investore

Managed by Stride Investment Management Limited

FY24 Sustainability Report and Climate-Related Disclosures

This document comprises the FY24 Sustainability Report and Climate-Related Disclosures for Investore Property Limited (Investore). Investore has been designated as a "Non-Standard" (NS) issuer by NZX. For more information see the FY24 Annual Report for Investore, which is available at **www.investoreproperty.co.nz**

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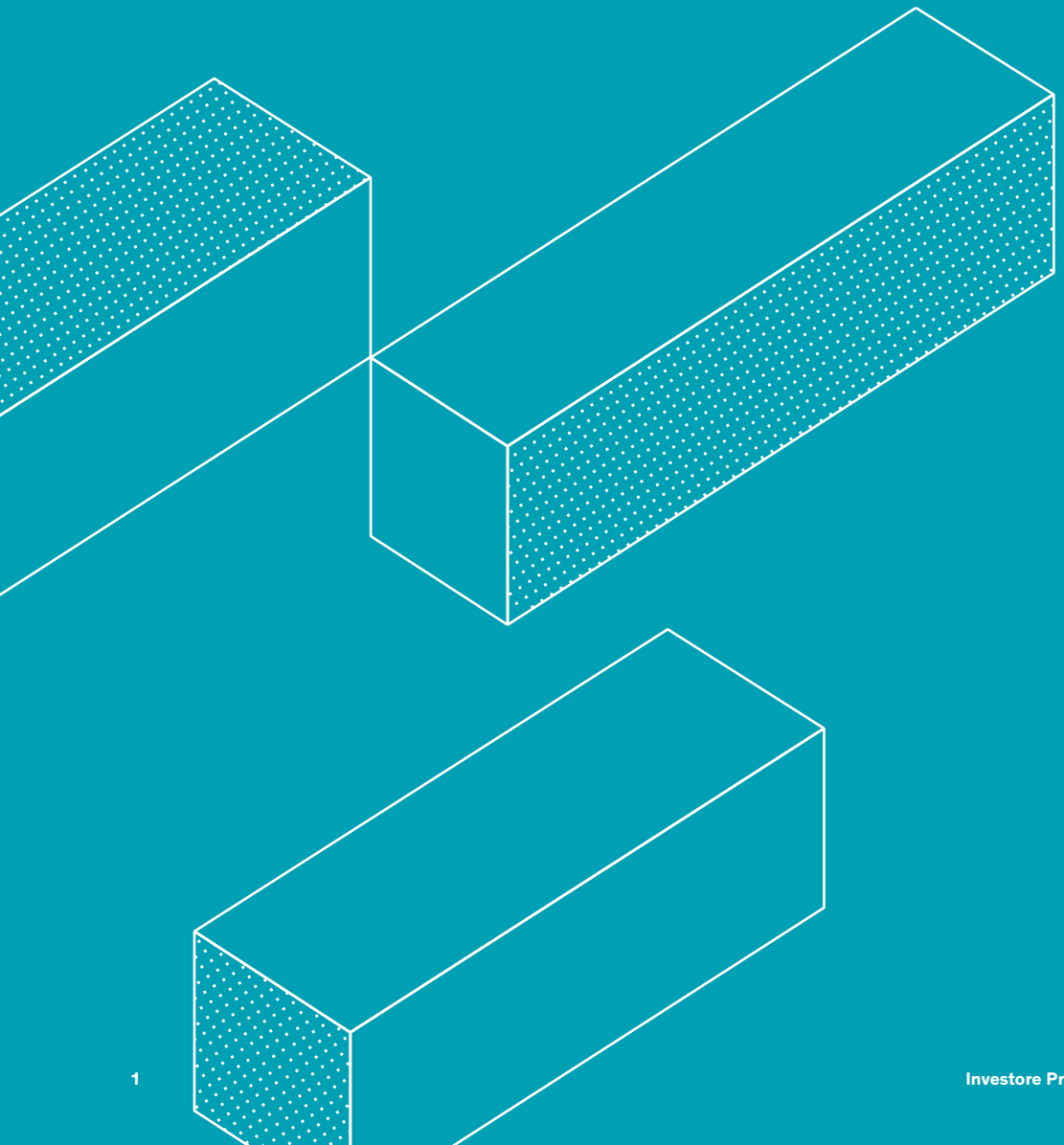


Overview

Investore considers that it has very low scope 1 and 2 emissions due to the nature of its business, and is taking steps to actively reduce those emissions where possible

25 tCO2e scope 1 and 2 emissions for FY24

Refrigerant upgrade plan established to transition to low global warming potential refrigerants, expected to reduce emissions from refrigerants

Investore seeks to develop sustainable buildings, targeting 5 Green Star ratings for new developments

New 5 Green Star Design rated supermarket at Waimakariri Junction completed during FY24

82% of waste by weight diverted from landfill during construction of Woolworths Waimakariri Junction

Investore seeks to contribute to its community in a meaningful way, and aligns its activities where appropriate with those of its Manager, SIML[1]

During FY24 Investore supported the Graeme Dingle Foundation. Every dollar invested in the Foundation yields a $10.50 return to New Zealand's economy[2]

1. Investore is managed by Stride Investment Management Limited (SIML), part of the NZX listed Stride Property Group.
2. According to a report prepared by Infometrics for the Graeme Dingle Foundation on "Updating the contribution of the Foundation's work to the New Zealand economy" dated February 2024.

Letter from the Board

Dear Investors,

Investore Property Limited (Investore) is pleased to present its sustainability report for the year ended 31 March 2024 (FY24). This report includes Investore's first mandatory climate statement and follows our first sustainability report and greenhouse gas inventory report for the year ended 31 March 2023 (FY23).

Investore's business model is focussed on owning a portfolio of large format retail property for the long term, and outsourcing the management of its portfolio and business operations to Stride Investment Management Limited (SIML), Investore's Manager.

During FY24 we have built on the work completed during FY23, where we produced our first greenhouse gas inventory report. That report enabled us to better understand what drives our greenhouse gas emissions, so that we can prepare a plan to minimise those emissions. Due to the nature of Investore's business, Investore considers that it has very low scope 1 and 2 emissions, which are primarily from carpark lighting for Investore's properties and fugitive emissions from air conditioning units.

We are beginning our transition to a lower carbon future with our air conditioning emissions, which account for around half of our scope 1 and 2 emissions. During FY24 we established a plan to replace all air conditioning units which use R22 refrigerant, which has a high global warming potential. We have commenced the process of replacing these units, and plan to replace the majority over the next two financial years.

As a commercial property landlord, some of our largest emissions are from tenant electricity and gas, which are scope 3 emissions for Investore. We understand that our greatest impact in assisting the transition to a low carbon future is through working with and influencing our tenants to reduce their emissions. During FY24 we completed a feasibility assessment related to the installation of solar panels on a standalone supermarket. This work demonstrated that while the installation is financially feasible, it will require collaboration between Investore as building owner and the tenant, who utilises the energy generated by the solar panels. As our next step we plan to engage with our major tenants during FY25 to seek to implement arrangements that will support the installation of solar panels on our properties where suitable.

Investore is also conscious of ensuring that when we construct new buildings, they are sustainable and efficient. Investore has a policy of targeting a 5 Green Star rating for new developments. The newly constructed Woolworths Waimakariri Junction, developed in collaboration with Woolworths New Zealand, is an example of this. This building, which has achieved a 5 Green Star Design rating and is targeting a 5 Green Star As Built rating, has a number of sustainability initiatives incorporated into the design, including solar panels for on-site renewable electricity generation, utilisation of low carbon concrete and low embodied carbon materials, LED lighting, energy efficient refrigeration systems, and recycling of heat generated from store fridges to regulate the overall store temperature. We are pleased to have partnered with Woolworths New Zealand to deliver this sustainable new addition to the Investore portfolio, a building that delivers for Investore and Woolworths, and at the same time benefits the environment.

This report includes our first mandatory reporting on the climate-related risks and opportunities faced by Investore. The Board appreciates that we will need to keep building on our climate-related work in the coming years, particularly to ensure that our understanding of climate-related risk remains appropriate and current, and that we have fully integrated a consideration of climate scenarios and climate-related risks into our strategic planning.

On behalf of the Board of Investore, thank you for your support of our company, and we look forward to continuing to progress our sustainability practices in the coming years.

Mike Allen
Chair of the Board
Independent Director

About Investore

Investore owns a portfolio of large format retail properties located across New Zealand, from standalone supermarkets to large format retail centres, with a high concentration of nationally recognised brands and tenants that provide 'everyday needs'.

Key portfolio metrics[1]

45 properties

144 tenants

7.4 years
weighted average lease term

99.1%
portfolio occupancy by area, rising to 99.4% including leases agreed post balance date

78%
of leases by Contract Rental[2] expiring in FY30 and beyond

43%
of properties by portfolio value have green ratings (Green Star Performance or Green Star Design)

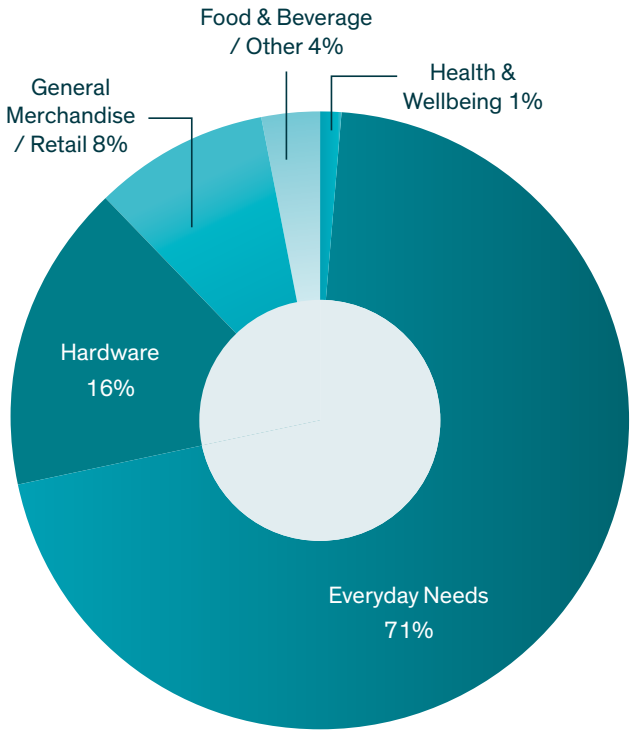
1. Metrics are as at 31 March 2024 and relate to Investore's portfolio excluding properties categorised as 'Development and Other' in note 2.2 to Investore's FY24 consolidated financial statements.
2. Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore 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.

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 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). Investore has no employees of its own.

Investore's portfolio ranges 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 over the economic cycle, due to their products comprising non-discretionary categories of expenditure for consumers. Investore's tenants include nationally recognised brands such as Woolworths, New World, Pak'nSave, Bunnings, Mitre 10, Rebel Sport, Briscoes, Hunting & Fishing, Freedom Furniture, McDonald's, Baby City, Resene, and Animates.

Portfolio Tenant Classification by Contract Rental[1] as at 31 March 2024



Benefits of Large Format Retail Property:

- Lower total occupancy costs for tenants compared with other forms of retail in New Zealand
- A high concentration of tenants focussed on 'everyday needs' means demand for tenants' goods and services tends to be resilient despite challenging macroeconomic factors
- Anchor tenants draw customers to sites on a regular basis, driving visitation for associated specialty tenants

1. See footnote 2 on page 4.

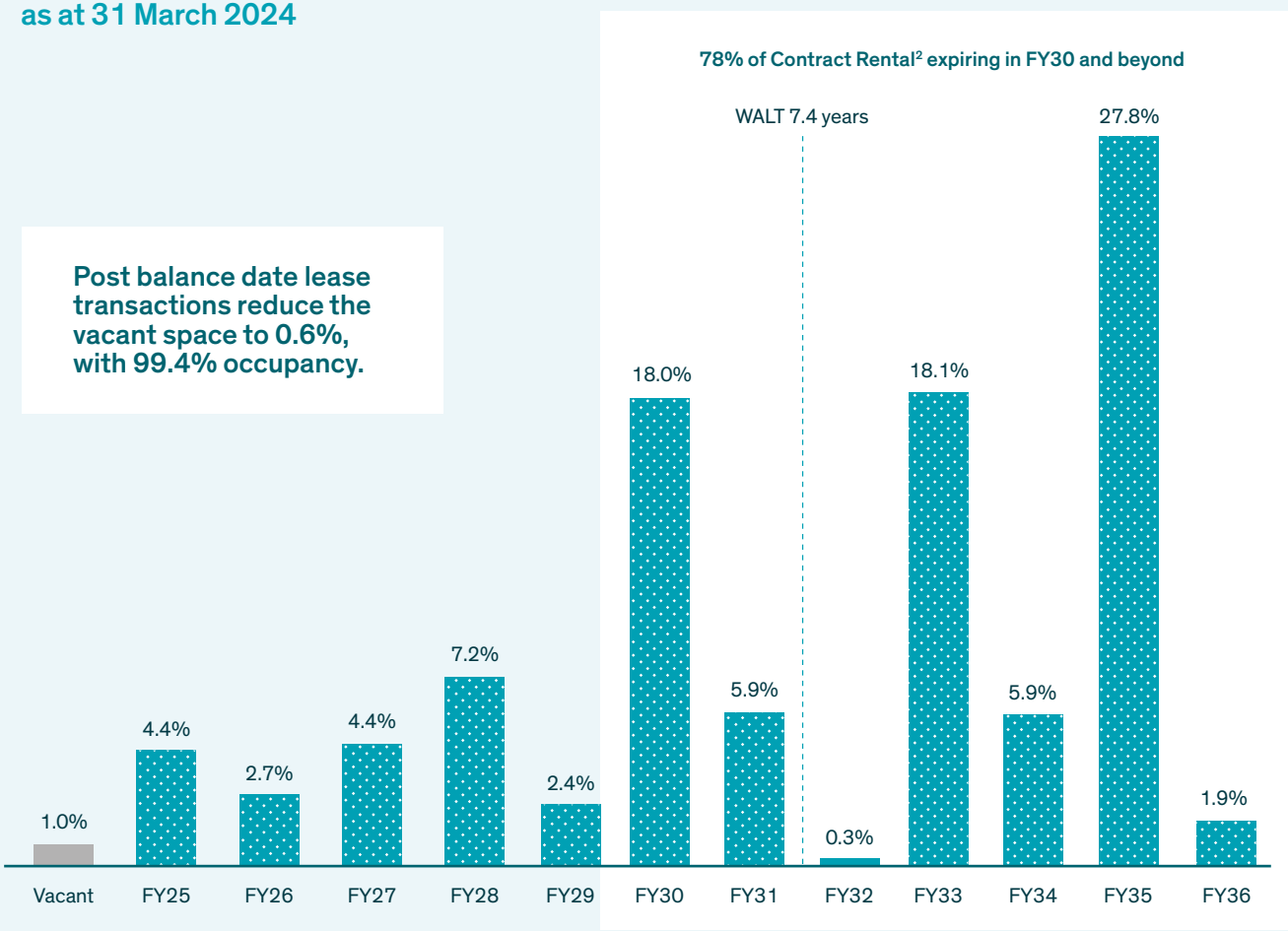
High Occupancy and Long Lease Expiry Profile

Investore's portfolio[1] continues to demonstrate strong metrics, with high occupancy of 99.1%, and a long weighted average lease term of 7.4 years, with 78% of Contract Rental[2] expiring in FY30 and beyond. This long weighted average lease expiry profile provides Investore with certainty of income over the medium to long term.

1. Metrics are as at 31 March 2024 and relate to Investore's portfolio excluding properties categorised as 'Development and Other' in note 2.2 to Investore's FY24 consolidated financial statements.
2. See footnote 2 on page 4.
3. 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 2024 as a percentage of Contract Rental.

Lease Expiry Profile[3] by Contract Rental[2] as at 31 March 2024

Post balance date lease transactions reduce the vacant space to 0.6%, with 99.4% occupancy.

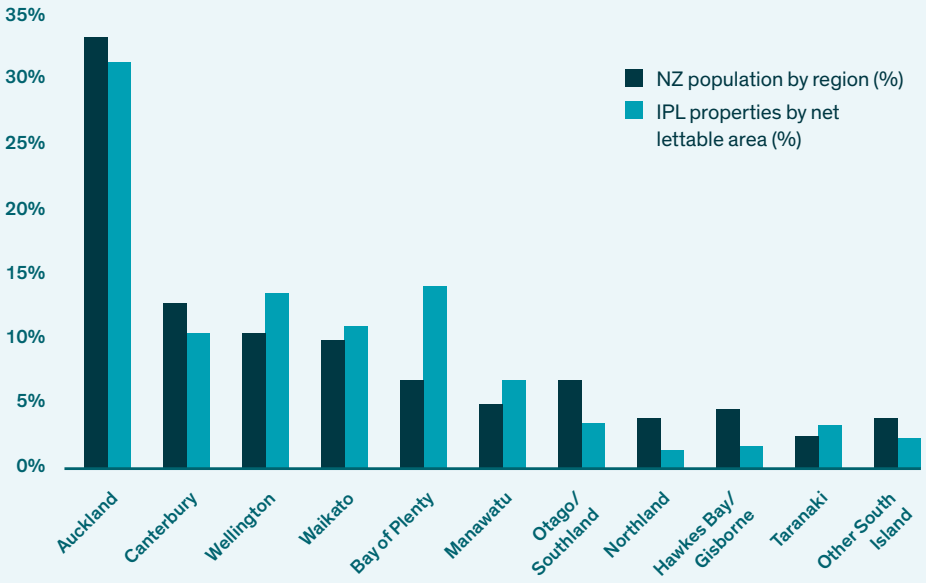


Note: Numbers in chart may not sum due to rounding.

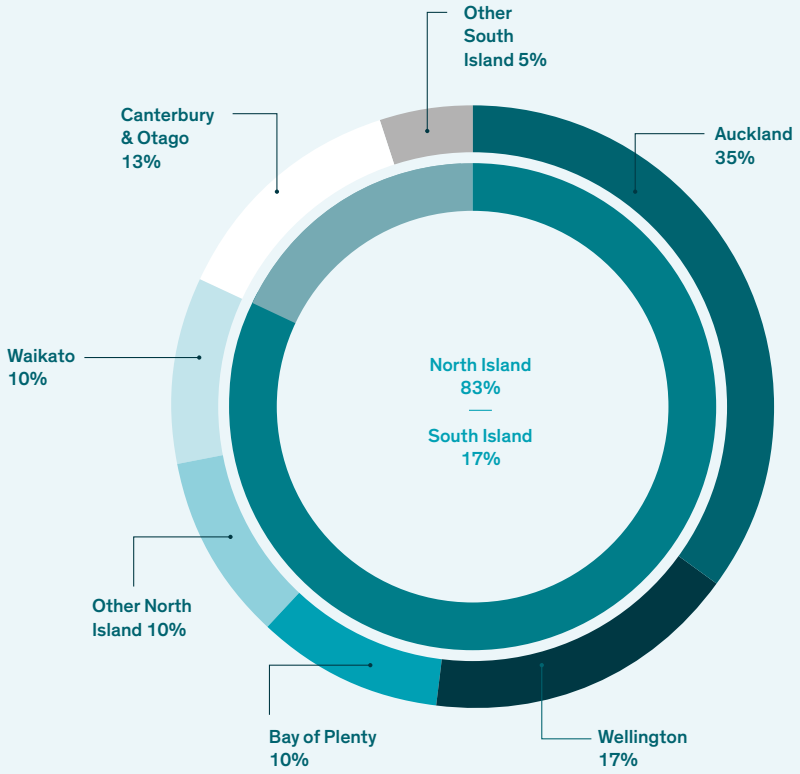
Geographically Diverse Portfolio

Investore's portfolio is geographically diversified across New Zealand, with the majority of the portfolio located in urban areas such as Auckland, Wellington, Canterbury, Waikato and the Bay of Plenty.

Spread of New Zealand population vs Investore properties as at 31 March 2024



Geographical Location of Investore Portfolio by Contract Rental[1]

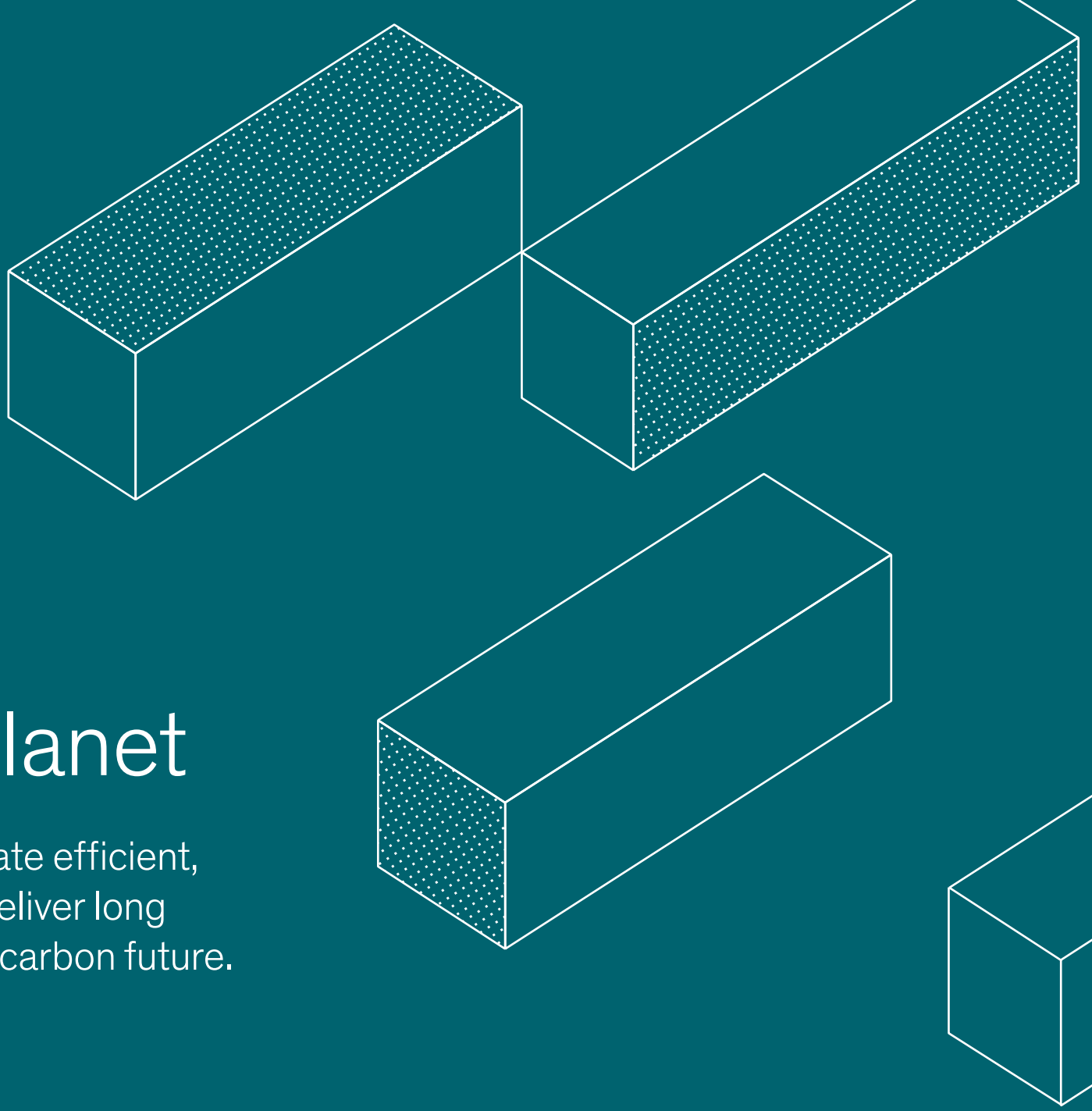


Note: Numbers in charts may not sum due to rounding.
1. See footnote 2 on page 4.

Investore's Sustainability Strategy

Investore aligns its sustainability strategy with that of its Manager, SIML.

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 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
FY24 Progress	• Development of a new 5 Green Star Design rated supermarket completed • Plan developed for removing R22 refrigerant, with the majority expected to be replaced during FY25 and FY26	• Continued strong health and safety performance • Contribution to Graeme Dingle Foundation, supporting the development of young New Zealanders	• Investore continues to optimise its portfolio through active tenant engagement projects • Feasibility study completed regarding installation of solar panels on a standalone building; next step is to engage with major tenants on this strategy



Protect the planet

Investore's objective is to create efficient, climate resilient places that deliver long term value and support a low carbon future.

Transition Plan

Investore recognises the importance of transitioning to a low carbon future. The transition risks identified by Investore, as described on pages 35 to 41 of this report reflect the risks associated with transitioning to a low carbon future. An early transition will help to manage the risks associated with the potential impact of regulations requiring improved energy efficiency of properties and the introduction of mandatory disclosure of energy and carbon performance for all properties.

Investore has focussed its transition plan on improving the energy efficiency and sustainability performance of its properties. Investore considers that it has very low scope 1 and 2 emissions as a result of the nature of its portfolio, being focussed primarily on large format retail properties, many of which have single tenants that are responsible for the entire operations within the property. Investore's scope 1 and 2 emissions are primarily derived from fugitive emissions from air conditioning and carpark lighting, and its transition plan is focussed on these areas. Fugitive emissions from air conditioning systems represent 50% of Investore's total scope 1 and 2 emissions for FY24 (FY23: 61%).

One of the largest contributors to Investore's overall greenhouse gas emissions is tenant emissions, which are scope 3 emissions for Investore. In order to ensure Investore maximises its influence in the transition to a low carbon future, it will be important for Investore to work with its tenants and support them to reduce their emissions. Investore can achieve this through ensuring its properties are energy efficient and sustainable, particularly when constructing new properties. Investore can also potentially support tenants to use more renewable energy through on-site generation.

Investore has considered whether to set science-aligned targets for its scope 1 and 2 emissions, but given the small quantum of Investore's emissions, the Board has determined that science-aligned targets would not be meaningful or useful for primary users.

Investore's specific strategy for dealing with each element of its emissions can be seen in the table on the right, which forms Investore's transition plan.

Investore is also aware that in preparing for a future where climate change has ongoing and potentially more severe physical impacts, Investore will need to ensure that its properties are resilient to the physical impacts of climate change. This will continue to be an ongoing focus for Investore as part of its capital maintenance and development plan.

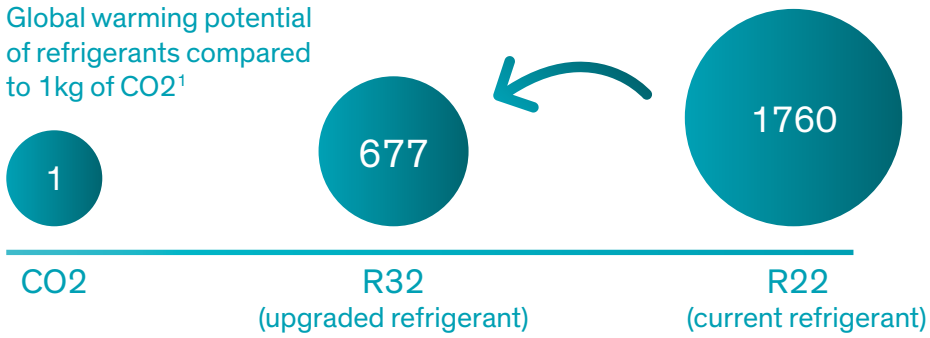
Emissions by Scope	FY24 Emissions (tCO2e)	FY23 Emissions (tCO2e)	Strategy
Scope 1 emissions • Diesel from sprinkler pumps (minor) • Fugitive emissions from air conditioning	13.1	32.2	• Seek to reduce fugitive emissions from air conditioning through transitioning away from R22 refrigerant use
Scope 2 emissions • Carpark lighting	12.0	19.1	• Target LED lighting to be installed in all areas
Scope 3 emissions • Tenant emissions – electricity, gas, waste and water • Purchased goods and services • Capital goods • Other	19,576.2	10,860.8	• Target 5 Green Star rating for all new developments, which will help to ensure energy efficiency for tenant operations • Support tenants in replacement of existing lighting with LED lights • Explore installing solar panels on buildings to assist with reducing electricity consumption and improving resilience • Support major tenants in their sustainability objectives where practicable

FY24 Progress

Replacement of R22 refrigerant

During FY24 Investore developed a plan to replace air conditioning units which use R22 refrigerant across its portfolio. The plan will result in the majority of units that use R22 refrigerant being replaced with units that use a refrigerant with a lower global warming potential by the end of FY26.

Year	Number of units replaced	Total number of units replaced	Cost incurred / anticipated
FY24	6	14	Total FY24 cost incurred $258,000
FY25	23	37	Anticipated cost of approximately $500,000
FY26	15	52	Anticipated cost of approximately $300,000
FY27 and beyond	23 units to be replaced at end of useful economic life	75	Not yet costed



1. 100 year global warming potential of each gas, as set out in the IPCC Fifth Assessment Report.

What is R22 refrigerant?

R22 is a gas that was commonly used as a refrigerant in air conditioning units. R22 was originally used as an alternative to chlorofluorocarbons or CFCs, which are ozone depleting substances. However, we now know that R22 also depletes the ozone layer and has a high global warming potential. R22 has a global warming potential of 1760, which means one kilogram of R22 contributes 1760 times as much to global warming as one kilogram of CO2 within the first 100 years after release. Investore is replacing the units that use R22 refrigerant with units that use R32 refrigerant where possible. R32 refrigerant has a global warming potential of 677, a 62% reduction in the emissions factor compared to R22 refrigerant.

FY24 Progress

Development of new 5 Green Star Design rated supermarket

Investore targets a 5 Green Star rating for all newly developed buildings in its portfolio. Consistent with this commitment, during FY24 Investore completed the development of a new Woolworths supermarket at Waimakariri Junction in partnership with Woolworths New Zealand. This new supermarket has achieved a 5 Green Star Design rating and is expected to achieve a 5 Green Star As Built rating. This development was a collaboration between Investore and Woolworths New Zealand, with a number of sustainability initiatives implemented to achieve a 5 Green Star Design rating, which equates to a standard of "New Zealand excellence" (see page 13 for further information on green ratings). The initiatives can be divided into three focus areas – sustainable construction, operational efficiency, and benefits to people.

Sustainable construction

- Utilisation of low carbon concrete and low embodied carbon materials where appropriate
- 82% of waste by weight diverted from landfill during construction through demolition and construction waste being reused, recycled or aided by low waste fabrication

Operational efficiency

- Solar panels installed
- Energy efficient refrigeration systems with low global warming potential used to cool produce
- Heat generated from store fridges is recycled to regulate the overall store temperature
- Thermal insulation and double glazing installed to reduce heat loss and gain
- 100% low energy LED lighting installed
- Reduction of typical water consumption through low water use plumbing fittings

Benefits to people

- Durable, low toxicity materials used throughout the development where appropriate, including adhesives, paints, sealants, carpets, ceiling tiles, and composite timber board products
- Electric vehicle chargers installed for customer convenience
- 16% of parking spaces reserved for fuel-efficient vehicles
- End of trip facilities installed, including designated bicycle parking for staff and customer bicycle storage facilities to encourage cycling to the store

Green Ratings

Green ratings can help to demonstrate the energy efficiency and sustainability features of a building. While Investore is focussed on improving the sustainability performance of its portfolio, it will not always seek to obtain green ratings for its properties because in many cases Investore has little or no control over the energy consumption of a property which drives the green rating. In addition, green ratings can be difficult to obtain for some categories of existing property due to the information required to support the green rating being held or controlled by tenants.

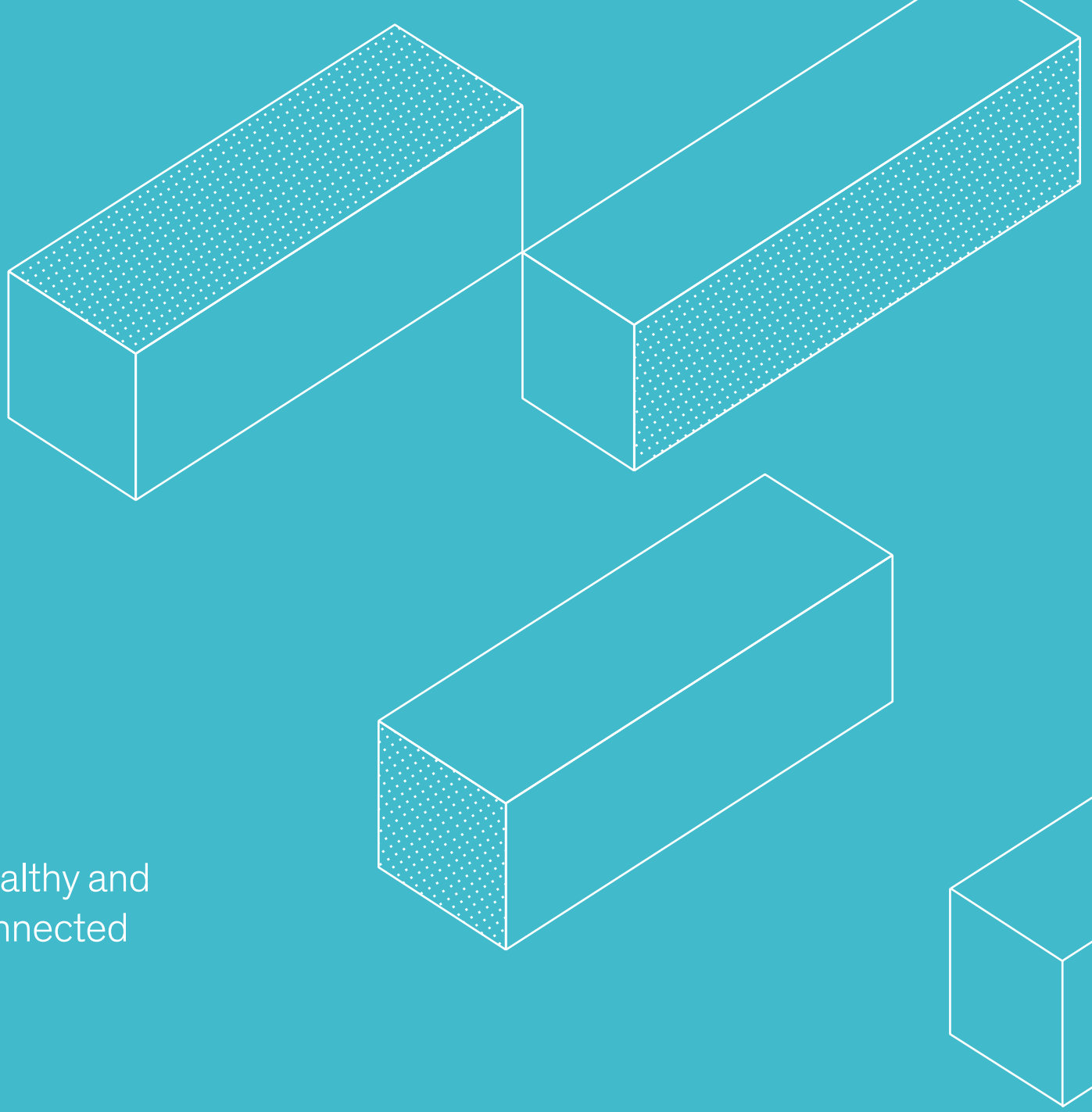
43% of Investore's portfolio[1] by value has a green rating as at 31 March 2024:

- 16 of Investore's properties currently have Green Star Performance ratings, with an overall portfolio rating of 1 star (the maximum rating is limited when an assessment is undertaken based on energy and water consumption only)
- The newly constructed Woolworths Waimakariri Junction has a 5 Green Star Design rating

Guide to green ratings

Sustainable construction	Operational efficiency
Green Star Design and Green Star As Built	Helps to guide the sustainable design and construction of new commercial buildings or major refurbishments. Areas assessed include management, indoor environmental quality, energy, transport, water, materials, land use and ecology, emissions, and innovation. The criteria for assessment includes criteria that must be met to achieve a rating and those that are optional, depending on the type of building being constructed. The As Built certification confirms that the building has been constructed in accordance with the Green Star requirements. The level of rating that can be achieved is between 4 and 6 stars and is awarded by a trained, independent assessor. 4 stars equates to best practice; 5 stars to New Zealand excellence; and 6 stars to world leadership.
Green Star Performance	Used to assess the operational performance of existing buildings and to assist building owners to measure and continually improve their buildings' operational performance. A Green Star Performance rating lasts for three years, with annual energy and water data required to be submitted to support the rating. Areas assessed include emissions, energy, indoor environmental quality, innovation, land use and ecology, management, materials, transport and water. It is possible to obtain a rating for energy and water only, but this limits the number of stars that can be awarded. Benchmarks have been created for some building types for Green Star Performance Ratings, including hardware stores. Having a benchmark means that less historical data is required to be provided for the purposes of achieving a rating, making the process easier and more efficient, particularly given that most consumption data is required to be obtained from tenants.

1. Excludes properties categorised as 'Development and Other' in note 2.2 to Investore's F24 consolidated financial statements.



Contribute to a Resilient Community

Investore seeks to provide healthy and safe places and support a connected and inclusive community.

Contribute to a Resilient Community

Support New Zealand's young people

Investore is proud to have commenced supporting the Graeme Dingle Foundation, with sponsorship of $35,000 during FY24. Established in 1995, the Graeme Dingle programmes are proven to reduce truancy, bullying, antisocial behaviours and youth offending; and increase self-belief, behaviours, and academic outcomes. For every dollar invested in the Graeme Dingle Foundation, $10.50 is returned to the New Zealand economy[1].

Support a connected and inclusive community

Investore licenses a space at its Mt Wellington Shopping Centre to Auckland Night Markets who hold a night market there on Tuesday evenings. This is a very popular community gathering place, providing a facility and location for people to come together and enjoy good food and good company in their local environment.

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.

Investore and its Manager, SIML, take an active approach to ensuring safety when undertaking 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.

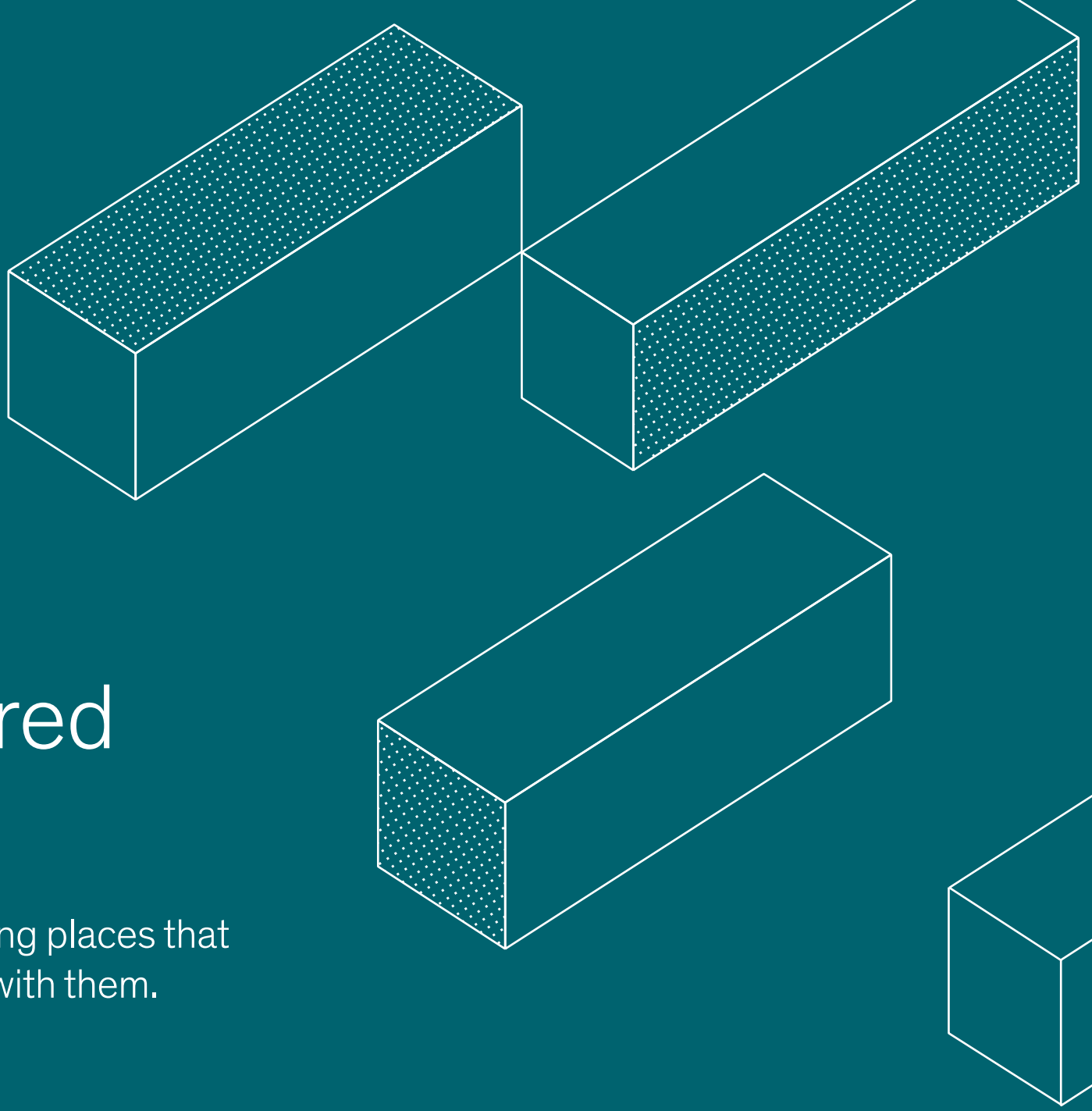
Engagement with SIML

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. SIML has recently reviewed its parental leave benefits and determined to provide further support to its people when they become parents. Additional benefits that are now provided include:

- Full pay for primary carers for 14 weeks, as a top up to the Government-provided parental leave financial contribution
- Employer KiwiSaver contributions for 14 weeks for primary carers
- Annual leave taken in the 12 months after returning from parental leave paid at the higher of average weekly earnings or ordinary weekly pay

1. According to a report prepared by Infometrics for the Graeme Dingle Foundation on "Updating the contribution of the Foundation's work to the New Zealand economy" dated February 2024.



Develop Shared Prosperity

Investore invests in outstanding places that reward everyone connected with them.

Develop Shared Prosperity

Drive a prosperous economy

Investore's investment property portfolio continued to deliver resilient operating earnings during FY24. The value of the portfolio continues to be impacted by a higher interest rate environment placing upwards pressure on property capitalisation rates. Investore remains committed to taking a proactive approach to capital management, which during FY24 included the adoption of a dividend reinvestment plan, and the revision of its dividend policy.

During FY24 Investore undertook a number of improvement projects across the portfolio, often collaborating with key tenants to undertake capital projects designed to enhance the overall portfolio and improve customer experience. These capital projects benefit Investore through additional income by way of rental return on the investment or through increased turnover rent, and in some cases the projects lead to an increase in lease tenure, adding value to Investore's portfolio. The projects also benefit the tenant through ensuring the property meets their operational needs, driving better financial outcomes for the tenant from the property.

During FY24 Investore reached agreement with Woolworths to enhance their e-commerce capability at Greenlane, Auckland, including expanding the online fulfilment facility and creating eight drive through pick up bays. Investore will provide a $1.9 million capital contribution towards the works, which attracts improvements rental at 7.5% per annum. The works are expected to support online sales at the store. Works are also underway at Woolworths Rangiora and Woolworths Highland Park to add additional online pick up areas at those locations. In both cases, Investore will make a capital contribution towards the works and will receive improvements rental on the cost of the works. In addition, the lease at Woolworths Highland Park will be extended from the completion of the works, expected late 2024. Investore has funded or agreed to fund online expansions at five Woolworths stores between 2021 and 2024.

The Woolworths Waimakariri Junction development completed by Investore during FY24 is expected to create 84 new jobs in the region, supporting the economic development of this area, which is rapidly growing[1].

Further information can be found in Investore's FY24 annual report, available on its website: **www.investoreproperty.co.nz/investor-centre/#main.**

1. **www.stats.govt.nz/information-releases/subnational-population-projections-2018base2048-update/**.

Develop Shared Prosperity

Create sustainable products and places

Investore seeks to ensure that any new buildings that it develops are sustainable and support the transition to a low carbon economy. The nature of Investore's portfolio means that it has limited control over operational activities and consequently the emissions that come from operating the building. However, Investore is committed to working with its tenants to seek to minimise the environmental impact of the buildings that it owns.

During FY24, Investore, through its Manager, SIML, completed a study into the feasibility of installing solar panels on the roof of an existing standalone supermarket. This study has shown that the installation of solar panels can be beneficial for both Investore and the tenant. As the solar panels will generate electricity that is used by the tenant, Investore needs the tenant to be engaged in this initiative and accordingly during FY25 intends to hold discussions with major tenants to further progress this initiative.

Solar panels were installed as part of the development of the new Woolworths supermarket at Waimakariri Junction, as described on page 12. This was the first property in the Investore portfolio to have solar panels installed.

Climate-Related Disclosures

This section of the Sustainability Report contains Investore's climate-related disclosures for the year ended 31 March 2024.

Climate-related Disclosures

Statement of Compliance

Investore's climate-related disclosures set out in this part of the Sustainability Report comply with the New Zealand Climate Standards issued by the External Reporting Board. In preparing the climate-related disclosures, Investore has elected to rely on the following adoption provisions:

- Adoption provisions 1 and 2, which exempt Investore from disclosing current and anticipated financial impacts of climate-related risks and opportunities reasonably expected by Investore;
- Adoption provision 4 for one category of scope 3 emissions (being tenant refrigeration losses and tenant gas from selected tenants) as set out on page 69;
- Adoption provision 5 which exempts Investore from reporting comparative information for two prior periods for scope 3 GHG emissions, as Investore is reporting comparative information for only one prior reporting period;
- Adoption provision 6 which exempts Investore from disclosing comparative information of each reported metric for two prior periods. Investore is including comparative information for each metric for one prior reporting period only;
- Adoption provision 7 which exempts Investore from reporting an analysis of trends for each disclosed metric, as Investore is only reporting one comparative period for each metric.

Disclaimer

This report sets out Investore's current understanding of and response to climate-related risks and opportunities as they impact Investore, and the current and anticipated impacts of climate change, which may evolve over time. This report contains forward looking statements, including climate scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions, estimates and judgements.

Forward looking statements involve assumptions, forecasts and projections which are inherently uncertain and subject to limitations. While Investore has taken all reasonable care in making these forward-looking statements, these statements, together with the risks and opportunities described in this report, and our strategies to achieve our targets, may not eventuate or may be more or less significant than anticipated.

There are many factors that could cause actual results, performance or achievement of climate-related metrics and targets to differ materially from that described, many of which are outside of Investore's control. Nothing in this report should be interpreted as legal, financial, tax or other advice or guidance.

Climate-related Disclosures

Introduction

This section of Investore's Sustainability Report contains its climate-related disclosures for the year ended 31 March 2024, which are reported in accordance with the Aotearoa New Zealand Climate Standards. The climate-related disclosures relate to Investore Property Limited, together with its wholly owned subsidiary, Investore Property (Carr Road) Limited.

In preparing these disclosures, Investore considers its primary users to be its current or prospective shareholders and bondholders, as well as lenders and other creditors. Investore has also considered insurance companies and tenants in preparing these disclosures, but does not consider these stakeholders to be its primary users for the purposes of these climate-related disclosures.

In accordance with the Aotearoa New Zealand Climate Standards, these disclosures are divided into four sections – Governance, Strategy, Risk Management, and Metrics and Targets. Also attached is Investore's greenhouse gas inventory report for the year ended 31 March 2024.

For and on behalf of the Board of Directors of Investore Property Limited, dated 28 May 2024:

Mike Allen
Chair of the Board

Gráinne Troute
Chair of the Audit and Risk Committee

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Governance

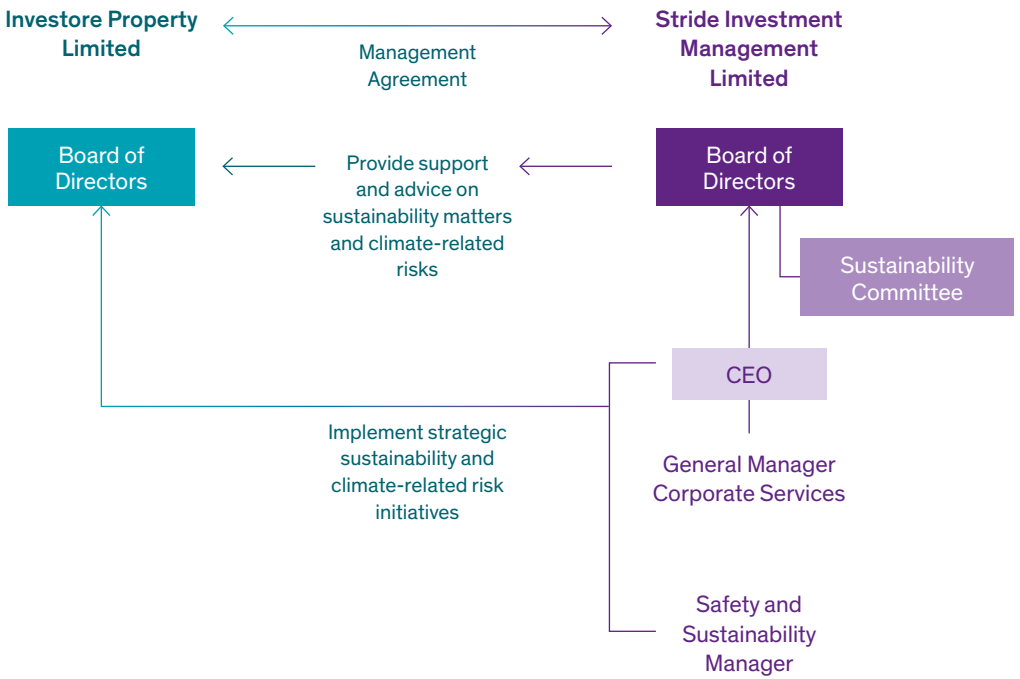
This section enables users to understand both the role the Investore Board plays in overseeing climate-related risks and climate-related opportunities, and the role Management plays in assessing and managing those climate-related risks and opportunities.

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 Board as a whole 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/investor-centre/#governance**.

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 (SPL) and SIML (SPL and SIML together comprise Stride Property Group or Stride) 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-related risks 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 Chief Executive Officer.



Governance

Process and frequency of meetings

The Board receives reports at least twice per year on the sustainability progress of Investore, including performance against the sustainability strategic plan, from SIML Management.

The Investore Board has considered climate-related risks and opportunities on an annual basis since the first development of Investore's climate risks in 2021. The Investore Board, together with the Boards of Directors of Stride, held a Sustainability Workshop in December 2023, where the Board:

- considered the climate scenarios that are being utilised by Investore for the purposes of considering the resilience of its strategy, and discussed potential risks and opportunities arising from those scenarios;
- reviewed Investore's climate-related risks and considered the integration of climate-related risks into Investore's overall enterprise risks; and
- considered progress against sustainability targets.

Skills and competencies

The Investore Board is supported by the Stride Sustainability Committee, which has considerable experience in sustainability and climate change. The Investore Board includes Director Tim Storey, who is a member of the Stride Sustainability Committee, and accordingly is regularly involved in considerations of matters related to sustainability and climate-related risk.

The Investore Board appreciates and understands the need for continuing education in this area to ensure that it continues to have the appropriate skills and competencies to provide oversight of climate-related risks and opportunities. Continuing education is provided in a number of ways, including through sustainability workshops, such as the one held in December 2023. The Investore Directors are committed to expanding their understanding and skills in this area, and accordingly are planning a learning programme, with facilitated training, on the topics of sustainability and climate-related risk.

Consideration of climate-related risks and opportunities as part of strategy

Investore considers climate-related risks and opportunities and sustainability objectives as part of its overall strategy, including in setting and implementing its sustainability strategic objectives and actions. This can be seen in the sustainability features incorporated in the development of Woolworths Waimakariri Junction, as described on page 12, and Investore's transition plan initiatives described on page 10.

The Investore Board considers climate-related risks and opportunities as part of setting its annual business plan and in making major capital investment decisions, including asset planning, such as with the plan to remove R22 refrigerant from the portfolio (see page 11 for more detail).

The Investore Board acknowledges that there is further progress to be made in integrating a consideration of climate-related risks and opportunities into its overall business strategy, and this will be a focus for the coming year.

Monitoring of progress against metrics and targets

The Investore Board monitors progress against and oversees achievement of metrics and targets for managing climate-related risks through consideration of reports regarding progress against sustainability objectives and the sustainability strategic plan, including updates on metrics and targets, which are received and discussed at Board meetings at least twice per year. A consideration of achievement against targets and the sustainability strategic plan is then built into decision-making on assets and business planning.

The role of Management

As Investore has no employees, remuneration factors related to climate-related 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 FY24 sustainability report on the Stride website **(www.strideproperty.co.nz)** when it is released.

Strategy

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

Investore's strategy and transition plan

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. Investore has no employees of its own. Investore's portfolio ranges from standalone supermarkets to large format retail centres.

The essential elements of Investore's business model which drive its low scope 1 and 2 emissions are:

- A portfolio of large format retail properties – many of the properties are standalone and have a single tenant which is responsible for building operations
- Appointment of an external manager, with Investore having no employees of its own

Investore recognises the need to seek to reduce its emissions where possible, and has established the following strategies.

Scope 1 emissions

- Diesel from sprinkler pumps (0.47 tCO2e out of total scope 1 emissions of 13.08 tCO2e)
- Fugitive emissions from air conditioning (12.61 tCO2e out of total scope 1 emissions of 13.08 tCO2e)
- Seek to reduce fugitive emissions from air conditioning through transitioning away from R22 refrigerant use

Scope 2 emissions

- Carpark lighting
- Target LED lighting installed in all areas

Scope 3 emissions

- Tenant emissions – electricity, gas, waste and water
- Purchased goods and services
- Capital goods
- Other
- Target 5 Green Star rating for all new developments, which will help to ensure energy efficiency for tenant operations
- Support tenants in replacement of lighting with LED lights
- Explore installing solar panels on buildings
- Support major tenants in their sustainability objectives where practicable

Strategy

Current physical impacts of climate change

Physical impacts of climate change can cause financial loss as a result of damage to properties. New Zealand has continued to experience extreme weather events during FY24, following the flooding experienced in Auckland in January 2023 and Cyclone Gabrielle in March 2023. None of Investore's assets have suffered damage as a result of the physical impacts of climate change during FY24, and none of Investore's properties suffered damage from the Auckland floods or Cyclone Gabrielle, both of which occurred during FY23.

The independent valuers that value the investment properties owned by Investore consider climate-related risk and environmental factors and the associated impact on the value of a property as part of their external, independent valuation. Market transactional data is also considered as part of their valuation assessment, and market values may be impacted by climate risk factors, for example, higher green rated properties or properties with sustainable features or which are less vulnerable to climate-related risk potentially have higher market values than an equivalent property without such features. Valuations can take these factors into account as part of the overall assessment of a property's market value. For FY24, apart from the consideration of the factors noted above, no specific valuation impacts from climate change were made by the valuers as part of their independent valuations of the properties owned by Investore.

Physical risk assessment

During FY24 Investore, with the assistance of its Manager, SIML, undertook an assessment of the potential physical impacts of climate change across its portfolio using the S&P Global Climanomics software modelling tool, as well as an assessment of the risk of sea level rise using the NZSeaRise and NIWA Sea Level maps. The S&P Global Climanomics tool assesses risk associated with the physical effects of flooding (fluvial and pluvial), temperature extremes, tropical cyclones, drought and wildfire, and reflects the climate-related change in the level of hazard exposure of an asset over time, relative to an historical baseline. The tool provides a risk assessment (expressed as a percentage of loss relative to total asset value) across different climate outcomes, based on the Shared Socioeconomic Pathways of SSP1-2.6, SSP2-4.5, SSP3- 7.0 and SSP5-8.5.

As the S&P Global Climanomics software models averages, it cannot accurately predict impacts or costs for particular properties but can provide a general understanding of the expected impact of physical risks on properties, which can then be further investigated with specific engineering advice where this is considered appropriate. The risk of sea level rise in the S&P Global Climanomics system is calculated in a different way to the accepted practice in New Zealand, resulting in zero impact from this risk in the S&P Global Climanomics system. To ensure that the sea level rise risk is appropriately assessed, Investore has considered this risk based on the NZSeaRise and NIWA Sea Level maps.

Based on the outputs of the S&P Global Climanomics software, no Investore property is materially impacted by physical risks of climate change. Rising temperatures have some impact under the hot house world scenario, but the primary financial impact is the result of degradation of air conditioning functionality due to having to operate in higher than anticipated temperatures. As we expect this to manifest over time, it will be important to consider upgrading air conditioning units as they reach the end of their useful life, rather than having to undertake a major upgrade that was not anticipated.

Based on the sea level rise analysis undertaken, no Investore sites are impacted by sea level rise before 2050, however the analysis did not include Bay of Plenty as no data was available for that region. Investore owns three properties in the Bay of Plenty. The analysis indicates there is some impact of sea level rise in the Kaiapoi and New Brighton regions surrounding Investore's sites - from 2030 in Kaiapoi and 2050 in New Brighton.

While we have considered the overall potential impact of physical risks to Investore's portfolio of investment properties, we have not at this stage quantified those risks.

Strategy

Current transition impacts of climate change

Transition risks faced by Investore include the expectation of tenants and investors regarding improved energy efficiency of Investore's portfolio or the introduction of regulations requiring improved energy efficiency of properties. Improving Investore's portfolio ahead of any regulatory requirement to do so will assist with managing the transition risks described on pages 35 to 41, including risks related to the introduction of regulations requiring improved energy efficiency of properties and the introduction of mandatory disclosure of energy and carbon performance for all properties.

Investore has undertaken a number of projects during FY24 which relate to the transition risks identified by it as set out on this page. Investore considers these projects to constitute its current transition impacts of climate change. Investore did not experience any other transition impacts of climate change during FY24.

Project	Description	Financial Investment (note all figures are exclusive of GST)
Development of plan to remove R22 refrigerant from Investore portfolio	6 units that utilise R22 refrigerant were replaced during FY24, bringing the total to 14 units replaced to date. Investore plans to replace a further 38 units by the end of FY26, with the final 23 units to be replaced when they reach the end of their economic life. R22 refrigerant has a high global warming potential, and its replacement is intended to assist in lowering Investore's scope 1 emissions. See page 11 for more information	$258,000 investment for FY24; approximately $800,000 planned over FY25 and FY26
Construction of new supermarket at Waimakariri Junction	Sustainability initiatives implemented in the development of this new building will help to ensure the building is energy efficient and supports a low carbon future, thereby reducing Investore's scope 3 emissions – see page 12 for further information	Investore considers the implementation of sustainability initiatives to be part of the cost of the overall development, and does not specifically separate these costs. However, an estimate of the additional cost of implementing the sustainability initiatives is approximately $640,000
Completed feasibility assessment for the installation of solar panels at a single tenanted large format retail property	The installation of solar panels will reduce tenant electricity consumption from the national grid (with tenant electricity consumption contributing to Investore's scope 3 emissions). Our work demonstrates that installation of solar panels is feasible, and our next step is to work with our major tenants to progress this initiative	A small amount has been invested in completing the feasibility to date, with the primary resource being internal SIML resource
Contributed to costs incurred by tenants in replacing lighting with low energy LED lights	The replacement of lighting with low energy LED lights will help to reduce tenant energy consumption, which form part of Investore's scope 3 emissions	$414,000 contributed to tenant LED upgrades during FY24

Strategy

Climate scenarios

Scenario analysis

Investore's Manager, SIML, was an active participant in the development of the sector scenarios for the construction and property sector, including being involved in both the leadership group and the technical working group. 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. Beca facilitated the development of the scenarios, which were developed through workshops involving the technical working group. The scenarios were then approved by the leadership group, on recommendation from the technical working group.

There were 45 organisations involved in the development of the sector scenarios, including listed property companies, retirement village and aged care operators, property developers and materials suppliers. A number of workshops were held over a period of approximately 9 months, with the draft scenarios being reviewed by the working group as well as interested stakeholders such as major investors.

The three scenarios developed 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 of the participants in the sector.

Strategy

Climate scenarios

Applicability of scenarios to Investore

Investore has undertaken a review of the scenarios to test the applicability of the scenarios to Investore's business and to customise the scenarios as required to focus on those aspects that are likely to challenge the Investore business strategy. During FY24, a working group comprising SIML people considered the scenarios and any specific changes required to reflect Investore's business. The Investore Board then considered the development of the scenarios as part of a sustainability workshop held in December 2023 in conjunction with the Stride Boards. The process undertaken by Investore, which builds on the process adopted for the development of the sector scenarios, is described in the diagram on the right.

As a result of the scenario development process, the Investore Board considered that the sector scenarios developed for the property and construction sector were largely applicable to Investore's business, however there needed to be some additional focus on transportation methods, urbanisation and commuting trends. This is because Investore's business is focussed on large format retail properties which tend to be based in suburban locations and rely on people driving to the location. If and to the extent that commuting patterns change and people rely more on public transport, then there could be a shift in demand for the current large format retail property that Investore owns, which include a significant number of carparks, to smaller retail sites located near public transport nodes. As can be seen in the climate-related risks and opportunities described on pages 35 and following, this creates both risk and opportunity for Investore.

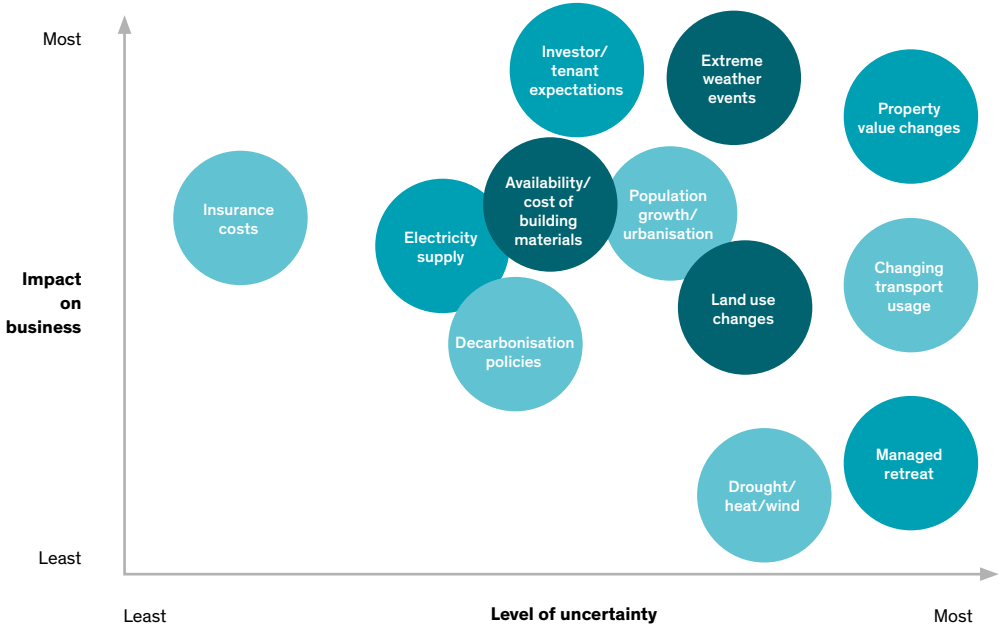
Investore considers that the construction and property sector scenarios, as customised by Investore and described in this report, are relevant and appropriate for assessing the resilience of Investore's business model and strategy to climate-related risks and opportunities, as the scenarios incorporate the factors that are most relevant to Investore's business and have the most impact on shaping Investore's business and strategy.

While Investore has considered the implications of the scenarios for its business strategy, scenario analysis is not yet fully integrated within Investore's strategic processes, and this is an area for further development.

Strategy

Climate scenarios

In considering driving forces, Investore sought to identify the factors having the most impact on its business, which influence not only climate scenarios, but also business strategy, and which are important elements for constructing Investore's transition plan.



Time horizons

In developing the scenarios, longer term time horizons were used, out to 2100, as the physical impacts of climate change are most extreme at these longer timeframes. The time horizons considered in 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 Investore and the property sector as a whole.

Investore considered the scenarios in its climate risk assessment process, but has utilised time frames out to 2050 in that process, as Investore considers this to be its longest time frame for consideration of strategy and decision-making.

Scenario narratives

Set out on the following pages is a brief description of the scenarios adopted by Investore. More detailed descriptions of each scenario are set out in the Appendix to this report.

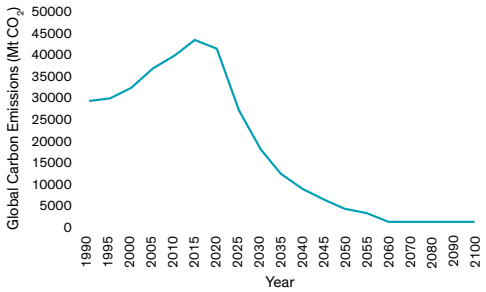
Further information on each scenario, as well as the sources of data used to construct each scenario, are available on the New Zealand Green Building Council's website: **www.nzgbc.org.nz**.

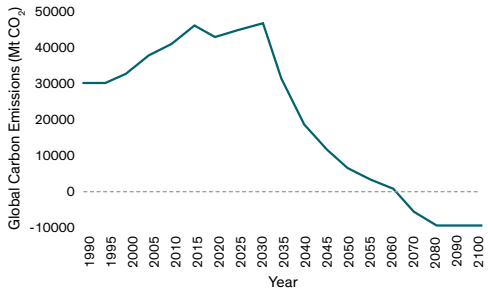
Strategy

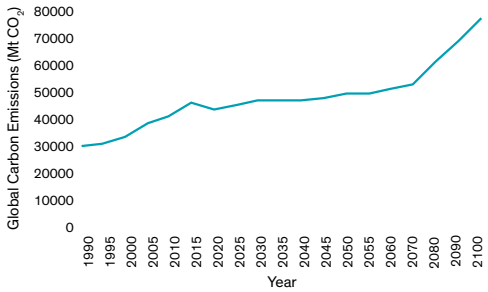
Scenarios

Set out below is a high level summary of the scenarios and how each develops over time.
A more detailed narrative description of each scenario is set out in the Appendix to this report.

	Orderly 1.5°C	Disorderly	Hot House World 3.0°C
Climate Change / Temperature Outcome	The world succeeds in limiting warming to 1.5°C above pre-industrial levels by 2100	Global emissions continue to rise in the short term. The increasing frequency of climate-related physical events drives a sudden shift in global policy around 2030, leading to limiting global warming to below 2°C above pre-industrial levels by 2100	No further effective climate policy is enacted; global emissions continue to grow, which leads to greater than 3°C of physical warming above pre-industrial levels by 2100
Emissions pathway	Global Emissions Pathway	Global Emissions Pathway	Global Emissions Pathway
Policy implementation and socio-political instability	Regulatory changes are well-signalled and broadly supported, leading to low/moderate socio-political instability	New Zealand follows the majority of the world in implementing abrupt policy and market changes post-2030. Whilst rapid policy, technology, and behaviour change does occur, it is disordered and inconsistent across sectors and sub-sectors. This leads to moderate socio-political instability	New Zealand does not enact any additional climate policy. Regulatory changes are slow and focus on adaptation and managing climate-driven immigration/refugees. Extreme physical impacts lead to high socio-political instability







Strategy

Scenarios (cont.)

	Orderly 1.5°C	Disorderly	Hot House World 3.0°C
Energy transition	The global energy grid shifts uniformly and quickly away from fossil fuel use to increased use of renewables, which make up near 100% of electricity production in New Zealand by 2050	The relative affordability of low carbon generation in New Zealand means the grid is already steadily decarbonising through the short term. A slow increase in demand for electricity doesn't provide sufficient signals for the necessary upgrades, leading to supply constraints, as well as the risk of price shocks and blackouts	New Zealand follows global trends in not introducing additional policies focussed on renewable energy, and both technology and behaviour change remain slow across all sectors. New Zealand's electricity grid is gradually decarbonised but does not achieve 100% renewable generation in the long term. Increasing frequency and severity of weather events such as storms result in more frequent and severe damage to electricity assets and more frequent and longer blackouts
Building regulations	Energy and carbon limits for new buildings are phased in rapidly. The scale of retrofit activities is significant, with most properties built prior to 2020 needing upgrades (if not already completed). This results in increased operational expenses and the need for capital expenditure	At 2030, significant regulatory changes demand an immediate step change in building energy and carbon requirements. New technologies haven't been developed in time, leading to disruption of the building and materials market that impacts new buildings and retrofit development, leading to significant price escalations and construction delays	There is more demand for buildings that are resilient to direct climate-related physical events and infrastructure failures
Technology and behaviour change	As the carbon price and waste levies increase, a shift to a more circular economy occurs. This, together with the need to decarbonise buildings, results in significant demand for low carbon building products, materials, and technologies, which puts pressure on supply chains for these products and leads to increased costs in the short term	There is little change until 2030, at which point there is rapid, but inconsistent change. The pace of change after 2030 generates significant financial incentives for innovation, especially for carbon sequestration, capture and storage, which must play a large role in greenhouse gas emissions reduction by 2050	Changes to building codes are focussed on the response to physical impacts from climate change, increasing the cost of development. Resilience requirements capture existing buildings which need to be upgraded to be considered safe

Strategy

Scenarios (cont.)

	Orderly 1.5°C	Disorderly	Hot House World 3.0°C
Social impacts	Social changes start to occur in the short term as a result of market behaviour, working habits, required knowledge/skills, purchasing and investment behaviours. Globally aligned efforts to reduce warming results in manageable levels of climate-related refugees and modest net migration to New Zealand	Minimal social changes occur prior to 2030, however the pace of change around 2030 results in carbon intensive industries being rapidly decarbonised, divested from, or progressively regulated out of existence. The rapid change results in parts of society being "left behind", leading to unrest, crime and an overall reduction in safety and security for both individuals and organisations. Rapid decarbonisation requires increasing urbanisation	Increasing severity and frequency of weather events causes disruptions to global food supplies in the medium term. Social cohesion starts to degrade and conflict and unrest become increasingly common. Increases in temperature around the world results in a large increase in net migration to New Zealand
Demographic and transport changes	Decarbonisation policy drives rapid densification of urban areas to reduce urban sprawl. Although levels of working from home increase, public and active transport infrastructure also grows to accommodate those who still need to commute. Behaviour and policy change drives greater usage for active and public transport networks and creates demand for rapid upgrades and expansions	Continuing sprawl and investment in road-based transportation throughout the 2020s has created an infrastructure network that is more entrenched and difficult to transition to a low carbon alternative. Roading and older infrastructure requires significant upgrade to align with the decarbonisation policies enacted in 2030, increasing the costs of transition, but providing the ability to readily adapt our infrastructure strategies to technology changes. After 2030, public and active transport infrastructure grows as behaviour and policy change drive greater usage and necessitate rapid upgrades and expansions	There are strong measures implemented to address resource scarcity, with access to energy and other resources being restricted for non-critical functions, including carless days, water restrictions, and limits on air conditioning, etc More extreme weather puts significant strain on power infrastructure and the security of electricity supply is at risk. This risk is moderate in the short term but becomes increasingly extreme in the medium and longer terms as increasing emissions drive more frequent and severe extreme weather events

Strategy

Scenarios (cont.)

	Orderly 1.5°C	Disorderly	Hot House World 3.0°C
Physical risk level	Temperature change is limited to 1.5°C above pre-industrial levels. By 2050, New Zealand is still dealing with moderately severe climate-related events, but the outlook for 2100 is more positive. A combination of managed retreat and infrastructure investment has mitigated long term physical risks	New Zealand faces moderately severe physical impacts of climate change with an increase in extreme wind speeds (up to +5%), rainfall intensity (+6%), and number of hot days (+40%) by 2050	New Zealand faces severe physical impacts of climate change with increased extreme wind speeds (+5 to 10%), increase in rainfall intensity (+8.6%), and a significant increase in the number of hot days (+100%)
Transitional risk level	While change occurs to transition to a low carbon economy, this change is well-signalled and uniform, although there is some disruption such as due to supply chain shortages for low carbon products	There is no change until 2030, at which point rapid policy, technology, and behaviour change occurs, but this is disordered and inconsistent	Decarbonisation is not a priority and there is no significant behaviour change. Policy shifts towards addressing national and regional security and resource scarcity

Strategy

Climate-related risks and opportunities

Investore has considered physical and transition risks to its business under each of the three scenarios described on the previous pages – orderly 1.5°C scenario, disorderly scenario, and hot house world 3.0°C scenario, and across three time horizons:

- Short – present to 2030
- Medium – 2030 to 2040
- Long – 2040 to 2050

These are identified in the risk chart on the following pages as:

S **Short (present - 2030)**

M **Medium (2030 - 2040)**

L **Long (2040 - 2050)**

Investore has focussed on the timeframe to 2050, as this is the longest timeframe for planning that is considered by the Investore Board and is consistent with its strategic planning horizons, with asset plans created in 10 year cycles. 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.

In determining the risk rating for each risk described in this report, the rating has been assessed after application of controls or mitigation measures. The rating of the risks has been assessed against the Investore business risks to ensure relativity.

Investore's risk ratings cover five gradients:

Minimal

Minor

Moderate

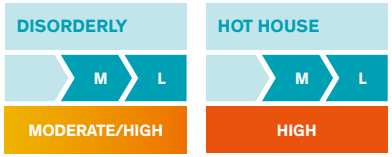
High

Extreme

The risks described in this report, and their risk rating, represent Investore's current understanding of the impact of climate change on Investore's business. However, there may be risks that eventuate that Investore is not aware of, and risks that have been considered may have impacts that Investore does not currently anticipate. Investore has not yet quantified the potential impact of the climate-related risks identified and accordingly the quantification exercise, when completed, may also inform the risk rating.

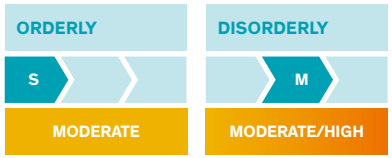
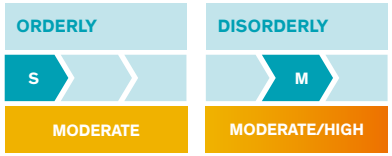
Strategy

Climate-related risks

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Physical risk: Increased frequency and severity of weather events results in higher costs through repairs to buildings, higher insurance costs and local council rates.	This risk arises primarily under the disorderly and hot house scenarios, where weather impacts are greatest. 	• An increase in frequency and severity of extreme weather events 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. • There may also be increased costs of insurance and potentially the inability to obtain insurance coverage in certain areas or for specific risks. • Extreme events may also cause disruption to supply chains and tenant businesses, potentially resulting in inability to pay rent.	• No Investore properties were impacted by severe weather events during FY24. • We have seen significant increases in insurance premiums over the last two financial years, due at least in part to costs incurred by insurers from extreme weather events around New Zealand and overseas.	• Investore seeks to ensure that its properties are resilient to the impacts of extreme weather events, particularly when considering upgrade or maintenance works, and considers physical resilience and level of physical risk for a particular location as part of its due diligence investigations for new acquisitions. • Investore, through its Manager, SIML, maintains a close working relationship with insurance brokers and insurers, and develops strategies to ensure that its insurances are resilient in the long term.
Transition risk: Regulations requiring improved energy efficiency of properties.	This risk is most likely to arise under the orderly and disorderly scenarios. Under the orderly scenario, it is expected to occur over the short term, while under the disorderly scenario, the impact is expected to occur over the medium time frame, and will be more sudden and severe, and require more immediate property upgrades, thus potentially having a greater impact. 	• Increased capital expenditure will be incurred to retrofit existing buildings which may not be recoverable from tenants, impacting profitability, and potentially also impacting the value of properties. The costs of developing new buildings may also increase due to increased performance specifications, which would require either more rent to achieve an acceptable yield, or reduce profitability. There is potential for stranded assets if the cost of upgrading assets is not financially viable. • There may also be challenges with obtaining low carbon materials to meet requirements and shortages of expert or consultant resource with the required knowledge if regulations are introduced suddenly.	• There are currently no regulations requiring disclosure of the energy efficiency performance of properties, or specific levels of energy efficiency.	• Monitor the introduction of legislation. • Continue to improve the performance of existing properties, where this is within Investore's control, including consideration of the installation of solar panels (see page 18 for work completed to date by Investore in this area) • Investore targets 5 Green Star ratings for new developments, which will assist with meeting any future energy efficiency requirements.

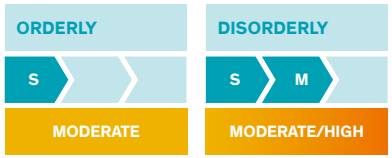
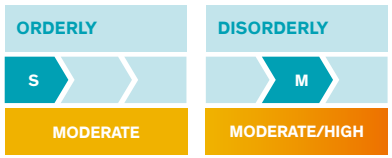
Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Transition risk: Failure to keep up with technological advances and expectations of tenants for energy efficiency, renewables and low carbon technology.	This risk is expected to have the most impact under the orderly and disorderly scenarios and across the short / medium timeframes. The risk is expected to be more severe under the disorderly scenario due to the likely sudden and rapid change in expectations. 	• 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.	• Investore manages this risk through targeting a 5 Green Star rating for all newly developed buildings. Investore is also exploring the feasibility of installing solar panels on existing buildings. See page 18 for further information.	• Continue to pursue sustainability strategy and transition plan. • Monitor market trends, including expectations of tenants.
Transition risk: Increased urbanisation results in lower demand for regional supermarkets and hardware stores.	This risk is expected to have the most impact under the orderly and disorderly scenarios and across the short / medium timeframes. 	• Increased demand and value for urban assets will potentially result in suburban or rural assets having reduced value. Investore has assets spread across a number of regions, with a focus on higher growth areas. However, if there is a move away from regions, then Investore's regional assets may reduce in value.	• We have not seen any evidence of this change eventuating at this stage.	• Continue to ensure geographical diversification of assets, and monitor demographic changes through Statistics NZ.

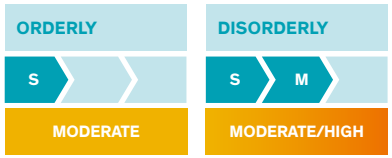
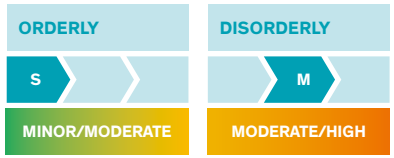
Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Transition risk: Transitioning to a low carbon world results in supermarkets focussing more on delivery, with fewer traditional supermarkets.	This risk arises under the orderly and disorderly scenarios, over the short and medium timeframes. The risk is expected to have a moderate impact under the orderly scenario and a moderate/high impact under the disorderly scenario. 	• This could result in less demand for large format retail space, which is Investore's strategy.	• Recently we have seen Woolworths, Investore's major tenant, focus on fulfilling online demand through its existing network of stores, creating demand for online fulfilment facilities as described in Investore's FY24 annual report. We have not seen many "dark stores" which serve online only orders. In 2017 Woolworths indicated they expected to open up to five dark stores in New Zealand, but to date they have only opened three dark stores, indicating that they may have moved to fulfilling online demand through existing stores and infrastructure.	• Maintain a close relationship with Woolworths, as a major tenant, and seek to meet their demand for dark stores, should that continue. • Continue to work with Woolworths to upgrade online fulfilment capability at existing stores. • Seek to ensure that properties are positioned so as to be in demand under a range of futures – whether a dark store or a store open to the public.
Transition risk: Introduction of mandatory disclosure of energy and carbon performance for all properties.	Under the orderly scenario, this risk is likely to occur over the short timeframe. Under the disorderly scenario, this risk will occur over the medium timeframe and may have a greater impact due to the rapid introduction of energy disclosure obligations. 	• If legislation is introduced which requires transition over a short term, then there will be greater demand for experts and materials to transition buildings and this could result in higher costs, or tenants leaving properties which are not energy efficient. • There will also be additional costs to obtain energy performance ratings across the portfolio.	• Legislation has not yet been introduced, but has been discussed and promoted by the New Zealand Green Building Council. • To date we have not seen demand from tenants for green rated large format retail properties.	• Monitor introduction of legislation. • Continue to target green ratings for new developments.

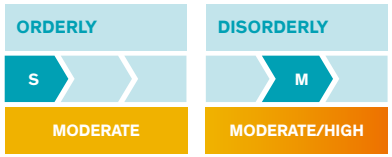
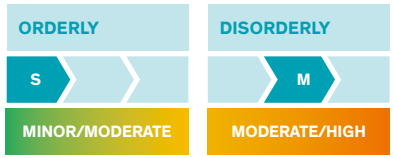
Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Transition risk: Investors seek to exit as a result of not meeting expectations or mandates; high debt costs due to lender requirements.	This risk arises under the orderly and disorderly scenarios, over the short and medium timeframes. The risk is expected to have a moderate impact under the orderly scenario and a moderate/high impact under the disorderly scenario. 	• If Investore does not meet investor expectations regarding transitioning to a low carbon future, investors could seek to exit their investment, thus impacting Investore's share price and making growth difficult. • Banks may also impose higher debt funding costs if there is a failure to meet lender expectations regarding transitioning to a low carbon future.	• Investors, particularly institutional investors, are becoming more focussed on ensuring that companies they invest in are meeting their expectations regarding the transition to a low carbon future. We have not seen this result in any negative impacts on Investore to date.	• Monitor market trends and expectations of investors. • Continue to pursue sustainability strategy and transition plan.
Transition risk: Carbon price increases impact cost of materials and building operations.	We expect this risk to arise primarily under the orderly and disorderly scenarios. Under the orderly scenario we would expect a steady increase in the carbon price, which is likely to have a minor/moderate impact. However, under the disorderly scenario, the increase in carbon pricing would be expected to be more sudden and extreme, having a potentially greater impact. 	• Increasing carbon price impacts cost of materials and increases costs of upgrading existing buildings to meet energy efficiency targets and maintain buildings. If tenants do not agree to increased rent, this can impact profitability and the value of properties over time. • The increased costs of construction may also result in projects not being feasible and therefore impact Investore's ability to grow through development. • This risk could be magnified under the disorderly scenario if there is also a requirement to improve energy performance introduced around the same time.	• To date we have not seen any significant increase in carbon costs.	• Investore, through its Manager, SIML, monitors the carbon price, and will look to use low carbon materials where practicable and financially feasible.

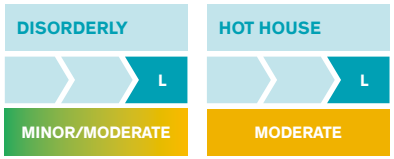
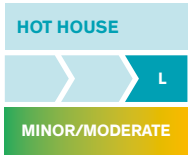
Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Transition risk: Policy change requiring low carbon construction products and processes progresses faster than supply chains can adapt.	We expect this risk to arise primarily under the orderly and disorderly scenarios. Under the orderly scenario we would expect a well signalled introduction of legislation, which is likely to have a moderate impact. However, under the disorderly scenario, the introduction of legislation could be more sudden, having a potentially greater impact. 	• Project delays due to low carbon materials not being readily available and in high demand. This delays rent being received from developments, thus impacting income. • Increased cost as demand for low carbon materials outstrips supply. This may impact profitability if not matched by increased rents from tenants. • Inability to upgrade properties to meet efficiency and emissions demands from tenants may result in lower rents, thus impacting the value of properties.	• There has been no suggestion of regulations mandating the use of low carbon products. Many low carbon products are still in development, and so we consider that there is insufficient scope of low carbon products to support any such legislation.	• Investore, through its Manager, SIML, monitors regulatory change. Investore also seeks to use low carbon materials on new developments where practicable, helping to create demand for low carbon materials.
Transition risk: Move to more renewable energy, coupled with increasing demands for electricity, results in increased cost and uncertainty of supply of electricity.	This risk is expected to arise over the short term under the orderly scenario. Under the disorderly scenario the move to renewable energy is likely to be more sudden and have a greater impact, although over the medium term. 	• This risk is expected to be borne primarily by tenants, although this may result in tenants requesting Investore to install more on-site generation. • More uncertainty for tenant operations impacts profitability of tenant businesses, resulting in tenants seeking to reduce rent.	• To date we have seen little to no negative impacts from the increasing demands for electricity.	• Seek to ensure new buildings are energy-efficient. • Explore potential for on-site generation, such as solar (see also page 18 for Investore's progress in this strategy).

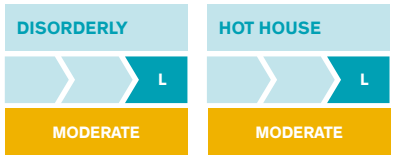
Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Physical risk: High temperatures result in increased demand for cooling, increasing operating costs and greater load on plant.	This risk is expected to arise under the hot house scenario, over the long term. There could also be some impacts under the disorderly scenario over the long term, but these are expected to be more minor. 	• Increased operating costs due to greater load on plant and equipment, which also increases repair and maintenance costs. • Greater load on air conditioning plant may result in a lack of performance, leading to poor tenant experience.	• We have not yet experienced sufficiently hot temperatures to impact air conditioning systems.	• Monitor changing temperatures and ensure that any newly installed air conditioning equipment is fit for purpose over the longer term given the relatively long life of air conditioning equipment.
Physical risk: Risk to assets due to sea level rise and sea surge events.	This risk is expected to have some impact under the disorderly scenario over the longer term, although it will be most severe under the hot house scenario, where it is expected to have a minor/moderate impact. 	• There could be damage to properties in exposed areas due to sea level rise and the likelihood of larger sea surges and coastal inundation, leading to increased costs of maintenance and repair. In addition, there could be increased capital costs due to the need to make properties more robust. • Insurance costs are expected to increase due to higher risk, and in some cases there may be insurance retreat. • Property rates may increase as local councils incur higher costs to maintain and repair infrastructure that may be impacted by sea level rise or sea surge events, as well as costs associated with making infrastructure more resilient.	• We have seen material increases in insurance costs over the last two financial years due to increasing costs to insurers from extreme weather events. To date no Investore property has been impacted by sea level rise or sea surge events.	• Investore, through its Manager, SIML, has undertaken an analysis of the impacts of sea level rise across the portfolio using the NZSeaRise and NIWA Sea Level maps, which has informed the risk rating (see also page 25 for more information). • Investore considers climate-related risks as part of its due diligence assessment for any acquisitions.

Strategy

Climate-related risks (cont.)

Risk description	Time horizon and risk rating	Future / potential impacts	Current impacts	Strategy to monitor and manage risk
Physical risk: Increase in rainfall intensity changing ground conditions and undermining stability of assets and connected infrastructure.	This risk is expected to arise primarily under the hot house scenario, and also the disorderly scenario, over the longer time frame. The risk is expected to be moderate.  	• Assets may become stranded if ground instability occurs. • Damaged infrastructure may mean assets are unable to be utilised by tenants.	• To date we have not seen any impacts from this risk.	• Investore, through its Manager, SIML, has undertaken modelling using the S&P Global Climanomics software which has indicated that the risk of pluvial and fluvial flooding is not material to the Investore portfolio over the timeframe to 2050. • Seek to ensure that any new acquisitions are located in areas where they are least at risk of pluvial and fluvial impacts. • Seek to upgrade drainage at existing properties when practicable.

Strategy

Climate-related opportunities

Opportunity	Time horizon	Future / potential impacts	Current impacts	Strategy
Transition opportunity: Acquire properties that may be "stranded" and improve them to realise value	Medium term	Investore may be able to acquire buildings that need sustainability upgrades where the owners are not willing to invest to improve the property or do not have the skills or financial resources to do so, and transition these buildings to a sustainable, efficient, low carbon building, thus driving higher demand for the building and increasing its value.	The current value of less sustainable buildings does not yet represent value for money for upgrading. However, as demands for sustainable buildings increase, or as regulations are introduced, this could impact the value of existing older buildings that have not had a sustainability upgrade.	Continue to monitor the market and seek opportunities where they arise.
Transition opportunity: Reduction in car use means fewer carparks needed, freeing up space for alternative utilisation of properties	Medium to long term	Investore's properties have low site coverage, meaning buildings cover less than half of the property size, with carparks a large part of the site. This is because people tend to drive to Investore's properties to complete their shopping. Over time there could be reduced private vehicle usage, due to the need to transition to lower carbon forms of transport, meaning less need for carparks, and freeing up space for alternative utilisation of the site. This could result in greater value to Investore from its existing properties.	To date we have not yet seen any reduced demand for carparks from tenants.	Investore maintains close contact with its tenants to understand their needs for the site and work with tenants to optimise site usage as opportunities arise.
Transition opportunity: Benefits from being a "first mover" to a low carbon world	Short term	Investore could benefit from increasing tenant demand for sustainable properties, which may enable it to charge higher rents, increasing the value of the building (all other things being equal).	While Investore is not seeing increased demand from tenants to upgrade existing properties, major tenants are valuing green rated new developments, such as Woolworths Waimakariri Junction.	Investore targets a 5 Green Star rating for newly developed properties. Investore will also monitor tenant demands for sustainability upgrades for existing buildings.
Physical opportunity: More physical damage to properties results in higher demand for hardware, encouraging hardware tenants to renew existing leases or expand their store network	Medium to long term	As more severe weather events are experienced across New Zealand, there will be more demand for temporary clean up materials and long term repairs, driving demand for hardware stores. Hardware stores currently represent 16% of Investore's portfolio by Contract Rental[1] and its investment mandate would permit it to invest in owning further hardware stores, if existing or new tenants sought to expand their network to respond to increased demand.	To date we have not seen increased demand for hardware store locations.	Investore seeks to maintain good relationships with its tenants, and to demonstrate its expertise in developing large format retail property, so as to be a landlord of choice should hardware store operators seek additional locations.

1. See footnote 2 on page 4.

Strategy

Consideration of risks and opportunities as part of capital decision-making

Investore seeks to ensure that its assets are resilient against potential future risks arising from climate change, as outlined on the previous pages. In particular, Investore has been focussed on the need to prepare for transition risks arising from the potential for regulations requiring improved energy efficiency of properties, meeting the expectations of tenants and investors regarding energy efficiency, and the introduction of mandatory disclosure of energy and carbon performance for all properties.

These risks are considered as part of Investore's decision-making regarding upgrading properties, and form the basis of our transition plan. This plan includes a focus on Investore's primary areas of emissions, and to date has focussed primarily on existing and newly developed buildings. When Investore acquires properties, it will consider climate-related risks as part of its due diligence investigations.

Refrigerants

Seek to reduce scope 1 emissions from air conditioning through transitioning away from R22 refrigerant use, resulting in lower emissions from Investore's properties – see page 11 for more information

Carpark lighting

Target LED lighting to be installed in all areas, which is expected to assist in reducing Investore's scope 2 emissions, improving energy efficiency

Scope 3 emissions

Target 5 Green Star ratings for all new developments, helping to ensure energy efficiency of buildings

Support tenants in replacement of lighting with LED lights

Explore installing solar panels on buildings to assist with reducing electricity consumption and improving resilience of operations

Support major tenants in their sustainability objectives where practicable

Risk Management

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

Investore works closely with its Manager, SIML, on the identification, assessment and management of risks, including climate-related risks. SIML has implemented a Climate Risk Management Framework which describes the process for identifying, assessing and managing climate-related risks, as well as the process that will be followed to ensure an ongoing review of climate-related risks. This process is utilised by SIML in its climate-related risk assessment process undertaken for Investore.

Climate-related risks, as well as our understanding of their impact, are continuing to evolve and develop, and become more apparent. Climate-related risks have environmental impacts, along with operational, regulatory, and financial risks.

To date, Investore has considered climate-related risks on an annual basis. The initial identification of climate-related risks (both physical and transition risks) that may impact Investore was identified through a series of workshops held by SIML, as Manager of Investore, in 2021. These workshops involved a number of SIML people across varying teams and with varying perspectives, including those responsible for managing the Investore portfolio. This provided a very broad assessment of climate-related risks, which were initially identified without considering the potential magnitude of the impact of the risk, in order to ensure all potential risks were identified. The identified climate risks were further reviewed and refined during FY23 and FY24.

During FY24, further work was undertaken to assess the impact of the identified climate-related physical and transition risks. The potential impact of each identified risk was considered against the rating framework used to assess the impact of enterprise risks for Investore, and climate-related risks were given a risk rating based on that framework. This framework considers impacts on people, environment, financial metrics, operations and governance. In assessing the likely impact of physical risks, the outputs of the physical risk modelling and assessment work completed during FY24 (as described on page 25) was also taken into account.

In assessing the likely impact and scope of climate-related risks, Investore mapped its value chain and excluded items that were considered to be immaterial from a climate risk perspective, such as professional consultants (upstream). However, all other aspects of Investore's value chain have been considered when defining and assessing climate risks.

The same tools and methods used to assess the impact of enterprise risks were utilised when assessing the impact of climate-related risks, which is to consider the potential impact of climate-related risks under each of the categories used to assess enterprise risks – people, environmental, financial, operational and governance.

In considering the potential impact of climate-related risks, Investore has used the same timeframes as used by its Manager, SIML - short (present to 2030), medium (2030 - 2040) and long (2040 - 2050). These were felt to be the most appropriate, given the lifecyle of buildings, and Investore's strategic planning horizons. 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 long timeframe considered for each of the risks assessed.

Following SIML Management's assessment of the likely impact of each climate-related risk, climate-related risks were given a rating of minimal, minor, moderate, high or extreme. The overall assessment of the impact of climate-related risks was reported to the Board, together with a description of the process followed. To ensure that the overall assessment was appropriate, the Board undertook a

Risk Management

calibration exercise where climate-related risks were considered and prioritised against enterprise risks at different risk rating levels. In this way, Investore has commenced integrating climate risk into its overall enterprise risk framework, although the Board expects that this process will continue to develop and evolve over time, including as our understanding of climate-related risks and their actual and potential impact is further developed, and as we quantify the impact of climate-related risks.

Specific strategies have been established to monitor and manage each climate-related risk, as described on pages 35 to 41 of this report. Risk management, including climate risk management, is the responsibility of the Investore Board. The Board has established an Audit and Risk Committee which has responsibility for the identification and assessment of enterprise risks. However, given the emerging understanding of climate-related risks and the potential impact on Investore's business, the Investore Board has to date been responsible for the identification, assessment and management of climate-related risks as reported by SIML Management. The Board anticipates that over time, as climate-related risks become more integrated with business risks, responsibility for climate-related risks will become part of the role of the Investore Audit and Risk Committee.

SIML, as Manager of Investore, and the SIML executive team, are accountable for implementing the strategies to monitor and manage all risks (including climate-related risks) for and on behalf of Investore, while the SIML General Manager Corporate Services is responsible for risk management across Stride and Investore, and is also responsible for sustainability initiatives and actions, making the integration of climate-related risk management and enterprise risk management a more streamlined process.

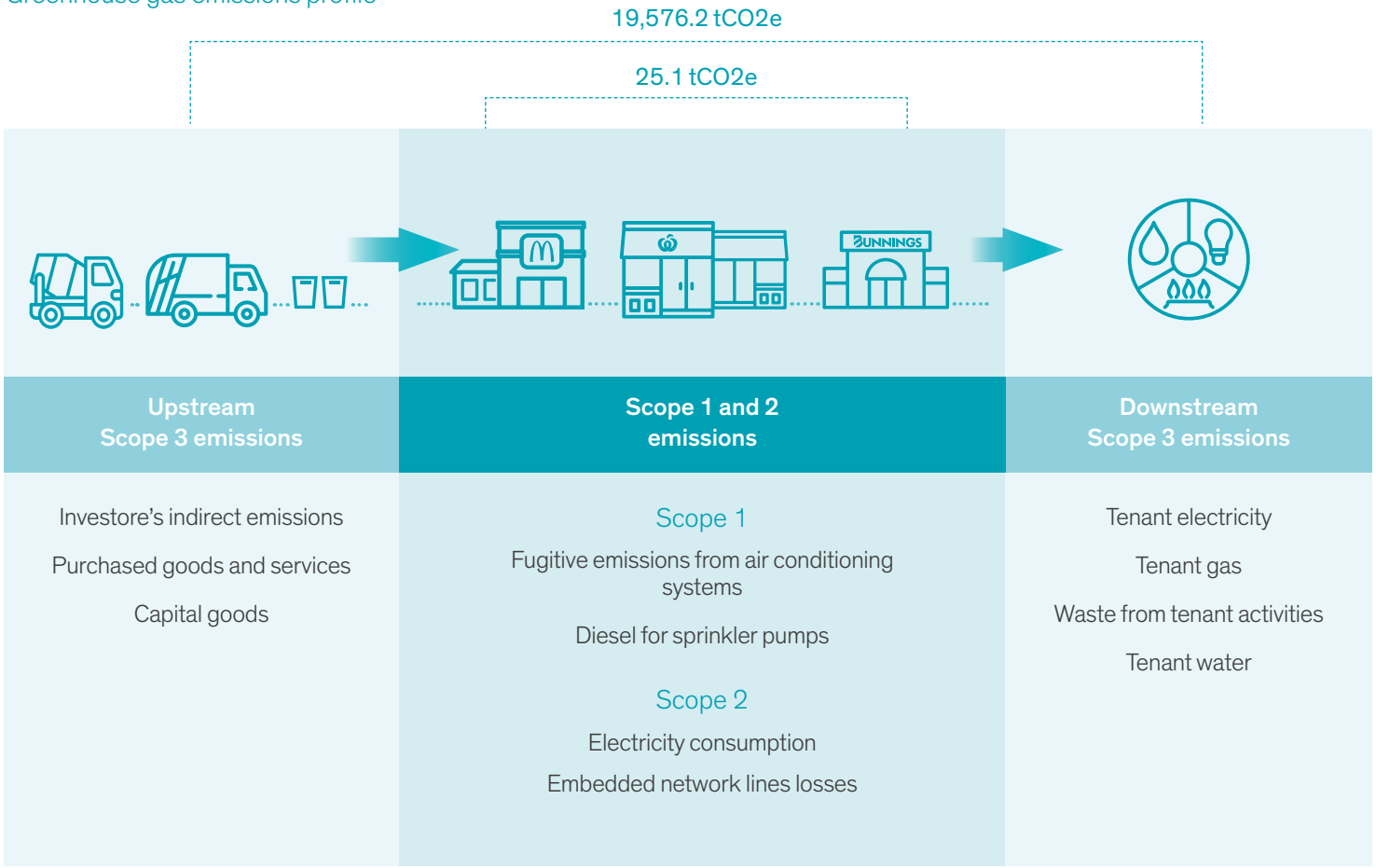
Metrics and Targets

This section is intended to enable users to understand how Investore measures and manages its climate-related risks and opportunities.

Greenhouse gas reporting

Investore's FY24 greenhouse gas inventory is attached to this report. Deloitte is engaged to provide a limited assurance conclusion in respect of Investore's greenhouse gas inventory, and their report can be found beginning on page 70. The greenhouse gas emissions from Investore's activities are captured and also included in the consolidated greenhouse gas emissions separately reported by SIML, as Investore's Manager, in accordance with the operational control approach used to report on greenhouse gas emissions by both Investore and SIML. As Investore is also reporting on its own greenhouse gas inventory, there is some duplication in emissions reporting between SIML and Investore. However, Investore considers it important to report on its own greenhouse gas emissions, to enable users to understand Investore's greenhouse gas profile.

Greenhouse gas emissions profile



Metrics and Targets

Greenhouse gas inventory - commentary

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

Investore's scope 1 emissions comprise diesel from sprinkler pumps and fugitive emissions from air conditioning systems. For FY24 scope 1 emissions have decreased by 59% from FY23, primarily due to a reduction in the refrigerant leakage from air conditioning systems managed by Investore. As described on page 11, Investore has identified the sites where R22 refrigerant gas is being used and has commenced the removal of air conditioning units that use R22 refrigerant and the replacement of these systems with a refrigerant with a lower global warming potential. Investore plans to replace the majority of R22 air conditioning units by the end of FY26.

Scope 2 emissions for Investore comprise electricity consumption (for common areas, which is primarily car park lighting) and embedded network lines losses. Scope 2 emissions for FY24 have decreased by 37%, with scope 1 and 2 emissions reducing by 51% from FY23, and by 72% from the FY20 baseline year. While Investore's scope 2 emissions have reduced from FY23, Investore will seek to further reduce these emissions to the extent practicable, and has a plan to ensure that all carpark lighting consists of LED lighting.

Scope 3 emissions have increased substantially from FY23, but this is primarily due to the additional categories of scope 3 emissions reported in FY24 compared to FY23, including purchased goods and services and capital goods (being the emissions associated with building products and capital expenditure). Investore has undertaken significant work in identifying and reporting its scope 3 emissions during FY24, although these remain subject to some exclusions and limitations as set out in the greenhouse gas inventory report. The largest scope 3 emissions remain tenant electricity and gas consumption. Investore's transition plan identifies actions to assist in reducing these emissions – see page 10 for further details.

Further detail regarding Investore's greenhouse gas inventory, including the standard that the greenhouse gas emissions have been measured in accordance with, are set out in Investore's greenhouse gas inventory on pages 60 to 69.

Investore Greenhouse Gas Emissions Inventory Summary FY24

Scope 1 Emissions tCO2e			
Category	**2024**	**2023**	**2020**
Stationary diesel	0.47	0.89	0.00
Fugitive emissions from air conditioning systems	12.61	31.31	78.58
Total Scope 1	**13.08**	**32.20**	**78.58**
Scope 2 Emissions tCO2e			
Electricity consumption (location based)	11.29	18.27	10.68
Embedded network line losses	0.70	0.82	0
Total Scope 2 (location based)	11.99	19.09	10.68
Total Scope 1 & 2 emissions (tCO2-e)	25.07	51.29	89.26
Scope 3 Emissions tCO2e			
Purchased goods and services	4,387.00	Not collected	
Capital goods	5,220.00	Not collected	
Waste	3,182.20	2,949.43	
Downstream leased assets – tenant consumption	6,766.39	7,905.70	
Other	20.63	5.64	
Total Scope 3	**19,576.22**	**10,860.77**	
Total Scope 1, 2 & 3 emissions (tCO2e)	**19,601.29**	**10,912.06**	

Metrics and Targets

Exposure to climate-related risks and opportunities

Investore has undertaken preliminary work to assess the extent to which its assets could be vulnerable to physical or transition risks, and that assessment is set out on this page. Investore expects that over time our understanding of how climate-related risks and opportunities may impact Investore will develop, and this may allow more detailed reporting on the exposure of Investore to climate-related risks and opportunities.

Metric	Assessment	Commentary	Action
Amount of assets vulnerable to transition risks	All of Investore's large format retail portfolio is vulnerable to one or more transition risks identified by Investore in its risk assessment	While Investore considers that it has relatively low scope 1 and 2 emissions, most of Investore's properties have been subject to long term leases for a considerable period of time, and therefore may not be as energy efficient as new properties. Accordingly, over time tenants could seek to require energy efficiency upgrades to existing buildings to meet expectations	Investore has limited ability to manage or influence operational emissions at buildings that are subject to long term tenancies. However, it is part of Investore's transition plan (see page 10) to work with tenants to improve the sustainability of buildings and tenant operations, including exploring the installation of solar panels on buildings to assist with reducing electricity consumption and improving resilience of operations. Investore also targets a 5 Green Star rating for new developments, ensuring new buildings are energy efficient for tenant operations
Amount of assets vulnerable to physical risks	As Investore owns and manages commercial property, all assets are vulnerable to physical risks to a degree	As described on page 25, during FY24 Investore undertook an analysis of the extent of its exposure to physical risks utilising the S&P Global Climanomics system and also undertook an assessment of the risk of sea level rise using the NZSeaRise and NIWA Sea Level maps. Based on that analysis, no Investore property is materially impacted by physical risks of climate change. Rising temperatures have some impact under the hot house world scenario, expected to primarily impact air conditioning functionality	Investore will continue to consider the need to ensure its assets are resilient to physical risks as part of its capital planning processes, including in the development and acquisition of assets. Investore will also consider whether further specific analysis is required for any particular properties based on the physical risk assessment completed to date

Metrics and Targets

Climate-related opportunities

Investore considers that it is useful to assess each of the climate-related opportunities identified by it in order to determine the amount of its assets and capital expenditure related to or aligned with each climate-related opportunity.

Opportunity	Amount of assets or business aligned with opportunity	Amount of capital expenditure deployed
Acquire properties that may be "stranded" and improve them to realise value	Investore has not pursued this strategy to date	Nil
Reduction in car use means fewer carparks needed, freeing up space for better utilisation of properties	Investore's portfolio comprises 62.8 hectares of commercial land holdings with an average site coverage of approximately 40%, providing scope for future site development over the long term	To date we have not seen any reduced demand from tenants for carparking. As many leases include obligations on Investore to make carparks available, this strategy will require discussions and agreement with tenants, which Investore expects will occur over the medium to longer term
Benefits from being a "first mover" to a low carbon world	During FY24 Investore developed Woolworths Waimakariri Junction, which has achieved a 5 Green Star Design rating and is targeting a 5 Green Star As Built rating. This asset is aligned with this opportunity and demonstrates the ability of Investore to develop energy efficient, sustainable large format retail properties	Investore considers the implementation of sustainability initiatives to be part of the cost of the overall development, and does not specifically separate these costs. However, an estimate of the additional cost of implementing sustainability initiatives as part of this development is approximately $640,000
More physical damage to properties results in higher demand for hardware, leading to more hardware stores	While there was strong demand for hardware supplies following the Auckland floods and Cyclone Gabrielle which occurred in FY23, Investore has not seen any additional demand from hardware tenants for more sites. 16% of Investore's portfolio by Contract Rental[1] comprises hardware tenants	Nil

1. See footnote 2 on page 4.

Metrics and Targets

Capital expenditure associated with climate-related risks

The transition risks that Investore has been focussed on to date are:

- Regulations requiring improved energy efficiency of properties
- Introduction of mandatory disclosure of energy and carbon performance
- Failure to keep up with technology advances and expectations of tenants and investors for energy efficiency, renewables and low carbon technology

Investore has a strategic objective of creating efficient, climate resilient places that deliver long term value and support a low carbon future, which has been established in order to address the potential impact of these transition risks. Investore's climate-related expenditure has to date been focussed on this objective. Investore has identified the expenditure listed in the table to the right as being incurred during FY24 in relation to climate-related transition risks. We note that no costs were incurred during FY24 in relation to physical risks.

Item of expenditure	Amount	Assumptions and comment
Removal of R22 refrigerant from Investore portfolio	$258,000	The cost of replacing 6 units that utilise R22 refrigerant during FY24
Construction of new supermarket at Waimakariri Junction	$640,000 (estimated)	Investore considers the implementation of sustainability initiatives to be part of the cost of the overall development, and does not specifically separate these costs. However, an estimate of the additional cost of implementing the sustainability initiatives is approximately $640,000
Completed feasibility assessment for the installation of solar panels at a single tenanted large format retail property	Nil	A small amount has been invested in completing the feasibility to date, with the primary resource being internal SIML resource, for which a separate charge was not made by SIML to Investore
Contribution to costs incurred by tenants in replacing lighting with low energy LED lights	$414,000	This amount comprises the contribution by Investore to the replacement of lighting by tenants with LED lighting, which is low energy lighting compared to traditional forms of lighting

Metrics and Targets

Remuneration

Due to its business model which includes outsourcing management of its properties and business to SIML, Investore has no employees, and accordingly remuneration is not relevant to Investore.

Internal carbon price

During FY23 Investore aligned its approach to an internal carbon price with that of its Manager, SIML. SIML had set an internal carbon price by reference to the spot price of carbon under the Aotearoa New Zealand Emissions Trading Scheme, and the price adopted was $60 per tCO2e. This price has not been adopted during FY24, as initial usage indicated that the internal carbon price was too low to have a material impact on decision-making related to climate-related expenditure. The use of an internal price of carbon has not, to date, been seen by Investore as necessary to influence decisions related to climate-related expenditure.

Targets

Investore has not set specific climate-related targets (whether science-aligned or otherwise), as a result of Investore having, in its opinion, very low scope 1 and 2 greenhouse gas emissions, such that setting science-aligned targets would not be practicable or useful for primary users. Investore has set a number of strategies and actions to reduce its more material scope 1 and 2 emissions and these are set out in more detail on page 10, with actions to date described on page 26 of this report.

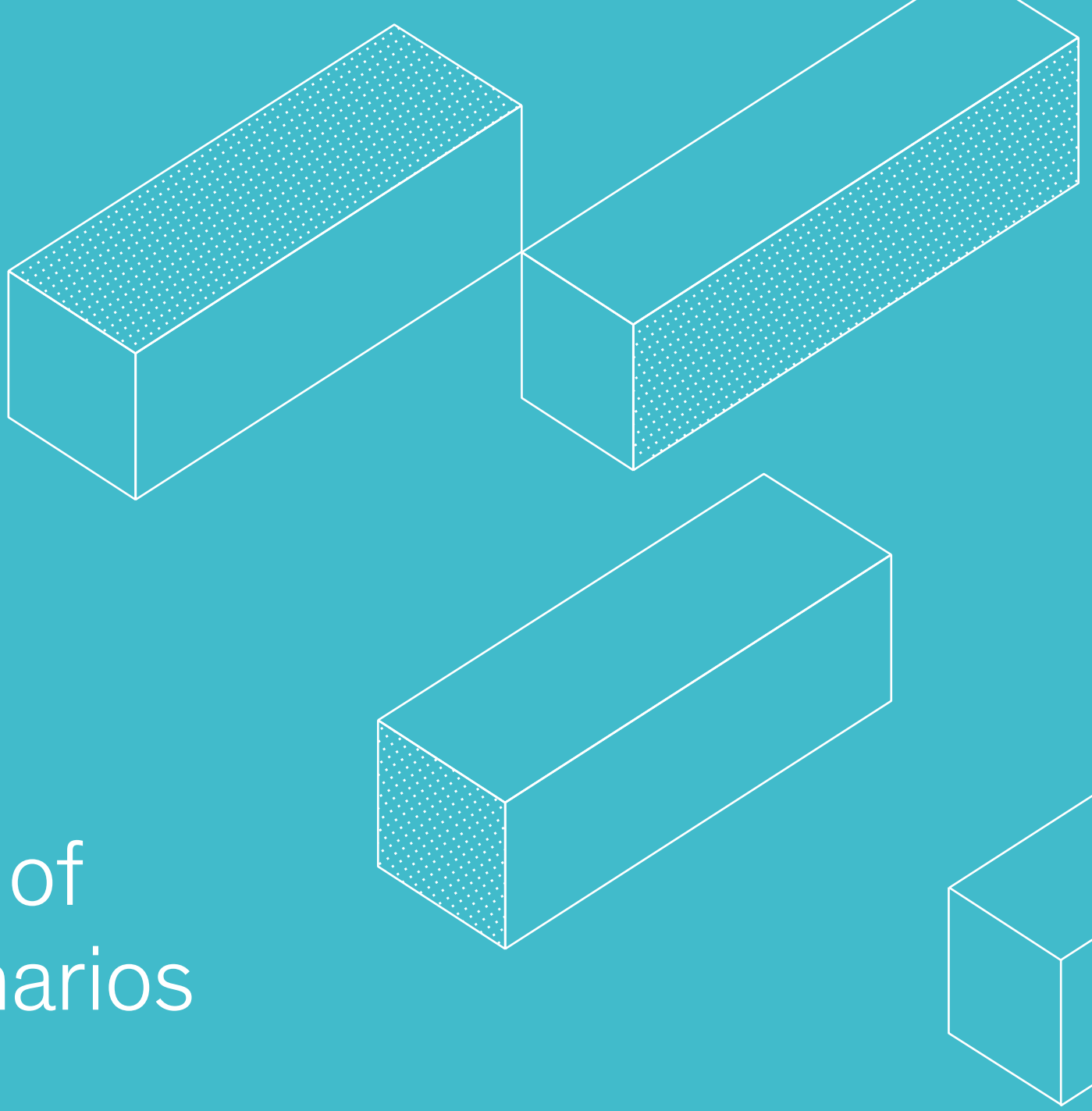
Metrics and Targets

Key metrics

The key metrics that Investore considers 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 in the table on the right. Investore first reported these metrics in FY23, and accordingly is providing only one year of comparative information, in reliance on adoption provision 6.

Metric		FY24	FY23	Commentary/Trends
GHG emissions intensity	Scope 1 and 2 emissions per sqm net lettable area (NLA) (tCO2e)	0.0001	0.0002	Investore's scope 1 and 2 emissions intensity has reduced considerably, consistent with the reduction in its scope 1 and 2 emissions. The scope 3 emissions per sqm NLA has increased due to the inclusion of additional scope 3 categories in our greenhouse gas reporting for FY24 compared to FY23. On a like-for-like basis and considering only those categories of scope 3 emissions reported by Investore in FY23, scope 3 emissions intensity per sqm NLA(tC02e) for FY24 would be 0.039, a 10% reduction from FY23.
	Scope 3 GHG emissions per sqm NLA (tCO2e)	0.077	0.044	
	Total GHG emissions per sqm NLA (tCO2e)	0.077	0.044	
Energy intensity – consumption as a percentage of floor area	Scope 1 and 2 (kWh)	0.59	0.61	Scope 1 and 2 energy intensity has reduced slightly from FY23, which means an improvement in energy efficiency. However, scope 3 tenant energy consumption intensity (which is outside of the control of Investore) has increased from FY23.
	Scope 3 tenant gas and electricity[1] (kWh)	346.1	260.5	
Energy consumption data coverage (actual data as a percentage of total data including estimated)	Scope 1 and 2	92%	96%	Overall, data collection has decreased. The key drivers of the change in scope 3 data collection are tenants not responding to requests for data, suppliers taking longer to provide information than previously, and other suppliers no longer accepting letters of authority from tenants.
	Scope 3	78%	97%	
Percentage of eligible portfolio by value that has a green rating by property sector	Percentage of Investore large format retail properties[2] by value having a green rating – Green Design or Green Star Performance	43%	42%	This rating has remained largely unchanged - the existing Green Star performance ratings received in FY23 were maintained for FY24, and in addition, the new Woolworths Waimakariri Junction received a 5 Green Star Design rating.

1. Data includes actual and estimated Scope 3 emissions for gas (kWh) and electricity (kWh).
2. Excluding properties categorised as 'Development and Other' in note 2.2 to the respective financial statements.



Appendix: Narrative Descriptions of Climate Scenarios

Orderly 1.5°C Scenario

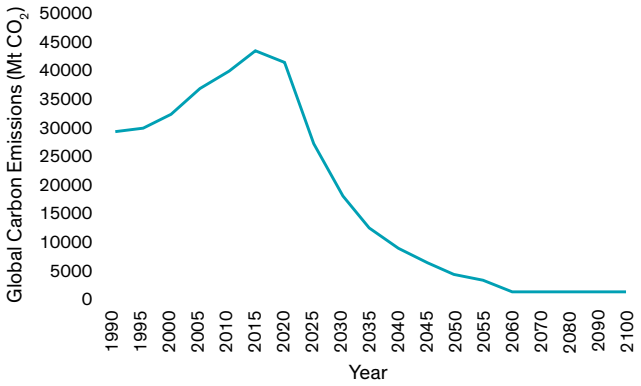
Emissions trajectory

The world succeeds in the Paris Agreement's goal of limiting global temperature increase to 1.5°C above pre-industrial levels. Emissions steadily decline from the 2020s. Direct carbon capture technology matures to a point where the world is on track to achieve net zero CO2 emissions globally by 2050.

This more sustainable path is due to well-signalled and broadly supported regulatory changes. These align with market drivers to result in lower resource use and higher levels of efficiency, resulting in growth delinked from material consumption. Ambitious climate policies are enacted both in New Zealand and in the world, with a shadow price on carbon steadily rising to $250/tCO2e by 2050.

However, New Zealand still faces moderately severe physical impacts of climate change with an increase in extreme wind speeds (up to +5%), rainfall intensity (+6%), and number of hot days (+40%) by 2050.

Global Emissions Pathway



Energy transition

The pressure to achieve net zero emissions by 2050 means the global energy grid shifts uniformly and quickly away from fossil fuel use to increased use of renewables, which make up nearly 100% of electricity production in New Zealand by 2050. In the short to medium term, New Zealand's renewable grid becomes more attractive, with energy intensive industries relocating here, increasing demand for properties. Electricity prices increase in the 2020s and 2030s, as the decarbonisation of industrial processes and transportation sectors puts pressure on grid capacity, resulting in increasing risk of blackouts.

Buildings are required to reduce electricity use to support energy and carbon reduction objectives, impacting air conditioning systems and building operations. In the short term, this drives demand for on-site electricity generation, while over the medium term, energy efficiency improvements and greater use of demand control infrastructure such as energy storage and load shedding, are implemented to lower peak demands and support the transition to renewable electricity.

Building regulations

Energy and carbon limits for new buildings are phased in rapidly. Existing buildings are initially required to disclose energy and carbon performance and over the medium term are required to remove fossil fuels and undertake retrofits for energy efficiency. The scale of retrofit activities is significant, with most properties built prior to 2020 needing major upgrades (if not already completed). This results in increased operational expenses and the need for capital expenditure.

By 2030, new buildings are 50% more efficient than current code requirements for operational energy and fossil fuel free. Building embodied carbon emissions (from products and materials) are 30% lower by 2030 with changes in design solutions and supply chain decarbonisation both contributing.

Existing buildings are fully decarbonised by 2050. Building occupiers and purchasers also begin demanding more energy efficient, low carbon buildings as consumer awareness (and prices of higher carbon materials) increase. Demand is refocussed towards existing building re-use and adaptive reuse over new construction.

Orderly 1.5°C Scenario

Emissions reduction targets: Carbon capture

Carbon capture and storage systems are implemented in the medium term to accelerate the rate of decarbonisation and mitigate hard-to-abate fossil fuel use. As this technology matures there is a reduction in focus on hard-to-abate emissions associated with some construction materials (e.g. concrete, steel, aluminium).

Entities set ambitious science-based emission reduction targets in the short term as pressure from investors and customers to align with 1.5°C of warming grows. Failure to achieve targets results in direct financial penalties from lenders, reduction in funding from lenders, and government funding restrictions.

Circular economy

As the carbon price and waste levies increase, a shift to a more circular economy occurs, supported by government mandates for recycled content. This, together with the need to decarbonise buildings, results in significant demand for low carbon building products, materials, and technologies, which puts pressure on supply chains for these products and leads to increased costs in the short term.

Low carbon products become more cost and time effective than traditional materials by the 2040s due to innovation in production, overall reduction in material handling/wastage, new construction systems, value extraction from circularity, and the rising price of carbon.

Large product manufacturers shift to an "as a service" business model where they provide, maintain and dispose of building elements (such as lighting). This increases operating costs but reduces capital expenditure and enables greater levels of end-of-life value capture.

The shift to circular economy business models occurs across the economy, resulting in lower demand for manufactured goods, impacting manufacturers and therefore resulting in lower demand for logistics and warehouse properties.

This is part of a rapid wider shift towards economic degrowth models, with rapid technology and system shifts also helping to curb inflation.

Social change

Social changes start to occur in the short term as a result of market behaviour, working habits, required knowledge/skills, purchasing and investment behaviours, and the changing focus of government funding. In the short term, those working in carbon-intensive industries or professions are required to change roles.

Globally aligned efforts to reduce warming results in manageable levels of climate-related refugees and modest net migration to New Zealand, which is home to 6.13m people by 2050.

Demand for alternative forms of transport increase, given the focus on low carbon options. Rates of people working from home increase for office-based jobs, as transport modes shift, and employers encourage their employees to reduce emissions by commuting less. The shift to working from home for some sectors means increased demand for residential dwellings and local shared working spaces with suitable facilities.

Land use change

The acute physical impacts of climate change are evident in the short and medium term and result in increased investment in New Zealand's infrastructure and communities to reduce carbon emissions and reduce exposure and vulnerability to climate-related events. By 2050, New Zealand is still dealing with severe climate-related events, but the outlook for 2100 is more positive. A combination of managed retreat and infrastructure investment has mitigated long term physical risks. However, the full impact of already baked-in sea level rise is yet to be experienced in 2050, which will present a second wave of retreat and adaptation towards 2100 for existing assets.

Decarbonisation policy drives rapid densification of urban areas to reduce urban sprawl. Although levels of working from home increase, public and active transport infrastructure also grows to accommodate those who still need to commute. Behaviour and policy change drives greater usage for active and public transport networks and creates demand for rapid upgrades and expansions.

There is a shift in mode from trucks towards rail or sea freight for bulk products and materials distribution with greater investment in a lower carbon, diversified and more resilient transport network.

Disorderly Scenario

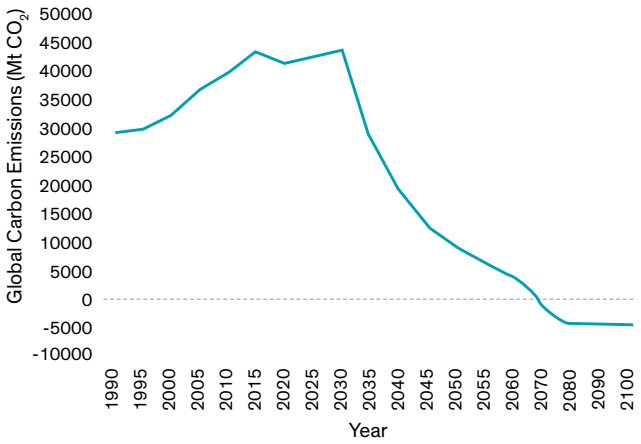
Emissions trajectory

The world fails to implement the changes required to limit warming to 1.5°C above pre-industrial levels by 2100. Global emissions continue to rise in the short term as historical social, economic, and technological trends continue. However, the increasing frequency of climate-related physical events and concerns about meeting Paris Agreement goals drives a sudden shift in global policy around 2030, when abrupt and stringent decarbonisation policies are enacted. The level of action differs across countries and regions, but globally there is a 2/3rd chance of limiting global warming to below 2°C above pre-industrial levels by 2100.

New Zealand follows the majority of the world in implementing abrupt policy and market changes after 2030. Whilst rapid policy, technology, and behaviour change does occur, it is disordered and inconsistent across sectors and sub-sectors. The shadow carbon price rapidly increases after 2030 to reach $250/tCO2e by 2050, exacerbating wealth and income inequality. The pace of change generates significant financial incentives for innovation, especially for carbon sequestration, capture and storage which must play a large role in carbon emissions reduction by 2050. Heavy investment is made in carbon capture and storage systems in the medium term to accelerate the rate of decarbonisation. Whilst this leads to construction activity growth, the need for rapid decarbonisation from 2030 means that there is still pressure on the property sector to reduce hard to abate emissions sources (e.g. cement, steel).

New Zealand still faces moderately severe physical impacts of climate change with an increase in extreme wind speeds (up to +5%), rainfall intensity (+6%), and number of hot days (+40%) by 2050. A lack of action in addressing medium term physical risks in the 2020s results in a greater extent of vulnerable assets in the medium term (2030-2050). This significantly increases the impact of weather-related events as adaptation has not been well implemented, retreat has not been well managed, and the pace of insurance retreat is accelerating.

Global Emissions Pathway



Energy transition

In New Zealand, the relative affordability of low carbon generation means the grid is already steadily decarbonising throughout the short term. Electricity prices increase in the 2020s and 2030s due to continuing reliance on fossil fuel peak demand generation, and a slow increase in demand for electricity doesn't provide sufficient signals for the necessary upgrades, leading to supply constraints, as well as the risk of price shocks and blackouts.

In the property sector there is limited-to-no change in fossil fuel use or energy transition in the short term. Stringent decarbonisation policies enacted in 2030 include the introduction of energy efficiency requirements for buildings. In 2030 all new buildings are 40% more efficient than current code requirements for operational energy efficiency. Whilst still legal, few new buildings utilise fossil fuels for heating, hot water or cooking. Many existing buildings still rely on fossil fuels but are transitioning over the medium term (2030-2050) and become fully decarbonised by 2050. The pace of change and costs associated with upgrades leads some buildings to be abandoned.

Policy and market changes

As the likelihood of missing the 1.5°C target becomes apparent, many organisations reduce their carbon reduction ambitions and unlock capital to focus on adaptation. Investors and customers increase pressure on entities to prioritise climate resilience

Disorderly Scenario

as physical impacts accelerate. Regulation attempts to address the impacts of climate change and the need to decarbonise, but it is uneven across local government entities and conflicting regulations lead to uncertainty.

These mixed investment signals cause uncertainty and a lack of momentum until 2030 at which point new policy is implemented which generates alignment and investment accelerates.

Building regulations

At 2030, the significant regulatory changes demand an immediate step change in building energy and carbon requirements. New technologies haven't been developed in time for the spike in demand in 2030, leading to disruption of the building and materials market and competition for materials and products that impacts new buildings and retrofit development. This leads to significant price escalations and construction delays.

Assets developed prior to 2030 are at increased risk of becoming stranded once new regulations are introduced in 2030 due to the new building requirements around levels of performance and market demands for low carbon buildings. This rapid change in tenant and investor demands means some assets rapidly lose value. Early movers within the property sector have the opportunity to utilise their future-proofed assets, established knowledge and material supply chains whilst late movers are disadvantaged by stranded assets and construction practices that have not kept up with market demands. However, the slow rate of technology change up to 2030 means investing early is expensive, not well supported by government funding, and not differentiated by the market.

One reaction to the more stringent decarbonisation requirements after 2030 is a rapid shift towards economic degrowth models, making new build development financially unviable. This coincides with commercial building demand reduction due to an increase in working from home, as transport modes shift, and employers encourage their employees to reduce emissions by commuting less.

Social change

Minimal social changes occur prior to 2030, however the pace of change around 2030 is unprecedented. Carbon intensive industries are either rapidly decarbonised, divested from, or progressively regulated out of existence. The rapid change results in parts of society being "left behind", leading to unrest, crime and an overall reduction in safety and security for both individuals and organisations.

The need to rapidly decarbonise also requires concentrated focus on cities and increasing urbanisation, in order to reduce reliance on fossil fuel use for travel and transport. However, the increased urban sprawl during the 2020s and the development of more roading provides challenges in decarbonising during the 2030s.

Land use change

A focus on adaptation over mitigation until 2030 as a result of the physical impacts of climate change means that much of the investment in New Zealand's infrastructure and communities is used to reduce exposure and vulnerability to climate-related events.

After 2030, greenhouse gas emissions reduction becomes a primary focus, driving changes to land use and densification. Continuing sprawl and investment in road-based transportation throughout the 2020s has created an infrastructure network that is more entrenched and difficult to transition to a low carbon alternative. Roading and older infrastructure requires significant upgrades to align with the decarbonisation policies enacted in 2030, increasing the costs of transition, but providing the ability to readily adapt our infrastructure strategies to technology changes.

After 2030, public and active transport infrastructure grows as behaviour and policy change drive greater usage and necessitate rapid upgrades and expansions.

The impacts of climate change on coastal areas, floodplains and drought-prone regions combined with significant transition efforts around 2030 cause a change in population distribution as residents and businesses retreat to lower risk areas.

By 2050, New Zealand is dealing with severe climate-related events, but the level of warming is stabilising to less than 2°C with the outlook for 2100 being more of the same. However, the full impact of already baked-in sea level rise is yet to be experienced in 2050, which will present a second wave of retreat and adaptation towards 2100. An early focus on adaptation has meant long term infrastructure is not being provided to areas at risk.

Properties in floodplains experience increasing insurance premiums above inflation and experience insurance retreat by 2040. Premiums on some coastal commercial properties increase to the point of permanent unprofitability, leading to them being stranded by 2030. Properties in denser areas (e.g. in a CBD) experience a slower increase in insurance premiums, as they benefit from surrounding publicly-funded adaptation defences.

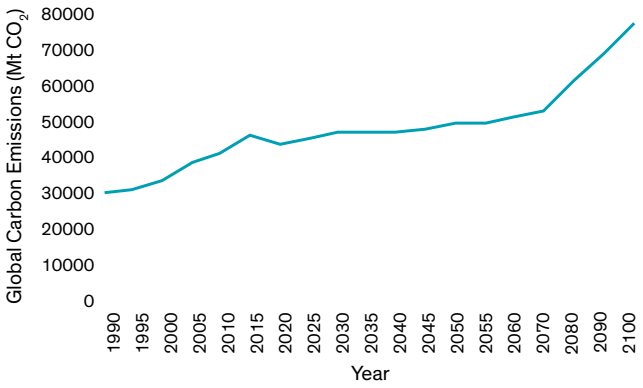
Hot House World Scenario

Emissions trajectory

No further effective climate policy is enacted after today. Global emissions continue to grow until 2080, which leads to greater than 3°C of physical warming above pre-industrial levels by 2100. Exploitation of fossil fuel resources and the adoption of resource and energy intensive lifestyles continues to increase around the world. The world sees increasingly severe physical risks. Historical social, economic, and technological trends continue.

As with the rest of the world, New Zealand does not enact any additional climate policy. Regulatory changes are slow and focus on adaptation and managing climate-driven immigration/refugees. The shadow price of carbon remains at $35/tCO2e to 2050 which reflects our current fossil fuel reliance. The lack of further policy action to decarbonise disincentivises carbon reduction strategies such as building energy efficiency improvements, fuel switching, carbon capture and storage, and electrification of transport unless they also improve the physical resilience of assets or communities.

Global Emissions Pathway



As physical climate impacts worsen from 2030 onwards mandates are introduced to conserve energy and infrastructure access for critical functions. As the risk of asset loss and stranding increases, the focus of the property sector becomes climate adaptation and supporting the resilience of communities as they are forced to either adapt or retreat. Use of carbon capture and storage is minimal.

New Zealand faces severe physical impacts of climate change with increased extreme wind speeds (+5-10%), increase in rainfall intensity (+8.6%), and an increase in the number of hot days (+100%).

Energy use

New Zealand follows global trends in not introducing additional policies focussed on renewable energy, and both technology and behaviour change remain slow across all sectors. New Zealand's electricity grid is gradually decarbonised but does not achieve 100% renewable generation in the long term. This means building owners wishing to achieve net zero carbon emissions must invest in their own zero carbon generation. Without strategies to decommission fossil fuel plants, incentivise low carbon generation or create localised networks, there are limited benefits from these on-site systems.

Increasing frequency and severity of weather events such as storms result in more frequent and severe damage to electricity assets and more frequent and longer blackouts. Building energy efficiency improves in the medium term as passive design solutions, which are more resilient to electrical network failures, become more popular. This reduces the need for fossil fuels for heating in buildings and the financial performance of fully electric buildings (based on current technology) drives operational carbon reductions in the sector.

Policy and market changes

Policy shifts towards addressing national and regional security and resource scarcity. Decarbonisation is not a priority and there is no significant behaviour change. Emissions reduction targets put in place by the property sector are not met as they rely on adjacent sectors also decarbonising.

Increasing frequency and severity of acute weather events, as well as longer term increases in temperatures and sea level rise, drive an increasing need for climate adaptation and retrofitting buildings to be more resilient. There is little investment in technology and innovation that does not serve these pressing adaptation needs.

Hot House World Scenario

As the shadow price of carbon stays stable at $35/tCO2e through to 2050 there are limited financial incentives to improve efficiency. However, there are strong measures to address resource scarcity, with access to energy and other resources being restricted for non-critical functions, including carless days, water restrictions, limits on air conditioning or heating use, etc.

Building demand / regulations

There is more demand for buildings that are resilient to direct climate-related physical events and infrastructure failures. A greater proportion of private and government spending is directed to adaptation of physical assets and responding to climate-related events. Local councils also increase rates to invest in protection and restoration of certain assets in locations where retreat is not an option.

Changes to building codes are focussed on the response to physical impacts from climate change, increasing the cost of development. Resilience requirements capture existing buildings which need to be upgraded to be considered safe. This results in a significant capital works programme of building retrofits, but the opportunities to also improve energy efficiency and carbon emissions are not taken as capital is severely limited. The need to improve building resilience causes many assets (especially in smaller/remote/less resilient settlements) to be stranded or abandoned.

Existing low carbon materials are readily available due to low demand but there is little innovation beyond technologies and materials currently available.

Social change

Increasing severity and frequency of weather events causes disruptions to global food supplies in the medium term. Social cohesion starts to degrade and conflict and unrest become increasingly common.

Increases in temperature around the world results in a large increase in net migration to New Zealand (6.93m people by 2050). Spikes in demand for housing occur due to climate-driven immigration from other parts of the world and increasing numbers of climate refugees. Social retreat from areas with higher physical risks (e.g. coastal areas) means changes in population distribution and land use over the medium term which accelerates post 2050. Food insecurity due to physical impacts that affect growing areas, as well as the ability to transport food, leads to large scale retreat out of cities and toward self-resilient lifestyles with less consumption.

Populations concentrate around regions that are more climate resilient. This introduces significant demand for construction activity in areas where resettlement is occurring. The relocation of large industry and new housing will create large private sector demand.

Land use and infrastructure

More extreme weather puts significant strain on power infrastructure and the security of electricity supply is at risk. This risk is moderate in the short term but becomes increasingly extreme in the medium and longer terms as increasing emissions drive more frequent and severe extreme weather events.

Properties in floodplains experience increasing insurance premiums and likely experience insurance retreat by 2040. Properties lose value and become stranded assets. Premiums on coastal commercial properties may increase to the point of permanent unprofitability, leading to them being stranded by 2030.

Construction in hazardous areas becomes increasingly dangerous and some commercial property owners experience liability risk as heatwaves cause fatalities to occur onsite. Insurance rates for construction companies also increase.

investore

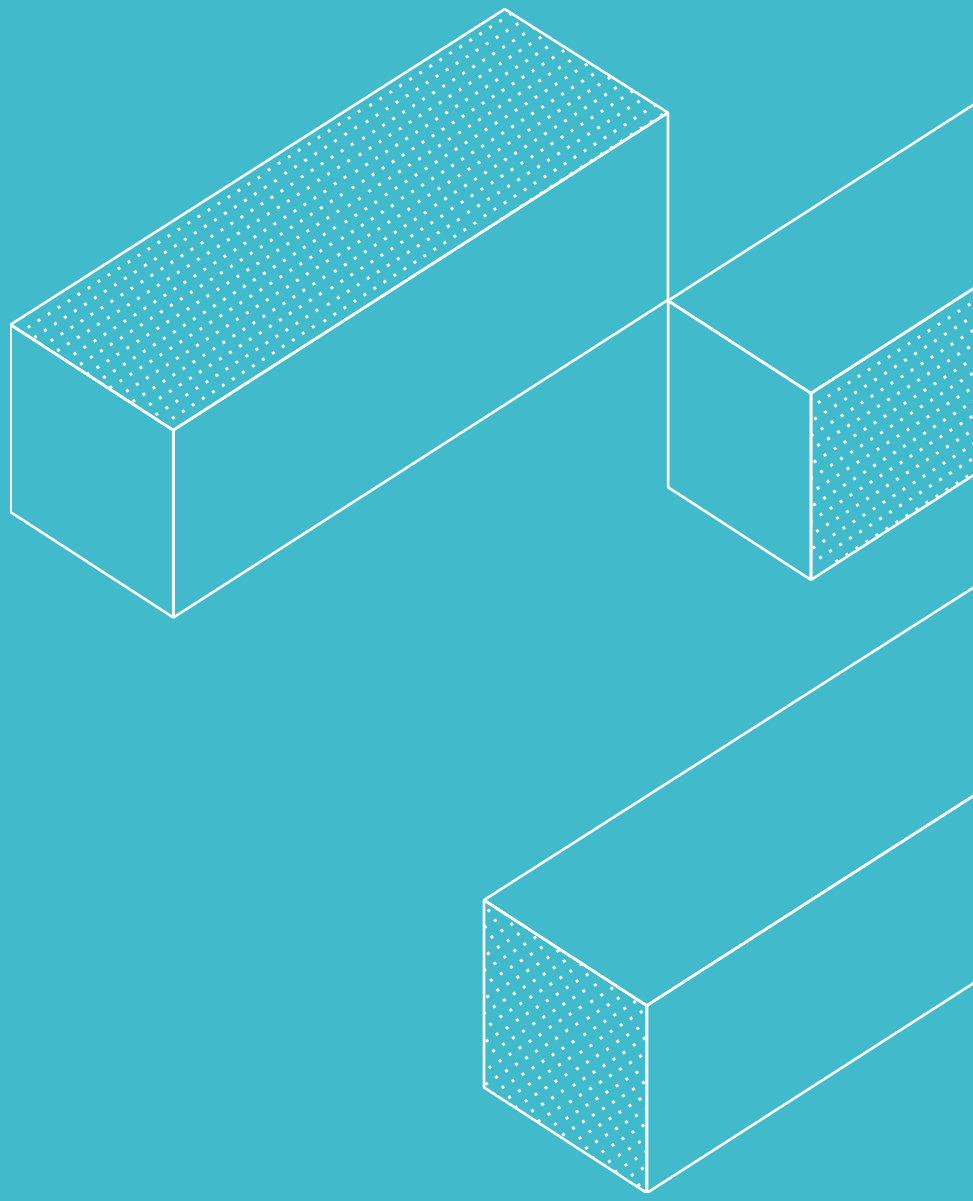
Managed by Stride Investment Management Limited

Greenhouse Gas Inventory Report
1 April 2023 – 31 March 2024

Introduction

This document is the annual greenhouse gas (GHG) report for Investore Property Limited and covers all activities of Investore Property Limited and Investore Property (Carr Road) Limited (together 'Investore'). Stride Investment Management Limited ('SIML') is the Manager of Investore and as such the GHG emissions from Investore activities are captured and included in the consolidated GHG emissions separately reported by SIML. Refer to the Organisational Boundary section on page 64 for further details.

This report has been written in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol').



Greenhouse Gas Inventory FY24

(including FY20, Investore's baseline year for Scope 1 and 2 Emissions)

Table 1: Investore Greenhouse Gas Emissions Inventory Summary FY24

Scope 1 Emissions Tonnes of CO2e[1]			
Category	**FY24**	**FY23**	**FY20**
Stationary diesel	0.47	0.89	0.00
Fugitive emissions from air conditioning systems	12.61	31.31	78.58
Total Scope 1	13.08	32.20	78.58

Scope 2 Emissions Tonnes of CO2e[2]			
Category	**FY24**	**FY23**	**FY20**
Electricity consumption (location based)[3]	11.29	18.27	10.68
Embedded network line losses	0.70	0.82	0
Total Scope 2 (location based)[4]	11.99	19.09	10.68
Scope 1 & 2 tCO2e emissions (location based)	25.07	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: 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. Where data is metered but is not available, this has been estimated. Total estimated electricity emissions are 0.89 tC02e of the total 11.29 tC02e. Estimation methodology is detailed in Table 2.
3. The MfE emission factor for electricity has reduced by 38% year on year. For comparison purposes, using the consumption data (actual plus estimated) for FY24 of 152,179.35kWh, this would give scope 2 GHG emissions of 17.50 tCO2e using the FY23 emission factor and 15.43 tCO2e using the FY20 emission factor.
4. 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 0.000074177653 from MfE 2023 MfE 2023 Emissions Factors Table 9.

Greenhouse Gas Inventory FY24

(including FY20, Investore's baseline year for Scope 1 and 2 Emissions)

Table 1: Investore Greenhouse Gas Emissions Inventory Summary FY24 (cont.)

Scope 3 Emissions Tonnes of CO2e[5]			
Category	**FY24**	**FY23**	**FY20**
Purchased goods and services	4,387.00	N/A	N/A
Capital goods	5,220.00	N/A	
Transmission & distribution losses - electricity	1.21	1.68	
Water[6]	19.42	3.96	
Waste[7]	3,182.20	2,949.43	
Downstream leased assets - tenant electricity & gas consumption[8]	6,766.39	7,905.70	
Total Scope 3	19,576.22	10,860.77	
Total Scope 1, 2 & 3 tCO2 e emissions (location based)	19,601.29	10,912.06	

5. 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.
6. Water: Where data is not available, this has been estimated. Total estimated water emissions are 15.77 tCO2e of the total 19.42 tCO2e. Estimation methodology is detailed in Table 2.
7. Waste from operations: The data includes tenant waste but excludes construction waste. Where data is not available, this has been estimated. Total estimated waste emissions are 958.51 tCO2e of the total 3,182.20 tCO2e. Estimation methodology is detailed in Table 2.
8. Downstream leased assets include tenant consumption of natural gas and electricity. There is a component of estimated emissions for tenant electricity which total 1,659.30 tCO2e of the total 6,766.39 tCO2e. Estimation methodology is detailed in Table 2.

Organisational Boundary

Investore's organisational boundary for GHG reporting encompasses Investore Property Limited and Investore Property (Carr Road) Limited. Investore applies an operational control approach to identify and determine the boundary of Investore's GHG inventory.

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.

FY24 (1 April 2023 – 31 March 2024)

Investore Property Limited (Investore)	Invests solely in large format retail property across New Zealand
Investore Property (Carr Road) Limited	Wholly-owned subsidiary of Investore which owns the 4 Carr Road, Auckland asset
Stride Investment Management Limited (SIML)	The Manager of Investore and employer of staff managing the Investore properties

Assets Owned by Investore Property Limited[1]

	FY24	FY23
Total number of properties	45	44
Net lettable area under management	255,898	249,906

During FY24 Investore completed the development of a new Woolworths site (Woolworths Waimakariri Junction) in Kaiapoi.

1. Excludes properties categorised as 'Development and Other' in the financial statements for the relevant period.

Operational Boundary

The FY24 GHG emissions inventory report covers scope 1 and 2 emissions for baseline year (FY20), FY23 and FY24, and scope 3 emissions where reliable data is available. Investore recognises that the collection of scope 3 emissions will be an ongoing area of focus to fully collate this data.

Scope 1 and scope 2 emissions include the "base build" emissions (refrigeration emissions 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), purchased goods and services, capital goods, stationary energy – tenant natural gas, water and waste.

A summary of exclusions is provided in Table 4, and a summary of methodology, data quality and 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 SIML's baseline year. This was chosen as the baseline year because it was the first year Investore and SIML understood, and had the data to support, the scope 1 and scope 2 emissions. Investore will 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.

During FY24, there have been no acquisitions or divestments by Investore which exceed the 10% threshold requiring a baseline year recalculation.

Methodologies and Uncertainties

Emissions for scope 1, scope 2 and scope 3 have been quantified using the calculation-based method based on activity data multiplied by GHG emissions factors. Emission factors have been sourced from the official Ministry for the Environment publications, except:

- The emissions for the Upstream Purchased Goods and Services have been calculated using the Eora database corrected for exchange rates and inflation.

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 FY24 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 FY24 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 except for the capital goods and purchased goods and services emissions where this is not available. 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 to "top up" the refrigerants of air conditioning systems	Record from suppliers of 'top-up" amounts	Annual report for each property provided by suppliers.
Category	**GHG Emissions Source**	**Data Source**	**Methodology, Data Quality, Uncertainty**
Scope 2 Indirect Emissions			
Electricity consumption	Electricity used in common parts of properties	Records from electricity suppliers and embedded network operators	Reliable records of electricity consumed sourced from an independent third party. Where supplier data is unavailable for a specific month or months of the year, an estimate is created based on other available supplier data for these properties to determine an average monthly estimate of consumption. The total estimated[2] amount for FY24 is 0.89 tCO2e of the 11.29 tCO2e balance
Embedded network lines losses	Electricity losses from embedded network losses operated within properties	Records from embedded network suppliers	Reliable external report from embedded network suppliers

Notes to Table 2:
1. Fugitive Emissions from air conditioning systems: Scope 1 air conditioning refrigerant used in Investore properties includes: R134A, R22, R410A, R404A, R407C, R407F, R438A, R449A and R744.
2. Estimations: The estimations used in this report do not include sites which have been vacant for all of FY24, however do include tenancies which may have been vacant for part of the FY24 year.

GHG Emissions Source Inclusions

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

Category	GHG Emissions Source	Data Source	Methodology, Data Quality, Uncertainty
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)	Waste data received from waste contractors or tenants is considered reliable as it is sourced from an independent third-party. Where data is not provided in tonnes, this is converted to tonnes to ensure consistency. Where no records were able to be obtained from the relevant waste contractor or tenant, the data has been estimated[1] based on the average known and reliable emissions of similar property types owned by Investore and adjusted for the sqm of net lettable area (NLA). The total estimated tCO2e for waste in this reporting period is 958.51 tCO2e of the total waste emissions of 3,182.20 tCO2e.
Water	Water used in properties.	From local water provider	For Auckland properties, a spreadsheet of consumption is provided from the supplier. For all other sites, data is obtained from individual invoices. Where supplier data is unavailable for a specific month or months of the year, an estimate is created based on other available supplier data for these properties to determine an average monthly estimate of consumption. Where no records were able to be obtained from the relevant supplier, this has been estimated[1] based on the average known and reliable emissions of similar property types owned by Investore. The estimated tCO2e is 15.77 tCO2e of the total 19.42 tCO2e.
Downstream leased assets	Tenant electricity and gas (both for building emissions and tenant operations)	Data provided by tenants directly or permission requested from tenants to obtain data from relevant suppliers	Reliable data where this is provided by the supplier and/or tenant. Where supplier data is unavailable for a specific month or months of the year, an estimate is created based on other supplier data for these properties to determine an average monthly consumption. Where no records were able to be obtained from the supplier, this has been estimated[1] based on the average known and reliable emissions of similar property types owned by Investore and adjusted for the sqm of net lettable area under management (NLA). The total estimated tCO2e for tenant electricity in this reporting period is 1,659.30 tCO2e of the total tenant emissions of 6,766.39 tCO2e. All gas data reported was provided by tenants.
Purchased products and services & capital goods	Operational expenses related to activities – cradle to gate emissions - e.g. office supplies, consultants, construction sites. The capital goods figure includes the Waimakariri Junction development. Going forward, we anticipate using the actual embodied carbon data for large developments.	Specific data on quantities of supply chain goods and services was not available and we have estimated emissions using spend based factors, from the internationally recognised Eora factor set, corrected for exchange rates and inflation.	The emissions were calculated by third party consultants based on Investore's expenditure on purchased goods and services which are not already included in other scopes or other scope 3 categories. Any spend already considered in other categories of scope 3 or considered immaterial were excluded. (Once these categories were excluded, the top 95% of spend was used to categorise the data into relevant categories based on the Eora database. The Eora database is a multi-region input-output schedule of spend-based emission factors. The associated emissions were calculated by multiplying the expenditure with the relevant Eora emission factor corrected for exchange rates using the average USD to NZD exchange rate for 2017 of 1.4074 and adjusted for inflation (Q4 2017 – Q1 2023) + 1 of 1.2107. Investore will explore options for utilising New Zealand spend factors in future years.

1. Estimations: The estimations used in this report do not include sites which have been vacant for all of FY24, however do include tenancies which may have been vacant for part of the FY24 year.

Greenhouse Gas Inventory 2024

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 2023 Ministry for the Environment emission factors used in this report can be found through this link **MfE 2023 Emissions Factors**

Table 3: Greenhouse Gas Emissions by Greenhouse Gas Type FY24

Source	CO2e	CO_2	CH_4	N_20	HFCs	Other
Scope 1	13.08	0.46	0.01	0.00	12.61	0
Scope 2	11.99	11.65	0.31	0.03	0	0
Scope 3	9,969.22	6,608.20	3,352.06	13.96	0	0
Total	**9,994.29**	**6,615.31**	**3,352.38**	**13.99**	**12.61**	**0**
Emissions not included in the split by greenhouse gas type	9,607.00					
Total	**19,601.29**					

Notes to Table 3:

1. Greenhouse gas emissions by greenhouse type. A breakdown in gases is not available for the emissions calculated by third parties. This includes purchased goods and services and capital goods. These have therefore been removed from the Table 3 calculation, total of 9,607.00 tCO2e.

GHG Emissions Source Exclusions

Table 4: Emissions Source Exclusions

The following emissions have been excluded from the inventory.

Scope	Category	GHG Emissions Source	Reason for Exclusion
1	Fugitive emissions from air conditioning systems	Leakage and replacement quantities	Actual records of refrigerant top-up from the property Kelvin Grove in Palmerston North were unattainable for the reporting year. For reference, in the prior period's refrigerant emissions from this property equated to 12.53 tCO2e
Upstream (purchased goods & services)			
3	Transportation & distribution	Emissions from transportation of products purchased by company. This data is included in the purchased goods and 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
Downstream (sold goods and services)			
3	Downstream leased assets (properties)	Tenant refrigeration losses (excluding those used purely for operation purposes) and tenant gas from tenancies adjacent to Woolworths stores	Reliable 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

28 May 2024

Approved by:

Gráinne Troute
Independent Director and Chair of
Investore Audit and Risk Committee

28 May 2024

investore

Managed by Stride Investment Management Limited

Appendix 1 – Independent Assurance Report

Independent Assurance Report

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

To the Board of Directors of Investore Property Limited

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'inventory report') of Investore Property Limited (the 'Company') and subsidiary (the 'Group') for the year ended 31 March 2024, comprising the Emissions Inventory and the explanatory notes set out on pages 60 to 69.

The inventory report provides information about the greenhouse gas emissions of the Group for the year ended 31 March 2024 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

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A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of the Group'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 Group'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 Group'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 Group's estimates.
- Undertook site visit at one site to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the site. The site selected for testing was 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 this site.

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 Limited's inventory report has been prepared, in all material respects, in accordance with the GHG Protocol.

Independent Assurance Report

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Inherent Limitations

Non-financial information, such as that included in the Group's Inventory Report, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, 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.

We note that a limited assurance engagement is not designed to detect all instances of non-compliance with the GHG Protocol, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our Independence and Quality Management

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 assurance provider, we have no relationship with or interests in Investore Property Limited or 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 Directors of the Group in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Directors those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, 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.

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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 Limited's inventory report for the year ended 31 March 2024 is not prepared, in all material respects, in accordance with the requirements of the GHG Protocol.

Deloitte Limited

28 May 2024
Auckland, New Zealand

This limited assurance report relates to the GHG information of Investore Property Limited (the 'Group') for the year ended 31 March 2024 included on Investore Property Limited's website. The Group's Directors are responsible for the maintenance and integrity of the Group's website. We have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the information since they were initially presented on the website. The limited assurance report refers only to the information named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this information. 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 information and related limited assurance report dated 28 May 2024 to confirm the information included in the information presented on this website.