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## INDEPENDENT ASSURANCE REPORT ON SCOTT USA'S GREENHOUSE GAS (GHG) STATEMENT

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### TO THE DIRECTORS OF SCOTT TECHNOLOGY LIMITED

**Registered address:** 630 Kaikorai Valley Road, Dunedin 9011, New Zealand

#### Our Assurance Conclusion

This report and our conclusion are provided on the GHG emissions of Scott Systems International Limited known as Scott USA. The disclosures required by the Aotearoa Climate Standards 1-3 were not included in the scope of this assurance engagement. We do not express an opinion on the accuracy or completeness of these disclosures.

#### Limited Assurance Conclusion

Except for the matters described in *the Basis for Modified Opinion section* of our report, based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below) included in the Scott USA GHG Report for the years' ending 31 August 2023 and 31 August 2024, are not fairly presented and not prepared, in all material respects, in accordance with ISO 14064-1: 2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification.

#### Basis for Modified Opinion

There are no data collection procedures or instructions to ensure data is collected using a consistent methodology each reporting period. This issue was raised in the previous assurance engagement for action this reporting period. The Scott USA inventory will inform the Scott Technology Limited disclosure and therefore the FMA record-keeping guidelines apply in addition to the information management requirements in ISO 14064-1. This issue is therefore material to the intended user and use of the emissions reported by Scott USA.

#### Scope of the Assurance Engagement

We have undertaken an assurance engagement for the reporting periods 1 September 2022 to 31 August 2023 and 1 September 2023 to 31 August 2024 at the level of limited assurance.

It is important to note that the level of assurance obtained in a limited assurance engagement is considerably lower than that involved in reasonable assurance engagement. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement (limited assurance) was not designed to provide assurance on internal controls.

#### Boundaries of the Reporting Company

- Operational Control
- USA

#### GHG Emissions Information Covered by the Assurance Report

- GHG Report Reference: 2024-11-07 Scott US FY23\_FY24 EIR v2.1.pdf
- GHG Calculations Reference: 2024-11-04 Scott USA FY23 Carbon calculator populated.xlsx and 2024-11-04 Scott USA FY24 Carbon calculator populated.xlsx

### GHG Emissions by Category (metric tonnes CO<sub>2</sub> e) – FY23

| Scope                       | ISO Category   |        | tCO <sub>2</sub> e |
|-----------------------------|--|--------|--------------------|
| Scope 1                     | Cat 1: Direct GHG Emissions  |        | 8.71               |
| Scope 2                     | Cat 2: Indirect GHG Emissions from imported energy (electricity, location-based) |        | 40.28              |
| Scope 3                     | Cat 3: Transportation and distribution   | 156.87 | 252.19             |
| Scope 3                     | Cat 4: Products and services used by the organisation                            | 95.31  |                    |
| Total GHG Emissions (Gross) |  |        | 301.18             |

### GHG Emissions by Category (metric tonnes CO<sub>2</sub> e) – FY24

| Scope                       | ISO Category   |        | tCO <sub>2</sub> e |
|-----------------------------|--|--------|--------------------|
| Scope 1                     | Cat 1: Direct GHG Emissions  |        | 18.18              |
| Scope 2                     | Cat 2: Indirect GHG Emissions from imported energy (electricity, location-based) |        | 40.90              |
| Scope 3                     | Cat 3: Transportation and distribution   | 128.73 | 203.34             |
| Scope 3                     | Cat 4: Products and services used by the organisation                            | 74.61  |                    |
| Total GHG Emissions (Gross) |  |        | 262.42             |

### Key Matters to the GHG Assurance Engagement

In this section we present those matters that, in our professional judgement, were most significant in undertaking the assurance engagement over the GHG statement. These matters were addressed in the context of our assurance engagement, and in forming our conclusion. We did not reach a separate assurance conclusion on each individual key matter.

#### Emphasis of Matter

- We draw attention to Table 3 in the GHG Report that explains the assumptions, uncertainty and in particular the emission sources identified as having high data uncertainty levels. Outward freight data was not available for FY23 & FY24 due to time constraints and FY22 verified data has been reported.
- Our assurance conclusion is not modified in response to the matter stated above.

#### Materiality

Based on our professional judgement, quantitative materiality for the reported GHG Emissions has been determined as 1% for individual emission sources, and not totalling more than 5% of the gross emissions total of the emissions inventory. Qualitative materiality has been determined with due consideration to relevance to users of the GHG statement, as well as the potential impact of omission, misstatement, or obscurement of any information.

#### Competence and Experience of the Engagement Team

Our work was carried out by an independent and multi-disciplinary team including sustainability assurance and environmental practitioners. The assurance lead retains overall responsibility for the assurance conclusion provided.

## Scott USA's Responsibilities for the GHG Statement

Scott USA is responsible for the preparation and fair presentation of the GHG statement in accordance with ISO 14064-1. This responsibility includes designing, implementing and maintaining a data management system relevant to the preparation and fair presentation of GHG statement that is free from material misstatement.

## Inherent Uncertainty in GHG Quantification

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Our Responsibilities

Our responsibility is to express an opinion on the GHG emissions reported by Scott USA based on our verification. We are responsible for planning and performing the verification to obtain assurance that the onsite GHG statement are free from material misstatement.

As we are engaged to form an independent conclusion on the GHG statement prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

## Other Relationships

Other than in our capacity as assurance practitioners, and the provision of the assurance for this engagement, we have no relationship with, or interests, in Scott USA nor Scott Technology Limited.

## Independence and Quality Management Standards Applied

This assurance engagement was undertaken in accordance with ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions and is founded on the fundamental principles of Impartiality, Evidence -based approach, Fair presentation, Documentation, and Conservativeness.

Professional and ethical standards are held in high regard and our quality management system aligns with the standards ISO 9001:2015, ISO 140645:2020, ISO 17029:2019, ISO 14066:2023, and we comply with the Carbon and Energy Professionals New Zealand Code of Ethics and Code of Professional Conduct.

## GHG Reporting Protocols against which Assurance was Conducted

- ISO 14064-1: 2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification.
- Ministry for the Environment. 2024. Measuring emissions: A guide for organisations: 2024 detailed guide. Wellington: Ministry for the Environment.
- Ministry for the Environment. 2023. Measuring emissions: A guide for organisations: 2023 detailed guide. Wellington: Ministry for the Environment.

## Comparative Information (Base year)

The comparative Gross GHG Emissions (tCO<sub>2</sub>e) for the period ended 31 August 2022 (Base Year) have been subject to limited assurance by McHugh & Shaw Limited and a separate Assurance Report was issued.

## Projected Emission Reductions

The reporter did not seek validation of projected emission reductions.

## Summary of Work Performed

### Limited Assurance Conclusion

Our limited assurance verification engagement was performed in accordance with ISO 14064-3: 2019 – Specification with guidance for the verification and validation of greenhouse gas statements, issued by the International Organization for Standardization (ISO). This requires that we comply with ethical requirements (as outlined above), and plan and perform the verification to obtain limited assurance that the GHG statement is free from material misstatement.

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:

- Limited enquiries of management to obtain an understanding of the overall governance and internal control environmental, risk management processes and procedures relevant to GHG information;
- Evidence to support the reporting boundaries, organisational and legal structure reported;
- Recalculation of the GHG emissions;
- Strategic analysis of the GHG information;
- Evaluation of relationships among GHG and non-GHG data;
- Interview of personnel involved in data collection;
- Review of emissions factors used within the calculations for source appropriateness;
- Review of uncertainty and data quality;
- Review of information management and record keeping processes; and
- Review of the assumptions, estimations and quantification methodologies.

| Limited Assurance Procedures  |
|---|
| <ul style="list-style-type: none"> <li>• Limited sample testing, tracing and retracing of data trails back to primary data including transport fuel, electricity, business travel, waste, working from home, freight and purchased packaging; and</li> <li>• Well-to-tank (WTT) and electricity transmission and distribution losses (TDL) calculations.</li> </ul> |



The data examined during the verification were historical in nature. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Environmental Claims

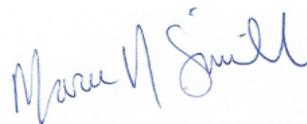
Information regarding your responsibility when making environmental or carbon claims under the Fair Trading Act is available at the New Zealand Commerce Commission website. Guidance for making an environmental claim in Australia is available at the Australian Competition & Consumer Commission website.

If you are making a claim outside of New Zealand and Australia, then check the legal requirements for that Country.



**Jeska McHugh, Assurance Lead**

CEP NZ Certified Carbon Auditor (#CCA1005)  
McHugh & Shaw Limited  
Christchurch, New Zealand  
5 November 2024



**Maree Smith, Independent Reviewer**

On behalf of McHugh & Shaw Limited  
Auckland, New Zealand  
7 November 2024

This report including the opinion expressed herein, is issued to the Directors of Scott Technology Limited in accordance with the terms of our agreement for the purpose of reporting GHG emissions. We consent to the release of this report by you to interested parties, but we disclaim any assumption of responsibility for any reliance on this report by any other party than for which it was prepared.