

Climate Risk, Uncertainty and Resilience

GPT invests in climate-related risk assessments, and adaptation and mitigation of these risks. In line with the TCFD and the ISSB’s S2 standard, we have disclose the most significant areas of uncertainty in our climate adaptation planning process and how we build resilience around these uncertainties.

Climate adaptation planning is an ongoing process that involves inherent uncertainty over time. For example, projected increases in the incidence of extreme heat will see increased expenditure to maintain comfortable conditions for customers at our assets. However, with efficiencies in technology and improved procedures, GPT is able to reduce the amount of energy consumed and thereby minimise energy cost increases.

Our strategy of using RCP 2.6 and RCP 8.5 emissions scenario modelling allows us to address the most extreme transitional and physical climate risks, and opportunities, to our business in the transition to a low carbon economy,.

The greatest areas of uncertainty around transitional and physical climate risk for GPT are set out in the table below. More detail on the full range of material climate-related risks and opportunities facing the business can be found in Appendix B of our 2023 Climate and Nature Disclosure Statement.

Type of risk/ opportunity	Risk and uncertainty	Response/ Adaptation	Impact to business model or strategy
Transition	The most significant transition risk uncertainty surrounds the increased use of EVs and the impacts to asset infrastructure and safety profiles.	A cautious approach that is location specific. Supporting tools for risk assessment (e.g., project checklists and risk assessment templates) have been created as part of initial work to develop an agreed business-wide approach.	Potential adverse impacts requiring management include fire safety, electrical capacity limitations, reduced success of our demand-side flexibility programs, potential capital expenditure, reputational damage, and unmet customer expectations.

Type of risk/ opportunity	Risk and uncertainty	Response/ Adaptation	Impact to business model or strategy
Physical (acute and chronic)	Uncertainty regarding which emissions (RCP) scenario will eventuate, resulting in uncertainty in parameters such as future temperature increase projections.	<p>Asset specific adaptation planning.</p> <p>We use both RCP 2.6 and RCP 8.5 emissions scenario modelling to allow us to address the most extreme possible risks, and opportunities, to our business in the transition to a low carbon economy, whilst mitigating or adapting to increasing physical risks.</p>	<p>Increased operational expenditure on energy and increased capital expenditure on air conditioning and passive thermal comfort measures to maintain comfort levels.</p> <p>GPT's Building Performance Team have prioritised implementing efficiency projects to reduce costs associated with maintaining customer comfort which provides benefits to our business regardless of which emissions scenario eventuates.</p>