CDL INVESTMENTS
NEW ZEALAND LIMITED

CLIMATE STATEMENT 2024

Prestons Park, Marshlands, Christchurch

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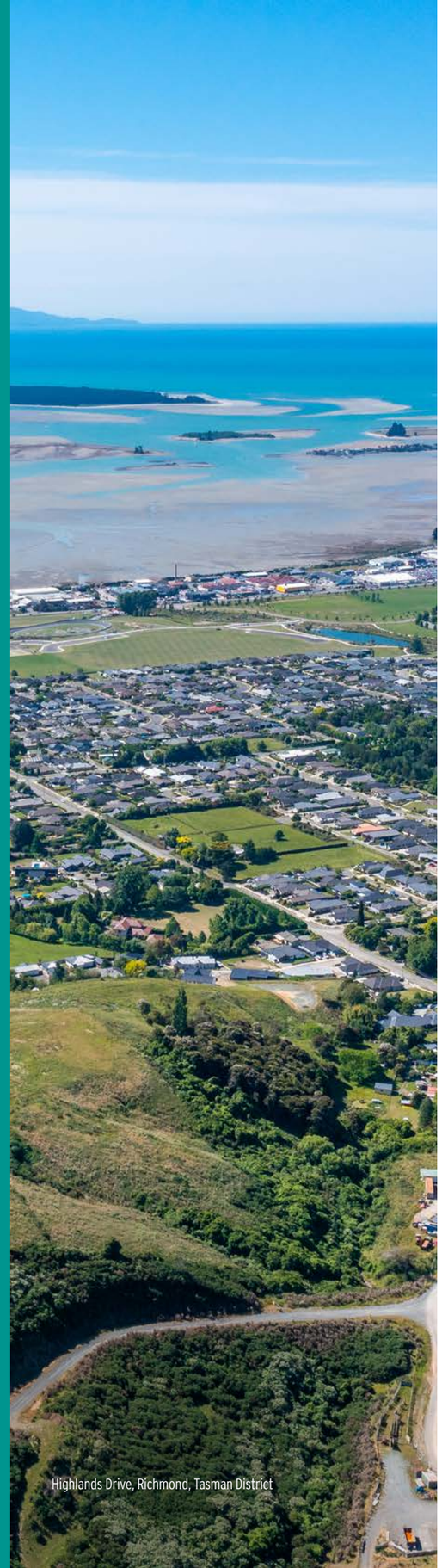


Highlands Drive, Richmond, Tasman District

INTRODUCTION

COMPANY OVERVIEW

CDL Investments New Zealand Limited (referred to hereon as CDI) has been developing residential sections across New Zealand for nearly three decades. Recognising the challenges posed by climate change, CDI continually reviews its operations and those of its contractors to implement climate-positive practices, promoting the development of sustainable communities.

CDI published its first mandatory climate-related disclosures in FY23 in alignment with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board (XRB). While the XRB's standards require entities to disclose how they identify, assess, and manage climate-related risks, they do not mandate specific internal risk management requirements. This has given CDI the flexibility to develop a risk management approach that integrates climate risk into CDI's risk management processes and procedures to align with CDI pursuing sustainability in its business strategy.

STATEMENT OF COMPLIANCE

CDI is a climate-reporting entity under the Financial Markets Conduct Act 2013. This Climate Statement has been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) published by XRB in December 2022. CDI has elected to use the following NZ CS 2 adoption provisions:

Adoption Provision 2	Anticipated financial impacts
Adoption Provision 4	Scope 3 GHG emissions
Adoption Provision 7	Analysis of trends
Adoption Provision 8	Scope 3 GHG emissions assurance

CDI Value Chain

DISCLAIMER

The statements within this Climate Statement are published by CDL Investments NZ Limited (hereon referred to as CDI) on their website[1] on 29th April, 2025, for the climate-related disclosures period of 1 January 2024 to 31st December 2024. The Statement outlines CDI's strategy for developing scenario analyses, its understanding of and response to climate-related risks and opportunities, and its current and anticipated impacts from climate change. Climate change presents an ongoing challenge, characterised by changing and significant risks and uncertainties and these are expected to develop over time. The Statement includes estimates and assumptions about future changes driven by climate change and their potential impacts on the CDI business. These estimates and assumptions rely on early and evolving assessments of present and forward-looking information, statements and opinions, such as climate-related scenarios, science- based and industry-based targets, and forecasts, all of which include uncertainties about CDI's future strategies and its operating environment and how it will transition to a more climate-resilient future.

The above-mentioned risks and opportunities could cause results, performance or events to differ materially from those expressed or implied in the Statement. Factors outside of CDI control, such as changes to general economic and political conditions, technological, governmental, consumer, and market factors, may also impact actual results, performance or achievement of stated climate-related targets, metrics and aspirations.

CDI has made every effort to provide a reasonable basis for these forward-looking statements and is committed to developing its strategic response to a changing climate. However it gives no representation, guarantee, warranty or other assurance about outcomes expressed or implied and actual outcomes may differ. The following Statement is for information purposes only and nothing in this report should be interpreted as financial, legal, tax or other advice or guidance.

DESLEIGH JAMESON
INDEPENDENT DIRECTOR
BOARD CHAIR

JANIE ELRICK
INDEPENDENT DIRECTOR
AUDIT COMMITTEE CHAIR

Reference

1. https://cdlinvestments.co.nz/corporate_profile/

GOVERNANCE

BOARD OF DIRECTORS

CDI Board of Directors is the governing body responsible for oversight of climate-related risks and opportunities for CDI. Along with Management, their role in assessing and managing risks and opportunities is as follows:

- CDIs Board has ultimate responsibility for overseeing the management of risks and opportunities, including those that are climate-related
- The Board of CDI is committed to integration of Sustainability across key aspects of its business
- The Board as a whole has oversight of the current sustainability strategy and identifying issues relating to ESG. The Board oversees progress against CDI climate-related goals and ensure measurement and progress against targets
- For FY24, climate-related risks and opportunities are considered in future decision making and forming of the sustainability strategy

Tram Valley Road, Swanson, Auckland

OVERVIEW OF GOVERNANCE AND MANAGEMENT

Day-to-day management is delegated to the Chief Executive Officer and senior management. The levels of authority are approved by way of a Delegated Authorities Manual, which is reviewed annually by the Audit Committee and ultimately approved by the Board.

Processes for informing the governing body of climate-related risks and opportunities are detailed in the table below:

Governing Body	Description	Processes Around Informing Governing Body
Board	Responsible for oversight of climate-related risks and opportunities for CDI. This includes management of reviewing performance against sustainability strategy and targets.[2]	Board meetings are generally held quarterly, with additional meetings convened when required.
Audit committee	Supports the Board in carrying out responsibilities and assists the Board by considering various business risks. The Audit Committee is comprised with a majority of Independent Directors and has an Independent Director (who is not the Board Chair) as Chair.	The Audit Committee meets at least twice a year and its proceedings are reported back to the Board.
Management	Team responsible for day-to day management of CDI operations and implementation of CDI strategy. This includes identifying climate-related risks, and materiality and scenario analysis for climate-related risks and opportunities.	Generally meets monthly, with additional meetings as required. Reports back to the Audit committee and Board.

APPROPRIATE SKILLS AND COMPETENCIES

CDI's Board does not currently have a director with specialist knowledge of climate issues although several directors are aware of sustainability frameworks. To expand its knowledge, a workshop with Toitū Envirocare was held in 2023 to provide the Audit Committee with a better understanding of climate risks and opportunities. The Board believes that it has a sufficient number of directors who have knowledge and experience of risk management generally and who are able to assess and deal with risk and risk management.

Engagement with consulting firm WSP New Zealand Limited (referred to hereon as WSP) has also allowed for further upskilling through workshops dedicated to CDI-specific risks and opportunities (refer to appendix 3).

In FY24, CDI on-boarded a Sustainability Advisor to support with preparing, monitoring, assessing and reducing the potential impact that CDI's activity may have on the climate and wider environment. As a team, CDI's Sustainability Advisor, Development Managers, General Manager and CEO will:

- Monitor and assess climate and environmental impact
- Report on impacts and progress against sustainability targets
- Manage and implement the sustainability strategy and associated goals and targets

CDI's sustainability advisor will also provide feedback and workshops for the CDI governance bodies specific to CDI's operations during FY25 to increase competency across the Company.

Reference

2. CDI's Constitution specifies a minimum number of three directors and a maximum number of nine directors at any one time. Two directors must ordinarily be living in New Zealand. In line with the NZX Main Board Listing Rules, CDI is required to have at least two Independent Directors.

STRATEGY

Although geographically broad within New Zealand, CDI competes in a narrow sector of the economy namely the property market for residential sections. The market is competitive with several different participants in each geographic market. A failure to meet the market or remain competitive could affect CDI's operational and financial position as it loses sales and market share to its competitors, thus affecting its revenues and potentially its ability to make necessary investments in its business for the future.

To mitigate market risks, we monitor market trends and pricing and develop strategies to respond to changing market conditions. We regularly speak with our land agents to ensure that our service delivery and sections remain attractive and competitive in the marketplace, and we make changes where necessary.

Climate impact is expected to affect the property sectors in a variety of ways. It is imperative to review our operations and developments to see how they will be impacted and whether we can make climate-positive improvements. Our locations are likely to be affected by climate change in some way. Severe weather incidents have the potential to affect our operations with impacts to the land and development works themselves as well as access to and from our developments.

CURRENT CLIMATE IMPACTS

The following section summarises key climate impacts that were identified and their impact on CDI for FY24.

CURRENT TRANSITION IMPACTS

These are impacts related to the transition to a low emissions, climate-resilient future and encompass regulatory, legal, reputational, market and technology change.

For FY24, CDI has identified no material impacts.

CURRENT PHYSICAL IMPACTS

These are impacts driven by physical climate-related events such as extreme weather events or flooding.

For FY24, CDI has identified no material impacts.

CURRENT CLIMATE-RELATED FINANCIAL IMPACTS

As there were no identified transitional or physical impacts for FY24, we have determined there were no climate-related financial impacts for CDI in FY24.

Reference

3. https://www.ipcc.ch/report/sixth-assessment-report-cycle/
4. https://niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios
5. https://niwa.co.nz/sites/niwa.co.nz/files/NZCCC%20Summary_IPCC%20AR5%20NZ%20Findings_April%20 2014%20WEB.pdf
6. https://environment.govt.nz/assets/publications/Climate-Change-Projections-Guidance-FINAL.pdf

CLIMATE RISK MANAGEMENT

CDI is strengthening its approach to climate risk management and transition planning in alignment with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (XRB). CDI has undertaken a climate risk assessment to identify and assess physical and transition risks across its operations. The accompanying climate risk and opportunities register appendix 3 consolidates information on key risks and opportunities, including scenario analysis, risk rating criteria, relevant time horizons, and potential adaptation or responses to these. Appendix 2 outlines methodology used to develop this.

SCENARIO ANALYSIS

As 2023 is our base year, our FY23 scenario analysis was narrative-driven on a basic level internally, using data from the International Panel on Climate Change (IPCC) 5th and 6th Assessment Reports and the AR6 Synthesis Report: Climate Change 2023[3] which was published by the IPCC in March 2023 to provide some metrics and key assumptions. We also had regard to the Climate Change scenarios for New Zealand published by the National Institute of Water and Atmospheric Research (NIWA)[4] including their New Zealand findings from the IPCC 5th Assessment Report.[5] We have also referred to the Ministry for the Environment's "Aotearoa New Zealand climate change projections" guidance.[6]

For FY24, CDI additionally engaged consulting firm WSP to refine these climate scenarios (appendix 2) and identify material physical and transition climate-related risks and opportunities. These have been assessed through a series of qualitative and quantitative risk assessment approaches including workshops, a survey, and physical exposure and impact assessments (appendix 1). The scenarios used include 'Orderly' 1.5°C scenario, a 'Disorderly' 2.0°C scenario and a 'Hot House' >3.0°C scenario. They are briefly described below, with more detail in appendix 2.

1.5°C Orderly scenario

A world where global warming was successfully limited to 1.5 degrees Celsius above preindustrial levels, as ambitious goals and policies to reduce greenhouse gas emissions are immediately and effectively implemented.

<2.0°C Disorderly scenario

A world where global warming was limited to 2.0 degrees Celsius above preindustrial levels, as policies to reduce greenhouse gas emissions are introduced after 2030. There is a rapid and concerted effort to reach net zero 2050 goals.

>3.0°C Hot House world scenario

A world where global warming reaches 3 degrees Celsius above preindustrial levels by 2100, due to no additional policies introduced to reduce greenhouse gas emissions.

TIME FRAMES

For the scenario analysis, the selected timeframes have been chosen to align with the NZGBC sector scenario guidance and to align with CDI business planning and investment timeframes. Scenario analysis time horizons are as follows:

present-2030	2031-2040	2041-2050
Short-term	**Medium-term**	**Long-term**

CLIMATE-RELATED RISKS AND OPPORTUNITIES

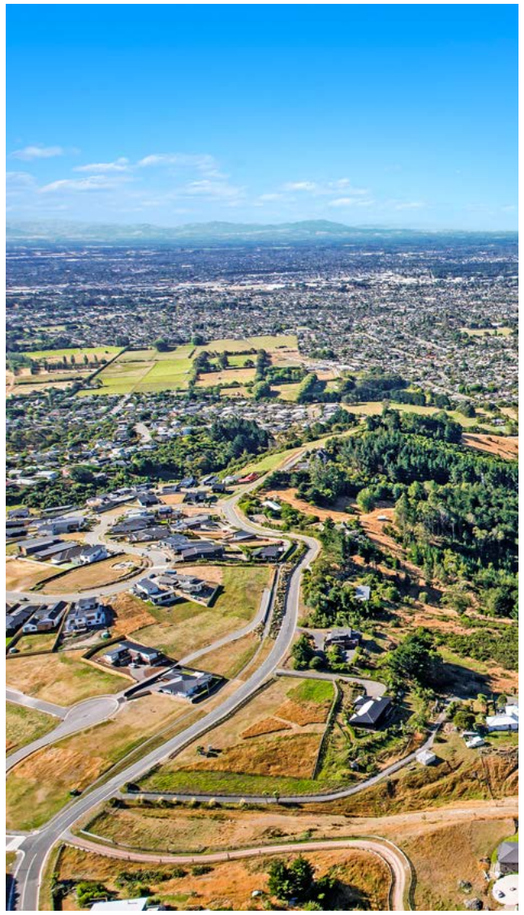
CDI's climate risk and opportunities register provides strategic direction on integrating climate-related risks into business risk management, financial decision-making and transition planning. This provides CDI with a framework for embedding climate risk considerations into strategic decision-making for aligning its business model with a low-emissions, climate resilient future.

CDI's Management Team is responsible for the day-to-day identification, assessment and management of climate-related risks as well as the implementation of appropriate controls, processes and policies to manage such risks. Below is a summary of key risks and opportunities identified during our FY24 assessment. The risk register captures information on the climate-related physical and transition risks and opportunities that CDI has identified as relevant. The following sections summarise the key risks and opportunities for CDI. Further information can be found in appendix 3.

Physical Risks and Opportunities

The physical risk assessment documented the exposure for each of CDI's 26 sites to geohazard risks, including landslides, flooding, sea level rise and coastal inundation and erosion, as well as climate variables such as temperature, rainfall and wind. These have been identified using the a 'Hot House' >3.0°C scenario.[7]

The following tables summarises the risk of each climate-related geohazard and climate variables for CDI's entire portfolio. The overall portfolio risk rating was determined based on the risk ratings for individual sites.



Worsleys Road, Cashmere, Christchurch

Climate-Related Geohazards

Risk	Flooding	Coastal Inundation	Coastal Erosion	Landslides	Sea Level Rise
No Risk	77%	100%	100%	85%	100%
Low Risk	**23%**	0%	0%	**11%**	0%
Moderate Risk	0%	0%	0%	0%	0%
High Risk	0%	0%	0%	**4%**	0%
Overall Portfolio Risk Rating	**Low Risk**	**Low Risk**	**Low Risk**	**Low Risk**	**Low Risk**

- **Low Risk:** Where all/the majority of properties had a no risk/low risk rating with only 1 or 2 properties with a higher risk rating.
- **Moderate Risk:** Where >50% of properties had a moderate risk rating and/or >15% of properties had a high risk rating.
- **High Risk:** Where >50% of properties had a high risk rating.

Reference

7. See appendix 2 for further information on the conditions associated with this scenario.

STRATEGY - CONTINUED

Physical Risks

Category	Risk	Risk Rating	Time Horizon(S)
Geohazard	Flooding	●	Short; Medium; Long
Geohazard	Coastal Inundation	●	Short; Medium; Long
Geohazard	Coastal Erosion	●	Short; Medium; Long
Geohazard	Landslides	●	Short; Medium; Long
Geohazard	Sea Level Rise	●	Medium
Climate variable - Temperature	Very Hot Days	●	Medium
Climate variable - Temperature	Hot Days	●	Medium
Climate variable - Temperature	Hottest Day	●	Medium
Climate variable - Temperature	Coldest Day	●	Medium
Climate variable - Wind	Strong Wind	●	Medium
Climate variable - Rainfall	Drought	●	Medium
Climate variable - Rainfall	Dry Days	●	Medium
Climate variable - Rainfall	Heavy Rainfall	●	Medium
Climate variable - Rainfall	Total Rainfall	●	Medium
Climate variable - Rainfall	Rainy Days	●	Medium
Climate variable - Rainfall	Very Rainy Days	●	Medium

Iona Block, Havelock North, Hawke's Bay

Transitional Risks

Category	Risk Statement	Risk Rating	Time Horizon(S)
Policy and regulatory	Regulatory and compliance changes, reporting requirements, or new policies, result in increased costs for CDI.	●	Short; Medium
Policy and regulatory	Increase in taxes and rates to pay for strengthening infrastructure.	●	Medium
Policy and regulatory	Rising energy costs due to increased demand on the electricity grid driven by decarbonisation.	●	Short; Medium; Long
Technology	Risk of uncertainty and costs associated with investing in new technology (e.g. EV charging or solar panels) when continual updates or retrofitting is needed.	●	Short; Medium
Liability	Legal risks for assets that are not climate resilient.	●	Medium; Long
Liability	Penalties or litigation associated with insufficient disclosure of material climate risks.	●	Short; Medium
Liability	Increasing insurance costs or unavailability.	●	Medium; Long
Market	Failure to meet sustainability goals or consumer, client, and investor expectations for decarbonisation and sustainable innovation.	●	Short; Medium; Long
Market	Prioritisation of circular economy/low waste alternatives puts pressure on supply chain for CDI's new commercial builds.	●	Medium; Long
Market	Market uncertainty driven by physical climate change impacts and associated regulatory changes.	●	Short; Medium; Long
Reputation	Emissions reduction targets are seen as insufficiently ambitious or reluctance to disclose targets or solutions results in 'green hush' accusations.	●	Short; Medium
Physical	Limited availability of land for development/constraints on the areas CDI can invest in or develop.	●	Medium

Transitional Opportunities

Category	Opportunity Statement	Opportunity Rating	Time Horizon(S)
Market	Exploring potential for sustainable finance deals from banks (lower interest rates) (e.g. via partners targeting environmental building certifications).	●	Medium; Long
Resilience	Supply chain optimisation.	●	Short; Medium
Resilience	Increasing resilience of sites to extreme weather events.	●	Medium; Long
Reputation	Being a fast follower of lower carbon technologies or services positively impacts reputation.	●	Medium
Reputation	Attract and retain staff whose personal values align with climate goals.	●	Medium
Products and services	Providing lower emission or alternative sources of energy.	●	Medium
Resource efficiency	Using lower emission modes of transport.	●	Short; Medium
Resource efficiency	Reducing water use.	●	Medium; Long

● Low ● Moderate ● High

STRATEGY – CONTINUED

INTEGRATION INTO OVERALL RISK MANAGEMENT PROCESS

The Board has a risk management framework that includes a list of material business risks for CDI. The framework is reviewed and updated regularly as risks to the business evolve and change.

The Audit Committee recommends to the Board whether CDI's processes for managing risk are sufficient and any incident of fraud or other failure of internal controls. The CEO and other members of the management team review, update and take ownership of the day-to-day management and operation of CDI risk management framework and associated policies.

When forming the risk assessment and risk and opportunities register, the existing risk-rating criteria was used to determine risk ratings and incorporate climate-risks into current risk management. This includes financial, reputational, portfolio and work delay impacts. This approach allows climate-risks to be considered alongside other risks an opportunities which in turn supports the climate-related risk disclosures required by the XRB.

In most cases, climate-related risks are an extension of our existing risks. Potential impacts of climate change are considered to present strategic, financial, operational, asset, and reputational risks for CDI.

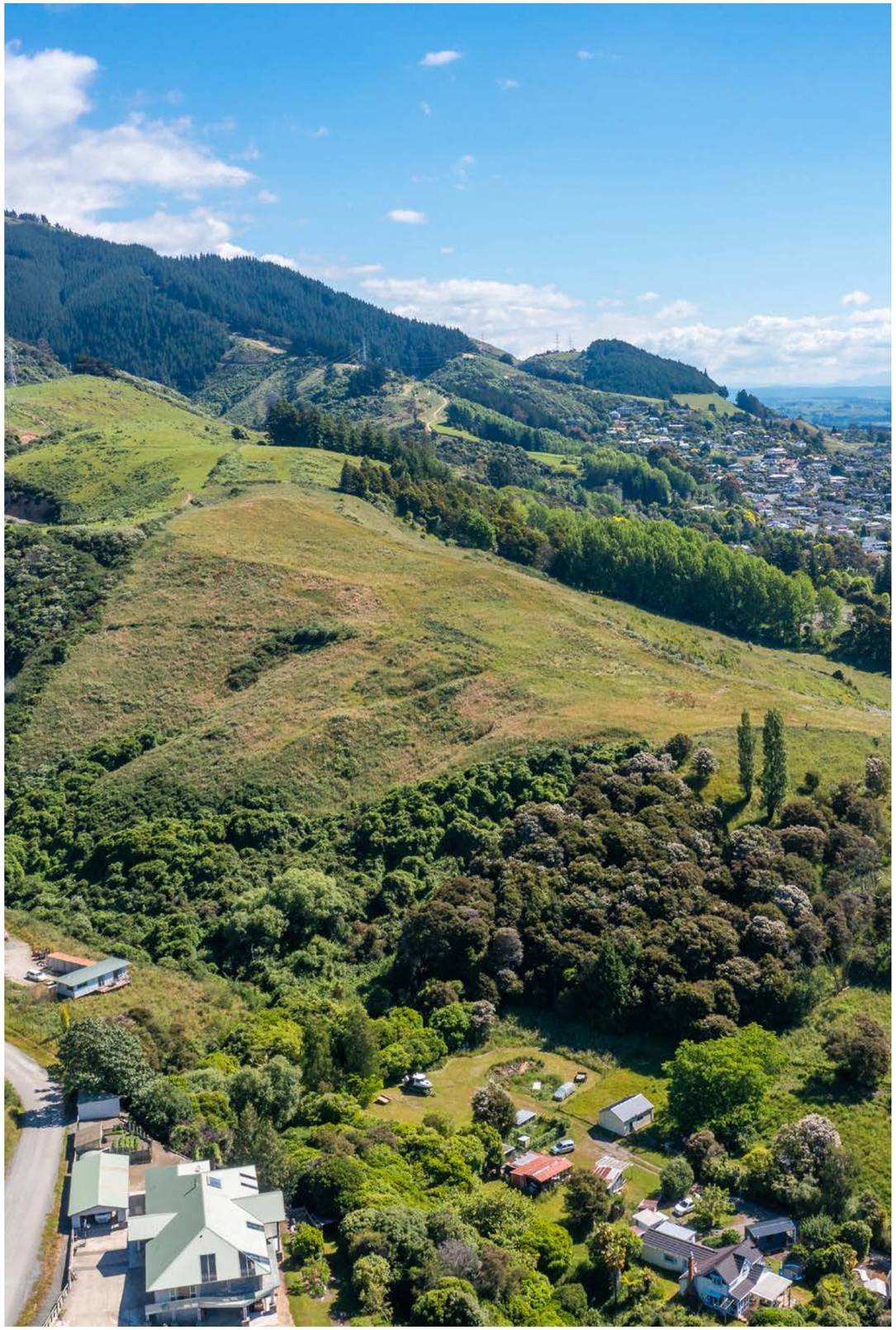
Our controls for those risks have been improved to include consideration of climate change impacts. For example, a new control to address climate-related impacts includes an annual review of CDI's climate-related risks and opportunities to ensure risk management is relevant and addressing key areas to transition CDI into a more climate-resilient state.

TRANSITION PLANNING

While CDI already addresses climate-related risks and opportunities in many of it's current procedures and risk management, there will still be potential adaptation and mitigation action that could be undertaken as we transition to a climate-resilient future. This section covers transition plan aspects which have been identified as key areas to prioritise in CDI's strategy, and considers what may change to address climate-related risks and opportunities identified.

Potential actions or controls to adapt to specific risks and opportunities can be found in appendix 3.

Strategic Priority	Commentary	Potential Actions
Capturing Scope 3 emissions	CDI recognises that transition planning must incorporate a shift to a lower-emissions economy to support the goals of the Paris Climate Agreement to keep global warming under 1.5°C. To support impactful emissions reduction, we must first understand our entire emissions profile, as this is likely to make up majority of our emissions. Our direct emissions profile is relatively low compared to the scope of our works, therefore our focus will be on capturing our scope 3 emissions and engaging with our suppliers.	This opportunity is most relevant for all climate scenarios as engaging with the supply chain to obtain information for scope 3 emissions in FY25 will be important under climate-related disclosures. This is also an important metric to understand our impact and disclose on meaningful positive impact.
Changing regulation and compliance	With new regulations, requirements and policy across the industry to support the movement to a climate-resilient future, CDI plans on staying ahead of these regulations and investigating methods that we can provide a meaningful contribution to an industry-wide movement.	Regular reviews of frameworks both internally and externally. Review processes and procedures and update where needed to align with new regulations and frameworks. Merge sustainability strategy with the current business strategies in place to allow for a more seamless transition to climate-resilient operations.
Capital allocation and financial impact	As a business, it is important to understand the impact that climate-related changes have on business operation, our developments, and suppliers. While we are still early in our reporting journey, one of CDI's focus areas will be to understand our capital allocation to climate-related mitigation and adaptation, how much of this are new initiatives vs standard procedures and where we can invest in a more resilient future.	Actively include and weight climate-related factors and resilience as part of assessment and due diligence. Assign financial impacts to climate-related risks and opportunities to better understand how the business operation and assets are being impacted. Consider any changes required to be made to site design to aid in increasing resiliency and financial implications of this (if any). Investigate internal incentivisation to promote sustainability in the CDI workplace.



Highlands Drive, Richmond, Tasman District

METRICS AND TARGETS

GREENHOUSE GAS EMISSIONS

CDI started measuring our greenhouse gas emissions in 2023 and this has formed our base year which has been accredited with Toitū Envirocare Carbon Reduce certification.

This covers Scope 1, Scope 2 and selected Scope 3 emissions. The GHG emissions data covered our direct emissions and indirect emissions, including: refrigerants, composting, air travel, purchased energy, transmission and distribution (T&D) losses for purchased energy, fuel emissions (rental and other cars), office waste, water supply and recycling for the reporting period (January 1, 2023 through December 31, 2023). The programme requirements that applied are in accordance with ISO 14064-1:2018.

We have achieved this accreditation for our second year (FY24) and the following table shows progress made against the 2023 base year.

We have had an overall reduction in emissions, however, it should be noted that some of these reductions are a result of changing our organisation boundary approach from an "equity share" to "operational control" approach to better reflect our business activity.

For the reporting period 1 January 2024 to 31 December 2024 our greenhouse gas emission inventory was prepared in accordance with the GHG Protocol Standards.[8]

CDI Greenhouse Gas Emissions Summary for FY23 and FY24

GHG Subcategory	ISO Category	Description	FY23 tCO_2e	FY24 tCO_2e
Scope 1: Direct Emissions			**14.19**	**10.80**
	1	Mobile combustion (including company owned or leased vehicles)	12.19	10.80
	1	Fugitive emissions (from use of refrigerants in air-conditioning)[9]	2.00	0
Scope 2: Indirect Emissions from Purchased Electricity			**1.41**	**1.65**
	2	Imported electricity consumption (location-based)[10]	1.41	1.60
	2	Imported electricity for EVs (location-based)[10]	0	0.05
Scope 3: Indirect Emissions from Value Chain[11]			**33.58**	**30.94**
C1	4	Purchased goods and services - potable water supply (only)	0.06	<0.0
C3	4	Fuel and energy-related activities - transmission and distribution (T&D) losses from purchased electricity and offsite EV charging	0.12	0.12
C5	4	Waste generated in operations - disposal of solid waste - landfilled	0.67	1.72
C5	4	Waste generated in operations - solid waste not landfilled - recycling and composting	0.11	0.29
C6	3	Business travel - transport (non-company owned vehicles) - air travel, rental vehicles and taxi	32.62	28.81
Total			**49.18**	**43.39**

ASSURANCE OF GHG EMISSIONS

KPMG have provided limited assurance over the reported Scope 1, 2 and 3 emissions for the 2024 reporting period as contained in appendix 4. This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 (NZ SAE 1) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE (NZ) 3410) issued by the New Zealand Auditing and Assurance Standards Board (Standard). See KPMG's opinion which includes the scope of their work in appendix 5.

References

8. https://ghgprotocol.org/standards-guidance This includes: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
9. In 2023 refrigerant emissions were estimated using a default leakage approach, which was changed to the top-up usage method in 2024.
10. Market-based emissions are calculated as 1.66tCO_2e nominally the same as location-based as no Renewable Energy Certificates have been purchased.
11. CDI has elected to disclose in FY24 a partial scope 3 emissions footprint (as required by the Toitū programme, where quantifiable data is available). Where data is not yet available, Adoption Provision 4: Scope 3 GHG emissions in the NZ Climate Standard 2 is applied for the remaining material Scope 3 items in our value chain.

GREENHOUSE GAS REDUCTION TARGET

Currently CDI have not set targets for the Greenhouse Gas Inventory as it is still in development, with the expectation for it to change over the next year as scope 3 emissions are added, and other data collection and measurement practices are improved.

As FY23 was our base year for inventory development, we have set an internal interim target to allow us to measure progress year-on-year. We set an annual target of 2% absolute reduction on the total FY23 emissions footprint and have exceeded this for FY24 as we measured a 13% decrease. It should be noted that this is largely as a result of changing emissions factors year-on-year. Further information on the CDI Greenhouse Gases Inventory and associated KPMG assurance and Toitū Certification can be found in appendices 5 and 6 respectively.

Given the outcome of this, we can expect to set more ambitious targets going forward, and can include the wider scope 3 emissions profile during target-setting.

RISK AND OPPORTUNITY EXPOSURE

While we have been able to develop a risk assessment and rating criteria for physical and transitional risks and opportunities, CDI have not yet quantified exposure of assets to individual risks and opportunities. We are still in the early stages of developing accurate reporting procedures and are currently finalising methodology and implementing processes to accurately disclose this information. As part of CDI's transitional planning, we aim to engage with external consultants to assist us with understanding this process.

INTERNAL METRICS

Transition risks, physical risks, and climate-related opportunities metrics relate to disclosure of climate-related risks and opportunities for the current reporting period. Capital deployment covers investment made now to address these risks and opportunities in the future, while remuneration and performance metrics such as greenhouse gas emission reduction targets, relate to incorporation of climate considerations into management practices.

Our capital deployment (table below) showcases our transition to being able to accurately disclose the information in this Statement as we have invested in upskilling, external assurance, and external consultation to develop and peer review our climate-related risks and opportunities.

Description of Activity	Expenditure
Resourcing for Greenhouse Gas Inventory Development	$12000
Assurance of Greenhouse Gas Inventory	$15,750
Climate Scenario and Risk Register Development	$34,100

As this is CDI's first year disclosing climate-related financial impacts, internal emissions price and associated business sustainability strategy (including incentives, KPIs and other targets) have not yet been fully developed. With further engagement with the CDI board, external consultants, and suppliers, CDI will be able to set up KPI's and both external/internal targets and incentives to help us to progress with our sustainability journey.

Lucas Terrace, Nelson

APPENDIX 1:
RISK ASSESSMENT METHODOLOGY

A semi-quantitative risk assessment was conducted by external consulting firm WSP New Zealand Limited to assess climate-related risks and opportunities.

PHYSICAL RISK ASSESSMENT

Physical risks were assessed by combining geospatial analysis with a consequence-based approach. Using Geographic Information System (GIS) software, CDI's sites were overlaid with climate-related geohazard data sourced from local government entities, the Institute of Geological and Nuclear Sciences (GNS), and the National Institute of Water and Atmospheric Research (NIWA). Exposure levels were classified as 'no exposure,' 'low exposure,' or 'high exposure' based on the percentage of each site intersecting with geohazard zones.

To translate exposure into risk, vulnerability thresholds were developed based on CDI's operational context, considering factors such as land damage, project delays, and economic impacts. These thresholds were then applied to a standardised risk matrix to determine qualitative risk ratings for each site. Through this modelling, each property is assigned a qualitative physical risk rating across these variables, helping to prioritise which of CDI's sites require the most assessment or action.

TRANSITIONAL RISK

CDI's previous FY23 climate disclosures identified transitional climate risks and opportunities. These risks and opportunities were built on for FY24, along with an additional preliminary list identified by external consultant WSP. The updated CR&Os were then given a preliminary rating by low, medium or high priority.

WSP prepared a list of additional climate-related risks and opportunities that drew from the Property and Construction sector scenarios[1] and input from WSP's Property & Buildings Sustainability Specialists.

Through workshops held with WSP and a survey sent to CDI participants, these risks and opportunities were reviewed, refined and prioritised against climate scenarios, risk rating criteria and relevant time horizons developed between CDI and WSP based on relevance to CDI operations.

Prestons Park, Marshlands, Christchurch

Reference

1. Property and construction sector release climate scenarios for New Zealand

APPENDIX 2:
CLIMATE SCENARIOS

1.5°C ORDERLY SCENARIO

A world where global warming was successfully limited to 1.5 degrees Celsius above preindustrial levels, as ambitious goals and policies to reduce greenhouse gas emissions are immediately and effectively implemented.

Key Drivers for Change

Enabling regulations | Reduced implementation costs | Increased availability of technology | Low-emissions fuel and materials | International trade requirements
Business resilience | Customer expectations for low-emissions services

Policy and Regulation	Market Changes	Trends
• Regulators and local authorities respond with changing requirements and guidelines around land development causing rezoning • Regulatory changes target recyclable materials and a circular economy • Energy and carbon caps for buildings phased in rapidly • Building owners must take steps to decarbonise and disclose performance	• Lead times and cost for low-carbon materials increase in near term (2030) but decrease again by 2040 • Shift to modular and circular building design and prioritisation of existing building re-use and refurbishment and adaptation rather than new builds from 2025 onwards • More demand for energy efficient buildings and additional public transport • Rising insurance premiums for properties or land exposed to climate-related physical risks • Residential property demand will continue out to 2050 section sizes reducing over time as council plans become operative • Increase demand for local shopping and service precincts even outside of larger urban areas	• Whole of life carbon emissions reductions for buildings at 90% by 2050 • Energy grid shifts rapidly from fossil fuels almost reaching 100% renewable by 2050 • Investor and tenant and customer expectation to meet 1.5 degree reduction targets leads to restricted access to capital and differential interest rates from lenders and limitations on government funding • Cost of carbon increases to $250 per tonne of CO_2-equivalent • More emphasis on circular business models and reliance on local suppliers

This is the most optimistic scenario but is not guaranteed and the effects of global warming will continue to be felt. For New Zealand, this will mean that there will still be extreme weather events and increase in rainfall intensity, which require coordinated infrastructure responses. The range of annual average temperatures across Aotearoa are between 0.3°C and 1.2°C warmer by 2030, between 0.6°C and 2.1°C warmer by 2050, and between 0.7°C and 4.6°C warmer by 2090. Further, more hot days – days when maximum daily temperatures are over 25˚C will occur for most of New Zealand, with the north and east North Island projected to experience the most change.

APPENDIX 2:
CLIMATE SCENARIOS – CONTINUED

2.0°C DISORDERLY SCENARIO

A world where global warming was limited to 2 degrees Celsius above preindustrial levels, as policies to reduce greenhouse gas emissions are introduced after 2030. There is a rapid and concerted effort to reach net zero 2050 goals.

Key Drivers for Change

Mitigation regulations post 2040 | International trade requirements post 2040 | Business response to acute weather events

Policy and Regulation	Market Changes	Trends
• Abrupt policy and market changes for property and construction post 2030 • Immediate mandatory changes in building energy and carbon requirements from 2030	• Steep increase in carbon price 2030-2050 at $250 per tonne • Rising construction and retrofit costs • Restricted resource availability and disruptions to supply chain • Suburban development pushed to previously rural areas • Declining property values and rising insurance premiums • Surge of capital to enter the market around 2030, incentivising rapid innovation • Spatial planning inconsistent with managed retreat causing uncertainty for property sector around potential abandoned assets	• Demand for electricity surges 2030 onwards in response to electrification • Residential property demand high beyond 2050 exacerbated by forced retreat • Increase in extreme weather events and increased vulnerability to assets and infrastructure • Crowding in urban centres • Expected delays or shifts and supply constraints for energy as energy sector has delayed response to decarbonise

This scenario assumes that the property and construction sectors are slow to decarbonise, but fast movers get the opportunity to utilise materials, capital and knowledge ahead of late movers who are disadvantaged when demand peak after 2030.

3.0°C HOT HOUSE SCENARIO

A world where global warming reaches 3 degrees Celsius above preindustrial levels by 2100, due to no additional policies introduced to reduce greenhouse gas emissions.

Key Drivers for change

Adaptation regulations post 2050 | International trade requirements post 2040 | Business response to acute weather events

Policy and Regulation	Market Changes	Trends
• No further decarbonisation policies are enacted • No incentives for behaviour change • Mandates put in place to conserve energy once critical functions are threatened • Any regulatory changes are slow and focus on adaptation	• No innovation in terms of building and construction technologies • Assets becoming stranded, reduction in suitable land for development • Social and response services and critical infrastructure put under severe pressure • Carbon price remains low at $35 per tonne by 2050 • Increased rates to fund additional protection measures	• Emissions continue to rise beyond 3.0 degrees • Immigration rates increase along with population growth created food and housing insecurity • Social cohesion weakens due to factors such as heat stress • Limited transition risks but extreme physical climate risks and costs

This scenario assumes that the wider environment is seriously degraded with continued global warming intensifying the global water cycle, resulting in more dramatic climate events (wet and dry), more variable or extreme events such as storms, cyclones or hurricanes, a reduction in the ability of land and ocean carbon sinks to absorb emissions and further global mean sea-level rise and other detrimental effects on the land and ocean environments.

APPENDIX 3:
RISK AND OPPORTUNITIES REGISTER

Transitional Climate-Related Risks

Low Moderate High

Risk Statement	Risk Category	Risk Description	Anticipated Impacts	Relevant Time Horizons	Risk Rating: 1.5˚C Scenario	Risk Rating: 2˚C Scenario	Risk Rating: 3˚C Scenario	Planned/Current Actions	Potential Actions Identified by CDI
Regulatory and compliance changes, reporting requirements, or new policies, result in increased costs for CDI.	Policy and regulatory	Changes in government regulations, reporting requirements, and policies, including stricter environmental regulations, pose a risk of increased operational costs for CDI. For example, there is uncertainty surrounding to what extent climate change will be addressed in upcoming changes to the Resource Management Act (RMA). Increased environmental obligations in the future could include other new policies encouraging or requiring emissions reductions.	Higher regulatory and compliance costs may reduce profitability, strain financial resources, and increase operational complexity for CDI. Elevated costs for partners and customers could impact business relationships and market competitiveness. Compliance with existing and future sustainable certification requirements from investors or regulatory bodies could also raise costs for CDI, its partners, and customers.	Short; Medium	Moderate	Moderate	Low	Current actions taken to address this risk include engagement with external consulting firms to assist in meeting current regulations and reporting requirements. Onboarding of an internal sustainability resource to improve current systems and procedures for reporting going forward.	Potential actions include continued monitoring of legislation and proposed changes. Commitment from Board of Directors to set targets and incentivise progress on transitioning.
Increase in taxes and rates to pay for strengthening infrastructure.	Policy and regulatory	Rising taxes, development contributions, and targeted rates to fund infrastructure improvements could increase costs for CDI's land investments. Targeted rates imposed on end users could deter potential buyers of CDI's sections, impacting marketability. Regional variation in targeted rates adds complexity to investment decisions.	Increased taxes and rates may reduce the profitability of CDI's investments and limit buyer demand. This could lead to reduced returns and slower rates. Regional variations in targeted rates increases complexity and could impact CDI's acquisition decisions.	Medium	Moderate	Moderate	Moderate	Hiring a finance accountant to focus on improving CDI's current procedures to account for changing taxes and rates.	Submit on changes to council rates or consenting regulations and maintain relationships with councils where developments are planned for advanced notice of upcoming changes.
Rising energy costs due to increased demand on the electricity grid driven by decarbonisation.	Policy and regulatory	New Zealand's electricity grid is expected to be increasingly pressured as transportation and industry decarbonises (e.g. increasing numbers of electric vehicles).	Higher demand for electricity can put pressure on constrained networks leading to increased failures and outages. Added pressure on the grid may also increase energy costs.	Short; Medium; Long	Moderate	Moderate	Moderate	CDI have a very low energy consumption. While we still make efforts to identify opportunities for reduction, we have not identified this as a key risk to contribute to transition planning.	Implementing suitable services in residential and retail precinct areas and establishing a good foundation for these developments to support (e.g. EV charging stations). Investigation of solar or water-reuse for commercial development and future residential developments. Progress could be measured through percentage of developments with solar/renewable resources and potentially financial impacts (positive or negative) of these changes.
Risk of uncertainty and costs associated with investing in new technology (e.g. EV charging or solar panels) when continual updates or retrofitting is needed.	Technology	The rate of change for new technology may require frequent retrofits or upgrades. For example, buildings may require costly additions like solar panels not accounted for in the original design, further escalating expenses. EV charging or on-site batteries may also require frequent upgrades as technology progresses.	Frequent updates and unforeseen retrofitting or upgrade costs would strain CDI's financial resources and reduce asset value.	Short; Medium	Low	Moderate	Moderate	Planning for solar retrofits/charging infrastructure/battery storage in new developments. However, new builds are already designed for energy efficiency.	Monitor and investigate new technologies that may be useful to CDI's operations. Undertake external assessments of new technologies through an established partner or third party organisation. Engagement with suppliers and contractors to investigate opportunities for collaboration with investment into new technology ad build upgrades into Capex programme.
Legal risks for assets that are not climate resilient.	Liability	Assets that are not climate-resilient, such as those in flood prone areas, pose legal risks if adequate due diligence and mitigation measures are not implemented. Insufficient engineering solutions or planning to address climate risks may result in legal issues.	Legal risks associated with non-climate-resilient assets could result in increased costs for litigation, compliance, and mitigation efforts as well as reputational damage.	Medium; Long	High	High	High	Conducting site due diligence/climate change risk assessments prior to purchase. Our current assessments cover many of the identified climate-risks.	Consider Green Star building accreditation for developments and commercial premises and future residential builds. Seek external assessment of climate-related risks prior to land purchase decision. Measurement for progress could be through percentage of portfolio assessed for climate exposure or that include resilience attributes.
Penalties or litigation associated with insufficient disclosure of material climate risks.	Liability	Companies that do not adequately address or communicate climate risks may face legal challenges for failing to comply with disclosure requirements.	Legal challenges and penalties related to inadequate climate risk management and disclosure could result in financial losses, reputational damage, and increased scrutiny from regulators and investors.	Short; Medium	Moderate	Moderate	Moderate	Complying with the climate-related disclosure regime and obtaining external advice as necessary. Documenting and assess climate-related risks and opportunities and review with external assistance.	Continue to monitor changes to disclosure and legislation and seek internal advice as needed.
Increasing insurance costs or unavailability	Liability	As the frequency of severe weather events increases, CDI's commercial properties may face higher insurance premiums, stricter terms, or potentially unavailability of coverage. This could necessitate exploring alternative risk management options like self-insurance.	Higher insurance costs or reduced coverage options could put strain on CDI's financial resources, impact property valuations, and require additional risk management measures, potentially affecting overall operational stability.	Medium; Long	Moderate	Moderate	Moderate	Ongoing review of CDI's property portfolio with identification of potential improvements (sometimes with external input). Incorporate climate-related physical exposure and insurance availability into land purchasing decisions. Collate climate-related risks to prepare for adaptation.	Investigate self-insurance. Investigate the viability of alternative insurance products e.g. parametric cover.
Failure to meet sustainability goals or consumer, client, and investor expectations for decarbonisation and sustainable innovation.	Market	Growing consumer, client and investor demand for decarbonisation and sustainable innovation creates a risk if CDI cannot meet these expectations. Single-issue investors with strict sustainability criteria may disengage if their expectations are unmet, and the complexity and costs of implementing sustainability initiatives creates further challenges.	Unmet sustainability expectations could result in reputational damage, reduced investor confidence, and loss of funding opportunities. Additionally, resource diversion to address sustainability gaps could delay other initiatives, impacting long term organisational growth.	Short; Medium; Long	Low	Low	Low	Onboarding an internal sustainability resource to improve current systems and procedures. Reporting on climate risks and impacts. Setting realistic sustainability interim targets to track progress while inventory is being developed and improved. Communicate factual information about CDI's activities to the public to set realistic expectations.	Investigate new decarbonisation opportunities across the portfolio and identify ways to demonstrate what is being done currently to reduce onsite emissions. Investigate green building certification where relevant. Measurement may be through investor confidence relating to ESG scores.
Prioritisation of circular economy/low waste alternatives puts pressure on supply chain for CDI's new commercial builds.	Market	Prioritising circular economy practices and low-waste alternatives may increase supply chain pressure for CDI's new commercial builds.	Circular economy adoption may lead to higher costs, supply chain challenges, and varying risks across business areas. While building partners have not yet passed on costs, future increases are likely.	Medium; Long	Moderate	High	High	Most site work is contracted out, moving a lot of our ability to improve systems being through engagement and influence as a client. Hiring an internal sustainability professional to engage with suppliers/ contractors and to advise on best building practices for circular economy.	Investigate and agree on reuse/alternative use of site materials where practical between CDI and contractor. Participate in pilot projects. Investigate and specify low-waste construction techniques and materials in construction/development contracts. • Measure embodied emissions of developments. • Engage an external consultancy to research and investigate improvements/feasibility in this area.
Market uncertainty driven by physical climate change impacts and associated regulatory changes.	Market	Increases in the frequency and severity of physical climate change impacts and regulatory changes create market uncertainty, leading to rising costs, delays in development, and challenges in maintaining profitability. Increased structural costs and obligations add to the financial risks, making long term planning complex.	Uncertainty and rising costs may reduce profitability, delay project timelines, and strain financial resources.	Short; Medium; Long	Moderate	Moderate	High	Developing a risk register incorporating climate-related risks and opportunities to allow for adaptation and mitigation. Adjusting the timing of developments to meet current demand.	Work with external consultants to develop sufficiently robust forecasts to mitigate the risk of market uncertainty. Continue work on transitioning panning to mitigate anticipated impacts.
Emissions reduction targets are seen as insufficiently ambitious or reluctance to disclose targets or solutions results in 'green hush' accusations.	Reputation	Not setting or setting emissions reduction targets that are perceived as insufficiently ambitious, could damage CDI's reputation, especially among investors who prioritise climate action.	Failure to disclose ambitious targets and solutions could reduce investor confidence, limiting funding opportunities.	Short; Medium	Low	Low	Moderate	CDI have implemented internal interim targeting which will allow for progress tracking until our emissions inventory and impact are better quantified. This target development and certification of our emissions profile have been certified through external organisation Toitū for FY23 and are currently awaiting certification for FY24.	Engagement with suppliers and value chain to understand expectations. Ensure transparency when developing and disclosing sustainability targets in the coming years.
Limited availability of land for development/constraints on the areas CDI can invest in or develop.	Physical	Chronic climactic changes and increases in the frequency and extremity of acute weather events may have a widespread impact across various regions of New Zealand, limiting the land available to CDI for acquisition or development.	Acute weather events would likely hasten changes to land contours and structures to varying degrees. This could render some land or part of land unviable for development as intended. CDI could be forced to look for alternative ways to use the remainder of its land portfolio or in the most extreme circumstances divest completely.	Medium	Low	Low	Low	CDI has due diligence in place to manage this risk and associated climate-related impacts. Adjusting the timing of developments to meet current demand.	Annual review of our processes and procedures ensure we are aware of changing risks and changing market conditions.

APPENDIX 3:
RISK AND OPPORTUNITIES REGISTER – CONTINUED

Transitional Climate-Related Opportunities

Low Moderate High

Opportunity Statement	Opportunity Category	Opportunity Description	Anticipated Impacts	Relevant Time Horizons	Opportunity Rating: 1.5°C Scenario	Opportunity Rating: 2°C Scenario	Opportunity Rating: 3°C Scenario	Planned/Current Actions	Potential Actions Identified by CDI
Exploring potential for sustainable finance deals from banks (lower interest rates) (e.g. via partners targeting environmental building certifications).	Market	CDI has the potential to secure sustainable finance deals, such as green loans with lower interest rates, by collaborating with partners targeting environmental building certifications. While CDI has not yet required loans, exploring the option in the future could provide a cost-effective funding source for environmentally focused projects.	Sustainability-linked loans could offer reduced interest rates, thus saving on costs for CDI, and could open up more access to capital.	Medium; Long	Moderate	Moderate	High	No current actions.	Speak to bankers and solicit proposals for green finance, or similar for land purchases and other development work.
Supply chain optimisation.	Resilience	CDI could establish best practice for procurement and update its policies on supply chain sustainability.	Optimising supply chains and engaging with suppliers on sustainability holds considerable potential to both lower associated carbon emissions and improve resilience to market changes and supply chain disruptions.	Short; Medium	Moderate	Moderate	Moderate	Compiling information to pass onto CDI's major suppliers. Going forward, we will continue engagement with suppliers to understand where they are in sustainability journey and capability to supply additional climate-related information for future projects.	This opportunity is most relevant for all scenarios as engaging with the supply chain to obtain information for scope 3 emissions in FY25 will be important under climate-related disclosures. Make optimisation of supply chain a contractual requirement with targets/KPIs to be set and incentives to be agreed. Getting ahead of the curve and optimising the supply chain will positively impact preparing for disruptions and reducing GHG emissions. However, given CDI's size and the extent of its supply chain, the effort may not be far-reaching. Our impact will be determined by percentage of key suppliers that have been engaged with and are reporting on climate-related impacts.
Increasing resilience of sites to extreme weather events.	Resilience	CDI could assess and improve the ability of its sites to respond rapidly to and recover from weather events such as flooding, storms, and drought. CDI could assess its sites' dependencies on external networks – such as power and transport grids – and mitigate the risk of relying on insufficiently invested in infrastructure or the possibility of supply disruptions, e.g. by installing batteries in developments to supplement existing power supply networks or to create/promote resiliency within a development of suburb. This is an opportunity that CDI could start to explore as part of future subdivision designs.	Improving CDI sites' resilience to extreme weather events could improve customer safety, facilitate continued operations through difficult conditions, and reduce damage to the sites. This could help enhance CDI's reputation, attract customers to the brand, and generate more revenue.	Medium; Long	Moderate	Moderate	High	Reflecting on learnings from previous builds to allow for sustainable design to be considered earlier in development.	Investigate on site renewable and battery back-up for commercial premises and assess the site dependency on external networks. • Actively include and weight climate-related factors and resilience as part of assessment and due diligence. • Undertake resiliency surveys of its land holdings where development works have not yet started. • Consider any changes required to be made to site design to aid in increasing resiliency.
Being a fast follower of lower carbon technologies or services positively impacts reputation.	Reputation	CDI could become a fast follower of technologies or services with lower emissions and other environmental impact. This could include certifications, such as Toitū's Carbon Reduce certification scheme. CDI could also introduce sustainability requirements for development agreements, e.g. Homestar for residential properties (but there is no current appetite for this).	CDI's reputation could improve, attracting more customers to the brand and demonstrating to investors the company's ability to adapt and be ahead of the curve.	Medium	Low	Low	Low	There is currently little enquiry from customers regarding CDI's climate reporting of reduction strategy and adoption of new technology related to this. However CDI continue to be transparent in disclosing our strategy and engagement with suppliers and industry partners.	Consider pilots of new technology or accreditation at specific development sites to see if they attract a higher return. Require third party contractors to outline what technologies they are adopting and create targets or KPIs for use where applicable. Investigate and potentially test new technologies (where relevant) to see whether benefits can be derived. Consider partnerships with existing contractors or other industry parties to test/implement new technologies.
Attract and retain staff whose personal values align with climate goals.	Reputation	Establishing, making progress on, and communicating sustainability commitments to staff could make CDI more attractive as an employer.	CDI's status as a preferred employer could be bolstered by an association with sustainability, supporting the brand and its reputation. This could improve recruitment, retention, and staff satisfaction.	Medium	Low	Low	Low	Upskill the board in climate-related risks and opportunities.	Upskilling existing employees in climate-related information, assessments and impacts. Include climate and sustainability knowledge as a skill set for future recruitment.
Providing lower emission or alternative sources of energy.	Products and services	CDI could install renewable energy infrastructure and facilitate future use of alternative energy sources at its sites. This could take the form of providing for a future solar panel installation/infrastructure as part of a linear park or requirements to ensure that residential developments are designed in such a way to as to provide space to allow alternative energy solutions to be accommodated. While policy direction is not clear on these issues, this is potentially an opportunity that CDI can start to explore as part of future subdivision designs.	Builders and customers of the developments could reduce their carbon emissions from energy use, reduce energy costs, and increase their resilience to power supply disruptions and fluctuations in energy prices. This could increase the attractiveness of CDI sites for both customers and investors.	Medium	Moderate	Moderate	High	Assessment of existing commercial property for solar or other renewable energy options.	Reassess existing commercial premises for solar suitability and incorporating solar into commercial building design. • Incorporate solar panels into commercial building design. • Incentivise section purchasers with a discount if they adopt alternative energy solutions. • Explore alternative energy technologies with a view to incorporating them where possible. Measurement of progress in this opportunity could be measured as percentage of renewable energy being used or associated reductions in emissions.
Using lower emission modes of transport.	Resource efficiency	As part of CDI's GHG emissions measurements, it noted that the largest contribution to its GHGs was transport (road and air). CDI has already started transitioning to some lower emissions and electric vehicles and is looking at additional options. CDI staff could examine opportunities to reduce travel needs and opt for lower-emissions travel options where possible (e.g. bus or car instead of flying).	Use of more efficient and lower emissions transport would result in a reduction of direct emissions and a reduction of operating and fuel costs for CDI.	Short; Medium	Low	Low	Low	Given CDI's size, this opportunity is not likely to have a large impact when compared to other more far-reaching opportunities. CDI leased fleet is being converted to lower-emissons vehicles that are fit for purpose.	CDI locations are not always suitable for sustainable travel, however where we are able to, we will opt for use of EV/HEV for rental, uber and taxi. CDI are already very small and reducing flights any further would be difficult when balancing against key business travel. Investigation going forward will look into offsets and alternative ways to reduce business travel. Investigation into incorporating charging infrastructure into development design.
Reducing water use.	Resource efficiency	CDI could implement water-saving measures in its operations and opt for machinery and appliances with lower water use when upgrading or repairing assets to reduce water consumption. CDI's developments can provide opportunities for customers to reduce their water use, such as by incorporating greywater solutions for commercial buildings.	With increasing demand for water and higher infrastructure costs forecast, a reduction in water consumption could result in reduced operating costs for the business. In the face of climate variability in water supply, reduced water demand can make CDI and its customers more resilient to fluctuations in price and availability of water.	Medium; Long	Low	Low	Moderate	Similarly to energy use for CDI, water usage is difficult to make direct meaningful reductions when using shared spaces and having a small workforce.	Most meaningful change is likely to be seen through our engagement and influence in our developments. Include measures to monitor and reduce water use by contractors into contracts. Incorporate water saving/reuse measures as part of development design. Incorporate water saving/reuse measure as part of scheme plan design (where allowable). Implement contractual measures to measure and reduce water use.

APPENDIX 4:
GREENHOUSE GAS INVENTORY

For the reporting period 1 January to 31 December, 2024 CDI's emissions have been measured and the greenhouse gas emission inventory (GHG inventory) prepared in accordance with the GHG Protocol Standards[1] and ISO 14064-1:2018 standard.

Summary:
Total 2024 emissions = 43.39tCO_2e

Table 1: CDI's GHG emissions 2024.

GHG Subcategory	ISO Category	Description	FY23 tCO_2e	FY24 tCO_2e	Data Source & Collection Methodology
Scope 1: Direct Emissions			**14.19**	**10.80**	
	1	Mobile combustion (including company owned or leased vehicles)	12.19	10.80	Actual usage from company vehicle fuel card data (Kms)
	1	Fugitive emissions (from use of refrigerants in air-conditioning)[2]	2.00	0	Calculated using HVAC service records via property manager (Kg) (no refrigerant leakage/top-ups in 2024)
Scope 2: Indirect Emissions from Purchased Electricity			**1.41**	**1.65**	
	2	Imported electricity consumption (location-based)	1.41	1.60	Actual usage from 3rd party supplier data, supplier invoices and electrical onsite sub-metering (kWh)
	2	Imported electricity for EVs (location-based)[3]	0	0.05	Actual usage from company vehicle charging account data (kWh)
Scope 3: Indirect Emissions from Value Chain[4]			**33.58**	**30.94**	
C1	4	Purchased goods and services – potable water supply (only)	0.06	<0.0	Calculated from office water use on bills supplied via property manager (m^3)
C3	4	Fuel and energy-related activities – transmission and distribution (T&D) losses from purchased electricity and offsite EV charging	0.12	0.12	Calculated as a portion of imported electricity consumption (kWh)
C5	4	Waste generated in operations – disposal of solid waste – landfilled	0.67	1.72	Calculated from waste contractor data, based bin weight proportion supplied via development manager (tonnes)
C5	4	Waste generated in operations – solid waste not landfilled Recycling and Composting	0.11	0.29	Calculated from waste contractor data, based bin weight proportion supplied via development manager (tonnes)
C6	3	Business travel – transport (non-company owned vehicles) – air travel, rental vehicles and taxi	32.62	28.81	Calculated using spend based methodology for international and domestic flights and taxi travel ($) and mileage for rental car travel (Km)
Total			**49.18**	**43.39**	

CDI emissions intensity: emissions intensity is operating revenue (gross tCO_2e/$millions) = 0.88

References

1. https://ghgprotocol.org/standards-guidance This includes: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
2. In 2023 refrigerant emissions were estimated using a default leakage approach, which was changed to the top-up usage method in 2024.
3. Market-based emissions are calculated as 1.66tCO_2e nominally the same as location-based as no Renewable Energy Certificates have been purchased.
4. CDI has elected to disclose in FY24 a partial scope 3 emissions footprint (as required by the Toitū programme, where quantifiable data is available). Where data is not yet available, Adoption Provision 4: Scope 3 GHG emissions in the NZ Climate Standard 2 is applied for the remaining material Scope 3 items in our value chain.

COMPARISON TO TARGETS AND BASE YEAR

2023 is the base year and was the first year of GHG inventory reporting for CDI. Further work commenced in 2024 to scope suitable targets and metrics for emissions reduction. Targets will be set in 2025.

There was a decrease in emissions between the base year and 2024 of 5.79tCO_2e (13 per cent) largely as a result of changing emissions factors year-on-year. Business travel and mobile combustion are currently the highest sources of emissions for CDI making up the majority of CDI's emissions footprint. These emissions generating activities, including air travel, leased company vehicles and rental cars, have not significantly changed or decreased over the past year.

ORGANISATIONAL BOUNDARY AND CONSOLIDATION APPROACH

Organisational boundaries have been set in accordance with the GHG Protocol methodology and ISO 14064-1:2018 standards.

CDI has only one subsidiary (CDL Land New Zealand Limited) which is its principal operating and land-owning subsidiary and is included in CDI's organisational GHG reporting boundary. This includes direct operational emissions from active land developments and vacant commercial properties not yet leased. As CDI subcontracts out all development activities such as earthworks, there are no direct (scope 1 and 2) emissions in 2024 for active land developments.

In the 2024 reporting period an "operational approach" was applied to the organisational boundary and GHG inventory. The previous base year (2023) inventory reported used an "equity share" approach. This change was made in keeping with the GHG Protocol reporting standards to better reflect the nature of the property development operations; direct control over sources of emissions; industry practice; and alignment with parent company methodology and reporting.

In line with the operational control approach, exclusions from the inventory include where CDI is the owner of commercial premises (warehouses and retail centres) that are leased out under tenancy agreements. CDI does not currently build or own any residential premises.

BASE YEAR RECALCULATION

CDI has used 2023 as the base year for GHG inventory, accredited by Toitū and reported in the climate-related disclosures within the 2023 Annual Report. This was the first year of measurement also deemed a representative post-COVID year.

To ensure accurate, transparent, and consistent reporting of GHG emissions, supporting the organisation's sustainability goals and compliance with regulatory requirements CDI have a GHG inventory base year recalculation policy. It outlines the events and conditions that trigger a base year recalculation or a change in the nominated base year.

To enable tracking progress towards GHG targets, base year emissions inventory will be recalculated to account for significant changes, if these changes lead to an increase/decrease in emissions of greater than 5 per cent of the total inventory (the significance threshold), in accordance with the GHG Protocol guidance. Changes to organisational boundary; structure (include acquisitions, divestitures or mergers and/or outsourcing or insourcing emitting activities); calculation methodology; and/or data errors may trigger the recalculation of base year emissions.

On review there is no change required to the 2023 base year. Despite a change to the consolidation approach and organisational boundary this reporting period, this did not result in exceeding the significance threshold to require a base year recalculation.

CALCULATIONS AND EMISSION FACTORS

Reports, invoices and data are received from the relevant data source/supplier and the relevant emission factors are applied to calculate the emissions. The calculation approach used for quantifying this emissions inventory is based on: emissions = activity data x emissions factor.

All emissions were calculated using Toitū e-manage platform with emissions factors and Global Warming Potentials provided by Toitū. Global Warming Potentials (GWP) from the IPCC fifth assessment report (AR5) are the primary GWP conversion however some emissions factors are from (AR4). If emission factors have been derived from recognised publications approved by the programme, which still use earlier GWPs, the emission factors have not been altered from as published. Where applicable, unit conversions applied when processing the activity data have been disclosed. There are systems and procedures in place that will ensure applied quantification methodologies will continue in future GHG emissions inventories.

SOURCE OF EMISSIONS FACTORS

Emissions factors are sourced from NZ Government publications where possible or other reputable peer reviewed sources. Emissions, as recommended by Toitū. Most emissions factors and GWP are sourced from the Ministry for the Environment, Measuring emissions: A guide for organisations (2024)[5], which uses the GWPs published in the IPCC Fifth Assessment Report (AR5). Below are the exceptions where emission factors used are from different sources:

- Recyclable materials: Turner et al. (2015) Greenhouse gas emission factors for recycling of source-segregated waste materials. Resources, Conservation and Recycling (AR4).
- Electricity distributed T&D losses (market-based): New Zealand Energy Certificate System. Administered and developed by Certified Energy, New Zealand (AR6).
- Air passenger transport (spend-based): Market Economics Limited (2023). Consumption Emissions Modelling, report prepared for Auckland Council (AR4).

Reference

5. https://environment.govt.nz/assets/publications/Measuring-Emissions-2024/Measuring-emissions_Detailed-guide_2024_ME1829.pdf

APPENDIX 4:
GREENHOUSE GAS INVENTORY – CONTINUED

METHODS, ASSUMPTIONS AND UNCERTAINTIES

- Scope 1 – this category captures emissions directly generated by CDI's owned or controlled sources. Data is collected from various sources: fuel card data to track mobile combustion emissions from company vehicles; refrigerant liabilities are based on installed equipment in use. Data quality is high.
- Scope 2 – indirect emissions from purchased energy within CDI's operational control. Data is gathered from electricity suppliers, invoices, and on-site electrical sub-metering for unsold or unleased, vacant sites, and via property managers to calculate electricity emissions (and estimate distribution loss emissions). Data quality is high and uncertainty is low.
- Scope 3 – includes some indirect emissions from products and services (1), T&D losses from electricity (3), waste landfilled, recycling and composting (5), business travel (6). Waste and recycling data comes from service providers, with calculations of emissions from landfilled, recycled or composted (including plastics/glass aluminium, cardboard and food scraps). Business travel emissions are tracked – air travel and taxi emissions are primarily calculated using spend data from invoices (relatively high uncertainty) and usage from rental cars from invoices and supplier reports (high data quality). Measurement has also commenced this year for additional scope 3 emissions categories and will be reported next year including supplier spend data (1 and 2), staff commute (7), and leased assets (13).

See more in table 2 Emissions calculation methods, data quality and sources.

ESTIMATIONS

CDI has an estimations policy which is reviewed annually and methodology by which estimations are made across data sets within the GHG inventory. CDI reports on a calendar year basis, meaning December data is typically unavailable at the time of data audit and assurance in time for required reporting timeframes.

Where December estimates are made, where feasible a year-on-year growth rate method is applied as there can be changes in emissions trends year on year due to national and global economic changes and seasonal market changes. In most cases data from the full year prior is used as a proxy multiplied by the percentage change experienced with the current year to date (11 months) for each emission source (electricity, waste, water, petrol, diesel, and some travel (e.g. taxi), with the exception of rental car and flight data which includes actual travel undertaken for the full year.

Estimations within data sets are infrequent, but may be required for incomplete sets such as where a water meter is unavailable or invoicing occurs across reporting months or years and so is apportioned.

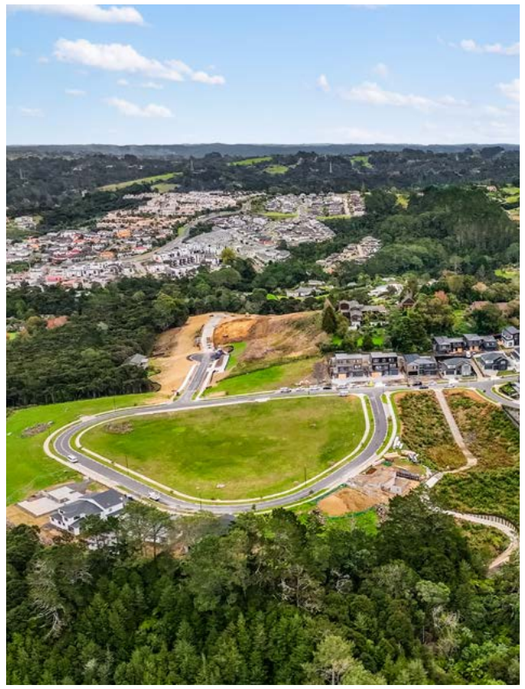
EXCLUSIONS FROM REPORTED GHG EMISSIONS

Following requirements of GHG protocol, and significance criteria for inclusion within the CDI inventory defined organisation boundary and as required by the Toitū accreditation programme the following emissions scopes are included:

- All direct emission sources that contribute more than one per cent of category 1 and 2 emissions
- Some scope 3 emission subcategories in accordance with the criteria (based on Toitū accreditation requirements)

CDI have adopted the Toitū significance criteria which is aligned with GHG Protocol requirements, and assesses materiality for inclusion in the inventory based on magnitude; level of influence; risk or opportunity; sector specific guidance; outsourcing; employee engagement; and intended use and users (includes availability of data sets). Exclusions are specific to each emission source and are based on the CDI agreed significance criteria.

Reasonable effort has been made to source GHG emissions data within the business's capacity and available resourcing (with some estimations used). CDI is in early maturity for our GHG inventory, given that FY23 was our first reporting period (and base year). Prioritisation of initiatives have meant certain scope 3 operational emission categories have been excluded from our FY24 reporting.[6] We plan to expand on our inventory in FY25.



Kewa Road, Albany, Auckland

Table 2: Rationale for exclusion of emission sources.

Emission Source	Reason for Exclusion
Scope 3 Category[6]	
Purchased goods and services (1) Such as civil engineering, pre-erection work, sewerage services, electrical, plumbing and other installation work, residential and non-residential building and construction	Availability and influence: 3rd party data availability and quality is currently low. Spend-based measurement has commenced, due to resourcing this will be reported in subsequent years. We do not currently have activity level information on our suppliers' emissions profiles (excludes potable water supply).
Capital goods (2) Including land holdings and commercial premises	Availability: Measurement has commenced, due to resourcing this will be reported in subsequent years.
Upstream transportation and distribution (4)	Not relevant – no direct freight transportation used.
Employee commuting (7)	Availability: Measurement has commenced – will report in subsequent years.
Upstream leased assets (8)	Not relevant – no leased assets apart from support office (emissions included in other scope categories).
Downstream transportation and distribution (9)	Not relevant – no distribution of products (sections) after point of sale.
Processing of sold products (10)	Not relevant – sections are not processed after point of sale.
Use of sold products (11)	Based on initial screening this needs further exploration.
End of life treatment of sold products (12)	Based on initial screening this needs further exploration.
Downstream leased assets (13)	Availability: information from tenanted commercial properties will be sourced and reported in subsequent years. This includes any existing crop growing and cattle grazing by tenants of land purchased for future development. Unable to source or access sufficient landholding tenant related data – de minimus for most sources.
Franchises (14)	Not relevant – no franchises.
Investments (15)	Land acquisitions are not included as purchases of land do not have an associated carbon footprint, (Noting that if 'land and new buildings' were purchased, these would have an associated carbon footprint due to embodied emissions associated with construction activity and would fall within Category 2 scope). No other investments to disclose.

CONTROLS, ASSURANCE AND ACCREDITATION

Internal checks are conducted for data accuracy, completeness, and consistency. Where possible GHG data is cross-referenced with operational data (e.g. energy use) to remove errors. Going forward data will be reconciled quarterly. Inventory roles are delineated between providers of data, data entry, quality control (sample checks) and review of data for monitoring and reporting.

KPMG have provided limited assurance over the reported Scope 1, 2 and 3 emissions for the 2024 reporting period (their opinion, which includes the scope of their work, is included in appendix 5).

For the 2024 reporting period CDI has received Carbon Reduce certification from Toitū.

Reference

6. CDI has elected to disclose in FY24 a partial scope 3 emissions footprint (as required by the Toitū programme, where quantifiable data is available). Where data is not yet available, Adoption Provision 4: Scope 3 GHG emissions in the NZ Climate Standard 2 is applied for the remaining material Scope 3 items in our value chain.

APPENDIX 4:
GREENHOUSE GAS INVENTORY – CONTINUED

Table 3: Emissions calculation methods, data quality and sources.

SCOPE 1 CDI'S DIRECT OPERATIONAL EMISSIONS

Category	Emissions Activity	Calculation Method	Data Source	Data Uncertainty	Data Quality Rating[7]
Transport energy (mobile combustion)	Consumption of liquid fuels for transport purposes (diesel and petrol) by leased fleet vehicles.	Volume-based	Invoice records of fuel consumed provided by suppliers.	It is assumed that data is complete and accurate when received from suppliers.	***
Leakage of refrigerants (fugitive emissions)	Refrigerants used in commercial air conditioning units.	Top up method	Service records of refrigerant top-up amounts. Refrigerant liabilities determined based on the HVAC refrigerant capacity and type.	It is assumed that data is complete and accurate when received from suppliers/ maintenance records.	***

SCOPE 2 CDI'S INDIRECT EMISSIONS FROM THE CONSUMPTION OF PURCHASED ELECTRICITY

Category	Emissions Activity	Calculation Method	Data Source	Data Uncertainty	Data Quality Rating[8]
Electricity consumption	Electricity used by CDI's portion of office space, and unsold, unleased, or vacant commercial properties.	Location-based (and market-based respectively).[9]	Invoice records provided by electricity suppliers, and report from 3rd party supplier.	It is assumed that data is complete and accurate when received from suppliers. Most source data is derived from supplier's reports. December data is estimated due to proximity to year-end.	***

Iona Terraces, Havelock North, Hawke's Bay

Table 3: Emissions calculation methods, data quality and sources (continued).

SCOPE 3 CDI'S INDIRECT SUPPLY CHAIN EMISSIONS

Category	Emissions Activity	Calculation Method	Data Source	Data Uncertainty	Data Quality Rating[10]
Business travel	Air travel, taxi and rental car, usage by CDI employees for business purposes.	Volume-based	Invoice records of fuel consumed provided by suppliers.	It is assumed that data is complete and accurate when received from suppliers.	**
		Distance-based	Report and invoice records with distance travelled by fuel type used in vehicles, as provided by car rental company.	It is assumed the data sources are complete and accurate. Rental car data is sourced from supplier customer activity data. Some estimation required due to change in supplier mid-year.	***
Fuel and energy related activities	Electricity losses that are attributable to the transmission and distribution 'T and D' of electricity.	Location-based	Invoice records provided by electricity suppliers, and report from 3rd party supplier.	It is assumed data is complete and accurate. All source data is derived from our supplier's reports. Where invoices have not been received, consumption is estimated based on historical usage.	***
Purchased goods and services	Potable water supply from CDI offices (only).	Volume-based	Invoices and rates bills from utility providers based on water meters where available.	It is assumed data is complete and accurate. Most source data is derived from supplier records. Some estimation required due to billing frequency.	**
Waste generated in operations	Waste to landfill, recycling and compost diverted, from CDI office and commercial premises fit out.	Weight-based	Based on waste collector supplier records based on bin weights or estimates of volume of bins collected.	It is assumed data is complete and accurate. Proportion of building and floor applied. All source data is derived from supplier records (some volume conversions applied).	**

References

7. Indicative data quality rating:
   *** high quality (low uncertainty, usage data, complete records, no or minor estimation, verified, or direct calculation),
   **moderate quality (proxy data, conversion required with higher uncertainty, mostly complete records, some estimation),
   *low quality (high uncertainty, partial records only, or fully estimated).
8. Indicative data quality rating:
   *** high quality (low uncertainty, usage data, complete records, no or minor estimation, verified, or direct calculation),
   **moderate quality (proxy data, conversion required with higher uncertainty, mostly complete records, some estimation),
   *low quality (high uncertainty, partial records only, or fully estimated).
9. The market-based emission factor consists of national grid factor from MfE and residual mix factor from BraveTrace, using the latest aligned 12-month period available (updates are released on different cycles).
10. Indicative data quality rating:
    *** high quality (low uncertainty, usage data, complete records, no or minor estimation, verified, or direct calculation),
    **moderate quality (proxy data, conversion required with higher uncertainty, mostly complete records, some estimation),
    *low quality (high uncertainty, partial records only, or fully estimated).

APPENDIX 4:
GREENHOUSE GAS INVENTORY – CONTINUED

Table 4: Emission factor sources.

Subcategory	Activity	Source	Publisher and publication
Scope 1: Mobile combustion (including company owned or leased vehicles)	Petrol premium	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 1: Mobile combustion (including company owned or leased vehicles)	Petrol regular	Government-published emission factors	New Zealand Ministry for the Environment, 2024 MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 2 Imported electricity	Electricity (location-based)	Government-published emission factors	New Zealand Ministry for the Environment, 2024 MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 2 Imported electricity	Electricity (market-based)	Government-published emission factors	New Zealand Ministry for the Environment, 2024 MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.[11]
Scope 3: Fuel and energy related activities – transmission of energy	Electricity distributed T&D losses (location-based)	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Fuel and energy related activities – transmission of energy	Electricity distributed T&D losses (market-based)	Industry publication or data	New Zealand Energy Certificate System. Administered and developed by Certified Energy, New Zealand.
Scope 3: Business travel transport (non-company owned vehicles)	Air passenger transport (spend-based)	Private company/consultant	Market Economics Limited (2023). Consumption Emissions Modelling, report prepared for Auckland Council.
Scope 3: Business travel	Rental car average (petrol, diesel, hybrid, EV)	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Business travel	Taxi	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Business travel	EV charging	Government-published emission factors	New Zealand Ministry for the Environment, 2024 MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Business travel	EV charging (T&D losses)	Toitū derived	Toitū Envirocare. Emission factor derived internally. Wellington, New Zealand, based on the MfE electricity T&D losses factor.
Scope 3: Waste generated in operations – disposal of solid waste – landfilled	Waste landfilled no LFGR Office waste	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Waste generated in operations – recycling process	Recycling - card	Peer-reviewed journal or literature	Turner et al. (2015) Greenhouse gas emission factors for recycling of source-segregated waste materials. Resources, Conservation and Recycling. 2015, Pages 186-197.
Scope 3: Waste generated in operations – recycling process	Recycling – commingled	Peer-reviewed journal or literature	Turner et al. (2015) Greenhouse gas emission factors for recycling of source-segregated waste materials. Resources, Conservation and Recycling. 2015, Pages 186-197.
Scope 3: Waste generated in operations Disposal of solid waste – not landfilled	Composting	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.
Scope 3: Purchased goods and services	Water supply	Government-published emission factors	New Zealand Ministry for the Environment, 2024. MfE Guidance for Voluntary Greenhouse Gas Reporting. Wellington, New Zealand.

Reference

11. The market-based emission factor consists of national grid factor from MfE and residual mix factor from BraveTrace, using the latest aligned 12-month period available (updates are released on different cycles).

Independent Limited Assurance Report to CDL Investments New Zealand Limited

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of scope 1, 2 and 3 gross greenhouse gas emissions and scope 1, 2 and 3 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in Appendix 4 of the 2024 Climate Statement on pages 22 to 29 (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (**the criteria**) for the period 1 January 2024 to 31 December 2024.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to CDL Investments New Zealand Limited's GHG disclosures for the period 1 January 2024 to 31 December 2024.

Our assurance engagement does not extend to the following:

- Climate-related disclosures on pages (pages 1-21, 36-37); and
- Any comparative GHG information and GHG Emissions Intensity metrics (referenced throughout)

We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting are the Aotearoa New Zealand Climate Standard (NZCS) 1 Climate Related Disclosures (NZCS1), NZCS 2 Adoption of Aotearoa New Zealand Climate Standards (NZCS2) and NZCS 3 General Requirements for Climate-related Disclosures (NZCS3), collectively the Aotearoa New Zealand Climate Standards' (NZ CSs) issued by the External Reporting Board (XRB).

As permitted by the NZCS1 para. 24(a), the standards that CDL Investments New Zealand Limited's greenhouse gas emissions are measured in accordance with are the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- Scope 1 emissions have been measured in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- Scope 2 emissions have been measured in accordance with The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- Scope 3 emissions have been measured in accordance with The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

Key Matters

Key matters are those matters that, in our professional judgement, were of most significance in undertaking our assurance engagement over the GHG disclosures for the period 1 January 2024 to 31 December 2024.

Our procedures were undertaken in the context of and solely for the purpose of our assurance conclusion on the GHG disclosures and we did not reach a separate conclusion on each individual key matter.

Key Matter	Procedures to address the Key Matter
Determination and selection of the organisational boundary	
Refer to *Organisational boundary and Consolidation approach* section, page 23, within the accompanying GHG disclosures. In establishing the organisational boundary, an approach for consolidating GHG emissions is selected. As included in the disclosure, the organisational boundary has been changed in 2024 to an operational control approach, the base year previously used an equity share approach. We have focused on this area as a key audit matter as there is complexity and judgement on where to draw the organisational boundary, due to multiple approaches being allowed, and impacts of changing the boundary. The organisational boundary also provides the frame for what is included within each emission category. Therefore, changes to the boundary can have a pervasive impact on the overall footprint.	Our assurance procedures included: • Inquiring with relevant staff, the legal VP and sustainability manager, to understand and assess the appropriateness of the change in organisational boundary against the requirements of the GHG protocol. • Comparing the accompanying disclosures in respect of the change in boundary to the criteria. • Assessing against the GHG protocol reporting standards whether the change in organisational boundary requires a base year recalculation, and the appropriateness of managements base year recalculation policy.

Other Matter – Prior year comparatives not assured

The GHG disclosures for the period 1 January 2023 to 31 December 2023 were not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for CDL Investments New Zealand Limited. Our assurance work has been undertaken so that we might state to CDL Investments New Zealand Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report is released to CDL Investments New Zealand Limited and its shareholders on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by anyone other than CDL Investments New Zealand Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than CDL Investments New Zealand Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

CDL Investments New Zealand Limited's responsibility for the GHG disclosures

The Management of CDL Investments New Zealand Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Management determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Management of CDL Investments New Zealand Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to CDL Investments New Zealand Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of CDL Investments New Zealand Limited's use of NZ CSs as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtaining, through inquiries, an understanding of CDL Investments New Zealand Limited's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- inquiring with relevant staff regarding any matters that arose in the application of the selected boundary in establishing the emissions inventory;
- performing walkthroughs of key processes and data sets;
- agreeing a selection of GHG emissions data to relevant underlying source documents and re-performed emission factor calculations for a limited number of items;
- considering the presentation and disclosures of the GHG emissions and explanatory notes against the requirements of the NZ CSs.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards*) (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided other services to the group in relation to a statutory audit of the financial statements, taxation compliance and taxation advisory services to CDL Investments New Zealand Limited. Subject to certain restrictions, partners and employees of our firm may also deal with CDL Investments New Zealand Limited on normal terms within the ordinary course of trading activities of the business of CDL Investments New Zealand Limited. These matters have not impaired our independence as assurance providers of CDL Investments New Zealand Limited for this engagement. The firm has no other relationship with, or interest in, CDL Investments New Zealand Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by CDL Investments New Zealand Limited, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Geoff Lewis.

KPMG

KPMG

Auckland

28 April 2025

APPENDIX 6:
TOITŪ CERTIFICATION

TOITŪ CARBON REDUCE

This is to certify that

CDL Investments New Zealand Limited

is Toitū carbonreduce organisation certified.

Toitū carbonreduce certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; and managing and reducing against Toitū requirements.

Billy Ziemann— Certifier

Date issued: 28 April 2025 | Valid until: 31 January 2027
Certificate Number: 2024024J | Certification Status: Certified Organisation
Company Address: Level 7, 23 Customs Street East, Auckland, 1010, New Zealand
Level of Assurance: Limited for all categories
Certification Year Auditor: KPMG
Certification Year Assurer: Toitū Envirocare

Please refer to the annual statement on www.toitu.co.nz for further details.
Toitū carbonreduce is an annual certification programme and this certificate only remains valid with an annual surveillance audit.

TOITŪ ENVIROCARE

JAS-ANZ

WWW.JAS-ANZ.ORG/REGISTER

Certified by Enviro-Mark Solutions Limited (Trading as Toitū Envirocare)


CDL INVESTMENTS
NEW ZEALAND LIMITED