We are
EROAD

Sustainability Report
Safer and more sustainable roads

2022

Together with our customers, partners & world leading solutions, we'll create safer, more sustainable roads.

Contents

SAFER AND MORE SUSTAINABLE ROADS

EROAD plays a critical role in improving sustainability in the transportation industry. We aim to bravely solve complex transportation problems, delivering intuitive solutions that help our customers succeed. This also means using our products to help conserve and improve the environment, support economic growth and keep our communities safe. In doing so, EROAD remains a sustainably viable business for all our stakeholders.

EROAD is committed to integrating sustainability into all our business processes and decisions. Our Net Zero Steering Group is responsible for advancing sustainability throughout the business. Key members from each department regularly report to the Net Zero Steering Group on new developments in this space.

Keep our community safe

- Reduce unsafe driving behaviour
- Ensuring vehicles are safe
- Ensure compliance with local regulations

Over 8,000 customers and 200,000 connected vehicles

We have the opportunity, through our customers in New Zealand, North America and Australia to improve the community safety, conserve and improve the environment and support sustainable economic growth.

Conserve and improve the environment

- Improve driving behaviour
- Optimise fleets
- Maintain vehicle health
- Reduce fuel usage
- Reduce food waste
- Reduce construction waste
- Reduce waste contamination
- Promote Eco-driving
- Enabling evaluation to transition to low emission vehicles

Partners

We work alongside our commercial partners, regulators and policy makers to provide solutions to our customers and advocate for the advancement and refinement of laws to ensure that they are practical, business friendly, meet policy, environmental and regulatory outcomes and are future proofed.

Support economic growth

- Improve fleet productivity & efficiency
- Enable better decision making through data

WHERE TO NEXT

Sustainability is core to our business, and as we continue to make progress towards our net zero strategy we'll be focusing our efforts in the following key areas:

Helping customers measure and reduce their emissions

EROAD's net zero product strategy, to be delivered within the next five years, includes new solutions and features to support customers to improve fuel efficiency, provide tools that will enable better decision making to reduce carbon emissions and solutions to help them meet their ESG credentials.

Measuring and reducing our own carbon footprint

After measuring our emissions through the Toitu carbon reduce programme, work is underway on initiatives to reduce our Category 1 & 2 emissions – such as fuel and electricity use.

Performance Targets

Performance targets for areas important to our stakeholders will be provided in the FY23 Sustainability Report.

MESSAGE FROM THE CHAIR

EROAD is a purpose led company that aspires to create safer and more sustainable roads. We have the opportunity, through our customers and partners to keep our community safe, conserve and improve the environment and support economic growth. We are proud to be producing our inaugural sustainability report to demonstrate the great work we are doing in this space already and to show our commitment to continued improvement and advancement.

Sustainability and Sustainability Reporting is a journey, one which we are committed to and one we encourage our customers and partners to join us on. Ultimately, Sustainability is an approach to decision-making, which balances the needs of the current generations, the need for future generations, and the health of the natural environment. We are committed to do the right thing for all EROADers, our customers and the environment, ensuring that we create a thriving business for the long run.

This first report takes a major step, through our work with the Toitū carbon reduce programme, and gives our baseline emissions for FY22 which is the first step towards TCFD reporting which we will begin in FY23.

Our Net Zero Steering Group is responsible for advancing sustainability throughout the business. We recognise that across all UN Sustainable Development Goals (SDGs) the transport sector can influence 45% of the targets and a key part of our future strategy is to continue bringing to market solutions that support our customers in their own sustainability efforts, as well as supporting the development of sensible regulatory frameworks that incentivise the ones that go the extra mile.

We recognise that we are only at the beginning of our journey commit and look forward to updating you on the progress, as well as publishing targets for us to measure, report and drive improvements in our sustainability efforts going forward in the FY23 sustainability report.

Graham Stuart
Chairman

WHAT REALLY MATTERS TO OUR STAKEHOLDERS

During FY21 we completed a materiality assessment which will provide the foundation for driving future improvements in our sustainability efforts. EROAD's materiality assessment process has enabled us to identify and prioritise the Environmental, Social and Governance issues that are of most importance to the business and its stakeholders so our improvement efforts can be impactful. This matrix was updated in 2022 for Coretex key stakeholders. There was no material change to the outcome and our material issues remain unchanged.

EROAD'S KEY STAKEHOLDERS

Customers
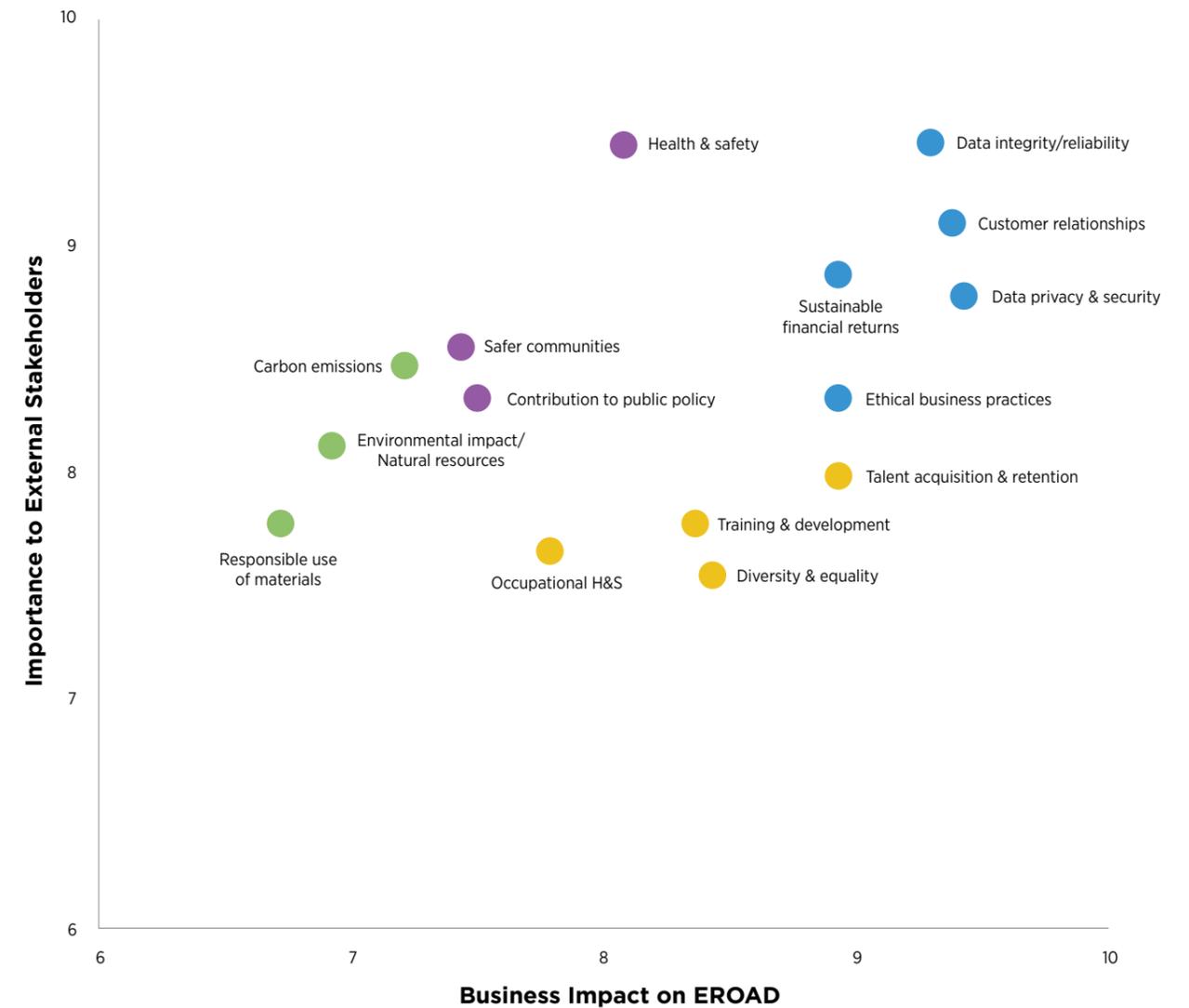
Policy Makers, Industry Regulators and Associations

Investors

EROAD team

MATERIALITY MATRIX

Materiality matrix scatter plot. X-axis: **Business Impact on EROAD** (6 to 10). Y-axis: **Importance to External Stakeholders** (6 to 10).

Plotted points:
- Health & safety
- Data integrity/reliability
- Customer relationships
- Sustainable financial returns
- Data privacy & security
- Carbon emissions
- Safer communities
- Contribution to public policy
- Ethical business practices
- Environmental impact/ Natural resources
- Talent acquisition & retention
- Responsible use of materials
- Training & development
- Occupational H&S
- Diversity & equality

Our communities	Our people	Our environment	Our commercial approach

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are the UN's blueprint for a more sustainable future for all. These goals look to create a better world by ending poverty, fighting inequality and addressing climate change.

EROAD is supportive of the United Nations Sustainable Development Goals and has determined that the following seven SDGs are applicable to our business. The seven SDGs displayed below align closely with our business and are where we believe we can make a positive difference.

3
Good health and wellbeing

4
Quality education

9
Industry, innovation and infrastructure

10
Reduced inequalities

12
Responsible consumption and production

16
Peace, justice and strong institutions

13
Climate action

OUR COMMUNITY

Our goals and aspirations

Reduce serious injuries and deaths on roads

Improve survivability of crashes by supporting our customers to ensure vehicles are fit for purpose

Advocate for regulatory solutions that are sensible and future proof

Advocate for data-led decision making in transport industry to achieve a sustainable transportation network

ENCOURAGING SAFER DRIVING BEHAVIOUR

Our Ehubo device acts as a coach inside the cab, providing real-time feedback to drivers on harsh driving behaviour, and advising them of the posted speed limit.

All driving data is uploaded to MyEROAD where smart algorithms build the EROAD Leaderboard and give drivers a star rating to drive pride and competition for safer driving.

Drive buddy　　**Posted speed**　　**Leaderboard**

"Through direct in-cab feedback and leaderboard rankings, EROAD measures our drivers' performance against the industry and gives drivers real-time safety improvements for themselves, our equipment, and other road users. Leaderboard tracks speeding, idle time, and harsh braking and cornering, providing us with an overall picture of how our drivers are performing. We use that as a tool to identify where we should focus our training and upskilling, and we're using it to develop a driver recognition programme as well."

Toll

62%

fewer speeding events in heavy vehicles with the enhanced features that Ehubo2 provides

66%

lower speeding frequency in heavy vehicles with Posted Speed installed

48%

lower speeding frequency in light vehicles with Posted Speed installed
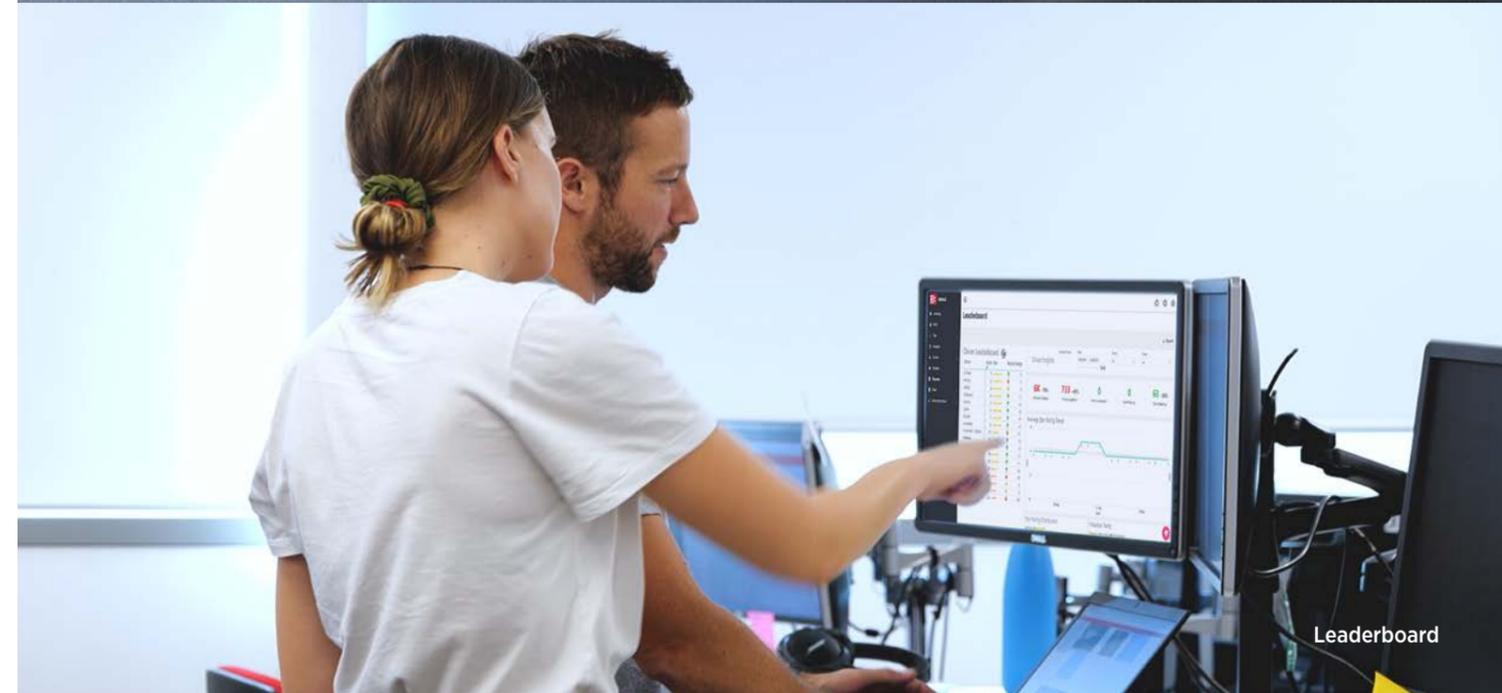
30%

of EROAD drivers have an average of 5-stars in leaderboard

Posted speed

Leaderboard

Drive buddy

REDUCING THE RISK OF DRIVER FATIGUE

EROAD's Electronic Logging Devices in North America, and EROAD Day Logbook in New Zealand let drivers easily manage their hours of service, clearly displaying how much time they have until their next rest or work period begins. As well as keeping them compliant, these tools increase road safety and help to ensure drivers get home safe at the end of their shifts by ensuring they're well rested and alert while on the roads.

EROAD's Clarity Solo & Connected means fleet managers can see footage, GPS location and driver data in one place in the event of an incident. EROAD has also integrated Seeing Machines' Guardian safety technology into MyEROAD, so customers who choose to also procure that technology can have a single interface for managing video telematics, including driver distraction and fatigue using biometrics.

Electronic Logging Devices (ELD)

Logbook

EROAD Clarity Solo & Connected

Seeing Machines integration

#1   ELD ranking with 4.4 stars on FreightWaves

90%   reduction in fatigue-related driving events with Seeing Machines

8,546   logbook subscriptions up 33% from FY21

It is estimated across North America 26 lives are saved, 1,844 crashes are prevented and there are 562 fewer injuries as a result of industry-wide ELD roll-out[1]

"The reason why we're quite hot on the whole fatigue topic is that we've had around 8 crashes in the last nine months where another vehicle coming in the opposite direction has crossed the centre line and struck some portion of our unit on the road. Two of those were fatal, and in each of those 8 events we can hand-on-heart say our drivers were alert, responsive and not fatigued or distracted."

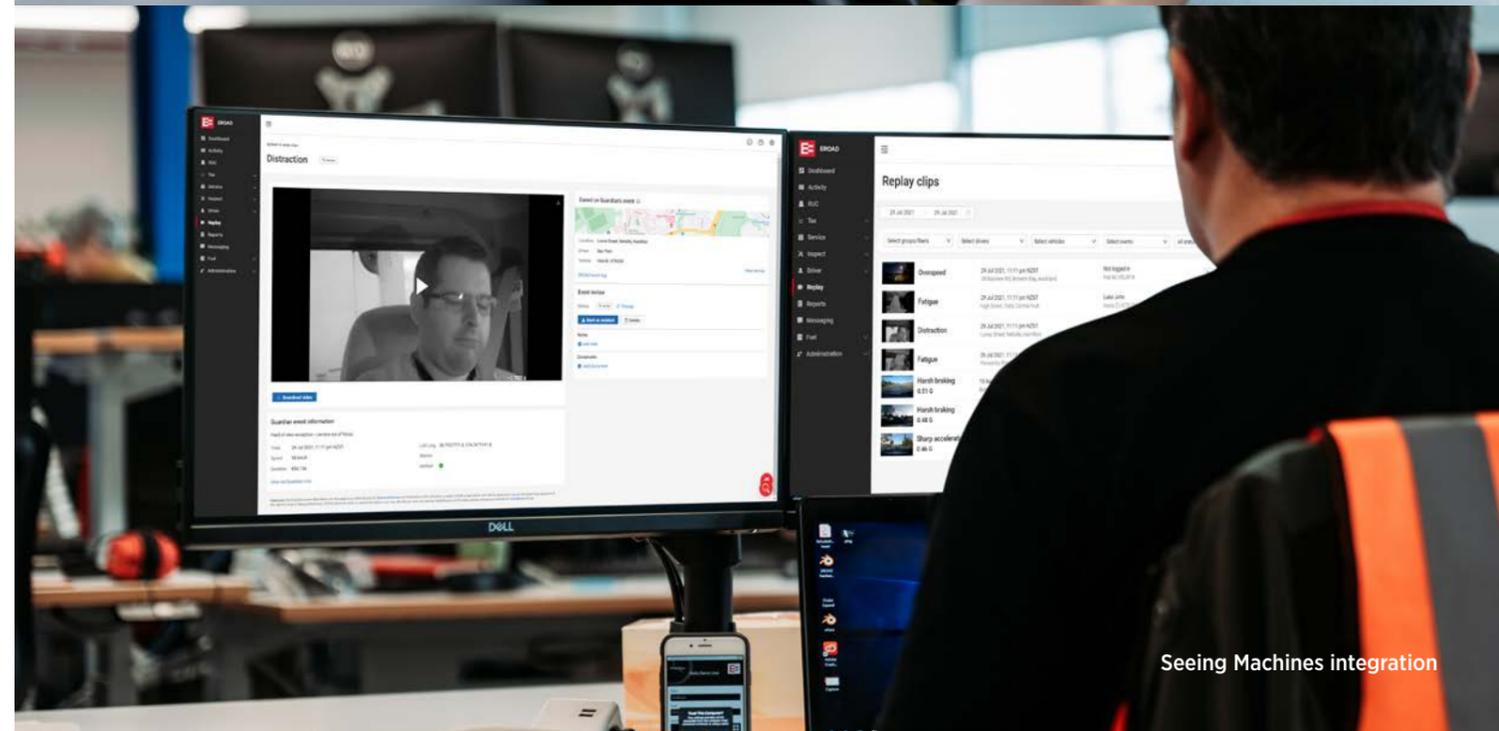**Dynes Transport using EROAD Clarity Dashcam plus Seeing Machines**

[1] FMCSA , estimated based on all competitors ELD roll out

EROAD ELD

Logbook

Seeing Machines integration

IMPROVING SAFETY AND EXONERATING DRIVERS

EROAD Clarity Connected, EROAD Clarity Solo and Coretex CoreVision dashcams record HD footage both inside the cab and outside which enables organizations to coach drivers and improve safety outcomes.

Together with accurate telematics data available in the Fleet Map or Coretex 360, these dashcams can also help exonerate drivers in the event of an incident where they were not at fault, protecting drivers from lengthy investigations or fraudulent claims from third parties.

EROAD Clarity Connected

MyEROAD Replay

EROAD Clarity Solo

Fleet map

Coretex CoreVision

Coretex 360

EROAD Clarity Solo

CoreVision

10%
reduction in speed by 33% of vehicles with EROAD Clarity

8,562
events reviewed by customers in FY22

4,344
dashcams installed across 549 customer fleets in FY22

513
events resulted in driver coaching this year
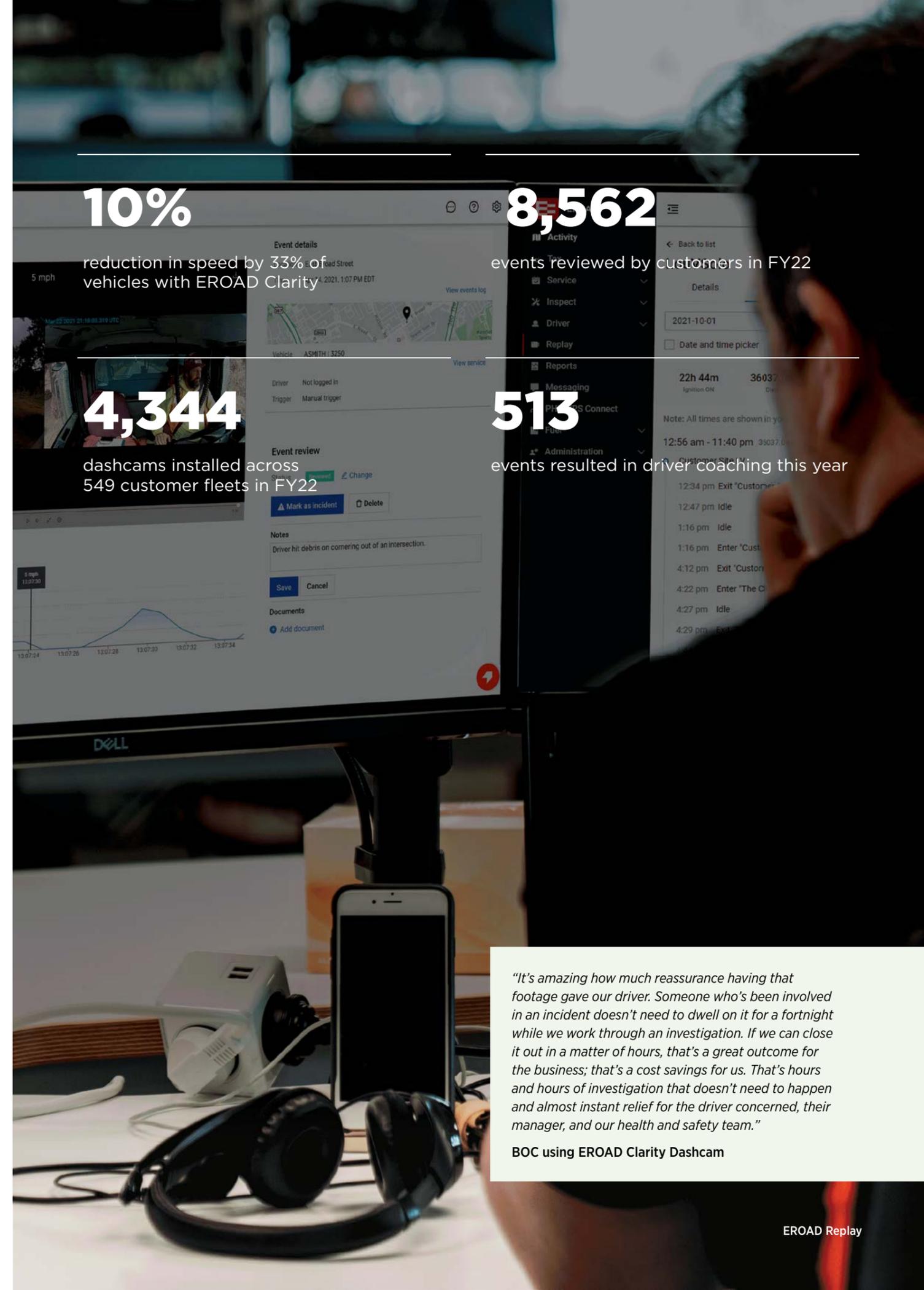
"The goal was for us to have informed conversations with our drivers and help them understand how they could become better and safer. We needed something that would give us better information. It wasn't us wanting to be Big Brother and watch the fleet and where they were going. It was more out of concern for people's safety and wanting to make sure we'd given our drivers the best tools we could."

BOC using EROAD Clarity Daschcam

"It's amazing how much reassurance having that footage gave our driver. Someone who's been involved in an incident doesn't need to dwell on it for a fortnight while we work through an investigation. If we can close it out in a matter of hours, that's a great outcome for the business; that's a cost savings for us. That's hours and hours of investigation that doesn't need to happen and almost instant relief for the driver concerned, their manager, and our health and safety team."

BOC using EROAD Clarity Dashcam

MANAGING AND PREVENTING PROBLEMS WITH VEHICLE SAFETY

Our fleet maintenance tools reduce the risk of drivers going out in un-roadworthy vehicles. Standardised pre-start inspections can be easily completed by drivers using EROAD Inspect and Coretex DVIR Checklists, and defects can be quickly reported. Fleet Managers can also manage regular servicing and preventative maintenance through MyEROAD Fleet Maintenance.

Inspect **MyEROAD Fleet Maintenance** **Coretex DVIR Checklists**

907,632
inspections conducted in 2021

1,482
customers using fleet maintenance module

4.4%
of inspections identified unsafe-to-drive trips to enable customers to take appropriate action

42,452
vehicles are managed using fleet maintenance module

RESPONDING TO EMERGENCIES

Our CaRA is designed to send an alert if a rollover or collision is detected, and with the help of EROAD Satellite Communications it can get the message out even if the driver is outside of cellular coverage.

CaRA **Satellite Communications**

KNOWING WHERE DRIVERS ARE AT ALL TIMES

Drivers spend long hours on the road alone, often in remote locations. MyEROAD FleetMap gives fleet managers visibility of where they are at all times, and if they're out of cellular coverage then Satellite Communications can send location data back to MyEROAD every 10, 20 or 60 minutes (depending on plan).

MyEROAD FleetMap **Satellite Communications**

**100% Iridium Satellite network coverage vs 15% cellular coverage of the planet**

WORKING WITH DOWNER NEW ZEALAND TO IMPROVE THEIR DRIVER SAFETY OUTCOMES

In 2022, we renewed our contract with Downer New Zealand – our largest ANZ Enterprise customer. Since starting out with 1,000 units in 2016 to provide electronic RUC and basic tracking, they've now grown to over 5,600 units on the Safe Driver Plan. Downer NZ also recently added more products including a subscription to EROAD Analyst, EROAD Inspect and In-cab pre-Trip Comms and service alerts.

Together with EROAD, Downer New Zealand has moved from a manual, reactive approach to fleet management to one that's proactive, strategic, and streamlined.

REDUCTION IN FREQUENCY OF SPEED IN RESPONSE TO IN-VEHICLE FEEDBACK
Average Speed Events per 100km travelled
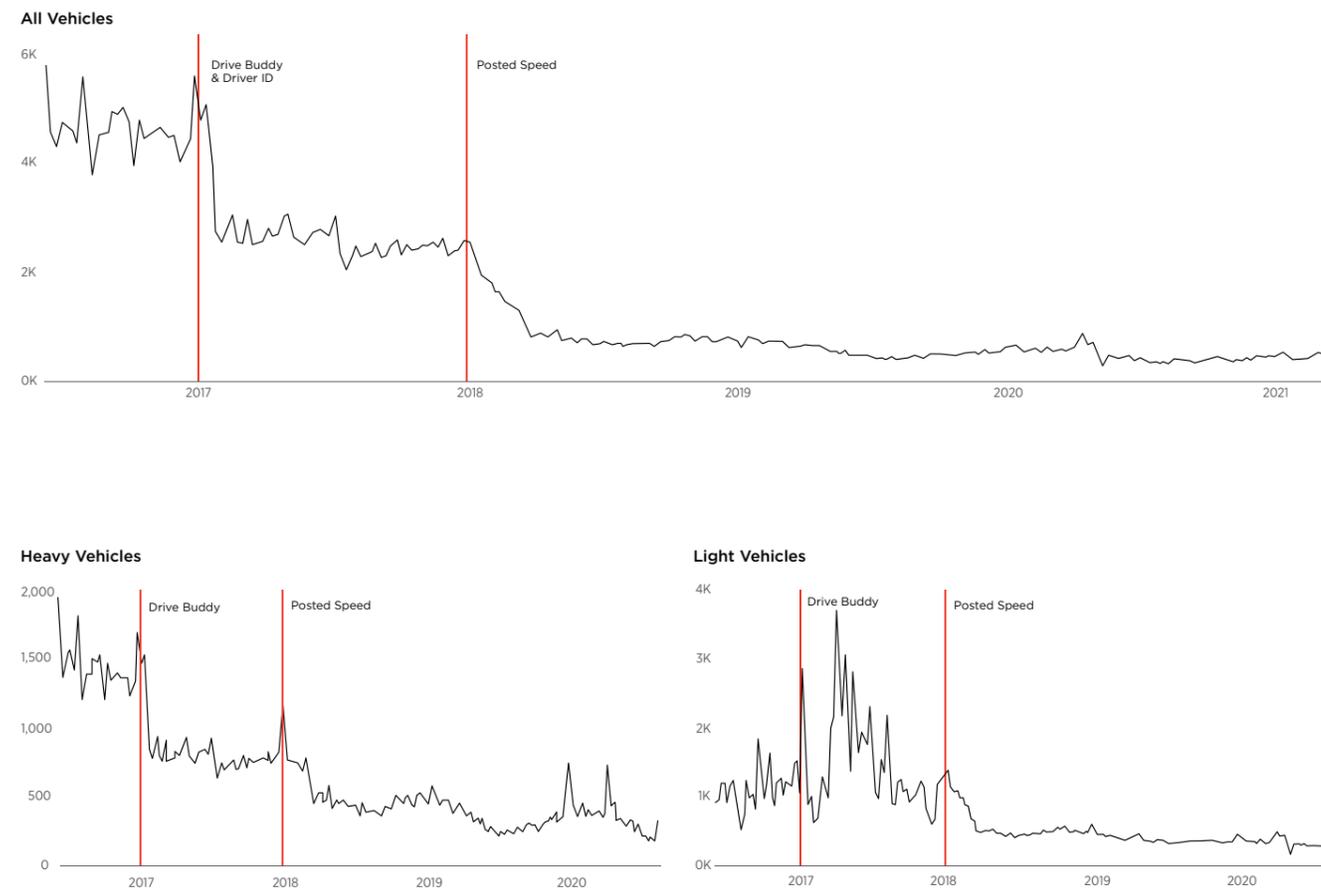
All Vehicles

Heavy Vehicles

Light Vehicles

CONTRIBUTION TO PUBLIC POLICY

EROAD's Global Market Development team works alongside regulators and policy makers to advance and refine regulatory laws and rules that are future proof, as well as practical, business friendly, meet policy and regulatory outcomes. By providing a bridge between the industry and the regulators, EROAD enables industry-accepted high-quality solutions to be delivered to the market that, in turn, accelerate the move to a safer, greener and more productive world.

THOUGHT LEADER IN ROAD FUNDING

In New Zealand, EROAD engages with the Ministry of Transport and a range of other government agencies, sharing our experiences and providing insights to support regulatory change. In FY22, EROAD was especially involved with work looking at the sustainability of the road funding system, including: Ministry of Transport work on the future funding system and early investigations of possible changes to the RUC system; the Parliamentary inquiry into Auckland congestion pricing; and Infrastructure New Zealand's exploration of road pricing. Climate change was also a significant topic for policy investigation. We contributed to the Ministry of Transport's investigation into the decarbonisation and transport, and the Climate Change Commission's draft recommendations to government and subsequent development of the first Emissions Reduction Plan.

In North America, EROAD is deeply involved in research on future sustainable transportation funding solutions including with the Federal Highway Administration, the American Trucking Association, the Mileage Based User Fee Alliance, the Eastern Transportation Coalition, federal and state governments.

In 2021 EROAD completed the 1st National Truck Pilot in the US in partnership with the Eastern Transportation Coalition to study RUC as a replacement for the fuel tax. EROAD is further deeply involved in key global associations like the International Bridge, Tunnel and Turnpike Association (IBTTA) and the International Road Federation, where Nina Elter (EROAD's SVP Global Market Development) serves on the executive committee of the board as well as chair of the RUC Committee providing thought leadership and experience from lessons learnt across the globe. A recent development was the establishment of the RUC4 Sustainability Taskforce, which has been launched at the Intertraffic Amsterdam in March 2022 and aims to highlight the opportunities and challenges beyond funding.

OUR CONTRIBUTION TO INFRASTRUCTURE PLANNING

EROAD's Road Network Insights team is deeply involved in transportation projects. Working with stakeholders to provide aggregated and anonymised data to support decision-making. Councils, universities, and governments lead these projects to understand better how vehicles are using our network and how to make roads safer, more sustainable, and more productive for all road users.

In the United States, the Texas Department of Transportation engaged EROAD to understand travel patterns across the state. Understanding these patterns is essential to ensure that proper infrastructure supports freight movements.

The Texas Transportation Institute worked with EROAD to identify how parking facilities are being used and determine if they are sufficient to support drivers when required to take breaks. EROAD assisted Oregon State University with a model to assess the impacts of roundabouts vs traffic signals on freight movements in Oregon. Oregon Department of Transportation now has more information to make better data-driven decisions about future infrastructure choices.

In New Zealand, EROAD has provided data to support the identification of curves on the road network that potentially raise the risk of a crash. In terms of productivity, EROAD has provided origin destination data and route usage to local and central government departments to support understanding of freight movements.

Hamilton City Council wanted to understand the most used freight routes through their city and where vehicles are stopping on the road network. Tauranga City Council needed to integrate truck movements into the Tauranga Transport Model refresh, Waka Kotahi wanted to understand the route decisions being made in several New Zealand regions. Te Manatū Waka - Ministry of Transport has engaged EROAD to provide anonymous and aggregated data on truck movements to support examining the impacts of transport system changes in a unified and systematic manner. For instance, how new infrastructure or road pricing affects travel behaviour and assessing social and environmental impacts of such changes.

OUR ENVIRONMENT

Our goals and aspirations

Provide customers insights into their fleet emission performance and the area of impact. Empower them to take targeted actions to decarbonise

Improve our customers' fleet utilisation and fuel efficiency to reduce their emissions

Reduce food, construction, industrial wastage and reduce contamination

Operate efficiently and sustainably to optimise EROAD's emissions across our suppliers, contractors, and staff members

Support government net zero targets

ENCOURAGING EFFICIENT DRIVER BEHAVIOR TO REDUCE FUEL USAGE

Reducing fuel usage is crucial to reducing emissions. It also makes business sense as it's one of the biggest costs for transport operators (especially so in the current macro-economic environment which has seen fuel prices rise significantly). EROAD has a number of products that help customers manage their fuel usage.

"We are very big on using EROAD to monitor and manage driver speed. If you have a driver travelling at 10km faster than the posted speed limit – which is easily done – they're going to be using more fuel, and risking safety."

Paul Farnan, Operations Manager, Refrigafreighters

Drive buddy   **Leaderboard**   **EROAD Assist driver app**

Fuel management

Our fuel management product links fuel cards to MyEROAD so fleet managers can keep track of exactly how much fuel their fleet is using.

IDLE reports

IDLE reports can be used to coach drivers around when it's best to turn off the ignition and save fuel.

Route optimisation

Route optimization helps fleet managers to manage and plan the most efficient routes for their drivers.

Precooling analytics

Using EROAD's automated pre-cooling detection analytics, fleet managers can track how many diesel seconds have elapsed in achieving precooling. This information can be used to increase operational efficiencies in trailer compartment management and switch-on time, closing expensive gaps that may exist and lowering fuel costs.

Reefer Fuel Sensor

The Location Efficiency Report helps users understand the behaviour of their vehicles in different places. Key insights relating to diesel vs electric runtime are surfaced to assist in electrification efficiency efforts. This is made possible with EROAD engine seconds interpolation computed on our edge gateways. Users save fuel, discover places of unrecognised detention, identify storage usage and track vehicle site behaviour for delivery insights.

Drive Buddy, Leaderboard and EROAD Assist

Driver behavior can have a significant impact on efficiency and fuel consumption. Our suite of products are designed to not only encourage safer driving behavior, but also to improve efficiency, reducing unnecessary fuel burn from speeding or harsh acceleration.

6.2%

less fuel used by drivers who consistently achieved 4 or 5 stars on EROAD's Leaderboard in FY22

"By being able to monitor idling using EROAD Idle reports, Foodstuffs was able to make fuel savings of 4% over less than four months."

Foodstuffs, New Zealand

"In 2021, we partnered with EROAD to boost environmental and safety outcomes through application of the latest in-vehicle monitoring technology [...] The EROAD upgrade is complemented by driver awareness training to teach the environmental benefits of reducing idling and turning engines off when possible. In six months of the EROAD upgrade, idling has been reduced by 8% per 100 vehicles"

Ventia 2021 Sustainability Report

OPTIMISING FLEETS

When it comes to reducing emissions, there is no room for a one size fits all mentality. Besides vehicle replacement, transport operators and fleet managers could reduce their emissions and save costs on fuel by focusing on fleet efficiency and optimisation, including driver behaviour, route optimisation, fleet data analysis, and performing a stock take on their current fleet.

Fleet utilisation

Fleet managers can't afford to have under-utilised vehicles in their fleet. Utilisation reporting provides data that can be used to support fleet audits, and determine where vehicles can be removed, upgraded or replaced by zero-emission alternatives.

EROAD BookIt

EROAD BookIt helps maximise fleet efficiency by providing an intelligent booking tool for shared pool vehicles. Making the most of an entire fleet is not only good for business, it's also good for the planet. Customers can increase vehicle utilisation according to specific fleet goals. By selecting rules around what vehicles appear first, customers can guide bookers towards the right vehicles for them and the fleet. For example, by selecting to show all available electric vehicles first to align with emission reduction targets.

EROAD Analyst

EROAD Analyst allows our customers to harness their fleet data to help their business perform better, reduce emissions and improve safety outcomes. Our customers can customise their own dashboards based on specific requirements, including safety and utilisation metrics, ensuring accurate time keeping by cross-referencing logbook data with vehicle use, and informing more profit-focused business decisions by combining EROAD data with financials in route and vehicle level profit and loss reporting. This in turn enables our customers to make data-driven decisions when optimising their fleets.

Automatic Job Statusing

Efficient fleets make full use of all their assets and vehicles. Automatic Job Statusing can helpfleet managers make better decisions and improve utilisation, by seeing the status of each of their assets, whether ticketed, en route, on site, pouring, or traveling back to plant. If a truck hasn't been given a new job, or time to allocate new jobs is too long, decisions can be made to better utilise the fleet and save on fuel and resources.

"EROAD is helping us manage our fleet better. We can capture fuel usage, so we can see if a truck is suddenly using more fuel than normal. We can run utilisation reports so we can see when a vehicle's actually starting to cost us more in terms of repairs and maintenance compared to kilometres travelled, operational hours and fuel usage. Utilisation reports also provide quality data to indicate if the truck is required in that region or could be moved to another branch that can utilise it better."

Envirowaste

REDUCING FOOD WASTE WITH OUR REFRIGERATED TRANSPORT SOLUTIONS

In the United States, food waste is estimated at between 30-40 percent of the food supply. Inefficient cold chains can contribute to unnecessary food wastage and greenhouse gas emissions. Our refrigerated transport solutions with remote start/stop, two-way commands and continuous real-time temperature monitoring allow operators to meet their operational and food safety goals, reduce product loss, optimise fuel burn and improve equipment utilisation .

Coretemp Route and FSMA Product Compliance

EROAD has evolved cold chain transportation assurance by creating a collaborative, real-time route tracking platform for both the Carrier and Shipper. Coretemp creates assurance, transparency and consistency with simulated product temperature thresholds and route compliance metrics surfaced in real-time during transportation and backed with interactive compliance reporting.

Efficiency Insights and Change Maintenance

EROAD Cold Chain 360 uses industry aligned metrics and real time notifications to facilitate genuine change in fleet performance. In depth analytics allow vehicle, fleet and national performance tracking in key areas: utilisation, pre-cool, fault severity, shutdown avoidance, and other relative vehicle efficiency measures. By setting appropriate goals and SOP's configurable vehicle alerting thresholds reduce cost and wastage - fault code severity, tiered temperature alerts, low fuel, low battery, door open timers, pre cool duration, arrival notices with temperature data.
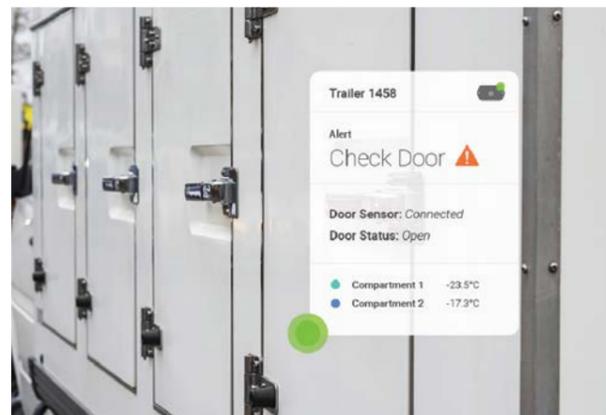
Coretemp

"The algorithm works flawlessly. Everyone wants to make sure they know that the core temperature of their products is compliant. Being able to build on air temperature reading by receiving actual product temperature will allow us to communicate to our customer that they are receiving the highest quality of product every time."

General Manager, QCD

"Data harvested by the units has given us a valuable look at our cold chain performances during transport. Using the trailer return air data for predictive analytics has been a game changer for GSF and has positioned us as industry leaders. By using the solution as part of our new predictive product temperature monitoring process we were able to save about $50,000 per month by not requiring drivers to probe product at each stop."

Golden State Foods Corporate Quality Systems Director – Logistics

"The solution has proven to be a reliable provider of real-time information that supports efficient operations and safely protects the integrity of our customers' cold chain."

COO and Co-founder Tiger Cool Express

REDUCING WASTE AND IMPROVING EFFICIENCY WITH CONSTRUCTION SOLUTIONS

In 2018, the Environmental Protection Agency estimated that the USA's construction sector generated 600 million tons of construction and demolition waste – more than double the amount generated from municipal solid waste. This is not only a significant loss of resources, but also increases the total environmental impact of the sector.

EROAD's construction solutions help reduce construction and industrial wastage. Through a connected network of wireless sensors, compact hub, driver tablet and business dashboards, EROAD has engineered the complete solution for construction projects both on and off the site. Capturing rich data throughout every step of the workflow ensuring customers, drivers, dispatch and management remain informed, and make decisions that reduce waste, increase safety, and maximise productivity.

Concrete Assurance

Our customers can count every rotation, measure every drop of water, and maintain accurate digital records showing they delivered to their customer's requirements. Smart drum sensors provide customised alerts at start, stop, fast mix, regular, and pour. Accurate geo-fencing also allows customers to quickly and easily locate truck-in-front to reduce wait times on site. It's the concrete assurance every project needs, helping to reduce wastage and improve efficiency.

Reduce on-site wait times

Precision pouring

REDUCING CONTAMINATION WITH OUR WASTE & RECYCLING SOLUTIONS

EROAD's waste and recycling solutions help reduce contamination. EROAD's Smart Waste solution offers sophisticated proof of service functions along with a suite of in-cab applications and the eRoute Management toolkit. The benefits include more efficient routing, fewer driver distractions, better customer service, fewer missed stops and costly call backs. Plus, EROAD's modular offering lets customers scale the solution into the future.

Missed stop identification

Exception recording

Commercial and Residential Waste App

Radio-frequency identification technology systems

Multiple real-time remote service verification methods including route coverage, service (lift arm) events, RFID and manual (driver) statusing. In recycling, if there are signs of contamination then the reporting data can be provided to cities to communicate with people that are not meeting standards. This can help reduce contamination by educating people on what can and can't be recycled.
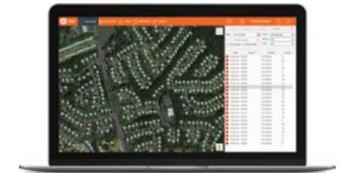
Smart Routes

Smart Routes allows drivers to run the optimal route, leading to fewer runs and more efficient fuel usage. It also provides a paperless solution for route sheets and turn-by-turn navigation, reducing paper and boosting efficiency.
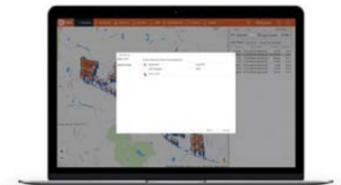
Missed stop identification

Missing a stop can be costly for haulers, it also creates more emissions to complete the same number of pick ups. With our waste solution, customers can easily identify missed stops before the end of a route and help drivers to complete routes efficiently and on time.
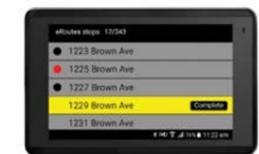
Exception recording

On the spot driver recording of blocked or contaminated carts and other service anomalies helps further reduce the risk of contamination.

WELL MAINTAINED VEHICLES ARE EFFICIENT VEHICLES

Vehicles that are well maintained are not only safer, they can also be more efficient. Things like tyre wear and pressure can impact the fuel usage of vehicles.

Inspect

EROAD Inspect provides a standardised method for drivers to carry out pre- and post-trip inspections and alert fleet managers of any wear and tear or defects occurring.

MyEROAD Fleet Maintenance

Through MyEROAD Fleet Maintenance, the fleet manager can ensure all vehicles have regular servicing and maintenance scheduled in advance to keep them roadworthy and in top working condition, further helping with efficiency.

13,309

Inspect subscriptions as at 31 March 2022

"Going paperless has been a big focus for Refrigafreighters. With tools like EROAD Inspect, we can carry out inspections quickly and easily, and it's digital and fully automated. That's a huge benefit in itself."

Paul Farnan, Operations Manager, Refrigafreighters

"The Service module has allowed me to build cases for replacement because it's all there at the touch of a button. Every invoice is stored in there, so I know exactly what we're spending on each vehicle, and what we shouldn't be spending on each vehicle as they get older."

Foodstuffs

SUPPORTING NEW ZEALAND'S TRANSPORT SECTOR TO DECARBONISE

The Transport sector accounts for 21% of New Zealand's greenhouse gas emissions. Zero emission vehicles are still in development. Without data, operators are unable to fully understand the operational and cost implications on their business by switching to zero emissions vehicles. To support New Zealand's decarbonisation efforts, EROAD is involved in a number of key projects.

NEW ZEALAND'S FIRST-OF-ITS KIND ZERO EMISSIONS TRUCK TRIAL

In November 2021, EROAD supported Fuso New Zealand and Auckland Transport in the country's first-of-its kind zero emissions truck trial. Over 12 months, EROAD will collect data from the five 100% electric FUSO eCanter trucks being trialled by Mainfreight, Bidfood NZ, Toll Group, Owens Transport and OnGas to provide insights on truck usage, EV data and driver behaviour. Fleet managers and businesses want to know what it really takes to run electric trucks as part of a commercial fleet, and the trial will help them do this.

EROAD'S HEAVY VEHICLE DECARBONISATION TOOL COMING SOON

EROAD has been awarded partial funding from the Energy Efficiency & Conservation Authority (EECA) Low Emission Transport Fund to develop a Heavy Vehicle Decarbonisation and Recommendation tool.

While the electrification of New Zealand's vehicle fleet is increasing rapidly, low or zero emission vehicle options are still limited for heavy fleets. The tool we're creating will support transport operators to assess all viable options for reducing their heavy vehicle emissions.

EROAD has an extensive real-world telematics and driving behaviour dataset that covers over 50% of the diesel vehicles on NZ roads, 36,000+ heavy vehicles traveling 44 million km per week. The Heavy Vehicle Decarbonisation and Recommendation tool will leverage this reliable and effective dataset to generate actionable insights.

SUPPORTING THE NZ GOVERNMENT'S CARBON NEUTRAL PROGRAMME

In 2020 the New Zealand Government established the Carbon Neutral Government Programme, a long-term programme that aims to make a number of government organisations carbon neutral from 2025. To advise government agencies through the transition to carbon neutrality, EROAD has joined the Ministry of Business, Innovation & Employment's Fleet Audit Panel alongside other fleet optimisation experts.

To meet the target from 2025, initial fleet audits need to be carried out by 2023, allowing time to put fleet optimisation plans into action. One council that has used EROAD's data for its fleet audit, and subsequent optimisation plan is Hutt City Council in Wellington. When it hired consultants to perform a fleet utilisation analysis in 2018, EROAD's data really came into its own, providing the council with information such as how far each vehicle travelled and how much time they were parked up. In 3 years, as well as reducing its overall fleet size, the council has electrified 25% of its fleet - and that number continues to rise.
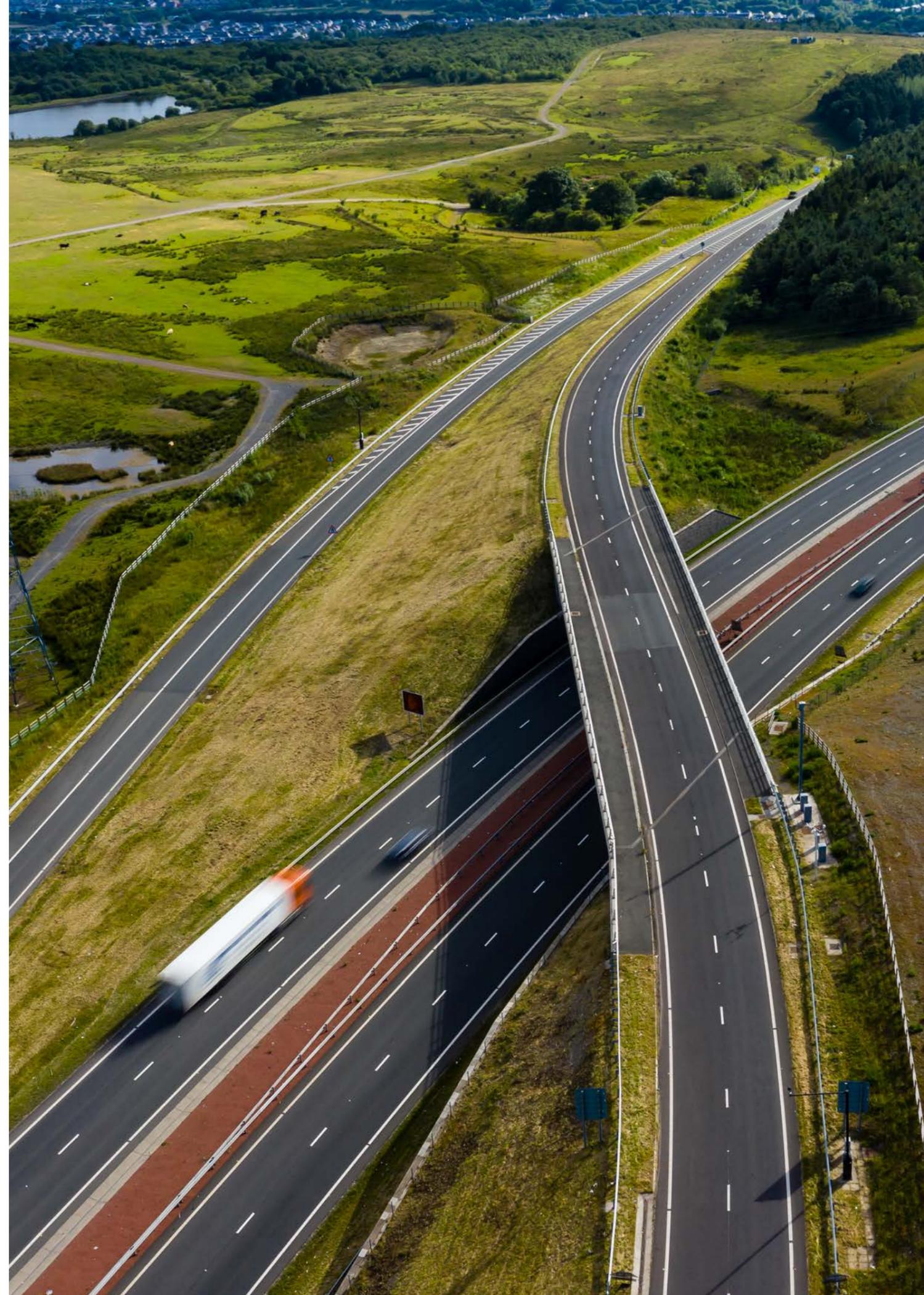
INTERNATIONAL ROAD FEDERATION (IRF) TASKFORCE: ITS FOR CLIMATE IMPACT MITIGATION

In November 2020, the International Road Federation established an Intelligent Transport Systems and Services (ITS) for Climate Impact Mitigation Taskforce with the aim to build knowledge among road transport stakeholders from public and private sectors and to identify appropriate, feasible and effective decarbonisation measures. The Taskforce's work includes a comprehensive review of existing ITS solutions and their impact, and their potential contribution to reduce substantially the carbon emissions due to road transport. Nina Elter, EROAD's SVP Global Market Development is part of the Taskforce.

In November 2021, the initial report 'ITS for Climate Impact Mitigation' was released. The report included a comprehensive review of existing ITS solutions, their impact and potential contribution to reduce substantially the carbon emission due to road transport. The ITS industry, in close cooperation with transport authorities and road operators, has been developing knowledge from operational case studies in different regions of the world that give concrete evidence on the potential of ITS in contributing to emission reduction and therefore in helping the road transport community in meeting climate impact mitigation targets.

According to the report, road transport stakeholders from public and private sectors have a major role to play in transforming road infrastructure towards drastic emission reduction by 2030. ITS and enabling Information and Communication Technologies (ICT) has been very successful in the last decades in delivering key solutions to improve road safety and traffic efficiency. Transport infrastructure is essential to sustainable development and to regional, national and transnational cooperation and can improve a region's global competitiveness.

However, the transport sector is also one of the largest sources of greenhouse gas (GHG) emissions, largely driven by the fact that fossil fuels remain the dominant source of energy consumption in transport. The sector is responsible for approximately 16% of global GHG emissions, making it the third-largest contributor to GHG pollution after energy and buildings.

In addition, the ITF Transport Outlook 2021 predicts that global transport activity is expected to more than double by 2050, due to population growth and economic development and traffic emissions are expected to rise by 16% compared to 2015 - even if existing commitments to decarbonise transport are fully implemented. Any currently expected emissions reductions will be more than offset by the increased demand for transport, which would overshoot the levels needed to reduce global warming by 1.5% by about 3 times.

This report highlights a suggested "top 10" of ITS tools for decarbonising roads, transport and mobility.

Criteria for their selection include:

Top 10 Solutions

1. Smart road user charging and tolling
2. Access control
3. Collective mobility and MaaS
4. Parking guidance – reducing parking search and traffic circulation
5. Congestion management and incident detection
6. Speed management
7. Trucks and logistics (highlighting telematics)
8. BEV charging facilities open standard for reservations
9. Environment optimised traffic management
10. Driver behaviour (eco-driving)

The work of the taskforce will continue in 2022 with the ultimate goal of establishing an ITS for Climate Impact Mitigation Alliance, a global knowledge base and collaboration workspace where road transport stakeholders from the public and private sector can share their commitment and unite their efforts in the deployment of emission cutting ITS solutions to achieve environmental sustainability for road transportation.

MEASURING AND REPORTING ON OUR COMPANY IMPACT

TOITŪ
CARBON
REDUCE
ISO 14064-1
ORGANISATION

In FY22, EROAD joined the Toitu carbonreduce programme and subsequently became certified in May 2022 after completing our base year emissions report. Undertaking this process involved measuring and reporting on EROAD's carbon emissions and considering our company-wide reduction plan.

Our base year emissions report has provided us with the data we need to understand our company emissions profile. We can assess this by emissions category and by area of operation (New Zealand, Australia, and North America). EROAD's total company emissions (excluding Coretex entities) for FY22 were 17,766.18 TCO2e (tonnes of carbon dioxide equivalent).

Emissions (tCO2e) by category
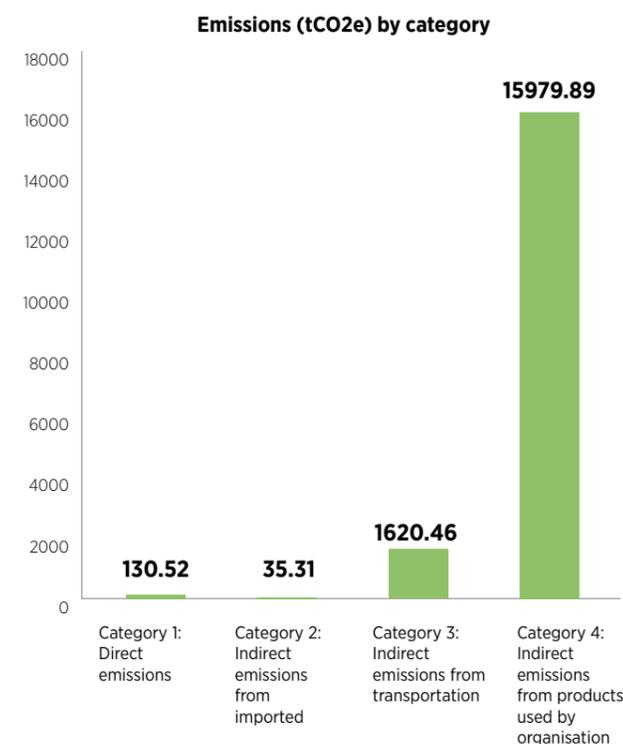
Category 4 emissions are clearly our most significant emissions source and, although we were not required to report on these as part of the Toitu carbonreduce programme, we considered these emissions to be integral to our emissions profile and so sought to capture them in our reporting. Category 4 emissions are indirect emissions from products and services used by EROAD. We took a cash spend approach to determine our Category 4 emissions for FY22 and this approach led to the inclusion of manufacturing emissions from our hardware

suppliers, emissions resulting from our data storage, and emissions pertaining to other business activities such as legal and financial services.

The Toitu carbonreduce programme requires us to commit to reducing our Category 1[2] and Category 2[3] emissions in FY23. These relate to transport emissions, including petrol and diesel, and emissions from imported energy (electricity use). EROAD has recently acquired 14 new EVs and is investigating a change to our vehicle procurement policy to give rated fuel efficiency and/or alternative low emissions fuel options. We are also exploring the possibility of filtering vehicle recommendations within Orbit Travel (EROAD's travel provider) so that the lowest emission options are displayed first. Another way in which we are reducing our emissions is by greater use of virtual customer meetings and by continuing our company culture of promoting virtual meetings where practicable.

In FY23 we will be running an internal "Switch it Off" campaign within the company offices and EROADer home offices. This campaign is intended to raise awareness and promote a reduction in our Category 2 emissions.

Company emissions across all our areas of operation were captured in our base year report, however emissions relating to the Coretex entities were excluded from the FY22 Report. EROAD will look to capture carbon emissions from the entire EROAD Group in FY23, following completion of the integration process.

In FY23 we hope to engage and further collaborate with our suppliers on sustainability matters. This engagement should have a positive effect on our data quality objectives which will in turn support our reduction plan.

TCFD

The new Financial Sector (Climate-related Disclosures and other Matters) Amendment Act is now in force, with mandatory reporting triggered in January 2023. The Act aims to ensure that listed entities like EROAD are routinely considering the effects of climate change. EROAD will be required to prepare an annual climate statement from 2024.

EROAD is supportive of this legislation as a higher level of understanding will naturally help us transition into being a more sustainable company, feeding directly into our company purpose. Our work with Toitu is an important first step in preparing for our disclosures under the new Act and we will begin compliance in our FY23 sustainability report.

RESPONSIBLE USE OF MATERIALS

Responsible material use is geared towards an improved sustainability profile associated with raw material use throughout the product lifecycle; from product design and manufacturing, packaging, product use, maintenance, refurbishment, through to end-of-life treatment.

Firstly, the maintenance of existing and creation of new product and service offerings through our SaaS platforms and our mobile applications negates the need to produce additional 'tangible' hardware, thereby vastly reducing the potential environmental impact as we grow.

In instances where we are dependent on hardware, EROAD strives to reduce material consumption by upstream suppliers. EROAD's supply chain varies depending on the product and componentry; and is sourced locally and internationally.

Apart from short-term mitigation of global supply chain challenges, EROAD manages inventory levels in accordance with client-driven demands, reducing excessive stockpiling of hardware as much as reasonably practicable.

Shipped products are accompanied by short form hard copy/ printed installation guide with the bulk of the supporting information available online.

When EROAD's products need to be repaired, exchanged, retired or decommissioned, EROAD makes every effort to collect the devices and reuse components (such as the printed circuit board (PCB)) that are inherently valuable. Components, casings, screens and peripherals that are no longer usable, or are damaged through wear and tear or do not meet EROAD's product quality standards are sent for recycling.

In ANZ the swap out, collection and return of devices is chiefly done through EROAD's installer network. Whereas in North America, where self-installation predominates, the customer is responsible for returning the devices to EROAD.

All our end-of-life units that we can't refurbish are sent through to Computer Recycling, who is New Zealand's No.1 recycler for electronic devices. This includes the batteries. Of our total number of units refurbished, 72% by value is reused as components.

16,711
refurbished units in FY22

14,000
batteries were recycled in FY22

Coretex-branded products are now being recycled

---

[2]Category 1 emissions are indirect emissions and removals such as transport fuels including petrol and diesel.
[3]Category 2 emissions are indirect emissions from imported energy such as electricity use.

THE ROAD TO SUSTAINABILITY: OUR INAUGURAL SUSTAINABILITY SENTIMENT SURVEY

Across Australia and New Zealand, mandated regulations around sustainability reporting differ for businesses by country. As each Government sets its own Net Zero Emissions timeframes, it is likely regulatory and reporting requirements on sustainability efforts will increase in the near term.

At EROAD, our customer base includes industries which are typically high GHG emitters. We're uniquely placed to understand how ready these businesses are to respond to any shift in sustainability reporting and regulation, and the challenges they're facing.

In mid-2021, we surveyed 1,134 business decision makers across Australia and New Zealand in our first ever sustainability sentiment survey. We intend to use this report as a launchpad to bring sustainability to the forefront of the conversation when discussing transport carbon footprint emissions. This will help us further our sustainability efforts within the transport industry.

42%
of businesses don't currently report on sustainability goals

42%
of businesses are challenged by the associated costs, lack of tangible value and prioritisation

37%
of all light fleets are expected to be fully electric or alternatively powered by 2025

21%
of all heavy fleets are expected to be fully electric, hydrogen or alternatively powered by 2025

FLEETS WILL BE GREENER BY 2025

In Australia, transport accounts for 17% of GHG emissions, and in New Zealand, GHG emissions from road transport represent 21% of total emissions. In our survey, 37% of all light fleets and 21% of all heavy fleets expect to be fully electric or alternatively powered by 2025. To support customers on their sustainability journey, we've worked with industry experts to put together helpful resources as they consider the options available, such as:

Greening your fleet: undertaking the journey to EVs

From cost metrics to onboarding, we provide what fleet managers need to get started.

What's the alternative: a guide to reducing emissions for heavy and mixed fleets

Whether it's vehicle replacement, fleet optimisation or improving efficiency, we lay out the alternatives for fleet managers to reduce emissions today.

"Hydrogen is the equivalent to the horsepower of a bigger vehicle. It's a real alternative for people to consider for long haul. That's where it separates itself from the battery electric. These types of vehicles can travel between regions, they can go where electric vehicles can't, they really open the door for long haul freight."

Hamish Quinn, TR Group

OUR PEOPLE

Our goals and aspirations

An inclusive, collaborative engaged culture aligned to our values and vision

Remuneration and benefits that recognise performance and support attraction and retention

Good talent pipelines and career progression opportunities for current and potential EROADers

Leaders with the capability, tools and empowerment to lead

OUR VALUES

We do what's right

We put **customers** at the heart of what we do.

We look after our people and put their **safety & wellbeing** first.

We focus on delivering **quality** outcomes.

We play as a team

We all play for the same team and that includes our c**ustomers and partners**.

We value & respect diverse opinions and we work **together** to overcome challenges.

We embrace our differences and **celebrate** what makes us unique.

We learn & grow

We listen to **learn.**

We own & learn from mistakes, choosing to hold a **growth mindset**.

We believe that curiosity fuels successful **innovation**.

We get it done

We **do** what we say we will.

We **prioritise** to deliver the most important outcomes.

We take **ownership** and work together to get to a solution.

OUR PEOPLE

At EROAD our people are our top priority. The health and wellbeing of our team is crucial - so is how staff feel about their place in the organisation and the value they bring. It's all about people - not simply because their success is paramount to our business success, but because at EROAD we do what's right and focus on the safety and wellbeing of our people.

FY22 and COVID-19 has brought with it a number of new challenges as our team dealt with significant uncertainty and change through having to operate under lockdown, a major merger with Coretex and leadership change. On top of this we are operating in an incredibly tight labour market so EROAD's employer brand is more important than ever as we look to retain and attract new talent to drive our growth strategy forward. We believe our strong culture and focus on people helped navigate us through these issues well; but, as we head into FY23, there will be continued focus on change management as we merge the EROAD and Coretex cultures together to create an engaged and aligned EROAD 2.0. For FY23 our key focus areas will be positioning EROAD as an employee of choice and continuing to improve the capability of our leaders.

76%

EROADer's recommend EROAD as a great place for work (FY21: 83%)

83%

EROADer's feel that EROAD is an inclusive workplace where they can be themselves (FY21: 83%)

REWARD AND RECOGNITION

Reward and recognition goes further than an employee's base salary and short and long term incentives (which you can read about on pages 116-137 of your FY22 Annual Report). At EROAD we enrich our company culture and improve employee engagement through peer to peer initiatives such as an online reward platform, Bonusly, and through the quarterly EROAD Awards programme.

- 232 nominations for EROAD Awards
- 17,097 Bonusly recognition messages
- $3,865.20 donations to charities through Bonusly rewards

Thirty seven staff were recognised for their contribution to EROAD throughout the financial year with a one-off award of EROAD shares. These recipients were nominated by the executive team for their exceptional contribution to EROAD during FY22.

TRAINING AND DEVELOPMENT

EROAD is committed to working with, and retaining, talented and capable people. We invest in the training, development, and wellbeing of our teams across the globe.

Leadership development

- With more than 100 managers across the business, EROAD is committed to ongoing capability building and development of emerging leaders, through an intensive six-month experiential programme.
- In FY22 and 23 three cohorts will have completed EROAD's Leadership Programme (ELP), seeing 75% of EROAD people leaders become graduates.

Training and education

In FY22, we:

- Supported our product engineering and development team with a review of our agile work approach and the recruitment of a permanent agile coach.
- Engaged specialist external course providers to upskill and support teams including specific training in Customer Service and Sales Training, Lean Six Sigma, and Business Intelligence.
- Launched a new refreshed mandatory course "Privacy at EROAD" which sits alongside other mandatory courses: health and safety, data security, and onboarding.
- Launched new eLearning module 'How to write a Development Plan at EROAD.'
- Started development on a new e-learning platform Workday which aunched in FY23 and has been incorporated into a new human resources information system.

Career development

- Work continued to increase career pathway opportunities within the engineering team.
- EROAD's managers continued to conduct regular developmental one-to-ones with team members, ensuring everyone has the opportunity to develop their careers at EROAD.
- EROAD invested in leading human resources software in 2022, enabling a greater quality of developmental conversation to take place across the business.

ATTRACTING NEW TALENT

It is always a top priority to attract and welcome new talent to the EROAD team. FY22 saw us build on new initiatives from previous years.

Intern Programme

- EROAD attracted more than 200 high calibre applicants in FY22. The 10 successful interns enjoyed an immersive experience within EROAD's product development and engineering team gaining vital hands-on experience. Six of these interns will join EROAD as new graduates.

Targeting future graduates

- In July EROAD attended a careers expo at the University of Auckland to promote tech industry opportunities within New Zealand.

Scholarship

- Launched in 2015, EROAD awards an annual scholarship of $5,000 to Māori and Pacific students studying computer science, data science, information systems or software engineering. This year's scholarship recipient went to University of Auckland student Moemaitawhiti Moore who is studying for a Bachelor of Commerce and is passionate about engineering and marketing.

Immigration status

- EROAD retains Immigration NZ employer status.

EROAD's people are the heart of the business, and we are committed to providing a diverse and inclusive workplace. EROAD celebrates diversity and promotes an inclusive culture. It is our diversity – our people represent 29 countries – that makes EROAD what it is today. EROAD compares favourably to both the transport and technology sectors for female representation at both non-manager and manager levels. EROAD is committed to encouraging and supporting female leaders. Flexible work arrangements, parental leave and leadership development opportunities are just some of the ways that EROAD supports its female employees.
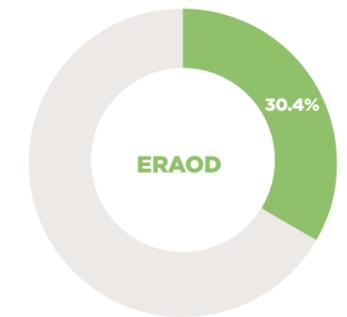
CREATING A SENSE OF BELONGING THROUGH OUR WISH COMMITTEE

The WISH (Wellbeing, Inclusion, Social & Health & Safety) committee is a team of enthusiastic volunteers from across EROAD. With a drive to bring everyone together as one team, no matter their geographic location, the WISH committee organises events, activities and celebrations throughout the year, so the team can connect, celebrate, meet new staff members, and have fun.
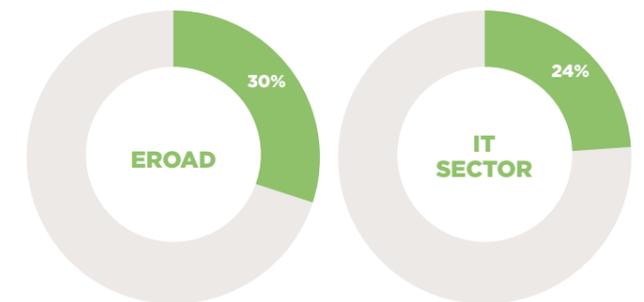
EROAD is a diverse team and the WISH committee's activities helps create a sense of inclusion and belonging as well as celebrating our diversity. Boxing fitness classes, a global walking competition, culture day, international women's day, pink shirt day, and opportunities to volunteer in the community are just some of the events organised by the committee and showcase the range of passions and backgrounds at EROAD.

The committee works hard to connect all teams around the globe. With the Covid pandemic dominating again this year, there were times when the majority of the EROAD team across the globe was working remotely, so many events and activities were done virtually like the weekly pop quiz and the end of year global celebration.

EROADERS COME FROM OVER
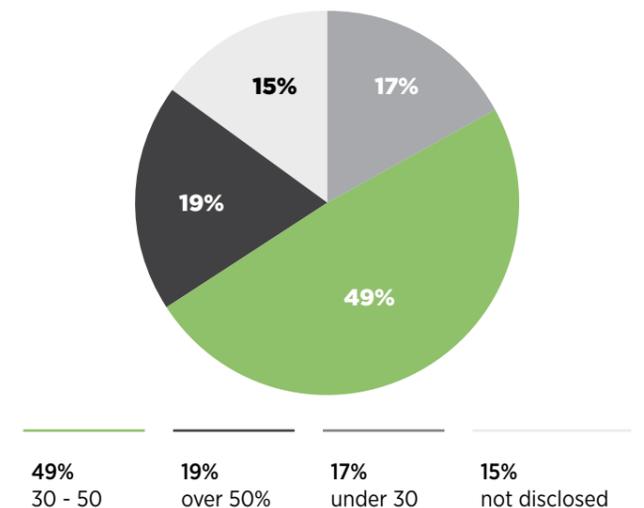
29 DIFFERENT COUNTRIES

DIVERSITY AND EQUALITY

FEMALE % OF OUR TEAM

ERAOD 30.4%

PEOPLE LEADERS DIVERSITY

EROAD 30%

IT SECTOR 24%

AGE SPLIT CHART

17%
49%
19%
15%

49% 30 - 50
19% over 50%
17% under 30
15% not disclosed

HEALTH, SAFETY AND WELLBEING OF OUR PEOPLE

MODERN SLAVERY STATEMENT

EROAD's purpose and company values encompass a commitment to social responsibility. Accordingly, EROAD is committed to upholding human rights practices in all our business-related activity. EROAD's commitment to human rights involves ensuring that slavery and human trafficking are not taking place in any part of our business operations.

We expect all of EROAD, organisations in our supply chain, as well as our contractors and third parties to comply with this commitment. Our Code of Ethics, Code of Conduct and Risk Management Policy all reinforce our value of doing what's right by committing to acting ethically and with integrity in all our business relationships to address modern slavery risks. We have a multidisciplinary team, with representation from Global Operations, Supply Chain, Product and Legal, overseeing the application and assurance of these requirements.

The EROAD Sustainable Supplier Questionnaire is sent out to all key suppliers we work with. The section on social responsibility requires suppliers to disclose whether they have any human rights and/or labour policies in place, and to provide these where applicable. Likewise with any safety and wellbeing policies. To date, EROAD has not identified or become aware of any instances of human trafficking or slavery within our operations or supply chain.

EROAD has published a statement in accordance with our obligations as a listed entity on both the NZX and ASX and under the Australian Modern Slavery Act 2018. You can view the statement here. https://www.eroadglobal.com/global/investors/

MENTAL HEALTH

EROAD continues to support mental health app Groov, formerly Mentemia, which provides information, activities and videos about mental and emotional wellbeing. Employees also have 24/7 access to an Employee Assistance Programme.

SUPPORTING PEOPLE THROUGH A GLOBAL PANDEMIC

In another year dominated by COVID-19 disruptions and restrictions, EROAD's priority remained on keeping staff and their families safe.

When the Delta strain struck New Zealand in August 2021, it meant a lengthy lockdown period, particularly in Auckland, and we returned to a predominantly work from home situation. This continued throughout the Omicron variant outbreak although we were able to allow an increase in usage of the sites due to the country's change to the traffic light framework system. We were also able to provide NZ staff with free rapid antigen tests so they could monitor the health of themselves and their whānau.

In North America and Australia, COVID restrictions and lockdowns were prevalent also forcing most employees to work from home. With EROAD's flexible working policy, most employees were used to a hybrid environment and adjusted quickly post-lockdown. EROAD provided office equipment options for employees working from home so that our people were working safely from home.

Our global team is now well versed in working remotely. In fact, working from home is likely to remain a common option for our teams offering greater lifestyle flexibility and work-life balance.

EROAD worked hard to look after the team throughout another challenging year, with resilience development webinars, virtual quizes and social events, a Christmas hamper delivered to their homes, and an additional three days of paid leave over the end of year break so everyone could take some well-deserved time off.

EROAD LEANT ITS SUPPORT TO GLOBAL CAUSES WITH LOCAL CONNECTIONS

COVID-19 GLOBAL RESPONSE FUND

Over the last 2 years, many of our team members have lost loved ones as the pandemic escalated. People from across the EROAD community reached out to ask if we could do something to show our support. In May 2021, we launched a fundraiser on Givealittle, through which EROAD employees donated $5,000 NZD, and EROAD provided double-matching on all donations. A total of $15,000 NZD was donated to the World Health Organisation COVID-19 Solidarity Response Fund.

RED CROSS UKRAINE APPEAL

In March 2022, when the war broke out in Ukraine, our team members once again got behind our Red Cross Ukraine fundraiser. With EROAD double-matching all donations again, we raised a total of $32,000 NZD.

EROADERS CLEAN UP KAI IWI LAKES

In 2021, some EROADers combined their volunteer day with their diving experience to clean up and remove rubbish from Kai Iwi Lakes in the far north of New Zealand. The team wanted to do something good for the community, and collected over 8kg of rubbish that included socks, hats, sunglasses and an iPhone 12.

PLANTING DAY IN AUCKLAND

The Whau River Trust works to restore and protect the biodiversity of the Whau River area in Auckland, and our team of volunteers jumped in, rolled up their sleeves and made a real difference for our community and environment by clearing the river bank and planting native trees.

BRINGING 2 TEAMS TOGETHER FOR A BIGGER BRIGHTER FUTURE

Bringing two teams together is challenging. Not only did staff numbers increase, but our office locations increased with Coretex sites in Newmarket (NZ), Sydney (AU), New Jersey, and San Diego (US). When EROAD and Coretex merged on 1 December 2021, that wasn't the start of the integration work but was the result of months of planning, preparation and collaboration. The intention to merge into what is affectionately dubbed EROAD 2.0, was announced in July 2021 kick starting a major project to make the transition as smooth as possible for the 600+ Coretex and EROAD staff across New Zealand, Australia and North America. Dedicated people, change and communications workstreams worked alongside technical, logistics and operational workstreams, to the extent possible, as part of a major integration working group designed to successfully bring together the people, culture, technology, product and intellectual property of the two businesses.

To prepare staff, and keep them informed, after the merger there were a range of change management and communication activities to bring both Coretex and EROAD staff on the journey including five employee experience workshops with 299 staff to share views and stories on the new EROAD culture and how we work together.

In bringing the teams together, the focus was on merging the positive aspects from both organisations where people and their career opportunities were prioritised. When creating EROAD 2.0, the focus was neither EROAD nor Coretex but on a newer and more improved EROAD.

As part of merging the culture and structure of Coretex and EROAD, EROAD has adopted Coretex's vertical structure, which focuses on industry-specific customers, which is being rolled out across the North American business.

From a cultural perspective, surveys continue to monitor employee net promoter scores and overall satisfaction, and work continues on developing a new employee value proposition to make EROAD a top employer of choice.

Since the merger of Coretex and EROAD, it's great to see staff moving within the organisation.

Akinyemi Koyi (AK) Koyi spent more than eight years with Coretex and joined EROAD during the merger as Chief Innovation Officer. AK started his career in a software and hardware engineering background before moving into leadership roles. He moved to the US with Coretex and was responsible for the company's North America operations which further developed his in-market commercial skills in this important growth market. As part of the new EROAD, AK was recently appointed President North America alongside his innovation role.

Tracey joined EROAD during the merger following a 13-year career with Coretex in finance roles (CFO and Group Finance Manager) as well as taking responsibility for other functions including legal, and HR within the Coretex Group. She was recently appointed as EVP Finance in EROAD's North American team and will relocate to San Diego to take up the role.

EROAD

CORETEX

OUR COMMERCIAL APPROACH

Our goals and aspirations

Continue to find innovative solutions to solve our customers' problems

Continue to deliver sustainable and growing financial returns for our shareholders

Maintain resilient and robust platforms

Protect our customers against breach of confidentiality, loss of data or technology disruption

RELIABLE AND SECURE DATA

It is fundamental to EROAD's success to maintain resilient and robust platforms and continually invest in privacy and security. A breach of confidentiality, loss of data or technology disruption can lead to significant financial loss and/or reputational damage for our customers.

EROAD has built a modern, cloud native information technology platform to support customers, operations and the sales team. In FY22, EROAD's proprietary platform had an industry leading uptime of over 99.96% for New Zealand and Australia and 100% for North America, ensuring delivery of a reliable and consistent service to our customers. Since the acquisition of Coretex, focus has been on putting processes in place for a consistent combined view of uptime across both our platforms. This will also include a customer-facing view of the current uptime status of all our systems in order to improve transparency with customers.

We continue to partner with global leading and resilient technology partners, such as AWS, Microsoft Azure, HERE and Vodafone. All connectivity in or out of the environment is secured and controlled, and penetration testing is performed annually by our third-party security partner. We have several other tiers of protection for data, identities, and devices. As part of our design methodology we now include privacy as an essential priority of any product, service, system or process. To achieve this, in FY22 we officially launched a privacy impact assessment tool.

Work continues to simplify and strengthen policies for IT and cybersecurity to help clarify and reinforce the standards expected to ensure robust security practices. We train our full- and part-time employee workforce in data security, how to recognize and understand privacy-related risks, and ways to mitigate data and privacy issues.

In FY22 we invested in the creation of a dedicated cyber-security team working directly with all of EROAD's software engineering teams, which has resulted in implementation of numerous security programmes and measures.

During FY22, significant inroads were made towards implementing the leading global framework for cybersecurity and privacy, National Institute of Science & Technology (NIST) Cyber-Security Framework, in addition to rolling out an OWASP SAMM roadmap, which provides an even more thorough view on cybersecurity practices specifically across software engineering environments.

In FY23, EROAD will be further raising the commitment to data governance, specifically focusing on quality, security and privacy. While this area has always been taken seriously, we are looking to raise the bar once more and are increasing the investment this year, including to the people resources dedicated to the data governance function.

99.9%

uptime EROAD stand alone
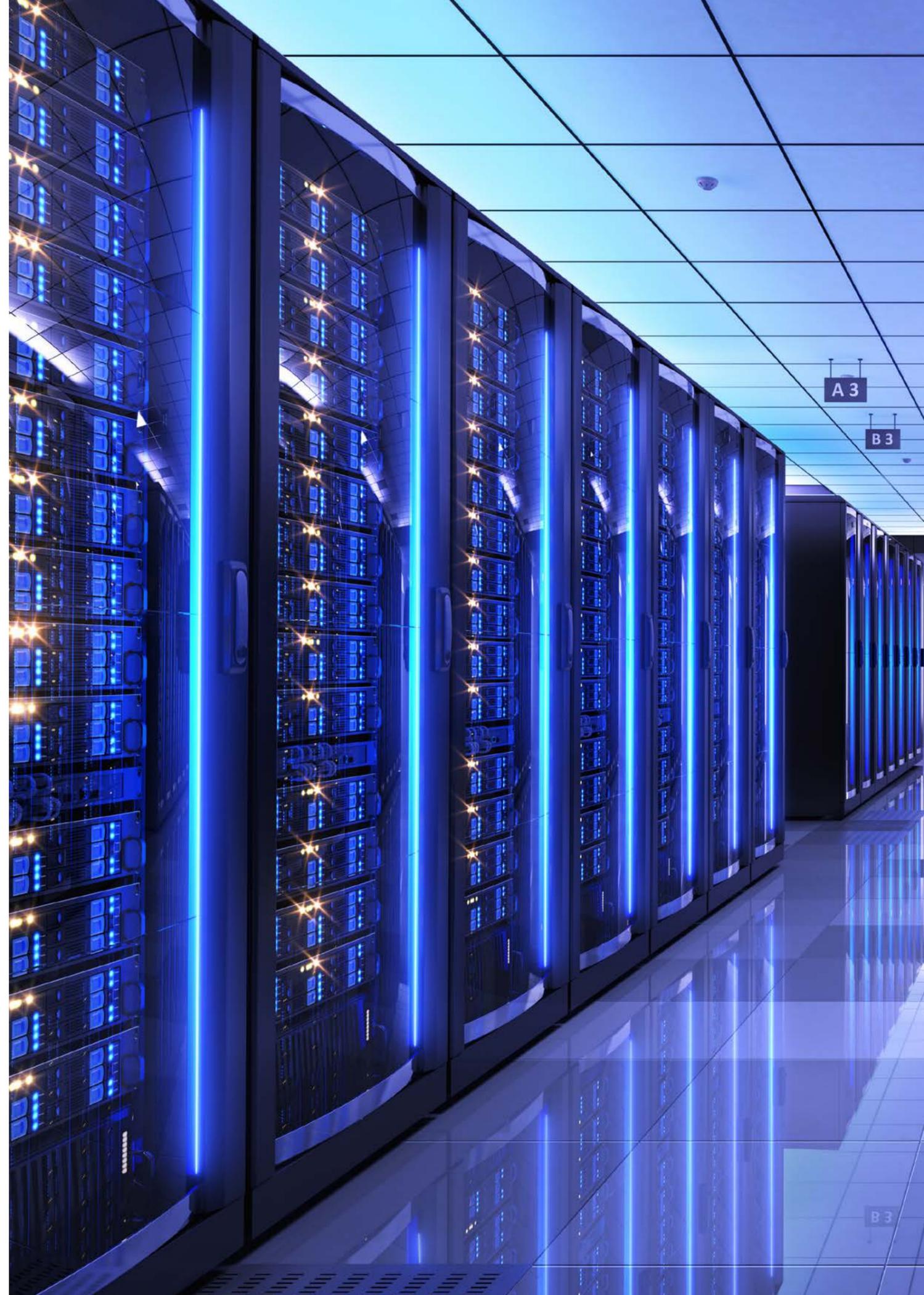
WORKING IN PARTNERSHIP WITH OUR CUSTOMERS

At EROAD, we strive to build relationships and partnerships with our customers, small and large. Because of this, we invest heavily into our post-sale customer service resourcing – something that has set EROAD apart in the telematics industry. Today, EROAD has over 70 staff globally dedicated to the success of its customers' EROAD experience. Each enterprise account has both a Technical Account Manager and a Customer Success Manager that work closely together to ensure that customers are taken care of from the support, product and engineering side of the business, as well as deriving maximum value from EROAD products, solutions and services.

EROAD's service model means customers are proactively supported to achieve the key outcomes they wanted from the technology when they signed with us. Part of EROAD's success methodology is to partner with the customer and identify these specific Goals and Desired Outcomes - we define a customer's success based on the metrics and success criteria that we've identified and agreed on together. For larger/enterprise sized accounts, this is facilitated by a dedicated Customer Success Manager (CSM) or Key Account Manager (KAM) who tracks the customer's goals and provides visibility on progress. During reviews of the customer's business, the CSM/KAM will do a deep dive and thorough review of all in-progress goals, as well as celebrate and document completed goals and realised outcomes. By providing 100% transparency and updating progress in real-time, there are no surprises, and each partner holds the other accountable for working together toward goal completion. As the partnership grows over time, the expectation is that new goals are identified and new success criteria applied.

An important point of difference for enterprise accounts in North America is how EROAD's Customer Success Managers work closely with an in-house Technical Account Manager – a technical advocate for the customer that drives results from products and issues raised. Together, they ensure the customers are being taken care of from the support, product and engineering side of the business, as well as deriving value from EROAD products, solutions and services. Over the last 12 months in ANZ, EROAD's support teams have adapted the customer service model offered so we can better respond to the size and complexity of each customer for best results. This allows EROAD to provide appropriate customer service, at scale, as EROAD grows. Part of this change included the launch of EROAD's Enterprise Support Team – 10 staff that project manage the rollouts of EROAD's enterprise customers for seamless integration of EROAD's technology into their businesses.

The Enterprise Support Team provides market leading, gold standard service and operational support, working well within Enterprise SLAs and supporting the Key Account Manager closely to create a true EROAD/Customer partnership. This is a new, premium service offered to our Enterprise customers in ANZ – a reflection of our commitment to customers going forward.

Moving into FY23, EROAD will continue to focus on the integration of the Coretex business into EROAD's product offering and operations. Customer Operations teams have been and continue to focus on upskilling themselves in the Coretex-branded product suite. It is EROAD's intention to ensure the gold standard EROAD customer service is rolled out across Coretex's customer base so that it can build trust with and retain these customers within the business.

39
NORTH AMERICAN NPS SCORE[4]

26
NEW ZEALAND NPS SCORE[5]

26
AUSTRALIAN NPS SCORE[6]

93.4%
EROAD STAND ALONE ASSET RETENTION RATE
Coretex's 4 month Asset Retention Rate was 98.4%

1,131
CUSTOMERS RENEWED THEIR PLAN
(31,597 contracted units)[7]
reflecting high renewals from New Zealand Enterprise customers and North America 3G upgrade programme

$190.2m
FUTURE CONTRACTED INCOME
up from $149.1m at H1 FY22 reflecting high level of renewals and a proportion of Coretex's customers who have purchased hardware upfront

979
CUSTOMERS UPGRADED THEIR PLAN
(9,720 contracted units)[8]

961
CUSTOMERS ADDED ADDITIONAL PRODUCTS AND SERVICES TO THEIR PLAN
(39,649 contracted units)[9]

[4]February 2022 - April 2022
[5]February 2022 - April 2022
[6]February 2022 - April 2022
[7]Defined as a customer who re-signed a new contract, contracted unit numbers as at end of old contract
[8]Upgraded their hardware, or upgraded type of plan (connected, advance, safedriver, starter and premium)
[9]Existing EROAD customers that added a dashcam, Logbook, Inspect, EROAD Analyst, Geofence Triggered Alerts and Pre-Trip Comms or BookIt to their plan

EROAD'S RESPONSE TO GLOBAL SUPPLY CHAIN PRESSURES

Like all organisations, following COVID-19 EROAD is having to deal with significant global supply chain pressures. Supply chain management has been a strength and area of focus of EROAD historically, however given the extent of the pressures globally it was necessary to take a number of steps to ensure these issues didn't impact the growth ambitions of the company. During FY22 we have built up the capacity and capability of this team, and this will continue into FY23 as we don't see global supply chain issues being a short-term problem.

As a stocking strategy, critical components are being purchased up to 12 months in advance to minimise (more expensive) spot market buying. The global semiconductor industry remains under pressure. To combat this, we are having to buy many components on the spot market at increased cost. We expect this to continue for at least the next 24 months.

While investment in our supply chain management team and our stocking strategy do have an impact on EROAD's operating expenditure and cash flow, we consider this investment is essential to ensure robust risk management and continued growth of the company.

We are in the process of developing an alternative supply source for some of our hardware. This will ensure redundancy (BCP), and increased capacity. We are also working on reducing our reliance on certain components and therefore reducing supply chain pressures.

FY22 has also been focused on integrating Coretex and EROAD supply chains. In FY23 the supply chain will be focused on increasing distribution capability, setting up supply chains and distribution for new products, scaling for 2G/3G shutdown requirements and business growth.

GRI STANDARDS INVENTORY - WHAT HAS EROAD REPORTED ON?

102 GENERAL DISCLOSURES

Reporting Standard	Description	Report Section	FY22
102-1	Name of organization	Cover/Annual Report	EROAD Limited
102-2	Activities, brands, products	Introduction/ Annual Report	EROAD's purpose is safer and more sustainable roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia with customer ranging in size from small fleets through to large enterprise customers.
102-3	Location of Headquarters	Annual Report Directory	Albany, Auckland, New Zealand. Disclosed in 'Directory' Section.
102-4	Location of operations	Annual Report Directory	New Zealand, Australia, North America.
102-5	Ownership and legal form	Annual Report: Corporate Governance Report	Limited company incorporated under the NZ Companies Act. Owned by shareholders trading on the NZX and the ASX.
102-6	Markets served	Annual Report: About EROAD	New Zealand, Australia, North America. Sectors are construction and civils, waste and recycling, food safety, general transportation, public transport, infrastructure and local/central government.
102-7	Scale of the organization	-	i. 544 permanent employees only, refer to 102-8 for split of permanent employees by region. ii. & iii. Total operations split by reportable segments as identified in the annual financial statements:

	Corporate & Development	NA	NZ	AU	Eliminate inter-segment	Total
Total assets	$256.9m	$80.8m	$64.8m	$13.3m	($48.7m)	$367.1m
Total revenue	$32.4m	$40.3m	$69.8m	$3.9m	($31.5m)	$114.9m
Total costs (excluding interest, taxation, depreciation and amortisation)	$66.3m	$30.9m	$24.6m	$3.8m	($31.7m)	$93.9m
Earnings before interest, taxation, depreciation, and amortisation	($33.9m)	$9.4m	$45.2m	$0.1m	$0.2m	$21.0m

iv. Total capitalization: Market capitalisation on 31 March 2022 was $483.3m (based on 110,338,787 shares on issue with a price of $4.38 per the NZX on that date). On 31 March 2022 there was $32.7m of drawn debt outstanding with the bank.

v. Quantity of products/services provided: On 31 March 2022 contracted units were 208,697, excluding the acquisition of 66,157 Coretex contracted units this is an increase of 16,337 contracted units on prior year.

102-8	Information on employees and other workers 102-8 (a) 102-8 (c)	Our People

10 Reduced inequalities

a.

	Female	Male	Not disclosed
Temporary	19	24	74
Permanent	181	356	5

b.

	AUS	Brazil	Fiji	Germany	NZ	US
Temporary	1	7	19	0	81	9
Permanent	17			1	423	101

c.

	Full Time	Part Time
Female	192	8
Male	377	3
Not disclosed	79	

d. n/a

e. n/a

f. Above data has been compiled from our HR system (BambooHR) data. Gender is an optional field that can be disclosed by the employees themselves and so the data is incomplete especially for temporary staff.

102-9	Supply chain	Our Environment	Refurbished 16,700 units
102-10	Significant changes to the organization's supply chain	Our Environment	EROAD's historical supply chain remains the same. The new EROAD supply chain that came with Coretex acquisition has changed. The primary supplier GPC has shifted our production from NZ to Australia as their facility there is bigger and has capacity to produce more units for future expansion.
102-11	Precautionary principle or approach	Annual Report: Corporate Governance Report	The level of risk EROAD is willing to take on is captured in its Risk Appetite Statements (RAS). Key business risks, and associated limits (included in the RAS) are identified, reviewed and agreed by the Executive and the Board on an annual basis. Performance against these risk limits is monitored continuously and reported to the Executive and Board on a monthly basis. EROAD adapts its risk universe to factor in emerging risks such climate change, geo-politics, etc.
102-12	External Initiatives	-	**Environment** EROAD's commitment to the environment spans climate change, use of natural resources, pollution and waste. We follow the globally accepted recommendations of the Task Force for Climate-related Financial Disclosures ("TCFD"), as it is a significant step towards supporting the transition to a low-carbon economy and developing resilience against climate events. EROAD is committed to supporting the New Zealand, Australian and United States governments in our efforts to become net zero. **Climate-related legislation** EROAD supports and follows the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act and EROAD will issue future reports under the climate related disclosures framework. **General business practices** EROAD is likewise committed to ensuring transparency around our business practices. In FY21 we began reporting against the Global Reporting Initiative Standards ("GRI") and in FY22 we began reporting against the United Nations Sustainable Development Goals ("UNSDG"). We are aiming to improve our disclosures each reporting year as we progress our own sustainability initiatives. EROAD maintains an internal disclosure register so we can track our progress in this area. **General** EROAD is always looking at ways to connect and collaborate with likeminded individuals, businesses, agencies, regulatory bodies, and government departments on sustainability issues. EROAD is involved in working groups, thought leadership and pilot initiatives, and we welcome any opportunity to both share our expertise and learn from others in this space.

102-13	Membership of associations	GRI Index	**New Zealand**
			Bus and Coach Association
			Civil Contractors New Zealand
			Intelligent Transport Systems New Zealand
			New Zealand Trucking Association
			Road Transport Association
			Road Transport Forum
			WasterMINZ
			Australia
			Australian Furniture Removers Association
			Australian Trucking Association
			Civil Contractors Federation New South Wales
			Civil Contractors Federation Queensland
			Civil Contractors Federation Victoria
			Queensland Trucking Association
			Roads Australia
			United States of America
			American Trucking Association
			Colorado Trucking Association
			Commercial Vehicle Safety Association
			Florida Trucking Association
			Georgia Trucking Association
			Indiana Motor Trucking Association
			Louisiana Trucking Association
			Mileage Based User Fee Alliance
			National Private Truck Council
			New York Trucking Association
			North American Transportation Services Association
			North Carolina Trucking Association
			Oklahoma Trucking Association
			Ohio Trucking Association
			Oregon Trucking Association
			Pennsylvania Trucking Association
			South Carolina Trucking Association
			Tennessee Trucking Association
			Texas Trucking Association
			Truckload Carriers Association
			Transportation Research Board
			Utah Trucking Association
			Washington Trucking Association
			Wisconsin Motor Carriers Association
			Women in Trucking
			Wyoming Trucking Association
			Global
			International Bridge Tunnel and Turnpike Association
			International Road Federation (Global)
102-14	Statement from senior decision-maker	Annual Report: Letter from the Chair and CEO	Sustainability is key to EROAD's success. As a purpose led organisation, sustainability is at the forefront of our minds as we seek to create safer and more sustainable roads.
			EROAD has a new Sustainability Policy that sets out our company approach. This is broken down under the headings "E", "S" and "G".
			Our dedicated Net Zero Steering Group comprises of key personnel who come together to discuss and progress our sustainability initiatives.

102-15	Key impacts, risks and opportunities	-	**Key risks:**
			Growth & strategy
			Financial
			Expectations
			People
			Regulatory & Governance.
			EROAD remains committed to innovation and has a high-risk appetite for this, alongside learning and knowledge, growth and partnerships, and acquisitions.
102-16	Values, principles, standards and norms of behaviour	About EROAD/ Our People	**Our values**
	16 Peace, justice and strong institutions		Listening to the ideas and feedback of more than 90 EROADers from all regions and teams, we have a new set of values for EROAD that speak to the experience and aspirations of our whole team.
			• We do what's right
			• We play as a team
			• We learn & grow
			• We get it done
			Our values are written in easy to use, everyday language and they all start with 'we' because it's about how we work together.
102-17	Mechanisms for advice and concerns about ethics	Annual Report: Corporate Governance Report	EROAD's Code of Ethics sets our ethical expectations for ERAODers and our suppliers. EROAD's Whistleblowing Policy is available on our intranet site for all employees to access. In the first instance, employees should raise concerns with their line manager. If that is not appropriate, then they can report it to the Chief People Officer or the EVP General Counsel. Concerns may also be escalated directly to the Chair of FRAC or to the external EY Whistleblower email. EROAD is currently working with a new provider for our independent whistleblowing service so that potential whistleblowers have more options for reporting any concerns.
	16 Peace, justice and strong institutions		
102-18	Governance structure	Annual Report: Corporate Governance Report	Disclosed in Corporate Governance Report – The Board on advice from FRAC, General Counsel, Risk and Compliance Manager, Global Market Development Team, Road Network Insights Team and Net Zero Steering Group.
102-19	Delegating authority	Annual Report: Corporate Governance Report	Disclosed in Corporate Governance Report – Board delegates to management teams.
102-20	Executive-level responsibility for economic, environmental and social topics	Annual Report: Corporate Governance Report	EROAD's executive team collectively consider economic, environmental and social topics. EROAD's Net Zero Steering Group is responsible for environmental topics, EROAD's CFO is responsible for economic topics and EROAD's CPO is responsible for social topics. The General Counsel and CFO work closely on ESG matters and are ultimately responsible for reporting to the board on ESG. See also 'Annual Report: Corporate Governance Report'.

102-21	Consulting stakeholders on economic, environmental and social topics	-	During FY21 EROAD completed a materiality assessment which provided the foundation for driving future improvements in our sustainability efforts. EROAD's materiality assessment process has enabled us to identify and prioritise the Environmental, Social and Governance issues that are of most importance to the business and its stakeholders so our improvement efforts can be impactful. This matrix was updated in 2022 for Coretex key stakeholders. There was no material change to the outcome and the material issues remain unchanged.

16
Peace, justice and strong institutions

102-22	Composition of the highest governance body and its committees	Annual Report: Corporate Governance Report	See Corporate Governance Report. EROAD has recently added Sara Gifford to our Board of directors. Sara is an independent director with significant experience. The Board was and is focused on ensuring board member diversity.

16
Peace, justice and strong institutions

102-23	Chair of the highest governance body	Annual Report: Corporate Governance Report	Chair is not an Executive Officer
102-24	Nominating and selecting the highest governance body	Annual Report: Corporate Governance Report	EROAD has an Appointment and Selection of New Directors Policy that sets out the process for the nomination and selection of board members. Independence, expertise and experience are all considered by the Board. The Board is particularly focused on ensuring diversity within the group and is delighted with the appointment of Sara Gifford early in FY23. Shareholders are required to formally vote on the appointment of new Directors at the Annual Shareholder Meetings. Stakeholder views around Board succession are sought via governance roadshows.

16
Peace, justice and strong institutions

102-25	Conflicts of interest	Annual Report: Corporate Governance Report	Disclosed in Corporate Governance Report – Board Charter, Code of Ethics, Related party Transaction Policy. EROAD maintains an interests register which is provided to our auditors. No conflicts of interest have come to our attention.
102-26	Role of highest governance body in setting purpose, values and strategy	Annual Report: Corporate Governance Report	Disclosed in 'Corporate Governance' Section – Board and management regularly review EROAD's purpose and update this where applicable. EROAD updated its company values in FY22.
102-27	Collective knowledge of highest governance body	Annual Report: Corporate Governance Report	The Board is kept updated on progress made by EROAD's Net Zero Steering Group.
102-28	Evaluating the highest governance body's performance	Annual Report: Corporate Governance Report	Disclosed in Corporate Governance Report –an independent third party reviews the Board's performance biennially. There was an external review in FY22 and another review will be done in FY23.

102-29	Identifying and managing economic, environmental and social impacts	Annual Report: Corporate Governance Report	Board takes a proactive role in progressing ESG matters following reports from EROAD's Net Zero Steering Group. Materiality matrix is referenced as we also take note of what our investors, suppliers and customers are interested in.

16
Peace, justice and strong institutions

102-30	Effective risk management	Annual Report: Corporate Governance Report	Board reviews risk management on advice from management and FRAC.
102-31	Review of economic, environmental and social topics	Annual Report: Corporate Governance Report	At every board meeting.
102-32	Highest governance body's role in sustainability reporting	Annual Report: Corporate Annual Report: Corporate Governance Report Governance	Board - Annual Report and ESG Report.
102-33	Communicating critical concerns	Annual Report: Corporate Governance	At every board meeting.
102-34	Nature and total number of critical concerns	Annual Report: Corporate Governance Report	There were no critical concerns identified in FY22. EROAD currently offers an independent whistle blower hotline service with EY for reporting critical concerns in the business. EROAD is looking to offer a more fulsome independent whistleblowing service in FY23.
102-35	Remuneration policies	Annual Report: Corporate Governance Report	Refer to the EROAD Remuneration Policy. Fixed, variable pay (incl STI and LTI) is disclosed in the Remuneration Report for CEO and CFO. No termination payments, clawbacks or retirement benefits have been paid. Performance criteria are linked to economic objectives.
102-36	Process for determining remuneration	Annual Report: Corporate Governance Report	RTNC determine appropriate remuneration. This is with guidance from P&C and external advisors. More information on this can be found within EROAD's Remuneration Report.
102-37	Stakeholders' involvement in remuneration	Annual Report: Corporate Governance Report	EROAD introduced the Australian Say On Pay Vote in FY22. In FY21 we held governance roadshows and consulted heavily with our stakeholders before reaching a decision.

16
Peace, justice and strong institutions

102-38	Annual total compensation ratio	-	Highest pay Median NZ $778,880 $101,000 US $520,000 $85,000 AU $287,500 $120,975 Disclaimer: The above table includes contracted pay which includes base salary, allowances and potential STI payment (noting actual payment is determined by company performance). It excludes LTI schemes. All figures stated above are given in the local currency.
102-39	Percentage increase in annual total compensation ratio	-	The % increase for each significant area of operate is as follows: NZ: 4.12% US: 3.03% AU: 13.49% Disclaimer: The above information includes contracted pay which includes base salary and potential STI payment (noting actual payment is determined by company performance). It excludes LTI schemes. All percentages stated above have been calculated in the local currency.
102-40	List of stakeholder groups	Materiality Matrix	Customers, Policy Makers, Industry Regulators, Associations, Investors, EROAD Team
102-41	Collective bargaining agreements	-	None
102-42	Identifying and selecting stakeholders	Materiality Matrix	EROAD has a multitude of stakeholders including regulatory bodies, suppliers and customers. EROAD has a desire to work with organizations who share EROAD's values and goals.
102-43	Approach to Stakeholder Engagement	Materiality Matrix	Please see pages 10 - 11
102-44	Key topics and concerns raised	Materiality Matrix	EROAD has received lots of feedback on ESG matters. Much of this feedback has been from stakeholders in the USA and from customers in NZ. Feedback has been delivered via roadshows, investor email address, governance roadshows and our Annual Shareholder Meeting. We update policy and planning documents based on relevant stakeholder feedback.
102-45	Entities included in consolidated financial statements	Annual Report: Financial Statements	EROAD Limited and the associated group entities.
102-46	Defining report content and topic boundaries	-	The process for defining the report content involved considering our environment, both physically and operationally; the social context, with a real focus on EROADers and the people we interact with; and how we govern ESG generally. Our IR team has these considerations at the forefront of their minds when they discuss the reporting plan with the board and senior management teams. Stakeholder inclusiveness is key for us and we completed a materiality matrix in FY21 to ensure this remains a critical focus point. Sustainability is obviously a key focus for us with direct ties to our purpose. We recently ratified a Sustainability Policy to ensure that we have a clearly documented sustainability focus. Materiality and Completeness are intimately tied to stakeholder inclusiveness and sustainability for the EROAD Group. The Materiality Principle has been considered carefully. Much of our legal, financial and regulatory disclosures made in our Annual Report are governed by our legal and regulatory requirements as a listed business on the NZX and ASX. Our industry reputation and stakeholder views are of the utmost importance to us which is why we have voluntarily increased our disclosures around remuneration for FY22 and have given such a strong focus to the Coretex integration work. We want to share our challenges and successes with all our stakeholders.
102-47	List of material topics	-	Our Materiality Matrix is a key starting point for assessing our material topics as is our company purpose. Our material topics are: safer communities and how our products and services contribute to this, our company values, our people.
102-48	Restatements of information	GRI Index	Only restatement of information in the financial statements was the retrospective application of an accounting standard change with regards to cloud computing arrangements. The impact of the restatement on the previously reported results for 31 March 2021 was a decrease to net assets of $2.5m and an increase to profit before tax of $0.7m. Refer to the 31 March 2022 full financial statements for discussion on this required change.

102-49	Changes in reporting	GRI Index	There have been no significant changes from the previous reporting periods in the list of material topics and topic boundaries.
102-50	Reporting period	GRI Index	FY22 01/04/2021 - 31/03/2022.
102-51	Date of most recent report	GRI Index	31 March 2022
102-52	Reporting cycle	-	Annual
102-53	Contact points for questions regarding the report	GRI Index	CEO: Mark Heine Acting CFO: Margaret Delany
102-54	Claims of reporting in accordance with the GRI Standards	-	EROAD currently makes GRI referenced claims on an annual basis.
102-55	GRI content index	-	Yes
102-56	External assurance	-	External assurance has not been sought for EROAD's GRI Reporting in FY22.

103 MANAGEMENT APPROACH

103-1	Explanation of the material topic and its boundary	-	Our material topics come from our Materiality Matrix, feedback through the investor website, governance roadshows, customer meetings and a general understanding of the current landscape. Our risk reporting as part of the Corporate Governance Report covers key business risks.
103-2	The management approach and its components	-	Addressed throughout. EROAD has a range of policies in place that govern our approach to material matters. These reinforce our company purpose and values.
103-3	Evaluation of the management approach	Annual Report: Corporate Governance Report	Addressed throughout. Management/the Board regularly review the effectiveness of our approaches. We adjust and update these if needed.

201 ECONOMIC PERFORMANCE

201-1	Directed economic value generated and distributed	Annual Report: Financial Statements	i. Total revenue $114.9m ii. Operating expenses $48.7m (excluding personnel expenses) Personnel expenses $57.3m Payments to providers of capital: Nil dividends were paid in the year, interest was paid of $2.8m in the year. Payments to Government in the form of taxes such as GST, FBT and income taxes of $2.5m in New Zealand, $1.9m in North America and $0.2m in Australia. iii. Economic value retained: $1.5m.
201-2	Financial implications and other risks and opportunities due to climate change	-	EROAD continued expanding on EV pilots and strategized on product directions to support customers to accelerate their decarbonization journeys, as we observed increasing pressure from governments, consumers, investors, and financial markets pushing companies to speed up their efforts towards net zero.
201-3	Defined benefit plan obligations and other retirement plans	Annual Report: Corporate Governance Report	Disclosed in 'Corporate Governance' Section. Remuneration for US based employees, EROAD has a 401k Plan in place which staff may opt in to.
201-4	Financial assistance received from government	-	In FY22, EROAD accrued for NZD$1.3m in the form of Research & Development Tax Incentives (RDTi). The RDTi replaced the Callaghan R&D grant in the current year. There was no other financial assistance received in the period.

9

Industry, innovation and infrastructure

202 MARKET PRESENCE

202-1	Ratios of standard entry wage by gender compared to local minimum wage	-	Currently no EROAD employees are on minimum wage.
202-2	Portion of senior management hired from the local community

13 Climate action | - | The percentages below show the percentage of senior management at significant locations of operation that were hired from the local community

US: 100%

NZ:100%

AU:100%

Senior management includes all executive team members, as well as those managers who report directly to an executive member.

EROAD's definition of 'local' is within the country. EROAD's definition for 'significant locations of operation' are the three markets we operate in - New Zealand, Australia and the United States of America. |

203 INDIRECT ECONOMIC IMPACTS

203-1	Infrastructure investments and services supported	-	
203-2	Significant indirect economic impacts	-	

204 PROCUREMENT PRACTICES

204-1	Proportion of spending on local suppliers	-	We have limited manufacturing conducted in NZ with the bulk of manufacturing being conducted overseas. This is primarily for cost and availability reasons.

205 ANTI-CORRUPTION

205-1	Operations assessed for risks relating to corruption

16 Peace, justice and strong institutions | - | No formal assessment per se, but EROAD has a range of Codes and Policies to discourage corrupt behaviours such as the Code of Ethics.

Suppliers are presented with a modern slavery questionnaire.

Unable to visit suppliers in person due to COVID. |
| 205-2 | Communication and training about anti-corruption policies and procedures | Annual Report: Corporate Governance Report | EROAD has no tolerance for corruption. We have clear policies in place on this including under our Code of Ethics |
| 205-3 | Confirmed incidents of corruption and actions taken | Annual Report: Corporate Governance Report | No known corruption issues to report. |

206 ANTI-COMPETITIVE BEHAVIOR

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

16 Peace, justice and strong institutions | - | None |

207 TAX

207-1	Approach to tax

10 Reduced inequalities | - | There is no formal tax strategy currently in place. EROAD takes a conservative position in regards to tax to ensure we meet all our obligations in each of the jurisdictions we operate in. |
| 207-2 | Tax governance, control, and risk management

10 Reduced inequalities | - | EROAD has external advisors to support us with our tax governance and risk management. EROAD takes a conservative position in regard to tax to ensure we meet all our obligations in each of the jurisdictions we operate in. Any changes in our approach to tax would require sign off by the Board of Directors. The taxation calculations included in the annual financial statements are subject to audit review. |
| 207-3 | Stakeholder engagement and management of concerns related to tax

10 Reduced inequalities | - | As noted above, EROAD has external advisors globally who prepare our tax returns and transfer pricing documentation, they act as our agent with Tax Authorities in each jurisdiction and would manage any concerns arising. |

207-4	Country-by-country reporting	-

10

Reduced inequalities

Tax is reported at a group level in the audited annual financial statements. Individual tax returns are prepared for each tax jurisdiction within which we operate.

The tax jurisdictions for each of the trading entities in the EROAD Group are as follows:

Tax jurisdiction	NZ	NA	AU
Entities and their primary activities	EROAD Limited: Transport technology & SAAS. Parent entity of the Group. EROAD Financial Services Limited: financing activities within the Group EROAD LTI Trustee Limited: LTI scheme trustee Coretex NZ Limited (from 1 December 2021): Transport technology & SAAS Coretex Limited (from 1 December 2021): Transport technology & SAAS	EROAD Incorporated: Transport technology & SAAS Coretex USA Incorporated (from 1 December 2021): Transport technology & SAAS Coretex Telematics Limited (from 1 December 2021): Transport technology & SAAS	EROAD (Australia) Pty Limited: Transport technology & SAAS Coretex Australia Pty Limited (from 1 December 2021): Transport technology & SAAS
No. of employees (permanent employees as at 31 March 2022)	423	101	17
Revenues from third-party sales	$72.1m	$39.0m	$3.8m
Intra-group sales transactions with other tax jurisdictions	$20.0m	$1.3m	$0.0m
Profit/(loss) before tax	($10.6m)	$0.2m	($0.0m)
Tangible assets other than cash and cash equivalents	$80.1m	$25.4m	$4.6m
Corporate income tax paid on a cash basis	Nil	$0.1m	Nil
Corporate income tax accrued on profit/loss (Amounts in brackets represent tax benefit to the Group)	($0.3m)	($1.0m)	$0.6m
Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax	($3.0m) Differences relate to non-deductibles and utilisation of tax losses	$0.0m Differences relate to non-deductibles and utilisation of tax losses	$0.0m Differences relate to non-deductibles and utilisation of tax losses

The information reported above is for the period 1 April 2021 to 31 March 2022, except for the Coretex subsidiaries which were acquired on 1 December 2021. The information reported above for each of the Coretex subsidiaries is from 1 December 2021 to 31 March 2022.

301 MATERIALS

301-1	Materials used by weight or volume 301-1-a	-	-

301-2	Recycled input materials used	-	We do not use recycled electronic components in our products due to the potential for early life failure. We do refurbish product - see 301-3.

11

Sustainable cities and communities

12

Responsible consumption and production

301-3	Reclaimed products and their packaging materials	-	When EROAD refurbishes its main product, approximately 70% of the product by value is reused, with the remaining 30% replaced with new components.

11

Sustainable cities and communities

301-3-a

12

Responsible consumption and production

302 ENERGY

302-1   Energy consumption – within the organization

12
Responsible consumption and production

∞

13
Climate action

Energy type	NZ	NA	AU
Fuel consumption (non-renewable sources)			
Unleaded Petrol (litres)	13,371	151	3,785
Diesel (litres)	32,735	-	-
Fuel consumption (renewable sources)	-	-	-
Electricity consumption (kWh)	252,844	49,370	6,072
Total energy consumption (tCO2e)	147	5	14

Figures above exclude the Coretex entities acquired on 1 December 2021.

Energy consumption within the organisation has been converted to tonnes of CO2e using the Toitū Envirocare eManage tool as part of the organisations Toitū carbonreduce certification of FY22.

302-2   Energy consumption – outside of the organization
302-2-a

12
Responsible consumption and production

∞

13
Climate action

The following categories and activities from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard have been identified as relevant energy consumption outside of the organisation sources:

Upstream categories
- Purchased goods and services
- Upstream transportation and distribution[4]
- Business travel
- Employee commuting
- Other: employee working from home

Downstream categories
- Downstream transportation and distribution
- Use of sold products[5]
- End-of-life treatment of sold products[5]

Energy type	NZ	NA	AU
Upstream[1]			
Purchased goods and services (tCO2e)[2]	13,365	2,052	563
Business travel (tCO2e)	65	71	6
Employee commuting (tCO2e)[3]	453	55	11
Employee working from home (tCO2e)[3]	54	9	8
Total upstream energy consumption (tCO2e)	**13,937**	**2,187**	**588**
Downstream[1]			
Downstream transportation and distribution (tCO2e)[4]	888	-	-
Total downstream energy consumption (tCO2e)	**888**	**-**	**-**
Total energy consumption outside of the organisation	**14,825**	**2,187**	**588**

Figures above exclude the Coretex entities acquired on 1 December 2021.

[1]Upstream and downstream categories emissions data in tCO2e has been extracted from the Toitū carbonreduce eManage tool and the audited results for FY22. Reasonable assurance was obtained for FY22, except for category 4 purchased goods and services which limited assurance was obtained due to the level of estimation required for that category.

[2]Emissions from purchased goods and services (except for waste, electricity distributed losses and paper use) have been estimated based on $ spend in FY22. We will continue to work with our suppliers in the quest for better quality data in future periods.

[3]Emissions from employee commuting and working from home were estimated based on employee surveys conducted as part of the data gathering for the Toitū carbonreduce certification.

[4]For FY22 downstream transportation and distribution emissions have all been calculated at the Group level and therefore allocated to New Zealand. In future periods we hope to be able to disaggregate this data into the region to which it relates. These emissions also include upstream transportation and distribution where EROAD were responsible for the organisation of the freight cartage.

[5]The energy consumption of our downstream categories use of sold products and end-of-life treatment of sold products was not calculated for our FY22 Toitū carbonreduce certification due to the difficulty in obtaining this information and forming appropriate estimates for. This is an area that we would like to work on and consider including in future periods as they are areas expected to contribute significantly to the organisations total energy consumption outside of the organisation and through the development of our products we can somewhat influence potential reductions in these emissions. These are also areas that our customers would value having emissions data available for.

| 302-3 | Energy intensity 302-3-a | – | EROAD became a Toitu carbonreduce certified organisation with FY22 forming our base year. Under the Toitu carbonreduce programme total revenues is a mandatory intensity measure. EROAD have also specifically chosen total contracted units at the end of the period as a second intensity measure due to the units influence on the revenues of the business as well as the catalyst for the majority of our emissions. |

12 Responsible consumption and production

13 Climate action

The following inventory summary has been taken from the Toitu carbonreduce certification:

Category	Scope	tCO2e
Category 1: Direct emissions	Scope 1	131
Category 2: Indirect emissions from imported energy	Scope 2	35
Category 3: Indirect emissions from transportation	Scope 3	1,620
Category 4: Indirect emissions from products used by organisation	Scope 3	15,980
Total direct emissions		**131**
Total indirect emissions		**17,635**
Total emissions		**17,766**

Figures above exclude the Coretex entities acquired on 1 December 2021.

Energy included in the reported emissions figures are: fuel and electricity. All energy consumption within the organisation is included and a subset of energy consumption outside of the organisation as identified in 302-2.

Emissions intensity		Total emissions
Total revenues (total emissions tCO2e/$ million of revenue)		176.94
Per unit (total emissions tCO2e/number of contracted units)		0.13

Figures above exclude the Coretex entities acquired on 1 December 2021.

| 302-4 | Reduction of energy consumption 302-4-a | – | EROAD became a Toitu carbonreduce certified organisation with FY22 forming our base year. As this was our first year of reporting no reduction in energy consumption to report. |

12 Responsible consumption and production

| 302-5 | Reductions in energy requirements of products and services 302-5-a | – | EROAD became a Toitu carbon reduce certified organisation with FY22 forming our base year. As this was our first year of reporting no reduction in energy consumption to report. |

12 Responsible consumption and production

13 Climate action

303 WATER

| 303-1 | Water withdrawal by source 303-1-a | – | Information not available and not considered material to EROAD. |

12 Responsible consumption and production

| 303-2 | Water sources significantly affected by withdrawal of water | – | Information not available and not considered material to EROAD. |
| 303-3 | Water recycled and reused | – | Information not available and not considered material to EROAD. |

303 WATER AND EFFLUENTS

| 303-1 | Interactions with water as a shared resource 303-1-a 303-1-c | – | Information not available and not considered material to EROAD. |

11 Sustainable cities and communities

303-2	Management of water discharge-related impacts	–	Information not available and not considered material to EROAD.
303-3	Water withdrawal	–	Information not available and not considered material to EROAD.
303-4	Water discharge	–	Information not available and not considered material to EROAD.
303-5	Water consumption	–	Information not available and not considered material to EROAD.

304 BIODIVERSITY

304-1	Occupational health and safety management system	–	No organisational cites managed in or adjacent to protected areas and/or areas of high biodiversity value.
304-2	Significant impacts of activities, products, and services on biodiversity	–	No significant direct and/or indirect impacts on diversity identified.
304-3	Habitats protected or restored	–	No habitat areas have been identified.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–	No activities identified that would post a threat to engendered plant and/or animal species.

305 EMISSIONS

305-1 Direct (Scope 1) GHG emissions

–

11 Sustainable cities and communities

13 Climate action

a. Gross direct (Scope 1) GHG emissions was 130.5 tCO2e for the year to 31 March 2022.

b. The gross direct (Scope 1) GHG emissions are made up of CO2 (127.2 tCO2e), CH4 (0.6 tCO2e) and N2O (2.7 tCO2e) gases.

c. There were no CO2 biogenic emissions reported for 31 March 2022 in EROAD's gross direct (Scope 1) GHG emissions.

d. i. Base year for the calculation is 1 April 2021 to 31 March 2022. This is the first year EROAD has calculated it's emissions and the year that EROAD joined the Toitu carbonreduce programme.

ii. Gross direct (Scope 1) GHG emissions for the base year was 130.5 tCO2e. Total emissions were calculated for category 1 with reasonable assurance obtained for the Toitu carbonreduce certification.

e. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

f. Operational control consolidation approach was used to account for emissions. EROAD acquired control over Coretex Limited and its subsidiaries on 1 December 2021. Due to the timing of the control (8 months into our period) and our ability to influence changes and obtain information during this critical integration time Coretex operations have been excluded for FY22. Coretex will be included for FY23 onwards as they will form part of our integrated business going forward.

g. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

305-2 Energy indirect (Scope 2) GHG emissions

–

3 Good health and well being

11 Sustainable cities and communities

13 Climate action

a. and b. Gross indirect emissions from imported energy (Scope 2) GHG emissions was 35.3 tCO2e for the year to 31 March 2022. Split between gross location-based energy and gross market-based energy was unavailable.

c. The gases included in the calculation were unavailable.

d. i. Base year for the calculation is 1 April 2021 to 31 March 2022. This is the first year EROAD has calculated it's emissions and the year that EROAD joined the Toitu carbonreduce programme.

ii. Gross indirect emissions from imported energy (Scope 2) GHG emissions for the base year were 35.3 tCO2e. Total emissions were calculated for category 2 with reasonable assurance obtained for the Toitu carbonreduce certification.

e. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

f. Operational control consolidation approach was used to account for emissions. EROAD acquired control over Coretex Limited and its subsidiaries on 1 December 2021. Due to the timing of the control (8 months into our period) and our ability to influence changes and obtain information during this critical integration time Coretex operations have been excluded for FY22. Coretex will be included for FY23 onwards as they will form part of our integrated business going forward.

g. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

305-3 Other indirect (Scope 3) GHG emissions

–

3 Good health and well being

11 Sustainable cities and communities

13 Climate action

a. Gross indirect (Scope 3) GHG emissions was 17,599.9 tCO2e for the year to 31 March 2022.

b. The gases included in the calculation were unavailable.

c. There were no CO2 biogenic emissions reported for 31 March 2022 in EROAD's gross indirect (Scope 3) GHG emissions.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation were:

• Category 3: Indirect emissions from transportation - business travel (air travel, taxis, employee mileage claims), downstream distribution for goods paid by the organisation (freight by air, rail, road and sea), emissions from employee commuting and emissions from working from home.

• Category 4: Indirect emissions from products used by the organisation - emissions from purchased fuel and energy related activities (electricity distributed T&D losses), emissions from purchased goods and services, disposal of solid waste landfilled.

e. i. Base year for the calculation is 1 April 2021 to 31 March 2022. This is the first year EROAD has calculated it's emissions and the year that EROAD joined the Toitu carbonreduce programme.

ii. Gross indirect (Scope 3) GHG emissions for the base year was 17,599.9 tCO2e. Total emissions were calculated for categories 3 and 4 with reasonable assurance obtained for category 3 and limited assurance obtained for category 4 emissions due to the level of estimation required in the calculation for the Toitu carbonreduce certification.

f. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

g. All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme.

Operational control consolidation approach was used to account for emissions. EROAD acquired control over Coretex Limited and its subsidiaries on 1 December 2021. Due to the timing of the control (8 months into our period) and our ability to influence changes and obtain information during this critical integration time Coretex operations have been excluded for FY22. Coretex will be included for FY23 onwards as they will form part of our integrated business going forward.

305-4 GHG emissions intensity

–

13 Climate action

a,b and c.

EROAD became a Toitu carbonreduce certified organisation with FY22 forming our base year. Under the Toitu carbonreduce programme total revenues is a mandatory intensity measure. EROAD have also specifically chosen total contracted units at the end of the period as a second intensity measure due to the units influence on the revenues of the business as well as the catalyst for the majority of our emissions.

The following inventory summary has been taken from the Toitu carbonreduce certification:

Category	Scope	tCO2e
Category 1: Direct emissions	Scope 1	131
Category 2: Indirect emissions from imported energy	Scope 2	35
Category 3: Indirect emissions from transportation	Scope 3	1,620
Category 4: Indirect emissions from products used by the organisation	Scope 3	15,980
Total direct emissions		131
Total indirect emissions		17,635
Total emissions		17,766

Figures above exclude the Coretex entities acquired on 1 December 2021.

Emissions intensity	Total emissions
Total revenues (total emissions tCO2e/$ million of revenue)	176.94
Per unit (total emissions tCO2e/number of contracted units)	0.13

Figures above exclude the Coretex entities acquired on 1 December 2021.

d. The gross direct (Scope 1) GHG emissions are made up of CO2 (127.2 tCO2e), CH4 (0.6 tCO2e) and N2O (2.7 tCO2e) gases.

| 305-5 | Reduction of GHG emissions | - | EROAD became a Toitū carbonreduce certified organisation with FY22 forming our base year. As this was our first year of reporting no reduction in GHG emissions to report. |

13 Climate action

| 305-6 | Emissions of ozone-depleting substances (ODS) 305-6-a | - | Information on emissions of ozone-depleting substances is not currently available. |

3 Good health and well being

| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | - | Information on nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions is not currently available. |

306 WASTE

| 306-1 | Waste generation and significant waste-related impacts | - | EROAD current collects and discloses data for waste generated for operations in New Zealand, North America and Australia. The waste data collected is for landfilled waste from each of the EROAD offices as well as the warehouse premises in New Zealand for the distribution of EROAD products to customers and product refurbishment activities. EROAD's reporting of waste is currently on that generated by our own activities and none that are generated upstream or downstream in our value chain. Reported waste data is based on information provided by our waste disposal vendors where available. |

3 Good health and well being

11 Sustainable cities and communities

The following areas have been identified as significant actual and potential waste impacts in the EROAD value chain:

Inputs, activities and outputs	Waste generation	Actual and potential waste impacts
Materials and production	Upstream in value chain	Solid waste disposal and recycling from EROAD packaging, consumables associated with installation of the products and retirement of the product at end of life.
Product components	Upstream in value chain	Solid waste disposal and recycling produced from the sourcing of raw materials and component products to manufacture EROAD products including the packaging to transport the materials to be manufactured.
Products and packaging	Own activities	Solid waste disposal and recycling produced from the sourcing of raw materials and component products to manufacture EROAD products including the packaging to transport the materials to be manufactured.
Consumption	Downstream in value chain	Solid waste disposal and recycling from the refurbishment and repair of EROAD products including that generated from spare parts and componentry and the packaging of those. Solid waste disposal and recycling of returned products at end of life.
Product refurbishment	Own activities	Solid waste disposal and recycling from supplier packaging, pallets, scrap metal, office paper, plastics and mixed recycling, as well as generated waste from own warehouse operations to distribute products to our customers.

| 306-2 | Management of significant wast related impacts | - | a. To prevent waste generation and to manage significant impacts from waste generated in EROAD's own activities, upstream and downstream in our value chain the three R's from the waste hierarchy: Reduce, Reuse, Recycle are considered.

To strengthen EROAD's focus on generating less waste, EROAD is continuing to focus on a more circular economy. This includes designing out waste from our products and packaging, extending the life of products and materials and reducing consumption across the value chain. Working with our suppliers to share this same goal of waste minimisation is an important step in this process.

b. Waste generated by the organisation is managed by third-parties at each of our sites. As far as we are aware the waste is managed in line with legislative obligations as no breaches have been bought to our attention.

c. Our largest two waste generating sites, being our head office in Albany and our warehouse in Penrose the waste taken away is measured by general waste and cardboard using weight scales on their trucks. The third-party supplier then undertakes further separation of the general waste at their own facilities to identify and remove any other recyclable materials to divert these from landfill. For our smaller office sites being Christchurch, Oregon and Melbourne the waste removal is managed by the landlord of the leased offices. Limited data is available on the waste removed at these office sites but we will work with our landlords to improve the data and to better understand the processes undertaken. |

3 Good health and well being

306-2-(a-c)

11 Sustainable cities and communities

| 306-3 | Waste generated | - | |

3 Good health and well being

306-3-(a-b)

11 Sustainable cities and communities

	2022 (metric tonnes)
Solid waste disposal total	28.7
Solid waste recycling total[1]	7.9
Total waste	**36.6**

Figures above exclude the Coretex entities acquired on 1 December 2021.
[1] Current available data relates to recycled cardboard only.

| 306-4 | Waste diverted from disposal | - | Further breakdowns of our waste are not currently available. We will work with our third-party providers to improve our data quality as well as look at ways to reduce our waste and for what we cannot reduce, improve the amount that can be recycled. |

3

Good health and well being

306-4-(a-d)

11

Sustainable cities and communities

| 306-5 | Waste directed to disposal 306-5-(a-d) | - | Further breakdowns of our waste are not currently available. We will work with our third-party providers to improve our data quality as well as look at ways to reduce our waste and for what we cannot reduce, improve the amount that can be recycled. |

3

Good health and well being

306-5-(a-d)

11

Sustainable cities and communities

307 ENVIRONMENTAL COMPLIANCE

| 307-1 | Non-compliance with environmental laws and regulations 307-1-a | GRI Index | None |

16

Peace, justice and strong institutions

308 SUPPLIER ENVIRONMENT ASSESSMENT

| 308-1 | New suppliers that were screened using environmental criteria | - | Any significant new suppliers we audit and this includes their environmental practices. Due to Covid there have been very few new suppliers this year as the electronics industry is mostly based in Asia and we have been unable to visit. |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | - | No negative impacts identified. If major breach to EROAD policies, we would cease the arrangement. Our policy is to work with suppliers where possible to remedy any negative environmental impacts. Due to Covid there have been very few new suppliers this year as the electronics industry is mostly based in Asia and we have been unable to visit. |

401 EMPLOYMENT

| 401-1 | New employee hires and employee turnover | - | Total permanent employees hired was 218, which is a hiring rate of 49%. Turnover was 126 people which was 28.4% of the average employee headcount. |

10

Reduced inequalities

| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-2-a | - | Benefit / Eligibility
US Employees
Australia Employees
New Zealand Employees
Health insurance Yes N/A N/A
Health insurance discount N/A N/A Yes
Life insurance Yes N/A N/A
Dental insurance Yes N/A N/A
Parental leave Yes Yes Yes (except FixedTerm)
Employee Assistance Program Yes Yes Yes
Bonusly reward & recognition Yes Yes Yes
EROAD Awards Yes Yes Yes
Gym membership Yes Yes Yes
Volunteer Day Yes Yes Yes
Flexible Working Yes Yes Yes
Annual Leave/ PTO Yes Yes Yes
Retailer discounts N/A N/A Yes |

3

Good health and well being

| 401-3 | Parental leave | - | a. Permanent employees that have completed 6 months of service are eligible for parental leave.
158 female and 294 male were entitled to parental leave as at 31st Mar 2022
b. 5 female and 14 male employees began parental leave during FY22
c. 3 female and 11 male employees returned from parental leave during FY22
d. Of 19 employees those that returned from parental leave during FY21, 9 male and 1 female are still employed by EROAD as at 31st March 2022 |

402 LABOR MANAGEMENT RELATIONS

| 402-1 | Minimum notice periods regarding operational changes | - | a. 4 weeks notice
b. no collective agreements |

403 OCCUPATIONAL HEALTH AND SAFETY (2018)

403-1	Occupational health and safety management system	-	EROAD maintains and implements a corporate Health, Safety and Wellness (HSW) Management System which fulfils the key requirements of the current ISO 45001 standard. We have a common HSW.
			Policy for the company and corporate standards and procedures in areas where EROAD wants to set standards. Local EROAD offices implement supplementary HSW system requirements as determined by local regulatory and legal requirements.
			EROAD regularly assesses hazards and analyses risks across its operations, and implements and maintains the controls necessary to prevent, monitor and mitigate the risk to be within the organisation's risk appetite. Risk management practices are reviewed when new information becomes available; e.g., new legal requirements, changes to processes, and incident investigations.
			It is the responsibility of all employees to ensure that all incidents are reported in order to ensure timely investigation and corrective action. Incidents are investigated using root cause analysis, and lessons learned communicated as required.
403-2	Hazard identification, risk assessment, and incident investigation	-	Addressed above under 403-1.
403-3	Occupational health services	-	EROADers are encouraged to take reasonable care of their wellbeing. Accordingly, as deemed appropriate they can engage their manager, a People & Capability team member and/or the Employee Assistance Programme (EAP) for assistance with work-related ill health.
403-4	Worker participation, consultation, and communication on occupational health and safety 403-4-(a-b) **16** **Peace, justice and strong institutions**	-	In accordance with regulatory requirements, EROAD encourages worker engagement, participation and representation in occupational health and safety management. Managers across the organisation address health, safety and wellness matters specific to their respective areas as well as pan-organisational issues (such as risks associated with working from home).
403-5	Worker training on occupational health and safety	-	All employees are required to complete Health and Safety online training as part of the induction.
403-6	Promotion of worker health 403-6-(a-b) **3** **Good health and well being**	-	Employee wellness is promoted and overseen by EROAD's Wellness, Inclusion, Social and Health & Safety (WISH) Committee. WISH caters for global and local needs, addressing a wide range of issues such as fitness, nutrition, and mental health. EROAD has processes in place to record and investigate occupational illnesses to determine the root causes and develop prevention strategies.

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	The scope of the HSW Management systems includes situations where EROAD is in control of product installation. This includes working with risk identification and mitigation in order to prevent any incidents of work-related injuries or occupational illnesses.
			Accordingly, EROAD's installer network receive comprehensive instruction on HSW requirements relating to the work they perform. All incidents that arise are investigated to determine how work practices can be improved to remove/reduce HSW risks.
403-8	Workers covered by an occupational health and safety management system	-	Addressed under 403-1.
403-9	Work-related injuries 403-9-(a-c) **3** **Good health and well being** 304-9-(a-c) **6** **Peace, justice and strong institutions**	-	Work-related injuries and illness data is regularly reported to the EROAD Board. There have been no high severity incidents and illnesses over the past year. We are working with our employees to encourage reporting of low severity incidents.
403-10	Work-related ill health **3** **Good health and well being** **6** **Peace, justice and strong institutions**	-	None

404 TRAINING AND EDUCATION

| 404-1 | Average hours of training per year per employee 404-1-a | - | Due to the recent Integration with Coretex we are unable to provide average hours of training for the EROAD GROUP.

We are also in the middle of moving from Absorb/Propel LMS to an integrated HRMS system called Workday which will allow us to design reports to match these requests once the rollout is complete. |

4

Quality education

401-1-a

10

Reduced inequalities

| 404-2 | Programs for upgrading employee skills and transition assistance programs | - | Support provided as needed.

(a) The following training sessions took place in Feb 2022.

- Dale Carnegie Customer Service Training took place for 23 staff in Feb 2022 in person at EROAD Albany

(404-2 DC) For attendance list. This training program continues into 2022 from May

- Lean 6 Sigma Training by Lean 6 Sigma took place in Feb for 25 Staff 2022 in person at EROAD Albany

(404-2 L6) For attendance list. This training program continues into 2022 from May

- Business Intelligence by Enlighten Designs 16 staff online

(404-2 L6) For attendance list. This training program continues into 2022 from May

(b) Post Workday implementation the Learning Partner will perform a Training Needs Analysis to capture training hours and budget by team to meet these requirements more accurately. This is a significant piece of work which will ideally allow the automation of reports via our new HRMS.

In this current period, we do not have the ability to provide this data for EROAD GROUP. |
| 404-3 | Percentage of employees receiving regular performance and career development reviews 404-3-a | - | |

405 DIVERSITY AND EQUAL OPPORTUNITY

| 405-1 | Diversity of governance bodies and employees | Annual Report: Corporate Governance Report | i. 30% Female, 70% Male
ii. 63.6% 30 - 50 years, 36.4% over 50
Data above includes executive team only.
b.
i. 30.4% Female, 57.4% Male, 12.2% Not disclosed
ii. 17% under 30, 49% 30 > 50, 19% Over 50, 15% Not disclosed |
| 405-2 | Ratio of basic salary and remuneration of women to men 405-2-a | - | - |

406 NON-DISCRIMINATION

| 406-1 | Incidents of discrimination and corrective actions taken | - | None |

407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | - | EROAD audits suppliers and ensures that operations and suppliers operate under fair wage and working conditions.

This information is requested as part of the audit process. |

408 CHILD LABOUR

| 408-1 | Operations and suppliers at significant risk for incidents of child labor | - | We do not work with organisations where child labour is employed. Zero tolerance policy.

We ask for this information up front and visit suppliers before engaging them. It should be noted that visits have been restricted during Covid. |

16

Peace, justice and strong institutions

409 FORCED OR COMPULSORY LABOUR

| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | - | We do not work with organisations where forced labour is employed. Zero tolerance policy.

We ask for this information up front and visit suppliers before engaging them. It should be noted that visits have been restricted during Covid |

410 SECURITY PRACTICES

| 410-1 | Security personnel trained in human rights policies or procedures | - | N/A |

411 RIGHTS OF INDIGENOUS PEOPLES

| 411-1 | Incidents of violations involving rights of indigenous peoples | - | None |

412 HUMAN RIGHTS ASSESSMENT

412-1	Operations that have been subject to human rights reviews or impact assessments	None	
412-2	Employee training on human rights policies or procedures	–	EROAD's employment contract stipulates adherence to EROAD's Code of Conduct. The Code makes employees aware that EROAD will not tolerate any form of discrimination, harassment or bullying in the workplace. This includes direct and indirect discrimination in relation to sex, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status and/or sexual orientation.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–	None

413 LOCAL COMMUNITIES

413-1	Operations with local community engagement, impact assessments, and development programs	–	COVID: EROAD conducted a COVID risk assessment and amended processes to minimize COVID risk with 3rd parties - e.g. as required, notify landlords of shared office facilities and customers of known or potential cases. Support for local business via 'in kind' vouchers.
413-2	Operations with significant actual and potential negative impacts on local communities	–	No negative impacts identified on local communities.

414 SUPPLIER SOCIAL ASSESSMENT

414-1	New suppliers that were screened using social criteria	–	Any significant new suppliers we audit and this includes their social practices.

16

Peace, justice and strong institutions

414-2	Negative social impacts in the supply chain and actions taken	–	No negative impacts identified. If major breach to EROAD policies, we would cease the arrangement. Our policy is to work with suppliers where possible to remedy any negative social impacts.

16

Peace, justice and strong institutions

415 PUBLIC POLICY

415-1	Political contributions	–	No political contributions were made in FY22.

416 CUSTOMER HEALTH AND SAFETY

416-1	Assessment of the health and safety impacts of product and service categories	–	All EROAD products are risk assessed for potential health and safety impacts to customers; spanning distribution, installation, use, maintenance and removal. This risk assessment process begins at concept stage and is reassessed through subsequent product development phases up to a post launch retrospective. Where relevant our product guides highlight HSW requirements our customers should be aware of.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	–	None

16

Peace, justice and strong institutions

417 MARKETING AND LABELING

417-1	Requirements for product and service information and labeling	–	We do not ask our customers to dispose of our products themselves. Any equipment deemed old or ill-functioning is returned to EROAD so that we can ensure it is suitably disposed of, recycled or refurbished.

11

Sustainable cities and communities

Our equipment is not dangerous to use. Any use of dangerous chemicals or electrical anomalies are generally "certified out": we do not generally release products (or documentation for products) without CE, FCC or RCM certification, along with an RoHS mark (restriction of hazardous substances).

EROAD does not yet cover the safe disposal of batteries in our installation documents. This is largely because our equipment is either low-drain or semi supported by engine power. This means that our customers will upgrade our equipment before the battery loses power.

417-2	Incidents of non-compliance concerning product and service information and labeling	–	See 417-1

11

Sustainable cities and communities

417-3	Incidents of non-compliance concerning marketing communications	–	None

418 CUSTOMER PRIVACY

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	In FY22, EROAD did not have any substantiated complaints (whether from customers or regulatory bodies) concerning breaches of customer privacy.

16

Peace, justice and strong institutions

419 SOCIOECONOMIC COMPLIANCE

419-1	Non-compliance with laws and regulations in the social and economic area	–	EROAD has zero risk policy for non-compliance with laws and regulations. We are not aware of any such non-compliance incidents.
	419-1-a		