for the average yearly mileage and average lifetime mileage. Fuel economy by make was also considered to estimate lifetime fuel consumption and mileage driven. For electric vehicles, estimated lifetime energy consumption in similar method outlined above using an assumption on the average kWh consumption per mile/kilometer.
Cat. 12 - End-of-life treatment of sold products	Vehicle disposal factors by vehicle type based on combination of vehicle mass and component materials from Argonne National Labs' GREET2023 model ¹⁰ . DEFRA ⁴ emission factors included in calculation for vehicle component materials (e.g., steel, glass, etc.).	Estimated based on number of vehicles sold, estimated average car weight by vehicle type (e.g., passenger car, SUV, etc.), and an estimated material composition by vehicle type (e.g., % metals, % plastics, etc.).

Table 1
ELEMENT'S EMISSIONS FACTORS FOR EMISSIONS QUANTIFICATION

Scope 3	Relevant EFs	Calculation and Estimation Methodology
Cat. 13 – Downstream leased assets (Element is lessor)	DEFRA ⁴ and EPA ¹ emission factors for fuel types and passenger vehicles. EPA ⁵ and other country-specific emission factors for electricity (charging of electric vehicles).	While not required by the GHG Protocol, the Well-to-Wheel emissions boundary was used in alignment with the Science Based Targets initiative Land Transport guidance ¹¹ . Assigned vehicle types and fuel to each leased vehicle and calculated emissions based on usage in the lease period. For certain vehicle types, estimated distance driven based on vehicle type instead of fuel consumption to align with available emission factors. Where distance data was not available, estimated fuel consumption based on vehicle type. Consumption data for charging electric vehicles was included in the calculation.
Cat. 14 – Franchises	Not relevant, Element does not operate franchises.	
Cat. 15 – Investments	Not Relevant, Investments determined to make an immaterial portion of emissions, with asset investment via leases determined to fall under category 13.	

¹ 2024 GHG Emission Factors Hub, Feb. 2024 | United States EPA

² Emission Factors and Reference Values Version 1.1 June 2023 – Environment and Climate Change Canada

National Greenhouse Accounts Factors 2023 – Australia

Measuring Emissions: A Guide for Organisations – 2023 – New Zealand

Mexico National Inventory Report (NIR) 30 Jun 2022

³ Intergovernmental Panel on Climate Change, includes GWP

⁴ Greenhouse Gas Reporting: Conversion Factors – DEFRA

⁵ US EPA, 2024 eGRID with 2022 Data

⁶ As previously noted and National Emissions Register – 27 de febrero de 2023 – Mexico and National Inventory Report – Greenhouse Gas Sources and Sinks in Canada Part 3 2023

⁷ EEIO – Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6 April 20, 2023

⁸ Greenhouse gas reporting: conversion factors 2021 – revised January 2022 GOV.UK (www.gov.uk)

⁹ Estimating Energy Consumption & GHG Emissions for Remote Workers February 2021 | Anthesis Group

¹⁰ Argonne National Laboratory Greenhouse gases, Regulated Emissions and Energy use in Technologies Model 2023rev1 Release

¹¹ Land Transport Science-Based Target-Setting Guidance Version 1.0 March 2024

Table 2

2023 SCOPE 1 & 2 EMISSIONS¹ SUMMARY

	Total MTCO ₂ e ⁴	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	HFC (MT)	CO ₂ (MTCO ₂ e) ²	Ch4 (MTCO ₂ e)	N2O (MTCO ₂ e)	HFC (MTCO ₂ e)
Scope 1	1,332.85	963.76	0.05	0.02	0.24	963.76	1.43	5.10	362.56
Scope 2⁶ (Location-based)	2,645.80	2,022.22	0.17	0.02	0.00	2,022.22	4.95	5.92	0.00
Scope 2⁶ (Market-based)	2,808.62	2,092.54	0.00	0.00	0.00	2,092.54	0.08	0.03	0.00

2019^{3, 5} SCOPE 1 & 2 EMISSIONS¹ SUMMARY

	Total MTCO ₂ e ⁴	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	HFC (MT)	CO ₂ (MTCO ₂ e) ²	Ch4 (MTCO ₂ e)	N2O (MTCO ₂ e)	HFC (MTCO ₂ e)
Scope 1	2,260.06	1,953.89	0.13	0.03	0.19	1,953.89	3.98	8.19	294.00
Scope 2⁶ (Location-based)	5,349.39	4,694.00	0.44	0.06	0.00	4,694.00	13.04	16.12	0.00
Scope 2⁶ (Market-based)	5,195.56	4,559.18	0.00	0.00	0.00	4,559.18	0.00	0.00	0.00

2023 SCOPE 1 & 2 REGIONAL TOTALS MTCO₂e

		2023	2019 ⁵
Scope 1	ANZ	79.27	219.38
	U.S./CAN	797.20	1,680.06
	MEX	456.38	360.62
Scope 2⁴	ANZ	560.89	448.75
	U.S./CAN	2,122.68	4,688.68
	MEX	125.05	58.13

¹ Element's greenhouse gas footprint is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

² MTCO₂e – Metric Tonnes Carbon Dioxide equivalent

³ GHG inventory for baseline year (2019) and current year (2023)

⁴ Totals calculated utilizing scope 2 market-based GHG emissions

⁵ 2019 Scopes 1 and 2 GHG emissions values are restated, please see [2019 Emissions Restatement](#) for an explanation of the restatement.

⁶ Certain emission factor sources used to calculate emissions did not disclose factors at the component gas (CO₂, CH₄, and N₂O) level, only the CO₂e factor. Therefore, the total MTCO₂e within Table 2 does not mathematically align with each of the listed component gases as the necessary information is not available.

SASB Index

For calendar year 2023, Element has chosen to use the voluntary Sustainability Accounting Standards Board (SASB) framework for our industry. Transportation Sector, Car Rental and Leasing Standard (TR-CR).

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE	U.S.	CAN	MX	AUS	NZ
Customer Safety	Percentage of rental fleet vehicles rated by NCAP programs with an overall 5-star safety rating, by region ¹	TR-CR-250a.1	In 2023, the percentage of VUM rated 4 or 5 stars in their respective countries	86%	86%	Data unavailable	99.4%	99.5%
	Number of vehicles recalled	TR-CR-250a.2	In 2023, all OEM voluntary and involuntary recalls within our VUM including minor part recalls by country:	286,189	32,516	1,971	588	1,621
Fleet Fuel Economy & Utilization	Rental day-weighted average rental fleet fuel economy, by region ¹	TR-CR-410a.1	In 2023, the average fuel economy of our VUM:	16.8 mpg	14.8 l/100km	14.5 l/100km	ICE: 7.4 l/100km BEV: 15.4 l/100km	ICE: 6.6 l/100km BEV: 17.1 l/100km
	Fleet utilization rate	TR-CR-410a.2	The fleet utilization rate is a measure of how often vehicles in the company's fleet are being rented or used relative to the total time they are available, a metric specific to the rental business. As a fleet management company, Element provides services and financing to our clients' fleets while in operation and do not "rent" vehicles in a material capacity within the meaning of the term necessary to calculate this metric.					
ACTIVITY METRIC		CODE	RESPONSE	U.S.	CAN	MX	AUS	NZ
Total available rental days		TR-CR-000.B	Total available rental days is an operational metric specific to the rental business, requiring a calculation based on the total number of days that all vehicles in the company's rental fleet are available for rent during the reporting period. As a fleet management company, Element provides services and financing to our clients' fleets while in operation and do not "rent" vehicles in a material capacity within the meaning of the term necessary to calculate this metric.					
Average rental fleet size²		TR-CR-000.C	In 2023, the average number of vehicles in our clients fleets by country:	U.S./CAN 690		MX 230		ANZ 62

¹Rental fleet defined as VUM

²Calculated as total VUM by region divided by total client count by region

TCFD Index

Task Force on Climate-related Financial Disclosure (TCFD)






TCFD RECOMMENDED DISCLOSURE

DISCLOSURE LOCATION

TCFD RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Governance	The organization's governance around climate-related risks and opportunities
a) Describe the Board's oversight of climate-related risks and opportunities	2023 CDP Climate Change Questionnaire C1.1a, C1.1b
b) Describe management's role in assessing and managing climate-related risks and opportunities	2023 CDP Climate Change Questionnaire C1.2, C1.2a
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2023 CDP Climate Change Questionnaire C2.1a, C2.3a, C2.4a
b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	2023 CDP Climate Change Questionnaire C3.1, C3.2, C3.3, C3.4
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	2023 CDP Climate Change Questionnaire C3.2
Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks
a) Describe the organization's processes for identifying and assessing climate-related risks	2023 CDP Climate Change Questionnaire C2.1, C2.1a, C2.1b, C2.2, C2.2b
b) Describe the organization's processes for managing climate-related risks	2023 CDP Climate Change Questionnaire C2.2
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	2023 CDP Climate Change Questionnaire C1.1b, C2.1b, C2.2
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2023 CDP Climate Change Questionnaire C4.2b, Materiality Matrix , GHG Emissions , SBTi Commitment , Sustainability Balanced Scorecard
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	GHG Emissions , GHG Index , Climate Risks and Opportunities
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2023 CDP Climate Change Questionnaire C4.1, C4.1c, C4.2, C4.2b, SBTi Commitment

UN SDG Index

Element is dedicated to playing a part in sustainable development and has pinpointed five sustainable development goals as top priorities for our contributions, in line with our business practices.

GOAL	TARGET	OUR ACTIONS
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.4 Promoting Mental Health and Well-Being</p> <p>3.6 Reducing injuries and deaths from traffic accidents</p>	<ul style="list-style-type: none"> • Element provides wellness and mental health resources for all of our permanent team members and their families. Our suite of fleet driver safety products and services make a difference, reducing preventable collisions by 37% per million miles compared to Element clients not enrolled in our safety program (in 2023) • Within the U.S. and Canada, we offer our DriverCare CoPilot® product to our team members and their families free of charge
 <p>4 QUALITY EDUCATION</p>	<p>4.3 Access to affordable, quality education</p>	<ul style="list-style-type: none"> • Our team members participated in 30,320 hours of continuous education and training, including the McKinsey Leadership Academies • Over \$85,000 in tuition reimbursement was given to team members in 2023
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.3 Promote economic inclusion in the supply chain</p>	<ul style="list-style-type: none"> • In 2023, we spent \$2.43B CAD with our network of more than 4,800 diverse suppliers
 <p>10 REDUCED INEQUALITIES</p>	<p>10.3 Ensuring equal opportunity and reduced inequality</p>	<ul style="list-style-type: none"> • In 2023, we hired 47% women globally and 35% Racially and/or Ethnically Diverse people in the U.S. and Canada • Our workforce is 51% women • Our commitment to “equal pay for equal work” includes conducting a pay equity review on an annual basis, continuing to address any outstanding gaps to ensure that women and Racially and/or Ethnically diverse team members are compensated equivalently to their male and non-Racially and/or Ethnically Diverse peers • 60% of our Board of Directors are women
 <p>13 CLIMATE ACTION</p>	<p>13.1 Strengthen climate resilience</p>	<ul style="list-style-type: none"> • Element’s goal is to electrify 100% of our internal fleet across all five countries in which we operate by the end of 2025. Currently we have achieved 100% electrification in Australia and New Zealand, 28% in Mexico, and 35% in the U.S. and Canada¹ • We are supporting the electrification of our clients’ fleets by doubling the number of active EV pilots across our regions compared to 2022 • To advance the sustainability of our industry, we are a member of four global alliances: Ceres Corporate Electric Vehicle Alliance, Accelerate: Canada’s Zero-Emission Vehicle Supply Chain Alliance, the EV Council in Australia, and Drive Electric in New Zealand

¹ 100% electrification of Australia’s internal fleet was achieved in March 2024.

