

2017 Greenhouse Gas Inventory

Overview

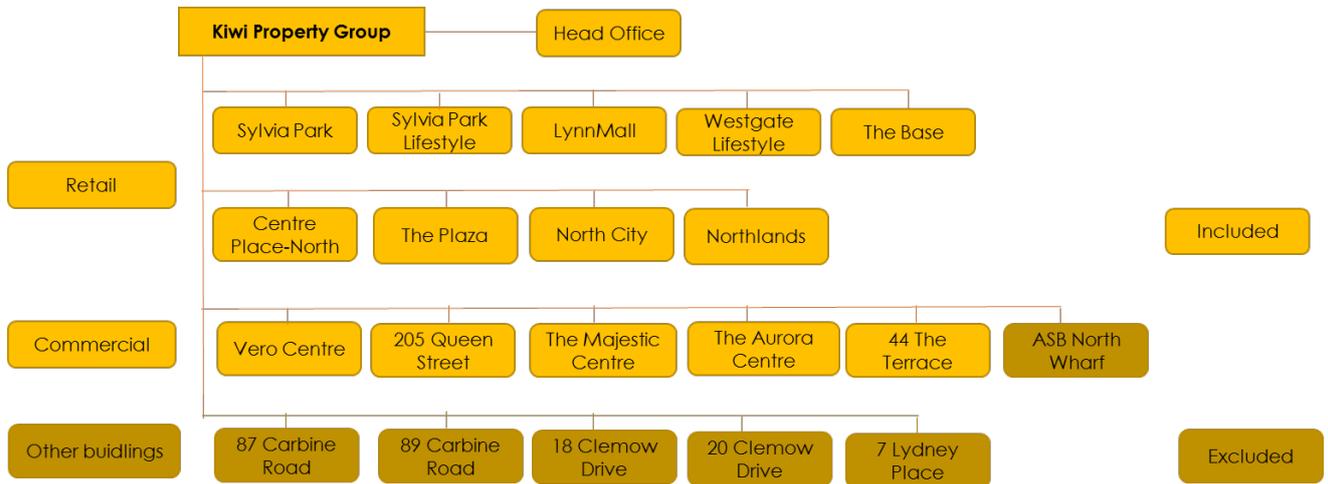
Kiwi Property Group’s Greenhouse Gas Inventory Calculations and Report meets the requirements of ISO14064-1:2006 Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals, Carbon Warranty to the level of ‘Carbon Managed’, the principles of the Greenhouse Gas Protocol and the Ministry for the Environment’s Guidance for Voluntary, Corporate Greenhouse Gas Reporting.

Introduction

Kiwi Property Group is New Zealand’s largest listed diversified property company on the New Zealand Stock Exchange. They have been around for more than 20 years and own and manage a \$3 billion portfolio comprising some of New Zealand’s best shopping centres and prime office buildings.

The boundary for this inventory covers Kiwi Property Group’s operational activities and its investment activities, which are primarily related to the renting of the commercial and retail assets.

ASB North Wharf is owned by Kiwi Property Group however it is leased and managed by ASB Bank Limited. Kiwi Property has no operation control over its emissions and so it is excluded. In 2015 Kiwi Property Group sold 205 Queen Street, however continued to manage its operations and so emissions from this property are included:





Boundary

The emissions from Kiwi Property Groups investments and operating those investments ie commercial and retail buildings are included. Included are emissions incurred whilst managing KPG's investments, Head Office electricity, waste and flights. Other buildings were excluded as their emissions are not considered material at 0.3% of KPG total emissions at 20 tonnes of CO₂e. They are owned to provide the ability to expand the current retail and commercial buildings and do not form part of their active portfolio.

Consolidation approach

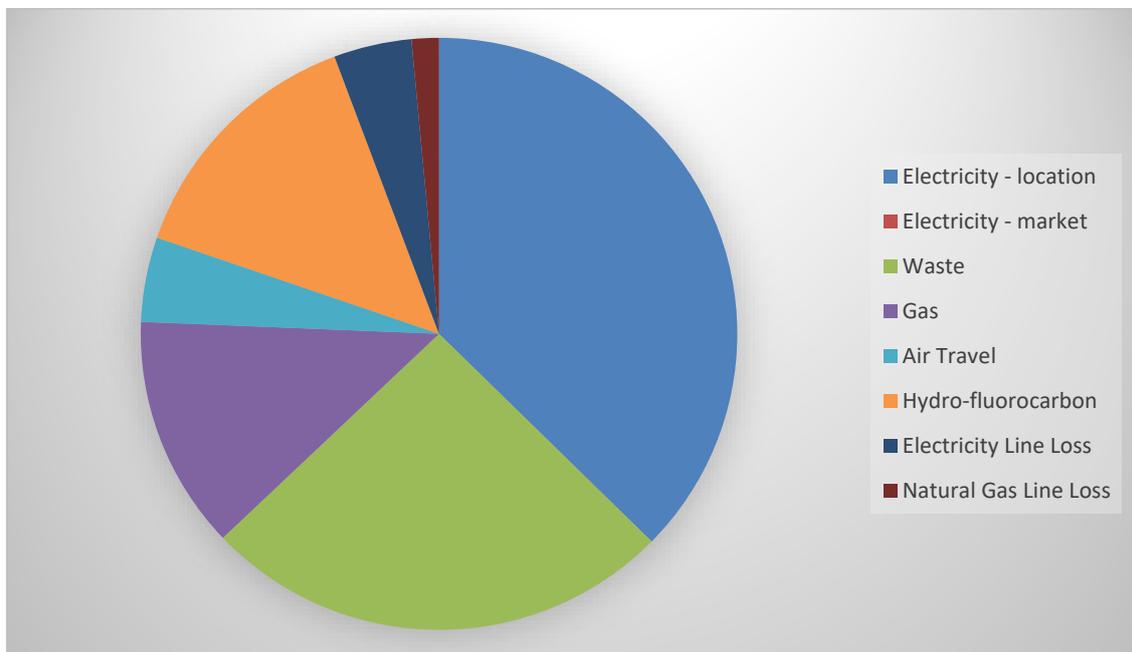
An Operational Control approach was taken to identify greenhouse gas emission sources.

Measurement period and base year

This is the fifth audited greenhouse gas inventory report for KPG and the base year is 1st January 2012 to 31st December 2012. The measurement period is for 1st January 2017 to 31st December 2017.

Emission source inclusions

The diagram below shows the operational greenhouse gas emissions sources for KPG:



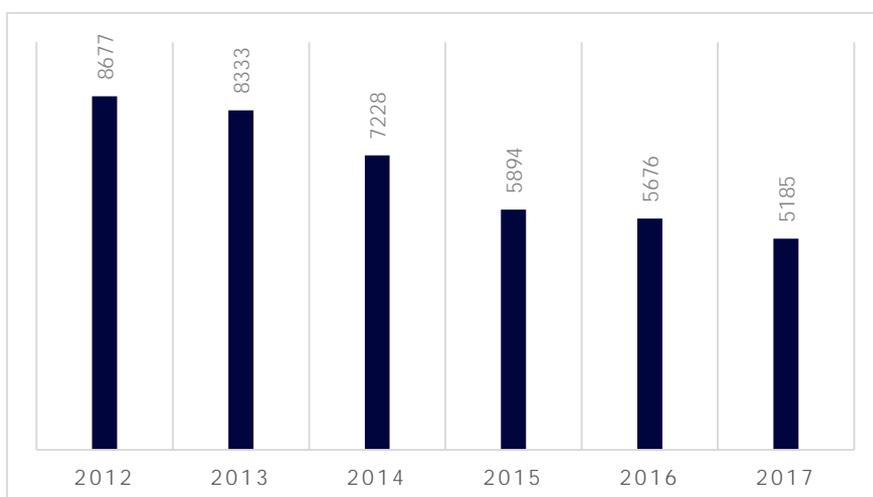


Emission source exclusions

Emissions source	Scope	Reason for exclusions
Fuel use from company owned vehicles	Scope 1	In 2012 the emissions from this source was 0.78% of total emissions and deemed to be under the 1% materiality threshold. In addition company owned vehicles are being phased out
Taxis	Scope 3	In 2012 the emissions from this source was 0.01 % of total emissions and deemed to be under the 1% materiality threshold.
Staff commuting to and from work	Scope 3	Considered outside the boundary and influence of the organisation.
Couriers	Scope 3	The courier company used by KPGM could not provide the information required. In addition there are no publicly available emission factors for Courier by \$ spend so information could not be sourced from invoices. It is also considered the emissions would not be material
Construction waste	Scope 3	KPGM does not have operational control over the waste created by building companies
Construction electricity	Scope 3	KPGM does not have operational control over the electricity created by building companies
Construction gas	Scope 3	KPGM does not have operational control over the gas created by building companies

Emission reduction commitments

Overall Kiwi Property Group has reduced its total greenhouse gas emissions by 3,492tCO₂e since 2012, which represents a reduction of 40%, this is the result of a 16-year environmental programme. In 2017 Kiwi Property Group continued to reduce its overall carbon emissions by 9%, through a waste programme rolled out through the retail centres, an LED project and a reduction in air travel.





The following emission reduction targets were set for the 2017 reporting period:

Target	Result
Reduce total greenhouse gas emissions by 36% by 2020 on 2012 base year emissions	Kiwi Property Group has achieved its 2020 target and has reduced its emissions by 40% on its 2012 base year emissions.

Kiwi Property Group is following best practice and has set greenhouse gas emission reduction targets in line with climate science to help keep a rise in global temperature to well below 2°C. Based on climate change science the world needs to reduce its carbon emissions between 49% - 72% below 2010 levels to achieve a 2 degree temperature change by 2050. These targets are:

- > Reduce total greenhouse gas emissions by 36% by 2020 on 2012 base year emissions
- > Reduce total greenhouse gas emissions by 40% by 2025 on 2012 base year emissions
- > Reduce total greenhouse gas emissions by 55% by 2050 on 2012 base year emissions
- > 15% of total electricity consumed is from renewable sources by 2020

Verified by

This inventory has been verified by International Certification Ltd to the standard ISO14064-1:2006 and Carbon Warranty to the level of "Carbon Managed". A Reasonable Level of Assurance was achieved for all Scopes.

Threshold of materiality

Excluded emissions do not exceed 5% of the total footprint and no individual emission source exceeded 1% of the total footprint for the organisation boundary stated.

Level of assurance

Reasonable Level of Assurance for Scopes 1, 2 and 3.

Certification status

Verified to ISO14064-1:2006 and certified to Carbon Warranty (Carbon Managed).

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