2025 Climate-Related Disclosure Report
Arvida Group Limited

Arvida Group Limited presents its Climate-related Disclosure for the year ended 31 March 2025.

Climate-related Disclosure

Reporting group

This climate-related disclosure is for Arvida Group Limited and its wholly-owned subsidiaries ('Arvida'). Arvida is a Climate-Reporting Entity ('CRE') under the Financial Markets Conduct Act 2013 (the 'Act').

Arvida is a wholly-owned subsidiary of Stonepeak Alps Bidco Limited, an entity owned by funds managed by Stonepeak ('Stonepeak').

Reporting standards

These climate statements have been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2, and NZ CS 3), published by the External Reporting Board ('XRB') in December 2022.

Arvida has chosen to use the following NZ CS 2 adoption provisions for this report, meaning the disclosures in this report do not cover these aspects of NZ CS:

- Adoption provision 2: Anticipated financial impacts.
- Adoption provision 6: Comparatives for metrics.
- Adoption provision 7: Analysis of trends.

Disclaimer

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

Forward-looking statements and opinions are based on historical experience, internal business data, external sources, and various other factors that Arvida believes are reasonable in the circumstances and based on its current understanding. These statements and opinions necessarily involve assumptions, forecasts and projections about present and future strategies and the environment in which Arvida will operate in the future. They reflect current views on future events and are subject to change due to known and unknown risks, uncertainties, assumptions, estimates and other factors which are, in many cases, beyond the Company's control, particularly as to inputs, available data and information which is likely to change.

Risks and opportunities described in this report, and Arvida's strategies to achieve its targets, may not eventuate or may be more or less significant than anticipated. Many factors can affect actual results, performance or achievement of climate-related targets (or other metrics), and these may differ materially from what is described in this report, including due to economic and technological viability, government, consumer, and market factors outside Arvida's control.

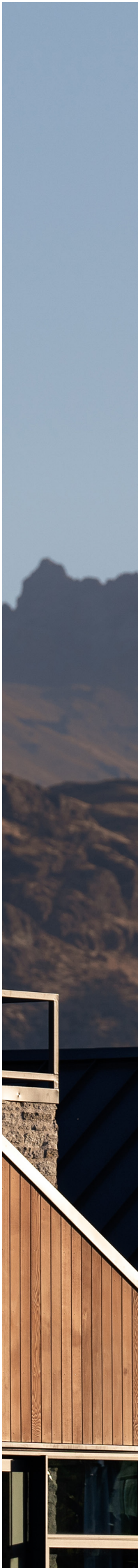
Arvida has sought to provide accurate information in this report. It is based on assumptions about the current business and future strategies, as well as the environment our business operates in, both now and in the future. However, the identified climate-related risks and opportunities may not eventuate; if they do, the impacts may differ materially from what is provided in this report.

Accordingly, while Arvida has made efforts to fairly present this climate-related disclosure, it gives no representation, guarantee, warranty or assurance about the future business performance of Arvida, or that the outcomes expressed or implied in any forward-looking statement made in this document will occur. Actual outcomes may differ materially from those expressed or implied in this document. Arvida does not accept any liability (to the extent permitted by law) for any loss arising directly or indirectly from any use of the information contained in this report.

This climate-related disclosure is dated 26 June 2025 and has been approved on behalf of Arvida by the Board.

Bill McDonald
Chair

Darren Keogh
Director



CONTENTS

About Arvida

Arvida is one of New Zealand's largest aged care providers. We own, operate and build retirement living communities in New Zealand.

Our retirement communities offer residents the opportunity to age with us by moving from independent living options to assisted living options and higher acuity care as their needs change.

Independent living options include villas, townhouses and apartments. Assistance and care services can be accessed by residents in serviced apartments and care suites. Our aged care offering includes resthome, hospital and dementia-level care.

Our strategy focuses on building bespoke broad-acre villa-led retirement communities. Providing a range of living and lifestyle options remains central to our product offering.

Further information on Arvida and our business model is available at arvida.co.nz including the 2025 Annual Report.

Arvida's climate statement for the 2025 financial year provides an overview of the Company's sustainability efforts and initiatives, highlighting the strategies for addressing climate change and a low-emission future.

This is the second climate-related disclosure reported by Arvida in accordance with Aotearoa New Zealand Climate Standards. Arvida has made two voluntary climate-related reports prior to this using the Task Force for Climate-related Financial Disclosures ('TCFD') framework.

OPERATING EBITDA[1]
$101 MILLION

OPERATING CASH FLOW
$161 MILLION

TOTAL ASSETS
$4.7 BILLION

34 RETIREMENT COMMUNITIES

5,700 UNITS AND CARE BEDS

ESTABLISHED PIPELINE OF FUTURE DEVELOPMENT OPPORTUNITIES

6,750 RESIDENTS

2,900 TEAM MEMBERS

[1] Operating EBITDA is a non-GAAP (unaudited) financial measure that removes the fair value movement of investment property, other unrealised items, interest, depreciation, deferred tax and one-off items from reported net profit after tax and adds the realised gains associated with resale of occupation right agreements.

Governance

In November 2024, Stonepeak, a leading global alternative investment firm specialising in infrastructure and real assets, completed the acquisition of Arvida within its portfolio. Stonepeak has a comprehensive sustainability strategy that integrates Environmental, Social and Governance (ESG) considerations across its operations and investment portfolio. Actively managing climate-related risks and opportunities across the portfolio, including in respect of Arvida, is a key tenet of Stonepeak's approach to sustainability.

As a result of the acquisition, the Board is reviewing a number of strategic and governance matters, one of which is Arvida's approach to sustainability within Stonepeak's sustainability strategy. This review includes the role of the Board itself with respect to management of climate-related risks and opportunities. This report seeks to detail the approach taken in the bulk of the FY25 reporting period prior to acquisition, as well as signalling where areas are under review. Arvida expects to provide a further update when filing its FY26 Climate-Related Disclosure.

Board's role

The Board has statutory responsibility for, and approves, the strategic direction of the business.

The Board has processes and systems in place to ensure that significant issues, risks and major strategic decisions are monitored and considered at Board level, including climate-related risks and opportunities. A rolling Board agenda is reviewed at Board meetings, enabling effective forward management of meetings and focused discussions.

At least four Board meetings are convened annually. A review of strategy and the business plan is performed by the Board at least once a year. During the FY25 reporting year until Stonepeak's acquisition of Arvida, the Board was responsible for including, within its consideration of strategy, consideration of climate-related risks and opportunities.

The Board's responsibilities are set out in the Board Charter and include:

- approving overall strategy, business plans and budgets
- monitoring actual results against the business plan and strategic objectives
- reviewing and approving Arvida's Sustainability Policy, framework and strategy.

Formal Board skill assessments have yet to be undertaken following the acquisition by Stonepeak.

Board and management responsibility for sustainability

Management's role

The Board has delegated day-to-day responsibility to the Chief Executive for the delivery of the agreed business strategy, including sustainability objectives, as well as oversight of the delivery of operations and risk management.

The Chief Executive is responsible for reporting progress against sustainability goals and targets to the Board, as well as the effectiveness of controls and performance of other mitigation strategies.

During the interim period (since the acquisition by Stonepeak), reporting to the Board has taken place on an ad hoc basis with responsibility for the sustainability strategy sitting with members of the Leadership Team. For the FY25 reporting year, key roles of the Leadership Team in relation to Arvida's sustainability strategy were as follows:

- *Chief Financial Officer:*
  Responsible for reporting on climate-related risks and opportunities, integrating climate-related risks and opportunities with financial planning and capital expenditure/allocation decisions, and disclosing climate-related risks in line with the Aotearoa New Zealand Climate Standards.
- *General Manager Strategy:*
  Responsible for integrating climate-related risks and opportunities with strategy, overseeing the implementation and ongoing review of sustainability strategy (including the preparation of all sustainability strategy and climate risk reporting), supporting emissions' measurement and coordinating activities towards meeting and reporting on progress toward emission-reduction targets that were set by the Board in 2020.
- *General Counsel:*
  Responsible for incorporating climate-related risks into the risk management process, coordinating climate-related risk management processes and controls.

The General Manager Strategy has also led the assessment of climate-related risks and opportunities during the interim period. This includes coordinating the Company's response and ensuring the wider Leadership Team is kept informed on the overall sustainability programme, including climate-related risks and opportunities. The Company no longer has a dedicated Head of Sustainability & Compliance.

The Leadership Team provides management-level approval, ownership and management of the Company's enterprise risks including those relating to climate change. Climate-related risks and opportunities are discussed at executive meetings.

Responsibility for delivery of climate-related targets and goals sits with the Leadership Team. Each strategic pillar under the Company's sustainability framework has an owner who is responsible for the delivery of that strategic objective.

For further information on the risk management process, please refer to the Risk Management section.

Strategy

Current climate-related impacts

Arvida has elected to use the following adoption provisions:

- *Adoption provision 2: Anticipated financial impacts.* This adoption provision exempts Arvida from disclosing the anticipated financial impacts of climate-related risks and opportunities and the time horizons over which the risks and opportunities are expected to occur. Arvida has elected to apply this provision as it works to establish the criteria for quantitative anticipated financial impacts that are relevant and fact-based.
- *Adoption provision 6: Comparatives for metrics.* This adoption provision exempts Arvida from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
- *Adoption provision 7: Analysis of trends.* This adoption provision exempts Arvida from disclosing an analysis of the main trends evident from a comparison of metrics from one reporting period to the next.

Physical impacts

For the financial year ending 31 March 2025, the business did not experience any material physical impacts from climate-related events.

Outside of the reporting period, the Company was impacted by the Port Hills wildfires in February 2024. While the community (Rhodes on Cashmere) was some distance from the fire, and there was no material damage, a number of residents were evacuated as a precaution.

The incident tested emergency and crisis management plans, which were demonstrated to be robust. The local team was able to mobilise - working with the local Health NZ contact, Fire and Emergency Services and our other Christchurch communities - to ensure all residents had an appropriate evacuation location.

This incident served as a reminder of the disruption that can be caused by climate-related events.

Transition impacts

Overall, the financial impacts associated with the Company's transition to a low carbon economy have been estimated at less than $10 million in the reporting period. This includes amounts invested in sustainability initiatives, such as solar, EV vehicles, robot mowers, lighting upgrades and replacing gas infrastructure. It also includes the additional cost associated with compliance with the new H1 building standards.

Scenarios

Background

In 2024, three climate scenarios were developed - 1.5°C, 2.7°C and 3.6°C scenarios. These were informed by:

- Climate Change Scenarios for the Health Sector (available at esr.cri.nz)
- Climate Scenarios for the Construction and Property Sector (available at nzgbc.org.nz),

both of which Arvida senior executive and Leadership Team members were involved in developing[1].

Information from both the health sector work and the construction and property sector work were used to develop the Company's scenarios. These two sectors reflect fundamental aspects of the Company's business and were considered appropriate in assessing the resilience of the Company's business model and strategy to climate-related risks and opportunities.

Internal workshops were held where the key risks and opportunities were assessed over the short, medium and long-term (as described below) under each scenario. Scenario analysis was therefore conducted as a standalone process and not integrated with the Company's business planning or strategy development.

Timeframes

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

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

[1] The sources of data for each of these sector scenarios are included within the scenarios themselves at the website links above.

Arvida's Climate Scenarios

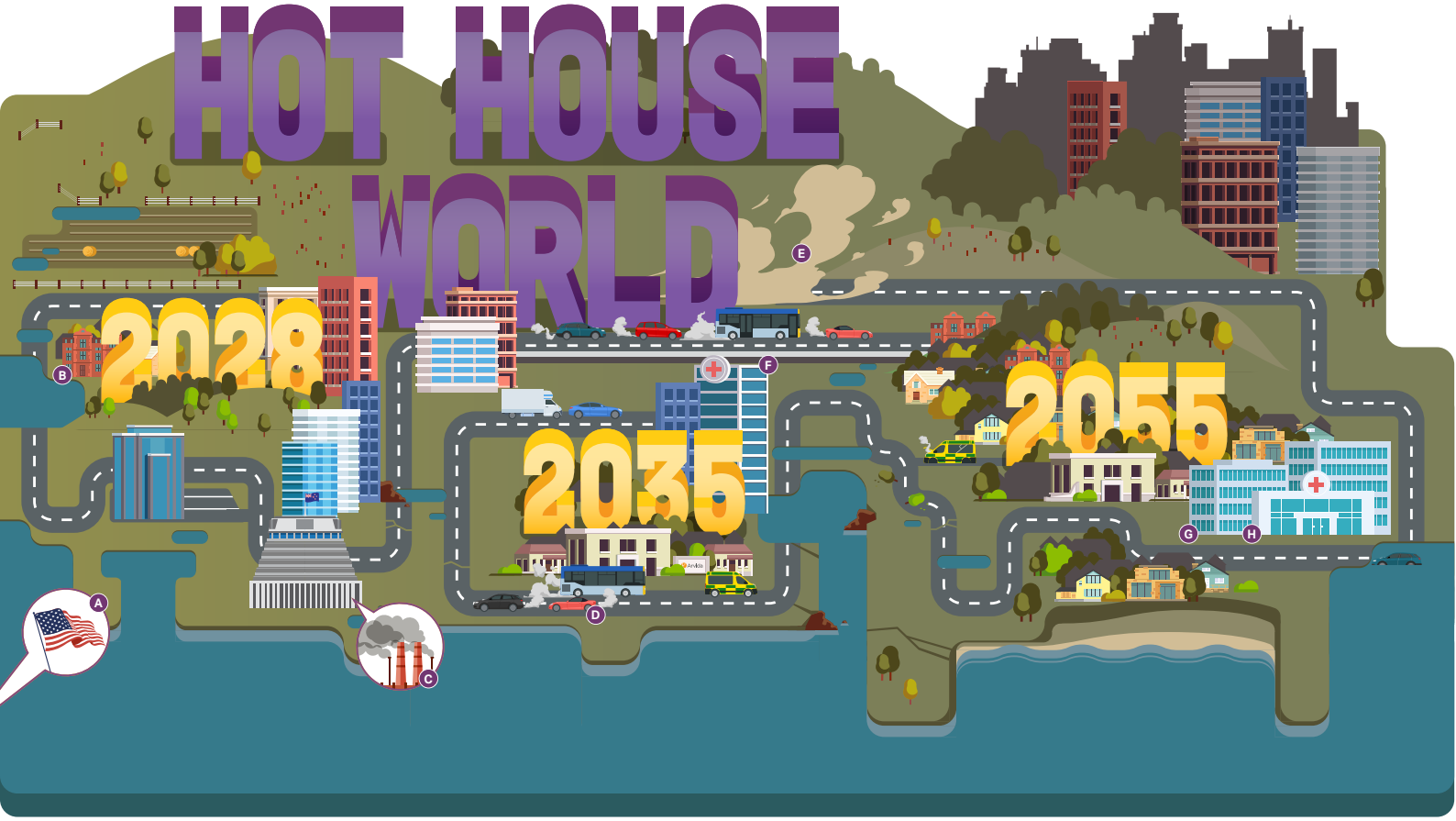
	Hot House World (3.6°C)	Delayed and Disorderly (2.7°C)	Ambitious and Orderly (1.4°C)
Reference scenarios	SSP3-7	SSP2-4.5	SSP1-1.9
Temperature in 2100	3.6	2.7	1.4
Impacts on GDP	Severe	Major	Moderate
Public funding	Extreme decrease	Major decrease	No change
Policy reaction	Current policies	Delayed	Immediate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

Queenstown Country Club

Hot House World

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

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



A In 2025, the United States withdraw from the Paris Agreement.

B In 2030, the average value of properties in flood-prone areas reduces by 36%.

C In 2036, the global climate negotiations collapse. NZ Carbon Zero Act is repealed.

D In 2036, the NZ government fails to meet its international emissions reduction target.

E In 2041, a severe heatwave goes across NZ.

F In 2051, Thames hospital closes following repeated fluvial and coastal flooding events.

G In 2045, the government significantly reduces subsidies to fund aged care beds other than for older people with the most severe disease.

H In 2060, the average wait time for being seen in emergency departments is more than six hours for 75% of patients across NZ.

Delayed and Disorderly

This scenario is a moderate-warming scenario, where we reach 2.7°C by 2100 and progress with a slow and uneven transition to a low-emissions economy. Globally, there is a little climate action until 2028-2035, when there is a ramping up of decarbonisation efforts. This situation, however, still leads to significant physical risks and widespread impacts from climate hazards. In New Zealand, there is a slow and costly transition, with significant social costs and inadequate public funding to support those most affected. Emissions are rapidly reduced between 2035-2050, with significant consequences on the agricultural and transport sectors. A lack of investment in low carbon materials, products and technologies leads to a spike in demand and costs in the 2030s, as well as limited innovation and circularity. A slow and uneven shift in market preferences and consumer awareness towards low carbon buildings creates uncertainty and reputational risks for entities that fail to set and meet ambitious science-based emission reduction targets.

The government fails to manage trade-offs between adaptation and mitigation action. The health sector and population health outcomes are affected by a combination of physical and transition risks, which result in a high population health burden. There is a growth in economic and social inequities, which contribute to an increase in chronic health conditions. Key events and impacts include a deadly heatwave and catastrophic ex-tropical cyclone in 2030, a ban on internal combustion engine vehicle sales and imports by 2040, the closure of multiple regional health facilities by 2050 and the ex-tropical cyclone Victoria in 2042.

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

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

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

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

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

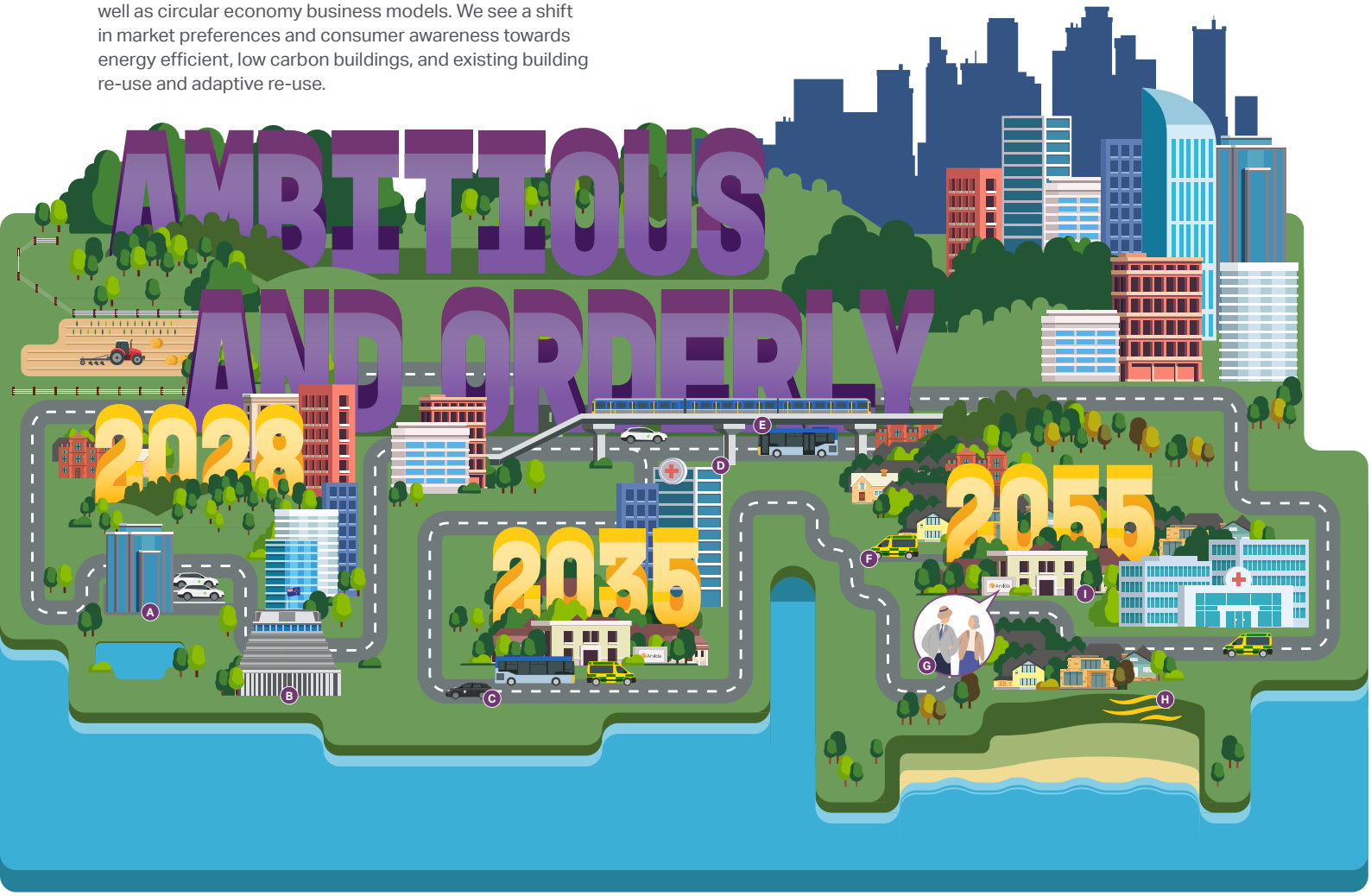
F In 2055, the closure of multiple regional health facilities over the time results in the national average waiting times to see a GP to increase to 13 days.

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

Ambitious and Orderly

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

There is a rapid densification of urban areas, driven by GHG emissions reduction and spatial planning, which puts pressure on legacy horizontal infrastructure and necessitates significant upgrades. The health system shifts rapidly to deliver low-emissions care and the sector is seen as a sustainability leader within New Zealand. There is a move to community-oriented healthcare, with a strong focus on addressing the risk factors that lead to disease, which leads to a decline in preventable hospital admissions. Key events and impacts under this scenario include the emergence of major corporate polluters cutting emissions from 2025, the ban on internal combustion engine vehicle sales and imports by 2030, the increase in life expectancy and reduction in health inequities by 2050, and the achievement of net zero emissions by 2050.



A In 2025, the NZ Supreme Court issues a judgement requiring corporate entities in NZ to reduce emissions in line with the Paris Agreement.

B In 2028, the government implements a sugar tax.

C In 2035, the share of battery electric vehicles (BEV) has increased to 20% of the vehicles fleet in 2031, resulting in reduced mortality from air pollution.

D In 2040, health costs for preventable diseases start to decline and this trend continues across the century.

E In 2045, over 75% of Auckland's population commutes by electric trains and buses and actively travels for work and education journeys.

F In 2050, over 65 year olds are estimated to account for 50% of health service use.

G In 2050, the population increases to 6.13 million, with 23% over 65 years old and 5% over 85 years old.

H In 2055, there is an increase in the frequency and severity of heatwaves, but decline woards the end of the century.

I In 2055, the superannuation age slowly increases to by 70 years old near the end of the century.

Climate Risks

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

Type	Risk	Time horizon	Anticipated impacts	Management response
Physical	**Extreme weather events, including storms, floods and wildfires.**	**Short, Medium & Long** **Scenario** Ambitious and Orderly, Delayed and Disorderly & Hot House World	Extreme weather events may result in increased capital costs associated with material damage to assets and/or additional mitigation or adaptation measures. Also, there are increased operational costs associated with repairs and/or increased insurance premiums and/or disruption to supply chains.	The Company monitors and manages physical impacts through maintenance programmes. Climate risk assessments are performed as part of acquisition due diligence.
	Sea level rise	**Long** Hot House World	Sea level rise may result in managed retreat from coastal locations and may result in assets that become stranded. It may result in increased capital costs associated with managing fluvial floods.	The Company has completed modelling and monitors whether any of its communities could be impacted by a risk of a rise in sea levels in any of the scenarios.
	Rising temperatures	**Medium & Long** Delayed and Disorderly & Hot House World	Extreme temperatures may result in increased operational costs, as a result of demand for air conditioning systems and/or increased illness in our residents. Also, there are increased capital costs associated with air conditioning systems in our communities.	New communities are designed to withstand the extreme climate scenarios of RCP 8.5. Older communities are monitored and reviewed under maintenance programmes. Increasing electricity costs are mitigated through fixed price and long-term contracting.
Transition	**Changing and emerging legislation**	**Short, Medium & Long** Ambitious and orderly, Delayed and Disorderly & Hot House World	New policies, changes in rules or regulations, or new legislation may result in increased operational and compliance costs. These changes may also result in increased capital costs if associated with Arvida's assets.	Proposed changes in legislation are monitored and, where appropriate, the Company participates in government consultations. The risk and compliance framework assists to mitigate risk.
	Changing market behaviour	**Medium & Long** Ambitious and Orderly, Delayed and Disorderly	This may result in lower demand for the Company's products and services, because of changes in market behaviours. Also, there are increased capital or operational costs to keep up with market demand for sustainable products and services. It may result in difficulties in securing equity and/or debt funding.	Stakeholder engagement has been conducted to understand customer behaviour. The Company's model ensures flexibility in its offering to potential residents. The Company has a sustainability framework that targets sustainability goals.

Climate Opportunities

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

Transition Plan

The transition plan aspects of Arvida's strategy are reflected in its Sustainability Framework. The Sustainability Framework is available on Arvida's website, and reports against Arvida's Strategic Pillars. This is underpinned by an emissions reduction plan that contains a range of projects intended to support the Company's transition in the coming years, including addressing embodied carbon in our future retirement community designs and improving climate resilience.

To help understand how to mitigate emissions and identify the most effective emission reduction projects, a detailed emissions reduction model was developed to inform strategy. The model demonstrated the relative merits and impacts of alternative sustainability initiatives in reducing Scope 1 and 2 emissions. This resulted in the identification of a number of emission-reduction actions.

Our scope 3 emissions make up the majority of our GHG emissions inventory. These emissions are dominated by the embodied carbon associated with materials such as concrete and steel used to build our retirement communities. Alternative building materials such as cross laminated timber have been used successfully in our larger construction projects.

Our current key initiatives include:

1. **Construction Waste Diversion**: diverting construction waste from landfill as part of our sustainable construction practices.
2. **Clean Energy Sources**: installing solar panels at our retirement communities and moving to renewable energy sources thereby reducing reliance on non-renewable energy sources.
3. **Gas Replacement**: minimising natural gas usage for heating and cooking in our retirement communities, and replacing boilers with more efficient plant.
4. **Low-Carbon Building Materials**: transitioning to low-carbon construction materials such as concrete in order to reduce our carbon footprint on future builds, contributing to lower embodied carbon in construction. Alternative building materials such as cross laminated timber have been used successfully in our larger construction projects.
5. **Fleet Management**: reducing our vehicle fleet fuel and transitioning to alternative energy vehicles.
6. **Adaptation**: Completing climate risk assessments and developing climate adaptation plans for all our key

operational sites and new development sites. Maintaining a framework that assists our understanding of how vulnerable our sites are to the physical impacts of climate change, such as extreme weather, is central to putting in place effective strategy initiatives.

These initiatives are part of the Company's broader strategy to transition towards a low-emissions, climate-resilient future. Please see the "Management response" column in our Climate Risks and Opportunities Tables above for more information about how our transition activities respond to specific material climate risks and opportunities.

Initiatives under this plan have been built into our forward business planning and resourced through regular funding decision-making and capex deployment processes. For example, it is indicated that an investment of around $5 million would be required to achieve emissions reductions of 40%.

However, as outlined in the Governance section, the Board is reviewing a number of strategic and governance matters as a result of the acquisition by Stonepeak, one of which is Arvida's approach to sustainability within Stonepeak's sustainability strategy. A change in the Company's transition plan priorities may result.

Risk Management

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

Climate-related risks and opportunities are identified through a variety of ways on an ongoing basis over the course of the reporting year:

- Review and discussion of the latest climate-related research and information
- News and media reports
- Consideration of the latest trends and emerging issues

Identified risks are assessed to establish whether further work is required to determine their likelihood, potential business impact and the timeframes under the horizons adopted for the scenario analysis that they relate to. This may include seeking further information or external assistance, depending on the internal experience that exists in relation to the identified risk. No parts of the value chain are excluded.

All key identified risks are reviewed as part of the annual assessment process.

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

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

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

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

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

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

Climate-related risks have been added to the Company's risk register, and are treated in the same way as all other risks are identified. The process for identifying, assessing and managing climate-related risks is fully integrated into our overall risk management processes.

Metrics and Targets

The Company's GHG inventory has been measured in accordance with the Greenhouse Gas Protocol and ISO14064-1:2018 and prepared in compliance with New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3), published by the External Reporting Board. External auditor Ernst & Young Limited completed a limited assurance engagement of Scope 1, 2 and 3 emissions for the year ended 31 March 2025.

The Inventory Report is located at arvida.co.nz/investors/sustainability.

An operational control consolidation approach was applied in calculating emissions. The Company deemed it does not have operational control over one retirement community where a 50% joint venture interest is held. Practically, this means the community is not consolidated into reported Scope 1 and 2 emissions. Instead, the community's emissions are included within Scope 3 emissions under category 15, Investments.

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

- Emission factors, calculation methods, assumptions, and estimation uncertainties can be found on page 7 of the Inventory Report.
- Specific exclusions of emission sources can be found on page 10 of the Inventory Report.

No offsets were purchased in the period, and our emissions intensity reduction targets do not rely on the use of offset.

Greenhouse gases are converted to tonnes CO_2e using the global warming potential calculations from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

The time horizon applied was 100 years.

Emissions

Primary emissions decreased by 665 tonnes, or 11.4%, to 5,173 tCO_2e on an absolute basis for the 12 months ended 31 March 2025. The Company has defined primary emissions to include all Scope 1, 2 and selected Scope 3 sources (business travel, waste generated from operations and transmissions and distribution losses).

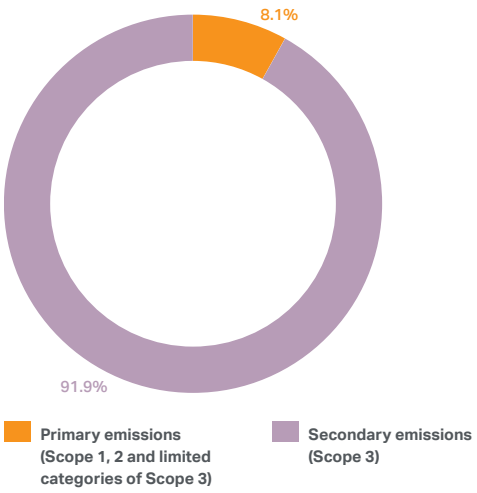
Scope 1 emissions primarily reduced as a result of several changes in infrastructure, such as gas laundries and gas boilers replaced by either heat pumps or electric equipment.

Scope 2 emissions decreased as a result of changes in location-based emission factors calculated by Ministry for the Environment and electricity consumption decreasing by 3% year-on-year. The sale of the Strathallan village contributed to the reduced electricity consumption.

Scope 3 emissions decreased mainly as a result of reduced development activity.

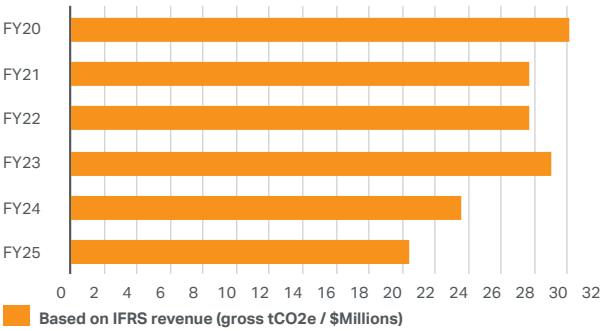
Primary emissions represented 8.1% of total emissions. The Inventory Report provides a description of emissions included in Arvida's Primary and Secondary emission categories.

Emissions Composition



On an intensity basis, the Primary emissions forming the basis of reduction targets decreased 13.7% in the reporting period to 20.4 tCO_2e per $m of revenue as contained in Arvida's FY25 audited financial statements.

Primary Emissions Intensity



Emissions intensity is calculated on the basis of Arvida's Primary emissions to total retirement units in the portfolio and total revenue, including all sales revenue adjusted for deferred management revenue. All measures of intensity have reduced predominantly as a result of the decrease in the electricity emissions factor.

An internal emissions price is not used.

OUR TARGETS

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

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

A 32% reduction in primary emissions has been achieved by the Company from the 2020 base year to the reporting period, exceeding the stated 2025 emissions reduction target of 20%.

The emissions intensity reduction targets have not been confirmed as being in line with limiting global warming to 1.5 degrees of warming.

Capital Deployed

Capital deployed towards the emissions reduction plan was estimated to be $1.6 million and $1.8 million in FY23 and FY24 respectively.

In FY25, it is estimated that less than $1 million was invested in climate-related risks and opportunities in line with the lower level of refurbishment and capital expenditure incurred in the reporting period.

Remuneration

The Company's waste reduction target is a business key performance indicator. All community managers have historically been measured and remunerated based on their achievement of business performance indicators.

While the Board develops its mandate for climate-related risks and opportunities, there is no link between remuneration and climate-related risks and opportunities. This is a change from FY24, when KPIs for Community Managers included climate-related business performance indicators including achievement and maintenance of a 20% reduction in waste-to-landfill against the base year.

Vulnerability to physical risks and transition risks

The Company has considered the vulnerability of business activities to transition and physical risks, and alignment with climate-related opportunities. To a varying degree, all activities are vulnerable to these risks and opportunities. This position has not changed since FY24.

However, the risks and opportunities vary for each retirement community. For example, some are located on or near flood plains or coastlines. These retirement communities therefore have a higher vulnerability to physical risks. Our analysis to date shows that none of our properties are at risk of flooding under our highest temperature scenarios as highlighted in the table below.

Physical risk vulnerability metric	FY24	FY25	Commentary
% of properties by market value that may be at risk of coastal flooding due to sea level rise	0%	0%	According to NIWA's extreme sea level flood maps[1] (up to 2m of sea level rise), no properties are at risk of coastal flooding due to sea level rise under our highest temperature scenario, Hot House World (SSP3-7) over Arvida's short, medium and long term time horizons out to 2055.
% increase in insurance premiums relating to material damage and business interruption insurance	24%	n/a	In FY24, the Company experienced a 24% increase in insurance premiums. The insurance premium increase was considered to mostly reflect climate and climate events. However, the Company no longer considers it a relevant metric to directly measure vulnerability to physical risk.

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

Alignment with climate-related opportunities

We have considered the alignment of our business activities to climate-related opportunities. As in FY24 to a varying degree, all activities are aligned with climate-related opportunities.

Climate-related Disclosure

Emissions summary

Metric	Purpose	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1 emissions	To measure the Company's direct impact on the climate	2,339	2,411	2,722	3,228	3,130	2,716
Scope 2 emissions (location-based method)	To measure the Company's indirect impact on the climate	1,454	1,573	1,888	2,196	1,521	1,444
Scope 3 emissions[1]	To measure the Company's indirect impact on the climate	1,137	838	57,068	69,630	70,967	59,180
Primary emissions[2]	To measure the Company's performance against the target	4,929	4,822	5,574	6,610	5,838	5,173
Benchmarking	To understand how the Company's climate performance compares to other corporations globally (CDP Score)	-	B-	B	B	B	B
Primary emissions intensity	Based on $m of IFRS revenue[3]	30.1	27.6	27.6	29.0	23.6	20.4
	Based on $m of total revenue[4]	23.9	26.4	22.0	21.7	17.3	15.4
	Based on the number of retirement living units	1.2	1.1	1.0	1.2	1.0	0.9

1 Arvida's Scope 3 emissions from 1 April 2021 to 31 March 2024 have been restated for Purchased Goods and Services, Capital Goods and Investments.

2 Primary emissions include all of Scope 1 & Scope 2 and Business travel, Waste generated from operations and Transmission and distribution losses from Scope 3.

3 Revenue as contained in Arvida's audited financial statements for the reporting period.

4 Total Revenue is a non-GAAP (unaudited) financial measure that comprises IFRS revenue before deferred management fees, and adds the gross value of occupation rights sold for the reporting period.

Adjustments to the inventory

Arvida's Scope 3 emissions from 1 April 2021 to 31 March 2024 have been restated for Purchased Goods and Services, Capital Goods and Investments. In the financial year ending 31 March 2025, Arvida transitioned from MOTU to Thinkstep emission factors for Purchased Goods and Services and Capital Goods emission calculation. This change has been applied retrospectively to the trial balances for the financial years 2022, 2023, and 2024.

Furthermore, there was an adjustment made to Food, which is considered in the Purchased Goods and Services emissions. Initially, the quantities of food purchased were based on the assumption that multiple packs of items were being purchased at a time. Through a spend monitoring programme, it became clear that this was not the case, and in most cases, only one packet was being purchased at a time. As such the previous quantities of purchases were overstated. The new calculation methodology is based on the actual quantities purchased from the supplier.

The above adjustments have also impacted the joint venture entity, Village at the Park, which is considered in Investments.

The adjustments are set out in the table below.

Category	Reason for adjustment	FY2022 Adjustment amount (tCO2e)	FY2023 Adjustment amount (tCO2e)	FY2024 Adjustment amount (tCO2e)
Purchased Goods and Services	Transition from MOTU to Thinkstep emission factors	1,075	1,526	1,493
Purchased Goods and Services	Food related emissions calculation correction	(20,097)	(20,778)	(17,518)
Capital Goods	Transition from MOTU to Thinkstep emission factors	7,501	9,679	8,789
Investments	Adjustments above relating to Village at the Park	(807)	(727)	(758)

arvida.co.nz