

Detailed Approach to Sustainability at Kiwi Property



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

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As a large property owner, developer and manager, Kiwi Property is in a position to create vibrant spaces that bring people together and where everyone feels like they belong. We have the opportunity to build property assets that aren't just sustainable, but foster connection and enhance the wellbeing of their inhabitants.

This document contains further detail on Kiwi Property's approach to sustainability and should be read in conjunction with our FY22 Sustainability Report.



1.0 Places

Water

we are actively reducing the amount of water we consume

As a result of our persistent focus on water management, our buildings use 10% less water (on a like-for-like basis) than they did in our 2012 base year. In New Zealand, all waste water goes to treatment ponds and waste water quantities are not recorded. It is assumed that the amount of water consumed on sites compared with the amount used for flushing and washing is negligible and so the amount of water entering a building is assumed to be the same amount of waste water going out of the building for treatment. It is for this reason that we report water consumption only.

Waste

we are actively reducing pollution and diverting waste from landfill

Kiwi Property recognises the needless loss of resources that waste represents and, as such, has a waste management programme in place which strives to divert waste from landfill to areas where the resources can be reused or recovered. Our waste programmes work closely with our visitors and customers to increase the use of the recycling facilities we provide. As a result of our continued focus on recycling, our buildings now send 31% less waste to landfill than they did in our 2012 audited base year.

Pollution

As part of Kiwi Property's environmental management system, we have made a commitment to work towards preventing pollution by minimising our environmental impacts and emissions and, where possible, using non-polluting alternatives. Some of the ways we work to prevent pollution include:

- our Design and Fitout Criteria specifying low Volatile Organic Compound (VOC) finishes and furnishings.
- implementation of a continuous improvement programme for the reduction of greenhouse gas emissions.
- committing to reducing pollution from lighting disposal. Traditional lighting contains mercury and we have removed over 12,000 fluorescents and metal halide lights and replaced them with LEDs, which do not contain mercury, and
- applying in a first for New Zealand, innovative photo-catalyst self-cleaning coatings to ANZ Raranga's concrete facade panels, which will help reduce the effect of motorway pollutants and reduce our long-term cleaning requirements.

Carbon

we are reducing our carbon footprint

We've been measuring, managing and reporting on our carbon footprint since 2006. In 2012, and annually thereafter, our carbon footprint has been independently audited to Carbon Warranty and ISO14064-1 standard. Ninety percent of our carbon footprint is made up of electricity, waste and gas for which we have active reduction programmes in place.

Our carbon footprint is primarily from the operation of our office buildings 22% and our retail centres 77%, with the remaining 1% from corporate activities.

In 2017, we set greenhouse gas emission reduction targets to play our part in helping keep a rise in global temperature to below 2°C. Based on climate change science, the world needs to reduce its carbon emissions between 49% and 72% below 2010 levels to achieve a 2°C



temperature change by 2050. We have set targets in line with climate change science. Our target is to be net carbon negative in our operations by 2030. We continue to be a leading force in this space, this year achieving the highest rating in New Zealand for the Carbon Disclosure Project (CDP) with a score of 'A'.

Energy

we are actively reducing the amount of energy we consume

Kiwi Property has had a portfolio wide energy efficiency programme in place since 2012. As a result, our buildings now consume 33% less energy than they did in the 2012 audited base year. We are committed to reducing our energy consumption to play our part in keeping the global temperature rise to below 2°C. We do this by setting annual asset-specific energy savings goals which collectively keep us on track to achieve our long-term reduction targets. To drive further energy savings we have also committed to:

- eligible existing buildings to target 4 star NABERSNZ, an aspirational target of 5 star NABERSNZ.

Climate change risk assessment

Our climate change risk assessment identified there was low to medium risk from the physical impacts of climate change to our property assets. These risks are addressed in our strategy, which ensures adaption to the impacts of climate change through a range of business programmes such as:

- eligible projects to target 5 star Green Star, with an aspirational target of 6 star Green Star.
- continuous improvement programmes to reduce energy, waste and water usage, supporting public transport, and
- increasing solar electricity generation and water collection.

We recognise the increasing importance some investors are placing on carbon management performance when selecting stocks. We are mitigating this risk by demonstrating leadership in carbon management.

Our development approach

We prepare design briefs for all new development projects including refurbishments. Where applicable this is done in conjunction with relevant stakeholders. Design briefs outline the scope and nature of the development works and include a range of requirements and minimum standards relating to ESG issues and performance. Each design brief is unique to the development or retrofit, however an overarching brief is created for each development project for the purposes of tendering and holding contractors to account against a fully documented list of requirements.

We collaborate with prospective tenants and agree the final brief before proceeding with construction. We incorporate ESG into the design through the inclusion of sustainable elements including passive cooling, efficient lighting and air conditioning, as well as applying minimum standards to equipment and materials such as insulation and water fixtures.

building safety

Our development projects are expected to uphold the highest standards in building safety, both in terms of safety during construction and the ongoing operation of the asset. Our goal for all projects is a no harm, safe workplace with zero fatalities, both during the development phase and the ongoing operation of the property.

biodiversity and habitat

Our development sites are often brownfield sites with negligible biodiversity value. Where biodiversity may be impacted by our activities, Kiwi Property aims to ensure our developments



have a net positive impact on biodiversity and apply an approach to avoid, minimise, restore and offset adverse biodiversity impacts.

Developments seeking Green Star Design & As Built NZ certification are charged with managing biodiversity issues in accordance with Land Use and Ecology category credits. We comply, and direct our suppliers to comply, with resource management act development conditions that relate to biodiversity conservation at our development sites.

climate change adaptation and resilience

We assess potential climate change risks and changes to exposure and vulnerability regarding future climate scenarios.

Developments with high inherent climate change risk that are seeking Green Star Design & As Built NZ certification are directed to manage climate change adaptation issues in accordance with the Management Adaptation and Resilience credit guidelines.

We comply, and direct our suppliers to comply, with resource management act development conditions that relate to climate change adaptation at our development sites, including but not limited to flood mitigation measures.

Incorporating climate-related issues into development processes can ensure that our assets are low carbon from day one of operation and have the capacity to integrate future technologies as they mature. Key actions supporting the climate resilience of our developments include:

- enhancing policies, procedures and design briefs to ensure that climate-related issues are considered throughout the development process, including the use of minimum standards and stretch goals where appropriate.
- exploring design opportunities that maximise the adaptability and flexibility of buildings over time, so they can accommodate future changes in climate and technology.
- measuring and understanding the embodied carbon of our developments, with a view to reducing embodied carbon over time, and
- continuing the use of tools such as Green Star.

energy consumption/ management and GHG emissions

Across our developments, we are committed to designing for operational efficiency to support the portfolio target of net negative carbon emissions from operations by 2030.

Developments seeking Green Star Design & As Built NZ certification are directed to integrate energy and emissions management issues in accordance with the Energy category credits.

Energy efficiency is integrated into the design process, and projects seek to exceed relevant codes, achieve leading Green Star and NABERSNZ Energy ratings, and support our net negative carbon emissions by 2030 ambition. Common energy efficiency measures include:

- high efficiency HVAC (heating, ventilation and air conditioning) systems.
- high efficiency lighting.
- independent building commissioning.
- occupant sensors and controls to match indoor environmental conditions with occupant requirements, and
- energy modelling to assess property energy performance and inform design.

building materials – environmental

Developments seeking Green Star Design & As Built NZ certification are directed to address issues regarding the environmental attributes of building materials consumption and management issues in accordance with the Materials category credits.

We encourage our development contractors to procure sustainable products and services where feasible that:

- contain a high recycled content and produced in a way to ensure it can be recycled through common services
- are certified to internationally recognised standards or demonstrate other applicable sustainability criteria, and



health and wellbeing

We support occupant health and wellbeing at our developments through focusing on indoor environmental quality and supporting initiatives in property design and subsequent operations.

Developments seeking Green Star Design & As Built NZ certification are directed to integrate energy consumption and management issues in accordance with the Indoor Environmental Quality category credits.

location and transportation

Most of Kiwi Property's portfolio is strategically located in New Zealand's major cities close to strong transport hubs. We also encourage active transport by providing end-of-trip facilities in our commercial properties and supporting initiatives such as access to e-bike storage.

Developments seeking Green Star Design & As Built NZ certification are directed to integrate multi-modal transportation access and facilities issues in accordance with the Transport category credits.

supply chain

Kiwi Property is developing sustainability guidelines to be applied to all developer contracts and direct suppliers to comply with relevant legislation and contribute to our sustainability objectives.

water management and consumption

We focus on sound water management through designing new properties to achieve leading standards and integration of water saving measures such as on-site storage tanks and efficient fixtures.

Developments seeking Green Star Design & As Built NZ certification are directed to integrate energy consumption and management issues in accordance with the Water category credits.

Water management is integrated into the whole-of-building design process, and projects seek to exceed relevant codes and achieve Kiwi Property's Green Star ambitions. Common requirements and measures included in developments are:

- requiring high efficiency fixtures to enhance indoor water efficiency.
- requiring drought tolerant landscaping and use of non-potable water sources (rainwater, stormwater) for outdoor uses to enhance outdoor water efficiency.
- water system commissioning and tuning to enhance process water efficiency.
- leak detection systems, and
- movement sensors to control water flows.

waste management

We focus on waste management through development and implementation of construction and operational waste management plans.

Developments seeking Green Star Design & As Built NZ certification are directed to integrate energy consumption and management issues in accordance with the Management Operational Waste and Construction and Demolition Waste credit guidelines. Expected inclusions within construction waste management plans are:

- construction waste signage.
- targets for waste stream recovery, reuse and recycling.
- waste separation facilities, and
- waste monitoring (including hazardous and non-hazardous waste monitoring).

We educate employees on appropriate waste management and support contractors to deliver waste management education at our development sites.



green building certifications

Kiwi Property selectively rates new developments against the Green Building Council of New Zealand (NZGBC) Green Star Design & As Built NZ ratings and continues to present Green Star opportunities to all pre-lease construction opportunities. Kiwi Property targets to achieve at least 5 Star Green Star Design & As Built NZ ratings across all new office and relevant retail developments.

site selection and design

A large proportion of our developments, particularly across the office and retail portfolios, occur within existing developed areas (i.e. brownfield sites). We seek development opportunities in properties in highly connected urban environments and integrate our developments with major transport hubs, facilitating active transport options.

When selecting sites in greenfield locations and developing site design, our projects seek to protect, restore and conserve aquatic ecosystems, farmland, floodplain functions, and habitat for threatened and endangered species. These features are often protected through resource management act development approval conditions that we comply with and at times seek to exceed in order to achieve a net positive biodiversity outcome.

Development approval conditions and other measures included in development contracts help minimise negative impacts of construction by encouraging projects to:

- manage waste by diverting construction and demolition materials from disposal.
- manage waste by diverting reusable vegetation, rocks and soil from disposal.
- protect air quality during construction.
- protect surface water and aquatic ecosystems by controlling and retaining construction pollutants and
- protect and restore habitat and soils disturbed during construction.

Developments seeking Green Star Design & As Built NZ certification are directed to minimise negative impacts of construction through Management Responsible Construction Practices and Construction and Demolition Waste credit guidelines. Environmental impact assessments are carried out at all sites and on selected sites social impact assessments are undertaken.

building materials

Building materials selection for Kiwi Property developments is usually undertaken by development contractors. We obtain product data sheets from contractors detailing the environmental and health attributes of building materials as part of the design phase then in the certification of the property for its use. Wherever a development brief is likely to contain hazardous materials, the contractor is to provide independently certified laboratory tested hazardous materials clearance certificates.

demographics and accessibility

Development design is informed by our research, which provides insights into market and demographic trends. These insights are incorporated into development briefs to ensure that the completed property will meet market and demographic demand now and into the future.

Properties are designed to offer flexibility and adaptability in tenancy design. Where appropriate, Kiwi Property invokes inclusive design by engaging iwi, local communities, governments, accessibility consultants, employees and other groups to contribute to the design, so the built outcome is reflective of the interests and diversity of its users and other stakeholders.



2.0 People

Diversity and Inclusion

we embrace diversity

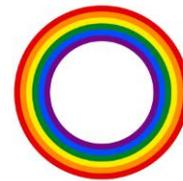
We are committed to promoting a culture where diversity is embraced. We recruit and develop the best person for the job regardless of gender, age, ethnicity, religious beliefs, disability or sexual orientation. This is embedded through our Diversity and Inclusion Policy, which applies to all employees within Kiwi Property as well as the Board and covers all aspects of employment.

our diversity targets

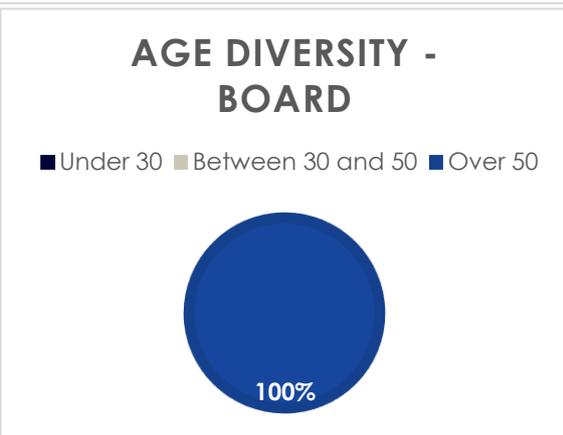
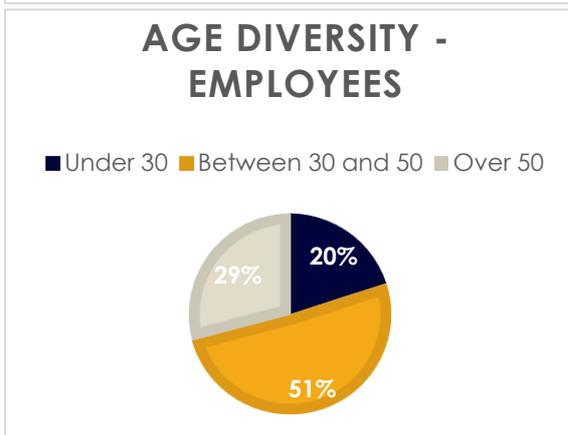
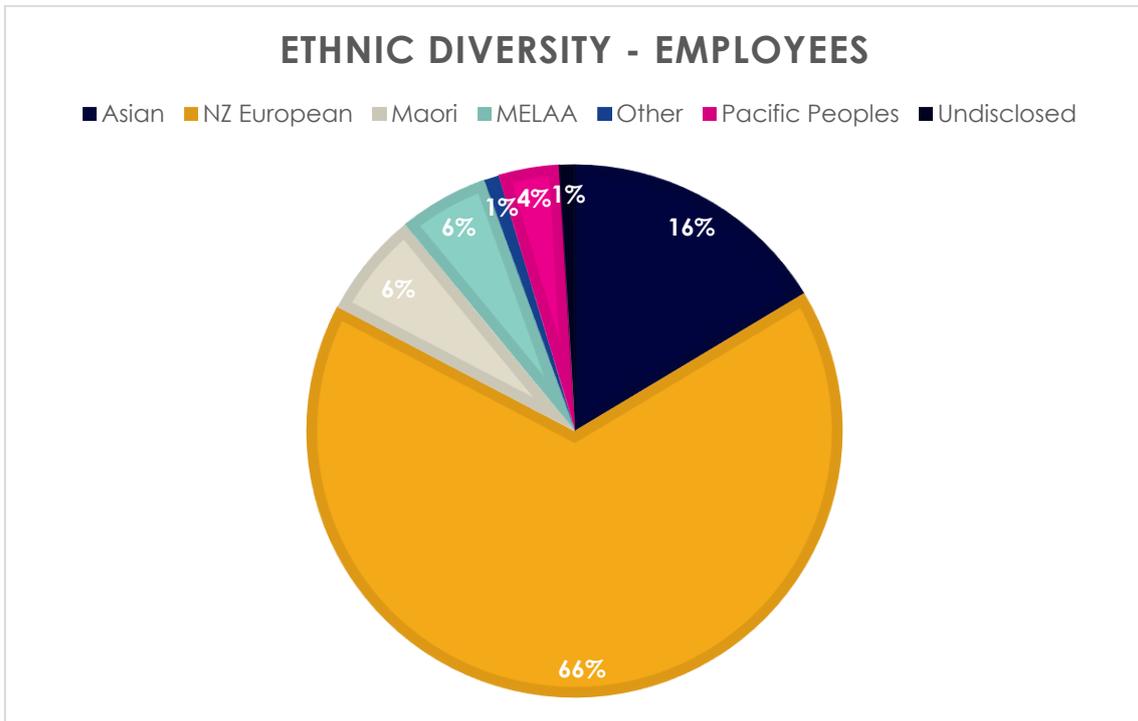
With women making up the majority of the Company's workforce overall, a key diversity focus is to increase the representation of women in senior roles with a target of achieving a 40:40:20 gender balance at Board and Executive team levels by 2023.

Diversity objectives are in place to continue our focused work on developing a workforce that is a more reflective representation of the communities and the visitors and customers we serve. Our objectives focus on sourcing and attracting a broader candidate talent pool and identifying alternative recruitment channels in order to attract and source a greater representation of Māori, Pacific Peoples and Asian candidates.

We partner with Diversity Works, be.lab and Safe Space Alliance.



our diversity statistics (as at 31 March 2022)



Board Tenure

Board member	Tenure (as at 31 March 2022)
Mark Ford	10 years, 10 months
Mary-Jane Daly	7 years, 6 months
Jane Freeman	7 years, 7 months
Mark Powell	4 years, 5 months
Simon Shakesheff	2 years, 4 months
Chris Aiken	10 months

Health & safety

people save people

We have a duty of care for the safety and wellbeing of our people and the New Zealand community; it's a duty of care we take very seriously. So while our property assets are built to high standards, with safety in mind, we also actively engage our people, our customers, our service providers and contractors, and our visitors to be health and safety aware.

Strong governance oversight to manage health and safety Health and safety is fully integrated into our governance and management practices. In step with the seriousness with which we take our role in this matter, our Board has full oversight of our health and safety policy, programmes and incidents with reporting provided to each board meeting by our Health and Safety Leadership Committee.

Key risk areas in our workplaces and across our assets include:

- working at height
- electrical works, and
- asbestos management.

In 2015, we set ourselves a zero employee 'notifiable injury and illness' target. We have achieved this standard in every year since 2013. As a responsible landlord, we are also focused on reducing notifiable injury and illness for our contractors and visitors to our sites.

To achieve our aims, we work diligently to mitigate our health and safety risks, seeking to improve our workplaces wherever possible, with active monitoring, management and reporting being undertaken by our Health and Safety Leadership Committee. A full risk assessment and review is conducted annually, covering all existing and any new buildings or operations.

Modern slavery

we uphold human rights

Kiwi Property is committed to upholding human rights – both within our own operations and throughout our supply chain. This means the fair and respectful treatment of all our people, and a focus on providing fulfilling and rewarding employment. It means complying fully with the law, but also going above and beyond compliance – acting professionally, ethically, and responsibly as we deliver customer outcomes, contribute to the community, and create shareholder value. It means partnering with suppliers that provide safe working conditions, treat workers with respect and dignity and conduct business in an environmentally and socially responsible manner.

We comply with labour standards

Kiwi Property complies with all New Zealand labour laws, which align with International Labour Organisation (ILO) standards regarding:

- freedom of association
- collective bargaining
- prevention of forced labour



- prevention of child labour
- equal opportunity and treatment, and
- elimination of excessive working hours.

Employee engagement

having an engaged team is integral to our success

We nurture and sustain a high-performing team that embraces our purpose and is motivated to deliver on our strategy.

We survey our employees at least once per year to understand levels of engagement and sentiment around workplace issues such as wellbeing, leadership and health and safety. An outcome of these surveys is an employee engagement score, which we use as our key metric for tracking engagement.

We also analyse survey results by team to understand how engagement varies across the business and to identify any focus areas. We have set an employee engagement target and use survey results to inform action plans to lift engagement where required.

Training and development

we train with purpose

It's important to us that our people are not only engaged and happy but can also further their careers through exposure to on-the-job training, education and experience. Our model for this is set out below:

- 70% of development via experience, day-to-day tasks, challenges and practice
- 20% of development via exposure to others, work situations and collaboration, and
- 10% of development via education and structured learning.

To ensure our people are engaged and career growth occurs, each person is encouraged to have a structured individual learning and development plan. For our leaders, we provide additional training to equip them with the necessary skills to lead our people.

Accessibility

we provide access to all

It is imperative to us that everyone enjoys our assets with the same convenience as each other. So beyond just complying with the requirements of the Building Act 2004, we partner with be.lab to have our assets assessed to ensure they are designed for people with accessibility needs.

Community engagement

our success is linked to the success of the local communities in which we operate

For us, it makes good business and social sense to play an active role in supporting New Zealand to prosper. We do this by:

- creating vibrant places to work, shop, live and play
- creating a strong company culture operating ethically with high levels of governance
- supporting employment and education in our industry, and
- giving back to our communities through volunteering, sponsorships and helping community groups to flourish.
- our volunteering programme provides each employee with one day of paid leave each year to enable them to participate in volunteering.



Sponsorship

At a corporate level, we provide

- support to the Mental Health Foundation
- food and toy donations to the Auckland City Mission Appeal.
- sponsorship to foster diversity within the property industry.

The Company is a key scholarship partner of Keystone Trust — a charitable trust that gives students a hand up into property related tertiary studies to further their education in property industry-related fields. Additionally, we provide scholarships for Māori and Pasifika students embarking on tertiary study in property. As part of this scholarship, Kiwi Property provides, in addition to financial support, a mentor to assist with the recipient's pastoral care.

Community experiences

Our mixed-use and retail assets touch the lives of millions of visitors every year. As local gathering places, our assets have an important role to play in strengthening local communities. As a result, we support grassroots initiatives that promote the provision of local employment, wellbeing and social engagement.

Some great examples include:

- KiwiFit – a safe, all weather community exercise group
- KiwiBubs – a free club created to help Kiwi parents find support, practical advice and friendship
- Free childcare for 0-5 year olds for two hours (at selected centres)
- Kiwi Property hosted Christmas gift-wrapping, with donations going to charities.
- 'Match Hero' – supporting youth sport in select regions

3.0 Partnerships

Our suppliers

We actively engage with our suppliers to achieve better environmental outcomes from our projects. A great example of this is the partnership we formed with ECOLight to deliver our LED light replacement programme. For other suppliers, we have a strategy to assess the full-life cost when procuring assets. When we consider the purchase of an asset, suppliers are asked to provide information on the cost of usage and disposal. This ensures we procure the most efficient assets, supporting our energy reduction targets. This procurement methodology also ensures assets last longer, requiring less capital outlay over time, that in turn reduces operational costs. It also provides a clear message to our suppliers that we are not only interested in the initial cost of the asset, but rather the full cost, generally resulting in a higher quality and better performing asset.

Supporting our customers

As a leading property company in New Zealand, we utilise the knowledge we have gained to educate our customers to minimise their own environmental impacts through Sustainability Design Guidelines in our Fitout Manuals.

As a result, we have recorded a dramatic improvement in our customers' electricity efficiency, leading to a 41% reduction in carbon emissions over the past six years. Further, to support our own resource consumption reductions, smart meters are being progressively installed throughout the portfolio in partnership with registered meter owners, in accordance with industry regulations. These, along with Kiwi Property's own metering, will support our Facilities Managers to proactively manage the efficiency of our buildings.

