

Task Force on Climate-related Financial Disclosures Index

We are committed to providing transparency on our climate change risk management, governance and performance. The Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders.

Governance
a) Board Oversight
Ultimate responsibility for our sustainability strategy lies with our Board of Directors. Our board regularly monitors our sustainability strategy and programs to ensure progress is being made. The company's environmental, compliance, and other relevant executives brief the board throughout the year on an ad-hoc basis on issues directly and indirectly related to climate change.
b) Management role
Our executive management team sets our sustainability and business strategies, approves goals, provides resources to meet performance targets and has oversight of our sustainability, including climate and energy, approach. The senior leadership team regularly discusses product development and innovation to meet shifts in customer demand, including for specialized tools for renewable energy systems, as well as cleaner, more energy-efficient equipment.
Strategy
a) Climate-related risks and opportunities
Our executive management team has identified climate-related risks and opportunities that may affect us over the short-, medium- and longer-term. These include, <ul style="list-style-type: none"> • Demand risks: Shifts in demand, such as from our customers in the oil & gas and power generation sectors, may impact demand. We limit our risk by maintaining a balanced portfolio of customers, focusing growth initiatives to other industries including alternative energy customers, and investing prudently to meet expected future demand. • Physical risks: Extreme weather may impact our operations. We have taken actions to ensure business continuity and assess potential flooding along with other weather-related risks. • Clean energy opportunity: The global transition to zero-emission power generation offers the opportunity for tools in alternative energy markets including growth and higher margins for our specialized lifting and positioning equipment for wind turbine installation, as well as nuclear power plant equipment and services. • Electric / more-efficient equipment opportunity: Our active New Product Development (NPD) process embeds an approach of greater energy efficiency and reduced environmental impacts. Customer requirements for more energy-efficient, lower emissions equipment may drive increasing demand.
b) Impact on strategy
We are focused on investing prudently to profitably address our identified climate change-related risks and opportunities. The global transition to cleaner energy has helped drive a shift in customer demand from oil & gas to renewable wind energy, and in response, we have developed specialized tools to build, maintain and decommission wind turbines quickly and efficiently. Similarly, we are responding to demand for battery-powered systems.
c) Climate resilience
Our executive leadership and our board monitor changing customer demand, regulatory requirements and other impacts to our business. We have a diverse portfolio of products and services, as well as key verticals and markets to support our business resilience.
Risk Management
Our company leadership and board of directors are focused on managing our business risks, including climate change-related risks. The process to identify, manage and integrate climate risk, including impacts to business demand and resource-related risks, is embedded in our Enterprise

Risk Management program. Our environmental management system provides the framework to guide our group-wide and site-level climate risk identification and management. We identify, monitor, assess and communicate these risks to help inform our operating and investment decisions.

Metrics

a) Metrics

Our Products: we monitor revenue from our New Product Development, and we monitor revenue by customer industry, such as power generation/renewable energy.

Our efficiency: we measure energy use and efficiency.

b) Scope 1 and Scope 2 GHG emissions

We monitor and report our energy use, but we do not currently publicly report our carbon emissions.

c) Targets

In fiscal 2020 we set a target to grow our New Product Development revenue to 10% of product revenue and achieved >10% and continue to target 10% in fiscal 2021. We will be setting targets for carbon and energy in the coming months.