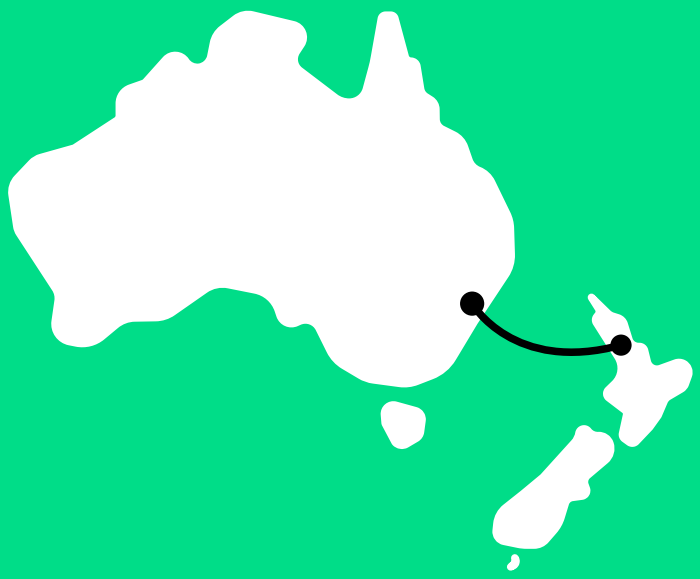


THE CLIMATE STATEMENT

FOR THE REPORTING PERIOD ENDED
31 MARCH 2025

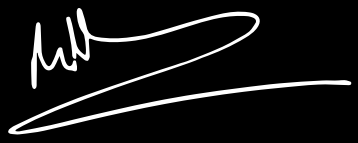
SMARTPAY HOLDINGS LIMITED

Approval

This Statement was approved by the Board of Smartpay in their capacity as the principal governing body of Smartpay Holdings Limited on 31 March 2025.

For and on behalf of the Directors

Gregor Barclay
Chairman



Marty Pomeroy
Managing Director and
Chief Executive Officer

Signed: 31 July 2025

Statement of Compliance

This is Smartpay Holdings Limited's (Smartpay's) climate statement for the financial reporting period 1 April 2024 – 31 March 2025. All figures and commentary relate to the full year ended 31 March 2025 (FY25), unless otherwise indicated.

Smartpay is a climate reporting entity under the Financial Markets Conduct Act 2013. This climate statement complies with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

In preparing its climate-related disclosures, Smartpay has elected to use the following adoption provisions included in Aotearoa New Zealand Climate Standard 2: Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2).

Adoption Provision:

2. Anticipated financial impacts
4. Scope 3 GHG emissions
5. Comparatives for Scope 3 GHG emissions
6. Comparatives for metrics
7. Analysis of trends

Important Information

References to 'Smartpay' mean Smartpay Holdings Limited and its subsidiaries, and any mention of 'we' and 'our' means Smartpay Holdings Limited and its subsidiaries.

This disclosure contains climate-related and other forward-looking statements and metrics, which are not and should not be considered guarantees, predictions or forecasts of the future-related outcomes or financial performance.

These statements are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond Smartpay's control. Readers are cautioned not to place undue reliance on such statements considering the significant uncertainty in climate metrics and modelling that limit the extent to which they are useful for decision-making, and the many underlying risks and assumptions that may cause actual outcomes to differ materially.

Governance

Governance Body

Governance Body Oversight

The Smartpay Board of Directors is responsible for the collective oversight of climate-related risks and opportunities.

The Board is informed about the business's material climate-related risks and opportunities on an annual basis by the Chief Financial Officer (CFO) at Board meetings. Where there is a material change, the Board is updated more regularly.

The Board considers all enterprise risks and opportunities when developing and overseeing implementation of the organisation's strategy.

Skills and Competencies

The Board ensures it has the appropriate skills and competencies available to provide oversight of climate-related risks and opportunities by undertaking training and education on climate change and its impacts on business where required. In FY25, one presentation was given to the whole Board at the October 2024 Board meeting by an external party which focused on the Smartpay's climate-related disclosure requirements, progress towards Smartpay's FY25 climate-related disclosures, and the consultation on proposed amendments to the Aotearoa New Zealand Climate Standards and climate reporting regime.

Corporate Sustainability is a listed skill in Smartpay's Board Skills Matrix, which sets out the range of skills that the Board consider required to effectively govern Smartpay. Through the Remuneration and Nominations Committee, the Board applies the matrix to assist in succession planning and for the Board to consider and to ensure that its current members have the appropriate mix of skills, personal attributes and experience to allow the Board, and its directors, to discharge their duties effectively and efficiently. The evaluation of current members of the Board against the skills matrix can be found on Page 65 of Smartpay's 31 March 2025 Annual Report.

Oversight of Metrics and Targets

The Board is responsible for setting, managing, and overseeing Smartpay's climate-related metrics and targets. In FY25, this has included reviews and approvals of Smartpay's GHG emissions forecasts, reduction targets and plans, and the impacts of the acquisition of business assets from Technology Holdings Limited (THL) on Smartpay's GHG emissions at Board meetings.

Following the end of the FY25 reporting period, the Board also collectively reviewed and approved Smartpay's Climate Transition Plan Framework and FY25 GHG emissions in July 2025, which includes Smartpay's GHG emissions reduction plan.

Remuneration

Performance against Smartpay's climate metrics and targets or other climate-related matters are not currently incorporated into any remuneration policies.

Governance

Management

Responsibilities

Primary responsibility for climate-related activities have been assigned to the Chief Executive Officer (CEO) and CFO, who are responsible for developing, implementing, and managing Smartpay's ESG Strategy, which includes the management of Smartpay's climate-related risks and opportunities.

Additional climate-related responsibilities are assigned to management level positions and committees, as described in the Table 1 and 2. The organisational structure showing relevant management-level positions and committees relevant to the management of climate-related matters is outlined in Figure 1.

Table 1: Management Level Responsibility

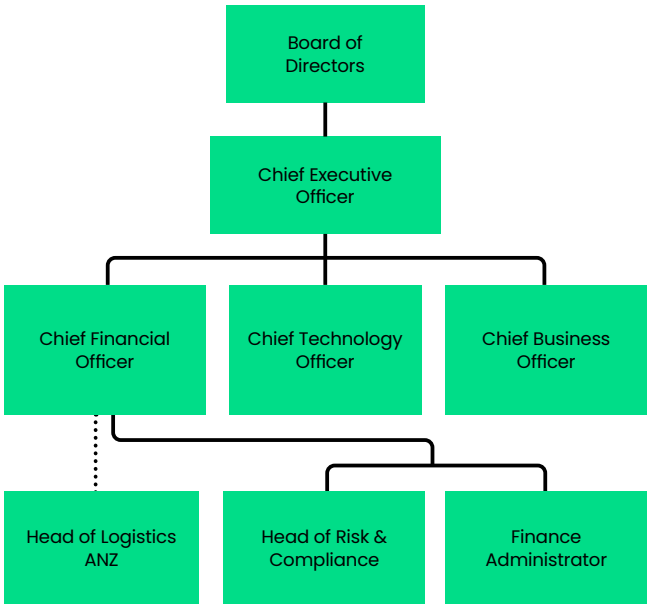
Position	Responsibilities
Chief Executive Officer	• Highest management level responsibility for identifying, assessing, and managing climate-related risks and opportunities. • Developing, implementing, and managing Smartpay's ESG Strategy.
Chief Financial Officer	• Identifying, assessing, and reviewing climate-related risks and opportunities • Informing and engaging with the Board on climate-related risks and opportunities and associated metrics and targets. • Setting the strategic response, establishing overall management and overseeing tactical execution of activities to address climate-related risks and opportunities. • Ensuring appropriate resources are available to support climate-related activities. • Overseeing GHG emissions activity data collection and activities to support its transition plan. • Ensuring achievement of key objectives, metrics, and targets. • Overseeing Smartpay's climate-related disclosures and ensuring compliance with the Aotearoa New Zealand Climate Standards. • Developing, managing, and overseeing implementation of Smartpay's ESG Strategy.
Head of Risk & Compliance	• Identifying, assessing, and reviewing climate-related risks and opportunities. • Ensuring climate-related risks are appropriately managed as part of Smartpay's Enterprise Risk Management Framework. • Day-to-day management of climate-related risks and opportunities.
Head of Logistics ANZ	• Supporting the preparation of Smartpay's GHG emissions inventory.
Finance Administrator	• Supporting the preparation of Smartpay's GHG emissions inventory.

Table 2: Committees

Committee	Purpose	Members
ESG Committee	• The ESG Committee is responsible for the oversight of Smartpay's annual ESG strategy including compliance with the requirements in respect of climate change reporting. • The ESG Committee supports the preparation of Smartpay's GHG emissions inventory. • The ESG Committee acts as a bridge between executive management and the Board. • The CFO ensures that the CEO is kept informed and engaged as required.	Chief Financial Officer Head of Risk & Compliance Head of Logistics ANZ Senior Manager Sustainability ANZ (Former) Commercial Finance Manager (Former)
Enterprise Risk Management Committee (ERMC)	• The ERMC provides oversight, guidance, and strategic direction to ensure Smartpay effectively manages its risk and compliance activities. • The ERMC acts as a bridge between executive management and the board. • The CFO ensures that the CEO is kept informed and engaged as required.	Chief Financial Officer Chief Business Officer Chief Technology Officer Head of Risk & Compliance

Figure 1: Organisational Structure

Organisational Chart



Governance Committees

Governance

Management continued

Processes

Management is informed about Smartpay's climate-related risks and opportunities on an annual basis following the completion of scenario analysis, in which the CFO has direct involvement in.

Management monitors Smartpay's climate-related risks when reviewing all other enterprise risks and makes decision on these risks by identifying and implementing relevant controls in accordance with Smartpay's risk appetite and risk tolerance. These controls are disclosed as current and planned management responses in Table 8 and form part of Smartpay's Climate Transition Plan Framework.

Management makes decisions on climate-related opportunities by identifying and implementing relevant current and planned management responses to harness each opportunity, disclosed in Table 9. These management responses form part of Smartpay's Climate Transition Plan Framework.

Managing climate-related risks and opportunities is also a core part of the environment pillar of Smartpay's ESG Strategy and Climate Transition Plan Framework (Page 13).

Table 3: ESG Strategy

	Environment	Social	Governance
Definition	Having sustainable procurement and waste management programs that limit the impact on the environment	Creating equitable outcomes and sustainable futures for our employees and their communities	Ethical business practices, effective risk management and internal control and doing the right thing by our stakeholders, being investors, customers, employees, and communities
Focus Areas	• Sustainable procurement • Waste management • Managing and engaging in our climate impact	• Sustainable employment • Diversity and Inclusion • Living wage • Accredited employer • Health, safety, and wellbeing • Supporting superannuation • Community impact and charitable giving	• Ethical business • Respecting stakeholders • Shareholder rights • Board governance and transparent reporting • Balance sheet strength and measured investment

Engagement with Governance Body

The CFO engages with the Board at each Board meeting, providing updates relating to Smartpay's climate-related risks and opportunities and progress against metrics and targets when required.

Primary engagement between the CFO and the Board in the reporting period has concerned the identification of Smartpay's climate-related risks and opportunities, Smartpay's FY25 GHG emissions, forecasts, reduction targets and plans, the impacts of the aquisition of assets from THL on Smartpay's GHG emissions at Board meetings, and approving Smartpay's Climate Transition Plan Framework. Engagement between the CFO and the Board was also supported by external specialists where required.

Strategy

Current Impacts

Current impacts represent how climate change is currently impacting Smartpay's business model and strategy.

Smartpay has experienced one transition impact, presented in Table 4. No material physical impacts have occurred in the reporting period.

Table 4: Current Impacts

Driver	Business Impact	Financial Impact
Increased legislative and regulatory requirements relating to climate change in New Zealand	Smartpay is a Climate Reporting Entity under the Financial Markets Conduct Act 2013 and is required to prepare an annual climate statement that meets the requirements of the Aotearoa New Zealand Climate Standards. Smartpay has experienced an increase in operational expenses associated with the delivery of Smartpay's FY24 and FY25 climate statements, which includes expenditure on external consulting support.	$127,000 in operational expenses

The financial impact associated with increased legislative and regulatory requirements relating to climate change in New Zealand was first identified qualitatively by identifying the areas of Smartpay's financial performance that were impacted – expenses, revenues, assets and liabilities, and/or capital and finance. Impacts were then quantified by reference to supplier invoices. No allowance has been made for the cost of internal resources who have participated in the preparation of Smartpay's FY24 and FY25 climate statement.

Strategy

Scenario Analysis

Scenarios

Climate change scenarios are plausible, challenging descriptions of how the future may unfold. They are based on coherent and internally consistent sets of assumptions about the drivers of future physical and transition risks and opportunities (and the relationships between them).

Smartpay analysed three scenarios to identify and assess our climate-related risks and opportunities. The scenarios were adapted from 'The future of retail: Integrated Climate Change Scenarios for New Zealand's Retail Sector', publicly available climate change scenarios for the New Zealand retail sector.

The retail sector scenarios were developed as a collaboration between major organisations in the New Zealand retail industry (including Smartpay) and KPMG New Zealand in 2023, with the purpose to support strategic decision-making in retail businesses and those preparing climate-related disclosures in-line with the Aotearoa New Zealand Climate Standards.

Smartpay chose to utilise the retail sector scenarios as Smartpay had significant involvement in their development as one of the project partners. While Smartpay is not a retailer itself, the impacts of climate change on the retail sector are material for Smartpay as they occur within Smartpay's value chain and Smartpay's business model and strategy is dependent on retail trade.

As the retail sector scenarios were developed at an industry level in New Zealand and are aligned with the External Reporting Board's requirements and supplementary guidance, Smartpay also chose to utilise these scenarios as this allows for more meaningful disclosure comparison for primary users of climate statements.

To develop Smartpay's entity-level scenarios for FY25, Smartpay first identified the driving forces included in the retail sector scenarios that will have the greatest influence in shaping and impacting our business model and strategy. These driving forces are outlined in Table 5. Smartpay then used the retail sector scenarios to inform and develop narratives relevant for each driving force for each scenario.

The scenario architecture and temperature pathways have been adapted from the retail sector scenarios to allow for consistency and enable comparability with other climate reporting entities who have used these scenarios in their analysis.

All sector level modelling has been adopted from the retail sector scenarios. No modelling has occurred at the entity level.

Table 5: Driving Forces

Environmental Drivers	Domestic Drivers	Economic Drivers	Market Drivers	Legal Drivers	Social Drivers	Technological Drivers
• Physical impacts of climate change in New Zealand • Physical impacts of climate change in Australia	• New Zealand domestic ambition • International ambition • Domestic legislation/ regulation	• Macroeconomic conditions • Consumer financial strain • GDP • Carbon price • Labour market	• Finance availability • Cost and availability of insurance • Shareholder/ investor expectations	• Director & Officer liabilities • Exposure to legal action • Compliance requirements	• Changing consumer attitudes • Changing employee attitudes	• Product, packaging and sales technology

Strategy

Scenario Analysis continued

Table 6: Scenarios

Scenario:	Net Zero 2050	Delayed Transition	Current Policies
Category:	**Orderly**	**Disorderly**	**Hot House**
Reference Scenarios	**Network for Greening the Financial System (NGFS):** Net Zero 2050 scenario, Orderly category **Intergovernmental Panel on Climate Change (IPCC):** SSP1-1.9 **New Zealand Climate Change Commission:** Tailwinds	**Network for Greening the Financial System (NGFS):** Delayed Transition scenario, Disorderly category **Intergovernmental Panel on Climate Change (IPCC):** SSP1-2.6 **New Zealand Climate Change Commission:** Headwinds	**Network for Greening the Financial System (NGFS):** Current Policies scenario, Hot House World category **Intergovernmental Panel on Climate Change (IPCC):** SSP3-7.0 **New Zealand Climate Change Commission:** Current Policy Reference
Global temperature outcome at 2050	1.6 °C	1.7 °C	2.1 °C
Global temperature outcome at 2100	1.4 °C	1.8 °C	3.6 °C
Global Trends			
Global ambition	High	Low, then High	Low
Technological change	Fast	Slow, then Fast	Slow
Global GDP per capita at 2050	$34,148 USD per capita	$34,148 USD per capita	$17,224 USD per capita
Carbon price at 2050	$277 NZD	$369 NZD	$186 NZD
Domestic Trends			
New Zealand and Australia climate policy	Immediate and smooth transition.	Delayed transition.	Current policies only.
Market conditions	Significant and immediate wave of divestment in emissions-intensive sectors and investment in low-emissions sectors.	Significant but delayed wave of divestment in emissions-intensive sectors and investment in low-emissions sectors.	Businesses mitigating and adapting to climate change are rewarded in the market, but emissions-intensive sectors continue to access finance, investment, and insurance.
Macroeconomic conditions	Immediate, orderly transition generates short-term economic turbulence but pronounced benefits in the medium and long-term. Physical impacts of climate change exert measurable but limited downward pressure on economy.	Delayed and disorderly transition generates sharpy economic downturn but eventually supports economic stability. Physical impacts of climate change exert moderate downward pressure on economy.	No 'green bump' from the transition to a low-emissions economy. Physical impacts of climate change exert increasingly downward pressure on economy, potentially growing to destabilise financial institutions and systems by mid-century.
Products, packaging, and sales	Technology enables new, alternative low-carbon products, packaging and materials to be taken to market.	Technology enables new, alternative low-carbon products, packaging and materials to be taken to market in the medium term.	Low-emissions products and services struggle to strongly penetrate the market due to poor infrastructure investments and workforce skills.
Consumer behaviour	Rapid re-orientation towards sustainable lifestyles, as characterised by a focus on wellbeing and conscious consumption. Per capita consumption is low.	Current trends continue to 2030, then abruptly transition towards sustainable lifestyles as the physical impact change change (and biodiversity loss) hit home. Per capita consumption is low.	Current trends continue, including the adoption of more sustainable lifestyles by successive generations.
Cost and availability of insurances	As the frequency and severity of extreme weather increases over time, the cost of insurance and premiums increase for businesses and households.	From 2030, insurance retreat quickly rises as insurance companies align with decarbonisation and adaptation goals. Businesses over-exposed to physical and transition risks face increasing risk of unavailability of insurance.	Insurance retreat is evident, with insurers refusing to insure business assets and operations that are increasingly susceptible to climate impacts, and premiums rise.
Exposure to legal action	High	Low, then High	Low
Mean annual temperature change in New Zealand at 2050	1.46 °C	1.61 °C	1.90 °C
Median sea-level rise in New Zealand at 2100	0.39m	0.60m	1.08m
Extreme precipitation events lastings 3hrs at 2050	1 in 67 years	1 in 62 years	1 in 53 years

Strategy

Scenario Analysis continued

Scenario Analysis Process

The purpose of the scenario analysis exercise was to identify our climate-related risks and opportunities over the short, medium, and long term, and test the resiliency of our current business model and strategy under three different climate-related scenarios.

The scenario analysis process was undertaken in 2024 by the CFO, Head of Risk and Compliance, Senior Manager Sustainability ANZ, and Commercial Finance Manager, with support from external consultants Oxygen Consulting, subject matter specialists in climate change and sustainability. The Board reviewed the climate-related risks and opportunities that Smartpay identified and assessed as part of the process at the October 2024 Board meeting.

The scope of the scenario analysis process included Smartpay's own operations and upstream and downstream activities. This includes activities relating to Smartpay's suppliers, products, research and development, business operations, Merchants, and Merchant's customers.

Smartpay undertook climate change scenario analysis as a standalone process, rather than integrated within Smartpay's existing business strategy processes. No modelling was undertaken as part of the process.

A summary of the scenario analysis process Smartpay undertook is provided in Figure 2.

Figure 2: Scenario Analysis Process

1. Develop Project Charter

Developed project charter outlining objectives, roles and responsibilities, and timelines.

↓

2. Developed Climate Scenarios

Developed our climate scenarios, including identifying the driving forces relevant to Smartpay, the underlying scenario architecture, and narratives for each scenario.

↓

3. Review and Confirm Assessment Method

Reviewed and confirmed the time horizons relevant to our strategic planning horizons and financial decision-making processes, and the assessment method to be used as part of the process.

↓

4. Identication and Assessment of Climate-Related Risks and Opportunities

Facilitated a workshop with internal stakeholders and undertook desktop research to review Smartpay's existing and identify new climate-related risks and opportunities and their anticipated business impacts under the three scenarios and time horizons.

↓

5. Develop Impact Pathways

Developed financial impact pathways to further understand how each risk and opportunity may present financial impacts for Smartpay and test the materiality of each risk and opportunity.

Further detail on the identification and assessment of climate-related risks and opportunities can be found in the Risk Management section of this disclosure.

Strategy

Scenario Analysis continued

Time Horizons

Smartpay's short, medium and long term time horizons are outlined in Table 7.

While the retail sector scenarios that Smartpay drew from as part of the scenario analysis process include their own short, medium, and long term time horizons that stretch out to 2050, the time horizons Smartpay used in its entity level analysis align to Smartpay's own strategic planning horizons and financial decision-making.

Table 7: Time Horizons

Short-term	Next 0 - 3 years 2024 – 2026	During this period, Smartpay can reasonably anticipate and plan for climate-related risks and opportunities that may impact its business operations, financial performance, and strategy. This time period may include some immediate physical and transition risks. There can be a strong focus on operational mitigation and efficiency.
Medium-term	Next 4 – 10 years 2027 - 2033	During this period, Smartpay can reasonably anticipate and plan for climate-related risks and opportunities that may impact Smartpay's business model, supply chains, and capital investments. This period allows for considering more substantial changes to the business strategy and adapting to a changing climate landscape. Strong focus on strategic decision-making to support capital decisions on mitigation, investment in adaptation measures, and continued operational efficiency.
Long-term	Next 11 – 77 years 2034 – 2100	During this period, Smartpay can reasonably anticipate and plan for climate-related risks and opportunities that may impact its strategic decisions related to emissions reduction pathways, research and development, investment cycles, and potential disruptions in the value chain. During this time, chronic physical risks such as sea-level rise, changes in temperature and precipitation patterns, and other impacts of climate change may become more pronounced. Strong focus on transitioning the business model and implementing adaptation measures, supported by continued investment in mitigation efforts.

Climate-related Risks and Opportunities

Climate-related risks refer to the potential negative impact climate change may have on Smartpay in the future, and climate-related opportunities refer to the potential positive outcomes that climate change and the transition to a low-emissions economy presents to Smartpay.

Smartpay's anticipated climate-related risks and opportunities over the short, medium, and long term across each scenario are outlined in Table 8 and 9. This includes management responses in place (current) and to be implemented in the future (planned) to manage each risk and harness each opportunity.

Climate-related risks are identified as physical and transition risks, as defined by the External Reporting Board.

Physical Risks: Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increase variability in weather patterns, such as sea level rise.

Transition Risks: Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.

Risks and opportunities associated with Smartpay's operations in New Zealand and Australia specifically are identified where relevant.

Smartpay has elected to utilise Adoption Provision 2: Anticipated financial impacts.

Table 8: Climate-related Risks

Risk	Type	Time Horizon	Scenario	Management Response
Continuing consumer shifts toward e-commerce over bricks and mortar retail may lead to a loss of Merchants. Smartpay's business model is dependent on retail trade and consumer spending. As the world continues to transition to a low-emissions economy, Smartpay expects that consumer preferences will continue to shift away from bricks and mortar retail and customer-facing trade and towards e-commerce. This may result in a decrease in the overall presence of bricks and mortar and customer-facing trade across the New Zealand and Australian markets which may cause a decrease in the number of Smartpay Merchants and put downward pressure on revenue.	Transition	Short term – Medium term	Orderly	**Current:** • Monitoring the landscape to understand the opportunity for alternative payment solutions. • Monitoring ongoing trends in consumer behaviour to ensure Smartpay can position itself in a timely manner. • Monitoring monthly number of customers onboarded and attritioned to understand market trends. **Planned:** • Execute stage 3 of strategic plan.

Strategy

Scenario Analysis continued

Table 8: Climate-related Risks

Risk	Type	Time Horizon	Scenario	Management Response
The transition to a low-emissions economy may lead to a shift toward a reduction in overall consumer spending. Smartpay's revenue is dependent on consumer spending, particularly in the Australian market where revenue is achieved through transactional processing revenue. As the world continues to transition towards a low-emissions economy, overall consumer spending may reduce as households shift to less carbon-intensive lifestyles and purchase less goods and services and as the economy experiences short term turbulence. This may result in a decrease in the number of Smartpay Merchants and put downward pressure on revenue.	Transition	Short term – Medium term	Orderly	**Current:** • Monitoring monthly number of customers onboarded and attritioned to understand market trends. • Monitoring ongoing trends in consumer behaviour to ensure Smartpay can position itself in a timely manner. • Identifying and prioritising resilient and stable industries that can withstand economic challenges. • Increasing lead referrals. • Diversification of Merchant industry classifications.
Exposure to legislation and regulation requiring low-emissions products may require an increase in resources to source new terminal assets. Legislative and regulatory changes that mandate low-emissions products may require an increase in resources to meet these requirements. This may put short term upward pressure on our operating and capital expenditure. The anticipated impact of this risk is dependent upon the rate in which changes are implemented. In the event changes are implemented at pace, Smartpay's existing assets may also become stranded.	Transition	Medium term	Disorderly	**Current:** • Sourcing our terminals from a supplier that is measuring the GHG emissions associated with the lifecycle of the Terminals
T**ransitional climate change impacts may cause disruptions to Smartpay's supply chain.** Climate change impacts including rising carbon costs and changing legislative and regulatory requirements may impact Smartpay's terminal supplier in the transition to a low-emissions economy. Disruptions that may materially impact Smartpay include events where Smartpay's terminal supplier is unable to manufacture more efficient terminals at pace or where the cost of terminals significantly increases.	Transition	Short term – Long term	Orderly & Disorderly	**Current:** • Sourcing terminals from a supplier that is measuring the GHG emissions associated with the lifecycle of the terminals, identifying and manging their climate-related risks and reporting against the TCFD. • Terminal repair and refurbishment programme in place to maintain optimal use of existing assets. **Planned:** • Engage with Smartpay's terminal supplier to understand how they are reducing the lifecycle GHG emissions of their products. • Develop a contingency plan for the event Smartpay is unable to source new terminals.
Physical climate change impacts may cause disruptions to our supply chain. Climate change impacts such as increasingly frequent and severe extreme weather events, sea-level rise and rising temperatures are expected to impact global supply chains as global surface temperatures rise. These impacts may increase Smartpay's exposure to supply chain disruptions, particularly in relation to our Smartpay's single terminal supplier and the sea freighting of terminals from Hong Kong to New Zealand and Australia. Disruptions that may materially impact Smartpay include events where our terminals are lost or destroyed in transit, or our terminal supplier is unable to operate or manufacture new products. These events may extend lead times and delay onboarding new Merchants.	Physical	Short term – Long term	Hot House	**Current:** • Maintaining marine cargo insurance to limit financial impact. • Holding higher terminal stock in multiple locations. • Developing technology to allow multiple vendor terminals to be utilised. • Forecasting terminal stock usage and extending order placement horizons. • Sourcing terminals from a supplier that is identifying and managing their climate-related risks and reporting against the TCFD. • Availability of alterative transport modes such as air freight is required. • Targets in place for maintaining stock on hand availability. • Terminal repair and refurbishment programme in place to maintain optimal use of existing assets. **Planned:** • Engage with our terminal supplier to understand where their stock is shelved globally. • Develop a contingency plan for the event we are unable to source new terminals.

Strategy

Scenario Analysis continued

Table 9: Climate-related Opportunities

Opportunity	Time Horizon	Scenario	Management Response
Opportunity to diversify business activities and increase organisational resilience. As the world continues to transition to a low-emissions economy, Smartpay expects that consumer preferences will continue to shift away from bricks and mortar retail and towards e-commerce. This presents an opportunity for Smartpay to develop and market new alternative payment products that can be utilised by new and existing Merchants. Smartpay expects that these new products will create opportunities to support and grow business with our existing Merchants as well as attract new Merchants and increase revenue.	Short term – Medium term	Orderly & Disorderly	**Current:** • Execute stage 3 of strategic plan.
Opportunity to diversify terminal suppliers and create organisational resilience. Smartpay's business model currently relies on sourcing terminal assets from one single supplier. Anticipated physical and transitional climate change impacts may cause disruptions to our supply chain and increase risk exposure. There is an opportunity for Smartpay to diversify its terminal supplier base and reduce enterprise risk and increase organisational resilience.	Short term – Long term	Orderly & Disorderly	**Current:** • Targets in place for maintaining stock on hand availability. • Terminal repair and refurbishment programme in place to maintain optimal use of existing assets.

Strategy

Transition Planning

Current Business Model and Strategy

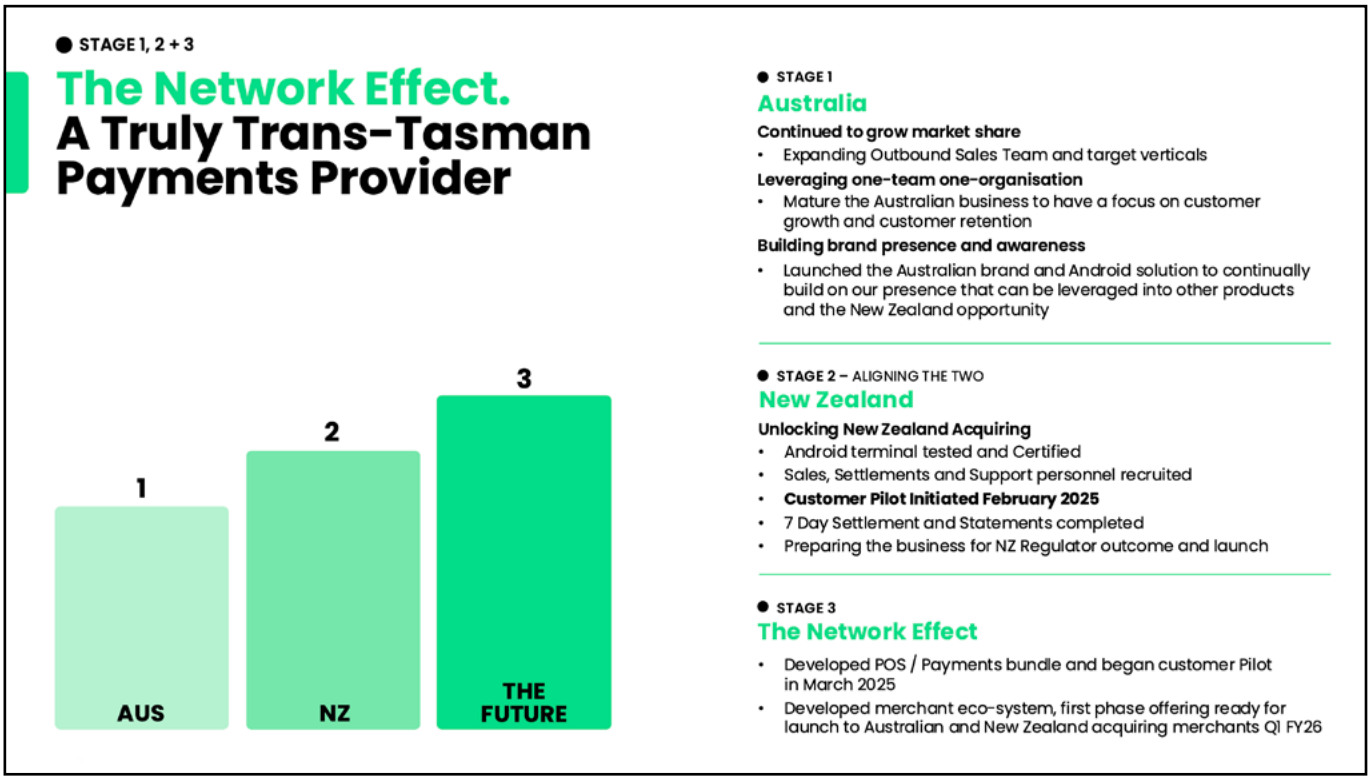
Smartpay is a trans-Tasman payments provider that designs, develops and implements innovative payment solutions for customers in New Zealand and Australia. The business operates from a Head Office in Auckland and offices in Christchurch, Wellington, Dunedin, and Sydney.

Smartpay utilises a partnership model whereby we form long-term mutually beneficial partnerships with key suppliers to support the business's activities, creating efficiency in the development of capital and accessing expertise where it is not necessary nor scalable for Smartpay to provide the function.

The company has a One-team, One-organisation approach which sees Smartpay leverage the capability of our talented team across all business operations, irrespective of where a team may be located. This assist in avoiding the duplication of teams, and ensures we benefit from experience.

Smartpay's Strategic Goal is to be recognised as the most reliable, capable, agile and innovative omni-channel payments provider in Australia and New Zealand. The business is united by our purpose to make payments easy ensuring businesses are paid everywhere, anytime, every time.

Our 3 Stage Strategic Plan is outlined below.



Value Chain

Smartpay's value chain outlines the range of activities, resources, and relationships related to our business model and strategy and the environment in which we operate.

Table 10: Our Value Chain

Upstream	Own Operations	Downstream
• Financing • Raw materials • Terminal manufacturing • Packaging manufacturing • Logistics and shipping • Terminal assembly, Quality Assurance, Packaging	• Software development • Terminal assembly, Quality Assurance, Packaging • Compliance • Marketing and sales • Customer support	• Logistics and shipping • Business customers • Consumer spending • Payment facilitation

Strategy

Transition Planning continued

Climate Transition Plan Framework

Smartpay's Climate Transition Plan Framework (the Plan) consolidates the transition planning aspects of our strategy, including our climate-related metrics and targets and actions towards our transition towards a low-emissions, climate-resilient future.

Our Plan focuses on reducing emissions, managing our climate-related risks and opportunities, and managing the environmental impacts of our terminals.

The Plan has been informed by and with reference to resources from the Transition Plan Taskforce (TPT).

Table 11: Smartpay's Climate Transition Plan Framework

	Reduce our Emissions	Be the Payment Partner of Choice	Manage the Environmental Impacts of our Terminals
Ambition	Smartpay is committed to reducing GHG emissions.	Smartpay is committed to being the payment partner of choice by effectively managing our climate-related risks and harnessing our climate-related opportunities.	Smartpay is committed to managing the lifecycle of our terminals by keeping them in use and avoiding environmental impacts where possible.
Actions	• Measuring and reporting Smartpay's emissions annually. • Implementing Smartpay's GHG emissions reduction plan, including procurement of renewable energy. • Strategically reviewing the composition of Smartpay's vehicle fleet periodically.	• Monitoring business and consumer behaviour to ensure Smartpay can position itself in a timely manner. • Identifying and prioritising resilient and stable industries that can withstand economic challenges. • Diversification of Merchant industry classifications. • Managing terminal stock holdings across multiple locations. • Diversify Smartpay's business activities through execution of stage 3 of our strategic plan.	• Sourcing terminals from a supplier that reports against the TCFD and measures the lifecycle emissions of its products. • Terminal repair and refurbishment programme in place to maintain optimal use of existing assets. • Partnering with organisations to recycle terminals at the end of their life and keep materials in circulation.
Metrics and Targets	Smartpay is committed to reducing absolute Scope 2 (market-based) GHG emissions by 58.8% by FY34, on a FY24 base year.[1]		
Accountability	The Board is responsible for the collective oversight of climate-related risks and opportunities and setting, managing, and overseeing climate-related metrics and targets. The CEO and CFO are responsible for identifying, assessing, and managing climate-related risks and opportunities. The CFO is responsible for setting the strategic response to climate-related risks and opportunities and ensuring achievement of key objectives, metrics and targets.		

[1] Smartpay's GHG emissions reduction targets have been revised in FY25. Refer to Page 21 for more information.

Strategy

Transition Planning continued

Emissions Reduction Plan

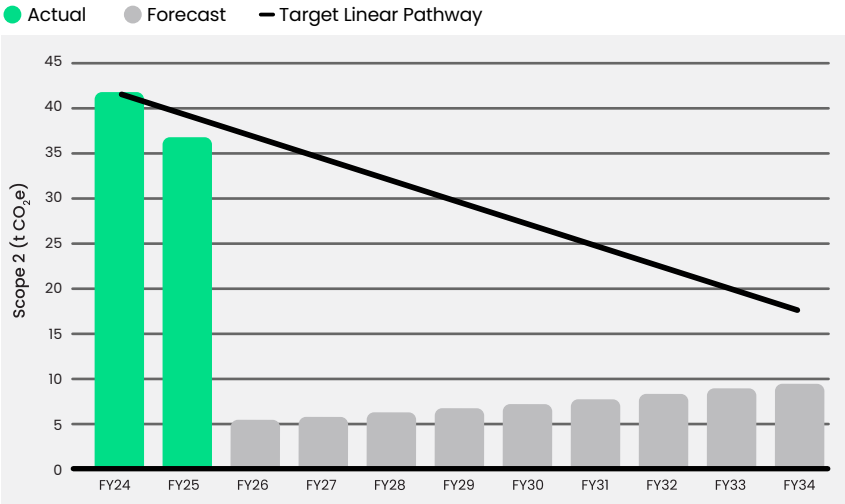
Smartpay's GHG emissions reduction plan outlines our Scope 2 emissions reduction pathway, which supports the achievement of our near-term reduction target.
Refer to Page 21 for more information about our GHG emissions reduction target.

Emissions reductions will primarily be achieved through procurement of certified 100% renewable electricity across Smartpay's primary sites.

Smartpay's emissions reduction pathway assumes that any new Smartpay sites procure certified 100% renewable electricity from the beginning of the lease term. The pathway also assumes a 2% annual increase in the market-based residual supply factors in New Zealand and Australia and a 5% annual increase in electricity use across all sites.

All emissions reductions will be financed through operational expenditure.

Figure 4: Emissions Reduction Plan



Renewable Electricity

Smartpay is now procuring 100% certified renewable electricity for three of its sites through Meridian Energy in New Zealand and Diamond Energy in Australia. Through these contracts, Smartpay purchases BraveTrace New Zealand Energy Certificates (NZ-ECs) in New Zealand and GreenPower Large-scale Generation Certificates in Australia. Using the Scope 2 (market-based) methodology defined by the GHG Protocol, Smartpay is able to report our Scope 2 GHG emissions associated with electricity consumption through these contracts as 0 t CO_2e.

In FY25, these contracts covered an estimated 52% of Smartpay's total electricity consumption across our sites. We anticipate this share to be higher in FY26 as new renewable electricity contracts established in FY25 will have been in place for a full reporting period.

Managing our Terminal Assets

Smartpay has a terminal repair and refurbishment programme in place to maintain optimal use of existing terminal assets. As Smartpay primarily operates a service-based model, Smartpay is able to maintain the lifespan of terminals where possible and keep them in the market and avoid unnecessary waste. This is achieved by repairing and refurbishing terminals where required when these return to Smartpay's warehouse.

When terminals reach the end of their life, Smartpay has a programme in place to ensure that these terminals are sent to e-waste collection services where they are recycled responsibly, and materials are kept in use where possible.

Managing Climate-related Risks and Opportunities

The management responses in place to address Smartpay's climate-related risks and opportunities, both currently and in the future, are disclosed alongside each risk and opportunity in Table 8 and 9. Climate-related risks have been integrated into the enterprise risk register and are managed alongside all other enterprise risks.

Internal Capital Deployment Toward Climate-related Risks and Opportunities

Smartpay's most material climate-related risks and opportunities are primarily associated with the transition to a low-emissions economy. These largely concern shifting consumer preferences, the impact the transition might have on the fleet of terminal assets and suppliers and increasing legislative and regulatory requirements in both New Zealand and Australia specifically relating to climate change.

The scenario analysis process and the identification of Smartpay's material climate-related risks and opportunities has reinforced the commercial rationale for investment already underway across the development of the payment solutions.

Smartpay has been actively moving to an Everything as a Service (XaaS) environment over the last two years. More recently, choosing to not invest in on-premises technical infrastructure and has transitioned from on-premises servers to Infrastructure as a Service (IaaS) and Software as a Service (SaaS). To ensure that the purchase of new terminals is well-managed, and capital is not wasted, we have continued to refurbish terminals that are returned from merchants to ensure the useful life of the asset is maximised.

As Smartpay transitions to the newer Android terminal, investment is being made in ancillary equipment to protect the lifespan of the terminals and to manage unnecessary capital deployment. Outside of the merchant terminal fleet, Smartpay does not have a large physical asset base.

The climate-related risks and opportunities identified may act as an accelerator in our investment decision-making.

Risk Management

Identification of Climate-related Risks

Smartpay's climate-related risks (and opportunities) were identified and assessed through the scenario analysis process outlined from Page 6 - 11.

Risks were assessed by understanding the potential consequence on the business and the expected period in which risks were reasonably likely to occur, as shown in Figure 5.

Consequence: The consequence of potential climate-related risks was assessed by identifying the potential financial, regulatory, operational, staffing, and/or customer impacts on the business under each scenario.

Likelihood: The likelihood of potential climate-related risks was assessed by identifying the time horizon in which the risk was reasonably expected to occur under each scenario.

This process aligns with Smartpay's usual risk identification process, where all other risks are assessed via a five-by-five consequence and likelihood matrix.

While all other enterprise risks are assessed against the same business consequence criteria, an alternative likelihood scale is used. While all other enterprise risks are measured on a probability basis from least likely to more likely to occur, climate-related risks have been assessed by identifying the time horizon in which risks are reasonably expected to occur. This alternative approach was taken as Smartpay identified that this was more appropriate for the assessment of risks relating to the impacts of climate change, which can be far more long-term and chronic in nature.

Smartpay's exposure to flooding was also assessed at the site level using publicly available online tools and resources outlined in the Reference section on Page 23.

No part of Smartpay's value chain was excluded and no modelling was undertaken as part of this process.

Smartpay will continue to evaluate and monitor its climate-related risks and opportunities by undertaking scenario analysis annually.

Time Horizons

Risks were identified over the very short, short, medium, long, and very long term.

This approach enabled Smartpay to undertake an integrated approach to evaluating its climate-related issues, whereby breaking down the defined short term time horizon (1-3 years) into a very short (within 1 year) and short (1-3 years) time period, and the long term time horizon (11-77 years) into a long (11-27 years) and very long (28-77 years) time period, allowed for a more nuanced assessment of the overall risk or opportunity and greater comparability with other enterprise risks.

For the purposes of disclosing Smartpay's climate-related risks, risks identified over both the very short term as part of the consequence and likelihood assessment are disclosed as short-term risks. Additionally, risks over the very long term as part of the consequence and likelihood assessment are disclosed as long-term risks.

Figure 5: Risk Matrix

	Consequence				
Likelihood	**Insignificant**	**Minor**	**Moderate**	**Significant**	**Catastrophic**
Very Short Term (Within 1 year; 2024)					
Short Term (1 - 3 years; 2025 - 2026)					
Medium Term (4 - 10 years; 2027 - 2033)					
Long Term (11 - 27 years: 2034 - 2050)					
Very Long Term (28 - 77 years; 2051 - 2100)					

Management of Climate-related Risks

While Smartpay's climate-related risks have been identified as part of a stand-alone scenario analysis process, climate-related risks are prioritised and managed with equal weighting relative to other enterprise risks in accordance with our Enterprise Risk Management Framework.

Climate-related risks have been integrated into Smartpay's existing enterprise risk register. As part of Smartpay's usual risk management processes, risks have been captured in Smartpay's risk management software as ESG risks.

Smartpay manages all enterprise risks by identifying and implementing relevant controls for each risk. The controls in place to manage Smartpay's climate-related risks are disclosed as current and planned managed responses alongside each risk in Table 8. All enterprise risks are managed in line with Smartpay's risk appetite.

In April 2025, management reviewed all enterprise risks, including climate-related risks and these were presented to the Board for review. The Executive Risk Management Committee reviews risks out of tolerance on a monthly basis, and all other risks and monitored by the Head of Risk & Compliance on an ongoing basis.

Metrics and Targets

GHG Emissions

Smartpay has elected to use Adoption provision 4: Scope 3 GHG emissions and will begin reporting these emissions in its third reporting period. Smartpay has also elected to use Adoption provision 5: Comparatives for Scope 3 GHG emissions. Adoption provision 6: Comparatives for metrics, disclosing only one year of comparative information for each metric, and Adoption provision 7: Analysis of trends.

All figures are presented as gross tonnes of carbon dioxide equivalents (t CO_2e). Carbon dioxide equivalent (CO_2e) emissions are inclusive of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs). Emissions by individual gas have not been disclosed.

Smartpay measures and reports Scope 2 GHG emissions using the location-based and market-based methodology, as defined by the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard. Under the location-based approach, GHG emissions reflects the average emissions intensity of the grids on which energy consumption occurs. Under the market-based approach, GHG emissions reflects the electricity generation that companies have chosen to purchase.

Table 12: Greenhouse Gas Emissions Inventory

GHG Emissions	FY24 Base Year	FY25
Scope 1		
Mobile Fuel Combustion	**44.18**[1]	**41.18**
Regular petrol	35.49[1]	31.41
Premium petrol	1.33[1]	1.82
Diesel	7.35[1]	7.95
Fugitive Sources	**1.15**	**0.00**
Refrigerant top ups	1.15	0.00
TOTAL Scope 1	**45.33**[1]	**41.18**
Scope 2		
Purchased Electricity		
Location-based	35.71[1]	53.27
Market-based	41.67[1]	36.84
TOTAL Scope 2 (location-based)	**35.71**[1]	53.27
TOTAL Scope 2 (market-based)	**41.67**[1]	36.84
TOTAL Scope 1 and 2 (location-based)	**81.04**[1]	**94.46**
TOTAL Scope 2 and 2 (market-based)	**86.99**[1]	**78.02**

[1] Restated in FY25. Refer to Page 18 for more information.

Assurance

TOTAL Scope 1 and TOTAL Scope 2 (location-based) GHG emissions for FY25 as disclosed in Table 12 above have been included in the scope of PwC's limited assurance engagement. Other than as described as being subject to assurance, no other disclosures in The Climate Statement have been included in the assurance engagement and are not covered by the limited assurance report issued. Refer to Page 24 for the limited assurance report.

Table 13: Intensity Metrics

GHG Emissions Intensity	FY24	FY25
Scope 1 and 2 (location-based) per employee headcount	0.45[1]	0.41
Scope 1 and 2 (market-based) per employee headcount	0.49[1]	0.34
Scope 1 and 2 (location-based) per $m revenue	0.80[1]	0.89[2]
Scope 1 and 2 (market-based) per $m revenue	0.86[1]	0.73[2]

[1] Restated in FY25. Refer to Page 18 for more information.

[2] Revenue associated with the purchase of customer contracts from THL has been extrapolated to 1 April 2024. Refer to Page 18 for more information.

Metrics and Targets

GHG Emissions continued

Standard (subject to assurance)

Smartpay has prepared its GHG emissions inventory for the period 1 April 2024 – 31 March 2025 in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, and The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (together, the GHG Protocol).

In FY24 Smartpay prepared its GHG emissions inventory in accordance with the GHG Protocol and ISO 14064-1:2018. From FY25, Smartpay's GHG emissions inventory will be prepared in accordance with the GHG Protocol only to align with emerging global reporting trends. This has no impact on the calculation of GHG emissions or the total reported GHG emissions but impacts how GHG emissions are categorised. The GHG Protocol requires companies to report GHG emissions under three Scopes while ISO 14064-1:2018 requires companies to report GHG emissions under six Categories.

Base Year

Smartpay utilises a fixed base year which is FY24 (1 April 2023 – 31 March 2024).

Smartpay may recalculate and restate the base year in accordance with Smartpay's base year recalculation policy.

The events that may lead to recalculation of Smartpay's base year include:

- Structural change including mergers, acquisitions, and divestments
- Outsourcing or insourcing of emitting activities
- Changes in calculation methodology
- Improvements in the accuracy of emission factors or activity data
- Access to historical activity data where this was previously not available
- Discovery of significant errors, or a number of cumulative errors, that are collectively significant.

Where a single or multiple events emerge that may give rise to a potential recalculation of the base year, Smartpay applies a significance threshold of ≥5% variation in Scope 1, Scope 2, or Scope 3.

The FY24 base year has been recalculated and restated in FY25 consistent with this policy. Refer to Page 18 for more information.

Organisational Boundaries (subject to assurance)

Smartpay applies an operational control consolidation approach in the preparation of its GHG emissions inventory. Under this approach, Smartpay accounts for 100% of its GHG emissions over which it has operational control. This approach is used as it allows Smartpay to focus on emissions over which it has control.

Smartpay Holdings Limited and each of its subsidiaries are included within the organisational boundary.

Business units include New Zealand and Australia. No business units have been excluded.

Operational Boundaries (subject to assurance)

GHG emissions are categorised as defined by the GHG Protocol as follows:

Scope 1 – Direct GHG emissions

Scope 2 – Indirect GHG emissions (from the generation of acquired and consumed energy)

Scope 1 emissions include all mobile fuel combustion of petrol, premium petrol, and diesel from Smartpay's owned or leased vehicles, and fugitive emissions. No scope 1 emission sources have been excluded.

Scope 2 emissions include purchased electricity for Smartpay's sites.

Calculations and Emission Factors (subject to assurance, other than stated below)

A calculation methodology has been used for quantifying the emissions based on the following approach:

GHG emissions = activity data x emission factor

Scope 1 and 2 GHG emissions were calculated using emission factors from the following sources:

- New Zealand Ministry for the Environment – Measuring emissions guide: 2025 (GWP100, IPCC Fifth Assessment Report), used to calculate Scope 1 and 2 (location-based) GHG emissions
- Australian Government Department of Climate Change, Energy, the Environment and Water – National Greenhouse Accounts Factors 2024 (GWP100, IPCC Fifth Assessment Report), used to calculate Scope 2 (location-based) GHG emissions and Scope 2 (market-based) GHG emissions (market-based not subject to assurance)
- BraveTrace – Residual Supply Mix 2024/25 (GWP unknown), used to calculate Scope 2 (market-based) GHG emissions (not subject to assurance)

Metrics and Targets

GHG Emissions continued

Adjustments to GHG Emissions (subject to assurance)

In August 2024, Smartpay acquired the business assets of THL. Consistent with Smartpay's base year recalculation policy, the FY24 base year has been recalculated and restated in FY25 to account for the GHG emissions associated with the business assets of THL and allow for meaningful comparisons against the base year. A summary of restatements is provided in Table 14.

Base Year – FY24

Smartpay has accounted for the GHG emissions associated with vehicles acquired from THL for the entire FY24 period using available activity data following the 26 August 2024 acquisition date as a proxy as historical activity data from THL's operations is not available.

Smartpay has accounted for the GHG emissions associated with the purchased electricity from the site previously leased by THL for the entire FY24 period using available activity data following the 26 August 2024 acquisition date as a proxy as historical activity data from THL's operations is not available.

A number of vehicles and leased sites that came with the THL business acquisition were subsequently disposed of as were not used and surplus to requirements. These have been excluded from the recalculated base year emissions.

The emission factors used to recalculate the FY24 base year were also changed as part of the base year recalculation to increase the accuracy of the GHG emissions calculation. The emission factors used as part of the recalculation are from the following sources:

- New Zealand Ministry for the Environment – Measuring emissions guide: 2025 (GWP100, IPCC Fifth Assessment Report), used to calculate Scope 1 and 2 (location-based) GHG emissions
- Australian Government Department of Climate Change, Energy, the Environment and Water – National Greenhouse Accounts Factors 2024 (GWP100, IPCC Fifth Assessment Report), used to calculate Scope 2 (location-based) GHG emissions and Scope 2 (market-based) GHG emissions (market-based is not subject to assurance)
- BraveTrace – Residual Supply Mix 2023/24 (GWP unknown), used to calculate Scope 2 (market-based) GHG emissions (not subject to assurance)

The Scope 1 and 2 (location-based) per $m revenue and Scope 1 and 2 (market-based) per $m revenue calculations have used extrapolated revenue figures, accounting for the revenue from merchant contracts for the FY24 period. This assumes the merchant contracts acquired and the revenue earned from those contracts from the time of acquisition had been in place for the full year. (not subject to assurance).

Table 14: Summary of Base Year Restatements

	Change (t CO_2e)
Mobile Fuel Combustion	**+35.23**
Regular petrol	+28.61
Premium petrol	-0.02
Diesel	+6.62
TOTAL Scope 1	**+35.22**
Purchased Electricity	
Location-based	-0.07
Market-based (not subject to assurance)	+1.27
TOTAL Scope 2 (location-based)	**-0.07**
The restatements below are not subject to assurance.	
TOTAL Scope 2 (market-based)	+1.27
Scope 1 and 2 (location-based) per employee headcount	+0.19
Scope 1 and 2 (market-based) per employee headcount	+0.21
Scope 1 and 2 (location-based) per $m revenue	+0.32
Scope 1 and 2 (market-based) per $m revenue	+0.34

Current Year – FY25

Smartpay has accounted for the GHG emissions from the vehicles acquired from THL and the purchased electricity associated with one site previously leased by THL and now leased by Smartpay from 1 April 2024 rather than the acquisition date of 26 August 2024 in the current FY25 year. As for the base year recalculation, acquired assets that were subsequently disposed of as not used or retained and surplus to requirements have been excluded from the FY25 emissions.

The impact of this decision means that the reported GHG emissions for FY25 are higher than they otherwise would be if the GHG emissions were accounted for from the acquisition date. In the interest of primary users of this information, we have outlined what Smartpay's GHG emissions would be if they were accounted for from the acquisition date below.

Scope 1: 23.44 t CO_2e

Scope 2 (location-based): 53.12 t CO_2e

Scope 2 (market-based): 36.67 t CO_2e (not subject to assurance)

The Scope 1 and 2 (location-based) per $m revenue and Scope 1 and 2 (market-based) per $m revenue calculations have used extrapolated revenue figures, accounting for the revenue from merchant contracts for the FY24 period. This assumes the merchant contracts acquired and the revenue earned from those contracts from the time of acquisition had been in place for the full year (not subject to assurance).

Metrics and Targets

GHG Emissions continued

Methodologies, Assumptions, and Uncertainties (subject to assurance)

All methodologies, assumptions, and uncertainties associated with the calculation of GHG emissions are provided below in Table 15.

There is inherent uncertainty in the measurement of GHG emissions due to incomplete scientific knowledge used to determine emission factors and the associated uncertainty of activity data used to calculate emissions.

Uncertainty in the calculation of GHG emissions has been assessed at the activity data, calculation, and emission factor level.

Table 15: Methodologies, Assumptions, and Uncertainties

Emission Source	Activity data	Activity data source	Methodology	Assumptions	Uncertainty	Business Unit
Scope 1						
Mobile Fuel Combustion						
Regular Petrol	Litres	Supplier invoices	Litres purchased across the year totalled. For activity prior to the acquisition of vehicles from THL, average litres purchased has been extrapolated to 1 April 2024 using available activity data following the acquisition. Multiplied by appropriate emission factor sourced from the New Zealand Ministry for the Environment.	Assumes supplier has provided complete and accurate information about fuel purchased. Assumes vehicle activity prior to the acquisition of vehicles from THL is similar to activity following the acquisition.	Medium uncertainty	New Zealand
Premium petrol	Litres	Supplier invoices	Litres purchased across the year totalled. Multiplied by appropriate emission factor from the New Zealand Ministry for the Environment.	Assumes supplier has provided complete and accurate information about fuel purchased.	Low uncertainty	New Zealand
Diesel	Litres	Supplier invoices	Litres purchased in the reporting period totalled. For activity prior to the acquisition of vehicles from THL, average litres purchased has been extrapolated to 1 April 2024 using available activity data following the acquisition. Multiplied by appropriate emission factor from the New Zealand Ministry for the Environment.	Assumes supplier has provided complete and accurate information about fuel purchased. Assumes vehicle activity prior to the acquisition of vehicles from THL is similar to activity following the acquisition.	Medium uncertainty	New Zealand
		Vehicle lease records; Odometer readings	Utilised odometer readings and vehicle lease records to calculate litres of fuel burned in the reporting period in the absence of fuel use activity data. Multiplied by appropriate emission factor from the New Zealand Ministry for the Environment.	Assumes odometer readings and vehicle lease records are accurate. Assumes the vehicle travels a similar distance each day.	Medium uncertainty	New Zealand
Fugitive Sources						
Refrigerants	Top ups (kg)	Supplier communications	Supplier has communicated that no refrigerant top ups were recorded in the reporting period and were therefore reported as 0kg. Calculated using the top up method described by the Ministry for the Environment.	Assumes supplier has provided complete and accurate information about refrigerant top ups.	Medium uncertainty	New Zealand

Metrics and Targets

GHG Emissions continued

Emission Source	Activity data	Activity data source	Methodology	Assumptions	Uncertainty	Business Unit
Scope 2						
Purchased Electricity						
Purchased electricity (location-based)	kWh	Supplier invoices	kWh's purchased across the reporting year totalled. kWh's for some sites have been estimated using average kWh/per employee as a proxy. kWh's for one site previously leased by THL and now leased by Smartpay has been extrapolated to 1 April 2024 using available activity data following the acquisition. Multiplied by appropriate emission factors from the New Zealand Ministry for the Environment and the Australian Government Department of Climate Change, Energy, the Environment and Water.	Assumes suppliers have provided complete and accurate data, and that this is an appropriate representation of activity. Assumes kWh/employee is an appropriate proxy. Assumes electricity consumption prior to the acquisition of business assets of THL is similar to activity following the acquisition	Medium uncertainty	New Zealand Australia
Purchased electricity (market-based) (not subject to assurance)	kWh	Supplier invoices	kWh's purchased across the reporting year totalled. kWh's for some sites have been estimated using average kWh/ per employee as a proxy. kWh's for one site previously leased by THL and now leased by Smartpay has been extrapolated to 1 April 2024 using available activity data following the acquisition. Multiplied by appropriate emission factors from BraveTrace and the Australian Government Department of Climate Change, Energy, the Environment and Water.	Assumes suppliers have provided complete and accurate data, and that this is an appropriate representation of activity. Assumes kWh/employee is an appropriate proxy. Assumes electricity consumption prior to the acquisition of business assets of THL is similar to activity following the acquisition	Medium uncertainty	New Zealand Australia

Renewable Electricity and use of Offsets

Smartpay has not purchased any offsets or credits in the reporting period. Achievement of Smartpay's GHG emissions reduction target does not rely on the use offsets.

Smartpay utilises market-based mechanisms to measure and report its Scope 2 (market-based) GHG emissions.

- Smartpay is procuring 100% certified renewable electricity from Meridian for two sites in New Zealand. Net proceeds from the sale of Meridian's certified renewable electricity product goes towards Meridian's Community Decarbonisation Fund which supports community decarbonisation projects across New Zealand. Through this product Smartpay has redeemed New Zealand Energy Certificates (NZ-ECs) equivalent to Smartpay's electricity usage that have been verified by BraveTrace through the New Zealand Energy Certificate System in the reporting period.
- Smartpay is procuring 100% certified renewable electricity from Diamond Energy for one site in Australia. Smartpay purchases 100% certified renewable electricity from Diamond Energy's 100% GreenPower accredited product meaning that Large-scale Generation Certificates (LGCs) equivalent to Smartpay's electricity usage are redeemed. GreenPower is operated by the Australian Government and enables electricity users to support renewable energy generation.

Metrics and Targets

GHG Emissions Target

In FY24, Smartpay set near-term emissions reduction targets on Scope 1 and Scope 2 which are disclosed in our FY24 climate statement. In FY25 we have revised our GHG emissions targets following the acquisition of business assets from Technology Holdings Limited (THL).

The acquisition of these assets, which included fleet vehicles and sites, has meant that the composition of our Scope 1 and 2 GHG emissions is now materially different following recalculation of the FY24 base year (Table 12 and 14). Smartpay conducted a review of our reduction pathways to understand what the implications of the acquisition would be on our targets.

Based on this review, Smartpay has elected to remove our Scope 1 target as we are not confident we will still be able to achieve this target based on currently available information and our business objectives. While Smartpay will be removing this target, we are committed to periodically reviewing the composition of our vehicle fleet to understand where the fleet can be consolidated, and have done so since the acquisition. In FY25 we have already significantly reduced the number of vehicles in our fleet.

Table 16 outlines Smartpay's Scope 2 reduction target.

Table 16: Emissions Reduction Target

Target	Performance Against Target			Detail
	FY24	FY25	% Change	
Smartpay commits to a 58.8% absolute reduction in scope 2[1] GHG emissions by 2034, on a 2024 base year.	41.67[2]	36.84	-11.58%	The target covers 100% of Smartpay's Scope 2 inventory boundary. Achievement of this target does not rely on offsets/carbon credits. This target is not consistent with the reductions needed to limiting warming to 1.5 degrees of warming. While the reduction pathway is consistent with the SBTi's 1.5 degrees of warming pathway and has been informed by the Science Based Targets initiative (SBTi) Corporate Near-Term Criteria using the cross-sector absolute contraction approach, the target does not meet all the requirements of this Criteria.

[1] Scope 2 emissions are in reference to the market-based calculation methodology, as defined by the GHG Protocol.

[2] Restated in FY25. Refer to Page 18 for more information.

Metrics and Targets

Metrics

Smartpay's metrics associated with its climate-related risks and opportunities and capital deployment are included in Table 17.

The metrics associated with the amount or percentage of assets or business activities vulnerable to climate-related risks and aligned with climate-related opportunities have been revised in FY25 as we now have a more granular understanding of our assets and business activities vulnerable to climate-related risks and aligned with climate-related opportunities. The metrics disclosed in our FY24 climate statement have not been disclosed in FY25 and therefore no comparative metric has been provided. We do not believe these changes have a material impact on our climate-related disclosures.

While it is difficult to quantify the amount or percentage of business activities vulnerable to anticipated climate-related risks and opportunities, Smartpay has developed metrics for each risk and opportunity where possible to describe vulnerability and alignment. While these metrics are not perfect and may change over time as our understanding of risks and opportunities changes, they currently provide useful information about the nature of our climate-related risks and opportunities.

Table 17: Metrics

Metrics				
Climate-related Risks				
	Risk		**Metric**	**FY25**
Amount or percentage of assets or business activities vulnerable to climate-related risks	Transition	Transition: Continuing consumer shifts toward e-commerce over bricks and mortar retail may lead to a loss of Merchants.	Unable to quantify vulnerability due to limited availability of information.	
		The transition to a low-emissions economy may lead to a shift toward a reduction in overall consumer spending.	Unable to quantify vulnerability due to limited availability of information.	
		Exposure to legislation and regulation requiring low-emissions products may require an increase in resources to source new terminal assets.	Number of terminals in the market	51,000+
		Transitional climate change impacts may cause disruptions to our supply chain.	% of terminal suppliers vulnerable	100%
	Physical	Physical climate change impacts may cause disruptions to our supply chain.	% of terminal suppliers vulnerable	100%
Climate-related Opportunities				
	Opportunity		**Metric**	**FY25**
Amount or percentage of assets or business activities aligned to climate-related opportunities	Opportunity to diversify Smartpay's business activities and increase organisational resilience.		See 'Amount of capital expenditure, financing, or investment deployed toward climate-related opportunities' below.	
	Opportunity to diversify Smartpay's terminal suppliers and create organisational resilience.		Number of new terminal suppliers	0
Capital Deployment				
Amount of capital expenditure, financing, or investment deployed toward climate-related risks			Current impacts including meeting the reporting requirements of the Aotearoa New Zealand Climate Standards have been managed through operating expenditure, disclosed in the Strategy section.	
Amount of capital expenditure, financing, or investment deployed toward climate-related opportunities			The Annual Financial Statements for the year ended 31 March 2025 notes the capital expenditure on Software and Development.	

Smartpay's industry does not currently have well-established industry-based metrics to report against. We have therefore disclosed our GHG emissions intensity metrics in Table 18. We will begin to disclose any relevant metrics in future reporting periods as these are established over time.

Table 18: Industry-Based Metrics

GHG Emissions Intensity	FY24	FY25
Scope 1 and 2 (location-based) per employee headcount	0.45[1]	0.41
Scope 1 and 2 (market-based) per employee headcount	0.49[1]	0.34
Scope 1 and 2 (location-based) per $m revenue	0.80[1]	0.89[2]
Scope 1 and 2 (market-based) per $m revenue	0.86[1]	0.73[2]

[1] Restated in FY25. Refer to Page 18 for more information.

[2] Revenue associated with customer contracts acquired from THL has been extrapolated to 1 Apil 2024. Refer to Page 18 for more information.

Internal Carbon Price

Smartpay does not currently have or utilise an internal carbon price.

Remuneration

Management remuneration is not currently linked to Smartpay's climate-related risks or opportunities. No other key performance indicators are used to measure and manage climate-related risks and opportunities.

References

Scenario Analysis

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Independent Assurance Report

To the Directors of Smartpay Holdings Limited

Limited Assurance Report on Smartpay Holdings Limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), as outlined within the *Scope of our Limited Assurance Engagement* section below, included in the Climate Statement of Smartpay Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 31 March 2025.

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 GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on page 1 of the Climate Statement.

Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 16 to 20 of the Climate Statement for the year ended 31 March 2025:

- gross GHG emissions:
  - Total Scope 1 emissions of 41.18 tCO2e on page 16; and
  - Total Scope 2 (location-based) emissions of 53.27 tCO2e on page 16
- additional required disclosures of gross GHG emissions on pages 17, 19-20; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 18-20.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 18 and 20 to 23. The comparative information for the year ended 31 March 2024 disclosed in the Group's Climate Statement is not covered by the assurance conclusion expressed in this report. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

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 Disclosures. 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.

Description of the key matter	How our assurance engagement addressed the key matter
Recalculations for structural changes due to acquisition of business assets As disclosed in Adjustments to GHG emissions on page 18 of the Climate Statement, the Group acquired certain business assets of THL on 26 August 2024. This transaction met a defined significance threshold for a structural change, triggering a base year recalculation as explained in Base Year on page 17 of the Climate Statement. Similarly, the Group FY25 emissions include emissions from the assets acquired, and under operational control as at the period end (the acquired assets), for the entire reporting period rather than recognising only those emissions for the period of ownership. This method includes emissions from the acquired assets as if they were under operational control of the Group for the full reporting period. We have determined this to be a key matter due to the significance of the acquisition and the specific requirements of the GHG Protocol which result in a recalculation of base year and recognition of emissions prior to the transfer of control.	In the course of our assurance engagement, we: ● understood the Group's GHG Emissions Base Year Recalculation Policy, the nature of the transaction and the Group's assessment of its impact on the reported emissions; ● assessed the appropriateness of recording emissions for the acquired assets from the beginning of the current period; ● assessed the method of estimation and recalculated the emissions reported in respect of the acquired assets for the base year and for the current period prior to the transfer of control; and ● considered the appropriateness of the disclosure for the base year restatement.

Other matter - comparative information
The comparative GHG Disclosures (that is, GHG Disclosures for the year ended 31 March 2024) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

Directors' responsibilities
The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CSs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent Uncertainty in preparing GHG Disclosures
As discussed on page 19 of the Climate Statement, the 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 management
This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB) (NZ SAE 1). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:

- Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand);
- Professional and Ethical Standard 3: Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements; and
- Professional and Ethical Standard 4: Engagement Quality Reviews.

Other than in our capacity as auditor and assurance practitioner, our firm carries out other assignments in the areas of other services relating to access to generic training materials through an online platform to the Group. The firm has no other relationship with, or interests in, the Group.

Assurance practitioner's responsibilities
Our responsibility is to express a conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained. NZ SAE 1 requires us to plan and perform the engagement to obtain the intended level of assurance about whether anything has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Company.

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

Summary of work performed
Our limited assurance engagement was performed in accordance with NZ SAE 1, and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Emissions*. This involves assessing the suitability in the circumstances of the Group's use of NZ CSs as the basis for the preparation of the GHG Disclosures, assessing the risks of material misstatement of the GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Disclosures.

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, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the GHG Disclosures, we:

- Obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluated whether the Group's methods for developing estimates are appropriate. 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;

- Tested, a limited number of items to, or from, supporting records, as appropriate;
- Assessed all of in-scope emission factor sources and reperformed emissions calculations for mathematical accuracy;
- Compared the leased assets register to the assets included in the emissions inventory report;
- Performed analytical procedures on particular emission categories by comparing the actual GHGs emitted on a quarterly basis against a trend and made enquiries of management to obtain explanations for any significant differences identified;
- Assessed that the emissions associated with the assets acquired during the year were complete and recorded from the beginning of the current reporting period, where appropriate; and
- Considered the presentation and disclosure of the GHG Disclosures.

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 and does not enable us to obtain assurance that we would become aware of all significant matters that we otherwise might identify. Accordingly, we do not express a reasonable assurance opinion on these GHG Disclosures.

Inherent limitations
Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected.

Who we report to
This report is made solely to the Company's Directors, as a body. Our work has been undertaken so that we might state those matters which we are required to state to them in our assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement partner on the engagement resulting in this independent assurance report is Victoria Ashplant.

For and on behalf of:

PricewaterhouseCoopers Auckland
31 July 2025