



Climate Disclosure Statement 2023

1 July 2022 - 30 June 2023



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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.

The information in this report is current as at December 2023 with assured data provided as at 30 June 2023. It is intended to provide general information only and nothing in it should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making an investment decision.

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About this Statement

This Climate 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-related risks and opportunities.

The statement has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This report has been prepared by Investa’s Climate Strategy Working Group and is approved by the IMH Board of Directors.



A message from our CEO



The 2023 Intergovernmental Panel on Climate Change (IPCC) this year identified that human induced global warming has raised global surface temperatures by 1.1°C.

This year temperature records have been broken in many countries, with the months of July, August and September breaking heat records, with climate scientists identifying that 2023 could become the hottest year on record.

Along with global leaders, Investa has an ambition to a 1.5°C future, and with these latest findings, urgent action is required. We recognise the material impact climate change poses and the role the real estate sector must play to address these impacts. Identifying, monitoring and transparently reporting climate change risks and opportunities across our portfolio are a priority for our business.

Investa's actions to address climate change are encompassed in our ambition to reshape real estate through our Environmental, Social and

Governance (ESG) strategy, Transform Tomorrow. Through this strategy, we work to drive net zero and climate resilience through our sustainable buildings, to address community resilience in thriving communities and to instill resilient business practices aligned to climate transition.

This year, our focus on resilient buildings has seen continued implementation of our building level climate change adaptation plans, which are also informing our management practices and strategic capital works planning. As we continue to review our risk environment, we have integrated climate related events into our business continuity plans.

Our transition to net zero (scope 1 and 2) by FY25 pathway has seen strong outcomes in reducing our electricity and overall emissions, with a 34% reduction in our emissions intensity, since 2022. This achievement was made through our energy efficiency programs and renewable electricity procurement.

To reach our FY25 net zero in operations (scope 1 and 2) target, we will continue to focus on energy efficiency, reducing our reliance on fossil fuels from our buildings via electrification and further procurement of renewable electricity. Where we cannot eliminate scope 1 building emissions, we will purchase carbon offsets for these residual emissions.

Our net zero goals extend to some of the most material emissions sources from our value chain, including downstream emissions from tenant electricity consumption (42% reduction by the end of FY30), and upstream emissions from embodied carbon in capital works (45% by the end of FY25). We continue to work with our capital works partners and construction partners on the reduction of embodied emissions in our renovations and developments.

We acknowledge the continuously changing regulatory environment. We work closely with regulatory and industry bodies to provide transparency to the investment community around how climate-related risks and potential financial impacts are quantified, understood and addressed.

To better understand the transition impacts of climate change, our Climate Strategy Working Group is establishing a methodology to quantify the financial impacts of climate change and has begun testing this methodology across our business practices.

We understand that global investors are seeking to apply decarbonisation tools to their portfolios to understand their exposure to climate risk. This year we reviewed the Carbon Risk Real Estate Monitor (CRREM) assessment tool and its application in the Australian real estate market, and have identified recommendations for improved regional application. We will continue to work with leading industry bodies to refine its localised utilisation.

We recognise the role that nature plays in the global economy and that biodiversity loss has exceeded planetary boundaries. We also recognise the role that the real estate sector has contributed to nature loss. Investa notes that the final recommendations from the Taskforce for Nature-related Financial Disclosures (TNFD) was released in September 2023. We intend to review these recommendations in line with our nature positive strategy.

We're pleased to provide our second annual climate disclosure report. This report provides an overview of progress made and the steps we are taking to identify, assess and manage climate-related risks and opportunities with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Peter Menegazzo
CEO, Investa



Introduction




As a real estate investment manager, developer and operator, Investa continues to recognise the significance that the Australian property industry plays in addressing climate change.

We acknowledge a responsibility to demonstrate the steps we are taking in response to the Paris Agreement. This is our second climate disclosure statement and it outlines the actions we are taking to identify, assess and manage climate-related risks and opportunities with reference to the TCFD framework.



Key FY23 climate strategy achievements

Last year we outlined our approach in defining our climate scenarios, the risks and opportunities associated with those scenarios, and application of metrics to address our climate-related challenges. This year, our key achievements were:

Pillar	Transition	Resilience
<div> Environment Sustainable Buildings</div>	<ul style="list-style-type: none">Reduced our scope 1 and 2 operational emissions intensity by 34%, compared with FY22.Procured 60% of our managed portfolio's electricity consumption from renewable sources.Achieved 45% reduction in embodied carbon in measured capital works projects.Developed our Nature Positive Strategy, through which we will work to assess and address our impacts on nature.Commenced a partnership with Sydney Institute of Marine Science (SIMS) and invested in 'Operation Crayweed' project sites.Offset our FY23 corporate emissions of 505 tonnes that resulted in planting 802 trees in Australia through Greenfleet.	<ul style="list-style-type: none">100% managed buildings and developments with completed climate change adaptation plans in FY23, two years ahead of FY25 target.Management actions and capital works recommendations in climate change adaptation plans are being integrated into operational programs and strategies.
<div> Social Thriving Communities</div>	<ul style="list-style-type: none">Engaged with tenants and our employees on how to understand and reduce their carbon footprint as part of the 2023 Earth Hour campaign (#timeoutornature).Education of employees about energy poverty, through WWF and Solar Buddy, assembling 250 solar lights which were sent to families in PNG to replace carbon intensive kerosene lights with renewable electricity.	<ul style="list-style-type: none">Employee engagement and volunteering with 'Operation Crayweed' to understand our nature investment and to regenerate seagrass along the Sydney coastline.
<div> Governance Resilient Business</div>	<ul style="list-style-type: none">Seeking understanding and engagement of the changing regulatory environment through industry organisations including contributing to consultation papers on the Australian Government Climate-related Financial Disclosure (with the Property Council of Australia (PCA)), the Investor Group on Climate Change (IGCC) and Principles for Responsible Investment (PRI).Measuring and reporting on operational emissions (scope 1 and 2) annually.Contributed to the development of the GRESB tool (via the GRESB net zero carbon working group).Reviewed global decarbonisation model CRREM and its application to the Australian real estate market. Working with industry bodies PCA, GBCA and NABERS to inform CRREM on regional market applications.Establishing a methodology for the quantification of the financial impacts to our entities for key transition risks identified.	<ul style="list-style-type: none">Updated the business continuity plan to include climate-related events.Established a methodology for the quantification of the financial impacts to our entities for key physical risks identified.

Governance

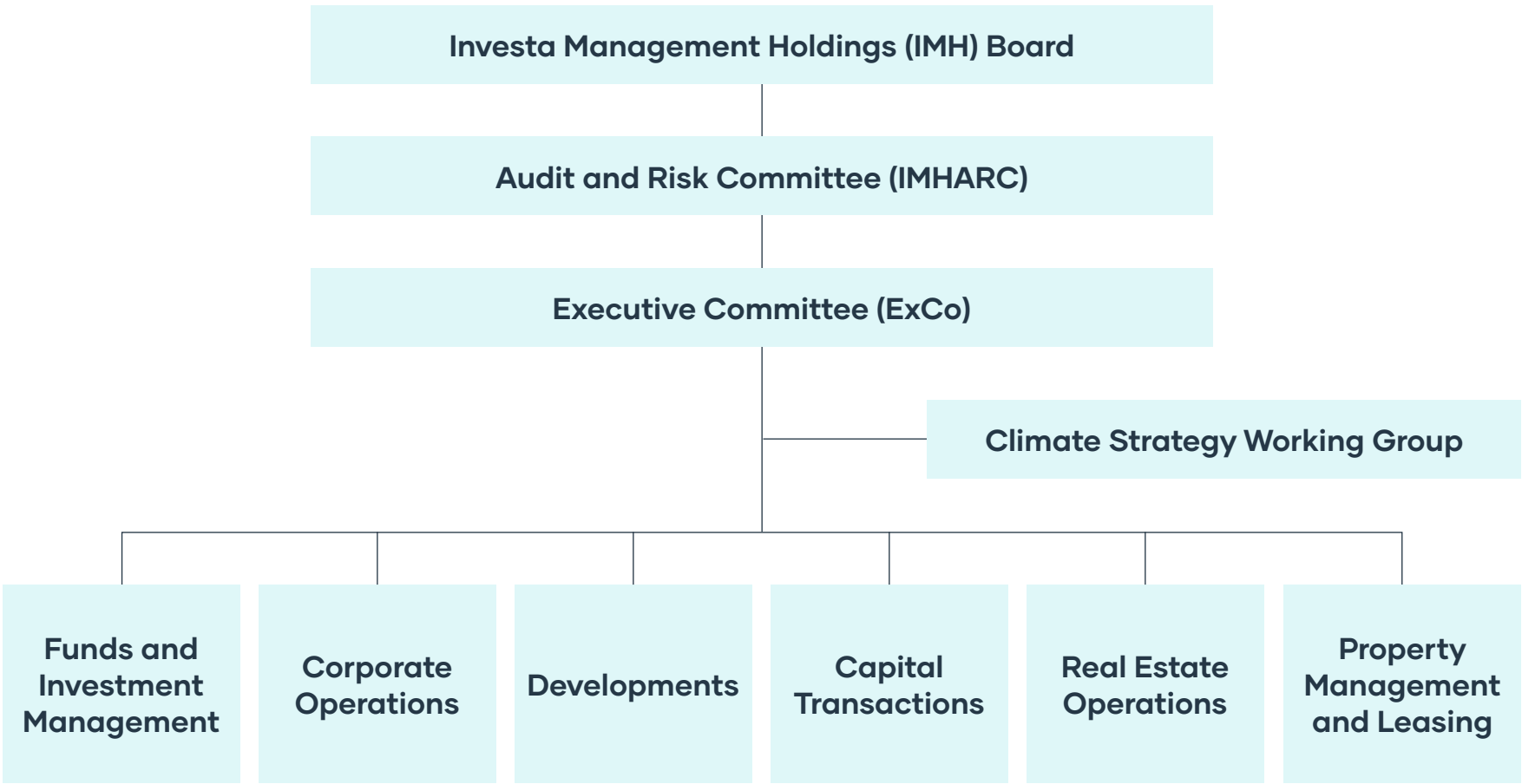
Investa’s approach to the management and reporting of climate change risks and opportunities is guided by our overarching commitment to ESG and our understanding of inter-dependencies of real assets and climate impacts.

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, asset, 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 in relation to the operation of assets up to certain limits. For matters outside of these limits, Investa has responsibility for making recommendations to our clients and owners who will decide whether to proceed with the recommended approach.

Our governance structure



Governance and management responsibilities



IMH Board

The IMH Board (Board) has oversight of the Investa business and is comprised of four independent or non-executive Directors. The Board meets a minimum of four times each year.

The key functions of the Board are set out in an IMH Board Charter. The Board has ultimate oversight of our ESG strategy, including our approach to managing climate-related issues across our platform, funds and buildings. Furthermore, the Board, with assistance from the IMH Audit and Risk Committee (the IMHARC), is responsible for overseeing the implementation of Investa’s risk management policy and framework. The Board receives quarterly updates from ESG specialists within senior management, who are supported by independent subject matter experts. An ESG Scorecard is provided in six monthly updates on progress against ESG strategy targets, including the climate strategy. This responsibility ensures that climate-related financial and environmental risks and impacts are appropriately identified and assessed.

Climate disclosure statements are to be approved by the Board.



IMH Audit and Risk Committee (the IMHARC)

The IMHARC is a committee of the Board, and assists the Board in fulfilling its risk management oversight responsibilities including climate change activities. The IMHARC meets quarterly at a minimum, with additional meetings scheduled as necessary.

The IMHARC supports the Board on climate-related matters by informing itself of Investa’s sustainability obligations and have oversight of key sustainability initiatives and reporting, including:

- Overseeing the status of delivery of key sustainability strategic initiatives which may include the Investa climate resilience strategy and disclosures relating to TCFD
- Review significant sustainability issues and understand their impact on the sustainability of Investa’s operations and monitor appropriate inclusion in risk management processes
- Review management reports on risks and opportunities in connection with Investa’s sustainability initiatives, commitments, including performance
- Review information to be released externally
- Keep the Board regularly informed regarding the above matters

Climate disclosure statements are reviewed by the IMHARC.



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 consistent implementation of ESG 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.

Climate disclosure statements are reviewed by ExCo.



Climate Strategy Working Group

A Climate Strategy Working Group was established in 2021, which reports to ExCo. The working group, chaired by a member of ExCo meets quarterly at a minimum. The group consists of representation from all business units, including property management, facilities management, development, ESG, risk and compliance, investment management, capital transactions and finance. The objective of the Climate Strategy Working Group is to oversee and advise on climate strategy across our business functions. Specifically, the Climate Strategy Working Group:

- Guides strategies and progresses targets to mitigate Investa’s contributions to climate change (by reducing Investa’s carbon footprint)
- Monitors Investa’s resilience to the physical risks and transition risks of climate change
- Oversees our climate disclosures.

The Climate Strategy Working Group is responsible for preparing Investa’s climate disclosure statements.



Policies

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

Investa recognises the requirement for effective risk management as a core capability. Consequently, all employees are expected to be managers of risk, an expectation that is set out in our policies.

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

Risk management policy

How climate risk is addressed

This policy covers Investa’s risk management approach which has been guided by ISO 31000 Risk Management.

Responsibilities

The Board is responsible for reviewing and approving this policy and its framework.

The active identification of risks and the design and implementation of this policy and framework are the responsibilities of management. This includes to ensure that the risk register is regularly updated and reviewed and to bring 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 the implementation of risk management principles and practices, particularly as they relate to their work and areas of responsibility. The Chief Legal and Risk Officer is responsible for the implementation of this policy.

Sustainability policy

How climate risk is addressed

This policy sets out Investa’s commitment to consider ESG across all aspects of the business platform. It identifies the ESG strategy that we are guided by.

The policy sets out the need to identify, assess and mitigate climate change risk and incorporating resilience and adaption measures into our investment approach.

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

Responsibilities

The IMHARC oversees the implementation, operation and effectiveness of this policy and its performance. The Chief Operating Officer is responsible for the implementation of this policy.

Environment policy

How climate risk is addressed

This policy states that Investa will conduct our business in line with the Paris Climate Agreement and is committed to invest in, manage and develop sustainable buildings, in partnership with our customers, employees and suppliers. This includes assessing and mitigating the risk of climate change for a resilient future and transitioning our business and investments to a low carbon economy in activities and operations across the Investa platform under its operational control.

Investa will manage its operations, service providers and subcontractors, in a manner that is consistent with the principles of ecologically sustainable development and minimising the impacts of climate change.

Responsibilities

The IMHARC oversees the implementation, operation and effectiveness of this policy and its performance. The Chief Operating Officer is responsible for the implementation of this policy.



Strategy

Championing the transition to a low carbon economy, while maintaining buildings that are resilient to climate change impacts, is a significant consideration for our business decisions. Investa’s ESG strategy, Transform Tomorrow outlines our approach to addressing climate change risks in real assets, through our communities and in our business practices:



Sustainable Buildings

Working towards net zero and climate resilience in our real assets.



Thriving Communities

Creating community wealth through employee and customer engagement and economic inclusion.



Resilient Business

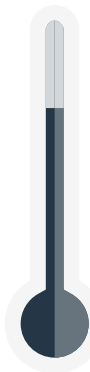
Investment practices are aligned to climate transition and resilience.

Our climate strategy builds on the scenario analysis and risk assessments disclosed within our [Climate Disclosure Statement 2022](#). It applies to two climate scenarios, both of which are derived from the IPCC’s Sixth Assessment Report. These 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

The ‘Transition’ or ‘transition to a low carbon economy’ scenario, with 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

The ‘Resilience’ or ‘business as usual’ scenario, where 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.

Our climate strategy is based on risk assessments undertaken in 2022, which considered the impacts across three time scales:

- **Short:** the period covered by the current business strategy and the term within which the majority of our leases fall due.
- **Medium:** the period where our assets are likely to require significant lifecycle works on major equipment.
- **Long:** the period where major redevelopments for most assets are likely to be considered.
















Transition strategy

In 2022, our strategy to transition to a low carbon economy set the following strategic objectives:

- Setting our pathway to net zero, targeting net zero scope 1 and 2 emissions by FY25.
- Setting scope 3 targets for reductions in tenant electricity emissions and embodied carbon in capital works and developments.
- Working with our tenants to reduce their electricity emissions.
- Investing in new technologies that drive a transition to a low carbon economy.

In 2023, we released our Nature Positive approach, which is now integrated into our transition strategic priorities as investing in natural capital to regenerate and move towards the transition. Our transition priorities have also been integrated into our ESG strategy’s key focus areas of sustainable buildings, thriving communities and resilient business.

As a result of our transition risk assessment in 2022, we aligned our strategy against our transition risks, categorised as policy/legal, technology, market and reputational, and refocused our strategic priorities to address these risks, as outlined below.

Strategic priorities	How we have been addressing these priorities in 2023	Risk area
Sustainable Buildings		
Setting our pathway to net zero, targeting net zero in operations (scope 1 and 2) emissions by 2025.	Implementing our net zero in operations pathway.	 
	Preparing building level NABERS improvement plans and decarbonisation plans for managed buildings.	 
	Created our renewable electricity procurement strategy.	 
	Created our carbon offset procurement plan.	 
Setting scope 3 aspirations for tenant electricity, capital works projects developments	Continued tracking of our tenant customer’s net zero commitments.	
	Continued implementation of our tenant electricity strategy.	
	Creating our net zero carbon roadmap and toolkit, which will inform development briefs, engagement with designers and capital partners.	 
	Achieved a 45% reduction in embodied carbon in measured capital works projects since 2021.	 
	Undertaking a review of current embodied carbon strategy for capital works and developments.	 



Policy and legal

















Technology












Market



Reputation

Strategic priorities	How we have been addressing these priorities in 2023	Risk area
Investing in natural capital to regenerate and move towards the transition	• Offset our FY23 corporate emissions of 505 tonnes, by planting 802 trees in Australia through Greenfleet.	
	• Created our Nature Positive strategy, to assess and address our impacts on nature; and invest further in nature.	 
	• Commenced a partnership with Sydney Institute of Marine Science (SIMS) and invested in Operation Crayweed, a seagrass restoration project on the NSW coastline.	 
	• Reviewed other opportunities for Investa, our fund and mandates to invest in natural capital.	
Investing in new technologies that drive a transition to a low carbon economy	• Our building level decarbonisation plans identify a range of new technologies that inform strategic asset planning to drive the transition away from fossil fuel use.	
	• The Energy Working Group has informed our renewable electricity procurement which has considered pricing structure, contract tenure and renewable electricity project linkage.	 
	• We will continue the implementation of our digital technology strategy, which maximises building efficiencies and integrates new technologies.	
Thriving communities		
Working with our employees and tenants to reduce their emissions	• Conducted 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.	 
	• Engaged with tenants and employees on how to understand and reduce their carbon footprint as part of the 2023 Earth Hour campaign #timeoutfornature.	 
	• Education of employees about energy poverty, through WWF and Solar Buddy, assembling 250 solar lights, which were sent to families in PNG (to replace carbon intensive kerosene lights with renewable electricity).	 

Strategic priorities	How we have been addressing these priorities in 2023	Risk area
Resilient business		
Preparing for changes for climate disclosures in Australia	• Seeking understanding of the changing regulatory environment through engagement with industry organisations in regulation development, including contributing to consultation papers on the Australian Government Climate-Related Financial Disclosure with the PCA, the IGCC and Principles for Responsible Investment (PRI).	
	• Measuring and reporting 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).	 
Understanding market decarbonisation models	• Contributed to the development of the GRESB tool via the GRESB Net Zero Carbon working group.	
	• Reviewed global decarbonisation model CRREM and its application to the Australian real estate market. Working with industry bodies PCA, GBCA and NABERS to inform CRREM on regional market applications.	
	• Participated in the IGCC Real Asset Sub Working Group understanding investor considerations in decarbonisation models and approaches.	
	• Continued pro-active engagement with debt and equity partners to remain abreast of critical ESG factors.	
Assessing the resilience of our business to the risks associated with the transition to a low carbon economy	• Built upon the climate change risk assessment undertaken in 2022 by establishing a methodology for the quantification of the financial impacts to our entities for key transition risks identified.	
	• Contributed to the publication of user guides for transition undertaken by industry groups including the Green Building Council of Australia (GBCA) and the Property Council of Australia (e.g. 'Every Building Counts' report).	

Resilience strategy

In 2022, our strategy for resilience or a 'business as usual' scenario set the strategic objective of assessing the resilience of our investments to the physical impacts of climate change on a forward-looking basis.

In 2023, we integrated our resilience strategic priorities into the key focus areas in our ESG strategy.

Strategic priorities	How we have been addressing these priorities in 2023
Sustainable Buildings	
Regularly assessing the resilience of our buildings to the physical impacts of climate change	<ul style="list-style-type: none">Commenced implementation of the climate change adaptation plans for our managed buildings.Coordinated with partners and their managers on the preparation of climate change adaptation plans.Prepared climate change adaptation plans for new developments as part of their Green Star pathway.
Implementing building level climate change adaptation plans	<ul style="list-style-type: none">Management actions and capital works recommendations in climate change adaptation plans are being integrated into operational programs and strategies.
Thriving communities	
Supporting community resilience	<ul style="list-style-type: none">Supported social enterprise Two Good in their ongoing resilience support to south coast NSW communities impacted by 'Black Summer' fires.
Engaging with employees on nature-based resilience	<ul style="list-style-type: none">Employee engagement and volunteering with Operation Crayweed to support our nature investment and to regenerate seagrass along the Sydney coastline.

Strategic priorities	How we have been addressing these priorities in 2023
Resilient business	
Aligning our building performance with green finance, with our core funds targeting 100% green debt	<ul style="list-style-type: none">Reported compliant emissions to the Climate Bond Initiative on the progress of our transition for green debt purposes.
Assessing the resilience of our business to the risks associated with the physical risks of climate change	<ul style="list-style-type: none">Reviewed governance practices to prepare our operations for physical climate change events including updating the business continuity plan to include climate-related events.Built upon the climate change risk assessment undertaken in 2022 by establishing a methodology for the quantification of the financial impacts to our entities for key physical risks identified.
Review and integrate TNFD reporting framework	<ul style="list-style-type: none">Our Nature Positive strategy has been developed with regard to the Business for Nature and the UNPRI Nature Positive pathway.Commenced review of the TNFD reporting framework and its application to our strategy.



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 monitors 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 change 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 ISO31000 Risk Management. Our risk assessments are based on our risk matrix which assesses risks based on their likelihood and consequence. The outcome of the risk assessment process is documented in our risk register, which is used to capture key risk and control information and is used to prepare risk reports. Our risk assessment process is ongoing with the risk register regularly updated, reviewed and reported on.

Our climate risk approach aligns with best practice, including:

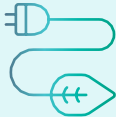
- The Green Building Council of Australia (GBCA) Green Star Design and As-Built Adaptation and Resilience guidance
- AS 5334 -2013 – the standard for climate change adaptation for settlements and infrastructure
- ISO31000 Risk Management
- Global Real Estate Sustainability Benchmark (GRESB) framework requirements.

Risk management disclosures in this statement, build on those outlined in our [Climate Disclosure Statement 2022](#).

Our climate risk management approach has developed tools for our managers to identify, assess and mitigate climate risks in our operations and developments, including:



Climate change adaptation planning informing management practices and strategic capital works projects. See next page for further details.



Energy efficiency plans to enhance the environmental performance of our buildings.



Decarbonisation plans for removal of gas infrastructure in our base buildings. See next page for further details.



Renewable electricity procurement strategy to inform current and future purchasing of renewable electricity in volatile and uncertain markets. See next page for further details.



Carbon offset procurement strategy to inform future purchases of quality offsets as part of our net zero pathway. See next page for further details.



Trialling tools that measure building performance against decarbonisation pathways.

These tools support our transition pathway to net zero and the resilience of our buildings.

Addressing our risks



Climate change adaption planning

To address the future resilience of our buildings, we conducted physical climate-related risk assessments to identify the level that our locations and buildings are exposed to future climate-related events. The assessment included:

- Geographic risk exposure based on the broad metropolitan areas in which buildings are primarily located, including Sydney, Melbourne and Brisbane.
- Building risk exposure relevant to their specific site, services, usage profiles, construction and current management practice.

Based on the risk assessment undertaken, a range of recommendations have been identified to further reduce our buildings' exposure to climate-related physical risks (to 'low' over the medium to long term). The risks and opportunities have been reviewed and considered as part of our 'Resilience' strategy.

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



Decarbonisation plans

Investa progressed electrification planning across our portfolio in FY23, working towards all managed buildings completing a decarbonisation plan. The plans consider the life expectancy of current plant and equipment and includes switching natural gas driven technologies with electricity driven ones, primarily associated with space heating, domestic hot water, and co/tri-generation systems. Standby diesel generation systems, refrigeration systems, and natural gas used for commercial cooking systems form part of separate reviews being completed.



Renewable electricity procurement strategy

In 2022, we identified that volatility and uncertainty in energy markets was a technology transition risk. Our Energy Working Group considered these factors when compiling our renewable electricity procurement strategy aimed towards meeting our 100% renewable electricity target. Considerations to manage these risks included pricing arrangement, extent of connection to the electricity market, contract tenure and contract flexibility.



Carbon offset procurement strategy

Offset products available within the domestic and international markets have received significant amounts of media attention and have been subject to pricing volatility over the last twelve months. Investa recognised the need for an offset procurement plan to inform the delivery of our net zero in operations target.

Offsetting the residual carbon in our buildings forms a part of our net zero in operations pathway. Understanding factors such as the credibility and quality of the offsets is important to Investa including:

- Verifiable – the offset is recognised by a reputable third-party verification body, which can demonstrate documentation of the offset performance.
- Additionality – the offset would not have occurred in the absence of a market for offset credits.
- Permanence – the offset must keep greenhouse gas out of the atmosphere permanently or almost permanently.

The Investa offset procurement strategy, completed in 2023, has considered these factors to determine the types of offsets we intend to purchase based on applied emissions scenarios over the short term, purchasing scenarios, procurement timing and co-benefits of available carbon offset projects domestically and internationally.



Emerging risks

Climate-related financial disclosure

Mandatory climate-related financial disclosure has been identified as a future regulatory risk. We acknowledge the release of the International Financial Reporting Standards (IFRS) S1 and IFRS S2 by the International Sustainability Standards Board (ISSB), the Australian Accounting Standards Board (AASB) Exposure Draft and the Climate-related disclosure consultation papers by the Australian Government Treasury.

Investa has been developing our understanding of the changing regulatory environment and has contributed to industry organisation climate-related disclosure consultation papers with the PCA, IGCC and PRI policy committees. Investa notes that the final implementation requirements for Australian companies remains outstanding; however, we intend to review these requirements upon their finalisation and develop an implementation plan accordingly.

Natural capital

We recognise the role that nature plays in the global economy and that biodiversity loss has exceeded planetary boundaries. As a real estate investment company with real assets, we also recognise the role the built environment has contributed to nature loss. Investa has developed a strategy that seeks to align with the UNPRI Nature Positive pathway for business, which supports the UN Convention on Biological Diversity’s Kunming-Montreal Global Biodiversity Framework, and overarching mission to halt and reverse nature loss by 2030 and by 2050 recover nature to thriving ecosystems that continue to support future generations.

The Nature Positive pathway requires us to assess and address the impacts our operations have on nature. With our strategy developed, we will now work to assess our impacts, our dependencies on nature and our strategic priorities to support nature positive outcomes.

Investa notes that the final recommendations from the TNFD were released in September 2023, and we intend to review these recommendations in line with our nature positive strategy.



Metrics and targets

Investa has set metrics and targets to address our climate change impacts as part of our ESG strategy. The metrics and targets that drive our transition strategy in our buildings, and progress against these targets are outlined below.

Scope 1 and 2	FY22 progress	FY23 progress	Target
Energy efficiency NABERS Energy weighted average rating (without GreenPower™)	5.09 stars	5.04 stars	FY25: 5 stars
Electrification % of managed assets with decarbonisation plans	64% ¹	71% ¹	FY25: 100% FY40: Fossil fuel free portfolio
Renewable electricity % of electricity consumption from renewable sources	45% ²	60% ^{2,3}	FY25: 100%
Offset residual emissions from building operations Offsets procurement planning	Commenced offsets procurement planning	Completed offsets procurement planning	FY25: 100% residual emissions offset FY30: Beyond zero carbon and nature positive
Net zero in operations Emission intensities scope 1 and 2 (kg.CO ₂ /m ² /year)	25.69	16.85	FY25: Net zero in operations scope 1 and 2 emissions
Scope 3			
Reducing embodied carbon in capital works Reduction % in measured projects	41%	45%	FY25: 45%
Reducing tenant electricity emissions % of tenant electricity emissions recorded	ICPF: 60% IGO: 100% 21% tenants publicly stated electricity commitments	ICPF: 77% IGO: 100% 39% tenants (by area) with publicly stated net zero ambition	FY25: 100% FY30: 42% reduction in tenant electricity emissions
Carbon neutral developments Implement net zero carbon (embodied carbon) road map for new developments	Net zero carbon roadmap and toolkit completed	Commenced implementation of net zero carbon roadmap on pilot projects	FY30: Carbon neutral developments
Green debt % of debt is green debt	ICPF: 83%	ICPF: 83% IGO: 100% BTR: 100%	FY25: ICPF: 100% IGO: 100%

1. Review for natural gas for space heating, domestic hot water and co/tri-generation purposes only. Review for natural gas cooking to be completed. 2. GreenPower™ equivalent to 100% - Renewable Power Percentage. 3. We signed a renewable electricity contract for our buildings located in Victoria and Queensland due to commence in 2024.

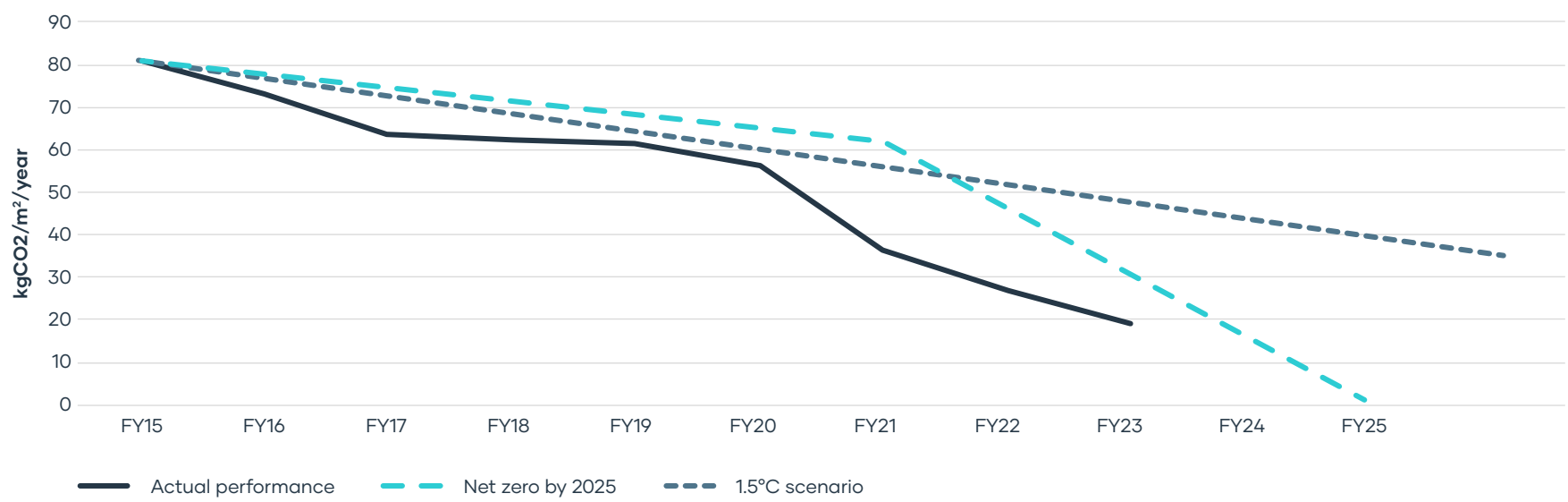
Metrics and targets

Investa’s resilience metrics and targets have identified physical climate risk exposure and adaptation measures to understand and address the resilience of our buildings now and into the future.

Resilience	FY22 progress	FY23 progress	Target
Climate change adaptation plans			
% of managed buildings	100%	100%	FY25: 100%
% of developments	94%	100%	FY25: 100%

Residual emissions intensity performance

Investa continues to progress towards our net zero in operations scope 1 and 2 target, with buildings under our operational control achieving a 34% reduction in carbon emissions intensity compared to 2022.



This outcome is associated with increased renewable electricity procurement across our managed portfolio, which aligns with our adoption to changing technologies. Our NABERS energy improvement plans and the implementation of our electrification plans to decarbonise our buildings over time are expected to further contribute to emissions reduction in our managed portfolio.



Next steps

Investa is committed to continuing to report climate change risks and opportunities across our portfolios as it is a priority for our business. Our work is not done, and we will continue to further integrate climate-related risks and opportunities in our business activities. The key areas of focus for 2024 and 2025 include:



Governance

- Continue to review our governance structure for assessing materiality of climate-related risks.
- Continue to assess and report to our Board on climate strategy risks, opportunities and how they are being addressed.
- Review of the application of the International Financial Reporting Standards (IFRS) International Sustainability Standards Board (ISSB) sustainability standards S1 and S2 to our entities and considering any adaptations that may be required to our business structure and processes.



Risk management

- Review of climate change risk exposure assessment every three years.
- Address emerging risks of nature and biodiversity loss through nature positive pathway and risk exposure assessment.



Strategy

Transition

- Review of our data systems and ESG data strategy in preparation for adoption of the IFRS ISSB sustainability standards S1 and S2.
- Implement our carbon offset procurement plan.
- Continue to implement our pathway for net zero in operations.
- Delivery of Climate Active certifications for our operational buildings.
- Integration of our net zero pathways into design guidelines for all new developments.
- Design guidelines for all new developments to inform resilience and transition to 'future proof' investments.

Resilience

- Implementation of climate change adaptation plans for all buildings to reduce the potential for physical and transition climate risk exposure for our buildings, funds and platform.
- Integrate a climate change adaptation framework (addressing the two climate scenarios) for all future investments, through development and acquisition, to minimise the level of risk exposure for our buildings, funds and platform.



Targets and metrics

- Continue to track our performance against the targets and metrics set within this document.
- Review targets and metrics annually.
- Develop additional targets and metrics for scope 3 emissions.
- Expand our targets and metrics to include nature positive and financial metrics and targets.
- Establish climate resilience metrics for new developments and climate adaptation metrics for existing buildings.

Global partnerships

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



SCIENCE
BASED
TARGETS

Science Based Target initiative (SBTi), which has certified our net zero ambition as aligned with a global warming trajectory of under 1.5°C



Taskforce for Climate-related Financial Disclosure (TCFD)



WORLD
GREEN
BUILDING
COUNCIL

World Green Building Council's Net Zero Carbon Buildings Commitment



United Nations Framework Convention on Climate Change Race to Zero

These initiatives provide resources and recognised frameworks to help guide our work on climate change.

Glossary

Term	Definition
Net zero	<p>The definition adopted is in alignment with the ‘Climate Positive Buildings & our Net Zero Ambitions’ by the Green Building Council Australia and dated November 2021.</p> <p>The balance between the amount of greenhouse gas produced and the amount removed from the atmosphere on a net annual basis.</p>
Carbon neutral	<p>The definition adopted is in alignment with ‘A practical guide to electrification for new buildings’ by the Green Building Council of Australia and dated 2021.</p> <p>A carbon neutral building, as defined in the Australian Government’s Climate Active standard, is a building that:</p> <ul style="list-style-type: none">• Meets an energy consumption target• Measures water consumption and operational waste• Calculates its emissions based on the above information• Uses renewable energy and/or eligible carbon offsets to settle its carbon account to zero. <p>Climate Active Carbon Neutral claims are third party verified.</p>



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