



WINTON

BEST BY DESIGN

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Introduction

About this report

This report covers Winton's Climate-Related Disclosures for FY24. This report is available on Winton's [website](#). Questions about the report can be directed to investors@winton.nz.

The period covered in this report aligns with Winton's financial period for the 12 months ending 30 June 2024 unless otherwise stated. All financial information in this report is presented in New Zealand Dollars and excludes GST.

Company details:

Winton Land Limited
NZCN 6310507
ABRN 655 601 568

Head office address: Level 4, 10 Viaduct Harbour Avenue, Auckland, NZ

Listed on the NZX and ASX

FC The Burr Bar,
Ayrburn

01 Sunfield,
Papakura

Statement of compliance

Winton Land Limited (**Winton**) is a climate-reporting entity under the Financial Markets Conduct Act 2013. These climate-related disclosures comply with Aotearoa New Zealand Climate Standards (NZ CS 1, 2 and 3) issued by the External Reporting Board (XRB).

In preparing its climate-related disclosures, Winton has elected to use the following adoption provisions in NZ CS2:

- **Adoption provision 1:** Current financial impacts. This adoption provision exempts Winton from disclosing the current financial impacts of its physical and transitional climate-related impacts.
- **Adoption provision 2:** Anticipated financial impacts. This adoption provision exempts Winton from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by Winton.
- **Adoption provision 3:** Transition planning. This adoption provision exempts Winton from disclosing information on the transition plan aspects of its strategy, noting that it has included a description of its progress towards developing the transition plan aspects of its strategy on page 23.
- **Adoption provision 4:** Scope 3 GHG emissions. This adoption provision exempts Winton from disclosing all Scope 3 greenhouse gas (GHG) emissions. Winton has disclosed all Scope 3 Category 3 and Category 4 emissions 1% and above (in accordance with ISO 14064-1) but Winton is utilising this adoption provision to allow time to consider additional Categories.
- **Adoption provision 5:** Comparatives for Scope 3 GHG emissions. This adoption provision exempts Winton from disclosing Scope 3 GHG comparative information for the immediately preceding two reporting periods.
- **Adoption provision 6:** Comparatives for metrics. This adoption provision exempts Winton from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
- **Adoption provision 7:** Analysis of trends. This adoption provision exempts Winton from disclosing an analysis of trends evident from the comparison of each metric from the previous reporting periods to the current reporting period.

Disclaimer

The statements within this report (**Statements**) are published by Winton for the climate-related disclosures period of 1 July 2023 to 30 June 2024.

The Statements outline Winton's strategy for scenario analysis, its understanding of and response to climate-related risks and opportunities, and its current and anticipated impacts from climate change.

Climate change presents an ongoing challenge, characterised by considerable risks and uncertainties. Winton acknowledges that its understanding of these risks and opportunities will develop over time. The Statements include estimates and assumptions about future changes driven by climate change and their potential impacts on Winton's business. They also rely on early and evolving assessments of present and forward-looking information, statements and opinions, such as climate-related scenarios, targets, and forecasts, which inherently involve uncertainties about Winton's future strategies and its operating environment.

The above-mentioned risks and opportunities could cause results, performance or events to differ materially from those expressed or implied in the Statements. Factors beyond Winton's control, such as changes in general economic and political conditions, technological, governmental, consumer, and market factors, may also affect Winton's actual results, performance or achievement of stated climate-related targets and metrics.

Accordingly, while Winton has made every effort to provide a reasonable basis for these forward-looking statements and is committed to advancing its response to climate-change, it gives no representation, guarantee, warranty or other assurance about outcomes expressed or implied. The actions contained in the Statements are developing and actual outcomes may differ. Although Winton believes the Statements have a reasonable basis, they are for information purposes only and nothing in this report should be interpreted as financial, legal, tax or other advice or guidance.

Approved on behalf of the Board on 23 August 2024.



Chris Meehan
Chair and CEO



Steven Joyce
Audit and Financial Risk Committee Chair

Governance

The Winton Board of Directors (**Board**) is the governance body responsible for overseeing climate-related risks and opportunities. This section describes the role the Board plays in overseeing these risks and opportunities and the role the Senior Management Team plays in assessing and managing them.

Governance body oversight

The Board is responsible for oversight of climate-related risks and opportunities affecting Winton and for compliance with climate-related standards.

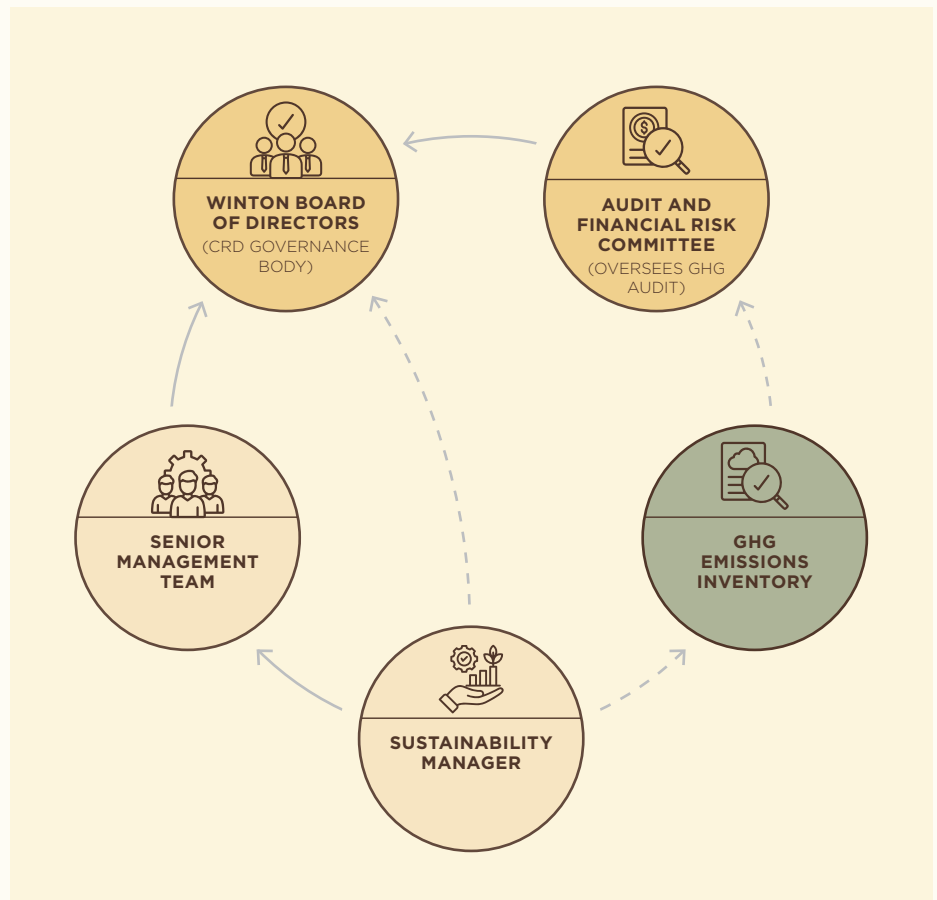
The Board is informed quarterly about ESG considerations, of which climate-related risks and opportunities are part of. In FY24, the main ESG focus was ensuring Winton met the XRB Standards for Climate-Related Disclosures and engaged with the Senior Management Team on the pathway to meeting these standards, the risk and baseline assessment and the process of scenario analysis.

Physical and transitional climate risks and necessary adaptation are also considered by the Board as part of due course and in relation to the asset acquisition, strategy and execution.

The Board meets at least 6 times per year, and climate-related discussions were included 6 times in FY24. For a summary, refer to the table on page 6.

Sustainability is an element in the Board Skills Matrix and the assessment of the level of those skills. The Board skills matrix is included in the Corporate Governance Section of the FY24 Annual Report (page 78) and is an integral part of the Board composition and recruitment strategy. The Board skills matrix is reviewed and adjusted annually to reflect any change in expertise as a Director.

Appropriate skills and competencies are delivered not only through a mix of Board appointments but also through continuous education. As a growing area of focus within both the Company and New Zealand, building climate-related capability within the Board will be ongoing. Education has been facilitated



through the engagement of an external advisor who held a session with all Directors covering the requirements of the NZ Climate Standards. Further, the Directors have ongoing education on the regulatory requirements of the climate standards and are provided governance climate resources, industry guidance, and open sessions with the Sustainability Manager. All of these resources are to foster the Board's climate expertise.

Climate-related risks and opportunities are integrated into the development and oversight of Winton's strategy implementation. Under Winton's Risk Management Framework, which is approved by the Board, the Senior Management Team is responsible for promoting good risk practices in their teams. The Risk Management Section on page 25 sets out further details of how Winton identifies, assesses, and manages climate-related risks.

At the start of FY24, the Board approved Winton's Sustainability Framework, which incorporates three pillars - Thriving Planet, Thriving People, and Sustainable Future. The Framework includes considered ESG commitments that are critical to the long-term success of Winton and its business model.

The Senior Management Team and Sustainability Manager recommend the appropriate metrics and targets to the Board for their approval. This current reporting period was the first time these metrics and targets had been set. Going forward, the Board will monitor metrics and progress against targets for managing climate-related risks and opportunities at least annually and as part of the quarterly ESG agenda item when new quarterly data is available.

The related metrics are not incorporated into remuneration policies.

Roles and responsibilities

BOARD

Oversees Winton's strategic direction and the performance of the Senior Management Team. Oversees Climate-related risks and opportunities, including the Senior Management Team's role in assessing and managing them and monitoring progress against disclosure requirements. The Board has approved metrics and targets recommended by the Senior Management Team and will analyse and review progress at least annually.

The Board is responsible for compliance with climate-related standards.

AUDIT & FINANCIAL RISK COMMITTEE

Takes responsibility for ensuring the quality and integrity of external financial reporting, including the accuracy, completeness, and timeliness of financial statements. Therefore, it oversees the assurance of Winton's GHG emissions, assured by a separate external assurance practitioner.

Following similar processes to the financial audit, the GHG emissions inventory and audit report are provided to the Audit and Financial Risk Committee, which recommends them to the Board for approval and disclosure.

SENIOR MANAGEMENT TEAM

Comprising of Winton's CEO, CFO, COO, GM Corporate Services and GM Project Delivery.

Leads Winton's strategy and performance, including the assessment, adaptation, and mitigation of climate-related risks and opportunities. The Senior Management Team meets regularly, and the CFO and/or GM Corporate Services raises and reports on ESG, including climate-related risks and opportunities when relevant.

SUSTAINABILITY MANAGER

Day-to-day oversight of ESG matters, including Climate-Related Disclosures.

SUSTAINABILITY WORKING GROUP

Comprising Winton's CFO, COO, GM Corporate Services, GM Project Delivery and senior leaders across the Winton business.

Led by Winton's Sustainability Manager. It shapes, monitors, and coordinates Winton's sustainability programme across the business, involving others in specific work streams.

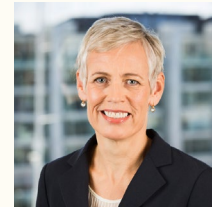
Board of Directors



Chris Meehan
Chair and Chief Executive Officer



Julian Cook
Executive Director and Director of Retirement



Michaela Meehan
Non-executive Director



Glen Tupuhi
Independent Director



James Kemp
Non-executive Director



Steven Joyce
Independent Director



Guy Fergusson
Independent Director

Management's role

Winton's Senior Management Team, including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, GM Corporate Services, and GM Project Delivery, is responsible for executing Winton's strategy, managing company performance, and managing risks, including climate-related risks and opportunities.

The Sustainability Manager has day-to-day responsibility for ESG within Winton. The CFO and/or GM Corporate Services are kept informed of work streams and reports on ESG, including climate-related risks and opportunities, when relevant at the weekly management meetings.

At the project level, climate change risk mitigation, climate change adaptation and transitional impacts are integrated into day-to-day operations of Winton, led by Winton's Chief Operating Officer and GM Project Delivery. Such integration includes due diligence of potential acquisitions,

design of masterplans, rezoning and resource consent applications and delivery.

The Sustainability Manager reports to the Board, as the governance body, on ESG matters at least quarterly, including reporting on climate-related risks and opportunities. To date, this has reflected the process of meeting the climate-related standards, the findings of more detailed climate-related risk assessment and scenario analysis, and measurement and assurance of GHG emissions.

With the help of the Sustainability Working Group, Winton's Sustainability Manager leads the identification, assessment, and management of Winton's climate-related risks and opportunities. The Sustainability Working Group met periodically over the year to contribute to meeting the climate-related standards, including climate-related risk assessment, baseline screening, scenario analysis, and measurement and assurance of GHG emissions.

Climate-related Board Discussions FY24

Board meeting date	Sustainability discussion item
21 AUGUST 2023	Sustainability Report – outlining progress and priorities
29 NOVEMBER 2023	Climate-Related Risk Assessment Report and ESG Update including FY23 emissions
19 FEBRUARY 2024	ESG Sustainability Update including the Screening and Baseline Report
9 MAY 2024	Sustainability Update including Climate Related Risk Assessment and Scenario Analysis
26 JUNE 2024	Draft Climate-Related Disclosure Statement provided and discussed.
19 AUGUST 2024	FY24 GHG emission inventory recommended by the AFRC for disclosure.

Senior Management Team



Chris Meehan
Chair and Chief Executive Officer



Simon Ash
Chief Operating Officer



Jean McMahon
Chief Financial Officer



Justine Hollows
GM Corporate Services



Duncan Elley
GM Project Delivery

02 Northlake Apartments and Commercial, Wanaka

**Noting the Board was invited to the November 2023 Audit and Financial Risk Committee Meeting, which included a discussion on Climate-Related Disclosures, the project plan to meet the disclosure requirements, and audit requirements for GHG emissions.*



Strategy

Current physical impacts of climate change and associated financial impact

Winton is a developer of residential masterplanned communities. Generally, it sells completed products after completion, so the potential for physical impacts attributable to climate change exist on development sites while they are being developed or built. Winton has experienced some minor physical impacts on development sites possibly related to climate change, including increased storminess and winds, coastal erosion, and extreme weather patterns, which have caused minor disorder onsite and incurred minor clean-up costs.

Winton is actively implementing measures to adapt to the changing climate and its potential physical impacts. These include designing for greater resilience beyond Local Authority (e.g., raising floor levels in areas prone to sea level rise), increasing the number of weather monitoring stations, enhancing site preparation for extreme weather, and conducting thorough due diligence on potential asset acquisitions.

In FY24, there were no financial costs recorded in relation to the physical impacts of climate change. However, there was damage to a development site in the South Island in September 2023 that occurred during a 25-year-high rainfall event. This event resulted in localised flooding, debris flows, and land instability across the district¹. Winton has lodged an insurance claim to recover costs from the damage and additional measures are being implemented to mitigate risk to sites during development. Based on desktop research, there is no evidence to attribute the isolated event to climate change.

Current transitional impacts of climate change and associated financial impact

The most significant impact is the increased regulation, changes to building code, stricter Local Authority rules and increased compliance costs and, therefore, higher construction costs to meet stricter requirements of new developments.

Development and building regulations and requirements have gradually increased over time, making it difficult to quantify the FY24 financial impact accurately.

Winton has been responding by increasing due diligence, planning, and design requirements within financial feasibilities to adapt accurately to higher costs while retaining desired margins.

Winton has also experienced increased costs related to corporate compliance, full value chain emissions measurement and GHG emission assurance as it transitions to a low-carbon economy. The financial impact in FY24 was \$45,000.

Winton has experienced an increase in insurance costs and amendments to conditions of insurance; some are an outcome of the extreme weather events in the prior year.

The vision and masterplan for one of Winton's major development projects, Sunfield are based on a carless, solar-powered lifestyle with more affordable homes. This opportunity is accelerated as New Zealand transitions to a low-carbon economy and would have a material positive financial impact if consented in future years.

1. QLDC Emergency Management, Weather Event – September 2023 Weather Event – September 2023 (qldc.govt.nz)

Scenario analysis

In FY24 Winton undertook its first scenario analysis in accordance with the XRB Climate-related requirements.

Winton is a residential developer in New Zealand within the property and construction industry.

The New Zealand Green Building Council (NZGBC) published scenarios for the property and construction sector in 2023 that were developed by Beca Limited (Beca) in consultation with the Technical Working group created by NZGBC in 2022. The Technical Working Group included business leaders and key stakeholders within the industry of which Winton was added near the end of the process.

Winton referred to NZGBC sector guidance and created an entity-level scenario narrative to develop a comprehensive list of climate-related risks and opportunities over the short, medium, and long-term.

The scenarios considered by Winton were an 'Orderly' 1.5°C scenario, a 'Disorderly' 2.0°C scenario and a 'Hot House' >3.0°C scenario. (A description of the scenarios start on page 10).

Physical risks are based on modelling from the Intergovernmental Panel on Climate Change (IPPC) Sixth Assessment Report (AR6), regional climate models developed for New Zealand, by the National Institute of Water and Atmospheric Research (NIWA) and New Zealand Ministry for the Environment framework (MfE 2019).

Winton used the physical and transitional risks and opportunities it identified in its initial risk assessment and baseline screening as the basis of the scenario analysis. It considered each physical and transitional risk and opportunity under each of the three scenarios across the short, medium, and long-term and assigned them a risk rating of low, medium, or high. The tables that follow, starting on page 13, show all risks and opportunities that had a medium risk rating or higher for any scenario and time period.

The potential impacts of each physical and transitional risk and opportunity across the different scenarios and time periods are included in the following table. The potential financial impacts of the climate-related risks and opportunities outlined in the scenarios analysis have not been quantified and disclosed in this report as Winton has yet to determine a plausible and fair way to do so and is therefore utilising Adoption Provision 2.

Time horizons

For its risk assessment, Winton considered time horizons out to 2100.

For the scenario analysis, it adapted the time horizons to align with the NZGBC sector scenario guidance as a 2050 view and better align with entity-level business planning and investment timeframes.

Scenario analysis time horizons:

SHORT-TERM:	1-5 years
MEDIUM-TERM:	5-10 years
LONG-TERM:	10-25 years

Description of scenarios

Scenario one – **Orderly 1.5°C**

	Orderly 1.5 Scenario	Narrative
MEASUREMENT	Global warming +1.5°C above pre-industrial levels	<p>An "Orderly" scenario where the world succeeds in limiting global temperature increase to 1.5°C above pre-industrial temperatures. Global emissions decline steadily to achieve net zero CO₂ emissions globally by 2050. New Zealand climate policies are ambitious and in line with the rest of the world. The energy grid shifts rapidly away from fossil fuel use, with the New Zealand grid reaching 100% renewable by 2050. Alternative fuels are used as a backup, and renewables are utilised onsite instead of fossil fuels.</p> <p>The shadow price of carbon increases dramatically to align with a 1.5°C trajectory, steadily rising up to \$250/tCO₂e by 2050 (an increase of ~614% from a 2023 baseline of \$35/tCO₂e).</p>
EXTREME RAINFALL	15% increase in extreme rainfall	
EXTREME HEAT (>25°C)	+15 more extreme heat days	
SEA LEVEL RISE	0.20 metres	
CARBON PRICE	\$277 NZD per tonne	
POPULATION INCREASES	26% increase in New Zealand population 7% global population increase	
POLICY REACTION	Immediate and smooth	
TECHNOLOGY CHANGE	Fast change	
BEHAVIOUR CHANGE	Fast change	
PHYSICAL RISK SEVERITY	Moderate	
TRANSITION RISK SEVERITY	Moderate	
SOCIO-POLITICAL INSTABILITY	Moderate	

Scenario two — Disorderly 2.0°C


	Disorderly 2.0 Scenario	Narrative
MEASUREMENT	Global warming +2.0°C above pre-industrial levels	<p>A "disorderly" scenario is where policy, technology and behaviour changes remain slow up until 2030. As global emissions continue to rise during the 2020s, concerns about meeting Paris Agreement Goals drives a sudden shift in global policy around 2030. Abrupt and stringent decarbonisation policies are enacted in the 2030s, succeeding in limiting global warming to below 2°C above pre-industrial levels by 2100.</p> <p>New Zealand follows suit with the rest of the world, leading to abrupt policy and market changes for the property and construction sector post-2030. There is no initial increase in carbon price up to 2030, at which point price rapidly increases to reach \$250/tCO₂e by 2050.</p> <p>During the 2020s there is a slow increase in demand for electricity, followed by a surge in demand in the 2030s as New Zealand rushes to electrify our transport networks. The electricity sector is unprepared for the sudden shift in demand at 2030, which causes a delay in adequate expansion of the grid during the 2030s and leads to supply constraints.</p> <p>These constraints result in more frequent blackouts and fluctuations in electricity prices.</p>
EXTREME RAINFALL	20% increase in extreme rainfall	
EXTREME HEAT (>25°C)	+20 more extreme heat days	
SEA LEVEL RISE	0.22 metres	
CARBON PRICE	\$369 NZD per tonne	
POPULATION INCREASES	22% increase in New Zealand population 16% global population increase	
POLICY REACTION	Delayed	
TECHNOLOGY CHANGE	Slow/fast change	
BEHAVIOUR CHANGE	Slow/fast change	
PHYSICAL RISK SEVERITY	Moderate	
TRANSITION RISK SEVERITY	High	
SOCIO-POLITICAL INSTABILITY	Moderate	




Scenario three – Hot House >3.0°C

	Hot House >3.0 Scenario	Narrative
MEASUREMENT	Global warming +3.0°C above pre-industrial levels	<p>A "Hot House" scenario is where global emissions continue to grow. Global average temperature rises to greater than 3°C above pre-industrial levels by 2100.</p> <p>New Zealand's climate change policy remains in keeping with the rest of the worlds. No further policies are introduced to curb emissions, with the building and construction sector following suit. Regulatory changes are slow and focus on adaptation and managing climate driven immigration/ refugees. The price of carbon remains at \$35/tCO₂e to 2050. Mandates are introduced to conserve energy for critical functions, as asset and infrastructure damages due to climate change are realised.</p> <p>New Zealand's electricity grid is gradually decarbonised further in line with current policies. Emission grid factors remain at 0.06 kgCO₂e/kWh by 2050 which means industries wishing to achieve net zero carbon emissions must invest in their own zero carbon generation.</p>
EXTREME RAINFALL	22% increase in extreme rainfall	
EXTREME HEAT (>25°C)	+30 more extreme heat days	
SEA LEVEL RISE	0.32 metres	
CARBON PRICE	\$35 NZD per tonne	
POPULATION INCREASES	26% increase in New Zealand population 8% global population increase	
POLICY REACTION	None - current policies	
TECHNOLOGY CHANGE	Slow change	
BEHAVIOUR CHANGE	Slow change	
PHYSICAL RISK SEVERITY	Extreme	
TRANSITION RIK SEVERITY	Low	
SOCIO-POLITICAL INSTABILITY	High	

Scenario analysis

Physical Risk — One

PR PHYSICAL RISK	TR TRANSITIONAL RISK	KEY: ■ LOW	 SHORT-TERM: 1-5 years
PO PHYSICAL OPPORTUNITY	TO TRANSITIONAL OPPORTUNITY	■ MEDIUM	 MEDIUM-TERM: 5-10 years
		■ HIGH	 LONG-TERM: 10-25 years*



PHYSICAL RISK — ONE	Risk or Opportunity			Potential Future Impacts	Adaption and Management Actions
	Orderly 1.5	Disorderly 2.0	Hot House >3.0		
	<p>INCREASED STORMINESS AND EXTREME WINDS</p> <p>Increase in storminess (frequency, intensity), wind speeds and seasonality, increase in convective weather events (tornadoes, lightning)</p>				
	<p>RIVER AND PLUVIAL FLOODING: CHANGES IN FREQUENCY AND MAGNITUDE IN RURAL AND URBAN AREAS</p> <p>Changes in extremes: high intensity and persistence of rainfall, relative sea-level rise (including land movement), low seasonal rainfall, permanent increase in spring high-tide inundation, relative sea-level rise (including land movement) changes in waves and swell, changes in extreme rainfall, rising groundwater from sea-level rise</p>				
				<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Supply chains during construction and operation could be impacted. From a development perspective, this could slow down progress onsite, which could delay settlements. From a retirement perspective, it could impact getting food and medical supplies to residents. In the medium and longer term, such weather events in the Hot House scenario could potentially cause more disturbance on site, which could lead to higher insurance costs and environmental and/or biodiversity issues. They could also potentially have a greater impact on the retirement and commercial business's operations, employees, and residents and visitors. 	<p>Winton is already designing for greater resilience beyond Local Authority requirements, for example, raising floor levels and updating its internal design controls on an ongoing basis. As a result, Winton communities have functioned as expected during recent extreme weather events.</p> <p>The project teams are increasing their onsite activities to mitigate risks, including, by way of example, utilising data from weather monitoring stations set up at specific sites, to ensure teams have the most up to date information.</p> <p>Where possible, Winton uses local contractors for each project, which mitigates the risk of contractors not being able to access the development because of regional roading impacts from storm events.</p> <p>As part of planning for Northbrook to become operational, continuity of care for residents and H&S of all people onsite for extreme events will be considered part of the emergency response plan.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Physical Risk — Two

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*

PHYSICAL RISK — TWO	Risk or Opportunity				
	Orderly 1.5	Disorderly 2.0	Hot House >3.0	Potential Future Impacts	Adaption and Management Actions
	<p>COASTAL AND ESTUARINE FLOODING: INCREASING PERSISTENCE, FREQUENCY AND MAGNITUDE</p> <p>Change in tidal range or increased water depth, permanent increase in spring high-tide inundation, rising groundwater from sea-level rise, changes in extremes: high intensity and persistence of rainfall, increases in storminess (frequency, intensity) including tropical cyclones</p>				
				<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> • Similar to the first two physical risks, Winton has already observed some impact on coastal areas where coastal inundation and overland flow have occurred. • The risk level is unlikely to change due to design controls as they react to Local Authority regulations and will pick this up anyway. • In all scenarios, there is potentially an increasing perception that coastal properties are risky to own or that insurance costs are higher. • In a Hot House scenario, the longer term risk of coastal and estuarine flooding is increased. 	<p>For all three scenarios, the risk mitigation is the same: Winton is already building for higher-than-expected sea level rises in the long-term, making Winton communities more resilient. Sea level data can sometimes change, but based on these scenarios, Winton's existing design and build standards have already adapted as they react to Local Authority regulations. Through due diligence of potential asset acquisitions and the design of future developments, Winton mitigates the risk.</p> <p>Winton has and continues to demonstrate that it builds high-quality projects founded on design, including the design of the masterplan, built form, and shared spaces. Therefore, Winton communities have performed well and proved their resiliency in more recent extreme weather events, further helping to change the perception that all coastal properties are the same.</p> <p>As part of planning for Northbrook to become operational, continuity of care for residents and H&S of all people onsite for extreme events will be considered part of the emergency response plan.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Physical Risk – Three

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*




PHYSICAL RISK – THREE	Risk or Opportunity			Potential Future Impacts	Adaption and Management Actions
	Orderly 1.5	Disorderly 2.0	Hot House >3.0		
	<p>INCREASING COASTAL EROSION: CLIFFS AND BEACHES, INCREASED LANDSLIDE AND SOIL EROSION</p> <p>Changes in sedimentation from catchment run-off, increased storminess and extreme winds, rising groundwater from sea-level rise, changes in extreme rainfall: high intensity and persistence, changes in rainfall seasonality, more and longer dry spells and droughts (antecedent conditions)</p>			<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Supply chains could be impacted during construction and operation. From a development perspective, this could slow down progress onsite, which could delay settlements. From a retirement perspective, it could impact getting food and medical supplies to residents. In all scenarios, there is potentially an increasing perception that coastal properties are risky to own or that insurance costs are higher. 	<p>Winton is already designing for greater resilience beyond Local Authority requirements, for example, raising floor levels and updating its internal design controls on an ongoing basis. As a result, Winton communities have functioned without any adverse issues during recent extreme weather events.</p> <p>Winton has implemented more design requirements for potential regression and this is considered during due diligence of potential asset acquisitions.</p> <p>Where possible, Winton uses local contractors for each project, which mitigates the risk of contractors not being able to access the development because of impacts to regional roading networks.</p> <p>Winton has and continues to demonstrate that it builds high-quality projects founded on design, including the design of the masterplan, built form, and shared spaces. Therefore, Winton communities have performed well and proved their resiliency in more recent extreme weather events, further helping to change the perception that all coastal properties are the same.</p> <p>As part of planning for Northbrook to become operational, continuity of care for residents and H&S of all people onsite for extreme events will be considered part of the emergency response plan.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Physical Risk — Four

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*

PHYSICAL RISK — FOUR	Risk or Opportunity			Potential Future Impacts	Adaption and Management Actions
	Orderly 1.5	Disorderly 2.0	Hot House >3.0		
	SEA-LEVEL RISE				
	Relative sea-level rise (including land movement), low seasonal rainfall, permanent increase in spring high-tide inundation, relative sea-level rise (including land movement) changes in waves and swell, changes in extreme rainfall: high intensity and persistence				
				<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> There have been no physical impacts to date, as the standards for new builds and developments have already changed to mitigate risks. In all three scenarios, potential buyers could perceive owning coastal property as too risky without understanding the already integrated requirements for new developments for coastal resiliency. Longer term, the physical risk from sea-level rises; however, as Winton has more recently built communities to higher standards and requirements, they will likely perform better than other older homes and developments, validating the quality of Winton's properties. 	<p>For all three scenarios, Winton is already adapting to potential sea level rise by building for higher-than-expected sea level rises in the long-term. Sea level data can sometimes change, but based on these scenarios, Winton's existing design and build standards have already adapted as they react to Local Authority regulations.</p> <p>Through due diligence of potential asset acquisitions and design of future developments, Winton considers potential sea level rise and, therefore, any possible additional cost to build to stricter requirements that need to be incorporated into the sale price.</p> <p>Winton has and continues to demonstrate that it builds high-quality projects founded on design, including the design of the masterplan, built form, and shared spaces. Therefore, Winton communities have performed well and proved their resiliency in more recent extreme weather events, further helping to mitigate the perception that all coastal properties are the same.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Physical Risk — Five

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*




PHYSICAL RISK — FIVE	Risk or Opportunity			Potential Future Impacts	Adaption and Management Actions
	Orderly 1.5	Disorderly 2.0	Hot House >3.0		
	<p>CHANGE IN WEATHER PATTERNS: CHANGE IN MEAN ANNUAL RAINFALL</p> <p>Higher or lower annual rainfall in sub-national climate zones</p> <p>MORE AND LONGER DRY SPELLS AND DROUGHT</p> <p>Low seasonal rainfall, changes in seasonal wind patterns</p>				
				<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Greater application of wet weather contractual provisions and increased delays to onsite activities due to higher rainfall in some locations in a medium-to-long-term Hot House scenario. More and longer dry spells and drought in some locations could lengthen the development season, which could be a positive but also contribute to dust issues onsite. A crucial part of Winton's difference is its commitment to comprehensive landscaping and planting throughout its communities, and increased dry spells could mean there isn't enough water to maintain all the planting. 	<p>These changes won't happen overnight, so Winton expects to be able to make gradual changes onsite and within the development plan to mitigate the potential impacts.</p> <p>The comprehensive planting of trees and plants within Winton's communities will help cool them down Winton communities and provide shade for people and animals during potential long and dry spells in the medium to long-term.</p> <p>Adapting to a lower water supply during some dry spells would need to be incorporated into the development and maintenance plan longer term and addressed in landscape design to combine different plant types.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Physical Opportunity — One

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*

PHYSICAL OPPORTUNITY — ONE	Risk or Opportunity			Potential Future Impacts	Adaption and Management Actions
	Orderly 1.5	Disorderly 2.0	Hot House >3.0		
	INTERNATIONAL INFLUENCES FROM CLIMATE CHANGE AND GREENHOUSE GAS MITIGATION PREFERENCES				
	Immigration to New Zealand				
				<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> In the Hot House scenario, net migration significantly increases as New Zealand is expected to experience the impacts of climate change not as severely as most places around the world, and as a result, the demand for homes in New Zealand increases, and potentially, the price increases and the potential labour pool increases. 	<p>Winton is already planning for net migration to increase over time. However, the net migration increase within the Hot House scenario is higher again, and improved government policy would need to support expedited development of communities and homes.</p>

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Transitional Risk — One

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*




Risk or Opportunity					
INSURANCE RISK					
TRANSITIONAL RISK — ONE	Orderly 1.5	Disorderly 2.0	Hot House >3.0	Potential Future Impacts	Adaption and Management Actions
					<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Insurance costs across all three scenarios will potentially increase over the time horizons as more climate-related claims are made, but most significantly in the Hot House scenario long-term. For Winton, this is predominantly a potential impact on Northbrook and Ayrburn development. Availability to get insurance could change over the medium to long-term more broadly, however, for more recently developed communities built to stricter requirements and standards, and therefore more resilient, could attract more buyers compared to older homes and developments.

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Transitional Risk – Two

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*




Risk or Opportunity					
REGULATORY AND LEGAL					
TRANSITIONAL RISK – TWO	Orderly 1.5	Disorderly 2.0	Hot House >3.0	Potential Future Impacts	Adaption and Management Actions
					<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Changes to the building code, whether within the orderly or disorderly scenario, will have the same potential impact of increased construction costs but over different time periods. Changes to regulations or policies in orderly and disorderly scenarios may require Winton to alter existing assets, increasing capital costs. Project lifecycles in real estate can be long, and regulations could change partway through. In a disorderly scenario, this could disrupt the project if changes were implemented quickly. In the Hot House scenario, there could be an increased likelihood of litigation.

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Transitional Opportunity – One

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*




Risk or Opportunity					
PRODUCTS AND SERVICES					
TRANSITIONAL OPPORTUNITY – ONE	Orderly 1.5	Disorderly 2.0	Hot House >3.0	Potential Future Impacts	Adaption and Management Actions
					<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> Under the Orderly scenario, the transition to a lower carbon economy would occur faster in the short and medium-term, and some positive technological, funding, and policy improvements could further enable Winton’s proposed carless and solar-powered Sunfield neighbourhood. However, higher material costs due to higher carbon prices and regulatory costs would likely offset this to a certain extent.

*This differs from Winton’s risk time horizons as the sector guidance scenarios are based on 2050.

Transitional Opportunity – Two

KEY:

	LOW		SHORT-TERM:	1-5 years
	MEDIUM		MEDIUM-TERM:	5-10 years
	HIGH		LONG-TERM:	10-25 years*

Risk or Opportunity					
MARKETS					
TRANSITIONAL OPPORTUNITY – TWO	Orderly 1.5	Disorderly 2.0	Hot House >3.0	Potential Future Impacts	Adaption and Management Actions
					<p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> All scenarios in the medium-term could create higher barriers to entry for new developers. In the Orderly scenario, Local Authority requirements and regulations increase faster, making it harder for competitors who do not have the capacity or are not as skilled in navigating complex requirements. In a Disorderly scenario, the barriers are delayed but will occur quickly as temperatures rise. In a Hot House scenario, the quality of a build, the design, and the underlying development design will all be critical factors to ensure resiliency through climate change. Buyers may not want to risk buying into lower-quality developments or homes. In all three scenarios, the market impact is positive for Winton.

*This differs from Winton's risk time horizons as the sector guidance scenarios are based on 2050.

Progress towards transition planning

Winton has elected to use Adoption provision 3: Transition planning.

This adoption provision exempts Winton from disclosing information on the transition plan aspects of its strategy. However, it has included a description of its current business model and strategy and its progress towards developing the transition plan aspects of its strategy.

Current business model and strategy

Winton is a New Zealand-based residential land developer that specialises in developing integrated and fully masterplanned communities.

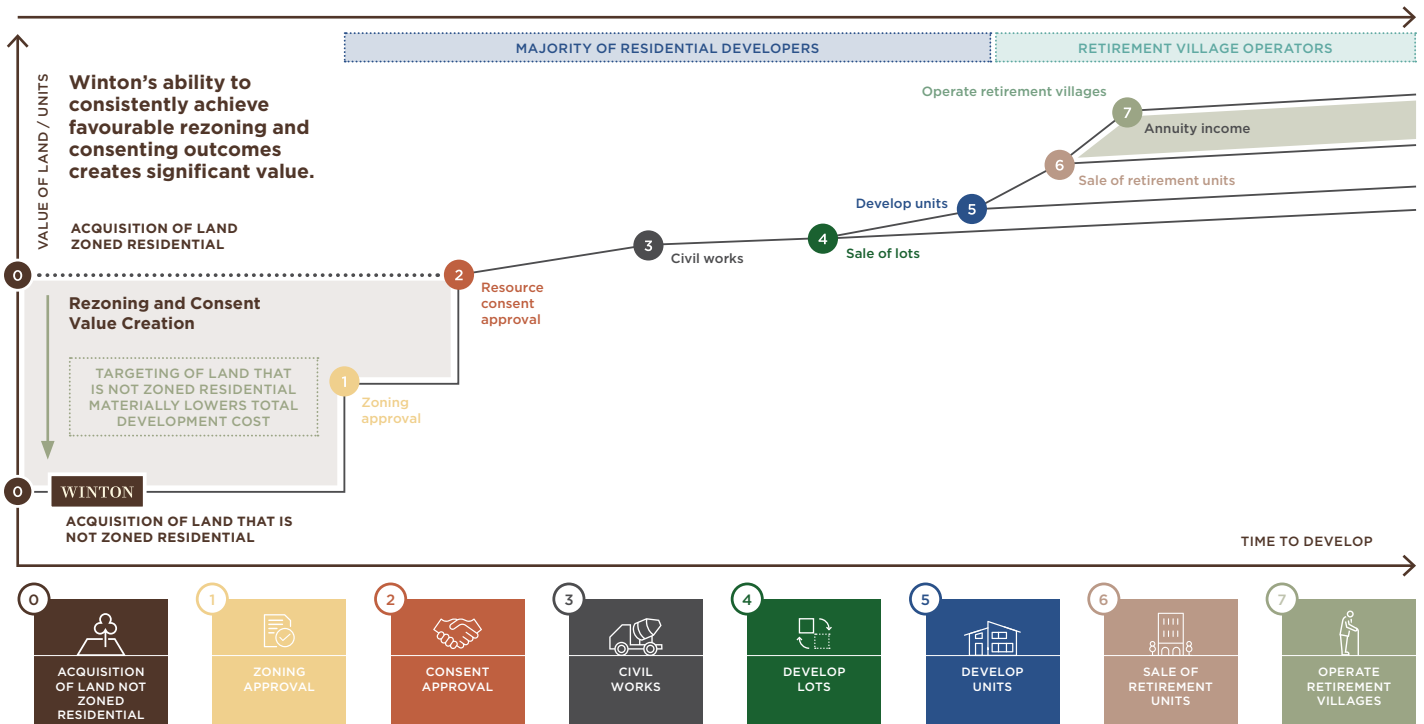
It has 26 current projects across 13 communities, mainly in New Zealand and one in NSW, Australia. Once this Australian development is completed, Winton's future focus is expected to be solely on development activity in New Zealand.

Winton undertakes the acquisition of land, obtaining necessary rezoning and

resource consent approvals, contracting for civil works including roading and infrastructure, selling the completed residential lots and building and selling vertical developments.

Winton is focused on continuing to expand upon its development portfolio through its origination strategy, with a specific focus on acquiring plots of land in growing towns and cities that are of sufficient scale. Winton's strong track record of successful developments demonstrates its capability to navigate New Zealand's regulatory environment and that it is well-positioned to meet potential regulatory change.

Value Creation Chain



Winton has expanded its product offering by leveraging its land development, design and execution expertise into the premium retirement and aged care sectors and hospitality sector.

Winton prides itself on delivering vibrant new neighbourhoods, underpinned by its Sustainability Framework published in 2023 which is based on three pillars - thriving planet, thriving people and sustainable futures.

The process of conducting the risk assessment and scenario analysis clearly identified how Winton is already transitioning to increased regulatory requirements, building code changes and stricter Local Authority requirements and adapting its business model.

Winton expects planning, development and delivery requirements to increase and become more complex and is incorporated into Winton's due diligence

process when assessing potential acquisitions and the preparation of its financial feasibilities. It is also incorporated into the design of each masterplanned development.

In FY25, Winton will develop a transition plan to manage its climate-related risks and opportunities as it responds and prepares for future physical and transitional impacts.



03 Natural waterfall,
Ayrburn

Risk

Processes for identifying, assessing, and managing climate risks

The risk assessment process focused on both physical and transitional climate-related risks. It included three stages: an initial risk screening of a master list of over 30 risks and opportunities, a baseline risk assessment representing 1.1°C of global warming, and a scenario analysis of three potential scenarios, as outlined in the Strategy section within this report.

To ensure the right stakeholders were involved in the process, the Sustainability Working Group was engaged to appropriately resource and support Winton's Sustainability Manager in identifying and assessing its climate-related risks. The Sustainability Working Group comprises the Senior Management Team and key senior team members with the operational knowledge and experience to contribute and shape the process for effective internal use.

The baseline risk assessment rated each risk and opportunity using Winton's risk assessment framework, which considers the severity and likelihood of the risk occurring. It also captured observational data to support each risk ranking.

The baseline risk assessment formed the basis of the scenario analysis, a critical tool for considering the potential impact of risks and opportunities under different scenarios.

Outside the formal climate-risk assessment process, the COO, GM Project Delivery, and Head of Land Development consider climate-related risks and opportunities as part of standard business activity. They rely on specialised experts to provide critical advice on potential climate impacts during due diligence of potential acquisitions and throughout the design phase of each new development.

Time horizons

The following time horizons were determined appropriate for the risk assessment process.

SHORT-TERM:	1-5 years
MEDIUM-TERM:	5-10 years
LONG-TERM:	10-100 years

Value chain exclusions

The processes for identifying, assessing and managing climate-related risks were based on the current business model and strategy.

The scope of the risk assessment includes all Winton offices, construction sites, owned developments, and supply chains. The assessment covers the twelve months ending 30 June 2024 (FY24). No parts of the value chain were knowingly excluded. As the retirement business becomes operational, additional climate-related risks and opportunities will likely arise.

Frequency of risk assessment

This was the first climate-related risk assessment undertaken by Winton. The process will be repeated annually to ensure the resulting risks, opportunities, and management responses stay relevant.

An annual review of climate-related risks also builds resilience into Winton's response to climate change and aligns with Winton's yearly review of its risk matrix. However, climate risk assessment is a key part of Winton's day to day business and is considered and mitigated as such.

Processes for prioritising climate-related risks relative to other types of risks

For the risk assessment and baseline screening, Winton's existing risk assessment framework was used to determine risk ratings and allow Winton to compare climate-related risks against other types of risks.

This approach facilitates the inclusion of climate-related risks into its existing risk management and governance frameworks, which in turn supports the climate-related risk disclosures required by the XRB.

Integration into overall risk management process

The Board has a risk management framework that includes a list of material business risks Winton faces. The framework is reviewed and updated as risks to the business evolve and change. The Board has set its risk tolerance appetite in pursuit of its strategy and how it will manage them.

The nature of the risk treatment varies according to the nature and severity of the risk. If the risks are material, they will be reported to the Board. Simultaneously, where such risks warrant the need to make a disclosure to the market, Winton will apply relevant facts against the Continuous Development Disclosure Policy.

The Audit and Financial Risk Committee at Winton reviews and recommends to the Board whether Winton's processes for managing financial risk are sufficient and any incident of fraud or other failure of internal controls. Non-financial risks and the appropriateness of Winton's insurance programme are reviewed and determined at a full Board level.

The CEO and other members of the senior management team review, update and take ownership of the day-to-day management and operation of Winton's risk management framework and associated policies.

Climate Change Risk is one of thirteen principal business risks across Winton's business, found on page 89 of the Annual Report. The climate-related disclosures within this report sit under this business risk and include more detail about the specific physical and transitional risks and opportunities attributable to climate.

Metrics & Targets

METRICS

GHG Emissions Inventory Overview

Refer to the GHG Emissions Inventory Report FY24 for detailed information available on the Winton website: investors.winton.nz.

GHG Protocol	Category (ISO 14064-1:2018)	FY24 TCO ₂ e (base year)	FY23 TCO ₂ e	FY22 TCO ₂ e
Scope 1	Category 1: Direct emissions	179.08	76.73	72.18
Scope 2	Category 2: Indirect emissions from imported energy (location-based method*)	58.54	18.02	11.16
Scope 3	Category 3: Indirect emissions from transportation	187.11	166.20	95.11
	Category 4: Indirect emissions from products used by organisation	24,383.04	116.22	6.45
Total direct emissions		179.08	76.73	72.18
Total indirect emissions*		24,628.69	300.44	112.72
Total gross emissions*		24,807.77	377.17	184.90
Total net emissions		24,807.77	377.17	184.90

*Emissions are reported using a location-based methodology.
Winton does not have any emissions data for direct CO₂ emissions from biologically sequestered carbon.

Percentage of assets vulnerable to transition risks

100% of Winton's directly owned assets are vulnerable to the transitional risks identified in its risk assessment to varying degrees depending on the time horizon and scenario.

Transitional risks exist for the entire industry and reflect potential occurrences with differing levels of financial impacts. Winton is already adapting to its main transitional risk of regulatory and legal risks (TR 1), which is more significant during the planning and development phase. Local Authority requirements already embed the need to build for climate change, including sea level rise, and, in many cases, Winton designs and builds beyond requirements to mitigate the risk of further changes to regulations and requirements in the future. While this adds complexity to the planning, development, and delivery phases, Winton is well-equipped to do this. It is also likely that it creates a barrier to entry for new developers and makes it harder for existing developers who aren't of a similar size or have the same experience, making it also a transitional opportunity.

Insurance risk (TR 2) is more relevant to the assets Winton continues to own once completed; being, Ayrburn, Northbrook, and Cracker Bay. Winton works with a specialist property provider and has done so for a long time. Annual reviews ensure the insurance cover remains fit for purpose and will adapt over time to climate change.

Percentage of assets vulnerable to physical risks

The percentage of assets or business activity with potential vulnerability to the physical risks of climate change for Winton is 17.8% as at 30 June 2024, which is the percentage of coastal assets as a percentage of total portfolio area.

Winton has historically focused on developing residential communities, creating opportunities from land to develop land lots, built houses, shared spaces, and boutique retail as a community village centre that are all generally sold or vested to the Local Authority (shared spaces). The five physical risks outlined in the risk and strategy section are mitigated through Winton's ongoing adaption activities to develop to stricter requirements and sometimes go above those requirements for further mitigation. Recent weather events (whether related to climate change or not) have outlined opportunities for Winton to work with onsite contractors to mitigate ongoing risk. Like the transitional risk, the physical risks relating to different scenarios also provide an opportunity for Winton as it continues to demonstrate that it builds high-quality projects founded on the design of the masterplan, built form, and shared spaces, meaning they perform better than older homes and developments when put under weather-related pressure.

The physical risk of assets that Winton operates, currently Ayrburn and, in the future, Northbrook and Cracker Bay, is mitigated through the high-quality standard of Winton's planning, development, and delivery. Working closely with Winton's specialist insurance provider ensures that insurance coverage evolves with the business and changing climate.

Percentage of assets aligned with climate-related opportunities

100% of Winton's directly owned assets are aligned with the climate-related opportunities identified in its risk and opportunity assessment.

Winton included three main climate-related opportunities in its risk assessment: Immigration to New Zealand (PO 1), Products and Services Opportunities (TO 1) and Market Opportunities (TO 2). Particularly in a hothouse scenario, it is expected that the population in New Zealand will increase by 26% by 2050 compared to 8% globally, putting greater demand on housing demanding and supplying more labour and therefore aligned with Winton's strategy and growth plans. The Product and Services opportunity relates more to a potential expedited process of Sunfield, but closely linked is the market opportunity, which applies to all Winton assets. Winton invests in detailed due diligence of acquisition opportunities, is highly experienced in complex development design and engineering, and produces high-quality finished products, contributing to more resilient outcomes and a strong competitive position as potential buyers opt for more trusted and proven developers and other developers find it harder to enter the industry or continue to operate in it.

Capital deployment toward climate-related risks and opportunities

Winton's main climate-related expenditure relates to the increased regulations and requirements associated with planning, consenting, developing and subsequent construction.

This expenditure is difficult to isolate on an annual basis and, therefore, is not included in the table at right.

Internal emissions price

Winton does not use an internal emissions price in its financial modelling yet as the impact is not considered material yet, and the potential New Zealand carbon price assumptions are currently unreliable within New Zealand.

Management remuneration

Winton's management is responsible for the day-to-day identification, assessment, and management of risks, including climate-related risks.

The Nomination and Remuneration Committee reviews and recommends for approval by the Board the senior management remuneration prescribed by the Nomination and Remuneration Committee Charter.

Item	FY24 Spend	Commentary
GHG emissions measurement and assurance	\$45,000	Winton has invested in the transition to a new emissions assurance practitioner, bringing greater rigor to its emissions measurement processes and therefore, reducing regulatory risk.
Investment in climate-related disclosure process	\$15,000	Investment to support Winton through the process of climate-related risk and opportunities assessment, reducing regulatory risk.
Homestar registration for Northbrook Wynyard Quarter	\$47,000	Winton has registered Northbrook Wynyard Quarter with Homestar 6, increasing the building's performance and climate-related credentials.

TARGETS

Winton has set short-term targets to reflect its genuine intention of laying the foundation for future medium-term targets.

A mixture of quantitative and qualitative targets have been set to contribute to limiting global warming to 1.5°C, they do so by: improving data accuracy of emission inventory, reducing emissions from waste, increasing engagement with suppliers to create financially feasible solutions to lower embodied emissions and start to set the pathway to avoid emissions where Winton is creating new operation assets like Northbrook.

Targets	Time horizon	Base year	Target year
Introduce a Supplier Code of Conduct for Suppliers that represent the top 90% of onsite contractor costs.	Short-term	FY24	FY25
100% of onsite contractors report monthly waste collected onsite.	Short-term	FY24	FY25
Divert 40% of onsite construction waste from landfill.	Short-term	FY25	FY28
Implement Design Guidelines for all projects.	Short-term	FY24	FY25
Reduce reliance on spend-based emission factors by at least 15% per year until below 30% of total emissions.	Short-term	FY24	Ongoing
Implement an operational waste avoidance plan for Northbrook prior to the start of becoming operational.	Short-term	FY24	FY26

Time horizons align with time horizons used for the scenario analysis to better align with business operations.



04 Views from
Northbrook Wanaka,
Wanaka

BC Ayrburn Gardens,
Ayrburn



WINTON

BEST BY DESIGN