

# Bringing places to life



## Sustainability Report 2022





Sylvia Park build-to-rent. Artist's impression.



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# Message from the ESG Committee Chair



## **Kiwi Property made significant progress on the delivery of our Sustainability Strategy in the 2022 financial year (FY22), despite the impact of COVID-19.**

More than ever, environmental and social considerations are central to our broader business agenda and our purpose of “Creating Connected Communities” and as such we have strived to have them embedded in all our governance processes.

Over the past 12 months we have concentrated our efforts on three priority areas: Places, People and Partnerships. This focused approach has enabled impressive results in several key areas, the stories of which are featured in case studies throughout this report.

While we still have more work to do, we’re pleased with the progress we’re making towards improving the wellbeing of people in and around our communities. We hope you feel the same.

We believe strongly that what gets measured gets done, so we have clear targets, aligned to the United Nations Sustainable Development Goals (UNSDGs), that enable the company’s sustainability performance to be evaluated. Our efforts are closely governed and guided by Kiwi Property’s Environmental, Social and Governance (ESG) Committee and Leadership team. The establishment of these groups in 2020 effectively formalised the philosophy already inherent in our business: that the buildings and places we develop and manage should be sustainable in the full sense of the word.

While there’s still much to do, we’re committed to taking the steps today to create a brighter future for the generations of tomorrow. A tangible example of this outlook is our commitment to becoming net carbon negative in our operations by 2030; nearly 20 years ahead of the Government’s target. By challenging ourselves to achieve this milestone in just over eight years, we embed the necessary discipline in our planning and practices today and contribute to a greater impact for tomorrow.

We’re also looking at ways to address the issue of embodied carbon, particularly in our development activities. The challenges are significant and will require an industry wide solution. We are also proactively examining the issue of modern slavery, ahead of anticipated changes to New Zealand’s legislation in this area. While Kiwi Property certainly isn’t the largest business in the country, we have the scale, footprint and resources to be a force for good. We take this responsibility seriously.

Our aim for FY23 is to achieve our own sustainability ambitions while helping drive systemic change. True sustainability success isn’t measured by what we do in isolation. The impact we have on the people and organisations around us will resonate across our communities, making a real and lasting difference. We’ve made great progress towards our sustainability targets this year, building on the work that went before, but the best is yet to come. Please take the time to read our report to get a fuller sense of all our achievements over the last year and plans for the future.

Ngā mihi,

**Mark Powell**

ESG Committee Chair

# Message from the Chief Executive Officer



## Sustainability has been a priority for Kiwi Property for 20 years.

As a developer and curator of mixed-use communities, we believe that the best way for our business to do well, is by doing good; environmentally, socially and financially. In the wake of COVID-19, our commitment to sustainability has never been more important. The pandemic has highlighted the importance of enhancing the wellbeing of the people in and around our assets - helping to create a better future for Aotearoa New Zealand.

## Progress

Kiwi Property made important strides towards the achievement of our sustainability targets in FY22. Through a concerted effort by our operations and management teams, we achieved a 60% reduction in our annual operational Greenhouse Gas (GHG) emissions, compared to our 2012 base year.

We will continue looking for every opportunity to build on those reductions.

Solar energy has a vital role to play in meeting our onsite energy needs and has the potential to substantially reduce our residual carbon footprint. Earlier this month we reached an agreement with Meridian that will see us create New Zealand's largest rooftop solar installation at Sylvia Park. This array will boost Sylvia Park's solar output to a peak capacity of 1.21 MWp and produce enough electricity to supply over 50% of Sylvia Park's common areas. As we grow the Sylvia Park precinct, we will continue increasing our onsite renewable energy generation. This work, along with a significant 9% reduction in water consumption since 2012, shows the precinct can grow sustainably and responsibly.

Our focus on wellbeing came to the fore in several tangible ways in FY22. We supported Waikato-Tainui and the Waikato District Health Board to create the region's largest vaccination centre at Te Awa, The Base and worked closely with Be. Lab and the Safe Space Alliance to ensure all Kiwis have access to, and feel welcome in, our assets. We also continued to provide rental abatements for our tenants hardest hit by COVID-19, easing their financial pressure, helping them to retain employees and maintain business operations through COVID-19.

We were very encouraged by the response to our recent Green Bond offer. The offer raised \$150 million and was oversubscribed, highlighting the market's support for Kiwi Property's sustainability programme and the potential opportunities to pursue ESG linked capital sources. Equally, our initial Global Real Estate Sustainability Benchmark (GRESB) rating is a source of immense pride, with Kiwi Property performing strongly compared to its peers in the sector. Our overall rating of 80 (out of 100) demonstrates the strength of our ESG performance and is a particularly strong result for a first-time participant.

## Outlook

While Kiwi Property made important progress on its Sustainability Strategy in FY22 there is still much to do. We have ambitious goals and are committed to working with our stakeholders to support wellbeing in our communities, drive business value and help create a brighter tomorrow for all Kiwis.

Thank you for taking the time to read our FY22 Sustainability Report. We hope you enjoy it.

Ngā mihi,

**Clive Mackenzie**

Chief Executive Officer

# FY22 highlights

# 100%

of core assets rated Gold or Platinum by Be.Lab

# 80

points achieved in GRESB  
as a first-time participant

# #1

Agreement with Meridian to create  
the largest rooftop solar installation  
in New Zealand

# 1st

Kiwi Property  
Green Bond offer

# 4.5 star

Minimum NABERSNZ rating  
across our core office assets<sup>1</sup>

# 50k+

COVID-19 vaccinations administered at  
The Base vaccination centre

<sup>1</sup> Kiwi Property core office assets are: ASB North Wharf, Vero Centre, ANZ Raranga, 44 The Terrace & The Aurora Centre.

Homestead Park, Drury. Artist's impression.

# Timeline of key achievements

# 2002

Kiwi Property's sustainability journey commences

# 2005

Kiwi Property becomes founding member of the NZ Green Building Council

# 2012

Carbon reduction strategy launched



# 2013

First Kiwi Property Sustainability Report published

# 2016

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

# 2017

Electric vehicle charging stations rolled out across key retail assets



# 2022

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

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

## 2021

## 2020

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



Inaugural Kiwi Property Keystone Māori & Pasifika scholarship awarded

## 2019



## 2018

Kiwi Property becomes founding member of the Climate Leaders Coalition

# Materiality

**No business operates in isolation. We are connected to, and affected by, a range of stakeholders including those who invest in us, shop with us or lease space in our buildings. Our retail and mixed-use assets are often the heart of a community, so we have close connections to the people who live and work there.**

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

In FY22 we completed a management review of the materiality assessment to ensure our efforts continued to focus on the right issues.

The outcome of this review is graphically depicted on the opposite page., with the highest ranked issues shown in the top right quadrant. These are:

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

Importantly, the materiality assessment does far more than inform us about our stakeholders' concerns. It ensures the key issues identified are prioritised within our Sustainability Strategy and supporting action plans.



Vero Centre



**Ability for Kiwi Property to impact**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. <b>Creation of wellbeing for individuals and the vulnerable.</b></li> <li>2. Communal spaces that support wellbeing.</li> <li>3. Access to mental health services.</li> <li>4. Wellbeing in the workplace.</li> <li>5. <b>Reducing waste.</b></li> </ul> | <ul style="list-style-type: none"> <li>6. <b>Climate change.</b></li> <li>7. Child poverty.</li> <li>8. Affordable housing.</li> <li>9. Homelessness.</li> <li>10. Supporting the most vulnerable.</li> <li>11. <b>Efficient use of resources – energy, waste, water.</b></li> </ul> |
|--|--|

# Sustainability Strategy

Kiwi Property does more than develop buildings. We create connected communities that bring together the best of retail, office, residential and open spaces in a way that enhances the wellbeing of the people in them. It's about curating places that are environmentally and economically sustainable, and where people feel positive, connected, and cared for.

**Kiwi Property's sustainability and business strategies are fully integrated, ensuring the alignment of our environmental, social and business decisions. This reflects our belief that we'll only be successful over the long term if the communities where we operate are successful as well.**

Climate, regulatory, technological and societal factors are all key considerations in our development and investment decisions. By placing sustainability at the heart of our planning and practices we help ensure the performance of our assets for generations to come. Nowhere is this outlook more evident than in our proactive approach to climate-related risk reporting, which we've prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See page 38 for further details.

Our Sustainability Strategy features three pillars - Places, People and Partnerships. Each pillar has its own key actions and targets, which are aligned to the UNSDGs, and are outlined on pages 14, 22 and 30 of this report.

By delivering against these three pillars we will enhance the wellbeing of people in and around our communities and help address the key issue identified during the materiality assessment process.

Wellbeing means different things to different people and in some ways, it is hard to define. But it certainly reflects what our stakeholders expect of us and our own belief that the places we create can make a positive and tangible difference in people's lives.

The delivery of our Sustainability Strategy is overseen by our ESG Committee, made up of Kiwi Property directors, who provide valuable strategic insight, as well as helping to identify and act on ESG risks to our business and sustainability agenda.



## Places



Create spaces that promote wellbeing



Reduce our environmental footprint



Develop sustainable buildings



## People



Foster wellbeing in our communities



Embrace diversity



Enable our team to succeed



## Partnerships



Partner with others to enhance the wellbeing of our customers



Create shared value with our tenants



Support sustainable procurement

# Places



ASB North Wharf

**Climate change is a major threat to New Zealand's environment, economy and communities.**

As one of the country's largest listed property companies, we aim to lead on sustainability, actively reducing our operational emissions and working with our partners to decrease water, waste and energy use. We design and construct properties which, where possible, are independently rated against recognised industry standards.

For our assets to be successful over the long-term, robust sustainability credentials are just the beginning; they also need to be great places to visit, work and live. That's why we're stepping up our focus on the spaces between the buildings, providing green precincts, engaging artworks and a carefully curated mix of services.

## Our ambition

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

### Key actions:



#### Create spaces that promote wellbeing

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



#### Reduce our environmental footprint

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

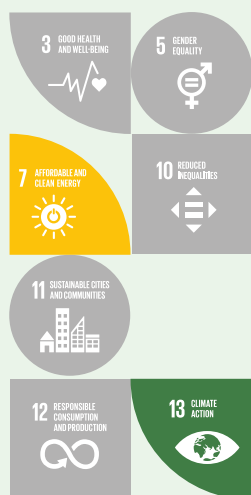


#### Develop sustainable buildings

Design and construct environmentally sustainable properties.

### Our progress against targets:

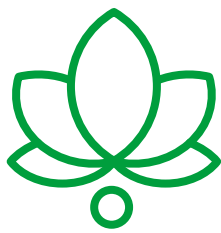
Our targets are designed to help achieve the following United Nations Sustainable Development Goals:



Targets	Status	FY22 Progress
Net carbon negative in our operations by 2030.	●	60% reduction in operational carbon compared to our 2012 base year.
Net zero operational waste to landfill by 2050.	●	24% reduction in waste to landfill compared to 2012.
Net zero municipal water consumption by 2050.	●	16% reduction in water consumption compared to 2012.
Eligible existing buildings target a 4 star NABERSNZ rating, with an aspirational 5 star target.	●	All eligible buildings have achieved a minimum of 4 star NABERSNZ rating, with the core office assets achieving a minimum of 4.5 stars.
Eligible projects to target a 5 Green Star rating, with an aspirational 6 Green Star target.	●	3 Te Kehu Way office development is underway and targeting a 6 Green Star rating.
Eligible projects to target a 7 Homestar rating, with an aspirational 8 Homestar target.	●	Sylvia Park build-to-rent (BTR) development is underway and targeting a 7 Homestar rating.

- Achieved
- Progressed
- Not achieved

# Create spaces that promote wellbeing




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Enhancing the wellbeing of our communities is the foundation of our Sustainability Strategy. We do this in a variety of ways across our property portfolio by enhancing not just the buildings we own and operate, but also the spaces between those buildings, where people connect.

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## Promoting wellbeing through art

Art can draw people into an environment, make them feel welcome, create a sense of community and reinforce a place's unique identity. When people find places more inviting and attractive they stay longer and come back more frequently. This is important at our shopping centres because happy customers tend to take more time shopping and as a result spend more with our retailers. In our office buildings, such as the Vero Centre, spaces that offer workers respite in a busy day or provide a place to informally do business enhance the overall tenant experience.

Creating beautiful and engaging assets has always been important to Kiwi Property but more than ever we're using art and installations across our portfolio to connect people with each other and the spaces around them, while also celebrating the talent of local New Zealand artists.

Commissioned pieces at Sylvia Park include a range of sculptures including Kiwi artist Simon Lewis Wards' 375 piece 'spilling jets' and the installation of the giant knuckle bone seats. Elsewhere in the centre, Levi Hawkin's "Love is a Relief" installation is a prominent fixture in the Level 1 expansion, while multimedia artist Dali Susanto's "Eat Your Heart Out" piece welcomes patrons to the Terrace Dining lane.

Incorporating art within the design of a building enables us to celebrate local communities, their history and culture. The Taonga trail at Te Awa, The Base, acknowledges the place of Waikato-Tainui as mana whenua in the region, as well as Kiwi Property's joint venture partner. The "eye of the needle" pou provides spiritual protection at the key entrance to Te Awa, the enclosed mall, and encourages visitors to make connections and collaborate as equals to achieve common goals.

The centre's floor tiles are laid in patterns representing the flow of Te Awa, the Waikato River, with its quiet pools, its powerful rapids and its value as a food source to Waikato-Tainui.



Overhead a representation of a traditional eel trap has been created in cedar, while other design features celebrate the Tainui waka.

## Reimagining the spaces between buildings

Creating a sense of wellbeing at our assets is about more than compelling and engaging artwork. In parallel, we are reimagining the spaces between buildings as opportunities to help make people feel welcome, safe and to connect them with nature.

At LynnMall, for example, colourful murals in the carpark area welcome customers and provide a colourful reminder of their car's location. These murals also celebrate and acknowledge the diversity of West Auckland's communities.

At Sylvia Park, we're working to make the pedestrian journey from the railway station to our centre more interesting, engaging and safe through walkways lined with interlaced, pleached trees and shaded with canopies planted with climbers, and brightened with lighting waterfalls at night. We're also exploring opportunities to enliven areas like external stairways, walkways and carparks by "carpeting" them in coloured patterns.

Using colour in seats, planters and other landscaping features also warms spaces in between buildings, while creative lighting provides the chance to simultaneously entertain visitors and illuminate our assets. There's no limit to the options available to welcome people into our places.

Our greenfields development at Drury provides the opportunity to create an environment with great placemaking at its core. By connecting people, buildings, and experiences, we encourage customer visitation, increase tenant demand and promote interest in residential precincts. In this way, we can create a competitive advantage for Kiwi Property and enhance the experience of our customers.



LynnMall mural

# Reduce our environmental footprint




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We've been working hard to reduce our carbon footprint since 2012 and are proud that in the 10 years since we started, we've achieved a 60% reduction in our annual operational GHG emissions.

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This is a great result, but we think we can do more. Our Sustainability Strategy sets the goal of Kiwi Property becoming net carbon negative in our operations by 2030. Achieving this milestone 20 years ahead of the Government's own targets is a work in progress, but the small actions we take each day will compound to make a big difference in the years to come.

## **New Zealand's largest rooftop solar array**

In May 2022 we signed a deal with Meridian that will increase Sylvania Park's already significant solar array, including adding panels to the roofs of ANZ Raranga and the shopping centre's Level 1 expansion. Following this ambitious increase, Sylvania Park will be home to New Zealand's largest rooftop solar installation, with a peak capacity of over one megawatt.

The arrays will generate enough electricity to power over 50% of the common areas in the Sylvania Park shopping centre, reducing Kiwi Property's overall operational emissions by 7%.

We'll continue to assess opportunities to extend solar to other assets and across our development pipeline. While this method of power generation isn't suited to, or financially viable at, all of our assets, we are focused on identifying long-term carbon reduction opportunities.

## Reducing water consumption

As we expand our mixed-use communities, we're reducing our water consumption by harvesting more rainwater and hunting down leaks. At Sylvia Park, a diligent and proactive approach, coupled with increased harvesting capacity, has seen a 9% reduction in water use in 2022, compared to pre-COVID-19 peak usage. Not only is this good for the environment, it also benefits our bottom line as our consumption decreases.

Our view is rainwater is too precious to waste. We use it on the green spaces at our assets, to flush the toilets in our shopping centres, and for washing the external facades of our buildings. By reducing our requirement for potable water we also help protect our assets from potential supply constraints, when periods of drought occur, such as we saw in Auckland in 2020.

While commercial buildings avoided the sort of water restrictions that were placed on

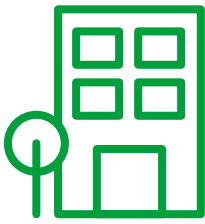
households over recent years, the work we're doing now to reduce water consumption will pay dividends if restrictions are implemented in the future.

Our Sylvia Park experience has also shown the value of leak detection in reducing costs and ensuring full availability of harvested water for irrigation and use in amenities.



Sylvia Park solar array

# Develop sustainable buildings



We're in the business of creating assets that will last. It's important we invest our capital to establish a property portfolio that is both environmentally and economically sustainable. Incorporating best practice design, materials and building practices into our developments helps to future-proof them, the revenue they generate and our business overall.

## Embedding sustainability at 3 Te Kehu Way

According to the New Zealand Green Building Council, buildings and their construction accounts for as much as 20% of New Zealand's total emissions. As part of our Sustainability Strategy and target of being net carbon negative in our operations by 2030 we're ensuring our development programme is raising the bar through a focus on consistent environmental improvement. That's why our new office development at 3 Te Kehu Way, was designed and built with the aim of achieving a 6 Green Star rating.

To meet this rating, 3 Te Kehu Way's planning, development and construction must meet stringent standards in eight separate categories: emissions, energy, indoor environmental quality, innovation, land use and ecology, materials, transport management and water.

3 Te Kehu Way was designed with sustainability in mind. Externally, the building will offer widespread rainwater harvesting and reticulation, as well as a large rooftop solar array. Internal features include generous windows that ensure plentiful amounts of natural light, while minimising glare and

external noise. In addition, specially designed ventilation systems will help maintain tenant comfort and reduce artificial heating or cooling requirements.

Tenant wellbeing has also been at the forefront of the building's design ethos. High-quality amenities, extensive end-of-trip facilities and easy access to trains, buses and the Southern Motorway make 3 Te Kehu Way an extremely attractive employee proposition. Not only that, but with Sylvia Park's shopping centre just next door and the future BTR apartment complex just down the road, people will be able to work, shop, live and play without ever leaving the precinct.



## Bringing ESG to life at Sylvia Park BTR

When New Zealand's first major BTR development opens at Sylvia Park in 2024, it won't just establish a new resident-centric approach to renting, it will also set a new standard for sustainability. The scheme is targeting a 7 Homestar rating from the NZ Green Building Council, highlighting its superior environmental performance.

In keeping with Sylvia Park's high sustainability standards, the new residential complex will include photovoltaic panels for solar energy, rainwater capture systems that minimise the use

of potable water and charging stations for electric vehicles.

Passive design, which uses efficient heating and cooling systems to maintain comfortable temperatures, as well as good ventilation, will be a feature of the apartment building. During development, construction practices will focus on waste minimisation.

Our commitment to accessibility is reflected in the inclusion of design choices in our BTR buildings that are specifically for the needs of those with mobility challenges.

Kiwi Property's ambition to make the Sylvia Park BTR development highly sustainable isn't just about doing the right thing. With residents becoming ever-more focused on their homes' green credentials, our environmental commitment will help make the apartments even more attractive to potential tenants, helping stimulate demand, drive competitive differentiation and potentially higher rental returns.

# People



LynnMall mural

**More than 40 million customer visits are made to Kiwi Property's mixed-use, office and retail assets every year.**

That's 40 million opportunities to bring people together, promote their wellbeing and help them feel a sense of belonging. Our aim is for our assets and business to be inclusive, accessible and reflective of New Zealand society.

Within our organisation, we strive to foster diversity and make our people feel valued, and empowered through flexible working practices, best-practice parental leave and access to a range of wellbeing services.

## Our ambition

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

### Key actions:



#### Foster wellbeing in our communities

Enable people to connect with each other.



#### Embrace diversity

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

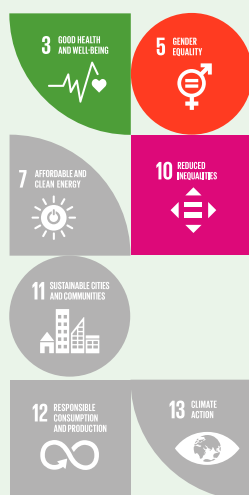


#### Enable our team to succeed

Promote employee wellbeing, engagement and resilience.

### Our progress against targets:

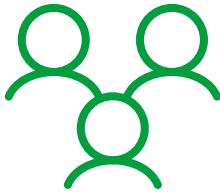
Our targets are designed to help achieve the following United Nations Sustainable Development Goals:



Targets	Status	FY22 Progress
Attain 40:40:20 gender representation on our Board and Executive Team by 2023.		This target was achieved for the Executive Team in 2022.  Executive Team: 38% female, 62% male  Board: 30% female, 70% male
Achieve employee engagement equal to, or better than, the New Zealand companies' benchmark.		Our employee engagement score has increased to 65% against a target benchmark of 70%.
Eligible development projects to target a Be.Lab gold rating (on completion) with an aspirational platinum rating target.		No new eligible development projects were completed in 2022. All eligible projects underway are targeting a gold rating on completion.  All existing eligible assets have a Be.Lab gold rating or higher.

- Achieved
- Progressed
- Not achieved

# Foster wellbeing in our communities




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It takes more than just great places to foster wellbeing. Providing safe, attractive, accessible assets is vital, but it's people and connections that underpin successful community creation. This view is fundamental to our approach to asset management and is the foundation upon which we curate our mixed-use, office and retail portfolios.

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In FY22, we undertook a broad range of activities designed to enhance the wellbeing of the people in our assets, ranging from our Kiwifit fitness programme through to our new collaboration with the Mental Health Foundation. We're proud of what we've achieved with these initiatives and we're just getting started.

## Tackling COVID-19 at The Base

Te Awa, The Base is as much a community hub as it is a shopping centre. The property is a drawcard for people from across the Waikato, who are attracted by its unique Māori architecture, outstanding retail mix and extensive range of entertainment options. So, when we were approached by Waikato-Tainui and the Waikato District Health Board to support the establishment of the region's largest COVID-19 vaccination centre, we were delighted to play our part.

The facility, located on Te Awa's first floor was opened by the Māori King, Kiingi Tuuheitia, in July 2021 and has administered more than 50,000 vaccinations to date. We've helped to drive participation through a range of initiatives, including extended opening hours, a dedicated marketing campaign and \$1,000 gift card giveaways to incentivise customer participation in the nationwide 'Super Saturday' vaccination event.

The vaccination centre has played an important part in enabling more than 90% of people from the Waikato region to become double



vaccinated, with booster rates climbing every day. Increasing the local vaccination rate not only helps to keep the local community safe, it also benefits our tenants. Reducing the severity and prevalence of COVID-19 is vital in order to avoid further lockdowns, minimise employee absence and maintain strong customer numbers.

### Keeping Kiwis fit

Every Monday and Wednesday between 6.45 am and 8 am, LynnMall bursts into life as members of the local community turn out to take part in our free Kiwifit programme.

Kiwifit invites people to walk around our shopping centres, under the watchful eye of Les Mills personal trainers, offering a safe, dry and friendly environment for locals to socialise before stores open, while getting themselves in shape. The programme has been helping Kiwis stay fit and healthy for 25 years, with three people who took part in the first walk at LynnMall in 1997 still regularly turning out to participate.

While the stores might be closed early in the morning, there's always time for a coffee, a little window shopping and participants also receive discounts from supporting retailers.

Also on offer is our complementary Kiwibubs programme, which provides parents with support and practical advice, to help them navigate life with young children. Becoming a new mum or dad is a rewarding experience but it can also be isolating, especially for first timers. Kiwibubs helps new parents connect with others in a similar situation so they can share and benefit from each other's experiences.



Brickworks, LynnMall

# Embrace diversity



As we develop our mixed-use communities, we're mindful that we want to enable greater accessibility for all. We have partnered with Be. Lab whose vision is for New Zealand to become the most accessible nation in the world. Their guidance, advice and assessments have enabled us to achieve gold or platinum accessibility ratings in all of our eligible core assets.

By making our places open to all, we create a more welcoming, inclusive atmosphere for visitors and ensure those working in our buildings are well supported to be independent. As far as possible, we aim to remove barriers that make access difficult, ensuring our shopping centres and offices can be enjoyed by everyone.

## Supporting people at our assets with complex needs

While accessible toilets have always been available at Sylvia Park, we've recognised they're not always suitable for those with more complex needs. As a result,

what should be an enjoyable day out for these people and their carers can become a physical and emotional challenge.

To address this issue, a fully accessible adult change room facility will open at Sylvia Park in June 2022, enabling people to change safely and with dignity. This will be the second such change room in the Kiwi Property portfolio, with our first facility opening at Te Awa, The Base in 2021.

The adult change facility includes an adjustable, adult-sized change table, a hoist for lifting, shower, height adjustable table toilet and hand basin, and wall-mounted

handrails. The layout provides easy access for larger wheelchairs and provides room for carers to move easily. Entry is provided via a call-button at the door, alerting security who remotely unlock the door.

We will continue looking for opportunities to enhance the accessibility of our properties, as we strive to bring our communities to life for all New Zealanders.



## Working with Iwi to name Sylvia Park streets

Kiwi Property has enjoyed a long and collaborative relationship with local Māori at Sylvia Park and has been working with mana whenua for up to 20 years.

The place names at the Sylvia Park precinct honour the rich cultural history of the land and the mana of those connected to it. In 2022, the site was given the name of Kohirangatira, acknowledging the son of Te Kehu and Te Putu, whose bloodline flows through all tribes who have a relationship with the land at Sylvia Park.

We also worked with Iwi to identify names for the main streets at the site, as a means of recognising key figures who have gone before. These include:

- Te Kehu Way - the ring road surrounding Kohirangatira, which will soon be home to our latest office development.
- Te Putu Avenue and Te Tata Avenue – located on the western side of Kohirangatira, which commemorate both the chieftainess Te Putu, a direct descendant of Tipa, and Te Tata, the Upoko riki (customary leader) of Tauoma and Mauinaina.

- Mahora Way, on the north side of Sylvia Park, named after the Ngāti Pāoa high born chieftainess.
- Te Ahoterangi Rise – which commemorates Te Ahoterangi, son of Te Putu and Te Kehu.

There is plenty still to do to enhance the way we engage with Māori as mana whenua, but we're committed to fostering stronger partnerships with Iwi as we seek out new ways to create thriving long-term communities that connect with and engage all New Zealanders.

# Enable our team to succeed




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People – whether in our own business or in our communities - are our focus. Kiwi Property’s success relies on our people being ready and motivated to perform. We have a talented team, our engagement is building and we are growing capability to support our strategy.

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Making work more flexible for our people is a priority, alongside improving their experience, engagement and productivity. We have created an equitable work environment where inclusion is deeply embedded and our people are encouraged to be themselves.

## **Building cultural competency at Kiwi Property**

Kiwi Property is committed to building enduring partnerships with Māori, given their standing as mana whenua. That is why we have formed a cross-functional steering group to ensure that Te Ao Māori is considered in our decision-making and that we’re connecting with Māori in an authentic and meaningful way.

The group’s formation is part of a broader initiative to improve Kiwi Property’s cultural competence. As part of these efforts, in 2021 our Executive Team and senior business leaders undertook the Te Kaa programme conducted by Maurea Consulting. The course covered topics such as Te Reo Māori, Tikanga Māori and Te Tiriti o Waitangi. The programme also included sessions on the aspirations of Māori today, how to engage with mana whenua and the opportunities within the Māori economy.

Through Te Kaa, we've begun to develop a greater awareness of Māori cultures and values. While we're still early on our journey of understanding it's one we're deeply committed to, as we strive to better work with, engage and include Māori within our business and connected communities.

**Working with community groups**

For our annual employee volunteering day, we encouraged our people to work on grassroots projects that have a positive impact on the physical and mental wellbeing of the communities where we operate.

For members of our Auckland team, getting involved with OKE, a charity implementing a "Growing a Future" initiative in primary schools across South Auckland was a logical choice. OKE provides fully

functioning gardens to each school, enabling teachers and the local community to get growing.

As OKE says, gardens do a lot more than produce vegetables. They promote wellbeing in multiple ways. Tamariki learn the mighty chip comes from a potato, they develop hands-on skills to share with Mum and Dad in growing vegies at home and the garden is a place to teach everything from science to healthy eating. Everyone can pitch in, regardless of their academic or physical abilities and they have the satisfaction of seeing a little work turned into delicious food. The gardens may even plant the seeds for a future career in horticulture or food science.

In 2021, we partnered with Riverina School near Sylvia Park to establish a school garden, building and planting the raised beds, constructing a shed to house tools

and equipment and making sure everything is in place to make the project sustainable.

Since then, students have been weeding and tending the plants, and taking their crops home for family meals. The Riverina gardens have produced enough vegetables to share with teachers and the school community, and when the school produced kai boxes for local distribution on the last day of term, fresh produce was picked from the garden as a finishing touch.

Pandemic restrictions have constrained our volunteering efforts this year, but certainly not our enthusiasm or commitment. We look forward to making up for lost time now that COVID-19 restrictions have lifted.



# Partnerships



Pavilion Cafe, Vero Centre

**We believe strongly in the power of partnerships. By working with others, we're able to achieve more, reach more people and make the best use of our resources.**

While Kiwi Property has a large footprint, only through collective action will we drive lasting social and environmental change and help create a brighter future for Aotearoa New Zealand. It's for this reason we've identified 'partnerships' as the third pillar of our Sustainability Strategy.

Partnerships can take many forms, from informal support for our tenants who are working on their own sustainability goals, to

creating strategic charity partnerships, or assisting non-profits to establish community wellbeing programmes. We're also focused on leveraging our scale to become a force for good and promoting a sector-wide shift to more sustainable procurement and development.

## Our ambition

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

### Key actions:



#### Partner with others to enhance the wellbeing of our customers

Inspire and enable our customers to improve their wellbeing.



#### Create shared value with our tenants

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

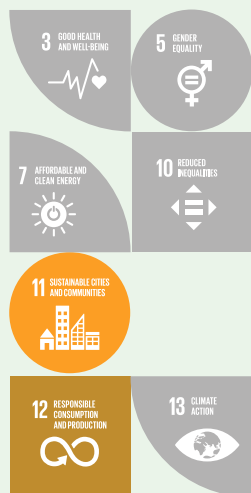


#### Support sustainable procurement

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

## Our progress against targets:

Our targets are designed to help achieve the following United Nations Sustainable Development Goals:



We made important progress on the 'partnerships' pillar of our Sustainability Strategy in 2022, including establishing our sustainable procurement guidelines and becoming a key supporter of The Mental Health Foundation. We are also working with the company that provides security at our assets to establish a range of new measures to protect the safety of our tenants, customers and team members.

Targets	Status	FY22 Progress
Implement a sustainable procurement roadmap.		In progress
Work with our tenants and employees to assist them in reaching their sustainability aspirations.		In progress

- Achieved
- Progressed
- Not achieved

# Partner with others to enhance the wellbeing of our customers




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Supporting the wellbeing of the diverse groups in and around our communities requires specialist knowledge and expertise. We proudly partner with some of the best mental health, diversity and accessibility organisations in New Zealand to help ensure we're maximising our impact and creating positive change.

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## Supporting the Mental Health Foundation

Kiwi Property and the Mental Health Foundation have 'improving wellbeing' as a common goal. For us, it's about the wellbeing of the communities where we operate and the people we work with, while the Mental Health Foundation is committed to creating an Aotearoa free from discrimination, where all people enjoy positive mental health and wellbeing. Our ambitions are closely aligned – to create places where people can thrive and be happy.

This alignment made The Mental Health Foundation a natural choice when we sought out a charity to help us create connected communities. Following a formalisation of our support early in the 2022 calendar year, we've agreed a shared set of goals and a programme of activity. Our collaboration will come to life for the first time on Pink Shirt Day 2022 - an antibullying campaign that celebrates diversity and the creation of inclusive environments where all people can feel safe, valued and respected.

Each year, workplaces, schools, organisations and individuals join the movement to make a stand against bullying, which is a serious issue in New Zealand. Later in the year, we will also play an important role supporting Mental Health Awareness Week, leveraging our significant footprint and visitor numbers to shine a light on this important issue.



Our support for these programmes connects directly to the issues that our stakeholders have told us are most important, namely protecting the vulnerable, ensuring people have access to mental health services and enhancing wellbeing in our communities.

Beyond Pink Shirt Day and Mental Health Awareness week, we will continue working to identify other opportunities to support the Foundation through initiatives including volunteering, payroll giving and the provision of space for community activities. We look forward to working together to make a difference.

## Creating safe spaces at our assets

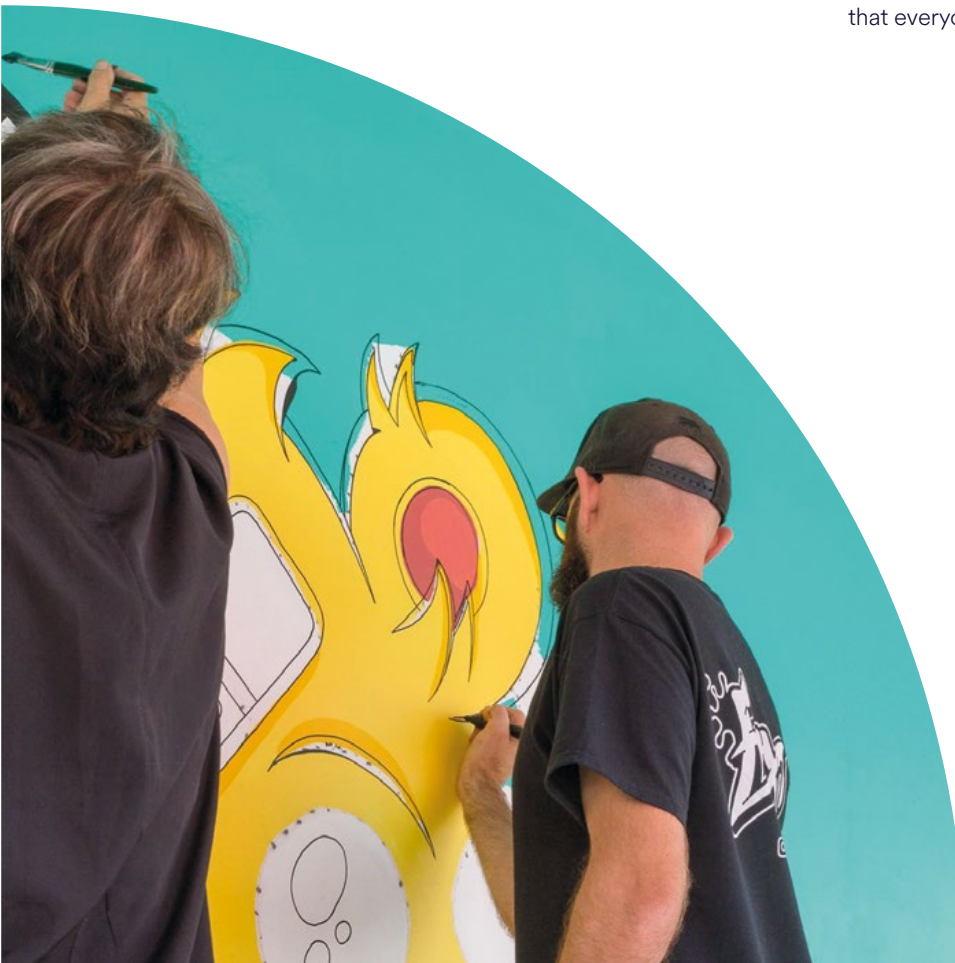
The safety of our people, tenants and customers is our top priority. In 2022 we implemented a range of enhanced systems and processes to increase the security of people at our properties, as well as guard against emerging digital threats.

Measures implemented over the past year include the appointment of a new expert security contractor, as well as the provision of additional training to guards on how to effectively de-escalate conflict situations. Following a comprehensive trial at LynnMall, body-worn cameras are being rolled-out for security personnel at all our shopping centres, providing an additional layer of protection to customers and employees alike.

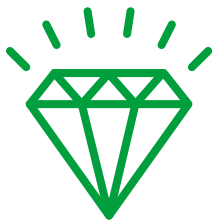
Other technologies being introduced or upgraded include enhanced CCTV and video analytics, which allows rapid detection of suspicious behaviour, enabling faster intervention if the need arises.

Kiwi Property's security working committee, made up of senior managers and external partners, meet regularly to ensure we're on top of the latest trends and following best practice guidelines.

We also continue to work closely with the New Zealand Police. A working group was formed between Kiwi Property and the New Zealand Police in 2021 in order to discuss how we can respond to changing societal conditions, with the objective of maintaining safe and welcoming environments for our communities. While security isn't a topic we often talk about, it's something we take very seriously. The only way we can create a thriving community is by first ensuring that everyone in it feels safe.



# Create shared value with our tenants




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Kiwi Property will only be successful if our tenants are too. It's through them that we connect with visitors to our assets and as such, they play a pivotal role in bringing our communities to life. In FY22 we once again partnered with our tenants to create outstanding environments for people to shop, work and play.

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## Supporting tenants through the pandemic

COVID-19 continued to impact our tenants in 2022, with the combination of lockdowns and Omicron having a negative effect on trading conditions. While the pandemic has created significant uncertainty among smaller retailers and hospitality operators in particular, we've strived to be a source of stability and partnership through this challenging period.

When COVID-19 first hit New Zealand the lockdowns that followed were swift and

nationwide. Those that took place following the arrival of Omicron in January 2022 however were more targeted, shifting from one region to another as alert levels rose and fell. For our team that meant adopting a nuanced approach, working alongside individual tenants, some with multiple stores across our portfolio, so we could better understand the challenges they were facing and develop a suitable response. Our aim was to resolve abatement requests promptly to give tenants some measure of certainty in their financial planning.

In our properties where supermarkets or other essential services operated, we made sure customers could readily access those shops in an otherwise closed centre. As restrictions eased, we worked closely with tenants to provide the infrastructure for click and collect sales, creating clean, safe and easily accessible collection points.

Kiwi Property provided over \$17 million of rent relief to the tenants hardest hit by COVID-19 in 2022. That's a significant cost to our business but supporting our tenants through the pandemic isn't

just the right thing to do, it's the smart thing as well. The provision of targeted financial assistance to those most affected by the pandemic provides income security and supports the businesses to keep trading. As a result, we maintained 99.8% occupied assets at year end and gave our tenants the best chance of bouncing back strongly once normal trading resumed.

While the pandemic isn't over yet, as the country's focus shifts to living with the virus, we are now working with tenants to encourage people back to our centres to rediscover the fun and enjoyment on offer.



Pavilion Cafe, Vero Centre

# Support sustainable procurement



When we released our refreshed Sustainability Strategy last year, one of our key commitments was to develop and implement sustainability guidelines for inclusion in our procurement policies and processes. In 2022, we delivered on this ambition, rolling out a new framework that embeds sustainability decision-making in all areas of our business.

## Helping make our supply chain more sustainable

Kiwi Property is a significant purchaser of goods and services. Operational contracts for cleaning, security, utilities, maintenance or waste management are often worth tens of thousands of dollars. When we develop new buildings, capital expenditure can reach into the tens of millions.

Every dollar spent is an opportunity to do what's right and encourage positive change throughout our value chain.

This process often begins by asking the right questions. How much of the power you're supplying comes from renewable sources? What is the carbon footprint of your products?

Questions like these are used by Kiwi Property to ensure we make informed procurement decisions that support sustainable businesses and mitigate potential reputational or regulatory risks to our own business.

Fully integrating sustainability considerations into our procurement practices is a multiyear journey as we evolve

our own behaviour and focus. To be successful we will need to work in partnership with our suppliers, where the collective aim is to ensure that the goods and services are as sustainable as possible, with the lowest environmental impact and highest positive social results.

## Addressing modern slavery

It's hard to believe that in 2022 slavery is an issue anywhere, let alone in New Zealand, where we pride ourselves of our commitment to human rights. Unfortunately worker exploitation and modern slavery can take many forms, ranging from breaches of minimum employment standards to more controlling and coercive behaviour.

Following a high-level review and discussions at Executive and Board level we believe that, fortunately, the risk of modern slavery is low within our own business, with our employees primarily working in professional

services and being based entirely in New Zealand, where employee-employer relations are strictly regulated by the Employment Relations Act. We also maintain robust internal policies and systems to ensure we're complying with our legal and contractual obligations, and to manage entitlements relating to our people.

While we have confidence in our own processes, we recognise that modern slavery is a very real risk and cannot be ignored. That's why we are aiming to support long-term systemic change throughout our supply chains and our

objective is to, over time, build a robust and comprehensive modern slavery framework. We will take a continuous improvement view of this important work and will work with our suppliers in a staged, focused and systematic approach. This will take time, but we remain committed to taking action where we can, to address modern slavery in New Zealand.



Vero Centre courtyard

# Climate-related reporting

**As one of the country's largest property companies, we have an opportunity to lead on environmental sustainability by actively reducing our emissions profile and working with our partners to decrease water, waste and energy use.**

This section outlines how we can enhance our portfolio's resilience to climate change. It also incorporates insights from scenario analysis and builds on Kiwi Property's strong track record in managing climate risk and creating value from climate-related opportunities.

Our focus on asset resilience, our commitment to achieve net zero operational emissions by 2030, and our strong track record of

sustainability places us in a strong position to navigate the uncertainty presented by climate change.

This information has been prepared on a voluntary basis with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



## Governance

Kiwi Property uses the governance structure depicted below to pursue our Sustainability Strategy, including overseeing our approach to carbon emissions and climate risks.

## Board

### Board/Board Chair

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



### ESG Committee

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

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



## Management

### CEO

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

### ESG Leadership Team

Oversee the operational implementation of the ESG strategy across the business.  
Chaired by GM Asset Management and includes ESG Lead, National Facilities Manager, and General Counsel and Company Secretary.

### GM Asset Management

Leads and monitors the delivery of sustainability activities.

### Sustainability Team

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

### Facilities Managers

Optimising building efficiency, including energy efficiency projects.

# Climate Risk Management

Climate-related risks are managed in accordance with the Kiwi Property Risk Management Framework, which is aligned to the principles of ISO 31000:2018 and provides the foundation for managing the risks inherent in achieving the group's strategy. Climate change is listed on our key risk register, which has resulted in the development of control measures and detailed discussion of climate risk at leadership and Board levels.

We followed a customised scenario analysis process **(see further detail in Strategy below)** to generate a set of 15 potential enterprise-level climate-related risks for Kiwi Property. The final list of potential climate risks also benefitted from a review of risks identified by other leading property companies globally. Our proposed climate risks include five physical risks and 10 transition risks, drawing on the TCFD's risk typology.

We held a risk assessment workshop led by consultants, in which Kiwi Property's ESG Lead and National Facilities Manager selected scores from 1 to 5 for the likelihood and consequence of each risk in a pre-control state. This approach intentionally harmonised with our Risk Management Framework, allowing for treatment of climate-related risks in a consistent manner to other enterprise-level risks.

The selection of risk scores depended to some extent on market and regulatory conditions over future years (both nationally and globally), and on balance participants assessed risks under the 'middle' scenario, considered to be the most probable path forward. This scenario was characterised as a muddled or at least inconsistent global and national response to climate change, rather than the two alternatives of a complete lack of meaningful global response or a well-coordinated and comprehensive response.

As a property company, our climate risks are also interpretable at asset-level. As such, we selected three assets – one retail, one office, one mixed-use – across two cities to represent our portfolio, and conducted a process to explore and score our climate-risks for each of these three assets. The same risks were used at asset-level as at enterprise-level. Some risks are geographically specific and therefore differ in likelihood across our portfolio, such as the impacts of sea level rise. Other risks, such as rising carbon prices, are of equal likelihood across all of our assets, though consequence can still differ by asset (due to asset class and design, tenant type, etc.).

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



# Strategy

## Scenarios

To begin identifying and assessing our climate-related risks, we developed a set of three customised scenarios with a specific focus on the property sector and the geographical location of our assets. The purpose of these scenarios was to provide a set of coherent, plausible stories in order to prompt creative thought and insights about the risks Kiwi Property could face in an array of possible future states.

In order to capture both physical and transition climate risks, consistent with the TCFD’s guidance, each of our three scenarios combined:

- Physical climate parameters taken from the International Panel on Climate Change’s set of scenarios, downscaled to New Zealand’s situation (courtesy the Ministry for the Environment’s 2018 climate projections), and
- Socio-economic and policy parameters drawn from multiple other sources, including the set of Shared Socio-economic Pathways (SSPs), Chatham House’s Climate Risk Assessment 2021, the Inevitable Policy Response framework, and the Green Building Council of New Zealand’s ‘Zero Carbon roadmap’.

We reviewed climate scenarios used by other leading property companies within New Zealand, Australia and the United Kingdom, to ensure consistency and support best practice for Kiwi Property. In both their specificity and narrative depth, the scenarios developed for us go beyond many of those other property companies report using to date.

Our scenarios were used for two purposes: to generate the set of physical and transition climate-related risks later assessed at enterprise and asset-level; and secondly, to test the resilience of Kiwi Property’s business strategy.

Our scenarios envisage three possible sets of future conditions:

Scenario 1	Scenario 2	Scenario 3
<p><b>A rapid and comprehensive climate response</b></p> <ul style="list-style-type: none"> <li>• High climate ambition, early action</li> <li>• Strong policies across all sectors, high carbon prices</li> <li>• International cooperation, open trade</li> <li>• Climate impacts still notable but are minimised</li> </ul>	<p><b>A fragmented and inconsistent climate response</b></p> <ul style="list-style-type: none"> <li>• Modest climate ambition</li> <li>• Alternating ‘shock’ policies and inaction create uncertainty across government terms</li> <li>• Significant economic impacts (stagnation)</li> <li>• International trade affected by haphazard barriers</li> <li>• Significant climate impacts, well beyond current experience</li> </ul>	<p><b>A failed climate response</b></p> <ul style="list-style-type: none"> <li>• Climate ambition collapses, countries turn to building resilience</li> <li>• Severe economic impacts (retraction)</li> <li>• Trade disputes and protectionism reign</li> <li>• Climate breakdown with severe impacts on society</li> </ul>

## Resilience

Broadly speaking, Kiwi Property’s business strategy is to develop a portfolio of large, mixed-use property precincts in major urban ‘node’ locations. Through a guided exploration of the scenarios above, this strategy was considered to provide resilience across the varied physical and transition parameters of the three scenarios considered.

For Kiwi Property, our transition risks derive from stakeholders’ needs from our buildings, while our physical risks relate to preparing for the worst-case climate (and therefore weather event) scenarios. Both sets of risks point us in the same direction – ensuring that the buildings we develop and acquire are efficient in their use of resources (including carbon), as well as resilient to changed climate conditions and weather events. This complementarity enables us to streamline our building development, capital upgrade and purchasing decisions towards meeting mutually beneficial needs, regardless of whether a predominantly physical- or transition-based scenario eventuates.

## Our material climate risks

Using scenarios, we generated a list of 15 climate-related risks for Kiwi Property. Using the process described in Risk Management (as above), we determined our top climate risks.

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

### 0-3 years

#### Short-term

Our short-term time horizon of 0-3 years is aligned with our Risk Management Framework and focused on cost reduction opportunities and meeting organisational priorities, such as installing solar arrays where applicable at our assets.

### 3-10 years

#### Medium-term

Our medium-term time horizon of 3-10 years reflects the typical tenant lease cycle (~6-12 years). This is also the timeframe over which substantial upgrades to buildings are planned and delivered.

### 10-30 years

#### Long-term

Our long-term time horizon of 10-30 years reflects building life expectancy (typically up to 50 years).

Risk	Description	Risk type	Timeframe	Potential impact	Risk control
<b>Mandatory building standards</b>	Risk of changes to local and government level standards i.e. higher minimum standards for energy efficiency, embodied carbon caps, materials standards	Transition – Policy	Medium 3-10 years	Increased capex costs to find and implement alternatives to phased-out/ non-compliant materials (new developments), and to raise existing assets to even higher standards  Increased operating costs (energy efficiency improvements)	Current assets – above minimum standards, providing initial protection from a mandatory programme  Acquisitions - consider expenditure required to bring an asset up to our standards  New builds - a resilience response through procurement and design choices
<b>Marked increase in cost of capital</b>	Risk that the impacts of climate change could markedly increase the cost of capital  Risk of lenders’ restrictions based on climate criteria	Transition – Market	Medium 3-10 years	Impact on our development pipeline would follow any significant increase in the cost of capital	Our strong sustainability performance could provide access to green bonds and sustainability-linked loans, helping to secure finance even in difficult circumstances

Risk	Description	Risk type	Timeframe	Potential impact	Risk control
<b>Supply chain disruption due to climate change</b>	Risk that climate change impacts (physical or market transition) may result in supply chain disruptions. Indirect impacts on retailer supply chains	Transition - market	Medium 3-10 years	Moderate impact on cost and programme of new developments  Impact on retail sales performance	Diversification of supply chain for key materials  Strategy to reduce weighting to retail through developing mixed use precincts and divesting non-core retail assets
<b>Climate litigation / protests</b>	Risk of legal action centred on perceived “greenwashing” or performance shortfalls	Transition - market	Medium 3-10 years	Potential reputational risk impacting ability to source capital	Continue with independent verification using established building certifications such as Green Star, Homestar and NABERSNZ, as well as performance frameworks such as GRESB  Continue with strong and successful Sustainability Strategy to reduce carbon emissions, water and energy use and waste
<b>Rainfall / storm events</b>	Risk that more frequent, more intense rainfall and wind gusts could impact assets	Physical – Acute	Medium 3-10 years	Impact on capex	For existing assets - physical risk assessment and enhancements (with allocated capex)  Acquisitions - consider expenditure required to bring an asset up to our standards  For new builds, a resilience response through design
<b>Sea level rise</b>	Risk of storm surge flooding impacting assets and main/ public transportation routes (especially in Auckland and Wellington)	Physical – Chronic	Long 10-30 years	Impact on retail sales performance	Continue our commitment to locating assets near public transport nodes  Considered as part of the acquisition process  For new builds, a resilience response through design
<b>Heightened attention to asset resiliency / efficiency</b>	Risk that investors and or tenants place a greater weighting on asset resilience, energy efficiency, carbon neutrality	Transition – Market	Medium 3-10 years	Impact on investor support and leasing demand  Impact on cost of developments – in line with carbon pricing	Strong and successful Sustainability Strategy continues to reduce carbon emissions, water and energy use and waste  We continue with independent verification using established building certifications such as Green Star, Homestar and NABERSNZ  Considered as part of the acquisition process  For new builds, a resilience response through design

## Our key climate-related opportunities

Key climate-related opportunities	TCFD Category	Timeframe, Likelihood	Potential financial impact
<b>Investor expectations on corporate climate change management</b>	Transition - Market	Short term, Likely	<p>Increased ability to attract investor capital because of favourable reputation regarding climate risk management, increasing the pool of available capital.</p> <p>Continue to inform and educate investors, using investor-recognised reporting frameworks, including Science-based Targets and the TCFD.</p>
<b>Energy efficiency of assets, including market expectations and potential mandatory energy efficiency requirements</b>	Transition - Market	Short term, Likely	<p>Enhanced competitive advantage through decreased energy costs and alignment with customer preferences.</p> <p>Continue to pursue our Sustainability Strategy, improving the resilience and performance of our assets for tenants.</p>
<b>Increased frequency and severity of extreme weather events – storm surges, wind gust</b>	Physical - Acute	Long term, likely	<p>Reduced exposure to building damage through maximising the physical resilience of properties.</p> <p>Reduced exposure to disruption by enhancing operational procedures and essential system backup options.</p> <p>Increased competitive advantage through customer confidence and positive reputational impacts, if property operations are ensured post event.</p>

# Metrics and targets

Kiwi Property signed up to the Science-based Targets initiative in 2017. At that time our targets were to reduce absolute emissions 4.2% year on year from a 2012 baseline, equating to a 43% reduction by 2025, a 54% reduction by 2030 and an 80% reduction by 2050. These targets included Scope 1, 2 and 3 emissions.

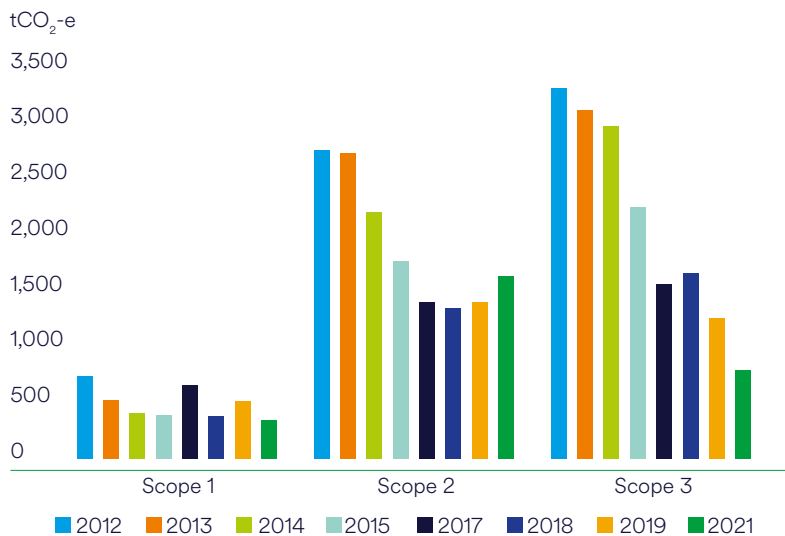
Our carbon programme has already reduced emissions from 6,834 tCO<sub>2</sub>-e (adjusted 2012 baseline) to 2,753 tCO<sub>2</sub>-e, a reduction of 4,081 tCO<sub>2</sub>-e (-60%).

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

In 2022, our scope-by-scope emission (and % reductions since 2012) were as follows:

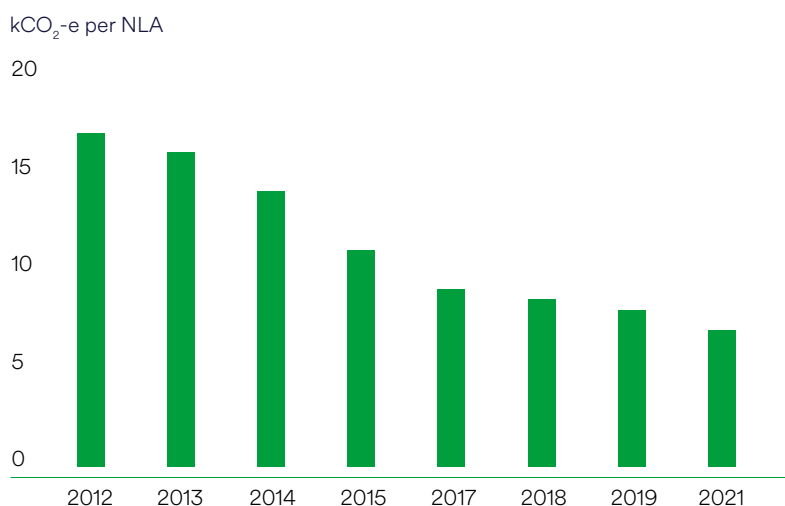
- Scope 1 (natural gas and refrigerant): 257 tCO<sub>2</sub>-e (-65%)
- Scope 2 (electricity): 1,635 tCO<sub>2</sub>-e (-41%)
- Scope 3 (council rates, insurance, management, waste): 861 tCO<sub>2</sub>-e (-74%).

## Emissions by scope



## Emissions by scope per Net Lettable Area (NLA)

Emission per net lettable area (NLA) is used as Kiwi Property's intensity measure to allow like for like comparisons, between different sized buildings. NLA is the amount of space (m<sup>2</sup>) in a building available for leasing. In FY22, greenhouse gas emissions per NLA have reduced by 60% since 2012, from 17kCO<sub>2</sub>e per NLA (2012) to 6.9kCO<sub>2</sub>e per NLA (2022).



Tenant electricity use is outside of our operational control and not counted in our Scope 3, though it does comprise a significant volume of emissions (10,798 tCO<sub>2</sub>-e in 2012). We therefore have a number of approaches to support our tenants to reduce their electricity use, including a set of (non-mandatory) Fitout Guidelines for ensuring sustainable fitouts.

# Performance data

## People

The total spend on employee development training	\$104,297
Employee working hours	289,494
Employee turnover	23.7%
Employee wellbeing initiatives (number of participants)	
• Mental wellbeing workshops	78
• Flu vaccinations	44
• Physical wellbeing sessions	112
Employee absentee rate	11%
Number of employees accessing EAP services during the period	13
Ergonomic checks undertaken during the period	0

## Health & Safety

Employee notifiable injury / incidents	0
Employee Health and Safety Board reportable incidents	2
Lost Time Injury Frequency Rate per 200,000 hours worked	<1
Total Reportable Injury Frequency Rate for our development activities (per 200,000 hours worked) versus BLHSF benchmark of 1.95	1.36
% of sites covered by the certified Health & Safety Management system	100
Number of courses undertaken with external organisations on health and safety standards	10

## Environmental (Carbon)

Scope 1 - Direct Emissions	tCO <sub>2</sub> e	CO <sub>2</sub> e kg/NLA	% of overall emissions
Gas	59	0.1	2.1
Hydro-fluorocarbon	198	0.5	7.2
<b>Total Scope 1 Emissions</b>	<b>257</b>	<b>0.6</b>	<b>9.3</b>
Scope 2 - Indirect Emissions	tCO <sub>2</sub> e	CO <sub>2</sub> e kg/NLA	% of overall emissions
Electricity - market	–	–	–
Electricity - location	1,635	4.1	59.4
<b>Total Scope 2 Emissions</b>	<b>1,635</b>	<b>4.1</b>	<b>59.4</b>
Scope 3 - Indirect Emissions	tCO <sub>2</sub> e	CO <sub>2</sub> e kg/NLA	% of overall emissions
Waste	715	1.8	26.0
Air Travel	34	0.1	1.2
Electricity Line Loss	109	0.3	4.0
Natural Gas Line Loss	4	0.0	0.1
<b>Total Scope 3 Emissions</b>	<b>862</b>	<b>2.2</b>	<b>31.3</b>

## Intensity Reporting

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

Kiwi Property has zero environmental fines

## Building ratings as at 31 March 2022

ANZ Raranga	5 Star Green Star Office Design 4.5 Star NABERSNZ <sup>1</sup>
ASB North Wharf	5 Star Green Star Office Design 4.5 Star NABERSNZ
The Aurora Centre	5.5 Star NABERSNZ
44 The Terrace	4.5 Star NABERSNZ
Vero Centre	4.5 Star NABERSNZ
65 Bryce Street	4 Star NABERSNZ

1. Rating of 4.5 Star as at 31 March 2022 was increased to 5 Star upon renewal in April 2022.

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

COVID-19 has had a significant impact on Kiwi Property's operations as well as the key metrics that Kiwi Property reports on. Therefore, it can be difficult to meaningfully compare the key metrics with prior years.

All data in this document is for the year ended and/or as at 31 March 2022. Due to rounding, numbers within this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

This Sustainability Report should be read in conjunction with the 2022 Kiwi Property Annual Report, which is available on our website, [kp.co.nz/annual-result](http://kp.co.nz/annual-result).

# Aligning with global goals

## Places



### Target

Net carbon negative in our operations by 2030.

Net zero operational waste to landfill by 2050.

Net zero municipal water consumption by 2050.

Eligible existing buildings target a 4-star NABERSNZ rating, with an aspirational 5-star target.

Eligible projects to target a 5 Green Star rating, with an aspirational 6 Green Star target.

Eligible projects to target a 7 Homestar rating, with an aspirational 8 Homestar target.

### UN SDG

SDG 7 Affordable and clean energy.

SDG 13 Take urgent action to combat climate change and its impacts.

## People



### Target

Attain 40:40:20 gender representation on our Board and Executive Team by 2023.

Achieve employee engagement equal to, or better than, the New Zealand companies' benchmark.

Eligible development projects to target a Be.Lab gold rating (on completion) with an aspirational platinum rating target.

### UN SDG

SDG 5 Achieve gender equality and empower all women and girls.

SDG 8 Decent work and economic growth.

SDG 3 Ensure healthy lives and promote wellbeing for all.

## Partnerships



### Target

Implement a sustainable procurement roadmap.

Work with our tenants and employees to assist them in reaching their sustainability aspirations.

### UN SDG

SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable.

SDG 12 Responsible production and consumption.





Vero Centre



