2025 Climate-Related
Financial Disclosures

Argosy

CLIMATE-*related* IMPACTS

Overview

"The impact of Argosy's business on the natural environment is an increasingly important consideration for investors, occupiers and other stakeholders. An important part of our responsibility is to identify and assess the risks presented by climate change. Argosy considers that the development of certified energy efficient Green Buildings is an important part of our response to climate change."

Saatyesh Bhana
HEAD OF SUSTAINABILITY

Argosy is responding to climate change principally through its strategy to develop certified energy efficient and climate resilient "Green Buildings". These are buildings which have a Green Star Rating or a NABERSNZ rating of 4 Stars or better. Argosy has a target for 50% of its portfolio, measured by market value, to be Green Buildings by 2031.

This is Argosy's second year reporting under the XRB's mandatory Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1). NZ CS 1 mandates scenario analysis based on three different climate change scenarios, each based on a set of plausible but challenging assumptions about the future. Scenario analysis enables us to explore how various uncertain future climate change risks could affect Argosy.

Adding to last year's Disclosures, Argosy's Climate-related Disclosures for the year ended 31 March 2025 include descriptions of the current financial impacts and anticipated financial impacts of climate change based on Argosy's scenario analysis, as well as Argosy's plan for transitioning to a low-emissions climate resilient economy.

Plausible challenging scenarios are not predictions or projections

In accordance with the intention of NZ CS 1, the three scenarios described in the strategy section of this report are plausible but challenging futures based on industry scenarios. These scenarios are intended to highlight certain risks presented by climate change and are not intended as projections or predictions of what climate change impacts may or will actually affect Argosy in the future.

As they are not predictions or projections of what climate change impacts may or will actually affect Argosy in the future, neither the scenarios themselves nor the commentary, risk assessments or estimates in this report with respect to the scenarios should be interpreted or relied on as forward-looking statements about what Argosy considers may or will happen in the future.

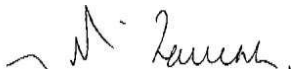
It is also important to acknowledge that this is the second year of mandatory reporting under NZ CS 1, and there is no settled approach to the scenario analysis and risk assessment requirements under this Standard. It is anticipated that a continuous improvement mindset will be required as scenario analysis and risk assessment practices mature over the initial years of mandatory reporting.

Statement of compliance

The Climate-related Disclosures in this report have been completed in relation to the Argosy Property Limited group and comply with Aotearoa New Zealand Climate Standards. In preparing these disclosures, Argosy has relied on the following adoption provisions from Aotearoa New Zealand Climate Standard 2: Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2):

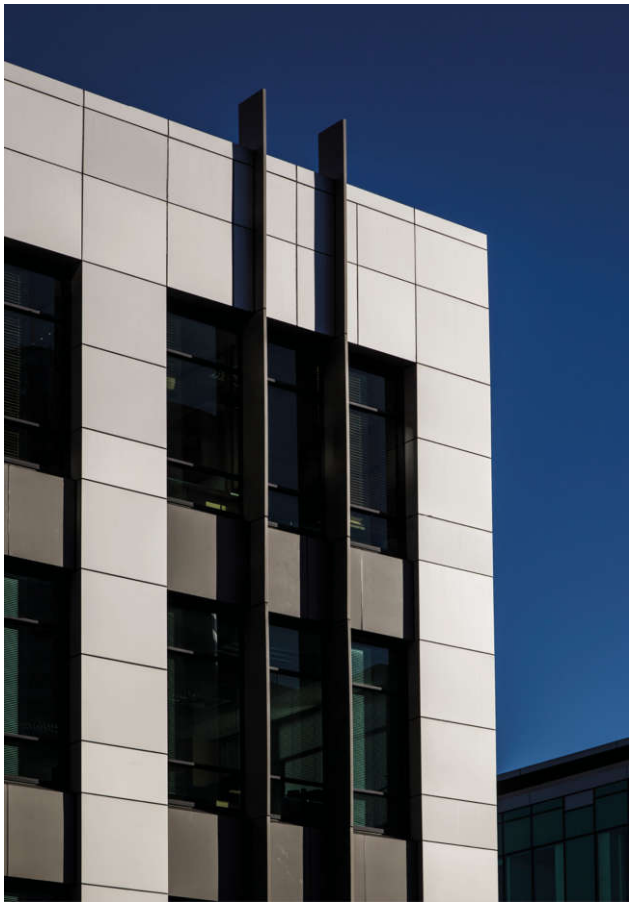
- Adoption provision 6: exemption from disclosure of comparative metrics. This exemption permits Argosy to disclose one year (rather than two years) of comparative information in its second reporting period.
- Adoption provision 7: exemption from disclosure of analysis of trends. This provision applies for the second reporting period to exempt Argosy from the requirement to disclose an analysis of the main trends evident from a comparison of metrics from previous reporting periods.

For and on behalf of the Board



Stuart McLauchlan, Director

Jeff Morrison, Chairman
20 May 2025



Governance

DISCLOSURE OBJECTIVE:

To enable primary users to understand both the role an entity's governance body 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.

GOVERNANCE DISCLOSURES:

To achieve the disclosure objective above, an entity must disclose the following information

a) the identity of the governance body responsible for oversight of climate-related risks and opportunities

b) a description of the governance body's oversight of climate-related risks and opportunities

c) a description of management's role in assessing and managing climate-related risks and opportunities

a) Identity of the governance body

The Argosy Board is responsible for establishing, reviewing and monitoring processes to identify climate-related risks and opportunities. The Board's Audit and Risk and ESG Committees also support the Board with governance in relation to climate-related risks and opportunities as outlined below.

b) Governance body oversight

Argosy's Board acquires skills and competencies necessary to oversee climate-related risks and opportunities through its Director nomination process and various training initiatives. Training initiatives include an annual Board-led session on sustainability risks, presentations from external speakers, and presentations from the Management Team in relation to sustainability risks and opportunities affecting Argosy.

While Argosy's Board is ultimately responsible for managing climate-related risks and opportunities, responsibility for overseeing climate-related risks and opportunities is delegated to the Board's Audit and Risk Committee which makes recommendations to the Board on how climate-related risks and opportunities should be managed. The Board's ESG Committee, which is responsible for overseeing Argosy's Sustainability Framework and making recommendations on its approach to sustainability, also has a responsibility to raise climate-related risks and opportunities.

Climate-related risks and opportunities are integrated into Argosy's Risk Management Framework and Strategic Risk Register which are reviewed by the Audit and Risk Committee semi-annually. The Audit and Risk Committee makes recommendations to the Board in respect of the management of climate-related risks and opportunities also semi-annually, and this includes informing the Board of climate-related risks and opportunities through the Strategic Risk Register.

Strategy, reporting and monitoring in relation to climate-related risks and opportunities are addressed in Argosy's Sustainability Framework, which is overseen by the Board's ESG Committee. Climate-related risks and opportunities raised by the ESG Committee are added to the Strategic Risk Register overseen by the Audit and Risk Committee in accordance with Argosy's Risk Management Framework.

The Sustainability Framework includes Green Buildings and Climate Change among Argosy's material sustainability factors. Each material sustainability factor has its own objectives and targets which are reported to the Board's ESG Committee quarterly. More information about Argosy's material sustainability factors is provided in Argosy's Sustainability Report (available at www.argosy.co.nz).

Targets from the Sustainability Framework are reflected in Argosy's strategy, budget and operating plan. Under Argosy's remuneration policy, targets linked to climate-related risks and opportunities are included in the short-term incentive for each Argosy employee other than the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). In the case of the CEO and CFO specific targets are agreed, which include achievement of targets for managing climate-related risks and opportunities.

c) Management's role

Climate-related risks and opportunities are identified and assessed by Argosy's Risk Management Committee, which meets semi-annually and reports to the Board's Audit and Risk Committee. The Risk Management Committee comprises a representative cross-section of the Management Team including the CEO and CFO. The Risk Management Framework under which it operates includes a risk appetite and criteria for identifying and assessing climate-related risks and opportunities arising from scenario analysis. Climate-related risks and opportunities are reviewed at least semi-annually in accordance with Argosy's Risk Management Framework along with other risks.

Argosy's Sustainability Committee also contributes to the management of climate-related risks and opportunities, through the implementation of Argosy's Sustainability Framework and reporting to the Board's ESG Committee on material sustainability factors. The Sustainability Committee meets at least quarterly and comprises a representative cross-section of the Management Team, including the CEO, CFO and Head of Sustainability.

Strategy

DISCLOSURE OBJECTIVE:

To enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.

STRATEGY DISCLOSURES:

To achieve the disclosure objective, an entity must disclose:

a) a description of its current climate-related impacts

b) a description of the scenario analysis it has undertaken

c) a description of the climate-related risks and opportunities it has identified over the short, medium, and long term

d) a description of the anticipated impacts of climate-related risks and opportunities

e) a description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state

a) Current climate-related impacts

A current climate-related impact is one identified as having a material impact during the year ended 31 March 2025. A climate impact is considered material if it had the potential to influence business-as-usual operations, achievement of business or strategic objectives, value, or media coverage.

CURRENT TRANSITION IMPACTS

Green Buildings

Argosy has identified tenant preferences for energy efficient certified Green Buildings as its only material current transition impact. Green Buildings are considered a material current transition impact as they are an important part of Argosy's strategy and Argosy has a target for 50% of its portfolio to be comprised of Green Buildings by 31 March 2031.

Green buildings may present an opportunity if occupiers and investors are attracted to Green Buildings and a risk if Argosy is required to incur additional capital expenditure to develop Green Buildings (which is not adequately compensated by increased returns). To put these opportunities and risks in context, Argosy's first Green Building was certified in March 2014 and to date each of its fifteen Green Buildings has competed effectively with otherwise similar buildings built to New Zealand's Building Code in terms of development cost and feasibility.

Argosy incurred total expenditure of $49.4 million on developing Green Buildings in the year to 31 March 2025. The added costs of Green Buildings can depend on factors such as design features for increased efficiency and resilience that are not required by the Building Code, and the stage in the design process that such features are incorporated into the design (earlier incorporation of design features tends to reduce their cost). Argosy has not disclosed the additional financial impact of developing a Green Building compared to a building built to the Building Code as this information is not presently available.

Compensating for their added cost, Green Buildings have the potential for higher returns from increased rents, reduced vacancy and lower capitalisation rates. While there is New Zealand based research evidencing higher returns (see for example JLL's August 2024 report "Turning Green to Gold: The impact of green certifications on rents, prices and values" and CBRE's November 2024 report "Auckland CBD Office Space and Occupier Market Sustainability Analysis"), Argosy has not disclosed the financial impact of increased returns from its Green Buildings as this information is not presently available. Key information for each of Argosy's properties, including market value, vacancy and passing yield, is published in Our Portfolio 2025 which is available on Argosy's website (www.argosy.co.nz).

Since Green Buildings are designed to be more energy efficient than regular buildings, they can be expected to have lower operating costs than buildings designed to satisfy Building Code requirements. Lower operating costs directly benefit tenants under net leases where tenants pay for energy consumed by building services, and directly benefit Argosy under gross leases where Argosy pays for energy consumed by building services. Argosy has not disclosed the financial impact of reduced operating costs as this information is not presently available.

CURRENT PHYSICAL IMPACTS

Argosy has not identified any material current physical impacts (or associated financial impacts) of climate change on its assets or operations for the year ended 31 March 2025.

b) Scenario analysis undertaken

Argosy has analysed three climate scenarios to help identify its climate-related risks and opportunities and better understand the resilience of its business model and strategy. These scenarios are intended to be plausible and challenging scenarios highlighting certain risks presented by climate change and are not intended as projections or predictions of what climate change impacts may or will actually affect Argosy in the future. Neither the scenarios themselves, nor the commentary, risk assessments or estimates in this report with respect to the scenarios, should be interpreted or relied on as forward-looking statements about what Argosy considers may or will happen in the future.

The scenario analysis described in this report is based on the Climate Scenarios for the Construction and Property Sector Ngā Horopaki Āhuarangi mō te Rāngai Hanganga me ngā Whare, developed by Beca Limited for the New Zealand Green Building Council (issued in 2023). Argosy, along with industry peers, contributed to the development of these scenarios. The industry scenarios have each been adapted to better reflect Argosy's specific circumstances, while ensuring that they remain plausible and yet challenging. Summaries of Argosy's three scenarios are set out on pages 8 to 10.

c) Climate-related risks and opportunities

SHORT, MEDIUM AND LONG TERM

Argosy defines short, medium and long term as follows:

- Short term: 2025 – 2030
- Medium term: 2030 – 2050
- Long term: 2050 – 2100

These time-frames differ from Argosy's conventional operational and strategic, budgeting and planning time horizons. However, they are considered appropriate as they reflect the long-lived nature of both climate-related risks and opportunities and Argosy's property assets. The identification of risks over longer time frames complements strategic, budgeting and planning time horizons by providing an opportunity to consider and address longer term climate-related risks and opportunities during internal capital deployment and funding decision making processes.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Argosy has identified climate-related risks and opportunities over the short, medium and long term based on the following criteria:

- *Physical risks* are risks arising from the physical impacts of climate change (such as the risk of physical damage to Argosy properties). Physical risks may be acute (such as severe weather events) or chronic (such as sea level rise).
- *Transition risks* are risks arising from the transition to a low emissions climate resilient economy (such as requirements for buildings to be more energy efficient and resilient to physical climate change impacts).
- *Opportunities* are potentially positive climate-related outcomes (such as demand for Green Buildings). These can include opportunities arising from climate mitigation and adaptation measures (such as rainwater harvesting opportunities from increased rainfall).

The table on pages 12 to 13 below describes and assesses material climate-related risks and opportunities based on analysis of the three climate scenarios above and includes information about whether they are physical or transition risks or opportunities and their impacts. An impact is considered material if it is identified as having potential to influence business-as-usual operations, achievement of business or strategic objectives, value or media coverage. Risks are assessed on a five-point scale: "very low," "low", "medium", "high" and "severe". The table on pages 12 to 13 shows Argosy's assessment of the residual risk remaining after consideration of available controls and mitigations.

The scenarios are not predictions or projections of what climate change risks and opportunities may or will actually affect Argosy in the future. Neither the scenarios themselves nor commentary, risk assessments or estimates in this report should be interpreted or relied on as forward-looking statements about what Argosy considers may or will happen in the future.

In assessing climate-related risks and opportunities it has been assumed that: the efficiency and climate adaptation requirements for Green Star rated buildings will meet stakeholder expectations and regulatory requirements for buildings to be energy efficient and resilient under each of the three scenarios, and Councils will be able to maintain public infrastructure in built-up areas over the long term.

Funding and capital deployment decisions in relation to anticipated climate-related risks and opportunities are addressed under Argosy's Sustainability Framework, which identifies Green Buildings and climate change as material sustainability factors. Each material sustainability factor has its own objectives and targets. Targets in the Sustainability Framework are considered in the development of Argosy's strategy, budget and operating plan.

Argosy's three climate scenarios ("Orderly", "Disorderly" and "Hot House World") are summarised on pages 8 to 10.

Scenario One - Orderly

Scenario One at a glance

This scenario aligns with external scenarios:

NGFS 'Net Zero 2050',
IPCC SSP 1-1.9,
IEA 'Net Zero Emissions',
CCC 'Tailwinds',
IPCC RCP 2.6

AMBITION

1.5°C

TECHNOLOGY CHANGE

Fast

POLICY REACTION

Immediate and smooth

PHYSICAL RISK SEVERTIY

Moderate

BEHAVIOUR CHANGE

Fast change

SOCIO-POLITICAL INSTABILITY

Low – moderate

TRANSITION RISK SEVERITY

Low – moderate

- Global warming is limited to 1.5°C by 2100.
- New Zealand achieves net zero CO_2 emissions by 2050. New Zealand aligns its policy and markets with global trends, enacting ambitious climate policies that steadily increase the price of carbon to \$250/tCO_2e by 2050.
- From 2030, existing buildings must disclose energy and carbon performance. New buildings must be much more energy efficient than they are required to be under the existing code.
- Entities that fail to set and meet ambitious emissions reduction targets face financial repercussions.
- The construction sector experiences significant growth fuelled by the development of greener infrastructure and energy efficiency projects, crowding out greenfield development activity.
- Employers encourage their employees to work from home to reduce emissions and there is an ongoing trend for more remote working and use of shared working spaces.
- The anticipated physical impacts of sea-level rise affect the valuation of properties in low-lying coastal areas long before the physical impacts themselves eventuate.
- Properties in low-lying coastal areas and floodplains or with unstable ground conditions face insurance retreat by 2050.

New Zealand achieves net-zero CO_2 emissions by 2050, contributing to global efforts which limit warming to 1.5°C by 2100. Decarbonisation is driven by uniform and immediate regulatory changes that promote resource efficiency. These include regulations requiring existing buildings to disclose energy and carbon performance and making new buildings much more energy efficient.

With these changes, buildings built to the existing building code become unattractive to tenants concerned with their environmental impact. The construction sector experiences significant growth fuelled by the development of greener infrastructure and energy efficiency projects. Construction becomes more costly which reduces the margins for developers, effectively crowding out a large portion of the construction and redevelopment activity that may otherwise have been expected.

With broad public support for decarbonisation, there is a high expectation for entities to set and achieve ambitious emissions reduction targets. Where entities fail to set targets or meet expectations, financial repercussions can be expected from lenders, investors, and the Government, with restricted access to capital and funding.

Employers encourage employees to work from home to reduce emissions. This leads to increased demand for residential dwellings and local shared working spaces with suitable amenities, affecting the demand for office buildings.

While the global response to climate change is successful in limiting the physical impacts of climate change, New Zealand along with the rest of the world faces an increase in the frequency and severity of extreme weather events. Greater frequency of high intensity rainfall affects properties in floodplains, or with unstable ground conditions, which face relatively higher insurance premiums and suffer insurance retreat by 2050.

The long-term effects of baked in sea-level rise adversely affect coastal properties in low-lying areas as associated risks are priced into property valuations and the cost of insurance (to the extent it remains available).

Scenario Two - Disorderly

Scenario Two at a glance

This scenario aligns with external scenarios:

NGFS ‘Delayed Transition’, IPCC SSP 1-2.6, IEA ‘Sustainable Development’, CCC ‘Headwinds’, IPCC RCP 2.6

AMBITION

<2.0 °C

TECHNOLOGY CHANGE

Delayed but fast

POLICY REACTION

Delayed

PHYSICAL RISK SEVERTIY

Moderate

BEHAVIOUR CHANGE

Delayed but fast

SOCIO-POLITICAL INSTABILITY

Moderate

TRANSITION RISK SEVERITY

High

- Atmospheric warming is limited to <2°C by 2100.
- New Zealand climate policy reaction is slow until 2030, but abrupt and stringent decarbonisation policies and regulations are enacted in the 2030s. The carbon price rapidly increases after 2030 and reaches $250/t$CO_2$e by 2050.
- Behavioural change is slow until 2030 and then fast, as New Zealand rushes to transition. Working from home trends increase as employers aim to reduce emissions from commuting and office use. Retail property trends are affected by increasing consumer concerns about sustainable consumption.
- By 2050, New Zealand faces severe climate events, even though the level of warming stabilises below 2°C. Properties in low-lying coastal areas and floodplains face higher insurance premiums and insurance retreat as a result.
- Older assets are at risk of being stranded after new regulations are introduced in 2030, while early-movers can use their future-proofed assets and supply chains to pursue opportunities.

There are minimal policy, technology and behavioural changes until 2030. As global emissions rise, concerns about meeting Paris Agreement targets trigger rapid policy shifts around 2030. This sudden policy move towards stringent decarbonisation reigns in global warming to below 2°C by 2100.

New Zealand aligns with this trend, leading to abrupt transitions affecting the property and construction sectors post-2030. During the 2020s, electricity demand slowly increases, surging in the 2030s as New Zealand moves to electrify transport networks. Unprepared power sectors fail to respond to this sudden shift, causing supply constraints, frequent blackouts, and fluctuating electricity prices.

The 2020s bring uneven regulation across local bodies, generating uncertainty. By 2030, strict regulatory changes begin, demanding a sudden shift in building energy and carbon requirements. New technologies have not been developed in time to meet the resulting spike in demand, leading to disruptions in the building and materials market. Competition for materials and products impacts new buildings and retrofit development. This results in price escalations and construction delays. Lack of investment in low-carbon buildings during the 2020s causes disruption and stimulates competition post-2030 for materials, technology, advice, and skilled workers, increasing development costs.

Post-2030, centralised infrastructure struggles with densification and physical climate risks. Inconsistent spatial planning regarding decarbonisation, densification, and resilience adds to this uncertainty. Initially, the construction sector's decarbonisation is sluggish, but 'fast movers' who adapt quickly gain an advantage over late adopters post-2030.

Scenario Three - Hot House World

Scenario Three at a glance

This scenario aligns with external scenarios:

NGFS 'Current Policies', IPCC SSP 3-7.0, IEA 'Stated Policies', CCC 'Current Policies', IPCC RCP 8.5

AMBITION

>3.0 °C

TECHNOLOGY CHANGE

Slow

POLICY REACTION

None – current policies

PHYSICAL RISK SEVERTIY

Extreme

BEHAVIOUR CHANGE

Slow

SOCIO-POLITICAL INSTABILITY

High

TRANSITION RISK SEVERITY

Low

- Atmospheric warming reaches >3°C by 2100.
- New Zealand climate change policy remains in keeping with the rest of the world. Regulatory changes are slow, and the carbon price does not increase past $35/tCO$_2$e to 2050.
- Continued reliance on fossil fuels disincentivises carbon reduction strategies (including energy efficient buildings and shifting away from fossil fuels) unless they also improve physical resilience.
- Disruption and political polarisation reduces the extent of large centrally funded capital projects, which reduces construction activity generally.
- The property and construction sector fails to meet its own emissions reduction targets as it relies on adjacent sectors also decarbonising, which does not happen.
- There is no transition incentive driving behavioural change which is slow, however increasing physical impacts end up driving behaviour change around office use and retail property demand.
- The increasing frequency and severity of extreme weather events drive demand for climate adaptation like retrofitting buildings and infrastructure for heat and flood resilience. Assets that can't adapt become stranded.
- There is a spike in demand for housing due to climate-driven immigration and climate refugees. Populations concentrate in regions that are more climate resilient, leading to significant demand for construction activity in resettlement areas.

In the 'Hot House World' scenario, global emissions continue to climb, resulting in a temperature rise of >3°C above pre-industrial levels by 2100. New Zealand's approach reflects the global state, with no additional policies introduced to curb emissions. The building and construction sector follows the same pattern, with regulatory shifts focusing mainly on mitigating climate-induced immigration.

With noticeable damage to infrastructure due to climate change, mandates are introduced to conserve energy. New Zealand's electricity grid sees gradual decarbonisation. Meanwhile, low-carbon materials are available due to lower demand, with minimal innovations beyond current technologies and materials.

Investments are prioritised for climate resilience and adaptation. As building codes become more stringent, some assets become stranded. Physical effects of climate change stress centralised infrastructure, resulting in failures and further stranding of some assets. Consequently, local councils increase rates to fund asset protection and restoration.

Despite these changes, insufficient incentives are introduced to encourage behavioural changes. The scenario depicts a significant breakdown of social cohesion, record heat stress levels, mental health issues, and food insecurity. Demand for housing spikes due to climate-driven immigration and an increase in climate refugees.

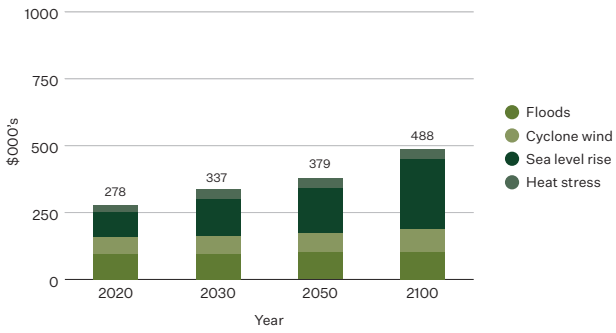
d) Anticipated climate-related impacts and financial impacts

The anticipated impacts of physical and transitional climate-related risks and opportunities are described in the table on pages 12 and 13.

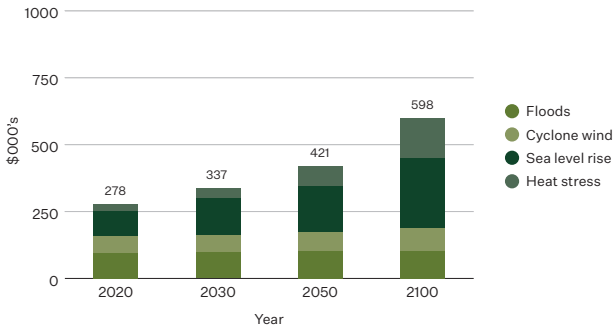
ANTICIPATED FINANCIAL IMPACTS OF PHYSICAL RISKS

Argosy has assessed financial impacts to its portfolio arising from the physical risks of climate change based on outputs from loss modelling carried out using KatRisk SpatialKat for flood and cyclone risks and Moody's RMS Climate on Demand for heat stress, sea level rise, water stress and wild fire risks. This modelling produced average annual damage estimates (AAD) for the portfolio, based on current insured values. AAD represents an estimate of expected damage and disruption per year, averaged over many years (it does not predict the actual damage that may occur in any year). The modelling covers flood, cyclone, wildfire, sea level rise, heat stress and water stress (it did not suggest a material impact from wildfire or water stress). The results are summarised in the three charts set out below showing modelled AAD under RCP 2.6 corresponding to Scenario 1, RCP 4.5 corresponding to Scenario 2 and RCP 8.5 corresponding to Scenario 3. The modelled AAD estimates vary between scenarios and the highest modelled AAD estimate is $925,000 per year (in respect of Scenario 3 in the year 2100).

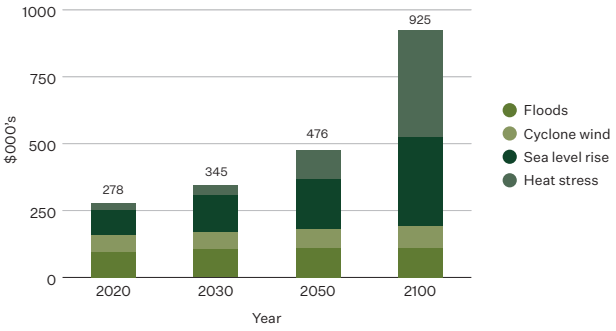
AAD – Scenario 1 (RCP 2.6)



AAD – Scenario 2 (RCP 4.5)



AAD – Scenario 3 (RCP 8.5)



ANTICIPATED FINANCIAL IMPACTS OF TRANSITION RISKS

Argosy's portfolio is presently comprised of 33% completed Green Buildings and has a target for 50% of its portfolio to be Green Buildings by 2031. Argosy's strategic planning envisages that the target for 50% of its portfolio to be Green Buildings will be achieved through developing or acquiring new Green Buildings (such as already announced developments at 224 Neilson Street and 8-14 Mt Richmond Drive) and the divestment of existing non-Green Buildings.

Argosy's ten-year plan includes aggregate capital expenditure of $284 million for the development of Green Buildings, of which $277m is planned to be spent by 31 March 2031. Completion of developments as contemplated by Argosy's ten-year plan would result in Argosy achieving its target that 50% of its portfolio will be Green Buildings by 31 March 2031. However, meeting this 2031 timeframe will depend on factors outside Argosy's control such as the commercial environment, leasing activity and construction timeframes.

When Argosy achieves its target for 50% of its portfolio to be Green Buildings, the balance of its portfolio will potentially remain vulnerable to transition risks. These risks may include costs to upgrade buildings to meet energy efficiency and/or climate adaptation requirements over the medium-to-long term. The strategy for these buildings is addressed in Argosy's transition plan on page 15.

RISK ASSESSMENT LEGEND

Severe ● High ● Medium ● Low ● Very Low ●

S – short term **M** – medium term **L** – long term

Risk Category	Risk Description	Residual risk				Commentary on controls and mitigations
CLIMATE CHANGE RISKS		Scenario	S	M	L	
Climate Change - Acute Physical Risk	**FLOODING, STORM, CYCLONE, AND WILDFIRE** - Increase in frequency and intensity of extreme weather events, including flooding, cyclones and wildfires, causing significant damage and/or destruction to buildings and surrounding infrastructure, delays to project timelines. Some properties may become stranded or permanently unprofitable due to the risk of extreme weather events and insurance retreat.	1	●	●	●	Extreme weather events are not expected to cause material climate-related impacts for Argosy's portfolio over the short, medium or long term under any of the three scenarios. This expectation is based on insurance modelling carried out in October 2024 with AAD estimates showing Argosy's risk from flood, cyclone and wildfire over the long term under each of the three scenarios (RCP 2.5, 4.5 and 8.5) will remain very low. The modelling is summarised at page 11 above. In assessing climate-related risks Management has made an assumption that Councils will be able to maintain public infrastructure in built-up areas over the long term. (Note that there was no significant damage to Argosy's portfolio from the Auckland Floods or Cyclone Gabrielle.)
		2	●	●	●	
		3	●	●	●	
Climate Change - Chronic Physical Risk	**RISING SEA LEVELS** - Rising sea levels impact coastal locations, leading to physical damage and increased insurance premiums for affected properties. Some properties may become stranded or permanently unprofitable due to the risk of inundation and insurance retreat.	1	●	●	●	Based on loss modelling carried out in October 2024, sea level rise is assessed as presenting a very low residual risk to Argosy's portfolio in the short to medium term under each Scenario and a "low" residual risk over the long term under each Scenario. In assessing climate-related risks Management has made an assumption that Councils will be able to maintain public infrastructure in built up areas over the long term.
		2	●	●	●	
		3	●	●	●	
Climate Change - Chronic Physical Risk	**HEAT STRESS** - Rising temperature causes heat stress creating increased demand for cooling. This increases energy consumption for buildings, with air-conditioning increasing operating costs. Potentially buildings without air-conditioning may require capital expenditure.	1	●	●	●	Under Scenarios 1 and 2, planned upgrades of existing air-conditioning plant provide opportunities to address emergent heat stress. However, there is potential for heat stress to affect areas of buildings without existing air-conditioning (such as many warehouse areas) under Scenario 3 in the medium to long term . Heat stress could affect workers or stock in such areas and may be harder to mitigate as compared to areas with existing air-conditioning equipment. However, consideration of the potential for future heat stress when developing/redeveloping buildings should mitigate the risk under Scenario 3 and the residual risk is rated as "medium".
		2	●	●	●	
		3	●	●	●	
Climate Change - Chronic Physical Risk and Mitigation Opportunity	**INCREASED RAINFALL** - Increase in rainfall causing changes in ground conditions, slope stability and shorter earthworks season. Some properties may become stranded or permanently unprofitable due to the risk of unstable ground conditions and insurance retreat. Increased rainfall also creates a mitigating opportunity for increased rainwater harvesting.	1	●	●	●	Increased rainfall will present a risk for vulnerable buildings and an opportunity for resilient buildings. This risk should be planned for in acquisitions and new developments/ redevelopments. Over the short term, some tenants may be focused on resilience, particularly in relation to floods under all three scenarios (to which Argosy's portfolio proved resilient in the Auckland Anniversary Weekend floods). Tenant demand and a practical need for resilience will grow as climate impacts increase in frequency and intensity, particularly under Scenario 3. Our AAD estimate for flood damage indicates that direct impacts to existing properties from unstable ground conditions will be a "very low" risk over the long term. However the potential for indirect impacts in relation to earthworks and insurance mean that this is rated as "low" for Scenarios 1 and 2 over the medium to long term and "medium" under Scenario 3 over the medium to long term.
		2	●	●	●	
		3	●	●	●	

RISK ASSESSMENT LEGEND

Severe ● High ● Medium ● Low ● Very Low ●

S – short term **M** – medium term **L** – long term

Risk Category	Risk Description	Residual risk				Commentary on controls and mitigations
CLIMATE CHANGE RISKS		Scenario	S	M	L	
Climate Change - Chronic Transition Risk and Opportunity	**RESILIENT BUILDINGS** - Physical climate impacts, tenant expectations and insurance retreat require increased captial expenditrue to ensure that buildings can withstand direct physical impacts of climate change and can operate independently of the power grid during blackouts. This can be a risk for vulnerable buildings and an opportunity for resilient buildings.	1	●	●	●	Adaptation studies (required for Green Star rated buildings) should anticipate climate adaptation/ resilience requirements for Scenarios 1 and 2 and mitigations implemented over the short to medium term should be effective in relation to these scenarios. Under Scenario 3, the medium rating for the long term relates to associated risks in relation to insurance and infrastructure and the expectation of increased climate change impacts from heat stress and increased rainfall.
		2	●	●	●	
		3	●	●	●	
Climate Change - Transition Risk	**EFFICIENT BUILDINGS** - Stricter building regulations and tenant preferences focused on decarbonisation impose minimum energy efficiency and/or other sustainability-based standards on buildings and related infrastructure, requiring increased capital expenditure to make buildings comply with energy efficiency requirements and standards.	1	●	●	●	Risks arising from energy efficiency requirements have greater impacts in the short to medium term under Scenarios 1 and 2 and are particularly acute in Scenario 2 for the medium term (2030-2050). However, Argosy's strategy to develop/ redevelop green buildings and reduce GHG emissions over the short to medium term should mitigate the heightened medium term transitional risk in Scenario 2. There is little emphasis on decarbonisation under Scenario 3 and this scenario presents low risk (although severe physical impacts of climate change create challenges for climate adaptation and resilience). It is assumed that Green Buildings will satisfy future stakeholder expectations and regulatory requirements in relation to energy efficient buildings.
		2	●	●	●	
		3	●	●	●	
Climate Change - Transition Risk and Opportunity	**GREEN BUILDINGS** - Demand from tenants, investors and stakeholders for certified sustainable energy efficient buildings with a low carbon footprint presents an opportunity for owners of Green Buildings and a risk for owners of older less efficient buildings.	1	●	●	●	Argosy's strategy to develop Green Buildings (and target for 50% of its portfolio to be Green Buildings by 2031) should leave it well-placed to take advantage of opportunities presented by the transition to a low carbon economy. We have assumed that Green Buildings will satisfy future stakeholder expectations and regulatory requirements in relation to energy efficient buildings.
		2	●	●	●	
		3	●	●	●	
Climate Change - Transition Risk	**REPUTATION AND SOCIAL LICENCE** - Failure to meet investor, regulatory or societal expectations in relation to management of transitional climate change impacts.	1	●	●	●	The inclusion of Green Buildings and climate change as material sustainability factors in Argosy's Sustainability Framework will ensure that we remain focused on stakeholder expectations and social licence concerns arising from the transition to a climate-resiliant, low carbon economy.
		2	●	●	●	
		3	●	●	●	

e) Transition plan

BUSINESS MODEL AND STRATEGY

Argosy is a listed property investment vehicle with a $2.1 billion portfolio of commercial, industrial and large format retail property, predominantly located in Auckland and Wellington. Argosy's strategy is based around its vision of building a better future:

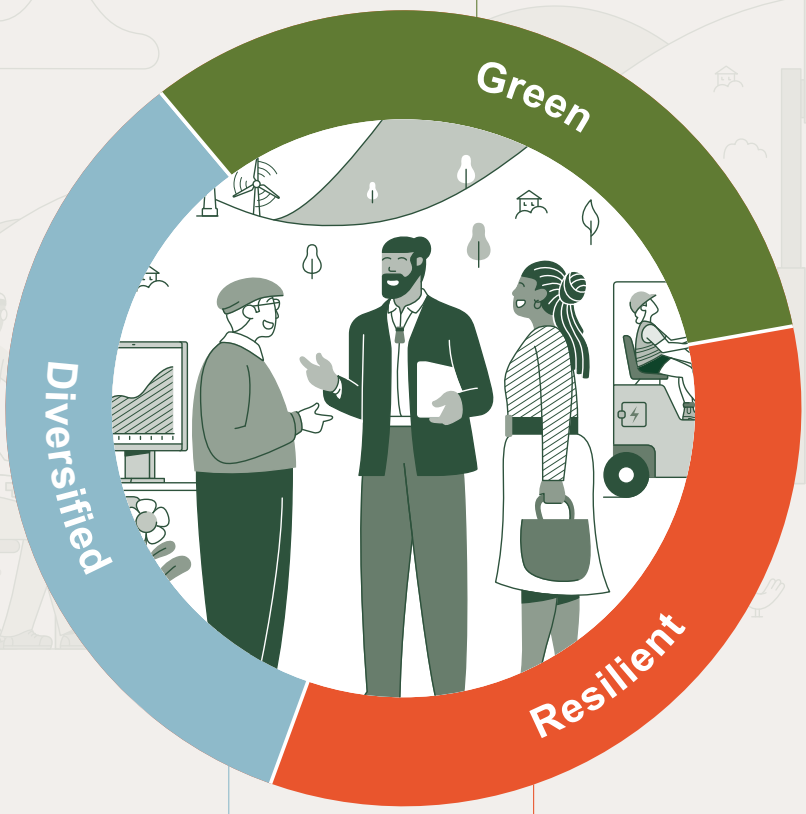
Building a *better* future

Proactive delivery of sustainable growth

A business culture that is environmentally focused

Executing green Value Add portfolio opportunities to drive earnings and capital growth

A commitment to funding for green assets



A diversified portfolio by sector and region

A diversified asset allocation across sectors to reduce volatility and widen growth opportunities

Targeting strategic growth opportunities with green potential and a focus on the Auckland Industrial market

Maintaining a portfolio of high quality, well located Core assets with growth potential

A business that is adaptable and responsive to change

Maintaining strong and valued relationships across all stakeholders

A commitment to management excellence delivering earnings and dividend growth

Ensuring safe working environments for Argosy and its partners

TRANSITION PLAN ASPECTS OF STRATEGY

Argosy is transitioning its property portfolio to a low-emissions, climate resilient economy through its strategy to develop Green Buildings and the target for 50% of the portfolio to be Green Buildings by 31 March 2031. This strategy reflects Argosy's ambition to address climate change by creating well designed, vibrant and energy efficient buildings which meet the needs of tenants today and into the future. Argosy believes that energy efficient Green Buildings have the potential to provide several key benefits which will facilitate Argosy's transition toward a low-emissions, climate resilient economy:

- lower transition risk
- lower energy costs
- higher occupancy
- higher value
- improved worker productivity
- improved occupant health and wellbeing

Argosy's Sustainability Framework is an important part of its strategic planning and applies to all areas of its business, including consideration of climate change risks and opportunities. Green Buildings and climate change are identified as material sustainability factors within this Framework. The most observable impact of climate-related risks and opportunities has been the drive for Argosy and its stakeholders to obtain Green Building certifications in relation to the refurbishment or construction (Green Star ratings) and ongoing operation (NABERSNZ ratings) of its buildings.

These certifications provide evidence of reduced energy use and emissions from Argosy's buildings in accordance with internationally recognised standards which help reduce the carbon footprint of Argosy and its occupiers. Buildings with Green Star ratings also benefit from climate adaptation planning contributing to greater resilience. This drive toward certified energy efficient Green Buildings is reflected in Argosy's strategic and financial planning as well as its plans for acquisitions, developments and disposals.

Argosy is preparing its property portfolio for progressive certification, which started with the 5 Green Star Office Built rating obtained for the redevelopment of the historic Te Puni Kōkiri House in March 2014. Since then, Argosy has obtained Green Star ratings on a further eleven buildings and has obtained (4 star or better) NABERSNZ ratings on six of these buildings and three other buildings. The target for 50% of the portfolio (by market value) to be certified energy efficient Green Buildings by 31 March 2031 represents the main plank of Argosy's transition plan. Beyond this target, the strategy for each of Argosy's existing properties considers whether they have the potential to be upgraded or redeveloped as Green Buildings. Where practicable, Argosy will plan to upgrade or redevelop existing buildings so that existing building services are replaced in-cycle toward the end of their useful lives. This approach helps to mitigate transitional financial impacts from the impairment of existing building services, and reduces the cost of upgrading or redeveloping Green Buildings over time.

The development of Green Buildings has also provided Argosy with an opportunity to diversify its funding through Green Bonds. At the date of this report, Argosy has funding of $325 million from Green Bonds supported by certified energy efficient Green Buildings (including developments targeting such a certification) valued at $785.2 million. Argosy anticipates that in the future reducing GHG emissions, building resilience and sustainable business practices will become increasingly important factors in accessing other forms of capital, including insurance.

Argosy is transitioning its corporate operations to a low-emissions climate resilient economy by managing emissions under its operational control (Scope 1 and 2 and some Scope 3 emissions). For example, its motor vehicle fleet is comprised almost entirely of electric vehicles, it monitors airline travel, it has an emissions reduction plan, and it has maintained a Toitu Net Carbon Zero certification since 2020.

CAPITAL DEPLOYMENT AND FUNDING DECISION-MAKING PROCESSES

Argosy's internal capital deployment and funding decision making processes are aligned with the target that 50% of its property portfolio will be Green Buildings by 31 March 2031. This is reflected in Argosy's plans for developments, acquisitions and divestments.

Risk Management

DISCLOSURE OBJECTIVE:

To enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk management processes.

RISK MANAGEMENT DISCLOSURES:

To achieve the disclosure objective above, an entity must disclose the following information for both transition risks and physical risks:

a) a description of its processes for identifying, assessing and managing climate-related risks

b) a description of how its processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes

a) Processes for identifying, assessing and managing climate-related risks

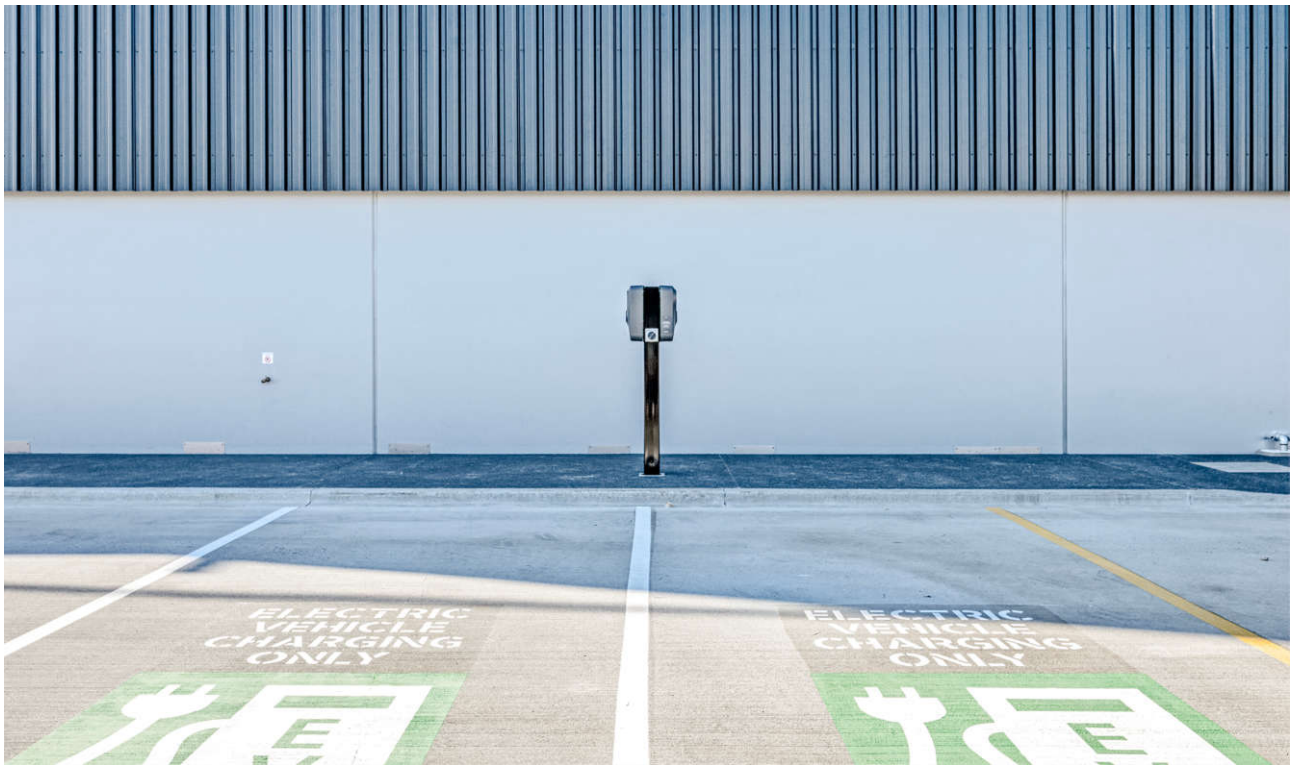
The Risk Management Framework under which Argosy's Risk Management Committee operates includes a risk appetite and criteria for identifying and assessing climate-related risks and opportunities arising from scenario analysis. The short, medium and long term for assessing climate-related risks and opportunities are the same as the corresponding time-frames under Argosy's climate scenarios:

Short term:	2025 – 2030
Medium term:	2030 – 2050
Long term:	2050 – 2100

In accordance with Argosy's Risk Management Framework, the Risk Management Committee has analysed the climate scenarios described above, identified climate-related risks and opportunities, and added them to Argosy's Strategic Risk Register. Controls and mitigations are developed where risks are assessed as being outside Argosy's risk appetite.

b) How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management processes

Amendments to the Risk Management Framework and additions to the Strategic Risk Register described above are reviewed by the Board's Audit and Risk Committee and approved by the Board. Climate-related risks and opportunities are reviewed along with other risks in accordance with Argosy's Risk Management Framework.



Metrics and Targets

DISCLOSURE OBJECTIVE:

To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.

METRICS AND TARGETS DISCLOSURES:

To achieve this disclosure objective, an entity must disclose:

a) the metrics that are relevant to all entities regardless of industry and business model

b) industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities

c) any other key performance indicators used to measure and manage climate-related risks and opportunities

d) the targets used to manage climate-related risks and opportunities, and performance against those targets

Metrics relevant to all entities

GREENHOUSE GAS EMISSIONS

Argosy's gross emissions in metric tonnes of carbon dioxide equivalent (tCO_2e) using the location-based method for the reporting period to 31 March 2025 are set out in the table below:

Scope	GHG Category	Activity	tCO_2e FY25	tCO_2e FY24 (restated*)	Methodology	Uncertainty
1	S1 Fugitive emissions	HVAC refrigerant top-ups	180.5	141.5	Data supplied by service provider from manual entry records	Medium
	S1 Mobile combustion	Company vehicles - fuel	7.3	9.0	Data taken from supplier online data portal	Low
	S1 Stationary combustion	Natural gas - heating	7.1	7.5	Data supplied by utility provider and taken from invoices.	Low
		Fire pump and generator fuel	23.9	32.4	Data supplied by service provider from manual entry records	Medium
		Scope 1 total	**218.8**	**190.4**		
2	S2 Purchased electricity	Electricity used by Argosy	182.3	181.0	Data supplied by utility provider and taken from invoices	Low
		Scope 2 total	**182.3**	**181.0**		
3	S3 1. Purchased goods and services	Maintenance emissions - spend based	1,116.0	1,052.4	Data taken from internal accounting system	High
		Water supply and wastewater	21.9	16.6	Data supplied by utility provider and taken from invoices	Low

Scope	GHG Category	Activity	tCO_2e FY25	tCO_2e FY24 (restated*)	Methodology	Uncertainty
3	S3 3. Fuel and energy-related activities	Company vehicles - fuel supply emissions	1.7	0.0	Data taken from internal accounting system	High
		Electricity distribution emissions	128.1	160.9	Data estimates applied, using metered sites of same industry type	High
		Gas distribution emissions	1.5	1.6	Data supplied by utility provider and taken from invoices	Low
		Fire pump and generator fuel supply emissions	5.5	7.4	Data supplied by service provider from manual entry records	Medium
	S3 5. Waste generated in operations	Landfilled waste	127.0	56.9	Data supplied by service provider from manual entry records	Medium
		Recycling	0.3	0.3	Data supplied by service provider from manual entry records	Medium
	S3 6. Business travel	Air travel	34.3	29.0	Data taken from supplier online data portal	Low
		Private car travel for work	93.4	111.0	Data taken from internal accounting system	High
	S3 7. Employee commuting	Employee commuting - private vehicles and public transport	17.0	29.6	Internal survey of staff using travel distance	High
	S3 13. Downstream leased assets	Electricity used by tenants	4,321.1	3,890.3	Data estimates applied, using metered sites of same industry type	High
		Natural gas for heating used by tenants	303.5	325.6	Data supplied by utility provider and taken from invoices	Low
		Scope 3 total	**6,171.3**	**5,681.6**		
		Grand total	**6,572.4**	**6,053.0**		

* Restated due to the implementation of a new and more accurate system for recording and reporting GHG emissions.

Methods, assumptions and uncertainties

The methods, assumptions and uncertainties in relation to the calculation or estimation of Scope 1, 2 and 3 emissions are described below.

Scope 1, direct emissions: this scope captures emissions directly generated by Argosy's owned or controlled assets. Data is collected from various sources: service contractors provide information on refrigerant emissions and top-up volumes, fuel card data helps track mobile combustion emissions from company vehicles; and service providers offer data on top-ups for stationary combustion sources like fire pumps and backup generators.

Scope 2, indirect emissions from purchased energy within Argosy's operational control: electricity use contributes to indirect emissions. Argosy gathers data from electricity suppliers, invoices, and on-site electrical sub-metering to calculate both electricity emissions and electricity distribution loss emissions. Scope 2 emissions are calculated using the location-based method.

Scope 3, other indirect emissions: this scope encompasses all other indirect emissions from Argosy's activities, and emissions are calculated using emission factors as described below (source of emissions factors). Purchased goods and services emissions, including emissions from maintenance across the portfolio, are estimated using a spend-based methodology. Waste management data comes from service provider weigh stations, allowing for calculations of emissions from landfilled, recycled (including plastics, cardboard and paper) and composted waste. Business travel emissions are tracked – air travel data comes directly from the verified provider, while taxi and rental car emissions are estimated using spending data. Employee commuting emissions are calculated based on road mapping, transport mode, and commuting frequency. Finally, data for leased buildings is calculated using tenant electricity consumption or estimated using emissions factors derived from similar buildings within Argosy's portfolio. This includes estimating emissions from both tenant electricity consumption and electricity distribution losses in those leased assets.

Standard under which emissions have been measured

Argosy's emissions have been measured in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Consolidation approach

Argosy has used an operational control approach for consolidation of Scope 1 and 2 emissions. Although its tenants are responsible for a large proportion of emissions, an operational control approach is considered appropriate as Argosy maintains close relationships with tenants enabling it to influence and enact change.

Source of emissions factors

Argosy used the following sources of emissions factors:

- Market Economics Limited, 2023, Consumption Emissions Modelling, report prepared for Auckland Council
- Calculated from Auckland Council Spend based diesel and % of WTT to stationary combustion EFs (https://www.climalife.co.uk/r454b)
- MfE Measuring Emissions Guidance, May 2024
- NZECS, Resources, Residual Supply, 2023/24 (https://bravetrace.co.nz/residual-supply-mix/Source)
- UK Government GHG Conversion Factors for Company Reporting, 2023
- UK Government GHG Conversion Factors for Company Reporting, 2024

Specific exclusions from reported GHG emissions

Argosy has excluded the following specific source of GHG emissions: refrigerant leakage from tenant-controlled air-conditioning units in buildings occupied by a single tenant, as it is outside Argosy's operational control.

INDEPENDENT ASSURANCE STATEMENT

To the Stakeholders of Argosy Property Limited ("Argosy")

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the scope 1, 2 and 3 GHG emissions ("Subject Matter Information"), including associated methods, assumptions, and estimation uncertainty, presented in Argosy's FY25 Climate-related Disclosures for the period of 1st April 2024 to 31st March 2025 ("the Report"), is not fairly presented and prepared, in all material respects, in accordance with the Reporting Criteria, within the scope of our limited assurance engagement.

Scope of the Assurance Engagement

The scope of assurance was limited to the below Subject Matter Information, as presented on page 17 and 18 of the Report, applicable for the following entities under Argosy's operational control including Argosy Property Management Limited and Argosy Property No.1 Limited.

Our assurance engagement does not extend to any other information included in the Report or information from earlier periods. We have not performed any procedures on the excluded information and, therefore, do not express any conclusion on it.

Subject Matter Information	***Assured Figure***
Scope 1 GHG emissions	218.8 tCO2-eq.
Scope 2 GHG emissions (location based)	182.3 tCO2-eq.
Scope 3 (category 1, 3, 5, 6, 7 and 13) GHG emissions	6,171.3 tCO2-eq.
Total scope 1, 2 and 3 GHG emissions	6,572.4 tCO2-eq.

Reporting Criteria

The Subject Matter Information was prepared in accordance with the *Aotearoa New Zealand Climate Standards (NZ CSs)* issued by the External Reporting Board (XRB), and *the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) (2015)* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Argosy's Responsibilities

Management of Argosy was responsible for:

- Selecting and establishing suitable reporting criteria for preparing the Subject Matter Information subject to assurance.
- Preparing and presenting the Subject Matter Information in accordance with the Reporting Criteria.
- Designing, implementing, and maintaining internal controls relevant to the preparation of the Subject Matter Information that is free from material misstatement whether due to fraud or error.
- Advising us of any known or suspected issues related to the Subject Matter Information.

Inherent Uncertainty in preparing GHG disclosures

As discussed on page 17 and 18 of the Report, the 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. Please also refer to page 18 for detailed information about the assumptions applied for calculating scope 3 GHG emissions.

Our Responsibilities

Bureau Veritas was responsible for:

- Planning and performing the engagement to obtain the intended level of assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error.
- Forming an independent conclusion based on the procedures performed and evidence obtained.
- Reporting our conclusion to the Directors of Argosy.

Bureau Veritas was not involved in the drafting of the report and our independence has not been compromised.

INDEPENDENT ASSURANCE STATEMENT

Summary of Work Performed

Our limited assurance engagement on the Subject Matter Information was conducted in accordance with NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* issued by the External Reporting Board (XRB), ISAE NZ 3410 *Assurance Engagements on Greenhouse Gas Statements* issued by the International Auditing and Assurance Standards Board (IAASB), and informed by Bureau Veritas' procedure for Sustainability Assurance Engagements.

Our work was planned and executed in a manner designed to produce the intended level of assurance and to provide a sound basis for our conclusions.

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

- Review of the suitability and application of the Reporting Criteria used as the basis for preparing the Subject Matter Information.
- Enquiries of Argosy representatives to gain an understanding and evaluate implementation of processes, systems and internal controls to collect, aggregate, calculate, analyse and report the Subject Matter Information.
- Enquiries of personnel responsible for the performance of the processes and preparation of the Subject Matter Information.
- Review of documentary evidence produced by Argosy representatives.
- Comprehensive performance data testing, involving source verification for emissions sources and emissions factors, as well as mathematical accuracy of the calculations pertaining to the Subject Matter Information.
- Assessment of whether the Argosy's methods for developing estimates are appropriate and had been consistently applied.
- Review of the presentation and disclosure of the Subject Matter Information within the Report.
- Request of Management Representation Letter on key assertions.

The scope of a limited assurance engagement is significantly narrower than a reasonable assurance engagement. This includes fewer risk assessment procedures, a more limited understanding of internal controls, and less extensive responsive testing. Consequently, the level of assurance obtained in a limited engagement is substantially lower than a reasonable assurance. Even a reasonable assurance engagement, while providing a high level of assurance, does not guarantee the detection of all material misstatements, should they exist.

Inherent Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined reporting period.
- Statements of commitment to, or intention to undertake future actions by Argosy.
- Statements of position, opinion, belief and/or aspiration by Argosy.
- Financial data audited by an external third party.
- Other sites and/or activities not included in the scope.

This independent assurance statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Impartiality, Competence

Bureau Veritas is a global leader in Testing, Inspection and Certification ("TIC") services. Bureau Veritas' mission is to support its clients complying with regulations, managing risks and improving performance to meet the challenges of quality, health, safety, hygiene, environmental protection and social responsibility. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau Veritas has helped build trust between companies, public authorities and consumers for nearly 200 years (https://group.bureauveritas.com/).

Bureau Veritas operates a quality management system across its activities and has implemented a robust Code of Ethics to maintain high ethical standards among its personnel and business partners in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with Argosy, its Directors or Managers beyond that required of this assignment. We have conducted this assurance engagement independently and there has been no conflict of interest.

The assurance team was selected based on its extensive industry sector knowledge and experience in conducting independent verification, validation and assurance of Environmental Social and Governance (ESG) information and associated systems and processes.

Bureau Veritas New Zealand Pty Ltd
28 April 2025

Bureau Veritas

Jeremy Leu
General Manager, Perth, Australia

GHG EMISSIONS INTENSITY

Argosy's GHG emissions intensity by revenue is:

$$\frac{\text{Scope 1 + Scope 2}}{\text{Revenue}} = \frac{401.1\text{tCO}_2\text{e}}{\$132.7\text{m}} = 3.02\text{tCO}_2\text{e}/\$1\text{m}$$

Argosy's GHG emissions intensity by net lettable area is:

$$\frac{\text{Scope 1 + Scope 2}}{\text{Net lettable area}} = \frac{401.1\text{tCO}_2\text{e}}{549{,}234.71\text{sqm}} = 0.00073\text{tCO}_2\text{e/sqm}$$

ASSETS EXPOSED TO TRANSITION RISKS

All of Argosy's property assets are potentially exposed to transition risks arising under the climate scenarios described in this report to some extent. For example, energy efficiency requirements and the need for increased resilience. Further information in relation to anticipated transition risks is set out at page 13 above.

ASSETS EXPOSED TO PHYSICAL RISKS

All of Argosy's properties are potentially exposed to physical risks arising under the climate scenarios described in this report, particularly under climate scenario 3, to some extent. For example, climate impacts from acute weather events, sea level rise and heat stress. Further information in relation to anticipated physical risks is set out on page 12.

CLIMATE-RELATED OPPORTUNITIES

All of Argosy's properties are potentially exposed to climate-related opportunities under the climate scenarios described in this report to some extent. For example, there is the potential for properties to be upgraded such that they are more energy efficient and resilient, making them more attractive to tenants.

CAPITAL DEPLOYMENT

Argosy has deployed capital expenditure toward climate-related risks and opportunities during the year to 31 March 2025 as set out in the table below.

Capital deployed	$000s
Development expenditure for Green Star rated buildings	49,353
Lighting upgrades	250
Sub-metering (electricity and water)	551
Solar installation	116
HVAC renewal programme	613
Other	69
Total	50,952

INTERNAL EMISSIONS PRICE

For the year ended 31 March 2025, Argosy had an internal emissions price of $21/tCO$_2$e (2024: $21/tCO$_2$e). This is the average cost of offsetting Scope 1 and 2 carbon emissions for Argosy's certification under Toitū Envirocare's Net Carbon Zero Programme.

REMUNERATION

Argosy's short term incentive scheme includes components linked to climate-related risks and opportunities. For the year ended 31 March 2025, the percentages of STI linked to climate-related risks and opportunities were: CEO 10%, CFO 10%, and other staff 8%.

INDUSTRY BASED METRICS

Argosy has an emissions reduction programme as part of its Toitū Envirocare Net Carbon Zero Programme, and other targets used to manage climate-related risks and opportunities, as outlined below.

Emissions reduction programme

Argosy targets a 17.5% reduction in emissions intensity for Scope 1 , Scope 2 and selected Scope 3 emissions (for corporate transport, energy distribution losses and waste/recycling) by 31 March 2031, under its Toitū Envirocare Net Carbon Zero Programme. Argosy's total emissions (Scopes 1, 2 and 3) have increased 9% since the Base Year ending 31 March 2024. This is made up of a 15% increase in Scope 1 direct emissions, a 1% increase in Scope 2 electricity emissions, and a 9% increase in the selected Scope 3 emissions. Brief commentary on Argosy's performance in relation to each of the three Scopes is set out on the following page.

Scope 1 emissions: refrigerant losses from building air-conditioning systems within Argosy's operational control have been the main cause of Argosy's increase in Scope 1 emissions. For the year ended 31 March 2025, R410a refrigerant losses contributed 82% of Argosy's Scope 1 emissions. These emissions are sporadic in nature, and Argosy has an ongoing reductions project focused on leak detection and mitigation. Excluding refrigerant emissions from the calculation, Scope 1 emissions would have reduced by 22%. This was contributed to by the phasing out of fossil fuel powered company vehicles and reduced natural gas and backup generator usage.

Scope 2 emissions: scope 2 electricity emissions have remained steady with a small increase of 1%.

Scope 3 emissions: waste to landfill emissions in Scope 3 increased significantly due to the greater accuracy of data received from contractors, which contributed to an overall increase in selected Scope 3 emissions.

The emissions reduction target is an absolute target to reduce Argosy's emissions, and is a commitment under the Toitū Envirocare Net Carbon Zero Programme. Achieving this target will contribute to limiting global warming by reducing Argosy's emissions. However, it is not a science-based target linked directly to Paris Agreement goals or the specific goal of limiting global warming to 1.5°C.

Argosy's Scope 1, 2 and selected Scope 3 emissions reduction programme does not rely on carbon offsets. However, Argosy's certification under the Toitū Envirocare Net Carbon Zero Programme relies on carbon offsets for emissions remaining after reductions under Argosy's emissions reduction programme.

Other targets used to manage climate-related risks and opportunities

Argosy has the following targets which are used to manage climate-related risks and opportunities:

- **Green Buildings**: Argosy has a target that 50% of the buildings in its portfolio (by market value) will be Green Buildings by 31 March 2031. As at 31 March 2025, 33% of completed buildings in Argosy's portfolio (by market value) were Green Buildings. Based on presently available information and projections, planned Green Buildings would be sufficient to meet Argosy's target for 50% of its buildings (by market value) to be Green Buildings by 31 March 2031. However, meeting the target by this date will depend on the commercial environment, leasing activity and construction time-frames.
- **Green Star ratings for new buildings**: Argosy has an annual target that all new office buildings will achieve a 5 Green Star rating and new industrial buildings will achieve a 4 Green Star rating. Argosy developed one new building during the year which met this target. This was the 6 Green Star Design & As-Built Rating at Building B, 224 Neilson Street (certified November 2024).
- **NABERSNZ ratings**: Argosy has a target for all Core office buildings to have a NABERSNZ rating by 31 March 2026. There are eight Core and Value Add office buildings and six of these have NABERSNZ ratings with one building undergoing the renewal process for its rating and the remaining building on track to receive its NABERSNZ rating during the year to 31 March 2026.
- **Diverting waste from landfill**: Argosy has an annual target for 80% landfill diversion on major projects (excluding tenant fitout). Argosy had one major project, the development of Building B at 224 Neilson Street, which met this target and achieved 93% diversion from landfill.
- **Fossil fuels**: Argosy has a target for all existing buildings to have no Argosy controlled fossil fuels combusted on site (excluding emergency and fire services) by 31 March 2030. Argosy is investigating alternatives to gas powered building services and decarbonisation projects have been initiated at two properties.
- **R22 refrigerants**: at its Core buildings, Argosy is investigating options for phasing out R22 refrigerants in air-conditoning units under its operational control by 31 March 2031. The intention is to replace R22 refrigerants with non-ozone lower GHG potential refrigerants.
- **Solar projects**: Argosy had a target to pilot a solar project for an industrial property during the year to 31 March 2025. This target was met. During the year, a 224kW PV array was installed as part of the development of Building B at 224 Neilson Street.

The targets above:

- are neither intensity nor absolute targets
- are not science based targets linked directly to Paris Agreement goals or the specific goal of limiting global warming to 1.5°C
- contribute to limiting global warming by helping to reduce Argosy's overall emissions in current or future years
- do not rely on carbon offsets

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