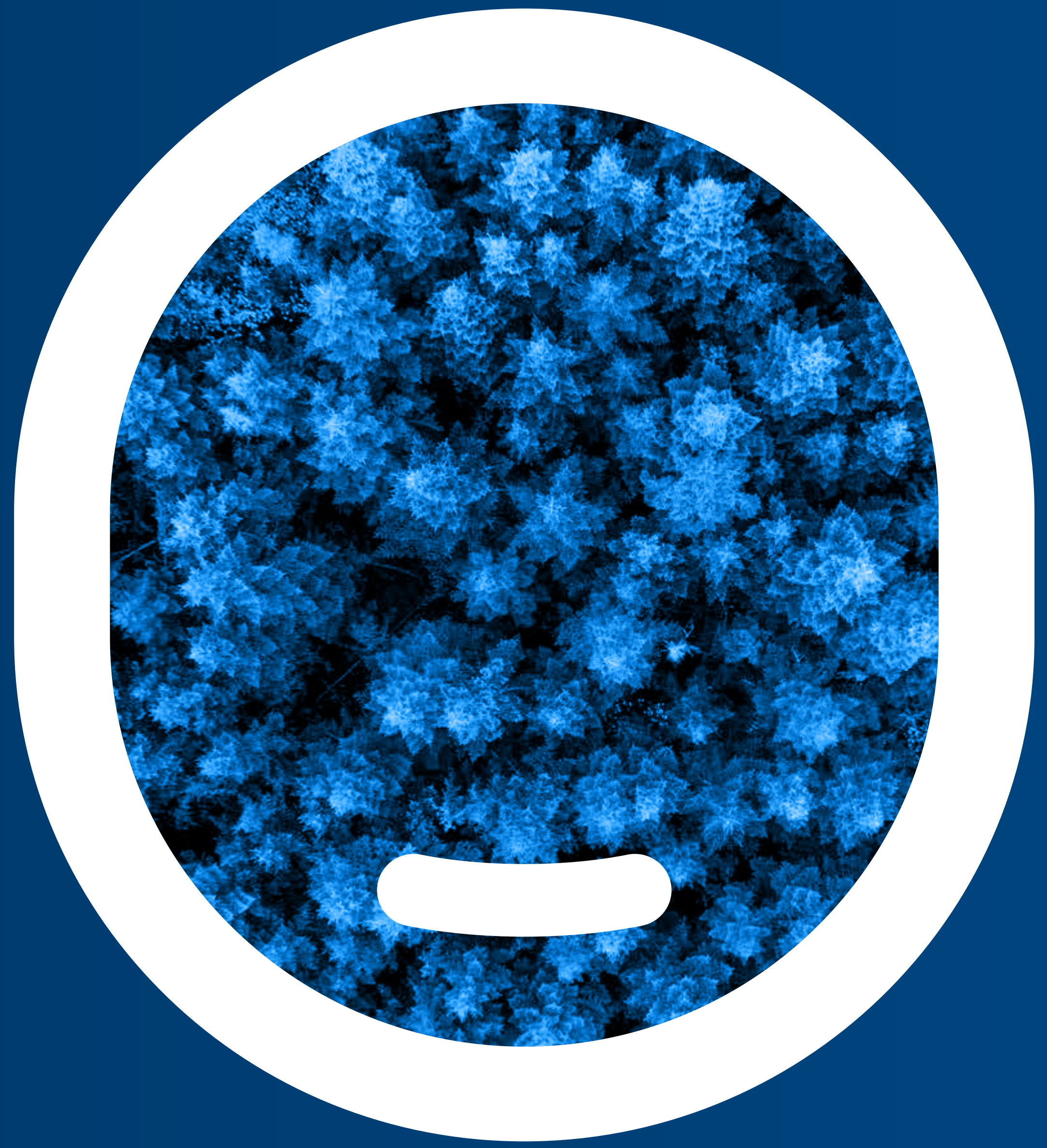
ESG Report

Including Climate-Related Disclosures

Serko FY24



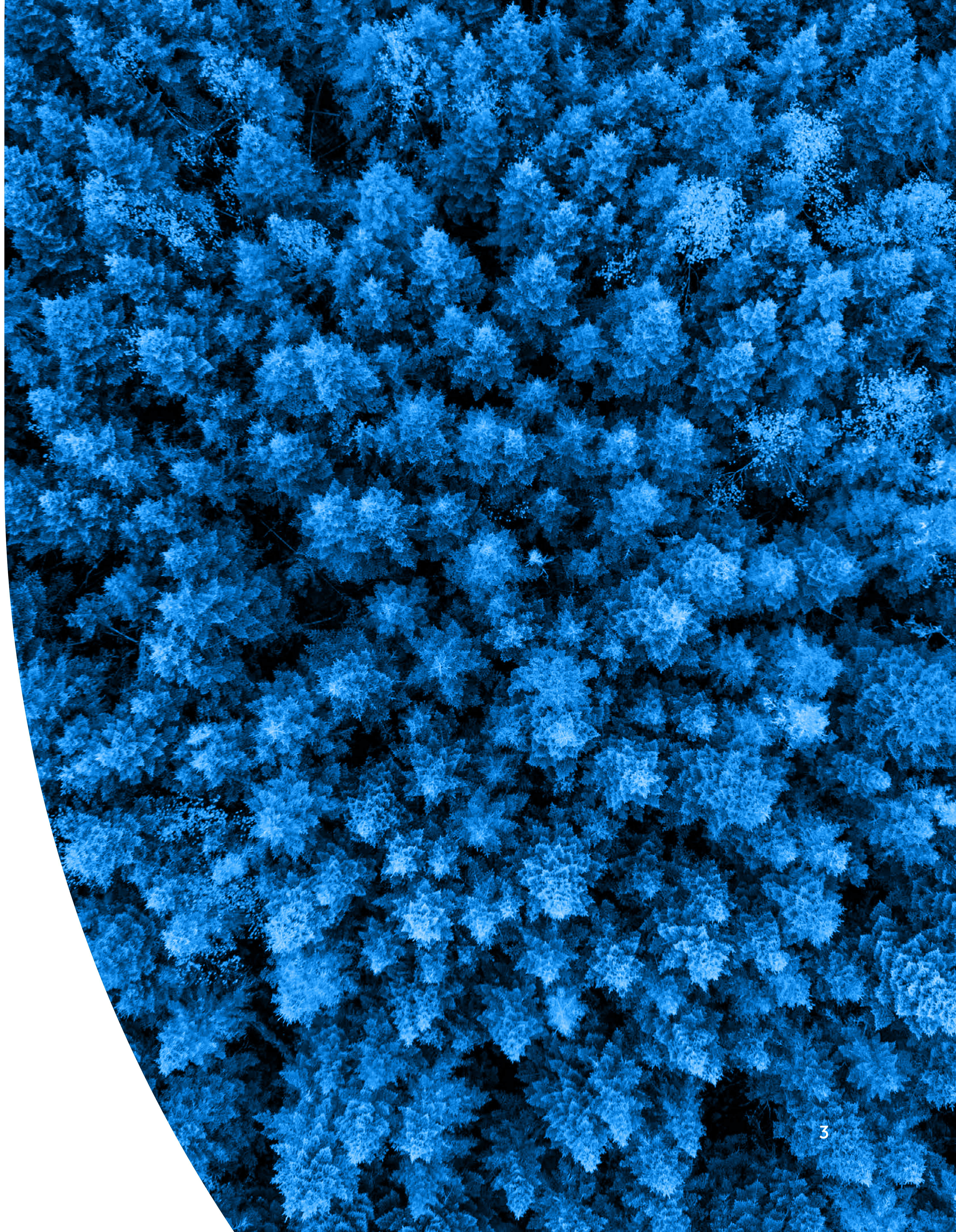
We bring people together

Serko believes in the power of being face-to-face. Our purpose is to bring people together. Our vision is a connected, frictionless travel experience.

To deliver that, we're building the world's leading business travel marketplace — connecting business travellers everywhere with the content, information and services they need at every stage of the journey.

Working towards a sustainable future

As we grow and connect increasing numbers of business travellers, we are committed to doing what is right for our business, people, customers, investors and communities. We believe strong ESG practices give Serko its social licence to operate, as well as creating long-term value for our business.



Contents

This ESG report and Climate-related Disclosures provides Serko's stakeholders with a view of the Company's ESG performance and activities in the year ended 31 March 2024 (FY24).

In our Climate-related Disclosures (Appendix 1), we have elected to apply several adoption provisions to ensure compliance with the Aotearoa New Zealand Climate Standards. These are described on page 41. Taking the applied adoption provisions into account, Serko is compliant with the Aotearoa New Zealand Climate Standards.

This report was approved by the Board of Serko Limited on 28 May 2024 and is accurate as of that date. The Board does not undertake any obligation to revise this report to reflect events or circumstances after this date, other than in accordance with the continuous disclosure requirements of the applicable listing rules.

Serko's FY24 Annual Report also contains related additional information including its Corporate Governance Statement, Remuneration Report and Risk Reporting. A copy of our Annual Report is available at www.serko.com/investors.

What matters most

To our stakeholders and our business

In FY24 we engaged external advisers to help us understand and prioritise the environmental, social, governance and commercial areas that matter most to our stakeholders and our business.

The materiality assessment provides a strong foundation for our strategy. By identifying and ranking the material topics, we are ensuring our strategy focuses on areas with the greatest impact and that we can communicate our progress more effectively.

The assessment involved more than 70 stakeholders in the following process:

- interviews with 15 key stakeholders to develop a set of 24 material topics. Stakeholders included key customers, investors, Serko board members, management and staff;
- online stakeholder survey with the wider stakeholder group to rank the topics for importance; and
- internal workshop to rank the topics in relation to their impact on Serko's business.

The material topics identified by our stakeholders covered a range of areas important to Serko's sustainability journey. These findings are aligned with our focus to improve our sustainability efforts and manage our risks.

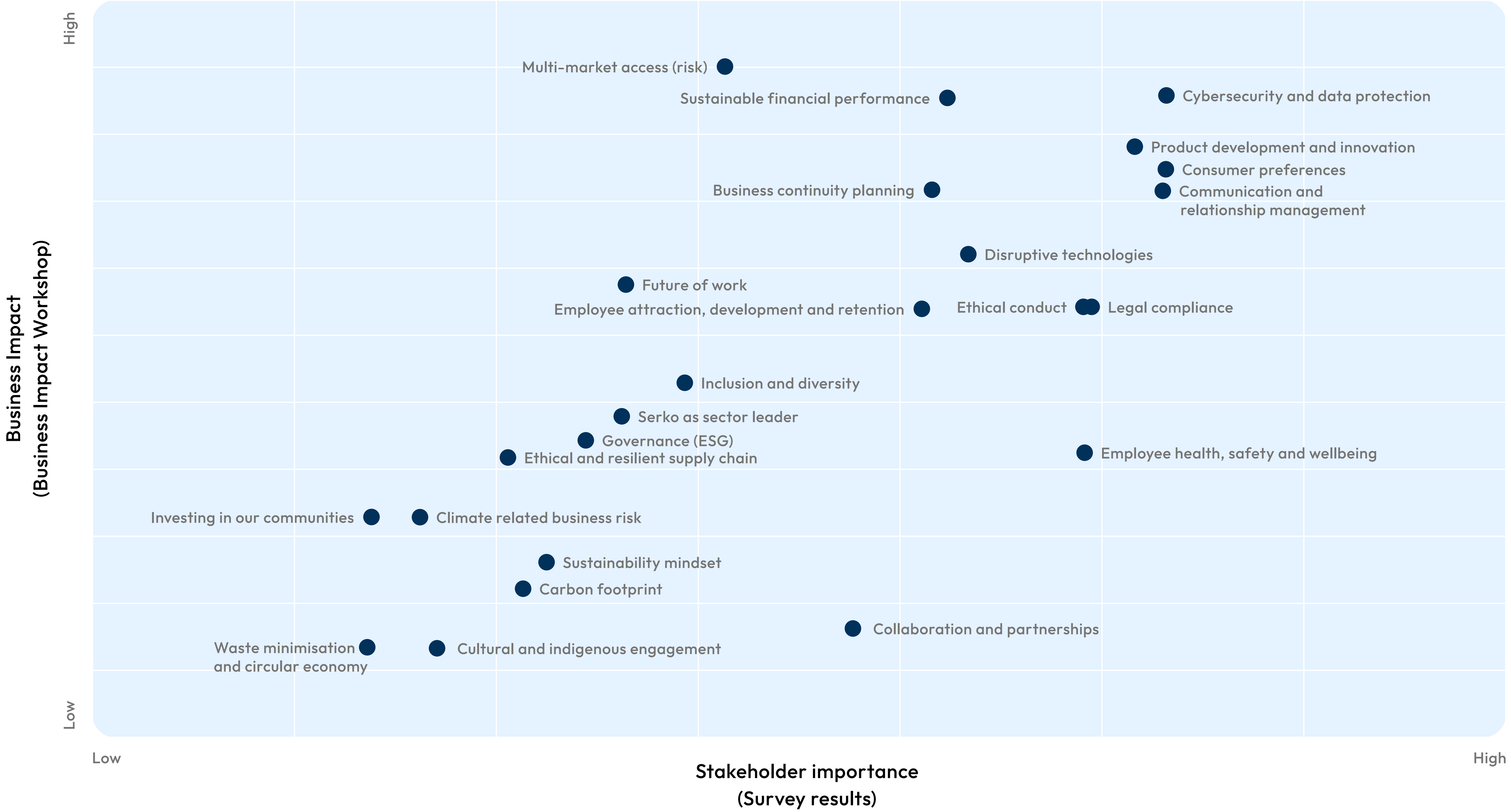
The outputs of this work have been summarised overleaf, which shows the link between key material topics and where we are focusing our efforts.

As we refresh our ESG approach in FY25, the results of this materiality assessment will play an important role in ensuring we are prioritizing and allocating resources to the right areas.

Materiality matrix

This matrix indicates where we should be focusing our efforts and resources.

All the topics on the matrix are important, with the lowest rating still being 7.2 out of ten. In FY25, we will provide a further update on the key initiatives undertaken in service of the priority areas, with heightened focus on those that are categorised as highest business impact and highest importance to our stakeholders.



How we approach sustainability

As we grow, we believe strong ESG practices give Serko its social licence to operate, as well as creating long-term value for our business.

The table opposite shows the key drivers of our sustainability strategy, our ESG priority areas and how they align with the United Nations (UN) Sustainable Development Goals (SDGs).

The SDGs are a set of global sustainability initiatives set by the UN. At Serko we see the SDGs as a way to see which areas of sustainability we are directly contributing to and how they relate to a larger vision for positive change.

Our drivers	Our objectives	Our focus areas (key material topics)	United Nations Sustainable Development Goals
Being a brand you can count on	Trusted by our customers, employees, investors and partners	• Cybersecurity and data protection • Business continuity planning • Legal compliance • Ethical conduct • Ethical and resilient supply chain • Our environmental footprint (carbon, waste) • Investing in our communities • Consumer preferences • Sustainable financial performance • Multi-market access (risk) • Serko as a sector leader	7 Affordable and clean energy 11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action 16 Peace, justice and strong institutions
Powering our people	Create an environment where people can do career-defining work	• Enablement of organisational effectiveness • Employee attraction, development and retention • Health, safety and wellbeing • Diversity and inclusion • Cultural and indigenous engagement	3 Good health and well-being 4 Quality education 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities
Continuously innovating	To adapt to rapid change and deliver sustainable and innovative products to our customers	• Product development and innovation • Sustainability mindset • Employee attraction, development and retention • Enablement of organisational effectiveness • Serko as a sector leader • Disruptive technologies	9 Industry, innovation and infrastructure 11 Sustainable cities and communities

FY24 progress and highlights

We have continued to strengthen our ESG practices over the past year and are pleased to report progress in the following sections of this report. Here is a summary of our key areas of focus and improvement.

Environment

- Completion of our inaugural mandatory Climate-related Disclosures under the Aotearoa New Zealand Climate Standard reporting framework
- Improved carbon intensity performance from 11.68 to 9.82 (tCO_2e of GHG emissions per $m of total income)

Social

- New Guiding Principles introduced to guide our behaviours, decisions and actions
- High employee engagement, up from 72% in FY23 to 78% in FY24
- Internal appointments for new or existing roles increased to 29%, up from 17% last year
- Serkodians invested 1,800 hours of their time in our 'Day of Community'
- Achieved Advanced GenderTick accreditation
- Maintained a less than 1% median remuneration difference between males and females when comparing roles of comparable scope and complexity

Governance

- Improved capability in our Board and Executive team
- Refreshed executive remuneration structure
- Strengthened risk management practices through the business
- Materiality assessment completed, identifying areas that matter most to our stakeholders and business
- Strengthened stakeholder engagement

Section 03

Environment

Our approach to climate change and the environment

As a technology company, Serko operates in an online, office-based environment. Our direct environmental footprint is relatively small and made up largely from third-party data centres, office energy consumption, employee travel and the typical consumables of a technology business. Regardless, we are committed to continually improving our efficiency and reducing our impact on the environment.

Where we believe we can make the most impact is with our customers and within our sector – business travel. We believe there is a significant opportunity to play a role in reducing the environmental impact of business travel by providing technology that enables and encourages our customers to make smart, sustainable decisions.

In addition to our commitment to understand and reduce our own carbon footprint intensity, we will continue to explore more options for sustainable travel and improve existing products in ways that enable customers to make informed and positive choices.

Serko staff volunteering for the Motuihe Island Restoration Trust

FY24 progress

A continuation of our climate reporting journey

Serko's three-year roadmap articulates our journey as we integrate climate-related disclosure requirements into key business processes, including strategy, governance and allocation of capital.

Over the past two years we have made significant progress towards the establishment of our climate governance, strategy and risk management practices, and the development of metrics and targets to measure our progress now and into the future. This work has laid a solid foundation for Serko to establish and embed good practice.

FY23
Voluntary disclosure

- G — Formalise and document governance structure and management accountabilities for climate-related matters at Serko
- S — Undertake desktop analysis of physical and transitional climate impacts likely to have material effects on Serko's business
- S — Consider Serko's short, medium and long-term horizons
- R — Describe the process for identifying, assessing and managing climate-related risks
- M — Begin reporting Scope 1, 2, 3 GHG emissions

FY24
First reporting period*

- G — Integrate sustainability strategy into Serko's business strategy (in progress)
- S — Identify temperature-based scenarios to use alongside 1.5 degree Celsius scenarios and determine scope of scenario analysis
- S — Conduct climate scenario analysis process and document the findings
- R — Describe the scenario analysis process externally
- M — Set targets for emissions intensity reduction
- M — Develop climate-related metrics and targets (financial and non-financial) to support the delivery of our ESG Programme

* with some Year 1 exemptions

FY25
Second reporting period

- S — Quantify financial impacts
- S — Develop transition and adaptation plans
- R — Establish and describe the process for risk monitoring
- M — Monitor, report and set targets for the key metrics identified to monitor progress on strategy aspects

Key

- Governance
- Strategy
- Risk management
- Metrics and targets

Climate disclosure report and Greenhouse Gas (GHG) Inventory

Climate Reporting

Serko is a climate-reporting entity under the Financial Markets Conduct Act 2013. Our inaugural mandatory climate-related disclosures are provided in Appendix 1 of this report and covers our progress between 1 April 2023 and 31 March 2024. They have been completed in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

In accordance with the Climate Standards, we have reported on:

01 Our climate governance, including Board and management oversight

02 Our climate strategy, which includes scenario analysis, identification of risks and opportunities and their anticipated impacts, and how we will position ourselves for a low-emissions future

03 Our risk management, which includes our risk identification, assessment, monitoring and mitigation processes

04 Our metrics and targets, which enable us to measure and manage our climate-related risks and opportunities and provide a basis for comparison

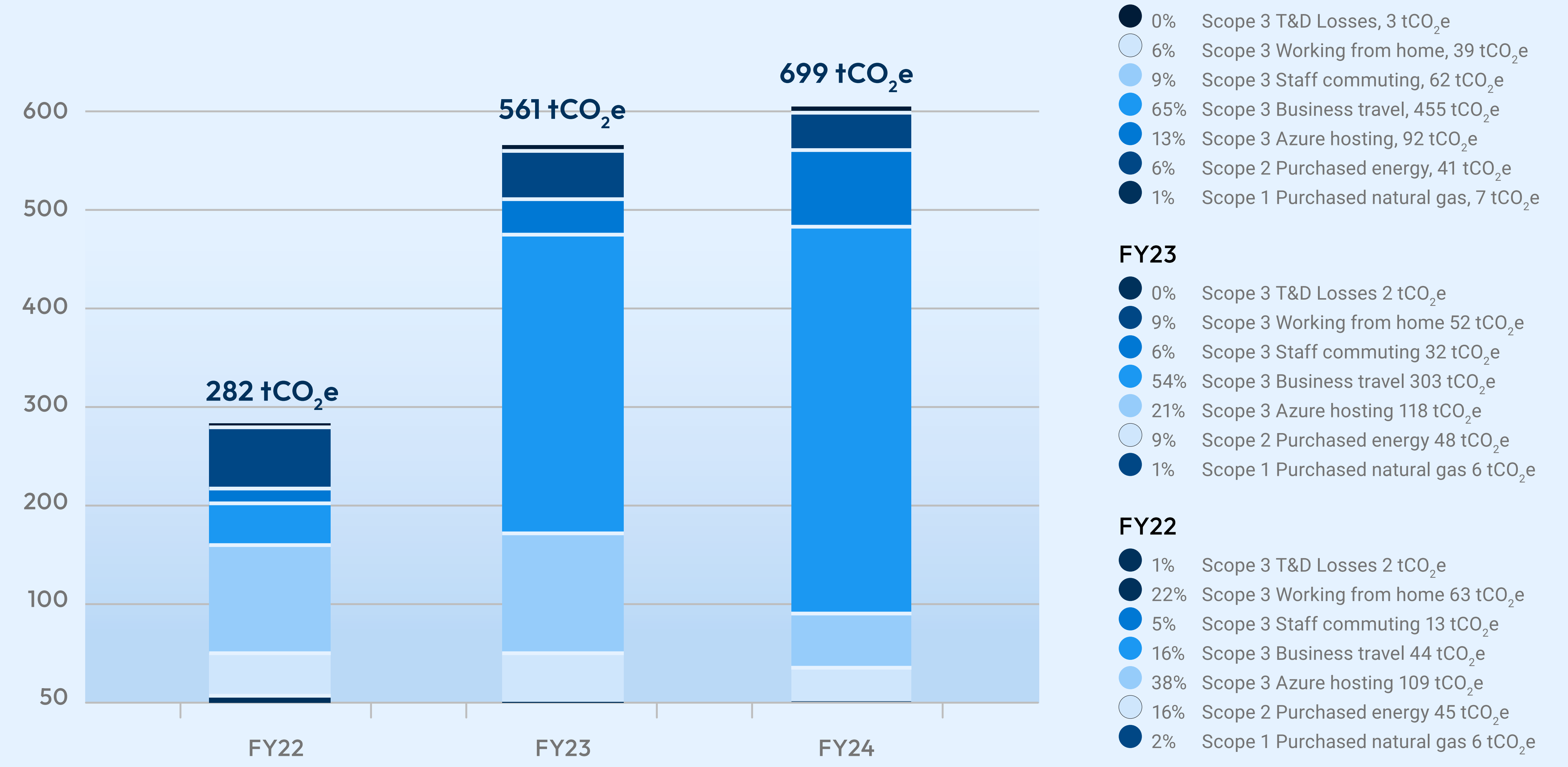
GHG emissions overview

The growth in emissions between FY24 and FY23 reflects growth in Serko's business travel as we grow and scale in the European and US markets. Ongoing business travel plays a critical part in ensuring our respective management teams remain well connected and aligned on growth strategies through a balance of in-person and virtual sessions. We have focused on improving the efficiency of our hosting environments (22% reduction in emissions in FY24) and we have advocated for more office-based work to improve the connection, wellbeing and productivity of our teams, which has seen an increase in staff commuting and reduction in working from home.

The Scope 3 emissions in the table include upstream emissions only. Serko is a provider of SaaS (Software-as-a-service) travel platforms so we estimate that our Scope 3 downstream emissions will be de minimus given that the incremental GHG emissions from the end user's computing time while making a travel booking will be very small and difficult to measure. Serko is not the supplier of travel for customers who book via our online travel platform. However, as a company providing a travel booking platform that is used by thousands of organisations around the world, we have a role to play in supporting the consideration by our customers to make lower impact travel decisions and develop more sustainable travel programs.

This full GHG emissions inventory report is contained in Appendix 2 of this ESG Report.

Serko's location based GHG emissions for FY22, FY23 and FY24 [1,2]



tCO$_2$e per $m of Total Income

FY22	14.94
FY23	11.68
FY24	9.82

[1] The Upstream Scope 3 subcategories included are subcategory 1 (purchased goods and services), 3 (Fuel- and energy-related activities), 6 (Business travel) and 7 (Employee commuting). Categories 2 (Capital goods), 4 (Upstream transportation and distribution) and 5 (waste generated in operations) are considered de minimus and have been excluded. Serko has no leased assets (category 8).

[2] As defined in the NZ Climate Standards, Scope 1 are Direct GHG emissions from sources owned or controlled by the entity. Scope 2 are Indirect GHG emissions from consumption of purchased electricity, heat or steam. Scope 3 represents other indirect GHG emissions not covered in Scope 2 that occur in the value chain of the reporting entity, including upstream and downstream GHG emissions. As defined in the NZ Climate Standards, Scope 3 categories are purchased goods and services, capital goods, fuel-related and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.

Section 04

Social

Serko culture

At Serko our purpose is to bring people together. All Serkodians are given the opportunity to do career-defining work and be part of a team of passionate travellers and technologists who are building world-leading business travel solutions for our customers and partners.

Our culture is anchored by a clear Company purpose, vision and guiding principles to create belonging. These principles guide our behaviours, decisions and actions. They define how we operate together as a team internally, as well as how we interact with our customers and partners externally. They manifest through the everyday experiences in our hiring, decision-making processes and define our leadership methods.

Our Guiding Principles

Be a good human

We show up as our true selves. We embrace the diversity of people, thought and culture. We work intentionally to create a positive impact.

Win together

We celebrate success as a collaborative journey. We work together as one team to transform individual ideas and strengths into innovative solutions for Serko and our customers.

Dare to simplify

We challenge ourselves to create simplicity where complexity exists.

Boldly go beyond

We challenge the status quo to make the impossible, possible — for ourselves, our customers and our partners.

Measuring our engagement

At Serko, we measure engagement in terms of our peoples' commitment to, and connection with, our Company. We focus particularly on areas that are important to them, such as alignment, leadership, inclusion, frictionless work, career development and wellbeing.

Our monthly pulse survey provides regular feedback and allows real-time actionable adjustments. High levels of participation (around two-thirds of Serkodians participate in every check-in) are in themselves a strong indicator of engagement, as well as allowing us to be confident in our data. Our annual engagement survey also allows us to track progress using a consistent set of indicators over a longer period.

We are proud of our consistently high levels of engagement. Serkodians continue to express a strong sense of belonging (85%), pride in working for Serko (84%) and 81% of employees “recommend Serko as a great place to work”. These scores reflect the success of our continued commitment in fostering an environment where people are able to show up as their authentic selves, where all points of view contribute to winning together and where everyone has the opportunity to do impactful work.

85%

Serkodians express a strong sense of belonging

84%

Serkodians are proud to work for Serko

81%

Serkodians “recommend Serko as a great place to work”

Inclusion and diversity

At Serko we believe that an inclusive work environment is not only the right thing to do, it is a business imperative that strengthens our ability to best serve ourselves, our customers and partners

We embrace all diversity – whether thought, ethnicity, culture, skills and the perspectives of our team. While we recognise that we are on a journey, we are proud to be an equal opportunities employer.

Our Inclusion and Diversity Policy articulates our commitment to achieving diversity in the skills, attributes and experience of everyone at Serko — Board members, management, and staff — across a broad range of criteria (including, but not limited to, culture, gender, sexual orientation and age).

Our key commitments are:

01

Attracting diverse talent and having equitable hiring practices

02

Providing equal pay for equal work

03

Systems approach to redesigning our ways of working to mitigate bias through the power of data

04

Actively support flexible and hybrid ways of working

In FY22 we stated our commitment to behavioural inclusion and creating an environment where Serko employees feel they can be their true authentic selves.

We set measurable objectives annually that reflect this commitment and report progress against those regularly to the Board.

We have made considerable progress. The table on this page summarises our progress over the past year and the initiatives in place to ensure an inclusive work environment today and into the future.

Looking ahead, in FY25 we will continue working towards inclusion with a broader focus on:

- achievement of our stated Gender Targets of 40:40:20;
- improved representation of Māori and Pacific Peoples from <1% to 2% of our workforce;
- completion of Allyship training by 100% of employees; and
- maintaining our Pay Equity Gap at less than 1% and reducing our Gender Pay Gap from 13% to 12%.

Goal & status	FY24 achievements
Inclusion Increase conscious awareness on behavioural inclusion: inclusive mindsets, skillsets and relationships // In progress	• Inclusion practices were further embedded in our ways of working and stated as an explicit expectation in our Guiding Principles • Advanced Gender Tick Accreditation awarded in recognition of enhancements to our benefits, policies, and processes to increase gender equity and inclusion • Improved engagement score of 77% for female, up from 66% in FY23 • Two Business Resource Groups introduced to provide community and voice for the females of Serko; and to encourage the education and speaking of Te Reo in our workplace • Completion of Te Ao Māori 'Te Kaa' course with Maurea by a cohort of leaders as we work to increase cultural competence • Improved understanding of Serko's performance on inclusion measures through active listening to the voice of employees: – 91% of Serkodians agree that their team has a climate in which diverse perspectives are valued (88% in FY23); – 90% believe Serko hires people from diverse backgrounds (87% in FY23); and – 79% of Serkodians agree that everyone has an equal opportunity to succeed at Serko (75% in FY23)
Diversity Elevate gender diversity at Serko Gender diversity target 40:40:20 // In progress	• Overall female representation at 37.5% • Continued investment in female leadership development, with the 'Women Rising' programme • Serko Pay and Gender Equity statement is revised twice a year, reflecting commitment to Pay Equity and resolving the Gender Pay Gap

Gender diversity target

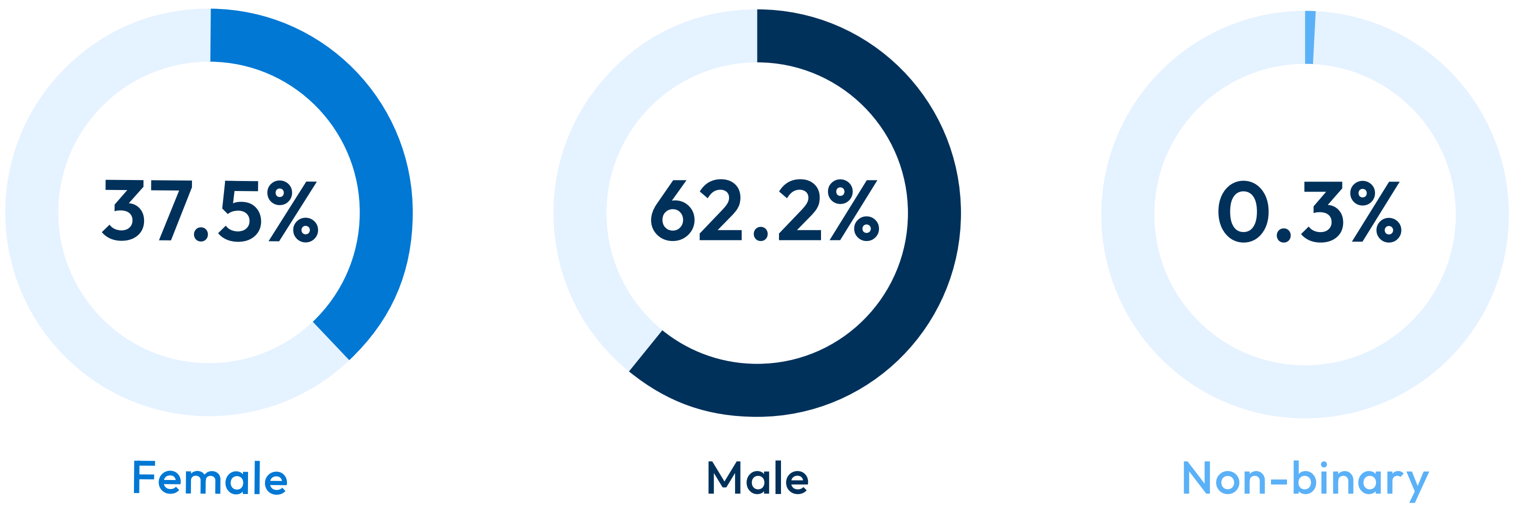
In 2021 we set a gender diversity target of 40:40:20 to be achieved by the end of FY24 across a) the Board; b) overall employees; c) non-executive directors; d) executives; and e) people leaders. Achievement of the target was defined as having 40% female representation. We have continued to maintain a similar workforce composition of male, female and non-binary in FY24 as in FY23.

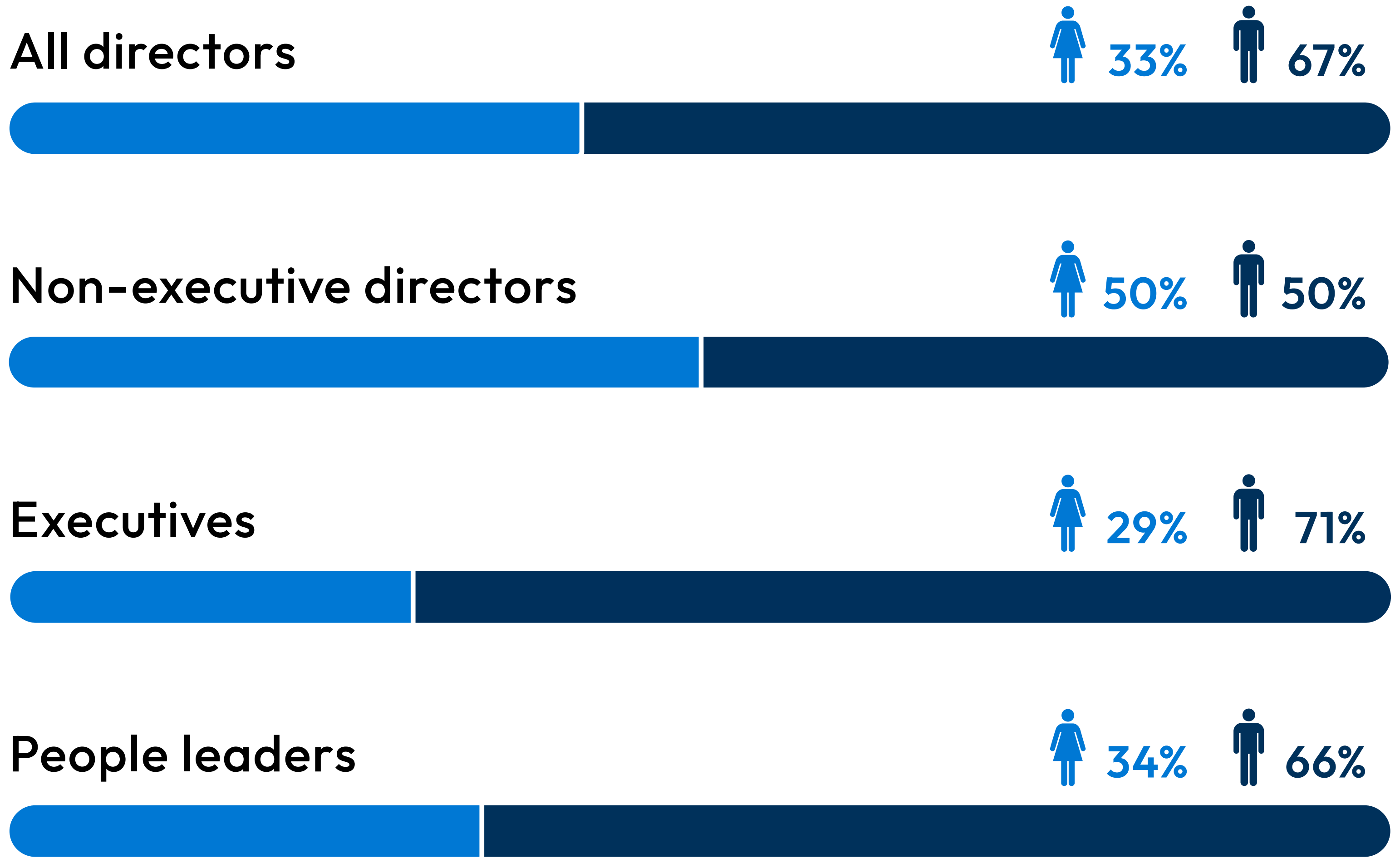
- We increased our female Executive representation from 22% in FY23 to 29% in FY24 with the appointment of a female Chief Revenue Officer.
- Female representation at Non-executive Director level reduced from 66% to 50% due to the appointment of an additional Board Member (male Non-executive Director) effective February 2024. This remains within the target range indicated.

Although we have not yet achieved our gender diversity target, we are continuing to strive toward this goal and are making progress in meaningful ways.

Gender diversity by group

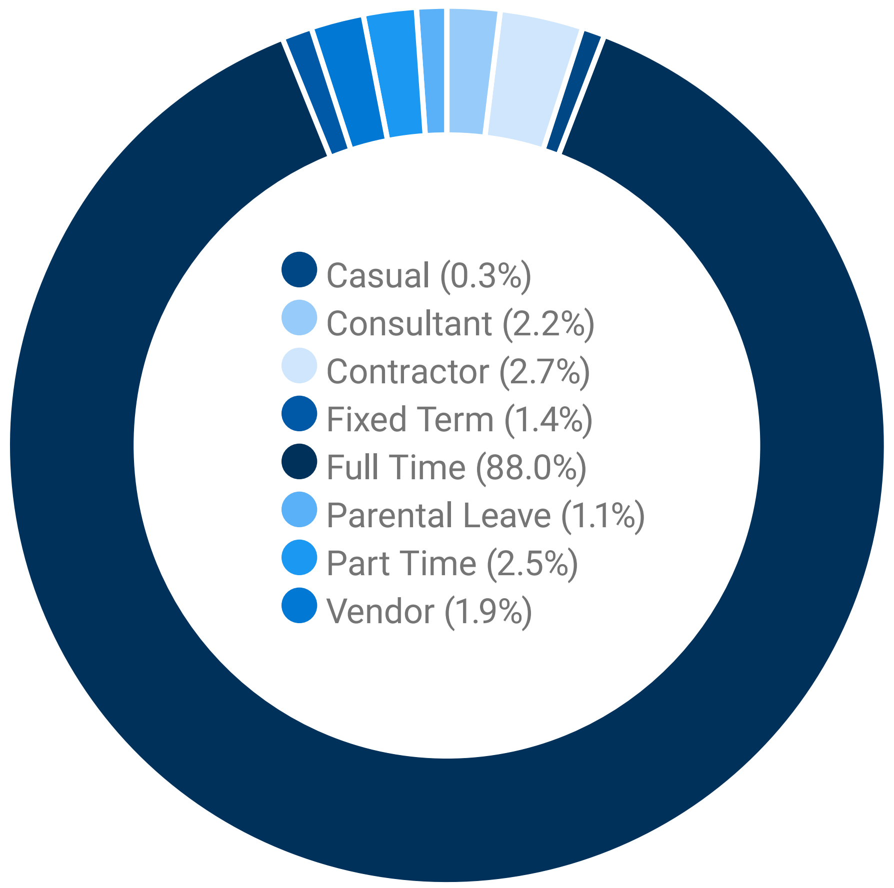
All workforce





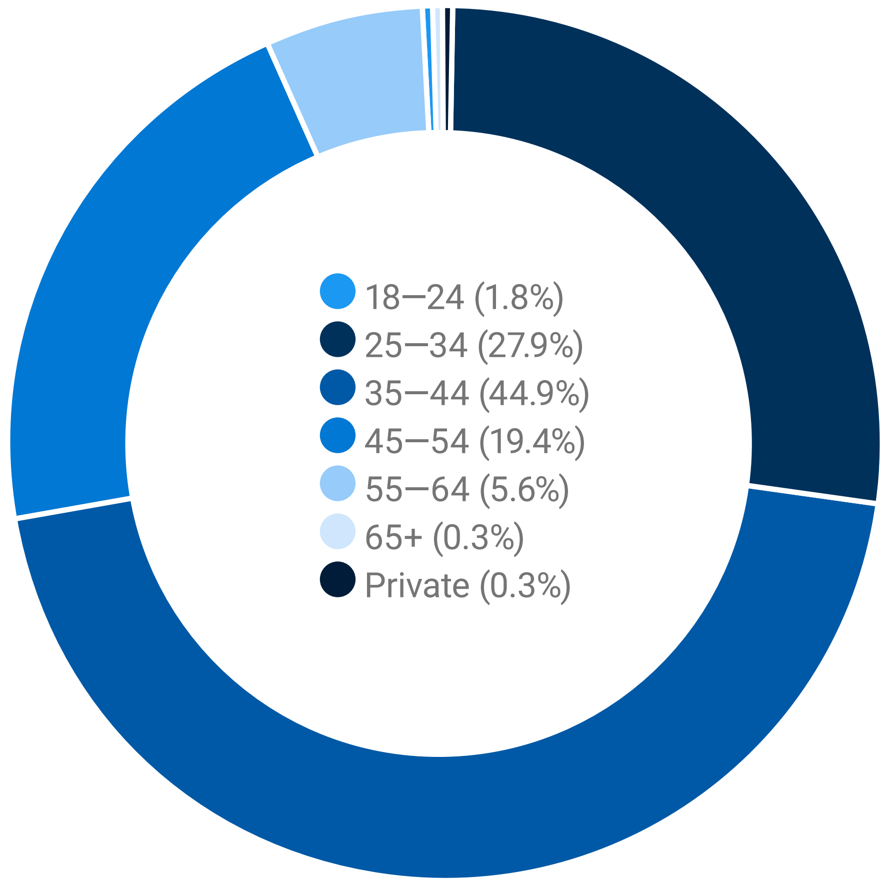
Our workforce

Workforce composition



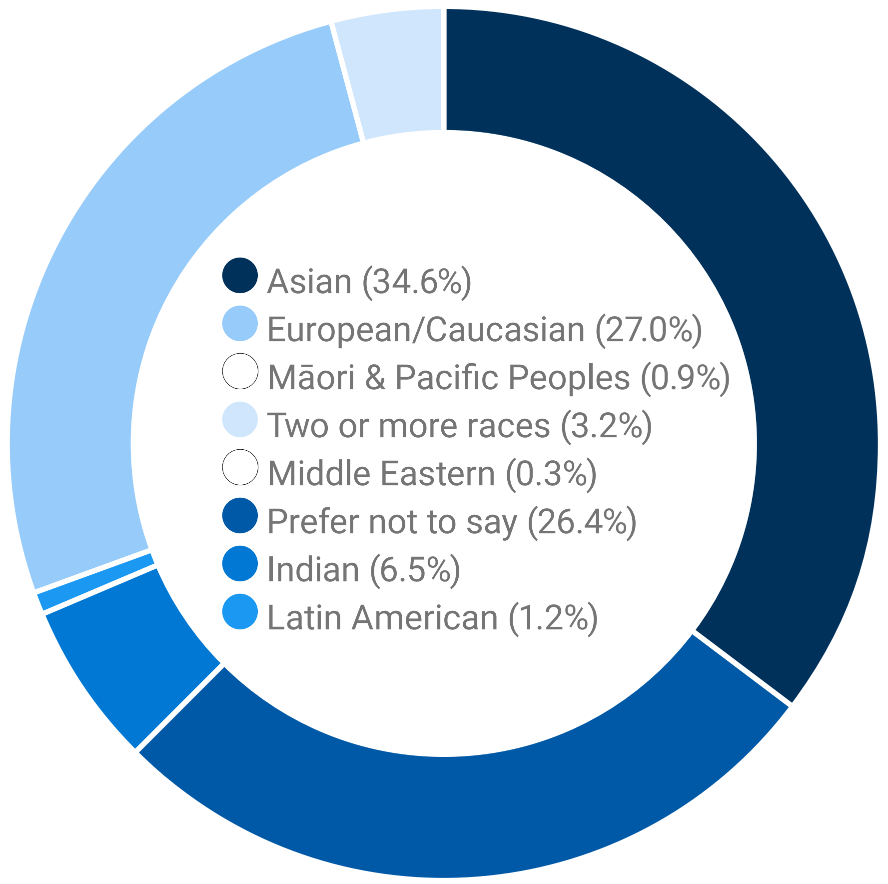
Our total headcount decreased by 5% in FY24 from 364 to 347 and our voluntary turnover decreased from 19% in FY23 to 11% in FY24.

Age range



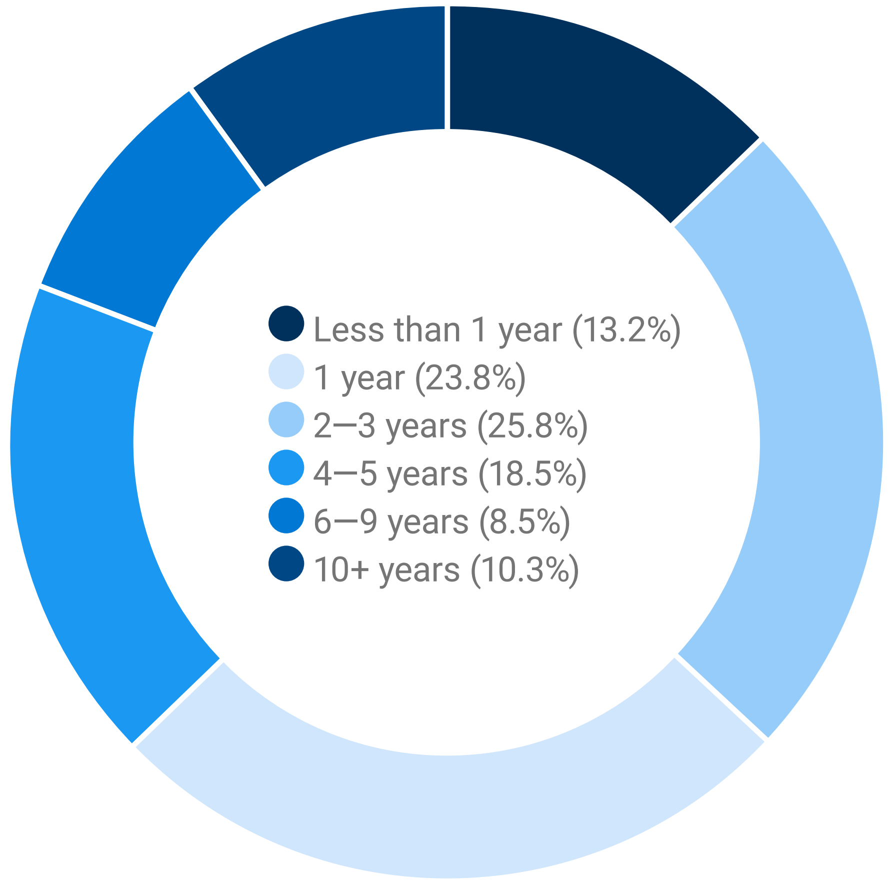
Serkodians have a broad range of age and experience (from early 20s to mid-60s), with nearly half of our workforce (45%) in the 35–44 age group.

Ethnicity



Ethnic representation is broadly balanced and we are proud to have 20 nationalities represented at Serko, an increase from 17 in FY23.

Length of service



The average tenure of employees has increased, with 37% of Serkodians being with the Company for more than four years (29% in FY23). Conversely, those with less than a year of tenure dropped from 28% in FY23 to 13% in FY24.

Remuneration & work practices

Pay for performance

We support a pay-for-performance culture where employees are rewarded for individual and overall Company success, and our remuneration framework ensures that higher performance has higher-level reward. Detailed information is provided in the Remuneration Report contained in the FY24 Annual Report available at www.serko.com/investors.

We are committed to equal pay for equal work and are continually reviewing our practices to ensure pay equity for our people. Our Pay and Gender Equity Statement sets out our key practices, as well as disclosing our pay equity status. As at March 2024, our median market remuneration gap (based on like-for-like job type and career levels) was less than 1%; and our overall organisational gender pay gap was 13%.

Flexible working practices

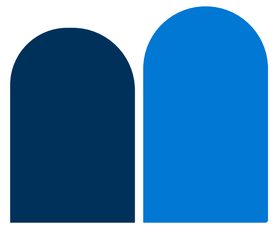
We continue to support hybrid working at Serko. This is based on employee preferences and our desire to ensure we are enabling Serkodians to do their best work. Our annual engagement survey results shows again that the majority of our employees (79%) feel that our flexible working policy enables them to balance collaboration and focus time well.

Median-market remuneration gap

2023
<1%

2024
<1%

Organisational gender pay gap



2023
12%

2024
13%

Career development & pathways

Promoting internal mobility

We are committed to empowering our employees to realise their potential through internal mobility and development. In FY24, we have been particularly focused on supporting internal progression for Serkodians through offering new career opportunities within the organisation.

Last year we set ourselves the target of increasing internal appointments for new or existing roles from 17% (FY23) to 30% (FY24). We are pleased to report that we filled 29% of roles internally in FY24, this included internal promotions and lateral movement into new open roles.

In FY25, we will continue to promote our internal Talent Marketplace and provide career opportunities to Serkodians.

Learning pathways

We continue to establish learning pathways linked to career development, with direct on-the-job learning and application. These learning pathways are being developed through the power of the Udemy platform.

Udemy is fast tracking the development of interpersonal skills and general business skills, as well as technical skills. Since the introduction of Udemy, Serkodians have completed over 3,000 hours of learning, 87% of which has been in developing skills aligned with our Technology Radar. Of this, 10% of all learning has been on business skills.

In addition to providing 24/7 access to learning through Udemy, we are also encouraging continuous learning opportunities by providing dedicated learning time, as well as dedicated budget per employee for external development.

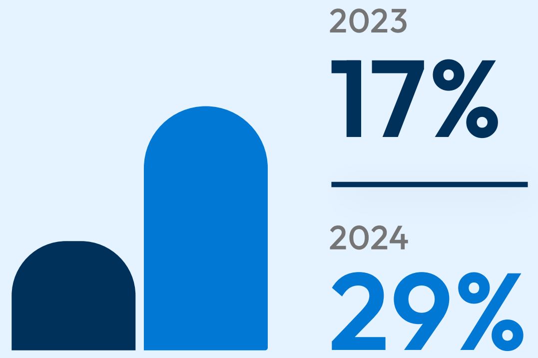
As a result, we have seen a significant shift in our monthly pulse survey score for "I have access to the learning and development I need to do my job well", which improved from 66% favourable in our FY23 annual employee survey, to 82% favourable in our FY24 survey.

In FY25, we will build out more learning pathways across multiple disciplines to enrich the learning experience, whilst also investing in people management and leadership skills through different initiatives.

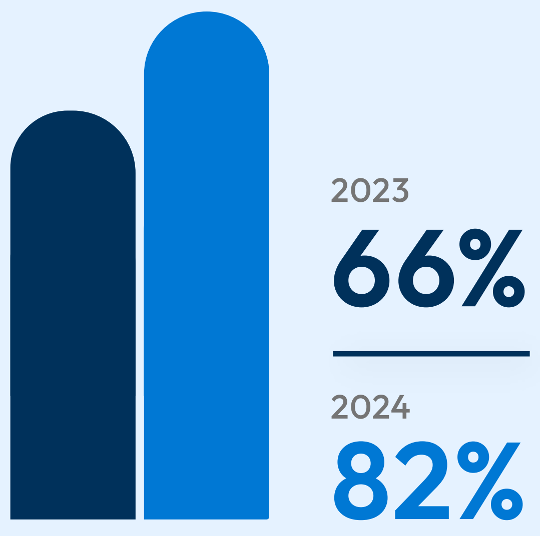
3,000+

Hours of learning completed by Serkodians

Internal appointments for new or existing roles



Access to learning and development



Stories from our people

At Serko we believe in the power of bringing people together to create and deliver great customer outcomes through technology. We asked some of our people in different parts of our business to share what being a Serkodian means to them and why they find working at Serko interesting.

Julia Bower

Senior Software Engineer

in Software Engineering

I have been a software engineer for a decade now. I jumped at the chance to join Serko and have the opportunity to build a design system right from the early stages, which is rare.

It was an interesting challenge to shift my mindset from a feature delivery perspective to enabling our internal teams to build great User Interfaces. The work is both challenging and rewarding and pushes me beyond my comfort zone.

I have always been interested in owning my own projects and Serko has provided me with mentorship and pathways to explore my capabilities both in and out of my day-to-day role. I have been able to hone my technical skills, develop my leadership capability and even co-found a startup.

At Serko, I feel valued and supported. Being mentored has allowed me to grow and feel supported to explore different areas of personal and professional interest, including being selected as part of the 'Women Rising' programme, which I'm very excited about. I think it's rare to have this level of support, which is why it feels really meaningful to be part of the Serko team.

Nemo Zheng

Business Analyst

in Product

My decision to join Serko about a decade ago was motivated by a desire for a change in my professional environment, coupled with my enthusiasm for travel.

Prior to joining Serko, I didn't have a lot of background in software development. I joined Serko as a Software Support Analyst in China mid-2014 and found a refreshing work environment that fostered both personal and professional growth.

I believe continued improvement is baked in Serko's genes. After being promoted to Team Lead in Xi'an, I was offered a life-changing opportunity in 2019 to relocate to the Auckland office. In 2021, I was one of a small team who onboarded Zendesk to modernise Serko's 'in-house' ticketing system, which I was also involved in building. This experience fuelled my passion for product management delivering customer value, and I'm now a Business Analyst in the Product team.

As a Serkodian, I find fulfilment in working alongside talented individuals who share a passion for the industry. Serko is not just a workplace; it's where I can authentically contribute my skills while surrounded by a community dedicated to innovation and excellence.

Ngahina Williams

Product Manager

in Product

Before joining Serko in 2022, I was a Functional Analyst for House of Travel Holdings and interacted with many Serkodians.

I saw an incredible opportunity with Serko to learn and grow while putting my extensive travel and tourism expertise to good use. This has proven to be the case — my journey so far has been very rewarding, and I have recently been promoted to Product Manager.

The most interesting challenge has been adapting to working with an Engineering team based in Xi'an, China. I've loved working with them and greatly admire their dedication, work ethic and sense of humour.

For me, what sets Serko apart is the Aroha (love, compassion, respect and empathy) many Serkodians have shown towards me or that I've seen them bestow upon others. As someone who grew up in a multicultural home where Māori and European ways of life were valued equally and who, relatively late in life, has come to accept their identity as a takatāpui (non-binary transgender), it is important to me that my workplace is somewhere that encourages and celebrates diversity. It helps me to continue to show up every day motivated to deliver career-defining work that makes a difference for those I care deeply about, our customers and my colleagues.

Jannis Gundermann

Senior Principal Software Engineer

in Technology

I joined Serko in 2021 as a contractor, bringing my Design Systems experience to establish a strategy that would later lead to the founding of our Design System team.

I have a passion for solutions that put the customer first, and my guiding focus is on the positive impact a well-executed experience can offer. After working on some key projects, I could clearly see how a more holistic approach to delivering customer experiences to the web could also lead to a great developer experience.

In 2023 I joined Serko full time as a Senior Principal Engineer to continue delivering on those opportunities. Serko has provided me with the opportunity to move into technical leadership and I love the ability I have here to shape decisions, support them and see them come to life.

I deeply value the unity and aligned drive to success I feel at Serko. Serkodians look out for one another and offer genuine support to help achieve your goals and deliver value for the organisation. There is a sense of momentum and drive here that allows us to tackle challenging problems and push through friction, and I find this incredibly rewarding.

Developing the next generation of tech talent

Our FY24 Intern Programme welcomed another six technology students through the Summer of Tech initiative, with a focus on cultivating fresh ideas and nurturing emerging tech talent.

Over 10 weeks, our interns gained hands-on product development experience, working closely with cross-functional teams from Engineering, Product, and Design. The programme gave them access to executive meetings, mentorship and their own project to work on, which was presented incredibly well at a dedicated company-wide meeting.

> My experience at Serko has been truly eye-opening. It has not only strengthened my skills but also nurtured a mindset geared towards ongoing growth.

Selena Wu • FY24 intern

Employee health, safety and wellbeing

Our Health and Safety policy is reviewed annually and the Board reviews progress against our Health and Safety objectives at every Board meeting.

With the nature of work in our organisation being primarily sedentary, we have identified our key critical health and safety risks as mental wellbeing/stress and office-related hazards.

Our approach to managing health, safety and wellbeing focuses on engaging with people across our business to ensure a safe and healthy working environment for everyone. This year we have:

- Continually identified, assessed and controlled possible risks to the health and safety of people that may arise in the workplace.
- Provided training to raise awareness of potential hazards and involved our people in health and safety decisions that affect them.
- Assessed individual needs before employees join Serko to ensure they have safe workstation setups.
- Through our monthly pulse survey we monitored pressure and unhealthy levels of stress experienced in the work environment as reported by our teams.
- Monitored and promoted our EAP (Employee Assistance Programme) to assist those who may have personal or work-related challenges.
- Proactively found opportunities to improve the health and wellbeing of people at Serko, to align with Serko's culture.

Measuring our performance

We measure our overall health and safety performance against two key metrics — Lost Time Injury Frequency Rate (LTIFR 1) and Lost Time Injury Incident Rate (LTIIR 2). These respectively measure the rate of LTIs per million hours worked and per number of employees. The graphs over show our five-year performance for these measures.

We are proud to have achieved a very low incident of lost time injuries (LTIs) over the past five years. This year we had just one LTII resulting in an LTIFR score of just 1.5 incidents per million hours worked and an LTII rate of 0.3 (number of employees injured as a proportion of the number of employees).

LTIFR

LTIIR

Mental health and wellbeing

Our aim is to create the right conditions where employees have the support and the tools they need to thrive. This includes managing day-to-day pressures to a healthy level of stress, creating an environment to enable people to do their best work and be an architect of their own performance, wellbeing and career.

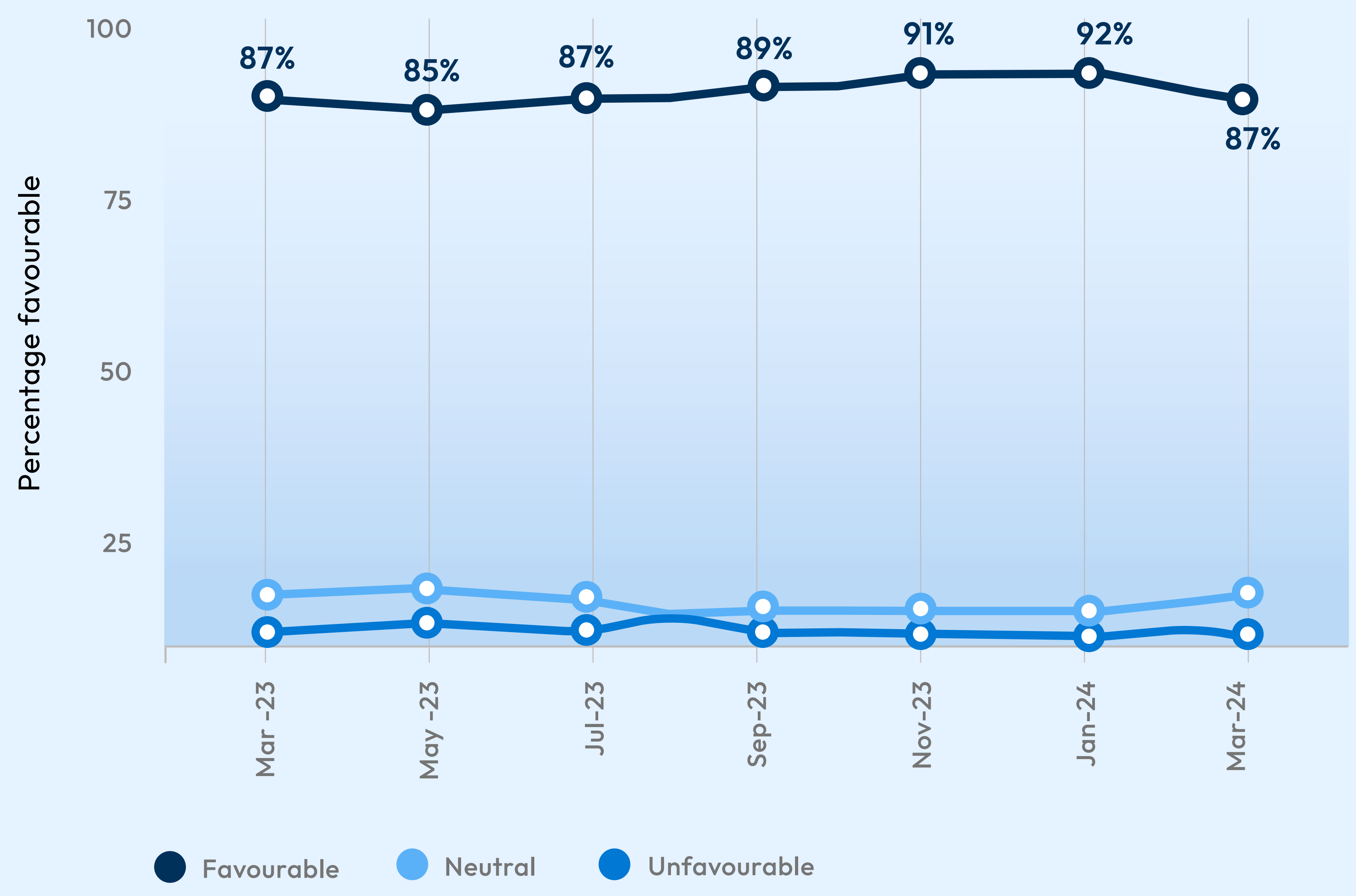
Our mental health and wellbeing programme has been in operation for several years. Each year we have encouraged our people to engage in a range of initiatives. This year's initiatives included:

- Introduction of Mental Health First Aiders to support us in identifying and referring people appropriately who may be facing distress or crisis mental health situations.
- Continuation of our Mindfulness training practice sessions in partnership with BlueSkyMinds.
- Guest speakers on the topics of menopause, supporting women at this stage of their life, as well as men's health topics of mental health and wellbeing and prostate and testicular cancer.
- Sexual harassment prevention training for all staff to enable a safe and professional work environment.
- A paid Mission You wellbeing day, encouraging Serkodians to consciously disconnect from work, take a day dedicated to restorative activities and to reconnect with themselves.
- A paid Volunteering day to give back to the communities in which our Serkodians live.
- Continuing our flexible working practices, including encouraging hybrid working with two days office attendance, balancing focused quiet time with opportunity for in-person collaboration and innovation.

Our primary measure of success is what Serkodians tell us through the pulse survey and EAP reporting. We have been pleased to receive positive employee feedback and high levels of engagement. At the end of FY24, 87% of Serkodians feel that Serko demonstrates care for the health and wellbeing of our people.

Serko demonstrates care for the health and wellbeing of its people

Trend from Mar 2023 — Mar 2024



Our communities

We believe that the power of bringing people together includes supporting the communities in which we live and operate. We are doing this in different ways — by giving back ourselves and also by investing in worthwhile initiatives.

Our Day of Community

Giving back to the communities we operate in is incredibly important to us and is why we do the Serko Day of Community. Each year, all Serkodians are given a full day to spend working on local community initiatives that are meaningful to them.

This year our global teams across Australia, New Zealand, China and the United States gave more than 1,800 hours back, getting stuck into social and environmental programmes within their regions. We are proud of the work they are doing and the strong relationships being formed with our local community organisations.

In China

In Xian, our team spent time in a senior care centre making over 1,000 bao buns and our people in Foshan created lanterns together with people from the Community Disability Wellness programme.

In New Zealand

Our teams cleared beaches with Sustainable Coastlines, packed 3,786 meal parcels, sorted clothing at Auckland City Mission and served meals at the community-based initiative — Everybody Eats. Large groups also planted hundreds of trees with Habitat Restoration Heroes and the Motuihe Project.

In Australia

Our teams worked with The Salvation Army preparing meals for those in need.

In the US

Our people packed more than 7,000 nutritious meals to send to children around the world.

Investing in our communities

Serko's investment in community initiatives is proportionate to our size, and our budget in any financial year is NZD $100 per team member per annum (based on headcount at the start of the financial year).

When deciding which initiatives to support, we are guided by the principles set out in our Community Investment Policy. These principles are focused on ensuring our investments are:

- aligned with our purpose of bringing people together, particularly initiatives focused on developing people with opportunities they would not otherwise be able to access;
- directly impacting our communities, particularly with programmes that help contribute to a strong and thriving ecosystem;
- meaningful to our people, where there is a strong connection to Team Serko and the geographies we operate in; and
- less is more, focused on a small number of initiatives with strategic partnerships and investments in things that are important to us.

FY24 investments

Our FY24 investments are:

- NZ Tech Rally
- Dress for Success Auckland
- Ronald McDonald
- 10x10 Philanthropy
- I Am Hope

10x10

PHILANTHROPY

Dress for Success Auckland

Dress for Success Auckland is part of a global organisation that is dedicated to empowering women and helping them achieve economic independence by providing a network of support, professional attire and development tools.

Our investment is providing at least 20 women with a personalised dressing service, skills and professional development via their Career Centre, as well as ongoing networking to help them thrive in work and life.

NZ Tech Rally

NZ Tech Rally is a grassroots event focused on New Zealand's software sector. It is designed to provide opportunities to grow the network and impact of our software community, to discuss industry concerns and to showcase Kiwi ingenuity in software engineering.

RMHC

Our supply chain

Serko has a strong network of partners with whom we work closely to ensure an efficient and resilient supply chain. Serko's direct suppliers are predominantly based in New Zealand, Australia and the US.

During FY24, Serko introduced its new Business Partner Code of Conduct which sets out the minimum standards we expect from our business partners, whether those are suppliers that provide goods or services to Serko or customers that have access to Serko software. The Code covers the following areas:

- **Business Ethics,** including Anti-Bribery and Corruption, Sanctions and Anti-Money Laundering and Terrorism Financing requirements.
- **Employment Conditions,** including Child Labour and Modern Slavery, Health, Safety and Wellbeing, Remuneration and Learning Opportunities.
- **Working Environment,** including Harassment and Non-Discrimination.
- **Environment and Sustainability,** including Environmental Laws and Regulations.
- **Respect for All**

In March 2024, Serko updated its Modern Slavery Statement which is intended to complement our Business Partner Code of Conduct and Code of Ethics to outline Serko's approach and commitment to preventing and addressing modern slavery risks within our organisation and value chain globally.

Other supply chain initiatives in FY24 include:

- Completion of individual risk assessments of all material business partners looking at risk factors such as location, industry and public profile. This has helped us gain a better understanding of our value chain and will help us in the future to understand our third-party risk exposure and target any specific programmes of work relating to our business partners.
- Introduction of ongoing sanctions and enforcement screening of all material business partners. Should any concerns be raised by this screening a thorough investigation by Serko's Compliance Officer would be completed and reported on accordingly.
- The identification and assessment of supply chain risks, including modern slavery, bribery and corruption and climate-related risks. These risks will continue to be monitored and addressed using our risk management processes as documented in our risk framework.

Section 05

Governance

Strengthening our practices to support long-term growth

A key focus for the Board in FY24 was to oversee and support the delivery of Serko's market strategy, including delivery for the Booking.com partnership. This included the consolidation and strengthening of processes that underpin the achievement of our long-term growth objectives and preparing the business to further scale up.

The following summary highlights Serko's main governance activities and progress areas over the past year.

For more detail regarding our governance practices, please refer to our Corporate Governance Statement, available in our Annual Report at www.serko.com/investors.

Succession planning

Readying Serko for its future growth

Board

The Board regularly reviews its skills, tenure and experience against future plans to ensure it remains fit for purpose and to identify any gaps.

During FY24, the Board commenced a search for a new Director with a demonstrated track record in growing technology businesses and subsequently appointed US-based technology entrepreneur Sean Gourley as a Non-executive, Independent Director. Sean has been a proven leader in the AI and data commercialisation space over the past decade, having established and grown two ground-breaking technology businesses. This, together with his commercial US experience, makes him a key asset to Serko as we scale internationally and as data and AI becomes even more critically important to our technology and products.

The Board remains dedicated to ensuring it is balanced in terms of skills, tenure and experience. It regularly reviews these to assess the appropriateness of its composition and to identify any gaps. In FY24, it has incorporated sustainability elements into its skills matrix. The Board's skills matrix can be found in Serko's Corporate Governance Statement, available in our Annual Report at www.serko.com/investors.

Executive Team

The People, Remuneration and Culture Committee regularly conducts succession planning reviews for our Executive team, not only as a risk management tool but also to ensure we have the right capability to successfully deliver our growth strategy and sustainable financial performance.

In FY24, we added a number of critical hires across the business including a VP Engineering — Simon Young; Chief Product Officer — Joydip Das and Chief Revenue Officer — Liz Fraser. Simon was appointed Acting Chief Technology Officer in April 2024. These additions have significantly strengthened our product and business development capability as we scale up for future growth.

Further details about our Executive team, including Simon, Joydip and Liz, are available on our website www.serko.com/about.

Sean Gourley
Independent
Non-executive Director

Liz Fraser
Chief Revenue Officer

Simon Young
Acting Chief
Technology Officer

Joydip Das
Chief Product Officer

Aligning executive remuneration with long-term goals

Towards the end of the year, we revised our executive remuneration structure, based on key design principles.

The most significant change to the structure has been the introduction of a new performance measure, absolute total shareholder return (aTSR), as part of the long-term equity incentive for the Executive team. This ensures executive long-term rewards align shareholder and executive interests and incentivise shareholder value growth.

Specific details about the new executive remuneration structure can be found in the Remuneration Report, contained in our Annual Report available at www.serko.com/investors.

Key design principles:

01 Remaining competitive with the technology industry to attract and retain high calibre executive talent for Serko

02 Motivating and rewarding performance to incentivise the delivery of the long-term strategic objectives of the organisation

03 Strengthening alignment of rewards with long-term shareholder value

Embedding risk management throughout the business

Over the last 12 months, we have made substantial progress towards strengthening and further embedding risk management practices throughout the business, building upon risk management enhancements in FY23.

In FY24 our focus was to further embed the ownership of risk throughout the business and to improve our risk governance practices through:

- redefining risk-related roles and responsibilities, from Board oversight through to specific key risk ownership at management level, ensuring risk accountability at all levels of the organisation;
- redefining and enhancing the monitoring and reporting of our top risks (previously called 'principal risks'), as well as further assessment of our climate-related risks and opportunities; and
- introducing a quarterly executive-level risk management forum to further align risk management to strategic planning and decision-making.

Further details about Serko's risk management approach and a list of summarised, grouped top risks can be found in the Corporate Governance Statement in our Annual Report available at www.serko.com/investors. Climate-related risks and opportunities are also described in Appendix 1 of this Report.

Improving stakeholder engagement

The Board placed a strong focus during the year on strengthening engagement with our key stakeholders, to better understand what is important to them and to ensure that we are setting and meeting appropriate expectations.

This work has included two key initiatives:

Governance Roadshows

In addition to our regular financial results roadshows, we conducted our first governance roadshow, where our Chair, Claudia Batten, and Non-executive Director, Jan Dawson, met with key stakeholders (shareholders and industry bodies) to discuss areas of focus for the Board and gain a greater insight into the issues and expectations of these groups.

What we have learned from these sessions is the more engagement, the better. The feedback we received was resoundingly positive, with stakeholders appreciating that we wanted to hear directly about what's important to them, as well as the issues they are grappling with. We will be using these insights to further enhance our stakeholder communications and will continue with these governance roadshows in FY25 and beyond.

We are also planning to hold an Investor Day later in FY25. We will provide details to the market in due course.

Materiality Assessment

With the help of a specialist consultancy firm, we also undertook a materiality assessment to enable us to better understand and prioritise the environmental, social, governance and commercial areas that matter most to our stakeholders and to the business.

This assessment, which identified and ranked the material topics important to our stakeholders and Serko, enables us to focus our strategy on areas that will have the greatest impact and also to communicate with our stakeholders more effectively.

A summary of outcomes from the assessment is provided on pages 5 – 6.

Claudia Batten, Chair and
Darrin Grafton, CEO and Co-founder

Section 06

Appendix

Climate-related disclosures

Prepared in accordance with the Aotearoa New Zealand Climate Standards

For the period: 1 April 2023 – 31 March 2024

Disclaimer:

This report contains current and forward-looking information that is based on estimates, assumptions and incomplete data, as well as our judgements about the future effects of climate change and its impacts on Serko's business, based on its understanding as at the date of this report. While Serko has obtained the information included within this report from sources that it believes to be reliable as at the date of preparation, it cautions reliance being placed on information that is subject to significant uncertainties and assumptions.

Forward looking statements, including climate related scenarios, targets, risks and opportunities, anticipated impacts, statements of Serko's future intentions, estimates and judgements are based on assumptions that are inherently uncertain and likely to change over time. These forward-looking statements should not be taken as guarantees of future performance and there are many factors that could cause the outcomes to differ materially from that described, including factors outside of Serko's control. Serko's actual performance against its climate-related targets, the strategies that it adopts, and its climate-related risks and opportunities, may not eventuate or may be materially different than anticipated.

Serko does not represent that the forward-looking statements in this report will not change following publication of this report, and gives no undertaking to update the information in this report (subject to relevant legal or regulatory requirements). This report is not an offer or recommendation to invest in, distribute or purchase financial products. Nothing in this report should be interpreted as advice, whether investment, legal, financial, tax or otherwise.

Climate-related disclosures

Statement of Compliance

Serko is a climate-reporting entity under the Financial Markets Conduct Act 2013. Our inaugural mandatory climate-related disclosures cover our progress between 1 April 2023 and 31 March 2024 and comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (Climate Standards). All figures and commentary relate to the full year ended 31 March 2024, unless otherwise indicated.

In preparing its climate-related disclosures, Serko has elected to rely on the following adoption provisions to ensure compliance with the Climate Standards:

- **Adoption Provisions 1 and 2:** Current and anticipated financial impacts

  While quantitative data has not been provided (as there are a large range of possible outcomes for physical and transitional risks that make financial modelling complex and challenging), a qualitative description of the current and anticipated financial impacts has been provided.

- **Adoption Provision 3:** Transition planning

  A description of our progress towards developing our transition plan can be found on page 53.

- **Adoption Provision 4:** Scope 3 GHG emissions

  We have included reporting on upstream emissions subset of Scope 3 but have not incorporated downstream emissions information.

- **Adoption provision 6:** Comparatives

  While two years of comparatives are provided, we have set our baseline year as FY23, due to the pandemic-related disruption to business activities (including business travel) in FY22.

- **Adoption Provision 7:** Analysis of trends

  We have included two years of comparatives but are still building our understanding on the trends and wider impacts of these metrics.

In preparing our disclosures and assessing the materiality of climate-related matters, we have had regard to whether such matters would reasonably be expected to influence decisions that our primary users make. We consider our primary users to be existing and potential investors, our customers (including travel management companies and direct customers) and end users of our travel management and expense platforms.

This report has been approved by the Board on 28 May 2024 and is signed on behalf of the Board by Claudia Batten (Chair) and Jan Dawson (Chair of the Audit, Risk and Sustainability Committee).

Claudia Batten
Chair

Jan Dawson
Chair of the Audit, Risk and Sustainability Committee

Climate governance

Board oversight

Serko's Board has the ultimate responsibility for overseeing Serko's strategy, which incorporates environmental, social and governance (ESG) elements. It is responsible for setting and overseeing the achievement of metrics and targets and for managing our climate-related matters.

Climate-related risks and opportunities are not presently considered on a stand-alone basis within Serko's strategy. They sit within the broader Serko risk management framework, which intersects with Serko's strategy-setting process. The Board is responsible for approving the risk management framework, which is used to identify, assess and manage the Company's risks (including climate-related risks). It also approves the broader Serko strategy, which considers our ESG roadmap and related focus areas.

The Board is supported by the Audit, Risk & Sustainability Committee (ARSC), to which it has delegated oversight of sustainability matters. The ARSC ensures Serko has an effective ESG Programme. As part of this, it oversees climate-related risk management, monitors progress against climate-related targets and metrics; and oversees compliance with climate-disclosure reporting requirements.

Risk and ESG matters (which may include climate-related risks and opportunities) are a standing agenda item at each ARSC (held four times a year), with reporting from the Executive Team and/or ESG Steering Committee, with inputs from the Climate Disclosure Working Group. From FY25, there will be dedicated half-yearly reporting to the ARSC on climate-related risk, opportunities, metrics and targets.

The ARSC makes recommendations to the Board on relevant climate-related matters and provides the Board with updates and the Committee minutes after each Committee meeting.

The Board continually evaluates whether it has the appropriate competencies and skills to oversee and govern the Company. It uses a skills matrix to assist with this process, which includes consideration of climate-related competencies. A summary of our skills matrix is available in our Annual Report and on www.serko.com/investors.

Climate-related performance metrics are not currently incorporated into remuneration policies. However, the People, Remuneration and Culture Committee sets and regularly reviews Serko's remuneration policies and practices to ensure they are consistent with the Company's strategic goals and are incorporated into short-term and long-term incentives.

Management accountability

Accountability for the day-to-day management of ESG matters, including sustainability matters and management of climate-related risks and opportunities, ultimately sits with the CEO and the Executive team.

Serko's risk management framework ensures climate-related risk and opportunity identification, assessment and monitoring is consistent with other types of risk and opportunity management and that climate-related discussions are built into the Company's day-to-day operations. In this regard, the Executive team is informed about, makes decisions on, and monitors climate-related risks and considers opportunities through:

- consideration of the risk management framework in strategy development, capital deployment and funding decisions;
- quarterly reviews of top risks which may include climate-related risks; and
- development of controls, processes and practices to manage and monitor risks within the approved risk appetite.

The ESG Steering Committee ('ESG SteerCo') further supports the day-to-day management of climate-related risks and opportunities. It comprises executive and leadership-level sponsors with the Chief Financial Officer (CFO) as lead sponsor and Chair. The ESG SteerCo is responsible for developing and ensuring the execution of Serko's ESG Programme. It meets every second month to consider the ESG Programme and makes day-to-day decisions within delegated authority limits. It reports to the ARSC on ESG-related matters which may include climate-related matters at each ARSC meeting.

The ESG SteerCo is supported by cross-functional specialists (including the Climate Disclosure Working Group, which oversees the development of climate-related disclosures) who manage the day-to-day implementation of Serko's ESG programme, manage climate-related risks and execute against climate-related opportunities.

Serko Board

Overall oversight of all climate-related matters:

- Considers climate-related risks and opportunities (as part of broader Risk Management Framework) when setting Serko's strategy
- Approves climate-related metrics and targets
- Ensures appropriate skills and competencies at the Board level to oversee climate-related risks and opportunities

Audit, Risk & Sustainability Committee

Supports the Board in oversight of:

- Climate-related risks and opportunities
- Progress against targets
- Compliance with climate-related disclosure obligations
- Effective development and execution of the ESG Programme

Executive Team

Overall responsibility for climate strategy, risk and opportunities. Supported by the ESG SteerCo

ESG SteerCo

Executive and Leadership team responsible for development, execution, embedding and championing the ESG programme. Report to the ARSC on risk and ESG-related matters at each meeting

Cross Functional Team

Responsible for day-to-day implementation and risk management. Includes the Climate Disclosure Working Group. Provide inputs to the ESG SteerCo to enable accurate reporting up to the ARSC

Strategy

Current climate-related impacts

Serko recognises the impacts of climate change across the globe. While our business is fortunate to have been minimally impacted to date, we expect this to change over time, with the level of impact depending on the global warming trajectory.

Serko's climate-related risks and opportunities, as well as the anticipated impacts against each scenario, are set out on pages 48 – 52.

Over the past 18 months, climate-related events have included:

- **Extreme weather events**: Over the past 18 months these events included significant flooding in Auckland and the impacts of Cyclone Gabrielle across New Zealand. These have had no significant impact on Serko's operations.
- **Climate-related disclosure requirements**: Over the past 12 months this has led to the upskilling of Serko team members with climate change considerations becoming more broadly considered in the business alongside investment in external support and advice to ensure compliance.
- **Carbon pricing**: The 2023 World Bank Carbon Pricing report states that governments are prioritising direct carbon pricing policies to reduce emissions, even in difficult economic times. Serko to date cannot attribute any hosting and infrastructure price increases directly to the transition to a low carbon economy but we do believe this to be a factor, in addition to economic turmoil and geopolitical instability.
- **Supply chain disruptions**: The COVID-19 pandemic and subsequent global inflation have demonstrated the size and speed of impacts on supply chains across physical goods movements, computer chipset shortages for IT equipment and labour skillset pools. There have been minimal disruptions over the past 12 months but we anticipate climate related events could be a key risk to the global supply chain.
- **Business travel demand**: We saw minimal impacts on demand for business travel in the past 12 months. Demand for business travel is forecast to continue growing in the short to medium term, with GBTA 2024 poll results[1] stating that 83% of travel buyers surveyed say their 2023 global business travel bookings increased and 67% expect their company's travel spend to increase in 2024 versus 2023. Serko monitors business travel demand as part of its normal operations to ensure we are well positioned for any changes.

[1] Business Travel Industry Anticipates a Strong but Challenging 2024 According to Latest GBTA Poll — Global Business Travel Association—GBTA.

Scenario analysis undertaken

During FY24, we completed scenario analysis to further identify Serko's climate-related risks and opportunities and better understand the resilience of our business model and strategy.

The work was led by the Climate Disclosure Working Group and supported by the ESG SteerCo. In developing the scenarios, we considered the representative concentration warming pathways ('RCPs') established by the Intergovernmental Panel on Climate Change ('IPCC') 6th assessment 2021 and the Shared Socio-economic Pathways ('SSP') scenarios relevant for New Zealand. Due to the small size of the Technology/Travel sector in New Zealand, Serko could not participate in sector analysis, however, we reviewed and considered the scenarios chosen by companies in the closest sectors in determining the most appropriate scenarios for Serko.

We analysed three different scenarios, which we believe represent appropriate descriptions of how the future may develop, relevant to our industry and business. In Table 1: Scenario overview (pages 46 – 47), we have described the characteristics of each scenario, which have provided underlying assumptions for our risk analysis. Our recommended scenarios have been considered and endorsed by the ARSC (with formal approval by the Board). They are summarised below, with the graph describing the IPCC anticipated trajectory of carbon emissions for each scenario.

We have used these temperature scenarios to challenge our business model and strategy. They align with the NZ CS requirement to include at least one 1.5˚C scenario and at least one 3˚C or greater scenario. The different scenarios cover a range of both transitional and physical outcomes that capture the key impacts and uncertainties of relevance to the travel software sector. The scenario analysis undertaken considered the risks and opportunities most relevant to Serko and with the potential to have the most impact.

From this analysis under Serko's planning horizon, we identified that the likelihood of transitional risks is expected to have an inverse relationship with the likelihood of physical risks.

Where governments intervene more to prevent climate change, there will be a higher likelihood of impacts from transitional risks, including a potential reduction in travel demand. If these interventions are successful, the peak climate warming will be less and therefore having a lower likelihood of physical risks eventuating. Alternately, if governments do not intervene or have less effective change policies, there will be a higher likelihood of impacts from physical risks with higher peak temperature outcomes.

01

An optimistic scenario

assumed the conditions under SSP1-1.9 (average warming of 1.5°C by 2100)

02

A disorderly scenario

assumed the conditions under SSP2-4.5 (average warming of 2.7°C by 2100)

03

A regional rivalry scenario

assumed the conditions under SSP3-7.0 (average warming of 3.6°C by 2100)

Carbon dioxide variation in IPCC

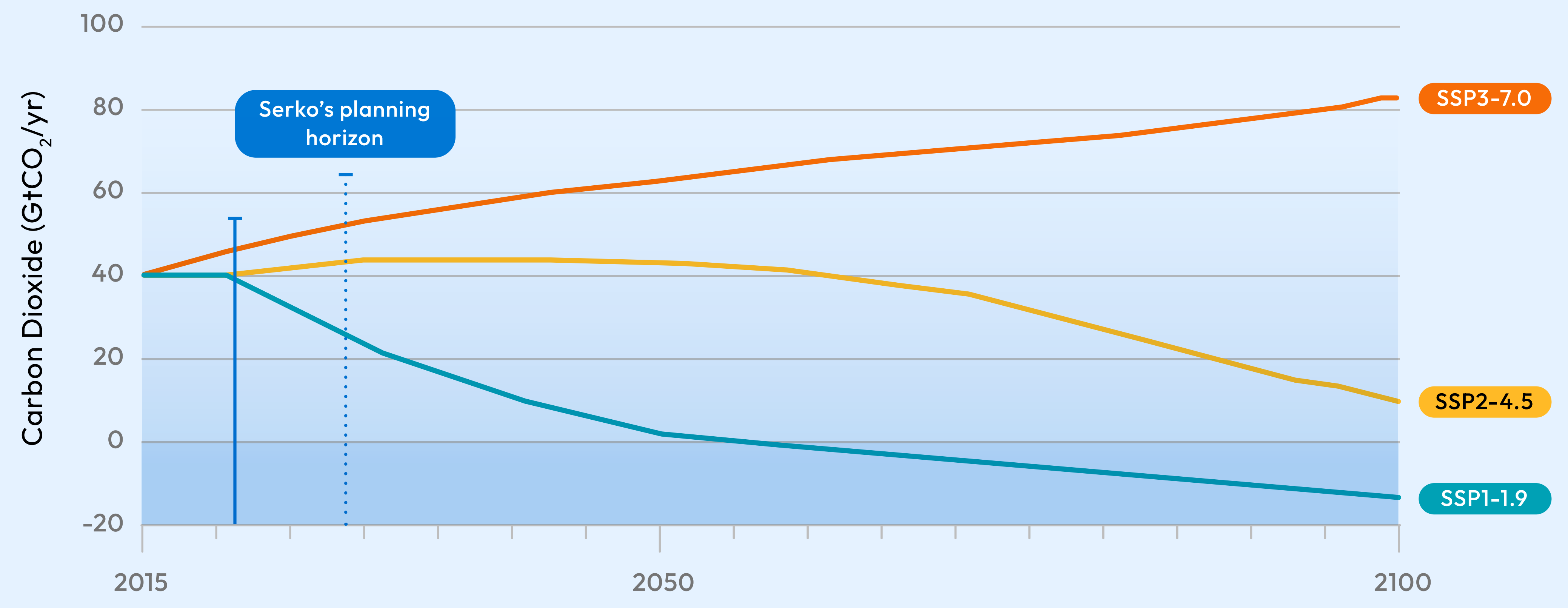


Table 1: Scenario overview

Characteristics	Optimistic Average warming of 1.5°C by 2100 Ref: SSP1-1.9	Disorderly Average warming of 2.7°C by 2100 Ref: SSP2-4.5	Regional rivalry Average warming of 3.6°C by 2100 Ref: SSP3-7.0
Environmental	• More frequent severe weather events but the world has avoided the worst consequences of climate change • 10-year precipitation events will likely occur 1.5 times more (+10.5% wetter) [1]	• More significant weather impacts globally • 10-year precipitation events will likely occur 1.7 times more (+14.0% wetter) [1] • CO_2 emissions hover around current levels before beginning to decline by mid-century	• Weather impacts continue to worsen, even move disruptive and damaging • 10-year precipitation events will likely occur 2.7 times more (+30.2% wetter) [1] • CO_2 emissions and temperatures continue to rise, with CO_2 emissions almost doubling from current levels by 2100
Policy	• Strong and aligned government intervention with ambitious sustainability targets • Policies promote decarbonisation and more sustainable practices	• Uneven government intervention consistent with historical trends • Policies that prioritise political stability and economic growth; fewer policies focused on sustainability and decarbonisation	• Little to no significant government intervention, bringing no impactful change to temperature trajectory • Policies prioritise minimising impacts of weather and climate events
Socio-economic	• More environmentally friendly practices, with focus shifting from economic growth to general wellbeing • Investments in education and health increase and inequality decreases. Lowest health and wellbeing impacts	• Socio-economic factors follow historical trends, with no significant change • Slower progress toward sustainability with disparate development and income growth • Moderate health and wellbeing impacts	• Slow adoption of environmentally friendly practices • Highest health and wellbeing impacts • Countries more competitive with each other, prioritising national and food security
Technological	• Rapid technological change focused on decarbonisation and sustainable practices	• Technology change is slow to start and focused on short term challenges, with speed of change relative to level of policy intervention	• Technology change focused on maximising energy resources rather than sustainable practices

[1] **Full reference:** Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

Table 1: Scenario overview (continued)

Optimistic Average warming of 1.5°C by 2100 Ref: SSP1-1.9	Disorderly Average warming of 2.7°C by 2100 Ref: SSP2-4.5	Regional rivalry Average warming of 3.6°C by 2100 Ref: SSP3-7.0
This scenario focuses on achieving the Paris Agreement's goal of limiting global warming to 1.5ºC above pre-industrial levels by the end of the century. It involves a high degree of regulatory change supporting ambitious climate policies aimed at net-zero emissions. Focus is on sustainable decarbonisation practices across all sectors, and everyone is expected to play their part. Policies aimed at reducing inequality and improving health, wellbeing and education is also prioritised, including protecting vulnerable populations from the impact of climate change. As policy intervention grows, consumers and businesses rapidly move to prioritise change, including a focus on more sustainable solutions and practices. Travel sector participants develop preferences for more sustainable transport and accommodation options. Technologies supporting decarbonisation and sustainable practices are rapidly advanced. This includes environmentally friendly technologies, renewable energies and decarbonisation of transport.	This scenario follows historic patterns, with CO_2 emissions remaining at current levels until 2050, when green energy starts driving a decline. Technology advancements focused on sustainable practices and solutions begin to accelerate after 2030, as decarbonisation policies are embedded. Regulatory intervention occurs more slowly and inconsistently around the world. Policy focus is initially on maintaining market stability and economic growth, and the introduction of decarbonisation policies is slow until 2030. The resulting changes are more rapid and costly to implement. Socio-economic inequities mean inconsistent access to new technologies and sustainable practices. Early adopters get more opportunities, while late movers face increased cost and competition. A lack of action through the 2020s results in more extreme weather patterns. With weather-related events occurring more often prioritisation is given to adaption and protecting vulnerable populations. Travel sector participants will require greater flexibility as they see increased disruption from weather events on a more frequent basis but slower regulatory intervention will also reduce requirements for sustainable travel options in the short to medium term.	This scenario sees continued rise in temperatures and emissions, with CO_2 emissions doubling by the end of the century. The trend toward nationalism continues, with governments focusing their attention on nation-serving behaviours. Security of food and resources, such as water and energy, is prioritised. Competition for scarce resources increases, along with increased constraints on international trade and technology transfer. Sustainable practices are de-emphasised as priority is given to production. While consumers and markets remain interested in climate change, a lack of policy settings does not support significant mitigation. With emissions continuing to grow unabated, there are significant shifts in climate patterns and extreme weather events. Consequently, the focus turns to adaptation and response to climate-related events. This would be the most disruptive scenario to the travel sector in the very long term. Extreme weather events have become more common in driving uncertainty around successful travel outcomes. This can lead to significant increases in cost, as the travel industry works to adapt to climate-related events resulting in customers prioritising non-travel options.

Climate-related risks & opportunities

Serko is committed to proactively and consistently identifying and managing risk, including climate-related risks and opportunities. We recognise that the global understanding of climate change and its impacts continues to evolve and mature with more data, regulation and shifts in attitudes and recognition.

Climate-related risk and opportunity identification is integrated into our business risk process and aligned with our overall risk management framework to ensure consistency and engagement. The enterprise risk management framework directly impacts and feeds into the development and implementation of Serko's broader enterprise strategy, capital deployment and funding decisions.

Our identified climate-related risks and opportunities have been assessed to current physical and transition impacts, both in regard to severity and time horizon.

Time horizons

We have aligned the time horizons used in our climate-related assessments with those used for Serko's business modelling, strategic planning, capital deployment decisions and asset management.

Serko is a company in growth. Operating in the travel technology space means we are in a rapidly changing landscape where it is important to maintain the agility to respond to market trends and opportunities. Serko's primary assets are technology and customer relationships. Serko amortises internally developed software over three to five years. Key customer relationships are typically not included in the financial statements but are reflected in contracts that are typically three to five years in duration.

Time horizons for assessing climate-related risks & opportunities		
Short term	< 1 year	Aligns with the length of time covered by Serko's budget planning cycle
Medium term	1-3 years	Reflects the length of most managed customer contracts and asset amortisation
Long term	3-5 years	Reflects the length of key partner contract

Materiality of impacts

In determining severity of impacts, we have aligned the definition of impacts with Serko's risk management framework. Each category includes a range of criteria, including a financial impact range, reflecting the level of materiality to the business. These ranges are applied to the impact assessments for the climate-related risks and opportunities.

In some cases, climate-related financial impact is harder to quantify due to challenges in attributing a business impact directly to a climate-related risk or cause. For example, pricing increases for hosting, infrastructure and travel content are due to several known factors including (but not limited to) economic turmoil, geopolitical instability and inflation, as well as climate-related.

High-level impact description	
Severe	Critical functions of Serko are affected, limiting the ability to operate
Major	Multiple functions of Serko are affected, limiting the organisation's ability to meet one or more strategic objectives
Moderate	Effects are limited to a single operational area
Minor	Unlikely to impact on the effective operation of Serko

Table 2: Grouped climate risks and opportunities determined to be most relevant, with anticipated impacts

Serko recognises the impacts of climate change across the globe and that this will continue over a significant timeframe, with the level of impact depending on the global warming trajectory. The timeframes used here are based on business modelling, strategic planning, capital deployment decisions and asset management. Refer to page 48 for more detail on this.

Anticipated Future Impact	Optimistic Average warming of 1.5°C by 2100 Ref: SSP1-1.9			Disorderly Average warming of 2.7°C by 2100 Ref: SSP2-4.5			Regional rivalry Average warming of 3.6°C by 2100 Ref: SSP3-7.0			Strategy to address risk
Time horizon	Short term	Medium term	Long term	Short term	Medium term	Long term	Short term	Medium term	Long term	
Transitional Risk CR001: Unable to meet customer demands for more sustainable options										
Demand for sustainable options is expected to grow in the medium term, creating a risk that Serko cannot deliver new products, solutions or supporting data to match the pace of growth. Resulting in: • loss of customers; • loss of revenues; and • reputational impact.	1	1	3	1	1	2	1	1	1	• Serko is currently able to meet current customer demand and continues to invest in new product development • Working with customers to monitor demand trends and customer preferences • Product Roadmap regularly updated to ensure appropriate response is planned and prioritised if required • Capital available to invest in additional capability as required • Ongoing market scanning by Product and Commercial teams to monitor trends and consider new and innovative solutions and enhancements
Transitional Risk CR002: Price increases for travel content										
Regulatory change supporting decarbonisation may require more costly sustainable options, which leads to higher prices. • Increased low-carbon content requirement. • Reduced revenues from lower transaction volumes. • Reduced margins from higher costs.	1	1	3	1	1	2	1	1	1	• Monitor whilst continuing to increase content across low-carbon options

Key:

Time horizons

Short term	< 1 year
Medium term	1-3 years
Long term	3-5 years

High-level impact description

4	Severe
3	Major
2	Moderate
1	Minor

Physical Risk: Risks related to the physical impacts of climate change, such as extreme weather events or change in weather patterns.

Transitional Risk: 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.

Anticipated Future Impact	Optimistic Average warming of 1.5°C by 2100 Ref: SSP1-1.9			Disorderly Average warming of 2.7°C by 2100 Ref: SSP2-4.5			Regional rivalry Average warming of 3.6°C by 2100 Ref: SSP3-7.0			Strategy to address risk
Time horizon										
Transitional Risk CR003: Cost increases for hosting infrastructure										
As governments prioritise direct carbon policies to reduce emissions, this is likely to impact the costs of hosting infrastructure that supports Serko's platforms. Impact to Serko: • Price increases (to offset cost increases) or reduced margins. • Reduced revenues from lower transaction volumes.	1	1	2	1	1	2	1	1	2	• Infrastructure Optimisation initiative — continued focus on improving the efficiency of Serko's server and hosting infrastructure • Ongoing monitoring of costs
Transitional Risk CR004: Long term reduction in demand										
Growing awareness of carbon emissions and/or regulations lead customers to choose not to travel or travel less. The result of which will cause: • reduced revenue from lower volumes; and • reduced revenue as customers make lower-value choices.	1	1	3	1	1	2	1	1	1	• Ongoing monitoring of customer preference trends • Ongoing environmental scanning around regulatory changes, corporate responses, geopolitical issues and weather events — all of which impact travel decisions • Continued investigation of product opportunities to meet emerging customer preferences

Key:

Time horizons

Short term	< 1 year
Medium term	1-3 years
Long term	3-5 years

High-level impact description

4	Severe
3	Major
2	Moderate
1	Minor

Physical Risk: Risks related to the physical impacts of climate change, such as extreme weather events or change in weather patterns.

Transitional Risk: 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.

Anticipated future impact	Optimistic Average warming of 1.5°C by 2100 Ref: SSP1-1.9			Disorderly Average warming of 2.7°C by 2100 Ref: SSP2-4.5			Regional rivalry Average warming of 3.6°C by 2100 Ref: SSP3-7.0			Strategy to address risk
Time horizon	Short term	Medium term	Long term	Short term	Medium term	Long term	Short term	Medium term	Long term	
Physical Risk CR005: Supply chain and business continuity disruption caused by extreme weather events										
Extreme weather events cause disruptions to supply chain and business continuity for customers and significant travel disruption for travellers. Impacting Serko's supply chain with: • disrupted supply/outages of key infrastructure (data centres, power, water etc.); • increased costs as suppliers build resilience; • increased supply lead times; and • business disruption if access to offices or systems are impacted.	1	1	1	1	1	1	1	1	1	• Business continuity planning and processes • Disaster recovery planning and processes, including site checks • Increased ways of working (remote working) • Build strong supplier relationships, monitoring suppliers costs • Consider other expense reduction opportunities to mitigate impact of unavoidable expenses
Physical Risk CR006: Travel disruption caused by extreme weather events										
Extreme weather events cause significant travel disruption for travellers, including route changes, airport closures. Leading to: • higher transaction costs as customers reschedule; • cancellation revenue/cost impact; and • increased operating costs to support weather event.	1	1	1	1	1	1	1	1	1	• Increased functionality and capability to support travellers to make flight changes with ease • Additional content to enable travellers to make changes and alternative arrangements as required (see opportunities) • Ongoing monitoring to understand supply chain activity and commitments to improve operational resilience and adapt quickly to the predicted effects of climate change [2]

Key:

Time horizons

Short term	< 1 year
Medium term	1-3 years
Long term	3-5 years

High-level impact description

4	Severe
3	Major
2	Moderate
1	Minor

Physical Risk: Risks related to the physical impacts of climate change, such as extreme weather events or change in weather patterns.

Transitional Risk: 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.

Opportunities

Opportunity	Anticipated future impacts	Time horizon	Strategy to address opportunity
Product development **Providing more options for sustainable travel** New products, enhancements and data allow customers to make informed choices about travel and carbon-offsetting options	• New product options drive increased transaction volumes • Increased revenue • Customer support and growth	Long term	• Continued monitoring of traveller preferences • Continued development of existing sustainability focused product options as required • Product Roadmap to include sustainability functionality/content when required to meet customer requirements
Clean supply chain **Demonstrate commitment and action** Ensuring a clean, sustainable supply chain will lead to lower carbon footprint	• Reduced emissions • Positive customer perceptions/loyalty • Positive revenue impact • Reputation and brand	Long term	• Business Partner Code introduced • Screening of business partners (risk and sanctions) • Compliance auditing in place
Share our sustainability journey Engaging and authentic communications that enable stakeholders to connect with Serko about its sustainability journey	• Reputation and brand • Attract/retain customers • Attract/retain employees • Investor support	Medium term	• Continued improvement in ESG reporting and disclosures • Stakeholder engagement plans and initiatives • Focus on improving preparedness to respond to information requests from customers/potential customers • Share Serko's sustainability efforts with employees, bringing all on the journey
Reduce carbon footprint Achieve carbon-reduction improvements	• Improved emissions intensity • Reputational benefit • Operating cost benefit	Long term	• Infrastructure optimisation initiative focusing on improved efficiency of server and hosting infrastructure • Serko's primary cloud hosting partner, Microsoft, have stated their aim to be carbon negative by 2030

Key:

Time horizons

Short term	< 1 year
Medium term	1-3 years
Long term	3-5 years

Positioning for transition to a low-emissions, climate-resilient future state

As noted in the risk and opportunity tables, Serko's strategies to mitigate risk and capture opportunities are based around product development, market knowledge and business resilience. These are consistent with our wider business strategy.

Serko has not developed a transition plan to an extent that would fully meet the requirements of NZ CS 1 and therefore has applied Adoption Provision 3 (paragraph 15), which provides an exemption in the first reporting period from the requirements to disclose the transition plan aspects of an entity's strategy. This includes how its business model and strategy might change to address its climate-related risks and opportunities and how the transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes.

As part of this development work an internal carbon price has been set at $60 per metric tonne of CO_2e, which applies a cost to each tonne of CO_2e emitted. This price helps inform operating plans, investment spend and the direction of funds into decarbonisation solutions and avoidance measures. Serko has ringfenced specific internal funds based on this price and our current tCO_2e emissions to fund sustainable activity to support the offset of our emissions in a long-term meaningful way.

Nonetheless, we can demonstrate progress towards developing the transition plan aspects of our strategy through a number of actions and initiatives that are part of our day-to-day operations. These include ESG workplans with climate-related metrics and climate-related risks being considered as part of Serko's overall risk management processes. To ensure we have alignment between our future plans and investment strategy we have not made any capital investment in FY24 toward climate-related risks and opportunities, while we are working towards Serko's transition plan.

Sustainability focused product options are already built into Serko's platforms, enabling travellers to make informed choices about the type of flights and vehicles they choose. We also developed Mission Zero in FY22, which is designed to help customers drive more sustainable buying behaviour. Mission Zero is built around the principles of real-time data, informed choice, visibility of environmental impacts and opportunity for customers to achieve a net-zero impact. While we have made a solid start with Mission Zero, there is still work to do in supporting our customers on their sustainability journey.

We partnered with Tasman Environmental Markets (TEM) in FY22 to integrate BlueHalo, a technology solution that facilitates carbon reporting and provides the option for mutual customers to purchase offsets. This enables travellers, including Serko's own employees, to make responsible and informed choices. We continue to review our carbon offset arrangements to ensure that any actions we take to offset our emissions deliver a long-term meaningful and sustainable difference.

Serko has been measuring its emissions for the past two years, although we have elected to use FY23 as our baseline year due to the pandemic-related impacts on business activities, such as travel, in FY22. We have identified carbon-intensity reduction targets and our actions to achieve these targets form part of several strategic initiatives, including our Infrastructure optimisation initiative and our Product Roadmap.

Risk management

As previously noted, climate-related risks are managed within Serko's risk management framework (risk framework) with implementation and monitoring overseen by the ARSC.

The risk framework documents processes for identifying and managing risks at Serko and for achieving the compliance objectives set out in the risk framework, including climate-related risks and opportunities. The risk framework is embedded into our day-to-day business practices through governance, policies and processes.

The materiality and time horizons considered when assessing climate-related risk are described on pages 48 – 52 and are consistent with the wider risk framework.

Serko uses both a 'top-down' and 'bottom-up' approach for risk and opportunity identification, ensuring risk is everyone's responsibility and that all have the ability to raise business risks and opportunities. All material parts of Serko's value chain are considered when identifying risks and opportunities, with the first part of Serko's risk management process requiring that the internal and external context must be considered. All identified risks and opportunities are assigned an owner who is responsible for their assessment and management on a day-to-day basis. It is required that all risks are reassessed after any significant change and at least annually.

'Top Risks' are identified as business critical with a critical/high residual rating. The ARSC can use its discretion to add a lower-rated risk to the top risk group should it believe visibility at Committee level is required. This could be due to any number of internal or external factors meaning that the risk requires increased visibility/scrutiny. During the reporting period, Serko's climate-related risks were not currently considered to be top risks.

Climate-related risk & opportunity development

In the past year, we have made significant progress in better understanding our climate-related risks and opportunities, including the potential impact across the chosen scenarios and the time horizon in which they impact. A shortlist of grouped risks and opportunities is provided on pages 48 – 52.

Serko's climate-related risks and opportunities are discussed at the appropriate ESG working groups and are reported to the ESG SteerCo. To the extent that any climate-related risks become top risks, they will be reviewed at a quarterly Risk Forum held with Serko's Executive team and reported to the quarterly ARSC. Refer to page 42 and page 69 for Board and Committee responsibilities.

Metric and targets

Serko has been measuring carbon emissions since FY22; however, we have elected to use FY23 as our baseline year for assessing appropriate metrics and targets for the management of our carbon emissions. This is due to the pandemic-related impacts on business activities, such as travel, in FY22.

Over the past year we have focused on identifying the appropriate metrics and targets to use to measure and manage Serko's climate-related risks and opportunities.

Industry-based metrics & targets

There is a shared commitment with our customers to enable them to make sustainable travel choices. However, there is not yet a generally accepted industry definition of 'sustainable'. We recognise that sustainability is a spectrum and not a binary state and will evolve over time and reflect our sustainability journey.

As this develops, we will work with our key stakeholders to develop common targets and metrics for our sector. When agreed, these will be introduced. It is likely that they will be focused on bookings for sustainable options across flights, accommodation, car rental and other transport.

Our targets

As a growth company, our key intensity metric will be greenhouse gas (GHG) emissions relative to total income (tCO_2e per $m of total income). We have set our target to achieve more than a 30.6% reduction in tCO_2e per $m of total income across our Scope 1 and 2 emissions by FY28, against our FY23 emissions baseline. This target has considered some of the Science Based Targets Initiative (SBTI) ICT sector guidance but it is not validated by the SBTI and does not rely on any methods or opinions from external parties. Serko will work towards increasing our efficiency of its Scope 1 and 2 carbon emissions relative to income while accounting for our anticipated economic growth. As we move towards achieving this target, we will see growth in our absolute $tC0_2e$ emissions (by scaling up and growing our business). However, it will result in us generating a lower rate of Scope 1 and 2 emissions relative to our financial scale — ultimately driving more efficiencies as we grow.

With most of our operational emissions generated from energy consumption (through our office spaces and data centres) and employee business travel (mainly air), we have focused first on these areas as opportunities to reduce emission intensity. However, while we are focused on achieving our GHG emissions targets, we note that, given our business model as a provider of SaaS travel platforms, this contribution is not likely to materially impact limiting global warming to 1.5°C.

30.6%

Reduction in tCO_2e per $m of Total Income across our Scope 1 and 2 emissions by 2028

Serko is reviewing alternatives to offset its internal employee travel emissions and ensure a positive long-term sustainable outcome. We continue to investigate options to deliver long-term and meaningful outcomes.

GHG emissions measurement & assurance

Serko has prepared its GHG inventories for FY24 in accordance with the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and ISO 14064:2018-1 standard.

An operational control approach was used to account for emissions. Given the current structure of the Serko Group, the financial control approach is likely to have resulted in a similar boundary and thus a similar emissions inventory result.

Greenhouse gas emissions results were calculated using the Ministry for the Environment Detailed Greenhouse Gas Reporting 2023 Guidelines for most emissions. The United States Environmental Protection 2024 GHG Emissions Hub was used for calculation of emissions associated with emissions sources in the United States.

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

Our FY24 GHG inventory has been limited assurance reviewed by Deloitte against the Greenhouse Gas Protocol, in accordance with:

- the International Standards on Assurance Engagements (NZ) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (NZ) 3000'); and
- the related ISAE 3410: Assurance Engagements on Greenhouse Gas Statements;
- the International Standard ISO 14064-1 Greenhouse gases—Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals ('ISO 14064-1:2018'); and
- the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol').

Serko's GHG inventory report is provided in Appendix 2 of this report, which includes further information on the methodology used to measure emissions.

Our performance

Table 3 summarises GHG emissions data for Serko's direct emissions, energy purchased, hosting infrastructure, business travel, accommodation, employee commuting, working from home and transmission and distribution (T&D) losses for the 12 months to 31 March 2024 (FY24), compared to our baseline data from FY23.

Our target is to achieve more than a 30.6% reduction in tCO_2e per $m of total income across our Scope 1 and 2 emissions by FY28, against our FY23 emissions baseline. This would result in an improvement in our emissions intensity from 1.1 to 0.8 Scope 1 and 2 GHG location-based emissions (t)/Total Income ($m) between FY23 and FY28.

While we will see growth in in our absolute $tC0_2e$ emissions (by scaling up and growing our business) this target improvement will result in Serko generating a much lower rate of emissions relative to our financial scale – ultimately becoming more efficient as we grow.

Table 3: GHG emissions

Scope	Emissions sources[1]	FY22	FY23 (Baseline year)	FY24	Change v FY23 Baseline (%)
Scope 1	Purchased natural gas	6	6	7	17%
Scope 2	Purchased energy	45	48	41	-15%
Scope 3	Azure hosting infrastructure	109	118	92	-22%
	Business travel	44	303	455	50%
	Staff commuting	13	32	62	94%
	Working from home	63	52	39	-25%
	Transmission and distribution losses	2	2	3	50%
	TOTAL	231	507	651	28%
Total GHG Emissions (location based) [3, 4]		**282**	**561**	**699**	**25%**
Scope 2	Purchased energy (market based)		33	30	-9%
Total GHG Emissions (market based)			**546**	**688**	**26%**
Total GHG intensity (tCO_2e per $m of total income)		14.9	11.7	9.8	-16%
Total GHG intensity (tCO_2e per $m of total income across Scope 1 and Scope 2 emissions)		2.7	1.1	0.7	

[1] Amounts have been rounded.
[2] Location-based emissions are calculated using the average emissions intensity of the grids on which the energy consumption occurs (using grid-average emissions factor data). A number of gases have not been separately disclosed as the emissions factors are unavailable (HFCs, NF3, PFCs) and SF6 has not been disclosed as it is not applicable to Serko.
[3] Market-based emissions are calculated using the low carbon attributes of certifications bundled with the consumed electricity. Serko's New Zealand operations uses 100% certified renewable energy from Meridian Energy New Zealand.
[4] Scope 3 downstream emissions are not included as we estimate these will be *de minimus*, given that Serko is a provider of SaaS travel platforms and the incremental GHG emissions from end user's computing time while making a travel booking will be very small and difficult to measure. Serko is also not the supplier of travel for customers who book via our online travel platform.

Performance commentary

The differential in emissions between FY23 and FY24 is largely attributable to the growth in Serko's business travel as we grow and scale in the European and US markets.

We continue to work closely with our key partners based across Australia, Singapore, Europe and the US and ongoing business travel plays a critical part in ensuring our respective management teams remain well connected and aligned on growth strategies through a balance of in-person and virtual sessions. We have focused on improving the efficiency of our hosting environments, including the Azure Hosting partnering with Microsoft, which has delivered a 22% reduction in emissions on the FY23 baseline. Finally, during FY24 we have also placed emphasis on supporting more of the workforce back into the office to improve the connection, wellbeing and productivity of our teams, which has seen an increase in staff commuting and reduction in working from home.

As with many technology businesses, our Scope 3 (supply chain) emissions dominate our baseline footprint, comprising 93% of our total emissions. The Scope 3 emissions included in Table 3 include upstream emissions only. Downstream emissions are not included as we estimate these will be *de minimus*, given that Serko is a provider of SaaS travel platforms and the incremental GHG emissions from end user's computing time while making a travel booking will be very small and difficult to measure. Serko is also not the supplier of travel for customers who book via our online travel platform. However, the Serko SaaS booking platforms can have a role to play in helping to reduce the environmental impact of our customers activities over time. This can be achieved over time by providing insight into travel-related emissions and environmental impact at point of sale and enabling corporate travellers to offset their carbon emissions. In doing so, our travel booking platform can help to shape user behaviour to encourage lower impact options and develop more sustainable travel programs.

Risks & opportunities

For Serko, transitional risks will be moderate to major in the long term where pricing and changing customer preferences may lead to lower overall demand for travel, impacting Serko's revenue. A moderate impact may be up to $2 million impact on revenue (2.9%) while a major impact could see up to $5 million revenue loss (7.2%).

As Serko's business activities provide SaaS travel platforms, minimal assets and/or business activities are vulnerable to physical risks. With hybrid working, Serko does not depend wholly on leased office environments and our SaaS platforms are hosted in commercial partner data centres that manage the physical access and infrastructure environments. All physical risks would have minor impact over short, medium and long-term timeframes, which would be <1% of revenue where events are unlikely to impact the effective operation of Serko.

Our product development opportunities are focused on providing more options for sustainable travel in the long term and working to mitigate transitional risks on demand and pricing. As a result, opportunities are aligned to the transitional risk impacts, which may be up to 2.9% for a moderate impact and up to 7.2% for a major impact. The opportunity to reduce our carbon footprint through infrastructure optimisation would be focused on Hosting which comprises 33% of Serko's Total Third Party Direct Costs and Other Operating Expenses in FY24. As noted, climate-related performance metrics are not currently incorporated into management remuneration policies. However, the People, Remuneration and Culture Committee sets and regularly reviews Serko's remuneration policies and practices to ensure they are consistent with the Company's strategic goals and incorporated into short-term and long-term incentives.

Further information on the inclusions and exclusions in the GHG Emissions Inventory can be found on pages 63 – 64.

Appendix 2

Greenhouse Gas Emissions Inventory Report

For the period: 1 April 2023 — 31 March 2024

Contents

01

Introduction

This report is the annual greenhouse gas (GHG) emissions inventory report for Serko Limited (Serko). The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to Serko's operations within the declared boundary and scope for the reporting period of 1 April 2023 to 31 March 2024.

The inventory has been prepared in accordance with the requirements of the International Standard ISO 14064- 1 Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals ('ISO 14064-1:2018'), and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol').

02

Statement of Intent

This inventory forms part of Serko's commitment to measure and manage our emissions. Serko is committed to operating in an energy-efficient environment and considers the management of its GHG emissions to be a principal component of its environmental and sustainability objectives. It is our aim to be an environmentally responsible organisation and to continue to build an energy conscious culture within the company.

We aim to balance our environmental and financial priorities throughout our operations and meet our regulatory compliance with existing and future legislative requirements.

Intended users of this report include, but are not limited to:

- our industry partners and government;
- Serko Strategic Leadership; and
- stakeholders

03

Organisational description

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

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

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

Key personnel

Key personnel in preparing the report at Serko include the CFO, Shane Sampson and supported by members of the Finance team to lead the data collection. The report is prepared annually by the Financial Planning and Analysis (FP&A) team and reviewed by the Head of FP&A and CFO. Signatory of the final report is the Chair of Audit, Risk and Sustainability Committee, Jan Dawson.

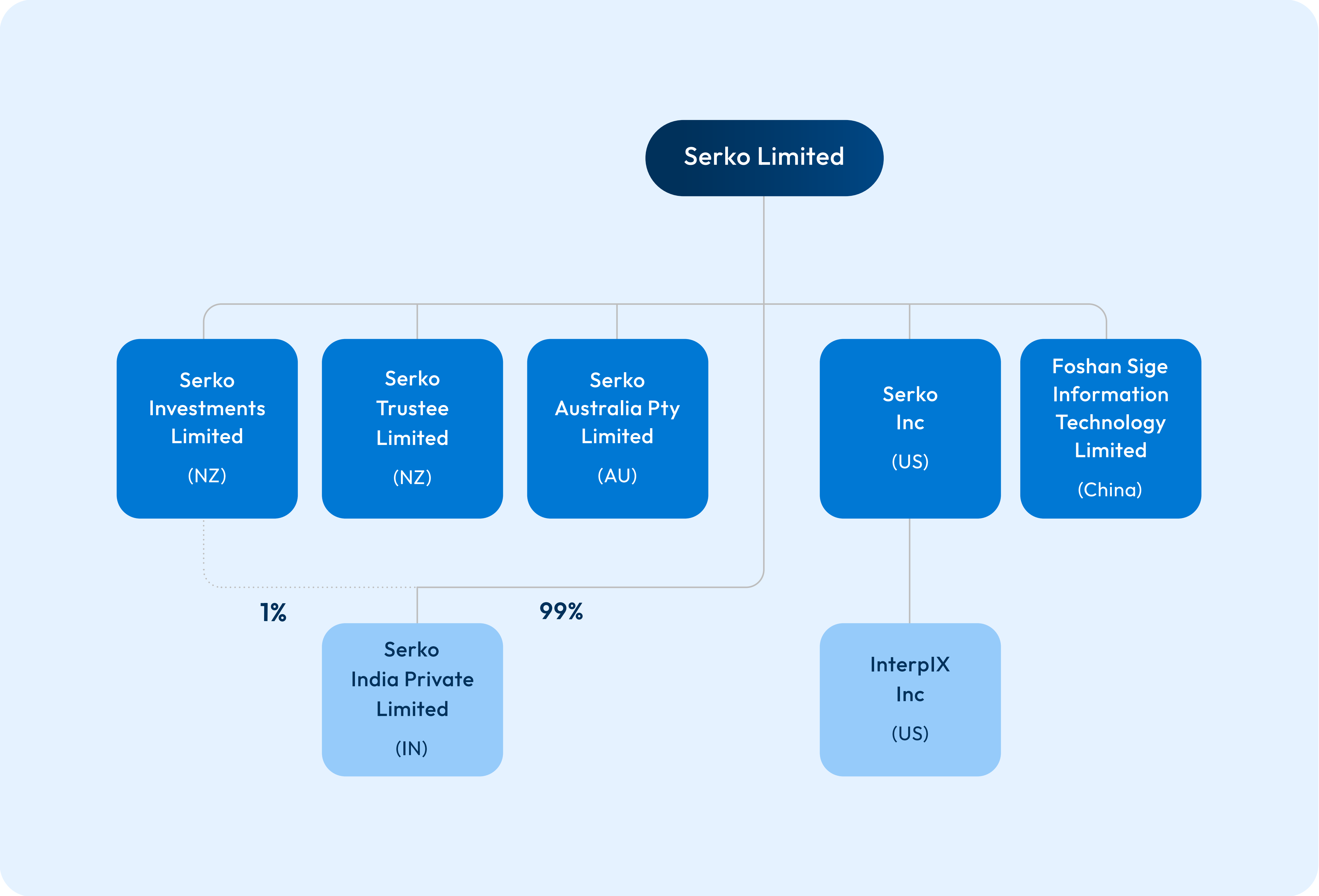
04
Scope

Organisational boundary

Organisational boundaries included in this reporting period were set with reference to the methodology described in the GHG Protocol Standard and ISO 14064-1:2018. An operational control approach was used to account for emissions. Given the current structure of Serko Limited, the financial control approach would result in the same boundary and the same emissions inventory result.

All sites were included in measurement; comprising the head office in Auckland; an office in Sydney, Australia; an office in Foshan, China; an office in Xi'an, China, and an office in Minnesota, United States. Serko India Private Limited is currently a non-trading company.

Serko is headquartered in New Zealand, with offices across Australia, China, and the United States. Serko Limited has a number of subsidiaries, wholly owned and controlled by Serko Limited.



Base year

Serko has used the financial year ending 31 March 2023 as its baseline year for assessing appropriate metrics and targets for managing our carbon emissions. The 2023 financial year is regarded most appropriate as business activity had largely returned to pre-covid level of activity.

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

- if emissions factors changed substantially and were relevant to prior years (for example, if the science behind a factor changed);
- acquisitions including if Serko bought or sold a business; or
- any new law or regulation that comes into effect that results in Serko having to measure any new aspects of its value chain.

Assurance of GHG Emissions Inventory

Deloitte Limited has been appointed as the third-party independent assurance provider for the Greenhouse Gas Inventory Report for the financial year ending 31 March 2024. Consistent with the prior years, a limited level of assurance has been given by Deloitte Limited over the Scope 1, 2 and 3 assertions and quantifications for FY24 included in this report. Please refer to Appendix 1 for the Assurance Report.

Greenhouse gas emissions source inclusions

The GHG emissions sources included in this inventory were identified with reference to the methodology described in the GHG Protocol Corporate Standard and ISO 14064-1:2018.

Table 1: Inclusions in FY24 GHG inventory

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

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

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

Greenhouse gas emissions source exclusions

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

- **Waste and wastewater creation** — data unavailable and expected to be de minimus
- **Refrigerants** — data unavailable and expected to be de minimus
- **Public transport used on staff and business travel** — data available only by spend and expected to be de minimus
- **Rental cars** — data available only by spend and expected to be de minimus
- **Scope 3 downstream emissions** — expected to be de minimus as incremental GHG emissions from end user's computing time while making a travel booking will be very small and difficult to measure. Serko is also not the supplier of travel for customers who book via our online travel platform.

05 Methodology

Data collection & quantification

We aim to collate relevant information from the most credible and complete sources of data to accurately calculate our carbon footprint. As such, the following data quality hierarchy (highlighted to the right) was observed in order of descending preference when selecting data for collation.

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

Data quality hierarchy:

1. Direct measurement and reporting by independent third parties (for example, supplier invoices)
2. Direct measurement and internal reporting
3. Calculated estimates based upon independent reporting methodologies

Table 2: Data collection and quantification in FY24 GHG inventory

GHG protocol emissions source	Inclusions	Data collection & quantification
Scope 1: Direct GHG emissions	**Purchased natural gas**	Purchased natural gas consumptions is based only in the US office. Estimates were made since gas usage is included in the rental payment. Based on confirmation and information on office space and total gas usage obtained from the property manager in the US office, the estimated gas usage was computed GHG emissions factor used for the purchase of natural gas is based on the United States Environmental Protection Agency – GHG Emission Factors Hub pdf published February 2024
Scope 2: Indirect GHG emissions	**Purchased energy**	Reporting of monthly electricity billing for New Zealand and China offices. Estimates were made for the Australia and US offices since electricity usage is included in the rental payment. Based on confirmation and information on office space and total electricity usage obtained from the property managers in the Australia and US offices, the estimated energy usage was computed. GHG emissions factors used for purchased energy is based on the following sources: • **NZ office**: NZ emission factors are from the 2023 Emission Factors Workbook published by MFE (updated 07 Aug 2023). • **US office**: United States Environmental Protection Agency — GHG Emission Factors Hub pdf published February 2024. • **China and Australia office**: 2022 Emission Factors Workbook published by Carbon Footprint (updated February 2023).
Scope 3: Indirect GHG emissions	**Azure hosting**	Microsoft's Emissions Dashboard reports total emissions by Serko based on usage for FY24. There is some uncertainty in the information because this usage is not traceable to the invoice issued by our supplier.
	T&D Losses (Transmission and Distribution)	Electricity Transmission and Distribution losses are estimated based on the electricity usage collected for scope 2 reporting as above.

Table 2: Data collection and quantification in FY24 GHG inventory (continued)

GHG protocol emissions source	Inclusions	Data collection & quantification
Scope 3: Indirect GHG emissions	**Business travel**	Reporting of Business travel comes from business travel reimbursement and travel management agency billings, which includes flight itinerary, hotel nights and hire car usage. The distance is computed based on the itineraries available, which is converted to equivalent emissions. Taxi and Uber expenditure comes from finance reports and expense claim data Where information regarding travel activity was insufficient and uncertain, assumptions were used to estimate travel activity using spend and most frequented travel routes. For accommodation, the number of hotel nights was calculated from an average of nightly cost and the total spend. Average cost per night was determined based on the country of accommodation GHG emissions factors used for Business travel is based on the following sources: • **NZ office:** NZ emissions factors are from the 2023 Emission Factors Workbook published by MFE (updated 07 Aug 2023). • **US office:** United States Environmental Protection Agency — GHG Emission Factors Hub pdf published February 2024. • **China and Australia office:** 2022 Emission Factors Workbook published by Carbon Footprint (updated February 2023).
	Staff commuting **Working from home**	Human Resources (HR) data was used to determine the number of full-time equivalent (FTE) in each location, as well as the approximate distance they commute to and from the office. HR Survey was conducted to ascertain the typical commuting patterns of staff numbers at the offices Data uncertainty is due to staff turnover. It was also assumed that all staff would drive to work in a petrol car. The emissions factor used for this is MFE's private car 2000-3000cc default petrol GHG emissions factor for staff commuting and working from home of staff is based on the following sources: • **NZ office:** NZ emissions factors are from the 2023 Emission Factors Workbook published by MFE (updated 07 Aug 2023). • **Australia, China & USA office:** emissions factors used are from the Remote Worker Emissions Methodology White paper published by Anthesis in February 2021.

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GHG inventory summary

The total inventory for Serko Limited was 688 tonnes. The Scope and GHG break down is given in Table 3. Note that for Scope 3, emissions where a GHG break down was not given are reported separately — these comprise data centre emissions from Azure, purchased energy, accommodation, working from home and T&D losses.

The differential in emissions between FY23 and FY24 is largely attributable to increased levels of employee business travel. As with many technology businesses, our Scope 3 (supply chain) emissions dominate our baseline footprint, comprising 93% of our total emissions.

The Scope 3 emissions included in the Table 3 include upstream emissions only. Downstream emissions are not included as we estimate these will be *de minimus*, given that Serko is a provider of SaaS travel platforms and the incremental GHG emissions from end user's computing time while making a travel booking will be very small and difficult to measure. Serko is also not the supplier of travel for customers who book via our online travel platform.

Table 3: GHG inventory by scope and greenhouse gas in tCO_2e

Emissions Scope[1]		CO_2 (kg)	CH_4 (kg CO_2e)	N_2O (kg CO_2e)	Gas break down not measured (kg CO_2e)	FY24 total (tCO_2e)
Scope 1	Purchased natural gas	6,686	3	3	-	7
Scope 2	Purchased energy	25,143	322	87	15,449	41
Scope 3	Upstream GHG emissions					
	Azure hosting	-	-	-	92,279	92
	Business travel	420,858	333	3,024	30,669	455
	Staff commuting	59,663	860	1,744	-	62
	Working from home	31,333	440	105	7,620	39
	T&D Losses (Transmission & distribution)	1,202	32	3	1,474	3
	TOTAL	513,056	1,665	4,876	132,042	651
Total GHG emissions (location based)[2]		**544,885**	**1,990**	**4,966**	**147,491**	**699**
Scope 2	Purchased energy (market based)[3]	14,773	43	65	15,294	30
Total GHG emissions (market based)[3]		**534,515**	**1,711**	**4,944**	**147,336**	**688**

[1] Amounts have been rounded.

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

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

Reducing our carbon footprint

As well as supporting our business traveller customers to reduce their carbon footprint, over the past year we have continued to look at ways to progressively reduce Serko's carbon footprint. With most of our operational emissions generated from energy consumption (through our office spaces and data centres) and employee business travel (mainly air), we have focused first on these areas as opportunities to reduce our impact. We plan to reduce our emissions-income intensity (tCO_2e per $m income) across Scope 1 and 2 through business policy, employee behaviour and adoption of new technologies.

Claudia Batten
Chair

Jan Dawson
Chair of the Audit, Risk and Sustainability Committee

Date: 28 May 2024

07

FY24 Limited Assurance Report

Independent Assurance Report on Serko Limited's greenhouse gas emissions inventory report to the Board of Directors of Serko Limited.

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Serko Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2024, comprising the emissions inventory and the explanatory notes set out in Appendix 2.

The inventory report provides information about the greenhouse gas emissions of the Group for the year ended 31 March 2024 and is based on historical information. This information is stated in accordance with the requirements of International Standard ISO 14064-1 *Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals* ('ISO 14064-1:2018'), and the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* ('the GHG Protocol').

Board of Directors' Responsibility

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

Auditors' Responsibility

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

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

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

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

- Through enquiries, obtained an understanding of the Group's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.

- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Group's inventory report has been prepared, in all material respects, in accordance with ISO 14064-1:2018, and the GHG Protocol.

Inherent Limitations

Non-financial information, such as that included in the Group's Inventory Report, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, 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.

We note that a limited assurance engagement is not designed to detect all instances of non-compliance with the GHG Protocol, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our Independence and Quality Management

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

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

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

Use of Report

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

Basis for Qualified Conclusion

Included in the Group's indirect GHG emissions (Scope 3) is an amount of 92 tCO_2e relating to Azure hosting. As described in Table 2: Data collection and Quantification in FY 24 GHG inventory and section 5.2 Data and emissions factors uncertainties of the inventory report, the Group obtained its Scope 3 Azure emissions from a Microsoft produced dashboard which reports the Group's total annual emissions from its use of the Azure service.

As noted in section 5.2 there is a lack of transparency around the inputs, emissions factors, assumptions, and methodologies used by Microsoft (as a third party) to calculate the Group's Azure hosting emissions, as well as the systems and processes used to allocate electricity and server usage to the Group for the year. We were also not provided with access by Microsoft to information to enable us to obtain sufficient appropriate evidence about the Azure hosting emissions. Consequently, we were unable to determine whether any adjustments to the emissions reported were necessary. Accordingly, our conclusion is qualified in this regard.

Qualified Conclusion

Based on the procedures performed and the evidence obtained, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the inventory report for the year ended 31 March 2024 is not prepared, in all material respects, in accordance with the requirements of ISO 14064-1:2018, and the GHG Protocol.

Deloitte Limited

28 May 2024

Auckland, New Zealand

This limited assurance report relates to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Serko Limited ('Serko') for the year ended 31 March 2024 included on Serko's website. Serko's Board of Directors are responsible for the maintenance and integrity of the Serko's website. We have not been engaged to report on the integrity of the Serko's website. We accept no responsibility for any changes that may have occurred to the inventory report since they were initially presented on the website. The limited assurance report refers only to the inventory report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the inventory report. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the inventory report and related limited assurance report dated 28 May 2024 to confirm the information included in the inventory report presented on this website.

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