

SCOTT TECHNOLOGY LIMITED

# Sustainability Report 2024







*Scott service team onsite during automated lamb processing room commissioning.*





Scott Technology is a global leader in automation and robotics, with a rich history dating back to 1913 in New Zealand. We specialise in designing and building advanced automation systems that transform industries by enhancing productivity, safety, and efficiency. Scott serves a diverse range of sectors, including meat processing, mining, materials handling and appliance manufacturing. With operations across 9 countries, Scott combines cutting-edge automation, AI and software to deliver tailored solutions that deliver exceptional outcomes for our customers.

At Scott, our core values drive everything we do. We prioritise innovation, continually pushing the boundaries of automation to deliver innovative solutions. Integrity guides our actions, ensuring transparency and ethical behaviour in all our interactions. We believe in the power of collaboration, working closely with our customers and partners to achieve shared success. Our focus on the customer is unwavering, as we strive to provide exceptional quality, reliability, and long-term value in every project.

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*Automated energy transfer solution for Caterpillar (Energize).*



# STRENGTHENING OUR SUSTAINABILITY COMMITMENT

**This year marks an important milestone for Scott as we release our first Sustainability Report. A significant step three years into our Environmental, Social and Governance (ESG) journey. This report reflects our evolution as a company, our commitment to Climate-related Disclosures (CRD) and updates several key ESG initiatives, including setting our ambitious carbon reduction target of 30% by 2030.**

At Scott, we recognise our role in advancing a low-carbon, climate-resilient future and our responsibility as a good business. With industry-leading customers across multiple sectors, we recognise the role we play in supporting their decarbonisation journeys and the flow on effect this will have on their industries and customers.

One example is our partnership with Caterpillar, where we are contributing to improving the sustainability of mining by developing the automated energy transfer solutions for large battery-electric mining trucks. We take seriously the responsibility to help facilitate this transition, understanding the broader impact it will have on accelerating carbon reductions across the sector.

This report also details our progress with our Double Materiality Assessment, a comprehensive study that reflects our commitment to ensuring our sustainability priorities align with those of our stakeholders. Working with our sustainability advisors Tadpole, we conducted an external materiality assessment, building upon our initial assessment from 2021. This updated analysis has been pivotal in refining and guiding the focus areas of our ESG Framework.

By taking a deep, genuine look at how our ESG initiatives align with our core purpose and the needs of our broader stakeholders, we have built a robust framework centred around our foundational pillars of People, Purpose and Place, as detailed in this report (page 7).

*"By taking a deep, genuine look at how our ESG initiatives align with our core purpose and the needs of our broader stakeholders, we have built a robust ESG Framework"*

This framework now encompasses 10 key focus areas, which include employee retention and engagement, safety and wellbeing, diversity and inclusion, customer experience,

governance, climate change, sustainable procurement, greenhouse gas (GHG) emissions, product innovation and storytelling and communication. Together, these focus areas guide us in being a good business, ensuring we operate with integrity, responsibility, and a commitment to positive impact. They serve as both a roadmap and a measure of our progress.

In terms of GHG emissions, our climate statement within this report, provides an in-depth look at our team's work in mapping Scope 1 and 2 emissions, a complex yet essential endeavour across our global operations.

By sharing these disclosures, we demonstrate our commitment to sustainability and accountability at every level of our organisation.

*"Together, these focus areas guide us in being a good business, ensuring we operate with integrity, responsibility, and a commitment to positive impact."*

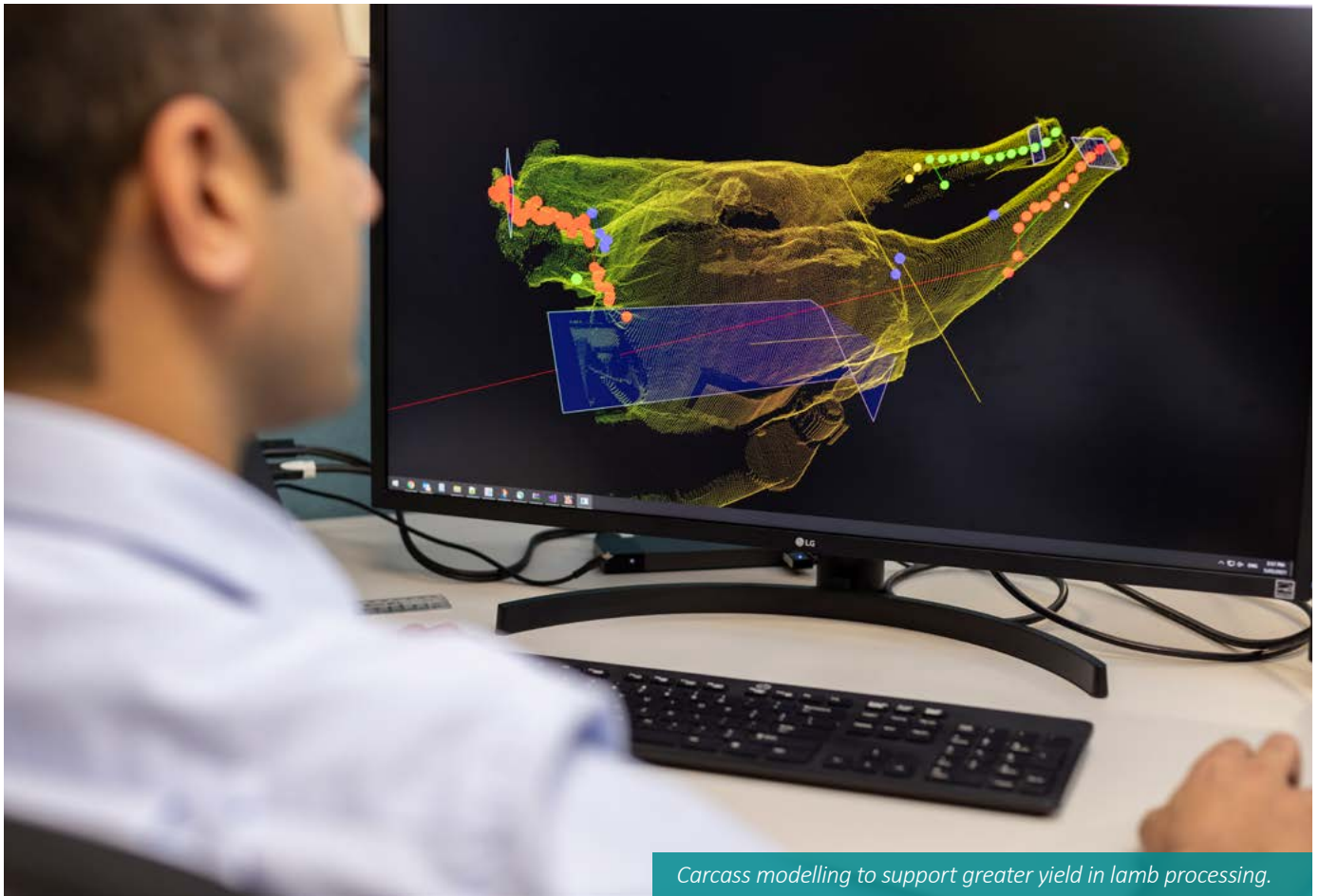
While we are proud of what we've accomplished, we recognise that achieving a sustainable future requires continuous commitment, adaptability and ambition. Looking ahead, we are committed to embedding ESG across Scott's operations, creating measurable improvements in our environmental and social impact, and driving a sustainable future for our customers, stakeholders and employees.



*Stuart McLauchlan*  
**Stuart McLauchlan**  
Chairman



*Casey Jenkins*  
**Casey Jenkins**  
Group GM - Marketing, People,  
ESG and President of Minerals



Carcass modelling to support greater yield in lamb processing.

## EMBRACING DOUBLE MATERIALITY

**To ensure that Scott's sustainability efforts align with stakeholder priorities, the company conducted an external materiality assessment, building on an initial assessment completed in 2021. This original internal assessment laid the groundwork for Scott's ESG strategy, and the new assessment represents a significant milestone in refining the company's focus areas.**

Scott adopted a Double Materiality Assessment to gain insights into both the financial and non-financial impacts of its operations, giving each equal importance. The concept of 'Double Materiality' reflects a dual-perspective approach designed to achieve a comprehensive understanding:

The first perspective, *Impact Materiality (Inside-Out)* analyses insights into the social and environmental impacts that are directly linked to Scott's operation and value chain by evaluating the scale of its impact (health, environmental and social factors), the scope (number of individuals affected) and irremediability (the company's ability to address and resolve issues).

The second perspective, *Financial Materiality (Outside-In)*, focuses on assessing external factors that could affect Scott's financial performance. This involves considering the size of potential financial impacts,

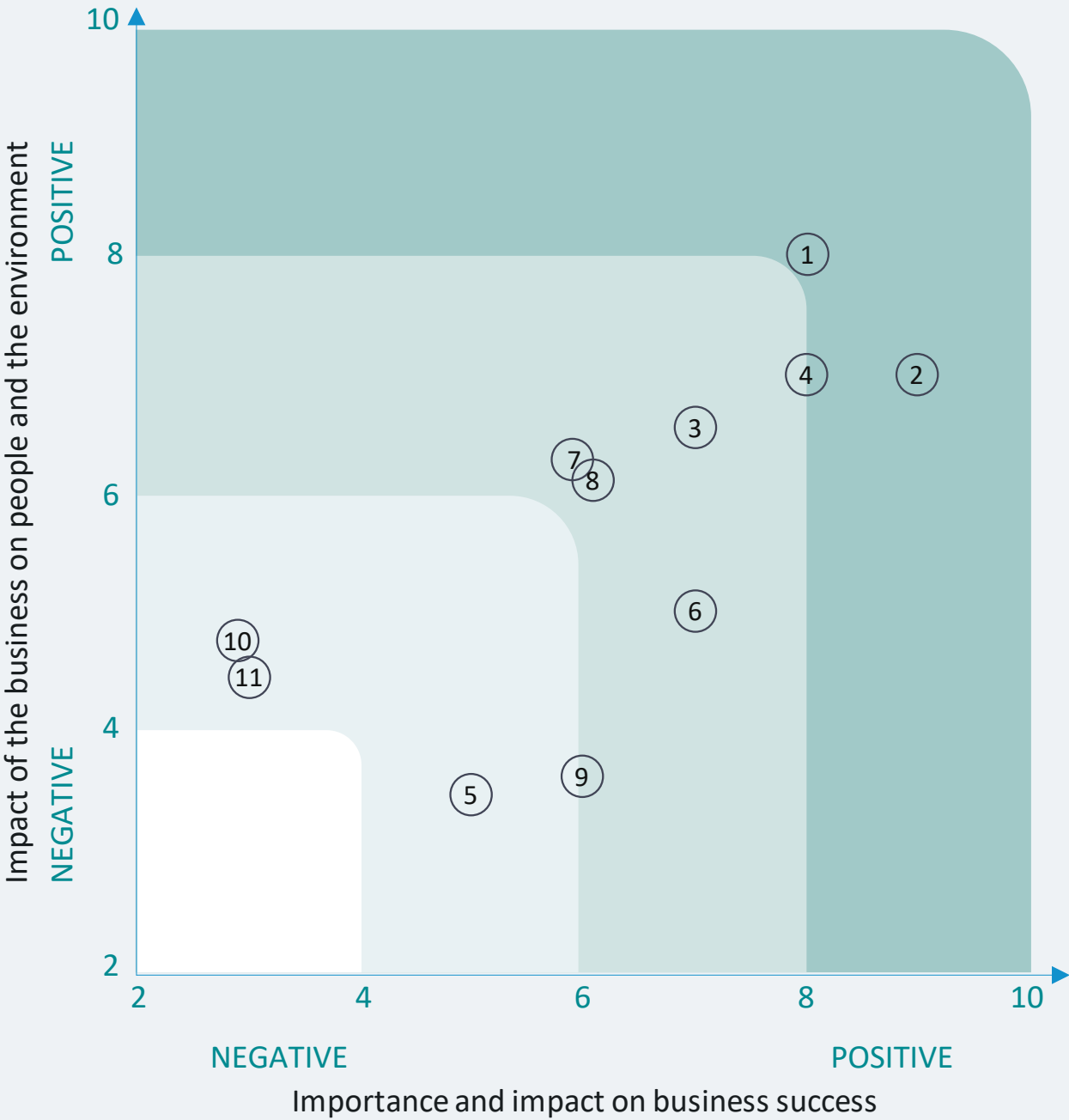
such as the magnitude of risks or opportunities posed by external events. It also assesses the likelihood of these impacts occurring.

As Casey Jenkins, , Group GM – People, ESG, Marketing & President Scott Mining, notes, "By integrating these two perspectives, we can better understand and manage our organisation's overall impact and risks, leading to more informed decision-making and sustainable practices."

The FY24 assessment involved gathering valuable insights through horizon scans, surveys, and interviews with customers, suppliers, employees, directors, and industry bodies. These efforts informed the continuous evolution of the company's Materiality Matrix, allowing Scott to refine its ESG strategy by focusing on areas critical to its broader ecosystem.

Reflecting on this process, Casey Jenkins explains, "After three years of executing our ESG strategy, we recognised the importance of working closely with our broader ecosystem to ensure alignment with stakeholder priorities. We engaged with our stakeholders, gathered their perspectives, and were able to evolve our Materiality Matrix to highlight the key areas of focus for our ESG initiatives".

Double Materiality Matrix, FY24



- |   |                              |    |                     |
|---|------------------------------|----|---------------------|
| 1 | Customers                    | 7  | Climate Change      |
| 2 | People                       | 8  | GHG Emissions       |
| 3 | Governance                   | 9  | Nature              |
| 4 | Product Innovation           | 10 | Resource Management |
| 5 | Storytelling & Communication | 11 | Community           |
| 6 | Sustainable Procurement      |    |                     |





*Scott team members performing a proactive 'site walk around' identifying potential safety risks.*



# EVOLVING OUR ESG FRAMEWORK

Scott's newly refined ESG Framework is designed to drive sustainable growth by aligning with priorities identified through insights from the Double Materiality Assessment. This process has enabled the company to sharpen its focus on the most impactful areas, ensuring that its initiatives remain both effective and aligned with long-term objectives.

The refreshed framework centres on three key pillars: People, Purpose and Place, which guide Scott's ESG efforts.

For this report, the focus is on the 'Place' pillar, as it directly supports the company's objectives of reducing greenhouse gas (GHG) emissions and advancing climate adaptation initiatives. By prioritising the 'Place' pillar, Scott aims to accelerate progress in its GHG emissions reduction strategy and strengthen its climate adaptation plan, demonstrating a clear commitment to environmental stewardship and sustainable impact.

ESG Pillar	Focus Area	Description	Goal
<b>People</b> People are at the core of what we do. It is our commitment to continue to build engaged, diverse, and talented teams. It focuses on retention and recruitment, a priority for our people-led business. This is supported by a commitment to maintaining a safe and inclusive working environment for all.	<b>Employee Retention &amp; Engagement</b>	Team career development with education and training opportunities.	Promote team career growth through focused training and a positive work environment that enhances engagement and retains talent.
	<b>Employee Safety &amp; Wellbeing</b>	Provision of a workplace that safeguards the health and wellbeing of employees.	An unwavering commitment to employee wellbeing, health and safety, supported by a continually evolving strategy to protect our people.
	<b>Diversity &amp; Inclusion</b>	A diverse and inclusive culture and equitable opportunities for employees.	Foster a culture of diversity and inclusion, empowering everyone to thrive.
<b>Purpose</b> Purpose refers to the recipients of our solutions and services – Scott's customers and shareholders. It covers the importance of building meaningful customer relationships, which is a key foundation of the Scott 2027 strategy. This pillar also highlights Scott's commitment to growing a profitable business focused on long term growth and positive shareholder return.	<b>Customer Experience</b>	The experience and satisfaction of Scott's customers.	Transforming industries by improving customer satisfaction, efficiency, productivity and resilience through valuable insights and services.
	<b>Governance</b>	The effectiveness and robustness of Scott's business governance.	Ensuring accountability, transparency, ethical decision-making and regulatory compliance through strong governance structures.
<b>Place</b> Place outlines our commitment to the environment and ensures we develop and encourage sustainable business practices. Our focus on Sustainability ensures that Scott is partnering with employees, customers and suppliers that share our values.	<b>GHG Emissions</b>	The impact of Scott's greenhouse gas emissions.	Reduce our GHG emissions through energy efficiency, renewable energy and sustainable practices across our supply chain.
	<b>Climate Change</b>	The ability of the business to withstand and manage impacts of climate change.	Tackle climate change and build a globally resilient business.
	<b>Sustainable Procurement</b>	The sourcing and quality of materials, the efficiency, traceability and impact of Scott's end-to-end supply chain.	Incorporate sustainability into procurement by prioritising sustainable and responsible suppliers.
	<b>Product Innovation</b>	The quality, safety and ethical sourcing of Scott's products and use of sustainable packaging.	Driving product innovation focused on sustainability, quality improvement and value-added solutions for environmental and social benefits.
<b>Other</b>	<b>Storytelling &amp; Communication</b> <i>(underpins all)</i>	Sharing sustainability efforts transparently, building trust and alignment with stakeholders.	Share stories of our ESG journey to provide information, education and enhance the engagement of key stakeholders.



# 30 BY 30: REDUCING OUR CARBON EMISSIONS

**Scott is committed to reducing its Scope 1 and 2 emissions by 30% by 2030 as part of its sustainability efforts. The “30 by 30” target underscores Scott’s dedication to minimising its environmental footprint and supporting global climate goals.**

Over the past year, Scott has strengthened its carbon management strategy, collecting and analysing emissions data for FY23 and FY24. In FY22, which serves as the baseline year, Scott reported 1,811 tonnes of CO<sub>2</sub>e from its Scope 1 and 2 emissions.

FY22 was particularly significant, as Scott expanded its emissions reporting to include sites across China and the United States, achieving full coverage of its global operations – and reported on this data in its 2023 Annual Report. This comprehensive baseline serves as the foundation for achieving the 30% reduction by 2030.

The focus on Scope 1 and 2 emissions is strategic, as these are areas where Scott has direct control and visibility. Scope 1 emissions arise from the company’s own operations, while Scope 2 includes emissions from purchased electricity.

*“30 by 30” target underscores Scott’s dedication to minimising its environmental footprint and supporting global climate goals.”*

*– Casey Jenkins, Group GM – People, ESG, Marketing & President Scott Mining*

“By concentrating on these, we can ensure measurable and impactful progress. In contrast, Scope 3 emissions—covering indirect impacts like suppliers, product usage, and waste management—are significantly more complex to measure accurately due to reliance on third-party data, which can often be inconsistent or incomplete,” adds Casey Jenkins.

## SCOPE 3 EMISSIONS REPORTING

Scott recognises the importance of addressing its wider value chain impact and while the company has been assessing Scope 3 emissions for several years, not all sources have been comprehensively measured.

This is due to challenges with incomplete source data or the lack of robust measurement methodologies and levels of supplier maturity. Given these gaps, we have opted not to disclose Scope 3 emissions in this Carbon-related Disclosure.

This approach ensures that when we do disclose our Scope 3 emissions, the data will be accurate, reliable, and aligned with best practices. Addressing the existing gaps in Scope 3 measurement is a priority for FY26.

As Casey Jenkins, notes: “Our focus on Scope 1 and 2 emissions reflects our commitment to taking immediate, actionable steps. However, we recognise the importance of tackling Scope 3 and are working diligently to close these gaps to achieve a truly comprehensive carbon management strategy.”

Scott will continue refining its carbon management strategy, exploring further opportunities to reduce its overall impact while ensuring alignment with its long-term sustainability objectives.





*EV charging stations and vehicles at Scott's Deerlijk facility, Belgium.*





Scott China leadership team.

## FORGING PATHWAYS FOR GREATER DIVERSITY

**As a global business, Scott embraces cultural diversity and recognises the backgrounds within its organisation. Scott's core belief is that 'diverse minds create diverse solutions.' Through targeted recruitment initiatives and programmes that encourage more women to enter engineering, Scott is striving to achieve a more gender-diverse workforce, particularly in technical roles and leadership positions.**

"When it comes to gender diversity, we are proud of our progress to date, however, our journey is only just beginning," says Casey Jenkins Group GM and President of Minerals. "New solutions demand new ways of thinking, and a diverse team is essential to reflect our global customer base and drive innovation."

*"New solutions demand new ways of thinking, and a diverse team is essential to reflect our global customer base and drive innovation."*

– Casey Jenkins, Group GM – People, ESG, Marketing & President Scott Mining

Scott continues its sponsorship of RoboCup Junior, a school-based competition designed to inspire young students to engage with, and pursue careers in, science, technology, engineering, and mathematics (STEM). The event challenges school-aged

students to solve real-world problems through robotics, ranging from football games to rescue missions and performing arts.

"Over the years of sponsoring this event, we've noticed an encouraging trend of increased female participation," says Jenkins. "We believe this involvement will lead to more young women pursuing careers in STEM and contributing to the future of innovation."

In the tertiary education sector, Scott has strengthened its commitment to gender diversity by partnering with the University of Canterbury, renowned for producing top engineering graduates. Together, they launched the Scott Technology Women in Engineering Scholarship, aimed at supporting female engineering students. The scholarship covers up to \$5,000 in fees, provides a \$1,000 stipend and offers a paid internship at Scott. Now in its second year, the initiative is helping pave the way for more women to enter the engineering profession, fostering a more inclusive future in the industry.

In August, the Scott Technology Women in Engineering Scholarship was awarded to Molly Newman. Studying a Bachelor of Engineering specialising in Mechatronics, Molly is passionate about technology and the impact it has in transforming the world around us.

"Molly was one of several incredible applicants we received, and it is wonderful to see so many young women thriving in





Molly Newman, 2024 scholarship recipient.

engineering. Molly's leadership and passion for women in engineering impressed the panel and we not only look forward to supporting her over the next few years but also seeing the impact she will make," says Jenkins.

"This scholarship's acknowledgement of the role that diversity and inclusion can play in the success of engineering is incredibly motivating." shares Molly Newman, 2024 Scholarship recipient.

In addition to scholarships, Scott offers alternative pathways into technology through our apprenticeship programme, which plays a crucial role in developing technical talent.

"At Scott, we understand that people have different learning styles, and our apprenticeship programme provides a valuable, hands-on pathway for individuals to develop their technical skills. These apprentices not only stay with the company but also grow and thrive, achieving remarkable career milestones. It's important to us to create opportunities for success, recognising the diverse talents and potential that exist outside traditional academic routes," notes Jenkins.

## A MILESTONE IN CHINA

The Scott office in China stands out as a significant outlier, having achieved a remarkable 50/50 gender leadership balance. This achievement highlights the success of Scott's commitment to gender diversity, particularly in a region where such balance is often rare in leadership roles.

*"Breaking down barriers to gender diversity in technology is not just about fairness – it's about innovation. By creating inclusive environments and providing opportunities for women to thrive, we can unlock the full potential of our teams and drive the industry forward."*

– Cathy Zhang, Regional Director, China

## APPRENTICESHIP PATHWAY: FROM ROBOCUP TO SCOTT

Heather Robertson's career in engineering began with a passion for robotics, sparked by her participation in RoboCup, a school-based robotics competition sponsored by Scott. This early exposure, coupled with a personal connection, led her to pursue an apprenticeship at Scott in 2018.

"I didn't know much about robotics at first but I loved it from the start and never looked back," she says.

Competing in RoboCup throughout high school, Heather excelled in categories like theatre, soccer and rescue, winning multiple events. She first learned about Scott's apprenticeship programme from Donald, a Scott employee who judged RoboCup. Encouraged by Donald, she applied and was accepted. "I didn't fully understand what an electrical apprenticeship involved but I knew I wanted to work at Scott because of their robotics work," Heather explains.

*"An apprenticeship teaches you far more practical skills than you can learn in a classroom."*

– Heather Robertson, Service Engineer

Her apprenticeship provided valuable hands-on experience, including building machines like the lamb primal (a machine for processing lamb) and maintaining older equipment. Mentored by electricians Tom and Donald, she gained a solid foundation in practical skills. "An apprenticeship teaches you far more practical skills than you can learn in a classroom," Heather says.

Heather's role expanded as she worked with the service team, which deepened her interest in service work. In 2022, she moved from New Zealand to Brisbane to take on a service engineer role. "Moving to Brisbane was a big adventure. The apprenticeship gave me a head start, while many of my peers were still in university," she shares.



Heather Robertson, Service Engineer.

# ACHIEVING ZERO LOST TIME INJURIES

**At Scott, people are at the core of its business and One Scott continues to be a fundamental part of our overall strategy and ESG framework. Central to this is an unwavering commitment to employee health and safety. Given the nature of the manufacturing sector in which Scott operates, it developed a comprehensive health and safety strategy that is continually evolving to safeguard its people.**

In FY24, Scott health and safety performance has hit a notable milestone, particularly in reducing injuries and fostering proactive engagement, with a 100% reduction in lost time injuries (LTIs), marking a significant step in the company's drive towards building a work environment free from harm.

"Through evolving preventative measures, Scott is creating a safer and more secure work environment," says Casey Jenkins, Group GM & President of Minerals. "Scott continues to focus on driving a high-performing safety culture. We are fostering an environment where every team member feels safe, cared for and empowered to look after one another."

## INNOVATING SAFETY ENGAGEMENT

This year marked the third Stop for Safety event, a global initiative that pauses operations to recognise outstanding achievements in, and facilitating a wider discussion around, health and safety – with Auckland's Rocklabs site taking out 2023 Outstanding Performance winner, followed closely by the Qingdao, Podivin and Dunedin sites.

In parallel, Scott's use of the BeScott Health & Safety App across the global Group has allowed the company to further digitise its safety efforts. Through the app, 948 hazards were reported in FY24 reflecting an 8% reduction. The app has also played a critical role in improving near-miss reporting, which has improved by 14%, underscoring the proactive safety culture within the organisation.

Leadership engagement has increased, with senior leaders initiating 475 safety conversations this year, a 12% increase on last year, further embedding safety into everyday operations.

The Safe Mate programme, which encourages peer recognition for positive safety behaviours, has also seen increased participation, demonstrating that employees across the organisation are actively contributing to creating safer working environments.

## ADVANCING GLOBAL SAFETY STANDARDS

Another key achievement for Scott this year is the continued success of our ISO45001 certification programme. This internationally recognised standard for occupational health and safety management systems was achieved at several of our sites,

including Auckland, China and the Czech Republic, with Belgium also gaining certification in March.

"This certification not only validates our internal efforts but also enhances our organisation's credibility and commitment to safety excellence, positioning us strongly with external stakeholders and customers," adds Jenkins.

"These results reflect the strength of our safety initiatives and our unwavering commitment to continuous improvement across all areas of health and safety and building an environment that is free from harm," concludes Jenkins.



## CRITICAL RISK FRAMEWORK

Managing critical risks remains a fundamental part of our health and safety strategy. Scott has identified eight critical risks that could potentially cause serious harm to our employees: Mobile plant, falling objects, fixed plant, suspended loads, hazardous substances, potential energy, working at heights and driving.

*"Effective management of these critical risks is essential to our overall strategy and commitment to the safety and wellbeing of all employees. Each member of the Executive team sponsors a specific critical risk area, reinforcing accountability and leadership in risk management."*

*– Kaisa Liu, Group Health and Safety Manager*





*'Be Scott' branding on site, supports high performance safety culture.*

# CLIMATE-RELATED DISCLOSURES

## STATEMENT OF COMPLIANCE

Scott Technology Ltd (Scott or, together with its subsidiaries, the Group) is a Climate-Reporting Entity (CRE) under the Financial Markets Conduct Act 2013 (the Act).

This is Scott's first Environmental Report and Climate-related Disclosures (CRD) under the Act and covers the last 12 months of activity from 1 September 2023 – 31 August 2024.

These Climate-related Disclosures comply with Aotearoa New Zealand Climate Standards NZ CS 1-3 (the Standards) issued by the External Reporting Board.

The following provisions specified in the Standards have been adopted by the Group:

- Adoption provision 1: Current financial impacts
- Adoption provision 2: Anticipated financial impacts
- Adoption provision 3: Transition planning
- Adoption provision 4: Scope 3 greenhouse gas (GHG) emissions
- Adoption provision 5: Comparatives for Scope 3 GHG emissions
- Adoption provision 6: Comparatives for metrics
- Adoption provision 7: Analysis of trends

20 November 2024



**Stuart McLauchlan**  
Chairman



**John Thorman**  
Independent Director and,  
Chair Audit & Risk Committee

*Note: We, and readers of this report should, recognise that climate change projections carry inherent uncertainty. This report reflects our current understanding of climate-related risks and opportunities as of 31 August 2024. This report includes forward looking statements relating to climate-related scenarios that are inherently uncertain and subject to change in future reports.*

*This report includes metrics and targets that are based on estimates and assumptions which are uncertain and subject to limitations. Challenges relating to data inputs may change over time and impact uncertainty of projections. Scott is committed to progressing towards our targets as outlined in this report, however due to uncertain technological changes, economic factors and environmental changes (which in many cases are beyond Scott's control), our targets and strategies to achieve these targets are subject to change. Scott's actual performance against its climate-related targets, and its climate-related risks and opportunities, may not eventuate or may be materially different to what is currently anticipated. We caution reliance on aspects of this report which is necessarily subject to the caveats above. Nothing in this report constitutes the Group's financial, legal, tax or strategic growth guidance or advice.*

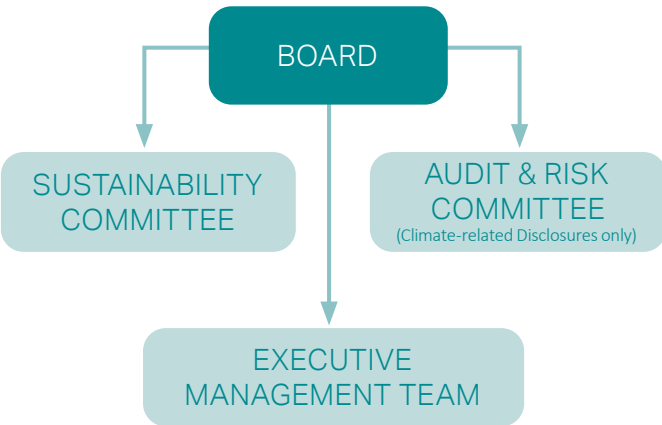


# GOVERNANCE

Scott believes in the benefit of strong corporate governance and the value it provides for our shareholders, customers, employees and other stakeholders. Our Board is responsible for ensuring that the Company maintains high ethical standards and corporate governance practices. With climate-related factors being recognised across our business as a key strategic challenge, we have focused on ensuring we have clear and effective accountabilities and processes in place to meet our ESG objectives, and to ensure that our governance processes are in line with XRB’s framework.

The Board has overall responsibility for the strategic direction of the company, as well as oversight of risk management. This includes overseeing climate-related risks and opportunities. The board has delegated responsibility for the development of Climate-related Disclosures to the Audit and Risk Committee and has established a formal Sustainability Committee to oversee and manage the broader ESG objectives of the company.

## Scott Technology Governance Structure



## GOVERNANCE BODY OVERSIGHT

As stated above whilst the Scott Technology Board is responsible for the strategic direction of the company’s activities including climate-related risks and opportunities, it is the Audit and Risk Committee (ARC) that has been given responsibility for the development of Scott’s climate-related disclosures including the identification and consideration of climate-related risks and opportunities and developing the skills and competencies to oversee this new requirement. The ARC meets quarterly and reports to the Board after each meeting.

Scott has also established a Sustainability Committee to oversee wider ESG objectives at Scott. The Sustainability Committee

is a formal Board committee, with its own charter that has been signed off by the Board and has the same standing as the ARC and other formal Board committees. The Sustainability Committee is made up of a mix of Board directors and members of the Executive Management Team. This includes the Board Chair, CEO and the GM – People, ESG and Marketing. A copy of the charter can be found on the company's website, <https://scottautomation.com/assets/Investor-centre/Policies/Sustainability-Committee-Terms-of-Reference-2024.pdf>

The Sustainability Committee meets a minimum of four times per year and provides an update to the Board on its activities at the next Board meeting. If substantive issues arise at the Sustainability Committee that require more Board time and focus, then specific Board sessions are arranged.

The Board has undertaken a facilitated self-assessment to ensure it has the appropriate skills and competencies to provide oversight of climate-related risks and opportunities. The Company engages sustainability and legal consultants to advise the Board and Management on specific climate reporting obligations and help build internal expertise along with seeking self-education.

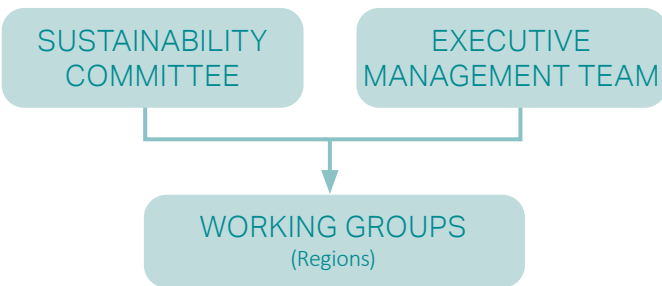
The Board maintains full responsibility for considering and setting the targets associated with climate-related risk. Management has been tasked to enact and execute these plans as part of the company's wider business strategy. The Executive Management Team have ESG and climate-related performance KPIs included in their Short-Term Incentive plans (STI).

## MANAGEMENT’S ROLE

The Board has delegated to the CEO day-to-day responsibility for the delivery of the agreed business strategy, including ESG objectives, as well as oversight of the delivery of operations and risk management.

The Executive Management Team, including the CEO, have a shared responsibility for progressing and delivering the strategic priorities, including the priorities within the ESG strategy.

## Scott Technology Management Structure





Scott team 'Stop for Safety' at our Podivín, Czech Republic site.

## STRATEGY

**Integrating Scott's ESG objectives into the business strategy is essential to drive sustainable growth and long-term success. Teams from across the business have been involved in key elements of this disclosure including in developing our scenario narratives and responses.**

The strategy work undertaken as part of the process of preparing Scott's climate-related disclosures included the business completing detailed analysis of potential scenarios and identifying climate-related risks and opportunities. In line with the External Reporting Board's (XRB) guidance, this is to ensure we evaluate the critical risks and opportunities we may face as a business. The process we undertook, and the outputs we created, are detailed in the scenario analysis section of this report.

Scott's strategy disclosure also includes our perspective on how climate change has impacted the business in the most recent reporting period. This is documented in the section that follows.

## CURRENT IMPACTS AND FINANCIAL IMPACTS

### PHYSICAL IMPACTS

**Extreme acute weather events:** In recent years, flooding, strong winds and forest fires around the world caused supply disruptions, flight delays and impacts on freight. While Scott has not been materially impacted by these events in FY24, the occurrence of these events have reinforced the importance of fortifying our operations against climate risks. If these events were to occur in future, Scott would adapt to the impacts of such acute weather events by exploring alternate

transport routes, and ongoing reassessment of Scott's chosen operational location relative to patterns of weather events.

In Europe, while there has been no impact in FY24, severe weather events may lead to stricter regulations related to land use and food resource protection in future. We may also see regulations regarding the use of renewable energy increasingly become the standard.

**Chronic physical impacts:** Extreme temperatures have not impacted Scott's operations and the ability of our employees to work efficiently in FY24. However, Scott has robust control measures and policies in place to ensure safe working conditions in the event of extreme temperatures.

### TRANSITION IMPACTS

We have seen energy costs increase in Europe and Australia for Scott. We anticipate this may continue in the future. Scott is currently investigating transitioning our Australian forklifts to be fully electric, as well as investigating on site solar energy generation to reduce and offset power from the grid. These initiatives will help to address the increased energy costs currently impacting our business.

New climate-related legislation, particularly in New Zealand and Europe, has resulted in an increased cost of doing business to meet reporting requirements.

With regards to the current financial impacts of Scott's physical and transition impacts identified above, we will be undertaking these in the second reporting year, utilising XRB's NZ CS 2 Adoption Provision 1.



# SCENARIO ANALYSIS

As part of developing Scott's climate-related disclosures for the strategy pillar, the business conducted an in-depth scenario analysis to identify the key climate-related risks and opportunities that may arise in the future and their potential impacts on the business. Scott is a global leader in automation and robotics, serving a diverse range of sectors, including protein processing, mining, materials handling, and appliance manufacturing. As such, the scenario analysis process needed to consider these sectors and any relevant outputs.

The scenario analysis work details three climate scenarios, as required by the XRB:

1. A 1.5°C global warming scenario
2. A 3.0°C or greater global warming scenario
3. A third temperature scenario of Scott's choosing

For the structure of the three scenarios, Scott chose to use the Network for Greening the Financial System (NGFS) framework, which provides various temperature scenario ambitions and outcomes, and key trends underpinning them. The specific scenarios within this framework and their temperature policy ambitions are outlined in the next section of this report 'Scenario Analysis Methods and Assumptions'.

## SCENARIO ANALYSIS METHODS AND ASSUMPTIONS

### Why these scenarios?

The decision to use the NGFS framework and the following three scenarios was guided by XRB's requirements and the importance of considering the various industries Scott serves. As such, the

rationale for these decisions reflects the dual need to meet regulatory standards and address industry-specific risks.

NGFS scenarios chosen:

1. Orderly Transition: Net Zero 2050 (<1.5°C global temperature outcome)
2. Disorderly Transition: Delayed Transition (~2°C global temperature outcome) (Scott's temperature of choosing)
3. Hot House World: Current Policies (>3.0°C global temperature outcome)

The NGFS scenarios are consistent with frameworks selected by many other organisations and are particularly effective in rigorously assessing transition risks.

The Net Zero 2050 scenario allows Scott to assess our transition-related risks under a rapid but planned decarbonisation pathway. Delayed Transition scenario maximises and explores transition risks by providing the most abrupt transition and decarbonisation pathway. In contrast, the Current Policies scenario enable Scott to support considerations around the physical impacts of climate change over time.

### Scenario characteristics

Each of the three scenarios Scott used is characterised by key physical and socio-economic trends, influencing the direction of change and the different pathways that could play out over time. A description of these various emissions reduction pathways and key trends associated with each scenario is provided in the following table. Key characteristic trends were guided by the NGFS framework, various sector scenarios and input from the Scott team.



Scott service team on site supporting system installation at customers site.

Characteristics	Net Zero 2050	Delayed Transition	Current Policies
Scenario archetype & architecture	NGFS - orderly theme RCP 1.9 SSP3: Sustainability CCC: Tailwinds IEA: NZE	NGFS - disorderly theme RCP 2.6 SSP3: Regional Rivalry CCC: Headwinds IEA: SDS	NGFS - Hot House World theme RCP 8.5 SSP3: Fossil Fuel Development CCC: Current Policy Reference IEA: STEPS
Global temperature outcomes	<1.5°C	~2°C	>3.0 °C
Policy reaction	Immediate & smooth	Disjointed & myopic	Chaotic, non-existent
Regional policy variation	Aligned	Consumer & politically driven	Selfish
Speed of technology change	Fast change	Medium net change with disjointed implementation	Slow change
Customer sentiment / behavior change	Universal, accelerated & immediate	Polarised	Ambivalent
Physical risk severity	Moderate	Moderate - High	Severe
Transition risk severity	Moderate	High	Low Severity
Supply chain impacts of physical (& transition) risk	Low	Low - Medium	Medium

RCP = Representative Concentration Pathways, SSP = Shared Socio-economic Pathways, CCC = Climate Change Commission, and IEA = International Energy Agency

## Scenario time horizons

Scott was also required to select three time horizons over which the three scenarios play out. These needed to consider the short, medium and long-term potential outcomes of climate-related risks and opportunities. The three-time horizons selected were:

- Short: 2024-2027
- Medium: 2028-2040
- Long: 2041-2050

The endpoints of each time horizon are determined by a year (2027, 2040, 2050) and were chosen to align with Scott's internal commercial planning horizons and to improve applicability of scenarios to the sectors which Scott services.

The short-term aligns with Scott's strategic planning process, the medium-term reflects the significant activity taking place in this period that could impact Scott, and the long-term aligns to 2050 as the Net Zero target date many businesses are striving towards.

## Scenario data sources

The use of data in a scenario analysis helps to paint a picture of potential trends over time in the lead up to each temperature outcome. The data sources that Scott used during the construction of each scenario are provided in the Appendix of this report. No modelling outside of that which supports the primary data has been used in the construction of each scenario.

## The scenario analysis process

While the scenario analysis has been conducted as a standalone analysis, outputs from the process, particularly the climate-related risks and opportunities, will serve as input into Scott's existing strategy and risk processes.

Scott's scenario analysis process followed six key steps. These are outlined below, at a high level.



The scenario planning process outlined above has had the full backing and participation of the Executive team. The Audit and Risk Committee had oversight of the process with regular updates.

Scott engaged the external sustainability consulting firm, Tadpole, to support and facilitate the creation of our climate-related disclosures, including the development and delivery of the scenario analysis process, in line with XRB guidelines.



## Scenario analysis narratives

Based on the outputs from our scenario analysis, Scott developed three narratives to illustrate how we consider key climate-related trends may unfold over time and their potential impacts on our business and wider industry. These narratives are outlined below.

### Orderly - Net Zero 2050

The NGFS assumes the world shifts immediately and smoothly towards a sustainable path in response to the impacts of climate change. It assumes consumer behaviour increasingly favours organisations focusing on climate action, and therefore we anticipate an increasing demand (and pressure) for low-emissions products, with a strong willingness from the market to adopt and pay for these. Manufacturers are at the epicenter of this shift. The robotics and automation sector undergoes transformation and growth, with substantial investments in research and development, which could lead to breakthroughs in energy-efficient automation. These advancements optimise energy use, reduce waste, and enhance efficiency in manufacturing and logistics, making it a solid investment for organisations in these sectors.

Robotics and automation are also seen as a solution to manage the impacts of an aging population while playing a crucial role in creating resilient supply chains, capable of adapting to climate-related disruptions. Increased data use and transparency enable businesses to make more informed decisions, aligning product categories with evolving consumer and business expectations. Broadscale electrification also occurs within industries as they race to decarbonise and this investment in capital temporarily pushes commodity prices upwards as heavy emitters are forced to reign emissions in.

We foresee that growth in critical mineral demand increases and the mining sector sees continued strong growth, increasing the market size for Scott's mining products. However, this growth also means there are increased regulations on land and resource use, traceability and modern slavery commitments. Heavy vehicle electrification and automation sees Scott leverage its IP into new sectors.

Globally, consistent and strong political ambition across parties signals the market to decarbonise immediately and rapidly, supported by industry consultation and policy certainty. There is a growing trend of climate litigation against organisations that are not perceived to be contributing sufficiently to sustainability efforts. Organisations who move quickly to adapt and prepare for the impacts of climate change reap the benefits of customer and employee loyalty, strong commercial relationships and are well prepared to weather the period of uncertainty in the 2020's and 30's.

### Disorderly – Delayed Transition

The NGFS assumes that throughout the 2020's, economic pressures dominate society's focus, seeing climate action deprioritised in favour of other issues. Climate change mitigation is seen as a nice-to-have rather than a necessity. Some forward-looking companies invest in decarbonisation but this is typically at the fringes. Despite national emissions targets, even well-intentioned companies struggle to transition, delaying investments in circularity, low-emissions products, and the technology required to decarbonise their operations.

The response to climate change is characterised by ambitious commitments but poor follow-through until panic begins to spread among the general population and businesses in the late 2020's and early 2030's. In response, governments introduce a series of policies aimed at rapidly transitioning the economy to low emissions. Although well-intentioned, these policies, developed with minimal consultation and deployed haphazardly, lead to unforeseen externalities. Farmers are hit particularly hard as regulations target methane reduction and consumers move away from high-emissions food. Only those who demonstrate low-emissions production credentials win in the marketplace and the sector sees fast consolidation. Operating costs increase due to regulation-related rises in the price of energy, fuel, transport and rent.

Organisations scramble to mobilise transition plans, requiring fast decisions on asset divestment, product portfolio changes and decarbonisation strategies. Scott's customers increasingly demand information on its emissions footprint and product-level data, requiring Scott to rapidly develop this capability. Internationally there is significant variation in domestic policy, creating an environment of uncertainty and complexity. The disjointed nature of the transition and associated policies create friction when accessing raw materials, compounded by exploitation, lumpy demand and chaotic planning – all of which increase costs and complexity.

Access to finance and insurance hinges on comprehensive transition planning and disclosure. Insurance for high-carbon activities or at-risk locations becomes increasingly expensive or unavailable as insurance companies withdraw from these markets. Organisations who can demonstrate their progress towards climate security can access discounted capital and the growth of green bonds and loans increases dramatically. There are significant benefits available to organisations who transition rapidly.

## Hot House World – Current Policies

The NGFS assumes that from the present day to 2050, no additional climate policies are implemented. Physical impacts of climate change continue to affect all areas of the economy. Acute climate events cause road and bridge closures, while chronic impacts degrade coastal infrastructure and working conditions within warehousing.

Legacy infrastructure becomes unreliable, and traditional routes become unusable for significant periods, impacting Scott's ability to efficiently source and move products. Increased wind speeds, wave swell and storms hamper New Zealand's already remote ocean-based supply chains. The workforce faces increasing pressure to maintain service levels, leading to stress and workforce attrition. Costs escalate, and customers become unwilling or unable to pay, making access to finance highly problematic.

New Zealand, Australia, and the rest of the world focus on prioritising food and energy security, leading to uncontrolled emissions growth. Highly cyclical governments with unclear decarbonisation objectives dampen long-term planning, and funding is directed toward adapting to the changing climate rather than developing mitigation strategies. The lack of effective mitigation efforts and disagreements on climate action exacerbate existing social tensions.

Climate mitigation technology development lacks direction, with minimal emphasis on reducing emissions. Technology adoption and automation are seen as critical enablers for organisations to adapt to the changing climate and Scott's growth is rapid as it leverages its IP into new sectors and automation is increasingly utilised.

Previous reliance on the consistent supply of raw materials is called into question as manufacturers start to see suppliers impacted by the effects of climate change in some source locations. The historically reliable logistics network starts to crack, impacting the long complex supply chains for raw materials.

These impacts are exacerbated by geopolitical tensions and protectionism as countries begin to prioritise their own resources. Some source locations become untenable, and organisations must develop strategies to de-risk themselves. Despite these challenges, some businesses find opportunities in developing resilient systems and innovative solutions to manage climate impacts. Companies that can adapt to the harsh realities of a hot house world, by leveraging advanced technologies and diversifying supply chains, may still achieve success, albeit with higher operational costs and increased risk management complexity. However, the overall business environment remains challenging, with significant uncertainties and heightened competition for resources and market share.

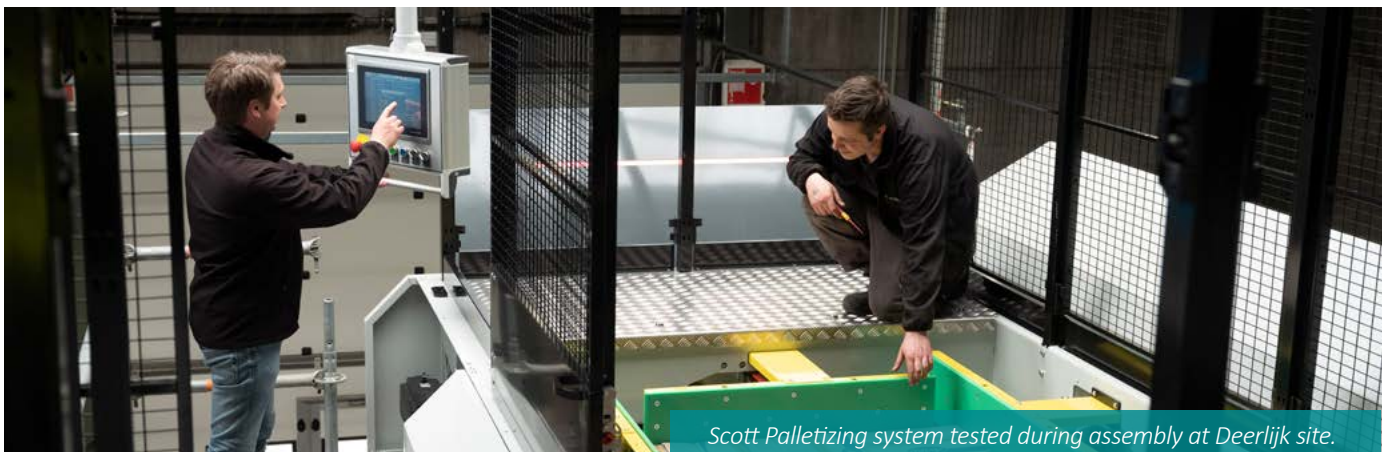
## CLIMATE-RELATED RISKS, OPPORTUNITIES AND IMPACTS

Outputs from our scenario analysis allowed us to identify potential physical and transition climate-related risks and opportunities that could materialise over our three-time horizons. The potential impacts of these risks and opportunities were also explored during our scenario analysis. These outputs are provided in the Risk Management section of this report (please refer to the risks and opportunities tables).

The anticipated financial impacts of Scott's climate-related risks and opportunities, and the time horizons over which these may occur, will be undertaken in the third reporting year, utilising XRB's NZ CS 2 Adoption Provision 2.

### Capital deployment

Scott is currently determining how climate-related risks and opportunities serve as an input to our internal capital deployment and funding decision-making processes. Scott does currently allocate some capital towards decarbonisation initiatives including the installation of charging facilities at our European sites.



*Scott Palletizing system tested during assembly at Deerlijk site.*



# TRANSITION PLAN

## Scott business model and strategy

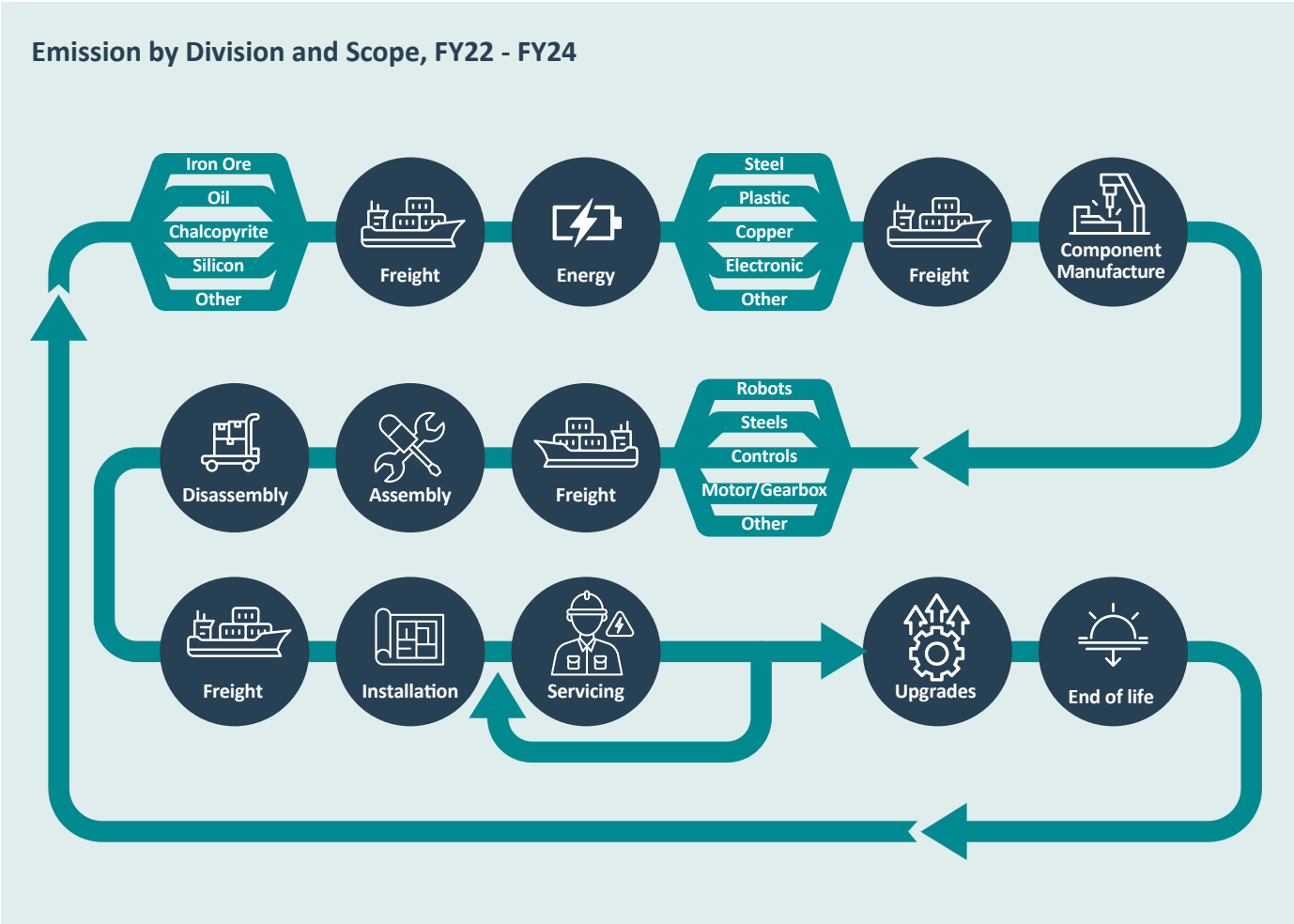
Scott has a commitment to our Engineering Scott to High Performance 2020 - 2025 Strategy, which has driven sustainable growth and leadership across core sectors and has led to the extension of the strategy through 2027. This includes a focus on enhanced productisation and modularisation in our product development to improve serviceability, sustainability and customer engagement while reducing engineering time, project risk and reputation as an innovative partner.

Scott offers solutions that range from the initial design and consultation to the installation, implementation and support of automation systems and products. This full-service approach

ensures long-term customer engagement and recurring revenue. The company serves a range of core sectors such as MHL, Protein, Minerals and Appliances and operates in nine countries around the globe. This diversification helps mitigate risks associated with dependence on a single market and leverages its technical expertise across domains.

Scott's automation solutions are designed to improve operational efficiency, reduce costs, enhance safety and productivity, and provide sustainability benefits for its customers. This value proposition supports customer retention and encourages new business.

Scott's value chain is comprised of the following elements:



## Current Status and Future Transition Planning

At this stage, Scott has not developed a transition plan describing how the business will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state. The intention is to undertake this work in Scott's second climate-related reporting year, utilising XRB's NZ CS 2

Adoption Provision 3. This also means any transition plan aspects of our strategy aligned with internal capital deployment and funding decision-making processes will also be disclosed in our second climate reporting year, utilising the same adoption provision.



*Scott's Automated Lamb Processing solution delivers high efficiency.*





*Werner Conradie, Rocklabs GM, presents at the Rocklabs facility opening.*

## RISK MANAGEMENT

**Scott has a thorough and robust Risk Management Framework that is centered around our risk register. The register is formally reviewed at each Audit and Risk Committee meeting, initially by management and subsequently it is presented to the ARC for review. The Board has overall responsibility for overseeing Scott's Risk Management Framework.**

Any suggested additions or deletions, or changes to risk profiles from the previous risk register are highlighted and flagged by management and discussed at the ARC, with the CFO responsible for initiating the discussion.

The prioritisation of risks within the register is undertaken by management utilising a grid that rates each risk according to likelihood and impact to ascertain a risk score, which is then colour coded (Red/Amber/Green) using a pre-determined risk score grid. Each risk is also assessed against a numeric risk criterion, which is an estimate of quantified financial impact to Scott, ranked from 1 (minor) to 5 (catastrophic). At the management review, these rated risk scores and criteria are documented and compared to the previous rating for each risk.

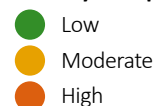
Mitigations for these risks are also identified as part of this process, as is the relevant link to strategic initiatives for each risk. Owners from within the Executive team are identified for each individual risk.

Climate-related risks and opportunities have been integrated into the existing Scott risk management framework and are reviewed in the same cycle as all business risks.

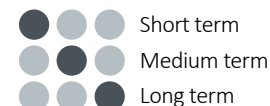
The specific climate-related risks identified through the scenario analysis process have been integrated with the existing Board risk management process. These risks have replaced or supplemented the existing climate risks identified within the overall risk matrix and are also identified as the climate-related risks stemming from this thorough process, of which the Board have had clear oversight throughout. The climate-related risks identified through scenario analysis are also maintained separately and are assessed and reviewed in the same cycle and forums as the overall integrated risk management framework, which is at a minimum annually.























































## PHYSICAL AND TRANSITION RISKS

### Severity of Impact



### Time horizon



Description of Risk	Description of anticipated impact	Net Zero 2050	Delayed Transition	Hot House World	Value chain impacted	Geography	Business Response
<b>Acute physical risks &amp; severe weather</b>							
<b>Significant increase in the quantum and severity of weather events</b>	Severe weather events such as floods, fires and storms significantly impact transport and logistics operations and infrastructure. This can result in challenges to delivery, inability to unload, store and distribute Scott products.	  	  	  	Freight, Installation	All	Risks included in risk register discussion with board and inventory levels optimised to ensure supply is not affected.
<b>Transitional - Customer</b>							
<b>Changing consumer habits</b>	With societal norms moving away from industries that are believed to be high emitters of carbon, i.e. red meat, one of Scott's core business pillars decreases.	  	  	  	End to end	NZ AU US	Monitoring protein sector while exploring alternative opportunities as they arise.
<b>Transition - Political</b>							
<b>Access to raw materials</b>	With an increasing demand for raw materials and more protectionist policies from some countries, Scott is forced to invest in inventory levels to ensure security over our supply.	  	  	  	Component manufacturing, Servicing, upgrades	All	Risks included in risk register discussion with board and inventory levels optimised to ensure supply is not affected.
<b>Increased variance in global regulations</b>	Globally, regulations are increasingly different by each geography creating complexity in navigating a global business. Uncertainty of incoming regulations and lack of lead time to adjust to incoming regulations.	  	  	  	Head Office (Strategy)	All	Monitor key markets for any divergence and ensure strategy allows for any changes in demand.
<b>Carbon border taxes / adjustments - traceability (carbon leakage)</b>	Increased prevalence of carbon border adjustments and emissions reporting / traceability	  	  	  	Head Office (Strategy), Freight	All	Monitor key markets for any divergence and ensure strategy allows for any changes in demand.
<b>Increase in tariffs</b>	Globally, tariffs are increasing, impacting geographies that Scott can play in. Increases costs of goods, reduced competitiveness	  	  	  	Head Office (Strategy)	All	Monitor key markets for any divergence and ensure strategy allows for any changes in demand.



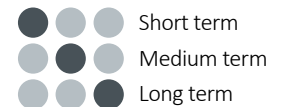
## PHYSICAL AND TRANSITION RISKS

(continued)

### Severity of Impact



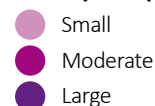
### Time horizon



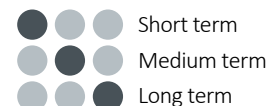
Description of Risk	Description of anticipated impact	Net Zero 2050	Delayed Transition	Hot House World	Value chain impacted	Geography	Business Response
<b>Transition - Economic</b>							
<b>Access to insurance</b>	With more frequent weather events causing an increase in insurance payouts, both the cost and access to insurance could become prohibitive.	● ● ●	● ● ●	● ● ●	End to end	All	Insurance included on risk register and levels of insurance discussed with directors
<b>Access to finance</b>	With a changing landscape for consumers and investors and a re-deployment of capital towards more "green-based" industries or technologies, it is harder to raise funding through traditional methods.	● ● ●	● ● ●	● ● ●	End to end	All	Finance included on risk register and levels of financing needed discussed with directors
<b>Mining industry reduction in stability due to changing demand.</b>	The mining industry, traditionally very stable will see increasing change- both upwards (increasing demand for minerals needed in decarbonization technology) and downwards (significant reduction or elimination of coal mining; increased recycling of products leading to reduced demand for other freshly mined minerals). This may be difficult for Scott to navigate.	● ● ●	● ● ●	● ● ●	Component manufacturing, AU Installation, Servicing	NZ	Monitoring mining sector while exploring alternative opportunities as they arise.
<b>Transition - Legal</b>							
<b>Directors and Officers responsibilities</b>	Increased litigation against directors and officers- requirements for additional education.	● ● ●	● ● ●	● ● ●	Head Office	All (will affect local directors as well)	Ensure directors are educated and insured
<b>Reporting and compliance</b>	Increased requirements for reporting and compliance- resourcing, cost.	● ● ●	● ● ●	● ● ●	Head Office	All	Ensure reporting process is robust and educate key staff in this area.
<b>Transition - Operational</b>							
<b>Impacts on the global freight system</b>	Changes in network vulnerability of the freight system can increase costs and create scheduling volatility	● ● ●	● ● ●	● ● ●	Freight, Installation, Servicing, Upgrades	All	Risks included in risk register discussion with board and inventory levels optimised to ensure supply is not affected.























































## OPPORTUNITIES

### Severity of Impact



### Time horizon



Opportunity	Net Zero 2050	Delayed Transition	Hot House World	Value chain impacted	Geography	Business response
<b>Growth in mining sector</b> As the transition to a low emissions economy requires significant amounts of minerals and semi-precious metals, growth in the mining sector is likely and there is an opportunity to grow Scott's mining division.	  	  	  	Mining division	Mining customer locations	Monitor key markets for any opportunities and ensure strategy allows for any changes in demand.
<b>Opportunity to change business model to reduce travel and freight</b> More distributed business model reduces carbon footprint as well as saving the cost of travel and freight. Opportunities to engage with 3rd party providers- e.g. distributed additive manufacturing operations- to produce to our designs and/or support customers on our behalf (a more flexible business model).	  	  	  	Freight, Installation, Service, Upgrades	All	Review strategy and structure to ensure the most efficient internal supply chain possible.
<b>Transition from red meat to alternative consumption</b> Opportunity to transition/grow in different markets and/or sectors.	  	  	  	Head Office (Strategy)	All	Monitor key markets for any opportunities and ensure strategy allows for any changes in demand.
<b>Drive for low carbon mining</b> Opportunity to transition/grow in different markets and/or sectors.	  	  	  	End to end	NZ AU	
<b>Leveraging Scott's IP and experience into sectors outside where we currently play</b> Opportunity with ageing populations globally and labour shortages. Scott can leverage its experience into new sectors.	  	  	  	End to end	All	
<b>Access to funding and government incentives</b> Govt funding and R&D funding.	  	  	  	Head Office (Strategy)	NZ AU US	



# METRICS AND TARGETS

Below is a summary of Scott’s Scope 1 and 2 Greenhouse Gas (GHG) emissions. The business notes that an internal emissions price is not employed over this reporting period. As such, for the purposes of primary users this price may be interpreted as \$0.

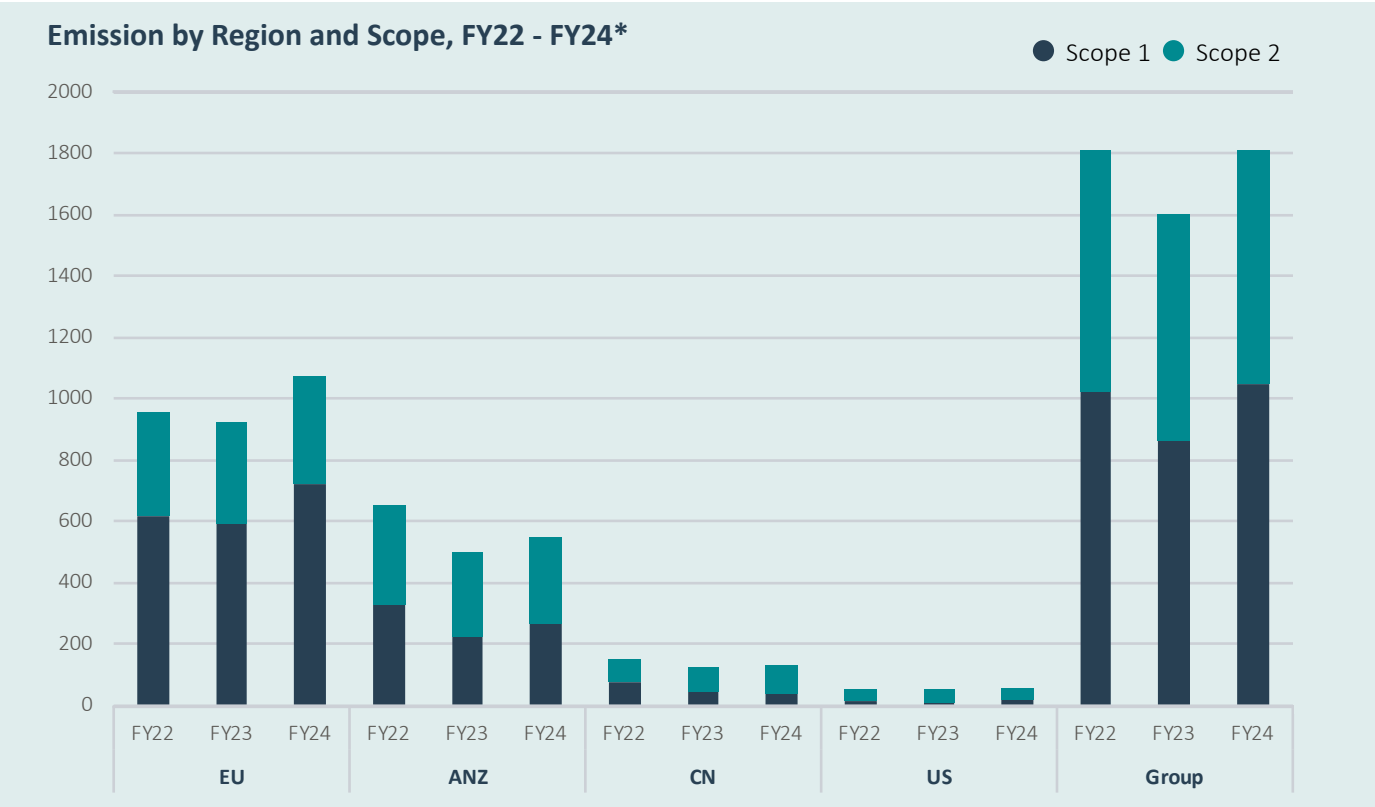
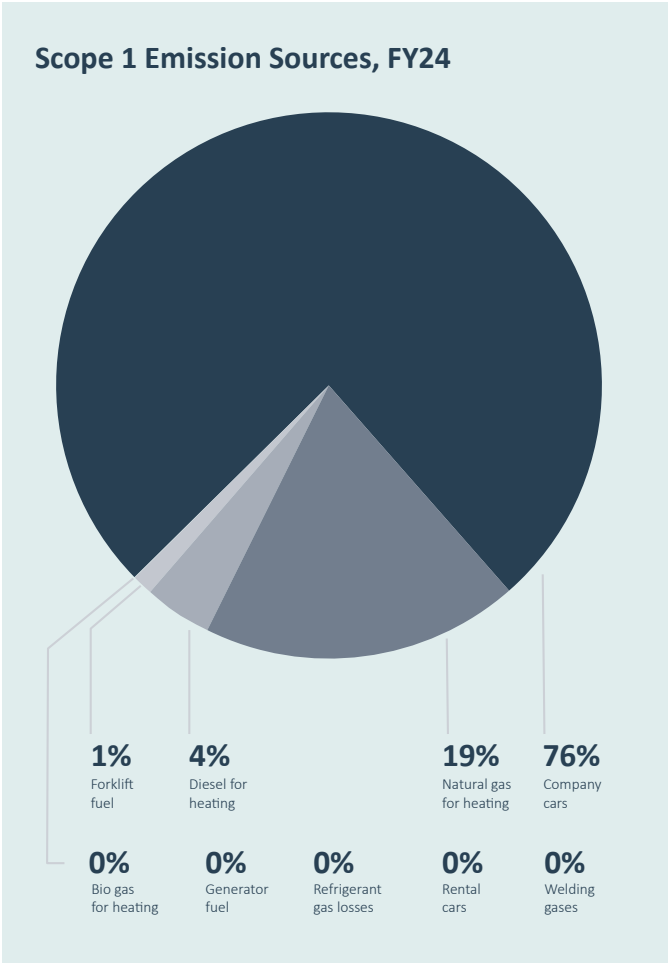
## ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS

Absolute Scope 1 and 2 GHG emissions for the Group in FY24 totalled 1,807.15 tonnes CO2e.

Scope 1 emissions come from the combustion of transport fuel by the company’s car and forklift fleet. Other Scope 1 emission sources include stationary fuel used for heating and in back-up generators, lost refrigerant gases and gases used in welding.

Scope 2 emissions come from the generation of purchased electricity, and are location based (meaning we calculate them on the basis that we consume electricity from national and state grids).

	FY22	FY23	FY24
Scope 1	1024	864	1047
Scope 2	787	737	760
Total	1811	1601	1807



\* In our 2023 Annual Report, previous absolute GHG emissions figures included Scope 3 emissions. For more details on the treatment of Scope 3 emissions, please refer to the Scope 3 statement on page 28.

## GHG EMISSIONS INTENSITY

### Intensity Scope 1 and 2 GHG emissions

In addition to measuring and tracking our absolute emissions, we track intensity emissions to understand our “carbon efficiency” and how it is changing over time. We have identified the following intensity metrics as those that will allow us to do this most effectively.

	FY22	FY23	FY24
Total gross Scope 1 and Scope 2 emissions per \$M revenue	8.17	5.99	6.55

These inventories have been measured in compliance with ISO 14064-1 (2018) using an operational control consolidation approach. All emissions that Scott Technology has direct control over are covered. No facilities or operations have been excluded.

Emission factors used in the measurements are country specific, sourced from the following agencies:

- New Zealand Ministry for the Environment (MfE)
- Australian Government’s Department of Industry, Science, Energy and Resources
- US Environmental Protection Agency (EPA)
- UK Government’s Department for Energy Security and Net Zero (DESNZ)
- carbonfootprint.com (for European country electricity emission factors)

For the FY24 measurement we used emission factors with AR5 Global Warming Potentials (GWP). Emissions have been calculated by applying the appropriate emissions factors to Scope 1 and 2 activity data.

No assumptions or estimations have been made in measuring Scope 1 emissions. Uncertainty is low as calculations are activity based using emission factors with +/- 0.7% to 2.4% uncertainty (MfE). For Scope 2 electricity emissions, calculations use ICP meter data, which is assumed accurate.

Scope 1 and Scope 2 emissions for each regional division have been verified by McHugh & Shaw Ltd (NZ, Australia, China and USA) and Vincotte (Europe), to a Reasonable level of Assurance. The consolidated Group inventory, being the summation of these divisional inventories, has not been assured. A programme to facilitate Group level assurance in FY25 is currently under development.

Our assurance statements can be found on our website, <https://scottautomation.com/en/about-us/sustainability>

### Scope 3 emissions

Though we have been assessing Scope 3 emissions for several years, not all Scope 3 emission sources have been measured. This is due to incomplete source data, or the unavailability of robust, meaningful measurement approaches. Given there are gaps and some shortcomings in our Scope 3 measurement to date we have decided not to disclose Scope 3 emissions in this Climate Statement, utilising XRB’s NZ CS 2 Adoption Provision 4.

By utilising Adoption Provision 4, Scott is also exempt from providing comparative information for Scope 3 GHG emissions in the second reporting period (for each metric disclosed in the current reporting period an entity must disclose comparative information for the immediately preceding two reporting periods (NZ CS 3, General Requirements)).

Addressing the gaps in our Scope 3 measurement is our focus for FY25. We look forward to disclosing our Scope 3 emissions in our future Climate Statements.

### Climate impact on assets and business activities

Our understanding from the work we have completed through scenario analysis and the associated risk assessment of the three scenarios is that all areas of our business are susceptible to the impacts of climate change. Whether these materialise as risks or opportunities depends on our approach to them, the magnitude and speed of the impact’s onset and the preparation we have undertaken prior to the risk materialising, if at all. Additionally, given that we are a global business it is clear to us that physical and transition risks will impact different areas of our business in a variety of ways.

## TARGETS

We have set a short-term *Scope 1 and 2 absolute emissions reduction target of 30% by FY30*. This is against a FY22 Base Year.

This is not a target that supports limiting global warming to 1.5 °C, as defined by the Science Based Targets Initiative (SBTi). We are in the early stages of developing and implementing our strategy for reducing absolute Scope 1 & 2 carbon emissions, and these targets reflect current initiatives. As we further develop our reduction strategy as part of our transition planning, an updated target out to FY35 or beyond may be disclosed in future climate statements.



# APPENDIX

## DATA SOURCES

### Physical data parameters

- Network for Greening the Financial System (NGFS) Climate Explorer
- National Institute of Water and Atmospheric Research (NIWA)
- NASA Sea Level Change Portal
- Intergovernmental Panel on Climate Change (IPPC)

### Socio-economic data parameters

- Shared Socioeconomic Pathways (SSP) Database
  - IIASA-WiC Model - SSP1
  - IIASA-WiC Model - SSP3
  - IIASA-WiC Model - SSP5
- Network for Greening the Financial System (NGFS)
  - GCAM 6.0 Model
  - MESSAGEix-GLOBIOM 1.1 Model
  - REMIND-MagPIE 3.2-4.6 Model
  - Climate Change Indicators Dashboard (imf.org)
- International Energy Agency (IEA)







ENGINEERING



**SCOTT**

TO HIGH PERFORMANCE