

Looking forward to a brighter future
2023 Sustainability Report



→ Sylvia Park Build to Rent artist's impression.





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Message from the ESG Committee Chair and Chief Executive Officer



Mark Powell



Clive Mackenzie

Kiwi Property made significant progress in the delivery of our Sustainability Strategy during the 2023 financial year (FY23), moving us closer to our sustainability ambition.

Sustainability is central to the way we work and the decisions we make. The value creation model on page 10 sets out how our business strategy delivers outcomes for our key stakeholder groups. Sustainability is a strategic enabler in this process, unlocking value and mitigating risk. Our strong Environmental, Social and Governance (ESG) credentials are recognised by investors, contributing to the heavy oversubscription of our recent \$125 million Green Bond offer.

Refreshed in FY22, our Sustainability Strategy has provided a clear focus for our efforts throughout the year and reflects our maturing approach. The strategy outlines key actions and targets aligned to the United Nations Sustainable Development Goals (UNSDGs). Our efforts are governed by Kiwi Property's ESG Board Committee and the ESG Leadership Team.

In FY23, we strengthened our environmental performance, increasing the resilience of the portfolio while also increasing our social impact, helping to better support and connect our communities.

The overarching objective of wellbeing is the driver of our Sustainability Strategy, enacted through the three pillars – Places, People and Partnerships. We have delivered a range of initiatives this year – from public art and placemaking, to celebrations and events – that enhance the sense of inclusion and belonging experienced by our customers, tenant partners, people, and communities. Our support of the Mental Health Foundation has created opportunities to extend our impact on wellbeing in the communities where we operate. We are incorporating both wellbeing and environmental considerations into the development of our Drury community, which is targeting a 5 Star Green Star Communities rating.

Recent extreme weather events have been devastating to communities around New Zealand, and we donated \$10,000 to the Red Cross Disaster Recovery Fund to support those affected.

While Kiwi Property's assets were fortunately largely unaffected by these events, our objective to become net carbon negative in our operations by 2030 has increased in importance. A recently completed climate risk assessment will guide our efforts to ensure we are effectively managing and mitigating these risks over the short, medium and long term. On page 42, we have voluntarily reported our climate-related performance for the second year, ahead of mandatory reporting in 2024.



One of the key sustainability highlights from FY23 was the expansion of the Sylvia Park rooftop solar array as part of our Carbon Reduction Roadmap. Once completed this array will boost Sylvia Park's solar output to a peak capacity of 1.21 MWp and should produce enough electricity to supply over 50% of Sylvia Park's common areas.

Initiatives such as this complement our long-term commitment to actively managing our buildings' performance and are vital to reducing Kiwi Property's environmental footprint. Our focus on decreasing waste in partnership with our tenants has been particularly pleasing. These decisions and actions, large and small, make important contributions to our sustainability goals.

The company's progress in sustainable procurement is another highlight from the past year, with our new Sustainable Procurement Guidelines evolving our supplier relationships and bringing us together to achieve common goals. In parallel, we have continued to explore our supply chain to better understand the risk of modern slavery and the actions we can take to protect human rights.

As announced in February, we farewelled Mark Powell from the Kiwi Property Board in May, prior to the release of this report. On behalf of management, I would like to acknowledge Mark's significant contribution as a Director and our founding ESG Committee Chair.

We're pleased to have made significant progress towards our sustainability goals, and we wouldn't have got here without the commitment of our people and partners. Thank you for your hard work and dedication. Significant sustainability opportunities await us in FY24 and beyond, as key drivers of value for our stakeholders. There is a lot to do and we are excited for what comes next.

Ngā mihi,

Mark Powell
ESG Committee Chair

Clive Mackenzie
Chief Executive Officer

FY23 highlights

1st

TARGETING OUR FIRST 6 STAR GREEN STAR
RATING AT 3 TE KEHU WAY

\$25,000

DONATED TO THE MENTAL HEALTH FOUNDATION

5.5 star

NABERSNZ RATING FOR ANZ RARANGA,
AN INCREASE FROM FY22 (5 STAR)





100%

CORE ASSETS RATED GOLD
OR PLATINUM BY BE.LAB

70%

EMPLOYEE ENGAGEMENT

\$125m

GREEN BOND OFFER WAS
OVERSUBSCRIBED

Key achievements timeline

2002 — 2005

Kiwi Property's sustainability journey commences

Kiwi Property becomes founding member of the NZ Green Building Council



2012

Carbon reduction strategy launched

2023

Became official supporter of the Mental Health Foundation

2022 — 2021

Gold or Platinum Be. Lab ratings achieved for all eligible core office and shopping centre assets

60% reduction in carbon emissions from operations (compared to 2012 base year)



2013

First
Kiwi Property
Sustainability
Report
published

2016

New Zealand's
largest
commercial
solar array
installed at
Sylvia Park

2017

Electric vehicle
charging stations
rolled out across
key retail assets



2020

Kiwi Property
awarded 'A' rating
by the Carbon
Disclosure Project

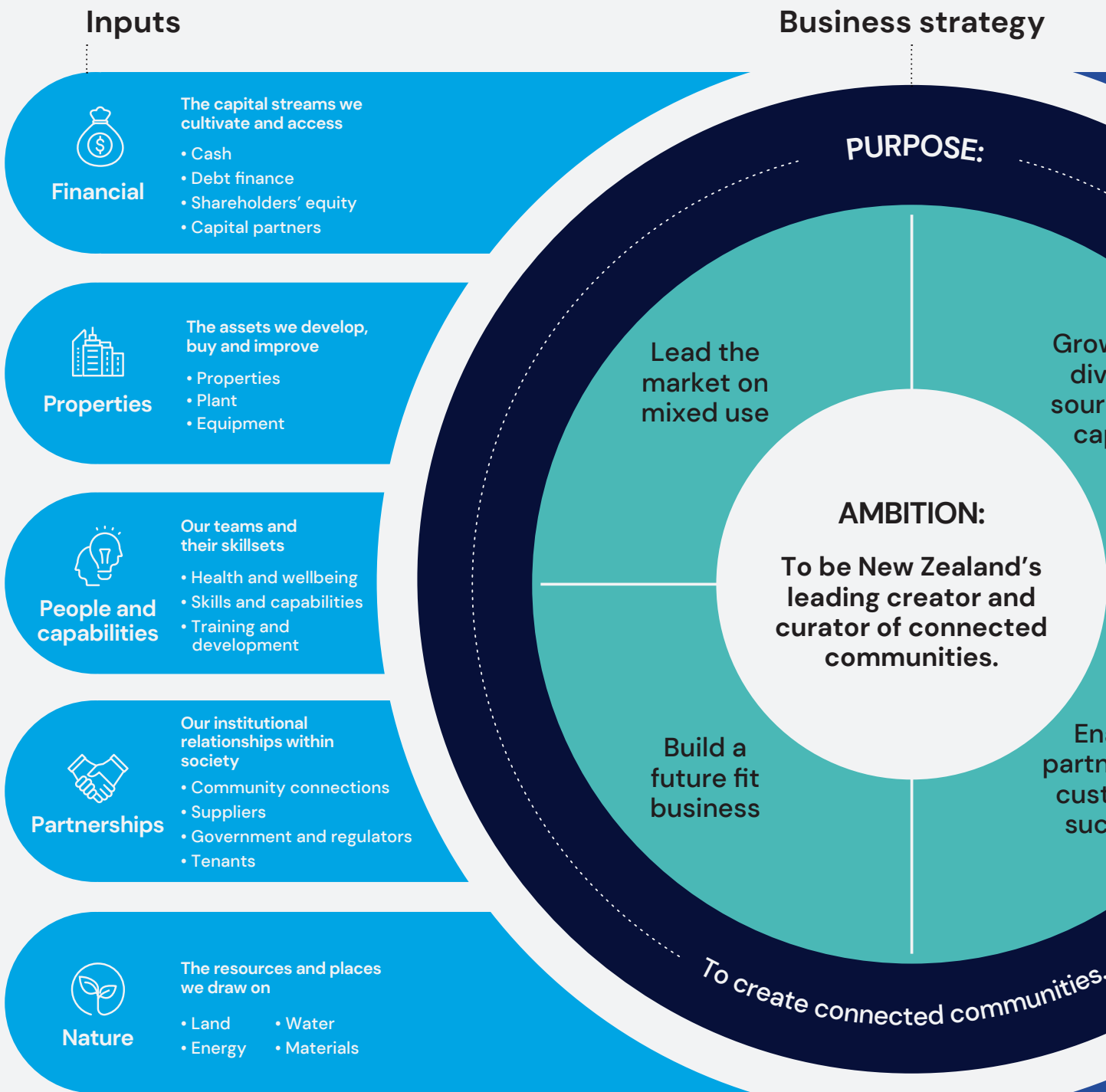
2019

Inaugural Kiwi
Property Keystone
Māori & Pasifika
scholarship awarded



→ ANZ Raranga

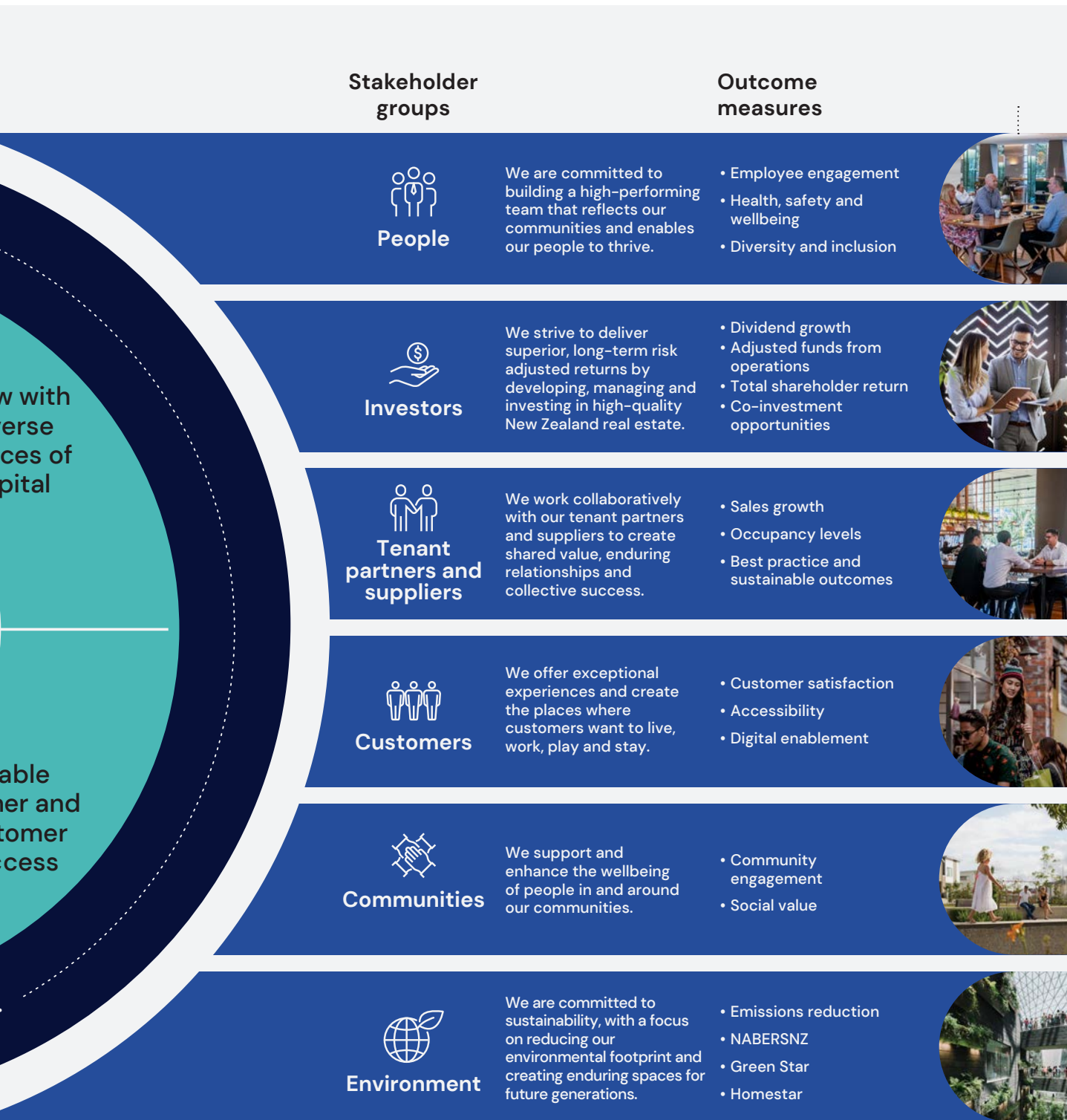
How we create value



Kiwi Property uses resources and inputs to deliver our business strategy and create value for our stakeholders, guided by our ambition to be New Zealand’s leading creator and curator of connected 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: people, investors, tenant partners and suppliers, customers, communities, and the environment.

This value creation process is illustrated in the diagram below.



Materiality

At Kiwi Property, we impact and are impacted by our stakeholders, including our people, investors, customers, tenant partners and suppliers, communities, and the environment.

Each year, we conduct an assessment to understand our material sustainability topics. We use this assessment to ensure that the risks and opportunities identified are addressed by our Sustainability Strategy and supporting action plans.

We conduct a comprehensive materiality assessment that includes engagement with internal and external stakeholders every three years and complete a management review in the intervening years in consultation with internal stakeholders.

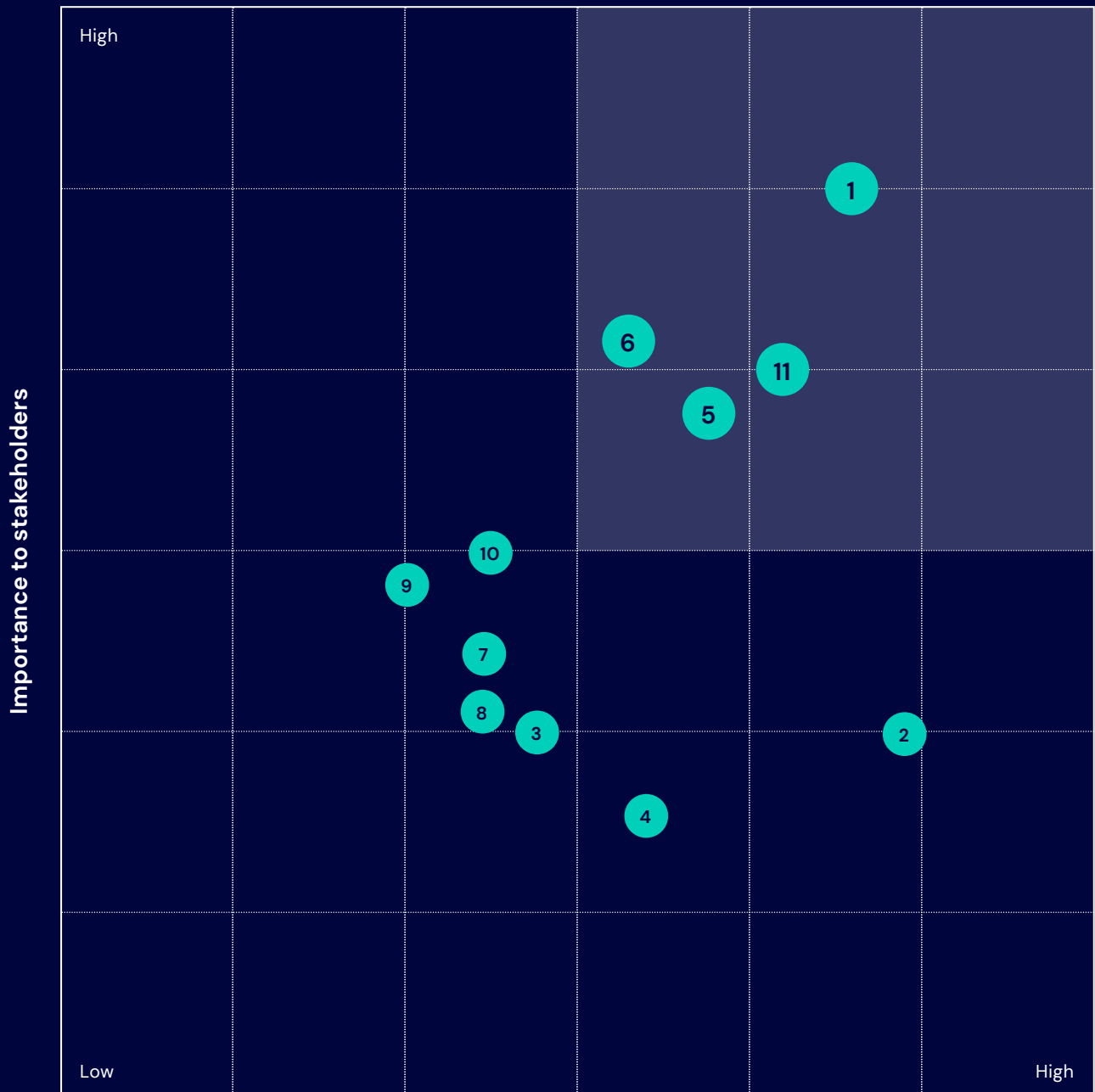
In FY21, we undertook a comprehensive materiality assessment to determine the issues that were most important to our stakeholders and where we can have the biggest and most direct impact. The wellbeing of our communities – or more specifically, how best to integrate wellbeing into the design and development of our mixed-use assets – was the topic that resonated most strongly with our stakeholders. As a result, it became the focus of our sustainability programme.

We completed management reviews of our material sustainability topics with our ESG Leadership Team in FY22 and FY23 to ensure our efforts continued to focus on the right topics.

The FY23 review is graphically depicted on the opposite page, with the highest ranked topics shown in the top right quadrant:

1. The wellbeing of our communities (1)
2. Climate change (6)
3. Reducing waste (5)
4. Efficient use of resources (11)

We will conduct our next comprehensive materiality assessment in FY24, using a 'double materiality' approach that will engage with internal and external stakeholders. Double materiality expands the traditional ESG materiality lens to identify and prioritise both financially material issues, which create or erode enterprise value, and stakeholder impact issues, which reflect significant positive and negative impacts on the environment, economy, and people.



Ability for Kiwi Property to impact

- | | |
|--|--|
| 1. Creation of wellbeing for individuals and the vulnerable. | 6. Climate change. |
| 2. Communal spaces that support wellbeing. | 7. Child poverty. |
| 3. Access to mental health services. | 8. Affordable housing. |
| 4. Wellbeing in the workplace. | 9. Homelessness. |
| 5. Reducing waste. | 10. Supporting the most vulnerable. |
| | 11. Efficient use of resources – energy, waste, water. |

Kiwi Property is committed to the highest standards of corporate governance.

Our Corporate Governance Framework draws on guidelines, principles, recommendations, and requirements from a variety of sources, including the NZX Listing Rules and NZX Corporate Governance Code. In addition, the Board has approved policies and practices that aim to reflect best practice corporate governance.

The Board oversees Kiwi Property's Sustainability Strategy and its governance across the business, as part of its responsibilities.

The ESG Committee (ESGC) assists the Board in identifying and considering all relevant ESG matters in accordance with its Charter. It also assists the Board to embed ESG principles throughout the business. Management updates the ESGC on implementation of Sustainability Strategy at each Committee meeting.

The ESG Committee Chair updates the Board on material elements of the Sustainability Strategy at each Board meeting, and all directors can access committee papers and attend committee meetings at any time. At the invitation of the ESGC, management and other employees may attend an ESGC meeting.

The governance structure depicted below guides our pursuit of our Sustainability Strategy, including overseeing our approach to material topics, carbon emissions and climate risks.

Board

Board/Board Chair

The Board oversees Kiwi Property's ESG Strategy and the governance of the ESG strategy across the business. Updated on material elements of the Sustainability Strategy at each Board meeting.



ESG Committee

(comprising of the Board Chair and two other non-executive Board Directors)

The ESG Committee assists the Board in identifying and considering all relevant ESG matters. It also assists the Board to embed ESG principles throughout the business. Updated on implementation of Sustainability Strategy at each Committee meeting. Reports back to the Board



Management

CEO

Responsible for implementing the Sustainability Strategy, reporting progress to the ESG Committee and the Board.

ESG Leadership Team

Oversee the operational implementation of the ESG strategy across the business.

Chaired by GM Asset Management and includes ESG Lead, Head of Facilities, and General Counsel and Company Secretary.

GM Asset Management

Leads and monitors the delivery of sustainability activities.

Sustainability Team

(including ESG Lead and Head of Facilities)
Responsible for day-to-day operationalisation of activities including regular review of climate-related risks and opportunities through scenario analysis.

Facilities Managers

Optimising building efficiency, including energy efficiency projects.



Find out more in our
FY23 Corporate
Governance Statement

Sustainability Strategy

Sustainability is a core part of Kiwi Property's business strategy and long-term resilience. This ensures alignment between our environmental, social, and business decisions as we work to deliver on our purpose to create connected communities.

Climate, regulatory, technological, and societal factors are each key considerations in our development and investment decisions, helping ensure our assets perform for generations to come. Our proactive climate-related risk reporting, prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), demonstrates this approach. Find out more on page 42 of this report.

Our Sustainability Strategy guides us in enhancing the wellbeing of people in and around our places and addressing our material sustainability topics. It reflects our belief that our long-term success is connected to the success of the communities in which we operate.

Each of the Strategy's three pillars – Places, People and Partnerships – sets key actions and targets, which align to the UNSDGs. Find out more on pages 18, 26 and 34 of this report.

Wellbeing is central to our Sustainability Strategy. We have an opportunity and responsibility to curate places that are environmentally and economically sustainable, and where people feel welcome, cared for, and connected. This focus on wellbeing reflects our belief that the places we create can make a positive and tangible difference in people's lives.

Delivery of our Sustainability Strategy is overseen by our ESG Committee, a sub-committee of the Board. Find out more in the Governance section on page 14.



Places



Create spaces that promote wellbeing



Reduce our environmental footprint



Develop sustainable buildings



People



Foster wellbeing in our communities



Embrace diversity



Enable our team to succeed



Partnerships



Partner with others to enhance the wellbeing of our customers



Create shared value with our tenants



Support sustainable procurement

Places



As one of the country's largest listed property companies, we have a long-term ambition to remain a sector sustainability leader.

Most prominently, this includes our response to the threat that climate change poses to the New Zealand environment, economy, and communities. We focus on reducing our environmental footprint and building enduring spaces for future generations.

Our assets are more likely to be successful over the long-term if they have robust sustainability credentials and are great places to visit, work and live. We focus on placemaking using art, green space, and journey design together with a carefully curated mix of services and amenities to enhance wellbeing.

Our ambition

To create places that promote wellbeing and have a positive environmental impact.

Key actions



Create spaces that promote wellbeing

Develop spaces that enhance the wellbeing of our people, tenants, residents and customers.



Reduce our environmental footprint

Minimise our environmental impact, with a focus on reducing emissions, waste and water.



Develop sustainable buildings

Design and construct environmentally sustainable properties.

Our progress against targets

Targets	Status	FY23 Progress
Net carbon negative in our operations by 2030.		55% reduction in operational carbon compared to our 2012 base year.
Net zero operational waste to landfill by 2050.		13% reduction in waste to landfill compared to 2012.
Net zero municipal water consumption by 2050.		11% reduction in water consumption compared to 2012.
Eligible existing buildings target a 4 star NABERSNZ rating, with an aspirational 5 star target.		All eligible buildings have achieved a minimum 4 star NABERSNZ rating.
Eligible projects to target a 5 Green Star rating, with an aspirational 6 Green Star target.		3 Te Kehu Way office development has been completed targeting a 6 star Green Star rating.
Eligible projects to target a 7 Homestar rating, with an aspirational 8 Homestar target.		Sylvia Park built-to-rent (BTR) development achieved an 8 star Homestar Design rating.

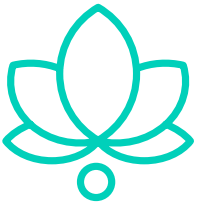
Achieved On track Not achieved

Our targets are designed to help achieve the following UNSDGs:



Material issues that inform this pillar

- Creation of wellbeing for individuals and the vulnerable
- Communal spaces that support wellbeing
- Climate change
- Efficient use of resources – energy, waste, water
- Reducing waste



Create spaces that promote wellbeing


Enhancing the wellbeing of our communities is central to our Sustainability Strategy, and we bring it to life in many ways. We incorporate wellbeing into building design and development, using art to make people feel welcome, create a sense of place and belonging, and enhance how our buildings connect to their neighbours and community.

Our new developments are shaped by wellbeing, including our future 5 Green Star Drury community featured in the case study below.

Our public art programme continued in FY23, further enhancing the beauty and sense of welcome that our places impart. Art that reflects and represents the local community entices customers to visit more often and for longer.

At LynnMall, new artworks complement the murals that guide customers through the car parks into the centre. Te Awa, The Base, customers and visitors are invited on a self-guided tour of the Taonga Trail highlighting architecture and art that showcase the region's unique culture and history.

Our 'spaces between buildings roadmap' is enhancing how our buildings connect with nearby streets, transport hubs, and neighbours. In FY23, we secured approval for a transit-focused placemaking project at Sylvia Park (see case study below). We also developed a journey plan for future Sylvia Park IKEA customers in preparation for its proposed development.

 **Find out more in our FY23 Sustainability Detailed Approach**





Creating vibrant spaces at Sylvia Park

We are enhancing the connections between our growing Sylvia Park mixed-use precinct and its neighbouring streets, transport hubs, and buildings to promote wellbeing.

The \$10 million Sylvia Lane dining precinct transformation, completed in November 2022, provides customers with a place to unwind – and brings new life to the area adjoining the shopping centre, and the neighbouring ANZ Raranga office building and newly opened 3 Te Kehu Way. Home to 12 premium restaurants, cafes and bars, Sylvia Lane is warm and welcoming, with sculptural artworks nestled in green spaces and a kids play area beneath a striking all-weather roof that everyone can enjoy.

Our spaces between buildings roadmap is also shaping how the future residents of the Sylvia Park Built-To-Rent (BTR) precinct interact with their local neighbourhood. A \$3.5 million transit-focused placemaking project will improve lighting, tree canopy and landscaping between the 295-apartment complex and Sylvia Park train station, creating an accessible, safe, and enjoyable connection for commuters when completed in FY25. As part of the project we will rejuvenate the stream nestled between the BTR precinct and our retail centre, retaining the mature trees, increasing native plants and enhancing green space for residents, shoppers, and visitors to enjoy.

Collaborating to create a sustainable community at Drury

We are designing our new Drury development with sustainability and wellbeing at its heart, setting ambitious goals and collaborating with stakeholders to build a sustainable community.

Drury is a rare opportunity to build a town centre from the ground up, with several developments coming together to create a community that will be home to tens of thousands of people in the years ahead.

We have designed Drury as an exemplar of sustainable living for current and future generations. The project is targeting a 5 Star Green Star Communities rating from the New Zealand Green Building Council.

The community is centred around public transport and walkability, with the proposed Drury Central Park train station close by. Pedestrian-focused streets will connect people to transport, homes, workplaces, and services in the town centre. Future residents can choose from diverse housing options, connected to around 10 hectares of new parks, cycleways and walking paths.

We have collaborated with mana whenua since 2017 to protect and enhance the community's cultural value, engaging with the 11 relevant Iwi authorities. Te Aranga Design Principles are being used to inform the design of streets and publicly accessible open spaces, and the Hingaia Creek and wetlands will be restored to enhance waterways and ecosystems.



Reduce our environmental footprint

We are committed to achieving our goal of becoming net carbon negative in our operations by 2030. Today, we produce 55% less annual operational greenhouse gas (GHG) emissions than our baseline year of 2012. Our FY23 total operational emissions were 3,077 tCO₂-e, which is up on our FY22 emissions as our asset performance returned to pre-pandemic levels.

The small actions we take each day are accumulating to make a big difference in the years to come. In line with our Carbon Reduction Plan, we set annual asset-specific energy saving goals which progress us towards our long-term reduction targets. Our water management programme is making our buildings more efficient, and today we use 11% less water compared to our 2012 base year. Our waste management programme encourages tenant partners, visitors and customers to reduce waste and increase recycling, with our buildings today sending 13% less waste to landfill than in 2012.

Our Carbon Reduction Plan guides our emissions reduction initiatives, with a focus on improved metering to optimise building performance, replacing fossil fuels and reducing operational waste.

The Sylvia Park rooftop solar array expansion has increased our onsite renewables capacity. Once completed this array will boost Sylvia Park's solar output to a peak capacity of 1.21 MWp and should produce enough electricity to supply over 50% of Sylvia Park's common areas.

We reduced our building's consumption of drinking-quality (or potable) water by 11% in FY23. Proactive maintenance, leak management, and rainwater harvesting led to water savings, while new developments integrate water saving design and technology.

We recently launched a tenant survey to understand the satisfaction of our retail and office partners, and to seek their feedback on our practices. The survey is a precursor to a tenant engagement programme planned for FY24. A pilot

programme is also underway with Waste Management New Zealand at The Base to divert all the centre's food waste from landfill. These initiatives further our existing tenant engagement on sustainability, such as the sustainability design guidelines included in our tenancy fitout manuals.

An employee recycling campaign reduced waste sent to landfill, thanks to the efforts of our employees, ESG Champions group, and Executive team. Portfolio-wide waste reduction was a priority goal for FY23 and part of the Executives' short-term incentive (STI) goals for the period.



Find out more in our
FY23 Sustainability
Detailed Approach

Diverting construction waste from landfill in development projects

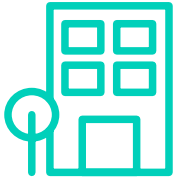
Our commitment to reducing waste from development projects is delivering results at two developments in the Sylvia Park precinct.

At our 3 Te Kehu Way office development, we collaborated with lead construction contractor Naylor Love and primary waste management contractor Waste Management NZ to divert an average of 92% (by weight) of construction waste from landfill during the project. Taking a collaborative, planned approach ensures that materials are sorted on-site so they can be easily recycled or repurposed.

Similarly, construction waste from the Sylvia Park BTR precinct is being recycled or reused instead of going to landfill, with an average of 98% (by weight) of waste diverted from landfill for the year as of January 2023.

Both projects show how construction waste management plans and effective partnerships can ensure developments achieve their waste management objectives.





Develop sustainable buildings

We design and construct environmentally sustainable properties that operate efficiently and attract tenants over the long term. We achieve this by using best practice design, materials and building techniques.

We use external industry rating tools such as Green Star, NABERSNZ and Homestar to independently assess the sustainability of our buildings and developments. These ratings consider a range of ESG attributes, including a building's environmental impact, indoor environment, and tenant wellbeing.

Our office assets maintained their minimum 4 star NABERSNZ rating in FY23, achieving the targets set in our 2021-2025 Sustainability Strategy. The active management and fine-tuning of

each building helps to retain or improve their sustainability ratings, while encouraging optimal performance.

3 Te Kehu Way was completed in March 2023 on budget with projected stabilised yield ahead of target. It is targeting a New Zealand Green Building Council 6 Star Green Star rating, which represents 'world leadership' in sustainable buildings.

ESG principles are guiding the planning and development of our

Drury community, with Green Star, Homestar and NABERSNZ rating targets established for the homes and town centre buildings in this new precinct.

We recently completed a climate risk assessment to ensure the company has a comprehensive understanding of the climate-related risks and opportunities for our portfolio. The outcomes of this assessment will inform future capital investment decisions and increase the resilience of our portfolio.



[+](#) Find out more in our FY23 Sustainability Detailed Approach

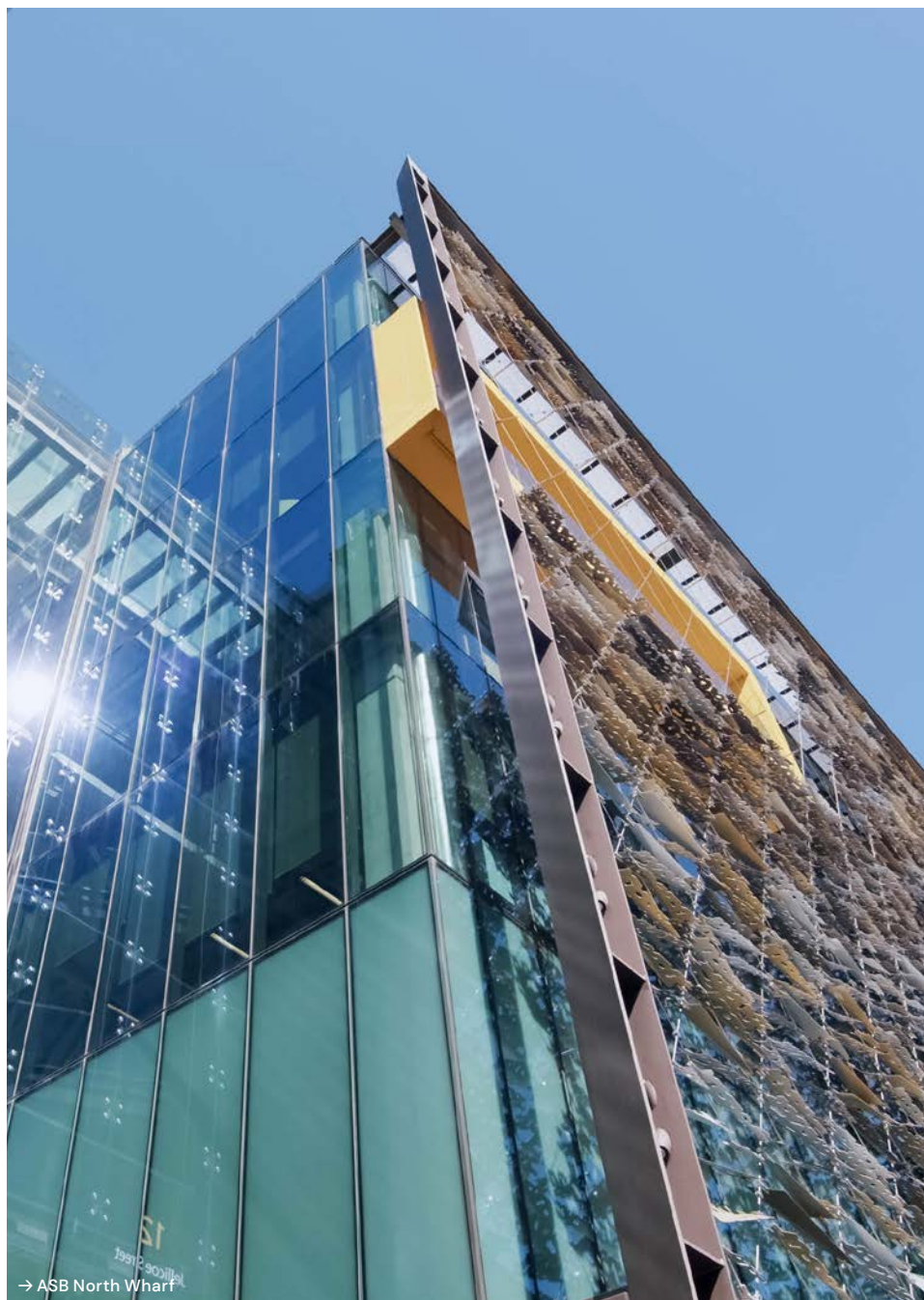
Attracting investors with strong sustainability credentials

Our sustainability performance allows us to access ESG-focused capital markets, issuing a \$125 million green bond in March 2023 for a 6.5-year term. This followed a successful \$150 million 7-year green bond issue in July 2021.

Green bonds are use of proceeds instruments where borrowed funds are used for specific sustainability-related purposes. In the case of our most recent green bond issue, to 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.

The recent offer received strong support from investors across New Zealand, who were attracted by Kiwi Property's strong ESG credentials, resulting in the offer being oversubscribed by \$25 million beyond the initial \$100 million offer.



People



Our places are where people come together and where everyone feels they belong.

We focus on ensuring that our customers feel welcome, included, and connected when they visit our properties.

As an employer, we are committed to building a high-performing team that reflects our communities and enables our people to thrive. We do this by focusing on employee engagement, health, safety and wellbeing, and diversity, equity and inclusion.

Our ambition

To create vibrant communities that bring people together and where everyone feels they belong.

Key actions



Foster wellbeing in our communities

Enable people to connect with each other.



Embrace diversity

Create a diverse, inclusive and equitable team, and an environment where everyone belongs.



Enable our team to succeed

Promote employee wellbeing, engagement and resilience.

Our progress against targets

Targets	Status	FY23 Progress
Attain 40:40:20 gender representation on our Board and Executive Team by 2023.		This target was met for the Executive Team in 2023. Executive Team: 43% female, 57% male Board: 33% female, 67% male There were no changes effected at Board level during FY23. ¹
Achieve employee engagement equal to, or better than, the New Zealand companies' benchmark.		70% engagement score in FY23, an increase of 5% on FY22. ²
Eligible development projects to target a Be.Lab gold rating (on completion) with an aspirational platinum rating target. ³		No new eligible development projects were completed as of 31 March 2023. All existing eligible assets have a Be.Lab gold rating or higher.

Achieved On track Not achieved

1. In April 2023 Kiwi Property announced the appointment of two new Directors. These appointments, effective in FY24 will change the Board gender ratio to 50% female, 50% male.
2. Culture Amp NZ Benchmark (100-200), January 2023.
3. A new target will be set for FY24, as Be.Lab will discontinue its rating system.

Our targets are designed to help achieve the following UNSDGs:



Material issues that inform this pillar

- Creation of wellbeing for individuals and the vulnerable
- Access to mental health services
- Wellbeing in the workplace
- Supporting the most vulnerable



Foster wellbeing in our communities

Our places must reflect and address our customers and their needs for them to feel that they belong. We undertake activities across our portfolio to encourage customer and community connections.

Partnerships with organisations like the Mental Health Foundation, Be.Lab, and the Accessibility Tick inform our approach to asset management and creating and curating connected communities.

In addition to our assets acting as local gathering places, we support grassroots initiatives that promote social engagement. Initiatives such as KiwiFit exercise groups, KiwiBubs parents club, our 'Match Hero' support of youth sport, and Christmas gift-wrapping for charity are just some ways we support the community.

FY23 was our first year as a supporter of the Mental Health Foundation, an organisation working to create a society free from discrimination where all people enjoy positive mental health and wellbeing. Our closely aligned ambitions underpin our flourishing collaboration. We supported several mental health campaigns during the year, raising awareness of the Foundation's mission and work with our customers, tenant partners, and employees. Find out more on page 37.

A strong sense of safety when visiting our places is an important aspect of community wellbeing. We continued to partner with our security contractor to identify ways to further enhance safety at each of our assets. Find out more on page 36.



Find out more in our
FY23 Sustainability
Detailed Approach



Connecting over coffee for the Mental Health Foundation

Connecting and giving are two important ways to maintain wellbeing, so our Better Together campaign in the lead up to Mental Health Awareness Week brought customers together for a conversation over a coffee.

We offered customers the opportunity to meet up with a friend, whanau or colleague and have a coffee on us. For each voucher redeemed, Kiwi Property donated 20c per coffee to the Mental Health Foundation to help fund its vitally important work across Aotearoa. More than 10,000 cups of coffee were enjoyed by our customers, raising over \$2,000 for the Foundation and supporting our food and beverage tenants throughout the campaign period.





Embrace diversity

Kiwi Property aims to create an environment where everyone belongs – for people in our offices, and customers in our centres.

We promote a workplace culture that embraces diversity and inclusion. Targets guide our efforts to develop a workforce that reflects the diversity of the customers and communities we serve. Our partnerships with Accessibility Tick, Be.Lab and Keystone Trust demonstrate our commitment to inclusion.

As community creators and curators, we can help enable greater accessibility for all by ensuring that our places support visitors with varied needs and removing the barriers that make access difficult. All eligible core assets have received Be.Lab platinum or gold accessibility ratings.

We continued to meet our 40:40:20 gender diversity target for our Executive Team in FY23. To show our support for gender equity, four women leaders from across our business shared their career journeys with our people on International Women's Day. The panel discussed their experiences, the challenges they've overcome, and the importance of supporting and uplifting women in the workplace.

We are working to better understand the diversity of our workforce and adapting our recruitment approach and ways of working to support an employee population that better reflects the diversity of the communities we serve.

We continued to enhance the accessibility of our places during the year. The Sylvia Park accessible changeroom was completed in June, further improving facilities for people with complex needs. The changeroom was developed in consultation with Community Living New Zealand, a non-profit supporting people with a disability.



Find out more in our
FY23 Sustainability
Detailed Approach



Celebrating days of significance

Our places are part of the local community, so it's important we celebrate days of significance with our customers and our people.

We marked the first national Matariki holiday with spectacular star-themed experiences at our buildings during June and July in celebration of the Māori New Year. An immersive educational virtual reality experience guided customers at The Base through the Matariki story and the meaning of each star. LynnMall customers journeyed along a star walk and celebrated with Kapa Haka performances.

Our buildings lit up for the Diwali festival of lights in October. A lotus flower trail wound through Sylvia Park explaining each day of the festival, Centre Place displayed interesting festival facts, and our people came together in our workplaces. The Lunar New Year brought lion dances to our centres in celebration of the Year of the Rabbit during January and February, and our people shared what Lunar New Year means to them at a staff event and on our social media channels.

Celebrating these days of significance with our people and our customers highlights our commitment to embracing and celebrating our community's diversity and demonstrates that everyone can feel they belong at our places.





Enable our team to succeed

Creating an environment for our people to thrive is central to Kiwi Property's success. We focus on enhancing the engagement, wellbeing, and resilience of our talented team, and growing its capability to support our strategy into the future.

Our people are encouraged to be themselves at work through our Diversity and Inclusion Policy commitments and our workplace behaviours, activities, and communications. Find out more on page 30 of this report.

We survey our employees at least annually to understand their sentiment around workplace matters such as leadership, wellbeing, flexibility, recognition, and health and safety. The resulting score is our key metric for tracking employee engagement. We analyse the results to understand how engagement varies across the business, identify focus areas, and inform action plans to address challenges, where required.

Kiwi Property's employee engagement rose to 70% in FY23, a 5% increase on our FY22 score.

The care and support people receive from their leaders, particularly in the areas of wellbeing and working flexibly, and understanding how their work contributes to Kiwi Property's success were key engagement drivers. Areas where employees told us we can improve are recognition, career development, and enhancing the employee connection to our purpose.

We developed new leadership, talent, and diversity, equity, and inclusion strategies during the year. We are working collaboratively with our people to develop new corporate values and intend to launch these in early 2024.

More than 150 people participated in employee wellbeing initiatives during the year. We promoted Mental Health Awareness Week and Mindfulness Month in support of the Mental Health Foundation. Find out more on page 37 of this report.

Our Cultural Ohu – the cross-functional steering group that guides our decisions and engagement with Te Ao Māori – supported several initiatives at our places to recognise and celebrate local Māori history and culture. In FY24 we will further enhance the Ohu, incorporating its work into our diversity, equity, and inclusion strategy to extend its impact across our portfolio.



Find out more in our
FY23 Sustainability
Detailed Approach



Building enduring partnerships with Māori

As part of our commitment to building enduring partnerships with Māori as tangata whenua, we provide opportunities for people to engage with taonga across our properties.

In addition, we have a long-standing partnership with New Zealand's charitable Keystone Trust and have been an active sponsor in supporting Māori and Pasifika school leavers embarking on tertiary study in property. Now in its fifth year, the Kiwi Property scholarship provides tertiary support and on-the-job training to support Māori and Pasifika students to realise their dreams of working in the

property sector. Our current scholar, Skylah, is in her third year of study undertaking a conjoint degree in Law and Property at Auckland University and works with our teams during university holidays to gain on-the-job experience.

At our places, members of our Cultural Ohu have worked with local iwi and stakeholders to bring the stories of the land to life, as part of our commitment to protection of these lands for future generations. At The Base, the Taonga Trail encourages customers to fill their basket of knowledge by exploring a self-guided tour that highlights architecture and arts throughout the centre, while showcasing local culture, history, and people.

Partnerships



Partnerships are a powerful way we can achieve more, reach more people, and make the best use of our resources.

Our partnerships take many forms, from informally supporting our tenants' sustainability goals, to creating strategic charity partnerships and supporting fundraising for non-profits. We leverage our scale to promote sector-wide change, including shifting to more sustainable procurement and development.

By working with partners to deliver our Sustainability Strategy, we can collectively drive lasting social and environmental change to help create a brighter future for Aotearoa New Zealand.

Our ambition

To connect and empower our partners to deliver social and environmental change.

Key actions



Partner with others to enhance the wellbeing of our customers

Inspire and enable our customers to improve their wellbeing.



Create shared value with our tenants

Support our tenants to define and deliver their respective sustainability ambitions.



Support sustainable procurement

Work with our suppliers to include social and environmental considerations in Kiwi Property's procurement framework.

Our progress against targets

Targets	Status	FY23 Progress
Implement a sustainable procurement roadmap.		Sustainable Procurement Action Plan developed and underway.
Work with our tenants and employees to assist them in reaching their sustainability aspirations.		Tenant ESG engagement programme developed and underway.

Achieved
 On track
 Not achieved

Our targets are designed to help achieve the following UNSDGs:



Material issues that inform this pillar

- Creation of wellbeing for individuals and the vulnerable
- Communal spaces that support wellbeing
- Efficient use of resources – energy, waste, water
- Supporting the most vulnerable



Partner with others to enhance the wellbeing of our customers

Supporting the wellbeing of the diverse groups in and around our communities requires specialist knowledge and expertise. We proudly partner with leading mental health, diversity, and accessibility organisations to ensure we maximise our impact and create positive change.

Safety is an important contributor to wellbeing. We take our duty of care for the safety and wellbeing of our people and the community very seriously, and work with our supplier partners to continually test and improve safety systems in our workplace and our assets. We are also involved in the NZ Security Roundtable which includes the NZ Police, other landlords, and retailers, who have come together to collectively implement security initiatives to ensure the wellbeing of customers, tenants and their staff.

All of our sites are covered by our certified Health and Safety Management System. Health and safety is fully integrated into our governance and management practices and reported to our Executive team and the Board.

In FY23, we reviewed our performance against the Protective Safety Requirements for physical security – the New Zealand Government’s security framework, which we consider best practice – to identify ways to continually improve our physical security systems, processes, and governance at our buildings.

We continued to partner with Be.Lab, Accessibility Tick, and the Safe Space Alliance during the year, collaborating to enhance our assets to ensure that people from diverse groups and with diverse needs can access and enjoy our places.

Our support for the Mental Health Foundation sparked several successful wellbeing initiatives during FY23. We share a common goal – to create places where people can thrive and be happy – and with this in mind, we brought several mental health campaigns into our buildings and workplaces to raise awareness and funds for the Foundation. Find out more in the case study below.



[+](#) Find out more in our FY23 Sustainability Detailed Approach



Supporting the Mental Health Foundation

The Mental Health Foundation is a key partner in our efforts to enhance the wellbeing of our customers, employees, tenant partners and communities where we operate. During the year, we supported several mental health campaigns to raise awareness of the Foundation's mission and work.

In May, we supported Pink Shirt Day to take a stand against bullying and celebrate diversity and inclusion. Customers, tenant partners, and employees formed a sea of pink shirts across our buildings, workplaces, and social media channels. Our Facebook and Instagram activity reached over 150,000 customers with 10,000 people engaging with the content.

The Mullet Matters campaign kept barbers busy, with supporters growing their hair to create the iconic hairstyle and raise funds for the Foundation. The campaign culminated in 'shave in' events during March to complete the look. We supported the campaign by matching nearly \$17,000 in donations and the campaign raised \$110,000 overall to fund the Foundation's free mental health resources.

We encouraged our employees to build their mindfulness skills for wellbeing during Mindfulness Month in August. Our people attended workshops to learn tools and techniques to support healthier, happier lives at work and beyond. The Mental Health Foundation provided daily podcasts and other mental health resources, including a beautiful journal to capture and reflect on the mindfulness journey.



Create shared value with our tenants

Our tenants play a pivotal role in our success. They provide our customers with their everyday essentials and little luxuries, places to dine with friends and whanau, and exceptional places to work. We partner with our tenants to create outstanding environments that are sustainable, successful, and meet our customers' needs.

With the pandemic's operational impact subsiding, we created and curated vibrant in-person customer and tenant experiences in our assets. Activations and events, such as cultural celebrations and promotions, enticed people to our office buildings and retail centres to participate and connect with colleagues and the community. For example, our Better Together social connection campaign encouraged shoppers to look after their wellbeing while also supporting our food and beverage tenant partners.

During the year, we developed a tenant ESG engagement programme to harness our tenants' growing interest in sustainability. Working together to reduce our environmental impact and support our communities will help both Kiwi Property and our office and retail tenant partners to achieve our sustainability goals. The programme began in late FY23 and will continue into FY24.



**Find out more in our
FY23 Sustainability
Detailed Approach**



Tenant ESG programme connects ambitions and actions

Sustainability is becoming increasingly important to businesses in all sectors of the economy, including our tenant partners. Our ability to achieve ESG goals is interconnected: our buildings' performance can help tenants reach their goals, for example relating to energy use, while our tenants' decisions and behaviour contribute to our goals, such as waste reduction.

Our new tenant ESG engagement programme formalises our approach to partnering with tenants and will foster greater collaboration on sustainability

initiatives. Through a tenant survey, we will learn more about each tenant's view of sustainability and how we can work together.

The programme will also establish communication channels for each asset, where we can share our sustainability initiatives, how they benefit tenants, and how tenants can contribute to their success as part of regular conversations about what's working and what can be improved.

We will continue to develop and refine the programme as we learn from each other. By partnering with our tenants to enhance sustainability performance, we can create shared value for our stakeholders.





Support sustainable procurement

Guided by our Sustainable Procurement Guidelines, we use our purchasing power to partner with suppliers to achieve better environmental and social outcomes from our projects and the products and services we use.

Our procurement practices assess full-life cost when purchasing major plant and equipment for our assets (including usage and disposal costs) to ensure they support our energy reduction targets and reduce operational costs.

Our supply chain is the thread that connects Kiwi Property to our employees, partners, customers, and suppliers. We are committed to upholding human rights both within our own operations and in our supply chain. This means complying fully with the law, and going above and beyond compliance – acting professionally, ethically, and responsibly as we create shareholder value and deliver outcomes for stakeholders.

Following the introduction of our Sustainable Procurement Guidelines in FY22, we developed a Sustainable

Procurement Action Plan to further integrate ESG considerations into our procurement practices. The Action Plan prioritises decarbonisation, the elimination of modern slavery, and accessibility as areas where our procurement can have the greatest impact across our supply chain while simultaneously complementing contract-specific sustainability goals, such as waste management for cleaning contractors and construction partners.

We furthered our understanding of modern slavery risks in our supply chain during FY23, completing several key initiatives in consultation with our ESG Leadership Team, Executive Team, and ESG Committee. A risk assessment of our level one suppliers enabled us to understand potential modern slavery risks in our tier one supply chain and identify opportunities to strengthen our existing risk controls.

We developed a Modern Slavery Roadmap to guide our efforts to address this complex issue and will incorporate modern slavery considerations into our sustainable procurement activities where feasible. Find out more in the case studies below.



Find out more in our
FY23 Sustainability
Detailed Approach



Sustainable Procurement Guidelines deepen supplier relationships

Our Sustainable Procurement Guidelines are generating conversations with our supplier partners about our sustainability goals and expectations, and how we can work together to achieve them.

The guidelines were introduced to our cleaning and security supplier partners, two of our largest supplier contracts, in FY22. The resulting discussions have enriched our relationships and ways of working.

The guidelines are informing decision-making in procurement and being used in major tenders to demonstrate the value we place not just on price, but also holistic supplier performance.

A roadmap for our journey to address modern slavery risks

Modern slavery exploits vulnerable people in situations they are unable to leave, such as forced labour, debt bondage, and human trafficking.⁴ Eliminating modern slavery is a complex global challenge. We aim to support long-term systemic change throughout our supply chains to reduce the risk of modern slavery practices.

In FY23, we conducted a modern slavery risk assessment to better understand the risk of modern slavery in our tier one supply chain. The assessment considered the latest research on modern slavery globally and in New Zealand, including case and prosecution data, and interpreted national-level and sector-specific risks in the context of our operations, locations, and supply chain. The assessment also reviewed our existing risk controls to identify how they could be strengthened for our specific risks.

The assessment determined that modern slavery risk was low in our direct operations and workforce, due to existing employer-employee regulations. As a participant in the property sector, modern slavery risks do exist in our supply chain, particularly in the medium-to-high risk areas of construction (for new development projects), and security and cleaning (for operating assets).

This assessment is part of the Board-approved Modern Slavery Roadmap we developed to guide our efforts in this area. In FY24, we will undertake training for our Facilities Management and operational teams, and design and deliver a Supplier Code of Conduct as part of the Sustainable Procurement Action Plan. In FY25 we will prepare a deeper dive information collection effort and risk assessment for our supply chains.

4. Source: Walk Free Foundation website (accessed 2 March 2023): www.walkfree.org/what-is-modern-slavery

Climate-related reporting

As one of the country's largest property companies, we have an opportunity to lead on environmental sustainability by building high-performing, resilient assets that meet the future needs of our communities. We recognise the importance of building resilience to climate change into our business and portfolio.

This section explains our FY23 approach to climate scenario analysis, details our top climate-related risks and opportunities, and explains what we're doing in response. Our focus on asset resilience, our commitment to achieve net negative operational emissions by 2030, and our strong track record of sustainability positions us well to navigate the uncertainty presented by climate change.

This information has been prepared on a voluntary basis with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This is our second voluntary climate disclosure. We will release our first report under the External Reporting Board mandatory climate-related disclosures in FY24.

Governance



→ Sylvia Park

Our Corporate Governance Framework draws on guidelines, principles, recommendations, and requirements from a variety of sources, including the NZX Listing Rules and NZX Corporate Governance Code, that aim to reflect best practice corporate governance.

The Board oversees Kiwi Property's Sustainability Strategy and its governance across the business. This includes overseeing our approach to carbon emissions and climate risks and opportunities. The ESG Committee assists the Board in identifying and considering all relevant sustainability matters. Find out more on page 16 of this report.

Our Chief Executive Officer is responsible for implementing the Sustainability Strategy and reporting progress to the ESG Committee and the Board. The ESG Leadership Team oversees the operational implementation of the Sustainability Strategy, which is delivered by the General Manager Asset Management, ESG Lead, and the Facilities teams. Find out more on page 14 of this report.

Climate risk management

At present, our climate-related risks are managed in alignment with our Risk Management Framework, which is aligned to the principles of ISO 31000:2018. Climate change is listed on our key risk register, which has resulted in the development of control measures and detailed discussion of climate risk at leadership and Board levels.

For our detailed climate risk assessment, completed in FY23, we engaged external consultants to guide us through an exploratory and deliberative process. The process involved two workshops with our ESG Leadership Team, before confirming the workings and results with our Executive team.

We considered a set of climate scenarios, which were informed industry-specific scenarios that are being collaboratively developed for use under New Zealand's incoming mandatory reporting regime in 2024, as well as several other data points.

Exploring these scenarios enabled us to generate insights on the resilience of our strategy under an uncertain future.

We used the scenarios to generate a longlist of climate-related risks and opportunities. We identified 12 potential risks and 6 potential opportunities, which were later reviewed, and for the risks, evaluated using our risk management framework. To evaluate each risk, members of Kiwi Property's

ESG Leadership Team selected scores from 1 to 5 for the likelihood and consequence. These provisional results were subsequently confirmed by the Executive Team.

Our climate risks are also evident at asset-level. In FY22, we selected three assets – one retail, one office, one mixed-use – across two cities and conducted a process to evaluate climate-risks for each of these assets. In FY24, we will complete a comprehensive risk assessment at asset level across our portfolio, to complement the risk assessment undertaken at portfolio level.

We also conduct environment and climate change reviews as part of the due diligence process for the purchase of new assets. Environmental and climate risk data are requested from the seller, assets are benchmarked against Kiwi Property's other assets, and we assess opportunities for buildings to be brought up to our standards. This information informs recommendations to the Board on potential purchases, which are decided based on numerous strategic, financial, and non-financial factors. Climate change risks, environmental impact and building efficiency add to the overall decision as non-financial factors.



Strategy

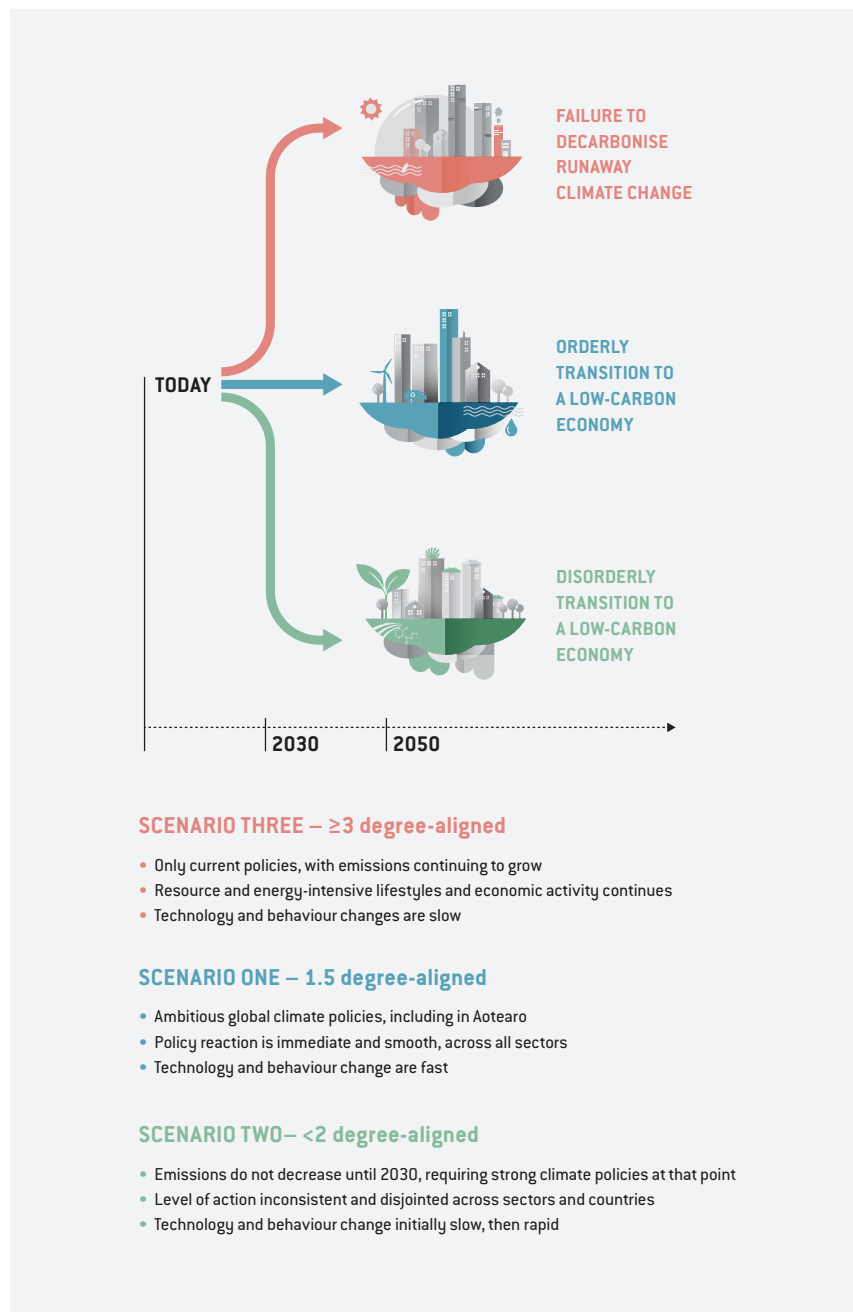
Scenarios

As outlined above, in FY23 we used three climate scenarios to explore the future effects of climate change on our business and the property sector more generally. The purpose of the scenarios was to provide a set of coherent, plausible stories to prompt creative thought and insights about the risks companies such as ours could face in an array of possible future states.

To capture both physical and transition climate risks, consistent with both the TCFD's recommendations and the mandatory disclosure requirements of NZ's new reporting regime, the three scenarios combined:

- Physical climate parameters taken from the International Panel on Climate Change's (IPCC) set of scenarios, downscaled to New Zealand's situation (courtesy the Ministry for the Environment's 2018 climate projections), and
- Socio-economic and policy parameters drawn from multiple other sources, including the IPCC's Shared Socio-economic Pathways, the Network for Greening the Financial System scenarios, the International Energy Agency's World Energy Outlook and He Pou a Rangi's (the NZ Climate Commission) transition scenarios.

The following graphic summarises the key elements of each scenario used.



Resilience

Broadly speaking, Kiwi Property’s business strategy is to develop a portfolio of large, mixed-use property precincts in major urban ‘node’ locations. There is already pressure, including from anchor tenants, to work to keep improving the resilience and environmental performance of our existing assets and new developments. We expect this only to continue as awareness of possible climate impacts grows. Regulatory changes, including mandatory changes to building standards and carbon pricing, will affect our portfolio along with all other property companies. Under both an orderly and disorderly transition to a low-carbon economy, competition for scarce resources – eco-friendly technologies and materials, resilient assets, and well-protected locations – could well be expected. Even in the third, horrifying scenario of a hothouse world, where current policies are extended into the future though not ramped up, some of these pressures may yet emerge. Our tenants’ current demands for resilient assets will only be greater if the physical impacts of climate change are allowed to escalate uninterrupted.

All in all, our strategy remains sound across these scenarios, with a focus on mixed-use as an inherently sustainable asset type. Our efforts to develop and upgrade to high-performing, resilient assets are sound in both a sustainability and a commercial sense. We have the ability to avoid purchasing assets where the costs of improving resilience and environmental performance are too high.

Our material climate risks

Using the scenarios above, as well as analysis of our peers and competitors in New Zealand, Australia, the UK and US, we generated a longlist of 12 climate-related risks for Kiwi Property. We then used the process described in Risk Management (above) to determine our top climate risks.

Climate risks are identified across three time-horizons – short, medium, and long – defined according to the nature of our business.

0–3 years Short-term	3–10 years Medium-term	10–30 years 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).

The following table presents the seven prioritised climate risks considered to be most material to Kiwi Property’s business.

Risk	Description	Possible business impact	Risk type	Timeframe	Risk control
Mandatory building standards	The NZ Government has the ability to introduce stronger minimum standards for new and existing buildings. Phase-outs of key materials (e.g., certain gases) or constraints on the availability of alternative eco-materials could significantly impact Kiwi Property's new developments and improvements to existing buildings.	Impact area: Increased costs to develop new assets or improve existing ones. Potential financial impact: Increased capex costs for new developments and improvements of existing assets. Potential reduction in attractiveness of any lower quality portfolio investments, creating investor flight.	Transition - Policy	Short 0-3 years	Current assets • Above minimum standards, providing initial protection Acquisitions • Consider expenditure required to bring an asset up to standards New developments • A resilience aspect to be integrated in procurement and design choices
Cost of capital increases markedly	An existing business risk that could be exacerbated by physical climate change impacts and lender restrictions based on climate criteria.	Impact area: New developments and future pipeline, as well as expenditure on existing assets. Overall funding-beyond development. Potential financial impact: Potentially significant impact on KPG's new developments and future pipeline, as well as increasing the cost of capex for existing assets.	Transition - Market	Short 0-3 years (already)	• Strong sustainability performance could provide access to green bonds and sustainability loans • Demonstrating climate leadership by making climate resilience of buildings an integral part of portfolio and investment strategy
Asset location, resilience and ESG performance	Tenants pay greater scrutiny to asset resilience in terms of location, energy efficiency and infrastructure (e.g., solar or EV charging availability) disruptions from climate impacts/ weather events, blackouts due to increased electricity demands on the grid and water restrictions following drought.	Impact area: Increased difficulty in finding tenants and accommodating their evolving preferences. Potential financial impact: Revenue impacts from loss of tenants, leading to diminished investor support for the portfolio.	Transition - Market	Short 0-3 years	• Integrate climate related physical and transition risk into Kiwi Property's risk management framework • Ensure best practice alignment in sustainability disclosures • Ensure climate resilient design is a consideration as part of new development plans
Increasing carbon prices	Carbon prices will surely increase steadily, with some estimates putting them at \$250-300/t by as soon as 2030. Some tenants' business models may adapt, supporting a shift towards courier- and postal-delivery from warehousing.	Impact area: Existing assets face capex costs to decarbonise. New developments could become significantly more expensive, affecting margins. Some tenant business models could be affected. Potential financial impact: Significant capital expenditure, operating expenditure and potential impacts on revenue.	Transition - Policy	Medium 3-10 years	• Kiwi Property to explore an insetting programme, generating its own carbon sinks around assets • Kiwi Property poised to expand solar across portfolio, further reducing electricity usage

Risk	Description	Possible business impact	Risk type	Timeframe	Risk control
Insurance premiums and retreat	Properties in floodplains, vulnerable to sea level rise or extreme weather events face a marked increase in premiums or a sudden loss of insurability (low-lying coastal properties by 2030, floodplains by 2050).	Impact area: The company's cost and ability to insure assets against physical risks. Potential financial impact: Increased expenditure from higher insurance premiums and/or significant asset value write-offs from assets unable to be insured.	Transition - Market	Medium 3-10 years	<ul style="list-style-type: none"> Buildings are designed for resilience Kiwi Property's assets weren't affected by recent floods in NZ Consider vulnerability to physical climate risks when acquiring/developing new assets Planned assessments of vulnerability to physical climate risks at existing assets
Spatial planning/ Rezoning	Councils move towards greater urban densification, while also recalibrating land use as a managed retreat from certain physical climate impacts (sea level rise, floodplains), posing challenges for future developments.	Impact area: In planning the development of future assets and undermining the premise and value of existing assets. Potential financial impact: Potential devaluation/ impairment of assets. At worst stranded assets.	Transition - Market	Medium 3-10 years	<ul style="list-style-type: none"> Ensure collaboration with city councils to stay on top of potential rezoning Existing assets zoned for intensification Scenario analysis of different climate futures when developing new assets Kiwi Property's focus on intensifying mixed use will ensure efficient and convenient use of urban spaces by combining multiple asset types in one location
Extreme weather events	More frequent, more intense rainfall could generate impacts particularly on retail assets (with highly variable roof forms). Stronger peak wind gusts could damage signage or cause collapsed roofs. Heatwaves could make some assets – e.g., LFR car parks – hazardous for some populations.	Impact area: Existing assets face potential capex costs for repairs. New developments to be designed for resilience. Potential financial impact: Closures of assets for repairs would be financially significant, and if asset design limits start being exceeded regularly, significant renovation costs could be expected.	Physical – Acute	Short 0-3 years (already)	<p>For existing assets</p> <ul style="list-style-type: none"> Designed for resilience Physical risk assessment and enhancements (allocated Capex), using updated data of recent flood events <p>Acquisitions</p> <ul style="list-style-type: none"> Consider expenditure required to bring an asset up to our standards <p>For new developments</p> <ul style="list-style-type: none"> Resilience response through design

Our material climate opportunities

Following the TCFD's guidance on climate related opportunities, Kiwi Property's ESG Leadership Team and Executive Team also identified six climate related opportunities in line with the three scenarios. Kiwi Property prioritised three among the six climate related opportunities identified.

The table below presents the prioritised three climate opportunities considered to be most material to Kiwi Property's business.

Opportunity	Description	Potential business impact	Risk type	Timeframe
Sustainability-linked loans	Increasing expectations on sustainability requirements and credentials from investors and lenders may lead to loans only being granted if they meet those requirements.	Impact area: Investor base and Operations Potential financial impact: Enhanced competitive advantage through decreased energy costs and alignment with customer preferences. Continue to pursue our Sustainability Strategy, improving the resilience and performance of our assets for tenants.	Transition - Market	Short 0-3 years
Mixed-use assets recognised as the most sustainable asset class within property	Efficient use of space is important as urban areas keep growing. Mixed use assets offer a unique opportunity to combine multiple asset types (such as retail, office spaces and residential) in one location. Mixed use assets offer the development of convenient and resource efficient hubs within cities.	Impact area: Products and Services and Investor base Potential financial impact: Reduced exposure to building damage through maximising the physical resilience of properties. Reduced exposure to disruption by enhancing operational procedures and essential system backup options. Increased competitive advantage through customer confidence and positive reputational impacts, if property operations are ensured post event.	Transition - Market	Medium 3-10 years
Increased tenant demand for climate resilient design	There is an increased customer and investor demand for buildings with climate resilience measures such as passive cooling, nature-based solutions and sustainable urban drainage systems incorporated.	Impact area: Products and Services and Investor base Potential financial impact: Climate resilient design aimed at reducing the consumption of energy and water, including on-site energy generation, passive cooling and connection to local heat and power networks supports customer demand for sustainable spaces and reduces the cost of energy for Kiwi Property.	Transition - Market	Short 0-3 years

Metrics and targets

In 2017 we set a target to reduce absolute emissions by 4.2% year on year from a 2012 baseline, equating to a 43% reduction by 2025, a 54% reduction by 2030 and an 80% reduction by 2050. These targets included Scope 1, 2 and 3 emissions.

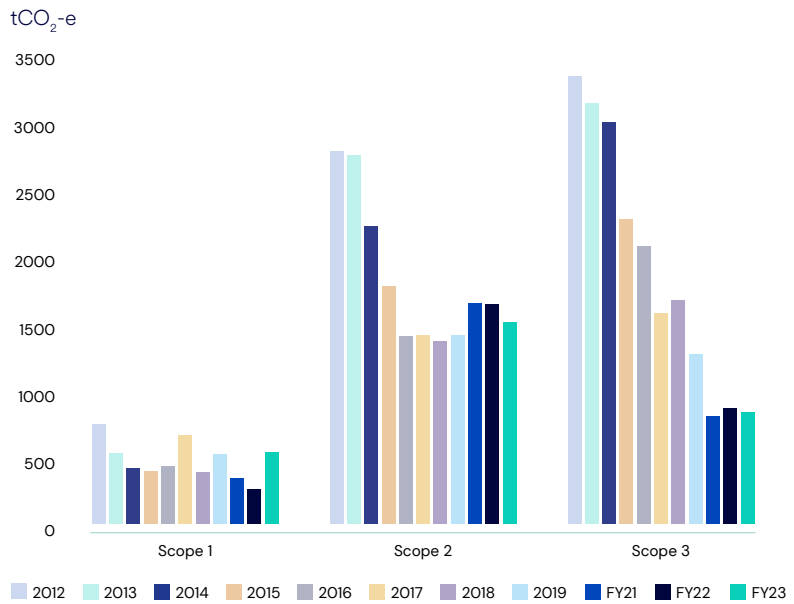
Our carbon programme has already reduced emissions from 6,834 tCO₂-e (adjusted 2012 baseline) to 3,077 tCO₂-e, a reduction of (3,757) tCO₂-e (-55%).

To align with IPCC-based recommendations for limiting global warming to under 1.5 degrees Celsius, we further revised our targets downward and in 2021 we committed to achieving net carbon negative in our operations by 2030.

In 2023, our scope-by-scope emission (and % reductions since 2012) were as follows:

- Scope 1: 530 tCO₂-e (-28%)
- Scope 2: 1,500 tCO₂-e (-46%)
- Scope 3: 831 tCO₂-e (-75%).

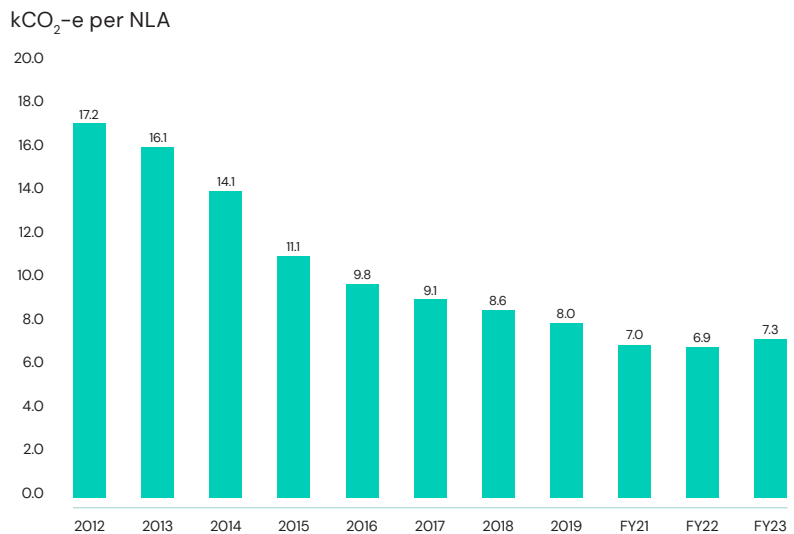
Emissions by scope



Emissions per NLA

Emission per net lettable area (NLA) is used as Kiwi Property's intensity measure to allow like for like comparisons, between different sized buildings. NLA is the amount of space (m²) in a building available for leasing.

In FY23, greenhouse gas emissions per NLA have reduced by 58% since 2012, from 17.2kCO₂e per NLA (2012) to 7.3kCO₂e per NLA (2023).



Tenant electricity use is outside of our operational control and not currently accounted for in our Scope 3, though it does comprise a significant volume of emissions. We therefore have several approaches to support our tenants to reduce their electricity use, including a set of (non-mandatory) Fitout Guidelines for ensuring sustainable fitouts.

+ Find out more in our **FY23 Sustainability Detailed Approach**

Performance data

People	
The total spend on employee development training	\$248,095
Employee working hours	303,791
Employee turnover	28.5%
Employee wellbeing initiatives (number of participants)	
• Mental wellbeing workshops	179
• Flu vaccinations	45
• Physical wellbeing sessions	173
Employee absentee rate	1.47%
Number of employees accessing EAP services during the period	17

Health & Safety	
Employee notifiable injury / incidents	Zero
Employee Health and Safety Board reportable incidents	Zero
Lost Time Injury Frequency Rate per 200,000 hours worked	Zero
Total Reportable Injury Frequency Rate for our development activities (per 200,000 hours worked) versus BLHSF benchmark of 1.95	Zero
% of sites covered by the certified Health & Safety Management system	100%

Environmental (Carbon)		
Scope 1 – Direct Emissions	tCO₂e	% of overall emissions
Gas	158	5
Refrigerants	364	12
Diesel (stationary)	8	0
Total Scope 1 Emissions	530	17
Scope 2 – Indirect Emissions	tCO₂e	% of overall emissions
Electricity – market	-	-
Electricity – location	1,500	49
Total Scope 2 Emissions	1,500	49
Scope 3 – Indirect Emissions	tCO₂e	% of overall emissions
Waste	562	18
Business Travel	122	4
Energy Line Loss	147	5
Total Scope 3 Emissions	831	27

Intensity Reporting

	Electricity – kWh/NLA	Waste – kg/NLA	Water – kL/NLA
2012	44.5	7.6	0.7
FY20	34.4	6.4	0.8
FY21	30.5	5.1	0.6
FY22	29.3	5.4	0.5
FY23	30.4	6.3	0.6

Kiwi Property has zero environmental fines

Building ratings as at 31 March 2023

ANZ Raranga	5 Star Green Star Office Design 5.5 Star NABERSNZ
ASB North Wharf	5 Star Green Star Office Design 4.5 Star NABERSNZ
The Aurora Centre	5.5 Star NABERSNZ
Vero Centre	4 Star NABERSNZ
65 Bryce Street	4 Star NABERSNZ

Verification of the GHG emissions, waste and water data contained in this report is being completed by Toitū Envirocare.

COVID-19 had a significant impact on Kiwi Property's operations over FY21 and FY22 making it difficult to meaningfully compare the key metrics across those years.

All data in this document is for the year ended and/or as at 31 March 2023. 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.

This Sustainability Report should be read in conjunction with the 2023 Kiwi Property Annual Report, which is available on our website, [kp.co.nz/annual-result](https://www.kp.co.nz/annual-result).



