
# Sustainability in action


2025
Sustainability Report and Climate-related Disclosures

## Contents



**About this report**

This document comprises the FY25 Sustainability Report and Climate-Related Disclosures for Kiwi Property Group.

This Report should be read in conjunction with the 2025 Kiwi Property Annual Report, which is available on our website, kp.co.nz/investors/reporting-suite. See also the GRI Index at kp.co.nz/investors/reporting-suite.

All data in this Report is for the year ended and/or as at 31 March 2025, unless otherwise stated. Due to rounding, numbers within this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

# Message from the ESG Committee Chair and Chief Executive Officer

**Striving for leadership in sustainability focuses our efforts on how we can best create and protect value for our stakeholders.**

Sustainability's role in creating stakeholder value is embedded into our culture, strategy and decisions each day. We can see how sustainability contributes to customer experience first-hand at our Resido build-to-rent community, which was completed in June 2024. We have welcomed residents into sustainable homes and a flourishing community, while showcasing the build-to-rent model as a housing option in the New Zealand market.

To realise our sustainability leadership ambition, we must keep challenging ourselves while navigating the property cycle and external environment. To this end, we set a new Sustainability Strategy during financial year 2025 (FY25). The strategy focuses on five sustainability priorities, underpinned by insights from our comprehensive materiality assessment. New targets and focus areas accompany those priorities, with oversight from the Board to drive accountability and performance.

Managing our investments for sustainability performance increases the appeal of our assets to tenants and customers while optimising their efficiency and reducing their environmental impact. We met or exceeded our sustainability rating targets in FY25, with Resido awarded a 9 Homestar Built rating – the first at this scale in New Zealand to do so.

During the year, we also progressed our decarbonisation efforts, reducing our operational (Scope 1, 2 and selected Scope 3) emissions by a further 14%. We invested in reducing gas use at Vero Centre, resulting in a 16% reduction in consumption that contributed to the asset's improved NABERSNZ rating.

We are investing in the resilience of our assets in the face of climate change, with risk assessments completed at both the portfolio and asset levels, and local mitigation action plans in place. We provide further detail in the Climate-related Disclosure on page 31.

Building a future-fit business goes hand in hand with building a future-fit workforce, with great strides made in this area during the year. Pleasingly, employee engagement increased to 75%.

Our assets are important community spaces, and we work hard to make a positive impact in our local communities. Our continued partnership with the Mental Health Foundation is helping to encourage more New Zealanders to seek support for mental health and wellbeing. Our support for local grassroots initiatives and community groups promotes social engagement and inclusion.

It's been a year of great progress across all five sustainability priorities, thanks to the contribution of our people and the collaborative efforts of our partners. Thank you for your commitment and input into advancing sustainable development with us.

We're excited to be building on our success as we work towards our new sustainability priorities and targets, creating and protecting value for our stakeholders.

Ngā mihi,

**Carlie Eve**
**Environmental, Social and Governance Committee Chair**

**Clive Mackenzie**
**Chief Executive Officer**

23 May 2025

# Sustainability report

# How we create value

**Kiwi Property uses resources and inputs to deliver our business strategy and create value for our stakeholders, guided by our ambition to be Aotearoa New Zealand's leading creator and curator of retail-led, mixed-use communities.**

The inputs into our business activities are financial capital, properties, people and capabilities, partnerships, and nature. Through the execution of our business strategy, we create value for our stakeholders: our people, investors and capital partners, tenants and partners, customers, communities, and the environment. This value creation process is illustrated in the diagram below.

## Inputs

**Financial**
The capital streams we cultivate and access
- Cash
- Debt finance
- Shareholders' equity
- Capital partners

**Properties**
The assets we develop, buy and improve
- Properties
- Plant
- Equipment

**People and capabilities**
Our teams and their skillsets
- Health and wellbeing
- Skills and capabilities
- Training and development

**Partnerships**
Our institutional relationships within society
- Community connections
- Suppliers
- Government and regulators
- Tenants

**Nature**
The resources and places we draw on
- Land
- Water
- Energy
- Materials

## Business strategy

PURPOSE: To create connected communities.

AMBITION: To be New Zealand's leading creator and curator of retail-led mixed-use communities

- Lead the market on retail-led mixed-use
- Grow with diverse sources of capital
- Enable customer and partner success
- Build a future fit business

## Stakeholder groups and Success measures

| Stakeholder groups | | Success measures |
|---|---|---|
| People | We are committed to building a high-performing team that reflects our communities and enables our people to thrive. | • Employee experience<br>• Health, safety and wellbeing<br>• Diversity, equity and inclusion |
| Investors and capital partners | We strive to deliver superior, long-term risk adjusted returns by developing, managing and investing in high-quality New Zealand real estate. | • Adjusted funds from operations<br>• Total shareholder return<br>• Asset valuations |
| Tenants and partners | We work collaboratively with our tenant partners and suppliers to create shared value, enduring relationships and collective success. | • Sales growth<br>• Occupancy levels<br>• Tenant satisfaction<br>• Resident satisfaction |
| Customers | We offer exceptional experiences and create the places where customers want to live, work, play and stay. | • Customer satisfaction<br>• Pedestrian counts |
| Communities | We support and enhance the wellbeing of people in and around our communities. | • Community impact |
| Environment | We are committed to sustainability, with a focus on reducing our environmental footprint and creating enduring spaces for future generations. | • Emissions reduction<br>• Global Real Estate Sustainability Benchmark (GRESB)<br>• Building certifications |






# Materiality

Each year we undertake an exercise to understand our material sustainability priorities and ensure that our Sustainability Strategy is focused on the risks and opportunities most relevant to our business.

We conduct a comprehensive materiality assessment every three years, with input from internal and external stakeholders. In the intervening years, we complete a management review in consultation with internal stakeholders to ensure our sustainability priorities remain relevant and aligned with stakeholder needs.

We undertook a comprehensive materiality assessment in FY24, which identified six material sustainability priorities. During FY25, we reviewed our sustainability priorities while developing our Sustainability Strategy with members of our ESG Leadership Team and ESG Committee (ESGC). We reviewed feedback from our customers, tenants and investors, which led to several adjustments to better align our priorities with our refreshed strategy. Specifically, we made the following changes that were approved by the Board in March 2025:

- Integrated 'Keeping pace with evolving ESG policy and regulatory frameworks' across all priorities to strengthen governance and compliance efforts, rather than having it as a stand-alone priority.
- Rephrased and refined the remaining five sustainability priorities, shown on the right, to ensure they provide clear direction for our sustainability initiatives.

Our next comprehensive double materiality assessment is planned for FY27.

## Material sustainability priorities

### Financially material sustainability priorities

- Manage investments for sustainability performance

### Priorities that are material from both a financial and stakeholder perspective

- Decarbonise and reduce our footprint
- Demonstrate resilience

### Sustainability priorities material to stakeholders

- Build a future fit workforce
- Live up to our role in communities

# Sustainability strategy

Kiwi Property's 2025 – 2030 sustainability strategy reflects our ambition to be recognised as a sustainability leader in New Zealand's property sector.

The strategy guides our environmental, social and business activities, helping us deliver on our purpose of creating connected communities, and identify and reduce business risks.

Building on our 2021 – 2025 sustainability strategy, we have refreshed our strategy to reflect our leadership ambitions, capture changing stakeholder needs, and meet evolving sustainability-related legal and regulatory requirements.

Our refreshed strategy addresses the five sustainability priorities identified through our materiality assessment.

By aligning our sustainability metrics, targets and initiatives with these priorities, we aim to drive meaningful progress across these key areas. This includes embedding sustainability into the heart of our operations and fostering a culture of resilience that supports our long-term success.

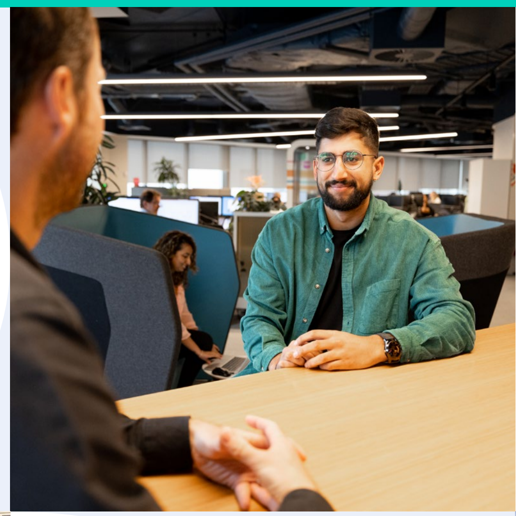
Our Sustainability Strategy was approved by the Board in November 2024. To develop this strategy, we undertook a comprehensive process in 2024. This involved conducting structured research to understand emerging trends, stakeholder expectations, and engaging with key stakeholders. We also engaged external consultants to facilitate two strategic workshops with our Executive Team and Board, respectively, focused on refreshing our strategic positioning, metrics and targets to ensure alignment with our enhanced leadership ambitions.

### Manage investments for sustainability performance (pg 10)

- Sustainable developments
- Energy efficiency
- Sustainable finance

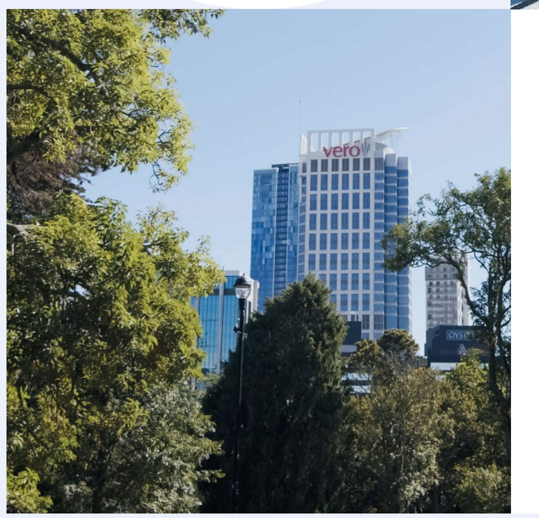
### Demonstrate resilience (pg 18)

- Climate risk
- Adaptation and mitigation



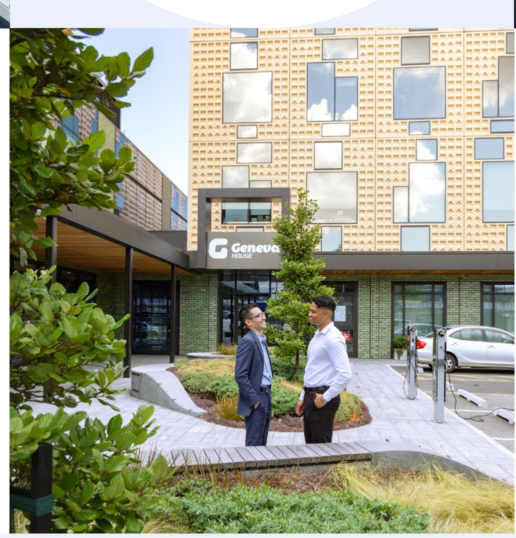
### Live up to our role in communities (pg 26)

- Partnerships
- Community wellbeing



### Decarbonise and reduce our footprint (pg 14)

- Emissions reduction
- Environmental impact



### Build a future fit workforce (pg 22)

- People experience
- Health, safety and wellbeing
- Diversity, equity and inclusion

### Governance

The Board oversees our Sustainability Strategy and its implementation across the business, as part of its responsibilities.

Our governance framework is described in our Climate-related Disclosure on page 34.


# Manage investments for sustainability performance

Managing our investments for sustainability performance means considering their environmental and community impacts throughout their lifecycle

– from initial design and construction through to their ongoing operation, maintenance and enhancement in future years.

The sustainability performance of our new and existing assets contributes to their long-term value, increasing their appeal to tenants while optimising operational efficiency and reducing their environmental impact to support long-term investor returns.

## Focus areas


## Our progress against targets

| Targets | Status | FY25 Progress |
|---|---|---|
| Wholly owned office buildings to target a minimum 4.5-star NABERSNZ rating. | Achieved | All wholly owned office buildings have achieved a minimum 4.5-star NABERSNZ rating. Vero Centre increased its rating to a 4.5 star due to reduced gas consumption and building system improvements.<br>Geneva House (3 Te Kehu Way) has not yet been rated and will become eligible for a rating in FY26. |
| New office and retail buildings to target a minimum 5 Green Star rating. | Not applicable for FY25 | No new office or retail developments were commenced or completed during FY25. |
| New residential buildings target a minimum 7 Homestar rating. | Achieved | Resido achieved a 9 Homestar Built rating in FY25, the first of this scale to achieve 9-stars in New Zealand. |

## Contributing to the Global Goals

Our targets are designed to help achieve the following United Nations Sustainable Development Goals (UNSDGs):


## Sustainable developments

We design and create environmentally sustainable assets that appeal to tenants and their customers over the long term. We apply smart design, materials selection, and construction initiatives to reduce the environmental impact of our buildings.

Industry rating tools provide an independent assessment of the sustainability of our buildings and developments, including Green Star, NABERSNZ, and Homestar. These tools consider a variety of factors to assess building performance, including energy efficiency, indoor environment and tenant wellbeing.

Our Resido build-to-rent residential development was awarded a 9 Homestar Built rating, exceeding our target of a minimum 7 Homestar rating and surpassing the 8 Homestar Design rating awarded in FY24. Resido apartments feature energy-efficient appliances and lighting, double glazing and water-wise fixtures, complemented by communal rainwater collection and waste management systems that reduce environmental impacts. Find out more in the case study on page 13.

## Energy efficiency

We benchmark the energy efficiency and performance of our office assets using the independent NABERSNZ rating tool. We have set a new target to achieve a minimum 4.5-star NABERSNZ rating for existing office buildings, a 0.5-star increase from our previous goal. All wholly owned office buildings in our portfolio met or exceeded this rating in FY25. Geneva House will become eligible for a rating in FY26.

The Vero Centre increased its rating from 4 to 4.5-star NABERSNZ during the year, following the electrification of various heating and hot water systems, efficiency improvements, and reducing gas consumption through the optimisation of the remaining gas boilers. See page 16 for more information.

ASB North Wharf also increased its rating from 4.5 to 5-star NABERSNZ after implementing energy efficiency improvements. Find out more about our collaboration with our tenant, ASB Bank, on page 28.

### Building Ratings as at 31 March 2025

| | |
|---|---|
| Resido | 9 Homestar v 4.1 Built |
| Geneva House (3 Te Kehu Way) | 6 Green Star Design & As Built NZv1.0 Built |
| ANZ Raranga | 5.5-star Star NABERSNZ<br>5 Green Star Office Design |
| ASB North Wharf | 5-star NABERSNZ<br>5 Green Star Office Design |
| The Aurora Centre | 5-star NABERSNZ |
| Vero Centre | 4.5-star NABERSNZ |


## Sustainable finance

Managing our investments for sustainability performance allows us to access a greater pool of investors in the capital markets and in particular those with an ESG focus. We continued our strong track record of green bond issuance in the New Zealand market, issuing a $125 million green bond in December 2024 for a 5.5 year term. This is our seventh green bond, with four successful issues currently outstanding from 2018, 2021, 2023 and 2024.

Green bonds are use of proceeds instruments where borrowed funds are used for specific sustainability-related purposes. During FY25, green bond proceeds continued to finance or refinance energy efficient buildings in our office portfolio and our Resido build-to-rent development.

The green bonds are underpinned by our Sustainable Debt Framework, which sets out how we intend to use sustainable debt and the external principles and standards we apply to govern their management, reporting and assurance.

Case study

## Welcoming residents to Resido

Our 295 build-to-rent apartment building, Resido, shows how investing for sustainability performance can create a great experience for our residents. Located adjacent to our Sylvia Park shopping centre, Resido is now home to a community of over 400 residents with 85% of apartments leased at 16 May 2025.

Resido is appealing to our target market, with 48% of residents in professional occupations and 80% of leases being for 12 months or more. Pet owners are particularly attracted to the community's pet friendly policy, with 36% of our residents having pets.

Resido has been awarded a 9 Homestar Built rating, surpassing the 8 Homestar Design rating received in FY24. Both ratings recognise the development's strong sustainability credentials, including energy-efficient appliances and lighting in apartments and a comprehensive waste management and recycling centre to support tenant recycling.

Tenants are enjoying the Resido lifestyle, rating the overall experience 4.6 out of 5 in the resident satisfaction survey conducted in December 2024. Tenants appreciate the sense of community, along with the gym and communal facilities such as the rooftop BBQ, gardens and parcel lockers. The location close to both public transport and Sylvia Park shopping centre were also top-rated amenities amongst residents.

# Decarbonise and reduce our footprint

We create places with reduced environmental impacts and support stakeholders on their low-carbon journey.

By integrating sustainable design and operations, we reduce greenhouse gas (GHG) emissions, conserve resources, and promote healthier spaces. This enhances our assets' sustainability credentials, creating opportunities for collaborative partnerships with suppliers and tenants.

These partnerships enable us to work with tenants to reduce operational emissions and our environmental impact. By supporting our tenants and fostering a culture of sustainability, we support stakeholder wellbeing and enhance our business' long-term value.

## Focus areas



## Our progress against targets

| Targets | Status | FY25 Progress |
|---|---|---|
| 20% reduction of operational (Scope 1, 2 and selected Scope 3)[1] GHG emissions by 2030.<br>Scope 1 and 2 emissions are fully offset by the purchase of voluntary carbon credits by 2030. | On track | 14% reduction in operational emissions compared to FY24 base year.[2] |
| Divert 85% construction waste (by weight) from landfill for new asset developments. | Achieved | 92% construction waste (by weight) diverted from landfill during our Resido development. |

## Contributing to the Global Goals

Our targets are designed to help achieve the following United Nations Sustainable Development Goals (UNSDGs):


1. Operational emissions are the emissions attributed to the day-to-day activities of our buildings and operations. Kiwi Property includes in our selected scope 3 emissions waste from our operations, water, business travel, taxis, mileage, accommodation and transmission and distribution losses from energy (electricity and gas).
2. The Ministry for the Environment has released changes to the emissions factors used in calculating GHG emissions. The new factors have not been applied to the GHG emissions information in this report due to timing and impracticality to update and review data prior to the release of this report. These factors are not entity specific and the timing of release of these factors is not in Kiwi Property's control. Based on current estimates the new factors would potentially materially impact Scope 2 emissions (electricity emissions factor has increased by 38%) and Scope 3 (waste emissions factor has reduced by 12%).


We are committed to reducing our emissions to minimise our environmental footprint. Compared to our FY24 baseline, we have reduced annual operational emissions (Scope 1, 2 and selected Scope 3 GHG emissions) by 14%. In FY25, our total Scope 1 and 2 emissions were 933 $tCO_2e$, a 13% decrease from FY24.

We implemented several initiatives from our Decarbonisation Plan during the year. We invested in reducing our energy consumption, waste, and removing gas from the base build of our assets. We continue to focus on diverting waste from landfill with comprehensive waste management programmes in our assets and during development activity.

For further emissions information, please see our Climate-Related Disclosure on page 31 and Greenhouse Gas Inventory Report on page 65.


### Energy

We reduced our consumption of grid electricity by 5% across our operations, driven by our commitment to energy efficiency. At Vero Centre, we have commenced the process to remove gas use in the common areas (base building), following similar efforts at Sylvia Park last year. This has led to a 13% reduction in GHG emissions at Vero, which supported the effort to increase its NABERSNZ rating to 4.5 Stars. We are now working to phase out gas from common areas across our portfolio where practicable, with 51% of our assets (by NLA) currently gas-free in their base building. These initiatives reflect our ongoing commitment to decarbonisation and sustainable energy practices.

### Waste

Our waste management programmes encourage tenants and customers to reduce waste sent to landfill and increase recycling. In FY25, our operations sent 171 tonnes less waste to landfill compared to FY24, representing a 8% reduction across our portfolio.

We implemented targeted asset-level initiatives to improve our waste performance. At Sylvia Park, we continued working with retailers to enhance recycling and sorting processes at waste dock areas in partnership with Professional Property & Cleaning Services (PPCS) and Rubbish Direct. Recycling Week at the centre also featured activities promoting waste reduction and recycling. In collaboration with ImpacTex, a New Zealand-based textile recovery and recycling company, we encouraged customers to recycle unwanted clothing items. Through these waste management and recycling efforts, waste to landfill at Sylvia Park has been reduced by 17% and recycling increased by 49% over the same period.

We are also exploring innovative ways to upcycle materials and model sustainable practices. Where we can repurpose materials and we have also used saveBOARD panels, made from recycled plastic and tetra packs, for hoardings. These panels can be returned for recycling when no longer needed.

At Vero Centre, we held a clothing drive to support Dress for Success for Recycling Week. Employees donated pre-loved clothing, shoes, and handbags to empower women through the charity's mission. These initiatives reflect our commitment to fostering sustainability across our operations and communities.

### Water

We have been working on improving our water management processes with a reduction in FY24 however, this year we used more water compared to FY24 due to water-intensive construction activities at The Plaza. In FY25, we increased our buildings' consumption of potable water by 7% compared to FY24.

For further information on GHG emissions, please see our Climate-Related Disclosure (CRD) on page 31.

Case study

## Sylvia Park's award winning green planting

Sylvia Park's planting and compost programme, recognised by the Interior Plantscape Association in 2024, showcases Kiwi Property's commitment to minimise our environmental footprint. The initiative, developed in partnership with Outside In, transformed the 210,000m2 precinct into a vibrant green hub, integrating waste management, community engagement, and environmental stewardship.

The project features a fully circular composting system that processes food waste, coffee grounds, and green waste from the shopping centre. Since July 2024, over 13,600 kilograms of waste have been composted onsite, producing 12m³ of premium compost to enrich soil and reduce fertiliser use. Rainwater harvesting also captures runoff from the carpark building in a 25,000-litre tank for irrigation.

The project also includes a community garden that was established in conjunction with Sylvia Park School. Approximately 40 students known as Eco Warriors, participated in hands-on gardening sessions led by horticulturists, learning about nature while sharing harvested produce with their families. This has helped with school attendance, improving attendance on days when students participated in the gardening session.

Kiwi Property recognises that reducing environmental impact is a collaborative effort. The project enhances biodiversity with over 350 trees and 5,000 shrubs across the precinct while promoting organic care practices.

Sylvia Park's green corridor demonstrates how landlords can drive sustainability by fostering community connections and inspiring future generations to value nature.

# Demonstrate resilience


We demonstrate resilience by proactively addressing the increasingly complex and interconnected challenges posed by climate change.

This is particularly important as climate-related weather events become more frequent, severe and unpredictable.

By integrating climate resilience into our core operations and decision-making processes, we protect our asset value, reduce the risks of additional costs associated with climate-related disruptions, ensure the safety of our tenants and customers, and minimise financial risks.

## Focus areas



## Our progress against targets

| Targets | Status | FY25 Progress |
|---|---|---|
| 100% of assets[1] have climate risk mitigation and/or adaptation plans by 2027. | Achieved | All assets have climate risk mitigation or adaptation plans in place. |
| 100% of new asset developments to be designed for climate resilience. | Achieved | Climate resilience was considered and incorporated into the design of Resido which opened in FY25. |

## Contributing to the Global Goals

Our targets are designed to help achieve the following United Nations Sustainable Development Goals (UNSDGs):

1. Development land and sundry properties are excluded from this target.


We are committed to proactively identifying and managing climate risk. This enables us to develop informed strategies to plan for and mitigate risks in the short, medium and long term, helping to protect the long-term value of our assets.

Collaboration is central to our approach. We work closely with tenants, suppliers and stakeholders to reduce emissions, strengthen resilience, and transition toward a low-carbon future.

We provide detailed information about our approach to managing and addressing climate risks and opportunities in the Climate-Related Disclosure (CRD). It describes our robust approach to assessing physical and transitional climate risks across our portfolio. This includes undertaking climate risk assessments, developing decarbonisation plans for each asset, and integrating these considerations into our refreshed sustainability strategy this year. For more details on climate risk, see our CRD on page 42.


We are dedicated to strengthening the resilience of our assets through climate mitigation and adaptation strategies, supporting the safety and wellbeing of our people, tenants and local communities.

Recognising the physical risks, such as extreme weather events, and transition risks associated with the shift to a low-carbon economy, Kiwi Property engaged an engineering consultancy, Beca New Zealand, to undertake a high level climate risk assessment for our portfolio in FY25. Asset level assessments are reviewed annually by the asset teams to maintain awareness of significant risks and opportunities, supporting proactive mitigation initiatives.

Climate adaptation is designed into our new asset developments and embedded into our asset management practices such as upgrading existing guttering to provide more capacity and stormwater design to include water gardens. We prioritise the safety of our tenants and customers by proactively preparing for extreme weather events, conducting regular emergency drills at our centres. Facility managers, customer service teams and security guards participate in desktop exercises addressing extreme weather-related risks such as flooding, to strengthen our preparedness and resilience. We integrate climate considerations into our decision-making processes and ten year capital expenditure budgets, Kiwi Property is focused on asset resilience in a changing environment.

Case study

## Our vision for Drury Town Centre

Kiwi Property's Drury Town Centre development reinforces our commitment to mitigating the potential physical impacts of climate through design and forward planning. Projected increases in increased rainfall intensity and storm events have been considered in stormwater design, and the site's general elevation above the Hingaia stream and Fitzgerald flood plains provides some natural protection.

Elevated flood levels have been factored into planning, helping to prepare the site for higher-than-current flood risks in the future.

Provisioning for rainwater harvesting and on-site solar energy will help the buildings adapt to impacts of changing environmental conditions in the decades ahead. These measures both support the functionality of the future Drury Town Centre and support its long-term sustainability.

Our approach demonstrates Kiwi Property's commitment to designing climate risk mitigations into our developments.

# Build a future fit workforce

We invest in our people, recognising that a strong and diverse workforce is essential for our success.

We go beyond traditional health and safety measures by taking a holistic approach that prioritises employee inclusion, belonging, and mental health. We understand that a strong organisational culture thrives when every individual feels valued, respected and empowered to contribute their unique perspectives and experiences.

By prioritising these aspects, we enhance employee engagement, retention and satisfaction, which in turn drive innovation, productivity and long-term business performance.

## Focus areas




## Our progress against targets

| Targets | Status | FY25 Progress |
|---|---|---|
| 40:40:20 gender split in Board, Executive and Senior Leadership Team. | Achieved | This target was met in FY25 for the Executive and Senior Leadership teams but was not achieved at Board level. Executive Team: 40% female; 60% male. |
| | Achieved | Senior Leadership Team: 48% female; 52% male. |
| | Not achieved | Board: 33% female; 67% male. |
| Achieve employee engagement better than the New Zealand companies median benchmark.[1] | Achieved | At 75% our engagement score is 7% above the New Zealand company median benchmark, placing us in the top quartile. |
| Aspiration that the workforce more closely reflects the ethnic make-up of New Zealand | On track | Kiwi Property reset expectations with recruitment partners to ensure diverse talent pools are presented for all roles. |

## Contributing to the Global Goals

Our targets are designed to help achieve the following United Nations Sustainable Development Goals (UNSDGs):

1. Culture Amp New Zealand Companies (100-200) benchmark.

## People experience

People experience is a key pillar of our People Strategy. Our focus is to create meaningful impact for our people throughout their employment while ensuring we remain relevant and attractive to future employees.

We survey our employees annually to measure their engagement and understand their sentiments on important workplace matters such as leadership, wellbeing, flexibility, recognition, and health and safety. Our FY25 employee engagement score was 75%, an 8% increase from the year prior. The survey revealed that our focus on flexibility, wellbeing and building an inclusive culture resonated deeply with our people.

This year, we invested in building the leadership capability of our senior leaders and launched our high-performance leadership programme.

We have focused on the growth and development of our people, proactively working with leaders to create career opportunities. In FY25 we doubled the number of roles that were filled internally and employee sentiment on career opportunities at Kiwi Property increased by 6%. We are also creating opportunities for future talent with 5 graduates or students currently working in the business.

## Health, safety and wellbeing

Ensuring the safety of our people is a key priority at Kiwi Property. In October 2024, St John Ambulance provided CPR and defibrillator training at Vero Centre. For further information on employee health and safety, see Community Wellbeing on page 28.

This year, we undertook a targeted survey which gathered vital information on the wellbeing of our people, and we introduced initiatives such as birthday leave while continuing to offer flexible working arrangements and health-focused programmes like flu vaccinations, mole maps and mental health support.

We also launched our partnership with 'My Everyday Wellbeing', a wellbeing platform that provides our people with the tools and resources to take the reins for their own health and wellbeing.

| Health & safety | FY24 | FY25 |
|---|---|---|
| Employee notifiable injury/incidents | Zero | Zero |
| Employee Health and Safety Board reportable incidents | Zero | One |
| Lost Time Injury Frequency rate for development activities (per 200,000 hours worked) versus BLHSDF benchmark of 1.95 | Zero | Zero |

## Diversity, equity and inclusion

At Kiwi Property, fostering diversity, equity and inclusion is integral to building a future-fit workplace. This year, we reset expectations with our recruitment partners to align with our diversity goals, ensuring diverse talent pools are presented for all roles, and equipping hiring managers with a guide to attracting diverse talent, and removing bias in the process.

We also enhanced our parental leave benefits by introducing employer KiwiSaver contributions while our employees are on unpaid parental leave – above and beyond legal requirements. By contributing a percentage of salary for up to six months, we help mitigate the retirement savings gap often experienced by primary carers.

Case study

## Keystone Trust scholarship

Kiwi Property is proud to maintain a long-standing partnership with New Zealand's charitable Keystone Trust, supporting students as they pursue tertiary studies in property-related fields. Since 2019, we have seen our Keystone Scholarship recipients excel in their university journeys and transition into meaningful roles within Kiwi Property.

This year, Skylah Hewett is completing her final year of a conjoint Bachelor of Law and Bachelor of Property degree at the University of Auckland and is currently working part-time in our busy Legal team.

In July 2024, Bhavik Paragji, a third-year Bachelor of Property and Commerce student at the University of Auckland, joined us at Vero as a Leasing Assistant, Bhavik has been working part-time during the academic term supporting the Income and Leasing team.

We are delighted to see Skylah and Bhavik thrive in their roles, actively contributing to our vision of a future-fit, diverse, and inclusive workplace through their practical experience and impactful contributions.

# Live up to our role in communities

Our assets are community spaces, home to services, amenities and experiences that our tenants, customers and local communities use and enjoy.

As the owner and operator of these spaces, we strive to live up to our role in communities by partnering with others to advance our sustainability goals, and providing spaces that are safe, welcoming and supportive of community wellbeing.

## Focus areas


## Our progress against targets

| Targets | Status | FY25 Progress |
|---|---|---|
| Work with key suppliers to integrate sustainability criteria into all new agreements. | On track | Sustainability criteria were included in a major multi-asset security procurement in FY25. |
| Zero fatalities at our assets due to our property management and health and safety practices. | Achieved | There were zero fatalities within our assets in FY25 associated with our property management and health and safety practices. |

## Contributing to the Global Goals

Our targets are designed to help achieve the following United Nations Sustainable Development Goals (UNSDGs):


We partner with our suppliers and tenants to advance our common sustainability goals.

**Sustainable supply chain**

We use our purchasing power to partner with suppliers to achieve better environmental and social outcomes for our projects and operations. Our ESG Procurement Guidelines embed sustainability considerations into our purchasing practices to build our understanding of the sustainability of our key operational suppliers.

We applied our sustainable procurement process to a major multi-asset security contract during FY25 – one of our highest value asset management commercial agreements. Tendering providers completed our sustainability questionnaire as part of their submission, outlining their approach to topics such as emissions and waste management, labour rights, workforce diversity, career development and employee wellbeing. The sustainability questionnaire contributed to the scoring and assessment of tenderers, and the selected provider's contract commenced in April 2025.

We continued to develop our Supplier Code of Conduct, incorporating insights from our sustainable procurement process.

**Collaborating with tenants**

Our sustainability ambitions are interlinked with those of our tenants, and we rely on each other to achieve them. Our tenant engagement programme continues to gather feedback about how we can collaborate to reduce our assets' environmental impact and contribute to our local communities.

At ASB North Wharf, we worked closely with our tenant, ASB Bank, to progress our shared sustainability goals. We undertook energy efficiency improvements such as recommissioning of the HVAC system and reducing gas usage through management of the boilers, which increased the building's NABERSNZ rating to 5-star. Together we are exploring further building management system upgrades to continue improving the building's performance.

**Giving back to our communities**

We connect our people with local community organisations through our volunteering programme. Employees can use one day of paid leave to volunteer with non-profit organisations in our local communities, offering much-needed assistance alongside their fellow team members.

During FY25 our teams also raised money for various charities through Christmas gift wrapping in our shopping centres, as well as supporting Mental Health Awareness Week and coordinating donations to the Salvation Army, City Mission Palmerston North, and Auckland City Mission.


To live up to our role in communities, our assets must be safe, inclusive and welcoming to support community wellbeing.

**Ensuring the safety of tenants and customers**

We take our responsibilities for the safety and wellbeing of our tenants and customers very seriously. We work closely with industry experts to continually review, refine and improve safety systems across our assets and workplaces. All assets are covered by our Health and Safety Policy and procedures, with safety integrated into our governance and management practices and reported to the Executive Team and the Board.

We are focused on having robust health and safety systems in place, including investing in our assets' security. We work closely with our service contractors to make personal safety equipment such as body cameras and vests available to guards working at our assets.

We completed a comprehensive safety and security audit of selected retail assets during FY25, rigorously testing our approach to drive further improvement. The audit confirmed the aspects of asset security we handle well, and identified enhancement opportunities.

**Fostering wellbeing in our local communities**

Our assets are places where community members come together to spend time with colleagues, neighbours, friends and family – with 37.2 million customers visiting our mixed-use assets this year. Throughout the year, we encourage our customers, tenants and our own Kiwi Property team to participate in events and initiatives that encourage greater wellbeing and inclusion.

Our partnership with the Mental Health Foundation (MHF) is focused on raising awareness of the importance of mental health and wellbeing. We supported several of the Foundation's campaigns and celebrations in FY25, including Pink Shirt Day and Mental Health Awareness Week.

Together with the Foundation, we created our second Christmas book with 20,000 copies produced to gift to the children who visited Santa at a Kiwi Property shopping centre. Following the success of 'Where's Holly's Hat?' in 2023, this year's book saw Holly the curious kākāpō and her friends discover that friendship and togetherness are the best gifts of all. These books are designed to teach children the different aspects of the "5 ways of wellbeing" framework.

Our Sylvia Park shopping centre Christmas gift wrapping booths also supported the Foundation, raising over $40,000 to support positive mental health.

We are looking at new ways to develop our MHF partnership in FY26 and beyond and will explore how we can incorporate education and wellbeing into our activities to benefit both our communities and the Foundation.

We celebrated the days of significance relevant to our local communities throughout the year, including Matariki, Lunar New Year and Diwali.

At Northlands, we marked Daffodil Day together with The Canterbury Cancer Centre to fundraise for the Cancer Society with tenants and customers.

The Base introduced The Big Tautoko, a community initiative to support local Waikato charities. Community members nominated deserving organisations, with four selected at random to win a share of $6,500 in products and resources from retailers at The Base. The nominees – Community Link Trust, Kids In Need Waikato, Mates Matter and Paws 4 Life – each received a share of the prize pool based on the customer votes, as well as exposure and increased awareness of their work in the local community.

Case study

## Contributing to communities during Mental Health Awareness Week

We joined with our tenants, customers and local communities to celebrate Mental Health Awareness Week in September 2024, in partnership with the Mental Health Foundation of New Zealand. The 2024 theme of 'Community is what we create together' was particularly relevant to Kiwi Property, and built on the Foundation's research into the important role that community plays in how people get through tough times.

Our team at The Plaza joined with customers, tenants and contractors to donate 181 food items to City Mission Palmerston North to help address food insecurity in the local community. The Centre Place asset team and cleaning and security contractors provided similar support for the St Vincent de Paul foodbank and Salvation Army in Hamilton.

At the Sylvia Park Community Garden, team members volunteered to plant the garden's new orchard with the Sylvia Park Primary Eco Warriors, under the guidance of landscapers, Outside In. Together we planted peaches, nectarines, apples and citrus, which the Eco Warriors hope to harvest in 2025. Find out more about the Eco Warriors programme on page 17.

At our Drury development, we are helping to connect community members by participating in the Papakura Community Resilience Network with Auckland Council and other local stakeholders to support disaster readiness. The Mental Health Foundation's research found that community played a crucial role in wellbeing following the Anniversary Day floods and Cyclone Gabriel in 2023. The Network encourages local community education on disaster readiness, as well as getting to know your neighbours. Drury will become a Community Emergency Hub, where people can seek assistance in times of need, and we are supporting local get-togethers and street based support groups as a Network member.

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This sustainability report contains both current and forward-looking information that is based on:

- Incomplete and estimated data; and
- Our judgements, opinion and assumptions about matters relating to sustainability (including, but not limited to, climate change) and its impact on Kiwi Property.

The information in this report is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation. However, matters relating to sustainability (including, but not limited to, climate change) and related governing frameworks are subject to uncertainties and data challenges, and this gives rise to uncertainties as to the impact of these matters on Kiwi Property's business and the conditions in which it operates. We caution reliance on information that is necessarily subject to significant risks, uncertainties and/or assumptions.

This document contains certain "forward-looking statements" such as indications of, and guidance on, future earnings and financial position and performance, including performance against sustainability metrics, targets and initiatives. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions. The forward-looking statements contained in this document are not guarantees or predictions of future performance, and are based on estimates, goals, forecasts and judgements. The forward-looking statements are given in good faith and have been based on estimates, judgements, assumptions and data that Kiwi Property considers to be reliable, accurate and appropriate as at the date of this document. Forward-looking statements involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Kiwi Property, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There is no assurance or guarantee that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Kiwi Property expects that some forward-looking statements in this document may be restated or amended in future disclosures. Kiwi Property does not represent that those forward-looking statements will not change following publication. You should consider the forward-looking statements contained in this document in light of this information.

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# Climate-related disclosures

# Reporting entity and statement of compliance

Kiwi Property Group Limited is a climate reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These Climate-related disclosures are the Group Climate Statements of Kiwi Property Group Limited that are required to be prepared under sections 461Z to 461ZB of the FMCA. These climate statements include climate-related disclosures for Kiwi Property Group Limited and its controlled entities. References to "Kiwi Property", "we" and "our" in these climate statements are to the group as a whole. The climate-related disclosures in these climate statements comply with the Aotearoa New Zealand Climate Standards ("**NZ CS**") issued by the External Reporting Board ("**XRB**"). In preparing these climate statements, Kiwi Property has elected to use the following adoption provisions contained in NZ CS 2:

i. Adoption provision 2, which exempts Kiwi Property from disclosing in its first and second reporting period the anticipated financial impacts of climate-related risks and opportunities it reasonably expects;

ii. Adoption provision 4, which exempts Kiwi Property from disclosing in its first and second reporting period greenhouse gas ("**GHG**") emissions in metric tonnes of carbon dioxide equivalent classified as scope 3. Kiwi Property has elected to use this exemption in respect of certain categories of scope 3 emissions, which it has not disclosed. A table setting out the scope 3 emissions sources excluded from these disclosures is set out at page 70 of these climate statements. The GHG emissions excluded from these climate statements are the same as for the climate statements for the financial year ending 31 March 2024 ("FY24") and accordingly Kiwi Property does not rely on adoption provision 5;

iii. Adoption provision 6, which permits Kiwi Property in its second reporting period to provide only one year of comparative information for each metric disclosed;

iv. Adoption provision 7, which exempts Kiwi Property in its first and second reporting periods from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period; and

v. Adoption provision 8, which permits Kiwi Property to exclude its scope 3 emissions disclosures from the scope of the assurance engagement for accounting periods ending before 31 December 2025. While Kiwi Property is disclosing some scope 3 GHG emissions, these have not been mandatorily assured. Kiwi Property is also relying on the Financial Markets Conduct (Climate-related Disclosures – Assurance Engagement) Exemption Notice 2025, which exempts Kiwi Property from section 461ZH(1) of the FMCA to the extent that the group climate statements are required to disclose scope 3 greenhouse gas emissions.

### Period covered

This disclosure covers the period from 1 April 2024 to 31 March 2025 (FY25).

### Important notice

These climate statements contain both current and forward-looking information that is based on:

- incomplete and estimated data; and
- our judgements, opinions and assumptions about matters relating to climate change and its impact on Kiwi Property.

The information in this report is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation. However, climate change and the frameworks that govern it are subject to uncertainties and data challenges, and this gives rise to uncertainties as to the impact of these matters on Kiwi Property's business and the conditions in which it operates. We caution reliance being placed on information that is necessarily subject to significant risks, uncertainties and/or assumptions.

These climate statements contain forward-looking statements and opinions, including climate-related ambitions, targets, assumptions, scenarios, risks and opportunities, anticipated impacts and strategies. These forward-looking statements should not be taken as facts or guarantees of future performance, but rather as estimates, goals, forecasts and judgements based on Kiwi Property's understanding and estimates of the current and anticipated impacts of climate change as at the date of publication of these climate statements. Forward-looking statements and opinions involve known and unknown risks, uncertainties and other factors that are, in many cases, beyond Kiwi Property's control and/or likely to change over time. Kiwi Property's performance against its climate-related ambitions and targets, and the strategies that it adopts, may differ materially from what is described in this report. In addition, climate-related risks and opportunities may be more or less significant than described in this report and new risks and opportunities may eventuate over time. Assumptions and scenarios are subject to change without notice, as are statements about climate change and the global and domestic response to it.

Kiwi Property expects that some forward-looking statements and/or opinions in this document may be restated or amended in future disclosures as methodologies, data and strategies continue to improve. Kiwi Property does not represent that those forward-looking statements and/or opinions will not change following publication of these climate statements, and gives no undertaking to update the information in these climate statements over time (subject to legal or regulatory requirements, including requirements to produce climate statements under the FMCA in future years).

These climate statements are not an offer document and do not constitute an offer or recommendation to invest in, distribute or purchase financial products. Nothing in this Report should be taken as investment, capital growth, earnings or any other legal, financial, tax or other advice or guidance.

Approved on behalf of the Board on 23rd May 2025.

Carlie Eve
**Environmental, Social Governance Committee Chair**

Mary Jane Daly
**Audit and Risk Committee Chair**

# Governance

**This section sets out how Kiwi Property's Board oversees climate-related risks and climate-related opportunities, and the role our management plays in assessing and managing those climate-related risks and opportunities.**

## Kiwi Property's Board of Directors

Kiwi Property's Board of Directors (Board) has overall responsibility for oversight of business risks and opportunities, including in relation to climate change. The Board establishes Kiwi Property's strategic direction and financial and non-financial objectives, including by approving Kiwi Property's Sustainability Strategy. In addition, the Board is responsible for understanding and ensuring the management of the risks facing Kiwi Property in achieving its objectives, including climate-related risks.

The Board is supported in its oversight of climate-related risks and opportunities by the following Board sub-committees:

- The Audit and Risk Committee (ARC) assists the Board in its oversight of Kiwi Property's risk management framework and the monitoring of compliance within that framework, including in relation to climate-related risk.
- The Environmental, Social and Governance Committee (ESGC) also assists the Board in its oversight of climate-related risks and opportunities, including by reviewing and recommending to the Board for approval Kiwi Property's Sustainability Strategy.

A Due Diligence Committee (DDC) was established to assist the Board by coordinating and overseeing the due diligence process for the FY24 climate-related disclosures, however Kiwi Property no longer has a separate Due Diligence Committee for this purpose.

The Board (including Board sub-committees) is informed about climate-related risks and opportunities in the following ways:

- In FY25, the Board attended a workshop with a view to identifying potential mitigations for two of Kiwi Property's most material climate-related risks (relating to insurance and sustainability ratings – see further on page 42). This workshop was held in March 2025 and involved the Board considering a "failure" scenario in relation to the two key risks.
- The Board is involved in the climate risk assessment process, which is undertaken by the ESG Leadership Team. In FY25, Kiwi Property undertook a review of the climate-related risks it had previously identified as described on page 42 of these climate statements, with the Board approving the risks identified.
- Risks identified as key risks (including any in relation to climate change) are included in Kiwi Property's risk register and monitored by the ARC. The risks are typically considered by the Risk and Compliance Committee and reported to the ARC quarterly.
- Kiwi Property's climate-related disclosures are overseen by the ARC and recommended to the Board for approval.
- The ESGC approves the workstreams that Kiwi Property is intending annually to undertake in relation to the Sustainability Strategy and reviews our performance against those identified workstreams. For FY25 these workstreams included strengthening resilience against climate-related physical risks. The ESGC also receives an annual update on our progress on emissions reductions and achieving sustainability ratings for our property portfolio, as described further in the Metrics and Targets section of this report.
- In FY25, the ESGC met five times. The ESGC Chair updates the Board on material ESG matters at each quarterly Board meeting, and all directors can access ESGC papers and attend ESGC meetings at any time.

**Table 1: Organisational structure relating to oversight and management of climate-related risks and opportunities**

| | |
|---|---|
| **Governance** | |
| **Kiwi Property Board**<br>Oversees the business and affairs of Kiwi Property and establishes the strategic direction and objectives, including approving the Sustainability Strategy.<br>Understands and ensures the management of business risks, including climate-related risks. | |
| **ARC**<br>Purpose is to assist the Board with the proper and efficient discharge of its responsibilities to exercise due care, diligence and skill in relation to the oversight of (amongst other things) the risk management framework and the monitoring of compliance within that framework.<br>Reviews Kiwi Property's key enterprise risks, including in relation to climate change.<br>Together with the ESGC, oversees compliance with Kiwi Property's sustainable debt framework.<br>Meets at least four times a year. | **ESGC[1]**<br>Purpose is to identify and consider all relevant and material Environmental, Social and Governance (ESG) matters and to assist the Board in fully integrating ESG principles into the governance of the business.<br>Reviews and recommends to the Board the Sustainability Strategy, frameworks and initiatives.<br>Monitors and reports to the Board in relation to Kiwi Property's material ESG matters (including climate-related).<br>Oversees compliance with statutory responsibilities relating to sustainability.<br>Together with the ARC, oversees compliance with Kiwi Property's sustainable debt framework.<br>Meets at least four times a year. |
| **Management** | |
| **Executive Team**<br>Comprised of Chief Executive Officer, GM Income and Leasing, GM People, GM Asset Management and Chief Financial Officer.<br>Participates in the climate risk assessment process. In FY25, this included reviewing Kiwi Property's climate-related risks and opportunities and the impact on Kiwi Property's strategy.<br>GM Asset Management is responsible for overseeing the delivery of the Sustainability Strategy. | |
| **Risk and Compliance Committee**<br>Comprised of Chief Executive Officer, GM People, GM Asset Management, Chief Financial Officer, Head of Legal and Heads of Development.<br>Reviews the register of key risks, including where these key risks relate to climate change.<br>Reports quarterly to the ARC. | **ESG Leadership Team**<br>Comprised of Head of Legal, Head of Sustainability, Head of Development, Finance Director, Head of Corporate Finance & Investor Relations, National Retail Assets Manager and Head of Facilities & Tenancy Delivery.<br>Participates in the climate risk assessment process. Implementation of the Sustainability Strategy across the business.<br>Meets at least four times a year. |
| **Asset Management Teams**<br>Comprised of Facilities Managers and Marketing Managers.<br>Implement sustainability plans (including where these relate to climate-related risks) at asset and operational levels. | |

1. Following FY25, Kiwi Property has decided to consolidate the three current Board subcommittees into two, which will result in the ESGC being dissolved and the responsibilities of the ESGC being reallocated into the work of the two remaining subcommittees.

## Competency and skillset of the Board

The Board aims to ensure that it has the appropriate mix of skills and competencies to provide effective governance of Kiwi Property, including in relation to climate-related risks and opportunities. Management regularly provides information to the ESGC on climate-related topics such as climate governance, reducing emissions for construction and transition planning. The ESGC is also provided with regular updates on Kiwi Property's climate-related disclosures and on progress towards deliverables directly related to the Sustainability Strategy. The ESGC accesses expertise in climate-related issues from management and from external consultants as required. Kiwi Property uses a Board skills matrix to assess the skills and competency of the Board. This does not currently include climate change specifically but does include governance of ESG / Sustainability.

The Board skills matrix provides insights on possible future skills aligned to the strategic needs of the organisation, and enables the Board to identify potential gaps to focus on for future succession and targeted learning. In FY25, the Board skills matrix identifies that four of Kiwi Property's directors are an expert in the area of "ESG, sustainability and social license to operate", while the remaining two directors have a good general awareness and understanding of these areas as relevant to Kiwi Property.

## The role of Management

Day-to-day management of Kiwi Property's business is undertaken by the Executive Team, which is led by Kiwi Property's Chief Executive and is made up of 5 senior roles as described in the structure in Table 1. In FY25, the Executive Team was involved in Kiwi Property's climate risk review process, including attending a workshop with a view to identifying potential mitigations for two of Kiwi Property's most material climate-related risks (relating to insurance and sustainability ratings). Kiwi Property's GM Asset Management is responsible for the execution of the Sustainability Strategy, including management of climate-related risks and opportunities to the extent that these are relevant to the Sustainability Strategy. These responsibilities include implementation of the Sustainability Strategy and reporting progress against the ESGC approved sustainability deliverables (including any climate-related initiatives) relating to that strategy to the ESGC. Kiwi Property also has a management level Risk and Compliance Committee which meets quarterly and is responsible for:-

- A quarterly review of the company risk register, which has included climate-related risk as described on page 34. The review includes confirming the current status of each key risk and providing commentary on any change to risk ratings.
- Ensures regular risk reports are provided to the ARC on the status of key risks, including in relation to climate change.

The ESG Leadership Team meets a minimum of four times a year and:-

- Participates in the annual climate risk and opportunity assessment process and climate risk review process, including by participating in the refreshed scenario analysis process in FY25.
- Oversees the operational implementation of the Sustainability Strategy including agreed actions relating to climate-related risks and opportunities.
- The ESG Leadership Team was also previously responsible for implementing external and internal feedback mechanisms, and monitoring progress against the ESGC-approved sustainability deliverables and reporting these to the ESGC. However, in FY25 Kiwi Property amended its processes so that these responsibilities sit directly with the GM Asset Management and Head of Sustainability.
- Where climate-related matters are reported to Board sub-committees as described above, the members of the relevant committees have the opportunity to discuss matters and raise questions with the relevant member(s) of management.

The primary method by which management is informed about climate-related risks and opportunities is the climate risk assessment and/or review that has occurred each year since FY22. In FY25, the Executive Team also attended a climate risk workshop whereby they considered two climate-related risks (relating to insurance and sustainability ratings) for the purposes of identifying potential mitigations for these key risks. Some decisions that relate to climate-related risks and opportunities are made at the asset level with oversight from the GM Asset Management (e.g. decisions relating to specific asset upgrades). Business-level decisions as to climate-related risks and opportunities are made by management (with approval from the ESGC and/or Board, where appropriate) including as part of the annual process to agree actions that Kiwi Property intends to implement under the Sustainability Strategy as described above.

Further information on Management's response to climate-related risks can be found in the Strategy section on pages 42 & 43 and further information about how Kiwi Property identifies, assesses, and manages climate-related risks are set out in the Risk Management Section.

## Integrating climate issues into our strategy

In 2023, we evolved our business strategy to reflect the changing operating environment and our ambitious vision for the company. One of the key priorities of this strategy is to "build a future fit business", which includes delivering on Kiwi Property's Sustainability Strategy.

The business strategy and Sustainability Strategy inform the sustainability deliverables and workstreams that the ESGC approves for implementation each year. For example, a key objective in the business strategy is to deliver on our climate resilience priority. The associated workstream for FY25 was to strengthen resilience against climate-related physical risks.

Management report on progress against these sustainability deliverables at ESGC meetings, with this occurring on two occasions during the FY25 reporting period.

Another key priority of our business strategy is to "grow with diverse sources of capital". Sources of capital include both debt and equity investors. In response to increasing investor expectations in relation to sustainability matters, such as the sustainability credentials of our real estate assets, an initiative under our business strategy is to increase our green asset pool (being assets that are able to achieve sustainability ratings).

## Performance and incentivisation

Our Board approved Sustainability Strategy incorporates a number of targets and plans for managing climate risks and opportunities. This includes Kiwi Property's emissions reduction ambition and target approved in FY25, as described further in the Metrics and Targets section of this report on page 52. It also includes our targets in relation to achievement of asset sustainability ratings, also as outlined further in the Metrics and Targets section. The ESGC receives annual reporting on our progress on emissions reduction and sustainability ratings. A number of other metrics developed by Kiwi Property in response to climate-related risks and opportunities are outlined in the Metrics and Targets section of this report, which has in turn been approved by the Board.

Remuneration for selected members of the Asset Management Leadership Team was linked to our climate-related risks assessment and emissions performance through our short-term incentive framework. Those team members had sustainability and climate-related goals, including the reduction of grid electricity consumption by our assets and a reduction of waste to landfill. These goals drove greater integration of sustainability into business operations. Performance against those goals was taken into account in the short-term incentive portion of remuneration for those team members.

# Strategy

**This section describes the scenario analysis we have undertaken, the current impacts of climate change on our business, the climate-related risks and opportunities we have identified, the anticipated impacts of these, and how we are positioning ourselves for a low-emissions, climate-resilient future.**

## Scenario analysis

In FY24, Kiwi Property conducted a standalone scenario analysis process, the purpose of which was two-fold: to help us review our climate-related risks and opportunities, and to test the resilience of our business model and strategy. Together with other industry participants, we participated in the development of climate scenarios for the construction and property sector through a technical working group established in 2022 by the New Zealand Green Building Council (NZGBC). Beca facilitated and provided technical expertise to the working group. These scenarios we used in the analysis are based on the Climate Scenarios for the Construction and Property Sector were published in May 2023, and we refer to these in this report as the "Sector Scenarios".

In our FY24 climate statements, we described the process that we undertook with our external advisers (BWD Strategic) to customise the Sector Scenarios for our business, including through analysing Kiwi Property's 'key drivers' (or critical uncertainties) for our business across a range of possible climate futures.

In FY25, external advisors, Te Whakahaere, facilitated a review of the key drivers that had been identified as potentially impacting our business. By examining these driving forces – such as technological advancements, policy changes, economic trends, and environmental shifts – the ESG Leadership Team were able to better understand and discuss anticipated future impacts and uncertainties. This review led to a change in the narratives used in our scenario analysis to more closely align them to the language of the sector scenarios, while emphasising the drivers most critical to Kiwi Property.

1. These pathways refer to existing scenarios used as "building blocks" in development of the Sector Scenarios, which have also formed the basis for our scenarios. These include global scenarios developed by the Intergovernmental Panel on Climate Change (SSP and RCP, with the RCP scenarios having been downscaled for New Zealand by the National Institute of Water and Atmospheric Research), scenarios developed by the Network for Greening the Financial System (NFGS) and the International Energy Agency (IEA), and New Zealand scenarios developed by the Climate Change Commission (CCC). More information about each of these building block scenarios and how they were used to develop the Sector Scenarios is available in the sector scenarios document published by the NZGBC and available here. This link is included for additional context and is not intended to incorporate the full scenarios into these climate statements by cross-reference.

The following graphic summarises the key elements of each scenario used, including key pathway data sources, emissions reduction pathways and the assumptions underlying pathway development over time. More detail is available in the descriptions of the scenario narratives on pages 60-64.

| | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|---|
| **Policy ambition** | 1.5°C | ~2.0°C | >3°C |
| **Policy** | Immediate and smooth | Delayed | None – current policies |
| **Socio-political instability** | Low – moderate<br>Social changes start to occur due to changes in market behaviour, working habits, required knowledge/skills, purchasing and investment behaviours, and the changing focus of government funding. | Moderate<br>Minimal social changes occur prior to 2030, however the pace of change around 2030 is unprecedented. | High<br>Extreme weather events cause disruptions to global food supplies in the medium-term (2031- 2050). Social cohesion starts to degrade and conflict and unrest become common. |
| **Insurance** | In response to continued high intensity rainfall events, properties in floodplains, or subject to unstable ground conditions (e.g. near cliffs/softer coastal soils), experience increasing insurance premiums above inflation and experience insurance retreat by 2050. | Properties in floodplains experience increasing insurance premiums above inflation and experience insurance retreat by 2040. | Properties in floodplains experience increasing insurance premiums and likely experience insurance retreat by 2040. |
| **Land use** | The primary driver of changes to land use and densification is GHG emissions reduction, with changes in transportation use and community connections being of primary importance out to 2050. | After 2030, the primary driver of changes to land use and densification switches to GHG emissions reduction, with changes in transportation use and community connections being of primary importance.<br>The impacts of climate change on floodplains and drought-prone regions combined with significant transition efforts around 2030 cause a change in population distribution as residents and businesses retreat to lower risk areas. | There are changes in population distribution and land use post-2050. Food insecurity and growing populations drive retreat from cities.<br>People begin to retreat from areas at risk from physical impacts and significant managed retreat from coastal areas moves populations inland to areas that are less vulnerable to climate hazards. |
| **Energy pathways** | The pressure to achieve net-zero emissions by 2050 means the global energy grid shifts uniformly and quickly away from fossil fuel use to increased use of renewables.<br>New builds are required to meet stringent energy standards in design and operation. | In the short-term, there is limited-to-no change in fossil fuel use or energy transition for the sector.<br>Stringent decarbonisation policies enacted in 2030 include the introduction of energy efficiency requirements for buildings. | New Zealand's electricity grid is gradually decarbonised but does not achieve neutrality in the long term. This means buildings wishing to achieve net zero carbon emissions must invest in their own zero carbon generation. |
| **Macro-economic** | A global shift towards a more sustainable path stems from well-signalled and broadly supported regulatory changes. | Abrupt policy and market changes for the property and construction sector post-2030. | No additional climate policy, including for the building and construction sector. Regulatory changes are slow and focus on adaptation and managing climate-driven immigration/refugees. National policy shifts towards addressing national and regional security and resource scarcity. |
| **Technology change** | Fast change<br>Rapid scale-up of carbon removal technologies.<br>New technologies used in production of low carbon materials begin to make a tangible difference to the sector. | Slow / fast change<br>Rapid, disordered change post 2030 with a focus on carbon sequestration, capture and storage. | Slow change<br>Little investment in technology and innovation that does not serve urgent adaptation needs. |
| **Behaviour change** | Fast change | Slow / fast change | Slow change |
| **Physical risk severity** | Moderate | Moderate | Extreme |
| **Transition risk severity** | Moderate | High | Low |
| **Pathways[1]** | NGFS 'Net Zero 2050'<br>IPCC SSP 1-1.9<br>IEA 'Net Zero Emissions'<br>CCC 'Tailwinds'<br>IPCC RCP 2.6 | NGFS 'Delayed Transition'<br>IPCC SSP 1-2.6<br>IEA 'Sustainable Development'<br>CCC 'Headwinds<br>IPCC RCP 2.6 | NGFS 'Current Policies'<br>IPCC SSP 3-7.0<br>IEA 'Stated Policies'<br>CCC 'Current Policies'<br>IPCC RCP 8.5 |

While the scenarios used in FY24 were labelled "Orderly", "Disorderly" and "Hot House" in line with the Sector Scenarios, in FY25 we updated these labels to "Scenario 1", "Scenario 2" and "Scenario 3".

Following the development of our new scenario narratives, Kiwi Property's ESG Leadership Team attended two workshops to review the risks that had been identified in FY24 to consider whether they remained appropriate. As part of those workshops, the ESG Leadership Team also considered the impacts and strategic implications of the climate-related risks that had been identified.

For more detail on Kiwi Property's scenario narratives see Appendix One on page 60. Our scenario analysis process was overseen by the ESG Leadership Team. As noted in the Governance section, the Board approved the output of the climate risks and opportunities process and was also involved in a workshop to consider mitigations for two of Kiwi Property's most significant climate-related risks. No modelling was undertaken as part of the scenario analysis process. The scope of operations covered in our scenario analysis process was Kiwi Property's full supply chain, including tenants, suppliers, contractors and investors.

## Scenario analysis – Methods and assumptions

### Why we chose these scenarios

As noted above, we used three scenarios to test the resilience of our business strategy and to identify our climate risks and opportunities. We believe that the scenarios that we have used, which are based on the Sector Scenarios with further development for our business, are relevant and appropriate for assessing the resilience of Kiwi Property's business model and strategy to climate-related risks and opportunities.

As mandated in The New Zealand Climate Standards we have used a 1.5°C and >3°C scenario and chosen a third scenario at ~2.0°C degrees. The 1.5°C degree scenario is weighted towards transition risk, while the >3°C degree scenario represents predominantly physical risk, and using these two scenarios accordingly enables Kiwi Property to explore the resilience of our business and strategy to these different types of risk.

The other scenario at ~2.0°C captures a strong combination of physical and transition effects and is a plausible pathway. By adopting scenarios consistent with the Sector Scenarios, our choice of scenarios also maximises the use of existing resources and creates stronger comparability with the results of our peers.

### Time horizons

Each of our scenario narratives is bounded by the end date of 2050, rather than 2100 as used in the Sector Scenarios. We consider that 2050 is sufficiently far away to allow for physical risks to materialise and escalate, but still within a timeframe relevant to our pipeline of work. For example, this timeframe provides sufficient time to substantially progress our Drury masterplan and Sylvia Park precinct development programme. The following table sets out the short, medium and long-term time horizons we used for our scenario analysis:

| 0-3 years<br>Short-term | 3-10 years<br>Medium-term | 10-30 years<br>Long-term |
|---|---|---|
| Our short-term time horizon of 0-3 years is aligned with our Risk Management Framework and focused on cost reduction opportunities and meeting organisational priorities, such as installing solar arrays where applicable at our assets. | Our medium-term time horizon of 3-10 years reflects the typical tenant lease cycle (6-12 years). This is also the timeframe over which substantial upgrades to buildings are planned and delivered. | Our long-term time horizon of 10-30 years reflects building life expectancy (typically up to 50 years). |

## Our material climate-related risks and opportunities

Through the climate scenario analysis process, we identified the following material climate risks set out in the table below. Kiwi Property has chosen to utilise adoption provision 2: anticipated financial impacts, which exempts us from disclosing anticipated financial impacts of climate-related risks and opportunities in FY25.

The risks outlined on page 42 are based on current information and understanding. There may however be risks that develop that Kiwi Property is not aware of, and risks that have been considered may have impacts that Kiwi Property does not currently anticipate. We use short, medium and long term for the purposes of our climate-related risks and opportunities consistent with the time horizons considered for the purposes of our scenario analysis as described on page 38. The table on page 40 sets out how those time horizons are linked to Kiwi Property's strategic planning and capital deployment plans.

| Climate risk | 1.5°C | | | ~2°C | | | >3°C | | | Anticipated impacts if risks materialise | Risk management response |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | S | M | L | S | M | L | S | M | L | | |
| **Physical Risk**<br>***Extreme weather events (rainfall, high winds, storms, flooding. Sea level rise)***<br>Increased severity and frequency of storm events could result in physical damage to and interruption at our assets across New Zealand. These weather events may also disrupt tenants and customers' ability to travel to our assets and onshore supply chains. | ● | ● | ● | ● | ● | ■ | ● | ● | ■ | Increased extreme weather events could:<br>• Place stress on existing assets and cause delays and disruption to developments.<br>• Close or damage transportation routes and infrastructure necessary to access our assets.<br>• Increase capital expenditure for repairs and mitigation initiatives, that cannot be recovered from tenants.<br>• Result in a decrease of revenue due to inaccessibility of assets during and following weather events. | Operational teams carry out physical risk assessments on assets to plan mitigation initiatives such as increased capacity of guttering for our existing shopping centres. These initiatives are built into capex budgets each year. When undertaking new developments, we consider resilience to weather events. For example, when designing Geneva House (3 Te Kehu Way) we built above the Council's recommended minimum freeboard to mitigate against pluvial flooding. |
| **Transition Risk**<br>***Sustainability ratings for assets***<br>Failure to meet investor, shareholder and tenant expectations to maintain and/ or improve the sustainability ratings of our assets. This risk is particularly relevant to our office portfolio where tenant expectations for sustainability ratings are higher. | ■ | ● | ● | ● | ■ | ● | ● | ● | ● | Increased emphasis on sustainability ratings could lead to:<br>• Change in attractiveness to tenants.<br>• Equity investors may seek to exit their investment in Kiwi Property if there is a failure to meet their expectations regarding asset sustainability performance, potentially resulting in a weaker share price performance and the ability to support further investment and growth.<br>• Increase in the cost of debt from banks and bond holders if there is a failure to meet lenders' expectations regarding asset sustainability performance.<br>• Acceleration of decarbonisation initiatives to meet market expectations e.g. removal of gas.<br>• Increased cost of development to keep pace with sustainability ratings for new buildings i.e. from shortage of expertise, materials and alternative products. | Kiwi Property has implemented targets to respond to this risk. These targets can be found in the Targets & Metrics section on page 52.<br>• Decarbonisation and energy efficiency initiatives that positively impact on NABERSNZ ratings are a focus at our assets and the capital expenditure required to undertake those initiatives is included in budget planning. |
| **Transition Risk**<br>***Increased regulation and market expectation for low carbon and climate resilient development***<br>The introduction of new climate-related regulation or policy for the built environment and increased expectations from the market for low carbon and climate-resilient development. | ■ | ■ | ● | ● | ■ | ■ | ● | ● | ● | Increased regulation and/or expectation for low-carbon and climate resilient development could:<br>• Increase capital expenditure due to higher procurement costs for development, refurbishment/retrofit and upgrades.<br>• Result in feasibility of new developments not meeting return on capital hurdles due to increased cost.<br>• Result in delays from supply and expertise shortages.<br>• Constrain supply and increase cost of low carbon building materials and expertise. | We are preparing for an increased requirement for low-carbon and climate-resilient development by:<br>• Monitoring regulatory and legislative trends and developments. This helps us to understand potential regulatory change and any associated risks, opportunities and impacts.<br>• Working closely with industry bodies and our partners to understand incoming regulation.<br>• Building and expanding expertise in our project teams to include design of low carbon buildings and use of low carbon materials so that we meet market expectations and any incoming regulation or policy change.<br>• Updating our 10 year capital expenditure forecast on an annual basis to reflect changes in costs and building regulation requirements, as well as advancements in building technology. |
| **Transition Risk**<br>***Insurance premiums and retreat***<br>Risk that insurance premiums may increase substantially as insurers attempt to cover losses from major events Insurance retreat, where insurers decline to cover assets exposed to certain hazards, such as flooding and coastal inundation is also a risk. | ● | ● | ● | ● | ■ | ● | ● | ■ | ■ | Insurance premiums and retreat could:<br>• See the cost of insuring assets increase significantly, with potential flow-on effects for tenancy cost of occupancy.<br>• Potentially affect the value of an asset(s) in the event of an insurance retreat. | To mitigate the risks of rising insurance premiums and insurance retreat, Kiwi Property maintains relationships with a diverse range of local and overseas insurers and implements proactive risk management practices (including loss modelling) to help inform insurance buying decisions. On an operational level our teams carry out physical risk assessments on assets and plan mitigation initiatives with the aim of reducing the risk of having to make insurance claims. |

**KEY**

▲ High Risk ■ Medium Risk ● Low Risk

**S:** 0-3 years Short-term **M:** 3-10 years Medium-term **L:** 10-30 years Long-term

## Our material climate-related opportunity

Through the climate scenario analysis process we identified the following climate-related opportunity as material to our business.

| Opportunity | Time horizon | Anticipated impacts | Management response |
|---|---|---|---|
| **Transition opportunity**<br>Sustainability ratings Kiwi Property has assessed that achieving Green Star and Homestar ratings for new buildings and maintaining and/ or improving NABERSNZ ratings for existing assets is an opportunity. These sustainability ratings may improve value by attracting premium tenants and help secure new sources of capital. We believe that advancements in building materials, processes and technology present an opportunity to improve ratings or create opportunity to obtain ratings, that could not otherwise be obtained. | All time horizons | Focus on achieving, maintaining and improving sustainability ratings for existing and new assets could:<br>• Provide access to a wider pool of capital through our Sustainable Debt Framework.<br>• Help us to secure finance to support sustainability ambitions and building certification targets.<br>• Reduce consumption of energy and water, reducing expenditure.<br>• Have flow-on effects on asset values and the attractiveness of the portfolio to investors and tenants. | Kiwi Property is focused on maintaining and where possible growing our pool of assets that meet the requirements of relevant sustainability certifications. Kiwi Property is implementing this through energy efficiency initiatives and emissions reductions for existing assets and through targeting Green Star and Homestar certifications for our new developments. |

## Current climate impacts on our business

Kiwi Property has identified that climate change is currently impacting its business in the following ways:

### Extreme weather events – physical impact

An increase in the intensity of storm events has meant we are planning for more frequent high intensity rainfall for example by implementing increased capacity for guttering on our existing shopping centres. When undertaking new developments, we also consider resilience to weather events through risk assessments and modelling.

Kiwi Property did not experience any material damage to its assets as a result of climate change in FY25. However, Kiwi Property has experienced current financial impacts associated with its risk mitigation programme. The financial impact of Kiwi Property's extreme weather mitigations is increased expenditure, as outlined in the table on page 45.

### Insurance costs – transition impact

In recent years, the costs associated with Kiwi Property's insurance programme have increased. While Kiwi Property understands that a range of considerations are taken into account by its insurers in determining pricing, our understanding is that the increased frequency and severity of extreme weather events is one factor placing upwards pressure on insurance prices. This, in turn, has impacted Kiwi Property's operational expenditure, where it can't be fully recovered from tenants.

The financial impact of this impact is increasing insurance costs. However, Kiwi Property is not able to quantify this impact, because it is not possible to isolate the extent to which increasing insurance premiums is attributable to climate-related factors.

### Tenant expectations – transition impact

There is already expectation from anchor tenants, to continue improving the energy efficiency performance of our existing assets and new developments. We expect this to continue as awareness of possible climate impacts grows. Our continuing efforts to develop and upgrade to highly rated, high-performing and climate-resilient assets are considered 'no regrets' actions that improve both their current appeal and future performance.

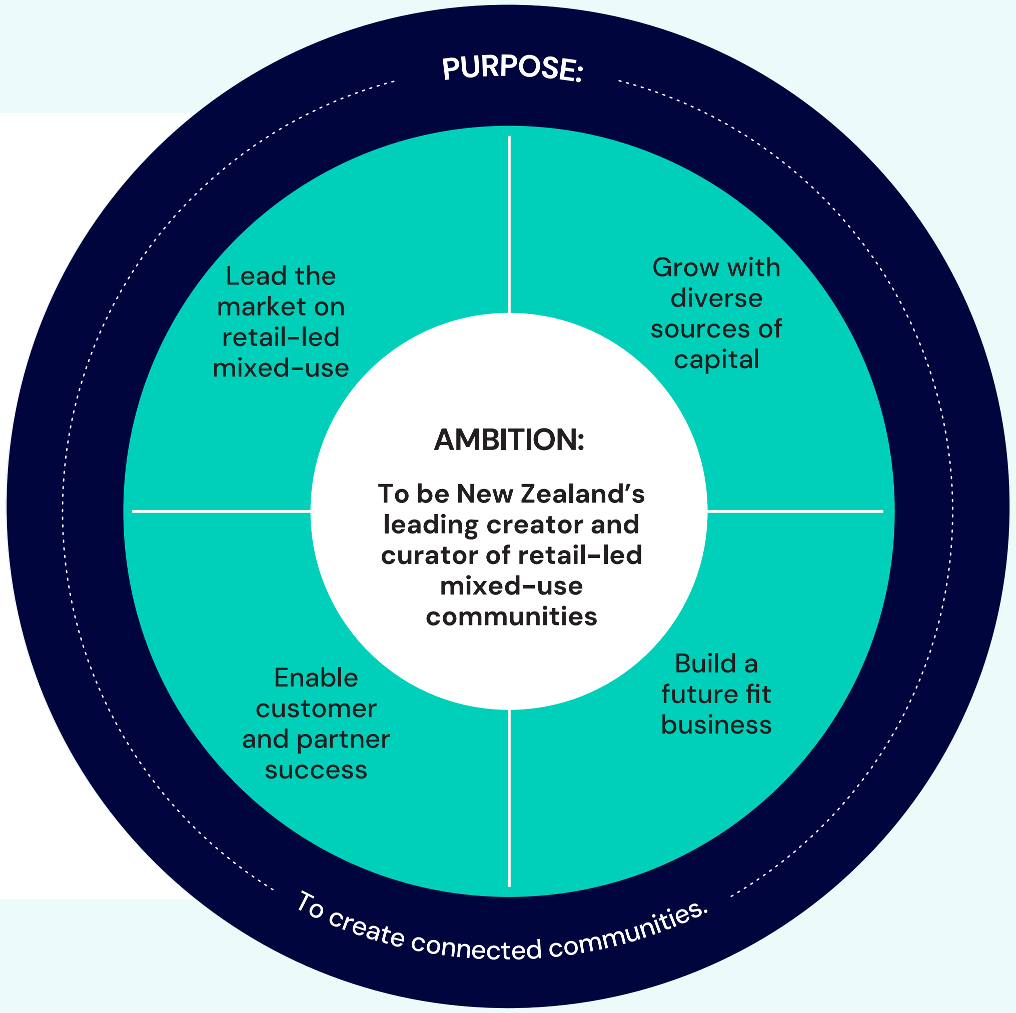
The financial impact of this impact is increased costs associated with our asset upgrades and developments. Our expenditure in relation to operational emissions reduction, preventing refrigerant leakage, our Resido development and extreme weather mitigations are outlined in the table below.

## Quantified current financial impacts

| Initiative | FY24 gross capital expenditure (exc. GST) | FY25 gross capital expenditure (exc. GST) | Method/assumptions |
|---|---|---|---|
| Operational emissions reductions. | $163,028 | $813,326 | Taken from actual spend. Kiwi Property spent $813,326 in capital expenditure in FY25 to reduce operational emissions. In FY24, this expenditure included chiller and Building Management System (BMS upgrades). In FY25, it included the removal of gas from base build, lighting upgrades and recycling centre upgrades. |
| Heating, Ventilation and Air Conditioning (HVAC) system. | $77,322 | $1,034,884 | Taken from actual spend. Kiwi Property spent $1,034,884 in FY25 replacing HVAC units to progress our programme of preventing leakage of refrigerants. The spend in FY24 was for remediating HVAC units to progress our programme of preventing leakage of refrigerants. |
| Homestar Development (Resido) | $126,674,142 | $20,804,998 | Taken from actual spend. During FY25, Kiwi Property deployed a gross amount of $20,804,998 in capital expenditure towards our Build To Rent Homestar development - Resido. This gross expenditure figure does not separate between those costs that are climate-related and those which are general costs associated with the Resido development, and accordingly includes costs that are not linked to climate-related risks and/or opportunities. This development is now complete. |
| Extreme weather mitigations<br>• Roofing projects | $340,984 | $789,467 | Taken from actual spend. Kiwi Property spent $789,467 in FY25 on extreme weather mitigations, primarily roofing projects to better accommodate for increasing rainfall intensity during storm events. The expenditure in FY24 also related to roofing. |

## Our business model and strategy

**Kiwi Property's ambition is to be New Zealand's leading creator and curator of retail-led mixed-use communities. Our strategy is to deliver superior risk-adjusted returns for investors by owning, managing and developing a portfolio of high-quality real estate assets. We have four strategic pillars that are designed to drive business performance and create value for our shareholders and other stakeholders.**




The four pillars of our strategy are explained further below.

### Lead the market on retail-led mixed-use

Reposition the business by creating flagship mixed-use assets at high-growth metropolitan town centres, driving increased income, more resilient valuations and greater shareholder returns.

### Grow with diverse capital sources

Recycle capital and partner with investors to grow assets under management, unlocking higher quality, lower risk returns.

### Enable customer and partner success

Drive asset performance through the creation of market leading centres and developing strategic long-term customer relationships.

### Build a future fit business

Promote operational excellence by harnessing the power of digital, delivering on sustainability and building a winning team.

Our business model is that we develop, own and manage a range of mixed-use precincts, retail centres and premium office buildings. We own a diverse mix of assets, with a weighting towards large mixed-use properties that we'll continue to develop over time. We have a strong bias towards Auckland and New Zealand's economic golden triangle.

## Transition planning

Our transition plan serves an important role in aligning our business plans with our climate goals and provides transparency and accountability, internally and externally.

Our transition plan focuses on protecting the long-term value of our assets and delivering superior risk-adjusted returns for investors.

It does this by focusing on:

- decarbonisation of our assets with a particular focus on energy efficiency and waste reduction. Having energy efficient buildings enables us to attract a high-quality of tenant, reduce operational costs and access diverse sources of capital through our sustainable debt framework.
- Mitigating the impact of climate risk in existing assets and adapting them where needed and designing climate resilience into new asset developments.

These priority areas are embedded into our Sustainability Strategy and it is anticipated that they will help us to mitigate our identified insurance risk.

Due to the long-term nature of property asset ownership and our focus on mixed use assets based around transport hubs, we are not currently anticipating that we will need to fundamentally change our current business model to address our climate-related risks and opportunities. We do recognise though the need for ongoing adaptation of our planning and also that mitigations are required in relation to our climate-related risks and opportunities within our business model and strategy.

An overview of the transition plan aspects of our strategy is set out in the table on page 48.

## Overview of transition plan aspects of our strategy

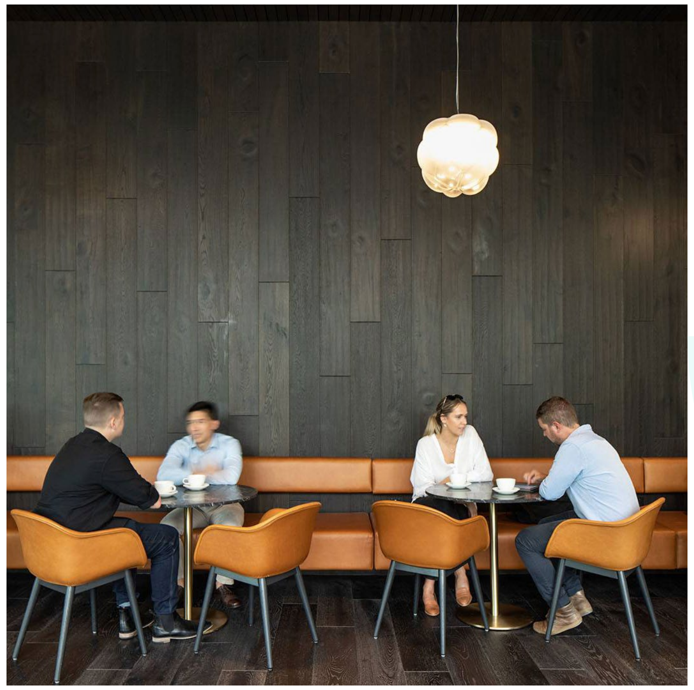
| | | |
|---|---|---|
| **Our ambition** | Delivering superior risk-adjusted returns for investors by protecting the long-term value of our assets, minimising our impact on the environment and playing a meaningful role in addressing climate change. | |
| **Our key priorities** | In response to our identified risks we have created priority areas, with associated targets and actions.<br>These priorities align with, and support delivery of our business and sustainability strategies.<br>Our key priorities are: | |
| | Demonstrate resilience against climate-related risks | Decarbonise and reduce our footprint |
| **Our targets (base year of FY24)** | We are measuring and monitoring our performance on these key priorities with targets and ambition. | |
| | • 100% of our assets to have climate risk mitigation and/or adaptation plans by 2027<br>• 100% of new asset developments to be designed for climate resilience (i.e. flooding, extreme heat, storm surges) | • 20% reduction in absolute Scope 1, 2 and selected Scope 3[1] GHG emissions by 2030. Scope 1 and 2 emissions are fully offset by the purchase of voluntary carbon credits by 2030<br>• Divert 85% of waste by weight from landfill for all new developments |
| **Our key short – medium term (to FY30) actions** | We are implementing and planning future actions to address the specific climate-related risks and opportunities identified through our climate scenario analysis with the following initiatives in the short and medium term: | |
| | • Climate risk assessments undertaken for all key assets<br>• Risk mitigation plans have been created and implemented for all key assets<br>• Resilience is being designed into all new asset developments | • Implementing our decarbonisation plan - focused on reducing operational emissions through:<br>– A strong focus on waste management<br>– Energy efficiency initiatives<br>– Asset planning / replacement programmes<br>– Removing fossil fuels from the base build of our assets<br>• Measuring and looking for ways to reduce embodied carbon in new asset developments<br>• Measuring and reporting on Scope 3 emissions in FY26 |
| | Kiwi Property has further climate-related targets that are outlined in the Metrics and Targets section on page 54. More detail of the specific actions that we are taking in response to our climate-related risks and opportunities are set out in the tables on pages 42 to 44 of these climate statements. | |

1. Operational emissions are the emissions attributed to the day-to-day activities of our buildings and operations. Kiwi Property includes in our selected scope 3 emissions waste from our operations, water, business travel, taxis, mileage, accommodation and transmission and distribution losses from energy (electricity and gas).

Our transition planning priorities are underpinned by the principles of collaboration and partnership. We understand that it will take a collective effort to transition to a low-emissions, climate resilient economy. We will continue to particularly focus on collaboration in the following areas:

- Tenants and suppliers on emissions reduction
- Local councils in relation to extreme weather risk mitigations and waste management
- Property Council NZ and New Zealand Green Building Council in relation to industry regulation and certifications
- Local and national government on industry regulation and legislation

While we acknowledge the challenges ahead and the many variables involved, Kiwi Property aims to continue to drive change through the collaborations above with partners across our value chain.



## Capital deployment and investment

Kiwi Property takes a long-term strategic approach to asset management and undertakes detailed financial forecasting and planning - allowing for climate-related risk to be factored into planning.

Development feasibility and operational asset planning is where we can best incorporate climate-related risks and opportunities into our decision-making and capital deployment. Our climate-related risks and opportunities have informed our internal capital deployment and funding decision-making processes in the following ways:

- Reflecting increased demand for buildings with sustainability ratings, we have set targets in relation to the achievement of sustainability ratings for new and existing assets. These targets in turn influence capital allocation decisions about new and existing assets.
- We established a green bond programme in 2021, with total outstanding issuance of $500 million as at 31 March 2025. The most recent green bond was $125 million issued in December 2024 for a 5.5-year term. Green bonds are use of proceeds instruments where borrowed funds are notionally used for specific sustainability-related purposes. In the case of our most recent green bond issue, this purpose was to notionally finance or refinance low carbon and energy efficient buildings. The green bonds are underpinned by our Sustainable Debt Framework, which sets out how we intend to use sustainable debt and the external principles and standards we use to govern their management, reporting and assurance.

Other sources of expenditure related to emissions reductions and climate risk mitigation occur primarily through capital expenditure budgets for our assets, with particular capital expenditure in FY25 outlined in the table on page 45.

# Risk management

**This section sets out how Kiwi Property identifies, assesses and manages climate-related risks and opportunities, and how these processes are integrated into existing risk management processes.**

## Kiwi Property risk management framework

Kiwi Property has adopted a risk management framework which aligns with the New Zealand and Australian Risk Management Standard (AS/NZS ISO 31000:2009). Our Risk Management Policy includes our risk management principles. The key objectives of this policy are to ensure:

- we manage effectively the risks we face in achieving our objectives, and
- our people are aware of and meet their responsibilities to identify, evaluate and treat the risks that may prevent or restrict us from achieving our objectives.

As outlined in the Governance section of this report, our Board is ultimately responsible for ensuring we manage the risks we face and the Audit and Risk Committee assists the Board in relation to the oversight of our risk management framework and policy.

## Identifying and assessing climate-related risks

Kiwi Property's process for identifying and assessing climate-related risks is led by the ESG Leadership Team with input from the Executive Team. Since FY22, Kiwi Property has undertaken an annual assessment of its climate-related risks.

In FY24, Kiwi Property undertook a detailed climate risk assessment using its Risk Management Framework (RMF). In FY25 the ESG Leadership Team undertook a review of the risks and opportunities identified in the previous year.

A key aspect of this review was the updated scenario development work we undertook in FY25 as outlined in the Strategy section of this report. The results of that review were confirmed by the Executive Team before being approved by the Board.

Our process considered both physical risks (being risks relating to the physical impacts of climate change) and transition risks (being risks related to the transition to a low-emissions, climate resilient economy). No parts of our value chain were excluded from this assessment however, many suppliers in our value chain are still developing their climate risk maturity and as such Kiwi Property's current understanding of climate-related risks across the whole value chain, particularly the supply chain, is limited by availability and quality of data and information.

The climate risk review process that Kiwi Property undertook in FY25 built on the process that it undertook in FY24, which involved consideration of the following sources and methods to identify potential climate risks:

- An internal 'current climate impacts' survey which asked relevant individuals within Kiwi Property to provide information about the impacts of climate change on the parts of the business in which they are involved.
- A facilitated exploration of the three scenario narratives customised for our business.
- Asset level climate risk assessments undertaken during FY24. These asset-level assessments were undertaken by the operational team, with oversight from the Head of Sustainability.
- The climate risk longlist provided in the NZGBC sector-specific scenarios work (described in the Strategy section of this report).
- Risks from these sources were screened for relevance to our business. In a workshop setting, the ESG Leadership Team then used a software platform (Menti) to assess the likelihood and potential impact of these risks, with reference to our RMF and our risk timeframes (shown on page 40).

The sources and methods used to review potential climate risks and opportunities in 2025 included:

- Two workshops with the ESG Leadership team to consider the three scenario narratives, review the climate-related risks previously identified and consider the potential impact on Kiwi Property.
- A workshop with each of the Executive Team and the Board to identify potential mitigations associated with two of Kiwi Property's most significant climate-related risks.
- A review of asset level climate risks assessments, mitigation plans and climate-related impacts for FY25. These asset-level assessments were undertaken in FY24 by the operational team, with oversight from the Head of Sustainability.
- High-level physical climate risk assessment undertaken by Beca New Zealand as described further on page 56.

## Managing climate-related risks

Decisions as to how specific climate-related risks will be managed are made by Kiwi Property in the following ways:

- At the asset level, decisions about improvements to assets or processes are made by Kiwi Property's operational teams, with oversight from the GM Asset Management. For example, this includes decisions to undertake roofing projects which increase the resilience of our assets to heavy rainfall.
- At the business level, decisions as to the management of climate-related risks and opportunities are made by management. For example, this included the decision to implement targets for the achievement of NABERSNZ and Green Star ratings where buildings are eligible for these (with these targets subsequently being approved by the Board as part of the Sustainability Strategy).
- The ESG Leadership Team is responsible for overseeing the operational implementation of the Sustainability Strategy. This includes making decisions relevant to the management of some climate-related risks and opportunities, with approval from the Board.

More information on this is set out in the Governance section on page 34. Specific actions that Kiwi Property is taking to respond to Kiwi Property's material climate-related risks are set out in the Strategy section on page 42. They include capital expenditure on roof upgrades and energy efficiency initiatives.

## Integrating climate risks into our risk management process

Climate risk is integrated into our enterprise level risk processes and treated equivalently to other enterprise-level risks with oversight from the GM Asset Management, the Risk and Compliance Committee and the ARC, as described in the Governance section starting on page 34 of this statement. The RMF is the primary tool that Kiwi Property uses to prioritise climate-related risks relative to other types of risk by enabling comparison between all categories of risk.

## Time horizons

Our time horizons used for our risk assessment are detailed under the Strategy section on page 40 of this report.

# Metrics and targets

**This section outlines the metrics and targets relating to the measurement and management of Kiwi Property's climate-related risks and opportunities.**

For all the metrics disclosed in this section, Kiwi Property has chosen to utilise Adoption Provision 6: Comparatives for metrics, which permits Kiwi Property to provide only one year of comparative information in FY25.

## Greenhouse gas emissions

The table below sets out Kiwi Property's Scope 1, Scope 2 and selected Scope 3 greenhouse gas (GHG) emissions, expressed in metric tonnes of carbon dioxide equivalent ($TCO_2e$).

**Table 1: KP Greenhouse Gas Emissions Inventory**

| Scope | | FY24 (base year) | FY25 |
|---|---|---|---|
| Scope 1 emissions tonnes of $CO_2e$ | Stationary diesel | 5.64 | 8.34 |
| | Natural gas | 174.77 | 153.74 |
| | Fugitive emissions from air conditioning systems | 147.30 | 115.25 |
| | **Total Scope 1** | 327.71 | 277.33 |
| Scope 2 emissions tonnes of $CO_2e$ | Electricity consumption (location based) | 727.26 | 655.49 |
| | **Total Scope 2** | 727.26 | 655.49 |
| | **Total Scope 1 & 2** | 1,054.97 | 932.82 |
| Scope 3 emissions tonnes of $CO_2e$ | Waste generated in operations | 593.50 | 515.57 |
| | Purchased goods and services: Water | 7.19 | 7.39 |
| | Business travel: Flights, taxis, mileage, rental vehicles, accommodation | 106.44 | 90.56 |
| | Fuel and energy related activities: transmission and distribution losses from electricity and natural gas | 89.07 | 54.51 |
| | **Total Scope 3** | 796.20 | 668.02 |
| | **Total Scope 1, 2 and 3** | **1,851.19** | **1,600.84** |

The GHG emissions in this table have been measured in accordance with the Greenhouse Gas Protocol. Emissions are reported using a location-based methodology.

Kiwi Property has utilised Adoption provision 4, which exempts us from disclosing Scope 3 emissions. Kiwi Property has chosen to disclose a subset of its scope 3 emissions.

For further information on the methods and assumptions used to calculate or (where applicable) estimate Kiwi Property's GHG emissions, the limitations of those methods, and uncertainties relevant to the quantification of Kiwi Property's GHG emissions, please refer to Appendix Two of this report.

## Emissions factors published after the end of the reporting period

The Ministry for the Environment has released changes to the emissions factors used in calculating GHG emissions on the 16th May 2025. The new factors have not been applied to the GHG emissions information in the report due to timing and impracticality to update and review data prior to the release of this report.

These factors are not entity specific and the timing of release of these factors is not in Kiwi Property's control.

Based on current estimates the new factors would potentially materially impact Scope 2 emissions (electricity emissions factor has increased by 38%) and Scope 3 emissions (waste emissions factor has reduced by 12%).

## Climate-related metrics, ambitions and targets for managing climate risks

Kiwi Property's climate-related metrics and targets, along with our performance against them as at 31 March 2025 are detailed in the tables below.

Prior to FY25, Kiwi Property's emissions reduction ambition was to be in a position whereby its net Scope 1, Scope 2 and selected Scope 3 emissions are "net carbon negative" in the sense that they are more than fully offset by the purchase of voluntary carbon credits in that year.

In FY25, Kiwi Property re-assessed its approach to climate-related ambitions and targets. Specifically, we determined that there was scope to better communicate the approach that Kiwi Property takes to emissions reductions by developing a new target based on gross emissions reductions. In addition, we have modified our "net carbon negative" ambition as described in the table below.

| Target | Progress in FY25 | Comment |
|---|---|---|
| 20% Scope 1, 2 and selected[1] Scope 3 GHG emissions reduction by 2030.<br>Scope 1 and 2 emissions are fully offset by the purchase of voluntary carbon credits by 2030.<br>This is an absolute target.<br>There are no interim targets.<br>Base year: FY24 | 14% reduction in the relevant emissions (being Scope 1, Scope 2 and selected Scope 3) on a gross basis compared to FY24.<br>No emissions have been offset to date. | While Kiwi Property has prepared a Decarbonisation Plan and has been implementing emission reductions initiatives as outlined in this report, it has not to date set an all-scopes target that aligns with scientific pathways to limiting global warming to 1.5 degrees Celsius. However, Kiwi Property developed this target in FY25 as a "next step" in maturing its approach to climate-related targets. Kiwi Property recognises that decarbonising the construction sector in line with scientific pathways to 1.5 degrees is challenging, including because "embodied carbon" in construction materials is a significant source of emissions. Accordingly, at this stage, our target is limited to Kiwi Property's Scope 1, Scope 2 and selected Scope 3 emissions and the level of ambition is a 20% reduction as against a FY24 base year.<br>Kiwi Property is also aiming to be in a position whereby its net Scope 1 and Scope 2 emissions are fully offset by the purchase of voluntary carbon credits in the target year, and this target relies on offsets in that regard. The purchase of voluntary carbon credits corresponding to Kiwi Property's 2030 Scope 1 and Scope 2 emissions is currently planned for 2030.<br>The final quantity of offsets is not yet known, nor have particular offset schemes been chosen. It is possible that Kiwi Property will review its approach to offsetting in future. |

1. Operational emissions are the emissions attributed to the day-to-day activities of our buildings and operations. Kiwi Property includes in our selected scope 3 emissions waste from our operations, water, business travel, taxis, mileage, accommodation and transmission and distribution losses from energy (electricity and gas).

Kiwi Property also has the following climate-related targets in place:

| Target | Timeframe | Base year | FY25 performance | Comment |
|---|---|---|---|---|
| All wholly owned office buildings to target a minimum 4.5-star NABERSNZ rating. | Short<br>Medium<br>Long | 2021 | Achieved for current portfolio.<br>Ongoing for future developments. | In FY25, Kiwi Property increased its ambition by modifying this target to refer to a minimum 4.5-star NABERSNZ rating.<br>All wholly owned buildings have achieved a minimum 4.5-star NABERSNZ rating.<br>• ANZ Raranga 5.5-stars.<br>• ASB North Wharf 5-stars.<br>• Aurora Centre 5-stars.<br>• Vero Centre 4.5-stars.<br>Office buildings are eligible for a NABERSNZ rating once they have been operational for a minimum of 12 months. Geneva House will become eligible in FY26. |
| New office and retail buildings to target a minimum 5 Green Star rating. | Short<br>Medium<br>Long | 2021 | Achieved for new developments since target was set.<br>Ongoing for future developments. | Geneva House (3 Te Kehu Way) office development awarded a 6 Green Star Design & As Built NZ v1.0 rating in FY24. |
| New residential buildings to target a minimum 7 Homestar rating. | Short<br>Medium<br>Long | 2021 | Achieved for Resido Lynton.<br>Ongoing for future developments. | Resido, our BTR development at Sylvia Park has been awarded an 8 star Homestar design rating and has achieved a 9 star Built rating on completion. |
| 100% of our assets[1] to have climate risk mitigation and/or adaptation plans by 2027. | Short<br>Medium<br>Long | 2024 | Achieved for current portfolio.<br>Ongoing for future developments. | All assets, excluding development land and sundry properties, have climate risk mitigation and adaptation plans in place. |
| 100% of new asset developments to be designed for climate resilience (i.e. flooding, extreme heat, storm surges). | Short<br>Medium<br>Long | 2024 | Achieved for Resido which was completed in FY25.<br>Ongoing for future developments. | Climate resilience was considered and incorporated into the design of Resido which opened in FY25. |

1. Development land and sundry properties are excluded from this target.

## Climate related metric: GHG emissions intensity

| Metric | FY24 performance | FY25 performance | Comment |
|---|---|---|---|
| GHG emissions intensity Scope 1 + 2 GHG emissions ($tCO_2e$) / square metre lettable area = | 0.00283 $tCO_2e$ | 0.00209 $tCO_2e$ | GHG emissions per net lettable area (NLA) is an emissions intensity measure used in the property sector to allow like-for-like comparisons between different sized assets. NLA is the amount of space (sqm) in a property available for leasing. |

## Remuneration

A description of the overall management remuneration linked to climate-related risks and opportunities is set out in the governance section of this report on page 37.

## Other key performance indicators

Kiwi Property does not currently use any key performance indicators other than the metrics outlined in this report to measure and manage climate-related risks and opportunities.

## Carbon pricing and offsetting

We currently do not use an internal emissions price and are not offsetting, although the purchase of offsets is currently planned for 2030 as described on page 53.

## Exposure to climate-related risks and opportunities

Kiwi Property undertook a high-level, qualitative process to assess the potential exposure of its portfolio to physical and transition risks and to climate-related opportunities. Our approach and understanding of how climate-related risks and opportunities could impact our portfolio and business will develop over time, and this may allow for more detailed reporting on these metrics in the future.

| Metric | FY24 Assessment | FY25 Assessment | Comment |
|---|---|---|---|
| Percentage of portfolio by value that has a sustainability rating i.e. NABERSNZ, Green Star and Homestar. This is an industry based metric. | 37% of our portfolio by value had a sustainability rating. | 39% of our portfolio by value[1] has a sustainability rating. | Our sustainability performance and ratings allow us to access ESG-focused capital markets. Green bonds are use of proceeds instruments where borrowed funds are notionally used for specific sustainability-related purposes. In the case of our most recent green bond issue, this includes notionally financing or refinancing low carbon and energy efficient buildings. Our Sustainable Debt Framework, which sets out how we intend to use sustainable debt and the external principles and standards we use to govern their management, reporting and assurance, is underpinned by our pool of "Green Assets".<br>Sustainability ratings also help attract quality tenants into our office portfolio. |
| Amount of portfolio vulnerable to transition risks. | All owned assets were vulnerable to transition risks to some extent. | All owned assets are vulnerable to transition risks to some extent. | In recent years Kiwi Property has experienced an increase in insurance premiums which has increased operating expenses. Kiwi Property understands that this increase is attributable to a number of factors, including matters relating to climate change.<br>Flooding and extreme weather events have contributed to a challenging insurance market. We expect that, over the medium to long term, particularly under a >3C scenario, properties with proximity to the waterfront and in known flood zones will be continually reviewed by our insurers and may be subject to changes to availability of insurance.<br>Kiwi Property has put in place a decarbonisation plan and NABERSNZ improvement plan for each office asset with a view to mitigating the risk of not meeting expectations in relation to sustainability ratings, i.e. NABERSNZ ratings.<br>Under the new Green Star Buildings tool, all new developments will be required to achieve a minimum reduction in embodied carbon. In order to achieve a Green Star Rating, Kiwi Property will need to meet this requirement through design and use of low-carbon building materials. |
| Amount of portfolio vulnerable to physical risks | All owned assets were vulnerable to physical risks to some extent. | All owned assets are vulnerable to physical risks to some extent | In FY24, Kiwi Property undertook a high-level, qualitative assessment of potential risk to our assets from extreme weather events.<br>In FY25, Beca New Zealand undertook a further high-level assessment of potential physical risk to our assets from extreme weather events. They reviewed the following data and information to inform their view:-<br>SSP climate change projections have been compiled using the MfE Climate Projections Map.<br>• RCP climate change projections have been compiled using Niwa's Climate Change Adaptation Toolbox.<br>• Rainfall intensity projections (RCP) have been sourced from Niwa's High Intensity Rainfall System (HIRDs).<br>They reviewed the available flooding and sea level rise mapped data from the following sources:<br>• Auckland City Council Geomaps,<br>• Hamilton City Council Floodviewer,<br>• Horizons Regional Council GIS,<br>• Wellington City Council GIS, and<br>• the Greater Wellington Regional Council Sea Level Rise & Storm Surge Model.<br>Our assessment found that our portfolio has Low to Medium risk from the physical impact of extreme weather events out to 2040.<br>Due to the nature of our assessment undertaken there are inherent limitations and uncertainties involved with this metric. New developments are being designed to mitigate risk from surface flooding and mitigation plans are in place at all existing assets. These include guttering and roofing upgrades as well as pumps for basement carparks where required. |

## Capital deployment towards climate-related risks and opportunities

In the FY24 climate statements, we included a table showing the capital expenditure on climate related initiatives for FY24. However, in FY25 we are also required to disclose the current financial impacts of our physical and transition impacts, and the information previously included in our capital deployment table is also relevant to current impacts. Accordingly, for information on our capital deployment toward climate-related risks and opportunities (together with comparatives for FY24), please refer to page 45 of these climate statements.

1. Excluding properties categorised as "Sylvia Park adjoining properties" in the FY25 consolidated financial statements..


# Appendices

# Appendix one: **Our climate scenarios**

A narrative used for each scenario is outlined in the table below, with a detailed description, methods, assumptions, and sources of data used to construct the Sector Scenarios, on which Kiwi Property's scenarios are based on NZGBC's website: www.nzgbc.org.nz/research-and-reports. This link is included for additional context and is not intended to incorporate the full scenarios into these climate statements by cross-reference.

| Scenario One - 1.5°C | |
|---|---|
| **Emissions trajectory** | The world succeeds in limiting global temperature increase to 1.5 C above pre-industrial temperatures. Global emissions decline steadily to achieve net zero $CO_2$ emissions globally by 2050. New Zealand climate policies are ambitious and in line with the rest of the world's, with the building and construction sector adopting and prioritising decarbonisation policies.<br>By 2050 New Zealand is dealing with severe climate-related weather events although the outlook is looking more positive. Although the full impact of baked-in sea level rise is yet to be experienced it is being factored into decision-making for land use, infrastructure and insurance. |
| **Energy transition** | The energy grid shifts away from fossil fuel use, with the New Zealand grid reaching 100% renewable by 2050. The grid capacity rapidly expands in response to demand but it cannot keep pace in the short to medium term. Shortfalls in generation capacity become more frequent increasing risk of blackouts.<br>In the short to medium term New Zealand's highly renewable grid becomes more attractive internationally, with energy intensive industries such as cloud-based data<br>Services, seeking the lowest absolute grid emissions, relocating here. |
| **Social change** | Rates of people working from home increase for office-based jobs, as transport modes shift, and employers encourage their employees to reduce emissions by commuting less. The shift to working from home for some sectors means increased demand for residential dwellings and local shared working spaces with suitable facilities and a greater ownership of remote-working health and wellbeing outcomes from employers.<br>Globally aligned efforts to reduce warming results in manageable levels of climate-related refugees and modest net migration to New Zealand, which is home to 6.13 million people by 2050. An ageing population (23.3% of the population is over 65 by 2050) increases pressure on aged care funding and facilities. |
| **Land use and infrastructure** | Decarbonisation policy at the central and local government level drives rapid densification of urban areas to reduce new community development in urban areas.<br>The Government invests heavily in public transport and continues transport resilience efforts. Combined with congestion charging and ever-rising petrol prices, people rely far more heavily on public transport for commuting, shopping and entertainment. This in turn affects the value of housing and other assets according to their reach within transport modes.<br>The construction sector grows significantly as carbon supporting infrastructure is replaced with greener infrastructure. Due to higher margins and greater certainty of forward workload, this becomes a preferred market and reduces capacity and contractor appetite for other types of construction work leading to increased costs and reduced margins for developers. |

| Scenario One - 1.5°C | |
|---|---|
| **Regulation** | The Government tightens building standards, requiring gas to be phased out from both existing non-residential and residential buildings as well as preventing the installation of fossil gas infrastructure and connections in buildings except where there are no technically viable low emissions alternatives. New builds are required to meet stringent energy standards in design and operation as well as report on its whole-of-life embodied carbon. The effect of the new standards is to increase costs across the sector, and to make it more attractive to refurbish and repurpose existing buildings. |
| **Insurance** | In response to continued high intensity rainfall events, properties in floodplains, or subject to unstable ground conditions, experience increasing insurance premiums above inflation and experience insurance retreat by 2050. The threat of late century sea-level rise is being priced into property valuations in the short term and premiums on some coastal properties increase to the point of permanent unprofitability, leading to them being stranded. Properties in denser areas experience negligible increases in insurance premiums, as they benefit from surrounding publicly funded adaptation defences. |
| **Market** | Due to increasing market awareness of climate change risks and the need to decarbonise, entities that fail to set and meet ambitious science-based emission reduction targets also face reputational risks, loss of market share, and scrutiny from customers, shareholders, and competitors. These reputational and market risks affect the sector significantly in the short to medium term.<br>Building occupiers and purchasers also begin demanding more energy efficient, low carbon buildings as consumer awareness (and prices of higher carbon materials) increase. Demand is refocused towards existing building re-use and adaptive reuse over new construction. |

| Scenario Two - ~2.0°C | |
|---|---|
| **Emissions trajectory** | The world fails to implement the changes required to limit warming to 1.5°C above pre-industrial levels by 2100. Global emissions continue to rise during the 2020s as historical social, economic, and technological trends continue. However, the increasing frequency of climate related physical events, and concerns about meeting Paris Agreement Goals drives a sudden shift in global policy around 2030, when abrupt and stringent decarbonisation policies are enacted.<br>New Zealand follows suit with the majority of the world, leading to abrupt policy and market changes for the property and construction sector post-2030.<br>New Zealand still faces moderately severe physical impacts of climate change with an increase in extreme wind speeds (up to 5%), rainfall intensity (6%), and number of hot days (40%) by 2050. Adaptation has not been well implemented, retreat has not been well managed, and the pace of insurance retreat is accelerating. |
| **Energy transition** | In New Zealand, the relative affordability of low carbon generation means the grid is already steadily decarbonising throughout the 2020s.<br>In the short-term, there is limited-to-no change in fossil fuel use or energy transition for the sector. Stringent decarbonisation policies enacted in 2030 include the introduction of energy efficiency requirements for buildings. In 2030 all new buildings are 40% more efficient than current code requirements for operational energy efficiency. Whilst still legal, few new buildings utilise fossil fuels for heating, hot water or cooking. Many existing buildings still rely on fossil fuels but are transitioning over the medium-term (2030-2050) and become fully decarbonised by 2050. The pace of change and costs associated with upgrades leads some buildings to be abandoned. |
| **Social change** | Minimal social changes occur prior to 2030, however the pace of change around 2030 is unprecedented. Communities impacted by this rapid change are not well supported to adapt. This results in increasing wealth inequality, feelings of injustice and political polarisation. Mental health issues become more widespread and are most severe in communities where opportunities to adapt to a low carbon future are limited. Some parts of society feel increasingly left behind or marginalised and this leads to unrest, crime and an overall reduction in safety and security for both individuals and organisations.<br>This occurs over the backdrop of modest net migration to New Zealand and an ageing population (>20% of pop. over 65 in the medium-term). |
| **Land use and infrastructure** | Continuing new community development and investment in road-based transportation throughout the 2020s has created an infrastructure network that is more entrenched and difficult to transition to a low carbon alternative.<br>The impacts of climate change on coastal areas, floodplains and drought-prone regions combined with significant transition efforts around 2030 cause a change in population distribution as residents and businesses retreat to lower risk areas. |
| **Regulation** | At 2030, the significant regulatory changes demand an immediate step change in building energy and carbon requirements. New technologies haven't been developed in time for the spike in demand in 2030, leading to disruption of building and materials markets and competition for materials and products. This impacts new buildings and retrofit development. It leads to significant price escalations and construction delays, with financially marginal market segments becoming unviable.<br>Assets developed prior to 2030 are at increased risk of stranding once new regulations are introduced in 2030. |

| Scenario Three - >3°C | |
|---|---|
| **Emissions trajectory** | Global emissions continue to grow until 2080, which leads to greater than 3°C of physical warming above pre-industrial levels by 2100. Exploitation of fossil fuel resources and the adoption of resource and energy intensive lifestyles continues to increase around the world. The world sees increasingly severe physical risks. Historical social, economic, and technological trends continue until the physical impacts of climate change disrupt our ability to maintain the status quo.<br>As with the rest of the world, New Zealand does not enact any additional climate policy, including for the building and construction sector. Regulatory changes are slow and focus on adaptation and managing climate-driven immigration/refugees. The shadow price of carbon remains at $35/tCO_2e to 2050.<br>As the risk of asset loss and stranding increases, the focus of the property and construction sector becomes climate adaptation and supporting the resilience of communities as they are forced to either adapt or retreat.<br>New Zealand faces severe physical impacts of climate change with increased extreme wind speeds (5-10%), increase in rainfall intensity (8.6%), and an increase in the number of hot days (100%). |
| **Energy transition** | Aotearoa follows global trends in not introducing additional policies and both technology and behaviour change remain slow across all sectors. New Zealand's electricity grid is gradually decarbonised but does not achieve neutrality in the long term. This means buildings wishing to achieve net zero carbon emissions must invest in their own zero carbon generation.<br>Increasing frequency and severity of acute weather events (e.g. storms) result in more frequent and severe damage to electricity assets and more frequent and longer blackouts. Building energy efficiency improves in the medium term as passive design solutions, which are more resilient to electrical network failures, become more popular. |
| **Social change** | Increasing severity and frequency of weather events causes disruptions to global food supplies in the medium-term (2031-2050). Social cohesion starts to degrade and conflict and unrest become increasingly common. A large increase in net migration to New Zealand (6.93 million people by 2050) means that the growth rate of people aged over 65 slows considerably from 2040, with minimal change over the following decade (to 2050). There are changes in population distribution and land use over the medium-term as people begin to retreat from areas at risk from physical impacts (e.g. coastal areas at risk from sea level rise and storm surges, floodplains, regions vulnerable to drought). Food insecurity due to physical impacts, that affect growing areas as well as the ability to transport food, leads to large scale retreat out of cities and toward self-resilient lifestyles with less consumption. |
| **Land use and infrastructure** | The sector must actively manage the risk of increasingly disrupted supply chains as extreme climate events occur across the world. This risk is moderate in the short term but becomes increasingly extreme in the medium and longer terms. Populations that live in floodplains and regions vulnerable to drought also experience significant relocation. Spikes in demand for housing occur due to climate-driven immigration from other parts of the world and increasing numbers of climate refugees. Populations concentrate around regions that are more climate resilient. |

| Scenario Three - >3°C | |
|---|---|
| **Regulation** | National policy shifts towards addressing national and regional security and resource scarcity. Increasing frequency and severity of acute weather events drive an increasing need for climate adaptation. For example, the need to retrofit buildings and infrastructure to be more heat and flood resilient.<br>There are strong measures to address resource scarcity, with access to energy and other resources being restricted for non-critical functions. For example, carless days, water restrictions, limits on air conditioning or heating use, etc. There is more demand for buildings that are resilient to direct climate-related physical events, infrastructure failures, and any resulting resource scarcity.<br>Local councils also increase rates to invest in protection and restoration of certain assets in locations where retreat is not an option. This increase in adaptation spending reduces the level of discretionary spending, which impacts on non-essential infrastructure and building activity related to retail premises. |
| **Insurance** | Properties in floodplains experience increasing insurance premiums and likely experience insurance retreat by 2040. Properties lose value and become stranded assets. Premiums on coastal commercial properties may increase to the point of permanent unprofitability, leading to them being stranded by 2030. Construction in hazardous areas becomes increasingly dangerous and some commercial property owners experience liability risk as heatwaves cause fatalities to occur onsite. |
| **Market** | Changes to building codes are focused on the response to physical impacts and tragic events. This increases the cost of development with limited whole of life cost benefits. Resilience requirements also capture existing buildings which need to be upgraded to be considered safe. The need to improve building resilience causes many assets (especially in smaller/remote/less resilient settlements) to be stranded/ abandoned. |

# Appendix two: Greenhouse Gas Emissions Inventory Report

**This document is the annual greenhouse gas (GHG) report for Kiwi Property Group Limited. It covers the period 1 April 2024 to 31 March 2025.**

This report has been written in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, (2015) ('the GHG Protocol').

**Table 1: KP Greenhouse Gas Emissions Inventory**

| Scope | | FY24 (base year) | FY25 |
|---|---|---|---|
| **Scope 1 emissions tonnes of $CO_2e$** | Stationary diesel | 5.64 | 8.34 |
| | Natural gas | 174.77 | 153.74 |
| | Fugitive emissions from air conditioning systems | 147.30 | 115.25 |
| | **Total Scope 1** | 327.71 | 277.33 |
| **Scope 2 emissions tonnes of $CO_2e$** | Electricity consumption (location based) | 727.26 | 655.49 |
| | **Total Scope 2** | 727.26 | 655.49 |
| | **Total Scope 1 & 2** | 1,054.97 | 932.82 |
| **Scope 3 emissions tonnes of $CO_2e$** | Waste generated in operations | 593.50 | 515.57 |
| | Purchased goods and services: Water | 7.19 | 7.39 |
| | Business travel: Flights, taxis, mileage, rental vehicles, accommodation | 106.44 | 90.56 |
| | Fuel and energy related activities: transmission and distribution losses from electricity and natural gas | 89.07 | 54.51 |
| | **Total Scope 3** | 796.20 | 668.02 |
| | **Total Scope 1, 2 and 3** | **1,851.19** | **1,600.84**[3] |

1. See Appendix 2b for information on excluded sources.
2. See Appendix 2a for information on methodologies and uncertainties.
3. The Ministry for the Environment has released changes to the emissions factors used in calculating GHG emissions on the 16th May 2025. The new factors have not been applied to the GHG emissions information in the report due to timing and impracticality to update and review data prior to the release of this report. These factors are not entity specific and the timing of release of these factors is not in Kiwi Property's control. Based on current estimates the new factors would potentially materially impact Scope 2 emissions (electricity emissions factor has increased by 38%) and Scope 3 (waste emissions factor has reduced by 12%).

## Organisational boundary

Kiwi Property applies an operational control approach to identify and determine the boundary of our GHG inventory.

A company has operational control over an asset/operation if it has the authority to introduce and implement operating policies at the operation. This consolidation approach allows us to focus on those emission sources over which we have operational control and can therefore implement management actions consistent with Kiwi Property's sustainability strategy. It does not, at this stage, cover new building construction or major renovations of buildings which are undertaken by Kiwi Property suppliers.

Organisational boundaries were set with reference to the methodology described in the GHG Protocol.

Table 2 below shows what has been included in the context of the overall structure.

**Table 2: Kiwi Property Structure**

| Kiwi Property Group Limited | | | | |
|---|---|---|---|---|
| Head office – Level 7 Vero Centre | | | | |
| **Mixed-use assets** | **Retail assets** | **Office assets** | **Assets under management[1]** | **Other assets** |
| Sylvia Park Precinct | The Plaza | ASB North Wharf | Northlands Shopping Centre | Development Land – Sundry properties |
| LynnMall | Centre Place North | The Aurora Centre | Centre Place South | |
| The Base | | Vero Centre | | |
| | | 65 Bryce Street | | |

50:50 JV partnership ownership with Tainui Group Holdings. Kiwi Property accounts for 100% of operational emissions for these assets.

Where a single tenant occupies most or all of an asset Kiwi Property may have limited or no operational control over some or all aspects e.g. ASB North Wharf and the Sundry properties on development land.

Sylvia Park Precinct comprises Sylvia Park Shopping Centre, ANZ Raranga, Geneva House (3 Te Kehu Way), Sylvia Park Lifestyle and Resido.

## Operational boundary

The FY25 GHG emissions inventory report covers scope 1 and 2 emissions and scope 3 emissions where the group has sufficiently reliable measurements for scope 3 categories.

Improving the accuracy and extent of our scope 3 measurement is an ongoing area of focus, working towards reliable measurement of all material scope 3 emissions categories in FY26.

Scope 1 and 2 emissions include the "base build" emissions (refrigeration and natural gas associated with heating and cooling, and stationary diesel and electricity).

Scope 3 emissions are indirect emissions and currently includes business travel (flights, employee mileage, taxis and rental vehicles and accommodation), transmission and distribution losses from electricity and natural gas, water and waste. Waste in this report is waste to landfill that is controlled through Kiwi Property loading docks.

## Excluded assets

### Assets under Management

**Centre Place South** – Kiwi Property does not own Centre Place South and has a limited operational management contract for this building, which does not include decision making on capital investments, energy contracts or building operation hours.

1. Assets under management are assets that are not owned by Kiwi Property but where we hold an operational management contract with the property owner.

Centre Place South's electricity, gas and HFC's are excluded. Kiwi Property manages and sets waste disposal processes which the tenants are encouraged to follow. Waste data for Centre Place South is captured in Centre Place Norths reporting.

**Northlands** – Kiwi Property does not own Northlands and has a limited operational management contract for this building, which does not include decision making on capital investments, energy contracts or building operation hours.

**ASB North Wharf** – A single tenant occupies most of this office asset and Kiwi Property has limited operational control.

### Development land and sundry properties

These properties are either residential or industrial and emissions are controlled by tenants. Where there is common area that is controlled by Kiwi Property such as at 77 Carbine Road those emissions are included in this report.

Drury and other bare development land has been excluded.

## Base year

For this report the reporting period covers the period 1st April 2024 to 31st March 2025 and is referred to as FY25. In FY24 Kiwi Property reset its base year from 2012 to FY24 to account for significant changes to the portfolio, i.e. our Drury site and our Resido development. Kiwi Property's base year measurement period is 1 April 2023 to 31 March 2024.

Our Baseline Recalculation policy states that if Kiwi Property's net lettable area changes by more than 10% due to development, acquisitions or divestments then a recalculation of the scope 1 and scope 2 baseline emissions is required.

## Methodologies and emission factors

Emissions have been quantified using the calculation-based method based on activity multiplied by greenhouse gas emission factors. Toitū Envirocare's emanage software is utilised to calculate our emissions. The emissions factors are provided within the system and are sourced from the New Zealand Ministry for the Environment MfE Guidance for Voluntary Greenhouse Gas Reporting.

The Global Warming Potential (GWP) rates are sourced from the Toitū emanage system, with Quantities of each greenhouse gas are converted to tonnes $CO_2$e using the global warming potential from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.

Estimates have been used when reliable data has not been available. Estimates were used for the following:–

- Solar at Sylvia Park for Kiwi Property owned arrays from April to November 2024 inclusive.
- The Base water consumption from 5 March 2025 to 31 March 2025.
- The Aurora Centre water consumption from 13 February 2025 to 31 March 2025.

Further information on exclusions is available in the Appendices.

## Information on offsets

Kiwi Property has not purchased nor retired carbon offsets during this reporting period.

## Assurance of GHG Inventory

A limited level of assurance has been undertaken by Deloitte Limited over selected Scope 1 and 2 GHG Emissions disclosures included in the Group Climate Statements and the GHG Inventory Report included as Appendix two within the Group Climate Statements, for the year ended 31 March 2025. Refer to the Independent Limited Assurance Report on page 72 for further details.

**Person responsible:** Gillian Wordsworth, Head of Sustainability, Kiwi Property Group

**Prepared for:** Kiwi Property Group

**For the period:** 1st April 2024 to 31st March 2025

**Dated:** 23 May 2025

Prepared by: Gillian Wordsworth
Head of Sustainability
Kiwi Property Group Limited
Date: 23 May 2025

Approved for release by: Clive Mackenzie
Chief Executive
Kiwi Property Group Limited
Date: 23 May 2025

Approved for release by: Mary Jane Daly
Director
Kiwi Property Group Limited
Date: 23 May 2025

## Appendix 2a: Emissions sources inclusions

Kiwi Property includes scope 1, 2 and selected scope 3 emissions from all relevant Kyoto Protocol gases in our inventory, expressed as carbon dioxide equivalent ($CO_2e$). The emissions sources in Table 3 have been included in the GHG emissions inventory.

### Table 3: Emissions sources included

| | GHG emissions category | GHG emissions source | Data Source | Methodology, data quality, uncertainty |
|---|---|---|---|---|
| **Scope 1 Direct emissions** | Natural gas – stationary | Natural gas used for heating within common areas. | Supplier invoices<br>Check meters | Gas suppliers invoice Kiwi Property for consumption across the building. Check meters in the building provide readings for tenant usage. Common area usage is calculated as the residual amount after tenant usage is subtracted from whole building consumption. |
| | Stationary diesel | Diesel is used in pumps for sprinkler systems and in back-up generators. | Supplier records | Annual report from suppliers.<br>There is low uncertainty as the amount of diesel used is measured. |
| | Fugitive emissions from air conditioning units | Leakage of refrigerants from HVAC systems in common areas. | Supplier records | Annual report from suppliers.<br>There is low uncertainty as the kilograms of refrigerant added is measured. |
| Overall assessment of uncertainty for Scope 1 emissions is low | | | | |

| | GHG emissions category | GHG emissions source | Data Source | Methodology, data quality, uncertainty |
|---|---|---|---|---|
| **Scope 2 Direct emissions** | Electricity | Electricity consumption from common areas. | Records from embedded network operator and invoices from electricity suppliers. | Where there is an embedded network, reliable records of electricity consumed sourced from an independent third party.<br>If there is no embedded network, suppliers provide an invoice with consumption.<br>These meters have a +/-2% accuracy by law and so the kwh usage is considered to have low uncertainty. |
| Overall assessment of uncertainty for Scope 2 emissions is low | | | | |



| | GHG emissions category | GHG emissions source | Data Source | Methodology, data quality, uncertainty |
|---|---|---|---|---|
| **Scope 3 Indirect emissions**[1] | Category 1: Purchased goods and services | Water | Supplier invoices<br>Check meters | Water suppliers invoice Kiwi Property for consumption across the building. Check meters in the building provide readings for tenant usage. Common area usage is calculated as the residual amount after tenant usage is subtracted from whole building consumption. These meters have a +/-2% accuracy by law and so the kWh usage is considered to have low uncertainty. |
| | Category 3: Fuel and energy related activities | Electricity distributed T&D losses, Natural Gas distributed T&D losses | Supplier invoices | Methodology for collecting data for electricity and gas described on page 68. |
| | Category 5: Waste generated in operations | Waste generated from building operations | Supplier reports | Monthly reports from suppliers.<br>Waste data collected is waste to landfill that is controlled through Kiwi Property loading docks. Waste that is controlled by tenants with their own loading docks, where Kiwi Property has no operational control, is excluded.<br>The tenants at Bryce Street and Aurora Centre manage their own waste.<br>Construction waste is currently excluded from this inventory, as the information is not yet available.<br>All landfill waste is sent to landfills with gas recovery. |
| | Category 6: Business travel | Flights, mileage, taxis, accommodation and rental vehicles | Supplier report<br>Internal finance system | Annual report from supplier.<br>Kiwi Property uses Flight Centre to book all travel. A report is provided by Flight Centre that includes flight and accommodation information that is used to calculate the emissions. The sources of data are considered reliable.<br>Taxis and mileage are recorded in our internal financial tracking system. There is a higher level of uncertainty as kms are reported by the employee and information on the type of vehicle used is not collected. This represents a smaller portion of the emissions. |
| Overall assessment of uncertainty for Scope 3 emissions is low | | | | |

1. Scope 3 exclusions are provided in Appendix 2b

## Appendix 2b: Scope 3 GHG emissions sources excluded

Emissions sources in Table 4 have been identified and excluded from this inventory.

### Table 4: GHG emissions sources excluded from the inventory

| | GHG emissions category | GHG emissions source | Reason for exclusion |
|---|---|---|---|
| **Upstream (purchased goods & services)** | 1. Purchased goods & services | Expenses related to operational and development activity i.e. office supplies, legal, insurance, consultants and construction sites. | Reliable data not available. Work underway in FY26 to determine these emissions. |
| | 2. Capital goods | Upstream emissions from goods used to build/repair a building.<br>Embodied carbon in development properties. | Reliable data not available. Work underway in FY26 to determine these emissions. |
| | 4. Upstream transportation & distribution | Emissions from transportation of products purchased by company. | Emissions from couriers used by Kiwi Property fall below the 1% threshold and are excluded. |
| | 7. Employee commuting | Travel between work and home. | Emissions from employee commuting fall below the 1% threshold and are treated as de minimis. |
| | 8. Upstream leased assets | Operation of assets leased by the reporting company. | Not applicable |
| **Downstream (sold goods and services)** | 9. Downstream transportation and distribution | Transportation and distribution of products sold. | Not applicable |
| | 10. Processing of sold products | Processing of intermediate products sold. | Not applicable |
| | 11. Use of sold products | End use of goods and services sold. | Not applicable |
| | 12. End-of-life treatment of sold products | Waste disposal and treatment of products sold. | Not applicable |
| | 13. Downstream leased assets (properties) | Operation of owned assets. | Reliable data not available. Work underway in FY26 to determine these emissions. |
| | 14. Franchises | Operation of franchises. | Not applicable |
| | 15. Investments | Operation of investments (including equity and debt investments and project finance). | Not applicable |
| **Biogenic carbon** | Kiwi Property does not use any biofuel, burn biomass or have any agriculture or forestry activities so has no biogenic emissions or carbon removals. | | |

## Appendix 2c

### Table 5: Direct GHG emissions and removals, quantified separately for each applicable gas

| Category | $CO_2$ | $CH_4$ | $N_2O$ | $NF_3$ | $SF_6$ | HFCs | Other | Emissions total ($tCO_2e$) |
|---|---|---|---|---|---|---|---|---|
| Stationary combustion | 161.60 | 0.39 | 0.09 | 0.00 | 0.00 | 0.00 | 0.00 | 162.08 |
| Leakage of refrigerants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 115.25 | 0.00 | 115.25 |
| Fugitive emissions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Electricity generated and consumed onsite | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exported electricity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total net emissions | 161.60 | 0.39 | 0.09 | 0.00 | 0.00 | 115.25 | 0.00 | 277.33 |

# Appendix three:

## Independent Limited Assurance Report on Selected Greenhouse Gas ('GHG') Disclosures and the GHG Inventory Report included within the Group Climate Statements (also referred to as 'Climate-related disclosures') for Scope 1 and 2 GHG emissions

**Deloitte.**

To the Shareholders of Kiwi Property Group Limited

### Limited assurance conclusion

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, within the scope of our engagement (as outlined below), included in the Group Climate Statements of Kiwi Property Group Limited (the '**Company**') and its subsidiaries (the '**Group**') for the year ended 31 March 2025 (the '**Selected GHG Disclosures**'), are not fairly presented and not prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards* ('**NZ CSs**') issued by the External Reporting Board ('**XRB**'); and
- the Greenhouse Gas Emissions Inventory Report included as Appendix 2 to the Group Climate Statements for the year ended 31 March 2025 (the '**GHG Emissions Inventory Report**'), is not prepared in all material respects, in accordance with the requirements of the International Standard the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (the '**Applicable Criteria**').

Our report does not cover any forward-looking statements made by the Group, any external references or hyperlinked documents.

### Scope of assurance engagement

We have undertaken a limited assurance engagement over the following Selected GHG Disclosures prepared in accordance with NZ CSs, that is required to be the subject of an assurance engagement per section 461ZH of the Financial Markets Conduct Act 2013 ('**FMCA**').

| Subject matter: Selected GHG Disclosures | Reference |
|---|---|
| GHG emissions: gross emission in metric tonnes of Carbon dioxide equivalent ('**$CO_2e$**') classified as:<br>• Scope 1<br>• Scope 2 (calculated using the location-based method) | Page 52 |
| Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* ('**NZ CS 1**'), being:<br>• The statement describing the GHG emissions have been measured in accordance with the requirements of the Applicable Criteria;<br>• The statement that the GHG emissions consolidation approach used is operational control;<br>• Sources of emission factors and the global warming potential ('**GWP**') rates used or a reference to the GWP source; and<br>• The summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion. | Page 52 and 65 to 71 |
| Disclosures relating to GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate-related Disclosures* ('**NZ CS 3**'):<br>• Description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods.<br>• Description of uncertainties relevant to the Group's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. | Pages 65 to 71 |

In addition, we have undertaken a limited assurance engagement in relation to the GHG Inventory Report of the Group, comprising the emissions inventory and the explanatory notes set out on pages 65 to 71 of Appendix 2 to the Group Climate Statements for the year ended 31 March 2025. The GHG Inventory Report is based on historical information and provides further disclosures about the Scope 1 and 2 GHG emissions of the Group for the year ended 31 March 2025 to meet the requirements of the Applicable Criteria, in addition to the minimum disclosure requirements of NZ CSs.

Our engagement has not covered Scope 3 emissions of the Group disclosed within the Climate Statements or the GHG Inventory report. The Group has used adoption provision 8 of Aotearoa New Zealand Climate Standard 2: *Adoption of Aotearoa New Zealand Climate Standards* ('**NZ CS 2**'), which allows for the exclusion of these disclosures from the scope of this assurance engagement.

Our limited assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 31 to 51, pages 53 to 64 and pages 74 to 75, and the Sustainability Report on page 1 to 30 of the Sustainability and Climate-related Disclosures Report for the year ended 31 March 2025 and the Annual Report for the year ended 31 March 2025. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

### Emphasis of matter – emission factors published after year end

We draw attention to the disclosures on page 52 of the Group Climate Statements which outline that the Ministry for the Environment released new emission factors on 16 May 2025, which have not been applied to the GHG emission information. The new factors may have a potential material impact on GHG emissions reported but have not been updated due to the timing of their recent release as noted on page 52. Our assurance conclusion is not modified in respect of this matter.

### Other matter – comparative information

The comparative GHG disclosures (that is GHG disclosures for the period ended 31 March 2024) 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.

### Director's responsibilities

Directors are responsible for the preparation and fair presentation of the Selected GHG Disclosures in accordance with NZ CSs, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. In addition, the Directors are responsible for the preparation of the GHG Inventory Report included as Appendix 2 to the Group Climate Statements in accordance with the requirements of the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report that are free from material misstatement whether due to fraud or error.

### Inherent uncertainty

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, as discussed on page 68 to 69 of the Group Climate Statements, 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.

As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of the Group's compliance with NZ CSs and/or the requirements of the Applicable Criteria are undertaken on a test basis, our limited assurance engagement cannot be relied on to detect all instances where the Group may not have complied with the NZ CSs or the requirements of the Applicable Criteria. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

In addition, we note that a limited assurance engagement is not designed to detect all instances of non-compliance with the NZ CSs or the requirements of the Applicable Criteria, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

## Our responsibilities

Our responsibility is to express an independent limited assurance conclusion on the Selected GHG Disclosures and GHG Inventory Report, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with NZ SAE 1 and the International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* issued by the XRB ('**ISAE (NZ) 3410**'). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected GHG Disclosures and GHG Inventory Report are free from material misstatement.

## Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

Our firm is the statutory auditor of the financial statements and also carries out other assurance services (review of the consolidated interim financial statements, audits of joint venture financial statements, audits of special purpose financial information in accordance with tenancy agreements) for the Group. These services have not impaired our independence as assurance practitioner of the Group.

In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Our firm has no other relationship with, or interest in the Group.

As we are engaged to form an independent conclusion on the Selected GHG Disclosures and GHG Inventory Report prepared by the Group, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

## Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves assessing the suitability in the circumstances of Group's use of NZ CSs and the Applicable Criteria as the basis for the preparation of the Selected GHG Disclosures and the GHG Inventory Report respectively, assessing the risks of material misstatement of the Selected GHG Disclosures and GHG Inventory Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected GHG Disclosures and the GHG Inventory Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Selected GHG Disclosures and the GHG Inventory Report, we:

- Obtained, through inquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Selected GHG disclosures and GHG Inventory Report. We did not evaluate the design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Undertook site visits of the Group's sites to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites.
- Tested, at each site visited, a limited number of items to, or from, supporting records, as appropriate.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Considered the presentation and disclosure of the Selected GHG disclosures and the GHG Inventory Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Selected GHG Disclosures and the GHG Inventory Report are fairly presented and prepared, in all material respects, in accordance with NZ CSs or the requirements of the Applicable Criteria respectively.

## Use of our Report

Our limited assurance report ('**our Report**') is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the Selected GHG Disclosures and the GHG Inventory Report are prepared and assured to appropriate levels of materiality.

Our Report is made solely to the Group's shareholders, as a body. Our limited assurance engagement has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's shareholders as a body, for our work, for our Report, or for the conclusions we have formed.

Deloitte Limited

**Andrew Boivin, Partner**
**for Deloitte Limited**
Auckland, New Zealand
23 May 2025

This limited assurance report relates to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements for the year ended 31 March 2025 included on the Group's website. The Directors are responsible for the maintenance and integrity of the Group's website. We have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements since they were initially presented on the website.

The limited assurance report refers only to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these disclosures. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the Group Climate Statements that include the Selected GHG Disclosures and the GHG Inventory Report and related limited assurance report dated 23 May 2025 to confirm the information presented on this website.

# Appendix four:
# **Detailed index of climate disclosures**

## Index to climate statements

The table below identifies the location of disclosures required by Aotearoa New Zealand Climate Standards. This includes the specific disclosure requirements in NZ CS 1 (as amended by relevant paragraphs of NZ CS 2) and paragraphs 51 to 55 of NZ CS 3.

| NZ CS Reference | Detail | Page number | Related discussion in Sustainability Report[1] (page number) |
|---|---|---|---|
| Governance | | | |
| 7(a)-(b) and 8(a)-(d) | Governance body oversight of climate-related risks and opportunities | 34-37 | |
| 7(c) and 9(a)-(c) | Management's role in assessing climate-related risks and opportunities | 35-36 | |
| Strategy | | | |
| 11(a) and 12(a)-(c) | Current climate-related impacts | 44-45 | |
| 11(b), 13, and NZ CS 3, 51(a)-(b) | Scenario analysis process, including process, methods and assumptions | 38-40 | |
| 11(c) and 14(a)-(c) | Climate-related risks and opportunities, time horizons, and input into internal capital deployment and funding | 40-44 and 49 (capital deployment and funding) | 20 |
| 11(d)-15(a)-(d) | Anticipated impacts of climate-related risks and opportunities reasonably expected | 42-44; adoption relief in respect of anticipated financial impacts | |
| 11(e) and 16(a)-(c) | Business model and strategy, and transition planning (including alignment with capital deployment and funding) | 46-49 and 54 (targets) | 5, 7, 8-9, 16 and 20-21 |
| Risk management | | | |
| 18(a)-(b) and 19(a)-(e) | Processes for identifying, assessing and managing climate-related risks and integration into risk management process | 50-51 and 40 (time horizons) | 1 |
| Metrics and targets | | | |
| 21(a)-(c), 22(a)-(h) and NZ CS 3, 40 | Climate-related metrics (cross-industry and industry-based) and key performance indicators, including comparatives for metrics and relevant methods, assumptions and uncertainties | 52 and 55-57 | 16 |
| 21(d) and 23(a)-(e)(iv) | The targets used to manage climate-related risks and opportunities, and performance against those targets | 53-54 | 1, 11, 14-15 and 19 |
| 24(a)-(d) | GHG reporting standard, consolidation approach, source of emissions factors and global warming (GWP) rates used, summary of specific exclusions of sources | 52 and 65-71 | |
| NZ CS 3, 42 | Analysis of trends | Adoption relief | |
| NZ CS 3, 52-53 | GHG emissions methods, assumptions, limitations and uncertainties | 65-71 | |
| NZ CS 3, 54 | Explanation for any base year GHG emissions restatements | N/A | |
| Adoption provisions | | | |
| NZ CS 2, 23 | Adoption provisions relied on | 32 | |
| Statement of compliance | | | |
| NZ CS 3, 55 | Statement of compliance with Aotearoa New Zealand Climate Standards | 32 | |

1. This column is included to identify instances where climate-related information is included in this Sustainability Report outside of the climate statements on pages 30-39. This information is not included by cross-reference into the climate statements.

Kiwi Property

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