

Carbon Neutral Transition Plan (CNTP)

December 2022



Carbon Neutral Transition Plan

We think about the long-term success of our business from the perspectives of our shareholders, our people, customer advocacy, the environment and contributing to our communities.

Being a services-based business with operations in local communities, Steadfast has a relatively small environmental footprint.

Steadfast recognises that climate change continues to be a global risk and a material issue for the insurance industry, including insurers, customers, and the whole economy. The consequences of global climate change are increasingly apparent, from wildfires to devastating floods and drought.

Our emissions target

As part of Steadfast's Environmental, Social and Governance program, Steadfast has committed to pursuing a reduction in absolute terms of our operating emissions (Scope 1 & 2), with a target for our Australian controlled businesses to be carbon neutral by 2030. Our new Scope 1 & 2 target is using a baseline year of FY21.

Steadfast's emissions boundary

Steadfast's operations include:

- ▶ equity brokers,
- ▶ underwriting agencies,
- ▶ complementary businesses, and
- ▶ UnisonSteadfast.

Our business model means Steadfast does not exercise a consistent level of control or influence over each of its subsidiaries and associates. Understanding this is important for target setting to enable a realistic ability to introduce and implement initiatives.

Steadfast considers it most appropriate to calculate its emissions using the operational control approach. This also aligns with Australia's National Greenhouse Energy and Reporting (NGER) boundary requirements (operational control).

We have defined operational control as:

1. Businesses that Steadfast holds a 51% or higher ownership share;
2. Businesses where the shareholder agreement states that control over the business rests with the Board, and where Steadfast's directors make up 51% or more of the Board of Directors; and
3. Businesses whose operations are in Australia.

In our baseline year of FY21, 53 entities are included in our emissions boundary, representing almost 65% of Steadfast total revenue.

This new target builds on our FY24 carbon neutral commitment published in the 2021 Annual Report by extending our emissions boundary beyond Steadfast Group head office, Steadfast Business Solutions and Steadfast Technologies.

Carbon Neutral Transition Plan

FY21 Baseline emissions composition¹

Total operating emissions for **FY21 were 540 tCO₂e for in-scope entities**, and comprise:

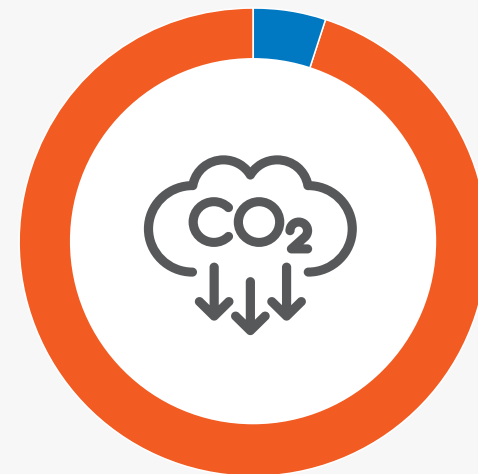


Scope 1
24 tCO₂e primarily from petrol used in vehicle fleet of in-scope entities.



Scope 2
516 tCO₂e primarily from electricity consumed in offices.

Scope 1 and 2 Emissions Footprint¹



■ **Scope 1** - 4.4% for in-scope entities
■ **Scope 2** - 95.6% for in-scope entities

¹ Scope 1 emissions have been estimated based on the application of National Greenhouse Accounts (August 2021) emissions factors to petrol volumes derived from petrol expense data. Scope 2 emissions have been estimated based on National Greenhouse Accounts (August 2021) state-based electricity grid intensity emissions factors to electricity consumption data derived from a representative office electricity invoices.

Carbon Neutral Transition Plan

Our commitments

Our primary focus is to reduce in absolute terms emissions associated with our operations where commercially feasible, with the balance to be offset with carbon credits.

- › Reduce carbon operating emissions (Scope 1 & 2) to neutral by 2030
- › Disclose annual progress.

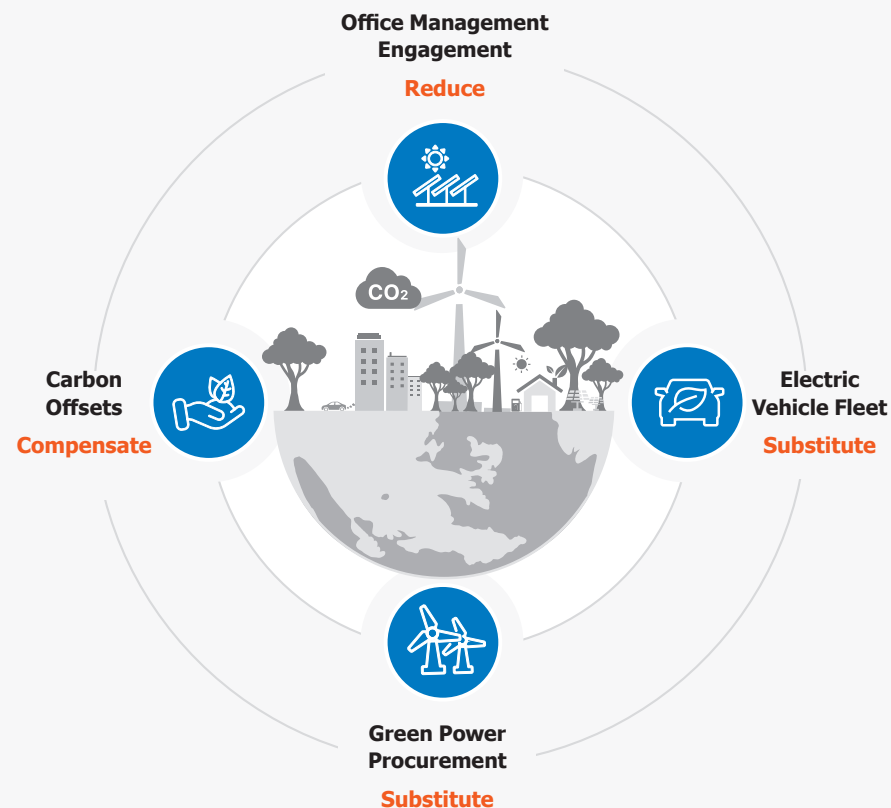
Carbon neutral roadmap

Given Steadfast's Scope 1 & 2 emissions arise predominately from petrol consumption and electricity use, our strategy to reach carbon neutral by 2030 includes implementing two abatement options:

1. Green power procurement
2. Transitioning to electric vehicles

These actions, in combination with the purchasing of carbon offset credits where it is not commercially feasible to eliminate Scope 1 and 2 emissions within our boundary, are intended to allow Steadfast and its Australian controlled subsidiaries to achieve its carbon neutral targets.

Steadfast has chosen to align to the carbon neutral pathway using the following initiatives:



Carbon Neutral Transition Plan



CNTP Review

Steadfast will review our CNTP regularly to ensure it remains relevant and aligned to Steadfast's strategy and the expectations of capital markets, regulators and external stakeholders. Progress on this transition will be updated through annual public disclosures starting at the close of the FY23 reporting period.

Steadfast will consider how we can include Scope 1 & 2 emissions from our controlled international business operations into our CNTP in future reviews.

Steadfast is prioritising Scope 1 and 2 emissions for its carbon neutrality target, given that those emissions are within its business operating control.

Steadfast has also undertaken an analysis of major sources of Scope 3 emissions. While these emissions are outside Steadfast's operational control, this analysis will provide a strong foundation for Steadfast to target any future value chain emissions reduction initiatives.



