

Introduction

This document is the first greenhouse gas emissions (GHG) report for Stride Investment Management Limited (SIML) and covers all managed entities including Stride Property Limited, Fabric Property Limited, Investore Property Limited, Diversified New Zealand Property Trust and Industrie Property Joint Venture. It covers the periods of:

- FY20 (1 April 2019 – 31 March 2020) – base year
- FY21 (1 April 2020 – 31 March 2021)
- FY22 (1 April 2021 – 31 March 2022)

This report has been written in accordance with The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard, Revised Edition (Greenhouse Gas Protocol).

Greenhouse Gas Inventory

Scope 1 Emissions Tonnes of CO ₂ -e ¹			
Category	2022	2021	2020
Stationary diesel (for backup generator) ²	0.41	0.42	0.00
Natural gas ³	580.50	534.06	493.64
Fugitive emissions from air conditioning systems	221.62	229.54	273.92
Total Scope 1	802.53	764.02	767.56

Scope 2 Emissions Tonnes of CO ₂ -e ⁴			
Category	2022	2021	2020
Electricity consumption	1,164.36	996.46	961.23
Embedded network line losses	52.82	45.39	0.00
Total Scope 2	1,217.19	1,041.85	961.23
Total tCO₂-e Emissions (Scope 1 and Scope 2)	2,019.72	1,805.88	1,728.78

1. Scope 1 Emissions: Accounts for direct GHG emissions from sources that are operated or controlled by SIML.
2. No properties under management by SIML in FY20 had a backup generator.
3. Natural gas used at Queensgate Shopping Centre and Chartwell Shopping Centre includes gas used by tenants but which is unable to be accurately separated into scope 1 and scope 3 emissions.
4. Scope 2 Emissions: Accounts for GHG emissions from the generation of purchased electricity consumed by SIML-managed properties and includes embedded network lines losses from buildings with embedded electricity networks.

Organisational Boundary

SIML's organisational boundary for GHG reporting encompasses the entities listed in the table below. Each entity will also report on emissions generated by its activities, including its owned properties. SIML applies an operational control approach to identify and determine the boundary of SIML's GHG inventory. SIML will report on its own emissions plus 100% of the emissions for SPL and each SIML managed fund (or Stride Product) on the basis that SIML is the property and fund manager and therefore has "operational control". A company has operational control over an operation if it has the authority to introduce and implement operating policies at the operation. This consolidation approach allows us to focus on those emission sources over which we have operational control and can therefore implement management actions consistent with SIML's sustainability strategy.

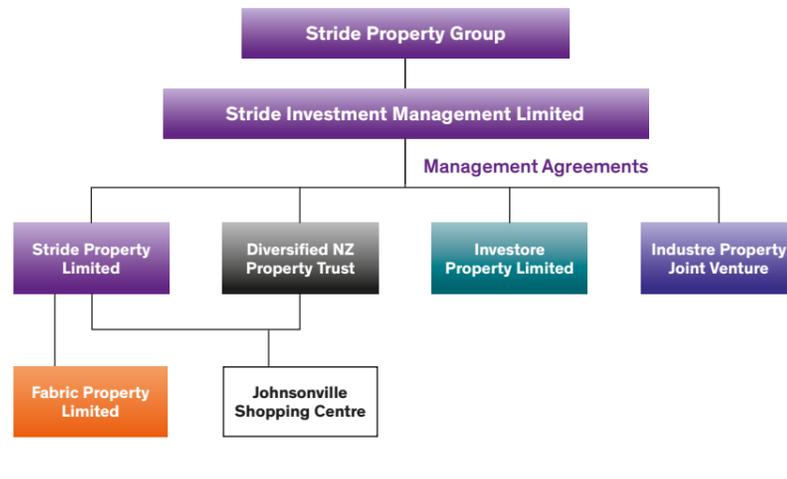
Stride Investment Management Limited (SIML)	The Manager of SPL and its wholly-owned subsidiary Fabric, Diversified, Investore, Industrie, and Johnsonville Shopping Centre, and employer of staff. The shares of SIML are stapled with the shares of SPL to create Stride Property Group
Stride Property Limited (SPL)	An NZX listed company, SPL's shares are stapled with those of SIML to create Stride Property Group. SPL directly owns retail town centre and office assets and holds an interest in the other entities. Stride Holdings is wholly owned by SPL and included within SPL
Fabric Property Limited (Fabric)	SPL's office-owning subsidiary which invests in office property located in Wellington and Auckland. (Established 20 November 2020)
Diversified New Zealand Property Trust (Diversified)	An Australian trust majority owned by Australian superannuation entities. Diversified owns retail shopping centres in New Zealand
Investore Property Limited (Investore)	An NZX listed company which invests solely in large format retail property across New Zealand
Industrie Property Joint Venture (Industrie)	A joint venture between Stride and a group of institutional investors advised by J.P. Morgan Asset Management (JPMAM) which invests solely in industrial properties. Industrie incorporates Industrie Property Nominee Limited, Industrie Property Tahī Limited and Industrie Property Rua Limited. (Established 1 July 2020)
Johnsonville Shopping Centre	Owned 50:50 by SPL and Diversified

The following diagrams describe the changes to the organisational boundary from FY20 (year ended 31 March 2020) to FY22 (year ended 31 March 2022).

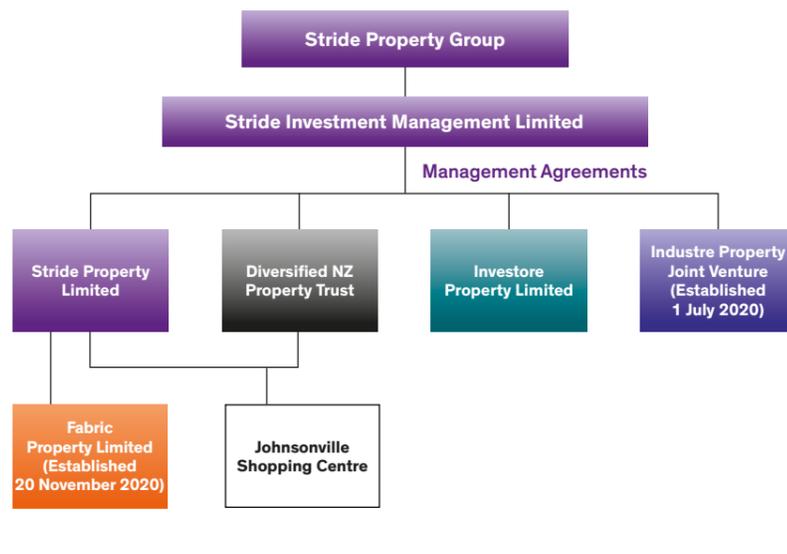
Table 1:
Greenhouse Gas
Emissions Inventory
Summary

Organisational Boundary

FY22
(1 April 2021
– 31 March 2022)



FY21
(1 April 2020
– 31 March 2021)



FY20
(1 April 2019
– 31 March 2020)



Operational Boundary

Assets Under Management*	FY22	FY21	FY20
Total number of properties under management	84	78	69
Net lettable area under management	682,916	660,016	574,932

*Note: All figures are as at 31 March in the relevant year.

SIML currently reports on scope 1 and scope 2 emissions only. This includes the "base build" emissions (refrigeration, natural gas, stationary diesel, and electricity associated with heating, cooling and lighting in common areas).

Scope 3 emissions, particularly the tenant GHG emissions (electricity and gas), will be material, however the accurate collection of this data is proving difficult. SIML has begun the collection of scope 3 emissions data and it is intended that this will be included in future reports when accurate data is available.

A summary of exclusions is provided in Table 6.

Baseline Year

The baseline year for SIML is 1 April 2019 to 31 March 2020 (FY20). This was chosen as the baseline year because it was the first year SIML had an understanding of, and the data to support, its scope 1 and scope 2 emissions. If SIML's scope 1 and scope 2 emissions were to change by more than 10% due to company or portfolio acquisitions or divestments, SIML acknowledges that a base year recalculation would be appropriate. While there has been some movement in properties between the managed entities, including acquisitions and divestments, as SIML has operational control over all funds we do not believe there has been a need to recalculate the base year to date.

Methodologies and Uncertainties

Emissions for scope 1 and scope 2 have been quantified using the calculation-based method, based on activity multiplied by greenhouse gas emissions factors. Emission factors have been sourced from official Ministry for the Environment factors detailed in the notes to Tables 3, 4 and 5.

To minimise uncertainties in accuracy of this inventory, data has been sourced wherever possible from a verifiable source, as detailed in Table 2.

Assurance of GHG Inventory

Deloitte Limited has been appointed as the third-party independent assurance provider for the FY22 Greenhouse Gas Inventory Report (including FY20 and FY21).

A limited level of assurance has been given by Deloitte Limited over the scope 1 and scope 2 assertions and quantifications for FY20, FY21 and FY22 included in this report. Refer to Appendix 1 for the Assurance Report.

SIML includes scope 1 and scope 2 emissions from all relevant Kyoto Protocol gases in our carbon inventory. The emissions sources in Table 2 have been included in the GHG emissions inventory.

GHG Emissions Source Inclusions

Table 2: Included Emission Sources, Data Source and Assumptions

Scope 1 – Direct Emissions			
Category	GHG Emissions Source	Data Source	Methodology, Data Quality, Uncertainty
Stationary diesel (for backup generators) ¹	Fuel used to "top up" generators for back up to essential building operations if the electricity supply fails	Records from suppliers	Emails from suppliers providing quantity used, in litres, during the year
Natural gas - stationary ²	Fuel used for heating and cooking within properties	Records from supplier spreadsheets	Suppliers provide a summary of the consumption used by each ICP across all properties
Fugitive emissions from air conditioning systems ³	Leakage and replacement quantities	Record from suppliers of 'top-up' amounts	Annual report for each property provided by suppliers
Scope 2 – Indirect Emissions			
Category	GHG Emissions Source	Data Source	Methodology, Data Quality, Uncertainty
Electricity consumption ⁴	Electricity used in common parts of properties managed by SIML	Records from electricity suppliers and embedded network operators	Accurate records of electricity consumed
Embedded network lines losses ⁵	Electricity losses from embedded networks operated within properties	Records from embedded network suppliers	External report from embedded network suppliers

Notes to Table 2:

- Diesel used in building backup generators:
 - For FY20 no buildings owned by SIML managed properties had a building backup generator.
 - 34 Shortland Street is part of a body corporate. SIML's portion of the diesel consumption is 85.875%, based on the proportion of ownership between the two owners of the property using the generator services.
- Natural gas:
 - For FY20 and FY21 at Johnsonville Shopping Centre the consumption split between tenant and landlord is calculated based on FY22 split of landlord = 30.26% and tenant = 69.74%, calculated from the average split during FY22. FY22 data is read on internal check meters and allocated to tenants accordingly. The remainder is landlord consumption for heating.
 - Queensgate and Chartwell Shopping Centres – all natural gas use is allocated to scope 1 as it is unable to be accurately split between scope 1 and scope 3 for FY20, FY21 and FY22.
 - 34 Shortland Street is part of a body corporate. SIML's portion of the common parts gas consumption is 85.875%, based on the proportion of ownership between the two owners of the property using the natural gas for heating.
- Fugitive emissions from air conditioning systems:
 - Refrigeration data is collected annually. Where a site has been sold, purchased, or transferred between entities, the total refrigeration for the year is divided by 12 and multiplied by the number of months the site was held by the respective entity as it is not known when the leakage occurred.
 - Air conditioning refrigerant used in SIML managed properties includes: R134A, R22, R32, R404A, R407C, R410A, R438A.
- Electricity:
 - 34 Shortland Street is part of a body corporate. SIML's portion of the common parts electricity consumption is 85.875%, based on the proportion of ownership between the two owners of the property using the electricity for common parts of the building.
 - 22 The Terrace was undergoing major refurbishment from December 2021 to February 2022. Electricity continued to be paid by SIML and therefore is retained as a scope 2 emission.
- Embedded network lines losses:
 - No data provided for FY20 as accurate data is not available.
 - 22 The Terrace was undergoing major refurbishment from December 2021 to February 2022. Electricity continued to be paid by SIML and therefore is retained as a scope 2 emission.



Greenhouse Gas Inventory 2022

SIML includes scope 1 and scope 2 emissions from the six Kyoto Protocol gases in its inventory expressed as carbon dioxide equivalent (CO₂-e). These gases are: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and Hydrofluorocarbons (HFCs). SIML does not have emissions of PFCs, NF₃, or SF₆.

The 2020 Ministry for the Environment emission factors used in this report can be found through this link: [MfE 2020 Emissions Factors](#)

Table 3: Greenhouse Gas Emissions by Gas Type FY22

Source	Emissions (tonnes)				
	CO ₂ -e	CO ₂	CH ₄	N ₂ O	HFCs
Scope 1 Emissions CO₂-e					
Stationary diesel (for backup generator)	0.41	0.41	0.00	0.00	
Natural gas	580.50	579.00	1.21	0.29	
Fugitive emissions from air conditioning systems					221.62
Total Scope 1	802.53	579.41	1.21	0.29	221.62
Scope 2 Emissions CO₂-e					
Electricity consumption	1,164.36	1,118.25	44.51	1.60	
Embedded network line losses	52.82	50.73	2.02	0.07	
Total Scope 2	1,217.19	1,168.99	46.53	1.67	
Total Scope 1 & Scope 2 Emissions	2,019.72	1,748.40	47.74	1.96	221.62

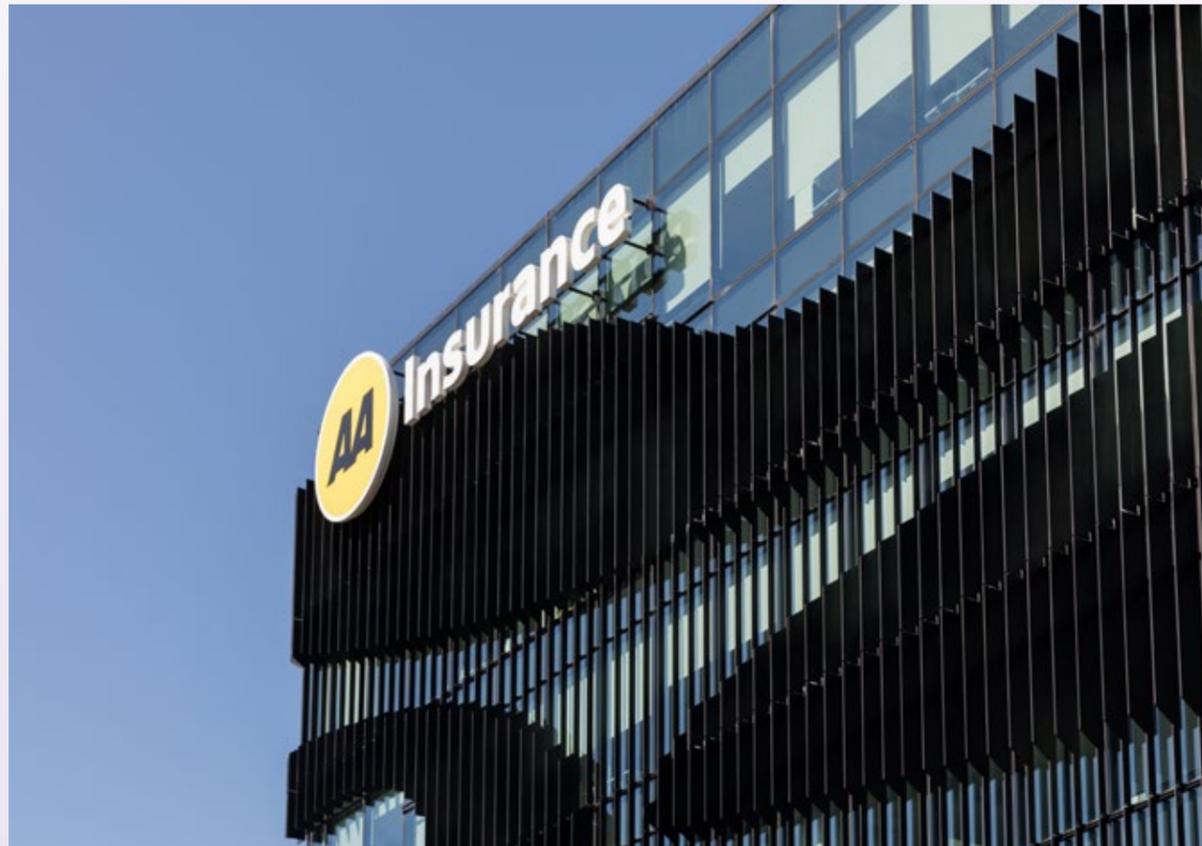
Table 4: Greenhouse Gas Emissions by Gas Type FY21

Source	Emissions (tonnes)				
	CO ₂ -e	CO ₂	CH ₄	N ₂ O	HFCs
Scope 1 Emissions CO₂-e					
Stationary diesel (for backup generator)	0.42	0.42	0.00	0.00	
Natural gas	534.06	532.69	1.11	0.26	
Fugitive emissions from air conditioning systems					229.54
Total Scope 1	764.02	533.11	1.11	0.27	229.54
Scope 2 Emissions CO₂-e					
Electricity consumption	996.46	957.00	38.09	1.37	
Embedded network line losses	45.39	43.59	1.74	0.06	
Total Scope 2	1,041.85	1,000.60	39.83	1.43	
Total Scope 1 & Scope 2 Emissions	1,805.88	1,533.70	40.94	1.70	229.54

GHG Emissions Source Inclusions

Table 5: Greenhouse Gas Emissions by Gas Type FY20

Source	Emissions (tonnes)				
	CO2-e	CO2	CH4	N2O	HFCs
Scope 1 Emissions CO2-e					
Stationary diesel (for backup generator)	0.00	0.00	0.00	0.00	
Natural gas	493.64	492.37	1.03	0.24	
Fugitive emissions from air conditioning systems	273.92				273.92
Total Scope 1	767.56	492.37	1.03	0.24	273.92
Scope 2 Emissions CO2-e					
Electricity consumption	961.23	923.16	36.75	1.32	
Embedded network line losses	0.00	0.00	0.00	0.00	
Total Scope 2	961.23	923.16	36.75	1.32	
Total Scope 1 & Scope 2 Emissions	1,728.79	1,415.53	37.78	1.56	273.92



GHG Emissions Source Exclusions

The following emissions sources have been excluded from the inventory.

Table 6: Emissions Source Exclusions

Scope	Category	GHG Emissions Source	Reason for Exclusion
1	Fugitive emissions from refrigeration	For nine properties data for FY20, FY21 and FY22	Accurate data not available
1	Stationary Energy – Natural gas	Silverdale Centre for FY20, FY21 and FY22	Accurate data not available to split between scope 1 and scope 3. Scope 1 consumption is much smaller than scope 3 and therefore these emissions are currently included in scope 3
1	Embedded network natural gas distribution losses	Queensgate, Chartwell, NorthWest and Johnsonville Shopping Centres for FY20, FY21, and FY22	Accurate data not available
2	Embedded network lines losses	FY20 data	Accurate data not available
2	Electricity consumption data	FY22 part data missing for seven properties	Accurate data not available or not provided by suppliers. The tCO2-e for the scope 2 electricity consumption not available is estimated to be 37.91 tCO2-e
3	All scope 3 emissions		Data is incomplete and some currently not available

Prepared by:

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Approved by:

Jacqueline Cheyne
Independent Director and Chair of
Stride Board Sustainability Committee
26 May 2022

Independent assurance report on Stride Investment Management Limited's Greenhouse gas emissions inventory reports for the base year ended 31 March 2020, prior year ended 31 March 2021 and current year ended 31 March 2022

To the Board of Directors of Stride Investment Management Limited

Report on Greenhouse Gas Emissions ('GHG') Inventory Reports

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Reports (the 'inventory reports') of Stride Investment Management Limited (the 'Group') for the base year ended 31 March 2020 ('base period'), the previous year ended 31 March 2021 ('prior period'), and the current year ended 31 March 2022 ('current period'), presented together and comprising the scope 1 and scope 2 emissions inventories and the explanatory notes set out on pages 1 to 8.

The inventory reports provide information about the Scope 1 and 2 greenhouse gas emissions of the Group for the base, prior and current period and are based on historical information. This information is stated in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol') which can be accessed at <http://ghgprotocol.org/corporate-standard>.

Board of Directors' Responsibility

The Board of Directors are responsible for the preparation of the scope 1 and 2 emissions within the inventory reports, in accordance with the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of inventory reports that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the scope 1 and 2 emissions within the inventory reports based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: Assurance Engagements on Greenhouse Gas Statements ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the inventory reports are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of the Group's use of the GHG Protocol as the basis for the preparation of the inventory reports, assessing the risks of material misstatement of the inventory reports whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the inventory reports. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through enquiries, obtained an understanding of the Group's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Reviewed adherence to the principles and requirements outlined in GHG Protocol.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Stride Investment Management Limited's inventory reports have been prepared, in all material respects, in accordance with the GHG Protocol.

Inherent Limitations

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 Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than this engagement, our firm has provided long-term incentive plan valuation services. Also, our firm deals with the Group on normal terms within the ordinary course of trading activities of the business of the Group via a rental agreement of a property owned by the Group. The firm has no other relationship with, or interest in the Group.

The firm applies Professional and Ethical Standard 3 (Amended): Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance

Engagements issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

This report is provided solely for your exclusive use in accordance with the terms of our engagement. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

Limited Assurance Conclusion

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 Stride Investment Management Limited's scope 1 and scope 2 emissions within the inventory reports for the base period, prior period and the current period were not prepared, in all material respects, in accordance with the requirements of the GHG Protocol.

Chartered Accountants
26 May 2022
Auckland, New Zealand

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