

2026

Climate-Related Disclosures

Precinct™



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Disclaimer: This report sets out Precinct's current understanding of, and response to, climate-related risks and opportunities as they impact Precinct as at 23 October 2026, and the current and anticipated impacts of climate change, which may evolve over time. Climate change is an evolving challenge, with high levels of uncertainty. By its nature, this report contains forward-looking statements, including climate scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions, estimates and judgements. Forward-looking statements involve assumptions, forecasts and projections about Precinct's present and future strategies and the environment in which Precinct will operate in the future, which are inherently uncertain and subject to limitations. While Precinct has taken reasonable care in making these forward-looking statements, these statements, together with the risks and opportunities described in this report, and the strategies to achieve our targets as set out in this report, may not eventuate as anticipated. There are many factors that could cause actual results, performance or achievement of climate-related metrics and targets to differ materially from that described, many of which are outside of Precinct's control, including economic and technological viability, as well as climatic, government, consumer, and market factors. As such, Precinct cautions reliance on this report, which may be necessarily less reliable than Precinct's other external reporting. Nothing in this report should be interpreted as legal, financial, tax, earnings or other advice or guidance. To the fullest extent permitted by law, Precinct disclaims any liability arising from statements made in, or omitted from, this report.

Introduction

This report presents Precinct's Climate Statement for the FY26 reporting period in accordance with Aotearoa New Zealand Climate Standards issued by the External Reporting Board (XRB):

- **NZ CS 1: Climate-related Disclosures**
- **NZ CS 2: Adoption of Aotearoa New Zealand Climate Standards**
- **NZ CS 3: General Requirements for Climate-related Disclosures**

Climate change presents both risks and opportunities for Precinct as a long-term owner, manager and developer of inner city real estate in Auckland and Wellington. These climate-related disclosures explain how Precinct identifies, assesses and manages climate-related risks and opportunities, and how these considerations inform our governance, strategy, risk management, metrics and targets.

The disclosures cover Precinct Properties Group for the financial year ended 30 June 2026 and should be read alongside Precinct's [FY26 Annual Report](#) and [Sustainability Databook](#). They reflect Precinct's current understanding of climate-related matters based on the information, methodologies, assumptions and scenarios described in this Climate Statement.

This report is signed on behalf of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited on 23 October 2026.



Anne Urlwin
Independent Director
and Chair



Nicola Greer
Independent Director
and Chair of the
Environmental, Social &
Governance Committee

About Precinct

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 30, Precinct is the largest owner, manager and developer of premium city centre real estate in Auckland and Wellington.

Precinct is predominantly invested in office buildings and also includes investment in Precinct Flex, Commercial Bay retail and a multi-unit residential development business.

For information visit: www.precinct.co.nz

Statement of Compliance

Precinct Properties New Zealand Limited (**PPNZ**) and Precinct Properties Investments Limited (**PPIL**) (together, **Precinct**) are both climate reporting entities (**CREs**) under the Financial Markets Conduct Act 2013 (**FMCA**).

PPNZ and PPIL have been granted an exemption from the FMCA, the Financial Markets Conduct (Climate Statements – Precinct Properties Group) Exemption Notice 2024 (Exemption Notice), which permits PPNZ and PPIL, subject to conditions set out in the exemption notice, to prepare climate statements in respect of Precinct, while they remain stapled (in place of separate climate statements for each company).

These climate-related disclosures comply with the Aotearoa New Zealand Climate Standards (NZ CS 1, 2, and 3) issued by the External Reporting Board, subject to the Exemption Notice.

In preparing this report, Precinct has elected to use the following exemptions as referenced in NZ CS 2:

- Adoption Provision 2: Anticipated Financial Impacts
- Adoption Provision 5: Comparatives for certain categories of Scope 3 GHG emissions (see page 44)
- Adoption Provision 8: Scope 3 GHG emissions assurance

Refer to [Appendix 1](#) for a list of external parties and a description of the services provided in preparation of this statement.

Governance

This section outlines Precinct’s governance structure for overseeing, assessing and managing climate-related risks and opportunities, including the roles and responsibilities of the Board of Directors, associated Committees and Management.



Governance

Board of Directors

The governance body responsible for oversight of climate-related risks and opportunities at Precinct is our Board of Directors. Full Director bios can be found on [Precinct's website](#). The ESG Committee supports the Board's responsibilities by assisting with implementing and monitoring Precinct's strategic objectives in relation to ESG issues, including sustainability and climate-related risks and opportunities.

The Board of Directors is informed on climate-related risks and opportunities by Management on a quarterly basis with further in-depth updates on climate-related risks and opportunities provided to Directors during tri-annual ESG Committee meetings. These reporting frequencies were met during the FY26 reporting period, as shown in [Appendix 5](#). Based on these discussions, the Board integrates climate-related risks and opportunities into its development of Precinct's overall ESG strategy, framework and initiatives as part of its annual business planning. The Board also considers climate-related risks and opportunities on an ad-hoc (out of cycle) basis as needed.

To support the business, Precinct's Directors collectively maintain a broad skills base, including as to sustainability and climate-related matters. Sustainability is one of ten capabilities assessed through the Director skills matrix, with expertise held by more than one Director to ensure continuity. Where additional or specialist expertise is required on material issues, external practitioners and experts are engaged to brief the Board. The FY26 Director skills matrix is included in [Precinct's Annual Report](#) on page 35.

Beyond its responsibility for oversight, the Board delegates responsibility for monitoring performance against climate-related targets to the Board ESG Committee and Management.

ESG Committee

The ESG Committee assists the Board's oversight of climate-related risks and opportunities and is comprised of four of Precinct's independent directors. Precinct's CEO, Deputy CEO, CFO and other key representatives are invited to attend these committee meetings to set objectives, review Precinct's Climate Risk Register, track updates and discuss and approve current and future strategic initiatives which help manage Precinct's impacts on the economy, environment and people.

The Committee is guided by the ESG Committee Charter (available in [Precinct's Corporate Governance Manual](#) on [Precinct's website](#)), which requires the Committee to, among other things:

- review and recommend for Board approval climate-related strategy, framework and initiatives;
- oversee the implementation of Precinct's Sustainability Policy and practices;
- oversee the identification, preparation and review of climate-related risks and opportunities recorded in the **Climate Risk Register**;
- assess and recommend to the Board any changes to Precinct's climate change risk management framework and processes; and
- assist in the review of other key internal policies to support effective consideration of climate-related issues.

The Committee is supported by Management, with Precinct's Head of Sustainability providing regular updates to the Committee and the Board on operational progress related to ESG matters, including the management of climate-related risks and opportunities.

The Committee recommends climate-related metrics and targets to the Board. The Board approves metrics and targets, except those that are operational in nature, which do not require Board approval.

Audit and Risk Committee

The Audit and Risk Committee (**ARC**) assists the Board in overseeing Precinct's climate-related risks as part of its broader risk governance responsibilities. The ARC oversees Precinct's primary Risk Register and reviews it with Management to track existing risks and the emergence of new risks. Key climate-related risks are included in the Climate Risk Register alongside Precinct's primary Risk Register and reported to the Board along with an evaluation of the strategic ramifications.

Following the recommendation of the ESG Committee, the ARC's role with respect to oversight of the process to prepare Precinct's CRD includes:

- reviewing draft climate-related disclosure documentation;
- reviewing reporting processes and compliance with regulatory requirements;
- engaging external consultants and assurance providers as required; and
- recommending that the Board approve the CRD.

The ARC meets at least every quarter and reports back to the Board in respect of financial reporting, compliance and risk management, including climate-related risks.

Executive and Senior Management

Led by Precinct's Chief Executive Officer, Precinct's Executive team is collectively responsible for the execution and delivery of Precinct's sustainability strategy, including managing climate-related risks and opportunities. Management's role is to ensure the impacts of transition and physical risks to the business are reported and integrated into key work-streams.

Precinct's Chief Financial Officer and General Counsel oversee Precinct's sustainability strategy, and are primarily informed about climate-related risks and opportunities by weekly updates from the Head of Sustainability. The Head of Sustainability provides updates to the Board on a regular basis through the ESG Committee and the ARC. The ARC meets quarterly while the ESG Committee meets tri-annually. There may be additional ad-hoc (out-of-cycle) meetings as needed.

Following a revision to the STI structure by the People and Performance Committee, executive remuneration in FY26 reflects achievement of ESG metrics that explicitly incorporate climate-related risks and opportunities. A 5% weighting is linked to Precinct achieving a minimum performance level in the annual GRESB survey, which includes sections on climate adaptation and mitigation measures. Further information on the GRESB survey and historic performance by Precinct is found in the '[Metrics and Targets](#)' section of this statement.

The full Executive Team and bios can be found on [Precinct's website](#).

ESG Sub-Committees

Precinct's Head of Sustainability provides weekly updates to the CFO and / or General Counsel on climate-related initiatives, risks, and opportunities. These updates are informed by internal management ESG sub-committees which are responsible for assessing, actioning and driving climate-related issues, tracking performance against climate-related metrics and targets, and embedding Precinct's long-term sustainability strategy into business operations. Attendees at ESG sub-committees include representatives across the business including executive management and other key representatives able to set objectives, review Precinct's strategy, track updates and discuss current and future strategic initiatives which help manage Precinct's impacts on the economy, environment and people.

Strategy

This section outlines Precinct’s climate scenario analysis, identified risks and opportunities, and the current and expected impacts of climate change. It also highlights how we’re positioning the business for a low-emissions, climate-resilient future.

At Precinct we define sustainability as enabling sustainable and successful business, improving our operational performance and incorporating sustainable design across our portfolio of properties.

Our sustainable value is fuelled by Precinct’s principles of success:

- focus on strategic locations;
- maintain and grow client occupier (tenant) relationships;
- invest in quality assets and environments;
- maintain a long-term view;
- leverage Precinct’s people and its platform; and
- identify, cultivate, and maintain strong long-term capital partnerships.

Climate change has remained a core component of Precinct’s materiality assessment, informed by key stakeholders. The assessment was initially completed in 2019, refreshed in 2026 and is validated annually through a desktop review.

Precinct recognises sustainability, including managing climate-related risks and opportunities, as an important part of our business activities. As a publicly listed real estate investment company that specialises in owning, developing, and managing premium inner-city properties in Auckland and Wellington, we recognise our role in generating, and regenerating, sustainable value. As such, Precinct has designed our sustainability strategy in parallel with Precinct’s broader business strategy.



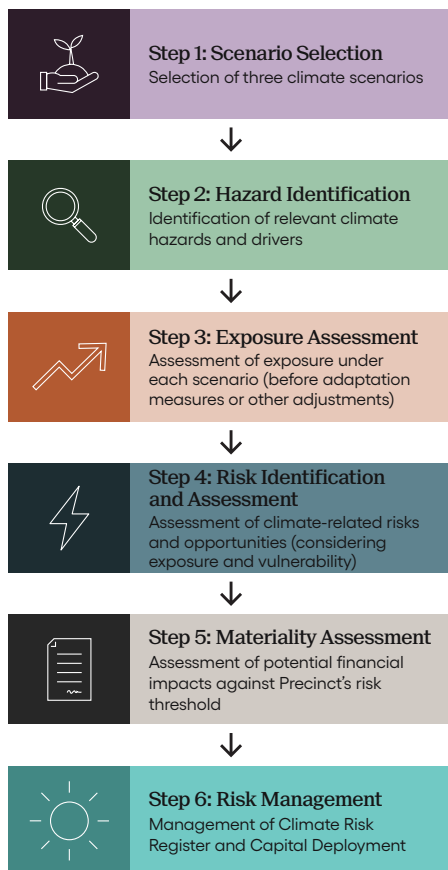
City centre specialists dedicated to enabling sustainable and successful businesses

Precinct’s three strategic pillars are a core office portfolio, a proven track record to create new world-class real estate and our capital partnering platform. These pillars are all underpinned by a focus on people centric outcomes. We leverage the integration of our strategic pillars to create vibrant, mixed-use precincts that provide quality experiences for the people who live, visit or come to work in our spaces, while delivering long-term value to shareholders.

Strategy

Climate-related Risk Assessment

To understand the resilience of Precinct's business model and response to climate-related risks and opportunities, Precinct uses climate-related scenarios which are reviewed by the ESG Committee and approved by the Board on an annual basis. Climate-related risks and opportunities are integrated as part of Precinct's broader strategy processes. However, the climate scenario analysis is a standalone process. To assess material risks Precinct has undertaken the following process of scenario analysis. This process is completed by Precinct with input from three external partners and stakeholders: Aon on physical hazards, Mott MacDonald on transition drivers, and NZGBC on sector-specific scenario narratives. The supporting sources are listed in [Appendix 2](#). Further detail on each step is provided in the [Risk Management section](#).



More information on this six step process is in the [Risk Management section](#) and [Appendix 6. Material risks and opportunities](#) identified through this process are listed on pages 16-19.

Precinct's 'Double Materiality' Approach

Precinct has adopted a broad approach to assessing and acting on current climate-related impacts across its operations, assessing both:

- **Impacts on Precinct** – Precinct uses scenario analysis to understand the extent of physical and transition risks and opportunities expected to occur under each of the three scenarios, to assess how its business will be affected by climate change.
- **Impacts by Precinct** - Precinct analyses its Scope 1, 2 and full value chain Scope 3 emissions to better understand the impact its business has on contributing to the changing climate. This also assists Precinct to prioritise efforts to make a difference in its supply chain alongside industry peers and more broadly across industry.

This approach, known as double materiality, considers both how climate change affects its business and how its business contributes to climate change. For Precinct, this means recognising that it anticipates being impacted by climate change, while also acknowledging its role in helping to reduce emissions as part of the real estate sector.

Selected Climate Scenarios

Three climate-related scenarios were selected based on sector-specific guidance published by the New Zealand Green Building Council (NZGBC) [NZGBC's Climate Scenarios for the Construction and Property Sector: Ngā Horopaki Āhuarangi mō te Rāngai Hanganga me ngā Whare](#):

- an orderly transition aligned with a 1.5°C pathway;
- a disorderly transition characterised by delayed and abrupt policy action; and
- a 'hot house' scenario reflecting limited global mitigation and higher physical climate risks.

Like many of our peers in the construction and property sector, Precinct has adopted the narrative, key assumptions, and conditions outlined in these climate scenarios. We believe these scenarios are well-suited for assessing the resilience of our business model and strategy, as they were developed specifically for our sector with guidance from the NZGBC. An updated version of this guidance has not been issued at the time of this Climate Statement.

Scenario One

Orderly

Scenario One describes a world where globally we succeed in limiting global warming to 1.5°C. Ambitious decarbonisation goals are introduced immediately, and emissions decline rapidly and steadily towards net zero 2050 goals.



Policy Ambition

1.5°C



Policy Reaction

Immediate and smooth



Technology Change

Fast change



Behaviour Changes

Fast change



Physical Risk Severity

Moderate



Transition Risk Severity

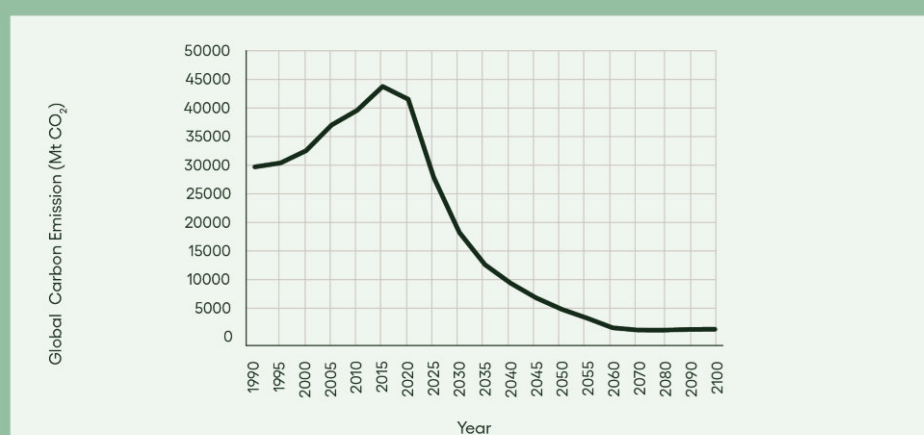
Low - mediocre



Socio-political Instability

Low - mediocre

Scenario One Global Emissions Trajectory



Precinct.

An orderly transition to a decarbonised society by 2050, resulting in a Net Zero grid with near-zero emissions, would significantly impact both the economy and energy sector. International energy-intensive industries would be attracted, boosting industrial activity. However, electricity prices would rise due to increased pressure on the grid, and there would be shortfalls in generation capacity as demand for electricity grows. It is expected that assets located in central CBD locations will be prioritised for service restoration. Additionally, the cost of carbon would increase to \$250 per tonne of CO₂-equivalent, reflecting the higher cost of emitting carbon in this new landscape. In addition to transitioning to a Net Zero grid by 2050, society will experience a range of impacts due to increased rainfall intensity (6%) and the necessary medium-term capital expenditure for fossil fuel removal and energy efficiency retrofits driven by short-term carbon disclosures. Contractors will shift their focus to refurbishments rather than new builds due to the high carbon intensity of new construction projects. There will be a significant rise in investment in Carbon Capture and Storage (CCS) technology as one of the primary decarbonisation tools for hard-to-abate fossil fuel use. Short-term pressures from investors and customers to meet the 1.5-degree reduction target will lead to financial penalties from lenders, including restricted access to capital, government funding limitations, and adjusted interest rates. Sustainable and decarbonised buildings will be prioritised for premium occupiers subject to their own net zero and climate-related targets. Additionally, the number of hot days will increase by 40%, and a reduction in urban sprawl to decarbonise infrastructure will result in more inner-city high-rise residential developments. Properties in floodplains or areas with unstable ground conditions will face rising insurance premiums above inflation and a retreat by 2050. There will be public and private support for workers in high-intensity industries and professions. New Zealand's population is expected to grow to 6.13 million by 2050, with 23.3% of the population being elderly. In consideration of carbon sequestration from afforestation and nature-based solutions, a coordinated effort between government, businesses and communities to preserve and enhance ecosystems would take place led by government incentives, targeted projects and a well-considered land-use strategy. These strategies would likely incorporate native planting and regeneration projects.

Scenario Two

Disorderly

Scenario Two describes a world where globally we succeed in limiting global warming to less than 2.0°C. New decarbonisation policies are not introduced until 2030, at which point there is a rapid and stringent effort to decarbonise. This leads to high transition risk severity in the medium term (2030 – 2050) as Aotearoa New Zealand and the sector rush to meet net zero 2050 goals.



Policy Ambition

<2.0°C



Policy Reaction

Delayed



Technology Change

Slow - fast change



Behaviour Changes

Slow - fast change



Physical Risk Severity

Moderate



Transition Risk Severity

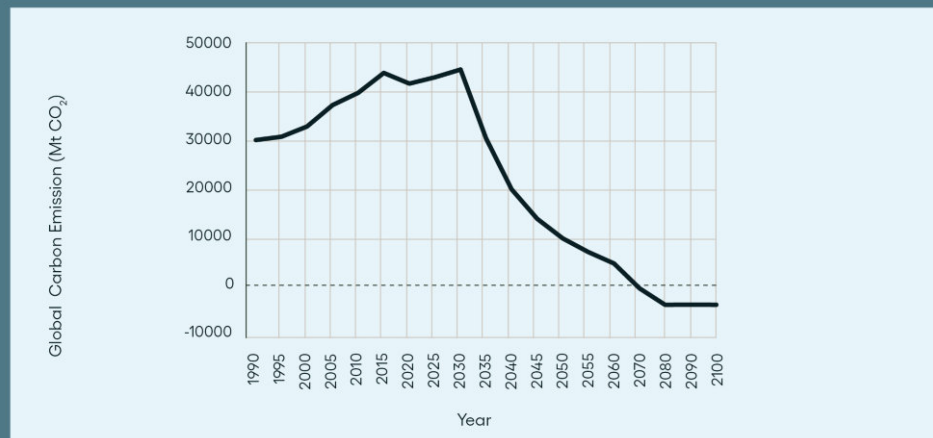
High



Socio-political Instability

Mediocre

Scenario Two Global Emissions Trajectory



Precinct.

A disorderly transition to a decarbonised society would result in severe consequences for both the environment and the economy. The increase in the severity of weather events, coupled with a decline in public and private adaptation measures, would lead to declining property values and rising insurance premiums. Delays in action during the 2020s would cause a surge of capital to flood the market around 2030, incentivising rapid innovation. Assets that fail to decarbonise on schedule would be offloaded in large quantities due to abrupt short-term regulations. The carbon price would spike to \$250 per tonne of CO₂-e by 2050, leading to significant gaps in equality and industry compliance. Electricity prices would experience sharp increases due to the need for fossil fuel peak demand generation, resulting in considerable generation capacity shortfalls as the grid transitions to higher electricity end-use demand over a shorter time horizon. Budget constraints for energy security related infrastructure will lead to capital spend concentrated in CBD areas with assets located in central CBD locations also prioritised for service restoration. Hard-to-abate construction materials would not decarbonise using CCS technology until the medium term, causing high prices and supply shortages for low-carbon materials. In 2030, the government would issue mandatory low-carbon building regulations to an unprepared industry, drastically raising construction and retrofit costs overnight. Rapid decarbonisation requirements from 2030 would exacerbate inequality and cause community disharmony. Massive supply chain disruptions would force New Zealand organisations to participate more in the global market. However, the global market may not see New Zealand as a viable trading partner where higher volumes of decarbonised products would be more lucrative in larger markets. Additionally, there would be increased investment in road-based infrastructure, followed by a rapid shift in transport regulations to decarbonise transport by 2030. In a disorderly scenario, carbon sequestration from afforestation and nature-based solutions would unfold through fragmented and inconsistent efforts, with limited coordination between government, businesses, and communities. Government incentives and land use strategies would be unclear or poorly implemented, leading to ad-hoc projects that often prioritise short-term gains over long-term ecosystem preservation.

Scenario Three

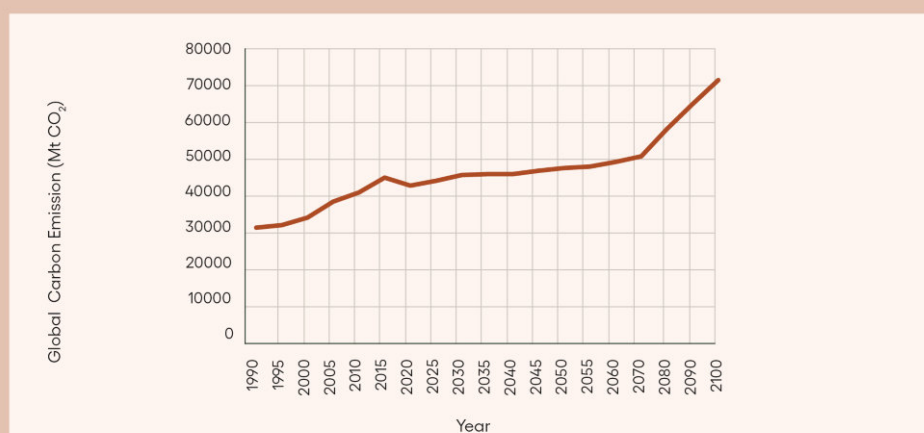
Hot House World

Scenario Three describes a world where no additional policies are introduced to curb greenhouse gas emissions. This results in emissions continuing to rise and global warming reaching $>3^{\circ}\text{C}$ above pre industrial levels by 2100.

Precinct.



Scenario Three Global Emissions Trajectory



A 'hot house' scenario would lead to an increase in the severity of weather events and a decline in both public and private adaptation measures. Extreme wind speeds (increasing by 5-10%), rainfall intensity (increasing by 8.6%), and a 100% increase in hot days would become more common. Global delays in decarbonisation efforts would cause disjointed capital supply, hindering market funding for decarbonisation. Government support would be redirected to critical infrastructure and services, leaving other assets increasingly stranded from 2030. The carbon price would remain low at \$35 per tonne of CO₂-e by 2050, providing little incentive for significant carbon emission reductions from major users. Sharp increases and price shocks in electricity prices would occur to accommodate fossil fuel peak demand generation, with considerable shortfalls in generation capacity exacerbated by severe weather impacts on energy supply. Budget constraints for energy security related infrastructure will lead to highly reactive capital spend concentrated in CBD areas with critical assets located in central CBD locations prioritised for service restoration. Procuring decarbonised materials on the global market would be nearly impossible for New Zealand, as larger markets would be prioritised first.

In a hot house scenario, carbon sequestration from afforestation and nature-based solutions would be largely sidelined as the focus shifts to short-term economic survival and crisis management in the face of escalating climate impacts. Government, businesses, and communities would be reactive rather than proactive, with little attention to long-term land use strategies or environmental stewardship, and native planting would be neglected in favour of immediate, unsustainable exploitation of resources.

Strategy

Time Horizon

Throughout this process, Precinct has defined its time horizons based on the economic life cycle of its assets, typically spanning 50 to 60 years as well as the broader business strategy. The table below outlines the time horizons used by Precinct in its scenario analysis and the specific years assessed to represent each period. The periods are consistent with the NZGBC's sector-specific guidance. They are also used by Precinct in its assessment of risks as set out in Tables 1 and 2 below:

Time Horizon	Period	Scenario Analysis Assumption ¹	Description
Short-term	Present - 2030	2030	The period over which climate-related effects may influence Precinct's near-term financial performance and business planning, including income, operating costs and repairs and maintenance.
Medium-term	2031 - 2050	2050	The period over which climate-related effects may require changes to asset plans, capital expenditure, investment decisions or other elements of Precinct's strategy.
Long-term	2051 - 2100	2090	The period over which buildings currently being planned, developed or completed may experience more significant physical climate conditions and longer-term transition effects. This time frame supports consideration of asset resilience, redevelopment, refurbishment and long-term portfolio strategy.

¹ To facilitate modelling of climate-related risks and opportunities these dates have been used as representative of the time horizons in the detailed analysis. The dates selected relate directly to available local climate projections and provide a representative picture of each scenario over time.

Climate-related Risks and Opportunities

Precinct's material climate-related risks and opportunities identified for FY26 through our Risk Assessment are set out in Tables 1, 2 and 3. In assessing these impacts, Precinct considered their potential financial consequences as part of determining materiality from the present day through to 2100, across each of Precinct's three chosen scenarios. The following sections summarise the material risks and opportunities identified through this assessment and how their potential significance to Precinct has been represented.

Physical and Transition Risks

Tables 1 and 2 present those transition and physical climate-related risks determined to be material to Precinct. The risks represent the resulting severity ratings by stating the estimated percentage of assets exceeding Precinct's risk thresholds by value across the portfolio. These ratings do not disclose the underlying monetary amounts. In accordance with Adoption Provision 2, Precinct has not disclosed anticipated financial impacts for this reporting period. The full results of the prior Exposure Assessment and Risk Assessment are provided in [Appendix 6](#).

Severity of Impact ¹	Estimated percentage of the portfolio assets affected ²	Orderly	Disorderly	Hot House
Low	< 10.0%			
Medium	10.0%-20.0%			
High	20.0%-30.0%			
Very high	>= 30.0%			

1 Takes into account financial risks and other risks such as direct clean-up costs associated with a climate related storm event, consistent with Precinct's risk assessment method. Per Adoption Provision 2, anticipated financial impacts are not disclosed for this reporting cycle.

2 This rating is based on the % of the portfolio with a risk score of 'high' or 'extreme' assessed on an individual asset's value (by equity share).

Certain material climate-related risks included in Tables 1 and 2 are currently rated low based on the limited financial impacts that can be assessed at this stage and which may increase as financial impacts are better understood and quantified, particularly at an individual asset level.

Bold impacts listed in Tables 1 and 2 were included in the financial assessment used to determine the relevant risk rating. Other (non-bold) listed impacts have not yet been quantified and are not reflected in that rating. Their exclusion from the calculation should not be interpreted as an absence of anticipated financial impact.

Current financial impacts in FY26

During the reporting period, Precinct has identified no material current climate impacts, and no material financial impacts with respect to Precinct's business. This conclusion is separate from Precinct's assessment of anticipated risks and opportunities across the stated scenarios and time horizons.

The assessment considered the significant refrigerant leak at NTT Tower, Wellington, reported in Precinct's Scope 1 emissions for FY26 in the context of the increasing restriction of HFC refrigerants as part of implementation of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer. The cost of repairing and recharging the affected chiller was not material to FY26 financial performance.

Climate-related professional-services expenditure is reported separately as a capital-deployment metric. FY26 expenditure included an additional cost to complete assurance for the period as a result of stakeholder feedback. This resulted in an additional cost for this category, which Precinct has assessed as not material to its FY26 financial performance.

Strategy

The following tables outline our material climate-related risks and opportunities as detailed in Precinct's Climate Risk Register, alongside their anticipated physical and transition impacts and the time horizons over which we expect each risk or opportunity to impact an estimated proportion of our portfolio.

Table 1: Transition Risks

CRRO Code	Description of climate-related risk	Driver/s	Climate Scenario	Short	Medium	Long	Description of anticipated impacts on Precinct
T1	Failure of Precinct's assets to meet client occupier and investor preferences for sustainable and low carbon buildings. It is anticipated this risk will increase over time, peaking in the medium-term driven by market sentiment for high-performing assets. For more detail on trends refer to Appendix 6 .	Market	Orderly				Increased vacancy in Precinct buildings Decline in value of Precinct's assets¹
			Disorderly				
			Hot house				
T2	Out-of-cycle upgrades to systems and technology in Precinct's buildings due to unexpected changes in infrastructure or regulatory requirements. It is anticipated, as the transition to a low carbon society occurs, or as the effects of climate change become more severe, that the risk for Precinct associated with being unable to deliver the required upgrades will increase. For more detail on trends refer to Appendix 6 .	Technology	Orderly				Increase in out-of-cycle CAPEX required for Precinct's assets
			Disorderly				
			Hot house				
T3	Failure by Precinct to meet regulatory obligations due to uncertain policy and regulatory changes. The risk is expected to increase over time as the selected scenarios anticipate greater regulatory changes. For more detail on trends refer to Appendix 6 .	Regulation	Orderly				Decline in Precinct's share price Increased costs to Precinct for third party consultants, assurance providers and legal support
			Disorderly				
			Hot house				
T4	Failure to meet Precinct's corporate commitments for project delivery due to limited availability of market-ready low-carbon products / suppliers in New Zealand. The risk is anticipated to peak in the medium-term under all scenarios as markets become constrained with industry change. For more detail on trends refer to Appendix 6 .	Market	Orderly				Increase in Precinct's project delivery costs Increased costs to Precinct for third party consultants
			Disorderly				
			Hot house				

¹ Anticipated impacts listed in this table are restricted to those determined most likely to result in material financial impact to Precinct. Further anticipated impacts not deemed material and/or which have not been assessed for anticipated financial impact are discussed in [Appendix 6](#) for each transition driver.

Table 2: Physical Climate Risks

CRRO Code	Description of climate-related risk	Hazard/s	Climate Scenario	Short ¹	Medium	Long	Description of anticipated impacts on Precinct
P1	Extreme heat exceeds the cooling capacity of building systems, affecting Precinct assets and their occupants. This risk is expected to increase as the frequency and intensity of extreme heat increase over time as shown in Appendix 6 . ²	Temperature Extremes	Orderly				Out-of-cycle CAPEX required for upgrading mechanical equipment within Precinct assets³
			Disorderly				
			Hot house				
							Disruption to building services in Precinct assets
P2	Storms, pluvial flooding and coastal inundation cause physical damage to Precinct assets and development sites. The frequency or severity of damaging events may increase over time, particularly under higher-warming scenarios as shown in Appendix 6 . ⁴	Storm Events	Orderly				Financial loss from physical damage to Precinct assets
			Disorderly				
			Hot house				
		Pluvial flooding					Rental income loss arising from tenant displacement or disruption
		Coastal Inundation					Increased CAPEX for asset-level adaptation measures for Precinct's assets
							Decline in value of Precinct's assets
							Higher insurance costs or reduced insurance availability for Precinct and Precinct assets.

1 Analysis of physical risks at relevant periods has been provided based on assumptions listed in [Time Horizon table](#) above.

2 The assessment anticipates exposure will increase reaching an extreme level for Precinct's assets in the Hot House scenario in the long-term. Once considering sensitivity and adaptive capacity, the severity of this risk is significantly reduced across the portfolio and further still when financial impacts are considered.

3 Anticipated impacts listed in this table are restricted to those determined most likely to result in material financial impact to Precinct. Further anticipated impacts not deemed material and/or which have not been assessed for anticipated financial impact are discussed in [Appendix 6](#) for each physical hazard.

4 The assessment anticipates exposure for the corresponding hazards will increase, reaching an extreme level for Precinct's assets in the Hot House scenario in the long-term. Once considering sensitivity and adaptive capacity, the severity of the hazards related to this risk are significantly reduced across the portfolio and further still when financial impacts are considered.

Precinct has disclosed P1 and P2 because its Risk Assessment identified these as material physical climate-related risks requiring ongoing monitoring. The ratings presented above reflect the anticipated severity of impact of each material risk under the relevant scenario and time horizon, in line with Precinct's financial risk thresholds. They do not represent the proportion of portfolio value exposed or vulnerable to the underlying hazards, as assessed under the prior Exposure Assessment shown in [Appendix 6](#). Per adoption provision 2, anticipated financial impacts are not disclosed for this reporting cycle.

Strategy

Physical and Transition Opportunities

Climate-related opportunities across Precinct’s portfolio have been evaluated and expressed qualitatively, representing the operational benefits derived from activities associated with both physical and transition climate-related opportunities. Precinct acknowledges the inherent subjectivity involved in evaluating current and future financial opportunities linked to climate change. In advance of more detailed analysis, management provides this current estimate of how the identified factors are expected to influence our business. This impact is expressed as qualitative commentary only based on the definitions below.

Level of Opportunity¹	Management estimation at the entity level	Orderly	Disorderly	Hot House
Low	Opportunity is marginal or speculative; limited operational or financial benefit expected.			
Medium	Opportunity is plausible and may yield moderate operational efficiencies or reputational gains.			
High	Opportunity is expected to deliver significant operational, financial, or strategic benefits.			
Very high	Opportunity is transformational, with strong alignment to strategic goals and high likelihood of material impact.			

Table 3: Climate Opportunities

CRRO Code	Description of Climate-related Opportunities	Opportunity Category	Climate Scenario	Short	Medium	Long	Description of anticipated impacts on Precinct
O1	Transition driver opportunity: Alignment with leading sustainability certifications, ratings, and standards (e.g. Green Star, GRESB, SBTi), demonstrating credible climate performance and reducing greenwashing risk for Precinct	Market	Orderly				Improved valuation of Precinct's assets¹ Increased rental income across portfolio
		Technology	Disorderly				Improved capital partnering with investors operating with a 'green asset' screening strategy
		Reputation	Hot house				Supporting Precinct's access to sustainable finance
O2	Transition driver opportunity: Investment in commercially advantageous low-carbon technologies and electrification initiatives by Precinct	Technology	Orderly				Supporting Precinct's access to sustainable finance
			Disorderly				Reduced operational expenditure for Precinct assets Reduced exposure for Precinct to fossil fuel availability and price fluctuations
			Hot house				
O3	Physical hazard opportunity: Precinct partnering with local Council and neighbouring properties to implement physical risk adaptation measures well before the collective risk becomes 'high' or 'extreme'	Storm Events	Orderly				Proactive intervention reduces long term reactive and out-of-cycle CAPEX required for Precinct's assets
		Pluvial Flooding	Disorderly				
		Coastal Inundation	Hot house				Shared costs with other beneficial parties spread over successive years reducing the cost to Precinct

¹ Anticipated impacts listed in this table are restricted to those determined most likely to result in material financial impact for Precinct. Further anticipated impacts not deemed material and/or which have not been assessed for anticipated financial impact are discussed in [Appendix 6](#) for each opportunity.

The methodology used to identify, assess and disclose climate-related risks and opportunities has been refined during the current reporting period in response to stakeholder feedback and ongoing improvements in our climate risk assessment process. This period, risks and opportunities are reported at an individual level, whereas previously they were aggregated at the climate hazard or transition driver level. As a result, risk and opportunity ratings and the number of disclosed risks and opportunities may not be directly comparable with those reported in previous periods. Per adoption provision 2, anticipated financial impacts are not disclosed for this reporting cycle.

Strategy

Transition Planning

Precinct continues to position itself for a low-emissions, climate-resilient future, aligned with our strategy to develop, own, and manage high-quality, sustainable, and resilient assets.

Climate risks, both physical and transition, are prioritised alongside other key business risks. They are actively integrated into acquisition, capital deployment and funding decisions, particularly those outlined in the Transition Plan. In addition, board papers, scenario analysis and insights from the Climate Risk Register inform targeted CAPEX across new developments and existing assets.

Table 4: Transition Activities		Transition Timeline			Relevant Hazard/ Driver or Opportunity Addressed	CRRO(s) Addressed	Target, KPI or Metric
Action C = Current Action (underway) / A = Anticipated Action (in planning)		Short- term	Medium- term	Long- term			
Current Activities:							
Maintain credible third-party certifications, benchmarks, targets and transparent reporting including:							
C	- New development projects: A minimum 5 star Green Star and minimum 6 star Homestar rating for new builds - Existing buildings: Green Star Performance and NABERSNZ Energy (New Zealand energy efficiency rating) ratings for all eligible assets.	✓	✓	✓	Drivers: Market, Technology	T1, P1, P2, O1	TG1, TG2
C	Embed low-carbon, all-electric and embodied-carbon requirements in developments and refurbishments including a minimum of 15% reduction in upfront embodied carbon (A1–A5, emissions from raw material extraction to construction) against a business as usual reference case.	✓	✓	✓	Drivers: Market, Technology, Regulation Opportunity: Technology	T1, O2	TG1
C	Benchmark and improve energy performance, and plan equipment upgrades prior to end-of-life including the phase out of fossil fuel equipment and future climate conditions.	✓	✓	✓	Drivers: Market, Technology, Regulation, Temperature Extremes	T2, T1, P1	TG2, M6
C	Maintain capable contractor and supplier relationships and increase procurement of low-carbon materials and local suppliers.	✓	✓	✓	Drivers: Market, Technology, Regulation	T4	TG1
C	Identify, pilot and assess emerging low-carbon technologies, including gas-to-electric conversion and on-site and off-site renewable energy solutions where feasible.	✓	✓		Drivers: Market, Technology, Regulation	T4, P1, O2	TG1
C	Screen acquisitions, developments and existing assets for current and anticipated physical climate hazards; prepare adaptation plans where needed.	✓	✓	✓	Hazards: Temperature Extremes, Storm Events, Pluvial flooding, Coastal Inundation	T2, T3, P1, P2	KP1, KP2, KP3, KP4, KP5

Table 4: Transition Activities		Transition Timeline			Relevant Hazard/ Driver or Opportunity Addressed	CRRO(s) Addressed	Target, KPI or Metric
Action		Short-term	Medium-term	Long-term			
C = Current Action (underway) / A = Anticipated Action (in planning)							
C	Design buildings to be interconnected for sheltered access and green space for future heat and disruption.	✓	✓	✓	Hazards: Temperature Extremes, Storm Events, Pluvial flooding, Coastal Inundation	P1, P2	TG1, KP3, KP4
Anticipated Future Activities:							
A	Deploy individualised low carbon asset plans including analytics, smart metering, demand management, renewables, batteries and EV integration where feasible.		✓	✓	Drivers: Market, Technology, Regulation	T1, T2, O2	
A	Partner with building occupiers on obtaining their own sustainability credentials, low-carbon upgrades, emissions reduction and emergency preparedness.		✓	✓	Hazards/Drivers: Market, Technology, Reputation, Regulation, Storm Events, Pluvial flooding	T1, T3, P1, P2	
A	Build long-term supplier partnerships to increase low-carbon product availability and reduce cost.		✓	✓	Drivers: Market, Technology, Regulation	T4	
A	Coordinate with communities and infrastructure providers to maintain access and support area-wide adaptation.		✓	✓	Opportunity: Storm Events, Pluvial flooding, Coastal Inundation	P1, P2, O3	

The current actions outlined above form a core part of Precinct's publicly stated decarbonisation strategy and are embedded within CAPEX plans submitted through Precinct's annual Business Plan, which is formally approved by the Board. Anticipated actions are in the planning stage for future budget cycles in line with the time horizon identified. Targets, Metrics and KPIs in the following section are only linked to current transition activities. Anticipated activities are expected to inform future iterations of these Targets, Metrics and KPIs. This integration ensures that transition planning is not only strategic but also operationally embedded, making it a key consideration in capital deployment and funding decisions.

Risk Management

This section describes Precinct's processes for identifying, assessing and managing climate-related risks and how this is integrated into Precinct's risk management processes.

Precinct's processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management process and recorded in Precinct's Climate Risk Register. This process is overseen by the Audit and Risk Committee and endorsed by the ESG Committee.

The ESG Committee is guided by the ESG Committee Charter (available in Precinct's Corporate Governance Manual on [Precinct's website](#)), which requires the ESG Committee to:

- Review and recommend for Board approval the ESG strategy, framework and initiatives;
- Oversee the implementation of Precinct's Sustainability Policy and practices; and
- Oversee the preparation and review of climate-related risks and opportunities ahead of incorporating into Precinct's risk register (by extension Precinct's Climate Risk Register).

Identifying Risks

Precinct's processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management process. The ARC is tasked with reviewing Precinct's risk register, together with the separate dedicated Climate Risk Register, which captures identified climate-related risks that may impact Precinct, at least quarterly. There is a standing reference to 'Climate-related risks & disclosure' in Precinct's risk register that refers the ARC to the standalone Climate Risk Register for further detail.

New risks for inclusion in Precinct's Climate Risk Register may be identified by the ESG sub-committees, ESG Committee, senior and executive management, or other staff at Precinct. These potential new risks are assessed by the Head of Sustainability and reviewed by management prior to being submitted to the ARC for evaluation.

Once potential risks are identified, Precinct carries out a threshold materiality assessment to identify the risks that will be added to Precinct's risk register and Climate Risk Register. When evaluating materiality thresholds for reporting, we consider the impact, time horizon, likelihood, and nature of the risk, including whether the risk is physical or transition. Only those risks that are added to our registers are disclosed in this CRD.

Risks that are added to our risk registers are then assigned a materiality rating (low/medium/high/very high) using Precinct's risk management framework, consistent with the assessment approach disclosed in [Climate-Related Impacts](#) section.

These materiality assessments are informed by both quantitative and qualitative analysis, including internal modelling using local datasets, and, where appropriate, advice from external specialists.

Climate-related risks are reviewed tri-annually by the ESG Committee and quarterly by the ARC, which supports Board oversight. Higher rated risks (rated medium or higher) are considered in more detail by the Board, ESG Committee, and ARC. Risks deemed 'material' are included in Precinct's Climate Risk Register for ongoing evaluation by the Board and are reflected in the risks disclosed in Tables 1 and 2 above on pages 16-17. An assessment of the hazards underlying the material risks are disclosed in this statement in [Appendix 6](#).

Risk Management

Our approach to identifying and reviewing climate-related risks

The following process outlines Precinct's approach to conducting reviews of climate-related risks. This step by step process is undertaken on an annual basis or out of cycle by the Head of Sustainability and Senior Sustainability Advisor as instructed from time to time by Management and / or the Board. This process involves both qualitative and quantitative analyses to enable a comprehensive understanding and appropriate revision of the risks across plausible scenarios relevant to Precinct's operations. As part of this review, we assess current climate-related risks and consider recommendations to mitigate and adapt to anticipated risks. To the best of our knowledge, no parts of Precinct's value chain are excluded from the risk assessment. Application of this six step process for FY26 is set out in Appendix 6.

Step 1 - Scenario Selection

Climate-related scenarios are reviewed and selected based on the sector-specific guidance Precinct considers most relevant to its operations.

As set out in further detail [above](#), the scenarios are currently:

- an orderly transition aligned with a 1.5°C pathway;
- a disorderly transition characterised by delayed and abrupt policy action; and
- a 'hot house' scenario reflecting limited global mitigation and higher physical climate risks.

The above selection of scenarios and the associated narratives is informed by the NZGBC's [Climate Scenarios for the Construction and Property Sector: Ngā Horopaki Āhuarangi mō te Rāngai Hanganga me ngā Whare](#) with further sources supplied in [Appendix 2](#). This includes IPCC reporting, relevant peer reviewed data and government advice related to interpreting the assessment of hazards and drivers affecting the global community and New Zealand.

Step 2 - Hazard Identification

Precinct assessed which climate hazards and drivers identified in the sector specific scenarios from Step 1 are most relevant to our assets and business.

These are:

Physical hazards: Coastal Inundation, Pluvial Flooding, Fluvial Flooding, Storm Events, Drought, Extreme Temperatures, Wildfire and Water Stress

Transition drivers: Technology, Market, Regulation, Reputation and Carbon Price.

More detail on the climate-related risks and opportunities arising from these hazards and drivers can be found in [Appendix 6](#).

Step 3 - Exposure Assessment

Precinct assesses the exposure of its business and portfolio, including individual assets by:

- assessing the location and extent of exposure of each asset in our portfolio to the physical hazards identified in Step 2 through the application of New Zealand-specific datasets (see [Appendix 6](#)); and
- assessing exposure to transition drivers (workshopped across Precinct's business with support from Mott MacDonald, an external engineering, management and development consultancy). This work considered the potential exposure of Precinct's business and portfolio to market, technology, carbon price, reputation and regulatory change under each scenario and time horizon.

Precinct applies each of the three climate scenarios described in Step 1 across short-, medium- and long-term time horizons:

Short Term: present – 2030, **Medium Term:** 2031 - 2050 and **Long Term:** 2051 - 2100.

At this step, exposure represents the extent to which Precinct's business or individual assets could be affected by a physical climate hazard or transition driver. Exposure is assessed *before* considering asset-specific sensitivity, adaptive capacity, existing protection measures or planned mitigation or adaptation activities.

Step 4 - Risk Identification Assessment

Once the exposure of Precinct's assets and business operations to climate hazards and drivers is understood, Precinct assesses asset-specific sensitivity, adaptive capacity, existing protection measures, planned adaptation activities or other factors that may alter the potential consequences. Depending on the nature of the risk and information available, anticipated financial consequences considered may include physical damage, business interruption, changes in operating and capital expenditure, insurance availability and cost, asset value, rental income, development feasibility and the cost of mitigation or adaptation. The scope and level of quantification varies depending on the risk and available information. Precinct expects confidence in anticipating financial impacts to improve as data, methodologies and asset-level analysis develop.

Physical risks - Assessment builds on the exposure analysis undertaken in Step 3 and, where appropriate, is supplemented by asset-level investigation to understand how exposure could translate into asset vulnerability and financial consequence. This may consider site and building characteristics such as building configuration, floor and entry levels, basement areas, drainage and stormwater systems, existing protection measures, critical building equipment and potential pathways for physical damage or disruption. Where initial screening identifies that further investigation is warranted, Precinct may undertake more detailed asset-level assessment of a particular hazard. In 2023, Precinct instructed Aon to undertake portfolio-level flood hazard screening and detailed assessment of coastal flooding and sea-level rise¹. This analysis supported Precinct's understanding of how coastal inundation exposure and asset vulnerability could translate into physical damage and anticipated financial consequences at an individual asset level.

Transition Risks - The financial assessment of transition drivers considers desktop analysis supplemented by asset-level transition CAPEX plans, business planning and Precinct's experience of financial impacts arising from relevant stakeholder and market changes. This enables potential financial consequences associated with transition drivers to be considered using information such as building-specific CAPEX estimates, energy-transition requirements and technology constraints associated with individual assets. Anticipated costs associated with regulatory change and relevant occupier and investor considerations are also considered in assessing whether a transition driver could develop into a material risk affecting an asset and/or the portfolio. For example, Precinct's building electrification CAPEX plans inform its assessment of the anticipated financial consequences associated with changing occupier demand for lower-carbon buildings.²

The assessment of exposure, vulnerability and potential financial consequences informs the climate-related risks and opportunities taken forward for assessment against Precinct's risk thresholds in Step 5.

Step 5 - Materiality Assessment

Precinct's climate-related risks and opportunities identified through Step 4 are then assessed against Precinct's risk thresholds to determine which matters are sufficiently material to require inclusion in Precinct's Climate Risk Register and further consideration on a regular basis by the Audit & Risk Committee.

Higher rated risks (rated medium or higher) are considered in more detail by the ESG Committee, ARC and the Board. The combined assessment of hazard exposure, asset vulnerability, anticipated financial impacts and Precinct's risk thresholds determines which climate-related risks are:

1. **not taken forward**, because their potential effects fall below Precinct's risk threshold;
2. **retained for monitoring**, because the effect or timing remain uncertain or are not currently material; or
3. **deemed 'material' and elevated to the Climate Risk Register**, because they warrant ongoing management, disclosure and evaluation by the Board.

For the purpose of assessing longer-term financial consequences against Precinct's risk thresholds, Precinct applies a 60-year building service-life assumption. The value basis applied is: **≤ 60 years**: Property value (including land value) or **> 60 years**: Land value only.³ Precinct's financial share in the asset is assessed. The risk and opportunities identified as material under outcome 3 above are presented in Tables 1, 2 and 3. Precinct has elected to use Adoption Provision 2 in NZ CS 2 and does not disclose any specific anticipated financial impacts.

Step 6 - Risk Management

Any risk deemed 'material' in line with financial thresholds in Precinct's risk management framework is listed on the Climate Risk Register and reviewed on a quarterly basis by the ARC. Precinct seeks to integrate actions identified to manage climate-related risks ahead of business planning and capital deployment decisions.

- 1 The coastal assessment incorporated site visits and building information to assess site and building exposure and vulnerability, including potential water-entry points, flood depths and flow paths, and the location of critical building equipment. For coastal inundation, Aon assessed potential direct financial consequences associated with clean-up, repair and replacement costs and business interruption.
- 2 Precinct's CAPEX plans for buildings to transition from gas to electric, for example, have a high CAPEX cost. For this reason, the portfolio is assessed as having a material 'Market' risk given changing and / or intensifying client demand for low carbon buildings.
- 3 In addition, committed developments are assessed on the basis of estimated value on completion. Build-to-sell residential developments are excluded from this specific analysis on the basis that they are developed for sale and will not be owned long-term. All developments (including Build-to-Sell residential) are included in screening and climate adaptation plan requirements as reported in [Transition Planning](#) and [Metrics & Targets](#) sections.

In addition to the above, Precinct manages the process of identifying out-of-cycle climate-related risks as they arise within individual business units per below:

Business Unit / Activity	Activity	External Party Involvement in assessing the risk or articulating potential new risks affecting Precinct's business	Recurring ESG Sub-Committee where the risk is raised
Corporate / Funds	Investor reporting	GRESB Survey results & Climate Risk & Resilience Scorecard	Acquisitions & Finance
Acquisitions	Due Diligence reporting	External Engineering Consultant	Acquisitions & Finance
Development	Climate Adaptation Plan	External Climate Change Consultant	Building Developments
Investment Portfolio (including JV sites)	Green CAPEX Portfolio-wide climate risk modelling Site-based assessments	External Engineering Consultant	Building Operations Acquisitions & Finance
Industry Engagement	Workshops and feedback	NZGBC, PCNZ	Corporate, Legal & Marketing
Supply Chain Engagement	Tendering for work Contract renewal with existing suppliers Cyclical meetings with existing suppliers	Suppliers, client occupiers, contractors, and councils (local government)	Building Operations Building Developments Corporate, Legal & Marketing

Where risks per the above pathways are identified and fall outside of the scenario analysis process, they are discussed in internal ESG sub-committees in accordance with the above step by step process.

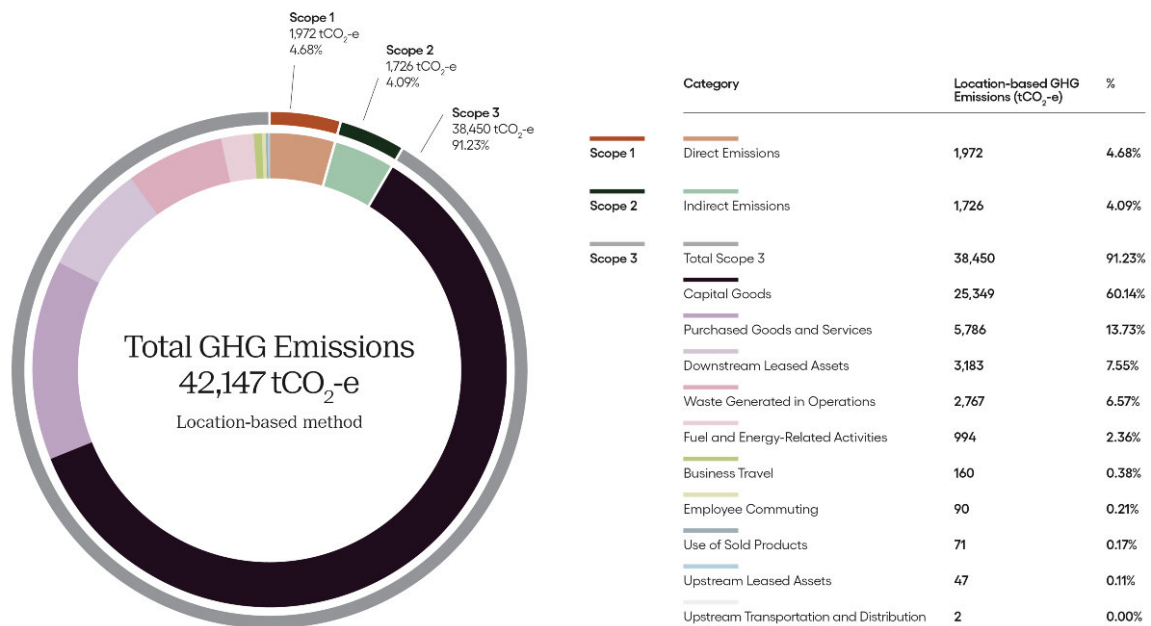
Although climate-related risks are contained within Precinct's Climate Risk Register, these risks are prioritised using the same process as other key business risks in Precinct's Risk Register. There are no separate processes for prioritising climate-related risks compared to other key business risks.

Metrics and Targets

Metrics and Targets

Our FY26 Carbon Emissions

Precinct is committed to transparently tracking its emission reduction efforts with a focus on reducing its overall carbon footprint in line with the GHG Protocol and ISO 14064-1:2018. Below is a snapshot of Precinct's FY26 carbon emissions across Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased energy), and Scope 3 (other indirect emissions occurring across Precinct's value chain). In addition, Precinct has included a breakdown of these emissions against prior years.



		Tonnes of carbon dioxide equivalent (t CO ₂ -e)		
Precinct's GHG emissions Scope (GHG Protocol) ¹		FY26	FY25	FY24
Scope 1		1,972 ²	1,706	2,397
Scope 2	location-based method ³	1,726 ⁴	2,060	1,388
	market-based method ³	0	0	14
Total Scope 1 & 2	location-based method	3,697	3,766	3,785
	market-based method³	1,972	1,706	2,411
Scope 3 ⁵	Not assured to NZ SAE 1	38,450 ⁶	49,100	21,165
Total Scope 1,2 & 3 Emissions	location-based method³	42,147	52,866	24,949

1 Totals are calculated using unrounded values and may therefore differ from the sum of the rounded values presented.

2 Emissions from Natural Gas were more or less the same and Diesel use decreased considerably in FY26 from FY25 levels, however, overall Scope 1 emissions increased due to a refrigerant leak of R134A at NTT Tower, Wellington. A summary of each Scope 1 emissions source can be found in [Appendix 4](#).

3 Location-based method discloses Scope 2 electricity emissions associated with standard emissions factors. Market-based method reflects the voluntary purchase of Renewable Energy Certificates (RECs) supplied from Precinct's contract for electricity with Meridian.

4 Changes in Scope 2 location-based emissions primarily reflect movements in electricity grid emission factors and increased portfolio electrification. FY25 grid emission factors were temporarily elevated during the dry year, while the increase relative to FY24 reflects a greater proportion of all-electric buildings.

5 Scope 3 assurance: Precinct has applied Adoption Provision 8 of NZ CS 2 and has therefore excluded Scope 3 GHG emissions from the mandatory assurance engagement.

6 Scope 3 emissions decreased significantly from FY25 to FY26 primarily due to only one development project achieving practical completion in FY26 (compared with three projects in FY25). Scope 3 Category 1 increased due to consultant activity in support of multiple developments under design. Scope 3 Category 2, 11 and 12 decreased due to no sale of a whole asset during the period. A further breakdown of these categories and relevant movements can be found in [Appendix 4](#).

The table below summarises the measurement standards, consolidation approach, exclusions, emission factor sources and assurance standards applied for Scope 1 & 2 emissions. Further information on Precinct's GHG inventory, including methods, assumptions and estimation uncertainty, is provided in [Appendix 4](#).

Disclosure	Scope 1 & 2: Mandatory assurance boundary
GHG emissions measurement standard(s)	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) ISO 14064-1:2018
GHG emissions consolidation approach	Operational Control
Exclusions	No known exclusions
Source of emissions factors	Ministry for the Environment: Measuring Emissions Catalogue 2026 (MfE catalogue)
Assurance standard(s)	NZ SAE 1

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

Assurance

In FY26, Scope 1 and 2 emissions have been subject to an independent reasonable assurance engagement conducted by Deloitte Limited. Refer to assurance report in [Appendix 3](#).

Commentary of Changes

Scope (GHG Protocol)	Category (GHG Protocol)	Deviation from FY25 to FY26	Material to Precinct's Inventory (over 3% of total emissions)	Explanation
Scope 3	Category 2 Capital Goods (Other Minor Projects)	Increase of 15,338%	Yes, 4.4% of emissions	Significant increase related to an improvement in calculation and reallocating the reporting of minor capital good projects in the existing portfolio into this category. Previously the impact was collectively reported in Category 1 - Purchased Goods and Services.

Metrics and Targets

Targets

During FY22, Precinct began progressing towards, and in early FY23 formally adopted, the WGBC's 2030 Net Zero Carbon Buildings Commitment. The Commitment requires entities to reduce energy consumption and embodied carbon through a series of underlying measures. Having reviewed Precinct's targets against these measures this year (some of which do not have defined criteria), Precinct considers it is most relevant to report on Precinct's specific targets and KPIs below, rather than the Commitment as a whole, including because Precinct is using these targets and KPIs to manage its climate-related risks and opportunities in support of the overarching Commitment.

Key elements of the WGBC Commitment are shown in the table below, namely our progress in achieving Green Star and NABERSNZ ratings coverage, which serve as measurable indicators of our decarbonisation efforts.

Investment Portfolio Targets

Precinct's Green Star and NABERSNZ targets provide industry-specific, third-party green building ratings that are also used by its peers as indicators of green building performance in Aotearoa, New Zealand. On their own, these ratings do not constitute targets contributing to limiting global warming to 1.5°C, however they do complement Precinct's business strategy to address material Scope 1, 2 and 3 emissions, including:

- **Scope 1 & 2: Operational energy efficiency**
A 4-star NABERSNZ Energy rating demonstrates a minimum level of measured operational energy performance.
- **Scope 3: Upfront embodied carbon**
Green Star Design & As Built has required minimum reductions in upfront embodied carbon for projects registered since 2022.

Precinct's climate-related targets are summarised in the table below.

No.	Investment Portfolio Absolute Target	2030 Target ¹ (% by value of equity share)	FY26 (% by value of equity share)	FY25 (% by value of equity share)	FY24 ² (Base) (% by value of direct ownership)	Variance (% change) to base year
TG1	Green Star Target ³	>60% of the portfolio by value expected to achieve a minimum 5 star 'NZ Excellence' As Built rating	51%	49%	45%	+13.3%
TG2	NABERSNZ Target ⁴	100% of the portfolio expected to achieve a minimum 4 star NABERSNZ Base Building rating	57% ⁵	60%	54%	+5.6%

1 There are no interim targets.

2 FY24 was Precinct's first year of reporting Green Star and NABERSNZ targets for the investment portfolio, noting only direct ownership assets were represented by value in this base year. Since FY25, Precinct has included equity share in joint venture assets along with direct ownership assets. The addition of Precinct's financial share in joint venture assets, ASB North Wharf (5 star Green Star Built rated) and ORAMS commercial office project (5 star Green Star Built target) have contributed to the increased percentage between FY25 and FY26.

3 The Green Star target does not rely on mandatory offsets to achieve the minimum reduction percentage in upfront carbon emission requirements instead this requires quantified reductions through low carbon product procurement and design decisions. Precinct does purchase offset units for upfront carbon emissions (A1-A5) for development and major refurbishment projects as a standalone voluntary corporate commitment and can elect to apply a voluntary innovation credit for up to 2 points towards a rating for this activity. Further detail on offsets and projects that have voluntarily pursued Green Star credit points can be found in [Appendix 4](#).

4 The NABERSNZ target does not rely on offsets to achieve a rating outcome.

5 The NABERSNZ percentage reduced slightly from FY25 to FY26 due to 1 The Terrace, Wellington moving from a 4 star rating to a 3 star rating during the period. Precinct has since undertaken a Level 2 Energy Audit on the asset to understand current performance and progress energy efficiency improvements. A further three Level 2 Energy Audits were carried out across additional buildings (1 Willis Street, Wellington, GHD House, Auckland and HSBC Tower, Auckland) to support an understanding of initiatives and upgrades required ahead of the target year.

Other climate-related metrics

The key metrics and key performance indicators (**KPIs**) that Precinct currently uses to measure and manage its climate-related risks and opportunities are set out below. These metrics and KPIs enable Precinct to embed key criteria within its climate reporting to ensure Precinct's approach to understanding and managing risks and opportunities is relevant to its business strategy, transition planning and industry direction.

No.	Metric	Description	FY26	FY25	FY24
M1	GHG Emissions Intensity ¹	Scope 1 and 2 emissions intensity assessed as gross Scope 1 and 2 (location-based) emissions against revenue. Precinct continued to reduce the emissions intensity of its operations, with Scope 1 and location-based Scope 2 emissions per \$1 million of revenue decreasing by 6% from FY25 to FY26, and by 13% from FY24 to FY26. This occurred alongside FY26 revenue growth of 4.5% and reflects an increase in revenue from a growing base of all-electric, low-carbon buildings, most recently 55 Molesworth opening at the beginning of 2026.	13.29 tCO ₂ -e/\$m Scope 1+2/ revenue	14.15 tCO ₂ -e/\$m Scope 1+2/ revenue	15.26 tCO ₂ -e/ \$m Scope 1+2/ revenue
M2	Vulnerability to Physical Risks	Percentage of assets by value vulnerable to physical risks across the scenarios and time horizons. Detailed analysis is available in Appendix 6.² Precinct has restated its vulnerability assessment for each of FY25 and FY24 based on the methodology in Appendix 6. The percentage of vulnerability to Physical Risks has not changed substantially over that period. However, the slight increase (up to 1%) in vulnerability relates to the acquisition of assets on the waterfront highly exposed to the impacts of Risk P2³.	Risk P1: 100% of assets by value vulnerable in the hot house scenario in the long-term. Risk P2: From 7% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the hot house scenario in the long-term.	Risk P1: 100% of assets by value vulnerable in the hot house scenario in the long-term. Risk P2: From 6% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the hot house scenario in the long-term.	Risk P1: 100% of assets by value vulnerable in the hot house scenario in the long-term. Risk P2: From 6% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the hot house scenario in the long-term.

Metrics and Targets

No.	Metric	Description	FY26	FY25	FY24
M3	Vulnerability to Transition Risks	Percentage of assets by value vulnerable to transition risks across the scenarios and time horizons. Detailed analysis is available in Appendix 6.² Precinct has restated its vulnerability assessment for each of FY25 and FY24 based on the methodology in Appendix 6. The percentage of vulnerability to Transitional Risks has not changed substantially over time. However, the slight decrease (up to 4% per year) in vulnerability relates to newer assets entering the portfolio which are less vulnerable to the assessed transition risks through design, for example, in utilising all-electric energy systems.	Risks T1 & T4: From 84% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term. Risks T2 & T3: From 74% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term.	Risks T1 & T4: From 88% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term. Risks T2 & T3: From 78% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term.	Risks T1 & T4: From 91% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term. Risks T2 & T3: From 79% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term.
M4	Climate-related Opportunities	Homestar: >60% of the eligible portfolio by value expected to achieve a minimum 6-star Homestar rating by 2030.⁴ This metric was previously a Target in FY25. The T1 and T2 Targets listed in FY26 are related to the investment portfolio only. Homestar projects are build-to-sell and not held within Precinct's managed portfolio long term, therefore not part of the investment portfolio. The FY25 percentage has been revised to reflect committed residential projects only. This remains an opportunity metric for leveraging green building market appetite and anticipating regulation change in favour of low carbon construction. To date, there is only one committed residential build-to-sell project committed to Homestar, Pillars in Auckland (commenced 2026).	100%	-	-

No.	Metric	Description	FY26	FY25	FY24
		In FY26, Precinct refined its assessment from broad physical and transition opportunity categories to specific opportunities and the value pathways through which they may benefit the portfolio. Precinct continues to use Green Star and NABERSNZ ratings as indicators of the proportion of portfolio value positioned to capture the opportunity associated with leading sustainability certifications. Other specific opportunities are assessed separately in the Strategy section, which indicates how their relative expected value may change across climate scenarios and time horizons. The certification metrics remain comparable between reporting periods, subject to the disclosed changes in calculation methodology and portfolio composition. However, due to the change in opportunity assessment methodology, the specific FY26 opportunities and their ratings are not directly comparable with the broader opportunity categories reported in FY24 and FY25.	See Green Star and NABERSNZ % figures above. Specific climate-related opportunities and their relative expected value by scenario and time horizon are presented in Strategy – Climate Opportunities , page 19.	See Green Star and NABERSNZ % figures above. Broader physical and transition opportunity categories and their ratings by scenario and time horizon are presented in Strategy – Climate Opportunities , pages 28-29 of the FY25 report	See Green Star and NABERSNZ % figures above. Broader physical and transition opportunity categories and their ratings by scenario and time horizon are presented in Strategy – Climate Opportunities , pages 26-27 of the FY24 report
M5	Capital Deployment - Corporate reporting	Corporate reporting and professional services spend related to Climate-related risks and opportunities. In FY26, the increase in spend on corporate reporting and professional services was a result of disadvantages to foreign exchange rates for international scheme prices including GRESB (EU) and International WELL Building Institute (USD).	\$506k	\$447k	\$282k
M6	Capital Deployment - Management Activities	Management of activities across the existing operational portfolio related to climate-related risks and opportunities. In FY26, the increase in spend was attributed to a portfolio wide rooftop feasibility for on-site solar generation and bulk procurement of offset units (generally procured once every 2 years). Both activities did not occur during FY25, although offset units were purchased in FY24.	\$207k	\$102k	\$314k

Metrics and Targets

No.	Metric	Description	FY26	FY25	FY24
M7	Capital Deployment - Gross Capital Investment	Gross capital investment deployed toward green building developments. This includes 256 Queen Street, Downtown Car Park, Freyberg Building, 55 Molesworth Street and other development properties. Year-to-year movements reflect the timing and scale of development activity, with FY26 expenditure increasing as a result of higher construction activity compared with FY25. Precinct acknowledges the complexities involved in reporting capital deployment specifically linked to climate-related risks and opportunities, including that these metrics reflect the aggregation of development activities associated with green assets, as well as gross capital investment in relation to development projects, as opposed to segregation of specific climate-related components of these investments.	\$234.1m	\$139.2m	\$178.3m
M8	Internal Emissions Price	Precinct applies an internal emissions price as a default when accounting for the impact of carbon across the business (e.g. within development budgets for offsetting upon project completion). This internal emissions price is reviewed annually to reflect changes in the voluntary carbon market. No changes to the internal price have been made in FY26.	\$40/tCO ₂ -e	\$40/tCO ₂ -e	\$40/tCO ₂ -e
M9	Remuneration	Precinct's People and Performance Committee has approved a revised STI structure for FY26 that explicitly incorporates climate-related risks and opportunities. This new metric is an improvement on prior years where ESG criteria was referenced, though not specifically tied to climate-related risks and opportunities in executive and senior management STI objectives.	5%	-	-

- 1 Precinct has elected to consolidate from two to one emissions intensity metric compared to prior years. Further detail can be found in [Appendix 2](#).
- 2 Precinct refined its assessment from measuring vulnerability against broad physical hazards and transition driver categories in FY24 and FY25 to assessing vulnerability to the specific risks arising from those hazards and drivers in FY26. This refinement has changed the number, description and assessment of risks presented. FY24 and FY25 have been assessed using this new methodology alongside FY26. The commentary of changes year to year is provided. The change in assessment methodology and presentation is explained in the [Strategy](#) and [Risk Management](#) sections of this report.
- 3 Risk P2: The hazards comprising P2 are considered collectively when calculating the percentage of the portfolio vulnerable.
- 4 Precinct's FY26 Annual Report presents development stage Green Star and Homestar measures together for sustainability reporting purposes. For climate-related disclosure purposes they are presented separately to reflect the different portfolio boundaries.

Key Performance Indicators and industry metrics used by Precinct to measure and manage climate-related risks and opportunities during FY24, FY25 and FY26 are set out below.

	KPI / Industry Metrics	Description	FY26	FY25	FY24
KP1	Acquisitions subject to climate-risk screening	Percentage of acquisitions by value screened for physical and transition risks during early-stage due diligence. Acquisition screening increased from 45% in FY24 to 100% from FY25 following its integration into early-stage due diligence.	100%	100%	45%
KP2	Existing portfolio subject to annual climate-risk screening	Percentage of existing assets included in annual portfolio screening across at least three climate scenarios. Annual portfolio screening remained at 100% in line with Precinct's risk management strategy.	100%	100%	100%
KP3	Existing portfolio covered by site-specific physical risk assessment	Percentage of existing assets covered by site-specific physical risk assessment. Coverage reduced from 100% in FY24 to 68% in FY26 as additional assets entered the portfolio after Aon's 2023 site-specific assessment. The reduction therefore reflects growth and changes in portfolio composition rather than removal of existing site-specific assessments. Precinct expects to undertake site-specific assessments periodically.	68%	77%	100%
KP4	Completed projects with an early-stage Climate Adaptation Plan	Percentage by value of development and major refurbishment projects completed during the year with an early stage Climate Adaptation Plan ¹ . The FY26 result reflects the completion of 55 Molesworth Street, which had an early-stage plan at project commencement.	100%	0%	73%
KP5	Projects commencing under the current Climate Adaptation Plan requirement	Percentage of applicable development and major refurbishment projects commencing from FY25 with a site-specific plan. Projects commencing in FY25 and FY26 meet the current requirement.	100%	100%	-
KP6	Global Real Estate Sustainability Benchmark (GRESB) Score	Annual GRESB score and rating. Precinct aims to achieve a GRESB Score in the top quartile (25%) of participants. In FY25 and FY26, Precinct achieved and surpassed this target by achieving a place in the top quintile (20%) of funds globally. The increase in Precinct's score from FY25 to FY26 was based on improvements in policy and performance indicators.	91/100 5 star	89/100 5 star	86/100 4 star

¹ Performance against this KPI varies according to the projects achieving completion in each reporting period and whether those projects commenced before or after Precinct introduced its current Climate Adaptation Plan requirement. Accordingly, year-to-year results should not be interpreted as a continuous change in portfolio coverage.

Appendices

Appendix 1

Service Providers Engaged

In preparing these Climate-Related Disclosures, Precinct has engaged the following service providers:

Service Provider	Description of Services
Deloitte Limited	In FY26, Scope 1 and Scope 2 emissions have been subject to an independent reasonable assurance engagement conducted by Deloitte Limited. Refer to assurance report in Appendix 3 .
Toitū Envirocare	In FY26, Toitū Envirocare have been engaged to perform procedures on Scope 3 emissions as part of the Toitū Net Carbon Zero certification. The result of this engagement is disclosure of Scope 3 emissions only and Precinct retains reliance on Adoption Provision 8 for FY26. See Appendix 4 for further information.
Mott MacDonald	Transition Risk review for the Auckland and Wellington commercial and retail portfolio (as described in the Risk Management section of this statement).
Aon Global Risk Consulting (Aon)	Physical Risk review for the Auckland and Wellington commercial and retail portfolio (as described in the Risk Management section of this statement).
Chapman Tripp	Review of Precinct's 2026 CRD including compliance against NZ Climate Standard CS 1 (excluding GHG disclosures).

Appendix 2

Sources of Data and Changes in Disclosure from Prior Statements

Sources of data	See Appendix D of 'Climate Scenarios for the Construction and Property Sector' available here which notes the following sources of data: • IPCC 2021. Summary for Policy Makers. In: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. • Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. • NGFS emissions modelling available on the NGFS IIASA Scenario Explorer. • Tatauranga Aotearoa / StatsNZ 2020. National population projections: 2020(base)–2073. • Te Tai Pari o Aotearoa / NZ Sea Rise 2022. Maps: For Public. • MBIE's Building for Climate Change programme intentions. • He Pou a Rangi / Climate Change Commission 2021. Scenarios dataset for the Commission's 2021 Draft Advice for Consultation (output from ENZ model). • Climate Change Commission's Electricity Market Modelling Datasets 2021. NZGBC. • NGFS Climate Impact Explorer. • NGFS IIASA Scenario Explorer. In addition, Precinct also reviewed the following sources for further insight in to nature and refrigerants within the scenarios chosen: • Nature-based solutions can play a role offsetting emissions in the short term but technology-based solutions are critical to achieve long-term decarbonisation targets - S&P Global (spglobal.com) • MBIE Aotearoa New Zealand's first emissions reduction plan - 'Working with Nature' • Afforestation can help to tackle climate change. Here's how - World Economic Forum (weforum.org) • Q&A: Can 'nature-based solutions' help address climate change? - Carbon Brief • Carbon sequestration potential of plantation forests in New Zealand - no single tree species is universally best, Serajis Salekin, Yvette L. Dickinson , Mark Bloomberg and Dean F. Meason - SpringerLink • Refrigerant phase down to 2035 per the Kigali Amendment - Kigali Amendment to the Montreal Protocol • Climate Risk Sources: referred to in Appendix 6.
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Changes in disclosures from prior Statements	Use of Climonomics Data Precinct previously used the S&P Global Climonomics platform as an initial, high-level tool for assessing potential physical and transition climate impacts, including indicative financial effects for FY24 and FY25 cycles. Precinct's subscription ended in FY26. Precinct is progressively assessing options for quantifying anticipated financial impacts ahead of financial impact disclosure becoming mandatory in future reporting cycles.
	Change in Target Disclosures Precinct previously reported its World Green Building Council Net Zero Buildings Commitment to achieve Net Zero by 2030 as a Target in FY24 and FY25 cycles. Following a review, Precinct considers this is best expressed as a commitment, and not a Target. Accordingly, Precinct has removed the Commitment from the Target section of this statement.
	Change in the presentation of the Risk Management Section This section was reworked to better reflect the process Precinct undertakes to identify and review climate-related risks and assist the reader to better understand the Steps and approach taken.
	Change in the presentation of Climate-related Risks and Opportunities This section was reworked to better reflect the resultant risks and opportunities from the hazard and drivers assessed across the three scenarios and assist the reader to better understand the impacts from material risks more clearly.
	Change in the assurance undertaken under NZ SAE 1 for Scope 3 emissions In FY25 Precinct undertook assurance under NZ SAE 1 for Scope 1, 2 & 3 emissions. In FY26, Precinct discloses Scope 3 emissions, however assurance under NZ SAE 1 has only been pursued for Scope 1 & 2 under the mandatory boundary. Given the change in assurance provider for FY26, Precinct determined there was not sufficient time to obtain assurance under NZ SAE 1 for its Scope 3 emissions.

Appendix 3

Deloitte.

Independent Reasonable Assurance Report on Selected Greenhouse Gas ('GHG') Disclosures included within the Group Climate Statements of the stapled Group consisting of Precinct Properties New Zealand Limited ('PPNZ') and Precinct Properties Investments Limited ('PPIL') and their respective subsidiaries (together 'Precinct')

To the Shareholders of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited

Opinion

In our opinion,

- the Scope 1 and 2 gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the '**mandatory GHG disclosures**'), within the scope of our reasonable assurance engagement (as outlined below), are fairly presented and prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards ('NZ CSs')* issued by the External Reporting Board ('**XRB**'); and
- the Scope 2 GHG emission disclosures calculated using the market-based method (the '**additional GHG disclosures**') within the scope of our reasonable assurance engagement (as outlined below) included in the Group Climate Statements, have been prepared, in all material respects, in accordance with the measurement and recognition requirements of the International Standard ISO 14064-1 Greenhouse gases – *Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals and the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (the '**Applicable Criteria**').

Scope of assurance engagement

We have undertaken a reasonable assurance engagement over the following mandatory GHG disclosures prepared in accordance with NZ CSs and included in the Group Climate Statements of Precinct for the year ended 30 June 2026, that is required to be the subject of an assurance engagement per section 461ZH of the Financial Markets Conduct Act 2013 ('**FMCA**').

Subject matter: Mandatory GHG disclosures	Reference
GHG emissions: gross emissions in metric tonnes of Carbon dioxide equivalent ('CO ₂ e') classified as: - Scope 1 - Scope 2 (calculated using the location-based method)	Page 28
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: <i>Climate-related Disclosures ('NZ CS 1')</i> , being: - The statement describing the GHG emissions have been measured in accordance with the Applicable Criteria, to the extent this pertains to Scope 1 and 2 GHG emissions; - The statement that the GHG emissions consolidation approach used is operational control, to the extent this pertains to Scope 1 and 2 GHG emissions; - Sources of Scope 1 and 2 GHG emission factors and the global warming potential ('GWP') rates used or a reference to the GWP source; and - The summary of specific exclusions of Scope 1 and 2 GHG emissions sources, including facilities, operations or assets with a justification for their exclusion.	Page 29
Disclosures relating to Scope 1 and 2 GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: <i>General Requirements for Climate-related Disclosures ('NZ CS 3')</i> : - Description of the methods and assumptions used to calculate or estimate Scope 1 and 2 GHG emissions, and the limitations of those methods. - Description of uncertainties relevant to Precinct's quantification of its Scope 1 and 2 GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.	Page 49

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In addition, we have undertaken a reasonable assurance engagement over the following additional GHG disclosures prepared in accordance with the measurement requirements of the Applicable Criteria and included in the Group Climate Statements of Precinct for the year ended 30 June 2026.

Subject matter: Additional GHG disclosures	Page 28
GHG emissions in metric tonnes of CO ₂ e classified as: • Scope 2 (calculated using the market-based method)	

Collectively the subject matter of our reasonable assurance engagement, as outlined above, is referred to as the ‘**Selected GHG Disclosures**’.

Our reasonable assurance engagement has not covered Scope 3 GHG emissions and does not extend to any other information included, or referred to, in the Group Climate Statements on pages 1-27, 30-39, 44-48 and 50-70. We have not performed any procedures with respect to the excluded information and, therefore, no opinion is expressed on it.

Emphasis of matter – exemption notice

As disclosed in Precinct’s Statement of Compliance on page 3, PPNZ and PPIL have been granted an exemption from the FMCA, the *Financial Markets Conduct (Climate Statements – Precinct Properties Group) Exemption Notice 2024 (Exemption Notice)*, which permits PPNZ and PPIL, subject to conditions set out in the exemption notice, to prepare climate statements in respect of Precinct, while they remain stapled (in place of separate climate statements for each company).

Other matter – comparative information

The comparative Selected GHG Disclosures (that is GHG disclosures for the period ended 30 June 2025) have been subject to mixed assurance by another assurance provider, who expressed an unmodified report in their assurance report dated 28 October 2025.

The comparative Selected GHG Disclosures (that is GHG disclosures for the periods ended 30 June 2024) have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* (‘**NZ SAE 1**’). These disclosures are not covered by our assurance opinion.

Director’s responsibilities for the Selected GHG Disclosures

The Directors are responsible for the preparation and fair presentation of the Selected GHG Disclosures in accordance with NZ CSs and the Applicable Criteria, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Selected GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent uncertainty in preparing Selected GHG Disclosures

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, as discussed on page 29 of the Group Climate Statements, 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.

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Appendix 3



As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of Precinct's compliance with NZ CSs and the Applicable Criteria are undertaken on a test basis, our reasonable assurance engagement cannot be relied on to detect all instances where Precinct may not have complied with NZ CSs and the Applicable Criteria. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

Our responsibilities

Our responsibility is to express an independent reasonable assurance opinion on the Selected GHG Disclosures, based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with NZ SAE 1 and International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the XRB. These standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Selected GHG Disclosures are free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand);
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

Other than in our capacity as assurance practitioner for this engagement, limited assurance conclusion on the PPNZ's Use of Proceeds Report, some partners (including one in a leadership position), held financial interests in Precinct during the period covered by the subject matter information. These interests were disposed of before acceptance of the engagement. We further note that these Partners did not participate in the performance, supervision or quality review of this engagement. We are satisfied that these circumstances did not impair our independence. In addition, certain partners and employees of our firm have dealings with Precinct Group on normal commercial terms in the ordinary course of business, including Deloitte Limited leasing office space from Precinct. Other than these matters, we have no relationship with, or interests in, Precinct.

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

Summary of work performed

Our reasonable assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves performing procedures to obtain evidence about the quantification of emissions and related information in the Selected GHG Disclosures. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Selected GHG Disclosures.

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- In making those risk assessments, we considered internal control relevant to Precinct’s preparation of the Selected GHG Disclosures. A reasonable assurance engagement also includes:
- Assessing the suitability in the circumstances of Precinct’s use of NZ CSs and the Applicable Criteria as the basis for preparing the Selected GHG Disclosures;
 - Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by Precinct; and
 - Evaluating the overall presentation of the Selected GHG Disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Use of our Report

Our assurance report (‘**our Report**’) is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the Selected GHG Disclosures are prepared and assured to appropriate levels of materiality.

Our Report is made solely to Precinct’s shareholders, as a body. Our assurance engagement has been undertaken so that we might state to Precinct’s shareholders those matters we are required to state to them in our Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Precinct’s shareholders as a body, for our work, for our Report, or for the conclusions we have formed.

Deloitte Limited
**Melissa Collier, Partner
for Deloitte Limited**
Auckland, New Zealand
23 October 2026

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Appendix 4

Greenhouse Gas Emissions - Additional Reporting, Methods, Assumptions and Estimation Uncertainty

The table below discloses a detailed breakdown of Scope 1, 2 & 3 GHG emissions for FY26 and previous periods.

			Metric tonnes of carbon dioxide equivalent (t CO ₂ -e)		
Precinct's GHG emissions Scope (GHG Protocol) ¹	ISO 14064-1:2018 Equivalent	FY26	FY25	FY24	
Scope 1²					
Stationary Combustion (Natural Gas)	Category 1	1,683	1,680	2,390	
Stationary Combustion (Diesel)	Category 1	6	18	3	
Leakage of Refrigerants (Refrigerants)	Category 1	283	9	3	
Scope 2²					
Imported Electricity (location-based method)	Category 2	1,726	2,060	1,388	
Imported Electricity (market-based method)	Category 2	0	0	14	
Scope 3^{3,4}					
Category 1: Purchased Goods & Services - Potable Water Supply	Category 4	11	19	10	
Category 1: Purchased Goods & Services - Spend Based: Purchased Goods and Services	Category 4	5,776	4,524	4,156	
Category 2: Capital Goods - Embodied Carbon from New Developments	Category 4	23,496	29,006	12,974	
Category 2: Capital Goods - Other Minor Projects	Category 4	1,853	12	-	
Category 3: Fuel & Energy Related Activities - T&D Losses from Electricity & Gas	Category 4	175	210	193	
Category 3: Fuel & Energy Related Activities - Well-to-tank Impacts	Category 4	819	860	-	
Category 4: Upstream Transportation and Distribution	Category 3	2	-	-	
Category 5: Waste Generated from Operations	Category 4	2,767	2,532	1,491	
Category 6: Business Travel	Category 3	160	127	179	
Category 7: Employee Commute	Category 3	90	84	96	
Category 8: Upstream Leased Assets ⁵	Category 4	47	312	263	
Category 11: Use of Sold Products ⁵	Category 5	71	6,995	-	
Category 12: End-of-Life Treatment of Sold Products	Category 5	-	757	-	
Category 13: Downstream Leased Assets ⁵	Category 5	3,183	3,662	1,802	

1 Values reflect actual figures, totals may not sum due to rounding.

2 In FY26, Scope 1 and Scope 2 emissions have been subject to an independent reasonable assurance engagement conducted by Deloitte Limited.

3 Precinct has elected to disclose FY25 and FY26 Scope 3 emissions in categories where data was previously unavailable or not relevant in FY24 (see Category 2: Capital Goods - Other Minor Projects, Category 3: Fuel & Energy Related Activities - Well-to-tank Impacts, Category 11: Use of Sold Products and Category 12: End-of-Life Treatment of Sold Products). In line with FY25 data, for FY26 Category 2: Capital Goods - Embodied Carbon from New Developments continues to result in significant Scope 3 emissions due to Precinct's development pipeline and construction completion activity during the period. A separate table distinguishing a kg CO₂-e / m² metric has been included to demonstrate improvement over a minimum performance baseline, allowing a comparable figure from previous years.

4 In FY26, as part of the Toitū Net Carbon Zero certification Toitū Envirocare have been engaged to perform procedures on Scope 3 emissions.

5 Whilst both market-based method and location-based method emissions have been calculated for Scope 3 emissions categories where relevant (C8, C11 and C13) Precinct has applied location-based metrics in its table above.

Scope 3 - Category 2: Embodied Carbon from New Developments

The number of development projects completed during the reporting period materially contributes to the volume of Scope 3 emissions during the period. As a result, FY26 experienced a reduction in emissions by volume due to only one project completing. Intensity metrics (kg CO₂-e / m²) for this category provides a more consistent measure of performance.

For each project, we assess the construction related project emissions against a standardised baseline.

Project	Category	Year Completed	Kg CO ₂ -e / m ²	'Reduction from Baseline	Green Star points for offsets
55 Molesworth Street, Wellington	New Build	FY26	958 ²	22%	Yes
Bowen House, Wellington	New Construction - Adaptive Reuse	FY25	159	74%	Yes
Beca House, Auckland	New Build	FY25	937	13%	Yes
30 Mahuhu Crescent, Auckland	Major Refurbishment	FY25	58	95%	No
Deloitte Centre, Auckland	New Construction - Adaptive Reuse	FY24	264	67%	Yes

¹ All life cycle assessments for upfront embodied carbon have been prepared by third party consultants and assessed by Toitū Envirocare as part of Precinct's annual Net Carbon Zero certification.

² As a new build project, 55 Molesworth Street has a higher per m² upfront carbon footprint than other project types categorised as 'Adaptive Reuse' or 'Major Refurbishment', which generally retain a higher proportion of the existing building structure. The reference building for each project reflects project-specific design requirements. For 55 Molesworth Street, this included modelling equivalent seismic performance. Accordingly, the 22% reduction from baseline should not be directly compared with the percentage reductions achieved by other projects.

Appendix 4

Commentary of Changes

Scope 3 emissions make up the bulk of Precinct's GHG inventory (91%). Our overall Scope 3 emissions have decreased by approximately 22%. This is primarily driven by the decrease in Scope 3, category 2 and category 11 emissions. Category 2 emissions are reduced due to the practical completion of a single new development over the period compared to two new developments and a major redevelopment during the previous period. Category 11 emissions reduced significantly as no asset was divested over the period.

The table below sets out an analysis of trends evident across our FY25 and FY26 emissions, including commentary on any changes to scope or approach to particular categories and an explanation of significant changes (+/- 30% per category) in emissions for categories deemed to be material to Precinct's overall inventory.

Scope (GHG Protocol)	Category (GHG Protocol)	Deviation from FY25 to FY26	Material to Precinct's Inventory (over 3% of total emissions)	Explanation
Scope 1	Stationary Combustion (Diesel)	Decrease of 69%	No, 0.01% of emissions	Significant reduction associated with minimal-generator diesel top-ups required this period.
	Stationary Combustion (Fugitive emissions of Refrigerant)	Increase of 3,048%	No, 0.7% of emissions	Significant increase related to a significant refrigerant leak on an older asset. Precinct is proactively reviewing options to reduce instances of refrigerant leaks in future, including sourcing leak detection equipment and engaging proactively with contractors to assess vulnerabilities in existing equipment.
Scope 3	Category 1 Purchased Goods and Services (Other)	Increase of 28%	Yes, 13.7% of emissions	Improvement in the scope of assessment to allocate several emission sources into their appropriate category that were previously reported collectively under Category 1 (now in Category 2 and Category 4). Despite this, a reasonable increase has been reported related to an increase in consultant activity associated with developments under design.
	Category 2 Capital Goods (Other Minor Projects)	Increase of 15,338%	Yes, 4.4% of emissions	Significant increase related to an improvement in calculation and reallocating the reporting of minor capital good projects in the existing portfolio into this category. Previously the impact was collectively reported in Category 1 - Purchased Goods and Services.
	Category 4 Upstream Transportation and Distribution	New Category Reported	No, 0.004% of emissions	New category reported, previously collectively reported in Category 1 - Purchased Goods and Services due to its minor impact.
	Category 8 Upstream Leased Assets	Decrease of 85%	No, 0.1% of emissions	Significant decrease associated with a reduction in electricity emissions, reduction in our leased area and an improved methodology for attributing upstream impact.
	Category 11 Use of Sold Products	Decrease of 99%	No, 0.2% of emissions	Significant decrease associated with no asset sales this period compared to last.
	Category 12 End-of-Life Treatment of Sold Products	Decrease of 100%	No, 0% of emissions	Significant decrease (to zero impact) associated with no asset sales this period compared to last.

Greenhouse Gas Emissions Footprint Process

This section outlines the process Precinct has taken to establish our annual carbon footprint including organisational boundary, consolidation approach, sources of emission factors and any resulting excluded emission sources. In general, a calculation methodology has been used for quantifying the emissions inventory based on the following calculation approach, unless otherwise stated: $Emissions = activity\ data \times emissions\ factor$

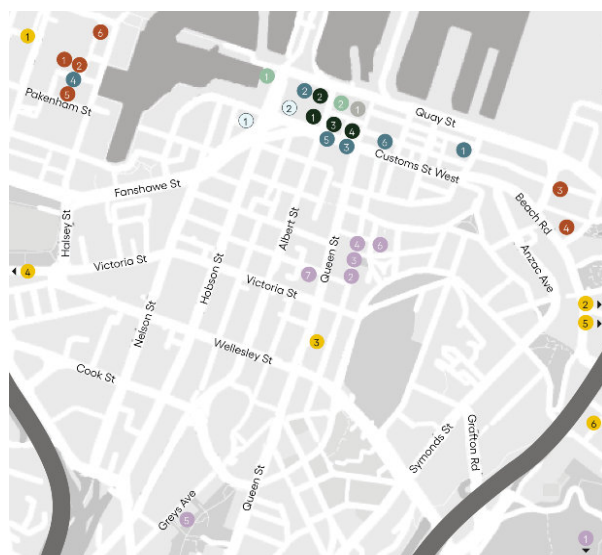
Organisational Boundary

The organisational boundary for Precinct encompasses the operations of both PPNZ and PPIL as they are listed companies on the NZX which share the same Board of Directors and their respective shares are 'stapled' together, meaning they can't be transferred or dealt with separately. PPNZ holds Precinct's interests in Limited Partnerships that it has entered into with third parties as well as all of the shares of Precinct Properties Holdings Limited, which in turn holds all of the Precinct-owned properties. To this end, our boundary includes emissions associated with Precinct's activities where Precinct is the:

- Occupier of Commercial office space including Business Operator, Developer and Manager of a co-working business
- Building Owner of Commercial, Retail, Hotel and Education buildings owned in whole or part with joint venture partners
- Property & Facilities Manager of Commercial, Retail, Hotel and Education buildings owned in whole or part with joint venture partners
- Property & Facilities Manager of Commercial buildings externally owned by others
- Building Developer of Residential, Commercial, Retail, Education and Hotel buildings owned in whole or part with joint venture partners
- Business Owner of Hospitality venues and Hotel

This organisational boundary is physically represented by the maps of assets across central Auckland and Wellington presented below.

Auckland sites within our organisational boundary



Precinct Owned (100%)

Commercial Office

- 1 Aon Centre
- 2 HSBC Tower
- 3 GHD House
- 4 PwC Tower

Retail

- 1 204 Quay Street
- 2 Commercial Bay
- 3 Deloitte Centre

Mixed Use

- 1 Deloitte Centre

Partially Owned

Commercial Office

- 1 12 Madden St
- 2 10 Madden St
- 3 30 Mahuhu Cres
- 4 8 Tangihua St
- 5 Beca House
- 6 ASB North Wharf

External Ownership

Commercial Office

- 1 303 Manukau Rd
- 2 35 High St
- 3 41 High St
- 4 43 High St

Hotel Tenancy

- 1 InterContinental
- 2 Dos Donkey

Hospitality Venue

- 1 Dos Donkey

Co-working Tenancy

- 1 Britomart Place
- 2 HSBC Suites
- 3 GHD Suites
- 4 Madden

Development

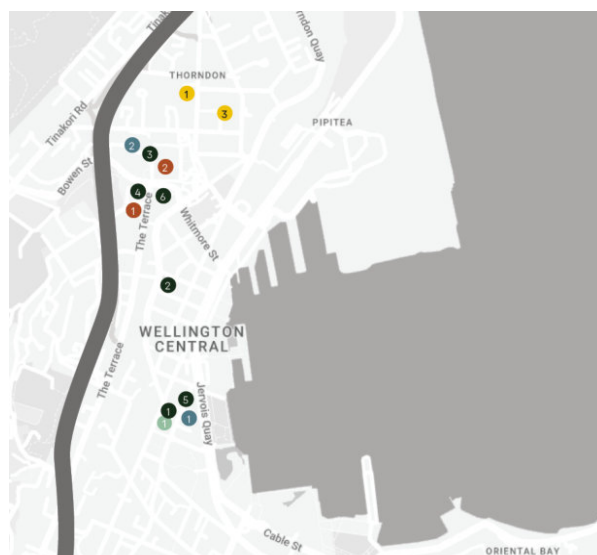
Commercial Office

- 1 164 Beaumont St

Residential

- 1 80 Greys Ave
- 2 Chancery Chambers
- 3 Landmark House

Wellington sites within our organisational boundary



Precinct Owned (100%)

Commercial Office

- 1 Aon Centre
- 2 NTT Tower
- 3 Defence House
- 4 No 1 The Terrace
- 5 30 Waring Taylor
- 6 Bowen House

Co-working Tenancy

- 1 30 Waring Taylor
- 2 40 Bowen St

Partially Owned

Commercial Office

- 1 Mayfair House
- 2 Charles Fergusson

Retail

- 1 Willis Lane

Development

Commercial Office

- 1 55 Molesworth St
- 2 Freyberg Building

Appendix 4

Consolidation Approach

Precinct utilises the 'operational control' approach (where emissions are included if the organisation has authority over operations) to consolidating emissions as defined by Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards.

Excluded Emissions Sources

Scope 3 emissions categories deemed immaterial or not relevant to business operations during the reporting period and are therefore not reported were:

- Category 9: Downstream Transportation and Distribution (immaterial);
- Category 10: Processing of Sold Products (not relevant);
- Category 14: Franchises (not relevant);
- Category 15: Investments (not relevant).

Source of Emissions Factors and Global Warming Potential Rates

For the purposes of calculating Precinct's carbon footprint the following sources of emissions factors were used:

- Ministry for the Environment, 2026. Measuring emissions: A guide for organisations: 2026 detailed guide. (AR5)
- Intergovernmental Panel on Climate Change's (IPCC's) Fifth Assessment Report, Global Warming Potential indicator over a 100-year time horizon (GWP100) (AR5)
- Market Economics Limited, 2023, Consumption Emissions Modelling, report prepared for Auckland Council. (AR5)
- One Click, 2025. LCA Generic Construction Database (AR5)
- NZGBC, 2023. Green Star Embodied Carbon Calculator Version 1.0 (AR5)
- Department for Energy Security and Net Zero, 2025. Greenhouse gas reporting: conversion factors 2026 (AR5)
- BraveTrace, 2025, Annual Production Year Report 2025. (AR5)

Precinct Toitū Net Carbon Zero Certification

Precinct is a Toitū Net Carbon Zero certified organisation. The Toitū climate impact certification is a voluntary programme that Precinct participates in as part of our commitment to climate action. This climate impact certification programme requires adherence to a set of standards and rules on an annual basis. In accordance with the certification programme, Precinct measures (and seeks to reduce) its greenhouse gas (GHG) emissions according to ISO 14064-1: 2018 standards. Precinct has been measuring our carbon emissions with Toitū Envirocare across the last 9 years of operational data (FY17 onwards). Toitū Climate Impact Certification is the only certification in New Zealand that is accredited to certify to international standards (ISO 14064-1:2018). It offers three certification levels: Carbon Reduce, Net Carbon Zero, and Climate Positive. Achieving certification is an annual requirement where an organisation must demonstrate meeting the certification rules. Certification also provides a credible and independently-verified way to communicate environmental efforts to stakeholders. Current and prior year statements on Toitū carbon certification can be found here: [Toitū member - Precinct Properties New Zealand Limited](#).

Offsets

Where Precinct uses offsets, they are applied only after the relevant emissions-reduction activities or mandatory reduction requirements have been implemented. Precinct voluntarily purchases and retires verified offset units for its annual Toitū Net Carbon Zero certification. These offsets cover residual Scope 1 and Scope 2 emissions and the following Scope 3 sources within the certification boundary: electricity and natural gas transmission and distribution losses, courier services, business travel, and operational waste sent to landfill. Precinct purchases the units directly and retires them through Toitū. The offset type, volume and underlying project details for each certification year are publicly disclosed in Precinct's [annual Toitū certification statement](#). Precinct also purchases and retires verified offset units for residual A1–A5 upfront carbon emissions from all new developments and major refurbishments. These offsets are applied only after the applicable Green Star mandatory upfront-carbon reduction requirements have been achieved through building design, material selection and procurement. The offsetting activity may contribute limited voluntary or innovation points toward an applicable Green Star rating, but does not contribute to meeting the mandatory minimum upfront-carbon reduction requirements.

Greenhouse Gas Emissions Calculation Assumptions and Uncertainty

Precinct acknowledge the progress industry are making in improving the data quality of Scope 3 emissions streams and the effort required to strengthen these categories ahead of future audit cycles. Where data quality is assessed at being of a Low-Medium level, Precinct commit to continual improvement year on year where feasible. As identified in [Appendix 1](#), in FY26, scope 1 and 2 emissions have been subject to an independent reasonable assurance engagement conducted by Deloitte Limited and as part of the Toitū Net Carbon Zero certification Toitū Envirocare have been engaged to perform procedures on Scope 3 emissions.

Symbol	Meaning	Quantitative Assessment Band
✓✓✓	High quality	<10% Uncertainty
✓✓	Medium quality	10-30% Uncertainty
✓	Low quality	>30% Uncertainty

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases. Despite this, where possible, Precinct has endeavoured to use the most reliable emissions data possible. This means we have prioritised data directly from supplier or through detailed consultant calculations. Through this process Precinct has achieved the following percentage breakdown of all Scope 3 emissions calculated:

- 63% using data from suppliers or other value chain partners (external from Precinct)
- 37% using data generated internally from Precinct records

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 1 Stationary Consumption	Diesel	Supplier Data - Actual Usage	Data received in litres, directly applied to emission factor.	✓✓✓	High quality as records directly from contractor and high quality emission factors available.
	Natural Gas	Supplier Data - Actual Usage	Data received in kWhs, tenant on-charge removed via internal asset metering and directly applied to emission factor.	✓✓✓	High quality as records directly from utility and high quality emission factors available.
Scope 1 Process Emissions	Refrigerants	Supplier Data- Actual Usage	Data received in kgs, directly applied to emission factor.	✓✓✓	High quality data as records directly from contractor and high quality emission factors available.
Scope 2 Imported Electricity	Electricity	Supplier Data - Actual Usage	Data received in kWhs, tenant on-charge removed via internal asset metering and directly applied to emission factor.	✓✓✓	High quality data as records directly from utility and supported by embedded network provider. High quality emission factors available.

Appendix 4

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 1 Purchased Goods and Services	Spend Based: Purchased Goods and Services	Supplier specific emissions data prioritised where possible, the remainder calculated using total NZD spent per good	Calculations based on assessment of transactions over period. Transactions above \$20,000 (representing >95% of transactions by value) are selected for specific classification while remainder are totalled with an assumption of impact and coverage applied. Transactions counted elsewhere or non-emissions related are excluded. (e.g. internal/financial transactions, contractor costs) Remaining transactions directly apply spend based emission factors based on activity undertaken by supplier.	✓	Supplier specific emissions are reasonable quality where available. However, for the remaining spend based calculations sourced high quality data from internal finance team. Inherently, calculations applying spend-based factors are significantly uncertain and limited in specificity.
	Potable Water Supply	Supplier Data - Actual Usage for the majority of sites and apportioned for select properties without records	Data received in kl from utility provider for majority of sites and directly applied to emission factor. For sites without reliable utility data, a square metre rate based on the reliable data received from similar typologies in the portfolio is applied to calculate consumption.	✓✓✓	High quality data with low margin for error for properties with utility records with consumption details. Properties apportioned with average data from across the Portfolio introducing quality limitations. Medium quality emission factors available.
Scope 3 Cat 2 Capital Goods	Embodied Carbon	Consultant modelling – Industry metrics	Calculations based on modelling undertaken using the life cycle assessment methodology in EN15978:2011 by consultants. Figures in kgCO ₂ -e taken from the analysis and applied to the inventory represent "upfront" or "cradle to gate" impacts which account for upstream extraction and manufacturing of materials, transport to site and construction on site.	✓✓✓	High quality data from industry benchmarks and emissions factors accepted by NZGBC. Best practice approach for embodied carbon calculations used for development projects.
	Other Minor Projects	Modelling - Project estimates	Calculations based on modelling undertaken using project material quantities in representative measurements (kg, m ³ , etc.) and applied directly to industry product emission factors. kgCO ₂ -e taken directly from analysis reports.	✓✓	Medium quality data from high level estimates and emissions factors.

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 3 Fuel & Energy Related Activities	T&D losses from Electricity and Natural Gas	Supplier Data - Actual usage	Resource consumption data calculated in Scope 1 and 2 applied directly to emission factor.	✓✓✓	High quality data for T&D losses as records directly from utility and supported by embedded network provider. High quality emission factors available.
	Well-to-Tank Impacts	Supplier Data - Actual usage	Resource consumption data calculated in Scope 1 and 2 applied directly to emission factor.	✓	High quality data for activities. Medium quality emission factors available for location.
Scope 3 Cat 4 Upstream Freight and Distribution	Upstream Freight	Supplier Data where possible otherwise actual Spend	Supplier specific impact applied where available, otherwise calculated using spend based factors	✓	High quality data for activities. High quality emission factors for supplier specific impact, low quality for spend based.
Scope 3 Cat 5 Waste Generated from Operations	Waste from sites with collection contracted directly by Precinct	Supplier Data - Actual usage	Data received in kg per waste stream from contractor for majority of sites and directly applied to emission factors.	✓✓	High quality as obtained direct from contractor reports. High quality emission factors available for waste to landfill, low quality emission factors available for recycling introducing significant uncertainty
	Waste from leased sites and where waste is controlled by others	Estimated usage using internal methodology, where the actual usage from sites is applied on a sqm basis to other sites, based on the asset type	Data calculated in kg per waste stream using square metre rate based on the reliable data received from similar typologies in the portfolio is applied to calculate consumption and directly applied to emission factors.	✓	Low quality data as figures apportioned from other sites with actual data. Introducing quality limitations as quantities may differ significantly from actual usage.
	Wastewater	Estimated from water consumption using industry average	Discharge kl data estimated using Watercare assumption on billing for all sites (90% of supplied water discharged as wastewater) and directly applied to emission factor.	✓	Low quality data as the figures are determined based on industry averages, which may differ significantly from actual usage. Medium quality emission factors available.

Appendix 4

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 6 Business Travel	Business Travel	Supplier Data calculations for majority of travel. Remainder calculated using total NZD spent per travel	Data received in kgCO ₂ -e directly from supplier for majority of business travel impact. Some taxi data received directly from supplier in km travelled with emission factor applied directly. Remainder of impacts captured within transactions over period coded to travel and spend based emission factors applied.	✓✓✓	High quality data from supplier for majority of travel. Remaining spend based calculations sourced high quality data from internal finance team. Inherently calculations applying spend-based factors are significantly uncertain and limited in specificity.
Scope 3 Cat 7 Employee Commute	Employee Commute	Calculated using internal methodology, based on an internal survey that considers the total distance travelled by each transport mode.	Data estimated in km travelled from full time equivalents employed during period and a representative staff survey of commuting habits. The km travelled data applied directly to emission factors for transport modes.	✓	Low quality data based on staff survey capturing a portion of employees, remainder apportioned. Medium quality emission factors available.
Scope 3 Cat 8 Upstream Leased Assets	Energy Consumption in Leased Tenancies of Externally Owned Properties	Supplier Data - Actual Usage (External Landlord supplied NABERSNZ Energy reports)	Data received in kWhs and litres directly from landlord in third-party verified certifications (NABERSNZ reports) and applied directly to emission factors. Where required tenancy consumption removed from total to account for base building only.	✓✓✓	High quality data due to the verification that goes into producing the NABERSNZ reports. High quality emission factors available.
Scope 3 Cat 11 Use of Sold Products	Project Managed Base Building Energy Supply	Supplier Data - Actual Usage	Data received in kWhs from utility provider, tenant on-charge removed and directly applied to emission factors.	✓✓✓	High quality data with low margin for error for most properties. High quality emission factors available.
	Remaining Life Cycle Energy Consumption of Assets Sold	Not applicable this period			
Scope 3 Cat 12 End-of-Life Treatment of Sold Products	End-of-Life Embodied Carbon of Assets Sold	Not applicable this period			

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3					
Cat 13	Tenant	Supplier Data	Data received in kWhs from utility provider. The tenant on-charged consumption removed	✓✓✓	High quality data from supplier for recharges.
Downstream	Electricity and	- Actual	in scope 1 and 2 calculations		
Leased Assets	Gas Usage	Usage	are applied directly to emission factors in this category.		

Additional reporting aligned to the Greenhouse Gas Protocol

Additional Gas Types Table

Per the Greenhouse Gas Protocol, the following Greenhouse Gas types have been separately reported alongside CO₂ (CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) in metric kg and in tonnes of CO₂ equivalent: (Corporate Standard Chapter 9, Scope 3 Standard Chapter 11):

GHG Protocol Scope ¹	ISO 14064-1 Category	Metric	CO ₂	CH ₄	N ₂ O	NF ₃	SF ₆	HFC	PFC
Scope 1	Category 1	tCO ₂ e	1,911	4	1	-	-	56	-
		kg	1,911,091	140	3	-	-	29	-
Scope 2	Category 2	tCO ₂ e	1,670	52	3	-	-	-	-
		kg	1,670,472	1,870	10	-	-	-	-
Scope 3	Category 3	tCO ₂ e	250	0	2	-	-	-	-
		kg	250,090	16	6	-	-	-	-
	Category 4	tCO ₂ e	32,138	2,727	78	-	-	-	-
		kg	32,138,103	97,390	296	-	-	-	-
	Category 5	tCO ₂ e	3,184	66	4	-	-	-	-
		kg	3,184,156	2,375	15	-	-	-	-
	Category 6	tCO ₂ e	-	-	-	-	-	-	-
		kg	-	-	-	-	-	-	-
	Total Scope 3 / Category 3-6	tCO ₂ e	35,572	2,794	84	-	-	-	-
		kg	35,572,349	99,781	316	-	-	-	-
Total all Scopes and Categories		tCO ₂ e	39,154	2,850	87	-	-	56	-
		kg	39,153,912	101,791	329	-	-	29	-

1 Values reflect actual figures, totals may not sum due to rounding.

Anthropogenic Biogenic (CH₄ and N₂O) emissions

The only category recording biogenic CO₂-e emissions is GHG Protocol Scope 3, Category 5 Waste Generated in Operations / ISO 14064-1:2018 Category 4: Indirect emissions from products used by organisation:

- 2,767 tCO₂-e

GHG emissions base year and recalculation policy

Precinct has designated FY25, being the year ended 30 June 2025, as the base year for its Scope 1 and Scope 2 GHG emissions, replacing the previous FY17 base year. Precinct has not designated a base year for Scope 3 GHG emissions. The change in the Scope 1 and Scope 2 base year reflects significant changes in Precinct's portfolio and emissions-reporting boundary since FY17. FY25 provides a more representative basis for comparison with future reporting periods, reflecting

Appendix 4

Precinct's current portfolio, operational-control boundary and emissions-reporting methodology. Precinct's Scope 3 reporting boundary expanded progressively through FY23, FY24 and FY25 as additional emissions categories were incorporated and methodologies were developed to address previously identified data gaps. Given these changes in reporting coverage, Precinct has not yet established a sufficiently consistent and reliable base year for Scope 3 emissions. The change in the Scope 1 and Scope 2 base year does not result from the correction of an error. Emissions reported for periods before FY25 have therefore not been recalculated or restated solely as a result of the change. Precinct will consider recalculating its Scope 1 and Scope 2 base-year emissions where a significant structural change, correction or methodological change would materially affect comparability with the base year. Any recalculation and its effect on comparability with previously reported emissions will be disclosed.

Appendix 5

Board and Management Engagements

Key Board and Management engagements on climate-related risks and opportunities in the reporting year FY26 were as follows:

Date	Governance Body	Relevant Content to CRD
25 August 2025	ESG Committee Meeting	External presentation Review of draft Climate-Related Disclosures (FY25 CRD)
25 August 2025	ARC Meeting	Review of Greenhouse Gas assurance by Toitū Envirocare (FY25 CRD) External presentation Review of draft Climate Statements (FY25 CRD)
26 August 2025	People & Performance Committee	Recommendation for the Board to approve the FY26 STI scorecard framework which included a 5% ESG weighting linked to achieving a GRESB score in the top quartile.
26 August 2025	Board Meeting	Approval of FY26 STI scorecard framework.
23 September 2025	Joint ESG / ARC Meeting (out of cycle)	Review Precinct's Climate Risk Register Review of draft Climate Statements (FY25 CRD) Presentation by assurance providers (FY25 CRD)
23 September 2025	Joint ESG / ARC Meeting (out of cycle)	ARC recommend approval of the Climate Statements (FY25 CRD)
29 October 2025	Board	Approval of the Climate Statements (FY25 CRD)
17 November 2025	ESG Committee Meeting	Review Precinct's Climate Risk Register Review Sustainability Reporting Lessons learned review of FY25 Climate Statements
17 November 2025	ARC Meeting	Update to ARC from ESG Committee
17 November 2025	Board Meeting	Update to Board from ARC Committee
24 February 2026	ARC Meeting	Review Climate Risk Register
5 May 2026	ARC Meeting	Review Climate Risk Register
6 May 2026	ESG Committee Meeting	Review and recommend endorsement of FY26 Climate Statements preparation process to ARC
8 June 2026	ARC Email Circular	Endorse and recommend approval of FY26 Climate Statements preparation process
12 June 2026	Board Meeting	Approval of FY26 Climate Statements preparation process
6 July 2026	Board Meeting	Approval of appointment of Deloitte Limited as Greenhouse Gas assurance provider
25 August 2026	ARC Meeting	Review Climate Risk Register
26 August 2026	Board Meeting	Update to Board from ARC Committee
19 October 2026	Joint ESG and ARC Meeting	Review of draft Climate Statements (FY26 CRD) External presentations ESG Committee recommends ARC endorse the Climate Statements to the Board (FY26 CRD)
19 October 2026	Joint ESG and ARC Meeting	ARC recommends approval of the Climate Statements to the Board (FY26 CRD)
23 October 2026	Board	Approval of the Climate Statements (FY26 CRD)

Appendix 6

Climate-related Risk Assessment: Process Overview

This section discloses further detail on the outcome of the six step process summarised in the [Strategy](#) section of this report.

Step 2: Hazard Identification

Following Step 1: Scenario Selection, as described in the Strategy section. Precinct identified the relevant climate hazards and drivers outlined below:

Hazard Type	Hazard	Relevance of hazard to Precinct's business
Physical	Coastal Inundation	Sea level rise combined with acute storm surge may result in damage to buildings on the lower levels including basements. This may restrict occupant access, affecting underground services and surrounding infrastructure, and reducing asset functionality. The majority of our assets are on reclaimed land by the harbour in Auckland and Wellington, making this hazard relevant across the building portfolio.
	Pluvial Flooding	Intense rainfall may exceed stormwater network capacity causing localised flooding and damage to lower levels and basements of buildings. The flooding may restrict access to our buildings and disrupt operations. The hazard is relevant to all our assets as likelihood of pluvial flooding does not depend on proximity to bodies of water. Further, pooling can occur around the perimeter as a result of inadequate stormwater infrastructure and gradient design across Auckland and Wellington, making this hazard relevant to our assets in both centres.
	Storm Events	More frequent and severe storm events may cause damage to our building envelopes and services affecting operations. Surrounding infrastructure may also be affected and disrupt access and business continuity for Precinct and our occupants and visitors. Physical assets with older infrastructure, services and envelope are more at risk of adverse conditions over time making this hazard relevant across our building portfolio.
	Extreme Temperatures	Temperatures can exceed building services design capacity and result in loss of services function and affect occupants' comfort either within the building or commuting to each property. Retailers and hospitality businesses may also experience material risks in supply of stock, and in particular produce following extreme temperatures affecting crops. Physical assets with older services are more at risk of adverse conditions over time, making this hazard relevant across our building portfolio. In addition we have a high number of leased food outlets and restaurants operating in Commercial Bay and the Viaduct, Auckland, and Willis Lane, Wellington that rely on fresh produce.
	Water Stress	Buildings require water to run effectively. Interruptions to supply can result in loss of potable water for users of the building, building services such as Cooling Towers and fire sprinkler systems. We have one or more of these uses and systems within all of our buildings, making this hazard relevant across our building portfolio.

Hazard Type / Opportunity	Driver / Opportunity Category	Relevance of driver or opportunity to Precinct's business
Transition	Technology	The transition to a low-carbon economy may result in the need for new technologies to be implemented across our portfolio at pace, especially through the electrification of energy systems and changing refrigerants in our HVAC systems. As capital availability for buildings is at its highest during development, the risk is the transition and pace of change forces a high capital spend ahead of natural asset cycles, particularly for systems with a 20-30 year life cycle.
	Market	Evolving market expectations may increase demand for low-carbon and resilient assets resulting in increasing costs or delays in materials as well as a potential lack of sufficient skilled labour to deliver and manage these assets. Precinct holds buildings in our direct portfolio that may not meet these market performance expectations and as a result we may experience reduced occupancy, lower rental and asset value growth and will be required to spend a higher amount on leasing incentives.
	Regulation	Changes to climate-related regulation, building standards and disclosure requirements may increase compliance obligations and costs. Failure to adapt to regulatory changes could result in financial penalties and reputation impacts. As a NZX listed real estate developer and manager with a high value portfolio, Precinct is exposed to new regulation that is typically geared to capture larger operators in the market.
	Reputation	Stakeholders may increasingly expect credible climate action and transparent reporting. Failure to meet stated commitments or meet stakeholder expectations may negatively impact investor confidence and tenant attraction. Overselling green credentials may result in accusations of greenwashing, whilst reluctance to disclose may result in accusations of greenhushing. As an NZX listed real estate developer and manager with a high value portfolio, Precinct is exposed to stakeholders expecting a higher level of transparency i.e. tenants and investors that may require increasing levels of ESG and credible climate action as part of their occupancy and investment mandates.

Appendix 6

Step 3: Exposure Assessment

Local data sources for assessing physical hazards

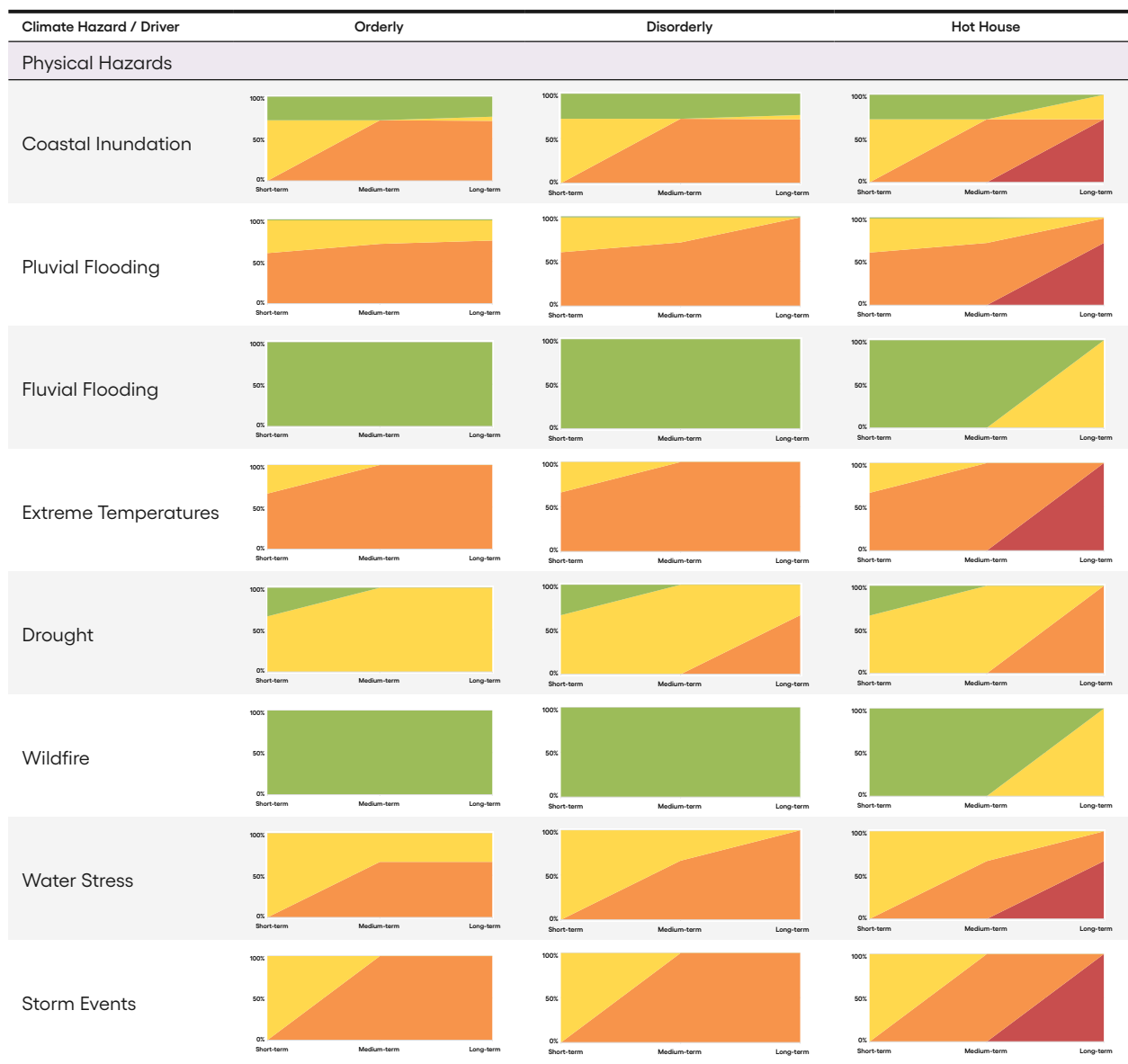
Climate Hazard	Data Source	Application
Coastal Inundation	NZ SeaRise tool	Location-specific relative sea-level rise projections, including vertical land movement resulting from subsidence or uplift, extending to 2300.
Pluvial Flooding	NIWA Flood Hazard dashboard	National gateway to available regional and local flood-hazard information, used to assess potential exposure to surface-water and stormwater flooding.
Fluvial Flooding		
Extreme Temperatures Drought	MfE CMIP6 projections	Downscaled New Zealand climate projections by region and climate variable, used to assess potential changes in temperature-related exposure and drought conditions.
Wildfire	NZ 21st-C Wildfire Climate (2022)	Research combining New Zealand climate projections and variables influencing fire weather to assess changes in regional wildfire conditions.
Water Stress	Drought storylines NZ (2025)	Research combining New Zealand climate information with drought and soil-hydrology considerations to assess potential water-stress exposure.
Storm Events	Ex-tropical cyclone projections (2025)	Downscaled CMIP6 analysis used to assess projected changes in tropical and ex-tropical cyclone conditions affecting New Zealand and the surrounding region.

Detailed outcome of exposure assessment

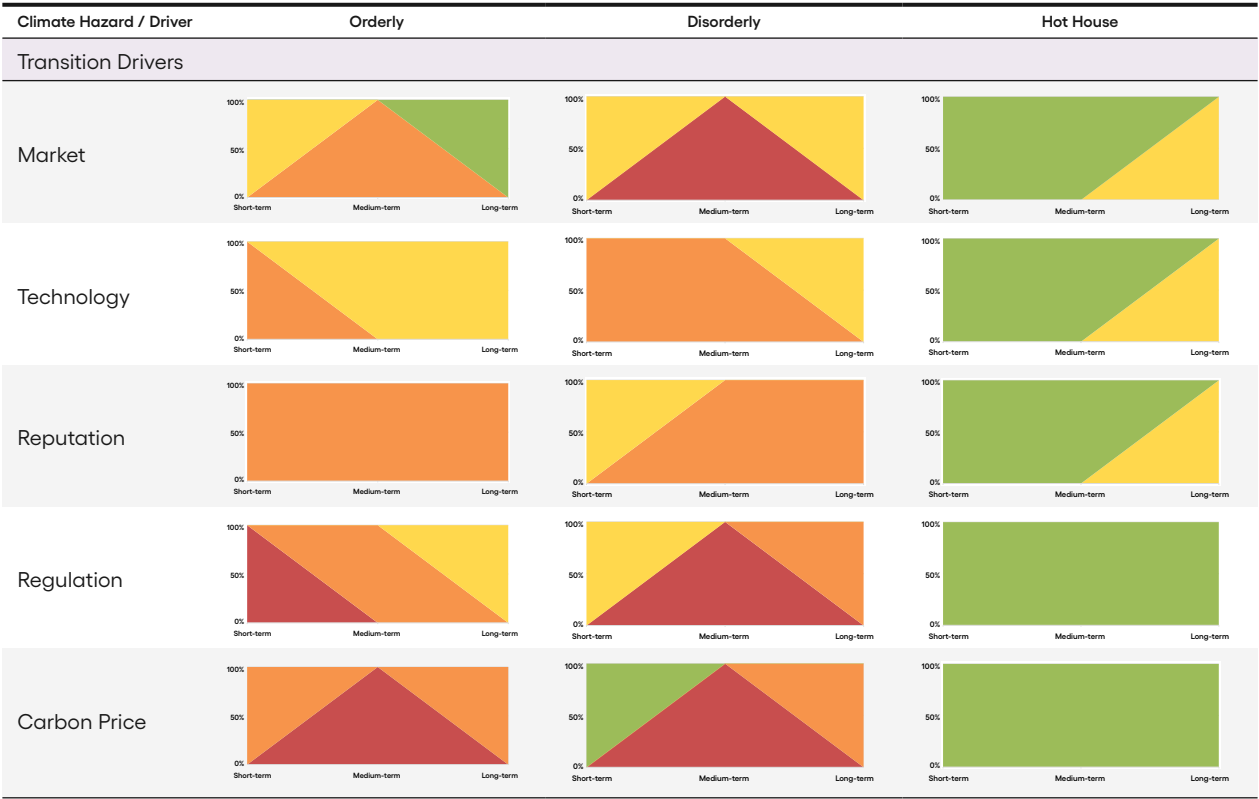
In line with [Ministry for the Environment guidance](#) the exposure assessment was undertaken using the following exposure table:

Rating	Qualitative exposure or risk	Quantitative exposure (% of element exposed)
Extreme	Significant & widespread exposure or extreme risk	>75%
High	High exposure or risk	50–75%
Moderate	Moderate exposure or risk	25–50%
Low	Isolated elements exposed or low risk	5–25%

The results of this Exposure Assessment across the three time-horizons and scenarios are demonstrated in the tables below with the percentage of value of the portfolio exposed to identified hazards presented in the graph over time.



Appendix 6



Step 4: Risk Identification and Assessment

Consideration of Vulnerability and Exposure in identifying Climate-related Risks and Opportunities

The results of the Exposure Assessment in Step 3 above were then combined with a vulnerability assessment to identify and assess climate-related risks to the portfolio. In order to assess vulnerability, Precinct considered adaptive capacity and sensitivity to each hazard using the following matrix:

Vulnerability Matrix		Sensitivity			
		Low	Moderate	High	Extreme
Adaptive Capacity	Very Low	Moderate	High	Extreme	Extreme
	Low	Low	Moderate	High	Extreme
	Medium	Low	Moderate	Moderate	High
	High	Low	Low	Low	Moderate

The assessment of vulnerability was then mapped against the Exposure Assessment for each hazard to identify the relevant risk. Risks could then be rated according to the matrix below.

Risk Matrix		Exposure			
		Low	Moderate	High	Extreme
Vulnerability	Extreme	Moderate	High	Extreme	Extreme
	High	Low	Moderate	High	Extreme
	Moderate	Low	Moderate	Moderate	High
	Low	Low	Low	Moderate	High

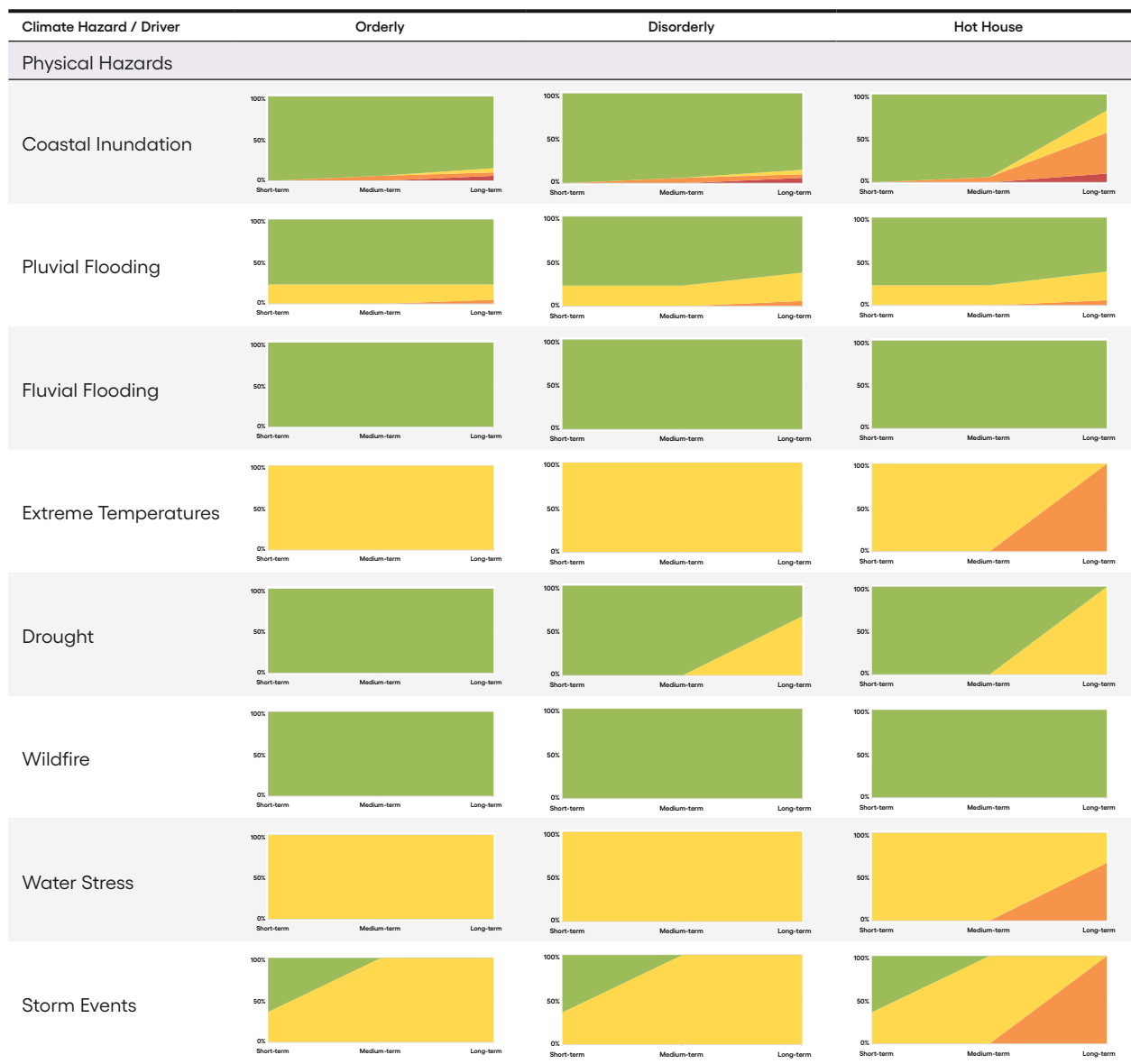
Appendix 6

A short description of the process and results of the Risk Assessment for all hazards and drivers identified is below.

Climate Hazard / Driver	Assessment Narrative
Physical Hazards	
Coastal Inundation	Assessed through onsite asset inspections by Aon. Assets were determined to have a low level of vulnerability to coastal inundation even in exposed locations due to the elevation of sensitive infrastructure in assets. Risks increase in the long term especially under a hot-house scenario as access begins to be impeded.
Pluvial Flooding	Assessed through onsite asset inspections by Aon. Determined to have low level of vulnerability to pluvial flooding even in exposed locations due to the elevation of sensitive infrastructure in assets.
Fluvial Flooding	Due to the low exposure of the assets (i.e. none near existing river systems) and the elevation of sensitive infrastructure, fluvial flooding is considered low risk across all time horizons and scenarios.
Extreme Temperatures	Despite the exposure, all assets have reasonable adaptive capacity to resist the risks associated with extreme temperatures through active and passive system mitigation.
Drought	Assets have a reasonable amount of adaptive capacity to drought through system mitigation and resource management reducing the rating of risks associated with the hazard.
Wildfire	Due to the low direct exposure of the assets to wildfire, (i.e. none near forested locations) the risk remains low across all time horizons and scenarios. The only residual risk is from infiltration of smoke into assets which has been identified as managed/manageable through effective filtration systems.
Water Stress	Assets have a reasonable amount of adaptive capacity and moderate sensitivity to risks associated with water stress. The risks can be mitigated through infrastructure systems, resource management and coordination with utility services.
Storm Events	Despite the increasing frequency of storm events over time, the assets, especially those with newer façade systems, are not as sensitive to the acute risks associated with storm events reducing the risk overall. Similarly, through effective management of exposed building systems the risks can be further mitigated.
Transition Drivers	
Market	Precinct's standing and prominence in the market affords some resilience to the potential shocks and stresses associated with market risks. Additionally, the newer assets in the portfolio are less vulnerable to changes in market conditions through the modern system designs and incorporated climate adaptation initiatives.
Technology	The newer assets in the portfolio are designed fully electric with modern systems and designed with new technology integrated resulting in low sensitivity to technology changes. However, the few older assets, especially those with integrated fossil fuel systems may be more sensitive to future technology risks.
Reputation	The perception, quality and prominence of assets within Precinct's portfolio delivers increased resilience and less vulnerability to market risks over time. However, the few lower performance assets may be more vulnerable.
Regulation	The history and experience of disclosure and transparency already developed across the portfolio both publicly and internally, reduces the sensitivity of Precinct in the short-term to regulation changes and moderates the impact in the medium to long-term.
Carbon Price	As the current approach and target setting for Precinct only incorporates voluntary carbon offset purchases, the portfolio is not directly vulnerable to the carbon price due to the inherent adaptive capacity of voluntarily withdrawing purchases should the price become nonviable.

Value at risk: Physical hazards

The tables below show the resulting percentage of value of the portfolio at risk in relation to specific physical hazards after the vulnerability and exposure of the portfolio have been taken into account. Note, these risks are presented prior to assessment of whether they are material and do not take into account asset service life.



Assets assessed as high or extreme risk across the selected scenarios and time horizons per hazard are represented in the summary table below to determine a percentage of the portfolio by value vulnerable to specific climate-related physical risks.

Appendix 6

	Orderly			Disorderly			Hot House		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Coastal Inundation	0%	7%	15%	0%	7%	16%	0%	7%	59%
Pluvial Flooding	0%	0%	1%	0%	0%	1%	0%	0%	4%
Extreme Temperatures	0%	0%	0%	0%	0%	0%	0%	0%	100%
Water Stress	0%	0%	0%	0%	0%	0%	0%	0%	67%
Storm Events	0%	0%	0%	0%	0%	0%	0%	0%	100%

Impact assessment and determination of material climate-related physical risks

The percentages above allow Precinct to consider the financial impacts anticipated from each of the hazards and therefore to identify which risks are potentially material to Precinct:

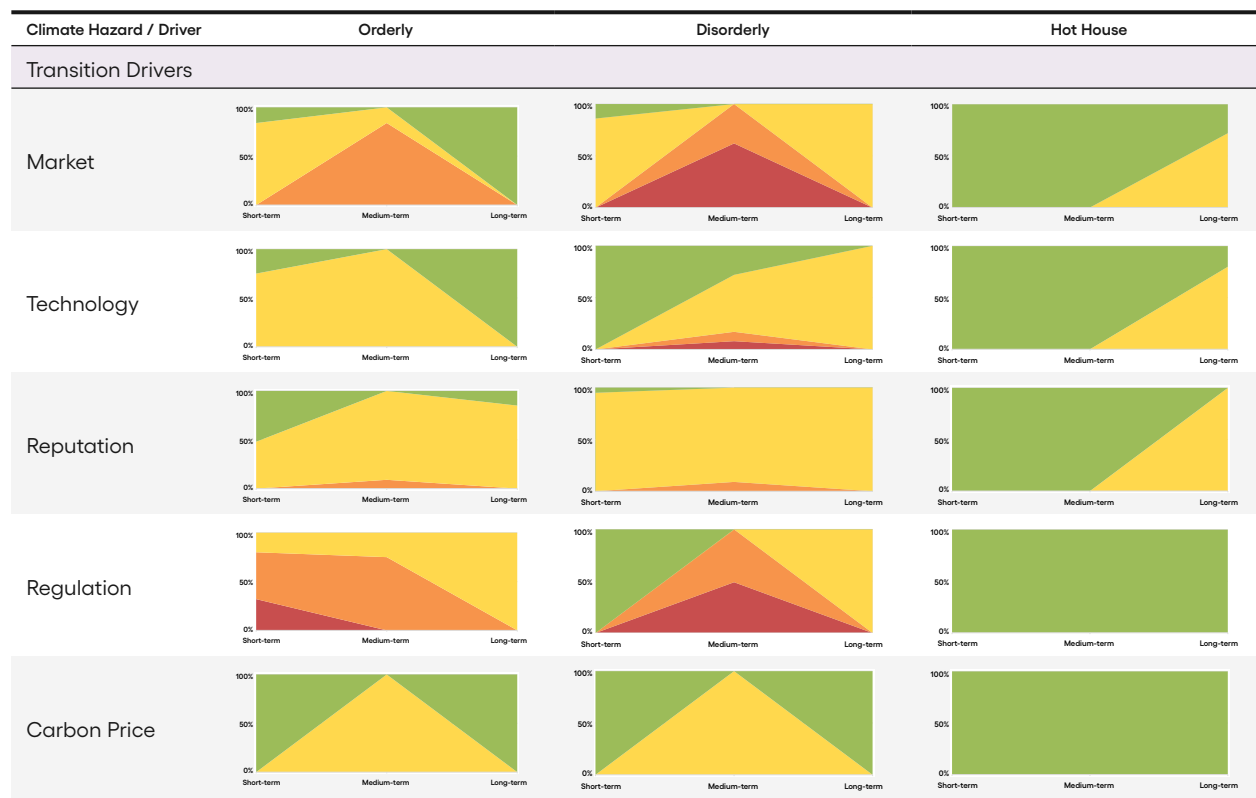
Physical Hazard	% of the Portfolio by Value	Consideration of vulnerability of assets and relevant anticipated impacts	Resultant Material Risk Description
Extreme Temperatures	100% of assets by value vulnerable in the hot house scenario in the long-term.	Whilst all assets are vulnerable to a moderate degree across all scenarios and time horizons, the costs associated with early replacement of core building services equipment in the hot house scenario from medium to long-term, presents a high risk due to the financial impact to Precinct and out-of-cycle CAPEX costs. Vulnerability to extreme temperatures, together with anticipated financial impacts, therefore results in a potentially material risk to Precinct.	Extreme heat exceeds the cooling capacity of building systems, affecting Precinct assets and their occupants.
Coastal Inundation	Ranges from 7% of assets by value vulnerable in the orderly scenario in the medium-term to 59% in the hot house scenario in the long-term.	The location of a small subset of Precinct's assets in close proximity to the coastline in Auckland and Wellington retain high levels of vulnerability across all scenarios at the medium to long-term to Coastal Inundation. Acute impacts expected that can be compounded with pluvial flooding and storm event risks were deemed material to include as a risk of physical damage to property for ongoing monitoring. Vulnerability to coastal inundation, together with anticipated financial impacts, therefore results in a potentially material risk to Precinct.	Storms, pluvial flooding and coastal inundation cause physical damage to Precinct assets and development sites.
Pluvial Flooding	Ranges from 1% of assets by value vulnerable in the orderly scenario in the long-term to 4% in the hot house scenario in the long-term.	A small subset of Precinct's assets are assessed to be at risk of pluvial flooding from acute events in Auckland and Wellington. These assets retain high levels of vulnerability and anticipated high costs across all scenarios in the long-term. Vulnerability to pluvial flooding, together with anticipated financial impacts, therefore results in a potentially material risk to Precinct.	

Physical Hazard	% of the Portfolio by Value	Consideration of vulnerability of assets and relevant anticipated impacts	Resultant Material Risk Description
Storm Events	100% of assets by value vulnerable in the hot house scenario in the long-term.	The majority of assets are vulnerable to a moderate degree across all scenarios and time horizons, the costs associated with acute storm impacts in the hot house scenario in the long-term, present a high risk. Vulnerability to storm events, together with anticipated financial impacts, therefore results in a potentially material risk to Precinct.	
Water Stress	67% of assets by value vulnerable in the hot house scenario in the long-term.	The risks associated with this hazard were not taken forward as a material climate-related risk because the assessment indicated that the anticipated financial consequences and associated mitigation or adaptation measures were not material. This does not mean that exposure is absent or that there is no risk. Rather, based on the assessment undertaken, the potential consequences were not sufficient for water stress to be elevated as a material risk for disclosure at this point in time.	

Appendix 6

Value at risk: Transition drivers

The tables below show the resulting percentage of value of the portfolio at risk in relation to specific transition drivers after the vulnerability and exposure of the portfolio have been taken into account. Note, these risks are presented prior to assessment of whether they are material and do not take into account asset service life.



Assets assessed as high or extreme risk across the selected scenarios and time horizons per driver are represented in the summary table below to determine a percentage of the portfolio by value vulnerable to specific climate-related transition risks.

	Orderly			Disorderly			Hot House		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Technology	0%	0%	0%	0%	20%	0%	0%	0%	0%
Market	0%	84%	0%	0%	100%	0%	0%	0%	0%
Regulation	79%	74%	0%	0%	100%	0%	0%	0%	0%
Reputation	0%	10%	0%	0%	10%	0%	0%	0%	0%

Impact assessment and determination of material climate-related transition risks

The percentages above allow Precinct to consider the financial impacts anticipated from each of the transition drivers and therefore to identify which risks are potentially material to Precinct:

Transition Driver	% of the Portfolio by Value	Consideration of vulnerability of assets and relevant anticipated impacts	Resultant Material Risk Description
Technology	20% of assets by value vulnerable in the disorderly scenario in the medium-term.	Technology drivers under a disorderly scenario may impact Precinct financially as the technological transition happens at pace in a scenario where the industry in New Zealand has not had the time to build delivery capability. As such, New Zealand is not expected to experience the same access to low carbon products and suppliers as other markets, but Precinct will still be subject to the same or similar high-performance outcomes as global peers as a leader in commercial real estate, at high cost. Vulnerability to technology risk, together with anticipated financial impacts, therefore results in potentially material risk to Precinct.	Out-of-cycle upgrades to systems and technology in Precinct's buildings due to unexpected changes in infrastructure or regulatory requirements.
Market	Ranges from 84% of assets by value vulnerable in the orderly scenario in the medium-term to 100% in the disorderly scenario in the medium-term.	Climate-related impacts from market drivers are likely to affect Precinct's business substantially in the orderly and disorderly scenarios peaking in the medium-term. This is due to the sharp changes expected from its stakeholders in terms of low carbon preferences for buildings and Precinct's commitment to maintaining a leadership position in commercial real estate. Sunk costs in equipment that will be subject to individual preferences (e.g. refrigerants, natural gas) have a long asset life, and if required to change abruptly, are likely to impact Precinct's ability to move fast to achieve low carbon outcomes and meet high performance expectations. Vulnerability to market risk, together with anticipated financial impacts, therefore results in potentially material risk to Precinct.	Failure of Precinct's assets to meet client occupier and investor preferences for sustainable and low carbon buildings. Failure to meet Precinct's corporate commitments for project delivery due to limited availability of market-ready low-carbon products / suppliers in New Zealand.
Regulation	Ranges from 79% of assets by value vulnerable in the orderly scenario in the short-term to 100% in the disorderly scenario in the medium-term.	Regulatory changes are expected in the short-term under an orderly scenario and peak in a disorderly scenario in the medium-term due to the expected increase in cost to comply with new legislation and policy changes as a delayed transition to a low carbon economy is accelerated. Changes to regulations affecting assets with equipment designed to be utilised in the long term will mean a high cost of compliance. Vulnerability to regulatory risk, together with anticipated financial impacts, therefore results in potentially material risk to Precinct.	Failure by Precinct to meet regulatory obligations due to uncertain policy and regulatory changes.
Reputation	Ranges from 10% of assets by value vulnerable in the orderly scenario in the medium-term to 10% in the disorderly scenario in the medium-term.	The risks associated with this driver were not taken forward as a material climate-related risk because the assessment indicated that the anticipated financial consequences and associated mitigation or adaptation were not material. This does not mean that exposure is absent or that there is no risk. Rather, based on the assessment undertaken, the potential consequences were not sufficient for reputation to be elevated as a material risk for disclosure at this point in time.	

Finally, the potentially material risks resulting from the above assessments are subsequently assessed against Precinct's financial thresholds (Step 5). The resulting material risks are disclosed as T1–T4 and P1–P2 in Tables 1 and 2 in the [Strategy](#) section.

Glossary

\$ and cents

New Zealand currency

Adaptive capacity

The ability of an asset, system or business activity to adjust to, withstand or respond to a climate-related hazard or change, thereby reducing its potential consequences.

Audit and Risk Committee (ARC)

A committee of Precinct's Board that assists the Board with oversight of financial reporting, risk management and compliance, including oversight of Precinct's climate-related risks and Climate Risk Register.

Balance date

30 June 2026

BAU (Business As Usual)

A scenario or reference case that assumes no significant changes to current policies, practices, or technologies.

Boards

the Boards of Directors of Precinct Properties
New Zealand Limited and Precinct Properties
Investments Limited.

CAPEX

Capital Expenditure; funds used by an organisation to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment.

CCS

Carbon capture and storage

CEO

Chief Executive Officer

CFO

Chief Financial Officer

Chair

the Chair of the Boards

Client occupier

An organisation or individual that leases or occupies space within a Precinct-owned or managed property.

Climate Reporting Entity (CRE)

An entity that is required to prepare climate-related disclosures under the Financial Markets Conduct Act 2013.

Climate Risk Register

A dedicated register that identifies and tracks climate-

related risks, covering both physical and transition impacts of climate change, relevant to Precinct's operations. The Climate Risk Register is reviewed quarterly by the Audit and Risk Committee and is read alongside Precinct's primary risk register, ensuring climate risks are considered within the broader organisational risk management framework.

CRD

Climate-related Disclosures

Energy intensity

An energy intensity figure measures the amount of energy consumed per unit of output, typically expressed in terms of energy used per square metre of a building or per unit of product produced, reflecting the efficiency of energy use.

Emissions intensity

An emissions intensity figure quantifies the amount of greenhouse gas emissions produced per unit of output, often expressed as emissions per square metre of a building or per unit of product manufactured, indicating the carbon footprint associated with that output.

ESG

Environmental, Social & Governance. For the purposes of these climate-related disclosures, references to **ESG** or **Environmental, Social & Governance** relate only to climate change unless the context specifically and expressly provides otherwise.

Exposure Assessment

The third step of Precinct's climate-related risk assessment process. It considers the extent to which Precinct's business or individual assets could be affected by identified physical climate hazards or transition drivers, before considering sensitivity, adaptive capacity, existing protection, mitigation or adaptation measures.

FMA

Financial Markets Authority

GHG

Greenhouse Gas

GHG Protocol

Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition) and Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Green Star

Green Star is a voluntary sustainability rating system for

buildings, fit-outs and communities. Administered by the NZGBC the system provides a rating of up to six stars based on a building's key sustainability credentials.

GRESB

GRESB is an internationally recognised benchmark assessing Environmental, Social and Governance (ESG) performance of real assets for listed property companies, private property funds, developers and investors that invest directly in real estate. For more information on this performance benchmark see [GRESB.com](https://www.gresb.com).

HFC

Hydrofluorocarbon

Investment Portfolio

includes the properties or estates within the portfolio that are developed and able to be leased, i.e. not under active development.

IPCC

Intergovernmental Panel on Climate Change

ISAE (NZ) 3410

International Standard on Assurance Engagements (New Zealand) 3410: Assurance Engagements on Greenhouse Gas Emissions.

ISO 14064-1:2018

Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals
International standard specifying principles and requirements at the organisation level for quantifying and reporting greenhouse gas (GHG) emissions and removals.

NABERSNZ

The New Zealand adaptation of the National Australian Built Environment Rating System, which measures the energy and water efficiency of operational commercial office buildings.

NGFS

Network for Greening the Financial System

NZGBC

New Zealand Green Building Council

NZ SAE 1

New Zealand Standard on Assurance Engagements 1: Assurance Engagements over Greenhouse Gas Emissions Disclosures.

Materiality Assessment

The fifth step of Precinct's climate-related risk assessment. This includes the assessment of identified climate-related risks and opportunities against Precinct's risk thresholds to determine which matters are taken forward for monitoring, management and disclosure.

Operational control

The authority to introduce and implement operating policies at an operation, used as a basis for determining which emissions are included in an organisation's GHG inventory.

PPIL

Precinct Properties Investments Limited

PPNZ

Precinct Properties New Zealand Limited

Precinct

Precinct Properties New Zealand Limited, Precinct Properties Investments Limited and their respective subsidiaries.

REC

Renewable Energy Certificate

Sensitivity

The degree to which an asset, activity or business operation may be affected when exposed to a climate-related hazard or transition driver.

Short-term Incentives (STI)

Performance-based compensation awarded to executives or employees based on the achievement of specific short-term goals, typically within a year.

sqm

square metres

tCO₂-e

Tonnes of Carbon Dioxide Equivalent

Toitū

Toitū Envirocare, is a provider of carbon management and neutral certifications for New Zealand businesses. Its certification programmes ensure that companies benefit from international best practices, applied science, and effective tools. The organisation is a subsidiary of Public Research Organisation, Bioeconomy Science Institute - Maigani Taiao.

Upfront carbon emissions

Upfront carbon emissions refer to the GHG emissions

Glossary

that are released during the extraction, manufacturing, and transportation of building materials, as well as during the construction and installation processes of a building. These emissions occur before a building becomes operational and are a significant part of the embodied carbon in a building.

Vulnerability

The susceptibility of an asset or business activity to adverse climate-related impacts, taking into account its sensitivity and adaptive capacity.

WGBC

World Green Building Council

Directory

Precinct Properties New Zealand Limited

Registered Office of Precinct
Level 12,
188 Quay Street
Auckland, 1010
New Zealand

T: +64-9-927-1647
E: hello@precinct.co.nz
W: www.precinct.co.nz

Precinct Executive Team

Scott Pritchard, Chief Executive Officer
George Crawford, Deputy Chief Executive Officer
Richard Hilder, Chief Financial Officer
Nicola McArthur, GM - Marketing, Communications & Experience
Anthony Randell, GM - Property
Louise Rooney, General Counsel & Company Secretary
Emma de Vries, GM - People & Culture
Tim Woods, GM - Development

Directors of Precinct at 30 June 2026

Anne Urlwin – Chair
Alison Barrass
Nicola Greer
Christopher Judd
Chris Meads
Mark Tume

Manager

Precinct Properties Management Limited
Level 12,
188 Quay Street
Auckland, 1010
New Zealand

