New Zealand Rural Land Co

2025

# CLIMATE RELATED DISCLOSURE

## FOR THE PERIOD ENDED 31 DECEMBER 2025

# Contents

# 1. Introduction

## 1.1. NZL's Business Model and Climate Context

New Zealand Rural Land Company Limited (NZL) is a rural land investment business focused on building and managing a diversified portfolio of high-quality agricultural and forestry assets across Aotearoa New Zealand. As at 31 December 2025, NZL owned approximately 17,077 hectares of rural land, operated under long-term lease arrangements. NZL's rural land portfolio is held through a Limited Partnership which is 75% owned by NZL and 25% owned by Roc Partners, an Australian alternative asset manager.

NZL's business model is distinct within the primary sector. As a landowner rather than an operator, NZL does not directly undertake farming or forestry activities. Instead, it provides access to land and influences outcomes through acquisition decisions, land-use selection, and contractual relationships with tenants. This model shapes both NZL's exposure to climate-related risks and opportunities, and the levers available to respond.

Climate change is a financially material consideration for NZL. The long-term value of rural land is inherently linked to its productive capacity, resilience to physical climate impacts, and alignment with evolving regulatory and market expectations. Changes in temperature, rainfall patterns, water availability, and the frequency of extreme weather events have the potential to affect land capability, tenant performance and asset values over time.

In parallel, transition dynamics- including changes in emissions policy, market access requirements, consumer preferences and capital allocation trends are expected to influence the relative attractiveness of different land uses and production systems. These dynamics are particularly relevant in the New Zealand context, where the primary sector plays a central role in the economy and is subject to increasing scrutiny in relation to emissions and environmental performance.

NZL's approach is grounded in the view that climate considerations are not a standalone sustainability issue, but a core component of prudent capital allocation and portfolio construction. This includes:

- Selecting land assets with resilience characteristics likely to remain relevant under a range of future conditions.
- Maintaining diversification across land use types and geographies.
- Supporting tenants to operate in a way that preserves long-term land value.
- Identifying opportunities to enhance environmental outcomes, including biodiversity and carbon sequestration.

Over the reporting period, NZL continued to diversify its portfolio, including further development of horticulture assets and expansion of forestry holdings, alongside ongoing native regeneration initiatives. These activities reflect a broader strategic focus on resilience, optionality, and long-term value preservation in a changing climate.

## 1.2. Purpose and Scope of this Climate Statement

This document represents NZL's third climate-related disclosure and reflects a material step forward in the quality and completeness of the underlying analysis.

This statement has been prepared with reference to the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB), taking into account NZL's current reporting context and the evolving regulatory environment. NZL has applied the standards to the extent considered appropriate for its business model and stage of development.

The purpose of this statement is to provide a clear, decision-useful view of how climate-related risks and opportunities may affect NZL's strategy, financial performance and long-term asset values. It's intended to support Board oversight, inform capital allocation decisions, and provide transparency to investors and stakeholders. This is consistent with the objective of the Aotearoa New Zealand Climate Standards, which are intended to support the allocation of capital towards activities consistent with a low-emissions, climate-resilient future.

A key development in the current reporting period is the completion of NZL's first full-scope, ISO-aligned greenhouse gas inventory, covering Scope 1, Scope 2 and all relevant Scope 3 emissions categories. This represents a significant improvement in data quality, methodological robustness and completeness relative to prior reporting periods, and gives NZL a more reliable foundation for understanding its emissions profile.

The inventory confirms that NZL's emissions are concentrated in Scope 3, primarily associated with leased farming and forestry activities across the portfolio. This reflects NZL's land-ownership model and reinforces that the company's primary influence over emissions sits in land-use decisions, tenant selection and portfolio composition, rather than direct operational control.

Consistent with XRB guidance, NZL's approach to climate disclosure is principles-based and evolving. The analysis presented in this statement draws on a combination of:

- Scenario analysis informed by IPCC-aligned pathways and New Zealand-specific climate projections.
- Sector-level transition assumptions, including policy and market developments.
- Portfolio-level data, including the FY25 greenhouse gas inventory.
- Engagement with external experts and internal governance processes.

Climate-related risks and opportunities are assessed across short-, medium- and long-term time horizons, recognising the long-lived nature of rural land assets and the uncertainty inherent in climate-related outcomes. NZL also continues to develop its transition planning approach. In the context of its business model, this is focused on:

- Improving the resilience of the existing portfolio.
- Supporting emissions reductions and environmental performance across the value chain.
- Incorporating climate considerations into acquisition and capital deployment decisions.
- Maintaining flexibility to respond to changing regulatory, market and physical conditions.

NZL expects to continue refining its disclosures over time as its evidence base, data quality and analytical capability continue to develop.

## DISCLAIMER

Climate-related risk and opportunity assessment involves the use of forward-looking information, including scenarios, assumptions, projections and judgments, which are inherently uncertain and may not materialise as anticipated.

NZL has prepared this statement using information available at the time of writing, including climate science, sector assumptions and internally developed analysis. While reasonable care has been taken to provide a sound basis for the disclosures, the data, methodologies and assumptions underpinning climate-related analysis continue to evolve.

Accordingly, these disclosures should be considered in the context of that uncertainty. NZL will continue to refine its approach as data quality, analytical capability and industry practice develop over time.

This document does not constitute financial, legal, tax, or other advice or guidance regarding capital growth or earnings.

Approved for release by the board on
28 April 2026

Rob Campbell
Chair

Tia Greenway
Director

# 2. Governance

## 2.1. Board Oversight of Climate-Related Matters

The NZL Board of Directors is responsible for the overall governance of NZL, including oversight of climate-related risks and opportunities where these are relevant to strategy, asset value, capital allocation and long-term portfolio resilience. In that context, the Board approves and oversees the company's overall strategic direction, including relevant frameworks, priorities, targets, metrics and policies.

The Board meets regularly during the year and considers climate-related matters as part of its broader oversight of strategic, financial and risk issues. NZL's external manager, New Zealand Rural Land Management Limited Partnership (NZRLM), attends Board meetings and supports the identification, assessment and management of risks and opportunities relevant to the portfolio, including climate-related matters. NZL's Board and NZRLM therefore work together to incorporate climate-related considerations into business planning, risk management, capital allocation and portfolio decision-making.

NZRLM is responsible for day-to-day portfolio management and tenant engagement. This includes supporting implementation of NZL's land management expectations and relevant climate-related actions across leased sites. NZL's governance role is distinct from that of an operator: the Board does not manage day-to-day farming activity, but it does oversee the strategic settings through which climate-related considerations are reflected in acquisition strategy, land-use decisions, tenant expectations and longer-term capital deployment.

A key mechanism through which climate-related considerations are communicated and monitored at site level is the Enduring Land for Life (ELFL) framework. ELFL forms part of NZL's broader approach to land stewardship, tenant expectations, and provides a basis for tracking relevant matters across the portfolio, including environmental performance and emissions-related information.

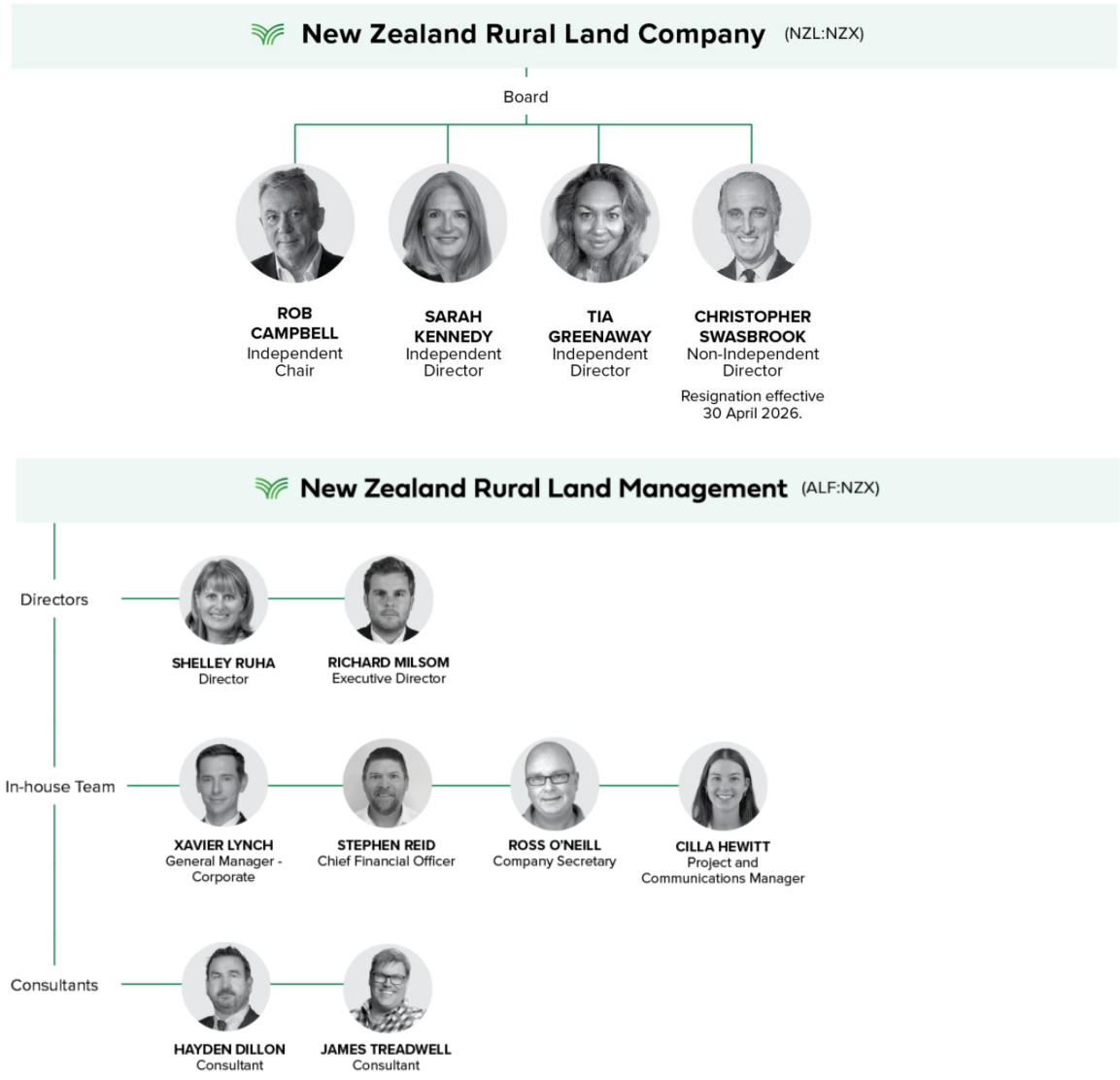
During CY25, NZL's climate governance continued to evolve from a primarily disclosure-led approach toward a more decision-useful governance model supported by improved underlying evidence. This included stronger emissions measurement through the FY25 greenhouse gas inventory, development of NZL's first decarbonisation plan, and further integration of climate-related considerations into acquisition due diligence and portfolio strategy. The FY25 inventory also confirms that NZL's emissions profile is overwhelmingly concentrated in downstream leased assets, reinforcing the importance of governance settings that focus on land use, tenant activity, portfolio composition and NZL's role as landowner and capital allocator.

NZL's acquisition strategy already reflects a range of climate-relevant factors, including physical resilience and broader land quality considerations. Over time, NZL expects to continue refining the way climate-related risks and opportunities are incorporated into acquisition assessment, portfolio optimisation and capital deployment decisions. This is reflective of NZL's broader positioning as a specialist yield vehicle focused on disciplined, yield-accretive growth supported by productive land assets and long-term portfolio quality.

## 2.2. Organisational Structure

| NZL BOARD | NZRLM |
|---|---|
| Rob Campbell – Independent Chair | Shelley Ruha – Director |
| Sarah Kennedy – Independent Director | Richard Milsom – Managing Director |
| Tia Greenaway – Independent Director | Xavier Lynch – General Manager |
| Christopher Swasbrook – Non-independent Director (resignation effective 30 April 2026) | Stephen Reid – Chief Financial Officer |
| | Ross O'Neill – Company Secretary |
| | Cilla Hewitt – Project and Communications Manager |

*Figure 1: New Zealand Rural Land Co. Organisational Structure.*




## 2.3. Governance Development Priorities

NZL expects its climate governance approach to continue developing as its evidence base, analytical capability and portfolio needs mature. In CY25, the completion of the FY25 greenhouse gas inventory and NZL's first decarbonisation plan materially strengthened the information available to support Board

oversight and decision-making. Together, these inputs provide a clearer basis for governance of emissions, portfolio transition, land-use decisions and longer-term resilience.

Looking ahead, the focus is expected to be less on establishing foundational climate disclosure capability and more on improving how climate-related considerations are incorporated into governance and investment processes. This is likely to include continued refinement of acquisition due diligence, clearer integration of climate-related considerations into portfolio review and capital allocation, and ongoing development of the data, monitoring and reporting needed to support effective Board oversight over time.

Specialist external input is expected to continue to support this process where needed, particularly in relation to emissions measurement, decarbonisation planning, physical climate risk, and broader climate-related strategy. NZL also expects to continue building governance capability over time, including through targeted training and further development of internal and external climate-related expertise available to the Board and NZRLM.

Over time, NZL's climate governance is expected to become increasingly focused on the quality of decisions supported by climate-related analysis, rather than on disclosure alone. For NZL, this includes governance of matters such as portfolio composition, tenant resilience, land-use optionality, physical climate exposure and the long-term resilience of lease income and asset values.

# 3. Strategy

## 3.1. Business Model and Strategy

NZL's strategy is to own high-quality rural land in New Zealand and to grow a diversified portfolio capable of delivering attractive risk-adjusted returns as a ground lessor. NZL's returns are generated through a combination of lease income and long-term land value appreciation, with portfolio construction, tenant quality and capital allocation discipline central to performance.

NZL's business model is distinct from that of an operator. NZL owns rural land and leases it to tenants under long-term lease arrangements, rather than directly undertaking farming or forestry operations. As a result, the company's commercial performance is driven primarily by land quality, lease durability, tenant capability, portfolio composition and capital allocation decisions. This means climate-related considerations are most relevant where they affect the long-term resilience, suitability and value of the underlying land and the ability of tenants to perform over time.

As at 31 December 2025, NZL owned approximately 17,077 hectares of rural land, with 100% occupancy across nine tenants. NZL's FY25 result subsequently reported a broadly diversified portfolio comprising 11,445 hectares of dairy land, 5,488 hectares of forestry land and 114 hectares of orchards.

During the reporting period, NZL continued to evolve the composition of its portfolio. This included settlement of a 305-hectare dairy property in Canterbury, which increased annual lease income, alongside the sale of two pastoral farms. NZL also completed the second tranche of its Central Otago apple orchard acquisition during 2025. These transactions are consistent with NZL's broader strategy of maintaining portfolio diversification while improving portfolio quality and long-term resilience.

NZL's strategic positioning is grounded in the view that long-term investment performance is linked to the enduring quality and resilience of land. In that context, diversification across land uses, geographies and tenants is commercially important because it supports portfolio flexibility and reduces concentration to any one production system, region or risk driver. This is particularly relevant in a changing climate, where physical and transition risks are likely to affect land uses and regions unevenly over time.

The FY25 greenhouse gas inventory and NZL's first decarbonisation plan reinforce this framing. Together, they indicate that NZL's climate exposure is concentrated in leased land uses, particularly pastoral systems, and that one of NZL's most significant structural levers lies in portfolio transition and investment shift, rather than solely in direct operational emissions reduction. In practical terms, this means NZL's climate strategy is most usefully expressed through acquisition discipline, land-use selection, tenant expectations and the long-term evolution of the portfolio.

NZL has also continued to identify parts of its portfolio that may support longer-term environmental enhancement and resilience measures, including targeted planting and regeneration activity where this is strategically justified. More broadly, NZL assesses climate-related risks and opportunities across short-, medium- and long-term horizons and continues to incorporate these considerations into strategic and operational planning.

## 3.2. Climate-Related Risk and Investment Decision-Making

NZL generates shareholder value through a combination of rural land asset appreciation and stable lease income from long-term lease arrangements with agricultural and forestry operators. Although NZL is not directly engaged in day-to-day farming or forestry operations and doesn't carry operating costs in the same way as an operator, the long-term performance of tenants remains fundamental to the resilience of lease income, land value and overall portfolio performance.

For that reason, NZL's strategic interest extends beyond the land itself to the broader operating environment in which tenants perform. Climate-related risks and opportunities are relevant to NZL where they affect land capability, tenant resilience, lease durability, insurability, financing conditions, regulatory exposure and the long-term suitability of different land uses.

NZL's business model has been designed to retain flexibility in the face of both physical and transition risk. Because NZL is not tied to a single land use, geography or sub-sector, it has greater ability than many operators to respond over time through acquisition discipline, portfolio diversification, land-use selection and capital allocation. This flexibility is commercially important in a changing climate, where relative performance is likely to diverge across regions and land uses.

Accordingly, climate-related risk assessment is relevant to NZL not only as a disclosure exercise, but as an input to investment and portfolio decision-making. This includes the use of specialist physical climate analysis and assessment to improve acquisition due diligence, inform portfolio optimisation, and strengthen understanding of how current and future climate conditions may affect asset resilience and long-term value.

NZL's diversification into horticulture and forestry, alongside its continued exposure to pastoral land, reflects this broader strategic approach. Over time, NZL expects climate-related analysis to play an increasingly important role in capital deployment, asset selection and the ongoing management of portfolio resilience.

## 3.3. Current Climate-Related Impacts

This section sets out NZL's current view of the physical and transition impacts of climate change that are already relevant to the business or are beginning to emerge in its operating context.

While many climate-related effects will intensify over longer time horizons, a number of relevant impacts are already evident. For NZL, these don't arise only through direct weather-related disruption at site level. They also arise through changing operating conditions for tenants, shifts in land-use economics, evolving policy and market settings, and increasing expectations from regulators, financiers, counterparties and wider stakeholders. In that sense, both physical and transition impacts already have the potential to affect lease durability, tenant resilience, land value and long-term portfolio performance.

NZL also recognises that not every adverse weather event experienced in New Zealand translates into a direct physical impact on its portfolio. The commercial relevance of physical climate impacts depends on where they occur, which land uses and tenants are affected, the resilience of the underlying asset, and whether the effect is temporary or more structural. This is one reason NZL is increasingly focused on more asset-specific and decision-useful analysis of physical climate exposure, rather than relying only on general national trends or high-level sector commentary.

Transition impacts are also becoming more material. NZL continues to monitor changes in the policy and regulatory environment relevant to agriculture, forestry, emissions and land use. This includes developments in the New Zealand Emissions Trading Scheme, wider carbon market settings, evolving environmental expectations, and the availability of lower-emissions technologies and farm system responses. As a company with exposure to both agriculture and forestry, NZL regards these transition dynamics as commercially relevant because they may affect the relative attractiveness, resilience and long-term economics of different land uses across the portfolio.

NZL notes that the Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Act 2024 came into force on 26 November 2024, removing agricultural activities from the New Zealand Emissions Trading Scheme. The Government has indicated an intention to introduce a farm-level agricultural emissions pricing system outside the NZ ETS by 2030. For NZL, this reinforces the importance of continuing to monitor how policy settings, carbon market dynamics and broader transition trends may affect tenants, land-use decisions and portfolio value over time.

Current climate-related impacts of most relevance to NZL have been identified through a combination of internal analysis, external input and Board-level risk assessment. The current impacts considered most relevant are summarised in Table 1. Anticipated future impacts are considered further in the scenario analysis sections below.

The results of these conversations are summarised in Table 1. Anticipated future impacts of climate change are explored more fully in Table 4, Section 3.6.

*Table 1: Current Physical and Transition Impacts*

| Impact type | Nature | Current impact | Description / relevance to NZL |
|---|---|---|---|
| Physical | Risk | Extreme weather events | Severe weather in October 2025 resulted in local emergency declarations in Canterbury, Southland and Clutha, while significant mid-year flooding in Nelson, Tasman and Marlborough caused widespread damage to roads, public infrastructure and private rural land, including farm buildings and orchard areas in parts of the upper South Island. These events reinforce that rural and regional areas remain exposed to acute weather disruption, even where impacts vary materially by region and land use. For NZL, the relevance of these events is not only whether a particular property is directly affected in a given year. It's also the potential for flow-through effects on tenant operations, logistics, infrastructure access, utilities, insurability and the wider resilience of rural communities and support networks. Over time, these factors may affect lease durability, land-use suitability and asset value. |
| Physical | Risk | Electricity price volatility linked to hydro conditions | Electricity price volatility remained relevant in 2025. Wholesale electricity prices eased in October 2025 as renewable generation increased, but prices remained sensitive during the year to hydro storage conditions, weather patterns and generation mix. For NZL, exposure to electricity price volatility is indirect and sits principally with tenants. However, where tenants are exposed to sustained or repeated energy cost pressure, that may affect operating resilience and, in turn, lease durability and portfolio performance. This is more relevant for some land uses and operating systems than others and is therefore best understood as a tenant- and asset-level resilience issue rather than a direct corporate energy cost issue |
| Physical | Opportunity | Relative land value and resilient production geography | Climate change may also create relative opportunity for rural land in geographies that remain productive, investable and comparatively resilient under changing climate conditions. For NZL, the commercial relevance of this does not lie in assuming a general uplift in all rural land values. Rather, it lies in the possibility that relative differences between stronger and weaker locations, water profiles and land uses become more pronounced over time. In that context, productive land with stronger resilience characteristics may become more strategically valuable than land that is more exposed to physical stress, infrastructure disruption or declining land-use suitability. This aligns with NZL's broader commercial framing that climate-related value is most likely to be realised through better asset selection, portfolio resilience and capital allocation discipline over time. |
| Transition | Risk and opportunity | Regulatory environment affecting land-use | The regulatory and policy environment relevant to agriculture, forestry, freshwater, biodiversity and emissions continues to evolve and already affects the economics of land use in New Zealand. Agricultural activities were removed from the NZ ETS under legislation that came into force on 26 November 2024, with the Government indicating an intention to introduce farm-level agricultural emissions pricing outside |

| | | | |
|---|---|---|---|
| | | economics and productivity | the NZ ETS by 2030. At the same time, policy settings relating to forestry conversions, ETS participation and wider environmental compliance continue to shape relative incentives across land uses. For NZL, these changes are commercially relevant because they may influence the relative attractiveness, profitability and resilience of different land uses, as well as the long-term value of assets with forestry, pastoral, horticultural or mixed-use potential. They may also influence financing conditions, compliance costs, tenant operating models and future capital allocation decisions. NZL's FY25 decarbonisation work reinforces this, identifying portfolio transition and investment shift as the most significant structural lever available to NZL as landowner and capital allocator. (legislation.govt.nz) |
| Transition | Risk | Reputational positioning and market access | Aotearoa New Zealand's primary sectors continue to rely on a strong international reputation for quality, integrity and environmental performance. Over time, that reputation may be affected by how effectively the sector responds to climate-related risk, emissions expectations and broader environmental pressures. For NZL, reputational considerations are also relevant at the entity level because the company's investment proposition is linked to long-term land stewardship, portfolio quality and resilience. In that context, reputational risk is relevant where weak climate-related performance, poor land stewardship or misalignment with market expectations could affect tenant quality, investor confidence, or the perceived quality and resilience of the portfolio. Conversely, credible climate-related capability and disciplined land stewardship may support NZL's broader structural positioning over time. This is consistent with NZL's public positioning and with the FY25 commercial opportunities work, which frames climate-related capability as part of investment discipline rather than as a standalone disclosure issue. |

## 3.4. Climate Scenario Analysis

Climate scenario analysis is a forward-looking tool used to assess how different plausible climate futures may affect the resilience of NZL's business model, strategy and portfolio over time. It supports consideration of both physical and transition risks and opportunities across a range of temperature outcomes and time horizons.

NZL continues to use the climate scenario analysis undertaken in prior reporting periods as an important input to its assessment of climate-related risks and opportunities. That analysis was developed using sector-relevant climate scenarios and remains useful as a strategic framework for considering how climate-related drivers may affect land use, tenant resilience, portfolio composition and long-term capital allocation over time. Consistent with NZL's earlier approach, the scenario framework considers three broad climate futures representing a range of temperature outcomes:

- a 1.5°C scenario
- a 2°C scenario
- a 3°C or greater scenario

These scenarios are not forecasts. Rather, they are structured, plausible futures used to test the resilience of NZL's strategy under different physical and transition conditions.

During CY25, the focus was on using the existing scenario framework alongside a materially stronger underlying evidence base. This included completion of the FY25 greenhouse gas inventory, development of NZL's first decarbonisation plan, and further consideration of how more location-specific physical climate information may improve understanding of asset- and region-level exposure over time.

In that sense, NZL's scenario analysis should be understood as an ongoing strategic tool rather than a one-off exercise. The role of the scenarios is to provide a structured basis for considering longer-term uncertainty, while the role of newer emissions, portfolio and physical climate work is to improve the decision-usefulness of that analysis for acquisition, portfolio resilience and capital allocation.

The boundary of the assessment remains broader than NZL's direct corporate activities alone and includes relevant effects across the portfolio and tenant base. Time horizons used in the analysis continue to reflect NZL's business model, including short-term operational planning, medium-term strategic planning and longer-term asset life and portfolio considerations.

NZL uses the following near-term, medium-term and long-term horizons when considering climate-related risks and opportunities.

*Table 2: Time Horizons Considered for Climate Risk and Opportunity Assessment*

| TIME FRAME | TIME INTERVAL | YEARS | RELEVANT BUSINESS PROCESS |
|---|---|---|---|
| NEAR-TERM | 1–4 years | 2026–2029 | Relevant to current operational planning, annual budgeting, near-term business planning and immediate portfolio decisions. |
| MEDIUM-TERM | 5–9 years | 2030–2034 | Relevant to medium-term strategic planning, including portfolio development, tenant resilience, land-use decisions and evolving policy and market settings. |
| LONG-TERM | 10+ years | 2035 onward | Relevant to long-lived land assets, lease structures, capital allocation, land-use change and the long-term resilience of the portfolio. |

## 3.5. Climate Scenarios Overview

These scenarios are not forecasts and do not represent NZL's view of the most likely outcome. Rather, they are structured and plausible scenario archetypes used to test the resilience of NZL's strategy under different combinations of physical and transition conditions. They draw on commonly used climate scenario archetypes and NZL's prior scenario work and have been selected to support assessment of risks and opportunities relevant to NZL's business model and portfolio.

*Table 1: Scenario architecture and assumptions underlying scenario pathways*

| Scenario | Core scenario narrative | Likely agriculture / land-use implications | Relevance to NZL |
|---|---|---|---|
| Tū-ā-pae (1.5°C) | An orderly transition scenario in which climate policy is introduced early and strengthens over time, with global warming broadly limited to 1.5°C. This represents a lower-warming pathway relative to current global settings, with more coordinated and predictable adjustment. | Lower-emissions production systems are favoured earlier. Climate and land-use data improve, adaptation is more proactive, and land-use decisions are made in a more structured policy environment. Native forestry, biodiversity and water quality outcomes strengthen relative to today, while more emissions-intensive systems face earlier pressure to improve or adapt. | Useful for testing how NZL's portfolio may perform under a more orderly transition in which stronger environmental performance, earlier adaptation and lower-emissions land uses are increasingly favoured. Particularly relevant to acquisition discipline, tenant readiness and the resilience of land uses that remain competitive under tighter climate settings. |
| Tū-ā-hopo (2.0°C) | A delayed and more disorderly transition scenario in which meaningful climate action occurs later and more abruptly, with warming limited to around 2.0°C only after a more disruptive adjustment. Physical and transition risks are both higher than under the 1.5°C scenario. | Policy and market adjustments occur later but with greater disruption. Operating and capital costs rise more sharply, physical impacts become more apparent, and poorly planned land-use change increases the risk of stranded or underperforming assets. The relative economics of land uses become more volatile, and resilience, water security and adaptability become more important differentiators. | Useful for testing NZL's resilience under a more disruptive transition, where policy and market changes may reprice land uses unevenly and place greater pressure on more emissions-intensive or less adaptable systems. Particularly relevant to portfolio flexibility, tenant resilience, lease durability and land-use optionality. |
| Tū-ā-tapape (3.0°C or greater) | A higher-emissions scenario in which additional climate policy is limited and global warming rises to 3.0°C or more over time. This reflects a higher-warming trajectory with increasing physical climate stress over the long term. | Heat, drought, extreme weather and infrastructure disruption become more material constraints on production and logistics. Insurance access and resilience costs become more important. Land-use performance diverges more sharply by region, water profile and asset characteristics. Some land uses remain viable only where adaptation, resilience and location advantages are strong. | Useful as a stress scenario for testing NZL's portfolio under more severe physical climate conditions. Particularly relevant to asset selection, regional and land-use differentiation, long-term land capability, and the value of stronger physical resilience, diversification and earlier identification of higher-risk or lower-suitability land. |

## 3.6. Scenario Analysis Insights

NZL's scenario analysis continues to indicate that climate-related risks and opportunities are likely to affect the portfolio unevenly across land uses, regions and time horizons. The value of the analysis is therefore not in identifying a single expected future, but in helping NZL test the resilience of its business model under different combinations of physical and transition conditions.

Across the scenarios considered, several themes remain consistent. First, climate-related performance is likely to diverge increasingly between stronger and weaker assets over time. Factors such as water security, physical resilience, tenant capability, alternative land-use pathways and broader location quality are likely to become more important to land value, lease durability and long-term portfolio performance. Second, NZL's diversification across land uses, geographies and tenants remains an important source of resilience. Third, climate-related analysis is most commercially useful where it improves acquisition discipline, portfolio flexibility and the quality of long-term capital allocation decisions.

The FY25 evidence base also sharpens the commercial relevance of the scenario work. NZL's greenhouse gas inventory confirms that the company's emissions exposure is concentrated in downstream leased assets, particularly pastoral systems, while the decarbonisation plan identifies portfolio transition and investment shift as the most significant structural lever available to NZL. Together, these findings reinforce that the most consequential climate-related decisions for NZL are likely to sit less in direct operational emissions management and more in land-use mix, tenant resilience, portfolio composition and long-term land suitability.

In that context, the scenario work continues to support several strategic conclusions. More emissions-intensive land uses, particularly pastoral systems, are likely to face greater transition sensitivity over time, alongside potential exposure to physical stressors such as heat, drought and water pressure. Horticulture may offer attractive diversification and portfolio quality benefits at the right sites, but remains more location-specific and execution-sensitive. Forestry remains relevant both as a diversification tool and as a source of resilience, optionality and vegetation-based removals, although its role is also affected by policy, carbon market settings and asset-specific physical risk.

NZL also recognises that scenario analysis is most useful when complemented by more location-specific understanding of physical climate exposure. During CY25, NZL continued to strengthen the broader evidence base available to inform this, including through improved emissions data, decarbonisation analysis and developing use of more asset- and region-specific climate information. Over time, this should improve NZL's ability to distinguish between assets and locations not only on current quality, but also on future resilience and land-use suitability under different climate conditions.

Taken together, the scenario analysis continues to support NZL's core strategic view that long-term portfolio resilience will depend on disciplined asset selection, diversification, tenant quality and the ability to respond early to changes in physical and transition conditions. The analysis also reinforces that climate-related capability is most commercially useful to NZL where it improves decision quality over time, rather than operating as a standalone disclosure exercise

The climate-related risks set out below reflect NZL's current view of the most relevant physical and transition risks to its business model, portfolio and tenants. They draw on NZL's existing scenario analysis, FY25 greenhouse gas inventory, decarbonisation plan, commercial opportunities assessment and broader strategic review.

The anticipated impacts summarised below are intended to describe the ways in which these risks could affect NZL over time, before taking account of the mitigating actions NZL may adopt through portfolio management, acquisition discipline, tenant engagement and broader transition planning. The time horizons shown are indicative only, and impacts may emerge earlier or later depending on location, land use, policy developments and wider market conditions.

*Table 2: Climate-Related Risks and Anticipated Impacts*

| Risk type | Climate-related risk | Time horizon | Anticipated impacts |
|---|---|---|---|
| Transition | Land use becomes less aligned with future policy, market or emissions settings | Medium to long term | Changes in emissions policy, environmental regulation, market expectations and financing conditions may affect the relative attractiveness and resilience of different land uses over time. More emissions-intensive or less adaptable systems may become less competitive, less financeable or more exposed to compliance and operating costs. For NZL, this could affect land values, tenant resilience, lease durability and future capital allocation decisions. The FY25 decarbonisation plan reinforces this by identifying portfolio transition and investment shift as the most significant structural lever available to NZL. |
| Transition | Tenant business models become less resilient under changing transition conditions | Medium term | Tenants may face higher input costs, changing customer and supply chain expectations, tightening environmental obligations, or greater scrutiny from banks, insurers and counterparties. Where tenants are slower to adapt, this may weaken operating resilience and increase pressure on lease performance. For NZL, the key flow-through effects are potential deterioration in tenant quality, increased tenant stress and reduced lease durability. |
| Transition | Reputational positioning and market acceptance weaken | Medium term | If climate-related performance, land stewardship or portfolio decisions are seen as misaligned with evolving market expectations, NZL could face weaker investor confidence, reduced brand credibility and a less differentiated market position. At a sector level, reputational weakening could also affect the attractiveness of certain production systems or export pathways over time. For NZL, this is relevant where it affects portfolio quality, tenant quality or capital access. |

| | | | |
|---|---|---|---|
| Physical and Transition | Regional and land-use performance diverges more sharply over time | Medium to long term | Climate change is unlikely to affect all land uses and regions equally. Differences in water security, heat exposure, drought pressure, storm exposure, logistics resilience and policy sensitivity may lead to increasing divergence between stronger and weaker assets. For NZL, this may affect acquisition attractiveness, land-use suitability, portfolio quality and long-term value preservation. It also increases the importance of asset selection, diversification and early identification of land-use change or optimisation opportunities. |
| Physical | Current land use becomes less resilient under changing physical conditions | Medium to long term | More frequent or severe heat, drought, rainfall variability and extreme weather may reduce productivity, increase operating volatility, damage infrastructure and increase costs for tenants. In some locations, physical climate stress could make certain land uses less viable or less attractive over time. For NZL, this could affect tenant resilience, lease durability, long-term land value and the need for adaptation or land-use change. |
| Physical | Water stress and water security constraints increase | Short to long term | Water availability is likely to become an increasingly important determinant of productivity, resilience and land-use suitability in parts of the portfolio. Reduced water security or increased competition for water may affect the viability and economics of certain production systems, particularly in more exposed regions or land uses. For NZL, this could affect asset differentiation, land value, tenant performance and the attractiveness of future acquisitions. |
| Physical | Production and logistics become more volatile | Medium to long term | Climate-related disruption may affect not only on-site production but also roads, utilities, labour availability, supporting infrastructure and route-to-market reliability. For NZL, these wider system disruptions may reduce tenant resilience and increase earnings volatility even where a property itself is not directly affected by a severe event. In practice, this could contribute to greater variability in tenant performance and reduce the durability of lease income over time. |
| Physical and Transition | Access to insurance and finance becomes more constrained for higher-risk operators or locations | Medium to long term | Banks, insurers and other financial counterparties are increasingly considering climate-related exposure, resilience and transition readiness. Over time, some tenants or land uses may face higher insurance costs, more constrained access to finance, or more demanding expectations around performance and adaptation. For NZL, this may affect tenant quality, tenant resilience, lease durability and the relative attractiveness of assets or regions with weaker resilience characteristics. |
| Transition and social | Rural community resilience weakens | Medium to long term | Rural communities and support systems are important to the functioning and value of productive land. Climate-related disruption may compound existing pressures on infrastructure, services, labour availability and community cohesion. Where rural resilience weakens, NZL may face indirect impacts through reduced tenant capability, lower local support capacity, weaker land attractiveness and |

| | | | |
|---|---|---|---|
| | | | increased social licence sensitivities. This is also relevant in the context of Māori communities where whenua, taiao and taonga species may be affected by climate-related change over time. |

## 3.7. Transition Planning

NZL's transition planning is intended to support long-term portfolio resilience and value preservation in a changing climate. In the context of NZL's business model as a landowner and lessor, transition planning is not limited to reducing emissions within direct operations. Rather, it is concerned more broadly with how climate-related risks and opportunities may affect land-use economics, tenant resilience, portfolio composition, capital allocation and the long-term quality of the underlying land portfolio.

NZL's approach to transition planning continued to develop during CY25. A material step forward in the current reporting period was the completion of the FY25 greenhouse gas inventory and NZL's first decarbonisation plan. Together, these provide a clearer basis for understanding where NZL's climate-related exposures sit, what levers are available to influence outcomes, and where transition-related decisions are likely to be most commercially significant. The FY25 inventory confirms that NZL's emissions profile is overwhelmingly concentrated in downstream leased assets, while the decarbonisation plan identifies portfolio transition and investment shift as the most significant structural lever available to NZL as landowner and capital allocator.

### 3.7.1. EMBEDDING CLIMATE RESILIENCE INTO THE BUSINESS MODEL

From NZL's perspective, transition planning is closely linked to climate resilience. Because NZL owns long-lived land assets and relies on tenants to operate productively and meet lease obligations over time, the resilience of tenants, the suitability of land uses and the strength of the wider operating environment are all commercially material. This means NZL's transition planning is focused not only on emissions pathways, but also on how the portfolio can remain resilient and adaptable under changing physical, policy and market conditions.

Diversification remains an important part of this approach. NZL's portfolio is not tied to a single land use, region or tenant, and this flexibility is a key source of resilience. NZL's ability to shift capital over time toward land uses and locations with stronger resilience characteristics is therefore central to its transition planning approach.

### 3.7.2. TRANSITION DRIVERS AND MARKET SIGNALS

NZL's transition planning reflects a range of policy, market and financial signals that may affect land-use economics and portfolio quality, including evolving emissions and environmental policy settings, carbon market dynamics, financing and insurance expectations, and changing market preferences relating to environmental performance and resilience. For NZL, these drivers are commercially relevant where they affect tenant resilience and financeability, the relative attractiveness of different land uses, acquisition and divestment decisions, the economics of adaptation, removals and land-use change, and the sustainability and reliability of lease income over time.

In this context, transition planning is most useful where it supports stronger portfolio construction, protects long-term land value and improves the quality of capital allocation decisions.

### 3.7.3. TRANSITION PLANNING PRIORITIES

NZL's transition planning is currently focused on three core priorities:

**1. Portfolio transition and investment shift**
NZL's emissions profile is overwhelmingly concentrated in downstream leased assets, particularly pastoral land uses, and that the greatest long-term influence NZL has sits in portfolio composition, land-use selection, acquisition discipline and capital deployment. In practice, this means giving clearer effect over time to the relative emissions intensity, resilience, optionality and long-term attractiveness of different land uses when making acquisition, divestment and portfolio review decisions.

**2. Carbon removals and land resilience**
INZL continues to identify where vegetation-based removals and resilience-enhancing land-use changes may be strategically justified across the portfolio. This includes native regeneration, targeted planting, erosion-prone or marginal land optimisation, and broader land-use adjustments that may contribute to carbon sequestration, biodiversity, erosion control and long-term land integrity. For NZL, these activities are relevant not only because of potential removals, but because they may also improve resilience and preserve long-term asset value.

**3. Practical operational and tenant-linked improvements**
Although NZL does not directly operate farm assets, it can still influence emissions and resilience outcomes through lease settings, tenant engagement, information expectations and targeted co-investment. Over time, this includes clearer visibility of tenant emissions and environmental performance, greater understanding of transition readiness and financeability, and support for practical measures where these are commercially sensible and aligned with long-term land stewardship.

Taken together, these priorities reflect NZL's business model. They recognise that NZL's transition planning is not primarily about reducing a small direct operational footprint. It is about improving the resilience, suitability and long-term quality of the portfolio, while supporting a gradual shift toward lower-emissions and more climate-resilient land uses over time.

The transition planning work undertaken to date supports several practical outcomes for NZL. It reinforces the importance of acquisition discipline and portfolio construction, supports a more deliberate approach to portfolio evolution and land-use optimisation, strengthens structured engagement with tenants on resilience and transition readiness, and provides a clearer basis for considering vegetation-based removals where these contribute to resilience as well as emissions outcomes.

Overall, NZL's transition planning is understood as an ongoing and iterative process. In CY25, the most significant development has been the strengthening of the underlying evidence base, including the FY25 greenhouse gas inventory, decarbonisation plan and broader portfolio analysis. Over time, NZL expects this to support more disciplined and decision-useful integration of climate-related considerations into governance, acquisition strategy, portfolio optimisation and capital allocation. Table 5 outlines the prioritised transition risks identified by NZL and the corresponding strategic responses being progressed.

Table 5 outlines the prioritised transition risks identified by NZL and the corresponding strategic responses being progressed.

*Table 5: Transition Planning & Strategic Mitigations*

| Risk type | Priority risk | Strategic response | Transition planning priority |
|---|---|---|---|
| Transition | Land use becomes less aligned with future policy, market or emissions settings | Incorporate climate-related considerations more explicitly into acquisition, divestment and capital allocation decisions, including the relative resilience, emissions profile, optionality and long-term attractiveness of different land uses. Use portfolio transition and investment shift as a core decision lens over time. | 1. Portfolio transition and investment shift |
| Transition | Tenant business models become less resilient under changing transition conditions | Strengthen tenant engagement and information expectations over time, including clearer visibility of emissions, environmental performance, transition readiness and operating resilience. Use this to improve tenant selection, lease durability and identification of higher-risk operating systems. | 3. Practical operational and tenant-linked improvements |
| Transition | Reputational positioning and market acceptance weaken | Maintain focus on credible land stewardship, portfolio quality and disciplined climate-related decision-making. Continue to strengthen the evidence base supporting climate-related disclosures and portfolio decisions, including emissions, resilience and land-use analysis, so that climate-related capability supports investor confidence and long-term market positioning. | 1. Portfolio transition and investment shift |
| Physical and Transition | Regional and land-use performance diverges more sharply over time | Improve acquisition discipline and portfolio review by incorporating more location-specific physical climate analysis, land and water considerations, and longer-term land-use suitability into decision-making. Use this to better differentiate stronger and weaker assets and to support portfolio optimisation over time. | 1. Portfolio transition and investment shift / 2. Carbon removals and land resilience |
| Physical | Current land use becomes less resilient under changing physical conditions | Identify assets or sub-areas of the portfolio where resilience characteristics may weaken over time and assess whether adaptation investment, regeneration, targeted planting or land-use change may be commercially justified. Strengthen understanding of physical climate exposure as an input to long-term land-use planning. | 2. Carbon removals and land resilience |
| Physical | Water stress and water security constraints increase | Continue to incorporate water availability, water resilience and related land capability considerations into acquisition due diligence and portfolio review. Use more location-specific physical climate analysis and specialist advice | 2. Carbon removals and land resilience |

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|---|---|---|---|
| | | where appropriate to improve understanding of water-related risk and land-use suitability over time. | |
| Physical | Production and logistics become more volatile | Monitor the implications of acute weather disruption and wider system stressors for tenant performance, route-to-market reliability and regional resilience. Use this information to inform asset review, tenant assessment and, where relevant, the attractiveness of different geographies and land uses. | 1. Portfolio transition and investment shift / 3. Practical operational and tenant-linked improvements |
| Physical and Transition | Access to insurance and finance becomes more constrained for higher-risk operators or locations | Continue monitoring insurer and financier expectations as they evolve, and improve NZL's understanding of which tenants, land uses and regions may be more exposed to financing or insurance constraints. Use this to inform tenant assessment, portfolio construction and the prioritisation of resilience-related information and disclosures. | 3. Practical operational and tenant-linked improvements / 1. Portfolio transition and investment shift |
| Transition and social | Rural community resilience weakens | Recognise wider system dependencies in acquisition and portfolio decisions, including labour access, local infrastructure, community resilience and the operating environment supporting tenants. Continue to treat community and system resilience as relevant to long-term land attractiveness and lease durability, particularly in more exposed locations. | 1. Portfolio transition and investment shift / 3. Practical operational and tenant-linked improvements |

## 3.8. Priority Decarbonisation and Resilience Activities

NZL's approach to decarbonisation and resilience is informed by its FY25 greenhouse gas inventory and decarbonisation plan. As set out in that plan, NZL's emissions profile is overwhelmingly concentrated in downstream leased assets, and the most significant structural lever available to NZL sits in portfolio transition and investment shift, rather than in direct operational emissions reduction.

In that context, NZL's decarbonisation and resilience activities are focused on a small number of areas where the company has the most practical influence as landowner and capital allocator.

### 3.8.1. PORTFOLIO TRANSITION AND LAND-USE POSITIONING

NZL continues to prioritise capital allocation toward land uses and locations that are more likely to remain resilient under changing climate, policy and market conditions. This includes ongoing diversification across dairy, horticulture and forestry, and a focus on asset quality, tenant capability and long-term land-use suitability.

The decarbonisation plan reinforces that changes in portfolio composition and land-use mix are likely to be the most significant contributors to emissions reduction over time. In practice, this means NZL's

decarbonisation pathway is closely linked to acquisition discipline, land-use selection and the gradual evolution of the portfolio.

### 3.8.2. CARBON REMOVALS AND LAND RESILIENCE

NZL is progressing a number of initiatives related to vegetation-based removals and land resilience. These include native regeneration, planting programmes and broader land management practices that support erosion control, biodiversity and long-term land integrity.

NZL's forestry partnerships play an important role in this area. Current activities include regeneration approaches that combine production forestry with native restoration over time, supported by pest management, fire risk management and ongoing monitoring. These approaches are intended to contribute to carbon sequestration while also strengthening broader ecosystem outcomes and land resilience.

NZL is also continuing to identify areas of marginal or lower-productivity land within the portfolio that may be suitable for regeneration, planting or other forms of land-use adjustment where this is strategically and commercially justified.

### 3.8.3. PRACTICAL OPERATIONAL AND TENANT-LINKED ACTIONS

NZL's ability to influence direct emissions at farm level is inherently limited. However, the company continues to support a number of practical measures through tenant engagement, lease settings and targeted co-investment where appropriate.

These include:

- Co-funding or enabling selected infrastructure improvements (for example, energy efficiency or effluent management systems).
- Supporting better measurement and reporting of emissions and resource use at farm level.
- Encouraging adoption of established good practice in areas such as nutrient management, irrigation efficiency and on-farm planning.

The decarbonisation plan identifies a broader longlist of potential actions across operational, technology and system change categories. NZL's approach is to prioritise a limited number of practical, decision-useful actions over time, rather than attempting to implement a wide set of initiatives simultaneously.

### 3.8.4. RESILIENCE AND PHYSICAL CLIMATE CONSIDERATIONS

Climate resilience remains a core consideration in NZL's acquisition strategy and portfolio management. NZL's diversification across regions, land uses and tenants is a key mechanism for reducing exposure to localised climate risks and variability.

During CY25, NZL has continued to strengthen the integration of climate-related considerations into acquisition due diligence. This includes greater focus on:

- Water availability and water security.
- Exposure to heat, drought and rainfall variability.
- Land capability and long-term land-use suitability.

- infrastructure access and broader system resilience

Over time, NZL expects more location-specific climate information and analysis to further support these decisions, particularly in distinguishing between assets and regions based on future resilience characteristics.

#### 3.8.5. PORTFOLIO DEVELOPMENT AND DIVERSIFICATION

NZL's portfolio evolution continues to support both diversification and resilience objectives. Recent acquisitions across forestry and horticulture, alongside continued exposure to pastoral land, reflect a strategy of maintaining balance across land uses while improving overall portfolio quality.

Portfolio diversification remains important not only for income stability, but also because climate-related risks and opportunities are likely to affect different regions and land uses unevenly over time. NZL's ability to adjust portfolio composition is therefore a key component of its long-term transition and resilience strategy.

## 3.9. Capital Allocation and Investment Decisions

NZL's transition planning is closely linked to capital deployment and investment decisions. As a landowner and lessor, NZL's most significant climate-related levers sit in acquisition discipline, land-use selection, tenant selection and long-term portfolio composition. In practice, this means climate-related considerations are increasingly relevant to how NZL assesses land quality, resilience, optionality and long-term suitability at the point of capital allocation.

This includes consideration of matters such as physical climate exposure, water availability, land-use resilience, tenant capability, environmental and regulatory settings, and the potential role of regeneration, planting or other land-use adjustments where commercially justified. In that context, transition planning is not treated as a separate financing exercise, but as part of NZL's broader approach to portfolio construction, resilience and long-term value preservation.

# 4. Risk Management

## 4.1. Identification and assessment of climate-related risks and opportunities

NZL identifies and assesses climate-related risks and opportunities through a combination of Board and management oversight, existing scenario analysis, portfolio review, acquisition due diligence, greenhouse gas analysis, and consideration of relevant policy, market and physical climate developments.

Climate-related risks and opportunities are considered in the context of NZL's business model as a landowner and lessor. This means the most relevant issues are those that may affect land quality, land-use suitability, tenant resilience, lease durability, portfolio composition and long-term capital allocation. The FY25 greenhouse gas inventory and decarbonisation plan have strengthened this process by providing a clearer view of NZL's emissions profile, the main sources of climate-related exposure across the portfolio, and the strategic levers available to NZL as landowner and capital allocator.

Oversight of climate-related risk sits within NZL's existing governance framework, including the Board and Audit and Risk Committee. This supports consideration of climate-related risks and opportunities alongside other strategic, financial and operational risks. NZL's current directors are Rob Campbell, Tia Greenaway, Sarah Kennedy and Christopher Swasbrook.

NZL also continues to improve the evidence base supporting climate-related risk assessment over time. This includes more decision-useful emissions information, development of decarbonisation analysis, and increasing use of more location-specific physical climate information to support understanding of asset- and region-level exposure. Further detail on NZL's scenario analysis and anticipated climate-related impacts is set out in the Strategy section.

## 4.2. Integration within NZL's overall risk management approach

Climate-related risks and opportunities are integrated into NZL's broader risk management approach primarily through three channels.

First, they are incorporated into portfolio and acquisition decision-making, including consideration of land quality, resilience, water availability, land-use suitability, tenant capability and longer-term portfolio quality.

Second, they are considered through NZL's transition planning and emissions work, including the FY25 greenhouse gas inventory and decarbonisation plan, which together provide clearer visibility of where climate-related exposures sit and what strategic responses are available.

Third, they are considered through NZL's developing understanding of physical climate exposure at asset and regional level, including how changing physical conditions may affect land-use resilience, tenant performance and long-term asset value.

A foundational mechanism for integrating climate-related risk and opportunity remains NZL's acquisition and portfolio management approach. Over time, NZL expects climate-related considerations to be incorporated more consistently into acquisition due diligence, portfolio review and broader capital allocation processes.

# 5. Metrics and Targets

## 5.1. Greenhouse Gas Inventory

NZL completed its FY25 greenhouse gas (GHG) inventory for the period 1 January 2025 to 31 December 2025. The inventory was prepared in accordance with ISO 14064-1:2018 and the GHG Protocol, and represents NZL's third annual GHG inventory. The purpose of the inventory is to provide a transparent and technically robust account of NZL's greenhouse gas emissions and removals, improve understanding of the emissions profile across the portfolio, and support strategy, decarbonisation planning and climate-related decision-making over time.

NZL's organisational boundary is based on the financial control approach. Consistent with NZL's business model, the company has no Scope 1 or Scope 2 emissions. This is because NZL does not directly operate farm assets, does not own vehicle fleets or facilities of the type that would give rise to direct operational emissions, and instead leases rural land to tenants who undertake farming, horticultural and forestry activities.

The FY25 inventory reflects a material uplift in data quality, completeness and methodology relative to prior years. Key changes include:

- More site-specific emissions estimation for dairy and beef sites.
- Use of primary activity data for horticultural sites.
- Reporting of forestry removals.
- Reclassification of land-use emissions from Scope 3 Category 15 Investments to Scope 3 Category 13 Downstream Leased Assets.

Because these changes were material and could not be applied retrospectively to FY24, NZL reset its base year from FY24 to FY25. The inventory notes that the methodological changes resulted in an approximate 16% change in reported emissions, and that FY25 is therefore the most reliable and decision-useful baseline for future tracking.

## 5.2. FY25 Inventory Summary

NZL reported total gross emissions of 96,511.15 tCO2e for FY25 and total removals of 70,964.44 tCO2e, with removals reported separately from gross emissions in accordance with ISO 14064-1:2018.

The inventory confirms that NZL's emissions profile is overwhelmingly concentrated in ISO Category 5 / GHG Protocol Scope 3 Category 13 Downstream Leased Assets, which accounted for 95,821.68 tCO2e, or approximately 99% of total gross emissions. The next largest source was ISO Category 4, at 688.71 tCO2e. This confirms that NZL's emissions exposure is driven principally by leased land uses, rather than direct corporate operations.

The FY25 inventory also shows that emissions are heavily concentrated in pastoral land uses, particularly dairy. By land-use type, dairy contributed 89% of FY25 gross emissions and beef contributed 11%, while horticulture and forestry contributed a combined less than 1% of gross emissions.

### 5.2.1. EMISSIONS BY CATEGORY

| ISO 14064-1:2018 Category | GHG Protocol category | FY25 tCO2e |
|---|---|---|
| Category 3 | Business Travel | 0.76 |
| Category 4 | Purchased goods and services / capital goods | 688.71 |
| Category 5 | Downstream leased assets | 95,821.68 |
| **Total gross emissions** | | **96,511.15** |
| Total removals | | 70,964.44 |

Source: NZL FY25 Greenhouse Gas Inventory Report.

### 5.2.2. EMISSIONS BY GAS TYPE

For FY25, emissions were disaggregated by gas type. Reported emissions comprised:

- Carbon dioxide ($CO_2$): 15,281.19 $tCO_2e$
- Methane ($CH_4$): 67,077.37 $tCO_2e$
- Nitrous oxide ($N_2O$): 14,152.09 $tCO_2e$

This disaggregation provides improved transparency relative to prior years and reflects the dominance of methane and nitrous oxide emissions associated with pastoral leased assets.

### 5.2.3. EMISSIONS INTENSITY

The FY25 inventory also includes emissions intensity by asset class. On a per-hectare basis:

- Dairy: 9.15 tCO2e/hectare
- Beef: 5.74 tCO2e/hectare
- Horticulture: 2.40 tCO2e/hectare
- Forestry: <0.01 tCO2e/hectare

These intensity measures reinforce the significance of land-use mix to NZL's overall emissions profile and support the conclusion that portfolio composition is likely to be the most important structural lever available to NZL over time.

### 5.2.4. COMPARABILITY AND BASE YEAR

Direct comparison between FY24 and FY25 is limited. The FY25 inventory reflects material changes in methodology, category treatment and data quality, including new reporting of removals and improved site-level estimation approaches. As a result, FY25 has been adopted as NZL's base year for future emissions tracking and decarbonisation planning.

### 5.2.5. TARGETS

NZL's first decarbonisation plan provides, for the first time, a clearer analytical basis for considering emissions reduction targets that are relevant to NZL's business model and emissions profile. This includes an improved FY25 baseline, assessment of the main decarbonisation levers available across the portfolio, and modelling of the relative contribution those pathways may make over time.

Through this work, NZL has investigated the target approach most relevant to its portfolio and current evidence base. On that basis, the decarbonisation plan identifies a science-aligned reference point equivalent to an approximate 30% reduction in absolute FLAG-related emissions by 2035, measured from the FY25 baseline used in the plan.

This analysis is important because it gives NZL a more informed basis for understanding the scale and shape of potential emissions reduction over time, including the central role of portfolio transition and investment shift, supported by operational improvements, technology and system change, and vegetation-based removals where appropriate.

NZL will continue to refine its approach to target-setting as implementation planning, portfolio evolution and the practical application of the decarbonisation pathway develop further. Future disclosures will reflect that ongoing work.

## 5.3. Measurement Approach

### 5.3.1. INVENTORY APPROACH

NZL's FY25 greenhouse gas inventory was prepared in accordance with ISO 14064-1:2018 and the GHG Protocol. The inventory covers relevant Scope 1, Scope 2 and Scope 3 emissions and was developed to reflect NZL's financial control boundary and business model as a rural land investor and lessor.

A mixed-method approach was used, drawing on both spend-based data and asset-class-specific activity data:

for Category 4 emissions, including purchased goods and services, capital goods and business travel, data from NZL's finance platform (Xero) was used as the primary source

for dairy and beef assets, Overseer reports were used where available, with extrapolation methods applied where site-level reports were not available

for horticultural assets, primary tenant operational data was used, including fertiliser, fuel, electricity, water and production data

for forestry assets, operational data including plantation size, age, species and NZ ETS status was used to calculate emissions and removals.

Direct removals from forestry activities were calculated using recognised New Zealand carbon stock reference data and are reported separately from gross emissions. This preserves transparency between NZL's gross emissions profile and the removals associated with forestry assets.

### 5.3.2. EMISSION FACTOR SELECTION

Emission factors and data sources were selected based on relevance to the activity being measured and the availability of appropriate New Zealand or internationally recognised references. The FY25 inventory draws on a combination of:

- Farm-specific emissions estimates calculated through Overseer.
- New Zealand Ministry for the Environment emissions factors.
- New Zealand Forest Service carbon tables.

- Published New Zealand research on native forest sequestration.
- New Zealand and international spend-based emission factor datasets.
- New Zealand fuel and electricity lifecycle emission factors.

Where direct or activity-based data was not available, estimation approaches were applied on a documented basis. The inventory also notes that data quality varies across categories and asset classes, and that further improvements in completeness, consistency and uncertainty assessment remain a priority over time.

# 6. Risks and Opportunities

## 6.1. Risks

NZL's climate-related risks are best understood in the context of its business model as a rural landowner and lessor. The most relevant risks are not those associated with a direct operational footprint, but those that may affect the long-term quality, resilience and value of land, the performance and financeability of tenants, and the durability of lease income over time.

The most material transition risks relate to the possibility that current land uses become less aligned with future policy, market and emissions settings; that tenant business models become less resilient under changing transition conditions; and that NZL's market positioning weakens if land stewardship, portfolio decisions or climate-related capability are seen as misaligned with evolving expectations. These risks matter because they may affect land values, tenant quality, lease durability, financing conditions and future capital allocation choices.

The most material physical risks relate to the possibility that climate-related performance diverges more sharply across regions and land uses over time; that some current land uses become less resilient under changing physical conditions; that water stress and water security constraints become more significant; and that production, logistics, insurance and finance become more volatile or constrained in higher-risk locations or systems. For NZL, these risks are commercially relevant where they affect land-use suitability, tenant resilience, portfolio quality and the long-term preservation of asset value.

NZL also recognises the importance of wider system and community resilience. Rural infrastructure, labour availability, service capacity and community cohesion all contribute to the functioning and attractiveness of productive land. Over time, climate-related disruption may weaken these wider systems and reduce tenant capability, local support capacity and long-term land attractiveness in some areas.

## 6.2. Opportunities

For NZL, climate-related opportunity is not best understood as a standalone sustainability theme. It is more usefully understood through the lenses of portfolio quality, resilience and capital allocation discipline.

The first major opportunity area is portfolio construction and capital allocation. Climate-related analysis can improve acquisition discipline, asset selection and long-term portfolio positioning by helping NZL better distinguish between stronger and weaker assets, regions and land uses under changing physical and transition conditions. This is particularly relevant in assessing water security, physical resilience, land-use optionality, tenant capability and the relative attractiveness of different land uses over time.

The second opportunity area is portfolio optimisation and resilience. Across the portfolio, there may be opportunities to improve long-term land integrity and resilience through regeneration, targeted planting, erosion control, biodiversity enhancement and other land-use adjustments, particularly on marginal or lower-suitability areas. Where commercially justified, these actions may support both value protection and broader environmental outcomes.

The third opportunity area is decision-useful capability. Better visibility of tenant resilience, transition readiness, operating performance and land-use suitability should improve NZL's ability to identify

emerging risks earlier, support stronger tenant relationships and make more informed capital allocation decisions. In that sense, better emissions data, improved geospatial and physical climate analysis, and clearer asset-level information are commercially useful not because they extend disclosure, but because they improve decision quality.

Taken together, these risks and opportunities reinforce NZL's view that climate-related capability is most valuable where it strengthens long-term portfolio decisions, protects land value and supports durable lease income over time.

## 6.3. Capital allocation and portfolio decision-making

NZL's approach to climate-related risk and opportunity is closely linked to capital allocation and portfolio decision-making. As a landowner and lessor, NZL's most significant climate-related levers sit in acquisition discipline, land-use selection, tenant selection, portfolio optimisation and long-term portfolio composition.

In practice, this means climate-related considerations are increasingly relevant to how NZL assesses land quality, resilience, optionality and long-term suitability at the point of capital deployment. Relevant considerations include physical climate exposure, water availability, heat, drought, rainfall variability, wider system resilience, land capability, tenant capability and financeability, environmental and regulatory settings, and the potential for regeneration, planting or alternative land-use pathways where commercially justified.

The FY25 greenhouse gas inventory, decarbonisation plan and commercial opportunities assessment all reinforce that the most significant climate-related value driver for NZL is likely to sit in better portfolio decisions over time. This includes more selective ownership of emissions-intensive land uses, disciplined expansion in lower-emissions or more resilient land uses where site quality and returns justify it, and continued use of forestry and regeneration where these contribute diversification, resilience, removals or strategic optionality.

NZL's capital allocation framework is therefore not only a financing mechanism. It is a core part of how the company manages climate-related risk, protects long-term land value, and positions the portfolio to remain resilient and investable under changing physical and transition conditions. Over time, NZL expects climate-related analysis to play an increasingly important role in acquisition assessment, portfolio review, divestment decisions and land-use optimisation.

## 6.4. Enduring Land for Life framework

NZL's Enduring Land for Life (ELFL) framework provides an important mechanism for translating land stewardship expectations into tenant relationships across the portfolio. The framework supports NZL's broader approach to land management, governance and long-term asset quality, and is one of the main channels through which NZL can influence site-level outcomes despite not directly operating farm assets.

In the context of climate-related risk and opportunity, ELFL is most relevant where it improves visibility of tenant practices and performance, supports stronger land stewardship, and provides a basis for more structured engagement on matters such as emissions, resilience, environmental management and longer-term land quality.

Over time, the value of ELFL is likely to sit less in disclosure and more in decision quality. Better information on tenant capability, land stewardship, operating resilience and transition readiness should support stronger tenant selection, earlier identification of higher-risk operating systems, more durable lease relationships and better-informed capital allocation decisions.

In that sense, ELFL is not separate from NZL's climate strategy. It supports NZL's broader objective of preserving long-term land value and portfolio resilience by improving the quality of information, expectations and relationships across the portfolio. As NZL's evidence base continues to strengthen, ELFL should remain an important practical link between governance, tenant engagement, decarbonisation priorities and resilient land stewardship.

# Appendix 1: GHG Inventory & Assurance Report

McHugh & Shaw.

Certified B Corporation — This company is part of the global movement for an inclusive, equitable, and regenerative economic system.

# INDEPENDENT ASSURANCE REPORT ON NEW ZEALAND RURAL LAND COMPANY LIMITED'S GREENHOUSE GAS (GHG) STATEMENT

**TO THE DIRECTORS OF NEW ZEALAND RURAL LAND COMPANY LIMITED (NZL)**

**Registered address:** c/o Duncan Cotterill, Level 5, 50 Customhouse Quay, Wellington 6011, New Zealand

## Our Assurance Conclusion

### Reasonable Assurance Conclusion – Scope 1 & 2 emissions/ISO Category 1 & 2 emissions

In our opinion, the gross Scope 1 and 2/ISO Category 1 & 2 GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our reasonable assurance engagement (as outlined below) included in the NZL GHG Emissions Inventory Report for the year ended 31 December 2025, are fairly presented and prepared, in all material respects, in accordance with *ISO 14064-1:2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification.*

### Limited Assurance Conclusion Scope 3 emissions/ISO Category 3-5 emissions

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below) included in the NZL Emissions Inventory Report for the year ended 31 December 2025, are not fairly presented and not prepared, in all material respects, in accordance with *ISO 14064-1:2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification*.

## Scope of the Assurance Engagement

We have undertaken an assurance engagement for the reporting period 1 January 2025 to 31 December 2025 at the level of:

- Scope 1/ISO Cat 1 Emissions: Reasonable Assurance
- Scope 2/ISO Cat 2 Emissions: Reasonable Assurance
- Scope 3 Emissions/ISO Cat 3, 4 & 5: Limited Assurance
- Scope 1 Removals: No Assurance

It is important to note that the level of assurance obtained in a limited assurance engagement is considerably lower than that involved in reasonable assurance engagement. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls for emission sources subject to limited assurance.

### Boundaries of the Reporting Company

- Financial Control
- New Zealand
- New Zealand Rural Land Company Limited including NZRLC Dairy Holdings Limited, SSP NI Limited, New Zealand Rural Land Investments GP Limited, and New Zealand Rural Land Investments Limited Partnership.

### GHG Emissions Information Covered by the Assurance Report

- GHG Report Reference: 260422_NZL_Report_GHGInventory_v05.pdf
- GHG Calculations Reference: NZL_FY25_GHG-Inventory-Workbook_v10.xlsx

## GHG emissions by Category (metric tonnes $CO_2e$)

| Scope | ISO Category | | $tCO_2e$ |
|---|---|---|---|
| Scope 1 | Cat 1: Direct GHG Emissions | | 0.00 |
| Scope 2 | Cat 2: Indirect GHG Emissions from imported energy (electricity, location-based) | | 0.00 |
| Scope 3 | Cat 3: Transportation and distribution | *0.76* | 96,511.15 |
| Scope 3 | Cat 4: Products and services used by the organisation | *688.71* | |
| Scope 3 | Cat 5: Use of products from the organisation | *95,821.68* | |
| | | Total GHG Emissions (Gross) | 96,511.15 |

## Key Matters to the GHG Assurance Engagement

In this section we present those matters that, in our professional judgement, were most significant in undertaking the assurance engagement over the GHG statement. These matters were addressed in the context of our assurance engagement, and in forming our conclusion. We did not reach a separate assurance conclusion on each individual key matter.

| Key Matter | Procedures to Address the Key Matter |
|---|---|
| Scope 1 and 2 emissions:<br>• Confirmation that there are no Scope 1 and Scope 2 emissions within the consolidation approach (financial control). | Scope 1 and 2 emissions:<br>• Review of financial transaction reports for NZL and the subsidiary New Zealand Rural Land Investments Limited Partnership to confirm that there were no transactions paid to companies for activities that could generate Scope 1 or Scope 2 emissions. |
| Estimated emissions for tenants:<br>• Data was not available for four landholdings, and these landholdings represent 20% of total emissions. The emissions have been estimated using average emissions per hectare from similar operations within the NZL portfolio. | Estimated emissions for tenants:<br>• Review of the calculation of an emissions average from the NZL portfolio including review of land use.<br>• Confirmation of the hectares of each property and application of average emissions per hectare to calculate total emissions for each property. |

### Emphasis of Matter

- We draw attention to Section 1.3 in the Emissions Inventory Report were there has been a reset from the original base year of FY24 to FY25. This reset of base year is due to significant methodology changes to improve data quality.
- Our assurance conclusion is not modified in response of each matter stated above.

### Other Matter

- NZL was previously a Climate Reporting Entity and published a climate statement for the period ending 31 December 2024.

- Emissions for some landholdings were sourced from the Overseer model. The assurance work involved confirming the inputs into the model and no assurance is provided over the methodology behind the model.

## Materiality

Based on our professional judgement, quantitative materiality for the reported GHG Emissions has been determined as 1% for individual emission sources, and not totalling more than 5% of the gross emissions total of the emissions inventory. Qualitative materiality has been determined with due consideration to relevance to users of the GHG statement, as well as the potential impact of omission, misstatement, or obscurement of any information.

## Competence and Experience of the Engagement Team

Our work was carried out by an independent and multi-disciplinary team including sustainability assurance and environmental practitioners. The assurance lead retains overall responsibility for the assurance conclusion provided.

## NZL's Responsibilities for the GHG Statement

NZL is responsible for the preparation and fair presentation of the GHG statement in accordance with *ISO 14064-1:2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification.* This responsibility includes designing, implementing and maintaining a data management system relevant to the preparation and fair presentation of GHG statement that is free from material misstatement.

## Inherent Uncertainty in GHG Quantification

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

## Our Responsibilities

Our responsibility is to express an opinion on the GHG emissions reported by NZL based on our verification. We are responsible for planning and performing the verification to obtain assurance that the onsite GHG statement are free from material misstatement.

As we are engaged to form an independent conclusion on the GHG statement prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

## Other Relationships

Other than in our capacity as assurance practitioners, and the provision of the assurance for this engagement, we have no relationship with, or interests, in NZL.

## Independence and Quality Management Standards Applied

This assurance engagement was undertaken in accordance with *ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions* and is founded on the fundamental principles of Impartiality, Evidence-based approach, Fair presentation, Documentation, and Conservativeness.

Professional and ethical standards are held in high regard and our quality management system aligns with the standards ISO 9001:2015 and ISO 14065:2020, and we comply with the Carbon and Energy Professionals New Zealand Code of Ethics and Code of Professional Conduct.

### GHG Reporting Protocols against which Assurance was Conducted

- ISO 14064-1: 2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification.
- Ministry for the Environment. 2024. Measuring emissions: A guide for organisations: 2024 detailed guide. Wellington: Ministry for the Environment. (Note: the 2025 guidance is yet to be published to support the 2025 emission factors).

## Projected Emission Reductions

The reporter did not seek validation of projected emission reductions. A reduction strategy is being developed.

## Summary of Work Performed

### Limited Assurance Conclusion

Our reasonable and limited assurance verification engagement was performed in accordance with *ISO 14064-3: 2019 – Specification with guidance for the verification and validation of greenhouse gas statements*, issued by the International Organization for Standardization (ISO). This requires that we comply with ethical requirements (as outlined above), and plan and perform the verification to obtain reasonable assurance (Scope 1 and Scope 2 emissions) and limited assurance (Scope 3 emissions) that the GHG statement are free from material misstatement.

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:

- Enquiries to obtain an understanding of the overall governance and internal control environment, risk management processes and procedures relevant to GHG information;
- Evidence to support the reporting boundaries, organisational and legal structure reported;
- Recalculation of the GHG emissions;
- Strategic analysis of the GHG information;
- Evaluation of relationships among GHG and non-GHG data;
- Interview of personnel involved in data collection;
- Review of emissions factors used within the calculations for source appropriateness;
- Review of uncertainty and data quality;
- Review of information management and record keeping processes; and
- Review of the assumptions, estimations and quantification methodologies.

| Reasonable Assurance Procedures | Limited Assurance Procedures |
|---|---|
| • Tests to confirm that there are no material Scope 1 and 2 emission generating activities or financial transactions within the consolidation approach. | • Limited sample testing, tracing and retracing of data trails back to primary data including business travel, purchased goods and services, capital expenditure, agricultural soils, enteric fermentation, manure management, fertiliser and Overseer model inputs. |

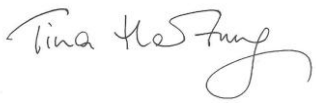
The data examined during the verification were historical in nature. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Environmental Claims

Information regarding your responsibility when making environmental or carbon claims under the Fair Trading Act is available at the New Zealand Commerce Commission website. Guidance for making an environmental claim in Australia is available at the Australian Competition & Consumer Commission website.

If you are making a claim outside of New Zealand and Australia, then check the legal requirements for that country.

**Jeska McHugh, Assurance Lead**
CEP NZ Certified Carbon Auditor (#CCA1005)
McHugh & Shaw Limited
Christchurch, New Zealand
22 April 2026



**Tina Hartung, Independent Reviewer**
CEP NZ Certified Carbon Auditor (#CCA1012)
On behalf of McHugh & Shaw Limited
Christchurch, New Zealand
23 April 2026

This report including the opinion expressed herein, is issued to the Directors of NZL in accordance with the terms of our agreement for the purpose of reporting GHG emissions. We consent to the release of this report by you to interested parties, but we disclaim any assumption of responsibility for any reliance on this report by any other party than for which it was prepared.

# Greenhouse Gas Emissions Inventory Report FY25

PREPARED FOR:

New Zealand Rural Land

PREPARED BY:

The Lever Room

DATE:

April 2026

# Report Information:

| Greenhouse Gas Emissions Inventory Report | |
|---|---|
| Prepared For: | New Zealand Rural Land Company Limited |
| Prepared By: | The Lever Room Limited |
| Dated: | 15 April 2026 |
| Reporting Period: | 1 January 2025 – 31 December 2025 |
| Base Year Period: | 1 January 2025 – 31 December 2025 |
| Prepared in Accordance with: | ISO14064-1:2018 |
| Verification/Assurance Provider: | McHugh & Shaw Limited |
| Verification/Assurance Status: | Reasonable Assurance ISO Category 1-2 (excluding removals): Achieved |
| | Limited Assurance ISO Categories 3-6: Achieved |

# Contents



## Purpose of Document

This report for New Zealand Rural Land Company Limited (NZL) documents the results of the greenhouse gas (GHG) emissions inventory for the 2025 financial year (FY25), covering the period 1 January 2025 to 31 December 2025.

The inventory was prepared in accordance with ISO 14064-1:2018 [1] and covers relevant Category 1-6 emissions. The purpose of this document is to provide a transparent and accurate account of NZL's GHG emissions for the reporting period and to support the identification and management of emissions reduction opportunities over time.

## Executive Summary

This is the third GHG inventory report prepared by The Lever Room in partnership with NZL and supports NZL's climate reporting requirements and broader climate commitments. The inventory covers the FY25 reporting period, from 1 January 2025 to 31 December 2025.

This GHG inventory has been verified by McHugh & Shaw Limited against ISO 14064-1:2018, with reasonable assurance achieved for ISO Categories 1–2 and limited assurance achieved for ISO Categories 3–6. For transparency and ease of reference, this report also includes corresponding GHG Protocol Scope and category references where helpful.

Material methodological changes were introduced in FY25, including improved data quality for beef and dairy farms, the replacement of secondary estimates with primary activity data for horticultural sites and the reclassification of land-use emissions from GHG Protocol, Scope 3, Category 15 Investments to Scope 3, Category 13 Downstream Leased Assets. As these changes could not be applied retrospectively to FY24, NZL's base year has been reset to FY25 to provide a more reliable and comparable basis for future reporting.

Total gross emissions for NZL in FY25 were 96,511.15 $tCO_2e$. The two largest emission categories for NZL are:

- ISO Category 5, GHG Protocol Scope 3, Category 13 Downstream Leased Assets, which accounted for 95,821 $tCO_2e$, or 99% of total FY25 emissions.
- ISO category 4, GHG Protocol Scope 3 Category 1 Purchased Goods & Services + Capital Goods: 688 $tCO_2e$ <1% of the total FY25 Inventory.

[1] https://www.iso.org/standard/66453.html

*Table 1: GHG emissions ($tCO_2e$) (location-based reporting)*

| ISO 14064-1: 2018 | GHG Protocol | Base Year | Reporting Period |
|---|---|---|---|
| | | FY25 tCO2e | FY25 tCO2e |
| Category 1 | Scope 1 | - | - |
| Category 2 (location-based method) | Scope 2 (location-based method) | - | - |
| Category 3 | Scope 3 | 0.76 | 0.76 |
| Category 4 | | 688.71 | 688.71 |
| Category 5 | | 95,821.68 | 95,821.68 |
| Category 6 | | - | - |
| **Total Gross Emissions** | | **96,511.15** | **96,511.15** |
| Total Removals | | 70,964.44 | 70,964.44 |

NZL's FY25 portfolio has been categorised by farm type; dairy, beef, horticulture, and forestry. Dairy farms contribute 89% of emissions to the total inventory, while beef farms contribute 10%. Horticulture and Forestry sites contribute a combined <1% to the total emissions within the portfolio.

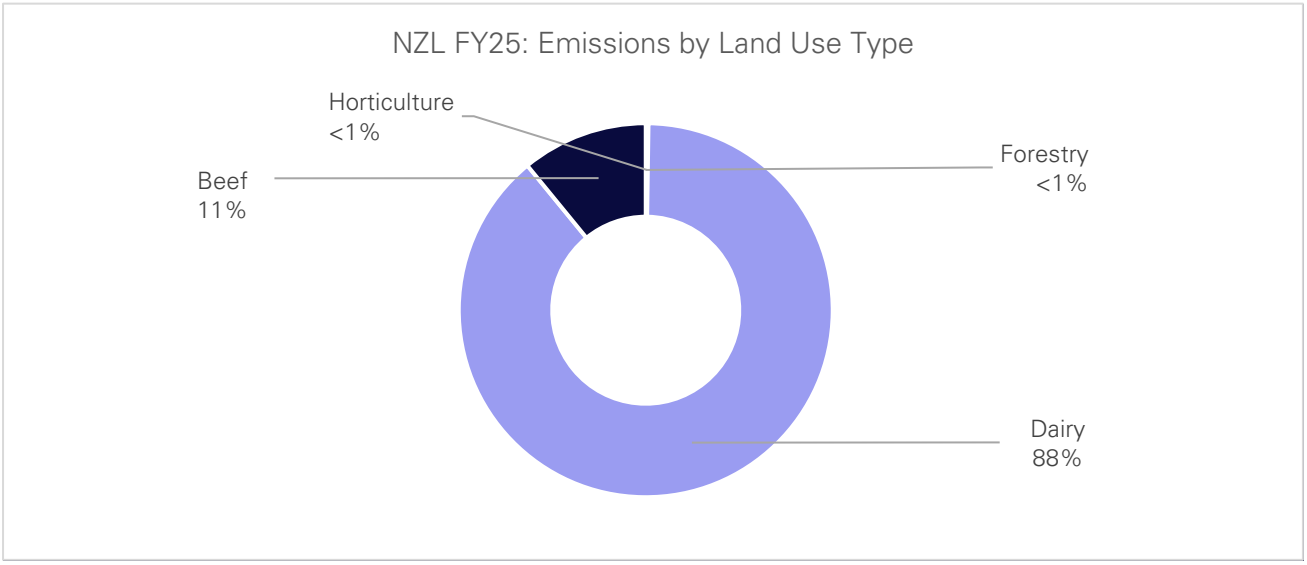



*Figure 1: NZL FY25: Total Emissions by Land Use Type*

NZL reported 70,964 $tCO_2e$ of direct GHG removals from forestry activities in FY25, where the underlying removal activities fall within NZL's organisational boundary under the financial control approach. In accordance with ISO 14064-1:2018, these removals are included in the GHG inventory and reported separately from gross emissions rather than netted against them. This treatment preserves transparency in the reporting of NZL's gross emissions profile and the removals associated with forestry assets.

# 1. Introduction

This report is NZL's third annual GHG emissions inventory and management report. It forms part of NZL's third consecutive year of annual GHG inventory reporting and was prepared by The Lever Room in accordance with ISO 14064-1:2018.

The purpose of this report is to quantify and report NZL's GHG emissions for the FY25 reporting period. It provides a robust and transparent assessment of emissions across NZL's defined organisational and reporting boundaries, consistent with the applicable methodology and reporting standard. The report is intended to strengthen NZL's understanding of its emissions profile, support informed decision-making in relation to climate-related risks and opportunities, and provide a basis for identifying, prioritising and monitoring emissions reduction actions over time. It also contributes to more consistent annual reporting and the continued improvement of NZL's emissions measurement and management practices.

This GHG inventory has been verified by McHugh & Shaw Limited against ISO 14064-1:2018, with reasonable assurance achieved for ISO Categories 1–2 and limited assurance achieved for ISO Categories 3–6. For transparency and ease of reference, this report also includes corresponding Greenhouse Gas Protocol (GHGP) Scope and category references where helpful. Where differences in treatment arise, including in the classification of removals, the inventory follows ISO 14064-1:2018, as this is the basis on which the inventory has been prepared and assured.

## 1.1. Description of New Zealand Rural Land Company Limited (NZL)

NZL is a New Zealand-based rural land investor. NZL's principal activity is investment in New Zealand's rural farmland and forestry land. It owns a total of approximately 17,077 hectares of rural land in New Zealand, which is tenanted on long-term leases. NZL has contracted New Zealand Rural Land Management Limited Partnership (NZRLM) to manage these assets. This includes engagement with lessees, property oversight, and other land management responsibilities. NZL leases land to farmers and food producers.

### NZL Portfolio

NZL managed 29 sites in its portfolio during FY25. These investments are grouped into four categories based on land use type:

- Dairy Farms/Sites: Tenants running pastoral dairy livestock farm systems on the land they are renting from NZL.

- Beef Farms/Sites: Tenants running pastoral beef livestock farm systems on the land they are renting from NZL.
- Horticulture Farms/Sites: Tenants running horticultural farm systems on the land they are renting from NZL, specifically apple orchards.
- Forestry Farms/Sites: Tenants running forestry farm systems on the land they are renting from NZL, either for forestry products or for the NZ Emissions Trading Scheme.

### Commitment

NZL carefully evaluate the nature of their land-ownership model and the key levers available to drive meaningful impact. NZL are focussed on harnessing decarbonisation opportunities within the value chain, enhancing climate resilience across the portfolio and integrating climate-related risks and opportunities into acquisition strategies. A key assessment mechanism for on-farm activities is the Enduring Land for Life framework, which allows the NZL governance body to receive advice and consider climate-related impacts when developing and overseeing the company's strategy.

## 1.2. Reporting Period and Base Year

This inventory report covers the financial year FY25, with the reporting period beginning on 1st January 2025 and ending on 31st December 2025. The base year has previously been the FY24 reporting period, however due to several method changes, the base year will be reset to the FY25 reporting period. Justification is provided below.

## 1.3. Base Year Recalculation & Reset Policy

### Base Year Recalculation Policy

A recalculation policy is in place to support the consistent and comparable reporting of emissions over time. A base year recalculation involves recalculating a historical reporting year, such as FY24, using updated methodology, revised assumptions, or improved data where these changes materially affect reported emissions. NZL's base year will be recalculated where structural changes, changes to organisational boundaries, the identification and correction of a material error, or methodological changes result in a material change of more than 5% to total base year emissions.

### Base Year Reset Policy

A base year reset is defined as the adoption of a new reporting year as the reference point for emissions performance where the existing base year no longer provides a reasonable basis for

comparison. Accordingly, a base year reset shall be undertaken where the existing base year is no longer considered suitable for performance comparison. Circumstances that may require a reset include, but are not limited to:

- Changes to organisational boundaries.
- Significant structural changes (e.g. mergers, acquisitions, or divestments).
- Significant changes to GHG quantification methodologies.
- Changes in data availability or data quality that materially affect base year reliability.
- Changes in applicable standards or regulatory requirements affecting comparability.
- The identification and correction of a material error.

## NZL FY25: Basis for Base Year Reset

The base year has been reset from FY24 to FY25 due to methodological changes that resulted in an approximate 16% change in reported emissions, together with improvements in data quality and availability. A base year recalculation was not considered feasible, as the improved data quality and availability achieved in FY25 cannot be replicated retrospectively for FY24. Accordingly, FY25 has been adopted as the new base year to provide a more reliable and comparable basis for future reporting.

An outline of these changes is provided in table 3 below.

*Table 2: Outline of Material Changes from FY24 to FY25*

| Inventory Component | FY24 Method | FY25 Method | Indicative Change |
|---|---|---|---|
| Dairy and Beef Sites | 11 of 21 sites provided Overseer emissions reports. This data contributed ~47% of emissions from the total inventory. | 10 of the 19 sites provided Overseer emissions reports. This data contributed ~60% of emissions from the total inventory. | **Method changed materially.** FY25 used a more site-specific approach, reducing reliance on per-hectare extrapolation. Approx 13% decrease in overall emissions. |
| | Emissions for the remaining 10 sites without Overseer-generated farm reports were extrapolated using the average GHG intensity ($tCO_2e$ per hectare) of the sites for which Overseer reports were available. This data contributed ~52% of emissions from the total inventory. | For the remaining 9 sites, emissions were estimated using two methods:<br>1) for 5 sites, a GHG intensity per head was applied where stock count data was available. This data contributed ~16% of emissions from the total inventory;<br>2) for the remaining 4 sites, emissions were extrapolated using the average GHG intensity (tCO2e per hectare) of sites with available Overseer reports. This data contributed ~26% of emissions from the total inventory. | |
| Horticultural Sites | No primary activity data was collected for all 7 horticultural sites (100%). Emissions were estimated using a secondary literature source[2], resulting in a total of 5,470 $tCO_2e$. | Primary activity data was collected for all 7 horticultural sites (100%), including fuel and electricity, water, and fertiliser consumption. Emissions estimated from this data totalled 205 $tCO_2e$. | **Method changed materially.** Approx 96% reduction in reported emissions for Horticulture assets. Contributed to an approx. 4% decrease to the overall inventory overall. |
| Forestry Sites | No carbon stock data was collected for any of the sites (100%). | Carbon stock data was collected for all 4 forestry sites (100%), including tree species, age class, and plantation hectares. | **Method changed materially.** FY25 introduced carbon stock data and enabled the reporting of forestry removals. |
| GHG reporting method | Emissions were reported in aggregated $tCO_2e$ only and did not separately disclose the seven Kyoto gases. | Emissions were disaggregated into the seven individual GHGs to improve transparency and enable direct comparison of material gases such as methane. | **Method changed materially.** Reporting is more accurate in FY25. |

[2] McLaren, S., Clothier, B., Barber, A., McNally, S., Bullen, L., Mazzetto, A. & Ledgard, S. (2021). Updating the carbon footprints for selected New Zealand agricultural products. *NZ Life Cycle Management Centre.*

| | | | |
|---|---|---|---|
| GHG Protocol categorisation | Land use emissions were reported as Scope 3, Category 15: Investments. | Land use emissions were reported as Scope 3, Category 13: Downstream Leased Assets to better reflect NZL's ownership and leasing arrangements. | **Classification changed materially.** Emissions are not directly comparable by category. |

## 1.4. Dual Reporting

*Table 3: Locations vs Market Based Reporting*

| ISO14064-1:2018 | GHG Protocol | Location-Based $tCO_2e$ | Market-Based $tCO_2e$ |
|---|---|---|---|
| Category 1 | Scope 1 | 0.00 | 0.00 |
| Category 2 | Scope 2 | 0.00 | 0.00 |
| Category 3 | Scope 3 | 0.76 | 0.76 |
| Category 4 | | 688.71 | 688.71 |
| Category 5 | | 95,821.68 | 95,821.68 |
| Category 6 | | 0.00 | 0.000 |
| Total | | **96,511.15** | **96,511.15** |

All purchased and generated energy emissions are dual reported using both the location-based method and market-based method under the Lever Room Technical Specifications for Organisations. Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts.

NZL aligns to location-based reporting for tracking energy related emissions and reductions over time. As NZL have no ISO Category 1 or Category 2, or GHGP Scope 1 and 2 emissions, the emissions inventory is not affected by the choice of reporting.

## 1.5. Persons Responsible

The persons responsible for the preparation of this GHG emissions inventory report are Rosie Dodd and Ella Sheehy of The Lever Room, with assistance from Cilla Hewitt of NZRLM. Rosie and Ella jointly oversee the GHG inventory process and are responsible for ensuring that it is conducted in accordance with ISO 14064-1:2018 and the methodology, assumptions and procedures adopted for this inventory. They have the authority to make decisions relating to the GHG inventory process and have been provided with the necessary resources to carry out these responsibilities.

## 1.6. Information Management Procedures

NZL has established information management procedures to ensure the accuracy, completeness, and consistency of data used in the GHG inventory. Process documents were created during the

data gathering process to guide data collection, confirmation and analysis. These process documents will be revised as needed to reflect changes in data collection methods or reporting requirements.

All data is stored electronically in a secure location with restricted access to authorised personnel. Data inputs and calculations are reviewed for accuracy and completeness by Rosie Dodd and Ella Sheehy.

## 1.7. Intended Uses and Audiences of the Report

This report is intended for use by NZL and NZRLM to support internal greenhouse gas emissions measurement, sustainability planning, and decision-making in relation to climate-related risks, opportunities and emissions reduction actions. It may also be used to inform voluntary climate-related reporting where NZL elects to make such disclosures.

The intended use of this report is to provide a transparent and technically robust account of NZL's GHG emissions and removals for the reporting period, support consistent tracking over time, improve understanding of the emissions profile across the portfolio, and inform strategy, decarbonisation planning, and the identification, prioritisation and monitoring of relevant actions.

# 2. Report Scope & Boundaries

## 2.1. Organisational Boundary

NZL has defined its organisational boundary in accordance with ISO 14064-1:2018 and the GHG Protocol Corporate Standard. The organisational boundary includes the entities, operations and facilities over which NZL exercises financial control. NZL has consolidated facility-level emissions using the financial control approach, which is considered appropriate for NZL's business model and provides a consistent basis for defining the inventory boundary. The entities included in this inventory are shown in Figure 3. Related legal entities that exist for legal purposes only are not treated as separate operating entities for the purposes of this inventory.

## 2.2. Reporting Boundary

NZL has established its reporting boundary in accordance with ISO 14064-1:2018. The reporting boundary includes direct emissions and removals within the organisational boundary and the indirect emissions determined to be significant to NZL's operations and activities. For consistency with the GHG Protocol, emissions within the reporting boundary are categorised as direct and indirect emissions.

## 2.3. Organisational Structure

NZL's organisational structure is shown in figure 2 below. New Zealand Rural Land Co (NZL) are comprised of a board of four directors and don't have any direct employees. Instead, NZL employ the services of New Zealand Rural Land Management (NZRLM). The emissions from these services are captured in NZL's purchased goods and services. NZRLM have two permanent full-time employees, and contract additional work to independent consultants as required on an *ad hoc* basis.

*Table 4: Operations by location*

| Business Unit | Details | Location | Ownership |
|---|---|---|---|
| New Zealand Rural Land Company (NZRLC) Limited | All operations are conducted from this location, serves as de facto head office. | Level 4, 131 Queen Street, Auckland 1010 New Zealand | 100% |
| New Zealand Rural Land Investments GP Limited | | Level 4, 131 Queen Street Auckland 1010 New Zealand | 75% |
| NZRLC Dairy Holdings Limited | | Level 4, 131 Queen Street Auckland 1010 New Zealand | 100% |
| SSP NI Limited | | Level 4, 131 Queen Street Auckland 1010 New Zealand | 100% |


*Figure 2: New Zealand Rural Land organisational structure.*

Table 5 summarises the individual sites included in NZL's land management portfolio. Each site is identified by land use type, site name, and total land area in hectares.

*Table 5: NZL sites included in GHG inventory*

| Land Use Type | Site Name | Hectares (Ha) |
|---|---|---|
| Dairy | Crowes Road | 142 |
| Dairy | McNaughton's Road Dairy | 436 |
| Dairy | Seaview Dairy | 505 |
| Dairy | Makikihi Dairy | 493 |
| Dairy | Bridge Support Block | 513 |
| Beef | Riverside Dairy | 494 |
| Beef | Rocklea Downs | 732 |
| Beef | Parkdale | 595 |
| Dairy | Yellowstone East<br>(Inclusive of Alnwick, Terico, Saran, and Willowview) | 2080 |

| | | |
|---|---|---|
| Dairy | Toi Puke | 478 |
| Dairy | Helenslea | 521 |
| Dairy | Waihao Downs Support Block | 535 |
| Dairy | Tainui Dairy | 434 |
| Dairy | Kilmarnock & Garland | 794 |
| Dairy | Hill Dairy | 324 |
| Dairy | Ryde Dairy | 270 |
| Dairy | Spreadeagle | 310 |
| Dairy | Argyle Downs (Wallacetown) | 564 |
| Dairy | Browns | 366 |
| Dairy | Mokoreta | 456 |
| Horticulture | Nicolls | 21 |
| Horticulture | Sharpes | 6 |
| Horticulture | Hill | 30 |
| Horticulture | Lowrie | 14 |
| Horticulture | Route 66 | 15 |
| Forestry | Southern Skies | 2311 |
| Forestry | Pohonui | 644 |
| Forestry | Piripiri | 1105 |
| Forestry | Mangamahu & FTB | 1500 |

## 2.4. Operational Boundary

The operational boundary for NZL's GHG Inventory was established based on the GHG Protocol and ISO 14064-1:2018 methodology. Emissions were classified into Scopes for ease but also align to ISO 14064-1:2018 categories as follows:

*Table 6: Emissions category alignment between ISO 14064-1:2018 and GHG Protocol.*

| ISO CATEGORY | GHG PROTOCOL SCOPE/CATEGORY |
|---|---|
| CATEGORY 1: DIRECT GHG EMISSIONS AND REMOVALS | SCOPE 1: MOBILE COMBUSTION FUEL |
| | SCOPE 1: STATIONARY COMBUSION FUEL |
| | SCOPE 1: FUGITIVE EMISSIONS |
| CATEGORY 2: INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY | SCOPE 2: PURCHASED ELECTRICITY |
| | SCOPE 2: PURCHASED STEAM |
| CATEGORY 3: INDIRECT GHG EMISSIONS FROM TRANSPORTATION | SCOPE 3, CATEGORY 4: UPSTREAM TRANSPORT & DISTRIBUTION |
| | SCOPE 3, CATEGORY 6: BUSINESS TRAVEL |
| | SCOPE 3, CATEGORY 7: EMPLOYEE COMMUTING |
| | SCOPE 3, CATEGORY 9: DOWNSTREAM TRANSPORTATION & DISTRIBUTION |
| CATEGORY 4: INDIRECT GHG EMISSIONS FROM PRODUCTS USED BY THE ORGANISATION | SCOPE 3, CATEGORY 1: PURCHASED GOODS & SERVICES |
| | SCOPE 3, CATEGORY 2: CAPITAL GOODS |
| | SCOPE 3, CATEGORY 3: FUEL AND ENERGY RELATED ACTIVITIES |
| | SCOPE 3, CATEGORY 5: WASTE |
| | SCOPE 3, CATEGORY 8: UPSTREAM LEASED ASSETS |
| CATEGORY 5: INDIRECT GHG EMISSIONS ASSOCIATED WITH THE USE OF PRODUCTS FROM THE ORGANISATION | SCOPE 3, CATEGORY 10: PROCESSING OF SOLD GOODS |
| | SCOPE 3, CATEGORY 11: USE OF SOLD PRODUCTS |
| | SCOPE 3, CATEGORY 12: END-OF-LIFE TREATMENT OF SOLD PRODUCTS |
| | SCOPE 3, CATEGORY 13: DOWNSTREAM LEASED ASSETS |
| | SCOPE 3, CATEGORY 14: FRANCHISES |
| | SCOPE 3, CATEGORY 15: INVESTMENTS |

| | |
|---|---|
| CATEGORY 6:<br>INDIRECT GHG EMISSIONS FROM OTHER SOURCES | ANY OTHER EMISSIONS THAT DO NOT FIT INTO THE ABOVE CATEGORIES THAT ARE OF INTEREST TO STAKEHOLDERS. |

The classification of emissions into scopes and categories provides a comprehensive view of NZL's GHG emissions, enabling effective management of emissions and identification of reduction opportunities. A full list of exclusions and justification is included in section 2.7.

## 2.5. Significance Criteria

The GHG emissions sources included in this inventory were identified with reference to the methodology set out in the GHG Protocol, ISO 14064-1:2018, and The Lever Room Technical Specification requirements. Emission sources were determined through a structured assessment of NZL's activities, informed by review of financial information and ongoing discussion with relevant personnel, to support a complete value chain assessment. The significance of emissions sources within NZL's organisational boundary was considered in the design of the inventory. The significance criteria applied were as follows:

- All direct emissions sources contributing more than 2% of total ISO Category 1 and 2, and GHG Protocol Scope 1 and Scope 2 emissions.
- All indirect emissions sources required under The Lever Room Technical Specification requirements.

## 2.6. Uncertainty Assessment

A formal quantitative uncertainty assessment has not been undertaken for this year's inventory. Qualitative data quality ratings of high, medium and low have been applied to each emission source based on the robustness of the underlying data and calculation methods; however, a full statistical uncertainty analysis, such as confidence intervals or aggregated uncertainty estimates, has not been completed. This reflects current limitations in data availability and granularity across certain Scope 3 categories, particularly where emissions are derived from spend-based data or extrapolated samples. NZL intends to further develop its uncertainty assessment approach in future reporting periods as data quality and methodological maturity continue to improve.

A high-level uncertainty assessment was undertaken for pastoral farm emissions to test the sensitivity of results to the emission factors applied. This involved comparing implied tCO2e per animal head derived from Overseer reports with the corresponding Ministry for the Environment

emission factors across relevant sites. In each case, the emissions intensity indicated by the Overseer reports was higher than that implied by the Ministry for the Environment factors. This difference is likely to reflect variations in calculation methodology, farm-specific characteristics and the assumptions embedded in the respective emission factor approaches.

## 2.7. Emission Sources Exclusions

| ISO Category | GHGP Scope & Category | Emission Source Excluded | Justification | Estimated Impact |
|---|---|---|---|---|
| Category 5 | Scope 3 Category 13 | Electricity consumption on dairy and beef farms. | According to secondary research completed on the carbon footprint of New Zealand milk[3], electricity is <0.1% of the total GHG inventory. This was therefore excluded because no data on electricity consumption was provided by farms, nor is this emissions source captured in Overseer-generated farm reports. | <1% of total inventory |
| Category 5 | Scope 3 Category 13 | Fuel consumption on dairy and beef farms. | According to secondary research completed on the carbon footprint of New Zealand milk[4], fuel is <1% of the total GHG inventory. This was therefore excluded because no data on fuel consumption was provided, nor is this emissions source captured in Overseer-generated farm reports. | <1% of total inventory |

[3] Ledgard, S.F., Falconer, S.J., Abercrombie, R., Phillip, G. & Hill, J.P. (2020). Temporal, spatial, and management variability in the carbon footprint of New Zealand milk. *Journal of Dairy Science Vol. 103 No. 1. 2020.*
[4] Ledgard, S.F., Falconer, S.J., Abercrombie, R., Phillip, G. & Hill, J.P. (2020). Temporal, spatial, and management variability in the carbon footprint of New Zealand milk. *Journal of Dairy Science Vol. 103 No. 1. 2020.*

# 3. Quantified Inventory of Emissions and Removals

## 3.1. Methodology

### Calculation Tool

Activity data was compiled and emissions were calculated using The Lever Room's GHG Emissions Inventory Workbook, which was developed specifically for NZL's GHG inventory. The workbook includes the formulas and calculation logic required to support accurate and consistent emissions quantification and reporting across the inventory. Further information on the emission factors applied is provided in Chapter 2.5.

### Spend-based Data

For spend-based emissions reported within ISO Category 4, including GHG Protocol Scope 3, Category 1 Purchased Goods and Services, Category 2 Capital Goods, and Category 6 Business Travel, NZL's finance platform, Xero, was used as the primary data source.

### Farm Specific Data

For emissions reported within ISO Category 5, different data sources were used depending on land use type.

For the beef and dairy sites, farm reports generated through the Overseer platform were used where available. Overseer is an agricultural software tool used to estimate greenhouse gas emissions from on-farm activities. These reports were provided to The Lever Room by NZL's tenants via NZRLM and formed the primary basis for calculating emissions reported under GHG Protocol Scope 3, Category 13 Downstream Leased Assets. Where Overseer reports were not available, emissions were estimated using extrapolation methods. These methods have been documented on a site-by-site basis in Table 8.

For the horticultural sites, emissions were calculated using NZL operational forms provided by tenants. These forms contained activity data for key inputs and outputs, including fertiliser use, energy consumption, water use, and total production, enabling activity-based emissions calculations to be undertaken. These emissions are also reported within ISO Category 5 and classified under the relevant GHG Protocol Scope 3 categories according to the nature of the activity.

For the forestry sites, emissions and removals were calculated using NZL operational forms. The four key data inputs collected were plantation size (hectares), age (years), tree species, and NZ ETS registration status. These data points were used to estimate carbon removals for each forestry site.

Notably, fuel data was not provided in FY25. Accordingly, FY24 fuel data was extrapolated on a per-hectare basis to estimate FY25 fuel consumption.

### Direct Removals

Direct GHG removals from forestry activities were quantified for the reporting year using recognised New Zealand carbon stock reference data relevant to the applicable forest type. For exotic forestry, removals were quantified using published carbon stock tables. For native forestry, removals were quantified using published current annual increment carbon stock data. Where species-specific native forestry data was not available, a representative average increment was applied across the relevant native forestry category on a consistent basis.

These removals are quantified and reported within the inventory as direct GHG removals in accordance with ISO 14064-1:2018. Anthropogenic biogenic $CO_2$ removals are quantified and reported separately from anthropogenic emissions. Consistent with the reporting approach adopted in this inventory, they are presented separately from gross emissions rather than netted against them. This preserves transparency between NZL's gross emissions profile, and the removals associated with forestry assets.

## 3.2. Emission Factors

The most applicable emission factors have been sourced for the activity being measured, information the source of these emission factors is included below. All results have been converted and reported in terms of $tCO_2e$ irrespective of the original emission factor unit.

- OverSeer-calculated farm-specific emission factors from reports generated by NZL tenants.
- New Zealand Ministry for the Environment's Measuring emissions: A guide for organisations: 2025 summary of emission factors.[5]
- Ministry for the Environment New Zealand Forest Service. 2023. Carbon tables for calculating carbon. MPI.[6]
- Tane's Trees Trust & Pure Advantage. 2022. Carbon Sequestration by Native Forest: Setting The Record Straight.[7]

[5] https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2025-detailed-guide/
[6] https://www.mpi.govt.nz/forestry/forestry-in-the-emissions-trading-scheme/emissions-returns-and-carbon-units-nzus-for-forestry/calculating-the-amount-of-carbon-in-your-forest-land/carbon-tables-for-calculating-carbon
[7] https://pureadvantage.org/carbon-sequestration-by-native-forest-setting-the-record-straight/

- Uses the 100-year GWPs in the IPCC Fifth Assessment Report (AR5) to align with the requirement of the Paris agreement.
- Emission Factors for New Zealand: Greenhouse Gas Emissions Intensities for Commodities and Industries.[8]

[8] https://www.thinkstep-anz.com/software/emission-factors-for-new-zealand

## 3.3. Emission Source Inclusions & Assumptions

*Table 7: Emission source inclusions, source of data and reliability*

| ISO Category | GHG Protocol Category | Emission Source | Data Source | Data Quality | Data Assumptions |
|---|---|---|---|---|---|
| CATEGORY 1: DIRECT GHG EMISSIONS AND REMOVALS | Scope 1: Stationary Combustion | n.a | n.a | n.a | NZL does not have a physical office or own fleets.<br>NZL purchase the services of management company NZ Rural Land Management ("NZRLM"). NZRLM emissions are therefore included in ISO Category 4 / GHGP Scope 3 Category 1. NZRLM has a physical office attended by two employees. |
| | Scope 1: Mobile Combustion | n.a | n.a | n.a | |
| | Scope 1: Fugitive Emissions | n.a | n.a | n.a | |
| CATEGORY 2: INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY | Scope 2: Purchased Electricity | n.a | n.a | n.a | |
| | Scope 2: Purchased Steam | n.a | n.a | n.a | |
| CATEGORY 3: INDIRECT GHG EMISSIONS FROM TRANSPORTATION | Scope 3, Category 6: Business Travel | Domestic air travel & hotel accommodation. | Xero accounting transactions. | Activity data – Medium, spend-based data.<br>Emission factors – Low, spend-based | The NZ spend-based emission factors for air passenger transport and accommodation is sufficiently representative of NZL business travel. |
| | Scope 3, Category 7: Employee Commuting | n.a | n.a | n.a | n.a |
| | Scope 3, Category 4: Upstream Transportation and Distribution | n.a | n.a | n.a | n.a |
| | Scope 3, Category 9: Downstream Transportation and Distribution | n.a | n.a | n.a | n.a |
| CATEGORY 4: INDIRECT GHG EMISSIONS FROM PRODUCTS USED BY THE ORGANISATION | Scope 3, Category 1: Purchased Goods and Services | Purchased services include accounting, software, and management consulting. | Xero accounting transactions. | Spend-based data – Medium, spend-based data.<br>Emission factors – Low, spend-based emission factors. | Spend-based emission factors are a suitable proxy for emissions from this category. |

| ISO Category | GHG Protocol Category | Emission Source | Data Source | Data Quality | Data Assumptions |
|---|---|---|---|---|---|
| | Scope 3, Category 2: Capital Goods | Purchased assets and specific acquisition services. | Xero accounting transactions. | Spend-based data – Medium, spend-based data.<br>Emission factors – Low, spend-based emission factors. | Spend-based emission factors are a suitable proxy for emissions from this category. |
| | Scope 3, Category 3: Fuel & Energy | n.a | n.a | n.a | n.a |
| | Scope 3, Category 4: Upstream Transport and Distribution | n.a | n.a | n.a | n.a |
| | Scope 3, Category 5: Waste Disposal | n.a | n.a | n.a | n.a |
| | Scope 3, Category 8: Upstream Leased Assets | n.a | n.a | n.a | n.a |
| CATEGORY 5: INDIRECT GHG EMISSIONS ASSOCIATED WITH THE USE OF PRODUCTS FROM THE ORGANISATION | Scope 3, Category 10: Processing Sold Products | n.a | n.a | n.a | n.a |
| | Scope 3, Category 11: Use of Sold Products | n.a | n.a | n.a | n.a |
| | Scope 3, Category 12: End-of-Life treatment of Sold Products | n.a | n.a | n.a | n.a |
| | Scope 3, Category 13 Downstream Leased Assets | Key dairy and beef pastoral farm emission sources are enteric fermentation, manure management, agricultural soils, fertilizer application and the embodied impact of purchased feed.<br>Key horticultural farm emission sources are synthetic fertilizer application, and fuel and | *Data sources vary significantly across the inventory. Tables 8-10 therefore provides a site-by-site summary of the data available, given its material influence on both the calculation method applied and the resulting emissions estimates.* | *Data sources vary significantly across the inventory. Tables 8-10 therefore provides a site-by-site summary of the data available, given its material influence on both the calculation method applied and the resulting emissions estimates.* | *Data sources vary significantly across the inventory. Tables 8-10 therefore provides a site-by-site summary of the data available, given its material influence on both the calculation method applied and the resulting emissions estimates.* |

| ISO Category | GHG Protocol Category | Emission Source | Data Source | Data Quality | Data Assumptions |
|---|---|---|---|---|---|
| | | electricity consumption.<br>Key forestry emission sources are fuel consumption. Removals are also associated with carbon sequestration from forestry growth. | | | |
| | Scope 3, Category 14: Franchises | n.a | n.a | n.a | n.a |
| | Scope 3, Category 15: Investments | n.a | n.a | n.a | n.a |

## 3.4. Emissions Data Sources by Site

Given the variation in data quality across NZL's sites, different emissions calculation methods have been applied where necessary. The sections below present the data sources and calculation approaches used for each asset class.

### Emissions Data Sources by Site: Dairy & Beef Sites

For the beef and dairy farms, emissions were quantified using Overseer reports and NZL operational form data. Overseer reports were used as the primary data source where available, as they provide emissions directly in $tCO_2e$. Where these reports were unavailable, emissions were estimated using NZL operational form data, with stock headcount used in the first instance and total hectares used only as a last resort. This approach reflects the relative quality of the available data, as stock headcount more directly reflects livestock-driven emissions than land area alone. The extrapolation factors applied to stock headcount and total hectares were derived from the corresponding data reported in the available Overseer reports. Over time, NZL intends to improve data quality and achieve a more consistent approach to data collection across all beef and dairy pastoral sites in the portfolio.

*Table 8: Emissions data sources by site: Pastoral Dairy & Beef Sites*

| Emissions Data Sources by Site: Pastoral Dairy & Beef Sites | | | | | | |
|---|---|---|---|---|---|---|
| Site Name | Asset Class | Hectares (Ha) | Data Source | UOM used in Emissions Measurement | Data Quality for Emissions Measurement | Data Assumptions |
| McNaughton's Road Dairy | Dairy | 436 | Overseer Report | tCO2e | High | Overseer-generated farm reports are an accurate representation of on-farm biogenic emissions.<br>Farm activity data has been input into Overseer correctly. |
| Seaview Dairy | Dairy | 505 | Overseer Report | tCO2e | High | |
| Crowes Road | Dairy | 142 | NZL Operational Forms | Stock Headcount | Medium | MfE emission factors per livestock head applied to tenant stock count is a reasonable representation of farm emissions. |
| Makikihi Dairy | Dairy | 493 | NZL Operational Forms | Total Hectares | Low | No data was provided for this farm. Therefore, this farm can be appropriately represented by extrapolating a weighted average carbon intensity ($tCO_2e$ per hectare) of the farms which have supplied Overseer-generated reports. The weighted-average carbon intensity is multiplied by the total hectares of the farm. |
| Bridge Support Block | Beef | 513 | NZL Operational Forms | Stock Headcount | Medium | MfE emission factors per livestock head applied to tenant stock count is a reasonable representation of farm emissions. |
| Riverside Dairy | Dairy | 494 | NZL Operational Forms | Stock Headcount | Medium | |
| Parkdale | Beef | 595 | NZL Operational Forms | Stock Headcount | Medium | |
| Rocklea Downs | Beef | 732 | NZL Operational Forms | Total Hectares | Low | No data was provided for this farm. Therefore, this farm can be appropriately represented by extrapolating a weighted average carbon intensity ($tCO_2e$ per hectare) of the farms which have supplied Overseer-generated reports. The weighted-average carbon intensity is multiplied by the total hectares of the farm. |
| Yellowstone East | Dairy | 2080 | Overseer Report | tCO2e | High | |

| Emissions Data Sources by Site: Pastoral Dairy & Beef Sites | | | | | | |
|---|---|---|---|---|---|---|
| Site Name | Asset Class | Hectares (Ha) | Data Source | UOM used in Emissions Measurement | Data Quality for Emissions Measurement | Data Assumptions |
| (Inclusive of Alnwick, Terico, Saran, and Willowview) | | | | | | Overseer-generated farm reports are an accurate representation of on-farm biogenic emissions.<br>Farm activity data has been input into Overseer correctly. |
| Toi Puke | Dairy | 478 | Overseer Report | tCO2e | High | |
| Helenslea | Dairy | 521 | Overseer Report | tCO2e | High | |
| Tainui Dairy | Dairy | 434 | Overseer Report | tCO2e | High | Overseer-generated farm reports are an accurate representation of on-farm biogenic emissions.<br>Farm activity data has been input into Overseer correctly. |
| Hill Dairy | Dairy | 324 | Overseer Report | tCO2e | High | |
| Ryde Dairy | Dairy | 270 | Overseer Report | tCO2e | High | |
| Waihao Downs Support Block | Dairy | 535 | NZL Operational Forms | Total Hectares | Low | No data was provided for this farm. Therefore, this farm can be appropriately represented by extrapolating a weighted average carbon intensity ($tCO_2e$ per hectare) of the farms which have supplied Overseer-generated reports. The weighted-average carbon intensity is multiplied by the total hectares of the farm. |
| Kilmarnock & Garland | Dairy | 794 | NZL Operational Forms | Total Hectares | Low | |
| Spreadeagle | Dairy | 310 | NZL Operational Forms | Total Hectares | Low | |
| Argyle Downs (Wallacetown) | Dairy | 564 | Overseer Report | tCO2e | High | Overseer-generated farm reports are an accurate representation of on-farm biogenic emissions.<br>Farm activity data has been input into Overseer correctly. |
| Browns | Dairy | 366 | NZL Operational Forms | Stock Headcount | Medium | Ministry for the Environment emission factors per livestock head applied to tenant stock count is a reasonable representation of farm emissions. |

| Emissions Data Sources by Site: Pastoral Dairy & Beef Sites | | | | | | |
|---|---|---|---|---|---|---|
| Site Name | Asset Class | Hectares (Ha) | Data Source | UOM used in Emissions Measurement | Data Quality for Emissions Measurement | Data Assumptions |
| Mokoreta | Dairy | 456 | NZL Operational Forms | Stock Headcount | Medium | Ministry for the Environment emission factors per livestock head applied to tenant stock count is a reasonable representation of farm emissions. |

## Emissions Data Sources by Site: Horticulture Sites

For the horticultural sites, emissions were calculated using NZL operational forms provided by all tenants. These sites supplied operational data for key inputs and outputs, including fertiliser use, energy consumption, water use, and total production.

*Table 9: Emissions data sources by site: Horticulture Sites*

| Emissions Data Sources by Site: Horticulture Sites | | | | | | |
|---|---|---|---|---|---|---|
| Site Name | Asset Class | Hectares (Ha) | Data Source | UOM used in Emissions Measurement | Data Quality for Emissions Measurement | Data Assumptions |
| Nicolls | Horticulture | 21 | NZL Operational Forms | Fuel: Litres<br>Fertiliser: Kgs<br>Electricity Consumption: kWh<br>Water use: m3<br>Total production: kgs | Medium | It is assumed the activity data provided represents the material activities and processes for horticulture farms. |
| Sharps | Horticulture | 6 | NZL Operational Forms | | Medium | |
| Hill | Horticulture | 30 | NZL Operational Forms | | Medium | |
| Lowrie | Horticulture | 14 | NZL Operational Forms | | Medium | |
| Route 66 | Horticulture | 15 | NZL Operational Forms | | Medium | |

## Emissions Data Sources by Site: Forestry Sites

For the forestry sites, emissions and removals were calculated using NZL operational forms. The four key data inputs collected were plantation size (hectares), age (years), tree species, and NZ ETS registration status. These data points were used to estimate carbon removals for each forestry site. Notably, fuel data was not provided in FY25. Accordingly, FY24 fuel data was extrapolated on a per-hectare basis to estimate FY25 fuel consumption.

*Table 10: Emissions data sources by site: Forestry Sites*

| Emissions Data Sources by Site: Forestry Sites | | | | | | |
|---|---|---|---|---|---|---|
| Site Name | Asset Class | Hectares (Ha) | Data Source | UOM used in Emissions Measurement | Data Quality for Emissions Measurement | Data Assumptions |
| Southern Skies | Forestry | 2311 | NZL Operational Forms (FY24) | Plantation size: hectares<br>Plantation age: years<br>Vegetation species: Exotic/Native | Low | It is assumed the activity data provided represents the material activities and processes for horticulture farms.<br>For extrapolation purposes, it is assumed that fuel consumption levels were consistent across FY24 and FY25. |
| Pohonui | Forestry | 644 | NZL Operational Forms (FY24) | | Low | |
| Piripiri | Forestry | 1105 | NZL Operational Forms (FY24) | | Low | |
| Mangamahu & FTB | Forestry | 1500 | NZL Operational Forms (FY24) | Plantation size: hectares<br>Plantation age: years<br>Vegetation species: Exotic/Native | Low | It is assumed the activity data provided represents the material activities and processes for horticulture farms.<br>For extrapolation purposes, it is assumed that fuel consumption levels were consistent across FY24 and FY25. |

## 3.5. Anthropogenic biogenic emissions

Anthropogenic biogenic emissions within NZL's inventory arise principally from on-farm activities conducted by tenants and are reported within ISO Category 5 and GHG Protocol Scope 3, Category 13: Downstream Leased Assets. These emissions are quantified using Overseer-generated farm reports where available, supplemented by the application of Ministry for the Environment emission factors to relevant activity data, including enteric fermentation, manure management, agricultural soils and nitrogen fertiliser use.

Consistent with NZL's FY25 inventory, the emissions profile is overwhelmingly concentrated in Category 13 downstream leased assets, particularly pastoral activities. The principal biogenic greenhouse gases are methane ($CH_4$), primarily from enteric fermentation and manure management, and nitrous oxide ($N_2O$) from agricultural soils and manure, reflecting the dominant emissions sources associated with pastoral farming systems.

## 3.6. Direct Removals

NZL quantified and reported 70,964.44 $tCO_2e$ of direct GHG removals from forestry activities in FY25. These removals are included in the GHG inventory because the underlying removal activities fall within NZL's organisational boundary under the financial control approach and within the reporting boundary established for the inventory. In accordance with ISO 14064-1:2018, these removals are quantified as direct GHG removals and reported separately from gross emissions, rather than netted against them. This preserves transparency in the presentation of NZL's gross emissions profile and the removals associated with forestry assets owned or controlled by NZL.

A summary table of NZL's removals is set out below.

*Table 11: NZL FY25 Direct Removals from Forestry Assets*

| NZL FY25 Direct Removals from Forestry Assets | | |
|---|---|---|
| Total removals from ETS-registered forestry | 63,427.62 | tCO2e |
| *Exotic Forest Type - ETS-Registered* | *63,396.90* | *tCO2e* |
| *Native Forest Type - ETS-Registered* | *30.72* | *tCO2e* |
| Total removals from non-ETS forestry | 7,536.82 | tCO2e |
| *Exotic Forest Type - Not Registered* | *6538.20* | *tCO2e* |
| *Native Forest Type - Not Registered* | *998.60* | *tCO2e* |
| Total direct GHG removals | 70,964.44 | tCO2e |

# 4. FY25 Inventory

## 4.1. Emissions by Gas Type

The table below shows the GHG breakdown by gas emission type.

*Table 12: GHG emissions (tCO2e) by gas type*

| ISO | GHG Protocol | $CO_2$ | $CH_4$ | $N_2O$ | $SF_6$ | HFC | PFC | Other | Total $tCO_2e$ |
|---|---|---|---|---|---|---|---|---|---|
| Category 1 | Scope 1 | - | - | - | - | - | - | - | - |
| Category 2 (location-based) | Scope 2 (location-based) | - | - | - | - | - | - | - | - |
| Category 3 | Scope 3 | 0.76 | - | - | - | - | - | - | 0.76 |
| Category 4 | | 688.71 | - | - | - | - | - | - | 688.71 |
| Category 5 | | 14,591.71 | 67,077.37 | 14,152.59 | - | - | - | - | 95,821.68 |
| Category 6 | | - | - | - | - | - | - | - | - |
| Total $tCO_2e$ emissions (gross) | | 15,281.19 | 67,077.37 | 14,152.59 | - | - | - | - | 96,511.15 |

## 4.2. FY25 Emissions Analysis Against Previous Reporting Years

The emissions presented in the table below are not considered comparable to the above-described method changes but have been noted side-by-side for transparency. Only the categories with values specified are categories in which NZL has emissions activity.

*Table 13: YOY GHG emissions (location-based) comparison with commentary*

| ISO Category | GHG Protocol Category | FY24 (tCO2e) | FY25 (tCO2e) |
|---|---|---|---|
| CATEGORY 1: DIRECT GHG EMISSIONS AND REMOVALS | Scope 1: Stationary Combustion | - | - |
| | Scope 1: Mobile Combustion | - | - |
| | Scope 1: Fugitive Emissions | | - |
| ISO CATEGORY 1 TOTAL | | - | - |
| CATEGORY 2: INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY | Scope 2: Purchased Electricity | - | - |
| | Scope 2: Purchased Steam | - | - |
| ISO CATEGORY 2 TOTAL | | - | - |
| CATEGORY 3: INDIRECT GHG EMISSIONS FROM TRANSPORTATION | Scope 3, Category 4: Upstream Transportation and distribution | - | - |
| | Scope 3, Category 6: Business travel | 0.77 | 0.76 |
| | Scope 3, Category 7: Employee commuting | - | - |
| | Scope 3, Category 9: Downstream Transportation and distribution | - | - |
| ISO CATEGORY 3 TOTAL | | 0.77 | 0.76 |

| | | | |
|---|---|---|---|
| CATEGORY 4: INDIRECT GHG EMISSIONS FROM PRODUCTS USED BY THE ORGANISATION | Scope 3, Category 1: Purchased goods and services | 150.36 | 267.17 |
| | Scope 3, Category 2: Capital Goods | 105.66 | 421.54 |
| | Scope 3, category 3: Fuel & Energy | - | - |
| | Scope 3, Category 5: Waste disposal | - | - |
| | Scope 3, Category 8: Upstream Leased Assets | - | - |
| **ISO CATEGORY 4 TOTAL** | | **256.02** | **688.71** |
| CATEGORY 5: INDIRECT GHG EMISSIONS ASSOCIATED WITH THE USE OF PRODUCTS FROM THE ORGANISATION | Scope 3, Category 10: Processing of Sold Products | - | - |
| | Scope 3, Category 11: Use of sold products | - | - |
| | Scope 3, Category 12: End-of-Life treatment of Sold Products | - | - |
| | Scope 3 Category 13: Downstream Leased Assets | - | 95,821.68 |
| | Scope 3, Category 14: Franchises | - | - |
| | Scope 3, Category 15: Investments | 128,508.78 | - |
| **ISO CATEGORY 5 TOTAL** | | **128,508.78** | **95,821.68** |
| CATGEGORY 6: INDIRECT EMISSIONS FROM OTHER SOURCES | Any other emissions that do not fit into the above categories that are of interest to stakeholders. | - | - |
| **ISO CATEGORY 6 TOTAL** | | **-** | **-** |
| **TOTAL GROSS EMISSIONS** | | **129,022.36** | **96,511.15** |
| **REMOVALS** | | **-*** | **70,964.44** |

*Removals were not quantified in FY24 due to data availability.

## Differences between FY24 and FY25 Emissions

The change in reported emissions between FY24 and FY25 reflects a combination of methodological improvement, category reclassification and genuine portfolio change. Accordingly, FY24 and FY25 shouldn't be treated as directly comparable for performance purposes. This is consistent with the decision to reset the base year to FY25, given the material uplift in data quality, quantification approach and category treatment in the current inventory.

Within ISO Category 5, reported as GHG Protocol Scope 3, Category 13 Downstream Leased Assets in FY25, the most significant change was the increased use of site-specific data. Several sites were uplifted from extrapolated estimates to more representative primary activity data, including stock headcount data and Overseer reports. This improved the quality and specificity of the inventory but also contributed to a reduction in reported emissions that was methodological rather than performance driven.

NZL also recorded a reduction in emissions within this category through the sale of two pastoral sites - Dog Kennel Road Support Block and Dog Kennel Road Dairy. This portfolio change is estimated to account for approximately 9% of the total reported reduction between FY24 and FY25.

A further change relates to the GHG Protocol classification of land-use emissions. While these emissions remain within ISO Category 5, they were reported under Scope 3, Category 15 Investments in FY24 and reclassified to Scope 3, Category 13 Downstream Leased Assets in FY25. This revised classification better reflects NZL's role as lessor, including its continued ownership of the sites, the receipt of lease income, and its ability to influence land management outcomes through tenancy arrangements.

Within ISO Category 4, the allocation of spend-based emissions between GHG Protocol Scope 3, Category 1 Purchased Goods and Services and Category 2 Capital Goods was refined in FY25 due to improved data granularity and coding accuracy. Capital goods were defined to include professional services used directly to acquire new sites, including capital raising through MUFG investment services and site acquisition transaction fees. As a result, some emissions previously reported under Category 1 were reallocated to Category 2, improving reporting consistency and transparency.

## 4.3. Significant Emission Sources

The most significant source of emissions for NZL in FY25 was GHG Protocol Scope 3, Category 13 Downstream Leased Assets, reported within ISO Category 5, which accounted for 99% of total gross emissions. Given this concentration, a site-level analysis of NZL's full portfolio is provided below.

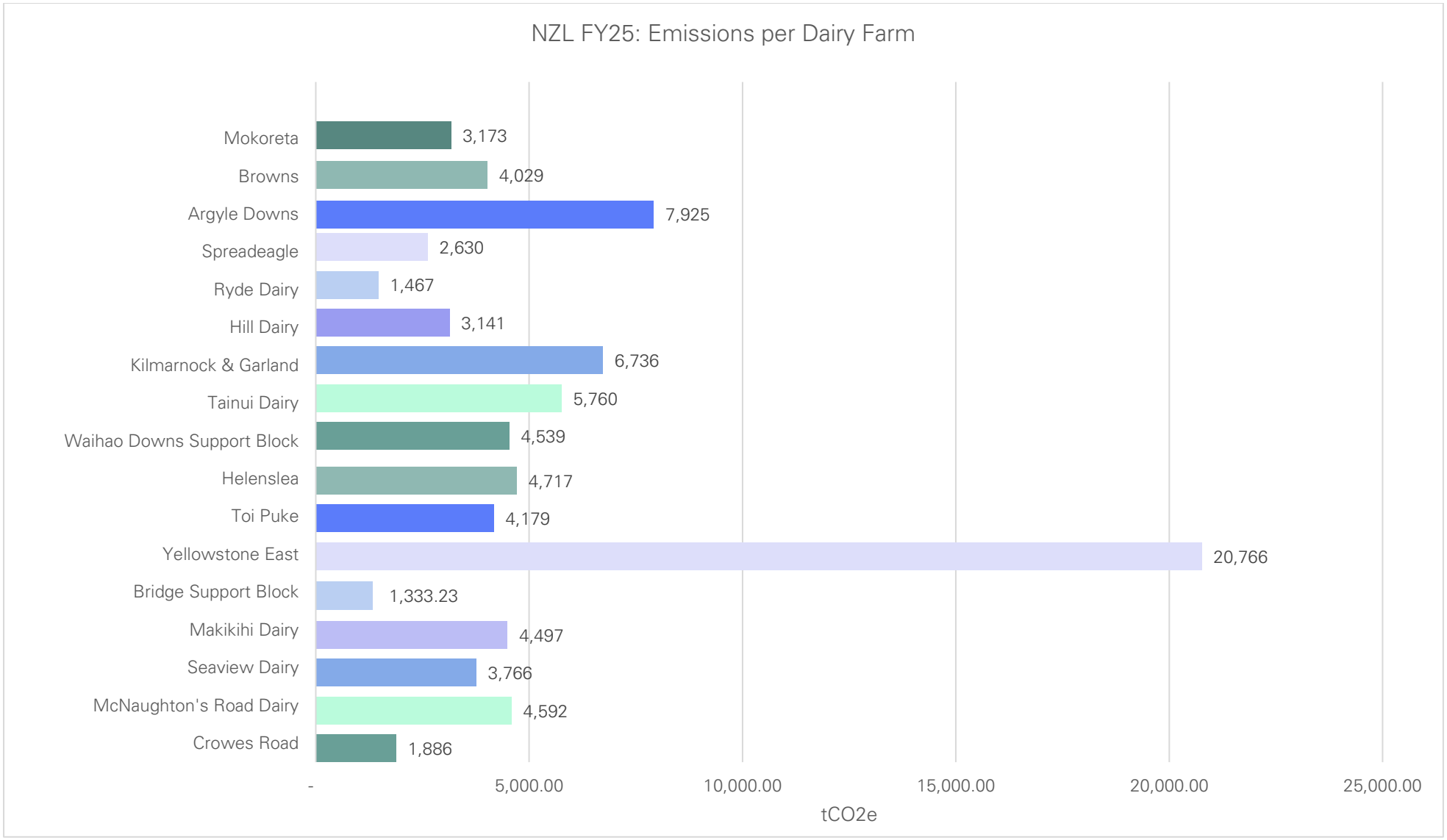



*Figure 3: NZL FY25: Emissions per Dairy Farm*

As seen in figure 4, emissions are dominated by a small number of farms at a site level. Yellowstone East (inclusive of Alnwick, Terico, Saran, and Willowview) is the highest-emitting site at 20,766 $tCO_2e$, followed by Argyle Downs at 7,925 $tCO_2e$ and Kilmarnock & Garland at 6,736 $tCO_2e$. Together, these three sites account for a substantial share of total dairy emissions, indicating that overall portfolio performance is strongly influenced by a limited number of high-emitting assets.

At the lower end of the profile, the three lowest-emitting sites are Bridge Support Block (1,333 $tCO_2e$), Ryde Dairy (1,467 $tCO_2e$), and Crowes Road (1,886 $tCO_2e$). This spread in site-level emissions suggests considerable variation across the dairy portfolio and highlights where targeted engagement may have the greatest impact.

These results should, however, be interpreted in context, as absolute site emissions are influenced in part by farm size; for this reason, emissions intensity on a $tCO_2e$ per hectare basis is explored below.

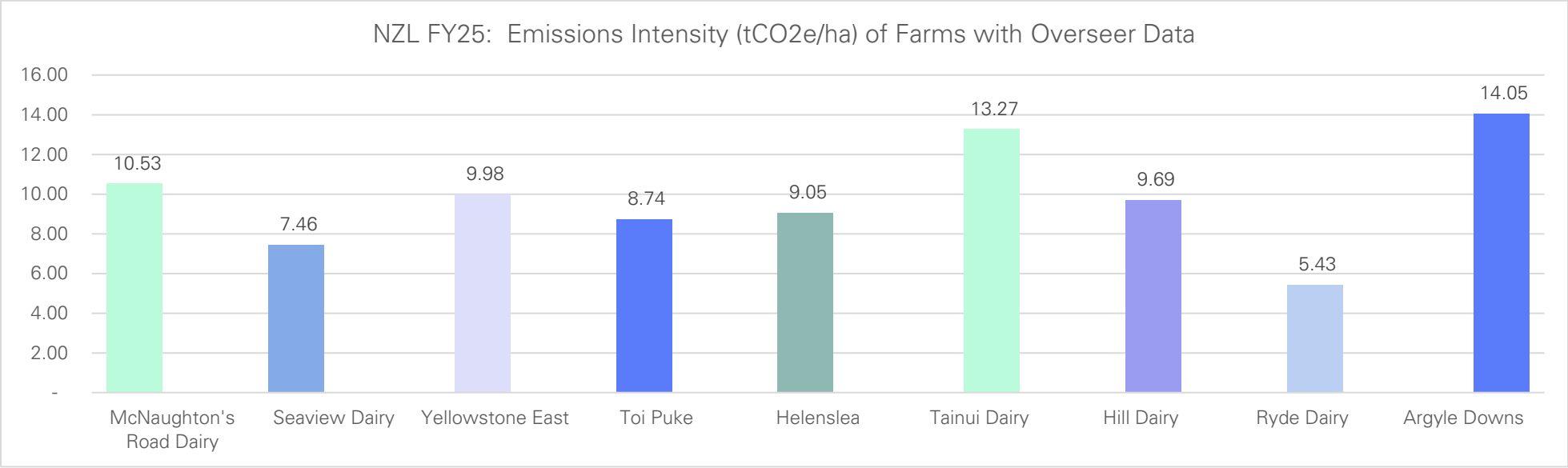



*Figure 4: NZL FY25: Emissions Intensity (tCO2e/ha) of Farms with Overseer Data*

Figure 5 shows the emissions intensity of dairy sites with high-quality Overseer data in FY25, expressed as tCO2e per hectare. Restricting the analysis to these sites provides a more robust basis for comparison, as the results are derived from the highest-quality and most site-specific data available.

Emissions intensity across these sites ranges from 5.43 to 14.05 tCO2e/ha, with an average of approximately 9.8 tCO2e/ha. Argyle Downs and Tainui Dairy record the highest emissions intensities, while Ryde Dairy and Seaview Dairy record the lowest. This indicates that, even within a relatively consistent data set, emissions performance can vary materially across the portfolio, likely reflecting differences in farm system characteristics, stocking intensity and management practices.

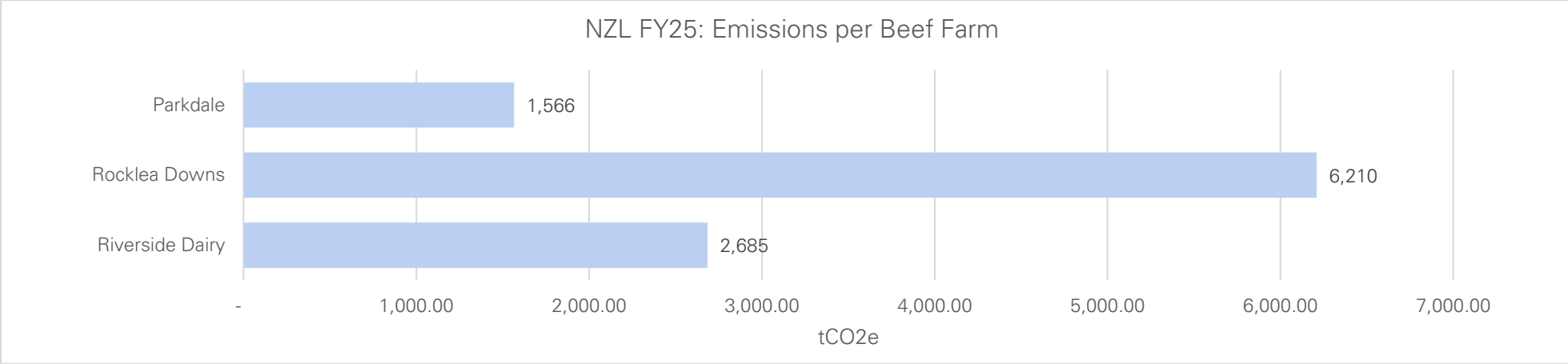



*Figure 5: NZL FY25: Emissions per Beef Farm*

Within the beef portfolio, emissions are dominated by Rocklea Downs, which reports 6,210 $tCO_2e$, substantially higher than Riverside Dairy at 2,685 $tCO_2e$ and Parkdale at 1,566 $tCO_2e$. This indicates that emissions vary meaningfully across the beef farms, likely reflecting differences in site characteristics and farming activity.

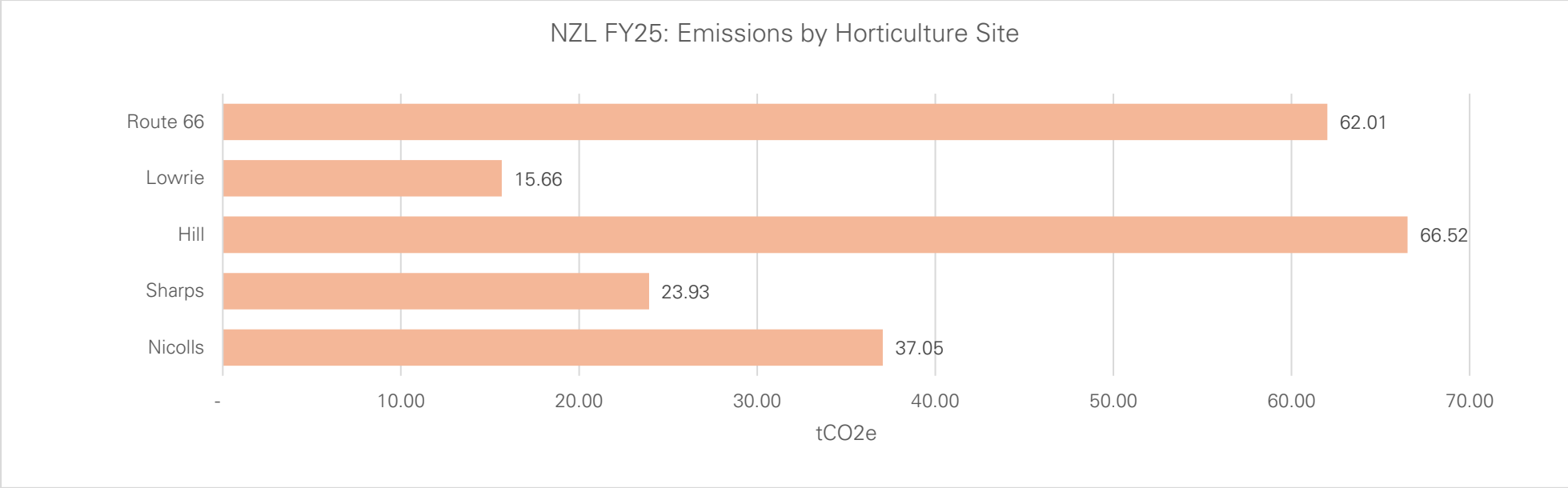



*Figure 6: NZL FY25: Emissions by Horticulture Site*

In the context of the overall inventory, emissions from Horticulture sites are relatively low in absolute terms. The Hill site is the highest-emitting site at 66.52 $tCO_2e$, closely followed by Route 66 at 62.01 $tCO_2e$. By contrast, Lowrie reports the lowest emissions at 15.66 $tCO_2e$, with Sharps and Nicolls also comparatively low at 23.93 tCO2e and 37.05 $tCO_2e$ respectively.

Overall, the spread between sites is modest compared with the dairy and beef portfolios, although emissions are still somewhat concentrated in the two sites Hill and Route 66. While horticultural emissions are low in the context of the overall inventory, the variation across sites suggests that emissions are influenced by differences in operational inputs and production intensity, rather than site area alone.

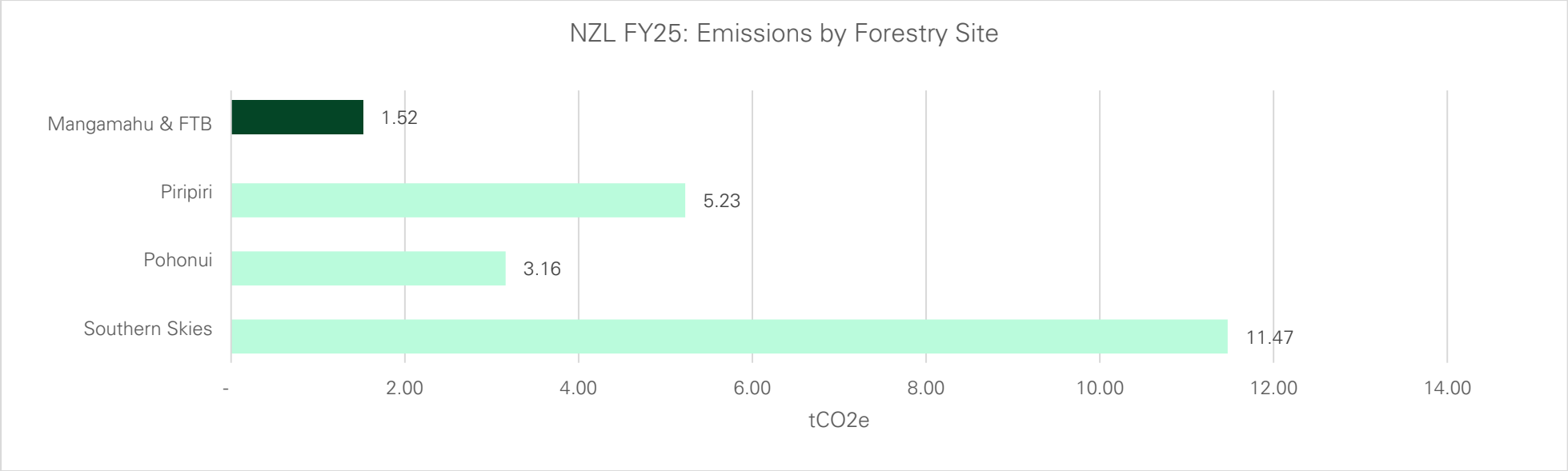



*Figure 7: NZL FY25: Emissions by Forestry Site*

In the context of the overall inventory, reported forestry operational emissions are very low in absolute terms. Southern Skies is the highest-emitting site at 11.47 $tCO_2e$, followed by Piripiri at 5.23 $tCO_2e$ and Pohonui at 3.16 tCO2e, while Mangamahu & FTB reports the lowest emissions at 1.52 $tCO_2e$. However, it should be noted that as FY25 fuel data was not provided by tenants, operational emissions were therefore estimated by extrapolating FY24 fuel use on a per-hectare basis.

## 4.4. Influences Over Significant Emission Sources

While NZL does not exercise day-to-day control over farming activities undertaken by tenants, it retains ownership of the land and establishes the lease arrangements that shape how those assets are managed. Through these ownership rights and contractual mechanisms, NZL is able to influence land management practices and support the adoption of lower-emissions and more climate-resilient approaches. This is reflected in NZL's first formal decarbonisation plan, which provides the analytical basis for its ongoing emissions reduction approach across the portfolio.

## 4.5. Significant Emission Sources with Limited Direct Influence

Embodied emissions in external services: NZL reports emissions within GHG Protocol Scope 3, Category 1 Purchased Goods and Services for externally provided services, including accounting, software and management consulting. While these emissions are not material relative to NZL's overall emissions profile, they arise within supplier operations and are therefore subject to limited visibility and limited direct influence by NZL over the underlying production processes and emissions profiles.

## 4.6. Emissions Over Time

The table below presents NZL's reported emissions totals by scope for each year in which a GHG inventory has been prepared. These results are provided for transparency; however, they are not directly comparable due to methodological changes between FY24 and FY25.

*Table 14: Comparison of FY24 vs FY25 reporting years.*

| ISO | GHG Protocol | FY24 $tCO_2e$ | FY25 $tCO_2e$ | Variance ($tCO_2e$) | Variance (%) |
|---|---|---|---|---|---|
| Category 1 | Scope 1 | - | - | - | - |
| Category 2 | Scope 2 | - | - | - | - |
| Category 3 | Scope 3 | 0.77 | 0.76 | 0.01* | -1%* |
| Category 4 | | 256.02 | 688.71 | 432.69* | 169%* |
| Category 5 | | 128,508.78 | 95,821.68 | 32,687.10* | -25%* |
| Category 6 | | - | - | - | - |
| **Total** | | **129,022.36** | **96,511.15** | 32,254.42* | -25%* |
| Removals | | -** | 70,964.44** | 70,964.44** | 100%** |

**Removals were not accounted for in FY24. FY25 removals have been included in this table to allow for comparability in future reporting.

## 4.7. Offsetting

No offsets have been reported in the current reporting period.

# 5. Emissions Reduction

NZL has developed its first formal decarbonisation plan to assess emissions reduction pathways across the portfolio. The plan is grounded in the FY25 GHG inventory, which is used as the current planning reference point due to materially improved methodology, data quality and category treatment, including quantified removals.

The plan identifies four principal categories of decarbonisation action: operational and management improvements; technology and system change; carbon removals from vegetation; and portfolio transition and investment shift. Quantitative modelling has been undertaken at the level of these categories to assess the likely scale, timing and relative contribution of emissions reductions and removals under a defined set of assumptions. This modelling is intended as a decision-support tool rather than a precise forecast.

The analysis indicates that NZL's emissions profile is highly concentrated in leased land uses and that portfolio transition and investment shift is likely to represent the most significant source of gross emissions reduction over time. Operational and management improvements and technology and system change are expected to provide smaller but still meaningful contributions, while carbon removals from vegetation may provide an additional contribution over time, subject to land suitability and appropriate monitoring, reporting and verification arrangements.

The decarbonisation plan is intended to inform NZL's ongoing emissions reduction approach and will be reviewed and updated over time as NZL's evidence base, implementation experience and strategic direction continue to develop. Any emissions reduction plans will be confirmed following Board consideration and disclosed in a subsequent reporting period.

## 5.1. Emissions Reduction targets

NZL is considering emissions reduction targets informed by its decarbonisation planning. The decarbonisation plan provides a basis for Board consideration of a science-aligned target approach that reflects NZL's emissions profile, including the relevance of Forest, Land and Agriculture (FLAG) methodologies. At the date of this report, no formal emissions reduction target has been adopted by the Board. Any target will be confirmed following Board consideration and disclosed in a subsequent reporting period.

# 6. Assurance Status

This GHG inventory report has been internally reviewed by Lewis Foster and Ella Sheehy at The Lever Room.

A full audit report is to be completed by McHugh & Shaw Limited, who are an independent sustainability assurance provider based in Aotearoa New Zealand. A mixed level of assurance has been provided against the assertions and quantifications included in this report;

- Category 1 – Reasonable Assurance (excluding removals)
- Category 2 – Reasonable Assurance
- Category 3-6 – Limited Assurance

Audit Outcome as of April 2026:

……..……Reasonable Assurance ISO Category 1-2 – Achieved

…….…… Limited Assurance ISO Categories 3-6 – Achieved

# 7. Disclaimer

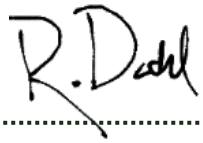
This report has been prepared by The Lever Room Limited for New Zealand Rural Land Company Limited (NZL) and New Zealand Rural Land Management Limited Partnership (NZRLM) for the purpose set out in Section 1.8. It is based on information provided by NZL and other sources considered reliable at the time of preparation.

While reasonable care has been taken, The Lever Room Limited does not warrant the completeness or accuracy of the information and, to the extent permitted by law, accepts no liability for any loss or damage arising from reliance on this report by any person other than NZL and NZRLM.

# 8. Authorisation

Prepared by: Rosie Dodd

Title: Carbon Measurement Specialist



Reviewed by: Ella Sheehy

Title: Carbon Measurement Specialist

Authorised for release by: Rebecca Mills

Title: Executive Director

# Appendices

## 8.1. Appendix A – ISO 14064-1:2018 Reporting Index Alignment

| ISO Reporting | Section in this report | Notes |
|---|---|---|
| 9.3.1 (a) | 1.1 | Description of Organisation |
| 9.3.1 (b) | 1.4 | Person responsible |
| 9.3.1 (c) | 1.5 | Period |
| 9.3.1 (d) | 2.1 | Org Boundary |
| 9.3.1 (e) | 2.2 | Reporting Boundary and Significance Criteria |
| 9.3.1 (f) | 3. Table 5: GHG emissions by gas type | Direct emission with gas breakdown |
| 9.3.1 (g) | 3. Table 6: Emissions associated with biomass | Biomass emission and removals |
| 9.3.1 (h) | 3.7 | Direct removals |
| 9.3.1 (i) | 2.7 | Exclusions |
| 9.3.1 (j) | 4. Table 4: YOY GHG emissions comparison with commentary | Indirect emissions |
| 9.3.1 (k) | 1.4 | Base year |
| 9.3.1 (l) | 1.4 | Change to base year |
| 9.3.1 (m) | 2.6 | Quantification approach |
| 9.3.1 (n) | 2.2 | Changes to quantification approach |
| 9.3.1 (o) | 2.5 | Emission Factors |
| 9.3.1 (p) | 2.6 | Uncertainties |
| 9.3.1 (q) | 2.6 | Uncertainty Assessment |
| 9.3.1 (r) | Purpose of Document | Purpose of the document |
| 9.3.1 (s) | 5. | Verification |
| 9.3.1 (t) | 2.5 | GWP Source |

| ISO Reporting | Section in this report | Notes |
|---|---|---|
| | | |
| 9.3.2 (a) | 4 | GHG strategies |
| 9.3.2 (b) | 4.2 | GHG reduction/removal initiatives |
| 9.3.2 (c) | 3.7 | GHG reduction /removals quantity |
| 9.3.2 (d) | NA | GHG programme requirements |
| 9.3.2 (e) | NA | No other facilities |
| 9.3.2 (f) | 1.3 | Total indirect GHG |
| 9.3.2 (g) | 3.2 | Indicators/intensity |
| 9.3.2 (h) | 4. Table 4: YOY GHG emissions comparison with commentary | Benchmark |
| 9.3.2 (i) | 2.3 | Info management |
| 9.3.2 (j) | Figure 5: Comparison of emissions totals by scope since baseline | Emission/removals from previous period |
| 9.3.2 (k) | Figure 5: Comparison of emissions totals by scope since baseline | Explanation with difference |

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