Group Fleet Policy

Policy Owner: Group Sustainability Advisor
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Signed off by: Heras HoldCo AS, Board of Directors

1 POLICY SCOPE

This Policy is globally valid and applies to all business units of Heras HoldCo AS ('the Group'). It covers all cars, vans, heavy trucks, and machinery used in our operations ('Fleet'). The scope includes controlled fleet, including owned or leased by the Group, and employee-owned vehicles incentivised for operational use.

This Policy is an underlying document to the Group Environment Policy and is designed to be implemented at business unit level, ensuring consistency and alignment with the Group's overall environment, economic and safety objectives. This Policy will also serve as a basis for auditing and evaluating the performance of each business unit.

2 POLICY PURPOSE

This Policy establishes the Group's direction for the management and use of fleet. It aims to ensure compliance with relevant regulations and alignment with the Group's economic, safety and environmental goals. The objective of this Policy is to:

- ensure economic efficiency of fleet,
- consider workforce safety using fleet,
- safeguard compliance with Group environmental targets, and
- ensure security concerns in client deliveries are met.

3 POLICY STATEMENT

3.1 Workforce safety

It is the Policy of the Group to ensure that the health, safety, and well-being of the workforce are prioritised in the management and use of fleet in line with the Group Health and Safety Policy.

3.2 Economic efficiency

Business units shall consider the total cost of ownership when acquiring or leasing new vehicles and machinery. This includes evaluating purchase price, maintenance costs, fuel efficiency, and resale value and prioritising investments in vehicles and machinery that offer long-term economic benefits.

3.3 Mitigate risks to data privacy and security

Given the Group's operations in the security industry, it is crucial to mitigate any potential risks to data privacy and national security. Business units shall consider the potential risks when acquiring or leasing new vehicles and machinery, including:

a) Prohibition of fleet with Chinese brands. This is due to significant security concerns associated with Chinese-branded vehicles, which often feature advanced connectivity and data collection capabilities. These vehicles can collect large amounts of sensitive data, including user profiles, biometric information, and geographic data, which could be accessed or exploited by foreigners.

b) Equipped with technological features that enable the deactivation of cameras, microphones, or any other devices capable of collecting or transmitting sensitive data. This functionality is essential to safeguard data privacy and national security, particularly when such equipment is deployed in environments where confidential information may be present.

3.4 Reduction of emissions

The Group is committed to achieving emissions reduction in line with the Paris Agreement, which includes transitioning to emissions-free fleet.

Business units shall develop a plan with actions to reduce emissions in their fleets and implement those (guideline presented in appendix 1). This includes in overall to prioritising the use of electric and other low-emission fuels and phasing out combustion engine vehicles by a specified target date.

4 MONITORING AND REPORTING

The business units shall monitor progress towards economic and environmental targets and report regularly to the Group on achievements and challenges and identify opportunities for improvement and make necessary adjustments to enhance performance and compliance, see point 3. in appendix 1.

5 ROLES AND RESPONSIBILITIES

The Group executive management has the overall ownership and oversight of this Policy. The responsibility for the implementation of this Policy and the achievement of its objectives rests with the CEO.

The Group Sustainability Advisor is the document owner of this Group Policy and is responsible for maintaining and updating this Policy and ensuring its alignment with sustainability goals and regulatory requirements. Further, provide guidance and support to entities in implementing the policy and best practices.

Each business unit CEO is responsible for implementing and communicating this Policy within their operation, developing specific procedures and update internal processes to ensure compliance, and ensuring that all employees within their area of responsibility are familiar with and comply with this Policy.

All employees are responsible to follow this Policy and related procedures.

APPENDIX 1. PROCESS FOR FLEET EMISSION REDUCTION

To meet the economic and environmental objectives of fleet decarbonisation, business units shall implement actions to reduce fuel consumption in the fleet by transitioning to emissions free fuel such as electricity and biofuels. The following process are suggested to ensure the balance of economical and environmental objectives.

A1.1. Assessment of current fleet

Conduct a comprehensive assessment of the current fleet to understand:

- current vehicle and machine types
- driving patterns, and
- available infrastructure at sites, in client deliveries and at home charging

A1.2. Prioritise vehicles for electrification

Based on the assessment the business unit shall further investigate the prioritisation of electrical vehicles, including financial effects of invest in the necessary infrastructure, such as charging stations for electric vehicles and refuelling stations for biofuels. It might be relevant to collaborate with local authorities, utility providers and clients to ensure adequate infrastructure support.

The business unit might see there is a need to be more aggressive in the transition to emission free fleet in some geographical and business areas, to meet the targets.

A1.3. Prioritise vehicles for electrification

Establish system support for monitoring fuel consumption and driving patterns. Regularly report on progress and challenges to the Group and relevant stakeholders.

The following metrices should be monitored:

1. Total number of vehicles
2. Total number of electrical vehicles
3. Total number of vehicles driving on biofuels or other emission-free fuels
4. Total number of machines
5. Total number of machines driving on emission-free fuels
6. Net savings from fleet decarbonisation

A1.4. Develop roadmap and prepare for implementation

Based on the results of the assessment, a detailed plan for emission reduction in fleet shall be developed, including clear targets, timeline, and milestones.

A1.5. Training and engagement

Communicate with drivers on emission reduction targets, eco-driving techniques and the use of new technologies. Engage employees in the decarbonisation process.

A1.6. Continuous improvement

Conduct regular reviews of the fleet plan and adjust as needed. Stay informed about technological advancements and regulatory changes to ensure ongoing compliance and optimisation.