

CLIMATE RELATED DISCLOSURES



Climate Related Disclosures

Introduction

About these climate statements

This is Arvida's first set of climate-related disclosures, reported in accordance with the Aotearoa New Zealand Climate Standards. Previously, Arvida has released two voluntary climate-related reports using the Task Force for Climate-Related Disclosures ('TCFD') framework.

Reporting standards

These climate statements have been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2, and NZ CS 3), published by the External Reporting Board ('XRB') in December 2022. In this report, Arvida has elected to apply Adoption Provision 2: Anticipated financial impacts and Adoption Provision 3: Transition planning.

Disclaimer

While there are forward-looking statements made in these climate statements, the information and metrics contained here should not be considered any sort of prediction or forecast of performance outcomes, financial or otherwise.

The Company is subject to both known and unknown risks, uncertainties and other factors, many of which lie outside its control. Arvida has sought to provide accurate information in this report. It is based on assumptions about the current business and future strategies of the Company, as well as the environment our business operates in, both now and in the future. However, the identified climate-related risks and opportunities may not eventuate; if they do, the impacts may differ materially from what is provided in this report.

The report is dated 27 June 2024.



THIS IS ARVIDA'S FIRST SET OF CLIMATE-RELATED DISCLOSURES, REPORTED IN ACCORDANCE WITH THE AOTEAROA NEW ZEALAND CLIMATE STANDARDS.

While this is Arvida's first report in accordance with the Aotearoa New Zealand Climate Standards, it is actually our third climate-related disclosures report. We embrace the new reporting landscape and remain dedicated to understanding and addressing climate-related challenges.

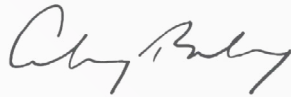
Our aim is to contribute to a more sustainable future for our communities, residents, staff and the planet, and ensure our disclosures are fulsome and transparent.

Arvida began its sustainability journey in 2020, adding sustainability or 'nurturing well' as a strategic pillar, and initiating the measuring and monitoring of our carbon emissions. We developed a sustainability framework and defined the focus areas, measures, objectives and targets. Since then, we have been progressing toward achieving our objectives, and striving for best practice in our emissions measurement and climate reporting.

This year, a focus for us was jointly leading the health sector to develop sector-level climate scenarios to assist the entire sector in understanding the potential impacts of climate change (both physical and transition) on population health and health service delivery.

We are immensely proud of the work our team has done to bring a group of leading health experts together to support delivery of this essential work.

For our reporting this year, we have applied both the health sector and the property & construction sector scenarios to develop our own scenarios, which enabled us to carefully reconsider our climate-related risks and opportunities.



Anthony Beverley
Chair



Michael Ambrose
Audit & Risk Committee Chair

Climate Related Disclosures

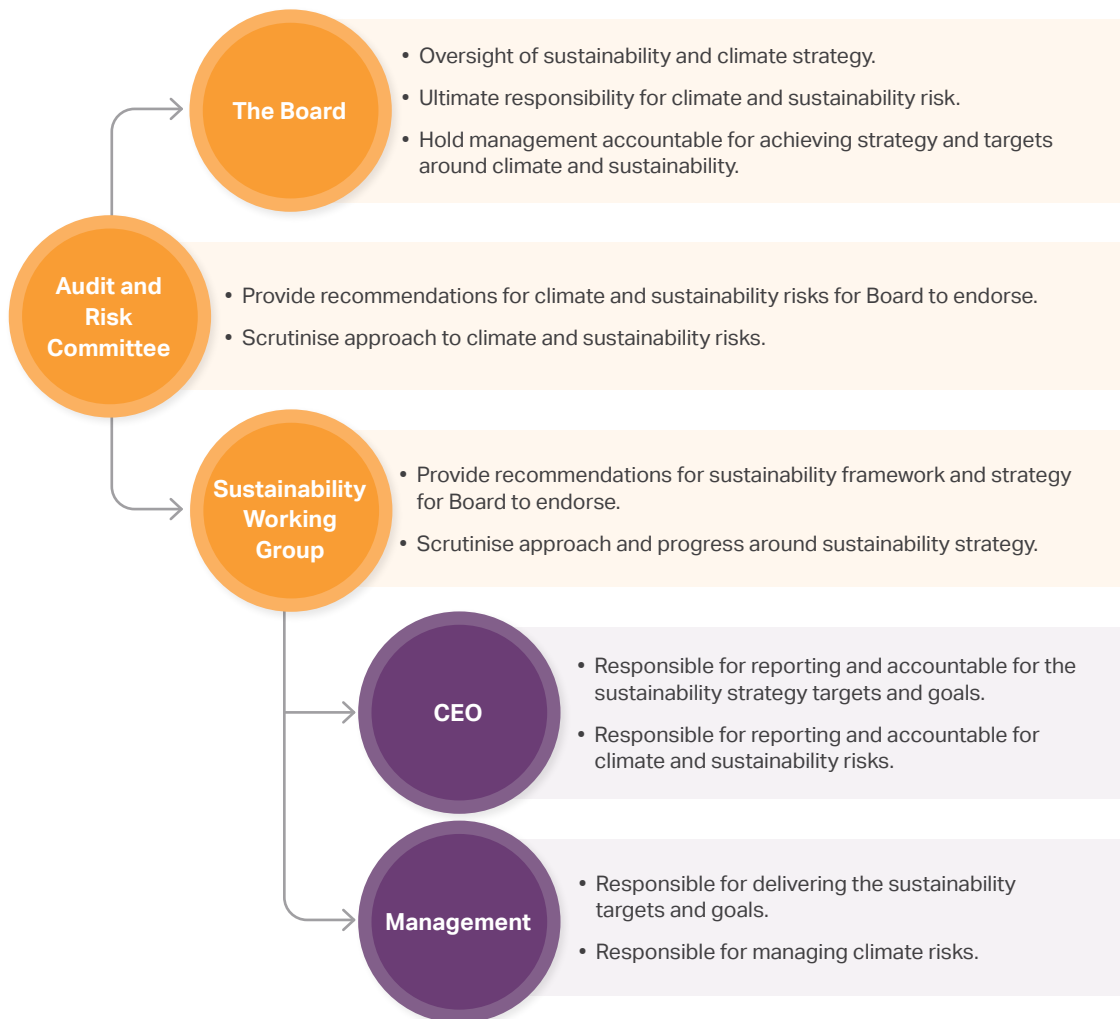
Governance

Oversight

The Board has statutory responsibility for, and approves, the strategic direction of the Company. A review of the Company's strategy and business plan is performed by the Board at least once a year. The strategy is informed by and includes consideration of the Company's climate-related risks and opportunities. The Board's responsibilities are set out in the Board Charter and include:

- Approving the Company's overall strategy, business plans and budgets
- Monitoring actual results against the business plan and strategic objectives
- Setting sustainability policy.

The Board is informed about climate risks and opportunities through regular board meetings, where sustainability is now a standing agenda item; through the sustainability working group, on a quarterly basis; and through annual reviews of the company's risk register. The sustainability working group, which includes members of the Board and executive team, reviews regular reporting that includes an update on sustainability and climate-related issues, and progress against agreed goals and targets set within the Company's sustainability strategy. Using these various sources of information on climate-related risks and opportunities, the Board has the opportunity to further refine the Company's sustainability strategy and plans.



Board skills and competencies are regularly reviewed and updated in the Annual Report (refer to the skills matrix in the governance section). Climate-related expertise is one of the skills included in the assessment.

Pursuant to its charter, the Audit and Risk Committee has delegated responsibilities in relation to compliance and risk management practices. It is responsible for reviewing and assessing the Company's risks, risk management framework and internal controls. This includes climate-related risks and controls.

New and emerging risks are considered initially by the Audit and Risk Committee. Where the residual risk is assessed as being high or extremely high, they are added to the Company's risk register and then approved by the Board.

Climate change risk was added to the risk register in 2020. In 2022, the Audit and Risk Committee reviewed this risk as part of a deep-dive session where the risk, including its likelihood and impact, was scrutinised and re-evaluated. The Audit and Risk Committee and Board assessed overall climate change risk as 'high'.

Management's role

Management identifies, assesses and manages climate-related risks and opportunities day-to-day, as part of the risk management framework.

The effectiveness of controls and performance of other mitigation strategies is reported to the Audit and Risk Committee.

Overall accountability for delivery of the sustainability strategy and management of climate-related risks sits with the Chief Executive Officer. The Chief Executive Officer is also responsible for reporting progress against sustainability goals and targets to the Board.

Responsibility for delivery of climate-related targets and goals sits with management. Each strategic pillar has an owner who is responsible for the delivery of that strategic objective.

The Company has a dedicated Head of Sustainability & Compliance who leads the assessment of climate-related risks and opportunities, and coordinates the Company's response as part of the overall sustainability programme.

The Company operates a sustainability working group to assist in providing recommendations around the broader sustainability programme and monitoring progress against sustainability goals. The working group met four times during the year. Membership includes three directors (of which two are the Chair of Board and the Chair of the Audit and Risk Committee), the Chief Executive Officer, Chief Financial Officer, the General Manager Strategy and the Head of Sustainability & Compliance.

For further information on the Company's risk management process, please refer to the risk management section.

Strategy

Current climate-related impacts

The Company has elected to apply Adoption Provision 2: Anticipated financial impacts (NZ CS 2). The Company is still establishing the criteria for quantitative anticipated financial impacts that are relevant and fact-based.

During 2023, two severe weather events occurred: a significant rain event in late January 2023 that caused widespread flooding in Auckland; and, shortly thereafter, cyclone Gabrielle that affected eastern and coastal regions in the North Island. During this financial year, the Company is still feeling the effects of those events.

While the Company has concluded and settled its material damages claim in relation to the flooding of one of its Auckland villages, court proceedings have been filed against its insurers – QBE and IAG – in relation to resolving the business interruption claim.

Pleasingly, however, the impacted community has now been largely restored. By December 2023 all displaced residents had been welcomed back into their homes. The final settlement for the material damage component of the insurance claim was \$14.9 million with \$9.2 million received in FY24.

In FY23 cyclone Gabrielle significantly impacted northern regions of New Zealand, including the Hawke's Bay region. Mary Doyle, our community in the region, did not experience any material damage related to the cyclone. However, the widespread damage to the region from the cyclone has resulted in shortages of qualified nursing staff. This has resulted in the Company closing a number of beds in the care facility and a reduction in revenue of \$1.6m, reduced profitability and a reduction to care asset valuation of \$0.9m. The Company believes the bed closure is an indirect result of the cyclone.

The Company was also impacted by the Port Hills wildfires in February 2024. While our community (Rhodes on Cashmere) was some distance from the fire, and there was no material damage, a number of residents were evacuated as a precaution. The incident tested the Company's emergency and crisis management plans, which were demonstrated to be robust. The local team was able to mobilise – working with the local Te Whatu Ora contact, Fire and Emergency Services and our other Christchurch communities – to ensure all residents had an appropriate evacuation location. This incident served as a reminder of the disruption that can be caused by climate-related events.

Overall, the current financial impacts associated with the Company's transition to a low carbon economy were \$2.2m. This includes amounts invested in sustainability initiatives, such as solar, EV vehicles, lighting upgrades and replacing gas infrastructure. It also includes the additional cost associated with compliance with the new H1 building standards. The Company believes this legislation is climate-related and assists us with achieving emissions reductions goals, so we have included these costs as transition impacts.

Climate Related Disclosures

Scenarios

As indicated in last year's report, the Company was interested in exploring appetite for developing a specific set of scenarios for the healthcare sector. During the year, the Company jointly led a project, with Te Whatu Ora and around 30 other health sector participants, to develop a set of sector scenarios with consultants Tonkin + Taylor. The Company's Head of Sustainability & Compliance was the Chair of the Technical Working Group and the Company's GM Strategy was part of the leadership group. Through a series of workshops, the group developed three sector scenarios. A 1.5°C, a 2.7°C and a 3.6°C scenario.

In developing the Company's own scenarios, information from both the health sector work and the construction and property sector scenarios, lead by the New Zealand Green Building Council last year, was used as these two sectors reflect the Company's business.

Workshops were held with the executive team, where the Company's combined scenarios were considered and discussed. The key outcome from these workshops was an indication of the key risks and opportunities for the Company over the short, medium and long-term (as described below) under each scenario. This was reviewed by the Sustainability Working Group and then the Board.

Timeframes

Timeframes have been selected that align with the horizons of the Company's physical assets and business activities, as presented below, where the medium term represents the overall development and building timeframe for retirement communities.

Horizon	Period	Description
S = Short term	0-3 years	Construction timeframe for a stage in a retirement community, from project inception, planning and resource allocation, through to completion and occupation by residents.
M = Medium term	3-10 years	Estimated duration to develop a retirement village and the average tenure of an independent resident (8-9 years) living in the Company's retirement communities.
L = Long-term	10-30 years	Total useful life of a building or retirement community. However, the ability to modify and adjust several aspects, as part of refurbishments and regular maintenance, is a key factor in reducing the long-term timeframe.

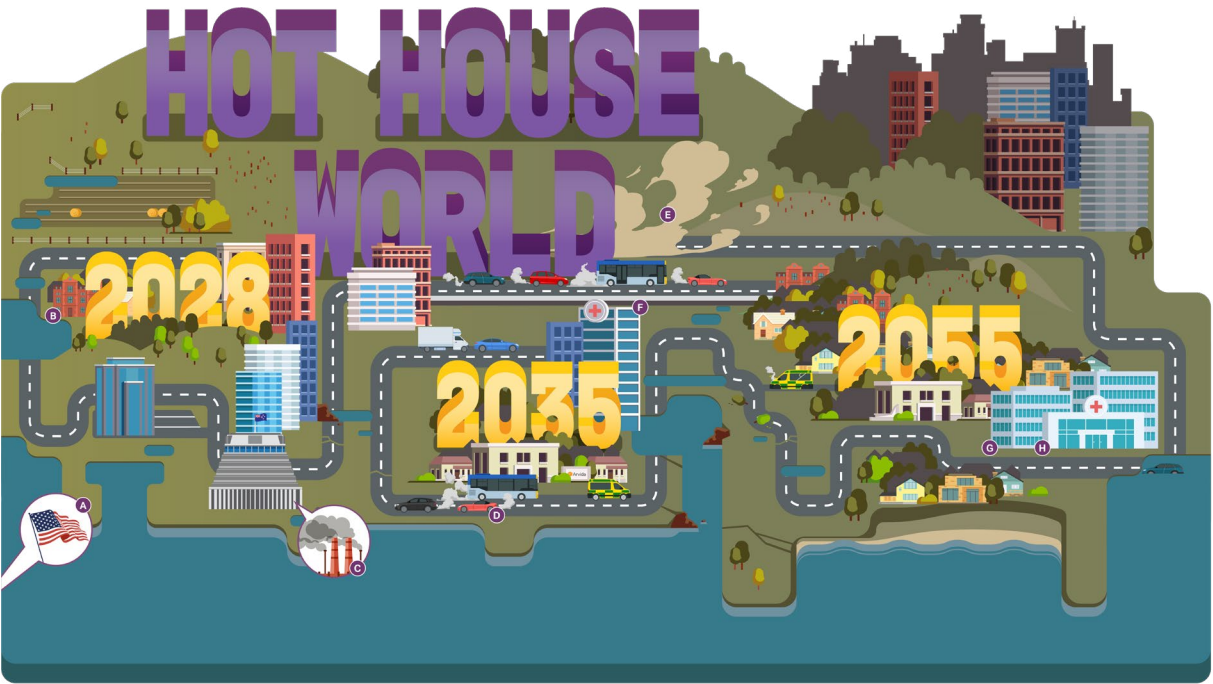
Arvida's Climate Scenarios

	Hot House World (<3°C)	Delayed and Disorderly	Ambitious and Orderly (>1.5°C)
Reference scenarios	SSP3-7	SSP2-4.5	SSP1-1.9
Temperature in 2100	3.6	2.7	1.4
Impacts on GDP	Severe	Major	Moderate
Public funding	Extreme decrease	Major decrease	No change
Public reaction	Current policies	Delayed	Immediate and smooth
Technological change	Slow change	Slow – fast change	Fast change
Physical risk	Extreme	Moderate	Moderate
Transition risk	Low	Major	Low – moderate
Health impacts	Extreme	Major	Moderate

Hot House World

This is a high-warming scenario where 3.6°C is reached by 2100. It is characterised by a lack of effective climate action in NZ. Globally, there is extreme nationalism and geopolitical tension, insufficient efforts to reduce emissions, severe and irreversible physical impacts, hindered economic development and increased poverty, and widespread and severe health impacts. In Aotearoa, there is increased nationalism, reduced public services and trust, growing health inequities and socio-economic disparities, and increased exposure to extreme heat, weather and infectious diseases. There are severe and frequent weather events, sea level rise and heat stress, which damage assets and infrastructure, disrupt supply

chains and increased costs and insurance premiums. The health sector and population health outcomes are negatively affected by the decline in public health funding and access, the increase in poverty and socio-economic inequities, the erosion of determinants of health, the increase in mental health issues and chronic diseases, the disruption of health facilities and services, and the increase in health security challenges. Key events and impacts include the collapse of the international climate frameworks in 2036, the closure of Thames hospital in 2051, the severe heatwave in 2041 and the rise of gated communities for the wealthy



- A** In 2025, the United States withdraw from the Paris Agreement.
- B** In 2030, the average value of properties in flood-prone areas reduces by 36%.
- C** In 2036, the global climate negotiations collapse. NZ Carbon Zero Act is repealed.
- D** In 2036, the NZ government fails to meet its international emissions reduction target.
- E** In 2041, a severe heatwave goes across NZ.
- F** In 2051, Thames hospital closes following repeated fluvial and coastal flooding events.
- G** In 2045, the government significantly reduces subsidies to fund aged care beds other than for older people with the most severe disease.
- H** In 2060, the average wait time for being seen in emergency departments is more than six hours for 75% of patients across NZ.

Delayed and Disorderly

This scenario is a moderate-warming scenario, where the world reaches 2.7°C by 2100 and progress with a slow and uneven transition to a low-emissions economy. Globally, there is a little climate action until 2028-2035, when there is a ramping up of decarbonisation efforts. This situation, however, still leads to significant physical risks and widespread impacts from climate hazards. In Aotearoa, there is a slow and costly transition, with significant social costs and inadequate public funding to support those most affected. Emissions are rapidly reduced between 2035-2050, with significant consequences on the agricultural and transport sectors. A lack of investment in low carbon materials, products and technologies leads to a spike in demand and costs in the 2030s, as well as limited innovation and circularity. A slow and uneven shift in market

preferences and consumer awareness towards low carbon buildings creates uncertainty and reputational risks for entities that fail to set and meet ambitious science-based emission reduction targets. The government fails to manage trade-offs between adaptation and mitigation action. The health sector and population health outcomes are affected by a combination of physical and transition risks, which result in a high population health burden. There is a growth in economic and social inequities, which contribute to an increase in chronic health conditions. Key events and impacts include a deadly heatwave and catastrophic ex-tropical cyclone in 2030, a ban on internal combustion engine vehicle sales and imports by 2040, the closure of multiple regional health facilities by 2050 and the ex-tropical cyclone Victoria in 2042.



A In 2025, global climate action is upended by geopolitical instability and US election.

B In 2030, a deadly heatwave and catastrophic ex-tropical cyclone occur.

C In 2033, a patchwork of bilateral and regional agreements to reduce emissions emerge in the 2030s, including a ban on internal combustion engines sales and imports. The US commits to international climate action in 2034.

D In 2035, the second 15-year Emissions Reduction Plan is developed, which outlines a set of onerous policy actions requiring urgent implementation.

E In 2042, ex-tropical cyclone Victoria makes landfall in March 2042.

F In 2055, the closure of multiple regional health facilities over the time results in the national average waiting times to see a GP to increase to 13 days.

G In 2060, the government gradually reduces funding to aged care.

Ambitious and Orderly

This scenario aligns to a Paris Agreement-aligned transition scenario of 1.4°C by 2100, which implies a coordinated and immediate transition to a low-emissions economy in NZ. Globally, there is a shift towards a more sustainable and socially inclusive path, which respects environmental boundaries and emphasises human health and wellbeing. Emissions decline globally from 2025-2050, through the implementation of ambitious and coordinated climate action across countries. There is a decline in global poverty and reduced gaps in per capita income across countries. Treatments for disease improve, global health risks decline and life expectancy increases throughout the century. In NZ, the transition is immediate and effective, with decarbonisation taking place across all sectors of society. There is a significant growth in the construction sector, as carbon-supporting infrastructure is replaced with greener, low carbon infrastructure. There is high demand for low carbon building products, materials and technologies, as

well as circular economy business models. We see a shift in market preferences and consumer awareness towards energy efficient, low carbon buildings, and existing building re-use and adaptive re-use. There is a rapid densification of urban areas, driven by GHG emissions reduction and spatial planning, which puts pressure on legacy horizontal infrastructure and necessitates significant upgrades. The health system shifts rapidly to deliver low-emissions care and the sector is seen as a sustainability leader within NZ. There is a move to community-oriented healthcare, with a strong focus on addressing the risk factors that lead to disease, which leads to a decline in preventable hospital admissions. Key events and impacts under this scenario include the emergence of major corporate polluters cutting emissions from 2025, the ban on internal combustion engine vehicle sales and imports by 2030, the increase in life expectancy and reduction in health inequities by 2050, and the achievement of net zero emissions by 2050



- A** In 2025, the NZ Supreme Court issues a judgement requiring corporate entities in NZ to reduce emissions in line with the Paris Agreement.
- B** In 2028, the government implements a sugar tax.
- C** In 2035, the share of battery electric vehicles (BEV) has increased to 20% of the vehicles fleet in 2031, resulting in reduced mortality from air pollution.
- D** In 2040, health costs for preventable diseases start to decline and this trend continues across the century.
- E** In 2045, over 75% of Auckland's population commutes by electric trains and buses and actively travels for work and education journeys.
- F** In 2050, over 65 year olds are estimated to account for 50% of health service use.
- G** In 2050, the population increases to 6.13 million, with 23% over 65 years old and 5% over 85 years old.
- H** In 2055, there is an increase in the frequency and severity of heatwaves, but decline towards the end of the century.
- I** In 2055, the superannuation age slowly increases to by 70 years old near the end of the century.

Climate Related Disclosures

Climate Risks

Arvida's material climate-related risks have not changed significantly since our initial voluntary TCFD disclosure in 2022.

Type	Risk	Time horizon	Anticipated impacts	Management response
Physical	Extreme weather events, including storms, floods and wildfires.	Short, Medium & Long	Extreme weather events may result in increased capital costs associated with material damage to Arvida's assets and/or additional mitigation or adaptation measures.	The Company continues to monitor and manage physical impacts through its maintenance programmes.
		Scenario		
		Ambitious and Orderly, Delayed and Disorderly, & Hot House World	Also, there are increased operational costs associated with repairs and/or increased insurance premiums and/or disruption to supply chains.	Climate risk assessments are performed as part of due diligence for new acquisitions.
	Sea level rise	Long	Sea level rise may result in managed retreat from coastal locations and may result in assets that become stranded.	Further work has been done to assess the risk of sea level rise at our communities and indicates there are no communities at risk under the Hot House World scenario under Arvida's short-, medium-, or long-term time horizons to 2055.
		Hot House World	It may result in increased capital costs associated with managing fluvial floods.	
	Rising temperatures	Medium & Long	Extreme temperatures may result in increased operational costs, as a result of demand for air conditioning systems and/or increased illness in our residents.	New communities are designed to withstand the extreme climate scenarios of RCP 8.5. Older communities are monitored and reviewed as part of our ongoing maintenance programmes. Increasing electricity costs are mitigated through the Company's fixed price and longterm contracting.
Delayed and Disorderly, & Hot House World		Also, there are increased capital costs associated with air conditioning systems in our communities.		
Transition	Changing and emerging legislation	Short, Medium & Long	New policies, changes in rules or regulations, or new legislation may result in increased operational and compliance costs.	The Company closely monitors proposed changes in legislation and, where appropriate, participates in government consultations through industry associations. The Company's risk and compliance framework also assists to mitigate risk.
		Ambitious and Orderly, Delayed and Disorderly, & Hot House World	These changes may also result in increased capital costs if associated with Arvida's assets.	
	Changing market behaviour	Medium & Long	This may result in lower demand for the Company's products and services, because of changes in market behaviours.	The Company conducts regular stakeholder engagement to understand changing customer behaviour. The Company's model ensures flexibility in its offering for potential residents. The Company has a robust sustainability framework and appropriate governance structures in place to ensure the goals and objectives are met.
		Ambitious and Orderly, Delayed and Disorderly	Also, there are increased capital or operational costs to keep up with market demand for sustainable products and services. It may result in difficulties in securing investor and bank funding.	

Climate Opportunities

Type	Opportunity	Time horizon	Anticipated impacts	Management response
Physical	Build our communities to be resilient	Medium, Long	<p>With increasing storm and weather events, there is an opportunity to build communities in way that shields the Company from these events and allows it to continue operating without incurring large one-off costs.</p> <p>This could allow the Company to avoid increasing insurance premiums.</p>	<p>The Company has begun to consider climate risks more seriously, as part of our master planning process. The Company will continue to explore this further and consider a RCP 8.5 scenario.</p>
		<p>Scenario</p> <p>Ambitious and Orderly, Delayed and Disorderly, & Hot House World</p>		
Transition	Products and services	Medium, Long	<p>There is an opportunity for the Company to improve our products and services, and provide healthier homes to residents. This may attract more residents to reside with us and more investment.</p> <p>There is also an opportunity to reduce the emissions associated with our products and services.</p>	<p>The Company has explored several frameworks, such as Homestar, Lifemark and Living Building Challenge. The Company continues to explore the different aspects of each of these design standards and how they could improve its designs.</p>
	Resource efficiency	Short, Medium		
		<p>Ambitious and Orderly, Delayed and Disorderly, & Hot House World</p>	<p>Changes in energy sources and increasing resource efficiency may result in lower operating costs.</p>	<p>The Company continues to seek ways to improve energy efficiency at its sites. The Company has already begun this work and further information on its progress can be found on page 44 of the annual report.</p>

Climate Related Disclosures

Transition Plan

The Company has elected to apply Adoption Provision 3: Transition planning (NZ CS 2). The Company will provide a more comprehensive disclosure in the next financial year.

The Company recognises that a fundamental transformation of business and finance is needed to successfully transition to a low-emissions, climate-resilient economy. Every New Zealand company will need to think carefully about what the transition means for them. They will have to think strategically about how they can protect and enhance long-term value by responding and contributing to a whole-of-economy transition. The Company has considered its current business model and strategy, as set out on pages 31 to 51 of the annual report, and how it needs to adapt and change in response to climate change through the sustainability framework we have developed. The framework shows that sustainability and climate-related risks and opportunities are being embedded into the business model and strategy. Each strategic pillar has focus areas, measures and objectives.

To help understand how to mitigate the Company's emissions, a detailed emissions reduction model has been developed and updated for the current year. The output from the model shown on page 43 demonstrates the relative merits and impacts of alternative sustainability initiatives in reducing Scope 1 and 2 emissions. The model has allowed the most effective emission reduction targets to be identified. This was performed in conjunction with assessing reduction initiatives while developing an emissions reduction plan. The model indicated that an investment of around \$5.2m is currently required to achieve emissions reductions of 40%.

Risk Management

Risks, including climate-related risks, are identified, assessed and managed as part of the Company's risk management framework.

Risks are identified through a variety of ways on an ongoing basis:

- Review and discussion of the latest climate-related research and information
- News and media reports
- Consideration of the latest trends and emerging issues, with subsequent discussion in executive team meetings
- Through the Audit and Risk Committee, based on their knowledge and expertise as part of the risk review process.

The risks identified through the methods above are added to the weekly executive team meeting agenda and discussed. They are assessed to establish whether further work is required to determine their likelihood, potential business impact and the timeframes they relate to. This may include seeking further information or external assistance, depending on the internal and Board experience that exists in relation to the identified risk. No parts of the value chain are excluded.

All key identified risks are reviewed as part of the annual assessment process. Risks assessed as significant, as well as those reviewed through deep dive sessions by the Audit and Risk Committee, are reviewed more regularly.

After risks are identified and assessed, a formal management process begins with the assignment of a risk owner.

Initially, the inherent likelihood and consequence is discussed with key stakeholders and a collective decision is made based on available information. This discussion may highlight the need for further information and a plan for collecting that information.

The existing controls in the business are also considered. Additional proposed controls may also be identified at this stage. When controls have been identified, formal work begins around whether the control is operating. Effectiveness is assessed and an action plan is developed if controls are not operating or are considered ineffective.

When the likelihood and consequence of the risk (both inherent and residual) have been determined, a comparison is made against other identified climate-related risks to determine the relative significance.

Risk appetite is also considered, along with the boundaries in which the Company will mitigate, transfer, accept or control the risks identified.

The day-to-day management of climate-related risks and opportunities occurs across Development, Sustainability, Finance, Operations and Strategy functions of the business.

Climate-related risks have been added to the Company's risk register in the same way as all other risks are identified. The process for identifying, assessing and managing climate-related risks is also consistent.

Metrics and Targets

The Company's GHG inventory has been prepared in accordance with the Greenhouse Gas Protocol and ISO14064-1:2018. External auditor Ernst & Young completed a limited assurance engagement of Scope 1, 2 and 3 emissions for the year ended 31 March 2024.

The Inventory Report is located on the Company's website. As noted in the Inventory Report, an operational control consolidation approach was applied in calculating emissions. The Company has deemed it does not have operational control over one retirement community where a 50% joint venture interest is held.

Practically, this means that this community is not consolidated into our Scope 1 and 2 emissions. Instead all the emissions from this community are included within Arvida's Scope 3 emissions under category 15, Investments.

Sources of data, notes about the calculation methodology, quality of the data and any uncertainties are described in detail in the Inventory Report.

Emissions factors were predominantly sourced from Ministry for the Environment (MfE, New Zealand).

- Location based emission factors applied to electricity consumption in New Zealand were calculated from Ministry for the Environment (MfE, New Zealand) data.
- Emissions factors for purchased goods and services (except food) and capital goods were sourced from Motu and adjusted for inflation to 2007 when the research was conducted.
- Emissions factors for food were based on published research into emissions factors for New Zealand and the quantities of food purchased in the year.

No offsets were purchased in the period.

Greenhouse gases are converted to tonnes CO₂e using the global warming potential calculations from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

The time horizon applied was 100 years.

The Company measured its greenhouse gas emissions again in 2024. Positively, the Company's Primary emissions associated with our target decreased by 772 tonnes, or 12%, to 5,838 tCO₂e on an absolute basis for the 12 months ended 31 March 2024.

Scope 1 emissions have primarily reduced as a result of several changes in infrastructure, such as gas laundries and gas boilers replaced by either heat pumps or electric equipment. Please refer to the Nurturing Well section of this report for further details.

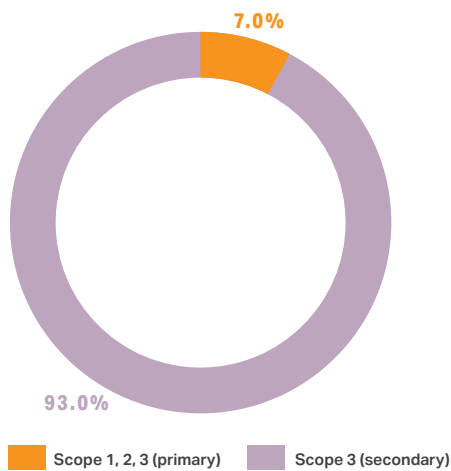
Scope 2 emissions have decreased as a result of the change in location-based emission factors calculated by Ministry for the Environment. Consumption of electricity increased by 3% year-on-year, as a result of our growth and replacement of gas infrastructure. Scope 3 emissions decreased mainly as a result of reduced business travel, as the Company focused on cost reduction during the year.

Primary emissions, being all Scope 1, 2 and selected Scope 3 sources (business travel, waste generated from operations and transmissions and distribution losses), represented 7% of total emissions.¹

Metric	Purpose	FY20	FY21	FY22	FY23	FY24
Scope 1 emissions	To measure the Company's direct impact on the climate	2,339	2,411	2,722	3,228	3,130
Scope 2 emissions	To measure the Company's indirect impact on the climate	1,454	1,573	1,888	2,196	1,521
Scope 3 emissions	To measure the Company's indirect impact on the climate	1,137	838	69,394	79,931	78,961
Primary emissions¹	To measure the Company's performance against the target	4,929	4,822	5,574	6,610	5,838
Benchmarking	To understand how the Company's climate performance compares to other corporations globally (CDP Score)	-	B-	B	B	B
Emissions intensity	Based on \$m of IFRS revenue	30.1	27.6	27.6	29.0	23.6
	Based on \$m of total revenue	23.9	26.4	22.0	21.7	17.3
	Based on retirement living units	1.2	1.1	1.0	1.2	1.0

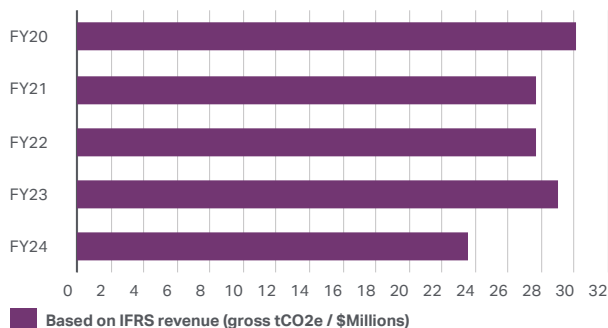
Climate Related Disclosures

Emissions Composition



On an intensity basis, the primary emissions measured by the Company and forming the basis of reduction targets decreased 18.6% to 23.6 tCO₂e per \$m of IFRS revenue.

Emissions Intensity



The Company also calculates emissions intensity on the basis of total retirement units in the portfolio and total revenue, including all sales revenue adjusted for deferred management revenue. All measures of intensity have reduced predominantly as a result of the decrease in the electricity emissions factor.

The Company does not use an internal emissions price.

Remuneration

The Company's waste reduction target is a business key performance indicator. All community managers are measured and remunerated based on their achievement of business performance indicators. Community managers are expected to achieve and maintain a 20% reduction in waste-to-landfill against the base year. For growing communities, an intensity measure is used to assess this performance.

OUR TARGETS

From a 2020 base year, the following reductions in the Company's primary emissions:

- 20% reduction by 2025 on a IFRS revenue intensity basis
- 50% reduction by 2030 on a IFRS revenue intensity basis

The Company's targets have not been confirmed as being in line with limiting global warming to 1.5 degrees.

The emissions reduction plan highlighted gas decarbonisation as the most effective reduction initiative. The Company believes this can only be achieved through strategic change and not through individual actions of community managers. As a result, emissions reduction targets are not included in assessing the performance of community managers. Equally, the Company believes the individual actions of community managers can contribute to waste reduction and has therefore incorporated this goal into business key performance indicators.

Vulnerability to physical risks, transition risks and climate-related opportunities

The Company has considered the vulnerability of business activities to transition risks, physical risks and climate-related opportunities. To a varying degree, all of the Company's activities are vulnerable to these risks and opportunities.

However, the risks and opportunities vary for each retirement community. As an example, some are located on or near flood plains or coastlines, so those retirement communities have a higher vulnerability to physical risks.

Other metrics

Metric	FY24	Commentary
% of properties by market value that may be at risk of coastal flooding due to sea level rise	0%	According to NIWA's extreme sea level flood maps ¹ (up to 2m of sea level rise), the company has no properties that are at risk of coastal flooding due to sea level rise under our highest temperature scenario, Hot House World (SSP3-7) over Arvida's short-, medium- and long-term time horizons out to 2055.
% increase in insurance premiums relating to material damage and business interruption insurance	23.7%	The Company experienced an increase of insurance premiums of 24% on a like for like basis year on year. This most reflects the increase in insurance premiums attributable to climate and climate events as it is specific to the Company's property portfolio and its risk. Overall, insurance costs increased by 37% which includes the impact of increases in levies, additional cover relating to newly built properties and the rising replacement values in line with construction inflation.

¹ There is no data for the Bay of Plenty region within the NIWA sea level flood maps and therefore Arvida has not assessed the risk of sea level rise for the properties in this region.

