

Greenhouse Gas Emissions Inventory



April 2022– March 2023

This report has been verified by an accredited entity.

Verification report attached

Content

Content-----	2
1. Introduction -----	3
2. Organisation Description -----	3
<i>Figure 1- Organisational Chart</i> -----	5
-----	5
3. Consolidation Approach and Organisational Boundaries-----	6
4. GHG Emissions Source Inclusions -----	6
<i>Table 1 – Emission Sources and Exclusions</i> -----	7
5. GHG Emissions Data-----	8
<i>Table 2 – Inventory Summary</i> -----	8
<i>Figure 2 – GHG Inventory Summary by Scope (Gross)</i> -----	8
<i>Table 3 – GHG Inventory by Source (metric ton of Co₂e)</i> -----	9
6. Avoided GHG Emissions/Gross vs. Net Emissions-----	10
7. Potential Emissions from Fossil fuel reserves -----	10
Appendix 1 – Verification Report -----	11

1. Introduction

This report is outlining the annual greenhouse gas (GHG) emissions inventory resulting from business operations of Te Rehe Group during the 2022/2023 Fiscal year. The report reflects our commitment to measure and manage our emissions as part of continuing efforts to create a sustainable workplace, as further elaborated on section 2.1 below. These efforts are now internationally recognized, as Te Rehe Group became a certified B Corporation as of November 2022.

The report covers complete and accurate quantification of the amount of GHG emissions that can be directly attributed to the group operations, within the organizational boundaries declared below.

This inventory has been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (revised edition) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals¹.

2. Organisation Description

Te Rehe Group is the parent company of 4 wholly owned subsidiaries, all operating within the financial services sector. The Group's largest entity is Stewart Financial Group Ltd (SFG), operating from Hastings, New Zealand since 1987. SFG provides financial, insurance and pension advice to individuals, families, and businesses in New Zealand. In addition, it provides wealth and investment management services.

Finzo NZ Limited is the second-largest entity in the group. Finzo holds a Financial Advice Provider (FAP) license and provides tailored service support to other financial advice businesses. Figure 1 shows the legal structure of the group and its relationship to its subsidiaries.

Third entity is Stewart Group Asset Management Ltd, which provides asset consultancy to fund managers including in the fields of KiwiSaver and general investment funds.

Last, Stewart Group Wellington provides the same services as SFG from our Wellington based office.

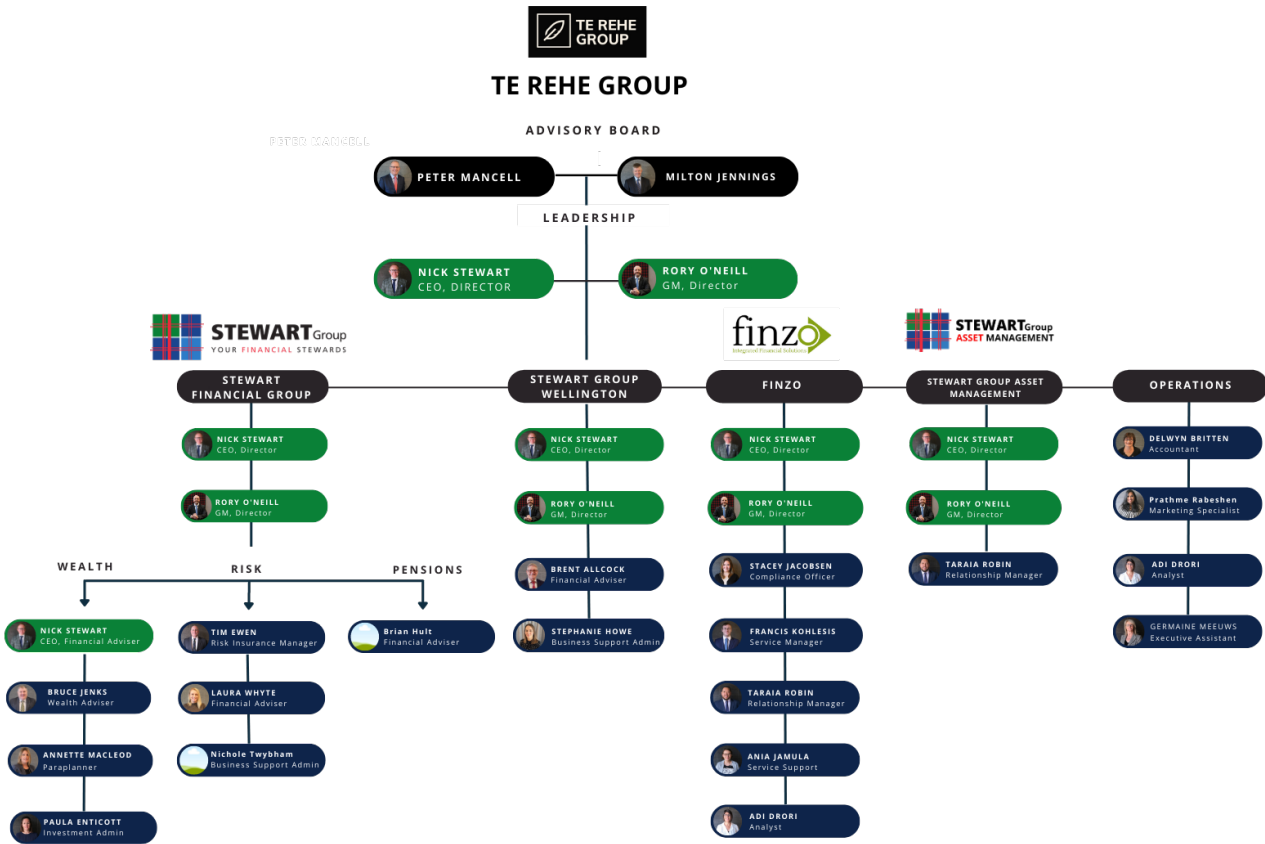
¹ Throughout this document 'GHG Protocol' means the GHG Protocol Corporate Accounting and Reporting Standard and 'ISO 140641:2018' means the international standard Specification with Guidance at the Organizational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

2.1 Simply Sustainable™

Simply Sustainable™ is Te Rehe Group's roadmap to sustainable business operation, launched in 2021. Since then, we've improved our workplace sustainability by installing solar panels on the building and switching to renewable electricity consumption on our premises. We have also upgraded the company's fleet to a fully electric fleet, decreased our waste disposal by installing hand dryers and we are now monitoring our water consumption using a private meter.

The sustainability approach extends further, as we also offer our investors a range of sustainable and socially responsible investment strategies, aligned with their personal values and our investment philosophy.

Figure 1- Organisational Chart



3. Consolidation Approach and Organisational Boundaries

We used an operational control consolidation approach to account for emissions, as allowed by the GHG protocol. While Te Rehe Group is a non-operational entity, all 4 subsidiaries are:

SFG Hastings, Finzo and Stewart Group Asset management share operational control, including office premises, fleet, administrative support, marketing, customer relation management (CRM), accounting and compliance services, whether provided by employees or outsourced.

Stewart Group Wellington operates from a rented office space, occupies 2 employees, and is managed and operated by a non-related entity. Te Rehe group has no operational control on this site, and waste management, water consumption, recycling practices or electricity purchase data are not available. We did, however, include in this inventory the emissions resulting from Wellington office employees' commuting data and business travel.

4. GHG Emissions Source Inclusions

GHG emission sources and factors were identified and adapted from the NZ Ministry for the Environment guide for measuring emissions², which was prepared according to the GHG protocol and ISO 14064-1:2018 standards. Emissions are classified under the following categories:

- Scope 1: Direct GHG emissions. Emissions from sources that are owned or controlled by the company.
- Scope 2: Indirect GHG emissions. Emissions from the generation of purchased electricity consumed by the company.
- Scope 3: Indirect GHG emissions. Emissions that occur as a consequence of the company's activities but from sources not owned or controlled by the company.

Te Rehe Group does not use biogenic fuels and this inventory report does not include emissions from biogenic combustions.

However, we added to this report a section that outlines potential emissions from fossil fuel reserves.

Table 1 on the next page details emissions sources that have been included in this inventory and the assumptions and uncertainties associated with.

² Ministry for the Environment. 2022. Measuring emissions: A guide for Organisations: 2022 detailed guide. Wellington: Ministry for the Environment.

Table 1 – Emission Sources and Exclusions

Scope	Emission Source	Data Source	Assumptions and Uncertainties
1	Passenger Transport: company owned fleet	Company records and supplier's invoices	The company fleet only includes Electric vehicles from August 2021. These are charged on/off premises so not accounted for in this category. Rather -as Purchased Electricity under Scope 2.
1	Refrigerant (air conditioning and chiller)	Service reports	No mechanical faults during the reporting period. Default "leakage Emissions" were excluded.
2	Purchased electricity	Suppliers' invoices (Our Energy)	As of October 2021, solar panels on the premises are operational. The premises are part of the Te Rehe solar network, and excess energy is exported to the grid or to community members. These are reported here as "Avoided Co2e Emissions"
3	Purchased electricity T&D losses	NZ MfE interactive calculator and suppliers' invoices	
3	Waste disposed	Company records	Waste volume data was converted to weight using MfE Waste Minimisation Regulation ^{3,4}
3	Waste recycled (paper, cardboard) and composting.	Company records and Waste management supplier's invoices	Paper and cardboard collections were recorded. Waste volume data was converted to weight using MfE Waste Minimisation Regulation ⁵
3	Water supply and wastewater treatment	Company water meter data	Average monthly water consumption was calculated from meter read (from installation to the day of data recording)
3	Business travel (domestic and international flights)	Airline invoices and company records	
3	Business travel (accommodation)	Company records	
3	Employee commuting	Annual staff commuting survey	We assume the survey well represents the activity. Emissions were calculated according to vehicle specifications
3	Working from home	Company records	

³ Ministry for the Environment. 2009. Calculation and Payment of the Waste Disposal Levy: Guidance for waste disposal facility operators. Wellington: Ministry for the Environment.

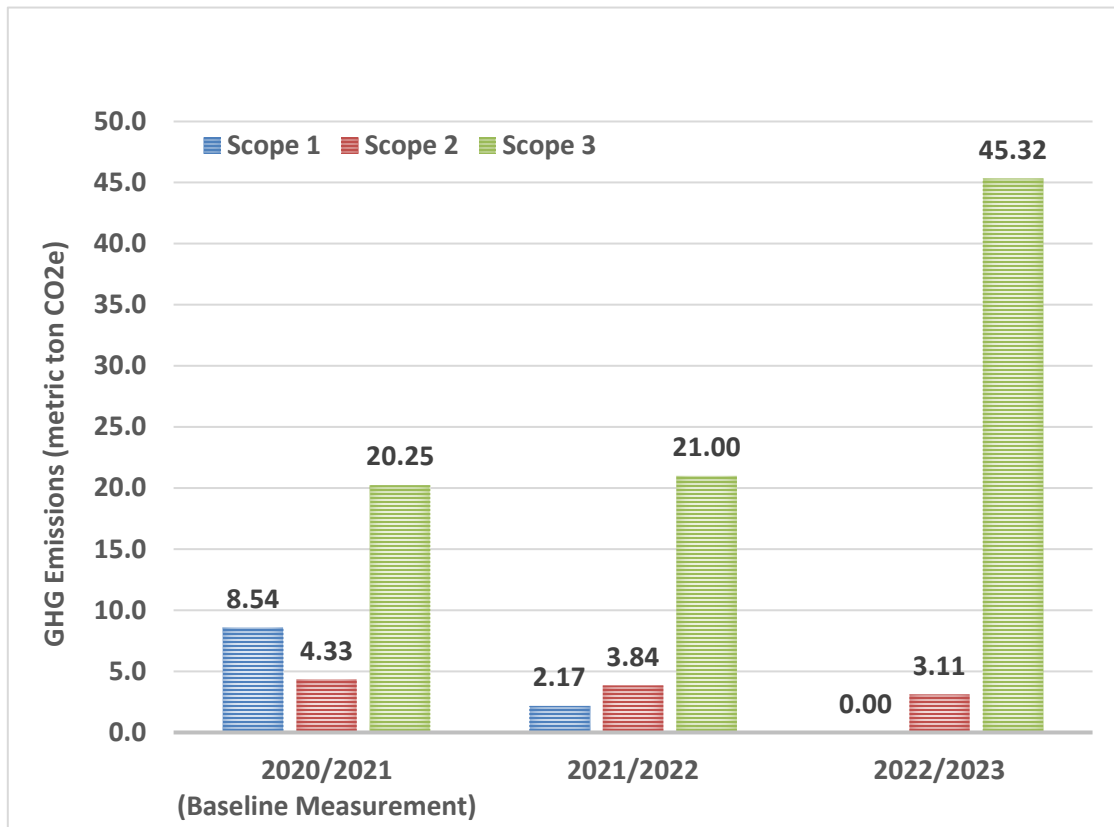
⁴ Waste levy –Measuring waste tonnages - part of a series of fact sheets on disposal facility obligations under the Waste Minimisation Act 2008.

5. GHG Emissions Data

Table 2 – Inventory Summary

	Component Gas (metric ton of CO ₂ e)						Total tCo ₂ /scope
	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	
Scope 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Scope 2	3.035	0.072	0.006	0.000	0.000	0.000	3.113
Scope 3	42.520	1.084	0.856	0.000	0.000	0.000	45.324
Total GHG Inventory Emissions (Gross)	45.555	1.156	0.862	0.000	0.000	0.000	48.437

Figure 2 – GHG Inventory Summary by Scope (Gross)



⁵ Ministry for the Environment. 2009. Calculation and Payment of the Waste Disposal Levy: Guidance for waste disposal facility operators. Wellington: Ministry for the Environment.

Table 3 – GHG Inventory by Source (metric ton of CO₂e)

	2020/2021	2021/2022	2022/2023
Scopes	Metric ton of CO ₂ e	Metric ton of CO ₂ e ₂	Metric ton of CO ₂ e ₃
Scope 1:			
Passenger Transport - Company owned fleet)	4.623	2.175	0.000
Refrigerant (air conditioning and commercial chiller)	3.922	0.000	0.000
Scope 2:			
Purchased electricity	4.331	3.835	3.113
Scope 3: Indirect upstream emissions			
Purchased electricity T&D losses	0.371	0.369	0.286
Waste disposed (including recycled paper and cardboard)	0.732	0.803	0.821
Waste Composted	0.020	0.020	0.020
Water supply and wastewater treatment	0.936	0.939	0.033
Business travel - International flights	0.000	0.000	10.828
Business travel - Domestic flights	1.431	1.427	9.785
Business travel - Accommodation	0.205	0.075	0.864
Passenger Transport - Employee commuting	16.033	17.081	22.672
Working from home	0.518	0.286	0.016
Total	33.121	27.010	48.437
(Purchased AirNZ carbon Credits)			-9.785

The above table demonstrates our ongoing reduction in Scope 1 and 2 emissions, resulting from implementing our sustainability-derived improvements.

On the contrary, it shows a significant increase in Scope 3 emissions. These increased values can be attributed to business travel and employee commuting-related emissions. This can be explained by the fact that we started tracking our emissions during a period that was severely affected by COVID-19, essentially eliminating all business travel and much of the employee commuting emissions. Also, the significant employee commuting-related emissions can be attributed to company growth in the last 18 months.

6. Avoided GHG Emissions/Gross vs. Net Emissions

Scope 2

Any excess self-generated electricity produced by solar panels has been exported into the grid or to Te Rehe solar network community members.

From 1st of April 2022 to March 31st, 2023, the Karamu Road premises solar panels generated a total of 23,686.41 kWh of power. Of which - 19,768.03 kWh were distributed to solar community members and 3,918.38 were exported to the grid. The emission factor for each kWh is 0.120 kg of CO₂e, resulting in avoided emission of 2,842.37 kg of CO₂e.

Potentially, the exported electricity could be reduced from our gross emissions, however, due to the complexity of the solar network structure, further investigation is required. We will endeavor to address this in our report for the next fiscal year.

Scope 3

In line with our company travel policy, we purchase carbon offset for all domestic air travel as with Air NZ (accounting for 20% of our Scope 3 emissions).

7. Potential Emissions from Fossil fuel reserves

Following cyclone Gabriel, we adjusted our Business Continuity Plan (BCP). As a result, we now have 2 generators (off-premises), to allow us to operate during an extensive or elongated power loss. We keep 2*20L Petrol containers for this purpose. We entered the volume to the MfE calculator under “fuel workbook” as regular petrol and accounted for the resulting 98.23 kg of CO₂ equivalent.

Appendix 1 – Verification Report

See below

GREENHOUSE GAS (GHG) STATEMENT VERIFICATION REPORT

Prepared for:	Te Rehe Group
Verification lead Verifier:	Anna Byers, Environmental Accountant, Myimprint
Independent Technical Reviewer:	Dr Ann Smith, Ann Smith Limited, Christchurch
Inventory period verified:	01 April 2022 to 31 March 2023
Level of assurance:	Reasonable
Verification standard:	ISO 14064-3: 2019
Methodology used for calculation:	GHG Protocol: A corporate Accounting and Reporting Standard (2004) (Revised) ISO 14064-1: 2018 MfE Interactive-workbook-Measuring-emissions 2022 Tadpole ACE 2022

GREENHOUSE GAS (GHG) ASSURANCE STATEMENT

Objectives

The objective of the verification assurance process was to provide an independent third party review of Te Rehe Groups Organisational GHG Inventory. This includes Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions from 01 April 2022 to 31 March 2023.

This verification opinion applies to the related information included within the scope of work described below.

Responsibilities

Te Rehe Group was responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria.

The MyImprint Verification Team's responsibility was to provide an independent third party verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyse, and review the information, and for expressing an opinion on the GHG statement based on the verification. The Myimprint Verification Team was not involved in determining the GHG emissions inventory or report as per the Verification Policy.

Methodology

The MyImprint Verification Team completed the review in accordance with the ISO 14064:3-2019: Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions.

The work was completed on-site.
The materiality threshold is 5%.

Assurance Approach and Limitations

MyImprint Verification Team reviewed Te Rehe Groups Organisational GHG Inventory, 01 April 2022 to 31 March 2023, and evaluated the data for conformity with the requirements of the above standard.

Te Rehe Groups' assertion was tested according to a risk-based plan and used a combination of data and control testing. The review of evidence included, but were not limited to:

- Management system and procedural review for accuracy, reliability, and completeness
- Review of boundaries, sources and processes
- Reviewing calculations
- Reviewing emissions factors and conversion factors used for source appropriateness
- Questioning corporate personnel, reviewing relevant documents and records
- Auditing samples of original source activity data (eg supplier invoices) of energy consumption, business travel, commute and working from home information, and financial records.

Verification results are documented and issued within a dedicated Findings Log as an integrated component of the verification workbook.

Conclusion

The following total emissions data was verified:

Emissions summary by Scope	Total (tCO2e)	Sources	Level of Assurance
Scope 1	0.00	Passenger Transport: company owned fleet, Refrigerant	Reasonable
Scope 2	3.11	Purchased electricity	Reasonable
Scope 3	45.32	Includes only travel (flights and accommodation), employee commuting, T&D losses, waste, recycling, working from home.	Reasonable
Total inventory (Gross)	48.44		

Te Rehe Group has purchased 9.79 Air NZ carbon credits; however, the money paid goes to both carbon credits and biodiversity projects and it is not possible to confirm the number of carbon credits. To be conservative, 50% were assumed to be carbon credits.

Te Rehe Groups reported Scope 1, Scope 2, and Scope 3 GHG emissions were considered free of material misstatement. From this analysis it is concluded that the stated emissions are free from material error.

Reductions

Emissions summary by GHGP Scope	Verified emissions FY20-21	Verified emissions FY21-22	Verified emissions FY22-23	Units	Reduction or increase on previous year
Scope 1	8.55	2.18	0.00	tCO2e	-100%
Scope 2	4.33	3.84	3.11	tCO2e	-19%
Scope 3	20.25	21.00	45.32	tCO2e	116%
Total inventory (Gross)	33.12	27.01	48.44	tCO2e	79%

In the fiscal year 2022-2023, Te Rehe Group have reduced their Scope 1 & Scope 2 emissions through the installation of solar panels and the move to electric cars. There was an increase in Scope 3 emissions which can be linked to increased business travel (in response to lifted Covid restrictions) and an increase in staff commuting emissions stemming from the expansion of both workforce and company growth. Comparing annual emissions to a KPI such as revenue and FTE numbers may be helpful in comparing year on year emissions.

Audit Summary

The verification was conducted in accordance with ISO 14064-3:2019 and the Verification and Sampling Plan. As part of the audit, the below criteria/documents were reviewed:

Criteria/documents
GHG Emissions Inventory_2022_2023 - Te Rehe group
Interactive-workbook-Measuring-emissions_TeRehe_2022_2023 [MfE]
Tadpole ACE 2022_TeRehe_2022-2023
Employee Commuting Data_2022-2023
Business Travel Data_TeRehe Group
Assumptions and details for carbon footprint calculations_2022-2023
All files other documents were viewed in the shared folder with Te Rehe Group

A total of 5 non-conformances, 6 minor non-conformances and 8 observations were raised during this audit. Full details of the findings are given in the separate findings log.

Assessing your data quality against completeness and assumed uncertainty, following the closing of the Findings log, your inventory “quality” is classified as: High

Although the quality of the data and evidence was high, formatting errors in calculation spreadsheet were observed during the verification giving rise to material errors. These errors were corrected. In future, internal review of the data prior to the verification will reduce the risk of this recurring.

Assurance opinion

The verification evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Based on the results of our verification process, MyImprint provides reasonable assurance that the emissions defined in the inventory report:

- Are materially correct,
- Comply with ISO14064-1:2018 and the GHG Protocol: A Corporate Accounting and Reporting Standard,
- Provide a fair view of the emissions inventory of Te Rehe Group for the stated inventory period.

Recommendations

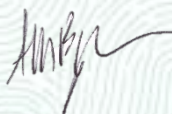
Below are the key recommendations from the findings log to assist Te Rehe Group in improving the quality of their GHG assessment:

- Te Rehe Group should make continual efforts to complete regular internal data checks.
- Improve the ‘Assumptions and details’ document to transform it into a GHG information management procedure to capture internal processes, calculation methodology, and accuracy checks. This is useful during times of staff changes to ensuring the continuity of the data collection and collation process.
- Recommend obtaining estimates for additional emission sources, such as purchased goods and services and capital goods, to assess the potential reputational risks associated with non-reporting.
- Recommend a significance screening assessment on other potential emissions sources.

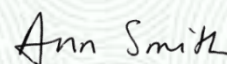
Independence

The MyImprint Verification Team has not been responsible for the preparation of any part of the GHG Statement, nor have we undertaken any commissions that would conflict with our independence.

Anna Byers
Lead Verifier & Environmental Accountant
MyImprint
Napier
2 February 2024



Dr Ann Smith
Independent Technical Reviewer
Ann Smith Limited, Christchurch
2 February 2024



This verification statement, including the opinion expressed herein, is provided to the client and is solely for the benefit of the client in accordance with the terms of our agreement. Any communication regarding this statement is to be directed to admin@myimprint.nz

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