investa

Climate and Nature Disclosure Statement FY24

1 July 2023 - 30 June 2024

Transform Tomorrow with investa

Contents

Acknowledgement of Country

Investa acknowledges the Traditional Owners of the lands on which our business operates and where we come together to work. We acknowledge the continuing connection to land, waterways and culture. We pay our respects to Elders past and present.

About this Statement

This Climate and Nature Disclosure Statement outlines the steps that Investa Management Holdings Pty Ltd (IMH) and its subsidiaries (Investa), its core managed funds including Investa Commercial Property Fund (ICPF) and Investa Gateway Offices (IGO) (core funds) and mandates are taking to identify, assess and manage climate and nature-related risks and opportunities in Investa's managed buildings, managed developments and managed investments. This Statement has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD). This report has been prepared by Investa's Climate and Nature Strategy Working Group and is approved by the IMH Board of Directors. Key terms are defined in the Glossary at the end of this document.

The reporting period covered by the Statement is 1 July 2023 – 30 June 2024. It is part of our corporate reporting suite for FY24, which includes:

- Investa FY24 ESG Report
- Investa FY24 Modern Slavery Statement
- Investa FY24 ESG Data Pack

A message from our CEO

Climate and nature-related risks continue to be among the top ten global risks by severity, both in the short and long term.[1]

This includes extreme weather events, pollution, critical changes to Earth systems, biodiversity loss, ecosystem collapse, and natural resource shortages. And so the urgency to address climate change and consider nature remains paramount.

At Investa, we recognise the significant role climate and nature play in our business and in the global economy. In Australia, 49% of our GDP depends on nature directly, valued at $896 billion.[2] We are aware of the real estate sector's contribution to the alarming rate of biodiversity loss and acknowledge the responsibility it has in working towards addressing these challenges.

We began our pathway towards net zero in 2018 by setting our targets for 2040. In 2021, we reviewed and accelerated our net zero scope 1 and 2 emissions targets to 2025. I am proud to say this year we achieved net zero scope 1 and 2 and operational scope 3 emissions for our managed buildings in core managed funds a year ahead of our target.

This significant milestone demonstrates our commitment to limiting climate change through direct action – and is a result of our strong partnerships with our owners. These partnerships allowed us to set our managed funds and buildings on our pathway towards net zero, which included improving the operational efficiency of our buildings, strategic procurement of renewable electricity, and in FY24 100% of carbon offset products purchased by Investa were nature-based Australian offsets.

We recognise that reducing and offsetting scope 1 and 2 emissions is only the beginning and we have now increased our focus on scope 3 emissions associated with our supply and value chains. We completed a scope 3 emissions materiality assessment, which identified our most material emissions sources and influenced our areas of focus for emissions reductions. This will build on the work we have begun with our tenant customers to reduce emissions associated with their electricity usage and with our construction partners to reduce emissions associated with our developments and capital works projects.

Looking beyond emissions, we recognise that the operations of our managed buildings operations can impact and be dependent on nature. In FY23, we commenced our pathway towards nature positivity and this year we focused on understanding the most material impacts and dependencies our buildings have on nature. This work has informed our intention to adopt the Taskforce for Nature-related Financial Disclosures (TNFD).

Our commitment to nature has also seen us extend our partnership with the Sydney Institute of Marine Science (SIMS) and their Operation Crayweed program.[3] We greatly value our partnership with SIMS as it enables us to better understand interdependencies with nature and contribute to regeneration. Our core managed funds are also investing in this program, which will add another two sites along the Sydney coastline to regenerate crayweed forests in addition to our existing site in Lurline Bay.

Our core managed funds have also aligned their debt to their building portfolio environmental performance and their trajectory to net zero scope 1 and 2 emissions. Pleasingly, this year our core managed funds have achieved 100% green debt, certified by the Climate Bonds Initiative (CBI) – one year ahead of our 2025 target.

And because we know the importance of supporting building climate resilience, we remain focused on developing and executing climate change adaptation plans for all our managed buildings.

This Statement provides an overview of our progress and the steps we are taking to identify, assess, and manage climate-related and nature-related risks and opportunities, aligned with the TCFD and TNFD frameworks.

Peter Menegazzo
CEO, Investa

1. World Economic Forum, 2024, The Global Risks Report 2024 19th Edition Insight Report.
2. Green Building Council of Australia, "A nature roadmap for the built environment. Discussion Paper", March 2024.
3. operationcrayweed.com

Introduction

As a diversified Australian real estate investment manager, developer and operator, Investa recognises the significance the local property industry plays in limiting climate change and nature.

We understand the critical role of nature in the global economy and the impact of biodiversity loss, as well as our contribution to these issues. That is why we developed a strategy that aims to support the United Nations Environment Programme's Kunming-Montreal Global Biodiversity Framework to halt and reverse nature loss by 2030 and restore ecosystems by 2050.[4] Our strategy involves altering the impacts of our operations on nature to help reduce emissions with a view to creating nature positive outcomes. It also shows the steps we are taking to address climate change in response to the Paris Agreement.[5]

As the importance of the interrelationship between climate, nature and our business is evolving, this year's report includes climate and nature disclosures in a combined statement. It outlines the actions we are taking through our platform and in our managed buildings to identify, assess and manage climate and nature-related risks and opportunities with reference to:

- TCFD framework[6]
- TNFD framework[7]
- The World Business Council for Sustainable Development (WBCSD) Roadmaps to Nature Positive: Foundations for all businesses[8] and Foundations for the built environment system[9].

4. Kunming-Montreal Global Biodiversity Framework | UNEP - UN Environment Programme
5. The Paris Agreement | UNFCCC
6. Recommendations | Task Force on Climate-Related Financial Disclosures (fsb-tcfd.org)
7. Recommendations of the TNFD – TNFD
8. Roadmaps to Nature Positive: Foundations for all businesses – WBCSD
9. The Roadmap to Nature Positive: Foundations for the built environment system – WBCSD
10. More detail on these achievements is provided in this report.

Key FY24 climate and nature strategy achievements[10]:

Our Climate Disclosure Statement 2022 and Climate Disclosure Statement 2023 outlined our approach in defining our climate scenarios, the risks and opportunities associated with those scenarios, and the application of our climate-related metrics to goals. This year, we have made progress with implementing our climate and nature strategy and in the development of our pathway towards nature positivity.

Our key achievements were:

Climate

- Achieved 100% net zero for scope 1 and 2 emissions and operational scope 3 emissions for our managed buildings in our core managed funds, one year ahead of our 2025 target.
- Procured renewable electricity equivalent to 100% of base building usage for FY24 across all managed buildings.
- Prepared electrification plans (base building) for 100% of managed buildings.
- Achieved 100% green debt for our core managed funds certified by the CBI, a year ahead of our 2025 target.

Nature

- Transplanted more than 100 crayweed plants in Lurline Bay with regeneration recorded.
- Completed nature materiality assessment to help us understand our material nature impacts and dependencies.

Climate and nature strategy approach

Investa has been focused on assessing and limiting the impacts of climate change since 2017 and extended our approach to include nature in 2023. Key milestones in our climate and nature strategy include:

Climate strategy

2018

Adopted climate scenarios

Set carbon targets

- Science-Based Targets initiative (SBTi) commitment for 100% net zero scope 1 and 2 emissions by 2040
- 40% tenant electricity reduction by 2040 from a 2015 base-year

Completed initial climate risk assessment

- Physical exposure risk assessed for Sydney, Melbourne and Brisbane

2019

Committed to TCFD

2021

Revised carbon targets

- Net zero scope 1 and 2 by FY25
- 40% tenant electricity reduction by FY30
- Reduction in embodied carbon in developments

2022

Established Climate Strategy Working Group

Committed to UN Race to Zero

Committed to WGBC net zero buildings

Completed climate change adaptation planning for buildings under management

Released inaugural Climate Disclosure Statement

2023

Redefined Climate and Nature Strategy Working Group charter to include nature

Completed transition risk and opportunities assessment

2024

Prepared 100% of base building electrification plans for Investa managed buildings

Procured 100% renewable electricity across all managed buildings in our core managed funds from 1 July 2023 (base building)

Achieved 100% net zero scope 1 and 2 and operational scope 3 for our managed buildings in our core managed funds

Achieved 100% green debt for our core managed funds certified by the CBI[11], a year ahead of our 2025 target

Completed materiality assessment of scope 3 emissions from Investa management platform and core managed funds

Nature strategy

2022

Developed circular economy strategy

2023

Developed nature positive pathway

Developed partnership with SIMS and established Operation Crayweed site at Lurline Bay

Expanded SIMS partnership to include ICPF and IGO for two additional Operation Crayweed sites at Maroubra and Dee Why

2024

Completed materiality assessment of Investa management platform and core managed funds' impacts and dependencies on nature

Released first combined Climate and Nature Disclosure Statement

11. investa.com.au/news/icpf-achieves-100-climate-bonds-initiative-cbi-certified-green-debt

Governance

How we enable effective decision-making regarding climate and nature-related risks and opportunities is guided by our overarching commitment to environment, social, governance (ESG) – and our understanding of interdependencies of buildings and climate and nature impacts.

We have reviewed our governance structure and implemented key changes in FY24 to support our commitments.

As described in the Introduction, **Investa Management Holdings Pty Limited (IMH)** is the parent company for the Investa management platform, Investa Management Pty Limited (IM). IM is a wholly owned subsidiary of IMH and is the primary employing entity in the business.

Investa operates a management platform that provides investment, building, property, facilities and development management services to the investment portfolios of various funds, joint ventures, external mandates and private clients in the real estate sector.

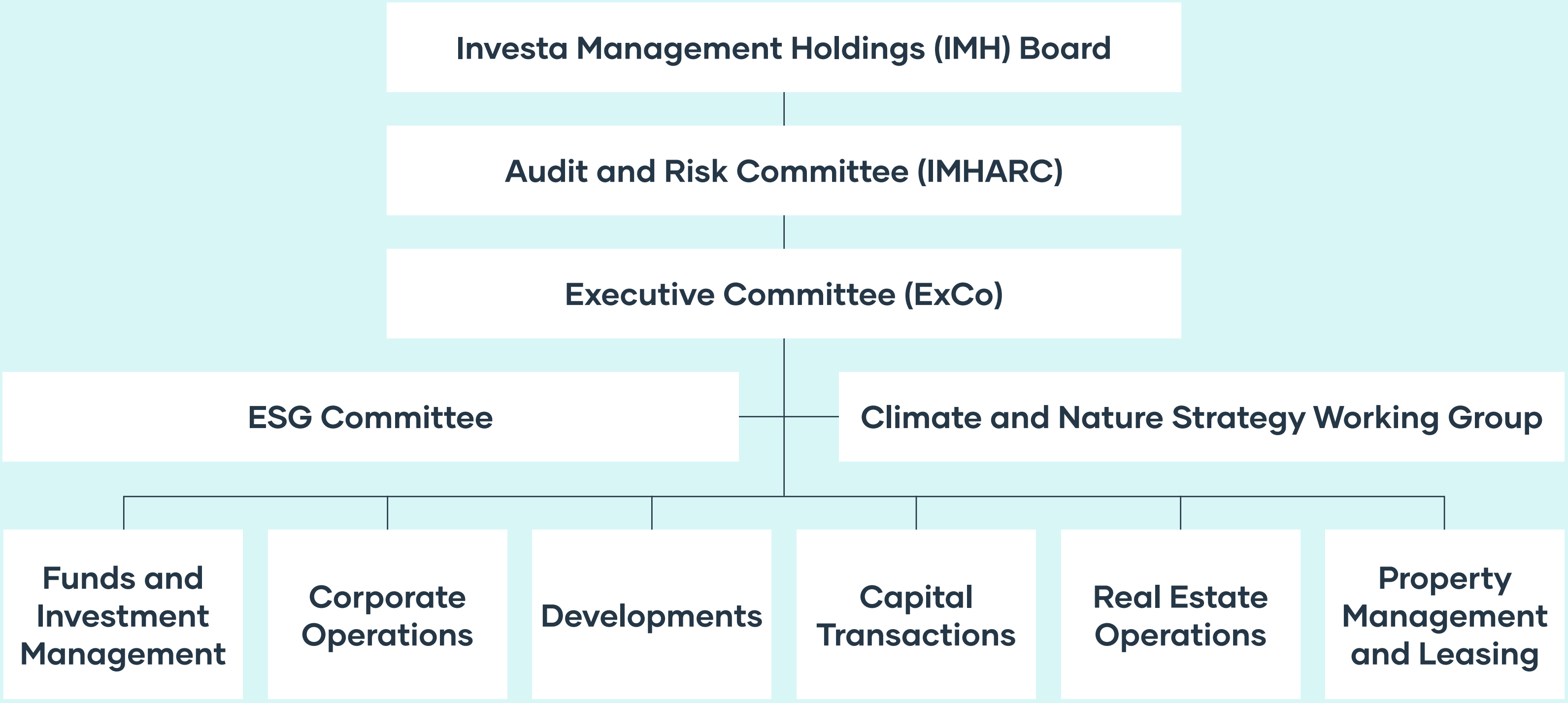
In its role as manager, Investa has the authority to make decisions on behalf of the owners about the operation of buildings up to certain limits. For matters outside of these limits, Investa has responsibility for making recommendations to our clients and owners who will decide how to proceed.

As part of our governance structure review, we have implemented two key changes to our governance:

1. Established the ESG Committee
2. Expanded the scope of our Climate Strategy Working Group to include nature (now known as the Climate and Nature Strategy Working Group).

Refer to page 7 for further details.

Our governance structure



Investa Executive Committee

Governance and management responsibilities

IMH Board

The IMH Board (the Board) oversees the Investa business and it comprises four independent or non-executive Directors. It meets a minimum of four times each year.

The key functions of the Board include the approval of Investa's strategy, and strategic direction and objectives, as set out in an IMH Board Charter. This includes the current ESG strategy, 'Transform Tomorrow,'[12] and our approach to managing climate-related issues across our platform, funds and buildings. With assistance from the IMH Audit and Risk Committee (the IMHARC), the Board is also responsible for overseeing the implementation of Investa's risk management policy and framework and approving climate and nature disclosure statements. The Board receives quarterly updates from ESG specialists within senior management, who are supported by independent subject matter experts. They provide the Board with biannual progress updates against targets, including climate and nature in the form of an ESG Scorecard.

12. ESG Sustainability - Investa

Governance and management responsibilities (continued)

IMH Audit and Risk Committee (the IMHARC)

The IMHARC Board committee meets quarterly at a minimum and assists the Board in discharging its responsibilities in relation to risk management, compliance, environment and sustainability.

The IMHARC understands Investa's sustainability obligations and has oversight of key sustainability initiatives and reporting, including:

- Overseeing the status of delivering key sustainability strategic initiatives, which may include the Investa climate resilience strategy and disclosures
- Reviewing significant sustainability issues and understanding their impact on the sustainability of Investa's operations and monitoring their appropriate inclusion in risk management processes
- Reviewing management reports on risks and opportunities in connection with Investa's sustainability initiatives, commitments, including performance
- Reviewing external communications
- Keeping the Board regularly informed regarding the above matters.

The IMHARC also reviews Investa's Climate and Nature Disclosure Statements.

Executive Committee (ExCo)

ExCo is responsible for ensuring day-to-day business operations are in line with our overarching strategy, goals and vision. ExCo members also play a key role in influencing the ESG strategy and the consistent implementation of related governance and performance across our management platform. This includes integrating ESG goals and standards into our culture and all business investments, operations, developments and practices. Delivering the overall Investa ESG strategy forms part of ExCo's key performance indicators and is linked to its short-term performance incentives.

ExCo also reviews Investa's Climate and Nature Disclosure Statements.

ESG Committee

The ESG Committee is a management committee established in 2024 by Investa consisting of the Chief Executive Officer, Chief Operating Officer - Real Estate and Chief Financial Officer to help manage, monitor and oversee ESG management matters as set out in the ESG Committee Charter. The ESG Committee is chaired by the Chief Financial Officer.

The role of the ESG Committee includes:

- Reviewing and recommending the Investa ESG strategy to the Board for approval (including climate and nature-related strategies)
- Reviewing and approving any ESG platform-related policies or procedures that guide management ESG practices
- Reviewing and monitoring the progress of key ESG strategic initiatives against its ESG strategy and/or stated ESG metrics and targets
- Reviewing management reports on risks and opportunities within Investa's ESG initiatives and commitments, including performance and compliance, and developing oversight of management's assessment of social and environmental impacts
- Reviewing current and emerging sustainability issues and opportunities, understanding their impact and materiality on the sustainability of Investa's operations and monitoring their appropriate inclusion in risk management processes.

Climate and Nature Strategy Working Group

Founded in 2021 as the Climate Strategy Working Group and renamed the Climate and Nature Strategy Working Group in 2024.

The group meets quarterly at a minimum. It is chaired by a member of ExCo (the Chief Operating Officer, Real Estate) and consists of representatives from various business units, including property management, facilities management, development, ESG, risk and compliance, investment management, capital transactions and finance.

The purpose and scope of the Climate and Nature Strategy Working Group is to guide the ESG team on the climate and nature-related strategy for Investa and its entities, particularly around:

- The development and deployment of the climate and nature-related components of the Investa ESG strategy
- Reviewing progress against climate and nature-related targets
- Reviewing climate and nature-related strategy components in annual sustainability reporting
- Supporting the review of climate and nature-related items within Investa's suite of policies
- Exploring the opportunity for climate and nature-related partnerships.

The Climate and Nature Strategy Working Group plays a key role in the preparation of Investa's Climate and Nature Disclosure Statements.

Policies

Investa's approach to managing and reporting climate and nature risks and opportunities is guided by our ambition and commitment to transforming real estate through ESG.

We recognise that having a robust system in place for risk management is an integral part of good management practice and a potential source of sustainable business benefits and competitive advantage. All employees are expected to proactively manage risks – an expectation that is set out in our policies.

Our approach to climate change and nature is governed by our risk management, sustainability and environmental policies.

Risk management policy

How climate and nature risks are managed

This policy covers Investa's risk management approach, guided by ISO 31000 - Risk management. The approach covered is applicable to all risk areas for Investa and applied to climate and nature-related risks.

Responsibilities

The Board is responsible for reviewing and approving this policy and its associated Risk Management Framework.

Management is responsible for actively identifying risks and designing and implementing this policy and framework. This includes ensuring the risk register is regularly updated and reviewed and bringing any extreme and high risks, along with any management actions to mitigate such risks, promptly to the attention of ExCo and the Board.

Employees at all levels are responsible for developing an understanding of and becoming competent in implementing risk management principles and practices, particularly as they relate to their work and areas of responsibility.

ExCo is responsible for overall risk management leadership, policy and framework design and implementing this policy and its framework.

Sustainability policy

How climate and nature risks are managed

This policy sets out Investa's commitment to consider ESG across all aspects of the business and identifies the ESG strategy we are guided by.

It also outlines the need to identify, assess and mitigate climate risk and incorporate resilience and adaptation measures into our investment approach; and the need to protect, restore and where possible enhance ecological biodiversity systems and environments in the regions in which we operate.

The policy also states our commitment to monitor, review and transparently report on the sustainability performance of the business in accordance with regulatory and voluntary reporting frameworks, and progress reporting disclosures towards the TCFD reporting framework.

Responsibilities

The IMHARC oversees the implementation, operation and effectiveness of this policy and its performance. The General Manager, Corporate Sustainability is responsible for implementing this policy.

Environment policy

How climate and nature risks are managed

This policy states that Investa will conduct our business in line with the Paris Agreement and we are committed to invest in, manage and develop sustainable buildings, in partnership with our customers, employees and suppliers. This includes managing our operations, service providers and subcontractors in a manner consistent with the principles of ecologically sustainable development. It also includes minimising the impacts of climate change by:

- Integrating climate risk assessment, resilience and adaptation into investment decision-making and operations
- Protecting and conserving ecological biodiversity across Investa's sites and operations and identifying opportunities to create nature positive outcomes.

Responsibilities

The Board oversees the implementation, operation and effectiveness of this policy and its performance. The Head of Environment and the Chief Operating Officer - Real Estate are responsible for implementing this policy.

Safety Health and Environment Management System Framework (SHEMS)

How climate and nature risks are managed

The SHEMS is designed to ensure the safety, health and environmental sustainability of Investa's operations. It includes:

- The governance structure to develop objectives, targets and indicators for environmental performance of Investa developments, buildings operations and upgrades, and corporate operations
- Requirements to continuously monitor and report on performance against agreed metrics
- A management framework for environmental incidents.

Responsibilities

The Board is accountable for overseeing the implementation, application and functioning of the SHEMS framework. The Audit and Risk Committee reviews the implementation and application of the SHEMS across the business.

Strategy

Investa's ESG strategy, 'Transform Tomorrow,' outlines our approach to addressing climate and nature-related risks in buildings, through our communities and in our business practices.

The below pillars from 'Transform Tomorrow' underpin our transition and resilience strategies for climate and nature. These strategies and roadmap are shown in the next sections of this disclosure.

Environment
Sustainable buildings

Transforming our managed buildings to positively impact people and the planet and setting a pathway to beyond emissions for our managed buildings.

Social
Thriving communities

Creating connected, healthy and inclusive communities that sets a pathway to positive social value.

Governance
Responsible business

An industry leading real estate platform that delivers sustainable investment solutions.

Leading the change from within

Investa Sustainability School | Sustainability Leaders Series | Sustainability Pledge

Adopted scenarios

Climate

Our climate and nature strategy continues to build on the scenario analysis and risk assessments set out in our Climate Disclosure Statement 2022. It applies to two climate scenarios derived from the sixth Intergovernmental Panel on Climate Change (IPCC) Assessment Report[13] (the most current at the time of writing). These scenarios are based on a range of temperature increases above pre-industrial levels and links them to real-world scenarios for emissions, land use and change, and political interventions:

Transition

Significant economic transition risks due to global efforts to limit global warming to 1.8°C above pre-industrial levels by 2100, following the IPCC SSP1-2.6.

Resilience

Physical risks increase to extreme levels due to global warming of more than 4°C above pre-industrial levels by 2100, following the IPCC SSP5-8.5.

We intend to undertake a comprehensive review of our climate risk assessments every 3-5 years including a review of our adopted scenarios; and continue to conduct a high-level review biannually in accordance with the Risk Management Framework.

Nature

In contrast to climate scenarios, which have a desired end target of 1.5°C limit for global warming, there is currently no single global target for nature, as nature is place-based and unique. This makes developing standard scenarios for nature challenging. We will analyse scenarios for nature during the development of our nature positive pathway, as part of the nature risks and opportunities assessment.

13. Intergovernmental Panel on Climate Change, AR6 Synthesis Report: Climate Change 2023 — IPCC

Time scales

Climate and nature

Our climate and nature strategy continues to consider the impacts across three time scales:

2024 - 2030

Short term
The period covered by the current business strategy and the term within which the majority of our leases fall due.

2030 - 2050

Medium term
The period where our buildings are likely to require significant life cycle works on major equipment.

2050 - 2070

Long term
The period where major redevelopments for most buildings are likely to be considered.

Transition roadmap

Our transition roadmap is outlined below:

2018 – 2019

- **Committed to TCFD**
- **Committed to a SBTi**

2022 – 2023

- **Committed to World Green Building Council Net Zero Carbon Buildings Commitment and United Nations Framework Convention on Climate Change Race to Zero**

2024

- **Achieved net zero scope 1 and 2 and operational scope 3 emissions for our managed buildings in our core managed funds.** Refer to page 30 for further details

2025 – 2030

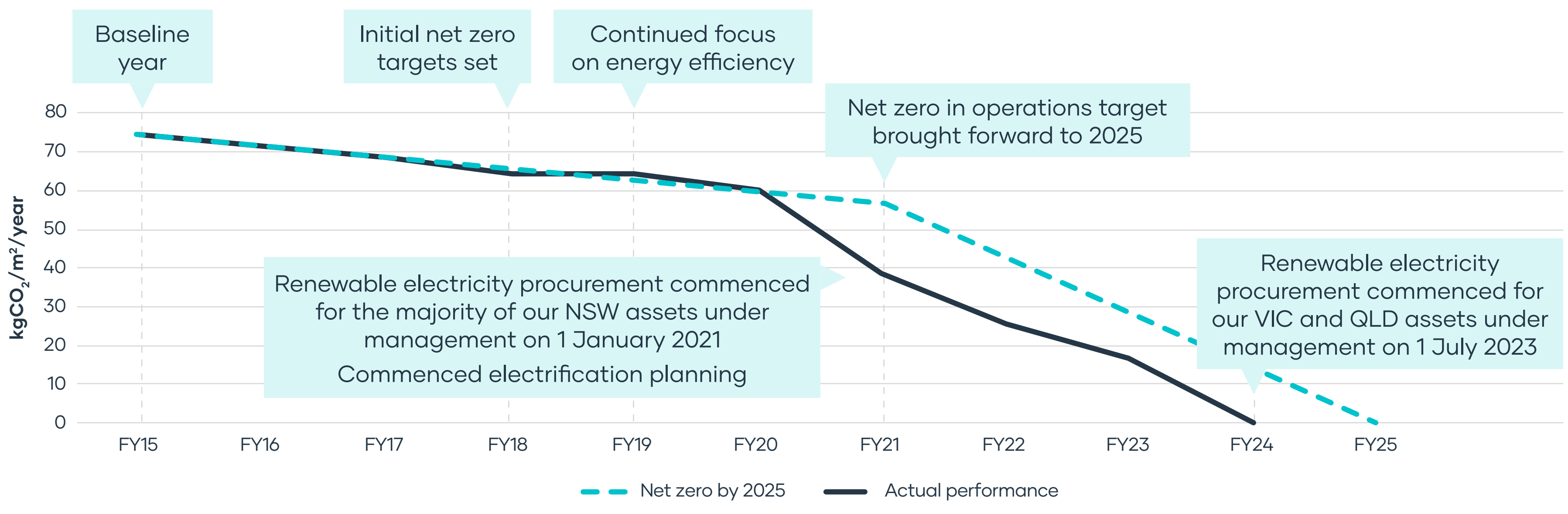
- **2025:** Net zero scope 1 and 2 and operational scope 3 emissions for all managed buildings
- **Working towards scope 3 reduction ambitions:**
  - Reduction in embodied carbon in capital works and managed developments (reduction target currently under review)
  - 40% tenant electricity emissions intensity reduction from a 2015 baseline year

Beyond 2040

- **Completion of electrification of our managed buildings**[14]
- **Working towards net zero emissions, scope 1, 2 and 3**[15]

Our pathway to net zero emissions

Emissions intensity performance over time (scope 1 and 2) for IMH managed buildings



14. Based on estimated implementation time frame of base building electrification plans for Investa managed buildings. Electrifcation plans align with building equipment end of life and replacement of gas with electrical infrastructure by 2040.
15. Aligned with SBTi, subject to release of SBTi built environment pathway application.

Transition strategy

In 2022 and 2023, as disclosed within our Climate Disclosure Statement 2022 and Climate Disclosure Statement 2023, we set strategic priorities for our transition strategy. In FY24, we continued to build on our existing strategic priorities, based on materiality assessments we conducted for scope 3 emissions and nature as detailed in the 'Risk management' section of this report (page 23).

Our strategic priorities are as follows:

- Setting our pathway to net zero, targeting net zero scope 1 and 2 emissions by FY25.
- Reducing scope 3 emissions.
- Investing in lower carbon technologies.
- Investing in natural capital.
- Working with our employees and tenants to facilitate the transition.
- Preparing for climate disclosure changes in Australia.
- Understanding market decarbonisation models.
- Assessing the resilience of our business to climate risks.

The tables on the following pages outline how we have been addressing each of these strategic priorities in 2024, the relevant risk area, specific risk addressed and the material impacts if left unaddressed.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Climate				
Setting our pathway to net zero, targeting net zero in operations (scope 1 and 2) emissions by 2025	• Achieved net zero scope 1 and 2 emissions and operational scope 3 emissions for our managed buildings in our core managed funds, one year ahead of our 2025 target • Procured renewable electricity certificates equivalent to 100% of base building usage for FY24 across managed buildings. Refer to 'Renewable electricity procurement' adjacent for more details • Completed base building level NABERS improvement and base building electrification plans for managed buildings. Refer to 'Base building electrification' on the following page for more details • Residual carbon offsets purchased by Investa were nature-based	Policy and legal, Technology, Market, Reputation	• Increasing price of emissions • Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology • Volatility and uncertainty of energy markets • Uncertainty in carbon offset market • Shifts in consumer preferences • Negative stigmatisation of sector	• Increased operating costs • Increased costs and/or reduced demand for products and services resulting from fines and judgements • Research and development expenditure in new and alternative technologies • Abrupt and unexpected shifts in energy costs • Reduced revenue from decreased demand for goods/services • Reduction in capital availability
Reducing scope 3 emissions – tenant electricity use	• Achieved access to 100% data coverage of tenant electricity use in FY24 • Completed internal analysis of Investa's tenants' public net zero commitments: 60% of our tenants (by NLA) have made public net zero commitments and 37% (by NLA) have made public renewable electricity commitments • Held tenant sustainability committee meetings in our managed buildings, where we invited tenants to share their carbon reduction commitments • Developed Tenant Sustainability Toolkit that provides recommendations on sustainable fitouts and information about our managed buildings	Technology, Market, Reputation	• Unsuccessful investment in new technologies • Changing customer behaviour • Uncertainty in market signals • Shifts in consumer preferences • Negative stigmatisation of sector	• Research and development expenditure in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Reduced revenue from decreased demand for goods/services • Reduction in capital availability

Policy and legal | Technology | Market | Reputation

*The transition risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Renewable electricity procurement

In 2022, we identified volatility and uncertainty in energy markets as technology transition risks. Our Climate and Nature Strategy Working Group (previously a sub-working group called the Energy Working Group) considered these risks when it developed our renewable electricity procurement strategy, aiming to meet our 100% renewable electricity target. To manage these risks we considered agreement type, pricing arrangement, extent of connection to the electricity market, contract tenure and contract flexibility.

Just two years on, we have reached our 100% renewable electricity target for base building electricity usage across all managed buildings. We have achieved this through a combination of two measures:

- We are party to GreenPower™ agreements with electricity retailers. Under this scheme, the electricity retailer surrenders Large-scale Generation Certificates (LGCs) sufficient to cover the customer's metered electricity usage from the electricity grid
- We purchase LGCs and GreenPower™ equivalent to our metered electricity usage from the electricity grid. These are surrendered by the retailer on our behalf.

The above does not apply to:

- Electricity usage by tenants (as this is not base building electricity)
- Electricity usage outside of managed buildings.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Climate				
Reducing scope 3 emissions – new managed developments	• Continued progress towards Green Building Council of Australia (GBCA) Green Star rating targets of 6 stars for Investa managed commercial developments and minimum 5 Star Green Star ratings for our managed Build to Rent developments • Completed embodied carbon calculations for all managed developments as part of the life cycle assessment for Green Star submissions, which support our understanding of the carbon associated to Design and As Built developments	Policy and legal, Technology, Market, Reputation	• Increasing price of emissions • Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Substitution of existing products and services with lower emissions options • Costs to transition to lower emissions technology • Increased cost of raw materials • Uncertainty in carbon offset market • Shifts in consumer preferences • Negative stigmatisation of sector	• Increased costs and/or reduced demand for products and services resulting from fines and judgements • Reduced demand for products and services • Research and development expenditure in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Reduced revenue from decreased demand for goods/services • Reduction in capital availability
Reducing scope 3 emissions – capital works, refurbishment, and operation and maintenance	• Worked with contractors to disassemble fitout and recycle materials, where possible • Used The Footprint Company's[16] carbon calculator to inform reductions in embodied carbon in material selection and measure embodied carbon in capital upgrades projects • While emissions from our corporate operations were assessed as relatively immaterial to the broader Investa managed footprint, we have continued to address emissions from business travel, employee commuting, and upstream leased buildings	Policy and legal, Technology, Market, Reputation	• Increasing price of emissions • Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology • Increased cost of raw materials • Uncertainty in carbon offset market • Shifts in consumer preferences • Negative stigmatisation of sector	• Increased operating costs • Increased costs and/or reduced demand for products and services resulting from fines and judgements • Reduced demand for products and services • Research and development expenditure in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Reduced revenue from decreased demand for goods/services • Reduction in capital availability

16. Net Zero Carbon Calculation Tools | The Footprint Company

Policy and legal — Technology — Market — Reputation

*The transition risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Base building electrification

As part of our net zero pathway, we aim to have implemented electrification planning across all our managed portfolio by 2040. Our three new managed developments are fully electric base buildings – 360 Queen Street, Brisbane, and Indi Footscray and Indi Southbank in Melbourne – will help us achieve this.

We are also working towards electrifying our existing portfolio. This year, we reached a major milestone: 100% of managed buildings now have base building electrification plans. The plans consider the life expectancy of current plant and equipment and include switching from natural gas to electric equipment, including space heating, domestic hot water, and co/tri-generation systems. Standby diesel generation systems, refrigeration systems, and natural gas used for commercial cooking systems are not part of these plans, but form part of a separate future study undertaken by Investa.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Climate				
Investing in lower carbon technologies	• Identified a range of new technologies that inform strategic building planning to drive the transition away from fossil fuel use, through our base building electrification planning process • Procured renewable electricity certificates equivalent to 100% of base building usage for FY24 across managed buildings in our core managed funds. Refer to 'Renewable electricity procurement' on page 12 for more details • Continued the implementation of our digital technology strategy, which maximises building efficiencies and integrates new technologies	Policy and legal, Technology, Market	• Increasing price of emissions • Obligations on and regulation of existing products and services • Substitution of existing products and services with lower emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology • Volatility and uncertainty of energy markets • Uncertainty in market signals • Uncertainty in carbon offset market • Volatility and uncertainty in energy markets • Shifts in consumer preferences • Negative stigmatisation of sector	• Increased operating costs • Write-offs, building impairment and early retirement of existing buildings due to policy changes • Increased costs and/or reduced demand for products and services resulting from fines and judgements • Reduced demand for products and services • Research and development expenditure in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Abrupt and unexpected shifts in energy costs • Reduced revenue from decreased demand for goods/services • Reduction in capital availability

Policy and legal · Technology · Market · Reputation

*The transition risks identified are:
- Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.
- Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Nature				
Investing in natural capital	• In FY24, 100% of carbon offset products purchased by Investa were nature-based Australian Carbon Credit Units • Completed our nature materiality assessment across our value chain to inform our nature positive pathway • Updated our nature positive strategy to assess and alter our impacts on nature • Established Operation Crayweed marine ecosystem regenerative partnership with the SIMS. 100 crayweeds planted in Lurline Bay, Sydney, with 9 new craybies recorded by May 2024. Refer to 'Operation Crayweed' adjacent for more details	Policy and legal, Reputation	• Increasing price of emissions • Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Shifts in consumer preferences • Negative stigmatisation of sector	• Increased operating costs • Increased costs and/or reduced demand for products and services resulting from fines and judgements • Reduced revenue from decreased demand for goods/services • Reduction in capital availability
Circular economy	• Progressed the implementation of our NABERS Waste improvement plans though the installation of on-site waste scales on all our buildings. This enables more accurate tenancy data to inform our customers about their waste profile on a regular basis and improve waste performance	Technology, Market, Reputation	• Unsuccessful investment in new technologies • Changing customer behaviour • Shifts in consumer preferences • Increased stakeholder concern or negative stakeholder feedback	• Reduced demand for products and services • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Reduced revenue from decreased demand for goods/services

Policy and legal | Technology | Market | Reputation

*The transition risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Operation Crayweed

The Investa platform is partnering with the SIMS on a biodiversity regeneration initiative, 'Operation Crayweed'. This project aims to restore crayweed, a species that had almost disappeared from Sydney's coastline by the 1980s due to urban development. The initiative involves transplanting healthy crayweed onto deforested reefs, where they can thrive and reproduce, eventually forming self-sustaining populations.

In November 2023, Investa volunteers helped document and tag transplanted crayweed at Lurline Bay, which were later installed by SIMS divers. Five months later, researchers found 65 thriving species and nine new crayweed plants. In December 2023, Investa committed to supporting two additional sites, which were transplanted in mid-2024 when ocean temperatures are optimal.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Social				
Working with our employees and tenant customers to facilitate the transition	• Conducted an organisation-wide survey to understand Investa employees' emissions from commute to work and work from home habits. The results were shared with Investa employees and will be used to review opportunities to reduce these emissions • Continued to conduct building sustainability committee meetings with our tenants, informing them how our buildings are tracking towards meeting our net zero commitments and sought information on their commitments • Educated tenants on the impacts of climate change and role and importance of nature through our Occupant Experience events. Refer to 'Working with employees and tenant customers' adjacent for more details • Shared our learnings from implementing sustainable finance with the broader property industry. Refer to 'Sharing our learnings on sustainable finance' adjacent for more details	Technology, Market, Reputation	• Unsuccessful investment in new technologies • Changing customer behaviour • Uncertainty in market signals • Geographic or sector exposure to climate risk • Shifts in consumer preferences • Increased stakeholder concern or negative stakeholder feedback	• Reduced demand for products and services • Reduced demand for goods and services due to shift in consumer preferences • Increased production costs due to changing input prices and output requirements • Reduced revenue from decreased demand for goods/services • Reduced revenue from negative impacts on workforce management and planning

Policy and legal Technology Market Reputation

*The transition risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Working with employees and tenant customers

We hosted a number of events for our employees, as part of one of the foundational elements of our ESG strategy 'Transform Tomorrow' to be 'leading the change from within', and tenants to raise awareness of climate and nature issues and encourage behaviour change.

- We ran an awareness campaign in our managed buildings celebrating World Ocean Day in June 2024. The campaign focused on the importance of Sydney's crayweed forests and biodiversity and included education through digital communication, lift screens and tenant sustainability committee meetings.
- For Earth Hour in March 2024, we partnered with Aboriginal owned and run not-for-profit native plant nursery Indigigrow. We gifted approximately 3,400 native Australian seedlings to our employees and tenants to encourage them to plant indigenous species in the communities in which they live.
- As part of Mindful May activities, we marked World Bee Day by gifting honey from Rooftop Bees.

Sharing our learnings on sustainable finance

Based on our experience in sustainable finance contracting, we were invited to share our insights and recommendations in the Green Building Council of Australia's guide, Unlocking the Value: A Practical Guide for Sustainable Finance in the Australian Real Estate Sector (dated November 2023).

Our partnership with SIMS on Operation Crayweed was also featured in the Green Building Council of Australia's 'A nature roadmap for the built environment' discussion paper.

Transition

Strategic priorities	How we have been addressing these priorities in 2024	Risk area*	Risk addressed	Material impacts if left unaddressed
Governance				
Preparing for climate disclosure changes in Australia	• Completed a gap analysis for ICPF regarding the mandatory climate-related financial disclosures expected to be progressively legislated in Australia from 2025 • Measured and reported on operational emissions (scope 1 and 2) annually including in our annual reporting, fund and mandate reporting, Global Real Estate Sustainability Benchmark (GRESB) and to the National Greenhouse Energy Regulator (NGERS) • Progressed our understanding of our scope 3 emissions though a materiality assessment in preparation for mandatory reporting	Policy and legal, Reputation	• Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Exposure to litigation • Increased stakeholder concern or negative stakeholder feedback	• Write-offs, building impairment and early retirement of existing buildings due to policy changes • Increased costs resulting from fines and judgements due to non-compliance with mandatory reporting disclosures • Reduced demand for products and services due to non-compliance • Reduction in capital availability
Understanding market decarbonisation models	• Continued proactive engagement with debt and equity partners to remain abreast of critical ESG factors. This involves sessions with key stakeholders on their views on critical and emerging ESG factors and how they are being addressed in industry at the moment and foreseen to be in the future	Policy and legal, Reputation	• Enhancing emissions reporting obligations • Obligations on and regulation of existing products and services • Exposure to litigation • Increased stakeholder concern or negative stakeholder feedback	• Write-offs, building impairment and early retirement of existing buildings due to policy changes • Increased costs and/or reduced demand for products and services resulting from fines and judgements • Reduction in capital availability
Assessing the resilience of our business to the risks	• Continued to review our governance structure and implemented two key changes: established the ESG Committee and expanded the focus of our Climate Strategy Working Group to include nature (now known as the Climate and Nature Strategy Working Group) • Achieved 100% green debt for our core managed funds a year ahead of our 2025 target. Refer to '100% green debt for core managed funds' adjacent for more details	Policy and legal	• Enhancing emissions reporting obligations • Exposure to litigation	• Write-offs, building impairment and early retirement of existing buildings due to policy changes • Increased costs and/or reduced demand for products and services resulting from fines and judgements

Policy and legal   Technology   Market   Reputation

*The transition risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

100% green debt for core managed funds

We have achieved 100% green debt for our core managed funds in operations, ICPF and IGO, a year ahead of our 2025 target. To meet the commercial Low Carbon Buildings Criteria set out in the CBI standards for green debt, the buildings in these portfolios must operate below the CBI emissions threshold for the duration of green debt funding.

Resilience roadmap

Our resilience roadmap to address physical climate risks is outlined below:

2018 – 2019
- Completed initial climate risk assessment
- Assessed physical exposure risk for Sydney, Melbourne and Brisbane

2022 – 2023
- Assessed climate change risk exposure
- Tenant and employee engagement in resilience

2024
- Completed climate change adaptation planning across 100% of our managed buildings

2025 – 2030
- Implement climate change adaptation plans for resilient buildings
- Review and update climate change adaptation plans to integrate scope 3 and nature material issues

Beyond 2040
- Resilient managed buildings[17]

17. Investa-adopted definition of resilience included in the Glossary.

Resilience strategy

As disclosed in our Climate Disclosure Statement 2022 and Climate Disclosure Statement 2023, we have set clear strategic priorities for our resilience strategy. The strategy considers both the acute and chronic hazards identified in our risk assessment and includes:

- Extreme temperature events
- Heat waves
- Reduced annual rainfall
- Drought conditions
- Increased flooding
- Increased intensity of storm events
- Increased fire weather
- Changing climatic conditions

In FY24, we built on our strategic priorities, informed by the materiality assessments we conducted for nature as detailed in the 'Risk management' section of this report (pages 23-25).

Our strategic priorities are as follows:

- Regularly assessing the resilience of our buildings against the physical impacts of climate change
- Implementing base building-level climate change adaptation plans
- Supporting community resilience
- Supporting nature-based resilience
- Aligning our building performance with our core managed funds green debt requirementst
- Reviewing and integrating the TNFD reporting framework

The following tables outline how we have been addressing each of these strategic priorities in 2024. The material impacts of these risks if not addressed would include increased operating costs, reduced revenue from decreased production capacity and write-offs, and early retirement of existing buildings.

Resilience

Strategic priorities	How we have been addressing these priorities in 2024
Climate	
Regularly assessing the resilience of our buildings against the physical impacts of climate change	• Continued to ensure that all managed buildings and developments have completed climate change adaptation plans within the last five years, in alignment with our 2025 target. Refer to 'Continued climate change adaptation planning' adjacent for more details
Implementing building-level climate change adaptation plans	• Updated Investa's precedent lease document for internal space design conditions to allow for extreme weather events and heat waves • Allowed for increased operational energy costs associated with extreme temperature events in forecasting utility cost for buildings • Implemented monthly energy and water consumption monitoring • Reviewed Investa's process for regularly assessing generator requirements and their effects on the base building and tenant
Social	
Supplier screening	• Worked towards integrating nature and carbon emission related risk assessments into our supplier due diligence
Nature	
Supporting nature-based resilience	• Supported three Operation Crayweed projects with a five-year investment to repopulate seagrass communities along the Sydney Coastline and partnered with SIMS to identify plant species' resilience in a warming climate • Continued employee engagement and volunteering with Operation Crayweed to understand nature's resilience and our nature investment, and to regenerate seagrass along the Sydney coastline. This was undertaken through our 'Sustainability Leaders Series' presentation to the business and the invitation to participate in the volunteering days held during the year as part of one of the foundational elements of our ESG strategy 'Transform Tomorrow' to be 'leading the change from within'
Governance	
Aligning our building performance with green finance, with our core funds targeting 100% green debt	• Reported compliant emissions to the CBI for ICPF and IGO on the progress of our transition for green debt purposes
Assessing the resilience of our business to the physical risks of climate change	• Continued reviewing our governance structure. Implemented two key changes to our governance: established the ESG Committee and expanded the scope of our Climate Strategy Working Group to include nature (now known as the Climate and Nature Strategy Working Group)
Reviewing and integrating the TNFD reporting framework	• Developed our Nature Positive strategy with reference to the Business for Nature and the UNPRI Nature Positive pathway • Commenced our review of the TNFD reporting framework and its application to our strategy

*The resilience risks identified are:

Modified or developed strategic priority due to scope 3 materiality assessment undertaken during the year.

Modified or developed strategic priority due to nature materiality assessment undertaken during the year.

Continued climate change adaptation planning

We continue to make sure all our managed buildings and developments (including commercial and residential) have completed climate change adaptation plans within the last five years. This involved completing physical climate-related risk assessments to identify how exposed our locations and buildings are to future climate-related events. The assessments included:

- Geographic risk exposure based on the broad metropolitan areas in which our buildings are primarily located including Sydney, Melbourne and Brisbane
- Site-specific building risk exposure including services, usage profiles, construction and current management practice.

We have developed a range of recommendations to further reduce our buildings' exposure to climate-related physical risks based on these assessments, to retain or achieve low levels of residual climate-related risks. These recommendations are captured in our climate change adaptation plans. We have also reviewed the risks and opportunities and included them in our 'Resilience' strategy.

We also completed a transition risk assessment at the management platform, fund and mandate level and identified a range of transition-related items that may impact our business in the short to medium term. We have reviewed the risks and opportunities and considered them as part of our 'Transition' strategy.

Nature roadmap

Our nature positive roadmap to mitigate nature risks and dependencies is shown below:

	What we've achieved		Our nature positive pathway ambitions	
	2020 – 2023	**2024**	**2025 – 2030**	**Beyond 2040**
Nature	Prepared nature positive aligned pathway	Completed materiality assessment on nature impacts and dependencies	Become TNFD adopters Implement nature positive aligned strategy Nature regeneration outcomes through nature positive partnerships	Nature positive aligned managed buildings
Waste	Prepared circular economy waste strategy Started tracking NABERS Waste ratings Started waste education programs with tenants	Developed consistent waste streams across Investa managed buildings Prepared NABERS waste improvement plans Ongoing tenant engagement to provide education on appropriate use of different bins to reduce waste going to landfill and contamination of other waste streams	Create waste efficient assets through: • Working with waste contractors to implement waste management plans per asset • Continuing tenant behaviour change programs to eliminate contamination of waste • Introducing wet and dry waste streams to enable full diversion from landfill	100% waste diverted from landfill in Investa managed buildings
Water	Commenced water consumption and NABERS water performance tracking	Continued to track NABERS water performance	Develop water neutrality strategy	Achieve water neutrality

Nature positive strategy

Our nature positive strategy reflects our ambition to mitigate impacts from our investments, operations and developments by focusing on carbon, energy, water, waste and biodiversity.

Our approach includes assessing our impact on nature, setting targets, transforming business practices to avoid and reduce negative impacts, and regenerating and restoring ecosystems. It also includes our intention to disclose our progress and report in line with established standards. The strategy emphasises the interconnected relationship of climate change and nature, advocating for simultaneous action to address both issues.

Applying the WBCSD Roadmap for the Built Environment[18] and TNFD framework, which supports the UN Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework (GBF), our strategy has four key steps as shown adjacent.

18. Roadmaps to Nature Positive: Foundations for all businesses – WBCSD

1 Assess and measure	2 Commit	3 Transform	4 Report
Our approach			
Measure value and prioritise material impacts and dependencies on nature	**Set science-based targets towards operating within earth's limits**	**Avoid and reduce negative impacts, restore and regenerate, collaborate across land and seascapes**	**Disclose performance in line with established frameworks**
Tracking to nature positivity			
Assess nature materiality across our value chain on the impact of our managed buildings, investments, developments and capital works and their dependencies on nature. Our approach is guided by the TNFD 'LEAP' framework (locate, evaluate, assess and prepare), which includes: 1. **Scope and locate:** identify Investa's business sectors and where they are located in the value chain. 2. **Evaluate nature impacts and dependencies:** prioritise potentially high impacts and dependencies on nature typical for the business, and associated value chains for further assessment. 3. **Assess risks and opportunities:** assess associated risks and opportunities for the business and for key stakeholders, so we can prioritise further action. This year using the ENCORE Nature Database, we completed the first two steps. The results of the materiality assessment are included on page 24.	Set climate and nature ambitions associated with: • **Carbon reduction** – net zero in scope 1, 2 and operational scope 3 • **Waste reduction** – zero waste to landfill • **Water conservation** – water neutrality • **Partnerships for nature regeneration**	• 100% of carbon offsets purchased by Investa contribute to nature, through e.g. nature protection and environmental planting • Operation Crayweed – seaweed regeneration across three sites	• Develop combined climate and nature disclosure report • Adopt TNFD

Risk management

We recognise that effective risk management is fundamental to achieving our strategic and operational objectives.

By understanding and effectively managing risk, we can create and protect value and provide greater certainty and confidence for investors, employees, partners and the communities in which we operate.

Risk management approach

Applying our Risk Management Framework, Investa's General Manager, Internal Audit and Risk, monitors the implementation of our risk management processes and management's identification, assessment and treatment of our identified risks. The General Manager, Internal Audit and Risk supports the ExCo, the IMH Board and the IMHARC with their risk management responsibilities, including as they relate to managing climate and nature-related risk.

We apply a systematic approach to risk assessment including identifying, assessing and prioritising risks. Our approach was designed in alignment with current best practices, including ISO 31000 - Risk management. Our risk matrix assesses risks based on their likelihood and consequence. The outcome of the assessment process is documented in our risk register, which is used to capture key risk and control information and prepare risk reports. Our risk assessment process is ongoing and we update, review and report on the risk register regularly.

Our climate and nature risk management approach is designed to align with:

- The GBCA Green Star Design and As Built Adaptation and Resilience guidance
- The standard for climate change adaptation for settlements and infrastructure – AS 5334 -2013
- ISO 31000 - Risk management
- GRESB framework requirements
- TCFD guidance
- TNFD guidance
- WBCSD *The Roadmap to Nature Positive: Foundations for the built environment system*

Risk management disclosures in this statement build on those outlined in our Climate Disclosure Statement 2022 and our Climate Disclosure Statement 2023.

Material risks assessments completed throughout the year

Understanding and addressing our scope 3 emissions

To understand and quantify our scope 3 emissions, we have conducted a materiality assessment using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.[19] The standard groups scope 3 emissions into 15 categories and helped us base our assessment on relevance and significance for Investa corporate platform operations and its managed investments.

The scope 3 emissions material to our managed investments, including externally managed buildings, are:

- Emissions associated with construction and embodied carbon in materials in development and capital works
- Emissions associated with tenant electricity.

Emissions from the following categories were not identified as material; however, these have the potential to change over time. As such, we note the importance of continuing to review and monitor them:

- Fuel and energy related emissions (scope 3 emissions linked to scope 1 and scope 2)
- Waste in operations – emissions associated with the disposal and treatment of waste generated in building operations.

19. https://ghgprotocol.org/corporate-standard

While emissions from our corporate operations were deemed relatively immaterial to the broader Investa managed building footprint, we will continue to address emissions from:

- Business travel
- Electricity use
- Employee commuting
- Materials and services used by our business.

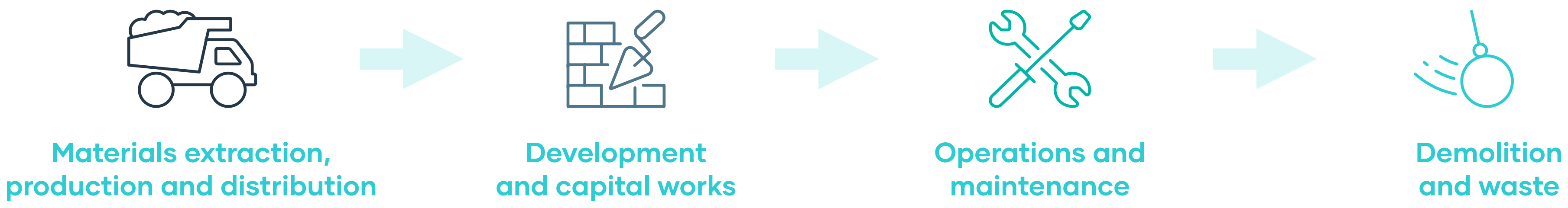
We can influence our operational platform electricity procurement and work with our broader business in understanding the carbon footprint of these emissions as part of our business strategy.

The outcomes of this materiality assessment have been used to build on the strategic priorities in our transition strategy. Refer to pages 11–17.

Our material nature impacts and dependencies

The table below shows the outcomes from our FY24 nature impacts and dependencies materiality assessment. These outcomes will be used to inform the nature risks and opportunities assessment we will be conducting in FY25.

Value chain stages



Impacts on nature

Impact type	Impact description	Value chain relevance
Land/sea use change	Habitat loss and ecosystem degradation	
Greenhouse gas emissions	Scope 1, 2 and 3 emissions	
Pollution of water resources	Water contamination from urban activities, including stormwater run off	
Air pollution	Particulate matter, volatile organic compounds, sulphur dioxide and carbon monoxide	
Waste	Downstream impacts such as pollution associated with waste	
Cultural heritage	Disruption to culturally significant sites	

Dependencies on nature

Dependency type	Dependency description	Value chain relevance
Access to freshwater	Reliance on rainwater and surface water for freshwater and water quality	
Climate regulation	Global climate regulation is provided by nature through the long-term storage of carbon dioxide in soils, vegetable biomass, and the oceans. At a regional level, climate is regulated by ocean currents and winds. At local and micro-levels, vegetation can modify temperatures, humidity and wind speeds	
Flood and storm protection	Flood and storm protection is provided by the sheltering, buffering and attenuating effects of natural and planted vegetation	

The outcomes of this assessment have been used to build upon the strategic priorities in our transition and resilience strategies set in prior years. Refer to the Strategy section of this Statement.

Emerging risks

Climate-related financial disclosure

Mandatory climate-related financial disclosure has been identified as a policy and legal risk (enhancing emissions-reporting obligations). With the Australian parliament passing legislation establishing mandatory climate-related financial reporting across Australia from 1 January 2025, we have continued to observe the changing regulatory environment. We attended industry events and made enquiries via industry groups to understand the changes and their application to the property sector. We also conducted a disclosure requirements gap analysis for one of our core managed funds, ICPF, and intend to develop an implementation plan for the business.

Nature-related financial disclosure

Mandatory nature-related financial disclosure has also been identified as a policy and legal risk (enhancing emissions-reporting obligations). With ISSB's announcement in April 2024[20] to begin work on nature-related disclosures, we are actively monitoring developments in this area and are participating in industry groups and events to stay informed.

Australian sustainable finance taxonomy

The development and implementation of the Australian sustainable finance taxonomy is another policy and legal risk (specifically, enhancing emissions-reporting obligations). As part of a joint industry-government initiative between the Australian Sustainable Finance Institute and the Commonwealth Treasury, we understand that the development phase of an Australian sustainable finance taxonomy is underway for new frameworks to support sustainable finance markets in Australia.

The buildings sector has been identified as one of the six priority sectors. We expect that a sustainable finance taxonomy will help drive and guide capital towards sustainable buildings, increasing the importance of our business to continue to focus on specific ESG criteria. We have reviewed the public consultation paper released in May 2024 that included draft pathways for the sector. The second and final round of public consultation is scheduled for November 2024. We are closely monitoring progress in this area and intend to continue participating in industry groups and events to stay informed.

Greenwashing

In December 2023, the Australian Competition and Consumer Commission (ACCC) provided further guidance and recommended stricter measures to ensure transparency and accountability in environmental claims.[21] These guidelines aim to assist companies to avoid making misleading or exaggerated claims about their environmental practices and sustainability efforts.

At Investa, we are committed to complying with our legal obligations. Our approach involves transparently communicating our adherence to ESG commitments and the proactive measures we take to identify and manage potential risks. This includes ensuring our ESG statements are backed by evidence and accurately reflect our sustainability initiatives.

To ensure adherence with our obligations, we reviewed and enhanced our ESG governance practices. We have also conducted employee greenwashing educational sessions led by external law firms to ensure a better understanding of the guidelines, as part of one of the foundational elements of our ESG strategy 'Transform Tomorrow' to be 'leading the change from within'.

Evolving third party certification systems and regulations

The landscape of sustainability standards is continually evolving. There have been significant updates in Green Star tools, Green Star Buildings and Green Star Performance,[22] requiring carbon reduction in both operational and embodied carbon, and increasing the focus on nature. The proposed increase of energy efficiency and solar panel requirements by the National Construction Code[23] aims to enhance environmental performance and resilience in the built environment. An embodied carbon tool,[24] currently being trialled by NABERS, will enable development projects to measure and rate their embodied carbon, which is set to be released in 2025.

Launched in 2023, the Nature Repair Act established a framework for a legislated, national biodiversity market to address environmental decline. Work is currently underway on the Nature Repair Market, which is due to open in 2025, and will establish a biodiversity certificate market.

Investa staff continue to participate in industry forums and certification working groups to closely monitor these developments. These activities help us develop new tools and review the implications of changing certifications and regulations for our building and development practices. They also allow us to inform our managed funds and mandates of emerging changes.

20. IFRS – ISSB to commence research projects about risks and opportunities related to nature and human capital.
21. Making environmental claims: A guide for business | ACCC.
22. Green Star Performance | Green Building Council of Australia (gbca.org.au).
23. PCD 2025 - Commercial building energy efficiency | ABCB.
24. NABERS Embodied Carbon | NABERS.

Metrics and targets

Investa has set metrics and targets to address climate and nature as part of our ESG strategy.

Transition

The metrics and targets that drive our transition strategy in our buildings and progress against these targets[25] are outlined adjacent.

Scope 1 and 2

	FY23 progress	FY24 progress	Working towards
Emission intensities scope 1 and 2 (kg.CO_2/m²/year)[26]	16.85	0 Refer to page 10 for more details	**FY25:** Net zero in scope 1 and 2 emissions
NABERS Energy weighted average rating for managed buildings	5.04 stars	4.88 stars	**FY25:** 5 stars
% of managed buildings with base building electrification plans (by NLA)	71%	100%	**FY25:** 100%
% electric managed buildings (base building, by NLA)	10%	10%	**FY40:** Implementation of electrification planning for 100% of our managed base buildings
Renewable electricity certificates as % of electricity consumption	60%	100%	**FY25:** 100%
Offset emissions from building operations	Completed offsets procurement planning	100% offset of scope 1 and operational scope 3 emissions for managed buildings in our core managed funds[27]	**FY25:** 100% scope 1 and operational scope 3 emissions offset
Managed developments[28] (commercial and residential) % electric base buildings (by development)	75%	75%	**FY30:** 100%

Scope 3

	FY23 progress	FY24 progress	Working towards
Reduction % in embodied carbon in capital works projects	45% reduction in embodied carbon in measured projects in NSW	Refer to page 27 for more details	Low carbon capital works across key capital upgrade projects. Refer to page 27 for more details
% of tenant electricity emissions recorded	**ICPF:** 77% **IGO:** 100%	**ICPF:** 100% **IGO:** 100%	**FY25:** 100%
Reducing tenant electricity emissions	To commence when data coverage achieves 100% across our managed buildings	To commence when data coverage achieves 100% across our managed buildings	**FY30:** 40% reduction in tenant electricity emissions
Reduction in embodied carbon in developments Implement net zero carbon (embodied carbon) roadmap for new developments	Commenced implementation of net zero carbon roadmap on pilot developments	Review and continued implementation of net zero carbon roadmap on pilot developments	**From FY35:** 40% reduction in embodied carbon in new developments
% of green debt	**ICPF:** 83% **IGO:** 100% **Managed development debt:**[28] 100%	**ICPF:** 100% **IGO:** 100% **Managed development debt:**[28] 100%	**FY25:** **ICPF:** 100% **IGO:** 100% **Managed development debt:** 100%

25. Targets refer to Investa managed buildings, for our core managed funds.
26. Calculated in accordance with Investa's reporting rules in the FY24 ESG Data Pack.
27. See Glossary for full list of buildings.
28. Managed developments include Indi Sydney City, Indi Footscray, Indi Southbank (2024 only) and Parkline Place.

Reducing embodied carbon in capital works projects

Over the past few years, we have been calculating the percentage reduction of embodied carbon in material selection compared to a baseline established across a range of capital works projects. These include bathrooms, lobby upgrades, end-of-trip facilities, wellness rooms, and tenancy fit-outs of our NSW buildings. However, the embodied carbon conditions have evolved and:

- The baseline we established has become outdated
- There has been an increase in the availability of data and databases
- The methodology has evolved from a percentage reduction approach to the absolute quantification of emissions
- The development of industry-accepted tools is currently in progress.

Consequently, we have decided to review our scope 3 targets related to embodied carbon for our capital works projects.

Resilience

The metrics and targets that drive our resilience strategy in our buildings, and progress against these targets are outlined below.

Climate change adaptation plans	FY23 progress	FY24 progress	Working towards
% of managed buildings	100%	100%	FY25: 100%
% of managed developments	100%	100%	FY25: 100%

Nature

The metrics and targets for nature, and progress against these targets, are outlined below.

	FY23 progress	FY24 progress	Working towards
Operational water use – NABERS water	4.36 stars	4.00[29] stars	5 stars
Operational waste - NABERS waste	-	2.96 stars	5 stars
Waste diversion	38%	38%	2040: Zero waste to landfill
Crayweed planting	-	1 site (Lurline Bay, Sydney)	Tracking biodiversity and engagement with SIMS

29. 94% by NLA of buildings assessed.

Next steps

Addressing and reporting on climate and nature is a priority for our business. We know our work is ongoing and we will continue to integrate climate and nature-related items into our business activities.

Our key areas of focus for 2024 and 2025 include:

1 Governance

- Continue to review our governance structure as it relates to climate and nature-related risks
- Review of our data systems and ESG data strategy to prepare for the adoption of mandatory climate related financial reporting and emerging regulations
- Review our policies and the integration of nature-related considerations
- Continue to assess and report to our Board on climate and nature-related risks, opportunities and how they are being addressed
- Review the application of the mandatory climate-related financial reporting, nature-related financial reporting and the Australian sustainable finance taxonomy as they become relevant.

2 Strategy

Transition

- Continue to implement base building electrification plans for managed buildings
- Review base building electrification plans for managed buildings every five years and expand electrification planning scope to include retail gas consumption
- Continue to integrate our net zero pathways into design guidelines for all new managed developments
- Review embodied carbon methodology for capital works projects for key project types, such as bathrooms, lobby upgrades, end-of-trip facilities, wellness rooms and speculative tenancy fitouts
- Review Buildings Sector Science Based Target-Setting Guidance and applicability to our managed buildings and managed developments
- Continue to engage our tenant customers to understand their electricity generation source.

Resilience

- Continue to implement climate change adaptation plans for all buildings to reduce the potential for physical and transition climate risk exposure for our buildings, funds and platform
- Invest in regenerating and transforming nature within our buildings and beyond our boundaries.

3 Risk management

- Review climate risk assessment for our buildings and business every five years
- Review climate change adaptation plans for buildings moving from development into operations
- Undertake nature risks and opportunities assessment for our material nature impacts and dependencies.

4 Global partnerships

We are signatories to, or supporters of, the following global industry groups.

- SBTi, which has certified our net zero ambition is aligned with a global warming trajectory of under 1.5°C (target under review). When it is released, we will review the final version of the Buildings Sector Science Based Target-Setting Guidance and its applicability to our buildings
- TCFD
- World Green Building Council's Net Zero Carbon Buildings Commitment
- United Nations Framework Convention on Climate Change Race to Zero
- Principles for Responsible Investment.

We also intend to formally adopt the TNFD framework to enhance our transparency of nature-related risks and opportunities and align our reporting with a recognised framework on nature disclosures.

These industry groups provide resources and recognised frameworks that help guide our work on climate change and nature.

Glossary

Term	Definition
Carbon neutral	In Australia, the term is defined by the Federal Government through the Climate Active Carbon Neutral program. Carbon neutral buildings are those that address all their emissions so that the carbon account is zero. Actions can include energy efficiency, use of renewables, and offsets, and must be considered in that order. The measurement is on a net annual basis.
Capital works	Investa defines capital works as construction works in managed buildings, including refurbishments.
Core managed funds	Investa's core managed funds are Investa Commercial Property Fund (ICPF) and Investa Gateway Office (IGO).
Managed buildings	Managed buildings are buildings managed by Investa (or its related bodies corporate) on behalf of Investa's investment funds and/or mandates who own the buildings. It does not include buildings owned by Investa's investment funds or mandates which are externally managed - such externally managed buildings are excluded from performance in this report, unless specifically referred to.
Managed developments	Investa managed developments, are development projects, financed by Investa managed funds or mandates.
Managed investments	Investa managed investments are the buildings financed by funds and mandates managed by Investa. Any fund/mandate-owned building which is managed by external parties are not included in this report unless referenced as externally managed buildings.

Term	Definition
Nature positive	The definition is adopted from TNFD's definition "Nature-related opportunities as activities that create positive outcomes for organisations and nature by avoiding or reducing impact on nature or contributing to its restoration". The Nature Positive initiative defines "Nature Positive" as "… a global societal goal defined as 'Halt and Reverse Nature Loss by 2030 on a 2020 baseline, and achieve full recovery by 2050'. To put this more simply, it means ensuring more nature in the world in 2030 than in 2020 and continued recovery after that." https://www.naturepositive.org/what-is-nature-positive/
Natural capital	Our natural resources including the vegetation, soils, water, oceans and biodiversity and the services that they provide to our businesses, people and the economy. The definition adopted is with reference to the Department of Agriculture, Water an Environment in 2021.
Net zero	The balance between the amount of greenhouse gas produced and the amount removed from the atmosphere on a net annual basis. The definition adopted is in alignment with the 'Climate Positive Buildings & our Net Zero Ambitions' issued by the Green Building Council Australia, dated November 2021. Investa managed buildings that have achieved net zero scope 1 and 2 emissions, in FY24, include: • 1 Market Street, Sydney, NSW • 120 Collins Street, Melbourne, VIC • 126 Phillip Street, Sydney, NSW • 135 King Street, Sydney, NSW • 179 Turbot Street, Brisbane, QLD • 151 Clarence Street, Sydney, NSW • 201 Kent Street, Sydney, NSW • 259 Queen Street, Brisbane, QLD • 347 Kent Street, Sydney, NSW • 40 Mount Street, North Sydney, NSW • 420 George Street, Sydney, NSW • 522 Flinders Lane, Melbourne, VIC • 567 Collins Street, Melbourne, VIC • 6 O'Connell Street, Sydney, NSW • 60 Martin Place, Sydney, NSW.

Term	Definition
NLA	Net Lettable Area.
Resilience	The ability to prepare for, recover from and adapt to current and projected scenarios, while maintaining the building's or business' essential functions.
Scope 1, 2 and 3 emissions	The Greenhouse Gas Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes': • **Scope 1 emissions** are direct emissions from owned or controlled sources, such as gas, diesel and refrigerants • **Scope 2 emissions** are indirect emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company • **Scope 3 emissions** are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Contact

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