ERoad

FY25 Sustainability Report

Including Climate-related disclosures prepared in accordance with the Aotearoa New Zealand Climate Standards

For the period: 1 April 2024 – 31 March 2025

Important

This report has been prepared based on information available to EROAD Limited (EROAD) and its subsidiaries at the date of its authorisation for release. It contains forward-looking statements, judgements and statements of opinion, including statements regarding potential climate-related risks and opportunities, anticipated impacts, strategy, planning and targets. These statements reflect EROAD's current views and expectations of future events as at the date of this report. Yet these are subject to known and unknown risks, uncertainties and other factors that could cause the outcomes to differ materially from those described, many of which are beyond EROAD's control, inherently uncertain and likely to change over time. Actual impacts, circumstances and developments may differ materially from those expressed or implied in this report. Accordingly, you should not place undue reliance on any forward-looking statements in this publication or information that is subject to significant uncertainties or reliant on assumptions. EROAD assumes no obligation to update forward-looking statements or any other information in this report, except as required by law or regulation. EROAD does not accept any liability whatsoever for any loss arising directly or indirectly from use of any information contained in this report, whether in respect of EROAD or any of its subsidiaries. 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.

References in this document to FY25 relates to the full year ended 31 March 2025.

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A message from our Chair and Co-Chief Executive Officers

The challenge of decarbonising transport is real, urgent, and deeply connected to the systems that keep our economies moving. At EROAD, we're focused on the practical levers we can pull, as we improve the sustainability of our own operations while also helping customer fleets reduce their environmental impact.

Transport connects our places, communities, lives, and economies. But it also contributes significantly to global emissions. As technology advances and expectations rise, the transport sector is undergoing pressure to decarbonise while continuing to deliver what society needs. EROAD is focused on helping fleets navigate that tension by using data and intelligent tools to reduce emissions, improve efficiency, and support more sustainable outcomes at scale.

This year, we've made meaningful progress on both sides of that equation. We strengthened our internal approach to climate governance and measurement, adopting the Watershed platform for deeper emissions insights and introducing independent assurance of our greenhouse gas emissions by Toitū Envirocare. We also worked with PwC and our Sustainability Committee to re-evaluate the material topics that matter most to our business, our people, and our customers. That process has sharpened our priorities and set the stage for clear, measurable targets.

We're proud of what we've achieved so far, but we're even more focused on what's ahead. Our updated material topics reflect the areas where EROAD is uniquely positioned to make a difference:

- Supporting our customers and communities to operate more sustainably
- Optimising our operations to reduce impact
- Developing and caring for our people

Work is already underway to set clear targets under each of these themes, and we'll begin reporting from FY26, in addition to the metrics and targets set and reported under the climate standards in this report.

While we continue to reduce the emissions and waste from our own operations, our greatest potential to make an impact comes from what we can enable our customers to achieve in the future. Many operate large and complex fleets and when they use our platform to improve fuel efficiency, vehicle health, safety, or compliance, the benefits can extend across their operations – supporting reductions in cost, risk, and emissions at scale.

We're already seeing that impact. In refrigerated transport, customers are cutting fuel use through better temperature control. AI-enabled dashcams are helping customers identify high-risk behaviours in real time, supporting efforts to improve safety outcomes. Additionally, the most engaged users of our data tools are improving fuel economy year-on-year.

As technology continues to evolve, so does our ability to help fleets move more efficiently and more sustainably. This work matters, not just for our business, but for the industries we support, and the communities that depend on them.

As our business continues to grow, we remain committed to our net zero target by 2050. While absolute emissions may fluctuate due to expansion and operational changes, we closely monitor and report both total emissions and emissions intensity (emissions per unit of revenue). This approach provides transparency on our progress and reflects our efforts to reduce emissions relative to our business activity. We recognise that growth enables us to help more customers reduce their own emissions, amplifying our positive impact. If any significant changes occur in our operations, we will review and, if appropriate, reset our emissions base year to ensure our disclosures remain consistent and comparable over time. We are committed to clear, transparent reporting and will continue to highlight the context behind any significant changes in our emissions profile.

Susan Paterson, *Chair*
Mark Heine & David Kenneson, *Co-Chief Executive Officers*

About EROAD

We provide end-to-end technology solutions which connect vehicles, drivers, assets and operations to help businesses make real-time decisions from real-time data. Helping run safer, greener, more productive businesses.

OUR PURPOSE

Delivering intelligence you can trust, for a better world tomorrow

At EROAD, we believe you can't plan where you are going tomorrow, if you don't know where you are today. The businesses we serve are at the heart of their local economies. They don't just need data, they need intelligence. Reliable, accurate and real-time insight enabling them to make decisions which move us all forward towards a safer and more sustainable future.

Aligned with our purpose, EROAD is dedicated to integrating sustainability throughout our business and operations. As a technology company, innovation, openness, and continuous improvement are key to our culture and factor heavily in our climate change journey. Our disclosures are not merely about compliance; they present insights about our strategic vision and opportunities for contributing positively to a low-emissions, climate-resilient future.

OUR MATERIAL TOPICS

Supporting our customers and communities to operate sustainably

Optimising operations while minimising impact

Developing and caring for our people

EROAD IN THE CIRCULAR ECONOMY

DESIGN
QUALITY CONTROL &
TESTING INVENTORY
MANAGEMENT FREIGHT

MAINTENANCE OF VEHICLES EXTENDS LIFE

ASSET UTILISATION FOR ACCURATE PURCHASING OF EQUIPMENT

DATA TO INFORM PURCHASING VIA EV BENCHMARKING

PREDICTIVE SHUTDOWN - PREVENTATIVE MAINTENANCE

FUEL (FLEET & TRAVEL)

ENERGY (OFFICE)

INTEGRATIONS WITH OEM TO UTILISE EXISTING HARDWARE

OTA UPDATES TO HARDWARE

E-WASTE PROGRAM (NZ)

REFURBISHED UNITS

SUPPLIER MANAGEMENT FOR ACCESS TO PARTS FOR REPAIRS & REFURBS

EXTENDED REUSABILITY OF FLEET RESOURCES INCLUDING REPURPOSE OF VEHICLES

DATA-DRIVEN ASSET DECOMMISSIONING AND RECYCLING (SELL, REPURPOSE OR RECYCLE DECISIONS)

FUEL - ROUTE MANAGEMENT, IDLING, MAINTENANCE

ASSET UTILISATION - EFFICIENT USAGE OF EXISTING EQUIPMENT

SAFETY - SAFER DRIVING REDUCES INCIDENTS RESULTING IN LOST LOADS, COSTLY REPAIRS ETC

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:

The Sustainable Development Goals (SDGs) are the UN's blueprint for a more sustainable future for all. These goals look to create a better world by ending poverty, fighting inequality and addressing climate change. EROAD is supportive of the United Nations Sustainable Development Goals

The value we deliver

EROAD is at the intersection of our customers' physical and digital operations.

We deliver a connected network of tools and support their need to stay compliant and operate safely, efficiently, and sustainably.

Compliance & Assurance

Road User Charges

Fuel Tax

Cold-Chain Assurance

Construction Assurance

Health & Safety

Driver Coaching

Vehicle Health

Incident Prevention

Speed Reduction

Productivity

Trip Routing

Driver Allocation

Asset Utilisation

Job Allocation

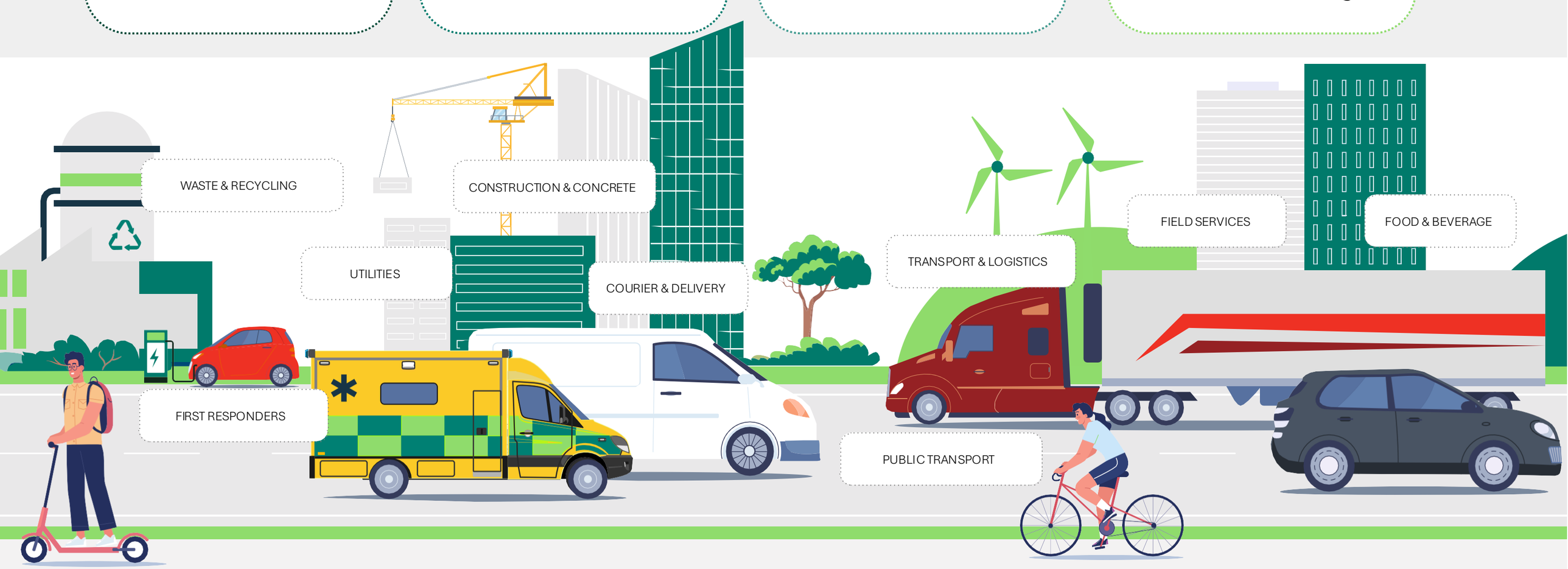
Sustainability

EV Support

Carbon Emissions

Fuel Reduction

Fleet Benchmarking



OPTIMISING EFFICIENCY FOR: VEHICLES DRIVERS ROADS LOADS OPERATIONS

Strategy

Our evolution from Regulatory Telematics in New Zealand, to global Fleet Operations Platform

Regulatory Telematics

Telematics focus with features to serve markets and customer need – leveraging compliance, regulatory, and great hardware

- Hardware reliant built on regulatory and compliance needs
- Driver first product and feature approach
- Value proposition built off simplicity & appealing to SMB
- New Zealand centric with beachhead footprint in US & AU

Enterprise Fleet Platform

Shifted the business to enterprise SaaS – larger more complex customers with a solution approach, increasing TAM with innovation

- Expanded to enterprise platform solution for whole of fleet across driver, asset & load with vertical specialisations
- Software-first approach enabled by hardware
- SaaS culture with financial discipline, balanced investment in sustainable growth and a shift toward annualised billing

Fleet Operations Platform

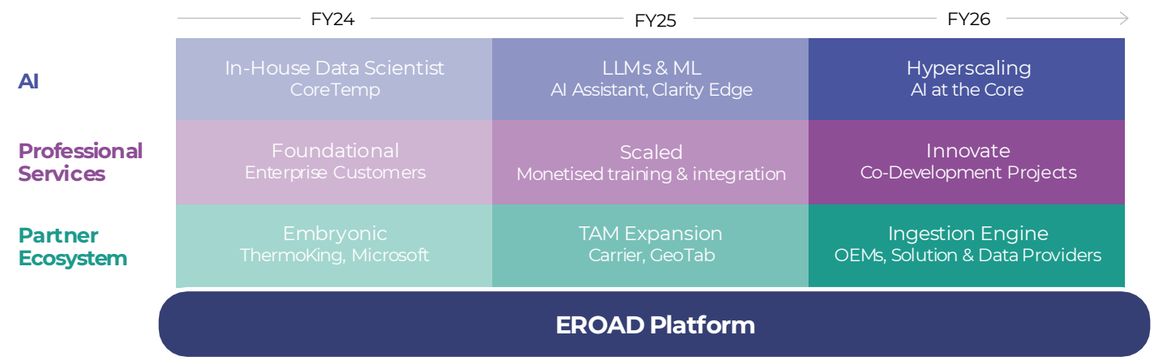
Building the future in accelerated ways

EROAD's evolution over the past few years has reshaped the business from a compliance-first local player to a global, platform-led business with growing momentum. Now, three strategic pillars are set to shape our next chapter. Each has matured rapidly year-on-year, and position us for continued sustainable, scalable growth.

Regulatory Telematics **FY20** Enterprise Fleet Platform **FY25** Fleet Operations Platform

Positioned for Growth

- **AI** has progressed from standalone features to being embedded into the core platform, allowing us to unlock the full potential of data and real time insights for customers.
- **Professional Services** are evolving beyond implementation into deeper, high-value engagements, creating new commercial pathways and accelerating product- market fit.
- **Partner integrations** have moved from tactical additions to a strategic ecosystem, increasing our addressable market, improving deployment speed, and delivering a more unified customer experience.



Supporting our customers and communities to operate sustainably

EROAD helps fleets operate more efficiently, safely and sustainably by giving them the data and tools they need to make better decisions every day. From temperature control and driver behaviour to real-time asset visibility, our platform enables measurable outcomes that benefit both business and the environment.

EFFICIENCY GAINS IN COLD CHAIN OPERATIONS

Refrigerated fleets are seeing strong results with the help of EROAD's temperature and asset monitoring tools, which support improvements in how cooling is managed across trailers.

One large operator reduced pre-cooling time by more than 65%, cut critical temperature faults in half, and maintained asset utilisation above 80%.

These changes support improved food safety and compliance, while also contributing to reduced fuel use and emissions by helping avoid unnecessary engine hours and ensuring trailers are cooled only when and where needed.

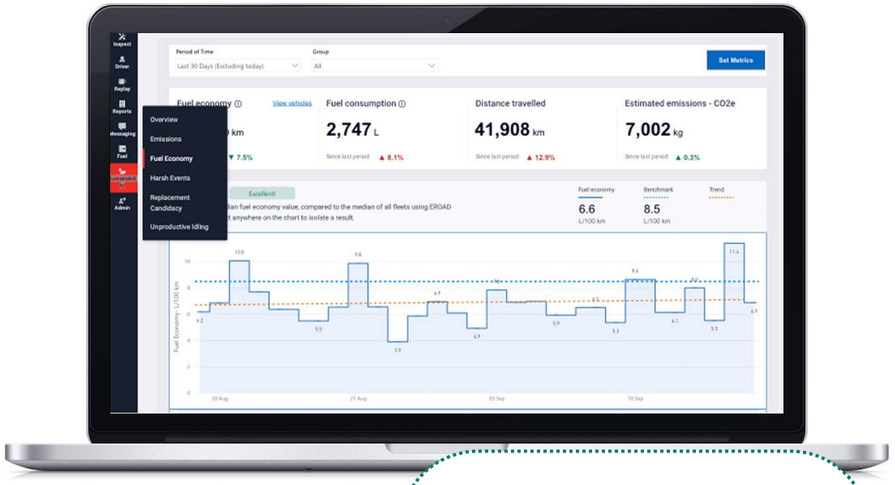
Customers can benefit from meaningful emissions savings and fewer wasted resources, delivered through smarter visibility and control.

SMARTER SAFETY SYSTEMS REDUCE RISK AND ENVIRONMENTAL IMPACT

EROAD's AI-enabled dashcam, Clarity Edge with fatigue camera, represents a step change in how fleets detect and respond to dangerous driving behaviour.

Compared to traditional camera systems, the AI-powered device can identify more high-risk insights, including tailgating, mobile phone use, and driver fatigue. Some of our key customers are seeing a marked increase in safety alerts using our AI cameras when compared to our non-AI dashcam offering. Real-time voice alerts and seat shaker help correct behaviour in the moment, preventing incidents before they occur.

Safer driving has immediate benefits for people and operations and contributes significantly to sustainability. Fewer crashes mean less injuries and fatalities, fewer vehicle write-offs, less freight damage, lower insurance impact, and reduced emissions from emergency response, repairs and replacement.



High Engagement, Real Impact

The most engaged fleets using EROAD's Sustainability Dashboard saw an average **11.3%** improvement in fuel economy over 12 months.

These fleets are using data more actively by tracking idling, driving behaviour, and route performance and turning insights into action.

Optimising operations while minimising impact

We've made meaningful progress in reducing our operational footprint by cutting emissions, avoiding waste, and improving efficiency across freight, packaging, and hardware. These efforts relate directly to our Scope 1, 2, and 3 emissions, and align with our commitment to serving customers without compromising on quality or reliability.

The work we're doing is focused on long-term efficiency. By consolidating shipments, extending the life of devices, and reducing materials used, we're building a more sustainable and resilient business.

FREIGHT AND LOGISTICS WITH LOWER EMISSIONS

Freight is a part of our Scope 3 emissions. In FY25, we reduced our reliance on air freight across both domestic and international movements. We shifted more deliveries to consolidated channels and prioritised lower-emissions options wherever possible.

In Australia and New Zealand, we rolled out a bulk freight model that allows for larger, more efficient shipments. In some cases, these now travel by rail instead of road in New Zealand. We also expanded our use of DHL's services by implementing the GoGreen initiative and simplified international shipping routes to avoid duplication.

These changes are already helping to reduce emissions while supporting better delivery timeframes and inventory control.

CIRCULAR HARDWARE OPERATIONS THAT REDUCE WASTE

Our hardware practices are a growing focus within our Scope 3 footprint. Over the past year, we strengthened our approach to reuse and material recovery.

We introduced a more targeted refurbishment policy to reduce unnecessary handling of unused inventory. We also improved recovery of key components like LCD screens, eliminated redundant cable shipments, and ensured all returned units are processed through our central recycling system. In FY25, 100% of hardware returned to EROAD globally was diverted from landfill through e-waste recycling, up from New Zealand-only coverage in the previous year.

Battery recycling is now standard across our operations.

PACKAGING IMPROVEMENTS WITH OPERATIONAL IMPACT

We've upgraded our packaging systems to improve both material usage and transport efficiency. By expanding SKU coverage and moving to better-sized pack formats, we've reduced unnecessary packaging and improved protection during transit.

This work supports our wider efforts to lower Scope 3 emissions and reduce waste without compromising delivery quality or speed.

In FY25, **100%** of hardware returned to EROAD globally was diverted from landfill through e-waste recycling, up from New Zealand-only coverage in the previous year.

Developing and Caring for Our People

At EROAD, our ability to create climate impact at scale relies on our people - their ideas, values, care, and execution. That's why our focus isn't just on building capability but on creating a workplace that's inclusive, resilient, and aligned with the values we want to see in the world.

427
employees across NZ, AU, and NA

36%
women globally

54.5%
women in senior leadership

14%
Turnover
Down from 19%

+49
eNPS score for satisfaction with our D&I efforts globally

WORKFORCE REPRESENTATION AND LEADERSHIP

We ended FY25 with 427 employees across New Zealand, Australia and North America. Women make up 36% of our global workforce, and 54.5% of our senior leadership (top two tiers), in line with our 40:40:20 gender balance goal. Our Board maintains 50% female representation, exceeding the NZX's guidance on minimum gender diversity. Global voluntary turnover dropped to 14% - a sign of increasing engagement and stability.

CULTURAL CONNECTION AND WELLBEING

We take a deliberately inclusive and grounded approach to wellbeing. During the year, we ran a global training series led by our in-house wellbeing expert, drawing on the Māori framework Te Whare Tapa Whā to support a holistic model of health. Over 50% of the company participated in each session – a strong signal that these conversations matter to our people. Alongside our global EAP programme, we continue to offer mental health support, flexible work, health insurance benefits, and wellbeing initiatives.

CELEBRATING OUR PEOPLE

We launched our first "EROADer of the Year" award in FY25 to celebrate the people who show up, pitch in, and live our values every day.

Each quarter, we recognise individuals across the business who are making a real difference as EROADers nominate each other in large numbers.

From those winners, one person was chosen as our first EROADER of the Year.

Our FY25 EROADer of the Year earned this recognition for the way they lead, support their team, and deliver results. Colleagues described someone they can rely on—someone who solves problems, keeps projects on track, and brings a sense of purpose to everything they do.

Their approach was described as thoughtful and consistent. They remove roadblocks, share knowledge freely, and ensure those around them have what they need to succeed. That kind of leadership sets the tone for others and reflects the culture we're proud to build at EROAD.

SAFETY AND CONNECTION

Global Road Safety Week is a major fixture on our calendar. In FY25 we marked the event with a company-wide series of activities. These sessions helped connect product outcomes like crash reduction and safer roads directly to the people behind the work. It's one of many ways we reinforce the connection between what we do, and why it matters.

Climate-related Disclosures

STATEMENT OF COMPLIANCE

EROAD Limited (EROAD) is a climate-reporting entity (CRE) under the Financial Markets Conduct Act 2013. This report presents our second climate-related disclosures under the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (XRB) (Climate Standards) for the full year ended 31 March 2025 (FY25).

These disclosures cover EROAD and its subsidiaries, meaning the EROAD group of companies covered by our consolidated financial statements, as listed in the already issued FY25 EROAD Annual Report (Group). Unless otherwise stated, all figures and commentary in this report relate to the full year ended 31 March 2025 and all references to currency-related amounts in this report are in New Zealand Dollar (NZD).

Our climate reporting has evolved significantly over the past few years. We began with voluntary sustainability reporting in 2022 and 2023, followed by our first report under the Climate Standards in 2024. As expectations, technologies, and best practices continue to advance, we're building capability and strengthening governance to ensure our reporting remains relevant, reliable, and decision-useful.

This FY25 report reflects that ongoing progress and reinforces our commitment to integrating climate-related risks and opportunities into strategy, operations, and engagement with customers, suppliers, and partners.

In preparing this report, EROAD has elected to rely on the following adoption provisions of Climate Standard 2 (NZ CS 2) :

ADOPTION PROVISION	DESCRIPTION
Adoption provision 2: Anticipated financial impacts	Exemptions from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by a reporting entity, a description of the time horizons over which those anticipated financial impacts could reasonably be expected to occur and why quantitative information about anticipated financial impacts is unable to be disclosed. Qualitative descriptions of identified climate-related risks and opportunities have been disclosed; the financial impacts are unable to be quantified due to the wide range of possible outcomes associated with physical and transitional risks that make financial modelling challenging.
Adoption provision 4: Scope 3 GHG emissions	An exemption from disclosing greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (CO_2e) classified as scope 3. In doing so, EROAD is only electing not to disclose in this report use of sold products as a subset of its scope 3 GHG emission sources. Further work is required to report on this emission area, however we do not expect it to be a significant emission area in terms of EROAD's overall footprint due to the low power requirements of our devices.
Adoption provisions 5 and 6: Comparatives for Scope 3 GHG emissions and Comparatives for metrics	Exemptions from providing comparative information for the immediately preceding two reporting periods for scope 3 GHG emissions and for each metric. Comparative data has been included for the two preceding periods, however we are still developing a deeper understanding of trends and broader impact.
Adoption provision 7: Analysis of trends	An exemption from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period. Comparative data has been included for the two preceding periods, however we are still developing a deeper understanding of trends and broader impact.

Taking into account the Adoption Provisions applied, EROAD is compliant with the Aotearoa New Zealand Climate Standards.

In preparing our disclosures and assessing the materiality of climate-related matters, we have considered whether these factors would reasonably influence decisions made by our primary users. Our primary users are existing and potential investors, customers and end users of our telematics hardware and SaaS platforms.

This report has been approved by the EROAD Board on 30 July 2025 and is signed on behalf of the Board by Susan Paterson (Chair) and David Green (Chair of the Finance, Risk and Audit Committee).

Susan Paterson

Chair

David Green

Chair of the Finance, Risk and Audit Committee

GOVERNANCE

Disclosure objective: demonstrating the role EROAD's governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.

OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

ROLE OF THE BOARD

The EROAD Board of Directors (the Board) holds ultimate accountability for the company's strategic direction and strong corporate governance, including the oversight of climate-related risks and opportunities. It integrates climate considerations within EROAD's broader risk management framework, approves the company's risk appetite, and monitors performance against climate-related metrics and targets.

SUPPORT FROM THE FINANCE, RISK AND AUDIT COMMITTEE (FRAC)

The Board delegates detailed oversight of climate-related risks and opportunities to the Finance, Risk and Audit Committee (FRAC). FRAC is responsible for monitoring EROAD's risk management and internal controls, including climate-related matters, and ensuring compliance with disclosure requirements. FRAC tracks progress against climate targets and metrics, reports material findings and developments to the Board, and provides recommendations as necessary.

Further information about FRAC's role, membership, meeting attendance, and operations are available in EROAD's FY25 Corporate Governance Statement on pages 90-91 of the FY25 EROAD Annual Report.

CLIMATE REPORTING OVERSIGHT

Following the introduction of mandatory reporting for Climate Reporting Entities (CREs) in FY24, the full Board reviewed and approved EROAD's inaugural climate-related disclosures, including scenario analysis, risks, opportunities, and associated metrics and targets.

In FY25, the Board delegated ongoing oversight of climate-related matters to FRAC, as per its delegated authorities.

Between 1 April 2024 and 31 March 2025, FRAC convened four times where climate-related matters were considered at each meeting. These matters were typically addressed through committee papers and management presentations, with key outcomes communicated to the Board via verbal reports. To support informed oversight and meaningful discussion, the Board received presentations from PwC's climate team in FY24, aimed at enhancing its understanding of climate-related risks and opportunities. The sustainability themes and transition planning priorities outlined in EROAD's transition plan are consistent with previous guidance from the Board.
The transition plan developed for EROAD was tabled at the June 2025 Board meeting for approval and formal acceptance.

ROLE OF MANAGEMENT

EROAD's Executive Team, is collectively responsible for delivering the company's strategy and managing day-to-day operations, including climate-related risks and opportunities. Climate matters are identified and managed by the Executive Team - led by the Co-CEOs and supported by the Chief Sustainability Officer and General Counsel – and material risks are reported to the FRAC and Board as part of the company's risk framework. No material climate related risks were identified in FY25.

Appointed in May 2023, the Chief Sustainability Officer leads EROAD's Sustainability Committee – a cross-functional working group with representatives from supply chain, product, legal, finance, marketing, people, safety and technical teams. The Committee meets monthly (or as needed) to consider climate-related risks, opportunities, initiatives, and metrics. It advises the Executive Team and engages external experts such as PwC and Chapman Tripp where required. Management team reports key sustainability and climate-related matters to FRAC and the Board at least bi-annually, or more frequently if required.

The organisational structure chart on this page illustrates EROAD's structure for overseeing and managing climate-related risks and opportunities.

SKILLS AND COMPETENCIES

The Board systematically reviews its collective competencies to ensure effective climate governance, utilising a skills matrix that is updated and disclosed annually in the Corporate Governance Statement. Directors are encouraged to pursue ongoing learning, including on climate and sustainability topics.

With many directors being members of Chapter Zero, the Board also participates in climate-related events. Where needed, EROAD engages external experts to support the Board's knowledge development – for example, PwC presented on climate-related matters in relation to the FY24 disclosures and has continued to support EROAD throughout the development of these FY25 disclosures.

INTEGRATING CLIMATE CONSIDERATIONS INTO STRATEGY

Sustainability and climate risks and opportunities are core to EROAD's purpose and strategic decision-making, shaping product development and partnerships. Notably, the FY24 launch of the Sustainability Module enabled New Zealand customers to track fleet emissions and access decarbonisation insights - demonstrating strategic alignment, with 1,005 unique customer accounts using the tool by 31 March 2025.

SETTING TARGETS AND MONITORING PROGRESS

EROAD sets climate-related targets based on its emissions profile and key initiatives and focus areas. The company works with external partners such as Toitū Envirocare for membership under their certification programme and PwC to ensure its targets align with the company's business profile and reporting maturity. Progress is monitored by EROAD's Sustainability Committee, which reports monthly to the Executive Team and Board through broader risk reporting framework.

Executive remuneration is not currently directly linked to climate-related performance metrics. However, in approving variable remuneration the Board considers delivery against strategic goals, aligned with the company's climate targets. The Board's People and Culture Committee oversees remuneration policies to ensure consistency with strategic objectives, which are reflected in the annual business plan approved by the Board. Further detail on EROAD's FY25 remuneration framework can be found on pages 100 to 117 of the FY25 EROAD Annual Report.

THE BOARD

SUSAN PATERSON

Chair, Independent Director, Auckland
Appointed: March 2019, Appointed Chair: July 2023
Board Committees:
Finance, Risk and Audit, Nominations, People & Culture

Susan is a professional director with more than 25 years of governance experience across listed companies, government bodies, private businesses and not-for-profits. She has held executive roles in pharmaceuticals, IT strategy and management, working in both New Zealand and overseas. Susan is currently Chair of Steel & Tube and IT consultancy Theta, and a director of the Reserve Bank of New Zealand, Les Mills NZ, Energy education Trust and Lodestone Energy. Susan has held governance roles across a wide range of sectors including infrastructure, energy, media, and financial services. Her previous directorships include Goodman Property Trust, Arvida, Transpower and Sky TV. Susan is an Officer of the New Zealand Order of Merit for services to governance and a Chartered Fellow of the Institute of Directors.

BARRY EINSIG

Independent Director Pennsylvania
Appointed: January 2020
Board Committees:
Finance, Risk and Audit, Nominations, Technology (Chair)

Barry is a technology and transport executive with more than 30 years of experience across global markets. He has held senior roles in high-growth technology companies, including Vice President at Econolite, and leads commercial and advisory work across sectors such as connected and automated vehicles, public safety networks, and transport system innovation. Barry has advised both public and private organisations on the future of mobility, including Singapore's Ministry of Transport, and contributed to work by the US Transportation Research Board. He has supported businesses at the intersection of technology, infrastructure and ESG, helping them scale into new markets. Barry brings wide-ranging knowledge of intelligent transportation systems, IoT applications, and the evolving needs of the freight and mobility sectors.

SARA GIFFORD

Independent Director Massachusetts
Appointed: April 2022
Board Committees:
Nominations, People & Culture (Chair), Technology

Sara is a technology executive with broad experience leading international software companies across logistics, transportation and supply chain. She brings product and commercial expertise, with a proven track record of driving growth, digital transformation and customer value. Sara served as Chief Solutions Officer and executive board member at Quintiq, where she held global P&L responsibility and led product and go-to-market strategy during a period of international expansion. She has been applying AI in enterprise software for over 20 years. Sara was a director of SaaS company Spiro through its successful exit and is currently CEO and co-founder of ActiVote, a nonpartisan civic technology company. She combines technical expertise with a strategic approach to people and culture, advising on leadership, talent and the human drivers of innovation and growth.

DAVID GREEN

Independent Director Auckland
Appointed: July 2023
Board Committees:
Finance, Risk and Audit (Chair), Nominations, People & Culture

David is a professional director, investor and former banking and finance sector executive with extensive leadership and governance experience. Throughout his executive career he led large teams delivering complex solutions for large enterprise customers across a wide range of industry sectors in Asia, Australia, New Zealand and the Middle East. David has considerable experience leading change programmes, digital transformation strategies, building positions of market leadership and working with regulators. He is currently Chair of BTNZ Funds Management (NZ) Limited and an Independent Director of Westpac New Zealand Limited, where he chairs the Board Audit Committee. David has been awarded fellowships by the Chartered Accountants Australia and New Zealand (CA ANZ) and the Institute of Finance Professionals in New Zealand (INFINZ).

CAMERON KINLOCH

Independent Director Texas
Appointed: March 2024
Board Committees:
Finance, Risk and Audit, Nominations

Cameron is an experienced director and executive with a strong background in governance, finance and operations. She has held senior leadership roles as Chief Financial Officer and Chief Operating Officer in high-growth technology companies, where she has driven strategic expansion, led capital raises, and supported M&A and IPO processes across a range of industries. Most recently, she was Chief Financial Officer at enterprise software company Weights & Biases, and is currently a director at Copper Cow Coffee, a sustainably sourced coffee company. Cameron brings deep finance expertise with a particular focus on the SaaS sector, where she has helped companies scale through disciplined capital management and operational execution. She also advises early-stage businesses on building financial capability and readiness for growth.

JOHN SCOTT

Independent Director Auckland
Appointed: March 2025
Board Committees:
Nominations, Technology

John is a technology leader with decades of experience in global product development, commercial strategy and digital transformation. He has held executive roles including Chief Product Officer, Chief Operating Officer, Chief Marketing Officer and Chief Executive across public, private, VC and PE-backed companies. John was previously CEO of Invenco and a senior executive at Navico, two high-growth New Zealand technology businesses that scaled successfully on the global stage. He has built and led teams across engineering, product, sales, marketing and supply chain in markets including the US, UK, Europe and Asia. John currently serves on several boards and advises companies across hardware, software, and emerging tech sectors. He brings a practical, product-led lens to innovation, growth and governance.

STRATEGY

Disclosure objective: understanding how climate change is currently impacting EROAD and how it may do so in the future.

CURRENT CLIMATE-RELATED IMPACTS

Climate change is already affecting all the regions that we operate in and is an increasingly significant issue for the global economy. Below are key climate-related impacts identified during the current reporting period, relevant to both EROAD and its customers. Insignificant or immaterial impacts are excluded.

Because New Zealand is an early adopter of climate-related disclosure requirements, EROAD is able to draw on insights and best practices developed locally, and utilise our extensive data, to help customers respond to climate challenges across all the markets in which we operate.

Physical impacts:

To the best of our knowledge, EROAD (including our value chain) did not experience any material physical impacts from climate change in FY25.

Transition impacts:

Technology: Advancements in climate-related technologies continue to generate opportunities for EROAD. An example is the $1.6 million invested into the launch of the Sustainability Module for New Zealand customers (see FY24 Annual Report, pp. 34–35), which supports emissions tracking and actionable insights.

Political: We are already observing a shift in the policy and legal landscape as a consequence of climate-related considerations. These present both opportunities (e.g. partnering with government agencies providing services to meet commitments) and risks (e.g. regulations requiring increased climate-related disclosures and increased climate-related costs).

More jurisdictions where EROAD, our suppliers, and customers operate are adopting mandatory climate-related disclosures. By way of example, Australia has introduced mandatory climate-related financial disclosures for large businesses for financial years beginning on or after 1 January 2025. While EROAD supports increased transparency, compliance entails additional risk and resource requirements.

In FY25, EROAD invested approximately $0.2 million in emissions management tools, advisory services from PwC, and audit and assurance costs with Toitū Envirocare, to comply with climate reporting obligations. In addition, significant internal staff time was dedicated to supporting these requirements, though this was absorbed within existing roles and not recorded as a separate expense.

Social: Stakeholders demand greater environmental, social and governance (ESG) transparency and credible climate action. EROAD is trying to achieve this with the introduction of science-aligned targets (refer to Metrics and Targets section of this report for further detail).

EROAD began measuring its own carbon footprint in 2022. Following the acquisition of Coretex companies in December 2021, EROAD reset its base year for reduction measurement to 2023 as the first year of operations as a combined Group. Since 2023, EROAD has been looking at ways to improve our sustainability practices and reduce carbon emissions, establishing short-term goals for EROAD Scope 1 (fuel) and Scope 2 (electricity) emissions and introducing science-aligned longer-term targets. The current financial impacts associated with this exercise are included in the investment disclosed in the first paragraph of this column.

SCENARIO ANALYSIS

SCENARIO ANALYSIS PROCESS

During FY24, EROAD undertook its first climate scenario analysis to assess risks and opportunities and test the resilience of its strategy. The process, supported by PwC NZ, involved workshops with cross-functional representatives from across EROAD's business and value chain. Through these workshops, three plausible scenarios were developed - Coordinated Decarbonisation, A World Divided, and Hot House - covering the period from 2024 to 2050. These scenarios were informed by EROAD contributors, including the Chief Sustainability Officer and a range of publicly available climate data.

The scenarios are specifically tailored to EROAD's business context and informed by assumptions about EROAD's driving forces. Spanning a range of warming trajectories, they enable evaluation of potential physical and transition risks and opportunities. They are not forecasts or specific predictions of future events, but rather strategic tools designed to challenge EROAD's and our Board's business-as-usual assumptions and support informed decision-making. They are not intended to predict the most likely future, but to test and strengthen EROAD's resilience across a variety of plausible future states.

During FY25, this scenario analysis and the climate-related risks and opportunities register was reviewed by management, and we concluded that these all remain relevant to EROAD and EROAD's business. As such, no new scenario analysis was required for FY25 and the climate-related risks and opportunities disclosed in FY24 remain current.

The scenario analysis informing this report was conducted as a standalone exercise. EROAD acknowledges that integrating climate scenario analysis into our strategy, risk management, and planning is an ongoing process. We continue to thoughtfully embed climate-related insights into our broader approach including as a key input for identifying opportunities to help our customers. While we have begun to consider climate-related risks and opportunities within our enterprise risk management framework and business planning - including their relevance to capital deployment and funding decisions - the connection remains at an early stage, and climate matters have not yet risen to the level of materiality to feature among our principal risks.

In recent planning cycles, climate considerations have informed and complemented broader strategic initiatives, such as business simplification and operational optimisation, but have not yet been primary drivers of business decisions. For example, during the establishment of our Manila office, we gave consideration to location based climate-related matters and will continue to review and monitor this as part of our evolving approach.

EROAD's investment priorities, particularly in product development, remain focused on strengthening core operations. However, recent transition planning requirements are advancing the integration of climate considerations into strategic decision-making. As our sustainability strategy matures, we expect climate factors to become increasingly embedded and influential. Early evidence of this integration is the development of the Sustainability Module for our New Zealand customers, reflecting our commitment to incorporating climate considerations into our products.

When preparing our FY24 report, there were no completed sector-specific scenarios available to inform our analysis. While we serve a diverse customer base, EROAD's telematics focus aligns us more closely with the telecommunications sector.

However, at the time of reporting, telecommunications sector scenario analysis was still at an early stage. Accordingly, our FY24 scenario analysis was conducted independently, in line with XRB guidance, and supported by PwC NZ using robust processes and publicly available climate data.

For FY25, relevant sector-level scenarios became available in New Zealand. We reviewed reports for both the transport and telecommunications sectors and found no material new issues that required changes to our previous scenario analysis.

As previously outlined, EROAD's climate scenario analysis in FY24 was supported by PwC NZ and involved cross-functional participation from across the business and value chain. Between October 2023 and March 2024, the scenario development process included a series of workshops and continuous feedback with key internal stakeholders, including representatives from inbound logistics, product development, operations and manufacturing (including supply chain), sales, marketing, finance, legal, and People & Capability.

Initial activities focused on identifying key climate risks and opportunities over multiple time horizons, synthesizing those findings and then prioritising them. Having identified material risks and opportunities, we progressed to scenario development. This included defining and agreeing on the organisational and operational boundaries for analysis, and systematically identifying and prioritising the driving forces – external factors that shape the potential pathways and outcomes under each scenario.

The consolidated outputs were presented to the Executive Team for endorsement and subsequently reviewed by the Board for feedback and approval, ensuring robust governance and oversight. The final scenarios informed the narratives and quantitative models assessing anticipated climate-related impacts on EROAD.

As noted previously, FY24 marked EROAD's first year of reporting under the Climate Standards for CREs. During this period, the full Board was engaged in reviewing and approving all climate-related disclosures - including scenario analysis, risks and opportunities, and associated metrics and targets - either through scheduled Board meetings or by considering out-of-cycle papers circulated for timely input. From FY25, ongoing oversight of climate-related disclosures, including scenario analysis, transitioned to FRAC in accordance with its mandate. FRAC now reviews these matters and reports key findings to the Board.

EROAD conducts an annual review of its climate-related risks, opportunities, and scenarios as an integrated part of our recurring risk management process.

The illustration below summarises the programme of work undertaken by EROAD in the development of the climate-related risks and opportunities and the scenario analysis:

	MATERIAL RISKS AND OPPORTUNITIES	SCOPE BOUNDARIES FOR ANALYSIS	DRIVING FORCES	CLIMATE SCENARIOS DEVELOPMENT	IMPACT ASSESSMENT
KEY ACTIVITIES	Identified and prioritised key climate-related physical and transition risks and opportunities of EROAD.	Defined and agreed on EROAD organisational and operational boundaries for scenario analysis, including input from stakeholders to support our analysis.	Identified and ranked key driving forces. Driving forces are the external factors that influence the pathways and outcomes of the scenarios.	Constructed three climate change scenarios and supporting narratives using existing reference scenarios and driving forces.	Analysed the climate change scenarios to test the resilience of EROAD's business model to climate-related risks and opportunities.
OUTPUTS	Climate-related risk and opportunities register with prioritised risks.	Climate-related scenario analysis scope boundaries.	Prioritised set of driving forces by influence and uncertainty.	• Climate change scenario analysis narratives outlining key scenario architecture, outcomes and pathways. • Impact pathways which show how climate-related risks flow through EROAD's business into financial impacts.	
AREAS OF FOCUS	• Physical risks • Transition risks • Opportunities	• Markets (NZ, Australia, North America) • Services and assets • Sites and geographies • Key activities	Drivers categorised by STEEP framework • Social • Technological • Economic • Environmental • Political	• Coordinated decarbonisation scenario • A world divided scenario • Hot house scenario	Impact pathways • Business impacts • Financial impacts
TIMING	October 2023 to March 2024 (FY24 disclosures) October 2024 review and recheck in May 2025 following the business planning processes for FY26 (FY25 disclosures)				

The three climate-related scenarios selected for EROAD and used for both the FY24 and FY25 reporting periods and their key characteristics and assumptions comprise:

SCENARIO	COORDINATED DECARBONISATION	A WORLD DIVIDED	HOT-HOUSE
Description	**Global average temperature rise limited to 1.5 degrees Celsius by 2100**	**Global average temperature rise of 2.2 degrees Celsius by 2100**	**Global average temperature rise of 4.1 degrees Celsius by 2100**
Emissions reduction pathways	IPCC SSP1-1.9 (with SSP1-2.6 where data unavailable); NGFS Net Zero 2050; IEA Net Zero Emissions by 2050 (NZE); NIWA RCP2.6; CCC 'Tailwinds'	IPCC SSP4-3.4 (with SSP2-4.5 where data unavailable); NGFS Fragmented World; IEA Announced Pledges (APS); NIWA RCP4.5; CCC 'Headwinds'	IPCC SSP3-7.0 (with SSP5-8.5 where data unavailable); NGFS Current Policies; IEA Stated Policies (STEPS); NIWA RCP8.5; CCC 'Current Policy Reference'
Physical risk severity	Lowest	Moderate	Highest
Transition risk severity	Moderate	Highest	Lowest
Policy reaction	Immediate and smooth	Delayed	Minimal
Technology change	Fast	Slow then fast	Slow
Behaviour change	Fast	Slow then fast	Slow
Socio-political instability	Low	Moderate	High

Glossary:

IPCC - Intergovernmental Panel on Climate Change
SSP - Shared Socioeconomic Pathways
NGFS - Network for Greening the Financial System
IEA - International Energy Agency
NIWA - National Institute of Water and Atmospheric Research
RCP - Representative Concentration Pathways
CCC - Climate Change Commission

The numbers and descriptors next to the above acronyms refer to the reference sources for each scenario.

Description

COORDINATED DECARBONISATION

A world with coordinated action in public policy and technology towards a low-emissions world. Net-zero emissions are achieved globally by 2050, and temperature increase is limited to below 1.5°C, with limited overshoot. This is driven by collective buy-in from the public, investors, businesses, and governments. These changes are accompanied by an increasing carbon price that incentivises low-carbon behaviour change. Physical weather event impacts and transition risks occur, but not as severely as in the other scenarios.

A WORLD DIVIDED

Efforts to decarbonise are highly differentiated across the world. Different countries and even states within countries have wildly varying levels of ambition to decarbonise and enact emissions-reducing regulations. This misalignment creates particular challenges for organisations that operate across borders. Globally, emissions peak around 2030, but net zero is not reached until the 2080s. The world is on track for over 2°C of warming by 2100. Physical climate impacts are pronounced, particularly in vulnerable regions.

HOT-HOUSE

A world where global cooperation is low and regulations are not enacted to reduce emissions. Unabated fossil fuel use continues, and temperature continues to rise at an unprecedented rate, on track for over 4°C of warming by the end of the century. Any adaptation to climate change is driven by short-term economic interests. Weather events and chronic impacts are severe, coupled with the destabilisation of social and economic structures. Climate tipping points are crossed and ecosystems are devastated.

For more detailed descriptions of EROAD climate scenarios refer to Appendix 3 of this document.

Boundaries

TIME HORIZONS

Short term: 1-3 years (up to 2028);

Medium term: 3-10 years (up to 2035);

Long term: 10-30 years (2050 end point).

Time horizons refer to EROAD's financial year and align with XRB requirements for analysis at three points in time: short, medium and long-term. These time periods link closely to EROAD business planning processes focus (1-3 years), medium term strategic focus (3-10 years), GHG emissions targets for 2033. 2050 as an end date is long enough to capture a range of potential transition and physical risks and aligns with 2050 Net Zero targets set by New Zealand and internationally.

GEOGRAPHY

The boundary for EROAD's scenario analysis was the whole EROAD group organisation, including our subsidiaries, focusing on our core markets in New Zealand, North America and Australia as well as manufacturing sites and change to geographies. These geography boundaries were agreed with input from stakeholders as most applicable to EROAD's operational and market footprint.

Climate-related risks and opportunities

The following table sets out EROAD's assessment of climate-related risks and opportunities:

TIME HORIZON	ALIGNMENT WITH EROAD PROCESSES/TARGETS	DEFINITION/CONTEXT
Short term (1-3 years)	Business planning focus	Assessment of immediate climate-related physical and transition risks and opportunities relevant for current business operations and planning.
Medium term (3-10 years)	Medium-term strategic focus; GHG emission targets for 2033	Evaluation of risks and opportunities that may emerge as EROAD executes its strategy and pursues 2033 GHG targets.
Long term (10-30 years)	International emissions reduction targets; aligns with Paris Agreement (2050)	Assessment aligned with international decarbonisation pathways and long-term emissions reduction commitments, such as the Paris Agreement.

- Physical risks: result from the physical impacts of climate change, including changes in temperature, rainfall patterns, storms, extreme weather events, and sea-level rise.
- Transition risks: relate to the transition to a low-emissions, climate-resilient economy, including policy, legal, technological, market, and reputational changes linked to climate mitigation and adaptation.

A materiality test was applied to focus on the most significant physical and transition risks and opportunities for EROAD. As previously noted, EROAD conducts an annual review of these scenarios and associated climate-related risks and opportunities

The following table sets out EROAD's key climate-related risks and opportunities and the likelihood of climate-related risks materialising in the three scenarios:

	RISKS	DRIVERS AND ANTICIPATED IMPACTS	COORDINATED DECARBONISATION	A WORLD DIVIDED	HOT-HOUSE
PHYSICAL RISKS	**(P1) Damage to third-party infrastructure and services relied upon**	An increase in the frequency and severity of extreme weather events may cause to **damage to third party technology infrastructure and services that EROAD relies on, such as cloud computing and local network providers** leading to outages, decreased data retention, inability to meet key supply agreements, and decreasing consumer satisfaction.	🟢 🟢 🟡	🟢 🟢 🟡	🟢 🟡 🔴
	(P2) Disruption to key infrastructure (i.e. roads and ports)	An increase in the frequency and severity of extreme weather events, especially in key distribution and manufacturing locations, could lead to **long-term damage and disruption to key infrastructure essential to move product to market both nationally and internationally**, resulting in increased operating costs to manage contingencies and inability to meet key supply agreements etc.	🟢 🟢 🟡	🟢 🟢 🟡	🟢 🟡 🔴
	(P3) Supply chain disruption	An increase in the frequency and severity of extreme weather events, specifically flooding, could lead to **increased damage to stored hardware and warehousing** resulting in increased operational and capital expenditure, inability to meet key supply agreements, and increased cost of insurance etc.	🟢 🟢 🟡	🟢 🟢 🟡	🟢 🟡 🔴

THE KEY

🔴 High likelihood and impact

🟡 Medium likelihood and impact

🟢 Low likelihood and impact

● ○ ○ 1-3 years

○ ● ○ 3-10 years

○ ○ ● 10-30 years

	RISKS	DRIVERS AND ANTICIPATED IMPACTS	COORDINATED DECARBONISATION	A WORLD DIVIDED	HOT-HOUSE
TRANSITION RISKS	**(T1) EROAD holds onto current products and fails to develop new products to meet changing needs of customers**	Limited clarity on how fuel taxes will evolve and future requirements of customers could lead to **EROAD holding on to current products e.g. Electronic RUC and failing to develop new products to meet changing consumer preferences** resulting in loss of market share, reduction in obtainable market, loss of revenue.	🟢🟢🟢	🟢🟡🔴	🟢🟡🔴
	(T2) Inability to keep up with rate of global technological change	Increased global competition, limited access to emerging sustainability data collection methods, and uncertainty around how technology will evolve may lead to **EROAD being unable to keep up with the rate of global technological change**, resulting in EROAD losing consumer favour in the market, decreased competitive advantage, reduction in market share, reduced ability to achieve strategy.	🟢🟢🟢	🟢🔴🔴	🟢🔴🔴
	(T3) Increased competition and barriers to markets	Increased demand for the fleet sustainability performance data and carbon emissions data that EROAD reports on, in addition with difficulty protecting EROAD's intellectual property may create **increased competition and barriers to certain markets**, resulting in a loss of competitive advantage, decrease in revenue, and decreased market share/access to market.	🟢🟢🟢	🟢🟡🔴	🟢🟡🔴
	(T4) Increased climate-related costs	Tightening environmental regulation and increased demand for sustainability skill sets could **lead to significant direct and indirect compliance costs for EROAD and external suppliers**, resulting in increased operational expenditure as EROAD transitions towards costly, more sustainable practices, reduced revenue and customer base if clients cannot afford to meet rising costs, or financial penalties if compliance cannot be met.	🟢🟢🟢	🟢🔴🔴	🟢🔴🔴

THE KEY

- 🔴 High likelihood and impact
- 🟡 Medium likelihood and impact
- 🟢 Low likelihood and impact

- ●○○ 1-3 years
- ○●○ 3-10 years
- ○○● 10-30 years

	OPPORTUNITY	DRIVERS AND ANTICIPATED IMPACTS	COORDINATED DECARBONISATION	A WORLD DIVIDED	HOT-HOUSE
OPPORTUNITIES	**(01) EROAD as a preferred supplier**	There is an opportunity for EROAD to **partner at the OEM level, and position itself as a low-emissions wholesaler and distributor of in-vehicle hardware, enabling EROAD to be a preferred supplier** due to consumer preference for low- carbon products.	● ● ●	● ● ●	● ● ●
	(02) Form valuable partnerships	There is an opportunity for EROAD to leverage their leading NZ market position to **form valuable partnerships across the sustainability ecosystem.**	● ● ●	● ● ●	● ● ●
	(03) Leverage data analytics to provide insights to customers	With increased customer data and intelligence, there is the opportunity for EROAD to **leverage data analytics to provide insights to aid customers** in their (customer) strategic planning and become a trusted source of information as extreme weather events increase.	● ● ●	● ● ●	● ● ●
	(04) Develop features for emissions reporting	As a result of the transition towards a lower carbon economy there is the opportunity for EROAD to **bring added value to customers by developing features that can monitor and report on emissions throughout the customer supply chain**, for example adding electric vehicle RUC collection capabilities to the product suite as RUC for electric vehicles has been introduced.	● ● ●	● ● ●	● ● ●

THE KEY

- ● Important opportunity
- ● Encouraged opportunity
- ● Possible opportunity

- ●○○ 1-3 years
- ○●○ 3-10 years
- ○○● 10-30 years

TRANSITION PLANNING

As part of its second year of climate-related disclosures, EROAD has developed a transition plan to support the adaptation of its operations and strategy in response to identified climate risks and opportunities, and to align with New Zealand's climate standards. Consistent with our business focus, the plan emphasises three key priorities: reducing emissions in our operations, building climate resilience, and - most importantly - helping our customers transition to a lower carbon economy. This approach allows EROAD to mitigate risk, capitalise on new opportunities, and contribute to Aotearoa's target of net-zero emissions by 2050.

We are now working to set specific targets, initiatives and metrics for each priority. This process will be completed in the coming months and will form part of our FY26 disclosures. Progress against the transition plan will be reported and reviewed by the Board annually.

Reflecting on our journey so far, EROAD has already taken concrete steps towards transition, including integrating climate-related governance and risk management frameworks into our business planning and risk processes, as described earlier.

Echoing our commitment laid out in the opening letter from our Chair and the Co-CEOs, EROAD has set science-aligned targets for a 54.6% reduction in our absolute Scope 1 and 2 emissions, and a 61% reduction in emissions intensity per $1 million revenue, both by 2033 (baseline year 2023). We remain committed to achieving Net Zero emissions for Scopes 1, 2, and 3 by 2050, consistent with a 1.5°C warming scenario. Going forward, we will broaden our Scope 3 boundary as data and supplier engagement improves, and will consider setting interim Scope 3 targets to further accelerate progress. Where emissions cannot be eliminated, we will seek appropriate, transparent offsets; none have been included in our figures to date.

The greatest impact EROAD can have is enabling our customers – many with large and complex fleets - to reduce their emissions and improve efficiency at scale, along their whole supply chains. To help with this, in FY24, we launched our Sustainability Module in New Zealand, giving fleet operators the data and insights they need for measurable sustainability improvements. The Preventative Maintenance AI solution, introduced in FY25 for Cold Chain customers, exemplifies this further: by providing advanced warning of potential vehicle faults, it enables proactive interventions that cut fuel use and reduce wastage. Insights are presented via our 360 Insights Dashboard, empowering better decisions and supporting real-world emissions reduction for our customers.

As technology evolves, so does our ability to support fleets in operating more sustainably and efficiently, delivering value for our customers, industries, and the communities that rely on them. The diagram below illustrates the steps EROAD has taken to develop our transition plan, ensuring we are equipped to support both our own business and our customers in a low-emissions, climate-resilient future.

	BASELINE REVIEW	TRANSITION PLANNING WORKSHOP	TRANSITION PLAN DEVELOPMENT	INTEGRATING PLAN INTO SUSTAINABILITY FRAMEWORK AND ROADMAP
KEY ACTIVITIES	Built an understanding of the actions and initiatives EROAD currently has in place to support climate change resilience and/or decarbonisation	Facilitated workshop to confirm responses to climate risks and opportunities and identify the time horizons over which these responses need to be actioned	• Synthesised workshop findings and considered the potential impacts of identified risks and opportunities to determine the response. • Development of EROAD's Transition Plan	Embedded EROAD's Transition Plan into its Sustainability Framework and roadmap.
AREAS OF FOCUS	• Identification of current transition initiatives • Identification of any gaps/ factors impeding EROAD's ability to fulfill opportunities and mitigate risks	• Responses to risks and opportunities confirmed and timeframes for action • Identification of new initiatives • Assigned responsibilities	• The development of a transition plan for EROAD that will enable the business to successfully operate in a low-emissions future	• Embedding Transition Plan into EROAD's sustainability framework. • Sequencing of key transition initiatives
OUTCOMES	Baseline of current activities mapped to risks and opportunities.	Foundational responses and initiatives to inform EROAD's Transition Plan.	Transition plan outlining specific initiatives EROAD needs to implement in response to identified risks and opportunities	Roadmap sequencing EROAD's transition planning initiatives over defined time horizons
TIMING	April 2025 – June 2025			

We also continue to focus on our internal emissions measurement (introduction of a new tool during FY25 to improve the data quality associated with our emissions measurement) and employing initiatives to reduce these. EROAD's initial focus has been on short-term targets, specifically reducing fuel consumption in fleet vehicles and electricity use at operational sites. We have also implemented changes across our broader value chain to lower our operational footprint by cutting emissions, minimising waste, and enhancing efficiency in areas such as freight, packaging, and hardware. Refer to page 9 of this report for further details.

EROAD is working to align its transition plan with internal capital deployment processes to inform product roadmap decisions and ensure effective resource allocation. As part of this alignment, climate-related risks and opportunities will be assessed within the same framework to ensure capital is directed where it delivers the greatest value – to EROAD's customers, shareholders, and the achievement of its emissions reduction and Net Zero targets. While the transition plan provides a structured pathway toward these goals, the long-term nature of the 2050 Net Zero target introduces inherent uncertainties, including factors beyond EROAD's control or not yet known.

EROAD remains committed to advancing sustainability across all areas of our value chain and with and for our customers. Our climate strategy, driven by innovation and continuous improvement, reflects EROAD's established dedication to pursuing a more sustainable future. While we recognise that we are on a journey, we remain committed to making meaningful progress, working with our customers, partners, and stakeholders in continuing to take thoughtful steps towards a low-emissions, climate-resilient future.

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The diagram below illustrates how EROAD's transition plan connects to EROAD's sustainability framework. EROAD's transition plan follows the Transition Planning Taskforce guidance.

TRANSITION PLANNING CHANNELS The Transition Planning Taskforce (TPT)* identifies three 'interrelated channels' to ensure a strategic and rounded approach	1. Contributing to an economy-wide transition The entity's ambitions and actions to use the levers and capabilities it has available to embed and accelerate a transition to a low-GHG emissions and climate-resilient economy.	2. Responding to the entity's climate-related risks and opportunities The entity's ambitions and actions to enhance its resilience to the changing climate and respond to the risks and opportunities that arise from the transition to a low-GHG emissions, climate-resilient economy.	3. Decarbonising the entity The entity's ambitions and actions, either in its own operations or value chain, in the short, medium and long term, to reduce its GHG emissions (e.g., to net zero).
EROAD'S TRANSITION PLANNING PRIORITIES EROAD's three priority areas of focus	1. Supporting EROAD customers in their decarbonisation journey	2. Building and monitoring supply chain and system resilience	3. Decarbonise EROAD
EROAD SUSTAINABILITY THEMES Connecting EROAD's transition plan to its sustainability framework	Supporting our customers & communities to operate sustainably		Optimising operations while minimising impact

'* Source: Transition Plan Taskforce Disclosure Framework 2023

RISK MANAGEMENT

Disclosure objective: understanding how an entity's climate-related risks are identified, assessed and managed and how those processes are integrated in existing risk management processes.

IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

As outlined in the Strategy section, EROAD completed its first formal climate-related risk assessment in FY24 as part of our scenario analysis process. Developed in collaboration with PwC NZ, this assessment incorporated key business drivers, input from internal stakeholders, and publicly available climate data and science. The assessment and related scenarios were reviewed and updated for FY25 as part of our annual risk management processes.

This climate-related risk assessment looked at our three core markets (New Zealand, Australia and North America) and our entire value chain including inbound logistics, product development, operations and manufacturing (including suppliers), sales and marketing and the supply of hardware and services to customers.

The assessment considered short term (1-3 years), medium term (3-10 years) and long term (10-30 years) time horizons. These time periods are aligned with EROAD's planning approach: the short term reflects our business planning focus (1-3 years), the medium-term corresponds to our strategic focus (3-10 years), and long-term horizon aligns with international emission reduction targets (Paris Agreement, 2050).

The identified climate-related risks and opportunities were reviewed by EROAD's Sustainability Committee and approved by our Chief Sustainability Officer, Chief Financial Officer and Co-Chief Executive Officers for presentation to the FRAC for their oversight, and ultimate approval by the Board.

MANAGING AND INTEGRATING CLIMATE-RELATED RISKS INTO EROAD'S OVERALL RISK MANAGEMENT

EROAD's overall risk framework is designed to identify material financial, operational and strategic risks that may impact EROAD's ability to deliver on our strategy. The Board oversees the risk framework, with management accountable for its implementation and monitoring. Specifically, overall responsibility of the risk register lies with EROAD's General Counsel, Chief Financial Officer and Co-Chief Executive Officers, with input from business leaders as appropriate.

The risk framework is anchored by EROAD's Risk Appetite Statement (RAS), which sets clear boundaries around acceptable risk. The RAS guides decision-making across the business and is reviewed at least annually reflect EROAD's evolving priorities. Business leaders are responsible for assessing and managing risks in their respective divisions to ensure appropriate controls are in place to mitigate the risk from exceeding EROAD's risk appetite.

Management maintains several risk registers to track and manage known risks. These include enterprise, operational and climate-related registers:

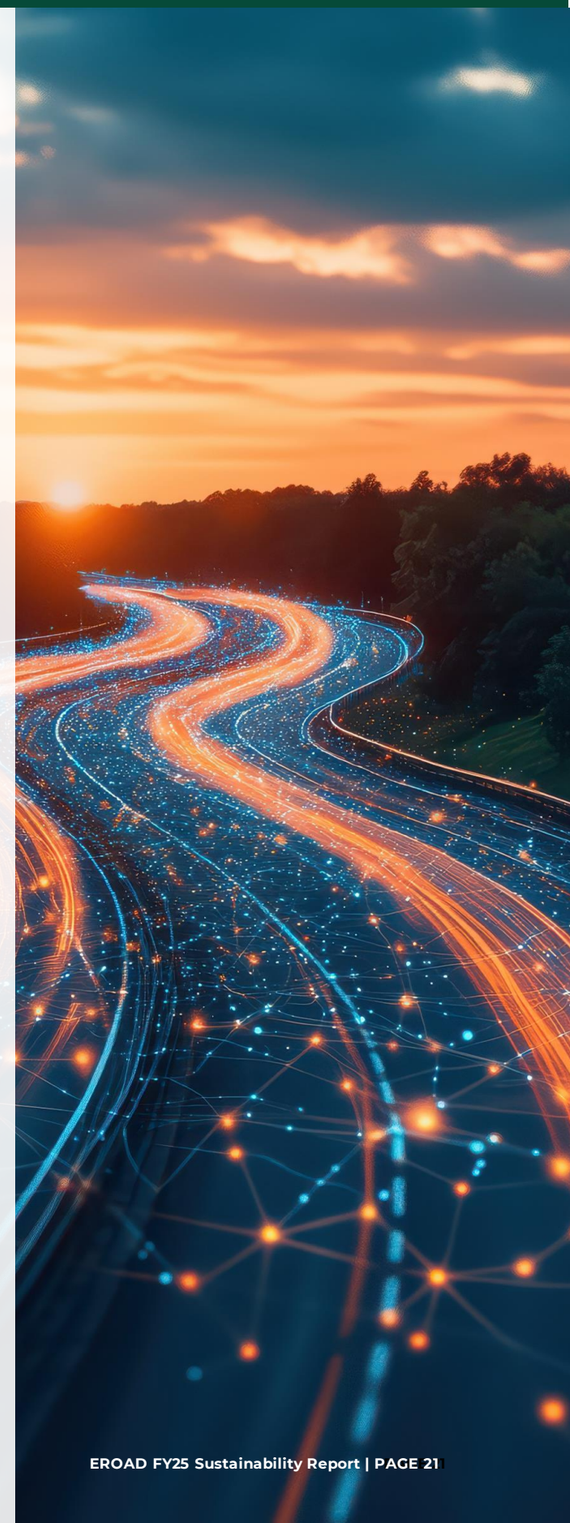
- Enterprise risks are reviewed at least twice per year, with a top-down assessment of material risks to EROAD's strategy. Each risk is rated by impact and likelihood, and mitigation plans are embedded into business planning.
- Monthly, the executive team reports on any threshold breaches under the RAS, emerging risks and status updates on mitigation actions. These are discussed at the Board and in management forums including Executive meetings.
- Specific climate-related risks and opportunities are tracked separately. The Sustainability Committee reviews these and escalates any material items for integration into the broader risk register. The Committee also monitors performance against climate-related metrics and targets defined in the RAS.

FRAC reviews the RAS, key registers, dashboards and risk processes on a rolling basis. It works with management and auditors to ensure the framework is operating effectively and that material risks are being managed appropriately.

EROAD's existing risk framework was considered and applied when determining risk prioritisation for our climate-related risks and opportunities. Adopting this existing framework has helped ensure compatibility with and visibility of climate-related risks as part of EROAD's overall risk management approach, integrating climate-related risks into our enterprise-wide overarching risk register, supporting risk management and monitoring in accordance with existing processes. Our existing risk framework assesses a risk's likelihood and severity. Likelihood refers to the probability of a risk eventuating and is determined by considering vulnerability, speed of onset, persistence, complexity and other similar factors. Severity relates to the impact or consequences of the risk. For climate-related risks, a three-dimensional approach was taken to assess each risk for the consequence of the threat (severity), persistence (duration of the risk effect) and preparedness (EROAD's ability to respond to the risk). EROAD has reviewed climate-related risks and, while none are currently considered material, they have been consolidated within our wider risk register. This reflects our commitment to integrating climate considerations into our overall risk and strategic planning to ensure they are considered together with all types of risks across EROAD's entire value chain.

Our climate-related risk assessment will continue to be completed on at least an annual basis as part of existing risk management processes. By routinely identifying, assessing, and managing climate-related risks within our existing risk management processes, we help ensure these risks remain visible, relevant, and appropriately addressed. This supports building and embedding resilience and climate change considerations into our strategy, business planning and operations.

We will continue to integrate climate-related risks into existing EROAD risk management processes in future periods.



METRICS AND TARGETS

Disclosure objective: understanding how an entity measures and manages its climate-related risks and opportunities.

GHG EMISSIONS

EROAD has been measuring carbon emissions since 2022. After acquiring Coretex Limited and its subsidiaries on 1 December 2021, EROAD commenced measuring and reporting on carbon emissions for EROAD's overall group from 2023 (FY23).

EROAD measures its Scope 1, 2 and selected Scope 3 emission sources. The main exclusion from EROAD's Scope 3 measurement is Category 11: Use of sold products. Further work is required to report on this emission area, however we do not expect it to be a significant emission area in terms of EROAD's overall footprint.

To ensure consistency with the FY25 classifications, one restatement was made to prior period emissions. Freight emissions associated with the transportation of units to our customers was reclassified from category 9: downstream transportation and distribution to category 4: upstream transportation and distribution. This reclassification was made to align with the GHG protocol definitions. The overall footprint for this emission source remains unchanged from the prior period. All other emissions categorisation in FY25 remains consistent with prior period.

GHG EMISSIONS MEASUREMENT

EROAD measures and manages our Greenhouse Gas (GHG) emissions in accordance with the requirements of the Greenhouse Gas Protocol.

For our 2025 measurement, EROAD invested in and implemented a new tool –Watershed Climate to enhance the accuracy and transparency of our emissions calculations This tool leverages a comprehensive database of emission factors sourced from multiple authorities, with selections made based on relevance and appropriateness to each emission source. A detailed list of the emission sources used in our calculations is included in Appendix 1 of this report.

Our FY25 GHG emissions measurement is for the period 1 April 2024 to 31 March 2025.

BOUNDARIES

EROAD applies the operational control and consolidation approach to its emissions. Organisational boundaries were set with reference to the methodology described in the GHG Protocol standard. This consolidation approach allows us to focus on emissions we can control and for which we can implement management actions. The scope of our emissions inventory includes all activities within the operational boundaries of EROAD Limited, including head offices and EROAD operated warehouses across our regions of New Zealand, North America and Australia. In FY25 our operations in the Philippines were limited, and as such any spend has been captured as part of head office activities. For FY26 it is expected our operations in the Philippines will be captured at the regional level.

ASSURANCE OF GHG EMISSIONS

Toitu Envirocare has provided independent, third-party reasonable assurance over our scope 1 and 2 (location-based) emissions, and limited assurance over our scope 3 emissions for FY25 as presented in the table below in accordance with the New Zealand Standard on Assurance Engagements 1 – Assurance Engagements over Greenhouse Gas Emissions Disclosures (NZ SAE 1) and in accordance with ISO 14064-3:2019 Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements. A copy of the GHG assurance report is contained in Appendix 2 of this report.

Previously assurance for our emissions FY22 to FY24, including our FY23 base year was provided by Toitu Envirocare solely under the Toitū carbonreduce programme.

Scope 3 emissions from our supply chain are calculated in accordance with the GHG Protocol and where specific data on quantities of supply chain goods and services was not available, we have estimated emissions using spend-based factors. Given most of our emissions are in Scope 3 obtaining emissions data from our suppliers will continue to be a focus of EROAD going forward to help enhance the quality of our data. Refer to Appendix 1 for further details on our emission sources.

INHERENT UNCERTAINTY

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.

GHG EMISSIONS SUMMARY BREAKDOWN

Below is a breakdown of total EROAD Scope 1, 2 and 3 emissions for FY25

SCOPE 1

Direct emissions and removals

1.3%

Fuel usage for our fleet vehicles

SCOPE 2

Indirect emissions from imported energy

0.7%

Electricity usage at EROAD offices and warehouses

SCOPE 3

Indirect emissions

Category 1: Purchased goods and services

23.6% Catch-all category for emissions not captured elsewhere

Category 2: Capital goods

28.6% Property, plant and equipment including hardware and inventory additions, software and platform development costs

Category 3: Fuel and energy related activities

0.4% Electricity transmission and distribution losses (losses from the electricity usage under Scope 2)

Category 4: Upstream transportation and distribution

3.2% Freight from suppliers to EROAD, between our locations and for shipping of component materials to the manufacturers via air, sea and road and freight from EROAD to our customers

Category 5: Waste generated in operations

0.1% Waste generated from EROAD offices and warehouses

Category 6: Business travel

8.3% Air travel, taxis, employee mileage claims, rental cars, accommodation

Category 7: Employee commuting

7.0% Employee commuting and working from home emissions

Category 12: End-of-life treatment of sold products

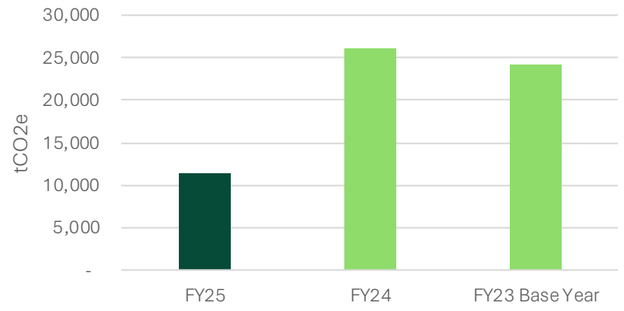
9.5% Emissions from the return/disposal of our products

Category 13: End-of-life treatment of sold products

17.3% Services provided to the hardware assets i.e. SAAS costs

SCOPE	FY25 tCO_2e	FY24 tCO_2e	Base year FY23 tCO_2e	FY25 vs FY23 %	
Gross Scope 1: Direct Emissions And Removals	152.5	140.8	167.6	9%	↓
Gross Scope 2: Indirect Emissions From Imported Energy	74.4	89.3	82.1	9%	↓
Gross Scope 3: Indirect emissions	11,189.0	25,919.9	23,997.2	53%	↓
TOTAL GROSS EMISSIONS	**11,415.9**	**26,150.0**	**24,246.9**	**53%**	↓

ABSOLUTE EMISSIONS PROGRESS



In 2025, EROAD's total emissions were 11,416 tonnes of carbon, representing a 53% (12,831 tCO2e) decrease on our 2023 base year total emissions on an absolute basis. EROAD has not used offsets in presenting its emission figures or to measure its progress against targets.

As EROAD continues to grow, with more and more connected units, our absolute emissions are also likely to grow. Our aim is to implement improvements in design, technology, operations management and behavioural change, so that the increase in absolute emissions is less than the increase in business growth.

EMISSIONS REDUCTION TARGETS

EROAD set two initial reduction targets of a 4% in Scope 1 (fuel) emissions and 15% in Scope 2 (electricity) emissions by 31 March 2025 on an intensity basis from our 2023 base year. These targets have been achieved in FY25. With the completion of our 31 March 2025 short term targets, two new targets were set in FY25 being to reduce scope 1 (fuel) by 28% and scope 2 (electricity) by 29% by 31 March 2028 relative to our 2023 base year on an intensity basis. The new reduction targets set for 2028 have been based on alignment with the reduction pathway required to meet the 2033 science-aligned targets.

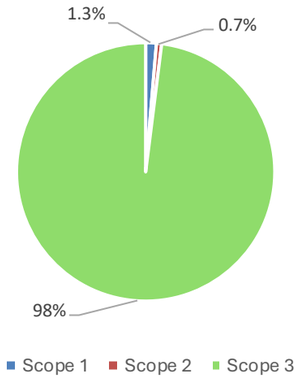
For our re-certification in 2024 under the Toitu carbonreduce programme additional targets were set to reduce absolute net Scope 1 and 2 emissions by 54.6% by the year 2033 relative to our 2023 base year, and an intensity measure to reduce Scope 1 and 2 emissions per million dollar of revenue by 61% by 2033 relative to a 2023 baseline. These targets were set in line with the requirements of the Toitū carbonreduce certification and developed utilising the Science Based Targets Initiative target setting tool aligned with the 1.5 degree Celsius pathway. This target has not been validated by the Science Based Targets Initiative. These targets remain in place for FY25.

EROAD is a Toitū carbonreduce certified organisation since 2022. The Toitū Climate Impact programmes are a set of voluntary carbon emissions reduction programmes. For more information, visit the Toitū Envirocare website at www.toitu.co.nz. The Toitū carbonreduce certification signifies our commitment to measuring emissions according to ISO 14064-1:2018 and Toitū requirements, followed by managing and reducing emissions in accordance with Toitū's programme standards.

EROAD confirms its commitment to reduce net Scope 1, 2 and 3 GHG emissions to zero by 2050. In the future we will look to further expand our Scope 3 boundary to measure the current exclusions and consider adding appropriate Scope 3 interim emission targets as our understanding of these emissions improves and to support the overall 2050 net zero goal.

It is also our intention to include customer targets in the future, focusing on seeking to provide data insights that can assist our customers to reduce their own Scope 1 (fuel) emissions per distance travelled. Target reduction and base year is still to be determined. These emissions are not part of EROAD's scope boundary. However, given the nature of our business and the industries we serve, we know our largest opportunity for impact on reducing emissions is working with our customers.

FY25 EMISSIONS SPLIT



* FY23 Category 9 emissions partially disaggregated, balance included in Category 4.

PERFORMANCE AGAINST TARGETS

On an absolute basis, in 2025, EROAD has seen a decrease of 9% in our fuel emissions and a decrease of 9% in our electricity emissions compared to our 2023 base year. EROAD set two initial reduction targets of a 4% in Scope 1 (fuel) emissions and 15% in Scope 2 (electricity) emissions by 31 March 2025 on an intensity basis from our 2023 base year. These targets have been achieved in FY25, with a 24% reduction in each. The decrease in fuel emissions reflect our choice to reduce our own fleet vehicle size, as well as adopting a strategy of gradually migrating from Internal Combustion Engine Vehicles to Electric Vehicles. Our decrease in electricity emissions is largely due to the consolidation of sites in Australia and New Zealand post the acquisition of Coretex. While there has been no impact on our emissions footprint under the location-based method, we have changed our electricity provider in New Zealand from October 2022 to Ecotricity (100% renewable certified supplier) as a more sustainable source. Work is continuing in both these areas to support future progress towards our newly set targets for 2028.

In terms of progress against our 2033 targets to reduce absolute net Scope 1 and 2 emissions by 54.6%, and an intensity measure to reduce Scope 1 and 2 emissions per million dollar of revenue by 61%, at the end of FY25 we achieved reductions of 9% and 24% respectively relative to the 2023 baseline. Further initiatives are being developed in order to meet the 2033 targets.

EROAD has committed to reduce net Scope 1, 2 and 3 GHG emissions to zero by 2050. On a total emissions basis in 2025 we have seen a reduction of 53% or 12,831 tonnes of carbon compared to our 2023 base year. The reduction in emissions has been driven by operational efficiency projects on the back of a cost out programme. Areas where we have seen these initiatives have a direct impact on our emissions footprint is in EROAD's scope 3 emissions of upstream freight (lower emission freight options and more efficient routing) capital goods with focus on wider refurbishment, downstream leased assets (consolidation of SAAS providers and renegotiation of contracts to remove unnecessary connections while not impacting on coverage to our customers), waste with the removal of unnecessary packaging and diversion from landfill through refurbishment and recycling programmes. We also saw a reduction in our emissions with the investment into the new Watershed measurement tool which allowed us to improve our data quality particularly in the scope 3 categories where the dollar spend method is applied including scope 3 categories 1, 2, 4,12 and 13. By improving our data quality through disaggregation, we were able to identify more specific emission factors, ensure that non-emissive items are correctly excluded and remove any duplication.

OTHER METRICS

EROAD has selected total revenue and contracted units as appropriate intensity measures for our emissions.

Unless otherwise stated, all references to dollars in this disclosure are in New Zealand dollars (NZD).

METRIC	2025	2024	2023 Base Year
MILLION DOLLARS OF REVENUE (NZD)	**194.4**	**182.0**	**163.4**
TOTAL CONTRACTED UNITS	**255,845**	**250,890**	**225,808**
Gross Scope 1 (tCO_2e) per $m of revenue	0.78	0.77	1.03
Gross Scope 2 (tCO_2e) per $m of revenue	0.38	0.49	0.50
Combined Gross Scope 1 and 2 (tCO_2e) per $m of revenue	**1.17**	**1.26**	**1.53**
Gross Scope 3 (tCO_2e) Per $M Of Revenue	57.56	142.42	146.86
GROSS ALL SCOPES (TCO_2E) PER $M OF REVENUE	**58.72**	**143.68**	**148.39**
Gross All Scopes (tCO_2e) Per Contracted Units	0.04	0.10	0.11

24% VS FY23

60% VS FY23

Additional metrics required under the Climate Standards include disclosure on the amount or percentage of business activities vulnerable to transition and physical risks and amount aligned with climate-related opportunities, the capital deployed towards climate-related risks and opportunities, internal emissions pricing and remuneration linking. These metrics are outlined in the table below.

METRIC	COMMENTARY
Transition risks	EROAD's key transition risks include technology changes, increased competition or barriers to markets and increased climate costs. A more detailed description of EROAD's transition risks are included in the climate-related risks and opportunities table in the Strategy section of this report. Collectively these risks may impact EROAD's business as a whole. Given the speed of technology change, market changes and regulatory policy change, trying to quantify EROAD's exposure or identify a meaningful and material outcome is not currently possible. 100% of the EROAD business could be exposed to the transition risks identified. Yet the severity of the risks may vary. Although the potential exposure could be up to 100%, these risks are being actively managed and monitored. Consequently, if the risk were to materialise, the current impact to the business is considered to be low. We will look to develop a methodology for future periods that enables us to better identify the percentage of business activities vulnerable rather than simply identifying the exposure.
Physical risks	EROAD's key physical risks from climate change scenarios include damage to third-party infrastructure (network towers, roads or ports) and other supply chain disruption. Damage to network infrastructure is likely to be region specific. Depending on how localised damage could be, from zero to 100% of connected units in a region could be impacted while awaiting resolution of alternative coverage. Damage to roads and ports would slow-down how quickly products could be moved, relying on development of alternative shipment routes and methods. This risk is likely to be region specific and unlikely to impact EROAD's business in its entirety. Supply chain disruption impact would be limited in the short term, as EROAD maintain certain stock on hand (at least three months worth depending on production times required for individual products). Over the medium and longer term the impact to EROAD business is expected to be region and product specific. EROAD is equipped to mitigate this risk given our use of different manufacturers in different localities If supply disruption occurs, impact would likely be limited to a specific region or product type, enabling EROAD to set-up alternative manufacturing options or offer to supply different products from our overall portfolio. We will look to develop a methodology for future periods that enables us to better identify the percentage of business activities vulnerable rather than simply identifying the exposure.

METRIC	COMMENTARY
Climate-related opportunities	EROAD is mindful of climate-related opportunities across our business, including the potential for our development of products and services for customers to contribute to a lower emissions economy. EROAD's main contributing asset to climate-related opportunities is our people and their time. Outside of capital projects this time is not currently measured. We will look to develop measures to monitor efforts spent on developing climate-related opportunities going forward. EROAD's maturity in this space is ongoing. Over time the percentage of our people, systems and processes deployed on these opportunities is expected to increase. As part of transition planning we will look to develop our methodology to be able to better capture the amount of business activities aligned with climate-related opportunities.
Capital deployment	In FY24 EROAD has invested $1.6 million (NZD) , to develop sustainability reporting for our New Zealand based customers. This expenditure included the capitalisable costs of the project (predominantly engineering time) and additional time spent on research and administration by those teams. It does not include time spent by Management and other departments that are not costed to the project. We aim to improve our data capture in these areas going forward. This investment will extend in future periods to provide appropriate data to our Australian and North American based customers. In terms of reduction of EROAD emissions, initial focus has been on our short-term targets around fuel usage in our fleet vehicles and electricity at our operating sites. Capital spend to date has not been separately tracked, with fleet vehicles being switched at the end of their lease to avoid any wash-up costs and any differences in lease rates has not been material. While there were some costs associated with the closure of our Newmarket and Melbourne sites at the end of the lease term, these costs were not material and do not outweigh the longer-term cost savings from no longer servicing additional sites and the avoided emissions. We have also made changes in our wider value chain to reduce our operational footprint by cutting emissions, avoiding waste, and improving efficiency across freight, packaging, and hardware. Refer to page 9 of this report for further details. Outside of people time, (not separately tracked) the investment into these activities to optimise our operations to date has not been material. As noted under the strategy section, an additional $0.2 million (NZD) was spent on investing in the Watershed tool to support EROAD's internal emissions measurement and reduction planning. The additional investment covered advisory services from PwC to help us establish the foundational elements required to meet our climate-related disclosure requirements and included the additional costs of auditing of our emissions through Toitu Envirocare to meet the requirements under the New Zealand Climate Standards. We anticipate that our understanding of climate-related risks and opportunities will continue to develop, and we intend to allocate appropriate time and resources to this area as those insights emerge.

METRIC	COMMENTARY
Internal emissions price	EROAD does not currently use an internal emissions price. As initiatives for reduction are weighed up the current cost of carbon credits against the cost and impact of the initiatives will be considered.
Remuneration	Management remuneration has not yet been linked directly to climate-related risks and opportunities. However, EROAD prepares an annual business plan that reflects milestones that support EROAD's climate-related targets.
Industry standards	The industry standards for EROAD's sector (software and information technology services) are not yet widely adopted. EROAD will continue to monitor this position and intend to adopt any metrics emerging as relevant for our operations in the future. Currently EROAD does not use industry standards.

EROAD's climate response journey is ongoing, and as our understanding of lcimate0related risks and opportunities deepens, we expect this to inform the continued development of metrics and targets used to measure and monitor climate-related risks across our business.

LOOKING AHEAD

EROAD's sustainability journey is well underway, with real progress already made across our operations and in the outcomes we help deliver for customers. We're building on that momentum, continuously evolving our approach, and improving how we measure, manage, and act on climate priorities.

Our commitment remains clear: to reduce our own impact, support our customers to do the same, and play a meaningful role in the shift toward a low-emissions, climate-resilient future.

APPENDIX 1: GHG INFORMATION

GHG PROTOCOL CATEGORY BREAKDOWN

SCOPE	FY25 tCO_2e	FY24 tCO_2e	Base year FY23 tCO_2e	FY25 vs FY23 %
Gross Scope 1: Direct Emissions And Removals	152.5	140.8	167.6	↓ 9%
Gross Scope 2: Indirect Emissions From Imported Energy	74.4	89.3	82.1	↓ 9%
Gross Scope 3: Indirect emissions	11,189.0	25,919.9	23,997.2	↓ 53%
TOTAL GROSS EMISSIONS	**11,415.9**	**26,150.0**	**24,246.9**	↓ **53%**
Scope 3 emissions made up of:				
Category 1: Purchased goods and services	2,690.7	5,283.8	4,987.5	↓ 46%
Category 2: Capital goods	3,262.0	12,616.1	11,977.2	↓ 73%
Category 3: Fuel and energy related activities	47.0	6.4	6.8	↑ 591%
Category 4: Upstream transportation and distribution	362.8	657.0	562.6	↓ 36%
Category 5: Waste generated in operations	13.4	25.6	19.9	↓ 33%
Category 6: Business travel	949.3	1,057.2	561.4	↑ 69%
Category 7: Employee commuting	800.9	648.8	840.8	↓ 5%
Category 8: Upstream leased assets	-	390.3	344.9	↓ 100%
Category 12: End-of-life treatment of sold products	1,088.3	1,404.2	1,178.9	↓ 8%
Category 13: Downstream leased assets	1,974.6	3,830.5	3,517.2	↓ 44%

EROAD has seen progress in all emissions categories except for Scope 3 category 3: fuel and energy related activities and Scope 3 category 6: business travel.

The 40.2 tCO_2e or 591% increase in the Scope 3 category 3 fuel emissions relates to the recognition of gasoline well-to-tank emissions for the first time for our Scope 1 fuel emissions and the electricity transmission & distribution well-to-tank emissions. In prior periods only the electricity transmission and distribution losses were reported. This is an improvement from use of the Watershed tool and while well-to-tank emissions are not mandatory to report they are required for science-based target setting. We are not required to adjust our base year due to the immaterial impact on our total emissions. For context, the well-to-tank emissions value in our base year is estimated to be 40.9 tCO_2e, making our total scope 3 category 3 emissions in our base year 47.7 tCO_2e. The movement between FY25 and FY23 would have been approximately a decrease of 0.7 tCO_2e or 1% for scope 3 category 3 as compared to the 40.2 tCO_2e or 591% increase reported in actuals.

The 387.9 tCO_2e or 69% increase in Scope 3 category 6 business travel emissions is largely driven with the opening up of travel borders and restrictions and the increase in the number of Board Directors based in the USA since our FY23 base year.

FY25 gas concentration by Scope 1 and 2 emissions and greenhouse gas in tCO_2e:

We have not determined the split of the gas concentration of our Scope 1 and 2 emissions in accordance with the GHG Protocol for our FY25 disclosures. We do not consider this to be material to our emissions profile. We will however look to include this disclosure in our future statements.

EMISSIONS SOURCES AND CALCULATION METHODS

The tables on the following pages provides an overview of all emission sources in EROAD's GHG inventory, including data sources, calculation methods, any assumptions made in the calculation process and an assessment of data quality and uncertainty.

To support emissions reporting a variety of calculation methods are used based on the nature and availability of data:

- Fuel-based method – estimates emissions by multiplying the volume e.g. litres by an appropriate emission factor.
- Distance-based method – estimates emissions by multiplying the distance e.g. kilometres, passenger kilometres or tonne kilometres by an appropriate emission factor.
- Average data method – estimates emissions by multiplying the quantity of a product e.g. kilowatt hours, litres, kilometres by an appropriate emission factor.
- Spend-based method – estimates emissions by multiplying the cost of goods and services purchased multiplied by an appropriate dollar spend emission factor.

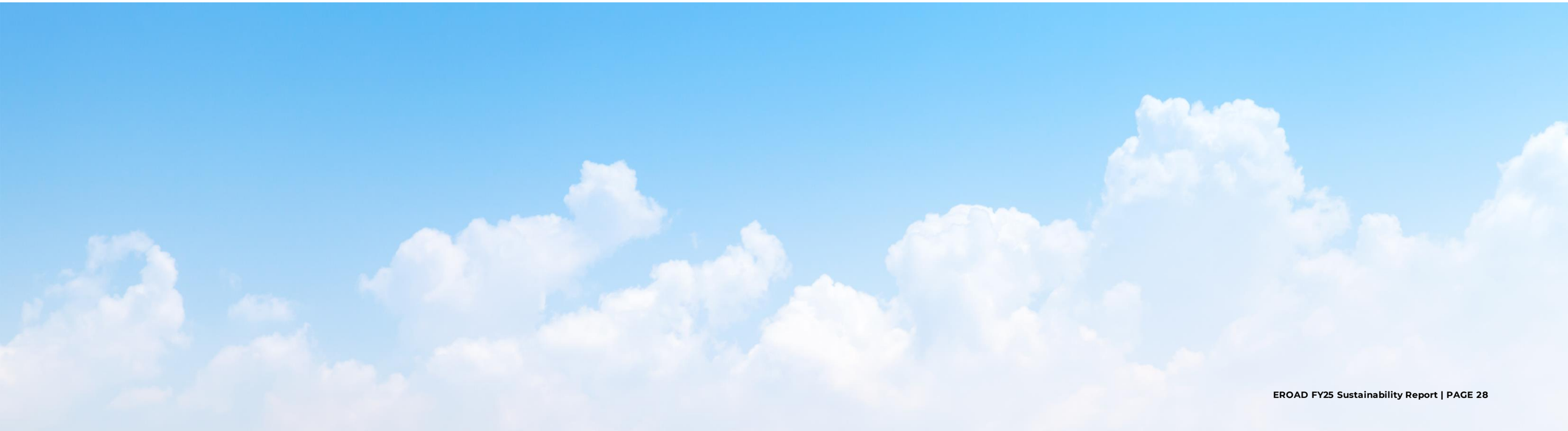
Data quality and uncertainty are assessed using the scales outlined below. Although the quantification of effects of uncertainty is not included, a qualitative classification of uncertainty is detailed per emission source.

DATA QUALITY SCALE:

- Low – data has notable inaccuracies, inconsistencies or variability which may limit its accuracy
- Medium – data is generally reliable but contains some inaccuracies or missing values requiring extrapolation
- High – data is accurate, consistent and mostly complete

UNCERTAINTY SCALE:

- Low – there is strong confidence in data reliability and accuracy with clear understanding of limitations
- Medium – there is a reasonable confidence in data reliability with some acknowledged limitations
- High – there is limited confidence in reliability with reasonable unknowns affecting interpretation



EMISSIONS SOURCES INCLUDED

GHG PROTOCOL CATEGORY	EMISSION SOURCES	DATA SOURCES	ASSUMPTIONS AND METHODOLOGY	DATA QUALITY	UNCERTAINTY
Scope 1					
	Diesel & petrol	Fuel records from supplier portal	Fuel-based method: Fuel usage is sourced from the supplier portal where data is broken down by litres by fuel type.	High	Low
	Refrigerants	Estimated based on facility footprint details	Refrigerant usage in our leased offices has been estimated based on footprint area of the space leased.	Low	Medium
Scope 2					
	Electricity – location based	Electricity records from our suppliers, building electricity usage from landlord, estimates based on number of employees	Average data method: Data for NZ and San Diego sites provided from invoices from our supplier. For the Australian office we are not billed separately for our electricity usage instead this is rolled into our rental charges. An estimate for electricity usage has been made by taking the electricity usage per employee in NZ and multiplying that by the number of employees in Australia. For our New Jersey office we have been provided data for electricity usage for the building and have portioned to EROAD based on the space we lease.	High – for average data method Medium – where estimation required	Low – for average data method Medium – where estimation required
Scope 3					
Category 1: Purchased goods and services	Purchased goods and services – supplier spend	Spend from finance records	Spend-based method: Spend data is extracted from the finance system by GL accounts and categorised as operational (purchased good and services) or capital spend (capital goods – inventory, fixed assets and intangible assets). GL accounts are attributed the most relevant emissions factor from within the selected emission factor set according to the product and/or service they provide. Costs exclude any spend that is already captured by a more precise method of calculation.	High	High
Category 2: Capital goods	Capital goods (inventory, fixed assets, intangible assets)	Spend from finance records	Spend-based method: as outlined above the additions to inventory, fixed assets and intangible assets are captured with the most relevant emission factor set according to the spend type. Costs exclude any spend that is already captured by a more precise method of calculation.	High	High
Category 3: Fuel and energy related activities	Electricity distributed T&D losses	Supplier invoices/records or based on estimated kWhs where invoice data not available	Average data method: Electricity usage (kWh) from supplier records is multiplied by the national average emissions factor for losses.	High	Low
	Well-to-tank emissions from fuels used	Supplier invoices/records	Average data method: Well-to-tank emissions are calculated using quantities (in kWh or L) from the underlying fuel source and multiplied by the well-to-tank emissions factor. Quantities of fuels are sourced from suppliers as outlined above.	High	Low
Category 4: Upstream transportation and distribution	Freight from suppliers to EROAD, between our locations and for shipping of component materials to the manufacturers via air, sea and road, freight to customers.	Supplier freight records and spend from finance records	Distance-based method: Distances and weights is sourced from the supplier portal where data is broken down by transport type and multiplied by appropriate emission factor. In FY25, 77% of the freight emissions calculated was under the distance-based method. Where reporting is unavailable then spend-based method is applied. Spend data is extracted from the finance system by GL accounts and reviewed to remove vendors where distance-based method has been applied (to avoid duplication). Most relevant emissions factor from within the selected emission factor set is selected.	High	Low – for distance-based calculations High – for spend-based calculations

GHG PROTOCOL CATEGORY	EMISSION SOURCES	DATA SOURCES	ASSUMPTIONS AND METHODOLOGY	DATA QUALITY	UNCERTAINTY
Category 5: Waste generated in operations	Waste from EROAD offices and warehouses	Supplier waste records and estimates based on number of employees where waste data not available	Average-data method: quantities of waste from each operational site is sourced from the supplier records and multiplied by appropriate emission factor. In FY25, 81% of the waste emissions calculated was under the average-data method. Where reporting is unavailable then quantities of waste is estimated using average waste per employee from actual data multiplied by the number of employees for the site missing data. The resulting total weight is then multiplied by an appropriate emission factor.	High – for weights sourced from supplier Low – for weights estimated using averages	Medium
Category 6: Business travel	Air travel	Supplier records and spend from finance records	Distance-based method: Travel distance (km) is provided by the supplier, broken down by travel method and origin/destination. Passenger kms are multiplied by the most appropriate national average emissions factor. In FY25, 56% of the air travel emissions calculated was under the distance-based method. Where reporting is unavailable then spend-based method is applied. Spend data is extracted from the finance system by GL accounts and reviewed to remove vendors where distance-based method has been applied (to avoid duplication). Most relevant emissions factor from within the selected emission factor set is selected.	High	Low – for distance-based calculations High – for spend-based calculations
	Taxis, mileage claims, rental cars and accommodation	Spend from finance records	Spend-based method: Spend data is extracted from the finance system by GL accounts and multiplied by most relevant emissions factor.	High	High
Category 7: Employee commuting	Employee commuting and working from home emissions	Employee survey	Distance-based method: Staff surveys collected data twice a year on employee commuting, including transport method, distance and frequency, as well as number of days working from home and is assumed to represent the annual commuting behaviour. Data is extrapolated to estimate total annual distance by transport method and reflect total population, with emissions calculated using relevant factors. 100% of data is obtained through staff survey. Impacted by the response rate and changes in number of staff over time.	Medium	Medium
Category 12: End of life treatment of sold products	Scrap of hardware/inventory and warranty costs	Finance records	Spend-based method: Spend data is extracted from the finance system by GL accounts and multiplied by most relevant emissions factor.	High	High
Category 13: Downstream leased assets	Services provided to the hardware assets i.e. SAAS costs (cellular connection, geo mapping, production hosting) to customers	Finance records	Spend-based method: Spend data is extracted from the finance system by GL accounts and multiplied by most relevant emissions factor.	High	High

EXCLUSIONS

The following GHG emission sources have been excluded from our inventory due to their low materiality, poor availability of data and high degree of uncertainty. These exclusions are not considered significant to our inventory, its intended use or its users.

There are no exclusions for scope 1 and 2 emissions. The scope 3 exclusions is allowable under adoption provision 4 of the Aotearoa New Zealand Climate Standards.

SCOPE 3 EXCLUSIONS BREAKDOWN:

SCOPE 3 CATEGORY	GHG EMISSION SOURCES	REASON FOR EXCLUSION	ESTIMATED EXCLUSION (tCO_2e)	% OF TOTAL SCOPE 3 INVENTORY
Category 11: Use of sold products	Fuel burn associated with the use of our hardware units in customer vehicles	Methodology to determine emissions connected to the energy used to power an EROAD unit is to be developed. Relevant data points include the number of connections, type of connection, idle hours, total hours, fuel source (i.e. diesel, petrol, electric, hybrid), charge required. While some of these data points are readily available the methodology to transform these data points into a resultant emission source and appropriate emission factor is yet to be determined. The charge required to power an individual EROAD unit is not significant, however given the number of units and importance of this to our customers we do intend to measure this source in the future.	Unknown but not expected to be significant to EROAD's emissions inventory i.e. expect it to be less than 5% of total emissions	Expected to be less than 5%
Category 3: Fuel and Energy Related Activities	Emissions from the T&D losses, T&D loss well-to-tank and electricity well-to-tank for NZ facilities utilising Ecotricity	Ecotricity has been certified with its offsets including T&D losses as such we have excluded these emissions from our footprint. This exclusion applies to NZ facilities only.	Estimated to be 11 tCO_2e	0.1% of total scope 3 inventory

SCOPE 3 EXCLUSIONS AS ASSOCIATED EMISSIONS CAPTURED ELSEWHERE:

SCOPE 3 CATEGORY	GHG EMISSION SOURCES	REASON FOR EXCLUSION	ESTIMATED EXCLUSION (tCO_2e)	% OF TOTAL SCOPE 3 INVENTORY
Category 8: Upstream leased assets	Leased buildings	Emissions associated with the upstream leases of office and warehouse space has been captured under scope 1 and 2 activities.	N/A - calculated elsewhere	N/A
Category 9: Downstream transportation and distribution	Freight of sold products	The freight of products sold by EROAD is paid for by EROAD, as such these emissions are included under category 4.	N/A - calculated elsewhere	N/A
Category 10: Processing of sold products	Manufacturing	Manufacturing of EROAD products is completed by third-parties as such the emissions associated with the production of EROAD products has been captured under category 2.	N/A - calculated elsewhere	N/A

SCOPE 3 EXCLUSIONS AS NOT APPLICABLE TO EROAD:

SCOPE 3 CATEGORY	GHG EMISSION SOURCES	REASON FOR EXCLUSION	ESTIMATED EXCLUSION (tCO_2e)	% OF TOTAL SCOPE 3 INVENTORY
Category 14: Franchises	Operations of franchises	Not applicable – EROAD does not operate any franchises	N/A	N/A
Category 15: Investments	Operations of investments	Not applicable – EROAD does not operate any investments	N/A	N/A

EMISSION FACTORS

The table below outlines the emission factors sets applied to various emission sources, units of measurement and the GWPs.

EMISSION FACTOR SOURCE	EMISSIONS SOURCE APPLICABLE TO	UNIT	GWP VALUES
2024 NTD Data for Public Transit Blend	Employee commuting via public transport	Employees, Kms	IPCC AR6
Australia National GHG Factors 2023 (data for 2023)	Electricity and T&D losses Australian operations Electricity and T&D losses Australian employees working from home emissions For April 2024 to June 2024	Kwh Employees, Kwh	IPCC AR5
Australia National GHG Factors 2024 (data for 2024)	Electricity and T&D losses Australian operations Electricity and T&D losses Australian employees working from home emissions For July 2024 to March 2025 Employee working from home emissions (gas and waste) Australia and New Zealand employees Australian fleet vehicles fuel usage Australian fleet vehicles well-to-tank emissions New Zealand fleet vehicles well-to-tank emissions For April 2024 to March 2025	Kwh Employees, Kwh Employees, mmbtu Litres Litres Litres	IPCC AR5
CEDA v7 EFs (CEDA 2024)	Capital goods Purchased goods and services Business travel End of life treatment of sold products Downstream leased assets Upstream transportation and distribution Waste to landfill	$ $ $ $ $ $ $	IPCC AR5
Ecoinvent 3.10.1	Upstream freight: first and final mile delivery, sea transport, ground transport	Tonne kms	IPCC AR6
eGRID 2024 (2022 data)	Electricity and T&D losses North American employees working from home emissions	Employees, Kwh	IPCC AR5
EPA2024	Employee commuting via car Employees working from home natural gas	Employees, Kms Employees, mmbtu	IPCC AR5

EMISSION FACTOR SOURCE	EMISSIONS SOURCE APPLICABLE TO	UNIT	GWP VALUES
IEA 2024 Well-to-tank and AU NGAF 2024 T&D (data throughout 2022)	Electricity well-to-tank Australian employees working from home emissions Electricity well-to-tank Australian operations	Employees, Kwh Kwh	IPCC AR5
IEA 2024 Well-to-tank and NZ MFE 2024 T&D	Electricity well-to-tank New Zealand employees working from home emissions	Employees, Kwh	IPCC AR5
IEA Electricity Emissions Factors 2024 (data through 2022)	Home offices electricity and T&D losses	Employees, Kwh	IPCC AR5
IEA Well-to-tank 2024 (data through 2022)	Home offices electricity well-to-tank Electricity well-to-tank Australia and North America operations	Employees. Kwh Kwh	IPCC AR5
IEA Well-to-tank T&D 2024 (data throughout 2022)	Home offices electricity T&D well-to-tank Electricity T&D well-to-tank Australia and North America operations	Employees. Kwh Kwh	IPCC AR5
IPCC AR6 WG1 Chapter 7 Supplementary Material	Refrigerants	Square metres	IPCC AR6
New Zealand MfE 2024 (data through 2023)	New Zealand Electricity (all sites) Home offices New Zealand electricity, electricity T&D losses, gas and coal emissions New Zealand fleet vehicles fuel usage	kwh Employees, Kwh/mmbtu Litres	IPCC AR5
UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)	Employee commuting well-to-tank emissions (car, public transport, gas, coal, biofuels and waste) Air transport (freight), air transport radiative forcing, air transport well-to-tank Air travel (fuel combustion, well-to-tank, radiative forcing) Waste to landfill	Employees, Kms Tonne Kms Miles Kgs	IPCC AR5

APPENDIX 2: GHG ASSURANCE

INDEPENDENT ASSURANCE REPORT
Toitū Verification
To the Shareholders of EROAD Limited

Conclusion
EMISSIONS - REASONABLE ASSURANCE
We have obtained all the information and explanations we have required. In our opinion, the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, defined in the climate statements and table below, in all material respects:
+ comply with the audit criteria; and
+ provide a true and fair view of the emissions of EROAD Limited for the year ended 31 March 2025.

EMISSIONS - LIMITED ASSURANCE
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, defined in the climate statement and table below:
+ do not comply with the audit criteria; and
+ do not provide a true and fair view of the emissions of EROAD Limited for the year ended 31 March 2025.

Basis of verification opinion
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Scope of the assurance engagement
We have undertaken a verification engagement relating to gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty on the climate statements as indicated in the table below for the financial year ended 31 March 2025 . Additionally, our assurance engagement does not extend to targets, emissions reduction progress or GHG liabilities, of which details may be referenced within the table below. The scope of emissions and level of assurance are disclosed below.

EROAD's climate statements provide information about the greenhouse gas emissions of the organisation for the defined measurement period and is based on historical information. This information is stated in accordance with the requirements of Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

DOCUMENT	ASSURANCE SCOPE INCLUDED (PAGES)	EXCLUDED – NO ASSURANCE (PAGES)
Climate statements	22, table page 23, Appendix 1 table page 27, 29-33	1-21,23-26, commentary page 27-28,37-40

Key matters
Key matters are those matters that, in our professional judgement, were of most significance in our assurance engagement of the GHG disclosures. These matters were addressed in the context of our assurance engagement and in forming our opinion. We do not provide a separate conclusion on these matters.

KEY MATTER	HOW KEY MATTERS HAVE BEEN ADDRESSED
EMISSIONS RELATING TO CAPITAL GOODS, PURCHASED GOODS AND SERVICES, END OF LIFE, UPSTREAM AND DOWNSTREAM LEASED ASSETS These emissions use the spend based calculation method to estimate emissions by multiplying the dollar value purchased with emission factors relevant to the type of good or service. The method relies on average emissions per dollar spend factors, which may differ significantly from the emissions actually created. The use of the spend based calculation method therefore comes with inherent uncertainty and may result in significantly different estimated emissions than methods that are more supplier or product specific. There is a risk that theses emissions could be incomplete and inaccurate.	In addressing the reporting of emissions, we: + Obtained an understanding of the calculation methodology, assumptions and estimates used and performed a walkthrough of the Watershed (emission monitoring software) system. + Reviewed the reasonableness of the spend based emission factors used and their application in the calculation process. + Reviewed the emissions recorded in the climate statements and confirmed they were classified and categorised appropriately. + Performed sample testing of invoices to confirm the accuracy and occurrence of the expenses reported. + Reviewed expenses for any double counting of emissions. + Performed a reconciliation of the fixed assets purchased and expenses in the trial balance to the climate statements to ensure the completeness of these emissions. + Reviewed the disclosures in the climate statements in relation to the calculation method, assumptions and uncertainties in estimating these emission sources to ensure fair presentation. No material findings were noted.

INDEPENDENT ASSURANCE REPORT
Toitū Verification
To the Shareholders of EROAD Limited

Other matters
Other matters that have not been disclosed in the GHG disclosures, that in our judgement are relevant to the intended users:

COMPARATIVE INFORMATION
+ The comparative GHG disclosures (that is GHG disclosures for the periods ended 31 March 2024 and 2023) have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: Assurance Engagements over Greenhouse Gas Emissions Disclosures ('NZ SAE 1'). These disclosures are not covered by our assurance conclusion.
+ The comparative periods 31 March 2024 and 2023 have been assured in prior periods in a separate Toitū Envirocare assurance engagement in accordance with ISO 14064-3:2019 issued by International Organization for Standardization.

Responsible party's responsibilities
EROAD Limited is responsible for the preparation of the GHG disclosure in accordance with Aotearoa New Zealand Climate Standards (NZ CSs)- issued by External Reporting Board (XRB) and GHG Protocol. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of a GHG disclosure that is free from material misstatement, whether due to fraud or error.

INHERENT UNCERTAINTY
As disclosed in paragraph - "Inherent Uncertainty "on page 22, 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.

Responsibilities of verifiers
Our responsibility as verifiers is to express a verification opinion to the agreed level of assurance on the inventory report, based on the evidence we have obtained and in accordance with the audit criteria. We conducted our verification engagement as agreed in the pre-audit engagement letter, which defines the scope, objectives, criteria and level of assurance of the verification.

The International Standard ISO 14064-3:2019 requires that we comply with ethical requirements and plan and perform the validation and verification to obtain the agreed level of assurance that the GHG emissions are free from material misstatements. We are not permitted to prepare the GHG statement as this would compromise our independence.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the ISO 14064-3:2019 Standards will always detect a material misstatement when it exists. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

Existence of relationships
Toitū has also provided other services to the responsible party in relation to Climate Impact Certification programme membership only (see details https://www.toitu.co.nz/solutions/climate-impact-certification/). Subject to certain restrictions, our employees may also deal with the responsible party on normal terms within the ordinary course of trading activities . These matters have not impaired our independence as verifier of the responsible party. Toitū has no other relationship with, or interest in, the responsible party.

Independence and quality management standards applied
This assurance engagement was undertaken in accordance with NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures issued by the External Reporting Board (XRB). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:
+ ISO 14065: 2020 – General principles and requirements for bodies validating and verifying environmental information;
+ ISO 14066: 2023 – Greenhouse gases — Competence requirements for teams validating and verifying environmental information;
+ ISO 17029: 2019 – Conformity assessment — General principles and requirements for validation and verification bodies;
+ IAF MD4:2023 - For the Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes;
+ Joint Accreditation System of Australia and New Zealand Accreditation Requirements

INDEPENDENT ASSURANCE REPORT
Toitū Verification
To the Shareholders of EROAD Limited

Verification strategy
Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:
+ activities to inspect the completeness of the climate statements;
+ interviews of site personnel to confirm operational behaviour and standard operating procedures;
+ sampling of fuel and electricity records to confirm accuracy of source data into calculations;
+ reconciling of purchased goods and services to confirm correct formula and calculation;
+ detailed sense check of freight and employee commuting records;
+ reviewing emission factors for accuracy and appropriateness;
+ evaluating the overall presentation of the disclosures.

The data examined during the verification were historical in nature.

Verification level of assurance
GHG PROTOCOL CATEGORIES

GHG SCOPE	LOCATION BASED tCO_2e	LEVEL OF ASSURANCE
Scope 1	152.52	Reasonable
Scope 2	74.42	Reasonable
Scope 3	11,189.00	Limited
TOTAL INVENTORY	**11,415.93**	

Responsible party's greenhouse gas assertion (claim)
EROAD Limited has measured its greenhouse gas emissions in accordance with GHG Protocol in respect of the operational emissions of its organisation.

Other information
The responsible party has a duty for the provision of Other Information. The Other Information may include climate statements around governance, strategy and risk management, emissions management, liabilities, targets, emissions management, reduction plans and ESG (Environmental, Social, Governance) but does not include the information we verified, and our auditor's opinion thereon.

We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. Our responsibility is to read and review the Other Information, and consider whether the Other Information is materially inconsistent with the information we verified, or our knowledge obtained during the verification.

	VERIFIED BY	INDEPENDENT REVIEWER	ENGAGEMENT LEADER
Name:	Sanket Doshi	Billy Ziemann	Osana Robertson
Position:	Verifier, Toitū Envirocare	Independent reviewer	Toitū Envirocare
Signature:			

Date verification audit: 29 April 2025
Date opinion expressed: 30 July 2025
Location: Wellington

APPENDIX 3: DETAILED SCENARIO NARRATIVES

CO-ORDINATED DECARBONISATION

ENVIRONMENTAL	SOCIAL	TECHNOLOGICAL	ECONOMIC	POLITICAL
Global emissions start to drop rapidly from the mid-2020s. The lowest hanging fruit for emissions reductions are targeted first, so the rate of reduction slows over the decades as each successive gigatonne becomes trickier to cut out. Progress is continual and the globe is on track to reach net zero in the early 2050s. By the 2040s, temperatures have almost completely stopped rising, and the global warming level peaks at 1.6 °C in 2050. The effort has been monumental, but through nearly every country in the world making a concerted effort, climate change is halted and the Paris Agreement targets are met. The climate is, however, still significantly warmer than it was at the start of the 21st century. Heatwaves are more frequent and intense, and droughts are more prolonged. The warmer atmosphere holds more water, making extreme rainfall ever more intense and impactful. By 2050, economic damages due to river flooding have increased by half in Australia compared to 2015, by about a third in NZ and the US, and by around a quarter in China. Inertia in the climate system means that sea levels are continuing to rise, albeit at a now-slowing rate. Flooding of low-lying coastal areas is commonplace around the world, forcing countless cities to strengthen their defences and many smaller communities to retreat entirely.	In the near term, a growing consensus begins to take hold that addressing climate change will require effort and change from all sectors of society. Public and private sector organisations alike put an increasing emphasis on reducing their emissions directly and through their procurement. Attitudes warm towards lower emissions lifestyles that involve less conspicuous consumption and more use of active and public transport. Demand grows for professionals with the skills to power the low-carbon transition, particularly in STEM sectors. The bulk of these new jobs are in cities, which drives continued patterns of increasing urbanisation. As the 2020s continue, the birth rate continues to decline globally and the population grows older on average. New Zealand, Australia, and the United States all continue to grow as immigration remains relatively open and the world sees these as desirable places to be. Population growth is also seen in rural areas as the agriculture sector generally succeeds in navigating the transition and a new wave of nature-based jobs arise. However, sectors without strong environmental reputations, such as the fossil fuel industry and internal-combustion-driven transport, face major challenges in attracting and retaining staff. The generations entering the workforce have widespread environmental awareness and conscience, demanding a lot not only from their employers, but the companies they buy from as well. Companies accused of greenwashing face strong public backlash. Investors are well aware of this, steering funding away from industries and companies deemed to be high risk. Out to 2050, the transport sector in many countries transforms to favour active and public modes. The ageing global population is growing less and less, finally reaching a peak of less than 9 billion in 2050. This, coupled with a continued demand for specialist sustainability expertise, presents a staffing challenge for many companies worldwide. Strong environmental performance from companies is now the baseline expectation for the majority of customers.	Commercial satellites continue to be deployed at an accelerating rate in the near term, leading to communication access becoming widespread and cost-effective. Electrification of the New Zealand rail network begins in the greater Auckland region. Services for tracking emissions are in high demand. Through the 2020s, shifts in policies and consumer attitudes increase competition in the low-emissions tech sector. This “green race” presents new funding streams for R&D and expansion, but also a number of new-entrant competitors. Demand for electric vehicles and supportive policies means that EVs make up the majority of new light vehicle sales by 2035. EVs passed price parity with ICE vehicles in the late 2020s, so demand for emissions tracking begins to drop. A number of high-speed rail projects are greenlighted in the US, Canada, and Australia. Battery electric drivetrain heavy road vehicles reach price parity with their ICE counterparts in the 2030s, and hydrogen fuel cell units are not far behind. Fuelling networks to support hydrogen vehicles are built in the US and Australia. By now, autonomous trucks are approved for use in on highway networks across a few countries, and vehicle telematics are standard, built-in features. High-speed rail dominates freight and passenger transport in a few key corridors of the US and Australia, and New Zealand modernises its passenger rail network. Urban design in cities has largely shifted away from car-centric infrastructure by 2050 in most countries, with much of the US as a notable exception. High-speed internet access is universally available and affordable, and 3D printing technologies have progressed to the point of taking a sizable chunk out of global trade.	Access to finance through the mid-2020s is tied to company performance against a large and growing set of ESG standards. Setting decarbonisation targets and reporting against them becomes increasingly common practice. In a similar vein, insurance becomes more expensive and reliant on policy holders sharing telematics data. Globally, there is a burgeoning awareness of the importance of stating and prioritising human wellbeing and environmental goals over strict economic growth. While geopolitical rhetoric centres coordinating in the decarbonisation journey, protectionist industrial policies that prioritise domestic production persist. In the medium term, more and more countries adopt carbon prices and border adjustment mechanisms, which drives up the cost of freight, particularly by air. However, exporters also benefit from reductions in tariffs that accompany more widespread free trade agreements. Protectionism in economic policy becomes less prevalent as countries discover their niches in the new economy. In the long term, GDP comes to be seen as just one of many important indicators of economic prosperity, alongside others that quantify natural resources and social and cultural capital. Equity investors dividend expectations grow whilst the global road transport market has contracted due to diversification in transport modes, stagnant population, increased urbanisation, and reduced demand for goods transported over long distances. This places pressure on the cost of equity for many organisations in the transport sector.	Developed nations, including NZ, Australia, the US and Canada, push towards achieving the 1.5°C target through the use of stringent climate regulatory requirements and obligations. There is widespread cooperation to achieve this and a highly collaborative global political landscape. In the 2020s, Road User Charges (RUCs) are introduced in Australia. NZ invests in the electrification and expansion of freight rail in the Golden Triangle of Auckland, Hamilton, and Tauranga. The tightening of environmental regulations leads to increased compliance costs for businesses across all industries. This includes carbon prices, which are introduced in several jurisdictions. Carbon prices are gradually ratcheted up out to 2035, driving an accelerated transition to all-electric fleets, including in heavy road transport. Fossil fuels are heavily taxed by 2035 and E-RUCs have been introduced in all of EROAD’s key markets to replace lost fuel tax revenue. These countries also now require robust monitoring and reporting of all emissions, environmental risks and impacts across the supply chain for companies operating and selling in their markets. Compliance costs are significant. By 2050, bans on new fossil fuel vehicles are in effect across most of the world. Policies to provide support for developing nations to leapfrog fossil fuels and build out renewable energy and low-emissions transport networks have enjoyed widespread success, initially as part of the offset market.

A WORLD DIVIDED

ENVIRONMENTAL	SOCIAL	TECHNOLOGICAL	ECONOMIC	POLITICAL
Global emissions reach their peak in the 2020s, but the point of net zero is a long way off, being projected to happen in the 2080s. The rate of reduction in emissions is low, and temperatures continue to rise through to the middle of the century. Many countries are content to ride the coattails of the most ambitious nations, only making efforts to cut emissions when it is cost-effective in the short-term. The 2ºC Paris Agreement target is not breached before 2050, but that is on track to happen around 2060. The impacts of warming continue to worsen through the decades. Storms on the scale of Cyclone Gabrielle hit New Zealand back-to-back in 2027 and 2028, presenting the government with a massive repair bill. This and massive droughts in the early 2030s hit the economy hard. Sea levels continue to rise, with no sign of slowing down. Devastating floods hit parts of East and Southeast Asia most years from the 2030s onwards, presenting major challenges to electronics supply chain. Damages from river flooding in Australia have doubled by 2050 compared to 2015.2 Heatwaves in Australia and the Southern US reach unprecedented levels, threatening not just businesses but lives on a massive scale.	Attitudes towards decarbonisation become more polarised in the near term. Sustainability as a selling point gains even more traction in New Zealand and liberal parts of the US, Australia, and Canada. In contrast, ICE engine vehicles become even more entrenched as status symbols in other parts of the market. Companies face growing reputational risks when making sustainability claims while continuing to operate in or even be associated with high-emitting industries or regions. Working from home becomes more and more common. As the 2020s progress, this trend continues. Consumer and employee preferences for reducing emissions differ greatly from state to state. Those states with a local fossil fuel industry (in all countries) tend to be those with the lowest ambition to decarbonise. Elsewhere, public transport uptake is growing and people want to live closer to city centres, where the bulk of new jobs in the low-emissions economy are being created. Beyond 2035, low-emissions technologies such as electric vehicles, finally reach economies of scale and become the default option. This, coupled with the ever-clearer impacts of climate change, drives public acceptance of alternatives. In the trucking industry, supply chain disruptions and flip-flopping local regulations lead to fluctuations in required fleet sizes. Leasing companies are thus relied on more and more, and contracts for drivers move to shorter terms. Climate change meanwhile presents greater health and safety risks to drivers, so employee retention is a challenge for many operators, especially those who are slow to adopt the quieter, more comfortable low-emissions trucks.	Smart technology adoption in the transport sector progresses in the short-term. Telematics are used increasingly both as a third-party add-ons and as an integrated part of OEM products. Driverless technology is trialled in a growing number of jurisdictions in the US. In markets with strong regulations, new players enter the vehicle data sector. Through to 2035, there is considerable R&D spending around the globe, but it is not all aligned towards meeting decarbonisation goals. Manufacturers are simultaneously developing and releasing battery electric, hydrogen fuel cell, hybrid, and conventional fuel cell vehicles. Hydrogen use tends to be limited to areas where it is produced, such as New Zealand, Southeast Australia, and the North American coasts. In the trucking sector, e-fuels, biodiesel, ammonia, and LPG/propane fuels are explored in addition to these. This diversification presents a challenge for investment decision-making. Communications satellite launches continue at pace, making high-coverage communications more accessible. Driverless trucks see limited deployment across parts of the United States. As 2050 approaches, battery electric heavy vehicles become cheaper than ICE options, driving widespread uptake across all regions. Hydrogen remains a popular option in regions with well-established networks. Other propulsion technologies are completely phased out or relegated to niche uses over time. High-speed internet access is universal across the key markets.	In the short-term, the ESG credentials required to easily access finance become more stringent in some jurisdictions (including New Zealand) and less stringent in others (such as much of the United States). The European Union's Carbon Border Adjustment Mechanism (CBAM) comes into effect and both New Zealand and China start drafting comparable regulations. Out to 2035, fluctuating demand for investments with robust ESG credentials and inconsistent performance by ESG funds causes uncertainty and investor wariness in the market. High-emitting industries are still able to access capital in most markets. China's pivot towards decarbonisation and away from low-cost manufacturing opens a niche for other nations in the region, but these tend to have higher-emitting power grids. Importers of manufactured goods thus have to balance lower production costs against higher embedded emissions and carbon costs if they move operations. Taxes on freight, particularly by air which is struggling to decarbonise, are raised sharply in New Zealand and some US, Australian, and Canadian states. Out to 2050, the rising cost of insurance pushes many companies to lean more and more on self-insurance. The demand for hazard-related data grows as a result. Shipping costs continue to rise as more CBAM policies come into effect, carbon prices rise, and weather-related disruptions become more common. The Panama Canal restricts crossings to less than 20% of capacity during part of the year roughly every other year now due to recurring droughts.	Over the next few years, carbon taxes are raised in some jurisdictions and lowered in others as political parties with widely varying priorities take charge. The availability of public money to support decarbonisation efforts drops especially strongly in the United States and Australia, with several of the provisions of the Inflation Reduction Act rolled back. Australia revises its 2030 emissions reduction target downwards. China, meanwhile, doubles down on its investments in electric vehicles and renewable energy generation while trying to capture as much of the value chain internally as possible. New Zealand implements a congestion charge for the Auckland CBD with exemptions for electric vehicles. In the late 2020s, a number of states in the US introduce charges for ICE vehicles, presenting a logistical challenge for freight companies operating over state boundaries. Fossil-fuel-producing states in Australia, Canada, and the US cling to these industries, but demand globally for their products is steadily dropping. Fossil fuel subsidies are also being rolled back in many regions, increasing costs and reducing demand. Political developments in one country in the early 2030s are not a reliable predictor for others. Traditional ties between nations are changing as diverging priorities become more apparent, and New Zealand begins to lean more towards Europe and Asia-Pacific in its trade and diplomatic dealings. Out to 2050, growing climate-driven migration and border tariffs present geopolitical challenges that heighten tensions between nations. The highly varied regulatory landscape presents every-bigger challenges to multinational companies in terms of compliance, litigation, and reputational risk. There is a lack of alignment in reporting standards, emissions restrictions, and carbon costs both across and within nations.

HOT HOUSE

ENVIRONMENTAL	SOCIAL	TECHNOLOGICAL	ECONOMIC	POLITICAL
As the world clings on to the burning of fossil fuels, carbon dioxide emissions continue to grow year-on-year. In sync, the globe's temperature continues to rise. The Paris Agreement target of 1.5 °C is breached in 2030 and the upper limit of 2° C is crossed in 2045. There is no sign of the warming stopping or even slowing down. The physical impacts of climate change have materially impacted every inhabited part of the world. Severe weather events continue to worsen over the decades and compound weather events are commonplace, intensifying the destruction. In the 2020s, a devastating drought in southeast USA is followed shortly by an extreme storm and flooding, making it extremely difficult for recovery efforts. Heatwave and drought records are regularly broken, sparing no region of the world, with higher average temperatures exacerbating damage. Sea-level rise and outbreaks of tropical diseases also continue to increase globally. Supply chains are severely disrupted on a regular basis, such as when flooding causes damage to roads, stored hardware and warehousing. Weather events also impact the functioning of cellular communication and the ability for people to access cloud services. By 2050, the number of days of extreme heat over 35°C have more than doubled in East Asia since 2005. The Greenland and West Antarctic sheets are now confirmed to have crossed tipping points towards collapse, locking in metres of sea level rise to come before the end of the century.	Concerns around the cost of living drive people around the globe to focus more on the cheapest and most reliable goods in the short term. Sustainability as a purchasing priority begins to drop. New Zealand, Australia, Canada, and the United States are seen as attractive places to migrate, but finding those immigrants with the skills required to fill local shortages remains a big challenge. In the medium-term, population growth stagnates in Western countries and East Asia while continuing to rise elsewhere. Concentration of the population in cities continues at pace as this is where air-conditioning, drinking water, and jobs are most secure under ever-rising temperatures. Rural areas see service cuts as a result. Multinational companies begin to pull out of high-risk markets most hit by the impacts of warming, particularly in Africa, the Middle East, and Southeast Asia, causing large job losses. A growing sentiment of precarity leads people to prioritise their own safety and security over concerns like sustainability, growing the market for video capture devices. Out to the middle of the century, the flow of climate refugees grows and grows, but the openness of different nations to taking them in is inconsistent. Labour markets are flush with workers with lower skill levels and less familiarity with the local market. This drives down salaries along with financial security and contentment. Populations are increasingly concentrated in cities, leading to urban sprawl. Growing social unrest regularly erupts into violence and supply chain disruption. Acts of eco-terrorism spike, with a particular focus on vandalising fossil fuel infrastructure and planes. Employee health and safety is a major concern, especially for workers exposed to the elements. Attraction and retention of workers to certain jobs is difficult, such as truck drivers.	In the short term, the drive to monitor fleets from a safety and cost perspective pushes up demand for telemetry with mobile connectivity. Emissions tracking, however, plateaus in demand. As regulations are rolled back over time, demand for emissions tracking tapers off. Technology R&D out to 2035 is not focused on progressing the sustainability movement or enabling emissions reductions. Progress occurs in certain areas, such as agriculture, ICE vehicles, and other transport modes. The approach towards innovation within freight technology is reactive to current conditions, such as avoiding physical impacts of climate change, rather than forward-looking. As distrust between nations grows, there is a growing focus on data security and sovereignty. Companies face increased pressures to keep data from each country within its borders. This drives up costs of cloud services as new data centres need to be built. R&D spending is directed towards improving the resilience of communications to increasingly frequent and widespread technology outages. The worsening impacts of climate change cause driver health and safety to become a major focus for vehicle tracking technology. Avoiding flooding and landslide-related road closures, and minimising exposure to excessive heat and poor air quality are growing challenges that data providers can assist with. By 2050, demand for emissions tracking in EROAD's markets are limited to the small handful of jurisdictions that hang on to their emissions trading schemes as a revenue stream, being New Zealand, California, and New York.	The introduction of property-level risk pricing from the mid 2020s drives up the cost of insurance premiums, especially for coastal and flood-prone properties. Global supply chains are also routinely disrupted by floods of growing magnitude hitting the 'world's factory' in Asia. These rising costs, coupled with protectionist economic policies, start a trend of on-shoring manufacturing and data/computation services. Public and private funding for decarbonisation-related R&D dries up in the medium-term. Priorities shift much more towards national defence and vertically integrated production. Insurance providers have, by now, retreated from large coastal areas and floodplains in New Zealand and Australia, leaving a huge number of companies and homeowners exposed. Household spending and consumer confidence drop in the face of an increasingly grim global outlook, dampening the economy in a feedback loop. Barriers to international trade are increasingly difficult for global companies to navigate. In the 2040s, the United States devolves the National Flood Insurance Program to the states to administer individually, which quickly results in coverage running out for highly exposed regions. Weather-related shocks and disruptions become more widespread and impactful. Global oil prices fluctuate wildly but continue to trend upwards as demand remains high. Policies shift toward national energy and food security, limiting companies' ability to expand. Surges in fleet size expanding and contracting due to supply chain disruption make it harder to manage fleets, leading more of the transport sector to rely on leasing companies.	Regulatory requirements to track and reduce emissions do not become more stringent than at present. There is increasing dilution of international agreements, such as the Paris Agreement, and lifting of environmental policies to exploit natural resources. In the 2020s, no major markets outside the EU implement CBAM. Governments in all key markets prioritise economic development at the expense of the environment. Policies incentivising EV uptake are repealed across EROAD's key markets, as are policies limiting oil and gas exploration and production. Fossil fuel production is expanded in the US, Australia and Canada as energy security is prioritised. By 2035, managed retreat policies are coming into force across many areas of the globe due to increased chronic climate impacts, especially unabated sea level rise. In some cases, the retreat is unmanaged and disorderly as governments are unprepared for the speed of climatic change that is occurring. The EU's CBAM is repealed in the late 2020s in an attempt to lower cost of goods. Tensions within countries grow as climate activists clash with governments intent on maintaining order. In the long-term, international rivalry is heightened as food insecurity grows and countries compete for increasingly dwindling resources, resulting in greater use of protectionist policies and border controls. Transnational collaboration erodes. Countries and governments become more inward-looking, focusing on making the best of their own resources. Widespread regional and international conflicts over immigration, water availability, and resources flare up often and with little warning.

NZ CS REFERENCE TABLE

REFERENCE GUIDE TO SPECIFIC PAGES FOR THE NEW ZEALAND CLIMATE STANDARD PROVISIONS (NZ CS 1 AND NZ CS 3)

NZ CS provisions	Page reference
GOVERNANCE (NZ CS 1)	
Identity of governance body responsible for oversight of climate-related risks and opportunities – 7(a)	**11**
Governance body oversight – 7(b) and 8(a), (b), (c) and (d)	**11**
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