

Environmental Policy

Our Organization

Element is a Canadian publicly traded corporation (TSX: EFN), with its head office located in Toronto, Ontario, and is the largest pure play automotive fleet manager in the world and a global leader in intelligent fleet and mobility solutions. Element's services include, but are not limited to, vehicle acquisition, leasing, maintenance, safety and accident management, and remarketing, as well as Electric Vehicles ("EVs") and managing the complexity of gradual fleet electrification. References to "Element" or "We" herein refer to Element and its subsidiaries.

Coverage

This policy applies to all Element offices, operations, and team members globally. All employees are expected to support and comply with the commitments and requirements outlined in this policy as part of their day-to-day responsibilities. Where applicable, business units and functions are responsible for implementing practices and processes that align with this policy and contribute to Element's environmental and sustainability objectives.

Scope

Element is committed to doing its part to minimize the impact on, and protect, the environment, comply with environmental regulations, and work with clients to provide the best fleet options to meet their operational needs in an efficient and environmentally friendly manner. Our goal is to ensure that our operations run in an environmentally responsible manner that is acceptable to the public and community at large, our team members, and stakeholders alike. This policy serves as a statement of our continuing efforts to improve our environment and the communities in which we live and work.

In our desire to promote environmentally safe practices, Element strives to adopt basic environmental principles that include:

- Every individual at Element is responsible for environmental protection.
- Factoring pollution prevention and resource conservation opportunities in our business planning and operating decisions.
- Reducing or eliminating the generation of waste at the source.
- Adapting technologies and methods that substitute or reduce hazardous materials and utilize other source-reduction approaches when available.
- Continually improving and evaluating our environmental performance through periodic reviews and audits to ensure that our conduct is consistent with these principles.
- Complying with all applicable Environmental, Health, and Safety (EHS) regulations.
- Regular reporting on environmental issues via Element's annual Sustainability Report.

Assessment

Element understands that an assessment of our processes is necessary to ensure we meet our environmental commitments. To this intent, we will conduct periodic reviews, including but not limited to:

- Measurement and reporting of Element's Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions.
- Measurement of adoption of zero emission tailpipe vehicles.
- Measurement of vehicle emissions.
- Review of measurements on our solid waste capture and assess for completeness and potential improvement opportunities.
- Review of measurements related to our water usage and assess for opportunities to conserve water needs.
- Completion of energy audits in our facilities.
- Assessment of all planned capital expenditures for environmental impacts to wildlife, aquatic life, estuaries, additional emissions, and soil impact.
- Consultation with relevant stakeholders on environmental issues.

Education

To increase knowledge and awareness of environmental impacts, Element regularly produces educational materials for our team members on related topics including carbon emissions reductions and energy efficiency, waste reduction and recycling, water conservation, pollution minimization, and other environmental sustainability-related topics.

For our clients, Element will provide sustainable choices as well as data on features of original equipment manufacturer products and technologies designed for efficient fuel operation and lower or zero carbon emissions impact.

Carbon Emissions Reduction

Element is committed to reducing emissions in our own operations and throughout our value chain with our efforts focused on the emissions sources most material to our business and within the scope of our Science Based Target initiative (SBTi) commitments. Element's Scope 1 and Scope 2 greenhouse gas emissions reduction target has been validated as aligned with a 1.5°C pathway, consistent with the goals of the Paris Agreement. Our validated near-term science-based targets are as follows:

- Element Fleet Management commits to reduce absolute Scope 1 and 2 GHG emissions 63.70% by 2034 from a 2019 base year.
- Element also commits to reduce Scope 3 emissions from use of sold products (Category 11) and downstream leased assets (Category 13) by 66.40% per dollar of net revenue by 2034 from a 2019 base year.

Strategies to reduce emissions include internal fleet electrification (with the goal of electrifying 100% of Element's internal fleet by 2030), facilities efficiency and footprint optimization, energy attribute

certificate procurement, electrification of leased and sold vehicles (with the goal of transitioning 350,000 vehicles under management by 2030), increased value-add services penetration, and optimizing ICE vehicle fuel efficiency.

Energy Efficiency

Element endeavors to improve energy efficiency in all our buildings and operations, understanding the mutual benefits of reduced emissions, environmental impact, and energy costs.

In our facilities, we monitor appliance and equipment efficiency standards, building energy costs, and utility energy efficiency programs. With this information, we continually improve our operations, engineering, and maintenance programs. We embrace new energy efficiency technologies when feasible. Periodically, we will conduct Energy Audits of our facilities to identify additional energy-saving opportunities.

For our clients, we monitor vehicle fuel economy standards and recommend products and technologies designed to increase fuel efficiency and lower or eliminate tailpipe emissions.

Renewable Energy

Element aims to continue reducing greenhouse gas emissions through the procurement of Energy Attribute Certificates (EACs), matching the electricity consumed across our global operations with renewable energy sources. We are committed to continuing this initiative annually as part of our broader climate strategy to reduce market-based emissions while supporting the development of renewable energy generation and infrastructure projects.

Purchasing Policy

Where possible, Element will ensure products and services conform to the goals of the Element Environmental Policy. We will strive, where feasible, to purchase environmentally preferable products and services to meet the company's office and operational needs. We will also favor suppliers who strive to improve their environmental performance, provide environmentally preferable products, and who can document the supply chain impacts of their efforts. Wherever possible, purchasing decisions will favor products and feedstocks that:

- Reduce or eliminate greenhouse gas emissions.
- Are made with renewable energy.
- Reduce pollution from all discharges (releases to air, water, and land).
- Reduce the use of toxic materials hazardous to the environment, employees, and public health.
- Contain the highest possible percentage of post-consumer recycled content.
- Reduce packaging and other waste.
- Are energy efficient.
- Conserve water.
- Are reusable and/or durable.

- Minimize transportation (local source, concentrated products).
- Serve several functions (i.e., copiers/printers, multipurpose cleaners) to reduce the number of products purchased.

Water Conservation

Water Conservation is an important proactive measure to protect against water supply variability and the effects of climate change. Element will use water only to the extent required and will manage and conserve water resources by:

- Measurement and analysis of water consumption.
- Utilizing improved water efficiency technologies where available.
- Implementing leak reduction and other maintenance efforts such as minimizing unnecessary water heating, cooling unit maintenance, etc.
- Encouraging behavior change through periodic education measures.
- Use of efficient landscaping irrigation methods and landscape transformation with drought-tolerant plants and native turfs where appropriate.

Waste Minimization

Element's waste minimization efforts are an organization-wide effort and are an integral part of the organization's strategic plan. Waste Minimization Efforts Include:

- Continuous review of all waste streams for ways to improve efficiency and minimize waste generation.
- Recycling all possible wastes to reduce the amount of waste that is disposed of on the land (See the Universal Waste, Solid Waste, and Recycling Program).
- Team member education
- All team members are responsible for implementing and sustaining waste minimization as part of day-to-day operations.
- Properly identifying, managing, permitting, and disposal of Hazardous Wastes, Universal Wastes, Used Oil, and Electronics Waste (See the Element Universal Waste, Solid Waste, and Recycling Program).

Biodiversity

Element recognizes the intrinsic value of biodiversity and the key role it plays in maintaining the health of our planet and the well-being of our current and future generations. While biodiversity is not a material aspect of our core business operations, we are committed to responsible environmental stewardship and the well-being of the ecosystems in which we operate. We acknowledge that the conservation of biodiversity is a global imperative, and we are dedicated to playing our part in this endeavour including:

- Conducting our activities in a manner that respects and protects the natural environments in which we operate, this includes minimizing our impact on local ecosystems, habitats, and wildlife where possible.
- Adhering to all relevant environmental laws and regulations that pertain to the protection of biodiversity in our operational areas.
- Consider opportunities to support local and global biodiversity conservation initiatives and seek out opportunities to collaborate with organizations that work to protect the natural world.
- Encourage awareness and understanding of biodiversity within our organization.

Related Programs

Element maintains related Environmental Programs, including:

- Sustainability Report
- Universal Waste, Solid Waste, and Recycling Program

Administration

Original Policy Date: March 2017

Revision Date: July 2026

Element's Environmental Policy is approved at the senior management level.