

# PLANET PEOPLE COMMUNITIES

IMPACT REPORT 2023





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## SUSTAINABILITY DIRECTOR MESSAGE

Doing Well by Doing Good. These five simple words have been the rallying cry of Merchants Fleet® since the launch of our Sustainability program in late 2021. Ideas are important, but without action, ideas live and die as just that..."ideas." At Merchants, we believe the only way to effectively steer change and drive results is through innovation. More simply, to think differently for the benefit of the world and business. Then, above all else, to take action.

Enough with 2050 goals. Enough promises. Enough noise. It is time for us to share lessons of both success and failure, it is time to learn, to appreciate, and most importantly, it is time to take action for our planet, people and communities. We do not have the luxury of time, and there are no silver bullets that will solve every topic covered in this report; but there are many imperfect solutions that together can result in an enormously positive change. Collectively, with our clients and partners, Merchants is poised to make history.

It has been a tremendous year of progress across all of our pillars of impact. Among many achievements, we grew our clients' electric vehicle fleets by 65%, contributing to improved air quality in communities across North America, and launched our signature philanthropy program, Give With Merchants. Give With Merchants democratized corporate giving and mobilized our people to take action in the community, resulting in over \$100,000 in charitable donations in just the first two weeks of launching. These initiatives, among others in this report, showcase the immense impact of our collective action. When I joined Merchants, my vision was not for sustainability to reside solely within my team, but to be instilled throughout every corner of our organization.

When you give people a voice, then listen and lay an actionable runway, the sky is the limit both in terms of a company's financial success and the positive impact it can have on the world. I'm thrilled to announce, by way of incredible cross-functional dedication, 97% of our employees engaged in one or more of our entirely optional initiatives in this past year. Not only has this measure of action been good for our planet, people and communities, as illustrated throughout this report, but it has also helped our business to do well. This financial success has been revealed repeatedly in our metrics, such as materially higher employee performance and significantly reduced turnover, which accelerate our long-term profitability and the value we provide to our clients.

Has our sustainability implementation been easy? Absolutely not. Have there been times we failed? You bet, but we failed fast, we failed small, we learned, and we are better for it. In sustainability, there are great days, and there are not so great days. There are days that will dampen your eyes seeing the kindness humans are capable of, and there are other days that will dampen your eyes for not being able to do enough. To effectively practice sustainability, organizations need grit, ideas, compassion, leadership, purpose, and rationality to create lasting value. Above all else, organizations must act. I can say with confidence that Merchants has and will continue to take action, and is now more than ever, Doing Well by Doing Good.

Have fun. Be kind. Do good.



**Ted Lague**  
Director, Sustainability



# IMPACT HIGHLIGHTS

Demand for impact is at an all-time high, with **69%** of our incoming request for proposals including sustainability topics - a 25% year-over-year increase. In turn, Merchants is taking incredible action across all three of our pillars of impact. Here are just a few recent highlights of Merchants' positive results on our planet, people and communities.



## Our Planet

- **65%** annual growth in our clients' EV fleets. **85%** of our clients' EV fleets are BEV and **15%** are PHEV
- **117%** annual growth in electric vehicle charging ports managed
- **100%** of Merchants' internal executive fleet are electric vehicles
- **100% of electric vehicle charging** at Merchants' campuses were powered by solar, through local Solar Renewable Energy Credits (SRECs)
- **10,000 trees planted** across eleven countries, an annual increase of 100% resulting in 15,000 trees planted since 2022

**65%** ANNUAL GROWTH IN CLIENTS' ELECTRIC VEHICLE FLEETS

**117%** ANNUAL GROWTH IN EV CHARGING PORTS MANAGED

**15,000+** TREES PLANTED SINCE 2022

## Our People

- **97%** of employees engaged in one or more company sponsored programs
- **88%** of employees say Merchants is a great place to work
- **4,865** peer-to-peer recognitions
- **6,800 hours** invested in employee development
- **3 new** Employee Resource Groups launched

**4,865** PEER TO PEER RECOGNITIONS

## Our Communities

- **\$100,000** donated to charities in the first two weeks of launching the Give With Merchants program with **100% of employees** receiving **\$150** to donate to a charity of their choice
- **\$43 million** spent with diverse suppliers, a **15%** annual increase, resulting in **\$145 million** spent since 2019
- **78%** of our preferred corporate support vendors are local, small businesses, and/or diversely owned
- **100%** of employees have access to paid volunteer time
- **2 NEOM McLaren** racing team partnerships that benefit our community and planet

**\$100,000+** DONATED

**2023** **\$145M SPENT** WITH DIVERSE SUPPLIERS SINCE 2019

**PREFERRED CORPORATE VENDORS**  
**78%** ARE LOCAL, SMALL BUSINESSES AND/OR DIVERSELY OWNED



NEOM McLAREN ELECTRIC RACING  
OFFICIAL COMMERCIAL FLEET MANAGEMENT  
AND LEASING SOLUTIONS PARTNER



# ABOUT THIS REPORT

Merchants Fleet's ethos of **Doing Well by Doing Good** for our planet, people and community is the guiding light for our sustainability strategy, and the structure of this report. Unless otherwise noted, this report specifically covers initiatives that took place between January 1, 2023 through December 31, 2023 across our core pillars of impact: planet, people and community.

Additional information about Merchants sustainability strategy and impact can be found at [www.merchantsfleet.com/about/corporate-sustainability/](http://www.merchantsfleet.com/about/corporate-sustainability/) or by contacting our Sustainability Team at [esg@merchantsfleet.com](mailto:esg@merchantsfleet.com).



## OUR BUSINESS

Merchants Fleet is the nation's innovative leader in comprehensive fleet management solutions. For more than 60 years, Merchants has pushed the boundaries in the fleet industry with flexible funding, vehicle remarketing, and fleet acquisition options, plus complete end-to-end electrification solutions. As the only fleet management company in North America offering both long and short-term fleet services, Merchants is uniquely positioned to provide clients with unparalleled flexibility, services, and support essential for keeping businesses ahead of the curve. Headquartered in the Greater Boston area, with its Innovation Center in Chicago, Merchants is steering change and driving results for fleets of all sizes throughout North America.





# OUR PLANET



# A PLANET SIZE OPPORTUNITY

Earth's natural resources are plentiful, but they are not limitless. While our planet has proven resilient for over four billion years, many of its species have not been so fortunate. The last 365 days have seen the impact of climate change closely align to models that climate scientists had forecasted – severe droughts, torrential rains, ever increasing heat and disruptions to snow and ice packs across the globe. The time to act is now. With more people than ever accepting and experiencing the impact of climate change, never has there been an opportunity so great to change the world. Working directly with our clients, partners, and employees, Merchants Fleet will continue to grow as a business while simultaneously accelerating the goodness we deliver to our planet through bold electrification and sustainability initiatives.





# ELECTRIFICATION FOR FLEETS

## Our Greatest Lever

Beyond reducing total cost of ownership (TCO) and complying with regulations, every electric vehicle (EV) that joins a fleet helps reduce direct tailpipe emissions, combat climate change, and create cleaner, healthier communities and economies.

The environmental upside of transitioning fleets to EVs is undeniable. **28% of total U.S. greenhouse gas (GHG) emissions derive from the transportation sector.** EVs produce zero direct tailpipe emissions, benefiting the environment, and empowering clients to drastically reduce emissions from their fleets. Furthermore, EVs can be charged from a mix of renewable sources, such as wind and solar, further reducing upstream emissions, supporting clients' broader sustainability initiatives, and helping reduce GHG emissions in the United States.

EVs are often both the best and only option for clients to rapidly achieve their sustainability goals, whether a choice of leadership, regulation, or other forces. Transitioning fleets to EVs is Merchants' greatest lever in combatting climate change and the corresponding impacts on nature and humanity, while simultaneously strengthening the resiliency of our clients' businesses.



## EV Products & Service

Merchants offers a comprehensive suite of EV solutions that pave the way towards our clients' sustainability goals:

- Unmatched EV selection
- Home, workplace & depot charging solutions
- Mobile & temporary charging solutions
- Grants & incentives for EVs & charging infrastructure
- Comprehensive EV adoption feasibility studies
- Vehicle & infrastructure adoption plans & project management
- EV & infrastructure cost of ownership analysis



## Bold Electrification Growth & Commitments

**65%** ANNUAL GROWTH IN CLIENTS' ELECTRIC VEHICLE FLEETS

**85%** OF CLIENTS' EV FLEETS ARE BATTERY ELECTRIC VEHICLES (BEV)  
**15%** OF CLIENTS' EV FLEETS ARE PLUG-IN HYBRID ELECTRIC VEHICLES (PHEV)

**100%** OF EV CHARGING AT MERCHANTS' CAMPUSES WERE MATCHED BY LOCAL SOLAR RENEWABLE ENERGY CREDITS (SRECS)

**6,500** PARTNER EV SERVICE CENTERS

**100%** OF MERCHANTS EXECUTIVES DRIVE ELECTRIC VEHICLES

**117%** ANNUAL GROWTH IN TOTAL CHARGING PORTS MANAGED



## Dedicated Team of EV Experts

The dedicated EV team at Merchants assists our clients through planning, piloting, adopting, and subsequently replacing their internal combustion engine (ICE) vehicles with EVs. Our team of electrification experts provides their knowledge and hands-on experience to see a project from planning to completion. From charging systems and energy management to leveraging our ever-growing network of infrastructure partners, Merchants can develop everything from a feasibility assessment to a full-blown EV transition plan, including project management associated with highly complex infrastructure projects.



## ELECTRIFICATION SUCCESS STORY

A little electrification can create big results. Through the deployment of **10 EV box trucks** and new **charging infrastructure**, Merchants enabled one of our clients to run delivery routes with zero tailpipe emissions.

### 1 COMPANY, 8 MONTHS, 10 BOX TRUCKS



**54,647**

MILES DRIVEN



**1.3M lbs**

CARGO HAULED



**84,300 kWh**

CHARGING ENERGY



**140,000 lbs**

CO2 TAILPIPE EMISSIONS AVOIDED



**10,592 gal**

ESTIMATED GASOLINE SAVINGS



**\$26,500**

ESTIMATED FUEL SAVINGS



## Sharing Our Expertise

Merchants' sustainability experts have set the bar for responsible transportation solutions in fleet. As a result, their visionary thought leadership has been sought by a wide variety of industry partners and events, including:

- University of New Hampshire
- North American Sustainability & Responsibility Summit
- Green Your Fleet
- New Hampshire Businesses for Social Responsibility
- Green Living Guy Podcast
- CERES Global Conference
- Sirius XM Radio
- Climate Week NYC
- Fleet Forward Roadshow
- AltWheels



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The only constant in the world of electrification is change. Merchants' electrification strategy is predicated on meeting the client where they are and providing them with the broadest suite of viable options to transition their fleet operations to be financially and environmentally sustainable. Through a concierge approach for our clients, we enable the movement of goods and services freely and RESPONSIBLY.



**Hari Nayar**

Vice President, Fleet Electrification  
& Sustainability

## Electric Vehicle Offerings



Leveraging our strong relationships with legacy auto manufacturers and start-ups, Merchants continues to test prototype and production-ready vehicles to ensure they meet the operational demands of our clients, before ever entering a fleet.

Merchants is the only fleet management company in North America to provide both short-term and long-term fleet leasing options, and we have applied this unique, flexible approach to EVs as well.

Our comprehensive suite of rental and lease options create a unique opportunity for clients to try EVs in their fleets with little-to-no financial risk through our exclusive EV Choice Lease program. Through this program, clients can try a variety of EV options on a short-term basis, and return those that do not meet their operational expectations. From affordable EV sedans to heavily upfitted EV vans and trucks, Merchants has the experience, flexibility and inventory to satisfy all fleet needs.





## EV Charging Infrastructure

### ClearCHARGE™

In partnership with leading EV charging providers, Merchants launched ClearCharge™, a turnkey solution to power our clients' EV fleets. ClearCharge enables fleets to easily plan, develop, and implement customized solutions to meet the evolving charging needs of their business.

Whether a fleet is looking to administer employee home charging, install electric vehicle supply equipment (EVSE) for office or depot charging, or find a mobile charging solution, the ClearCharge program makes charging EVs simple.

### ClearCHARGE™ Home

#### EV Home Charging Made Simple for Take Home Fleets

**ClearCharge Home** is an easy, end-to-end service for employee home charger installations and accurate energy reimbursement reporting. Merchants streamlines the process by ensuring charger compatibility, coordinates installation through a licensed installer network, and provides fleet managers with electricity expense data for straightforward reimbursements. The result: home charging that is finally simple enough to make fleet electrification accessible.

### ClearCHARGE™ Work

#### Futureproofed Workplace Charging Deployments for Fleets

**ClearCharge Work** simplifies the charging infrastructure installation process at workplaces from start-to-finish with Merchants' trusted EV experts. With decades of combined electrification experience, Merchants helps organizations of all sizes streamline the complex process of planning and deploying EV infrastructure.

### ClearCHARGE™ DropStation

#### EV Fleet Mobile Power Solution

**ClearCharge DropStation** is a portable power plant to keep EV fleets running. They can be used to provide a temporary charging solution while clients' permanent solutions are being developed and/or are on remote job sites.

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Merchants Fleet has been instrumental in revolutionizing our fleet operations at Cameron Enterprises. Their expertise in assessing our charging needs and developing a customized home charging plan is the perfect example of why it pays to work with a knowledgeable, collaborative partner on your fleet electrification projects. Merchants made the transition easy by managing the installation process from start to finish, which allowed our team to remain focused on our daily operations. Partnering with Merchants has not only streamlined our transition to EVs, but also solidified our commitment to sustainability. It's been a pleasure working with them, and we're excited to witness the continued impact on our bottom line and the environment.

**Tim Lovett**

AVP, Procurement and Transportation  
Cameron Enterprises





## Electric Speedway

During Merchants' annual Fleet Summit, we partnered with the New Hampshire Motor Speedway to put guests behind the wheel of EVs and onto the race track, experiencing their full capabilities in a unique and exciting setting. After being charged at the speedway with Merchants' ClearCharge DropStation, eight battery electric vehicles (BEVs), ranging from pickup trucks to sports cars, raced around an extended course for a supercharged evening of speed, control and excitement.



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Our team is helping clients move ahead in piloting and implementing EVs to drive improvement in their environmental and operational performance. These foresighted business leaders are positioning themselves with a better understanding, enhanced forward planning, and expedited implementation, through our assistance, to fully realize the economic, environmental, and social benefits of EVs.



**Lisa Drake,**  
Assistant Director, Fleet Electrification

## Grants, Rebates & Incentives

With the implementation of the Inflation Reduction Act, incentives for EVs have never been stronger. Many state and utility EV incentives are available in addition to generous federal tax credits. The EV grants, rebates, and incentives team at Merchants can identify a variety of savings opportunities, and assist with the application and monetizing of incentives on behalf of our clients. Now more than ever, we are dedicated to making the transition to EVs as seamless and affordable as possible for every fleet.

Merchants secured **\$1.4M** in pre-approved grants and incentives for our clients

With a dedicated grant professional on staff, the Merchants team is working with each client to identify and obtain grants, rebates, and incentives to support their EV deployments and charging infrastructure investments. In 2023, Merchants secured \$1.4M in pre-approved incentives, proving that acting today on EV adoption can yield early advantages for our clients.



Working with the Salt River Project utility in Phoenix, Arizona, Merchants became an electrification qualified service provider (eQSP), enabling clients to access \$125,000 in incentives including utility-funded EV feasibility studies and incentives for EV adoption and charging infrastructure. Furthermore, the data and insights learned provided clients with an actionable path toward EV adoption.



# ELECTRIFICATION AT OUR COMPANY

Enabling the responsible movement of our employees is an integral part of our company's vision. Just as with our clients, Merchants is striving to make the EV journey both an equitable and seamless transition, which is why our company has launched a wide range of EV support and incentive programs for our employees. There is no better place to understand fleet electrification than behind the driver's seat.

## Employee Incentives

Going electric can be a costly change for individuals, which is why Merchants supports those who are willing to take the leap. Merchants employees who purchase an EV can receive up to \$2,500 in reimbursements from the company for their purchase, in addition to state and federal incentives. Merchants also offers education assistance and reimbursement up to \$800 to employees who install home charging. The amount of employees utilizing company reimbursed chargers increased 46% from the launch in 2022 to end of year 2023. Furthermore, Merchants continues to add new vehicles to our internal fleet so employees can experience new EVs as they become available, to stay on the cutting edge of technology. Additionally, eligible employees receive a 20% greater company car budget for vehicles that are electric, with 100% of executives driving EVs as their company vehicle.



## HQ Charging Expansion

Through our initiative codenamed “**Project Amped Up**”, Merchants continues to expand the EV charging infrastructure at our headquarters. It serves not only as charging facilities for our company and employee owned EVs, but also as a proving ground for EV charging technology. The planning and implementation of this project will grow our HQ charging hub to 25 Level 2 charging stations in 2024. Furthermore, this project has future-proofed the property for future expansion of Level 2 and DC fast charging stations. In total, there is capacity for 52 charging ports to be activated. By early 2024 we anticipate Merchants headquarters will be the largest workplace charging hub in the state of New Hampshire.

### EMPLOYEES GOING ELECTRIC

Merchants is incentivizing employees to go electric with big incentives

**FREE**   
EV CHARGING FOR ALL EMPLOYEES

**\$800**   
HOME CHARGING REIMBURSEMENT

**\$2,500**   
EV PURCHASE REIMBURSEMENT

**GREATER COMPANY CAR BUDGETS FOR EVs**



**20%**

**46%**

INCREASE IN COMPANY CHARGING REIMBURSEMENT UTILIZATION

**100%**

OF EXECUTIVES DRIVE EVs



## SUSTAINABILITY AT **MERCHANTS**

As a fleet management company, Merchants is in an incredible position to benefit our planet through our sustainably minded services and products. However, we also recognize the buck—or in our case the ‘truck’—shouldn’t stop there. As Merchants grows in scale, we will do so while proactively decreasing our negative environmental externalities through responsible and efficient operational decisions. The future is bright at Merchants, and we are actively working to accelerate our planet toward a greener horizon.

### **SRECs**

Merchants purchased and retired 70 solar renewable energy credits (SRECS) to match the electricity usage for every EV charger on our campuses for the entire year. Merchants paid a premium sourcing the SRECs from solar panels in locations immediately surrounding our campuses to support the transition to renewable energy generation in our local community.

As we look ahead, Merchants will continue to research additional renewable energy options to broaden the scope and positive impact we create for our planet and communities alike.

### **SASB**

Merchants tracks non-traditional business metrics that SASB identifies as material to Fleet Managements Companies (FMCs) to have better visibility of ESG risks and opportunities for our company.

## **Sustainability SLAM**

For the second consecutive year, Merchants was a finalist in New Hampshire Businesses for Social Responsibility’s (NHBSR) annual Sustainability Slam. Our 1980s “call and response” poem about our Ambassadors and Allies program, showcased the value of engaging employees in DEI education and allyship along with the importance of creating a lasting impact with our diversity, equity and inclusion (DEI) capstone projects. This program and poem was a crowd favorite both in office and on stage. **“Are you down with ESG?” “YEAH, you know me!”**



## **Merchants Forest**

Merchants Forest, our company’s tree-planting program, is one of the many examples of Merchants being rooted in good. With help from community farmers, Merchants is planting trees across the globe to fight deforestation, restore natural habitats, sequester carbon, and create safe and reliable employment. To date, Merchants has planted over 15,000 trees across eleven countries, with more on the way. Over a lifetime, these trees are estimated to absorb 1,780 tons of CO2 and create 1,888 working hours.

We are committed to planting 10 trees for every new employee that joins our company. As our company grows, so too will the positive impact on our planet, people, and communities.

## **DOING GOOD BY PLANTING TREES**

 **15,000+**  
TREES PLANTED SINCE 2022

**1,750+**   
TONS OF CO2 ABSORBED OVER THE TREES' LIFETIME

**11**   
COUNTRIES BENEFITED

**10**  **1,880+**  
NEW TREES PLANTED FOR EVERY NEW EMPLOYEE  
WORKING HOURS CREATED

## **POWERED BY THE SUN**

All EV charging done on Merchants’ campuses were matched by **LOCAL SRECs**.



## Merchants Garden

Merchants Garden is a community effort entirely managed by volunteer employees who grow vegetables, fruits, and lasting relationships. In late summer, Merchants held a garden party that celebrated the harvest with music, nutritious snacks, lawn games, and even a maypole. Most importantly, crops were offered to all employees to feed their families and communities with healthy, free food. To further support our expanded garden area, we installed a park bench made from the same plastics that are recycled through our Circulation Station. Cultivating green spaces enhances our campus community, provides access to nutritious local foods, and creates quiet places for our people to relax and enjoy nature.

## Buy Nothing

Inspired by an employee, Merchants launched a virtual bulletin board for employees to share belongings with fellow employees that were no longer needed. Buy Nothing has effectively increased engagement amongst employees while also reducing the unnecessary accumulation of products and items that would otherwise eventually end up in a landfill.



Merchants partnered with Helpsy to collect and process all **1,625 pounds** of employee donated clothing and textiles.

## Circulation Station

We launched the Circulation Station to better support a circular economy that enables our employees to share, reuse, repair, and recycle whenever possible. As a result of this new solution, Merchants helped employees sustainably divert over 35 pounds of batteries, 27 pounds of plastic bags and films, and 1,625 pounds of clothing and textiles from the landfill. In 2024, we plan to scale this solution to all of our locations, as well as include a new collection bin for food pantry donations.

## Closing the Loop

At Merchants: if it grows, it goes, and grows again. With the help of a local, woman-owned business, all food scraps at Merchants headquarters were recycled into finished compost. Our company then used compost to fertilize Merchants Garden and grow food for our internal community. At the end of the season, any remaining vegetable stock from the garden was then recycled into compost again. Additionally, through our partnership, employees received a discounted subscription to a home composting service. Grow, feed, recycle, repeat; small-scale regenerative farming at its finest!

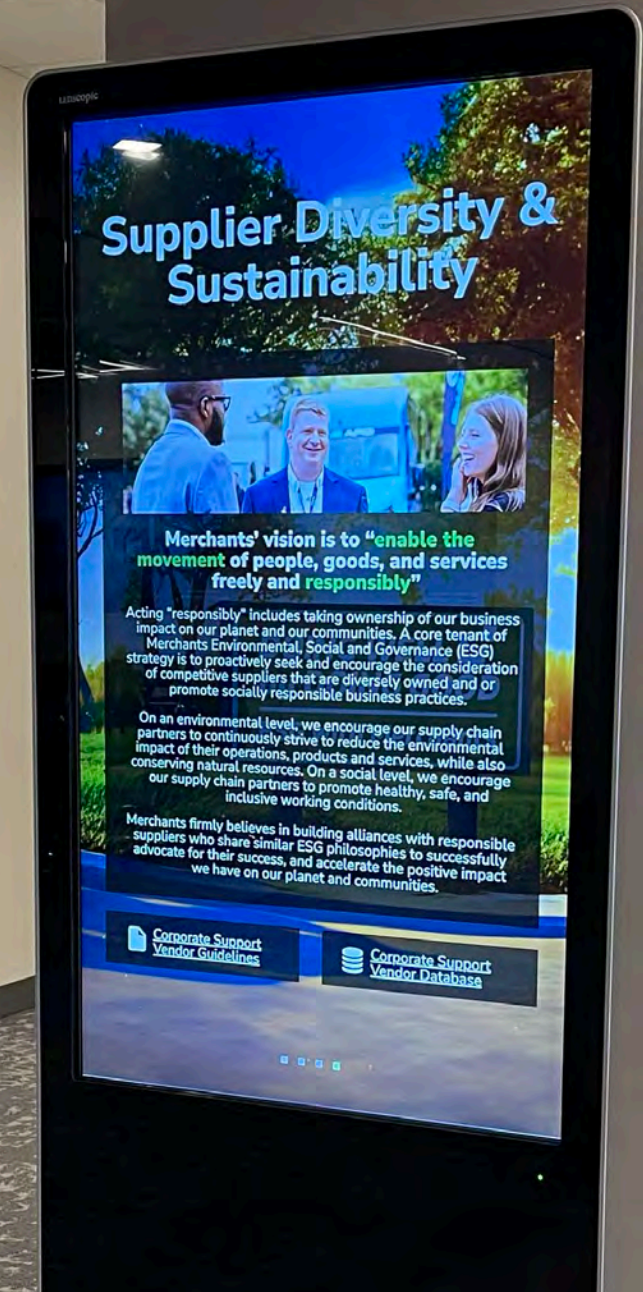
## Sustainable Café

Soon after partnering with our local composting service, we challenged ourselves to find additional solutions to divert single use items from the landfill. Merchants partnered with a local sustainable food packaging vendor to procure compostable coffee cups, lids, stirrers, plates, bowls, and utensils coupled with a sustainably made utensil dispenser. We will continue to look for innovative, sustainable procurement options for our business supplies across locations in 2024.



## SUSTAINABILITY KIOSK

The Merchants Sustainability Kiosk is a highly interactive standing screen that keeps audiences up to date on all things “Sustainability” at our HQ.







FLEET | RENTAL | LEASE | BUY

MERCHANTS FLEET

ClearCHARGE  
DropStation

ON REFR

# OUR PEOPLE



# OUR DIFFERENCES ARE WHAT **DRIVE US**

Merchants Fleet is a diverse team of individuals that collaborate as a unified force to **do well by doing good**. Our people have the freedom to fulfill their personal values, and the support to pursue our shared vision of moving people, goods and services freely and responsibly. Together, we strengthen our communities, grow our business, and nourish our planet. Our people are what make Merchants, Merchants.







# EMPLOYEE ENGAGEMENT

Our outstanding service is only possible because of our commitment to respecting and enabling our employees in the same way we do our clients. This is accomplished by an intentional focus and investment in our workforce. Our company has never invested more in our people than we have in the past year. Providing support, flexibility, and opportunity is what helps our employees remain engaged with their work and the greater purpose it serves.



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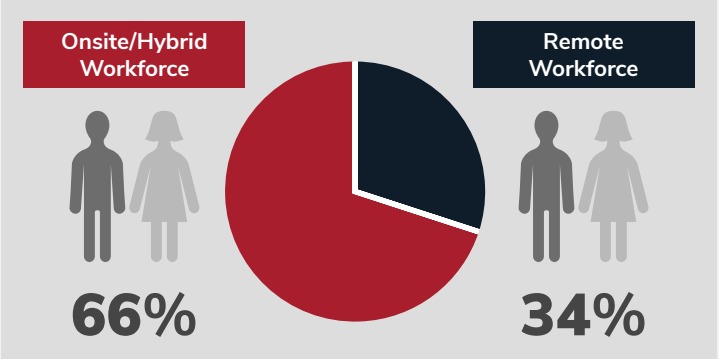
The strategic alignment between employee engagement and business success is paramount. At Merchants, we not only recognize this, we strategize around it by building community and creating a supportive culture and opportunities for our employees and business to thrive.



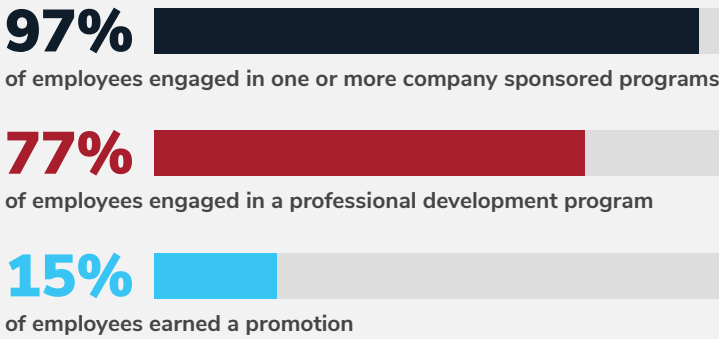
**Richie Coladarci**  
Director, Human Resources

## Our People at a Glance

**650**   
TOTAL EMPLOYEES



## PROFESSIONAL DEVELOPMENT

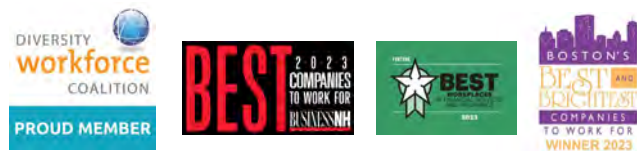




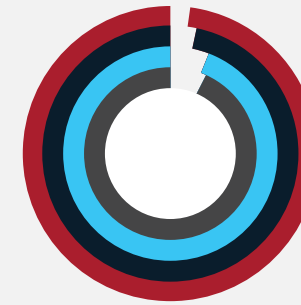
## Merchants Measures Up

Merchants uses multiple strategies to both enhance and measure human capital, our company's most valuable asset. High employee engagement is one of the primary ways we unlock the potential of our workforce. Employees whose concerns are heard, needs are met, and accomplishments celebrated are given the peace of mind needed to be more engaged, productive, and fulfilled at work. One way to evaluate our employee engagement success is through the Great Place to Work Trust Index survey. This independent, annual assessment provides insight into employees' perception of their workplace experience and our organizational culture.

Other external measures that affirm Merchants' amazing culture include the following accolades received in the past year:



## Great Place to Work Survey

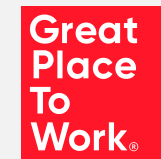


**98%** believe that employees are **treated fairly regardless** of their sexual orientation.

**97%** believe that employees are **treated fairly regardless** of their race.

**94%** believe that employees are **treated fairly regardless** of their gender.

**93%** believe that employees are **treated fairly regardless** of their age.



**88%**

of employees at Merchants Fleet say it is a great place to work

## Disrupter Cup

Merchants' annual softball game, the Disruptor Cup, was an afternoon of employee celebration and giving at the Fisher Cat Stadium. In addition to the fun and laughter, for every run scored, Merchants donated ten bags of groceries to local food pantries. The event was a homerun for our employees and community alike.



## #VANLIFE

Fun on four wheels – that's #vanlife at Merchants! Merchants built an excursion ready, adventure seeking van for all employees to enjoy. Outfitted with beds, shower, tables, stove, and solar panels, employees can now efficiently and affordably explore the great outdoors in comfort and style.





## Employee Recognition & Celebration

We have continued leveraging Merchants Prime in 2023 as our centralized platform for peer recognition and celebration. This program enables employees to send 'Prime Points' to each other with a custom message to show appreciation, highlight excellence, and/or celebrate an achievement. Prime Points can then be spent in a variety of ways, such as:

- Extra paid time off
- Company merchandise
- Online shopping
- Tickets to events & vacations

The program encourages employees to recognize their peers, while also enabling the company to invest in individuals who make our people and culture stronger. In total, there were over 4,800 recognitions and over 71% company participation.



**4,865**  
PEER  
TO PEER   
RECOGNITIONS





# DIVERSITY, EQUITY & INCLUSION

At Merchants, we believe our differences are what drive us, which is why we have invested more time, money, and programming into Diversity, Equity and Inclusion (DEI) than ever before. Through these initiatives, we strive to create and support a workforce that is diverse, inclusive, equitably empowered, and encouraged to bring their whole selves to work.

## DEI Event Series

Since 2020, Merchants has hosted the DEI virtual event series. This series features outside speakers and employees sharing personal experiences that promote greater understanding, empathy, and inclusion.

Past topics have included:

- Black in America: Three perspectives
- The broader impact of mental health challenges
- Demystifying trans identity
- Understanding the introvert-extrovert spectrum
- Visible and non-visible disabilities
- Voices of immigration

These events spotlight diversity and educate employees on how our differences can drive us to be a better company and steward of our community.

## Diversity Workforce Coalition

Merchants continues to be a member of the Diversity Workforce Coalition (DWC), which comprises of employers and other community members whose purpose is to promote diversity in the workplace through education, training, and enhancing networking opportunities. Merchants was again recognized as a DWC Diversity Champion and will continue our role as a diversity leader at both the state and national level in 2024.



## Diversity in Fleet Task Force

Merchants launched the Diversity in Fleet Task Force to amplify the industry's collective impact for greater diversity, equity, and inclusion. Through this industry-first initiative, Merchants joined with clients, suppliers, vendors, and partners to identify ways to collaboratively address barriers to greater diversity in fleet, with the goal of inspiring and effectuating positive and disruptive change.

## Diverse Recruiting

Merchants utilizes Circa, a diversity recruitment technology that connects our company to millions of under-represented job seekers through a network of community-based organizations and niche diversity websites. All of Merchants' job postings are shared through Circa's 200+ different community organizations.

## Black Fleet Network

In addition to officially celebrating Juneteenth as a company holiday, Merchants saw the occasion as a call to action, securing memberships for all of our black employees to the Black Fleet Network™ (BFN). BFN is an organization crafted for, and dedicated to providing resources, community, and growth opportunities for professionals in our industry.

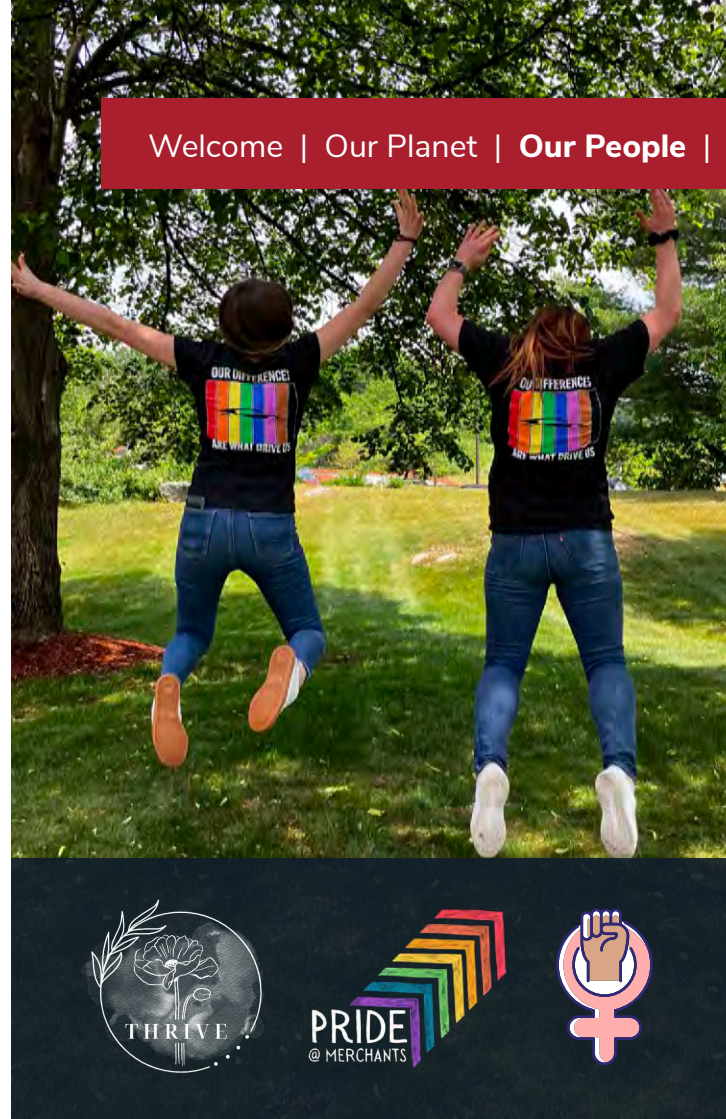




## Ambassadors & Allies

To further advance our culture of DEI, Merchants welcomed our second cohort of Ambassadors and Allies in tandem with the New Hampshire Businesses for Social Responsibility's (NHBSR) Workplace Equity Learning Challenge. In addition to the content and resources provided by NHBSR, the two-month program includes a multi-course LinkedIn Learning path on allyship, and capstone projects.

The two capstone projects were the formation of three Employee Resource Groups (ERGs) and a World Kitchen series that celebrated diversity through sharing recipes. A third cohort, along with revamped content, is scheduled to kick-off in 2024.



## Employee Resource Groups (ERGs)

As a result of our Ambassador and Allies program, Merchants created its inaugural Employee Resource Groups:

- **Pride@Merchants**
  - Fosters a workplace environment where everyone feels valued, respected, and empowered to bring their authentic selves to work, and a safe space to celebrate and learn about the LGTIQIA+ community.
- **THRIVE**
  - Hosts mental-health educational events, discussions and is a valuable force to destigmatize mental-health challenges for all employees.
- **Women's Empowerment (WE)**
  - A community that celebrates the exploration of all things feminism, providing a forum for discussions, activism, and the circulation of resources.

These leadership-sponsored ERGs were chosen based off employee interests and provide safe and supportive spaces for inclusion, education, and allyship amongst the Merchants Community.

## TRAINING & DEVELOPMENT

One of the greatest ways to invest in our people is through training and development. Empowering our workforce to develop skills and drive toward their career goals results in greater productivity and a more engaged, fulfilled, and resilient company. It was a big year for our training programs and learning opportunities, with over 6,800 hours invested in employee development and our pre-apprenticeship program gaining statewide recognition.



## ACCELERATE with ExecOnline



## Apprentice Champions

Joe Wentworth, Merchants Fleet Assistant Director, Talent Management, won the Apprenticeship New Hampshire Champion Award for his exceptional work managing Merchants Auto's technician pre-apprenticeship programs, helping provide pathways for technical skill development and career opportunities for New Hampshire youth and marginalized populations.



## TRAINING PROGRAMS

Merchants is committed to talent optimization through the development of personalized learning paths through all levels of the organization. Just a few examples include:

**exeo**online



**ACCELERATE**  
with a Mentor



**exeo**online



**ACCELERATE**  
with a Mentor



### ExecOnline

ExecOnline platform offers self-paced, micro-credential programs across a variety of disciplines identified as essential for current and future talent.

### Innovation Training

Merchants launched a mandatory innovation training in collaboration with Systematic Inventive Thinking (SIT) to build our talent and accelerate results.

### Leadership Academy

The Leadership Academy consists of 40 hours of learning with experts on topics of leadership, coaching, and emotional intelligence to strengthen the capabilities of new and existing leaders.

### Harvard Business School Online

For the third consecutive year, new management members enrolled in Harvard Business School's Online Sustainable Business Strategy certificate program, furthering a culture of sustainability-first leaders.

### Mentorship Program

The Merchants Mentorship program provides support, wisdom, and fulfillment through voluntary staff mentor/mentee pairings each year. Over 15% of our employees participated in this program this past year.

### Apprenticeship Program at Merchants Auto

Merchants runs the largest auto mechanic apprenticeship program in the state of New Hampshire. Through our partnership with the Community College System of New Hampshire, Merchants is creating more opportunities for adults and high school students interested in becoming auto technicians. This program provides valuable new skills to satisfy the growing demand for auto technicians in New England.



## HEALTH & WELLNESS

Our people's physical and mental wellness is paramount to the continued success of our company. Merchants is going further than ever to provide resources and stability in the face of hardship. Whether it is protecting our most vulnerable workers from the impacts of inflation or providing free holistic health coaching, Merchants believes that optimal wellness can and should be felt both inside and outside the walls of our company.

### 360 Wellness

360 Wellness is a comprehensive corporate health and wellness program that focuses on eliminating the barriers of entry to living a healthy lifestyle. 360 Wellness offers group health coaching, weekly newsletters, wellness webinars, and events covering a range of topics from workouts and nutrition guides to mental health support and creative recipes.



### ONSITE GYM

Merchants features a 24/7 onsite gym to improve accessibility to fitness equipment and to encourage employees to take active breaks that support healthy lifestyles.

### Pickleball & Basketball Courts

In 2023, Merchants constructed two pickleball courts and a basketball court at our headquarters for employees to enjoy a healthy and convenient break outdoors.



### Healthy Incentives

**\$250** 

in incentive for employees who participate in a healthy activity

**\$75** 

for employees who participate in a preventative health screening



## Mental Health First Aid Training

This certification program helped destigmatize mental health issues and addiction while assisting employees in identifying risk factors and warning signs. 47 participants were taught how to foresee and deescalate mental health crises, and they were educated on professional resources and programs that could help those facing mental health crises.



## ENDURANCE PAY

Following nationwide high inflation, Merchants took action by supporting our most financially vulnerable employees by introducing "Endurance Pay." This program provided additional compensation in the form of a base salary increase, provided on top of performance-based merit increases and bonuses. In addition to mitigating the disproportionate effects of inflation on our workforce, Endurance Pay underscored our dedication to resilience.





# OUR COMMUNITY



# DOING GOOD IN THE NEIGHBORHOOD

At Merchants, we encourage and empower our people to enrich the communities in which we live and work every day. Our communities fuel our business, support our people, and improve our planet. Merchants has given back to these communities for over 60 years. Now under new ownership, Merchants is effectively scaling and democratizing our philanthropic strategy in new and exciting ways. Through rapid innovation, our new strategy made significant strides in aligning our corporate giving and volunteering opportunities with the causes and organizations that matter most to our people. Whether it be volunteerism, advocacy, or philanthropy, being a member of Merchants' team is to proudly support the communities where we live, work, and play. We are Merchants; welcome to our community.





# VOLUNTEERING

Leveraging new technology, innovation, and flexibility, our employees engaged and have given back to our communities in a big way. Merchants is poised to create even greater volunteering opportunities that enrich our communities while instilling our employees with a sense of purpose and satisfaction in 2024.

## Community Impact Forum

In addition to facilitating our own original and engaging charitable opportunities, Merchants celebrated and encouraged the independent charitable relationships that our employees have fostered. This past year Merchants developed an online forum where our employees could post and search for volunteering, fundraising, and advocacy opportunities in our local and national communities. The program has increased community awareness amongst our employee base to champion new and existing causes that are most important to our people.



## Merchants Elf

Elevating the giving spirit, Merchants “Elf-ed” 20 employees with \$100 each to donate to a charity of their choice. The Merchants elves then shared their experience with our company, highlighting why they chose the charity, and the services the organizations provide. While a wonderful tradition in its own right, this past year many employees went above and beyond, volunteering both their time and creativity on top of the Merchants’ donations. Volunteering ranged from facilitating toy drives for children living in poverty to creating supply kits to help those in need keep warm during the winter. The success of our company’s strategy of first developing the mindsets and culture of being good, to then do good at scale has never been clearer.

At Merchants our people are  
**DOING WELL** by **DOING GOOD.**







NH AUDUBON

## AUDUBON EARTH DAY

In celebration of our planet, Merchants sponsored the Audubon Society's Earth Day Event where families learned about local wildlife, conservation, and rehabilitation efforts.

## Project Linus

Inspired by an employee's passion for knitting and giving back, Merchants employees came together to make blankets for children in need, in collaboration with Project Linus.

## Project Linus

*Providing Security Through Blankets*

## Paid Volunteer Time

As first announced in 2022, employees had access to as many as five days of paid volunteer time to give back to our communities and planet. In 2024, Merchants will be partnering with charitable organizations to host volunteer events that focus on causes of the highest priority to our employees that will create the greatest impact possible.



## DRIVING GOODNESS AT MERCHANTS

As our culture-first strategy continues to be deployed, this past year was full of exciting developments at Merchants. The results of this strategy has evolved from understanding to an exciting new stage of self-propulsion, as best illustrated by our employees' unprovoked community innovations. At Merchants, we are **DRIVING** change and steering results.

## Plastic Bag Drive

The desire to **Do Good** is as strong as ever at our Chicago office where employees collected plastic bags throughout the year in partnership with CleanUpGiveBack. During Earth Week, the team collected over 30 pounds of plastic, earning them an upcycled Nextrex bench that they then donated to their local Chicago community – literally turning trash into treasure!







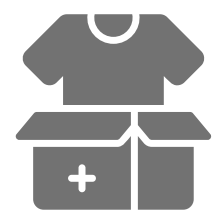
## Fill-A-Van Food Drive

In recognition of Hunger Action Month, Merchants employees personally donated almost half a ton of food. Celebrating our employees' generosity, Merchants matched our employees' donations. **Nearly 2,000 pounds of food was delivered to pantries across New England in a zero-emission electric van.** Taking it one step further, Merchants sourced the bulk of its donations from small New Hampshire farms to support local agriculture and packaged the food in surplus reusable bags made from recycled ocean plastic. Supporting families in need, strengthening local agriculture, and reducing emissions—check, check and check.



## Springsteen Clothes Drive

When Merchants offered employees tickets to Bruce Springsteen's live tour, our people rose to the occasion and created a clothing drive that combined the love of music with our desire to give back to our community. Over the course of five weeks, employees competed in downsizing their wardrobes and closets of unused clothing for free tickets to see "The Boss" in concert. In total, employees donated over 1,000 pounds of clothing to be reused and recycled through our partnership with Helpsy.



**OVER 1,000 lbs.**  
OF CLOTHING DONATED

## Veterans Drive

Employees united to collect and donate an entire van's worth of clothing, blankets, food and other donations to the Liberty House in support of its mission to bring aid to veterans who suffer from PTSD and addiction. The result warmed the hearts of veterans and illustrated yet another example of our people embracing our ethos of doing well by doing good.



## BUILDING ENDURANCE

Over the past five years, innovation and speed accelerated Merchants to new heights. Now the skill of endurance will enable us to sustain our growing positive impact. Our company launched the theme of “Endurance” to empower our employees to grow their resiliency, and our people did not disappoint. From charity walks to sprints to fight cancer, our peoples’ endurance to do good shined through.

### Walk Against Hunger

Employees joined together in Family in Transition’s annual walk against hunger. All registration fees were covered by Merchants.



### Reach the Beach

In a show of endurance, Merchants employees participated in the Ragnar Reach The Beach Race, covering 55 miles across 12 legs in just one day. Additionally, Merchants donated \$250 on behalf of every employee runner to the Dana-Farber Cancer Institute. In total, including this race and other events, Merchants donated over \$10,000 to Dana-Farber.



### March Movement Madness

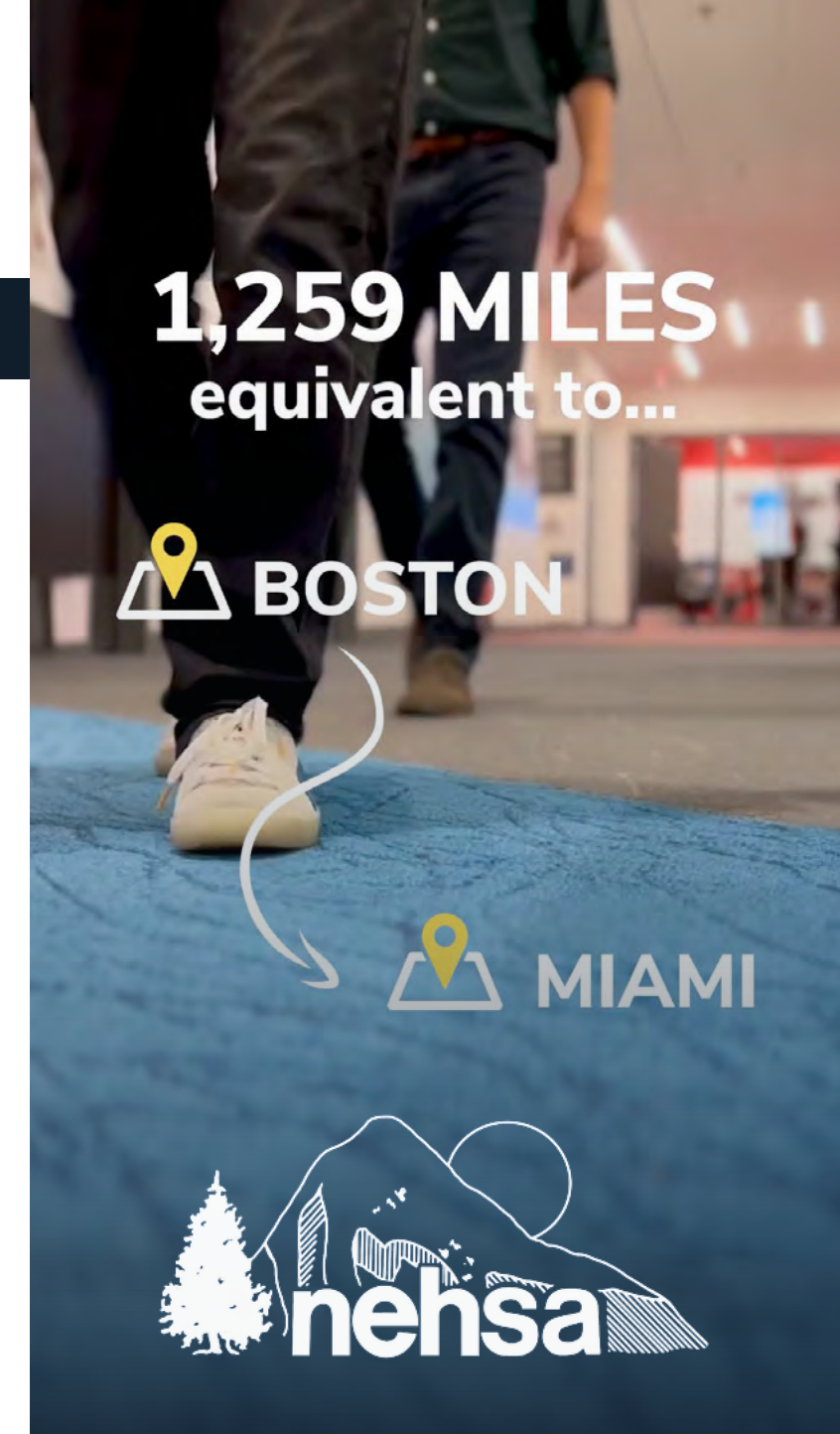
In partnership with the New England Healing Sports Association (NEHSA), Merchants competed against companies across the country in the March Movement Madness, an inclusive event that encouraged movement in all forms. To kick-off the event, Merchants and NEHSA held a DEI event on visible and non-visible disabilities, and how adaptive sports enable and empower people with physical and cognitive disabilities to stay active. Merchants employees logged 71,340 minutes of movement over the month of March, with two employees earning a spot on the national podium!

### Mental Stamina

Employees competed in our inaugural Endurance Reading Challenge. During the challenge, employees prioritized time to read, learn, and celebrate the less visually apparent forms of stamina that play an integral role in endurance. In total, 77,762 pages were read by our employees over one month.

 **71,340**  
MINUTES OF MOVEMENT LOGGED  
BY EMPLOYEES IN 31 DAYS

 **77,762**  
PAGES WERE READ BY OUR  
EMPLOYEES OVER ONE MONTH







## HIGH IMPACT ADVOCACY

Together, many smaller voices can make a big noise. Merchants has scaled both its national and local advocacy for causes that drive our ethos of doing well by doing good for our planet, people, and communities forward. From state level support for corporate responsibility to international racing circuits highlighting the impact of climate change, Merchants has and will continue to raise our voice for topics that matter.



## Hoffman-Haas Fellowship

Merchants sponsored our employees who were accepted into the Hoffman-Hass Fellowship. This program fosters the next generation of non-profit board members that are inspired, engaged, and prepared to become catalysts of positive change. Merchants is always seeking new avenues to further develop our internal talent both personally and professionally, as illustrated with this community focused fellowship.

## Corporate Electric Vehicle Alliance

Corporate Electric Vehicle Alliance (CEVA), led by the sustainability non-profit Ceres, CEVA is a collaborative group of companies focused on accelerating the transition to EVs and supports achieving bold commitments in fleet electrification.

In 2023, Merchants Fleet:

- Participated in a panelist discussion on EVs at Ceres Global Conference
- Attended Climate Week NYC and Ceres Fleet Electrification Roundtable
- Continued to influence and support advocacy opportunities to spread pro-EV policies across the nation, such as the passing of Advanced Clean Fleets (ACF) in California and its subsequent adoption in other states



## NH Businesses for Social Responsibility

New Hampshire Businesses for Social Responsibility (NHBSR), convenes, inspires, and supports businesses and their community stakeholders to build a more sustainable and prosperous state for all.

This past year, Merchants:

- Continued to sponsor NHBSR's Workplace Racial Equity Challenge, which we incorporated into our Ambassadors and Allies program
- Presented our Diversity, Equity, and Inclusion strategy at the NHBSR Spring Conference
- Was a finalist in the yearly Sustainability Slam for the second consecutive year
- Joined the NHBSR Executive Peer Group to influence and drive positive change in New Hampshire





# NEOM MCLAREN RACING TEAMS

## NEOM McLaren *Extreme E* Team

Merchants proudly continues its partnership with the NEOM McLaren Extreme E Team, competing in an all-electric, offroad international racing series that provides the world's first gender-equal motorsport platform. The series highlights the impact of climate change in some of the most remote environments on earth. We firmly believe that partnering with one of the world's great racing brands on Extreme E is an exciting and meaningful way to punctuate our commitment to sustainability.

## NEOM McLaren *Formula E* Team

Merchants announced it is expanding its partnership with McLaren Racing in 2024, becoming an official partner of the NEOM McLaren Formula E Team for season 10 of the ABB FIA Formula E World Championship. Formula E is an all-electric racing series that highlights the innovation, capabilities, and sustainable impact of electric vehicles.



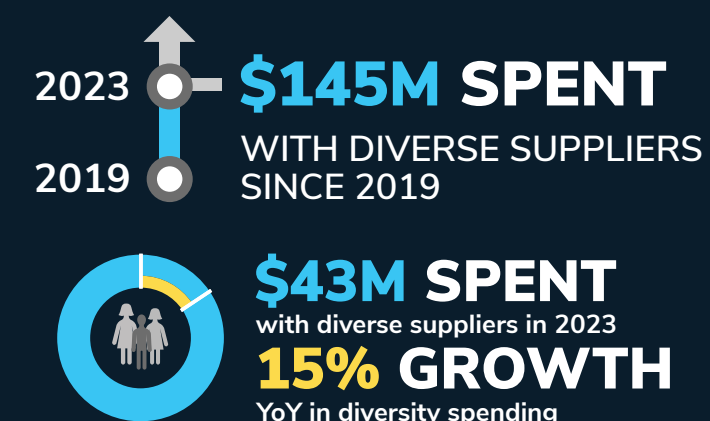
NEOM MCLAREN OFFICIAL PARTNER

# SUPPLIER DIVERSITY

Merchants continues to prioritize the measurement and growth of diversity in our supply chain. Building alliances with responsible suppliers who share our philosophies, accelerates the positive impact we have on our planet, communities, and business by:

- Creating a supply chain that is more resilient, innovative, and reflective of the diversity we see amongst our clients and communities
- Strengthening our communities that have historically been underserved and underinvested
- Embracing the growing business demand of our clients for increased diversity and responsibility

One of Merchants' supplier diversity solutions is our custom Corporate Support Vendor Database, which enables employees to easily identify vendors that are local, small businesses, and/or diversely owned. In addition to creating this database, Merchants has established a policy to prioritize these options when vendors provide competitive services through our preferred corporate support vendor program.



PREFERRED CORPORATE  
**78%** VENDORS  
are local, small businesses and/or diversley owned.\*

\*Non-business essential vendors primarily used on our campuses (e.g. caterers, event support, composters)



## Give With Merchants

Much like our volunteering efforts, Merchants has a long history of philanthropic giving through charitable donations. 2023 was a transformative year for Merchants with the introduction of a new philanthropic giving strategy, Give With Merchants. Through this revised strategy, Merchants is more dedicated and prepared than ever in supporting and partnering with organizations that share our sustainability philosophy and improving our communities, both big and small.







## Employee Giving

Merchants proudly announced the successful completion of its inaugural employee giving program in late 2023, a unique spin on corporate philanthropy that reflects Merchants' commitment to community engagement and employee empowerment.

**Merchants gifted every employee \$150 to donate to a charity** of their choice. Our company also absorbed all processing fees, ensuring that every cent donated was fully directed to the chosen charities. This unique approach led to the company donating over \$100,000 to 64 diverse charities within the first two weeks of launching the program.

**\$100,000+**  
DONATED

**100%**  
EMPLOYEE CHOICE

**100%**  
GOOD

## Giving Innovation

Merchants has rapidly piloted several innovative giving solutions that supported our community, while simultaneously democratizing our approach, and accelerating our vision of moving people, goods, and services, freely and **RESPONSIBLY**. From corporate donations to non-profits that support the movement of people through adaptive sports, to strategic charitable donations that incentivized employees to actively engage in community events, innovation and giving results have never been stronger at Merchants. Most exciting, these innovative pilots will pave the way for scaled giving solutions in the coming years.



“

The Give With Merchants program is a testament to Merchants' unwavering commitment to creating a meaningful impact in the community. In an era where corporate philanthropy has often lacked innovation, Merchants is rewriting the playbook. What makes our employee giving program particularly special, is how it equitably amplifies all voices in our company, while providing an incredible opportunity for every employee to make an impact in our shared community.



**Ted Lague**  
Director, Sustainability



# ACCELERATING FORWARD

2023 was a monumental year for Merchants with a continued focus placed on taking action, and building a culture based in sustainability through a high volume of highly visible solutions. Prioritizing culture and the internalization of sustainability principles lays the foundation for our people and our company to not only accelerate, but to ensure that pace is **ENDURING**. As Merchants drives forward, our company will continue to scale our sustainability programs while also strengthening our metrics and reporting, and above all else broadening our positive impact on the world. Merchants will continue to Do Well by Doing Good for our planet, our people, and our communities.



# APPENDIX ADDITIONAL RESILIENCE MEASURES

In addition to what is covered in the previous chapters of this report, these aspects of our business are critical to ensuring that Merchants continues to **Do Well By Doing Good** in perpetuity.

## Our Vision, Mission and Values


Merchants' vision, mission and values are what drive us to be responsible business leaders both in our industry and community.

### Our Vision

We enable the movement of people, goods, and services freely and **RESPONSIBLY**.

### Our Mission

Providing the most comprehensive, flexible, and innovative fleet experience on the planet.

DOING WELL   
by DOING GOOD

*ESG with Merchants*



## Our Values



### Service

We commit to the most high-touch and responsive service in the industry



### Integrity

We believe that doing business with the utmost integrity is the only way to do business



### Flexibility

We are creative, entrepreneurial, and nimble in our solutions



### Community

We believe in giving back our time, energy and resources to make a better world



### Innovation

We cultivate out-of-the-box thinking, continuous improvement, and technology





## Board of Directors & Ownership

Merchants Fleet operates independently under the ownership of Bain Capital and a subsidiary of Abu Dhabi Investment Authority (ADIA). Merchants' Board of Directors are represented by Bain, ADIA, and Merchants executives. The board meets quarterly adhering to guidelines and charters that ensure the responsible governance of the company.



## Ethics & Compliance

Our culture is based on ethical, inclusive, equitable and lawful behavior, abiding by the highest standards and complying with all laws, regulations, and policies. Merchants supports a culture of openness, trust, and integrity, while diligently keeping employees free from all forms of intimidation and retaliation. To ensure Merchants operates with the highest degree of ethics and integrity, we regularly review and revise our policies and programs.

## Enterprise Risk Management (ERM)

The enterprise risk management program supports executive leadership in the achievement of its strategic objectives, and the Board of Directors as it carries out its fiduciary duty to protect and maintain the financial and operational safety and soundness of the company. The mission of the ERM function and team is to manage risks in line with the defined, enterprise-wide risk appetite in a consistent, comprehensive, data-driven, and interconnected fashion. This enables Merchants Fleet to achieve its strategic priorities, including enabling the movement of people, goods, and services freely and responsibly.

## Business Continuity

Merchants has documented plans and procedures to ensure business continuity in the event of a crisis or other emergency. Merchants regularly tests our company's emergency response plans and trains employees on emergency response and crisis management procedures.

## Information & Data Security

Merchants continues to invest in Information Security (IS). Cybersecurity is a high priority for Merchants as we protect information assets as well as our people, processes, and equipment by implementing industry-standard security frameworks. As part of this commitment, Merchants undergoes an annual third-party security assessment to drive security maturity of the organization. Merchants is committed to ensuring confidentiality, integrity, and availability of information. As such, we are committed to becoming ISO 27001 certified in 2024.

Merchants has a dedicated IS team that includes a 24/7 security operations center that is responsible for the identification and remediation of security events. Our IS policies are designed to comply with and adhere to all regulatory and compliance requirements related to the protection of clients' data, including consumer privacy laws. As risks continue to evolve, so do our security strategies to ensure the greatest information security possible for our clients, company, and partners.





Steering Change. **Driving Results.**