

Inventory Management Plan

Greenhouse Gas (GHG) Emissions Reporting Framework

Smiths Group Sustainability Team

Table of Contents

1. Definitions	2
2. Introduction	3
3. GHG Boundaries	3
4. Monitoring and Assurance	4
5. GHG Inventory Updates	4
6. Inventory boundary	5
6.1 Scope 1 Emissions	5
6.2 Scope 2 Emissions	5
6.3 Scope 3 Emissions	5
7. Energy Efficiency	6
8. Data sources & methodology	6
8.1 Scope 1 Emissions: Stationary Fuel Consumption	6
8.2 Scope 1 Emissions: Mobile Combustion	7
8.3 Scope 1 Emissions, Fugitive Emissions	7
8.4 Scope 2 Emissions, Purchased electricity:	8
8.5 Scope 2 Emissions, Estimated Purchased Fuel/Electricity:	8
8.6 Scope 2 Emissions, Renewable Energy Contracts:	9
8.6 Scope 3 Emissions, Category 1 Purchased Goods and Services:	9
8.7 Scope 3 Emissions, Category 2 Capital Goods:	10
8.8 Scope 3 Emissions, Category 3 Fuels- and Energy-related Emissions:	10
8.9 Scope 3 Emissions, Category 4 Upstream Transportation and Distribution:	11
8.10 Scope 3 Emissions, Category 5: Waste generated in operations	12
8.11 Scope 3 Emissions, Category 6 Business Travel	12
8.12 Scope 3 Emissions, Category 7 Employee Commuting	12
8.13 Scope 3 Emissions, Category 9 Downstream Transportation and Distribution	13
8.14 Scope 3 Emissions, Category 11 Use of Sold Products	13
8.15 Scope 3 Emissions, Category 12 End-of-Life Treatment of Sold Products	14
8.16 Scope 3 Emissions, Category 15 Investments	15
Appendix 1: Data sources by Activity	16
Appendix 2: Renewable Energy Source	19

1. Definitions

- **Carbon dioxide equivalent (CO₂e):** the universal unit of measurement used to indicate the global warming potential of greenhouse gases expressed in terms of the 100-year global warming potential of one metric tonne of carbon dioxide.
- **Direct emissions, Scope 1 emissions:** emissions from sources owned or directly controlled by the reporting company.
- **Emission factor:** the amount of greenhouse gases emitted, expressed as carbon dioxide equivalent and relative to a unit of activity.
- **FY (Fiscal Year):** for the purpose of this IMP document, the fiscal year runs from 1st August 2023 – 31st July 2024 (FY24).
- **Global warming potential (GWP):** factor describing the radiative forcing impact of one mass based unit of a given greenhouse gas relative to an equivalent unit of carbon dioxide over a given period.
- **Greenhouse gas (GHG):** gaseous constituent of the atmosphere, natural or anthropogenic, that absorbs and emits radiation at specific wavelengths within the spectrum of infrared radiation emitted by the Earth's surface, the atmosphere, and clouds. Seven gases are listed in the Kyoto Protocol and IWA 42:2022: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) (as added by The Doha Amendment).
- **Indirect emissions, Scope 2 emissions (energy indirect) and Scope 3 emissions (other indirect):** emissions that are a consequence of the operations of the reporting company but occur at sources owned or controlled by another company.
- **IValua:** Group procurement system.
- **Mobile Combustion:** any owned or on-road vehicles used by Smiths employees including cars, trucks and vans
- **Net zero emissions:** human-caused greenhouse gas emissions reduction to as close to zero as technically feasible, practicable or cost-effective while ensuring the remaining emissions are removed from the atmosphere and durably stored in geological, terrestrial or ocean reservoirs or in products.
- **Onyx:** the group's consolidated reporting system for all our financial data
- **PRISM:** third party system used to capture, store and visualise all EHS and ESG based data, owned by IDEAGEN. This houses all major sites (approx. 120 sites), which accounts for approximately 87% of total energy consumption.
- **Renewable Energy Certificates (RECs):** certificate that represents proof that one megawatt-hour of electricity was generated from a renewable energy resource
- **Science-based targets:** pathway where the GHG reduction targets align with the 1.5°C global warming scenario reduction by 2050 proposed by the Paris Agreement.
- **Small Sites:** non-major sites, which are managed in a static offline spreadsheet, where energy and emissions are estimated based on square footage. There are approximately 140 sites on this list.
- **Stationary Combustion:** combustion units in the form of bulk power generation, furnaces and back-up generators

2. Introduction

Smiths is committed to using energy and natural resources efficiently and reducing our greenhouse gas (GHG) emissions. Our aim is to minimize any adverse effects our activities, products and services may have on the environment. Smiths operates in four divisions (John Crane, Smiths Detection, Flex-Tek, and Smiths Interconnect), which employ over 15,000 people in more than 50 countries.

Smiths assesses the GHG emissions associated with all its global operations for all four of its operational divisions. We have developed a GHG Inventory Management Plan (IMP) that outlines our methodology to provide systematic and appropriate GHG inventory data collection, manipulation, and management, to produce a relevant, credible, and transparent GHG inventory that will provide visibility into our near term and long term goals. The IMP includes methods to estimate direct emissions from Smiths' operations (Scope 1), indirect emissions from purchased energy (Scope 2), and value chain emissions (Scope 3); a summary of our IMP follows.

The methods prescribed herein conform to the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol and the United States Environmental Protection Agency (USEPA) Center for Corporate Climate Leadership Greenhouse Gas Inventory Guidance.

We acknowledge that the greenhouse gas ("GHG") emissions quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs; and estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

3. GHG Boundaries

Per the GHG Protocol, Smiths has selected the operational control approach to set the organizational boundary for our GHG inventory, meaning 100% of GHG emissions from assets over which the company manages and has authority to implement operational policies are included. In selecting the organizational boundary, Smiths evaluated equity share, financial control, and operational control approaches and primarily considered the comprehensiveness of assets that would be included in the inventory under each of the three approaches, as well as which boundary would best reflect Smiths' level of influence over emissions.

As for our operational boundary, which determines the direct (scope 1) and indirect (scope 2 and 3) emissions associated with operations within Smiths' organizational boundary, we defined this as operations where we have the full authority to introduce and implement operating policies. Operations or activities that are outside of Smiths' operational control and therefore excluded from our scope 1 and scope 2 inventories may become relevant when accounting for scope 3 emissions, as outlined in the methodology outlined below and [Appendix 1](#).

GHG emissions are reported in metric tons of CO₂ equivalents (tCO₂e). Because individual GHGs have different impacts on climate change, or global warming potentials (GWPs), CO₂e is used to

express the impact of emissions from each GHG on a common scale. Smiths uses the IPCC Fifth Assessment Report (AR5) GWPs.

4. Monitoring and Assurance

Smiths is committed to a complete, accurate, and transparent inventory process and results. Smiths corrects identified data gaps and errors in a timely manner and makes required procedural changes as necessary to avoid repetition of errors. To this end, Smiths will annually monitor whether updates to the referenced sources of emission factors have been issued and utilize any updated emission factors in all relevant inventory calculations going forward. Updated emission factors may trigger a base year adjustment. The IMP will be reviewed and updated annually during and after completion of the yearly emissions inventory to reflect any structural or methodological changes. In addition, Smiths' Divisions and Group review monthly reporting from Smiths sites looking for anomalies and errors.

We retain a third-party to assure our Scope 1, 2, and 3 GHG Emissions inventories. In FY24, Smiths retained KPMG to complete these services in alignment with International Standard on Assurance Engagements (UK) 3000 and International Standard on Assurance Engagements 3410. For more information, users can refer to KPMG's assurance opinion upon release.

5. GHG Inventory Updates

The GHG Protocol (WRI & WBCSD (a), 2015) and ISO 14064-1 (ISO, 2018) standards recommend setting a base year to support a meaningful and consistent comparison of emissions over time. Smiths use 2021 as the base year against which to compare its emissions changes over time. Smiths adjusts the base year emissions inventory for significant structural changes or methodology changes as defined below.

Structural changes are acquisitions, divestures, or mergers of facilities that existed during the base year. Where the addition or removal of such facilities would reflect a change greater than the significance threshold in the base year inventory, Smiths will endeavor to add or delete as appropriate the emissions associated with that facility from the base year. In-sourced or outsourced operations will be treated similarly.

Methodology changes may include updated emission factors, improved data access, updated calculation methods or protocols, or error correction. Where such methodology changes would reflect a change greater than the significance threshold in the base year inventory, Smiths will implement the change at a minimum in the base year inventory and the current year inventory. Smiths may optionally implement the change in all interim year inventories.

The GHG Protocol does not make a recommendation regarding a significance threshold level. Future changes could have a material impact on the base year definition. For Scope 1 and 2 emissions, Smiths will institute a base year change (recalculation) if the change in GHG emissions exceeds a significance threshold of 5% of the base year's combined Scope 1 and 2 emissions. For Scope 3 emissions, Smiths will institute a base year change (recalculation) if the change in GHG

emissions exceeds a significance threshold of 7.5% of the base year's Scope 3 emissions. Smiths will review this significance threshold on an annual basis.

6. Inventory boundary

Smiths Group will report all GHG emissions within its organisational and inventory boundary. Emissions are considered outside of the inventory boundary when they are quantified as not material. Exclusions are documented alongside assumptions and reasoning, and a summary of the inventory boundary is detailed below. Unless otherwise stated, all emissions described below are measured in tonnes of CO₂ equivalent (tCO₂e).

6.1 Scope 1 Emissions

Scope 1, or direct emissions, arise from sources owned or controlled by Smiths Group that include:

- **Stationary Fuel Combustion:** sources using combustion units such as bulk power generation, furnaces or back-up generators producing electricity or heat
- **Mobile Fuel Combustion:** on-road vehicles owned or leased to Smiths Group, such as cars, vans and trucks

The following Scope 1 emissions are outside of the inventory boundary as they are immaterial to the overall emissions. Please refer to section 8.3 for more information.

- **Fugitive Emissions:** sources that use refrigerant gases or fire suppressants

6.2 Scope 2 Emissions

Scope 2, or indirect emissions, arise from acquiring electricity or heating consumed by sources owned or controlled by Smiths and include:

- **Purchased electricity:** any electricity-based energy consumed from a purchased source (not including onsite generation)
- **Estimated purchased electricity/fuel:** purchased electricity/heating in leased sales offices where Smiths do not control the thermostat or combustion equipment

6.3 Scope 3 Emissions

Scope 3, or value chain emissions, from upstream and downstream sources:

- Category 1: Purchased Goods & Services
- Category 2: Capital Goods
- Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2)
- Category 4: Upstream Transportation & Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 9: Downstream Transportation & Distribution
- Category 11: Use of Sold Products
- Category 12: End of Life Treatment of Sold Products
- Category 15: Investments

The following Scope 3 Categories have not been included in our Scope 3 inventory due to immateriality with respect to Smiths' operations.

- Category 8: Upstream Leased Assets—Not relevant; Smiths leased sites have been included in their Scope 2 inventory as we have control over the electricity consumption within leased sites.
- Category 10: Processing of Sold Products—Not relevant; assembly is the only downstream processing relevant to Smiths' products as some products are integrated into other end-use products. The emissions from assembly have been estimated to be less than 1% of Smiths' scope 3 inventory based on a screening-level calculation completed using a lifecycle emission factor for an electronic assembly process available through ecoinvent and are therefore negligible compared to Smiths other scope 3 emissions.
- Category 13: Downstream Leased Assets—Not relevant; Smiths does not act as a lessor.
- Category 14: Franchises—Not relevant. Smiths does not have any franchises.

7. Energy Efficiency

Smiths also reports on its Energy Efficiency which is the total energy used divided by its revenue. It is measured as MW/Hr divided by million GBP in revenue (at a budgeted exchange rate normalized to factor out inflation). Energy usage is all energy consumed at reporting sites less any onsite solar electricity consumed, and electricity used on electric vehicle charging stations onsite. Smiths performance on this metric is included in the Annual Incentive Plan (compensation system that rewards employees based on achieving certain performance objectives within the FY) for select managers based on role and seniority.

8. Data sources & methodology

Data is internally reported monthly, with a one-month lag between inputting data and reporting (i.e. in April, March data is reported). Data is requested to be inputted or gathered by the 20th of each month. Wherever actual figures are not available (such as late invoicing), estimates are used.

In the final month of the FY, data is collected in the first week of August (as opposed to the 20th) to allow for a full year end dataset. This month includes more estimates from sites than other months and these are not changed once the actual data comes in for assurance purposes. The differences are immaterial to total emissions.

Smiths uses an internal Environment, Health, and Safety (EHS) data management system, PRISM, to track Scope 1 and 2 emissions. Smiths uses primary data to calculate Scope 1 and 2 emissions where possible and proxy data to estimate the remainder. Emissions factors are updated in PRISM.

8.1 Scope 1 Emissions: Stationary Fuel Consumption

- **Information:** fuel type (e.g. natural gas, diesel, kerosene, LPG, etc.) and its consumed quantity during the reporting period, reported in kWh.
- **Sources:** meter readings, utility invoices, and estimated data from landlords or site managers.
- **Methodology:** Site managers (or HSE representative) upload the data into the corresponding fuel type into PRISM on a monthly cadence. Preconfigured conversion

factors entered within PRISM convert the data from entered unit into kWh. Entered energy data is converted into emissions using preconfigured fuel emissions factors ([Appendix 1](#))

8.2 Scope 1 Emissions: Mobile Combustion

- **Information:** vehicle type (car, truck, van, other), fuel type (diesel, petrol, hybrid, electric (EVs), ethanol, CNG) and distance travelled since lease/sale start date
- **Sources:** Two datasets are combined. Leaseplan is supplied from the finance team, which they track internally based on internal documents. Anaplan data is supplied by the Anaplan team upon request.
- **Methodology:** The two datasets are combined in an offline excel spreadsheet. Anaplan does not supply fuel type and so upon combination, the Anaplan blanks fuel type is estimated by adjusting for non electric vehicles. An average mileage is calculated from the dataset by using the last known mileage of each vehicle and dividing the figure by the total number of months the vehicle has been leased or owned by Smiths
- Gallons/Year/Vehicle is calculated by dividing the average annual mileage by the average MPG for each fuel and vehicle type ([Appendix 1](#)). Emissions are calculated by multiplying the number of cars by the emission factor ([Appendix 1](#)) and the gallons/year/vehicle.
- **Assumptions/Estimates:**
 - John Crane completed a black belt project in FY24, which found additional 69 cars, and were not picked up in the combined Leaseplan/Anaplan dataset. This project saw the John Crane sales administrator reach out to each site and department to update inventories, including owned inventories. These were added in as 'blank' fuel types. The addition of these vehicles does not require a restatement of our FY23 inventory due to the immaterial impact of additional cars on overall Scope 1 emissions.
 - For hybrid cars, the motor gasoline factor is applied as there is no hybrid factor in the EPA EF. This decision has been made because whilst hybrids use electric power at low speeds and during light acceleration, they still rely on gasoline engines for higher speeds and longer distances.
 - There are 5 Detection Cars - Volkswagen ID.3/4/5 - identified from the Anaplan dataset which are Electric Vehicles and so have been manually removed from Diesel Cars (highest proportion of blanks) and added into EVs.
 - The following fuel types do not have emission factors associated as they are low or 0 emissions – EV's, CNG, PHEV.
 - If actual data is not available for the current month then the most recent previous month with actual data will be used instead. PRISM is locked early in August for assurance purposes so this is particularly common in July months.

8.3 Scope 1 Emissions, Fugitive Emissions

- **Not included in Scope 1 emissions**
- **Information:** total estimated refrigerants quantity during the reporting period, reported in tCo2e

- **Sources:** estimates sent by site managers for known refrigerant emissions, stored in offline static spreadsheets
- **Methodology:** Smiths is currently estimating these fugitive emissions conservatively by using a square footage model for predictive losses from onsite air conditioning systems. The current methodology sees sampling of the top 10 sites by square footage, representing 15% of total square footage across Smiths portfolio and estimating refrigerant by reaching out to these sites.
- **Assumptions/Estimates:**
 - In the coming years, Smiths plans to transition to a different estimating methodology that should provide greater accuracy for these fugitive emissions.
 - The GHG Protocol requires that companies include the seven Kyoto gases in their assessment (WRI & WBCSD (a), 2015), however fugitive emissions from HFCs used in heating, ventilation, and air conditioning (HVAC) are immaterial compared to Smiths' total scope 1 GHG emissions at 0.5%.
 - Smiths does not emit SF₆, PFCs, or NF₃ from its operations, so only three of the seven Kyoto gases are relevant to our operations and therefore included in our Scope 1 inventory. HFCs emissions will be re-evaluated in future years as Smiths operations change.
 - The Kyoto Protocol establishes seven key GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆), perfluorocarbons (PFCs), and nitrogen trifluoride (NF₃).

8.4 Scope 2 Emissions, Purchased electricity:

- **Information:** Purchased electricity, energy source (renewable or non-renewable) & its consumed quantity during the reporting period, in kWh.
- **Sources:** meter readings, utility invoices, estimated data from landlords/site managers
- **Methodology:** Energy consumption is recorded in PRISM and evidence is uploaded on a site by site, month by month, basis. Site managers provide the figures in any unit and preconfigured conversion factors convert the data into kWh. Emission factors ([Appendix 1](#)) are applied within the system, which are manually updated, to give emissions.
- **Assumptions/Estimates:**
 - All scope 2 emissions are reported as market-based emissions and location-based emissions. KPMG provide limited assurance over scope 2 market-based emissions.
 - Onsite renewable energy generation (i.e. onsite solar) is reported and tracked separately from purchased energy and thus is not included in scope 2 calculations
 - If actual data is not available for the current month then the most recent previous month with actual data will be used instead. PRISM is locked early in August for assurance purposes so this is particularly common in July months.

8.5 Scope 2 Emissions, Estimated Purchased Fuel/Electricity:

- **Information:** estimated energy consumption (electricity/gas) for all small sites within Smiths location portfolio across the reporting period, building type (office, manufacturing, warehouse) and square footage.

- **Sources:** Core location list maintained by, maintained by Smiths personnel/ Cushman's & Wakefield through the CoStar database
- **Methodology:** Energy consumption is estimated based on provided building type and square footage. Sites with actual energy consumption that are tracked in PRISM are used to create an average consumption factor per square foot for each relevant building type. The estimated energy consumption is converted into emissions using emission factors (**Appendix 1**).

8.6 Scope 2 Emissions, Renewable Energy Contracts:

- **Information:** Bundled or unbundled renewable energy contracts for any sites investing in green practices for a renewable energy benefit
- **Sources:** Energy providers & external renewable provider, mapping of sites and REC type (**Appendix 2**)
- **Methodology:** If the REC covers 100% of the energy consumption for the site, then an emission factor of 0 is entered into PRISM, meaning the overall emissions will be 0. If the REC is unbundled and only covers a partial amount of energy consumption, a bespoke methodology is used to calculate the renewable % (see below). Grid mixes are used through bundled RECs and these are factored into the emission factor.

Manual Calculation for partial coverage using unbundled RECs

$\% \text{ Elec covered with RECs} = (\text{Annual Elec Mwh} - \text{REC Mwh}) / \text{Annual Elec Mwh}$

$\% \text{ Elec not covered by RECs} = 100\% - \% \text{ Elec covered with RECs}$

Adjusted EF = Regional emissions factor * % Elec not covered by RECs

8.6 Scope 3 Emissions, Category 1 Purchased Goods and Services:

- **Information:** Upstream emissions from the production of products purchased, which include both goods and services.
- **Sources:** Onyx (i.e. Smiths' financial system) monthly actuals report, divisional breakdown of 3rd party materials, including Goods Received report, divisional breakdown of 'Other Overhead Costs' and 'Relocation Costs' from the SAP system ("Travel" and "Employee Activity" expenses were identified as portions of Interconnect's Other Overhead Costs and have been added to Category 6 rather than Category 1.), Detection's research and development (R&D) spend.

The spend data would be categorised to a material level using divisional breakdown of 3rd party materials from each division's ERP system (John Crane/ Detection/ the Group: SAP; Interconnect: Glovia and Oracle; Flex-tek: numerous ERPs.). The material breakdown is performed at interim and full-year reporting deadlines, with each division's submission broken down to relevant divisional material categories, which serves as a means to apply emission factors to these material spends.

All divisions (with the exception of Detection) use their material breakdown from their procurement data to rationalise their 'Materials - 3rd Party' spend which is the relevant

number in Onyx. John Crane, Smiths Interconnect, Flex-Tek and the Group rationalise the Onyx total by apportioning the spend out based on the proportions of material spend from their material breakdown, achieved from their procurement databases.

On the other hand, Detection does not follow this rationalisation process and instead uses their material breakdown for applying emission factors. This is due to Detection following a more granular approach allowing them to breakdown their spend to a raw material level, and identifying certain costs not related to the material spend figure (supplier profit, freight and inbound costs, material overheads). Due to this additional granularity, Detection do not apportion out their Onyx spend figure.

The difference in the spend figure in the material breakdown versus Onyx can be explained by a range of factors including: Inventory movements, Internal Sales eliminations, Purchase Ledger Movements, FX impact, and Stock in Transit.

The material breakdown would then be mapped with NAIC categorisation and the emission factors.

- **Methodology:** Emissions are estimated by a spend-based approach, with the amount spent on purchased good and services by product type, using market value. Emission factor per unit of economic value is applied together with the inflation factor to convert market value. Any costs lacking details, including categorisation have been grouped into Miscellaneous Manufacturing, using categories taken from NAICs factors. Negative spend data, such as return sales provided by the Onyx Financial Reports were evaluated on a case-by-case basis by Smiths and offset against costs, where applicable. Cost excludes tax. R&D costs for Detection were calculated based on the representative Onyx value, which is tied directly to Profits & Losses, with the addition of "Capitalised Development" spend from Smiths' Consolidated Cash Flow. Based on Smiths' financial tracking system, it is the most representative way to include "Capitalised Development" costs in category 1 instead of category 2. The divisional spend data, which is in actual spend figures on goods/ services from the Onyx financial reports after being rationalised is then provided to 3rd party scope 3 consultants for emission calculation.

8.7 Scope 3 Emissions, Category 2 Capital Goods:

- **Information:** Upstream emissions from the production of capital goods purchased
- **Sources:** Consolidated cash-flow statement
- **Methodology:** Emissions are estimated by a spend-based approach, with the amount spent on capital goods, using market value. Emission factor per unit of economic value is applied together with the inflation factor to convert market value. Cost excludes tax.

8.8 Scope 3 Emissions, Category 3 Fuels- and Energy-related Emissions:

- **Information:** Upstream emissions from purchased fuels, electricity, and transmission and distribution (T&D) losses

- **Sources:** Total quantities and types of fuel consumed disaggregated by fuel type and country; Total quantities of electricity purchased and consumed in the financial year per unit of consumption by country
- **Methodology:** Average-data method, which involves estimating emissions by location, fuel type, and fuel quantity consumed and secondary (e.g., industry average) emission factors for upstream emissions per unit of consumption (e.g., kg CO₂e/kWh). Average-data method, which involves estimating emissions by using average T&D loss rates (e.g., national, regional, or global averages, depending on data availability).

8.9 Scope 3 Emissions, Category 4 Upstream Transportation and Distribution:

- **Information:** Transportation and distribution of products purchased between a company's direct suppliers and its own operations, in vehicles and facilities not owned or controlled by the reporting company
- **Sources:** Smiths Detection, Smiths Interconnect, John Crane, & Group: Spend in GBP from iValua on each mode of transportation obtained from Spend by Division - live ERPs, excluding Intragroup, for the commodities:
 - 3rd Party Logistics (3PL);
 - Air Freight;
 - Full Truck Load;
 - Intermodal Freight;
 - Ocean Freight;
 - Other Logistics Services;
 - Parcel;
 - Courier;
 - Postal Services;
 - Part Truck Load;
 - LTL;
 - Road Freight;
 - Special Road;
 - Internal Fleet (Freight);
 - Sub-Contracting Warehousing;
 - Customs Brokerage Service;
 - Freight;
 - Material Packing and Handling; and
 - Logistics

Flex-Tek spend was provided separately, disaggregated by transportation activity

Intragroup activity which is the distribution of intra-company administrative documents only is excluded because it has no correlation with suppliers and our manufacturing business.

- **Methodology:** Smiths Detection, Smiths Interconnect, John Crane, and Group costs associated with "3rd Party Logistics", "Freight", "Internal Fleet (Freight)", and "Logistics" were assigned to different transportation modes. Costs associated with "Customs Brokerage Service", "Material Packing and Handling", and "Sub-Contracting Warehousing"

all treated collectively as "Warehousing". These costs would be categorised based on the EEIO emission factors. Transportation and logistics spend during the financial year is tracked in a common system and a company-level breakdown between transportation mode has been applied to each division.

Flex-Tek transportation and logistics spend is tracked separately and an estimated spend for each transportation method has been provided in USD. Flex-tek has its cost breakdown in different transportation mode and sub-contracting warehousing. The amount spend on transportation and distribution of products by service is adjusted with the industry price index, and the EEIO emission factors are used to calculate the emissions.

8.10 Scope 3 Emissions, Category 5: Waste generated in operations

- **Information:** Disposal and treatment of waste generated in the reporting company's operations in the reporting year
- **Sources:** Total mass of waste generated in operations; Proportion of this waste being treated by different methods (e.g., percent landfilled, incinerated, recycled). This data was obtained from Smiths Group's PRISM system and "Total Waste" values were excluded to avoid double counting
- **Methodology:** Average-data method, which involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method.

8.11 Scope 3 Emissions, Category 6 Business Travel

- **Information:** Transportation of employees for business-related activities using vehicles/amenities owned or operated by third parties
- **Sources:** Spend on business travel by type/mode of transport from Onyx reports per division. "Travel" and "Employee Activity" expenses were identified as portions of Interconnect's "Other Overhead Costs" and have been added to Category 6 rather than Category 1. Business category types were assigned based on information provided by client describing spend activities. Costs associated with hotels, meals, and conferences are included in this category. Company car costs were excluded from Category 6 to avoid double counting as they have been captured in Category 1
- **Methodology:** Spend-based method; amount spent on business travel, by transportation type, using market values and applying cradle-to-gate emission factors of the transportation type per unit of economic value and inflation data to convert market values between the year of the EEIO emissions factors and the year of the activity data.

8.12 Scope 3 Emissions, Category 7 Employee Commuting

- **Information:** Employee commuting
- **Sources:** Number of employees in 2024 from Smiths Onyx report
- **Methodology:** Average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns. Emissions are based on average transportation data, an assumption of 240 days of commuting per year

and carpoolers are allocated 1/3 of the car ride, and is calculated using GWPs from IPCC 2007.

8.13 Scope 3 Emissions, Category 9 Downstream Transportation and Distribution

- **Information:** Transportation and distribution of products sold between the reporting company's operations and the end consumer, including retail and storage, in vehicles and facilities not owned or controlled by the reporting company
- **Sources:** Spend on Non-Exworks transportation in GBP for Smiths Detection, John Crane & Flex-Tek
Spend on Exworks transportation in GBP for Smiths Interconnect
Revenue for all products for Smiths Detection, John Crane & Flex-Tek
Percentage of Revenue allocated to Exworks-products for Smiths Detection, John Crane & Flex-Tek
For all divisions except Smiths Interconnect: Ramboll used the Annual Spend on non-exworks, multiplied by product transportation (GBP) and divided by Total sales/revenue for products (GBP) to get Transport GBP/Revenue GBP. Ramboll multiplied Transport GBP/Revenue GBP by Revenue earned for exworks products (GBP) to determine the transport GBP for exworks products
- **Methodology:** Spend-based method, amount spent on transportation by type (e.g., road, rail, air, barge), using market values (e.g., dollars) and applying cradle-to-gate emission factors of the transportation type per unit of economic value and inflation data to convert market values between the year of the EEIO emissions factors and the year of the activity data.

8.14 Scope 3 Emissions, Category 11 Use of Sold Products

- **Information:** Direct use-phase emissions, which are associated with the use of goods and services sold in the reporting year
 - **Sources:** Product sales and associated electricity/fuel use. Divisional information is recorded related to operating conditions of sold products, including power requirements, days and hours of runtime, and estimated lifetimes. These are extracted from product manuals and are defined by product managers based on their knowledge and the operating conditions of products. The sources of electricity consumption and the product lifetime, including product datasheet and technical judgement are being reviewed annually and documented. The product sold quantity data is extracted from the divisional sales data, including SAP and Oracle.
- Methodology:** Direct use-phase emissions from products that directly consume energy (fuels or electricity) during use over their expected lifetime. Annual fuel and electricity consumption per product is calculated by the product power requirement and the runtime (i.e. days per week and hours per days). This annual consumption would then be multiplied by the quantity sold of product during the financial year and their expected

lifetime for the total lifetime fuel and electricity consumption per products. Smiths' calculation of GHG Emissions from electricity assumes that the electricity emission factor will remain constant throughout the products' lifetimes. This conservative assumption likely results in the overestimation of emissions as the electrical grid is expected to incorporate more renewable energy sources in the future. Besides, the quantity sold of products has been extracted from the sales data system of divisions, including SAP and Oracle. Smith's Interconnect Inc's products have their own system due to the fact that a large amount of their business includes US Government contracts.

Flex Tek's intermediate products, defined as those that must be integrated into an end-use product downstream to function, were excluded as Smiths Group does not have control over reducing emissions during their use, such as the source of electricity consumed. Therefore, Smiths determined uncertainty in estimating Flex-tek's product emissions is high due to the lack of accurate information on location of use and appropriate use cases to determine hours of operation. Products also have an unknown end use since they are used in additional products and precise information about these final products is unknown. Without this information and with no reasonable way to track this information, there is no meaningful way for Smiths to estimate the associated use emissions. For situations such as this, the GHG Protocol provides flexibility in its requirements for reporting the downstream emissions of intermediate products which can be seen in their Technical Guidance for Calculating Scope 3 Emissions. This was determined based on the GHG Protocol's principles of relevance, completeness, consistency, transparency, and accuracy.

The emission factors are being adjusted by the sales geography proportion of products with national grid emission factors from different regions. The sales geography data is derived from the sales of products recorded in the financial system of divisions. The emission calculated per product is then aggregated to the total category 11 emissions.

8.15 Scope 3 Emissions, Category 12 End-of-Life Treatment of Sold Products

- **Information:** Waste disposal and treatment of products sold by each division at the end of their life
- **Sources:** Total number of sold products during the financial year, product weights, product material composition & proportion of waste being treated by different methods was provided by each division. Total mass of sold products from the point of sale by the reporting company to the end-of-life after consumer use was provided by each division. Waste treatment method was provided by each division
- **Methodology:** Average-data method, which involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method. For waste treatment methods with no applicable emission factor, landfill or incineration was the assumed disposal method, depending which was most conservative for a given material. Spare parts sold by Smiths Detection are either refurbished or

disposed of by Smiths Detection. Spare parts are therefore captured in Category 5 and excluded from Category 12.

8.16 Scope 3 Emissions, Category 15 Investments

- **Information:** Equity investments in joint ventures (non-incorporated joint ventures/partnerships/ operations), where partners have joint financial control
- **Sources:** ICU Medical's quarterly revenue was obtained from four quarterly reports between July 2023 and December 2023. Smiths equity share of ICU Medical was obtained from the FY2023 Smiths Annual Report and remained the same in FY2024
- **Methodology:** Average data method: Uses EEIO data to estimate the scope 1 and scope 2 emissions associated with equity investments. The revenue of the investee company is multiplied by the appropriate EEIO emission factor that is representative of the investee company's sector of the economy. The reporting company then uses its proportional share of equity to allocate the estimated scope 1 and scope 2 emissions of the investee company. ICU Medical's quarterly revenue from Q3 & Q4 of 2023 and Q1 and Q2 of 2024 was used to best align with Smiths' fiscal year.

Appendix 1: Data sources by Activity

Activity	Sources
Stationary Fuel Combustion	
Combustion units (bulk power generation, furnaces, back-up generators)	<p>Emission Factors: IPCC 2006 Guidelines for National Greenhouse Gas Inventories</p> <p>Emission Factors for Cross Sector Tools V2.0 0.xlsx (live.com)</p>
Mobile Fuel Combustion	
Leased on-road vehicles	<p>Emission Factors: USEPA Center for Corporate Climate Leadership GHG Emission Factors Hub. 2022 GHG Emission Factors Hub. Table 2. ghg-emission-factors-hub-2022.xlsx (live.com)</p>
	<p>Average MPG Diesel Car: USEPA Office of Transportation and Air Quality, New Diesel Cars (2016-2023). Fuel Economy of New Diesel Cars</p>
	<p>Average MPG Ethanol Car: USEPA Office of Transportation and Air Quality, 2019 Ford Taurus (2019). Gas Mileage of 2019 Ford Taurus (fueleconomy.gov)</p>
	<p>Average MPG Hybrid Car: USEPA Office of Transportation and Air Quality, manual filter (2016-2024). Fuel Economy</p>
	<p>Average MPG Petrol Car: USEPA Automotive Trends Data, All Car (Prelim 2023). Explore the Automotive Trends Data US EPA</p>
	<p>Average MPG Diesel Truck: USEPA Office of Transportation and Air Quality, New Diesel Trucks and SUVs (2022-2023). Fuel Economy of New Diesel Trucks and SUVs</p>
	<p>Average MPG Petrol Truck: USEPA Automotive Trends Data, All Truck (Prelim 2023). Explore the Automotive Trends Data US EPA</p>
	<p>Average MPG Diesel Van: HonestJohnVans Real MPG, Volkswagen Caddy Life (2015 – 2021). Volkswagen Caddy Life (2015 - 2021) - Real MPG Honest John, Car and Driver, Ford Transit Connect (2023). 2023 Ford Transit Connect Review, Pricing, and Specs (caranddriver.com)</p>
	<p>Average MPG Ethanol Van: USEPA Office of Transportation and Air Quality, 2022 Ford F150 (2022). Gas Mileage of 2022 Ford F150 (fueleconomy.gov)</p>
	<p>Average MPG Petrol Van: USEPA Automotive Trends Data, Minivan/Van (Prelim 2023). Explore the Automotive Trends Data US EPA</p>
Purchased Energy	

Electricity consumption data tracked in PRISM & Electricity Consumption estimated for small sites	<p>US Sites Emission Factors (non HCP, non partial unbundled REC): USEPA eGRID. Subregion Output Emission Rates (2020). egrid2020_summary_tables.xlsx (live.com)</p>
	<p>US Sites Emission Factors (HCP): USEPA eGRID. Subregion Output Emission Rates (2021). eGRID2021_summary_tables.xlsx (live.com)</p>
	<p>Partial Unbundled REC: Bespoke methodology (see section 8.6) using USEPA eGRID. Subregion Output Emission Rates (2020). egrid2020_summary_tables.xlsx (live.com)</p>
	<p>Non US, Non European Sites Emission Factors (excl. Costa Rica, Tunisia, Venezuela, Colombia, Egypt, Qatar, Chile): Carbon Footprint. Country Specific Electricity Grid Greenhouse Gas Emission Factors (Published 2021, March 2022). 2022_03_emissions_factors_sources_for_2021_electricity_v11.pdf (carbonfootprint.com)</p>
	<p>European Sites Emission Factors: Carbon Footprint. Country Specific Electricity Grid Greenhouse Gas Emission Factors (Published 2022, February 2023). 2023_02_emissions_factors_sources_for_2022_electricity_v10.pdf (carbonfootprint.com)</p>
	<p>Chile Sites Emission Factors: IGES List of Emission Factors, v10.12, Cell E115 (2022) IGES List of Grid Emission Factors</p>
	<p>Costa Rica Sites Emission Factors: IGES List of Emission Factors, v10.12, Cell L312 (2022) IGES List of Grid Emission Factors</p>
	<p>Colombia Sites Emission Factors: IGES List of Emission Factors, v10.12, Cell L132 (2022) IGES List of Grid Emission Factors</p>
	<p>Egypt Sites Emission Factors: IGES List of Emission Factors, v10.12, Cell L1149 (2022) IGES List of Grid Emission Factors</p>
	<p>Tunisia Sites Emission Factors: IGES List of Emission Factors, v10.12, Cell L2159 (2022) IGES List of Grid Emission Factors</p>
	<p>Qatar Sites Emission Factors: UK DEFRA Conversion Factors - Overseas Electricity (Extracted from 2012 IEA CO2 Factors) IEA – International Energy Agency - IEA</p>
	<p>Venezuela Emission Factors: IPCC Fifth Assessment Report (2014) Fifth Assessment Report – IPCC</p>
Fuel & Electricity Consumption Estimated for Small Sites	<p>Electricity Based Emission Factors: See above</p> <p>Non US Sites Emission Factors: Carbon Footprint. Country Specific Electricity Grid Greenhouse Gas Emission Factors</p>

	(Published March 2022, Updated February 2023). 2023_02_emissions_factors_sources_for_2022_electricity_v10.pdf (carbonfootprint.com)
	Gas Emission Factors: IPCC 2006 Guidelines for National Greenhouse Gas Inventories Emission Factors for Cross Sector Tools V2.0_0.xlsx (live.com)
Scope 3 Emissions	
Category 1: Purchased Goods and Services; Category 2: Capital Goods; Category 4: Upstream Transportation and Distribution Category 6: Business Travel; Category 9 Downstream transportation and distribution; Category 15: Investments	US EPA Input-Output model, Supply Chain GHG Emission Factors for US Industries and Commodities v1.2. https://catalog.data.gov/dataset/commercial-waste-national-totals-by-naics-and-us-satellite-tables-for-useio
Category 3: Fuel- and energy-related emissions	IEA https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023
Category 5: Waste generated in operations	Life cycle databases (ecoinvent) & national inventories
Category 7: Employee Commuting	Greenhouse Gas Protocol Scope 3 Screening Tool
Category 11: Use of Sold Products	US: USEPA eGRID 2022. eGRID2022_summary_tables.xlsx Canada: Greenhouse Gas Division, Environment Canada, National Inventory Report, 1990-2022: Greenhouse Gas Sources and Sinks in Canada (2024) Annex 13: Electricity in Canada: Summary and Intensity Tables, Table A13-1 - A13-14. Non US: Carbon footprint, Country Specific Electricity Factors. 2023 Country Specific Electricity Grid Greenhouse Gas Emission Factors
Category 12: End-of-Life treatment of sold products	US EPA WARM tool factors and DEFRA waste disposal factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023

Appendix 2: Renewable Energy Source

Site	Division	Country	Region	REC Type
JC-Buenos Aires	John Crane	Argentina	South America	Bundled RECs
JC-Rio Claro	John Crane	Brazil	South America	Bundled RECs
IC-Montreal	Interconnect	Canada	North America	Bundled RECs
JC-Edmonton	John Crane	Canada	North America	Bundled RECs
JC-Stoney Creek	John Crane	Canada	North America	Bundled RECs
JC-Tianjin	John Crane	China	Asia (East/South East)	Unbundled RECs
JC-Bogota	John Crane	Colombia	South America	Bundled RECs
IC-Costa Rica	Interconnect	Costa Rica	Central America	Bundled RECs
JC-Hnevotin	John Crane	Czech Republic	Europe	Bundled RECs
JC-Lutin	John Crane	Czech Republic	Europe	Bundled RECs
JC-Muurame	John Crane	Finland	Europe	Bundled RECs
DT-France	Detection	France	Europe	Bundled RECs
FT-Titeflex - Europe	FlexTek	France	Europe	Bundled RECs
IC-St Aubin	Interconnect	France	Europe	Bundled RECs
JC-Les Pennes Mirabeau	John Crane	France	Europe	Bundled RECs
JC-Rouen - JC	John Crane	France	Europe	Bundled RECs
DT-Germany	Detection	Germany	Europe	Bundled RECs
FT-Flexschlauch - Germany	FlexTek	Germany	Europe	Bundled RECs
IC-Deggendorf	Interconnect	Germany	Europe	Bundled RECs
JC-Fulda	John Crane	Germany	Europe	Bundled RECs
JC-Schkopau	John Crane	Germany	Europe	Bundled RECs
JC-Seebach Vellmar	John Crane	Germany	Europe	Bundled RECs
JC-Weinheim	John Crane	Germany	Europe	Bundled RECs
JC-Shannon	John Crane	Ireland	Europe	Bundled RECs
IC-Genoa	Interconnect	Italy	Europe	Bundled RECs
JC-Muggio	John Crane	Italy	Europe	Bundled RECs
JC-Solaro	John Crane	Italy	Europe	Bundled RECs
JC-Venice	John Crane	Italy	Europe	Bundled RECs
DT-Malaysia	Detection	Malaysia	Asia (East/South East)	Unbundled RECS
FT-Tutco - Mexico	FlexTek	Mexico	North America	Unbundled RECS
IC-Tijuana	Interconnect	Mexico	North America	Unbundled RECS
JC-Mexico Machining Center	John Crane	Mexico	North America	Unbundled RECS
JC-San Fernando	John Crane	Mexico	North America	Unbundled RECS
JC-Vallejo	John Crane	Mexico	North America	Unbundled RECS
JC-Duiven	John Crane	Netherlands	Europe	Bundled RECs
JC-Madrid	John Crane	Spain	Europe	Bundled RECs
FT-Habia Teknofluor AB	FlexTek	Sweden	Europe	Bundled RECs
JC-Gothenburg	John Crane	Sweden	Europe	Bundled RECs
DT-Detection Watford	Detection	United Kingdom	Europe	Bundled RECs
FT-Amnitech Limited UK	FlexTek	United Kingdom	Europe	Bundled RECs

IC-Dundee	Interconnect	United Kingdom	Europe	Bundled RECs
JC-Aberdeen Asset Management Solutions Ltd.	John Crane	United Kingdom	Europe	Bundled RECs
JC-Aberdeen-Mugiemoss	John Crane	United Kingdom	Europe	Bundled RECs
JC-Manchester	John Crane	United Kingdom	Europe	Bundled RECs
JC-Slough	John Crane	United Kingdom	Europe	Bundled RECs
DT-Edgewood	Detection	United States	North America	Bundled RECs
DT-Newark	Detection	United States	North America	Bundled RECs
FT-Farnam - NC	FlexTek	United States	North America	Bundled RECs
FT-Flexible Technologies - SC	FlexTek	United States	North America	Unbundled RECS
FT-Fulton Bellows - TN	FlexTek	United States	North America	Bundled RECs
FT-Gastite - TN	FlexTek	United States	North America	Unbundled RECS
FT-HCP Byesville	FlexTek	United States	North America	Bundled RECs
FT-HCP Mount Vernon	FlexTek	United States	North America	Bundled RECs
FT-Kreisler Industrial Corp.	FlexTek	United States	North America	Bundled RECs
FT-Royal Metals	FlexTek	United States	North America	Unbundled RECS
FT-ScotiaTechnology	FlexTek	United States	North America	Bundled RECs
FT-Thermaflex - AZ	FlexTek	United States	North America	Bundled RECs
FT-Thermaflex - GA	FlexTek	United States	North America	Unbundled RECS
FT-Thermaflex - SC	FlexTek	United States	North America	Unbundled RECS
FT-Titeflex - MA	FlexTek	United States	North America	Bundled RECs
FT-Titeflex - NH	FlexTek	United States	North America	Bundled RECs
FT-Tutco - TN	FlexTek	United States	North America	Bundled RECs
FT-Tutco Sureheat	FlexTek	United States	North America	Bundled RECs
FT-US Hose - Houston	FlexTek	United States	North America	Bundled RECs
FT-US Hose - Romeoville	FlexTek	United States	North America	Bundled RECs
IC-Kansas City	Interconnect	United States	North America	Bundled RECs
IC-Salisbury	Interconnect	United States	North America	Bundled RECs
IC-Tampa-SSA	Interconnect	United States	North America	Bundled RECs
JC-Baton Rouge	John Crane	United States	North America	Bundled RECs
JC-Bolingbrook	John Crane	United States	North America	Bundled RECs
JC-Corpus Christi	John Crane	United States	North America	Bundled RECs
JC-Crystal Lake	John Crane	United States	North America	Bundled RECs
JC-Fluid Control Systems	John Crane	United States	North America	Bundled RECs
JC-Morton Grove	John Crane	United States	North America	Bundled RECs
JC-Norcross	John Crane	United States	North America	Bundled RECs
JC-Odessa	John Crane	United States	North America	Bundled RECs
JC-Oyster Creek	John Crane	United States	North America	Bundled RECs
JC-Pasadena - JC	John Crane	United States	North America	Bundled RECs
JC-Romeoville	John Crane	United States	North America	Bundled RECs
JC-Santa Fe Springs	John Crane	United States	North America	Bundled RECs
JC-Swedesboro	John Crane	United States	North America	Bundled RECs
IC-Irving	Interconnect	Unites States	North America	Bundled RECs
JC-Maracaibo	John Crane	Venezuela	South America	Bundled RECs

