

# Carbon Offset



## What is Carbon Offset?

When you novate a car with **sgfleet**<sup>\*</sup>, you can choose a Carbon Offset provision as part of your car salary package. When you choose Carbon Offset, **sgfleet** will offset approximately 4.5 tonnes a year of your car's carbon emissions, for the life of your lease.

## Why should I Carbon Offset?

We've all seen the images of stranded polar bears, glaciers crashing into the sea and cyclones ravaging coastal areas. We read and hear about this type of thing happening more and more. These are some effects of global warming. Fossil fuels are burned everyday for transport, energy in the home and industry. The burning of these fossil fuels contributes significantly to global warming. Most of us are becoming aware of the effects our activities are having on global warming. We now need to turn our awareness into action.

## Your Carbon Offset provision

When you decide to include a Carbon Offset provision, **sgfleet** purchases carbon credits to offset your car's emissions for the life of the lease. The average Australian car emits approximately 4.5 tonnes of carbon dioxide per year. One carbon credit offsets one tonne of carbon dioxide emitted. We calculate the number of carbon credits required to offset your car's carbon emissions for the life of your lease. This forms the basis of your Carbon Offset certificate. For example, a four year lease x 4.5 tonnes will require the purchase of 18 carbon credits.

## How does a carbon credit work?

Carbon credits are generated by activities that create renewable energy, or other activities such as energy efficiency, bio-sequestration and methane destruction. **sgfleet** uses NSW Greenhouse Gas Abatement Certificates (NGACs). These credits are registered with NSW Greenhouse Gas Abatement Scheme, one of the first mandatory GHG emission trading schemes in the world. NGACs are subject to strict compliance regulations aligned with the Kyoto protocol.

## Your contribution is locked away

**sgfleet** purchases the carbon credits at the start of your lease. We then debit the total cost of the Carbon Offset certificate to your lease management account, and collect the cost of the certificate via a monthly \$13.00 pre-tax provision from your car salary package. It is important to understand that when **sgfleet** purchases the credits, we surrender them immediately. This means two things;

1. The credits can never be used again by anyone else, ensuring your contribution is locked away for all time.
2. In the event you decide to finish the lease early, **sgfleet** is unable to refund the cost of the Carbon Offset certificate.

## Your Carbon Offset certificate

In recognition of your participation in the Carbon Offset program you will receive a certificate recording your contribution. The credits we purchase and surrender on your behalf are created by activities that have already reduced or destroyed harmful greenhouse gases, so the offsetting of your car's estimated emissions for the life of your lease has already happened. You have contributed, in real time, as soon as we transact the credits for you.

<sup>\*</sup>sgfleet or its related entities may purchase and surrender NGACs or carbon credits.