

Environmental, Social & Governance Committee Charter

1.0 Purpose

The Environmental, Social & Governance (ESG) Committee is a subcommittee of the Kiwi Property Board.

The purpose of the ESG Committee is to identify and consider all relevant 'ESG matters' and to assist the Board in fully integrating Environmental & Social principles into the Governance of the business. This will help achieve the purpose of bringing places to life, through the Company's vision of creating smart, sustainable and connected communities.

The ESG Committee discharges its responsibilities by making recommendations and reporting to the Board on all material 'ESG matters' and issues requiring decisions.

It is recognised that this is a subcommittee of the Board and the role of the subcommittee is to facilitate a common and aligned Board understanding of what is within the scope of the term 'ESG matters'. The 'G' scope of the ESG Committee is not seen as encompassing the overall governance function of the Board, but rather it is to ensure that an 'E&S' lens/filter is applied to all governance and management policies and processes. As such, the ESG Committee acknowledges that overall governance responsibility sits with the full Board and that the Audit and Risk Committee and the Remunerations and Nominations Committee also assists the Board in meeting its ESG responsibilities.

2.0 Composition

Membership of the ESG Committee is determined by the Board. The ESG Committee will comprise a minimum of three Directors, with a majority comprising independent Directors. The ESG Committee will comprise solely non-executive Directors. The Chair of the ESG Committee, who will be determined by the Board, will be an independent Director and cannot also be Chair of the Board.

ESG Committee members are expected to have an appropriate level of knowledge and understanding of environmental, social and governance issues, risk and compliance management activities, as well as legal and regulatory requirements relating to these areas.

Each member of the ESG Committee will be identified on the Company's website and in its annual report.

3.0 Meetings

3.1 Frequency

The ESG Committee will meet at least four times a year (having regard to the Company's reporting cycles) or more frequently as circumstances require.

3.2 Quorum

A quorum is to be comprised of two members. No business may be transacted at a meeting of the ESG Committee unless a quorum is present.

3.3 Committee material

To enable appropriate review by members, ESG Committee papers will be sent to members approximately one week in advance of a scheduled meeting. The content, presentation and delivery of papers to members are to be provided according to guidelines agreed by the ESG Committee and as deemed necessary for its members to effectively discharge their roles and responsibilities. The Chair of the ESG Committee will approve the agenda prior to each meeting.

3.4 Participation

The ESG Committee may ask members of management and/or advisors to attend a meeting and provide pertinent information as necessary. Employees should only attend ESG Committee meetings at the invitation of the ESG Committee.

All non-member Directors may attend each meeting by standing invitation. Members may be present in person, or by direct electronic communication such as telephone or video link.

3.5 Minutes

A complete record of proceedings of all meetings will be kept. Minutes will include the key elements of debates, disclaimers or objections, decisions and the basis of decisions, action plans, matters arising and responsibilities for implementation and recommendations to the Board. Minutes will be maintained by the Company Secretary. Draft minutes will be provided to the Chair of the ESG Committee within 10 business days of each meeting. The Company Secretary will be responsible for the distribution of draft minutes to all Directors following approval by the Chair of the ESG Committee.

3.6 Reporting to the Board

The ESG Committee is accountable to the Board and the Chair of the ESG Committee shall report all material 'ESG matters' immediately to the Board and otherwise report on its activities through the circulation of its minutes, as well as formal and informal communications at the next available Board meeting.

4.0 Responsibilities

The responsibilities of the ESG Committee are to:

- > Understand material 'ESG matters' relevant to the Company based on internal and external stakeholder engagement.
- > Challenge the Company's approach and response to 'ESG matters'.
- > Oversee the implementation of the Company's ESG Policy and practices, ensuring they are consistent with and aligned to the Company's strategy and related policies and frameworks. Then on an ongoing basis monitor the adequacy and effectiveness of this policy.



- > Review and recommend to the Board for approval the ESG strategy, frameworks and initiatives. For the avoidance of doubt, the Board delegates authority to management to prepare, finalise and submit ESG reports to such ESG parties, from time to time, which are made pursuant to the Board approved ESG strategy, frameworks and initiatives.
- > Review and recommend to the Board for approval the ESG objectives, targets and performance indicators (including the tools to measure those items) and monitor and report these to the Board.
- > Together with the Audit and Risk Committee, review and recommend to the Board for approval the Company's ESG related reports (including, for example, the sustainability report but excluding any use of proceeds report required by the Company's sustainable debt framework, which is the responsibility of the Audit and Risk Committee). Review and recommend to the Board for approval any ESG elements of the Company's other reports (including for example, the annual and interim reports).
- > Oversee compliance with statutory responsibilities relating to ESG (including, for example, any mandatory climate-related disclosures required by The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021) but excluding any relating to assurance, consultants providing assurance services or assurance reports which are the responsibility of the Audit and Risk Committee).
- > Oversee compliance with any non-statutory responsibilities relating to ESG (including, for example, any ESG frameworks which the Company may, from time to time, elect to comply with not including the Company's sustainable debt framework).
- > Together with the Audit and Risk Committee, oversee compliance with the Company's sustainable debt framework. The Committee and the Audit and Risk Committee may, from time to time, agree which items of the framework are the responsibility of the Committee and which are the responsibility Audit and Risk Committee, in addition to those set out in the Charter of the Audit and Risk Committee.
- > Consult, co-operate with and co-ordinate its activities with the Audit and Risk Committee when it is necessary or desirable to do so.
- > Review and monitor key trends, issues, regulatory matters in relation to ESG and report these to the Board.
- > Contribute to the review of other key policies and documents to ensure that 'ESG matters' have been fully considered.

5.0 Authority and access

The ESG Committee has the power to conduct or authorise investigations into any matters within the ESG Committee's scope of responsibilities. The ESG Committee is empowered to retain independent counsel, accountants, or others to assist it. Such advice is to be co-ordinated by the Chair of the ESG Committee and all associated costs should be met by the Company.

The ESG Committee has a clear line of direct communication with management, the auditors (internal and external) and the Board. Any employee has access to the Chair of the ESG Committee at any time.



6.0 ESG Committee performance review

The ESG Committee will regularly review the performance and effectiveness of the ESG Committee as a whole and report its findings to the Board, in accordance with procedures adopted by the ESG Committee from time to time for that purpose. The performance review process may include the engagement of an external consultant to facilitate the performance evaluation of the ESG Committee, if the ESG Committee determines such facilitation would be of value. Any recommended, appropriate improvements or changes should be reflected in the ESG Committee Charter.

7.0 Review of charter

The ESG Committee Charter is to be reviewed at least every two years or immediately if there has been a change in the structure of the Company.

For definitions of all capitalised terms contained in this document, please refer to our 'Glossary', which can be found on the Company's website

kp.co.nz/about-us/corporate-governance

Policy owner:	GM Asset Management
Review date:	May 2021
Next review date:	May 2023
Policy approver:	Board

