Inventory Management Plan

Greenhouse Gas (GHG) Emissions Reporting Framework

Smiths Group Sustainability Team

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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 2024 – 31st July 2025 (FY25).
- **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.
- **Major Sites:** Sites with more than 20 employees or use at least 60,000 KWh energy per annum
- **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 based data, owned by IDEAGEN. All energy data up to April 2025 was migrated into Watershed as converted KWh data. Post April 2025, PRISM was not used to capture energy related data.
- **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
- **Watershed:** third party system used to capture, store and visualise all ESG based data.

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.

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 FY25, 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 Report 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 the prior year (FY24) as the base year against which to compare its emissions changes over time. This aligns with the GHG protocol restatements. 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.

With the implementation of Watershed, several methodology updates have been introduced in FY25 to enhance accuracy and consistency. Key changes include the adoption of a new estimation methodology for small sites that applies industry averages, and the application of updated emission factors across applicable sources. These methodology changes, along with any resulting restatements, are documented in the methodology section of the inventory (Section 8). Restatements of prior year data are to be disclosed within the annual report with explanations for changes, allowing for comparability over time and alignment with current best practices. For FY25, Smiths will use prior year (FY24) as the baseline for which emission changes will be compared.

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

- **Estimated purchased fuel:** purchased fuel in leased sales offices where Smiths control the thermostat or combustion equipment

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, which have been assessed as below 4% and is immaterial

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:** purchased electricity in leased sales offices where Smiths control the thermostat or combustion equipment
- **Electric vehicles:** on-road electric vehicles owned or leased to Smiths Group, such as cars, vans and trucks

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 1 and 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 Reduction

Smiths also reports on its Energy Reduction which is a variable MWh target based on revenue achievement. It is measured using the YoY MWh % reduction from a moving target based on revenue attainment (ex price growth and adjusted for fixed energy by division). Energy usage is all energy consumed at reporting sites less any onsite solar electricity consumed. 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 22nd 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 22nd) 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 enterprise climate platform, Watershed, to track Scope 1, 2 and 3 emissions. Smiths uses primary data to calculate Scope 1 and 2 emissions where possible and proxy data to estimate the remainder. Emissions factors are automatically updated by Watershed.

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 Watershed on a monthly cadence. Watershed automatically converts the data from entered unit into kWh, using preconfigured factors. Entered energy data is converted into emissions using Watershed emissions factors (**Appendix 1**)
- **Assumptions/Estimations:** When invoices are not available, meter readings are used or prior year corresponding months.

8.2 Scope 1 Emissions: Mobile Combustion

- **Information:** vehicle type (car, truck, van, other), fuel type (diesel, petrol, hybrid, ethanol, CNG) and distance travelled since lease/sale start date
- **Sources:** Three datasets are combined. Anaplan is supplied by the finance team. Leaseplan reports are pulled via direct access to the Leaseplan platform, which is tracked internally based on internal documents. Country level inventories are supplied by the regional managers.
- **Methodology:** The datasets are combined in an offline excel spreadsheet and split into three categories
  - Long Leased Vehicles: Long term leased vehicles, which are present in Anaplan (>12 months)
  - Owned Vehicles: Vehicles owned by Smiths and are a part of the fixed asset register
  - Short Term Rental to Renewal: Vehicles which have passed expiration date and are now on a rolling contract before the new long lease is signed
  - 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. This is split by vehicle type and mapped in the calculation accordingly.
  - Gallons/Year/Vehicle is calculated by dividing the average annual mileage by the average MPG for each fuel and vehicle type (**Appendix 1**).
  - Gallons are entered into Watershed and emissions are calculated using preconfigured emission factors (**Appendix 1**).
- **Assumptions/Estimates:** For hybrid cars, the fuel type is given as natural gasoline as there is no hybrid emission factor. If a vehicle has been tagged as a hire car or a lease of 12 months or less, omit from the calculation as this is a hire car rental (Scope 3) direct to the P&L. Where there are Anaplan entries with no future payments and expiration dates prior to

August 1 2025, assume these are no longer a part of fleet and removed. Only in Anaplan due to month time lag

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 19% of total square footage across Smiths portfolio and estimating refrigerant by reaching out to these sites. The results of this are extrapolated across the entire portfolio.
- **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 4%.
  - 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 (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF_6), perfluorocarbons (PFCs), and nitrogen trifluoride (NF_3).

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 Watershed 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 automated within the system to give emissions.

- **Assumptions/Estimates:**
  - All scope 2 emissions are reported as market-based emissions and location-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 Watershed system estimates the value using square footage of the site.
  - If the automated estimation is more or less than 25% of the previous year, estimates are manually entered using last year's corresponding months value. Watershed 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. This is sources owned or controlled by Smiths.
- **Sources:** Core location list maintained by, maintained by Smiths personnel/ Cushman's & Wakefield through the CoStar database, Watershed platform
- **Methodology:** Energy consumption is estimated based on provided building type and square footage by the Watershed platform. An average consumption factor per square foot for each relevant building type is calculated using industry averages. The estimated energy consumption is converted into emissions using Watershed 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 providers, mapping of sites and REC type
- **Methodology:** If the REC covers 100% of the energy consumption for the site, the site is tagged, meaning the overall emissions will be 0. Grid mixes are used through bundled RECs, and these are factored into the emission factor. Smiths has no partial coverage of energy.

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, water usage data in Watershed.

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 inbounding 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 using a spend-based and activity approach. The amount spent on purchased good and services is categorised by product type, using market value. Spend deemed non-emissive (largely related to labour costs as well as some smaller categories) is excluded from the calculation. Monthly currency conversion factors, factoring in rate fluctuations through the year, are applied. These take the exchange rate at the start of each month and use that for the spend assigned to that month. Emission factors are adjusted

using a price index per commodity by industry, converting to up to date USD, and allowing more specific application on a yearly basis. Emission factors are dependent on the month and year the spend is assigned to. Emission factors are specific within each spend category. The emissions for purchases of water are calculated by taking water usage data from facilities dataset in Watershed.

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 spent 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.

This approach breaks down input data into 2024 and 2025, applying corresponding pricing indices and emission factors for each year. Pricing indices are applied separately for 2024 and 2025. The index is set to 2012 for 2024 calculations and 2023 for 2025 calculations

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 Watershed 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. Emission factors use account emissions from transportation, i.e. the emissions associated with transporting waste to processing facilities.

Separate EFs are applied for 2024 and 2025 tonnage data, sourced from both US EPA and DEFRA.

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. 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 2025 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 and calculated based on each transportation mode, an assumption of 262 days of commuting per year with the following proportional distribution across various transport modes – Car (93%), public transport (4%), walking (3%),and biking (0.5%). Well-to-Tank (WTT) emissions are calculated for applicable transportation modes (car, rail and public transport).

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: divisions use 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. This was then by Revenue earned for exworks products (GBP) to determine the transport GBP for exworks products. Conversely, Smiths Interconnect directly provide the annual spend on exworks product transportation.
- **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. Pricing indices are applied separately for 2024 and 2025.

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 split by year. 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 FY2024 Smiths Annual Report. The company sold most of the investment at the conclusion of FY2024 which is outlined in the Annual Report. The company held a small equity share until December 2024, where the remainder of the investment was sold.
- **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 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)	**Emission Factors (2024):** EPA 2024 – Stationary Combustion https://www.epa.gov/climateleadership/ghg-emission-factors-hub
	Emission Factors (2025): EPA 2025 – Stationary Combustion https://www.epa.gov/climateleadership/ghg-emission-factors-hub
	Emission Factors (Australia) – Natural Gas: Australia National Greenhouse Gas (NGAF) factors for 2024 https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024
	Emission Factors (India, Bangalore) – LPG: UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA) https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
Mobile Fuel Combustion	
Leased on-road vehicles	**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)
	Average MPG Diesel Car: USEPA Office of Transportation and Air Quality, New Diesel Cars (2016-2023). Fuel Economy of New Diesel Cars
	Average MPG Hybrid Car: USEPA Office of Transportation and Air Quality, manual filter (2016-2025). Fuel Economy
	Average MPG Petrol Car: USEPA Automotive Trends Data, All Car (Prelim 2024). Explore the Automotive Trends Data | US EPA
	Average MPG Diesel Truck: USEPA Automotive Trends Data, Truck/SUV, Diesel (Prelim 2024). Explore the Automotive Trends Data | US EPA
	Average MPG Petrol Truck: USEPA Automotive Trends Data, Truck/SUV, non Diesel, BEV, PHEV (Prelim 2024). Explore the Automotive Trends Data | US EPA
	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)
	Average MPG Ethanol Van: USEPA Office of Transportation and Air Quality, 2022 Ford F150 (2022). Gas Mileage of 2022 Ford F150 (fueleconomy.gov)

	Average MPG Petrol Van: USEPA Automotive Trends Data, Minivan/Van (Prelim 2024). Explore the Automotive Trends Data | US EPA
Purchased Energy	
Electricity consumption data tracked for major sites in Watershed	**Emission Factors (Australia):** Australia National GHG Factors 2024. https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024
	Emission Factors (Canada): Canada National Inventory 2024 (data through 2022). https://data-donnees.az.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/C-Tables-Electricity-Canada-Provinces-Territories?lang=en
	Emission Factors (Brazil): ecoinvent_3_10. market for electricity, low voltage ecoinvent 3.10 BR-South-eastern/Mid-western grid. https://ecoinvent.org/ecoinvent-v3-10/
	Emission Factors (Clean Power): Clean power purchases zero out the footprint activity items they target. We apply a zero EF to carry out this reduction. https://ghgprotocol.org/sites/default/files/ghgp/standards/Scope%202%20Guidance_Final_0.pdf
	Emission Factors (Europe): European Residual Mixes 2024 (data for 2023). https://www.aib-net.org/facts/european-residual-mix/2023
	Emission Factors (USA): Green-E Residuals 2023 (2021 data). https://www.green-e.org/2023-residual-mix
	Emission Factors (World Countries): IEA Electricity Emissions Factors 2024 (data through 2022). https://www.iea.org/data-and-statistics/data-product/emissions-factors-2024
Electricity consumption data tracked in Watershed for small sites	**Conversion Factor (SQFT to heating fuel consumption):** LBL Building Performance Database (BPD). Building Performance Database
	Emission Factors (2024) – Natural Gas: EPA 2024 – Stationary Combustion https://www.epa.gov/climateleadership/ghg-emission-factors-hub
	Emission Factors (2025) – Natural Gas: EPA 2025 – Stationary Combustion https://www.epa.gov/climateleadership/ghg-emission-factors-hub
	Emission Factors (Australia) – Natural Gas: Australia National Greenhouse Gas (NGAF) factors for 2024 https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024

	Emission Factors (Australia) – Electricity: Australia National GHG Factors 2024. https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024
	Emission Factors (Canada) – Electricity: Canada National Inventory 2024 (data through 2022). https://data-donnees.az.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/C-Tables-Electricity-Canada-Provinces-Territories?lang=en
	Emission Factors (Brazil) – Electricity: ecoinvent_3_10. market for electricity, low voltage ecoinvent 3.10 BR-South-eastern/Mid-western grid. https://ecoinvent.org/ecoinvent-v3-10/
	Emission Factors (Europe) – Electricity: European Residual Mixes 2024 (data for 2023). https://www.aib-net.org/facts/european-residual-mix/2023
	Emission Factors (USA) – Electricity: Green-E Residuals 2023 (2021 data). https://www.green-e.org/2023-residual-mix
	Emission Factors (World Countries) – Electricity: IEA Electricity Emissions Factors 2024 (data through 2022). https://www.iea.org/data-and-statistics/data-product/emissions-factors-2024
	Emission Factors (New Zealand) – Electricity: New Zealand MfE 2024 (data through 2023). https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/
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 (USEEIO) – "Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6" https://catalog.data.gov/dataset/supply-chain-greenhouse-gas-emission-factors-v1-3-by-naics-6 Ecoinvent 3.8, APOS LCIA https://support.ecoinvent.org/ecoinvent-version-3.8
Category 3: Fuel and Energy Related Emissions	Same data sources as Scope 1 and Scope 2
Category 5: Waste generated in operations	UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)

	https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 US EPA Emission Factors https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 7: Employee Commuting	Number Traffic Data Traffic Index by City 2025 National Commute Statistics Reports for selected countries (US, UK, AU, DK) US EPA Emission Factors https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 11: Use of Sold Products	Same data sources as Scope 1, Scope 2 and Category 3.3
Category 12: End of life treatment of sold products	Same data sources as Category 3.5