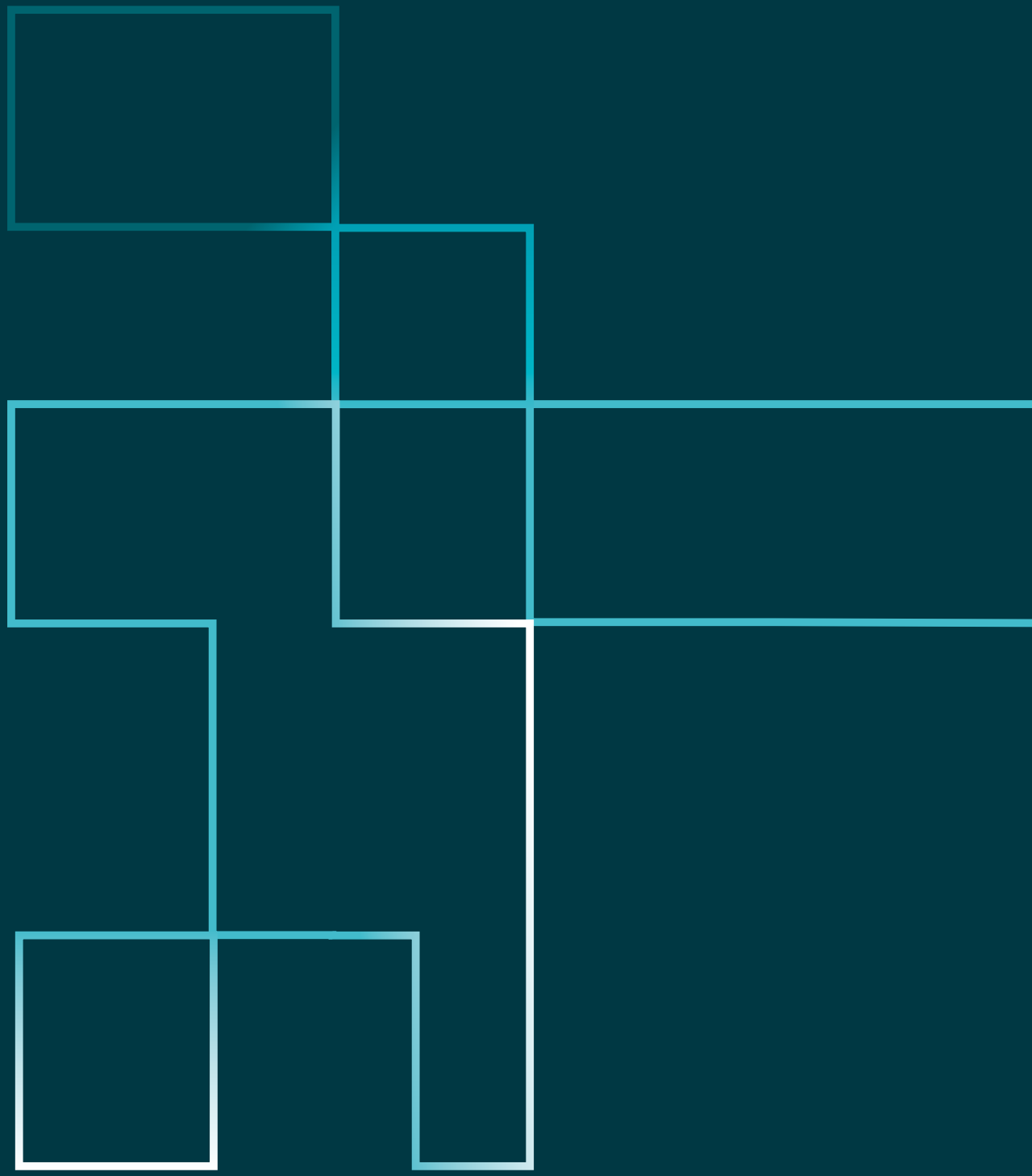
investore

Managed by Stride Investment Management Limited

Investore Property Limited
Sustainability Report
2023



Investore Property Limited (Investore) has been designated as a "Non-Standard" (NS) issuer by NZX. For more information see the Investore FY23 Annual Report, which is available at **www.investoreproperty.co.nz**

Contents

Overview

16 properties owned by Investore achieved a Green Star Performance rating in FY23, setting a baseline to work with tenants to improve energy and water efficiency

Investore is currently developing a new Countdown supermarket on land acquired by it at Hakarau Road, Kaiapoi, targeting a 5 Green Star Design & As Built rating

First greenhouse gas inventory report presented FY23. Due to the nature of its business, Investore has very low scope 1 and 2 emissions (FY23: 51.3 tCO2e)

No Investore properties suffered damage as a result of the Auckland Anniversary floods or Cyclone Gabrielle

Investore is in the process of completing a physical risk assessment of its properties utilising the S&P Global Climanomics platform

Investore completed the Global Real Estate Sustainability Benchmarking (GRESB) assessment for the first time in 2022

Investore has recently committed to sponsor the Graeme Dingle Foundation, a child and youth charity focussed on building resilience among children and young people

Investore is managed by Stride Investment Management Limited (SIML), and has no employees of its own. Investore supports the people strategy of SIML

Letter from the Chair

Dear Investors,

Investore Property Limited (Investore) is pleased to present its sustainability report for the year ended 31 March 2023 (FY23), the first time Investore is reporting separately and including the first greenhouse gas inventory report for Investore. Investore has made considerable progress in its sustainability objectives during FY23.

Investore's strategy is built on owning a resilient portfolio of large format retail properties, to enable it to deliver sustainable returns to investors over the medium to long term. The nature of Investore's properties, together with its business model, means that Investore has a small scope 1 and 2 carbon footprint. This is due to the nature of the properties that Investore owns, which tend to be single tenanted properties or, where there is more than one tenant, have limited common areas, and, in part, due to the outsourcing of Investore's business operations to its manager, Stride Investment Management Limited (SIML).

Although Investore has very low scope 1 and 2 greenhouse gas emissions, Investore recognises that it needs to actively understand and address climate risks and contribute to the transition to a low carbon future. The preparation of Investore's first greenhouse gas report this year has enabled us to better understand where our greenhouse gas emissions are generated, and we have established a plan to address these emissions. Further detail of Investore's greenhouse gas emissions and our plans to minimise these emissions are set out in this report.

As a major commercial property owner, Investore recognises the benefits of demonstrating the sustainability of its portfolio, and one clear way of achieving this is through green ratings. During FY23 Investore obtained Green Star Performance ratings for 16 standalone supermarkets and hardware stores. While additional green ratings for existing buildings may be difficult to achieve given the nature of the properties involved, Investore will continue to explore opportunities to seek green ratings.

Investore will also look to incorporate sustainability initiatives into new developments and major refurbishments where practicable. An example of this is the new Countdown supermarket that is currently under development on its property at Hakarau Road, Kaiapoi, acquired by Investore during FY23. Investore is working closely with Countdown, as tenant, to incorporate sustainability initiatives into this development, and is targeting a 5 Green Star rating for this property. Some of the initiatives being incorporated into this development include electric vehicle charging stations, bicycle storage for workers and customers, low global warming potential and energy efficient refrigeration systems, energy efficient heating and cooling systems, and energy efficient LED lighting.

This development is also a good example of how Investore partners with its tenants to seek to reduce greenhouse gas emissions and the impact of our properties on the environment, as Investore recognises that it can have the greatest impact on the environment by partnering with tenants to support tenants in reducing their emissions (which are scope 3 emissions or indirect emissions for Investore).

For FY23, Investore has voluntarily elected to report climate disclosures on the basis of the Aotearoa New Zealand Climate Standards, which will be mandatory for Investore from FY24. Further detail can be found on pages 18 and following.

We look forward to continuing to progress our sustainability practices as we commit to a low carbon future for Investore and its portfolio.

Mike Allen
Chair of the Board
Independent Director

About Investore

Investore's strategy is to invest in quality, well-located large format retail properties throughout New Zealand, and actively manage shareholders' capital, to maximise distributions and total returns to shareholders over the medium to long term. Investore is listed on the NZX and is managed by SIML, which is part of the NZX listed Stride Property Group (Stride).

Key portfolio metrics[1]

44 properties

143 tenants

8.1 years
weighted average lease term (WALT)

99.5%
portfolio occupancy by area[2]

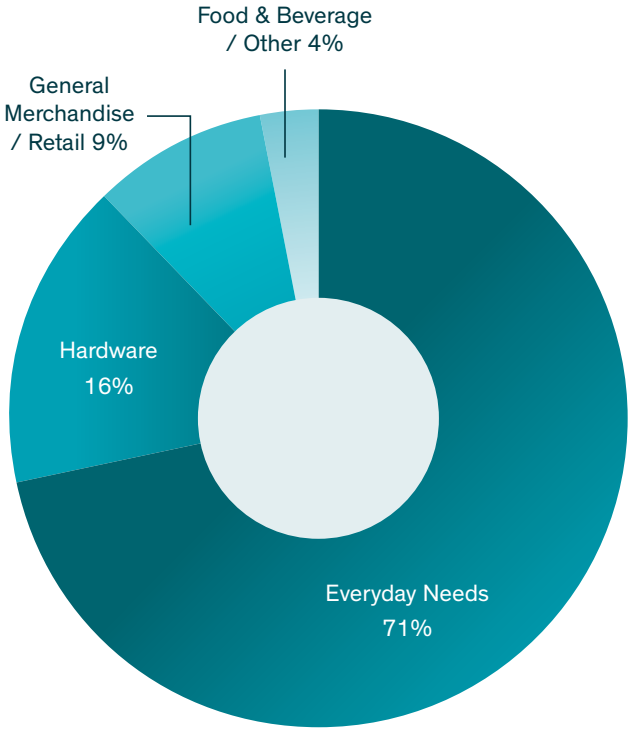
Investore's portfolio[1] comprises 44 large format retail properties, from standalone supermarkets to large format retail centres, with a high concentration of nationally recognised brands and tenants that provide "everyday needs". This focus on everyday needs means Investore's tenants tend to be resilient in challenging economic conditions, due to their products comprising non-discretionary categories of expenditure for consumers. Investore's tenants include nationally recognised brands such as Countdown, New World, Pak'nSave, Bunnings, Mitre 10, Rebel Sport, Briscoes, Hunting & Fishing, Freedom Furniture, McDonald's, Resene, and Animates.

Investore's portfolio[1] continues to demonstrate strong metrics, with high occupancy, and a long weighted average lease term of 8.1 years, with 75% of Contract Rental[3] expiring in FY30 and beyond. This long weighted average lease expiry provides Investore with certainty of income over the medium to long term.

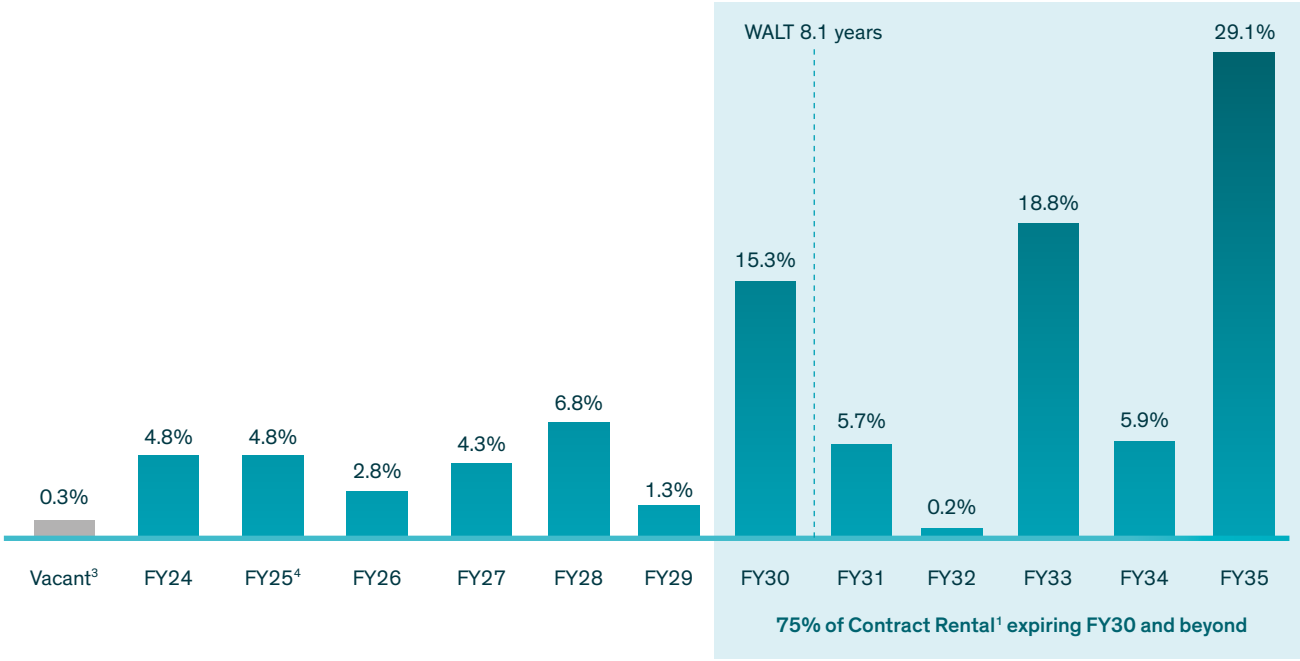
1. Excludes properties categorised as "Development and Other" in note 2.2 to the consolidated financial statements of Investore for the year ended 31 March 2023.
2. Vacant tenancies with current or pending development works are excluded from the occupancy statistics. As at 31 March 2023, occupancy excluded 2,947 sqm at Bay Central, Tauranga.
3. Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease as at the relevant date, annualised for the 12-month period on the basis of the occupancy level for the relevant property as at the relevant date, and assuming no default by the tenant.

About Investore

Portfolio Tenant Classification by Contract Rental[1] as at 31 March 2023



Lease Expiry Profile[2] by Contract Rental[1] as at 31 March 2023



1. See footnote 3 on page 4.
2. Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 31 March 2023 as a percentage of Contract Rental.
3. Vacant tenancies with current or pending development works are excluded. As at 31 March 2023, 2,947 sqm at Bay Central, Tauranga, was excluded.
4. Countdown Morrinsville lease (0.8%) has been agreed to be extended by 4 years with expiry now FY29.

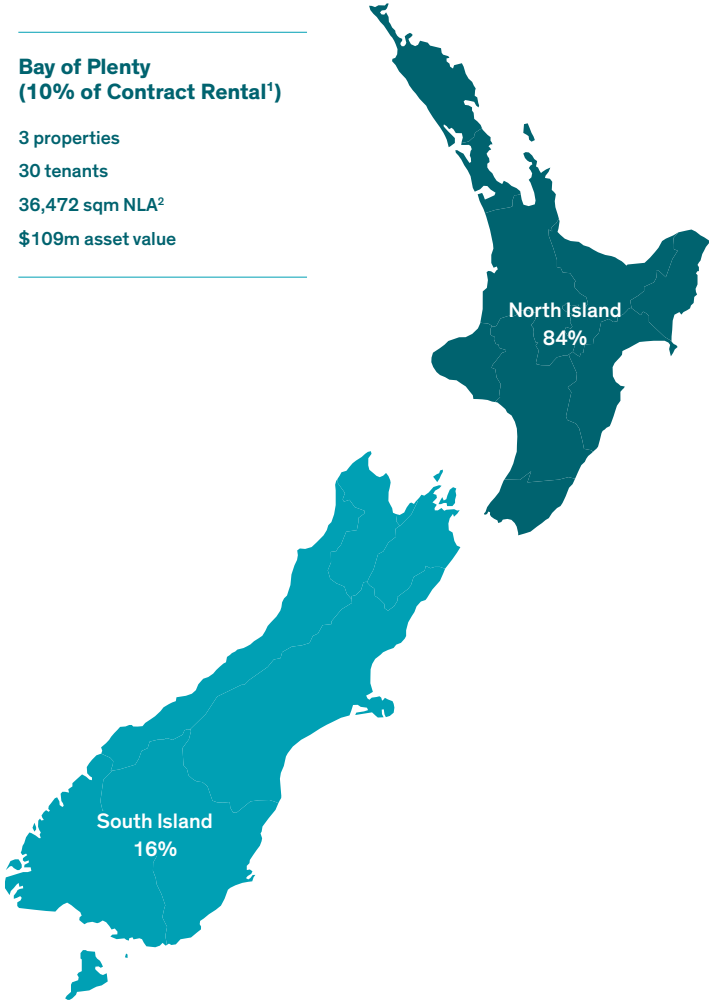
About Investore

Waikato
(10% of Contract Rental[1])

5 properties
11 tenants
28,458 sqm NLA[2]
$89m asset value

Bay of Plenty
(10% of Contract Rental[1])

3 properties
30 tenants
36,472 sqm NLA[2]
$109m asset value



Auckland
(37% of Contract Rental[1])

13 properties
53 tenants
79,440 sqm NLA[2]
$390m asset value

Other South Island
(5% of Contract Rental[1])

3 properties
5 tenants
10,956 sqm NLA[2]
$46m asset value

Other North Island
(10% of Contract Rental[1])

5 properties
10 tenants
34,181 sqm NLA[2]
$119m asset value

Canterbury & Otago
(11% of Contract Rental[1])

7 properties
9 tenants
25,399 sqm NLA[2]
$120m asset value

Wellington
(17% of Contract Rental[1])

8 properties
26 tenants
35,000 sqm NLA[2]
$161m asset value

Investore's portfolio is spread across New Zealand, from Kerikeri to Invercargill, providing diversification of location.

1. See footnote 3 on page 4.
2. Net lettable area.

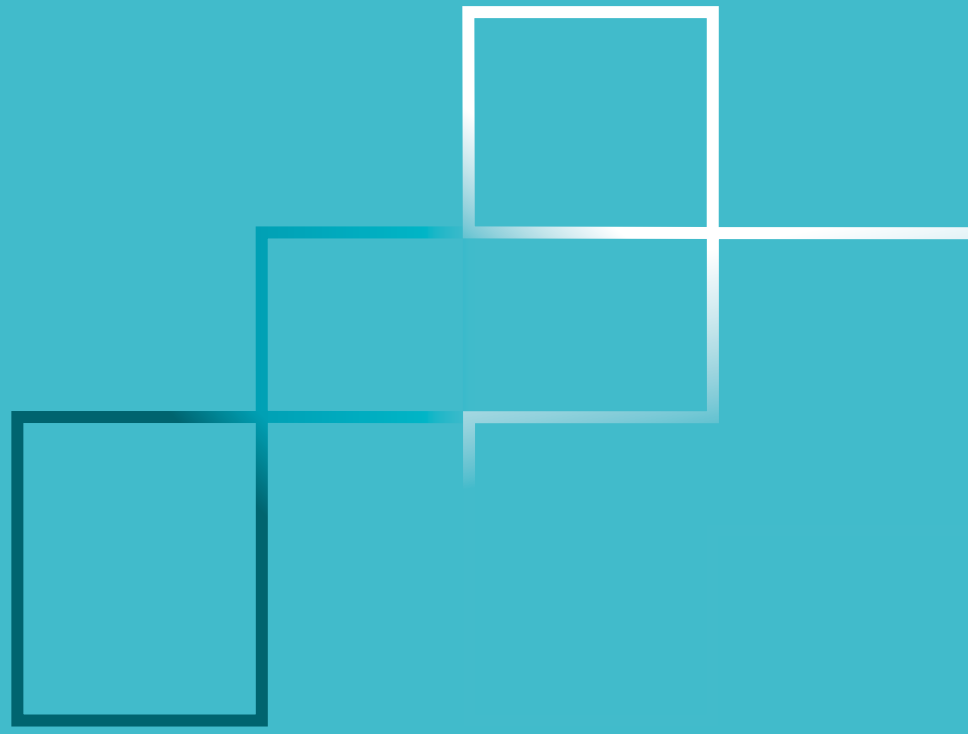
Sustainability Strategy

Investore aligns its sustainability strategy with that of its manager, SIML. This strategy was reviewed during FY23 and the Board reconfirmed its commitment to the strategic goals identified in that strategy, which address each of the environmental, social and governance components of an ESG strategy.

Purpose	Create enduring shared value			
Goals	Protect the planet Create efficient, climate-resilient places that deliver long term value and support a low carbon future	Contribute to a resilient community Provide healthy and safe places and support a connected and inclusive community	Develop shared prosperity Invest in and manage outstanding places that reward everyone connected with them	
Focus Areas	Reduce environmental impacts Take action on climate change	Ensure portfolio remains healthy and safe Promote inclusivity and connectivity	Drive a prosperous economy Create sustainable products and places	

Protect the planet

Create efficient, climate-resilient places that deliver long term value and support a low carbon future



Protect the Planet

Goal	Create efficient, climate-resilient places that deliver long term value and support a low carbon future				
Focus Areas	Reduce environmental impacts			Take action on climate change	
Progress	During FY23 Investore obtained Green Star Performance ratings for 16 of its standalone supermarket and hardware stores	Investore is reporting its greenhouse gas emissions for the first time in FY23, which assists Investore and its stakeholders to better understand the source of emissions and set plans for reducing those emissions	Investore is in the process of developing a new Countdown on the property at Hakarau Road, Kaiapoi, acquired by Investore during FY23. Investore is targeting a 5 Green Star Design & As Built rating for this property, consistent with its strategy of developing sustainable properties and reducing environmental impacts	A physical risk assessment is currently underway across all Investore properties to assess physical risks from climate change	Investore completed its first Global Real Estate Sustainability Benchmark (GRESB) assessment in 2022, and will continue to focus on improving its score to achieve its target of being in the top quartile for comparator companies over time
Sustainable Development Goals					

Environmental Performance

Due to the nature of its business, Investore has limited scope 1 and 2 greenhouse gas (GHG) emissions and accordingly focusses on the areas where it can influence and reduce emissions, primarily ensuring its properties are energy efficient and minimise their impact on the environment.

Green Star Ratings

Investore is focussed on ensuring its portfolio supports its sustainability objectives. During FY23 Investore obtained Green Star Performance ratings for 16 of its supermarket and hardware stores. Green Star performance is the only New Zealand tool for rating existing buildings (other than office buildings). The Green Star Performance rating focusses on the operation and performance of entire buildings and is intended to encourage building owners, operators and occupants to collaborate and contribute to better environmental outcomes.

Obtaining Green Star Performance ratings across two portfolios of standalone supermarkets and hardware stores enables Investore to compare the performance of similar stores, allowing us to work with tenants to understand where we can assist tenants to improve energy and water efficiency.

Emissions Reduction Initiatives

Due to the nature of Investore's business and its portfolio of large format retail properties, Investore has very low scope 1 and 2 emissions (which arise as a direct result of Investore's business activities). Due to this, Investore has not set specific emissions reduction targets for scope 1 and 2 emissions, as Investore does not consider these would be meaningful or material.

The major contributors to Investore's scope 1 and 2 emissions are fugitive emissions from air conditioning systems (61% of total scope 1 and 2 emissions for FY23) and electricity consumption (36% of total scope 1 and 2 emissions for FY23).

Investore's activities in reducing emissions are directed towards these categories of emissions:

- Investore has commenced a project of understanding and planning to replace harmful refrigerants across its properties
- During FY24 Investore will explore the feasibility of installing solar panels on one or more of its properties

Contribute to a resilient community

Provide healthy and safe places and support a connected and inclusive community

Contribute to a Resilient Community

Goal	Provide healthy and safe places and support a connected and inclusive community	
Focus Areas	Ensure portfolio remains healthy and safe	Promote inclusivity and connectivity
Progress	Investore continues to focus on the safety of the places it owns, working closely with tenants to provide safe and healthy environments Investore completed its first tenant engagement survey during FY23, with responses received from tenants representing 181,292 sqm of the portfolio (72%)	Investore has recently committed to sponsor the Graeme Dingle Foundation, a child and youth charity focussed on building resilience among children and young people. Stride has supported the Graeme Dingle Foundation for many years, and Investore has elected to align its community contribution with that of its manager, where it considers that it can have the most impact As Investore has no employees, it monitors and endorses the activities and initiatives of SIML in supporting its people, including their wellbeing
Sustainable Development Goals		

Community Progress

A Safe and Healthy Portfolio

The Investore Board works closely with its manager, SIML, to ensure that its properties remain safe and healthy for all people who are using them, including tenants, SIML employees, customers and visitors.

As many sites are occupied by a sole tenant, the tenant remains responsible for operational safety on site, and Investore supports the tenant through communication and collaboration, particularly regarding the safety of building elements where Investore has influence. Investore and its manager, SIML, take an active approach in managing capital improvement works, with focussed and detailed contractor requirements in place and communicated to all contractors, supported by regular assessments to ensure all contractors are meeting our health and safety expectations.

Investore, through SIML, undertakes six monthly safety checks of all sites, as well as commissioning regular external risk assessment reports. For major developments and refurbishments, a monthly external audit is undertaken of contractor health and safety performance, with SIML monitoring any items noted in the external audit to ensure compliance by the contractor.

There were no notifiable incidents occurring at Investore sites during FY23, and 5 injury incidents reported in Investore's health and safety system. There were no clear trends in relation to these incidents.

Community Progress

Promote Inclusivity and Connectivity

Investore has recently committed to sponsor the Graeme Dingle Foundation as part of its commitment to promoting inclusivity and connectivity in the community. Investore aligns with Stride in its support of the Graeme Dingle Foundation, with Stride having supported the Foundation for several years.

Established in 1995, the Graeme Dingle programmes are proven to reduce truancy, bullying, antisocial behaviours and youth offending; and increase self-belief, positive attitudes and behaviours, and academic outcomes. For every $1 invested in the Graeme Dingle Foundation, $7.80 is returned to the New Zealand economy[1] through a reduction in the costs associated with crime, and more young people in better health, better paying employment, and with a greater attachment to society.

100% of teachers

said the Graeme Dingle Kiwi Can programme for primary school aged children enhanced the school curriculum and supported Māori and Pasifika learner engagement

91% of participants

in the Project K programme which is targeted at year 10 students said the Community Challenge helped them to learn how to manage their time and recognise new opportunities

86% of students

participating in the Stars programme for years 7 and 8 students said they felt more confident about what they could achieve

Endorse SIML's Initiatives to Support its People

The Investore Board has a close working relationship with SIML employees, as it is the SIML people who manage the Investore portfolio and business and implement Investore's strategic initiatives. The Investore Board endorses SIML's people initiatives.

SIML offers a number of benefits to its people, focussed on wellbeing, recognition and reward, social benefits, and learning and development. These benefits include free annual flu vaccinations, five weeks' annual leave for all permanent employees, study support, and one week's paid parental leave for secondary carers. SIML also contributes 5% employer contributions to KiwiSaver for any employee contributing at or above 4% of earnings, enabling SIML employees to save a greater amount for their future.

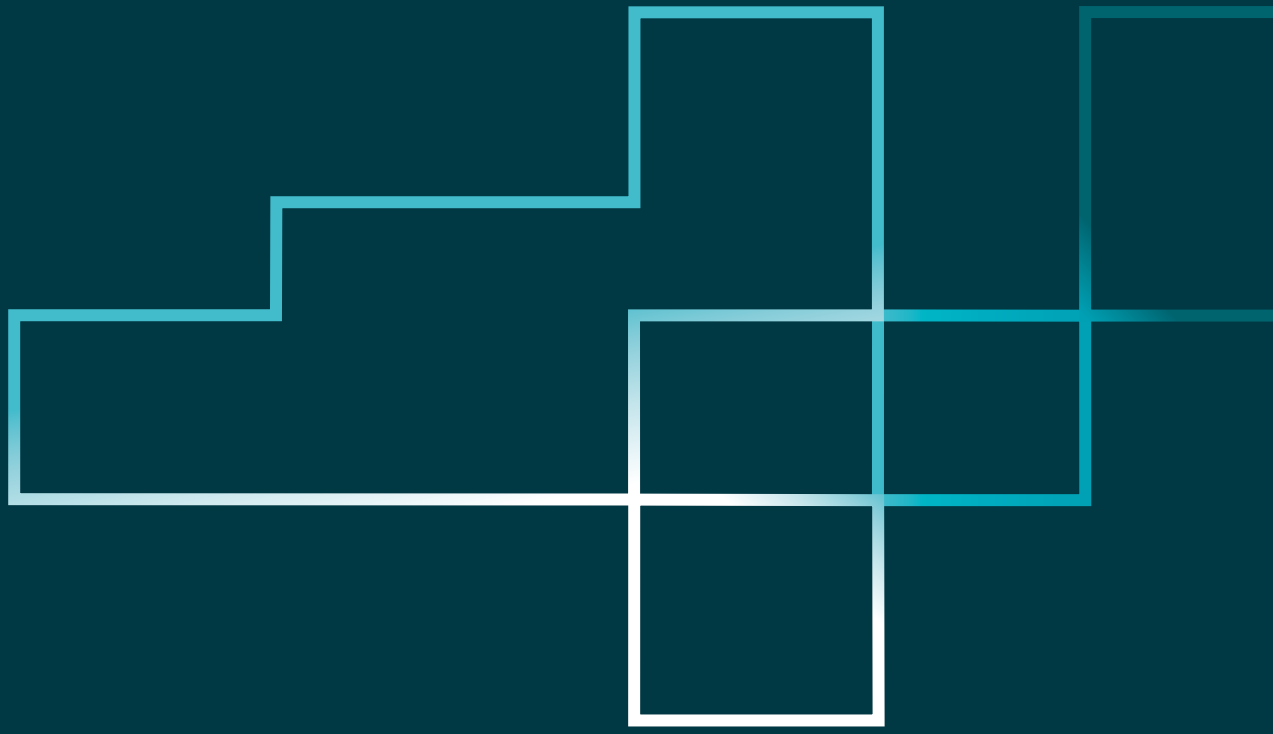
SIML values different perspectives, which often arise due to diverse experiences and backgrounds, as SIML considers different perspectives contribute to a more successful business. SIML has established an employee Diversity, Equity and Inclusion Committee which has developed its strategic framework and actions for FY24. These initiatives and actions include a series of learning and development opportunities for SIML people which will build on the unconscious bias training programme already implemented, a review of SIML's recruitment strategy and processes, and ongoing communication and collaboration with all members of the SIML team. Investore receives an annual report from SIML regarding diversity and inclusion, and accordingly will monitor the implementation of these initiatives and actions.

For FY24, SIML has implemented an employee volunteer day, which will enable SIML people to contribute to their community. The benefits of employee volunteer programs have been clearly established: they boost productivity, increase employee engagement, improve hiring and retention, and have a positive impact on the community. The SIML volunteer day will be designed to align with the sustainability objectives of both SIML and Investore.

1. For more information see the Graeme Dingle Foundation website: **www.dinglefoundation.org.nz**

Develop shared prosperity

Invest in and manage outstanding places that reward everyone connected with them



Develop Shared Prosperity

Goal	Invest in and manage outstanding places that reward everyone connected with them	
Focus Areas	Drive a prosperous economy	Create sustainable products and places
Progress	Investore's investment property portfolio delivered strong operational performance in FY23, although the value of its portfolio has been impacted by a higher interest rate environment placing upwards pressure on property capitalisation rates. Investore continues to take a prudent approach to capital management which has insulated underlying earnings from the full effects of higher interest rates, and assists in managing the risks arising due to the current volatile macroeconomic environment	Investore seeks to ensure that every place developed by it is efficient and minimises its impact on the environment. Investore is currently developing a new Countdown supermarket on land acquired by it at Hakarau Road, Kaiapoi, targeting a 5 Green Star rating
Sustainable Development Goals		

Developing Efficient Buildings

Hakarau Road Development

Investore is currently developing a new Countdown supermarket at Hakarau Road, Kaiapoi. Investore is targeting a 5 Green Star rating for this property, which will have a range of sustainable initiatives. Investore is working closely with its tenant to achieve the targeted initiatives, demonstrating Investore's strategy of partnering with its tenants to deliver sustainable outcomes for its properties.

Supporting low emissions travel

Electric vehicle charging stations to be installed

End of trip facilities to be provided, including bicycle storage for workers and customers

Designated parking to be provided for low emission vehicles

Energy and water efficiency

Solar panels to be installed (owned by the tenant) to offset energy used by the building systems

Low global warming potential and energy efficient refrigeration system to be installed

Main supermarket space heated and cooled via energy efficient rooftop units

Outdoor air supply provided to the main supermarket area at rates above that required by the Building Code

Energy efficient LED lights to be installed

Low flow efficient plumbing fittings specified

Reduced emissions during development

Environmentally certified and low VOC (volatile organic compounds) materials to be used, including paints, insulation, plasterboard, carpets, ceiling tiles, concrete, and timber

Low carbon concrete mix used to reduce environmental impact

Maximising diversion of waste from landfill during construction

Climate Disclosures

Investore has voluntarily chosen to report against the Aotearoa New Zealand Climate Standards (the Standards) for FY23, noting that compliant reporting is required from FY24.

Governance

This section enables an understanding of the role the Investore Board plays in overseeing climate-related risks and climate-related opportunities, and the role SIML management plays in assessing and managing those climate-related risks and opportunities.

Sustainability Responsibilities of the Investore Board

Understanding material sustainability matters relevant to Investore	Approving Investore's sustainability objectives, targets, and performance indicators, and monitoring progress against these	Setting and overseeing implementation of Investore's Sustainability Policy
Overseeing the adoption and implementation of a climate change risk assessment process	Monitoring Investore's greenhouse gas emissions and, in conjunction with SIML as manager, setting appropriate reduction targets	Reviewing Investore's performance against determined sustainability initiatives and outcomes achieved

The Investore Board is responsible for the oversight of climate-related risks and opportunities within the Investore business. Due to the relatively small size of the Investore Board, and the fact that sustainability considerations impact on all areas of the Investore business, the whole Board takes overall responsibility for sustainability.

The Investore Board charter sets out the role of the Board and Investore's commitment to ensuring that its business is operated in a sustainable manner. The Charter can be found in the Investor Centre section of the Investore website, **www.investoreproperty.co.nz**

The Board receives regular quarterly reports on the sustainability progress of Investore, including performance against the sustainability strategic plan.

Investore has appointed SIML to manage the business of Investore. Accordingly, while the Investore Board has primary responsibility for the governance of sustainability matters and sets the strategy of the company in respect of sustainability, Investore relies on SIML to assist with execution of Investore's strategic sustainability initiatives. The Boards of Stride Property Limited and Stride Investment Management Limited have established a Sustainability Committee to oversee sustainability activities within Stride, and this Committee provides support and advice to the Investore Board.

Day to day responsibility for implementing strategic initiatives related to climate risk and sustainability sits with the SIML executive team. The SIML sustainability team reports to the General Manager Corporate Services, who is a member of the SIML executive team and reports directly to the SIML CEO. As Investore has no employees, remuneration factors related to climate risk and sustainability are not relevant. However, Investore has been advised that all members of the SIML executive team have sustainability objectives included as part of the key performance indicators on which their short term incentive is based. Further information can be found in Stride's FY23 sustainability report on the Stride website (**www.strideproperty.co.nz**) when it is released.

Strategy

This section is intended to enable an understanding of how climate change is currently impacting Investore and how it may do so in the future.

Investore's Strategy

Investore's strategy is to invest in quality, well-located large format retail properties throughout New Zealand, and actively manage shareholders' capital, to maximise distributions and total returns over the medium to long term. Investore owns a portfolio of large format retail properties which range from standalone supermarkets and hardware stores, to supermarkets with associated convenience shops, to large format retail centres, geographically diversified across New Zealand. Investore outsources its management to SIML, and accordingly has no employees of its own. Further information on the Investore business, its portfolio and its strategy can be found on pages 4 to 6 of this report.

Current Physical Impacts of Climate Change

Investore, through its manager, SIML, is currently undertaking an assessment of the potential physical impacts of climate change across its portfolio utilising the S&P Global Climanomics platform. It is expected that this will be completed during FY24.

New Zealand experienced the physical impacts of climate change during the first months of 2023, with the Auckland Anniversary Weekend floods in January 2023 and Cyclone Gabrielle in February 2023. No property owned by Investore suffered any damage as a result of these events. The SIML team that manages the Investore properties contacted tenants following the events to offer support if needed, including in relation to tenant operations.

Current Transition Impacts of Climate Change

Due to the nature of Investore's business and its portfolio of large format retail properties, Investore has very low scope 1 and 2 emissions (51.3 tCO2e for FY23).

The major contributors to Investore's scope 1 and 2 emissions are fugitive emissions from air conditioning systems (61% of total scope 1 and 2 emissions for FY23) and electricity consumption (36% of total scope 1 and 2 emissions for FY23).

Investore's activities in reducing emissions are therefore directed towards these categories of emissions:

- Investore has commenced a project of understanding and planning to replace harmful refrigerants across its properties
- During FY24 Investore will explore the feasibility of installing solar panels on one or more of its properties

Strategy

While Investore has low scope 1 and 2 emissions, it works with tenants to seek to reduce operational emissions from the buildings owned by it (scope 3 emissions for Investore), as these scope 3 emissions materially outweigh Investore's scope 1 and 2 emissions.

Sustainable developments

As many of Investore's properties are leased to a single tenant, Investore has limited ability to influence emissions at existing properties, particularly as the larger tenants control the fit out decisions for their properties, including lighting and heating. Although Investore is the owner of the building, it does not operate the building. Investore can, however, influence operational emissions where it develops a new building for a tenant.

Investore is currently developing a new Countdown supermarket on property owned by it in Hakarau Road, Kaiapoi. Investore is targeting a 5 Green Star rating for this property, which will have a range of sustainable initiatives as part of its development. Investore is working closely with its tenant to achieve the targeted sustainability initiatives, demonstrating Investore's strategy of partnering with its tenants to deliver sustainable outcomes for its properties.

Green ratings for existing buildings

Investore is focussed on ensuring its portfolio supports its sustainability objectives. One way of demonstrating this is through obtaining green ratings for its properties. During FY23 Investore obtained Green Star Performance ratings for 16 of its supermarket and hardware stores. Green Star Performance is the only New Zealand tool for rating existing buildings (other than office buildings), and focusses on the operation and performance of entire buildings.

Obtaining Green Star Performance ratings across two portfolios – one consisting of standalone supermarkets and one consisting of standalone hardware stores - enables Investore to compare the performance of similar stores, allowing us to work with tenants to understand where improvements can be made to energy and water efficiency, which is within the control of tenants.

Achieving ratings for additional properties (other than new properties) is expected to be more difficult, as they are not homogeneous, and no benchmarks are currently available in New Zealand, meaning each property would need to be rated individually, requiring significant amounts of historical data (which is often held by the tenant) and management resources.

Climate Scenarios

The New Zealand External Reporting Board, which developed the Standards, encourages sectors to develop climate-related scenarios for that sector, which will help achieve consistent and comparable disclosures. The sector scenario analysis for the construction and property sector was led by the New Zealand Green Building Council, with involvement from entities across the value chain within the sector. The three scenarios selected by the construction and property sector are:

An orderly 1.5°C scenario

where decarbonisation policies are enacted immediately and smoothly

A disorderly scenario

where significant decarbonisation is delayed until 2030, which leads to global warming being limited to <2°C by 2100

A hot house scenario

where global warming reaches >3°C above pre-industrial levels by 2100, due to no further decarbonisation policies being enacted and emissions continuing to rise

These scenarios were selected as they were considered to provide the greatest test of the strategy and approach of the participants in the sector. An outline of each of the scenarios is set out on the following pages, with more detailed descriptions of each scenario, as well as the sources of data used to construct each scenario, available on the New Zealand Green Building Council's website: **www.nzgbc.org.nz**

Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change.

Investore works closely with its manager, SIML, on its climate scenario analysis, and has adopted the scenarios developed by the construction and property sector in considering the resilience of its business strategy under different climate change scenarios.

The time horizons considered in the development of the scenarios are:

Short term: present – 2030

Medium term: 2031 – 2050

Long term: 2050 – 2100

While impacts beyond 2050 have been included in the scenarios and underlying data sources, the scenario narratives themselves have predominantly focussed on short to medium term timeframes (i.e. present-2050) as these are the predominant focus for business strategy planning for the sector.

In assessing the impacts of climate-related risks and opportunities on Investore's business, Investore has utilised the following timeframes:

Short term	Medium term	Long term
Present – 2030	**2031 – 2040**	**2041 – 2050**

These time frames are consistent with the sector scenarios where the narrative primarily relates to the time period to 2050. These time horizons are also consistent with Investore's business planning time frames, which are based on 10 year cycles and do not extend beyond 2050.

Investore's consideration of the impact of the scenarios on its business and strategy is at a preliminary stage, and further work is required to fully assess the impact of the scenarios. Our preliminary assessment is set out on the following pages.

Climate Scenarios

Description	Policy Ambition	Policy Reaction	Technology Change	Behaviour Change	Physical Risk	Transition Risk	Socio-political Instability
An 'Orderly' 1.5°C scenario where globalisation policies are enacted immediately and smoothly (globally, in New Zealand, and within the sector). Whole of life carbon emissions reduction requirements for buildings is 90% by 2050.	1.5°C	Immediate & smooth	Fast change	Fast change	Moderate 	Moderate 	Low/moderate 
A 'Disorderly' scenario where significant decarbonisation is delayed until 2030 (globally, in New Zealand, and within the sector). This leads to global warming being limited to ~2.0°C by 2100. The sector faces high transition risk after 2030 as entities rush to decarbonise.	~2.0°C	Delayed	Slow/fast change	Slow/fast change	Moderate 	High 	Moderate 
A "Hot House World" scenario where global warming reaches >3.0°C above pre-industrial levels by 2100. No further decarbonisation policies are enacted (globally, in New Zealand, or within the sector). Emissions continue to rise. The sector faces limited transition risks but extreme physical climate risks, particularly towards the end of the century.	3.0°C	None – current policies	Slow change	Slow change	Extreme 	Low 	High 

Orderly 1.5°C Scenario

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's, with the building and construction sector adopting and prioritising decarbonisation policies. 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.

The shadow price of carbon increases dramatically to align with a 1.5°C trajectory, steadily rising to $250/tCO2e by 2050. As a result, the cost and lead-times for low carbon materials and products increase through the 2020s and 2030s, but they become more cost and time effective than traditional materials by 2040. The construction sector grows significantly as carbon-supporting infrastructure is replaced with greener, low carbon infrastructure.

Regulatory changes for the property and construction sector include government procurement policies targeting recycled materials and circular economy principles. Stringent energy and carbon caps for new buildings are phased in rapidly. Existing buildings must disclose energy and carbon performance, take steps to remove all reliance on fossil fuels for operation, and scale up energy efficiency.

Pressures on centralised infrastructure increase with the demand for electrification, closing of fossil fuel power stations and direct climate impacts on storm and wastewater networks.

Modular, circular designs will take precedence, with existing building re-use being in demand rather than new builds. Rapid densification puts pressure on horizontal infrastructure, necessitating significant upgrades.

Significant behavioural change results in an increased demand for energy efficient buildings, increased pressures on public transport, the rise of circular business models and a higher consumer awareness regarding low carbon buildings.

The key risks faced under this scenario are transition risks due to the greater focus on reducing carbon.

	Increase in average global air temperature (relative to pre-industrial levels)	Average sea level rise in NZ (from a 1995-2014 baseline)	Increase in number of hot days in NZ (from a 1986-2005 baseline)	Increase in rainfall intensity in NZ (from a 1986-2005 baseline)	Increase in extreme wind speeds in NZ (from a 1986-2005 baseline)
2031 - 2050		0.19m	40%	6%	Up to 5%
2041 - 2060	1.6°C				
2081 - 2100	1.4°C	0.39m	40%	6%	Up to 5%
2025	20%	5.22M	$84/tCO2e	0.07kgCO2/kWh	
2050	90%	6.13M	$250/tCO2e	0.00kgCO2/kWh	
	Whole of life carbon emissions reduction requirements for buildings	NZ Population	Carbon price (NZD)	Electricity grid emissions	

Disorderly Scenario

Under this scenario there is a delayed transition, 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.

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.

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. These constraints result in more frequent blackouts and fluctuations in electricity prices.

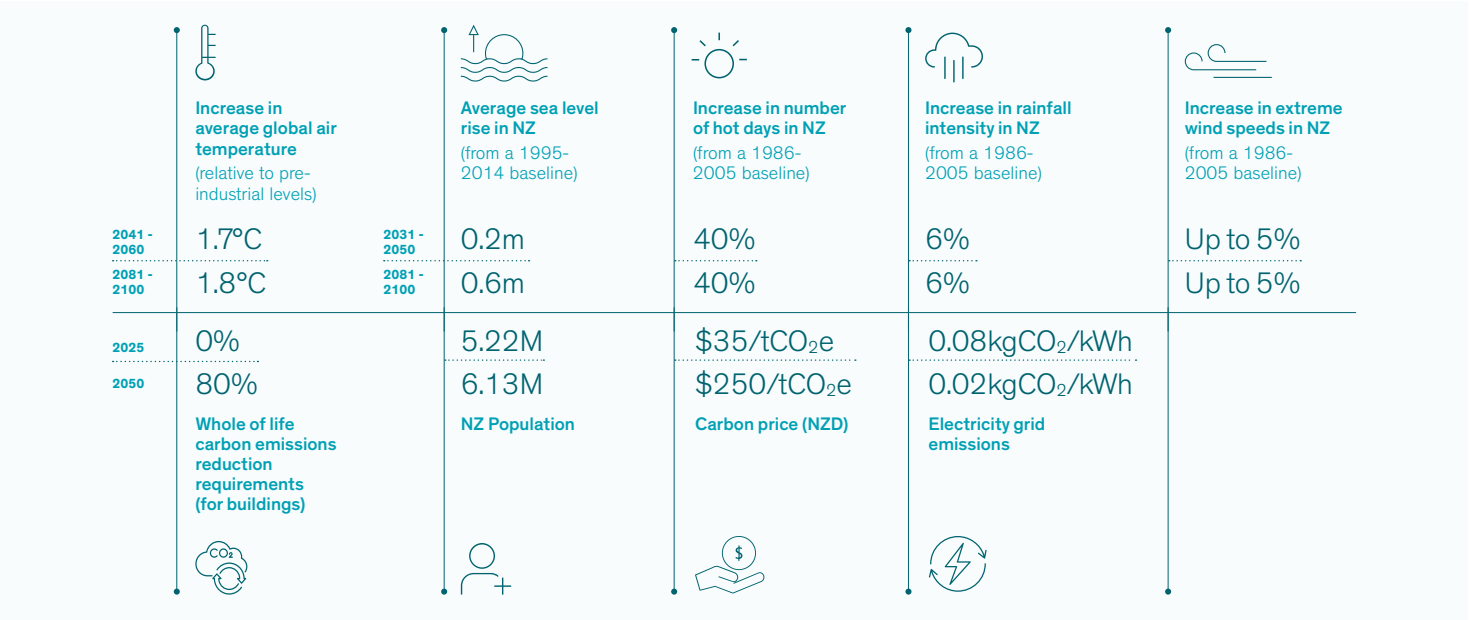
During the 2020s, increased regulation within the sector attempts to address the need to decarbonise, but regulation is uneven and conflicting regulations lead to uncertainty. At 2030 more stringent and more orderly regulatory changes are introduced. During the 2020s there is less investment signalling for both new and retrofit low carbon buildings, which causes further uncertainty and lack of momentum until 2030. At 2030, significant regulatory changes demand an immediate step change in building energy and carbon requirements.

Limited investment during the 2020s means the spike in demand for low carbon materials, low energy technology and onsite generation in 2030 causes significant disruption for the sector. Competition for availability of products, materials, professional advice and competent installers impacts significantly on both new building and retrofit projects resulting in escalation in development costs.

Pressures on centralised infrastructure are compounded after 2030 due to increasing densification and the increasing impacts of physical climate risks. Spatial planning to prioritise decarbonisation and densification versus climate resilience and managed retreat is inconsistent across the country. This inconsistency leads to increasing uncertainty for the construction and property sector regarding which assets are most likely to become stranded.

Initially the construction and property sector is slow to decarbonise, but 'fast movers' get the opportunity to utilise materials, capital, and knowledge while late movers are disadvantaged when demands peak post-2030.

This scenario presents more extreme transition risk, as the need to transition is more focussed over a short time period. In addition there will be some physical risk due to the delay in transitioning to a low carbon future.



Hot House World Scenario

This scenario involves a 'hot house world' where global emissions continue to grow. Global average temperature rises to greater than 3°C above pre-industrial levels by 2100.

New Zealand's climate change policy remains in keeping with the rest of the world. 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 damage due to climate change are realised.

New Zealand's electricity grid is gradually decarbonised further in line with current policies. Emission grid factors remain at 0.06 kgCO2/kWh by 2050 which means buildings wishing to achieve net zero carbon emissions must invest in their own zero carbon generation.

Existing low carbon materials are readily available due to low demand but there is little innovation beyond technologies and materials currently available. Investment is prioritised towards adaptation and climate resilience. Some assets become stranded as building codes increasingly become more stringent regarding the need for buildings to withstand climate impacts (such as storm events, extreme rainfall, heatwaves, and floods).

Centralised infrastructure will show failures and stresses, with some assets becoming stranded due to the physical impacts of climate change. Consequently, local councils increase rates to invest in protection and restoration of certain assets.

There are no incentives for meaningful behavioural change. A significant breakdown of social cohesion occurs, with heat stress and mental health impacts from climate change at record levels. Food insecurity and growing populations drive retreat from cities.

This scenario presents more extreme physical risk, with little transition risk.

	Increase in average global air temperature (relative to pre-industrial levels)		Average sea level rise in NZ (from a 1995-2014 baseline)		Increase in number of hot days in NZ (from a 1986-2005 baseline)		Increase in rainfall intensity in NZ (from a 1986-2005 baseline)		Increase in extreme wind speeds in NZ (from a 1986-2005 baseline)	
2041 - 2060	2.1°C		2031 - 2050	0.24m		100%		8.6%		5-10%
2081 - 2100	3.6°C		2081 - 2100	1.08m		300%		26.1%		Up to 10%
2025	0%			5.25M		$35/tCO2e		0.08kgCO2/kWh		
2050	50%			6.93M		$35/tCO2e		0.06kgCO2/kWh		
	Whole of life carbon emissions reduction requirements (for buildings)			NZ Population		Carbon price (NZD)		Electricity grid emissions		

Impact of Scenarios on Investore's Strategy

Investore's preliminary view of the impact of each of the three climate scenarios described on its strategy is described on this page. Further work is required to fully assess the resilience of Investore's strategy under each of the scenarios.

Orderly 1.5°C Scenario

Investore's preliminary view is that its strategy of reducing the environmental impact of its portfolio through improving energy and water efficiency and developing sustainable properties will provide resilience in the orderly scenario. Investore is positioning its portfolio for a low carbon future which will ensure it is prepared for regulatory changes and tenant demand in the orderly scenario.

Investore already has very low scope 1 and 2 emissions, and recognises that it can play a more significant role in the transition to a low carbon future through working closely with its tenants. This is the basis for Investore's work in obtaining Green Star Performance ratings for its properties, as well as its commitment to developing sustainable buildings.

Disorderly Scenario

While further work is required to fully assess the risks of this scenario to Investore's strategy, Investore's preliminary view is that this scenario presents some risk to its business, which will likely arise as a result of regulations and tenant behaviour in seeking to meet sudden and strict building efficiency and environmental standards.

Investore's sustainability strategy involves working with its tenants, and we consider that this will be even more important under the disorderly scenario.

There is some risk to Investore should tenants suddenly all demand system upgrades to become more efficient, and Investore needs to consider this risk further to develop a mitigation strategy.

Hot House World Scenario

Investore considers the physical impact of climate change as part of its operations, including for example when upgrading facilities such as roof replacements.

Further work is required to assess the resilience of Investore's assets to the physical implications of a hot house world scenario as described. We expect this will be further informed by the results of the physical risk assessment being undertaken utilising the S&P Global Climanomics platform.

Climate-Related Risks And Opportunities

Investore has worked with SIML as manager to consider physical and transition risks to its business under each of the three scenarios described above, and across three time horizons:

Short term: present – 2030

Medium term: 2031 – 2040

Long term: 2041 – 2050

The scenario analysis undertaken considers the impacts beyond 2050, although the narratives predominantly focus on the timeframe out to 2050. In assessing climate-related risks and opportunities, Investore has elected to focus on the timeframe out to 2050, as this is the longest timeframe for planning that is currently considered by Investore. The time horizons selected are consistent with the Investore strategic planning horizons as Investore plans in 10 year cycles for capital and maintenance expenditure on the buildings it owns. While the life of a building can last beyond 2050, Investore considers this to be the long term horizon for its planning purposes, and accordingly has set 2050 as the longest timeframe considered for each of the risks assessed.

Investore considers climate-related risks as part of its decision-making for acquisitions, developments and upgrades of properties. Transition risks are reflected in decisions to obtain green ratings for properties, as well as build sustainably. Physical risks are considered as part of decision-making around acquisitions, and it is expected that further information will be available as a result of the physical risk assessment being undertaken utilising the S&P Global Climanomics platform.

Investore's preliminary assessment of its climate-related risks and their anticipated impact are set out in the table on page 29 and following, with work on quantifying the risks yet to be completed. This table may not describe all of the climate-related risks faced by Investore – some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material. Investore has yet to integrate these risks into its enterprise risk management framework, to assess how a 'major' climate risk compares with a business risk rated 'high' or 'critical' on Investore's business risk register.

Climate-Related Risks And Opportunities

Risk/opportunity	Impacts	Type	Scenario	Time Horizon	Anticipated Impact
Stricter regulatory requirements for energy efficiency of properties	Stricter regulations, including energy and carbon caps for existing and new buildings, could lead to higher capital expenditure for retrofitting buildings, as well as higher costs of developing new buildings, and the potential for stranded assets if the cost of upgrading is not feasible. Cascading impacts include the potential for low carbon materials which are needed to meet requirements not being available or only being available at very high cost.	Transition	Orderly	Present-2050	Major
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Introduction of regulations requiring disclosure of energy and carbon performance for all properties	Introduction of regulations requiring mandatory disclosure of energy and carbon performance for all properties, leading to additional costs for having buildings assessed to obtain a performance certificate, as well as the costs of improving energy and carbon performance to meet tenant or market demands (or alternatively earn lower rents). There may also be a shortage of assessors, leading to a time lag and therefore potential inability to let the property during this time.	Transition	Orderly	Present-2050	Major
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Increased costs of materials and building operations due to price of carbon	Increasing carbon price impacts cost of materials and increases costs of upgrading existing buildings to meet energy efficiency targets.	Transition	Orderly	Present-2050	Major
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Increased urbanisation as people move to main cities	Opportunity for well-located assets to be more in demand as population grows in urban areas, supporting Investore's focus on well-located assets in key urban regions	Opportunity	Orderly	Present-2050	Opportunity
			Disorderly	2030-2050	Opportunity
			Hot house	2040-2050	Opportunity

Major Moderate Minor Opportunity

Risk	Impacts	Type	Scenario	Time Horizon	Anticipated Impact
Increase in extreme weather events	Increase in frequency and severity of extreme weather events such as cyclones, storms, floods and resulting fires, which may lead to increased capital expenditure to retrofit buildings to improve their resilience to weather events, as well as increased operational costs from repairing damage. Downstream impacts may also include increased cost of insurance and potentially the inability to obtain insurance coverage in certain areas or for specific risks, as well as disruption to supply chains and tenant businesses, potentially resulting in inability to pay rent. Downstream impacts also result from damage to infrastructure and accelerated deterioration of building materials.	Physical	Orderly	Present-2050	Moderate
			Disorderly	2030-2050	Moderate
			Hot house	Present-2050	Major
Reduced investor appetite due to not meeting expectations	Investors seek to exit or not invest due to inability to meet expectations or requirements, including where emissions reduction targets are not met or not seen as sufficiently ambitious.	Transition	Orderly	Present-2050	Moderate
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Demand for low carbon construction products and processes outstrips supply	Policy change requiring low carbon construction products and processes progresses faster than supply chains can adapt, resulting in project delays due to low carbon materials not being readily available and in high demand, and increased cost as demand outstrips supply. Cascading impacts results from delays in completing projects, delaying commencement of leases and cashflows.	Transition	Orderly	2030-2050	Moderate
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Increased demand for electricity	Move to more renewable energy and increased demand due to electrification replacing fossil fuels potentially results in increased cost of electricity and more uncertainty of supply. Downstream impacts include impacts on tenant businesses, potentially impacting their ability to pay rent.	Transition	Orderly	Present-2050	Moderate
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Litigation risk	Regulatory or litigation action against Investore as a result of not meeting regulatory requirements, resulting in a financial impact from defending the action and/or potential fines or damages. There may also be reputational impacts from not being seen as a responsible corporate citizen, which may impact on investor and/or tenant appetites.	Transition	Orderly	Present-2050	Moderate
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor

Major Moderate Minor Opportunity

Risk	Impacts	Type	Scenario	Time Horizon	Anticipated Impact
Failure to meet technological advances and tenant expectations regarding energy efficiency and low carbon technology	Increased capital or operating expenditure due to upgrading buildings to be more energy efficient and meet changing market requirements, such as installation of electric vehicle infrastructure; potential reduced rental from property that fails to meet tenant expectations and therefore is less desirable to tenants; risk of stranded assets if they do not meet tenant expectations.	Transition	Orderly	Present-2050	Moderate
			Disorderly	2030-2050	Major
			Hot house	Present-2050	Minor
Risk to assets due to sea level rise and greater sea surge events	Damage to properties in exposed areas, as well as increased costs of maintenance and repair and the need to use more robust materials in the repair of buildings. Cascading impacts may also arise due to disruption to tenants' business and supply chains, increased costs of insurance, higher rates due to Council expenditure on infrastructure in affected areas, and potentially early retirement of affected assets.	Physical	Orderly	Present-2050	Minor
			Disorderly	2030-2050	Moderate
			Hot house	2030-2050	Moderate
Rising mean temperatures	Higher temperatures result in higher demand for cooling within properties, resulting in increased costs and greater load on plant and equipment which could lead to more frequent maintenance or a shorter life for equipment.	Physical	Orderly	2030-2050	Moderate
			Disorderly	2030-2050	Moderate
			Hot house	2030-2050	Major
Increase in rainfall intensity	Changes in ground conditions and slope stability undermines assets and connected infrastructure, resulting in damage to or loss of assets. Downstream impacts may include damage to infrastructure servicing assets (even if the asset itself is not impacted) or stranded assets if ground instability occurs around assets. Development works may also be impacted through reduced time to undertake earthworks.	Physical	Orderly	2030-2050	Moderate
			Disorderly	2030-2050	Moderate
			Hot house	2030-2050	Major
Increase in drought conditions	Risk of increased water scarcity from more and/or longer drought conditions, leading to increased water costs. Flow on effects may include higher costs to tenant businesses from water consumption, impacting overall occupancy costs and potentially reducing capacity for rent, as well as increased rates due to the need for Councils to cover infrastructure upgrades.	Physical	Orderly	2030-2050	Minor
			Disorderly	2030-2050	Minor
			Hot house	2030-2050	Moderate

Major Moderate Minor Opportunity

Risk Management

This section is intended to describe how Investore's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.

Traditionally, risk assessments are completed to understand the nature and determine the level of risk of actions or events. The level of risk is traditionally identified as a combination of consequence and likelihood of an action or event occurring. A risk assessment informs the actions or decisions to reduce risks or to take advantage of opportunities. All value chain stages are in scope for the identification and assessment of climate-related risks and opportunities.

To address the evolving impacts of climate change, risk is described as the combination between hazards, exposure and vulnerability. Climate change creates gradual impacts e.g., sea level rise, that occurs when an ongoing trend reaches various tipping points in relation to a process, system or activity. This requires more of an emphasis on consequences (i.e. what can happen and how severe could it be) rather than how likely it is to happen. The combination of hazard, exposure to the hazard, and the vulnerability of the system or process to the hazard, creates the risk.

The probability aspect of the impact of a climate-related hazard is assessed against the consequences at different timeframes and across different scenarios to determine the level of risk. Investore has used the timeframes short (present to 2030), medium (2031 - 2040) and long (2041 - 2050). These were felt to be the most appropriate for Investore's business and its planning cycles.

SIML, as manager of Investore, has reviewed climate risks on an annual basis to date, with the outcome of the review and the resulting risks and their impacts presented to the Stride Sustainability Committee and the Investore Board. While Investore considers an annual review to be appropriate, it would review more frequently should circumstances arise that required this, such as a material change in metrics.

The climate risk process has not yet been integrated into Investore's enterprise risk management processes, and accordingly we have not yet considered the relative impact of particular climate risks against other risks to Investore's business. This will be considered during FY24.

Metrics and Targets

This section is intended to enable an understanding of how Investore measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis to compare entities within a sector or industry.

Greenhouse Gas Inventory - Commentary

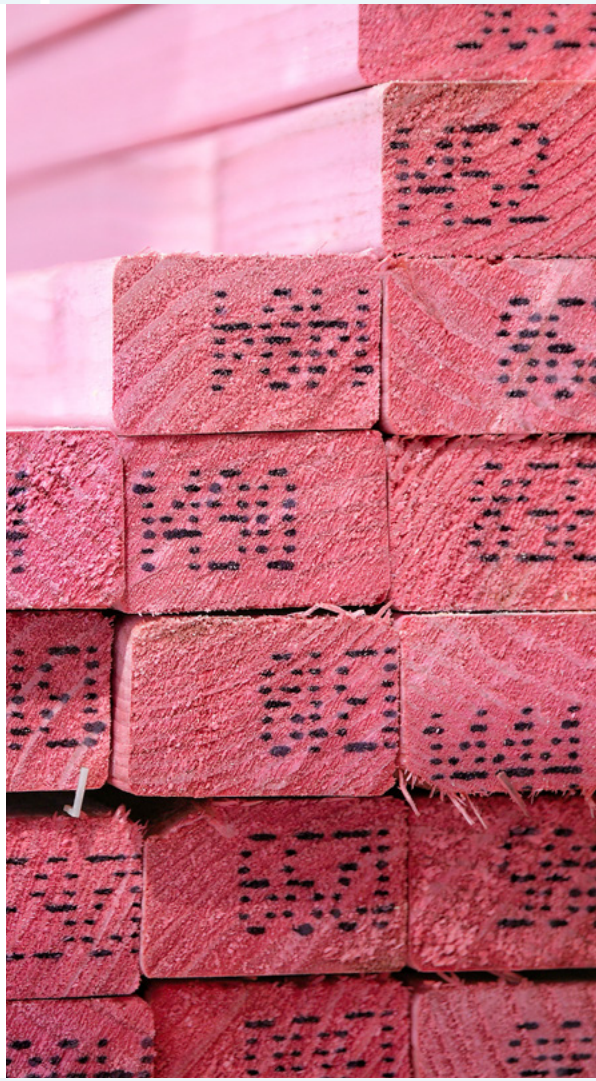
Set out on pages 38 and following is Investore's GHG inventory report for FY23, its first report.

As manager of Investore, SIML includes Investore's GHG emissions in its own GHG inventory as SIML applies an operational control approach to identify and determine the boundary of SIML's GHG inventory. SIML's organisational boundary for GHG reporting includes all of the entities managed by SIML, on the basis that SIML is the property and business manager and therefore has "operational control". Investore is also reporting on its own GHG inventory, and accordingly there is some duplication in GHG reporting across SIML and Investore. However, Investore considers it important to report on its own GHG emissions, to enable users to understand Investore's GHG profile.

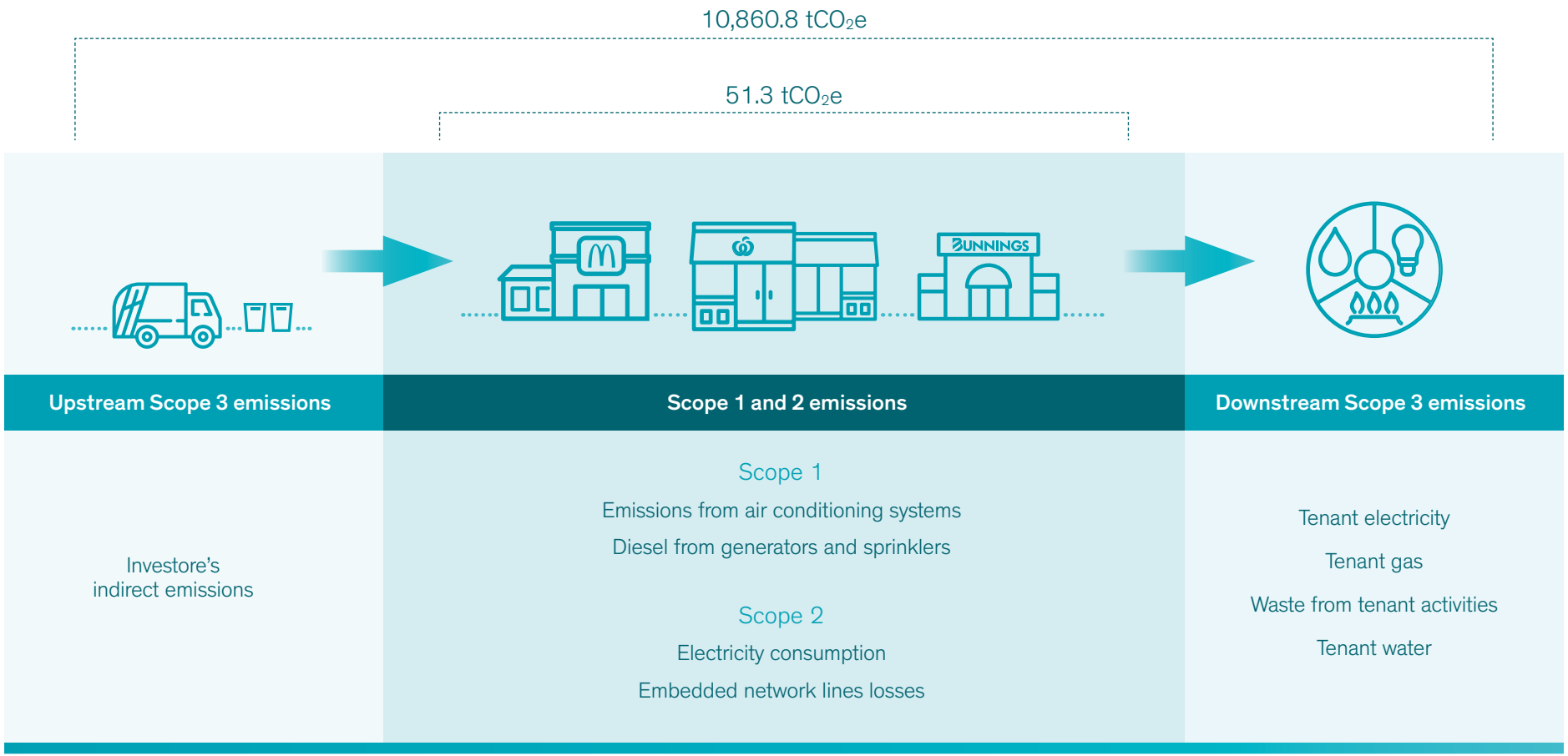
Due to Investore's portfolio of large format retail properties, and the nature of its business operations, Investore has very low scope 1 and 2 emissions.

The major contributors to Investore's scope 1 and 2 emissions are fugitive emissions from air conditioning systems (61% of total scope 1 and 2 emissions for FY23) and electricity consumption (36% of total scope 1 and 2 emissions for FY23). Investore has strategies to address these emissions (see page 10).

Investore is also reporting scope 3 emissions for FY23. The most material scope 3 emissions for Investore are tenant electricity, tenant gas and tenant waste to landfill. Investore works with its tenants to obtain tenant consumption data to enable it to report on these as part of its scope 3 emissions reporting (subject to limitations and exclusions as set out in the report).



Greenhouse Gas Emissions Profile



Metrics

The key metrics that Investore considers are most relevant for its business, including those that Investore monitors as part of its regular assessment of performance against its sustainability strategic plan, are set out below.

Metric	FY23 Data	Commentary
Greenhouse gas emissions	Investore's GHG inventory is set out on pages 38 and following	Investore's total scope 1 and 2 emissions have decreased from FY20, its baseline year, although its scope 1 emissions have risen from FY22 (not reported) due to fugitive emissions from air conditioning systems increasing. This highlights the importance of Investore's strategy of developing a plan to remove harmful refrigerants from its portfolio.
Greenhouse gas emissions intensity	Scope 1 and 2 GHG emissions per sqm NLA = 0.002 tCO2e Scope 3 GHG emissions per sqm NLA = 0.0435 tCO2e Total GHG emissions per sqm NLA = 0.0437 tCO2e	Tracking emissions intensity will enable us to compare intensity year on year. We will also seek to identify benchmarks for comparison purposes going forwards.
Internal carbon price	$60 per tCO2e (draft)	Investore is aligning with the Stride internal price of carbon policy which Stride is trialling during FY24. Stride will put a shadow price on its emissions set by reference to the spot price of carbon under the Aotearoa New Zealand Emissions Trading Scheme. This price was approximately $60 per tCO2e on 1 April 2023, and accordingly is the price Stride has adopted for FY24 on a trial basis. As it applies to Investore, Investore expects to use the internal price of carbon to assist with quantifying the GHG emissions impact of decisions, including assessing feasibility of refurbishment or maintenance decisions.
Executive remuneration	Investore has no employees, and accordingly executive remuneration is not relevant. However, the Investore Board has been advised that the objectives of all executive team members of SIML, its manager, included sustainability objectives and measures. Performance against these sustainability objectives and measures are part of the assessment of short term incentives.	Investore will continue to monitor the setting of sustainability objectives for the SIML executive team, as part of its oversight of the manager's performance.

Metrics

Metric	FY23 Data	Commentary
Percentage of eligible portfolio by value that has a green rating	42% of Investore large format retail properties[1] by value have Green Star Performance ratings New supermarket at Hakarau Road, Kaiapoi, targeting 5 Green Star Design & As Built rating	There has been considerable progress in achieving green ratings during FY23, primarily Green Star Performance ratings for 16 large format retail properties. Achieving ratings for additional properties is expected to be more difficult, as they are not homogeneous, so would need to be rated individually, requiring significant amounts of historical data (often held by tenants) and management resources.
Energy intensity - consumption as a percentage of total floor area	Scope 2[2] = 0.61kWh per sqm NLA Scope 3[3] = 260.5 kWh per sqm NLA	Energy consumption intensity will allow us to track and compare intensity year on year. We will also seek to identify benchmarks for comparison purposes.
Energy consumption data coverage (actual data as a percentage of total data including estimated)	Scope 2 = 96.0% Scope 3 = 96.9%	This metric reports on our ability to collect data, as more accurate and complete data will enable more accurate reporting and consideration of achievement of targets.

1. Excluding properties categorised as 'Development and Other' in the consolidated annual financial statements of Investore for FY23.
2. Includes actual and estimated scope 2 electricity consumption (kWh).
3. Includes actual and estimated scope 3 electricity consumption (kWh) and scope 3 gas consumption (kWh).

Targets

Investore is in the process of setting sustainability targets. Investore acknowledges that Stride (which includes SIML, the manager of Investore) has set ambitious emissions reduction targets, including reducing scope 1 and 2 emissions by 42% by 2030 from the FY20 baseline year.

Stride reports on emissions across all of its managed entities, and therefore the Stride target will include the Investore scope 1 and 2 emissions. As Investore has very little scope 1 and 2 emissions, Investore will review appropriate emissions reduction targets during FY24.

Investore acknowledges that its main scope 1 emissions are from air conditioning systems, and accordingly during FY24 it will complete a project to understand and plan to replace harmful refrigerants across its properties. Investore also has material scope 3 emissions, at least partly related to tenant electricity consumption, and accordingly during FY24 Investore will explore the feasibility of installing solar panels on one or more of its properties.

Investore will explore obtaining additional green ratings for its properties, although it notes that achieving ratings for additional existing large format retail properties is expected to be more difficult.

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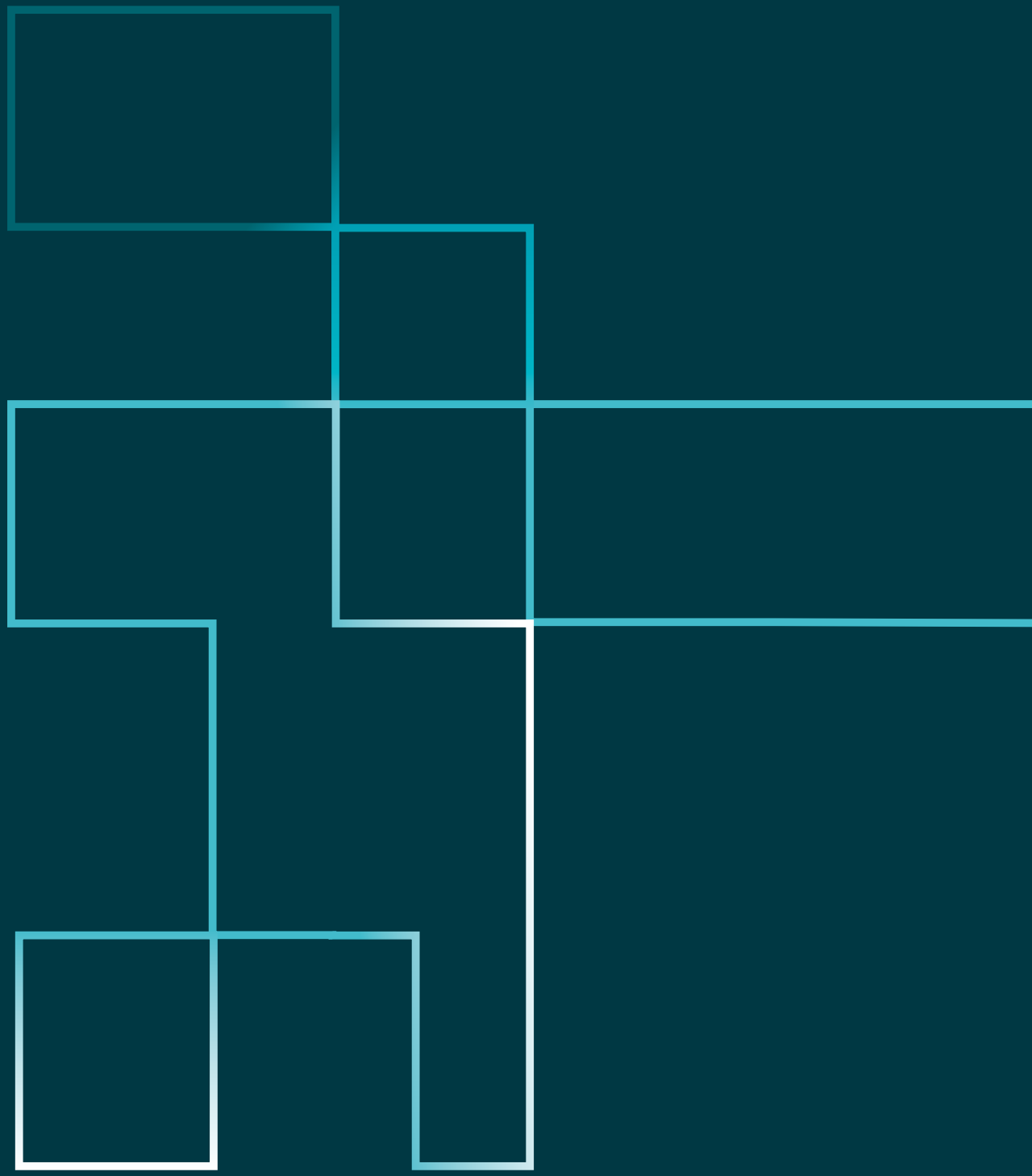
Managed by Stride Investment Management Limited

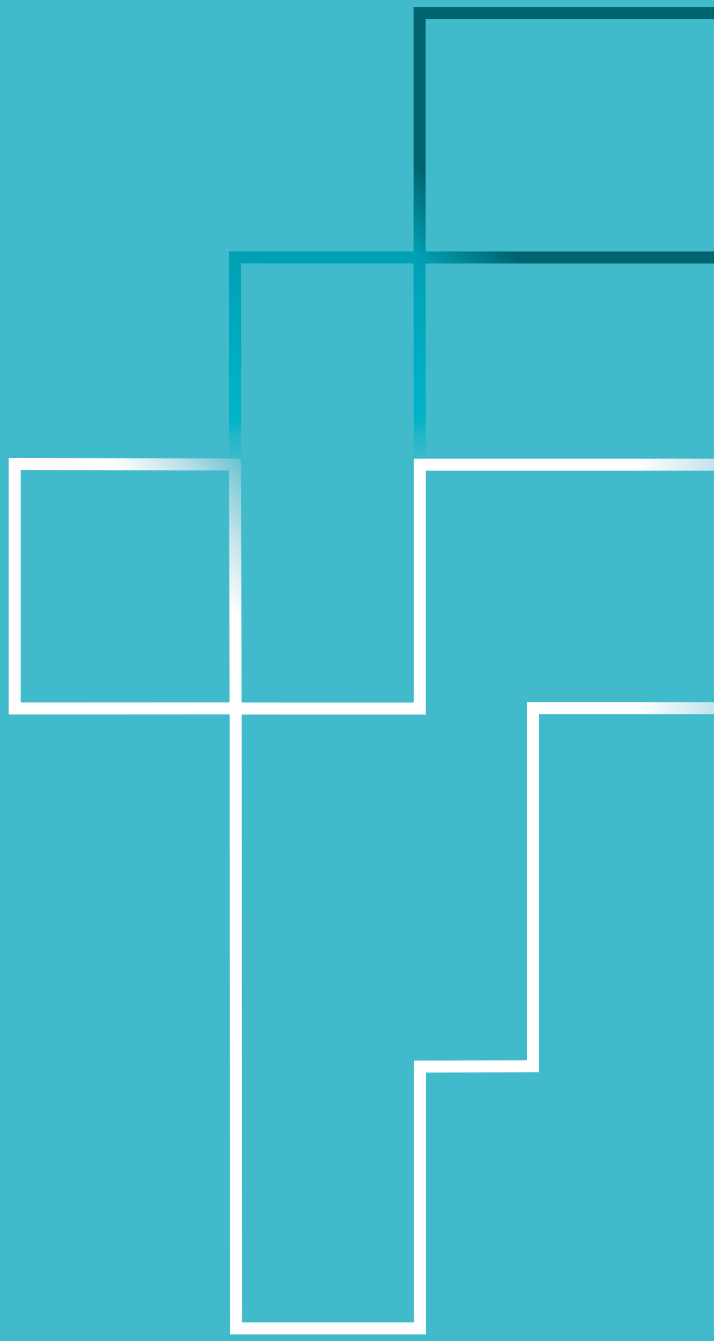
Investore Property Limited
Greenhouse Gas Inventory Report
1 April 2022 – 31 March 2023



Introduction

This document is the first annual greenhouse gas (GHG) report for Investore Property Limited and covers all activities of Investore Property Limited and its wholly-owned subsidiary, Investore Property (Carr Road) Limited, referred to together throughout this report as Investore. The GHG emissions from Investore activities are captured and reported by Stride Investment Management Limited (SIML). This report is to reflect the GHG emissions only from Investore activities and is primarily to meet the reporting requirements of the Aotearoa New Zealand Climate Standards (which are voluntary for FY23).

This report has been written in accordance with The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard, Revised Edition (Greenhouse Gas Protocol).



Greenhouse Gas Inventory FY23

(Including FY20 (Baseline Year) for Scope 1 and 2 Emissions)

Table 1: Investore Greenhouse Gas Emissions Inventory Summary FY23

Category	2023	2020
Scope 1 Emissions Tonnes of CO2e[1]		
Stationary diesel	0.89	0.00
Fugitive emissions from air conditioning systems	31.31	78.58
Total Scope 1	**32.20**	**78.58**
Scope 2 Emissions Tonnes of CO2e[2]		
Electricity consumption[3] (location based)	18.27	10.68
Electricity consumption [3] (market based)	15.30	0
Embedded network lines losses	0.82	0.00
Total Scope 2 (location based)	**19.09**	**10.68**
Total Scope 1 & 2 Emissions	**51.29**	**89.26**

1. Scope 1 Emissions: Accounts for direct GHG emissions from sources that are operated or controlled by Investore.
2. Scope 2 Emissions: Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by Investore and includes embedded network lines losses from buildings with embedded electricity networks.
3. During FY23 supply of scope 2 electricity for four properties was purchased from Ecotricity from December 2022, a carbon zero certified electricity retailer. The consumption for these sites is 0 for Scope 2 measured on a market based approach. Emissions from electricity which is not part of this agreement used during FY23 are calculated using residual grid mix factors. This is not added to total emissions. Market based reporting is broken down into 2 subsets:
   1. Sites serviced by Ecotricity have an emissions factor of 0 applied against them.
   2. Sites not serviced by Ecotricity have a residual factor of 0.000110770000 supplied by NZECS: Resources: Residual Supply 21/22 **NZECS Residual Supply 21/22.** The factor is divided by 1,000,000 to get kg co2-e/MWh to tCO2e /kwh. This residual factor has also been applied to the network losses.

   Location based electricity contains Investore's full scope 2 inventory with the location-based approach (including sites where Ecotricity is the supplier). The emissions factor applied against the full scope 2 inventory is the grid factor of 0.000120086279 from MFE. 2022. **MFE Emissions Factors.** Table 9. 2020. Factor is divided by 1000 to get to tco2e.

Greenhouse Gas Inventory FY23

(Including FY20 for Scope 1 and 2 Emissions)

Investore Greenhouse Gas Emissions Inventory Summary FY23 (continued)

Category	2023	2020
Scope 3 Emissions Tonnes of CO2e[1]		
T&D losses - electricity	1.68	N/A
Downstream leased assets – tenant consumption[2]	7,905.70	
Water[3]	3.96	
Waste[4]	2,949.34	
Total Scope 3	**10,860.77**	**N/A**
Scope 1, 2 & 3 Emissions	**10,912.06**	**N/A**

1. Scope 3 Emissions: Accounts for indirect GHG emissions that occur in the company's value chain. Scope 3 exclusions are provided in Table 4 Emissions Source Exclusions. For FY20 Scope 3 data was not available and is described as N/A for FY20 in Table 1.
2. Where tenant electricity data is not available, this has been estimated using the per sqm Net Lettable Area (NLA) emissions on a like for like basis and applying the outcome to the NLA where data is not available. Total estimated tenant electricity emissions are 238.98 tCO2e of the total 7,660.38 tCO2e. All tenant gas data was made available and is not estimated.
3. Water data excludes data where this is not separately metered by the local Council. Where data is not available this has been estimated using the per sqm NLA emissions on a like for like basis and applying the outcome to the NLA where data is not available. Total estimated water emissions are 1.24 tCO2e of the total 3.96 tCO2e.
4. Waste: The tenant or landlord is responsible for managing the waste collection. Where data is not available this has been estimated using the per sqm NLA emissions on a like for like basis and applying the outcome to the NLA where data is not available. Total estimated waste emissions are 852.69 tCO2e of the total 2,949.43 tCO2e.

Organisational Boundary

Investore's organisational boundary for GHG reporting encompasses Investore Property Limited and its wholly-owned subsidiary, Investore Property (Carr Road) Ltd. Investore applies an operational control approach to identify and determine the boundary of Investore's GHG inventory. Investore is reporting on its own emissions.

A company has operational control over an operation if it has the authority to introduce and implement operating policies at the operation. This consolidation approach allows us to focus on those emission sources over which we have operational control and can therefore implement management actions consistent with Investore's sustainability strategy.

FY23 (1 April 2022 – 31 March 2023)

Investore Property Limited (Investore)	An NZX listed company which invests solely in large format retail property across New Zealand
Investore Property (Carr Road) Ltd	Entity which owns 4 Carr Road, Auckland, asset and which was purchased by Investore
Stride Investment Management Limited (SIML)	The manager of Investore and employer of staff managing the Investore properties

Assets Owned by Investore Property Limited

Category	FY23	FY20
Total number of properties	44	40
Net lettable area under management	249,906	208,125

During FY23 Investore purchased one property at 6 and 21 Hakarau Road, Kaiapoi. Investore also acquired freehold land at its property at 3 Averill Street, Papakura, but as this property was formerly a leasehold asset, it does not impact GHG emissions.

Operational Boundary

The Investore FY23 GHG emissions inventory report covers scope 1 and 2 emissions for baseline year (FY20) and for FY23 and scope 3 emissions for FY23 where accurate data is available. Investore recognises that the accurate collection of scope 3 emissions will be an ongoing area of focus to fully collate this data, however, we have identified the need to begin assurance of these emissions.

Scope 1 and scope 2 emissions include the "base build" emissions (refrigeration associated with heating and cooling and electricity). Scope 3 emissions are indirect emissions and currently includes electricity not in scope 2 (transmission and distribution losses and tenant electricity), stationary energy – tenant natural gas, water and waste.

A summary of exclusions is provided in Table 4 and a summary of uncertainties is provided in Table 2.

Baseline Year

The baseline year for Investore is 1 April 2019 to 31 March 2020 (FY20) which aligns with the SIML base year. This was chosen as the baseline year because it was the first year Investore and SIML understood, and had the data to support, its scope 1 and scope 2 emissions. Investore would recalculate and/or restate the baseline if Investore's Net Lettable Area (NLA) were to change by more than 10% due to company or portfolio acquisitions or divestments.

Since the FY20 baseline year there have been acquisitions by Investore which exceeded the 10% threshold and triggered a baseline year recalculation. We have included the emissions from these properties in the FY20 baseline year for comparability.

Methodologies and Uncertainties

Emissions for scope 1, scope 2 and scope 3 have been quantified using the calculation-based method based on activity multiplied by greenhouse gas emissions factors. Emission factors have been sourced from the official Ministry for the Environment factors and for market-based electricity reporting, the residual supply emissions factors have been sourced from the New Zealand Energy Certificate System (NCES).

To minimise uncertainties in accuracy of this inventory, data has been sourced wherever possible from a verifiable source, as detailed in Table 2.

Assurance of GHG Inventory

Deloitte Limited has been appointed as the third-party independent assurance provider for the FY23 Greenhouse Gas Inventory Report.

A limited level of assurance has been given by Deloitte Limited over the scope 1, scope 2 and scope 3 emissions for FY23 included in this report.

Refer to Appendix 1 for the Assurance Report.

GHG Emissions Source Inclusions

Investore includes scope 1, 2 and 3 emissions from all relevant Kyoto Protocol gases in our carbon inventory. The emissions sources in Table 2 have been included in the GHG emissions inventory.

Table 2: Included Emission Sources, Data Source and Assumptions

Category	GHG Emissions Source	Data Source	Methodology, Data Quality, Uncertainty
Scope 1 Direct Emissions			
Fugitive emissions from air conditioning systems[1]	Leakage and replacement quantities	Record from suppliers of 'top-up' amounts	Annual report for each property provided by suppliers
Scope 2 Indirect Emissions			
Electricity consumption	Electricity used in common parts of properties	Records from electricity suppliers and embedded network operators	Accurate records of electricity consumed. However, two properties did not have data for March 2023. This is estimated to be 0.73 tCO2e
Market electricity[2]	Electricity provided by Ecotricity to a number of sites	Download from Ecotricity website	Accurate records of electricity consumed
Embedded network lines losses	Electricity losses from embedded network losses operated within properties	Records from embedded network suppliers	External report from embedded network suppliers

1. Fugitive emissions from air conditioning systems: Refrigeration data is collected annually. Where a site has been sold, purchased, or transferred between entities, the total refrigeration for the year is divided by 12 and multiplied by the number of months the site was held by the respective entities as it is not known when the leakage occurred. Scope 1 air conditioning refrigerant used in Investore properties includes: R134A, R22, R410A.
2. Market electricity: In December 2022, Ecotricity was appointed as electricity supplier for four Investore properties. Ecotricity is a carbon zero certified electricity retailer. The consumption for these sites is 0 for scope 2 measured on a market based approach. The residual electricity emissions are calculated using the NZECS emissions factor.

GHG Emissions Source Inclusions

Table 2: Included Emission Sources, Data Source and Assumptions (continued)

Scope 3 Indirect Emissions			
Waste generated in operations	Waste generated from operations in multi-tenanted and single tenanted properties	Data from waste contractors and from tenants (spreadsheets and downloads from web portal)	Accurate data provided. Where data is not in tonnes, this is converted to tonnes to ensure consistency. Data from tenants is assumed to be accurate data. Where waste data is not available, this has been estimated based on data available and averaged out over the NLA sqm. The tCO2e for the scope 3 waste not available is estimated to be 852.69 tCO2e
Water	Water used in properties owned by all funds	From local water provider in areas properties situated	For Auckland properties, a spreadsheet of consumption is provided. For all other sites, data is obtained from individual invoices. Accurate data is not available or not provided by suppliers for several properties. A number of properties do not have metered water on site. The tCO2e for the estimated scope 3 water consumption is estimated to be 1.24 tCO2e
Downstream leased assets	Tenant electricity and gas	Data provided from tenants directly or permission requested from tenants to obtain data from relevant suppliers	Accurate data where this is provided by the supplier and/or tenant. Where accurate data is not available or not provided by suppliers, this has been estimated based on data available and averaged out over the NLA sqm. The estimated tCO2e for the scope 3 electricity consumption of tenants is 238.98 tCO2e

Greenhouse Gas Inventory 2023

Investore includes scope 1, scope 2 and scope 3 emissions from the six Kyoto Protocol gases in its inventory expressed as carbon dioxide equivalent (CO2e). These gases are: Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N2O) and Hydrofluorocarbons (HFCs). Investore does not have emissions of PFCs, NF3, or SF6.

The 2022 Ministry for the Environment emission factors used in this report can be found through this link:
MfE 2022 Emissions Factors

Table 3: Greenhouse Gas Emissions by Greenhouse Type FY23

Source	CO2e	CO2	CH4	N2O	HFCs	Other
Scope 1 Emissions CO2e			**Emissions (tonnes)**			
Scope 1	32.20	0.89	0.00	0.00	31.31	0
Scope 2	19.09	18.61	0.45	0.03	0	0
Scope 3	10,860.77	7,719.65	3,116.25	24.87	0	0
Total	**10,912.06**	**7,739.15**	**3,116.70**	**24.90**	**31.31**	**0**

GHG Emissions Source Exclusions

The following emissions sources have been excluded from the inventory.

Table 4: Emissions Source Exclusions

Scope	Category	GHG Emissions Source	Reason for Exclusion
2	Embedded network lines losses	FY20 data	Accurate data not available
Upstream (purchased goods & services)			
3	Purchased goods & services	Operational expenses related to activities – cradle to gate emissions - e.g. office supplies, legal, insurance, consultants, construction sites	Accurate calculation of emissions not available. Project for FY24
3	Capital goods (e.g. plant, property & equipment)	Upstream emissions from goods used to build/repair a building	Accurate calculation of emissions not available. Project for FY24
3	Transportation & distribution	Emissions from transportation of products purchased by company. This data will be included in the purchased goods & services and capital goods categories	Not applicable to Investore activities
3	Business travel	Mileage and Taxi/Uber	Not applicable to Investore activities
3	Employee commuting	Between home and work	Not applicable to Investore activities

GHG Emissions Source Exclusions

Table 4: Emissions Source Exclusions (continued)

Scope	Category	GHG Emissions Source	Reason for Exclusion
Downstream (sold goods and services)			
3	Downstream leased assets (properties)	Tenant refrigeration losses	Accurate data not available
3	End of life treatment of sold product/ Use of sold product		Not applicable to Investore activities
3	Investments		Not applicable to Investore activities
3	Franchises		Not applicable to Investore activities
3	Processing of sold products		Not applicable to Investore activities
3	Transportation & distribution		Not applicable to Investore activities

Prepared by:

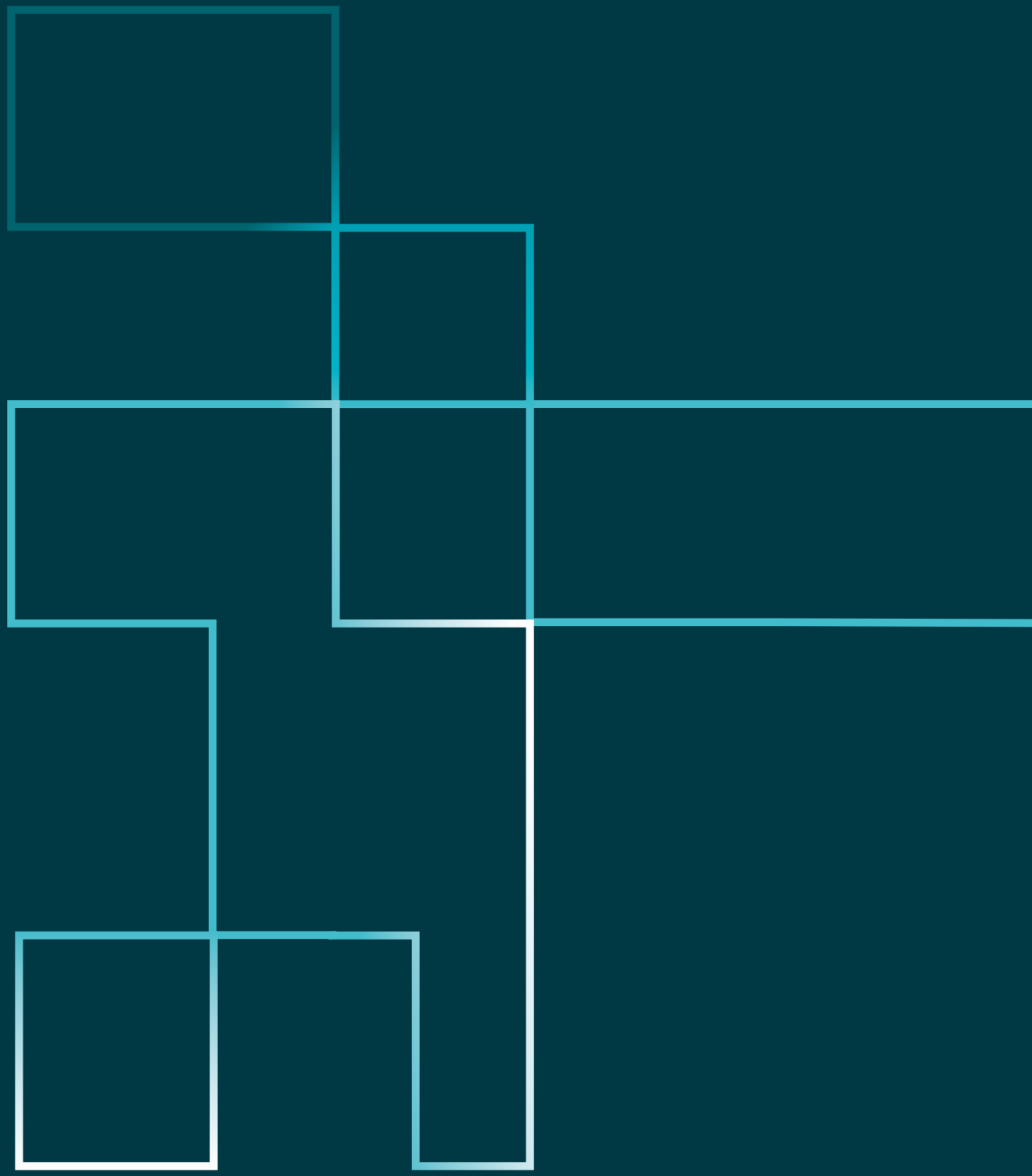
Sharyn Bramwell-Reweti
Safety & Sustainability Manager
Stride Investment Management Limited
19 May 2023

Approved by:

Gráinne Troute
Independent Director and Chair of
Investore Audit and Risk Committee
19 May 2023

investore

Managed by Stride Investment Management Limited



Investore Property Limited
Appendix 1 – Independent Assurance Report

Independent Assurance Report

Deloitte.

Independent Assurance Report on Investore Property Limited's Greenhouse Gas Emissions Inventory Report

To The Board of Directors of Investore Property Limited

Report on Greenhouse Gas Emissions ('GHG') Inventory Report

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Investore Property Limited (the 'Company') for the year ended 31 March 2023, comprising the Emissions Inventory and the explanatory notes set out on pages 39 to 48.

The inventory report provides information about the greenhouse gas emissions of the Company for the year ended 31 March 2023 and is based on historical information. This information is stated in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol') which can be accessed at https://ghgprotocol.org/corporate-standard.

Board of Directors' Responsibility

The Board of Directors are responsible for the preparation of the inventory report, in accordance with the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of an inventory report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a limited assurance conclusion on the inventory report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the inventory report is free from material misstatement.

Independent Assurance Report

A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of the Company's use of the GHG Protocol as the basis for the preparation of the inventory report, assessing the risks of material misstatement of the inventory report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the inventory report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through enquiries, obtained an understanding of the Company's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates.
- Undertook site visits at two sites to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Investore Property's inventory report has been prepared, in all material respects, in accordance with the the GHG Protocol.

Independent Assurance Report

Inherent Limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES-1')) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as independent auditor, we have no relationship with or interests in Investore Property Limited, or its subsidiary, except that partners and employees of our firm deal with Investore Property Limited and its subsidiary on normal terms within the ordinary course of trading activities of the business of Investore Property Limited and its subsidiary.

The firm applies Professional and Ethical Standard 3: Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

Our assurance report is made solely to the Board of Directors of the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board of Directors those matters we have been engaged to state in this assurance report and for no other purpose. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

Independent Assurance Report

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Investore Property's inventory report for the year ended 31 March 2023 is not prepared, in all material respects, in accordance with the requirements of the GHG Protocol.

Deloitte Limited

Chartered Accountants
Auckland, New Zealand
19 May 2023

This limited assurance report relates to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Investore Property Limited ('Investore') for the year ended 31 March 2023 included on Investore's website. Investore's Board of Directors are responsible for the maintenance and integrity of the Investore's website. We have not been engaged to report on the integrity of the Investore's website. We accept no responsibility for any changes that may have occurred to the inventory report since they were initially presented on the website. The limited assurance report refers only to the inventory report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the inventory report. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the inventory report and related limited assurance report dated 19 May 2023 to confirm the information included in the inventory report presented on this website.