

# ESG | KAR00000 FACTSHEET



## About Karo0000

Karo0000, which operates through Cartrack, Carzuka, and Karo0000 Logistics, is driving digital transformation of on-the-ground operations for customers around the world. With a focus on innovation and an entrepreneurial mindset, we deliver value-enhancing digital solutions to customers with wide-reaching sustainability benefits.

Working with a diverse range of industries from logistics to construction, healthcare to food and beverages, we provide digital solutions enabling better analytics and decision-making for our customers. This in turn helps to improve operations, increase efficiencies, contribute to environmental and social performance and maximize value. Leveraging Internet of Things (IoT) technology, our Software as a Service (SaaS) cloud provides insightful real-time data analytics to over 1.75m connected vehicles and equipment.

Founded in South Africa, the Company is now headquartered in Singapore and services small to large enterprise customers across Africa, Europe and Asia.

**“ We make things easier for our customers so that they can achieve their missions, faster, better and more sustainably. ”**

### Cartrack

A provider of an on-the-ground operational IoT SaaS cloud that optimizes customer operations through real-time data analytics, Cartrack facilitates systems integration, fleet administration, field worker management, video-based safety, risk mitigation and delivery management.

### Carzuka

Our physical and e-commerce automotive marketplace, Carzuka, leverages Cartrack’s cloud-based data assets, data contextualization, and machine learning capabilities to facilitate the purchase and sale of vehicles at a fair price through an efficient platform.

### Karo0000 Logistics

Provides a software application enabling the management of last-mile delivery and general operational logistics. By empowering drivers, automating processes, boosting efficiency and scaling operations, we allow customers to offer fast, efficient and affordable deliveries.

## Our Mission

Thinking beyond connected vehicles and equipment, we are on a mission to be the leading operations cloud provider. We aim to understand and fulfil the operational requirements of our customers and partners, and to provide lasting and sustainable, impactful solutions using innovative approaches, advanced data management and outstanding customer service.

## Our Vision

To provide the global technology platform of choice for users seeking intelligent data.

**108,000+**

Global businesses trust us

**25**

Countries around the world in which we operate

**95%**

Commercial customer retention rate

**1.75m+**

Connected vehicles and equipment using our software

For more information, visit [www.karo0000.com](http://www.karo0000.com)





## OUR APPROACH TO ESG



As an innovative technology provider, Karo0000 has the opportunity to contribute to the short- and long-term sustainability of our customers through our products and services. With our automated reporting, we enhance accountability and transparency to ensure companies stay on track and committed to their ESG journey. Some of the key environmental and social contributions we can make are as follows:

- ✓ Increasing vehicle lifespans
- ✓ Decreasing fuel use and carbon emissions through efficient routing and field-service management tools
- ✓ Increasing community impact with better service delivery
- ✓ Improving safety and security
- ✓ Boosting employee engagement
- ✓ Reducing cargo spoilage and wastage

We recognize our responsibility as a business to promote and contribute to sustainable development and are therefore assessing and developing our own sustainability practices.

We are aware that there is considerable work we can do to progress and develop our approach and are putting in place an action plan to develop our strategy over the longer term. As our practices develop, we aim to increase reporting and transparency to ensure we are meeting stakeholder requirements.

As part of this work, we have analyzed the 17 United Nations Sustainable Development Goals (SDG) to identify those to which we can most meaningfully contribute through our activities. As a result of this exercise, we have initially highlighted the following three SDGs.

SDG	Goal	How can Karo0000's business contribute
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>By improving efficiencies and operations for some of the largest global brands, particularly in labor-intensive sectors, Karo0000 is supporting productivity.</p> <p>Our products and services enable our diverse range of customers to digitalize their own operations, thereby achieving competitive advantages in dynamic and challenging operating environments. With a focus on technological advancement and digitalization, the Group has the opportunity to empower and develop small businesses, allowing them to thrive.</p> <p>Through increased efficiencies, the Group and its customers can achieve environmental benefits and enhanced safety for their workforces and the wider community.</p>
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<p>With a strong global footprint and history of sustained growth, Karo0000 provides innovative technology and platforms using AI and IoT to facilitate the digital transformation of a wide range of small to large enterprises around the world.</p> <p>Providing crucial tools for national logistics infrastructure development, Karo0000 offers insightful real-time data analytics and innovative technology to 1.75m vehicles and equipment, and enhances communications for fleet owners and drivers with real time tracking, integrated customer communications and live streaming.</p>



SDG	Goal	How can Karooooo's business contribute
	Ensure sustainable consumption and production patterns	By offering global customers technology to control fuel management, avoid unnecessary waste and improve efficiencies, our platforms provide real and lasting environmental benefits by minimizing and managing resource usage. This is particularly pertinent in developing countries, where we have a long history of offering innovation and technological advancement.

## GOVERNANCE AND BUSINESS ETHICS

### Governance

The Board of Directors (Board) oversees Karooooo's governance and internal control systems, strategies, policies, and practices relating to environmental and social matters and monitors the competent and ethical operation of Karooooo by executive management. It is also responsible for overseeing and monitoring significant business risks, including those relating to ESG topics. Our Board is composed of five members, of whom three qualify as "independent" under Nasdaq listing rules.

The Board is supported by the Audit and Risk Committee and the Compensation and Nomination Committee. In addition to its other responsibilities, the Audit and Risk Committee is tasked with the oversight of governance, including the implementation and monitoring of policies, and environmental, social and ethical matters relating to the Group. The Compensation and Nomination Committee takes responsibility for ensuring that the Board and Board committees are of an appropriate size and comprise directors who have an appropriate level of independence and diversity of thought and background, gender and age in its composition to enable it to make appropriate decisions in the best interests of the Group.



## Business ethics

Karoo000 is committed to the highest standards of professional integrity, ethical behavior, transparency and fair dealing, as well as to conducting business in full compliance with all applicable laws, rules and regulations. The following policies are in place to guide ethical business practices, which are reviewed on an annual basis and approved by the Board:

- ✓ **Code of Ethics policy** – provides guidance in relation to behavior that reflects honesty, professionalism, fairness and accountability. Includes the management of conflicts of interest, compliance with legislation and regulations, fair dealing, appropriate public disclosures and reporting of violations.
- ✓ **Code of Business Conduct policy** – provides a standard for what is required of everyone at Karoo000, including suppliers, contractors, consultants, and other business partners, in terms of honesty, respect, confidentiality, and compliance when providing goods or services to Karoo000 or acting on its behalf.
- ✓ **Global Whistleblowing policy** – sets out Karoo000’s approach to reports of potential malpractice or impropriety such as fraud and/or corruption within the workplace and to the protection and support of individuals who report potential misconduct.
- ✓ **Bribery and Corruption policy** – should be read with the Code of Ethics and Code of Business Conduct policy and highlights the responsibilities of employees under both the relevant anti-corruption laws and Karoo000 policies, to provide them with the tools and support necessary to identify and combat those actions.
- ✓ **Conflict Minerals Policy** – sets out Karoo000’s approach to ensuring conflict minerals are not used in the production of the materials and components supplied to us for use in our manufacturing processes. See further details on page 5.

Policy awareness forms part of employee induction and compulsory in-person and online training and assessment is conducted for all employees, with refresher training provided on a regular basis.

Whistleblowing is a fundamental corporate governance mechanism that provides stakeholders with a means by which they can raise serious issues to senior management and the Board so that effective action can be taken to deal with the issue reported. The Company encourages whistleblowing to report any unethical business conduct, without fear of retaliation, and has a formal policy in place, which applies to all employees, contractors and business partners. We also have an established, anonymous ‘Your Voice’ process and ethics email address: [ethics@cartrack.com](mailto:ethics@cartrack.com).

As a standard agenda item for meetings of the Audit and Risk Committee, whistleblowing incidents are reported to the committee by the governance officer, who leads and coordinates all investigations. Regular progress reports and remediation plans are submitted to the committee.

## Human rights

We treat people with fairness, courtesy and sensitivity and value different perspectives and ideas. We respect all individuals without regard to gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion or national origin. We support and respect the protection of internationally proclaimed human rights to ensure that we are not complicit in human rights abuses.



## Responsible supply chain

We strive to build long-term relationships with our suppliers and award business based on their ability to meet our needs and commitments, their reputations for service, integrity and compliance, high standards for quality, delivery and their prices or cost of service.

In managing our supply chain, we aim to create sustainable and shared value over time for the Company and its communities. This translates not only into the implementation of policies for the selection of suppliers, service providers and commercial partners based on fair and transparent processes that include sustainability criteria, but also into the promotion of practices of social and environmental responsibility among suppliers which aim to foster improvement of ESG performance throughout the supply chain. In addition to our Conflict Minerals Policy, we are assessing and analysing our procurement processes to incorporate appropriate ESG principles and controls.

## Commitment to responsible sourcing

As an ethical, accountable and transparent organisation, Karoo000 supports the responsible sourcing of minerals as outlined in the US Securities and Exchange Commission's Conflict Minerals Rule. The Group reports annually on its due diligence requirements, with disclosure available on our website.

We want to ensure that our use of minerals does not directly or indirectly finance conflict or benefit armed groups, contribute to gross human rights violations and abuses and other risks identified in the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas, including those located in the Democratic Republic of the Congo or an adjoining country.

Even though our ability to influence the manufacturing of materials, parts, ingredients or components of electronic equipment in our supply chain is limited, we expect our suppliers to take reasonable steps to ensure conflict minerals are not used in the production of the materials and components supplied to Karoo000. We implement our due diligence program and conduct supply chain analysis by accessing information gained from publicly available reports and statements and working directly with suppliers to enable us to identify and respond to any risks identified.

## Data privacy and responsibility

Personal data is playing an increasingly important role in our economies, societies and everyday lives. New and innovative technologies are generating significant volumes of personal data, and modern communications networks and processing systems are enabling organizations to collect, analyze, use, share and store data on a global scale. It is against this context that data protection legislation has been developed and implemented in various regions across the world.

Given our business model, we have a responsibility to uphold robust, responsible and compliant data privacy and protection practices. Karoo0000 complies with General Data Protection Regulation (GDPR), and applies GDPR processes across the Group unless local legislation takes precedence, as in South Africa, where the POPI Act applies. In Europe, we have a dedicated GDPR Team and are ISO/IEC 27001 compliant for the provision of our Fleet Management Services in Europe and Asia.

Data protection compliance is overseen by the Audit & Risk Committee as part of regular risk and governance reporting by the IT Steering Committee to the Board. The Group has a Data Protection Policy and performance is monitored by the GDPR Team and appointed Data Protection Officers to ensure compliance, respond to customer questions and concerns and address any remediation required. Training on the policy is provided as part of employee induction and on a periodic basis.

Our products are developed to comply with privacy data protection legislation, offering features that allow for driver control over location data.



## Cyber security

Karooooo has a dedicated Information Technology (IT) Steering Committee, which meets quarterly and oversees IT governance, strategy and risk management. The Company has appointed an IT Governance Officer to assist with internal control measures to prevent, limit or detect cyber risks. We have incurred and expect to incur significant expenses to prevent security breaches and achieve compliance with all applicable laws and regulations (including with GDPR), such as deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants.

There have not been any reportable data breaches for FY2023.

## IP protection

Our business is built upon innovation and transformation; our future success and competitive position depend in large part on our ability to protect our intellectual property and proprietary technologies. By focusing on appropriate IP protection, we ensure we remain in a strong position to generate value-enhancing digital solutions to customers, improving operations, increasing efficiencies, contributing to environmental and social performance and maximizing value.

We rely on a combination of trademark, copyright, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our intellectual property rights. We enter into confidentiality agreements with our employees, independent contractors and other individual advisors and enter into confidentiality agreements with licensees and other third parties, including suppliers and partners.

## SOCIAL

### Karooooo's approach

#### Our people

Karooooo employs in excess of 4,000 people in 4 continents. We are committed to fair labor practices and aim to provide competitive salaries to our employees. We look to hire individuals who share our passion, commitment and entrepreneurial spirit.

Karooooo has a flat management structure and a team-oriented culture, which encourages candor and participation from our employees. We believe this is instrumental in our ability to succeed and drive operational excellence.

We continuously communicate with our employees via the intranet and encourage team-building initiatives and performance drives. Branded clothing and innovative marketing initiatives build cohesion and brand consciousness. Our values are fundamental to how we work at Karooooo:



## **Innovation, training and development**

Our industry has evolved significantly over the last 10 years and, through continuous innovation, Karooooo has remained at the forefront of on-the-ground operations cloud technology. By planning and developing for where our customers need to be within a decade, Karooooo is shaping the future of how they do business.

It is our ability to innovate which enables us to make a difference to our customers, but also to the society and environment in which we all operate.

We believe that training and development are essential tools in encouraging and facilitating innovation. Our training programs aim to support values and behaviors that guide the actions of our employees on an individual, interpersonal, and societal level. An education triad of knowledge, skills, and the right attitude does not only assist in solving pressing problems in the workforce, such as a skills shortage or the lack of specialized workers, but also ensures educational justice and participation or improving quality of life – particularly in developing and emerging countries.

Our employees receive both formal and on-the-job training. Learning opportunities are provided through various platforms including classroom-based application training, on-the-job coaching, job shadowing, e-learning, and formal studies through tertiary institutions.

We established the Cartrack Academy in South Africa, an accredited hybrid training facility, to provide a range of opportunities for young people to become qualified, skilled and experienced through formalized programs (from 18-24 months) and workplace exposure. In addition, we offer computer literacy training through an accredited International Computer Driving License (ICDL) center. Graduates of these programs are either employed at Cartrack, or are in a good position to be employed elsewhere. Similarly, our social economic and development initiatives aim to improve the employment prospects of school leavers and unemployed youth. Our programs provide insight into CV and portfolio design, interview skills, contact center operations, and emotional intelligence. We also provide funding for further education and skills development of our employees.

Karooooo has a formal succession planning initiative in place across the Group which is updated regularly and approved by the Board.

## **Diversity and inclusion**

We are conscious of the potential to foster innovation which is provided by a diverse range of views and opinions in the workplace. Karooooo is committed to diversity and inclusion; we believe that they lead to optimal outcomes for our business and enable us to better meet the needs of our customers.

Diversity embraces knowledge and understanding of relevant diverse geographies, peoples and their backgrounds including race, gender, culture and personality. Karooooo is committed to equality, equity and to broadening diversity. Karooooo's Board of Directors comprise 60% females.

## **Employee health, safety and wellness**

We seek to comply with the laws regulating workplace health and safety, and compliance, which are local to each jurisdiction in which we do business. Good corporate social responsibility means implementing effective workplace health and safety measures. Karooooo approaches workplace health and safety from a local perspective, from the ground up, to ensure compliance.

We recognize the importance of a healthy lifestyle and therefore have initiatives in place, including wellness days, during which we offer health status tests and assessments to allow for early detection of illnesses and diseases such as HIV/AIDS, high blood pressure and diabetes.





## Our communities

Our founding principles have always been centered around creating positive impact within our communities. These positive benefits range from improving safety and security (see further detail below), to providing opportunities and access to key services.

As an example of this, Know-the-Driver is a predictive risk management tool on the Cartrack platform that allows banks, leasing and finance houses to finance communities perceived as high-risk, and who typically have limited to no access to traditional credit. Know-the-Driver uses machine learning to predict fraud, theft and instalment default with accuracy. Know-the-Driver generates risk alerts to allow for timely responses.

## Customer benefits

### Safety, security and wellbeing

- ✓ **Driver scorecards and video-based safety**
- ✓ **Worksite visibility and safety**
- ✓ **Roadside assistance**

Safety and security of personnel can be specifically material issues for our customers. Cartrack's platform offers multiple ways for a company to invest in a holistic and robust approach to driver, team, community and workplace safety. Our solutions offer customers' visibility of their entire operation, with real-time alerts, worksite AI and actionable reporting informing them of any unsafe behavior and enabling the implementation of improvements. Additionally, we have launched a coaching management tool that helps identify recurring safety-risk trends within a fleet and makes training workers on safety incidents seamless. Ultimately, our solutions help customers establish a safety-first culture to prevent dangerous events from occurring.

Cartrack's workforce optimization technology digitizes operations, increases visibility and transparency between teams, and decreases the frictions that arise from miscommunication, lost or incorrect paperwork and more. By monitoring and accurately reporting driver shifts and ensuring they do not drive for extended periods, driver fatigue is limited, and avoidable accidents are prevented.

### Roadside assistance

Our SaaS platform offers a broad array of mobility solutions including an all-encompassing safety package for consumers, which offers medical and roadside assistance services facilitating emergency medical outreach and response.

See testimonials from our customer's demonstrating the benefits of our Cartrack platforms and services here:

<https://www.youtube.com/watch?v=M8FKjgHpieY&list=PLSW2pDaFANjFgFu40OuMd-kTr9x9xTL8b>



## Case study: Mining safety and compliance



### Mining Safety & Compliance



Safety is the number one priority for the mining industry, with companies being subject to stringent regulations and continuously working to prevent accidents and drive zero harm. Cartrack provides Anglo American and De Beers with integrated cameras, anti-collision technology, breathalyzer tests that prevent ignition, driver behavior management tracking and driver prevention lock to combat safety issues.

## Support and empowerment allowing businesses to thrive

With a focus on technological advancement and digitalization, the Group has the opportunity to empower and develop small businesses, allowing them to thrive. This ranges from customers feeling empowered to take control of their operations using our platforms, to improved productivity (and therefore satisfaction amongst their own customers), as well as enabling compliance through our tools and software. Real-time vehicle diagnostics and predictive maintenance plans ensure reliable resource scheduling and decrease maintenance costs.

Karoo000's platforms facilitate workforce engagement, by digitalizing communications for successful job completion and feedback, instant identification of challenges and increase of operational efficiency.

Our tools also assist customers in measuring and reporting on key environmental and social metrics, allowing them to monitor performance and drive improvements.

## Case study: Empowerment and control



**“Our customers don’t want to wait for their goods, they want them as soon as possible after pressing pay. They also want to know when their parcel will arrive. By using Cartrack’s technology, our customers are able to track their parcel and arrange their availability around it’s delivery.” says Barnard.”**

Annemarie Barnard  
Project Manager Officer

1. Intergrated with over 300+ stores nationally processing over 100K orders monthly.
2. 200+ owner drivers managed on the platform. Tracking driver behaviour in a consolidated window allows for an easier HR process and ensures that concerns and allowances are noted.
3. Over 50% of orders are delivered same day to customers.
4. Digital real time tracking and electronic POD.



# ENVIRONMENTAL

## Karoo0000's approach

We balance the positive impact of the technology we create with a responsibility to mitigate more broadly the negative impact of our business, particularly on the planet. We use our own technology and fleet management systems to reduce the environmental impact of our activities, initially focusing on energy usage, carbon footprint, waste reduction and product lifecycles.

From 2019, our proprietary dynamic scheduling tool has enabled us to actively manage our own fleet to further reduce carbon emissions per customer through efficient routing and field-service management.

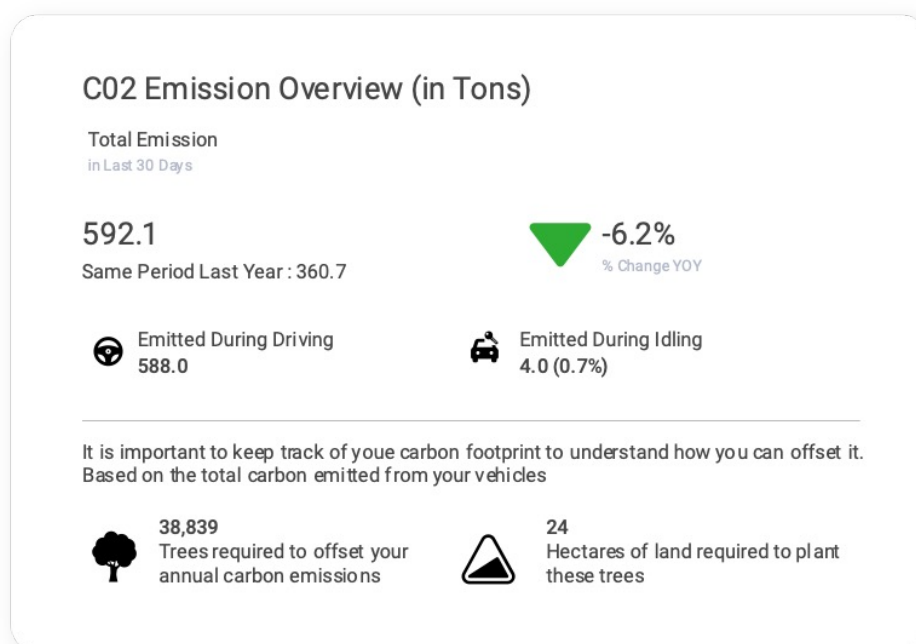
We encourage waste reduction and recycling practices. We strive to manage waste responsibly, by minimizing its generation as well as implementing and supporting recycling. We are exploring new ways to reduce waste, in line with the European Waste, Electrical and Electronic Equipment Directive by collecting tracking units from around the world for repair or scrapping. We also promote the safer use of materials in manufacturing products. All our products, including batteries and enclosures, comply with the European Union Restriction of Hazardous Substances (ROHS) Directive.

The new South African central office building in Johannesburg, currently under construction, has been designed to incorporate environmental considerations such as renewable energy sources (including solar panels), sustainable building materials, more efficient resource utilization and lower greenhouse gas (GHG) emissions and waste, wherever possible. As lease agreements mature, we consciously aim to source office premises that is environment friendly and offer appropriate access and facilities for the handicapped.

To extend the longevity of the hardware component of our products, which generally lasts past the typical 36-to-60-month contract term, Karoo0000 designs and uses durable materials to maximize the life of its products. These practices reduce the amount of waste that goes into the environment. The product lifecycles are further extended through software updates and the use of refurbished components—practices that also limit waste production. Products that cannot be reused are responsibly disposed through an electronic waste program, which we outline above.

## Customer benefits

Through improved fuel efficiency, reduced food spoilage and actionable fleet eco-efficiency scoring, our platforms allow our customers to optimize their operations and achieve meaningful environmental benefits.



## Reducing emissions

On-the-ground operations account for the largest contribution towards global emissions, with the transport sector being responsible for 37% of CO<sup>2</sup> emissions<sup>1</sup>. In order to reach net zero, these emissions need to be reduced by about 20% by 2030.

Cartrack provides customers with the tools, reporting and insights they need to track and implement change towards sustainability. By allowing customers to compare their vehicles and drivers, as well as benchmark them with others in their industry, Karooooo enables an achievable goal-based mindset for improvement. Some of the key elements our platforms and tools address are:

- ✓ **Idling**
- ✓ **Driver efficiency**
- ✓ **Route efficiency**
- ✓ **Vehicle health**

With IoT temperature sensors and audited cargo haul temperature logs, businesses can guarantee that their adherence to governed temperature ranges for transportation of food, medical waste and other sensitive goods.

## Transitioning to electric vehicles (EVs)

EVs can have a significant impact on reducing the carbon emissions of transportation and are becoming increasingly popular amongst consumers and well as commercial corporations, with rapid technology improvements and new model releases globally. However, incorporating EVs into a fleet brings about new operational changes due to the limitations of charging and vehicle usage. Having a partner that can understand and support this new technology is critical for successful implementation.

- ✓ **Stay charged** - By understanding vehicle usage patterns, charging locations and charge times, Cartrack works with customers to establish effective charging schedules that maximise output from limited charging stations.
- ✓ **Efficient charging** - Know where the nearest charging points are and the real-time remaining mileage of a vehicle before it needs to recharge.
- ✓ **Electrification** - By analyzing vehicle usage patterns, vehicle age and maintenance costs, Cartrack helps customers know which vehicles are feasible for electrification.

### Case study: Reducing emissions in the car share economy



GetGo

GetGo has enabled the car sharing economy in Singapore to increase access to mobility and reduce overall carbon emissions from vehicles. Cartrack developed the technology that allows the vehicles to be remotely locked/unlocked using an app. GetGo efficiently manages their fleet of over 2,000 using Cartrack's fleet management solution.

<sup>1</sup>In 2021 – Source: IEA <https://www.iea.org/topics/transport>



## Reducing waste

Our platforms and tools enable our customers to significantly reduce wastage throughout their business. From eliminating goods damaged in transit to increasing vehicle longevity, Karooooo facilitates a more efficient and responsible use of resources. With accurate temperature sensors and real-time alerts, businesses are able to act promptly to mitigate against any spoilage of goods during the delivery process. Through electronic proofs of delivery, vehicle inspection reports, business intelligence, workflow apps amongst other management tools Cartrack helps businesses digitalize their front and back-office operations to reduce paperwork.

