

Serko Limited

Greenhouse Gas Emissions Inventory Report

For the period: 1 April 2022 to 31st March 2023

Contents

Serko Limited	1
1. INTRODUCTION	3
2. STATEMENT OF INTENT	3
3. ORGANISATION DESCRIPTION	3
4. SCOPE	4
4.1. Organisational Boundary	4
4.2. Base Year	4
4.3. Assurance of GHG Inventory	4
4.4. Greenhouse gas emissions source inclusions	5
4.5. Greenhouse gas emissions source exclusions	5
5. METHODOLOGY	6
5.1. Data Collection and selection	6
5.2. Key personnel	6
5.3. Data and emission factors uncertainties	6
5.4. Greenhouse gas emissions calculations	6
6. GHG INVENTORY SUMMARY	7
6.1. Reducing our carbon footprint	7
APPENDIX 1 – FY23 LIMITED ASSURANCE REPORT	9
APPENDIX 2 – FY22 LIMITED ASSURANCE REPORT	12

1. INTRODUCTION

This report is the annual greenhouse gas (GHG) emissions inventory report for Serko Limited (Serko). The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to Serko's operations within the declared boundary and scope for the reporting period of 1 April 2022 to 31 March 2023.

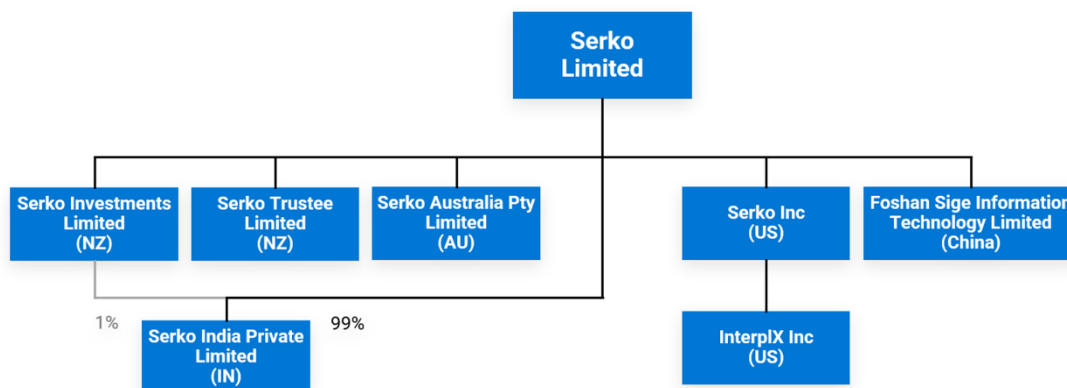
The inventory has been prepared in accordance with the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and ISO 14064:2018-1 standard.

2. STATEMENT OF INTENT

This inventory forms part of Serko's commitment to measure and manage our emissions. Serko is committed to operating in an energy-efficient environment and considers the management of its GHG emissions to be a principal component of its environmental and sustainability objectives. It's our aim to be an environmentally responsible organisation and to continue to build an energy conscious culture within the company. We aim to balance our environmental and financial priorities throughout our operations and meet our regulatory compliance with existing and future legislative requirements.

3. ORGANISATION DESCRIPTION

Serko is an online travel booking and expense management service for the business travel market. Serko is headquartered in New Zealand, with offices across Australia, China and the United States.



Serko Limited has a number of subsidiaries, wholly owned and controlled by Serko Limited.

As depicted above, the subsidiaries include the following:

- Serko Australia Pty Limited. Principal business is the marketing and support of travel booking software solutions supplied by Serko Limited.
- Serko India Private Limited. Incorporated in February 2015 as a subsidiary for India-based operations. As of 1 January 2020, Serko India Private Limited was non-trading.
- Serko Investments Limited. A holding company, incorporated in November 2014, which holds 1% of the shares in Serko India Private Limited.
- Foshan Sige Information Technology Limited. A subsidiary for the China-based operations.
- Serko Inc. A subsidiary for the US-based operations.

- InterplX Inc. InterplX was acquired by Serko Limited in December 2018 and its principal business is the sale of expense management solutions in the United States. As of 31 March 2023, InterplX Inc is wholly owned by Serko Inc.
- Serko Trustee Limited. Holds the shares issued to key management and staff in the Restricted Share Scheme in trust until vesting.

Serko is listed on the New Zealand Stock Exchange Main Board (NZX:SKO) and Australian Securities Exchange (ASX:SKO).

4. SCOPE

4.1. Organisational Boundary

Organisational boundaries included in this reporting period were set with reference to the methodology described in the GHG Protocol Standard. An operational control approach was used to account for emissions. Given the current structure of Serko Limited, the financial control approach is likely to have resulted in a similar boundary and thus a similar emissions inventory result.

All sites were included in measurement; comprising the head office in Auckland; an office in Sydney, Australia; an office in Foshan, China; an office in Xi'an, China, and an office in Minnesota, United States. Serko India Private Limited is a shell-company only and is not operating.

4.2. Base Year

Serko will use the financial year ending 31 March 2023 as its baseline year for assessing appropriate metrics and targets for managing our carbon emissions. This is due to the impacts of covid on business activities, such as travel, in FY22.

Serko will consider recalculating the base year if any of the following applies:

- If emission factors changed substantially and were relevant to prior years (for example if the science behind a factor changed);
- Acquisitions including if Serko bought or sold a business; or
- If Serko significantly changed the scope of what we were measuring in the value chain.

4.3. Assurance of GHG Inventory

Deloitte Limited has been appointed as the third-part independent assurance provider for the FY23 Greenhouse Gas Inventory Report. A limited level of assurance has been given by Deloitte Limited over the Scope 1,2 and 3 assertions and quantifications for FY23 included in this report. Please refer to Appendix 1 for the Assurance Report.

Serko has also obtained a limited assurance report from Ernst & Young Limited for its FY22 GHG Inventory Report that can be referred to in Appendix 2 of this Report.

4.4. Greenhouse gas emissions source inclusions

The GHG emissions sources included in this inventory were identified with reference to the methodology described in the GHG Protocol Corporate Standard. In line with this standard, the reporting of Scope 1 and Scope 2 emissions is required, and reporting of Scope 3 emissions is optional.

As adapted from the GHG Protocol Corporate Standard and ISO 14064:2018-1 standard, these emissions were classified into the following categories:

Table 1: Inclusions in FY23 GHG inventory

GHG Protocol Emissions Source	Scope 3 category	ISO 14064-1:2018 Category	Inclusions
Direct GHG emissions (Scope 1): GHG emissions from sources that are owned or controlled by the company.		Category 1 Direct GHG emissions and removals	Purchased natural gas
Indirect GHG emissions (Scope 2): GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.		Category 2 Indirect GHG emissions from imported energy	Purchased energy
Indirect GHG emissions (Scope 3): GHG emissions that occur as a consequence of the activities of the company but occur from sources not owned or controlled by the company.	Category 1: Purchased goods and services	Category 4 Indirect GHG emissions from products and organisation uses	Azure hosting
	Category 3: Fuel and energy-related activities		T&D Losses (Transmission and Distribution)
	Category 6: Business travel	Category 3 Indirect GHG emissions from Transportation	Business travel
	Category 7: Employee commuting		Staff commuting
		Category 4 As above	Working from home

GHG Protocol Emissions categories: The Upstream Scope 3 subcategories included are subcategory 1 (purchased goods and services), 3 (Fuel- and energy-related activities), 6 (Business travel) and 7 (Employee Commuting). Categories 2 (Capital goods), 4 (Upstream transportation and distribution) and 5 (waste generated in operations) are considered de minimus and have been excluded. Serko has no leased assets (category 8). Downstream emissions are not included as Serko is not the supplier of travel for customers who book via our online travel platform.

ISO 14064-1:2018 categories: Category 5 (Indirect GHG emissions - use of products from the organisation) and Category 6 (Indirect GHG emissions – other sources) are considered de minimus and have been excluded.

4.5. Greenhouse gas emissions source exclusions

The following emissions sources have been identified and excluded from the GHG emissions inventory. Exclusions are a result of the inability to obtain data from suppliers within Serko’s value chain, or where raw data is not comprehensive enough to allow a reliable emission result to be produced. Exclusions from Serko’s emission profile are as follows:

- Waste and wastewater creation – data unavailable and expected to be de minimus
- Refrigerants – data unavailable and expected to be de minimus
- Public transport used on staff travel – data available only by spend and expected to be de minimus
- Rental cars – data available only by spend and expected to be de minimus

5. METHODOLOGY

5.1. Data Collection and selection

We aim to collate relevant information from the most credible and complete sources of data to accurately calculate our greenhouse gas emissions. As such, the following data quality hierarchy was observed in order of descending preference when selecting data for collation.

- I. Direct measurement and reporting by independent third parties (for example, supplier invoices)
- II. Direct measurement and internal reporting
- III. Calculated estimates based upon independent reporting methodologies.

As we continue our climate reporting journey, we are committed to improving our processes over time. We seek to gain both a deeper understanding of our impact on the environment and how we can better support our customers to understand their impact of business travel on the environment. Our GHG inventory records are stored in secured environments electronically.

5.2. Key personnel

Key personnel at Serko include the CFO as the project leader, supported by members of the Finance team to lead the data collection and review.

5.3. Data and emission factors uncertainties

Data was collected for the period 1 April 2022 – 31 March 2023, aligning with the financial year, FY22. In most cases, source supplier data was used to prepare this emissions inventory. There were some instances where this was not available, limiting the ability to access specific information. There were also several instances of emissions factors not being available for the specific data source; an appropriate alternative was selected in these instances. These are summarised below:

- **Staff commuting and working from home emissions** – HR data was used to approximate the distance of FTE commutes in each office location. The 2018 Auckland Transport census and a Xi'an province household survey was used to calculate how staff in New Zealand and China travel to work. Commutes for staff in Australia and USA were assessed based on questioning appropriate staff members.
- **Business Travel emissions** – Information from Expense software provides details of type of travel spend and destination of travel. Where information regarding travel activity was insufficient, assumptions were used to estimate travel activity using spend and most frequented travel routes. For air travel, the Ministry for Environment factors were used for flights taken in New Zealand and Australia and the United States Environmental Protection Agency factors were used for United States flights. For accommodation, the number of hotel nights was calculated from an average of nightly cost and the total spend. Average cost per night was determined based on the country of accommodation.

5.4. Greenhouse gas emissions calculations

Greenhouse gas emissions results were calculated using the Ministry for Environment Detailed Greenhouse Gas Reporting 2023 Guidelines for most emissions. The United States Environmental Protection 2023 GHG Emissions Hub was used for calculation of emissions associated with emissions sources in the United States, except where noted in the

uncertainties. For power use associated with the offices in Australia and China, data from carbonfootprint.com was used.

6. GHG INVENTORY SUMMARY

Table 2: GHG inventory by Scope and greenhouse gas in kg

Emissions Scope ¹	CO ₂ (kg)	CH ₄ (kg CO ₂ e)	N ₂ O (kg CO ₂ e)	Gas breakdown not measured (kg CO ₂ e)	FY23 total (tCO ₂ e)
Scope 1 – Purchased Natural Gas	6,266	3	3	-	6
Scope 2 – Purchased Energy	29,597	411	87	17,406	48
Azure hosting	-	-	-	118,394	118
Business travel	285,176	206	2,043	15,388	303
Staff commuting	30,719	319	923	-	32
Working from home	43,899	854	125	7,086	52
T&D Losses (Transmission and Distribution)	1,424	34	3	825	2
Scope 3 - Total	361,218	1,413	3,094	141,693	507
Total GHG Emissions (Location based) ²	397,081	1,827	3,184	159,099	561
Scope 2 – Purchased Energy (Market based) ³	15,245	70	59	17,251	33
Total GHG emissions (Market based)	382,729	1,486	3,156	158,944	546

¹ Amounts have been rounded.

² Location-based emissions are calculated using the average emissions intensity of the grids on which the energy consumption occurs (using grid-average emissions factor data). A number of gases have not been separately disclosed as the emissions factors are unavailable (HFCs, NF₃, PFCs) and SF₆ has not been disclosed as it is not applicable to Serko.

³ Market-based emissions are calculated using the low carbon attributes of certifications bundled with the consumed electricity. Serko's New Zealand operations uses 100% certified renewable energy from Meridian NZ.

The total inventory for Serko Limited was 561 tonnes. The Scope and gas breakdown is given above in Table 2. Note that for Scope 3, emissions where a gas breakdown was not given are reported separately – these comprise of data centre emissions from Azure, purchased energy, accommodation, working from home and T&D losses.

The differential in emissions between FY22 and FY23 is largely attributable to employee business travel normalising following a covid-affected period where low levels of business travel were undertaken. As with many technology businesses, our Scope 3 (supply chain) emissions dominate our baseline footprint, comprising 90% of our total emissions.

The Scope 3 emissions included in the table above include upstream emissions only. Downstream emissions are not included as Serko is not the supplier of travel for customers who book via our online travel platform. However, as a company providing a travel booking platform that is used by thousands of organisations around the world, we have an important role to play in helping reduce the environmental impact of our customers' activity. This can be achieved over time by providing insight into travel-related emissions and environmental impact at point of sale and enabling corporate travellers to offset their carbon emissions. In doing so, our travel booking platform can help to shape user behaviour to encourage lower impact options and develop more sustainable travel programs.

6.1. Reducing our carbon footprint

As well as supporting our business traveller customers to reduce their carbon footprint, over the past year we have continued to look at ways to progressively reduce Serko's carbon

footprint. With most of our operational emissions generated from energy consumption (through our office spaces and data centres) and employee business travel (mainly air), we have focused first on these areas as opportunities to reduce our impact. Further detail on Serko's initiatives can be read in Serko's ESG Report - see www.serko.com/investors.

APPENDIX 1 – FY23 LIMITED ASSURANCE REPORT



Independent Assurance Report on Serko Limited's Greenhouse Gas Emissions Inventory Report to the Board of Directors of Serko Limited

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Serko Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, comprising the emissions inventory and the explanatory notes set out on pages 3 to 8.

The inventory report provides information about the greenhouse gas emissions of the Group for the year ended 31 March 2023 and is based on historical information. This information is stated in accordance with the requirements of International Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals ('ISO 14064-1:2018'), and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol').

Board of Directors' Responsibility

The Board of Directors are responsible for the preparation of the inventory report, in accordance with ISO 14064-1:2018, and the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of an inventory report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a limited assurance conclusion on the Scope 1,2 and 3 emissions within the inventory report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the inventory report is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of the Group's use of ISO 14064-1:2018 and the GHG Protocol as the basis for the preparation of the inventory report, assessing the risks of material misstatement of the inventory report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the inventory report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through enquiries, obtained an understanding of the Group's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about



whether Group's inventory report has been prepared, in all material respects, in accordance with ISO 14064-1:2018, and the GHG Protocol.

Inherent Limitations

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 Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than this engagement and our role as auditor of the statutory financial statements, our firm has no other relationships with or interests in the Group.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

Our assurance report is made solely to the directors of the Group in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the directors those matters we have been engaged to state in this assurance report and for no other purpose. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

Limited Assurance Conclusion

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 Group's Scope 1,2 and 3 emissions within the inventory report for the year ended 31 March 2023 is not prepared, in all material respects, in accordance with the requirements of ISO 14064-1:2018, and the GHG Protocol.

Deloitte Limited

17 May 2023
Auckland, New Zealand

This limited assurance report relates to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Serko Limited ('Serko') for the year ended 31 March 2023 included on Serko's website. Serko's Board of Directors are responsible for the maintenance and integrity of the Serko's website. We have not been engaged to report on the integrity of the Serko's website. We accept no responsibility for any changes that may have occurred to the inventory report since they were initially presented on the website. The limited assurance report refers only to the inventory report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the inventory report. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the inventory report and related limited assurance report dated 17 May 2023 to confirm the information included in the inventory report presented on this website.

APPENDIX 2 – FY22 LIMITED ASSURANCE REPORT



Building a better
working world

Ernst & Young Limited
2 Takutai Square
Britomart
Auckland 1010 New Zealand
PO Box 2146 Auckland 1140

Tel: +64 9 377 4790
Fax: +64 9 309 8137
ey.com/nz

Independent Limited Assurance Report to the Directors and Management of Serko Limited

Assurance Conclusion

Based on our limited assurance procedures described below, nothing has come to our attention that causes us to believe that Serko Limited's ('Serko') greenhouse gas ('GHG') emissions inventory (including Scope 1, Scope 2 and Scope 3 emissions) for the year ended 31 March 2022 (the 'Subject Matter'), do not meet, in all material respects, the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (the 'Criteria').

Scope

Ernst & Young Limited ('EY') has performed a limited assurance engagement in relation to Serko's GHG Inventory disclosures for the year ended 31 March 2022 (the 'GHG Inventory'), in order to conclude that nothing has come to our attention that the GHG Inventory does not meet, in all material respects, the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*.

Subject Matter and Criteria

The Subject Matter for this limited assurance engagement is Serko's GHG emissions inventory (including Scope 1, Scope 2 and Scope 3 emissions) for the year ended 31 March 2022.

The Criteria applied is the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*. Emissions factor sources include:

- ▶ New Zealand Ministry for the Environment, *Measuring Emissions: A Guide for Organisations (2022)*.
- ▶ United States Environmental Protection Agency, *GHG Emissions Factors Hub (2022)*.
- ▶ CarbonFootprint, *2021 Grid Electricity Emissions Factors v1.1 - March 2022*

Management Responsibility

The management of Serko is responsible for the collection, and presentation of the Subject Matter in accordance with the Criteria and for maintaining adequate records, internal controls and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

EY's responsibility is to express a limited assurance conclusion on the noted Subject Matter as defined above. We are also responsible for maintaining our independence and confirm that we have met the requirements of APES 110 *Code of Ethics for Professional Accountants* including independence and have the required competencies and experience to conduct this assurance engagement.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, these procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

We conducted our procedures in accordance with the *Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (New Zealand)* ('ISAE 3000 (NZ)') and *Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410 (NZ)') and the terms of reference for this engagement as agreed with Serko on 14 April 2022.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- ▶ Assessing information provided and conducting walkthroughs with relevant personnel to understand Serko's processes for collecting, processing and reporting GHG emissions.
- ▶ Confirming key operations and data process steps
- ▶ Confirming sources of greenhouse gas emissions and the measurement methodology.
- ▶ Confirming the sources of data used in calculating the greenhouse gas emissions.
- ▶ Checking organisational and operational boundaries to test completeness of greenhouse gas emissions sources
- ▶ Identifying and testing assumptions supporting the calculations.
- ▶ Sample testing of accuracy of transcription of key information, calculation, and aggregation.
- ▶ Checking that emissions factors and methodologies have been correctly applied as per the criteria.

Limitations on scope

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and it is possible



**Building a better
working world**

that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 (NZ), ISAE 3410 (NZ), and the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the Subject Matter and did not include statutory financial statements. Our assurance is limited to policies, and procedures in place as of 10 January 2023.

Independence

We confirm that EY has complied with all professional regulations relating to Independence in relation to this engagement. EY has stringent policies and procedures in place to ensure independence requirements are addressed and monitored on a timely basis.

Use of Report

Our responsibility in performing our assurance activities is to the Directors and Management of Serko only, and in accordance with the terms of reference for this engagement, as agreed with Serko. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Subject Matter is entirely at its own risk. No statement is made as to whether the Criteria are appropriate for any third-party purpose.

The signature logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Ernst & Young Limited
12 May 2023