

2025

Climate Related Disclosures

Precinct™





2. Guest Services
Bar
1. Guest Services
Reception Service
Kitchen &
Private Lounge 1 & 2
3. Reception
Mainroom Lounge
Reading Room 1 & 2
www.museumofmodernart.org

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Introduction

This report presents Precinct's Climate Statement for the FY25 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**

As a business, Precinct is committed to creating a more sustainable environment. This means identifying and assessing the risks and opportunities presented by climate change. We recognise our role as a long-term owner, manager and developer of real estate, as well as an employer. We are taking a thoughtful approach to climate change action, as well as disclosure. Precinct is fully supportive of a low-carbon future for Aotearoa New Zealand.

Climate change is important to Precinct as a real estate organisation due to its potential impact on property values, insurance costs, and risk management. As temperatures rise and extreme weather events become more frequent and severe, properties in general face increased vulnerability to damage from floods, storm events, wildfires, and other natural disasters. Our organisation takes this into consideration, alongside transition risks and climate change opportunities, when assessing investment risks and making strategic decisions about property development and management. We understand and utilise current advice about the various ways we can address climate change to enhance the long-term sustainability and profitability of our business.

This report is approved on behalf of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited on 28th October 2025.



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

Disclaimer

This report sets out Precinct's current understanding of, and response to, climate-related risks and opportunities as they impact Precinct as at 28th October 2025, 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 or may be more or less significant than 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.

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

Adoption Provision 2 – Anticipated Financial Impacts

- Paragraph 15(b) of NZ CS 1 Climate-related Disclosures requires the following disclosure: the anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity.
- Paragraph 15(c) of NZ CS 1: a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur.
- Paragraph 15(d) of NZ CS 1: if the entity is unable to disclose quantitative information for paragraph 15(b), an explanation of why that is the case.

Adoption provision 5: Comparatives for Scope 3 GHG emissions

- Paragraph 40 of NZ CS 3 requires the following disclosure: For each metric disclosed in the current reporting period an entity must disclose comparative information for the immediately preceding two reporting periods.

Adoption Provision 6 – Comparatives for Metrics

- Paragraph 40 of NZ CS 3 requires the following disclosure: For each metric disclosed in the current reporting period an entity must disclose comparative information for the immediately preceding two reporting periods.

Adoption Provision 7 – Analysis of Trends

- Paragraph 42 of NZ CS 3 requires the following disclosure: An entity must disclose an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.

These adoption provisions have the following effects:

- Adoption Provision 2 exempts Precinct from reporting on its anticipated financial impacts.
- Adoption Provision 5 exempts Precinct from providing comparative information regarding Scope 3 emissions disclosures where Precinct is disclosing Scope 3 categories for the first time this year.
- Adoption Provision 6 provides a partial exemption for the requirement to two years of comparative metrics, with only one year of comparative data required in the current reporting period.
- Adoption Provision 7 exempts Precinct from reporting an analysis of trends for disclosed metrics in the current reporting year.

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 the role of Precinct’s Board of Directors in overseeing climate-related risks and opportunities and the role of Precinct Management in assessing and managing climate-related risks and opportunities.



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](#).

Precinct's Board of Directors established an ESG Committee in May 2021 to assist with implementing and monitoring the Company's strategic objectives in relation to ESG issues and other key risks (including sustainability and climate-related risks) having regard to Precinct's circumstances and portfolio of businesses. However, the Board retains ultimate oversight of climate-related risks and opportunities. The Board evaluates the performance and work of the ESG Committee together with the Chair of the ESG Committee. As part of this process, the Board undertakes an annual review of the ESG Committee's objectives and activities in terms of its responsibilities as set out in the ESG Committee Charter.

Upon the recommendation of the People and Performance Committee, the Board approves Precinct's people-focussed policies and processes to support Precinct to deliver on its long-term strategies and goals. This includes evaluating the competencies required of Directors and considering the setting of any performance-based metrics that seek to link executive remuneration to Precinct's climate-related targets as part of the annual remuneration process and short-term incentive (STI, annual performance-based bonuses) framework. These targets underpin those noted within the [Metrics & Targets](#) section of the Climate Statement. In FY25, remuneration for our Executive and Senior Management team was not directly linked to climate-related targets. However, from FY26 we plan to include a specific climate-related risks and opportunities component in Precinct's STI bonus scheme.

The Board of Directors is informed on climate-related risks and opportunities by Management on a quarterly basis through a standing climate-related section in Board reporting with further in-depth updates provided during ESG Committee meetings which occur at least tri-annually. In these ESG Committee meetings, Management provides the Board of Directors with an update on progress against established material risks and opportunities which are addressed accordingly. In FY25, the minimum frequency of ESG Committee meetings has increased from bi-annual to tri-annual following the introduction of an additional ESG Committee meeting dedicated to the Climate Related Disclosures. The Board also considers climate risks and opportunities on an ad-

hoc (out of cycle) basis as needs arise, for example in relation to any acquisition as part of the Board sign-off process on due diligence and feasibility, and in decisions to divest properties. A table setting out the number of Board and Management engagements during FY25 is set out in [Appendix 5](#).

As part of its annual business planning, the Board integrates climate-related risks and opportunities into its development of Precinct's overall ESG strategy, framework and initiatives.

The Board of Directors also has oversight over Precinct's performance against its metrics and targets. The introduction of new, or adjustment of existing, significant and strategic climate-related metrics and targets is discussed and agreed by the Board, having received the recommendation of the ESG Committee. Once agreed, Precinct's performance against its climate-related metrics and targets is discussed as a standing item within the ESG Committee reporting.

Board of Directors skills and competencies

Precinct's current Directors' skills matrix can be found in Precinct's 2025 Annual Report available on [Precinct's website](#). The Directors' skills matrix reflects the director attributes which the Board considers are required to oversee Precinct's strategic business objectives. Sustainability, which includes climate-related matters, is one of the ten capabilities against which directors assess their current skills.

Specific programmes undertaken by directors include:

- Anne Urlwin, Chair of the Board,
 - New Zealand Institute of Directors' Advanced Climate Governance Programme (FY24)
- Nicola Greer, Chair of the ESG Committee
 - New Zealand Institute of Directors' Climate Change Governance Essentials Course (FY24)
 - Cambridge Institute for Sustainability Leadership (CISL) Non-Executive Director Programme (FY25)

Management informs the Board of Directors of recommended climate-related training and education within ESG Committee meetings.

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. During FY25 the ESG Committee held four committee meetings, each followed by an ESG Committee report to the Board. Precinct's Head of Sustainability provides updates at these meetings to the ESG Committee (and the Board), including on operational progress around ESG and climate-related risk and opportunity management. 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 ESG Committee can seek independent professional advice and invite expert third parties to attend meetings to ensure appropriate climate-related skills and competencies are available to the Board.

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 the 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 ahead of incorporating into the Audit and Risk Committee (ARC) 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 ESG 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. Once approved, the Board delegates responsibility for monitoring performance against climate-related targets to the ESG Committee, the ESG sub-committees and Management. The ESG Committee also has oversight of the climate scenarios in the [Strategy section](#) of this report. In FY25, following the recommendation of the ESG Committee, the Board reconfirmed the climate scenarios approved in FY24. As outlined in the ESG Committee Charter, the Chair of the ESG Committee is required to

report back to the Board no less than three times a year on key points of discussion at ESG Committee meetings, including the progress toward strategic climate-related targets and the efficacy of associated performance metrics, and present the recommendations of the ESG Committee at the next scheduled meeting of the Board.

Audit and Risk Committee

The Audit and Risk Committee (ARC) assists the Board in overseeing Precinct's climate-related risks. The Committee oversees Precinct's primary risk register and reviews it at least quarterly with Management to track existing risks and the emergence of new risks. Key climate-related risks are included in a separate register alongside Precinct's primary risk register and reported to the Board along with an evaluation of the strategic ramifications of the risks.

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

- reviewing draft climate related disclosure documentation;
- ensuring due process is followed in order to achieve compliance with FMCA/NZCS1-3 requirements;
- engaging external consultants to provide verification and/or assurance as required; and
- recommending that the Board approve the CRD.

The ARC meets at least every quarter (FY25: five meetings) and reports back to the Board in respect to financial reporting, compliance and risk management which includes climate-related risks.

Governance

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 in assessing and managing climate-related risks and opportunities is to ensure the impacts of transition and physical risks to the business are reported and integrated into key workstreams. Management updates the Board on a regular basis through the ESG Committee and the ARC.

Precinct's Chief Financial Officer oversees Precinct's sustainability strategy and is primarily informed about climate-related risks and opportunities through updates from the Head of Sustainability during weekly one on one meetings alongside weekly group meetings with the Finance and Analytics teams. Performance against climate-related metrics and targets along with updates on Precinct's management of climate-related risks and opportunities are presented based on key workstreams of four internal ESG sub-committees which are detailed below. Precinct's Head of Sustainability reports directly to Precinct's Chief Financial Officer and is responsible for managing and assessing Precinct's climate-related risks and opportunities. Precinct has an additional dedicated

ESG resource and seeks advice from specialist external sustainability consultants as and when required.

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, Finance, and Analytics teams on the ESG sub-committees focused on climate-related initiatives, risks, and opportunities. These sub-committees are responsible for assessing, actioning and driving climate-related issues (including climate-related risks and opportunities), tracking performance against climate-related metrics and targets, and embedding Precinct's long-term sustainability strategy into business operations. The ESG sub-committees cover four key focus areas and include representatives from across the business:

- Building Developments - meet quarterly;
- Building Operations - meet monthly;
- Corporate, Legal & Marketing - meet quarterly; and
- Finance & Acquisitions - meet bi-annually.





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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.

Precinct recognises sustainability (including managing climate-related risks and opportunities) is an important part of our business activities. Our sustainability strategy has been designed in parallel with Precinct’s broader business strategy. 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.



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, all underpinned by a focus on people centric outcomes in mind. 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.

We have defined sustainability at Precinct 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.

Precinct has maintained our focus on climate change as one of the core components of our materiality assessment, informed by key stakeholders, initially completed in 2019 and validated annually by a desktop review.

Precinct’s ‘double materiality’ approach

As proposed by the XRB (NZ CS3 [38]), Precinct has adopted a broad approach to assessing and acting on current climate-related impacts across our operations. Summarising our approach to identifying and managing climate risks, Precinct assesses both:

- **Impacts on us** – in considering how our business will be affected by climate change, we have pursued detailed analysis across our portfolio to understand the extent of physical and transition risks and opportunities expected to occur under the three climate-related scenarios detailed in this section.
- **Impacts by us** - by analysing our Scope 1, 2 and full value chain Scope 3 emissions, we are able to better understand the impact our business has on contributing to our changing climate. This also assists us to prioritise our efforts to make a difference in our

Strategy

supply chain alongside our industry peers and more broadly across industry.

This approach, known as double materiality, considers both how climate change affects our business and how our business contributes to climate change. For Precinct, this means recognising that we are impacted by climate impacts, while also acknowledging our role in influencing those impacts as part of the real estate sector.

Climate scenario analysis

To understand the resilience of Precinct's business model and response to climate-related risks and opportunities, we have relied on internal resources and working groups as well as external advice to develop our climate scenarios. These climate scenarios were developed and reviewed by the ESG Committee and were approved by the Board on the ESG Committee's recommendation in FY24 and reconfirmed by the Board on the ESG Committee's recommendation in FY25.

Climate-related risks and opportunities are integrated as part of Precinct's broader strategy processes. However, the climate scenario analysis is currently a standalone process. To support the establishment of a consistent baseline for the property industry in New Zealand, Precinct participated in workshops organised by the New Zealand Green Building Council (NZGBC). These workshops, facilitated by engineering firm Beca, aimed to develop three climate scenarios for the Construction and Property sector. The resulting scenarios were published in May 2023 by the NZGBC in its report, *Climate Scenarios for the Construction and Property Sector: Ngā Horopaki Āhuarangi mō te Rāngai Hanganga me ngā Whare*.

A summary of the sources of data used to prepare these climate scenarios is set out in [Appendix 2](#). The full NZGBC report, which includes a detailed description of the scenario development process, data sources, and further information regarding the assumptions and data behind each scenario (including for example sequestration from afforestation and nature-based solutions), is available [here](#).

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, and aligned with the working draft of the XRB's guidance, *Scenario*

Analysis: Getting Started at the Sector Level (2022). An updated version has not been issued at the time of this Climate Statement.

We consider the scenarios represent a plausible and challenging description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships impacting the Construction and Property sector, covering both physical and transition risks alongside anticipated opportunities.

However, Precinct acknowledges that while these scenarios provide a consistent baseline, individual property companies are responsible for interpreting and applying them as best suited to their specific operations. Accordingly, Precinct has conducted its own assessment of the sector scenarios to identify areas material to our business. Through this process, we have identified key risks and opportunities relevant to our operations. In addition to utilising the scenarios prepared by the NZGBC, Precinct has undertaken our own modelling with external specialists and conducted workshops using the Construction and Property Sector Scenarios as set out in further detail in the [Risk Management](#) section of this report. Inputs to our own modelling have utilised much of the same anticipated scenarios and time horizons to ensure consistency however, slight deviations between our choice of analytics software and the NZGBC reporting variables are noted below for transparency. This section also details the use of S&P Climonomics software platform (a climate risk analytics tool) to support the quantification and impact of identified risks and opportunities.

To support our scenario analysis, we selected the S&P Global Climonomics® platform due to its alignment with regulatory expectations, scientific robustness, and financial relevance.

Climonomics enables structured, forward-looking assessments of climate-related risks and opportunities, consistent with the TCFD framework and NZ CS 1–3. It uses CMIP6 climate models, NASA's NEX-GDDP downscaled projections, and peer-reviewed science to model 9 physical hazards (e.g. extreme heat, flooding, cyclones). Outputs are provided in both absolute and relative financial terms across four emissions scenarios and eight decades, allowing us to quantify risk at the asset and portfolio level.

We chose Climonomics because it:

- Aligns well with global SSPs, NZGBC scenario guidance and is utilised by other peer reporting entities
- Provides credible, investor-grade financial risk outputs
- Supports site-specific adaptation planning
- Allows offline adjustment for local mitigation measures (e.g. flood barriers), ensuring disclosures reflect realistic risk exposure

This approach ensures our scenario analysis is both scientifically grounded and decision-useful, while meeting NZ CS requirements for transparency and audit readiness.

Precinct note that the analysis completed through S&P Climonomics that underpins the materiality of impact across risks and opportunities differs in the application of Shared Socioeconomic Pathways (SSPs) per the below table. Narratives describing these differences have been introduced to the NZGBC developed scenarios on the following pages to ensure robustness of reporting. Precinct note the Climonomics SSPs present a more likely low/orderly and high/hot house world where the impacts are expected to be far more extreme for the lower and higher scenarios.

Climate Scenario	Climonomics	NZGBC
High/Hot house world	SSP5-8.5	SSP3-7.0
Medium/Disorderly	Medium: SSP2-4.5 Medium high: SSP3-7.0	SSP1-2.6
Low/Orderly	SSP1-2.6	SSP1-1.9

Precinct defines its time horizons based on the economic life cycle of its assets, typically spanning 50 to 60 years. The table below outlines the time horizons used by Precinct in our scenario analysis approach, consistent with the NZGBC's sector-specific guidance and the typical economic life of building structures:

Time Horizon	Period	Description
Short-term	Present - 2030	Short-term risks are those that may impact near-term financial results including income, operating costs and increased repairs and maintenance.
Medium-term	2031 - 2050	Medium-term risks include climate related impacts that may impact our financial results from 2030 onward. These impacts may require Precinct to adjust core elements of its strategy.
Long-term	2051 - 2100	Precinct's assets generally have a 50-year life cycle, therefore buildings in planning, under development and approaching completion will be subject to these long-term conditions and the risks that may impact the financial viability and long-term strategy of Precinct.

Under this methodology, and reflected in our scenario analysis, asset value reverts to land value once the 60-year horizon is reached, reflecting Precinct's expectations around asset recycling and refurbishment. It acknowledges that assets are unlikely to retain full value beyond their intended lifecycle of 50-60 years at a point in time when assessing current and future anticipated financial impacts. This adjustment to our methodology enhances the accuracy of scenario analysis and supports strategic planning. Crucially, this methodology reflects the annual climate reporting cycle and the obligations placed on reporting entities under the climate reporting regime to connect to annual financial reporting. Once future strategic plans, such as asset development or refurbishment works, are approved through Precinct's governance processes, they will be transparently disclosed and incorporated into financial impact assessments within the climate-related disclosure statement.

Strategy

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

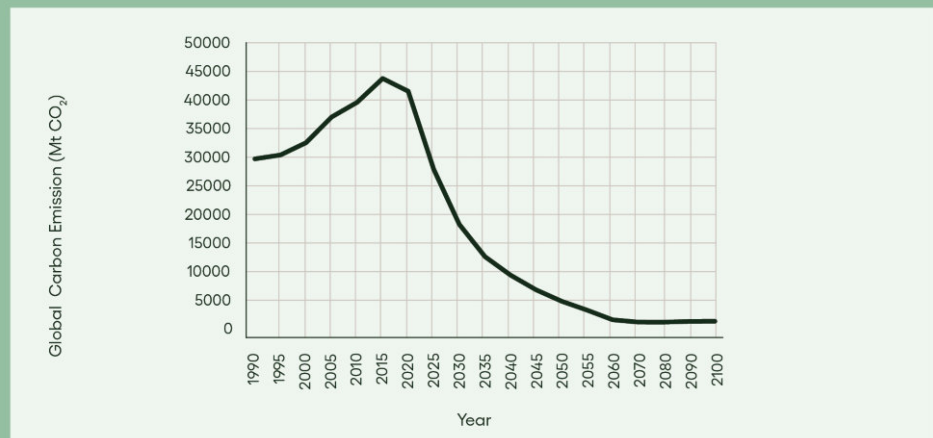
Low - mediocre



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

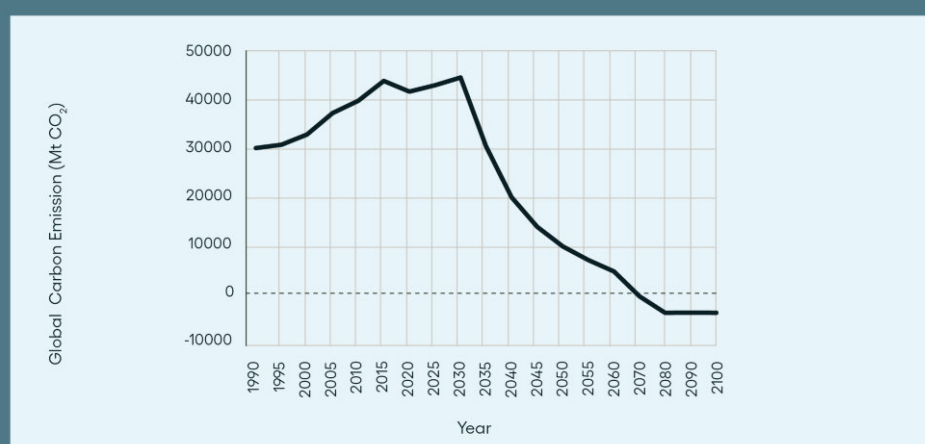
High



Socio-political
Instability

Mediocre

Scenario Two Global Emissions Trajectory



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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 ton 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.

Strategy

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.



Policy Ambition

$>3.0^{\circ}\text{C}$



Policy Reaction

None - current policies



Technology Change

Slow change



Behaviour Changes

Slow change



Physical Risk Severity

Extreme



Transition Risk Severity

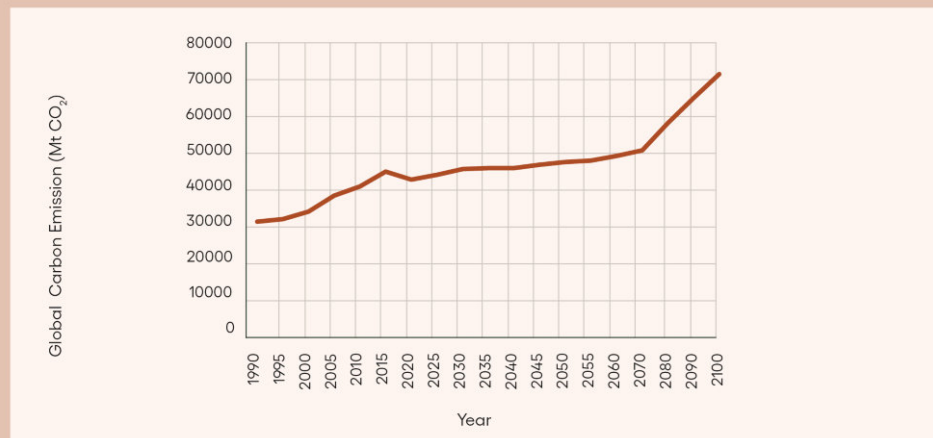
Low



Socio-political Instability

High

Scenario Three Global Emissions Trajectory



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A 'hot house' transition to a decarbonised society 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 ton 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.

The three scenarios (Orderly, Disorderly and Hot House) outlined above in this section have used assumptions made based on **Climate Scenarios for the Construction and Property Sector: Ngā Horopaki Āhuarangi mā te Rāngai Hanganga me ngā Whare**. See note in '[Climate Scenario Analysis](#)' section referencing acknowledgement of SSPs used for NZGBC narratives and Climonomics quantification.

Climate-related impacts

The following tables outline our climate-related risks and opportunities as detailed in Precinct's Climate Risk Register, alongside their current and 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. These impacts have been identified as having direct relevance to Precinct's business strategy and management. Although we have disclosed the current impacts for Precinct that we have identified arising from the climate-related risks and opportunities listed in the table below, we consider that during the reporting period, none of these impacts were material, and they did not result in any material financial impacts with respect to Precinct's business (as defined by our risk assessment threshold). Despite this, we have continued to progress a number of actions and mitigations related to each risk (as outlined below), and have advanced our efforts to leverage opportunities. As we continue to review and update Precinct's Climate Risk, our understanding of risks will evolve and be reflected in each annual Climate Statement.

Physical and Transition Risks

The severity of each risk across Precinct's portfolio has been assessed and expressed as estimated percentages, reflecting asset vulnerability to physical and transition risks in line with CS1 compliance [22(c) and (d)].

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 & other risks such as reputational damage to determine anticipated 'value loss', consistent with Precinct's risk assessment method. Per adoption provision 2, anticipated financial impacts and explanation 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 assets value.

Physical and Transition Opportunities

The impact of each opportunity across Precinct's portfolio has 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 Opportunity ¹	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.			

The risks and opportunities identified in the tables below have been identified through our climate scenario analysis and have been assessed as being material in the context of our asset portfolio through the risk identification processes described in the [Identifying Risks](#) section. Risks and opportunities considered immaterial are not disclosed.

Strategy

Transition Risks						
Risk	Description		Short	Medium	Long	
Market	Market risks involve the effects of transitioning to a low-carbon and climate resilient economy, impacting both the supply and demand for various products and services considering consumer and investor preferences. In the real estate sector, these risks include a growing preference for green buildings by current and future occupiers and investors. As these groups increasingly favour decarbonised assets this risks leaving 'brown' assets stranded and devalued. There is also the risk of increasing capital needed to develop new assets through the increased cost of raw/virgin materials and competition for Tier 1 contractors that can achieve the required performance during construction especially as rating tools become more common place. This in turn may apply pressure on the capacity and capability of the labour force to meet expectations of performance both in asset development and operation. Businesses occupying space in our assets are also subject to screening by the market to check if their products and services are meeting market expectations. Additionally, the industry will experience a rising cost of utility prices and insurance premiums.	Orderly				
		Disorderly				
		Hot house				
Technology	Technology risks arise from innovations that are driven or influenced by the transition to a low-carbon and climate resilient domestic and global economy. This transition may have impacts; financial and functional, to physical assets in the real estate sector through increased demand for air conditioning systems, energy and electrical source diversification and disruption especially as the broader network shifts away from fossil fuel to all-electric systems. These may require system or building upgrades to maintain or increase service and capacity. Failure to deliver these upgrades risk the impairment or obsolescence of the asset. Further, these upgrades can result in competition for space reducing building area available or floor heights. In addition, this transition may have an impact on soft assets in the real estate sector including the adoption and maintenance of new systems; including artificial intelligence integration into building management systems, as well as the capacity and capability of personnel to develop and manage these new systems.	Orderly				
		Disorderly				
		Hot house				
Reputation	Reputational risks refer to the perception of an organisation's "social license to operate" and can affect supplier prices, employee costs, consumer demand, and shareholder value when transitioning to a low-carbon and climate resilient economy. In the real estate sector, these risks include the potential for negative public perception due to factors such as poor environmental performance, failure to meet sustainability targets, inadequate climate resilience measures, association with developments that harm local communities or ecosystems, delivering new builds rather than retrofitting or reusing existing buildings, as well as not managing and responding effectively to negative publicity. Litigation claims can also arise as a result of perceived action or inaction related to greenwashing and / or greenhushing (withholding or downplaying environmental achievements).	Orderly				
		Disorderly				
		Hot house				

	Description of Current and Anticipated impacts on Precinct C = Current Impacts / A = Anticipated Impacts	Precinct's mitigation and actions C = Current Actions / A = Anticipated or planned actions
	- change in client occupier preferences for sustainable and low carbon buildings to occupy (C) - change in general public preferences for trading with businesses without sustainability credentials occupying our spaces resulting in higher vacancy rates for the Portfolio (A) - change in investor appetite to invest in alternative low carbon industries in place of the property sector (A) - decline in values for high carbon intensive buildings and those with low resource efficiency ratings (A) - increased costs to secure Tier-1 Contractors who are suited to Green Star build projects (A) - higher operating costs (e.g. utilities) increase resulting in client occupiers unable to afford to lease space (A)	- target minimum third party certified Green Building ratings in design, construction and operation (C) - participate in globally endorsed real estate frameworks that provide transparency on ESG performance (C) - employ the use of industry benchmarks for energy efficiency (C) - pursue green finance products (C) - maintain good relations with a suite of Tier-1 Contractors (C) - continue to lead in low-carbon material procurement, for their top embodied carbon materials. Continued early engagement with their supply chain will allow Precinct to stay ahead in their understanding of low-carbon material availability and encouraging the wider industry to use them. Longer term use of low-carbon material is likely to drive down price. (C) - enrol buildings in bespoke analytics platform to drive improvements over time (A) - engage with client occupiers in pursuing capital improvements to existing facilities (A)
	- significant investment in upgrading technology for low carbon building systems, insulation, renewable energy and electric vehicle charging station infrastructure impacting high out of cycle capital expenditure (CAPEX) (C) - site based electricity, spatial and structural capacity limits impacting the ability for existing buildings to switch from dual gas and electric supply to full electrification (C) - higher number of stranded buildings where the costs to upgrade exceed feasibility during the development of a business case (A) - grid instability and network outages from transitioning or stressed energy sources (A)	- develop assets in heavily-populated CBD locations where energy resilience and service recovery is prioritised (C) - design in low carbon technology solutions upfront during development (C) - pre-plan building upgrades to tie into the natural end of lifecycle for equipment (C) - strengthen onsite resilience with appropriate and robust back up energy solutions to shift peak demand (A) - leverage green finance options and alternative commercial models to spread high CAPEX spend over a longer term for equipment requirements (A) - proactive engagement with client occupiers to promote low carbon solutions to material emissions sources (A) - maintain a culture of innovation, including identifying emerging technologies and trial/pilot opportunities (C)
	- shareholders, banks, client occupiers and stakeholders requiring high cost and high resource intensive third party reporting for heightened transparency on climate-related issues (A) - greenwashing threats against individual projects or business specific activities based on voluntary public statements and disclosure-based litigation leading to reduced trust and market appeal (A) - key stakeholders may apply pressure if Precinct is perceived as not moving quickly enough to decarbonise or address environmental concerns resulting in potential impacts on revenue, increased capital expenditure, and challenges accessing capital (A)	- participate in locally, nationally and globally endorsed ESG related programmes and reporting with third party verification (C) - target minimum third party certified Green Building ratings in design, construction and operation (C) - engage in key stakeholder briefings and schedule regular feedback sessions on progress related to climate-related disclosures (A) - continuing to lead in this space to increase people's perception of Precinct as a "green" real-estate provider (A)

Strategy

Transition Risks (continued)

Risk	Description		Short	Medium	Long	
Carbon Price	The transition risk of carbon pricing refers to the economic, financial, and operational risks that businesses face as governments, influential stakeholders and regulatory bodies implement policies to reduce greenhouse gas (GHG) emissions. Carbon pricing is a policy-driven economic tool for directly costing GHG emissions. When transitioning to a low carbon economy, carbon pricing makes carbon-intensive activities less financially attractive and incentivises low-emissions practices and behaviour. In the real estate sector, these risks include increased operating costs due to higher energy prices, the potential for reduced profitability if carbon-intensive building materials or processes are penalised, and the need for costly retrofitting or upgrades to meet emissions reduction targets. The transition can further be complicated by unpredictable costs due to variations in climate change trajectories as well as the potential for financial comparisons between the costs of offsets and the cost to upgrade plant or building assets	Orderly				
		Disorderly				
		Hot house				
Regulation	Regulatory risks stem from current, emerging and anticipated climate-related regulations, including local and national directives affecting individual properties, as well as the impact of mandatory climate and nature-based reporting requirements. This includes anticipated changes to climate-related regulations in New Zealand and globally that could significantly influence the property industry. This also includes potential requirements for the use of low-carbon materials resulting in their scarcity as well as further restrictions on refrigerants and potential impacts on insurance. In addition, there is an increased risk of scrutiny over greenwashing in climate disclosures, as stakeholders demand greater transparency and accuracy in reporting sustainability efforts, leading to potential compliance challenges.	Orderly				
		Disorderly				
		Hot house				

	Description of Current and Anticipated impacts on Precinct C = Current Impacts / A = Anticipated Impacts	Precinct's mitigation and actions C = Current Actions / A = Anticipated or planned actions
	- increase to the cost of building materials and products subject to carbon pricing mechanisms locally or internationally (A) - increase in reporting obligations for businesses in high carbon intensity industries including property in future (A) - increase in development cost due to carbon offset commitments (A) - risk of scrutiny on the selection and source of voluntary carbon offset units in relation to the Precinct portfolio (A)	- pursue bulk purchase of high quality offset units (C) - pursue minimum Green Star credits related to operational and embodied carbon reduction and measurement (C) - introduce environmental management practices that focus on reducing carbon across operational assets (C) - continue to lead in the low-carbon building space with the aim of increasing low-carbon material use and subsequently reducing their cost in the long-term (A) - investigate local offset projects to support in partnership with existing peers and key stakeholders (A) - prioritise and develop long term engagement with suppliers of low carbon building materials and products (A) - develop a carbon-price prediction model for Precinct to inform business planning (A) - actively promote carbon reduction importance and initiatives to clients to increase their understanding and ability to reduce climate change impacts (e.g. promoting induction cooking, reduction of natural gas) (A)
	- Reporting obligations: Increasing requirements (e.g., NZ CS 1, 2 & 3, CRD/XRB, NZX, GRI) demand greater transparency, especially around climate change costs, adding complexity to compliance and long-term planning (C) - Local regulations: Auckland Unitary Plan and Wellington District Plan dictate development locations and identify land vulnerable to natural hazards (C) - National regulations: Resource Management Act (RMA) and Building Act 2004 (Building Code) shape development, with amendments potentially affecting project feasibility and timelines (C) - mandatory public reporting (as opposed to non-public Green Star reporting) of Embodied and Operational carbon impacts of projects prior to construction and at completion (A) - a carbon border adjustment charge could be imposed and applied to imported building materials (which are not currently subject to the ETS) (A) - the ETS costs for domestically produced emissions intensive building materials (such as steel and concrete) could be increased due to a pull back in ETS free allocations currently made available to those producers, resulting in an increase in prices (A) - current ETS scope applies to a limited group of large emitters. Potential expansion of ETS could bring more companies, including ours, under its scope, increasing compliance costs and operational adjustments. (A)	- include key regulation and reporting obligations in Precinct's risk register (C) - achieve third-party audit of all carbon assessments for new buildings, such that if they were required to be made public, they would be ready for release (C) - engage with industry and participate in consultation with regard to current and anticipated regulation (C) - schedule asset upgrades to tie in with natural end of lifecycle for equipment ahead of any mandatory low carbon upgrades (C) - leverage green finance options to spread high CAPEX spend over a longer term for equipment requirements (A) - explore alternative commercial models to support a higher investment in upgrading technology (A)

Strategy

Physical Climate Risks						
Risk	Description		Short	Medium	Long	
Temperature Extremes	Extreme heat refers to chronic prolonged periods of high temperatures that surpass historical norms, presenting significant risks to both the built environment and natural systems. In the real estate sector, these risks include increased energy demand for cooling, higher operational and maintenance costs, accelerated wear and tear on building materials, reduced occupant comfort, and potential health risks for client occupiers and employees. Extreme heat can also lead to decreased property values in affected areas and disruptions to construction timelines.	Orderly				
		Disorderly				
		Hot house				
Cyclone	Cyclone acute risk refers to the increasing frequency, intensity, and unpredictability of tropical cyclones that pose significant threats to human life, infrastructure, economies, and ecosystems, especially in coastal regions. In the real estate sector, cyclones can result in severe physical damage to buildings, causing extensive repair costs and heightened insurance premiums. Cyclone-related disruptions can delay construction projects, reduce tenant demand in high-risk areas, and increase operational costs due to the need for frequent maintenance and infrastructure upgrades to meet new resilience standards.	Orderly				
		Disorderly				
		Hot house				
Pluvial flooding	Pluvial risk refers to the acute threat of surface flooding caused by intense, short-duration rainfall that overwhelms drainage systems, independent of rivers or other bodies of water leading to localised flooding impacting the built environment. For the real estate sector, this presents the risk of water damage to buildings, particularly in basements or lower floors, and increased wear on infrastructure. Pluvial flooding can disrupt access to properties, increase maintenance costs, and require costly upgrades to drainage and flood barrier systems.	Orderly				
		Disorderly				
		Hot house				
Coastal Inundation	Coastal inundation risk refers to the acute threat of flooding along coastlines due to a combination of rising sea levels, storm surges, and extreme weather events, exacerbated by climate change. This poses significant risks to the built environment, infrastructure, ecosystems, and economies, particularly in low-lying coastal areas. For real estate this can result in chronic flooding, land erosion, and permanent loss of property, leading to significant financial losses.	Orderly				
		Disorderly				
		Hot house				

	Description of Current and Anticipated impacts on Precinct C = Current Impacts / A = Anticipated Impacts	Precinct's mitigation and actions C = Current Actions / A = Anticipated or planned actions
	- recurring public transport network disruptions (e.g. train cancellations) through extreme heat resulting in reduced mobility to city centres impacting foot traffic in retail centres and smaller office footprint for employees working from home (A) - existing building systems unable to cope with cooling load and require out of cycle CAPEX costs / disruption to service (A) - clients and public general loss of productivity (A) - green space unable to survive conditions require out of cycle CAPEX costs to replace (A)	- sizing building system equipment to accommodate future projected temperature increases in development and refurbishment projects (C) - designing connected thoroughfares between buildings to provide shelter during extreme heat days (C) - prioritising drought tolerant / hardy native plant species for outdoor vegetation (C)
	- destruction of buildings including homes and businesses resulting in financial loss from property damage and decreasing asset values, tenant displacement loss of revenue (A) - retailers unable to source good quality fresh produce resulting in increased costs for client occupiers to retain their businesses (A) - interruption to utility supply and transportation leading to disruptions in business operations, increase in operational costs and transport delays (A) - construction and refurbishment activities impacted through supply chain disruptions leading to higher costs to complete projects (A)	- cyclone risk screening for assets to determine building elements vulnerable to cyclone impacts (C) - back up power generation action plans if / when power supply is disrupted (A) - implementation of client occupier engagement for preparation around storm events including recommended transport options (A) - designing resilience in to development programmes to withstand storm events (A)
	- damage to infrastructure leading to accessibility issues, higher maintenance and repair costs and a decline in property values (A) - interruption to utility supply and transportation leading to disruptions in business operations, increase in operational costs and transport delays (A) - flooding of construction and refurbishment sites leading to project delays, increased costs for delivery, contractual penalties and reputational damage (A) - increasing insurance costs for areas with repeated impacts resulting in higher operating costs, difficulty in securing insurance and decreased property values (A)	- pluvial risk screening for assets to determine vulnerable access points for acute flooding (C) - implementation of flood barriers for at risk sites (A) - implementation of client occupier engagement for preparation around storm events (A) - designing resilience into development programmes to remedy pluvial flooding when it occurs (A)
	- contamination to water supply through drainage and sewer issues leading to health and safety concerns, reputational damage, legal liability compliance and operational costs for the public interacting with properties (A) - reduced visitor numbers to retail and hospitality businesses resulting in decreased revenue for client occupiers, longer-term vacancy challenges and reduced property values (A) - impacts to vulnerable communities leading to a reduction in economic activity and displacement of regular occupants and visitors to the city centre (A)	- site acquisition screening to ensure full impacts of future scenarios understood (C) - implementation of climate adaptation planning for new (C) and existing (A) assets to highlight and manage critical coastal inundation risks - early stage planning around flood barriers and physical resilience measures across affected properties (A)

Strategy

Climate Opportunities						
Opportunity	Description		Short	Medium	Long	
Transition - Market	Recognising the evolving priorities and investment profiles of key stakeholders, Precinct has identified an opportunity to pursue industry-leading initiatives that appeal to proactive and sustainability-focused clients and investors. This approach aims to align with the values of like-minded partners, enhancing Precinct's attractiveness and competitiveness in the market.	Orderly				
		Disorderly				
		Hot house				
Transition - Technology	Precinct has identified a key transition technology opportunity by developing energy-efficient, low-carbon assets. This shift not only reduces carbon emissions but also aligns with future energy trends, positioning Precinct to meet the growing demand for sustainable and resilient properties.	Orderly				
		Disorderly				
		Hot house				
Transition - Reputation	Potential to procure large quantities of carbon offsets via supporting a local voluntary carbon project.	Orderly				
		Disorderly				
		Hot house				
Physical - Pluvial Flooding	As physical climate risks become more impactful across the built environment, the acquisition of at risk properties for repositioning is being targeted where mitigation efforts can be undertaken to de-risk the asset.	Orderly				
		Disorderly				
		Hot house				

Description of Current and Anticipated Opportunity for Precinct C = Current Opportunity / A = Anticipated Opportunity	Precinct's mitigation and actions C = Current Actions / A = Anticipated or planned actions
- investor and client occupier comfort in knowing SBTi aligned organisations have their GHG emissions data peer reviewed and audited on a regular basis (A) - investor comfort in knowing annual updates to the Global Real Estate Sustainability Benchmark (GRESB) survey reflect global sentiment related to ESG and responsible management of real estate assets and funds (A) - clear and targeted emissions reduction and ESG parameters using a sector specific framework for the real estate industry (A) - retrofitting and reuse of existing buildings to reduce the need for, and carbon associated with, constructing new buildings (A)	- voluntarily pursue minimum Green Building Ratings and net carbon zero certification to meet and exceed market expectations for climate performance and verification (C) - continue to partake in sustainable finance opportunities including Green Loans and Bonds (C) - measure and offset embodied carbon for all new developments in line with the Net Zero Buildings Commitment, acknowledging its significant impact on our carbon emissions inventory (C) - retain formal Net Zero targets with the World Green Building Council (WGBC) Net Zero Buildings Commitment and prepare to formalise targets with the Science-Based Targets initiative (SBTi) (C) - report against the GRESB survey to align with peer and investor expectations for climate risk reporting (C)
- ability to engage in and leverage sustainable finance options (C) - ability to identify and successfully deliver adaptive re-use / retrofitting building projects for significantly less upfront embodied emissions than demolition and new build (C) - reduce operational emissions significantly through the reduction of natural gas systems and usage (A) - attract changing investor and client occupier preferences in their adoption of net zero targets (A)	- feasibility studies for sites using natural gas to convert to electric (C) - embed all electric design parameters into new development projects (C) - further explore the feasibility of smart-metering / peak demand management and solar PV (with or without batteries or EV interface) to reduce grid energy dependence (A) - further explore the prevalence of glass facade elements vs internal heat-gain and related energy/cooling demands. Optimise this on new developments to reduce associated upfront and operational carbon emissions (A)
- invest in the local economy to support decarbonisation projects to the benefit of key stakeholders including JV partners and Clients wishing to source high quality offsets (A) - provide a proof of concept for future voluntary carbon initiatives in Aotearoa New Zealand to ensure economies of scale to reduce costs over time (A) - ensure transparency of offset units and a strong chain of custody to mitigate greenwashing concerns (A) - establish long-term offset purchase agreements to provide certainty to the market related to ongoing commitment (A)	- prepare expected unit amounts to procure over a long term time horizon (C) - feasibility studies for carbon offset options available in the voluntary market (A) - engage with the broader market to understand the limitations of the current market for long term service agreements (A)
- through our experience in adaptive reuse projects to date, acquire stranded assets that would be otherwise deemed unsuitable as a green asset (A) - proactively support industry in adopting climate mitigation efforts around design interventions to manage risks (A) - increase resilience of our Clients and communities in proximity to our developments through education where there is risk of pluvial flooding, to ensure risks are understood and managed collectively (A)	- voluntarily prepare Climate Adaptation Plans at early design stages for new developments and refurbishment projects (C) - maintain annual Climonomics subscription to ensure proactive assessment of current assets and future locations for climate-related risks (C) - conduct in depth site-based physical risk assessments where critical areas are identified (C) - commit to sharing Information from these assessments with project teams to ensure appropriate mitigation measures are implemented or investment decisions are reevaluated based on the identified risks (C)

Strategy

Transition Planning

Precinct continues to make meaningful progress in transition planning, aligned with our strategy to develop, own, and manage high-quality, sustainable, and resilient assets. Our time-bound goal of achieving and maintaining Net Zero by 2030 across our operational emissions, consistent with the WGBC's Net Zero Building Commitment, anchors our pragmatic and focused approach.

We monitor performance against our targets, metrics, and KPIs via our internal ESG dashboard, and submit datasets to external parties for validation. Industry feedback plays a key role in shaping our reporting practices and ensuring alignment with evolving expectations around decarbonisation.

Our transition plan also considers the broader implications of a changing climate across business operations. Through our findings from the sector-specific scenario analysis, we have continued to assess plausible future climate impacts and seek to embed mitigation and adaptation strategies to manage risks and capture opportunities. In shaping our future-focused transition planning, including the alignment of capital deployment, Precinct integrates climate-related risks and opportunities from Precinct's Climate Risk Register into business case assessments, investment decisions, and funding of group initiatives.

The following considerations currently inform our approach with committed capital deployment outlined in our KPI's and Metrics section ([see 'Other Climate-related metrics'](#)):

Transition focus area	Current and anticipated initiatives in focus area	Timeframe	Relevant risk/opportunity addressed by Precinct's initiatives
New Development Projects / Refurbishments	Build new assets to a 'New Zealand Excellence level' verified by third party assessors, specifically: - Minimum 5 star Green Star and 6 star Homestar rating, including: - Minimum of 15% reduction in upfront embodied carbon (A1–A5, emissions from raw material extraction to construction) against a business as usual reference case - No new natural gas connections - Climate Adaptation Plan to incorporate design interventions where high and extreme risks across modelled scenarios are identified. - Modelling energy efficiency	Current action	Transition Market, Technology, Reputation, Carbon price Physical Temperature extremes, cyclone, pluvial flooding, coastal inundation
Existing Buildings	All eligible assets are rated under Green Star Performance rating and NABERSNZ Energy (New Zealand energy efficiency rating).	Current action	Transition Market, Technology, Reputation, Carbon price Physical Temperature extremes, cyclone, pluvial flooding, coastal inundation

Transition focus area	Current and anticipated initiatives in focus area	Timeframe	Relevant risk/opportunity addressed by Precinct's initiatives
	Phasing out the use of fossil fuels across the portfolio. Aligned with targeted refurbishments / end of equipment lifecycles	Current - 2050	Transition Market, Technology, Reputation, Carbon price
	Deploying on-site and off-site renewable energy solutions where feasible.	Current action	Transition Technology, Carbon price
	Researching procurement of low carbon products and services.	Current action	Transition Market, Technology
	Establishing a waste management portfolio strategy	Current action	Transition Market, Technology, Carbon price
Corporate Strategy	Form a partnership with nature based carbon project	Current action - 2030	Transition Market, Reputation, Carbon Price

The current actions outlined above form a core part of Precinct's publicly stated decarbonisation strategy. These actions are embedded within the CAPEX plans submitted through Precinct's annual Business Plan, which is formally approved at the Board level. 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

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 facilitated by the Audit and Risk Committee and overseen by the ESG Committee.

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:

- 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

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 submitted to the ARC for evaluation. The process of identifying risks, as well as assessing their scope, size, and impact, uses information from several external sources (as relevant), including:

- GRESB Climate Risk & Resilience Scorecard, which provides location-specific intelligence on climate change and environmental exposure.
- S&P Global Climonomics, a climate risk analytics platform to identify and measure climate risk across Precinct's assets.
- Guidance and commentary from industry organisations including the NZGBC.
- Discussions with stakeholders along the value chain, including suppliers, client occupiers, contractors, and councils (local government).
- Engagement with external engineering and sustainability consultants, including in the preparation of:
 - Climate Adaptation Plans during development;
 - Climate risk screening undertaken as part of due diligence reporting for acquisitions; and
 - Portfolio-wide climate risk modelling and site-based visits.

Climate change is a unique risk category in particular because no part of the value chain is immune from its impacts. However, some parts are more vulnerable than others. A key workstream for Precinct has been to continue to refine the boundaries of our value chain for the purpose of climate risk analysis and identify areas or relationships of vulnerability. In FY25, to the best of our knowledge, no parts of our value chain were excluded for the purpose of our risk assessment.

Assessing & Managing Risks

Precinct assesses and manages climate-related risks as part of its broader risk management framework.

Once potential risks are identified, we carry out a threshold materiality assessment to identify those 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 transitional. 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](#) on Page 21. Materiality ratings are determined using both quantitative and qualitative analysis, including internal modelling, external data, and expert advice. The same process informs both Precinct's Climate Risk Register and the disclosures in this statement.

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 'actual' are included in Precinct's Climate Risk Register for ongoing evaluation by the Board. All of these risks are disclosed in this statement.

These assessments are informed by both quantitative and qualitative analysis, including internal modelling using bespoke software and local datasets, and, where appropriate, advice from external specialists, per below:

Risk Type	Assessment & Application	Tools and / or external consultants involved
Physical	Assessed at the individual asset level and aggregated to determine impact at the portfolio level for Precinct's Climate Risk Register. ¹	• Climonomics (materiality), • AON (granular review), • Internal Analytics/Sustainability team (aggregation, Climate Risk Register updates)
Transitional	Assessed at the individual asset level and aggregated to determine impact at the portfolio level for Precinct's Climate Risk Register ¹	• Climonomics (materiality), • Mott MacDonald (granular review), • Internal Analytics/Sustainability team (aggregation, Climate Risk Register updates)

¹ 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.

Precinct continues to refine its approach by:

- Reviewing thresholds for elevating potential risks to actual risks;
- Enhancing processes for assessing financial and operational impacts;
- Aligning time horizons with industry best practice advice (e.g. NZGBC Construction and Property Sector Climate Scenarios);
- Further integrating climate considerations into our general risk framework.

Recognising the inherent uncertainty in climate risk assessments, Precinct monitors emerging tools and methodologies to improve understanding of risk scope, timing, and impact.

Climate risks, both physical and transitional, 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 Precinct's Climate Risk Register inform targeted CAPEX across new developments¹ and existing assets.

¹ As well as the approach described above, for new development projects, Precinct also conducts granular, site-specific Climate Adaptation Plans through third-party engineering and consulting teams, in line with NZGBC climate adaptation credit criteria, to identify and assess bespoke climate-related risks. These findings are embedded within the risk management tracking for each individual development project.

Our approach to reviewing climate-related risks

The following process outlines Precinct's approach to conducting annual reviews of climate-related risks. This 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.

Process	Description
Review risks of climate change in line with the Intergovernmental Panel on Climate Change (IPCC) reporting framework	Physical risks¹: Pluvial Flooding, Temperature Extremes, Coastal inundation (including sea-level rise), Drought, Wildfire, Tropical Cyclone, Water Stress and Fluvial Flooding Transition risks: Carbon Pricing, Litigation / Regulation, Technology, Reputation and Market
Physical and Transition Risk Time Horizon	Short Term: present – 2030 Medium Term: 2031 - 2050 Long Term: 2051 - 2100
Asset Value Determination	Based on individual asset lifecycle: • ≤ 60 years: Property value • > 60 years: Land value Note: Committed developments are assessed on the basis of estimated value on completion. Residential developments are excluded on the basis that they are developed for sale and will not be owned long-term.
Precinct's portfolio assessment methodology	S&P Global Climamomics and GRESB reporting to assess specific risks across Precinct's portfolio against industry specific benchmark (NZGBC's Climate Scenarios for the Construction and Property Sector released in 2023).
Where significant risks are identified as 'high' or 'extreme'	If risks indicate a 'high' or 'extreme' value loss according to Precinct's internal materiality assessment, further granular investigation is undertaken against the risk. This activity serves to more accurately quantify potential costs and impact. An example of this for the FY25 reporting period, Precinct engaged with external specialists, engineering consultants, Mott MacDonald to review the draft FY25 transition risk assessment which included a focus group, workshops and industry research of transition risk and opportunities across Precinct's portfolio specific to New Zealand. Where appropriate, the outcome of this review is integrated into the transition risks section of our climate impacts table.
Quantify physical and transitional risks identified	Further assessment and modelling is undertaken to quantify potential costs and impact. As above, Precinct completed a risk assessment in FY25 which reviewed the risk severity arising from Transition impacts. Precinct is continuing to refine the quantification of risks as we work towards disclosures for FY26.
Mitigate and adapt to future risks through transition planning	Integrate key actions identified from material risks into Precinct's core business strategy.

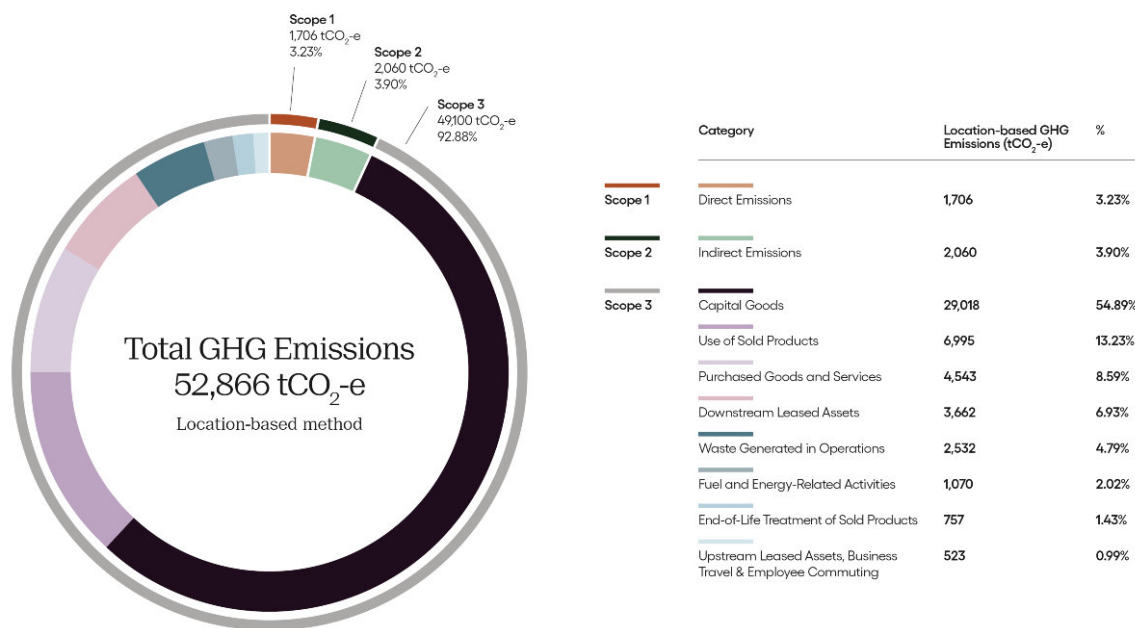
¹ Note, we have disclosed only the material impacts to our assets. As such, only the physical risks of Pluvial Flooding, Temperature Extremes, Coastal Inundation and Tropical Cyclones have been disclosed.

Metrics and Targets

Metrics and Targets

Our FY25 Carbon Emissions

Precinct is committed to transparently tracking our emission reduction efforts with a focus of reducing our overall carbon footprint in line with the GHG Protocol and ISO 14064-1:2018. Below is a snapshot of our 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 our value chain). In addition, we have included a detailed breakdown of these figures against FY23 and FY24.



Precinct's GHG emissions Scope and Category (GHG Protocol)		ISO 14064-1:2018 Equivalent	Metric tonnes of carbon dioxide equivalent (t CO ₂ -e)			
			FY25	FY24	FY23	FY17
Scope 1	Category 1: Stationary Combustion (Natural Gas)	Category 1	1,680	2,390	1,517	2,488
	Category 1: Stationary Combustion (Diesel)	Category 1	18	3	1	-
	Category 1: Leakage of Refrigerants (Refrigerants)	Category 1	9	3	33	-
Scope 2	Category 2: Imported Electricity (location-based method) ¹	Category 2	2,060	1,388	1,376	1,808
	Category 2: Imported Electricity (market-based method) ¹	Category 2	0	14	0	-
Total Scope 1 & 2 Emissions (location-based method)			3,767	3,785	2,927	

¹ 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 Meridian. Market-based method was not an available calculation method in FY17 therefore the emissions reported for Scope 2 in FY17 are only reported under Location-based method.

Our FY25 Carbon Emissions - Continued

Precinct's GHG emissions Scope and Category (GHG Protocol)		ISO 14064-1:2018 Equivalent	Metric tonnes of carbon dioxide equivalent (t CO ₂ -e)			
			FY25	FY24	FY23	FY17
Scope 3¹	Category 1: Purchased Goods & Services - Potable Water Supply	Category 4	19	10	7	10
	Category 1: Purchased Goods & Services - Other ^{2 3}	Category 4	4,520	4,156	-	-
	Category 2: Embodied Carbon from New Developments ²	Category 4	29,006	12,974	-	-
	Category 2: Embodied Carbon - Other	Category 4	12	-	-	-
	Category 3: T&D Losses from Electricity & Gas	Category 4	210	193	212	-
	Category 3: Electricity & Gas WTT	Category 4	860	-	-	-
	Category 5: Operational Waste	Category 4	1,598	909	728	-
	Category 5: Construction & Demolition Waste ²	Category 4	934	582	-	-
	Category 6: Business Travel	Category 3	127	179	229	-
	Category 7: Employee Commute	Category 3	84	96	186	-
	Category 8: Upstream Leased Assets ³	Category 4	319	263	13	-
	Category 11: Use of Sold Products ³	Category 5	7,209	-	-	-
	Category 12: End-of-Life Treatment of Sold Products	Category 5	757	-	-	-
	Category 13: Downstream Leased Assets ³	Category 5	3,774	1,802	2,410	-
Total Scope 1, 2 & 3 Emissions (market- based method)			51,135	23,576	5,335	4,306

1 Precinct has elected to disclose FY25 Scope 3 emissions in categories where data was previously unavailable or not relevant in FY23 and FY24 (see Category 2: Embodied Carbon - Other, Category 3: Electricity & Gas WTT, Category 11: Use of Sold Products and Category 12: End-of-Life Treatment of Sold Products). Category 2: Embodied Carbon from New Developments has led to a significant increase in 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.

2 Not reported in FY23 based on lack of available datasets.

3 Market-based method emissions have been applied and affect the calculation of these categories as well as Scope 2.

Scope 3 - Category 2: Embodied Carbon from New Developments

Below are development projects completed during the period (FY25) by Precinct in Category 2: Embodied Carbon from New Developments. Each project has been assured by Toitū with A1-A5 emissions offset with high quality offset units to international standards. Further detail on Precinct's approach to offsets can be found in [this section](#).

For each project, we assess the construction related project emissions against a standardised baseline, as set out in the table below:

Project	Year Completed	Kg CO ₂ -e / m ²	¹ Reduction over Baseline
BECA House - new build	FY25	937	13%
Bowen House - refurbishment	FY25	159	74%
30 Mahuhu Crescent - refurbishment	FY25	58	95%

1 The 95% reduction in embodied carbon for the refurbishment of 30 Mahuhu Crescent is based on the expected average value outlined by LETI, as referenced in the As Built carbon assessment provided by BECA. This significant reduction reflects the nature of the project being a refurbishment rather than a new build, which inherently results in lower embodied carbon compared to the baseline benchmark. The BECA House and Bowen House reduction over baseline benchmark is from a BAU (business as usual) reference case from the Green Star life cycle assessment. Note: While the above projects' lifecycle assessment emissions data has been audited as part of Precinct's full value chain emissions reporting to GHG Protocol and ISO 14064-1:2018 standards, BECA House and Bowen House are not yet certified Green Star As Built at the time of this climate statement.

Metrics and Targets

Commentary of Changes

Scope 3 emissions make up the bulk of Precinct's GHG inventory (93%). Our overall Scope 3 emissions have increased by 134% in FY25 compared to FY24. Approximately 15% of this is attributable to the inclusion of new categories of emissions this year, however most of the increase is from our Scope 3 Category 2 emissions, reflecting the completion of 3 building projects in FY25 ([detailed above](#)). Our material Scope 1 emissions have decreased significantly, though much of this is the result of changes to reporting (data reliability increased, and some emissions shifted to Scope 3), Scope 2 has increased by 48.4% due to an increase in the number of buildings within the investment portfolio and an increase in the emissions intensity of the grid.

The table below sets out an analysis of trends evident across our FY24 and FY25 emissions, including commentary on any changes to scope or approach to particular categories and an explanation of significant changes (+/- 30%) in emissions for categories deemed to be material to Precinct's overall inventory.

Scope (GHG Protocol)	Category (GHG Protocol)	Deviation from FY24 to FY25	Material to Precinct's Inventory (over 3% of total emissions)	Explanation
Scope 1	Category 1: Stationary Combustion (Natural Gas)	Decrease of 29.7%	Yes, 3.18%	During FY24, Precinct's national gas provider changed from Vector-on-gas to Genesis. Estimated bills contributed to fluctuating monthly data reconciled in 2-3 month increments with actual reads. During the current period, reporting was more reliable for the full year under one contract. In addition, natural gas consumption for the FY24 period was attributed to Scope 1 where it should have been applied to Scope 3 'Downstream Leased Assets' for Commercial Bay Retail. This has been amended for the FY25 inventory.
Scope 1	Category 1: Stationary Combustion (Diesel)	Increase of 500%	No, 0.03%	Immaterial to Precinct's inventory as 0.03% of total emissions
Scope 1	Category 1: Leakage of Refrigerants (Refrigerants)	Increase of 200%	No, 0.02%	Immaterial to Precinct's inventory as 0.02% of total emissions
Scope 2	Category 2: Imported Electricity (location-based method)	Increase of 48.4%	Yes, 3.90%	Two additional wholly electrified assets became operational during the reporting period (BECA House and Bowen House). In addition, during FY25, the electricity grid factors increased by 38.7% (sourced from the Ministry for the Environment) due to brown energy sources contributing to a higher percentage of electricity generation.
Scope 3	Category 1: Purchased Goods & Services - Potable Water Supply	Increase of 90%	No, 0.04%	Immaterial to Precinct's inventory as 0.04% of total emissions
Scope 3	Category 1: Purchased Goods & Services - Other	Increase of 8.9%	Yes, 8.56%	Immaterial as the increase is below the change threshold.

Scope (GHG Protocol)	Category (GHG Protocol)	Deviation from FY24 to FY25	Material to Precinct's Inventory (over 3% of total emissions)	Explanation
Scope 3	Category 2: Embodied Carbon from New Developments	Increase of 123.6%	Yes, 54.87%	3 buildings (1 x new development, 2 x refurbishments) completed during the period compared to 2 buildings (1 x new development, 1 x refurbishment) in FY24. In terms of floor area, this represents an increase of 63% however other factors, including scope of the refurbishment activities compared to new build scope also influence the volume of upfront carbon. Please see Scope 3 - Category 2: Embodied Carbon from New Developments for details on emissions intensity (kg CO ₂ -e/m ²) against industry benchmarks.
Scope 3	Category 2: Embodied Carbon - Other	New category	No, 0.02%	An analysis of the embodied carbon of materials used in the construction of the Auckland CBD Civic Christmas Tree, first erected in December 2024.
Scope 3	Category 5: Operational Waste	Increase of 75.8%	Yes, 3.02%	In FY25, the emissions factor for one waste stream was updated from 'General Waste' to 'Office Waste' for landfill. This change aligns with industry best practice and reflects a 287% increase in the emissions factor applied to the landfill stream. All other waste streams reported remain unaffected by this change.
Scope 3	Category 5: Construction & Demolition Waste	Increase of 60.5%	No, 1.77%	Immaterial to Precinct's inventory as 1.77% of total emissions
Scope 3	Category 11: Use of Sold Products	New category	Yes, 13.23%	Increased reporting scope to include projected energy use of 40 and 44 Bowen Street assets sold during period.
Scope 3	Category 12: End-of-Life Treatment of Sold Products	New category	No, 1.43%	Increased reporting scope to include end-of-life impacts of 40 and 44 Bowen Street assets sold during period.
Scope 3	Category 13: Downstream Leased Assets	Increase of 103.2%	Yes, 6.93%	Natural gas consumption for the FY24 period was attributed to Scope 1 where it should have been applied to Scope 3 'Downstream Leased Assets' for Commercial Bay Retail. This has been amended for the FY25 inventory.

Metrics and Targets

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.

Toitū's assurance report was finalised using assurance standard NZ SAE 1: Assurance Engagements over Greenhouse Gas Emissions Disclosure which can be found in [Appendix 3](#) of this report.

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: [Toitu member - Precinct Properties New Zealand Limited](#).

Consolidation Approach

We utilise the 'operational control' approach (where emissions are included if the organisation has authority over operations) to consolidating emissions as defined by The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, 2004 (GHG Protocol). 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

Precinct have excluded the following Scope 3 Emissions Categories as immaterial or not relevant to business operations during the reporting period:

- Category 4: Upstream Transportation and Distribution (immaterial);
- 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 the Global Warming Potential Rates

A calculation methodology has been used for quantifying the emissions inventory based on the following calculation approach, unless otherwise stated below: Emissions = activity data x emissions factor

The source of emissions factors used include:

- Ministry for the Environment, 2025. Measuring emissions: A guide for organisations: 2025 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)
- Turner et al., 2015, Greenhouse gas emission factors for recycling of source-segregated waste materials. (AR4)
- One Click, 2025. LCA Generic Construction Database (AR5)
- BRANZ, 2023. CO2NSTRUCT 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 2025 (AR5)
- BraveTrace, 2025, Annual Production Year Report 2025. (AR5)

Organisational Boundaries for Emissions Reporting

PPNZ and PPIL are listed companies on the NZX who share the same Board of Directors and whose 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.

PPIL owns Precinct’s operating businesses, including Generator / Precinct Flex, Precinct Properties 1 Queen Street Limited (which owns the Intercontinental Hotel at 1 Queen Street), Commercial Bay Hospitality, Precinct Properties Residential Holdings Limited and the management company, Precinct Properties Management Limited (**PPML**). Under the terms of a management agreement, PPML has been contracted to manage all of the PPNZ property assets as well as the properties owned by the relevant Limited Partnerships.

Precinct's Organisational Boundary for emissions included in our reporting:

We have included 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

Precinct's Organisational Boundary for emissions excluded from our reporting:

We have excluded emissions associated with Precinct's activities where Precinct is the:

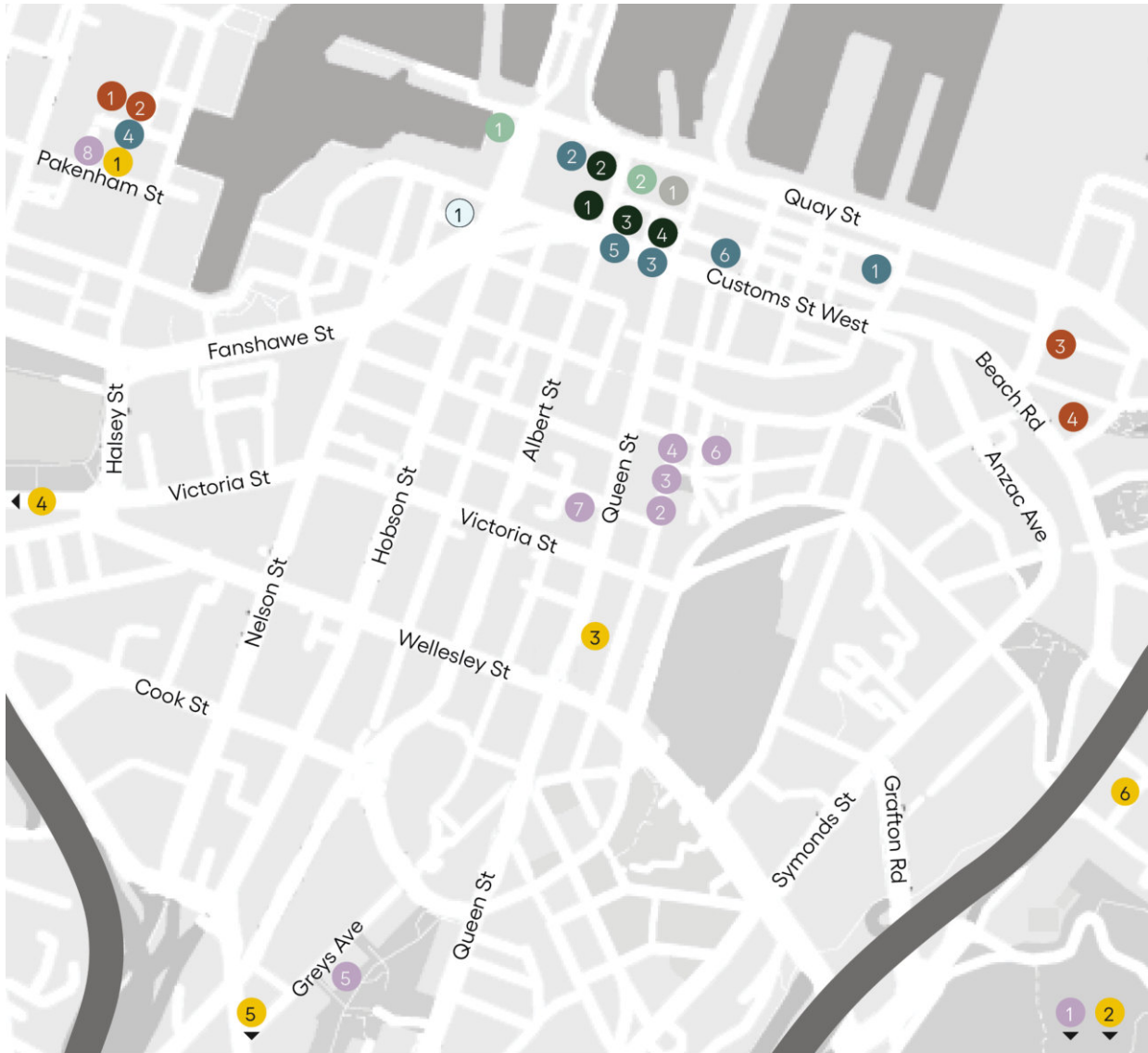
- Financier of Residential projects not owned by Precinct

Precinct has elected to exclude emissions associated with a one-off mezzanine loan from its Scope 3 Category 15 (Investments) inventory.

The decision is based on guidance from the GHG Protocol Corporate Standard and ISO 14064-1:2018, which allow organisations to apply materiality thresholds and exclude immaterial financial exposures from quantification. The loan in question does not involve equity, is non-recurring, and relates to a build-to-sell asset over which Precinct has no operational or financial control. Including emissions from this arrangement would misrepresent Precinct’s emissions profile and reduce comparability across reporting periods. A qualitative disclosure has been included to ensure transparency and alignment with best practice.

Metrics and Targets

Auckland sites within our organisational boundary



Precinct Owned (100%)

Commerical Office

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

Retail

- 1 204 Quay Street
- 2 Commercial Bay

Mixed Use

- 1 Deloitte Centre

Hotel Tenancy

- 1 InterContinental

Hospitality Venue

- 1 Ghost Donkey
- 1 Poni

Co-working Tenancy

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

Co-working Tenancy

- 5 PwC Suites
- 6 Stan Ex

Carpark

- 1 Viaduct Carpark

Partially Owned

Commerical Office

- 1 12 Madden St
- 2 10 Madden St
- 3 30 Mahuhu Cres
- 4 8 Tangihua St

External Ownership

Commerical Office

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

- 5 80 Greys Ave
- 6 Chancery Chambers
- 7 Landmark House
- 8 Mason Bros

Development

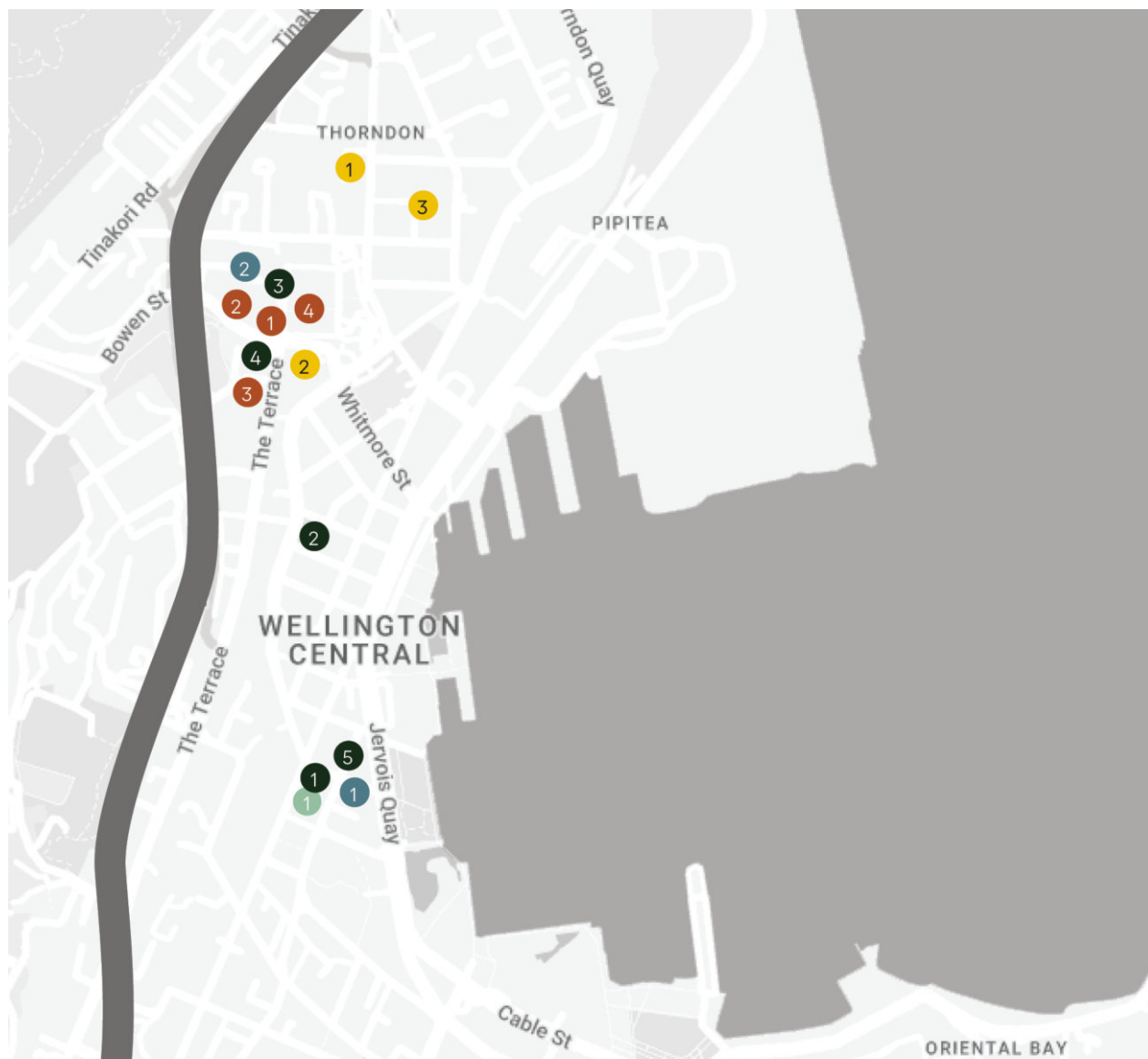
Commerical Office

- 1 Wynyard Stage 3
- 2 Fabric Stage 2

Residential

- 3 256 Queen Street
- 4 99 College Hill
- 5 Dominion & Valley
- 6 22 Stanley Street

Wellington sites within our organisational boundary



Precinct Owned (100%)

Commerical Office

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

Co-working Tenancy

- 1 30 Waring Taylor
- 2 40 Bowen St

Retail

- 1 Willis Lane

Partially Owned

Commerical Office

- 1 40 Bowen St
- 2 44 Bowen St
- 3 Mayfair House
- 4 Charles Fergusson

Development

Commerical Office

- 1 61 Molesworth St
- 2 Bowen House
- 3 Freyberg Building

Metrics and Targets

Targets

Precinct has elected to set targets that align with those supported by leading sector organisations, the WGBC and the NZGBC, and provides transparent reporting on our climate-related performance. Details of our approach as well as the definition of these targets in detail can be found on our [website](#).

During FY22, Precinct began progressing towards, and in early FY23 formally adopted, the WGBC's Net Zero Carbon Buildings Commitment for 2030. We have relied on WGBC's advice at that time that this Commitment aligns with a 1.5 degree trajectory. As a result we believe the Commitment is the most effective way to support the property industry's goal of limiting global warming. The Commitment is designed for the real estate sector, focusing on reducing operational energy use and upfront carbon emissions, areas that represent over 90% of our portfolio's environmental impact, as confirmed through our GHG emissions reporting. This approach also reflects the whole lifecycle impact of buildings and supports New Zealand's transition to a low-carbon economy. Included within our Targets table are key elements of this Net Zero Commitment, including our progress in achieving Green Star and NABERSNZ ratings coverage, which serve as measurable indicators of our decarbonisation efforts. Precinct's climate-related targets are summarised in the table below.

Target	Commitment Description	Target Type	Interim Target	Time Horizon	Industry Body	Performance against target FY25	Performance against target FY24
Net Zero Emissions Target ¹	To achieve net zero operational ² GHG emissions for all buildings under direct operational control by 2030	Absolute reduction target – 2017 baseline year	NA	2030	WGBC Net Zero Buildings Commitment	Net Zero Emissions (Absolute) Toitū Net Carbon Zero certified organisation since FY19 ³	Net Zero Emissions (Absolute) Toitū Net Carbon Zero certified organisation since FY19 ³
Green Star Target ⁴	>60% of the portfolio by value expected to achieve a minimum 5 star 'NZ Excellence' As-Built rating	Absolute target	NA	2030	NZGBC	49%	45%
NABERSNZ Target ⁵	100% of the portfolio expected to achieve a minimum 4 star NABERSNZ Base Building rating	Absolute target	NA	2030	NZGBC	60%	54%
Homestar Target ⁶	>60% of the portfolio by value expected to achieve a minimum 6 star Homestar rating	Absolute target	NA	2030	NZGBC	60%	NA Established in FY25

1 In addition to our WGBC Net Zero Buildings Commitment referenced above, during the reporting period Precinct continued to work towards having a separate Net Zero target prepared for review by the SBTi.

2 Please see the [WGBC website](#) for a full explanation of the [WGBC Net Zero Buildings commitment](#).

3 The Toitū Net Carbon Zero Emissions certification covers Precinct's operational emissions as defined by Toitū, which, together with the definition of 'mandatory boundaries' for measurement and offsetting are located on [Toitū's website](#). See below description in the [Offset Units](#) section.

4 Since January 2022, conditional requirements have been introduced for all projects pursuing a Green Star rating to demonstrate a minimum reduction in upfront carbon emissions, minimum efficiency levels for anticipated operational energy use and ecological protection. The achievement of a Green Star rating for projects registered from January 2022 implies the achievement of a minimum reduction in upfront carbon emissions, minimum energy efficient design and ecological protection as defined by the Green Star Design & As-Built New Zealand v1.1 & v1.1.1 standards.

5 NABERSNZ Energy Base Building ratings range from 0 to 6 stars. These benchmarks are tailored to each building and take into account various factors, including the percentage of leased space, building use types, and hours of operation, which can vary from year to year and building to building. Based on this, an absolute target has been set for portfolio coverage to ensure consistency when reporting this target annually. This target is applied to directly owned assets.

6 Homestar is New Zealand's leading sustainability certification for residential buildings, with ratings ranging from 6 to 10 stars. Ratings reflect achievement across a wide range of environmentally sustainable design initiatives, including energy efficiency, water conservation, climate adaptation, indoor health and comfort, and reduced environmental impact.

Offset units

Our commitment to the WGBC Net Zero Buildings Commitment by 2030 reflects our focus on achieving our prescriptive targets as well as retaining our Net Carbon Zero operational footprint through to 2030. To achieve these objectives, Precinct voluntarily purchases and retires verified offset units to account for all residual Scope 1, Scope 2, and select Scope 3 emissions as defined by Toitū, which, together with the definition of 'mandatory boundaries' for measurement and offsetting are located on [Toitū's website](#). In addition to this boundary, Precinct voluntarily purchases and retires offset units for upfront carbon emissions from new developments and major refurbishments in line with our WGBC commitment. This is undertaken in accordance with the Toitū Net Carbon Zero certification and the WGBC Net Zero Buildings Commitment, with offset categories aligned to the mandatory boundaries defined within these frameworks.

High quality offset units are purchased by Precinct directly and retired through Toitū to ensure independent verification on the selection of the units. In assessing eligible offset units voluntarily procured directly by organisations, Toitū only accept projects based on their robust three-level approach to due diligence. This due diligence approach was taken in relation to Precinct's direct purchase of offset units applied to the FY25 certification. Further details related to this eligibility criteria can be found [here](#). For previous cycles, Precinct has purchased offset units directly through Toitū. The offset type, volume and project details applied to each certification year through this programme are documented publicly on [Toitū's website](#).



Metrics and Targets

Other Climate-related metrics

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

Metric	Description	FY25	FY24
GHG Emissions Intensity	Emissions intensity of Precinct's Net Carbon Zero reporting boundary assured by Toitū, assessed across Scope 1 and 2 emissions against revenue. The decrease from FY24 to FY25 was due to a significant reduction in reported Scope 1 emissions due to effective on-charging of natural gas this financial year compared to last, particularly in the Commercial Bay Retail asset. This reduction was achieved despite an increase in grid electricity emissions due to increased fossil fuel electricity generation over the period resulting in increased Scope 2 emissions intensity under a location-based method.	14.15 tCO ₂ -e/\$m Scope 1+2/ revenue	15.26 tCO ₂ -e/\$m Scope 1+2/ revenue
GHG Emissions Intensity	Emissions intensity of Precinct's Net Carbon Zero reporting boundary assured by Toitū against Net Lettable Area (NLA) in kg CO₂-e / m². NLA is a measure of the floor space within an asset available for lease to a tenant. The decrease from FY24 to FY25 was mainly due to the changes mentioned above for Scope 1 and 2. However there were some other minor changes in emissions in Scope 3 of the mandatory programme boundary namely a reduction in the impact of business travel and increase in emissions associated with waste to landfill due to a more reasonable and conservative selection of emission factor this reporting period.	7.72 kgCO ₂ -e/m ² programme boundary/NLA	13.69 kgCO ₂ -e/m ² programme boundary/NLA
Transition Risks	Percentage of Precinct assets vulnerable due to anticipated impact of climate-related transition risks on market, technology, reputation, carbon price and regulation. The major changes from FY24 to FY25 are reductions in risk associated with the Hot House scenario and a general reduction in long-term risks. This is due to changes in our methodology assessing transition risks with external specialists and to reflect the economic life cycle of assets, typically spanning 50 to 60 years. After this point the asset value reverts to land-value. This is detailed in: Our approach to reviewing climate-related risks	Refer to Transition risk impacts in Strategy section of this report	Refer to Transition risk impacts in Strategy section of the FY24 report
Physical Risks	Percentage of Precinct assets vulnerable due to temperature extremes, cyclone, pluvial flooding and coastal inundation (including sea-level rise). The decrease in long-term risks from FY24 to FY25 is due to changes in our methodology to reflect the economic life cycle of assets, typically spanning 50 to 60 years. After this point the asset value reverts to land-value. This is detailed in: Our approach to reviewing climate-related risks	Refer to Physical risk impacts in the Strategy section of this report	Refer to Physical risk impacts in the Strategy section of the FY24 report

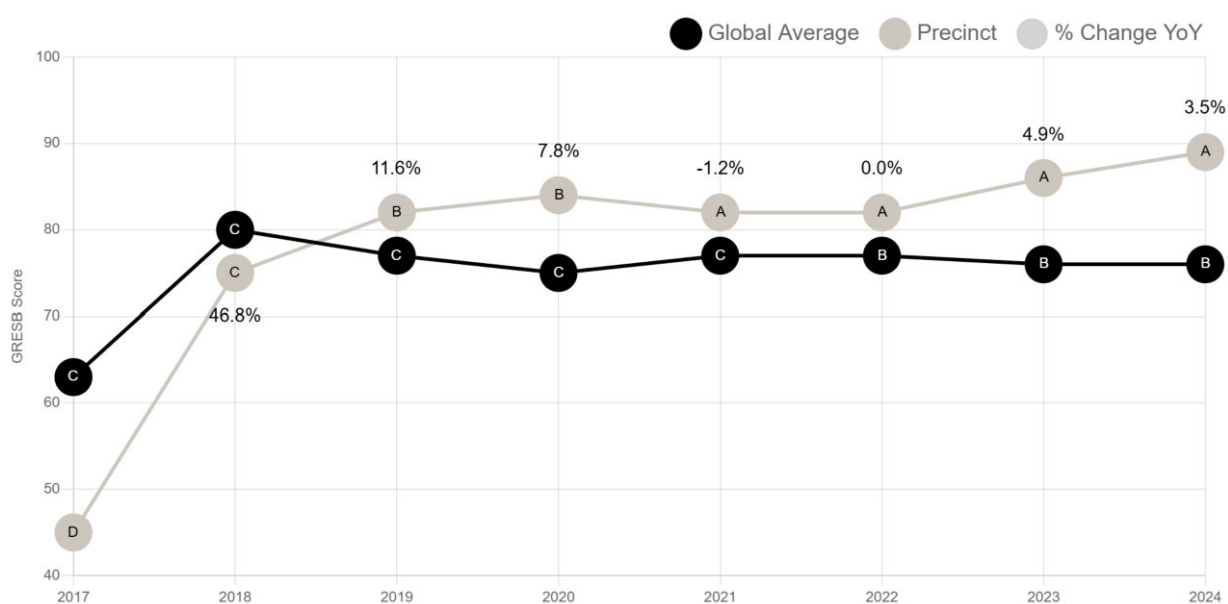
Metric	Description	FY25	FY24
Climate-related Opportunities	Green Star: >60% of the eligible portfolio by value expected to achieve a minimum 5-star 'NZ Excellence' As-Built rating by 2030 NABERSNZ: 100% of the directly owned and eligible portfolio expected to achieve a minimum 4 star NABERSNZ Base Building rating by 2030 Homestar: >60% of the eligible portfolio by value expected to achieve a minimum 6 star Homestar rating by 2030 Precinct considers that properties with these ratings are aligned with its identified market and technology climate-related opportunities, namely pursuing industry leading initiatives that appeal to proactive and sustainability-focused clients and investors and developing energy-efficient, low-carbon assets. The increase from FY24 to FY25 is due in part to the inclusion of Precinct's share of capital partnership assets into the calculation methodology, which provides a more complete assessment of ratings achieved across Precincts property investments. The movement also reflects changes in ratings for No.1 The Terrace and AON Centre Auckland.	49% 60% 60% Refer to physical and transition opportunity impacts in the Strategy section of this report	45% 54% NA Established in FY25 Refer to physical and transition opportunity impacts in the Strategy section of the FY24 report
Capital Deployment	Corporate reporting and professional services spend related to Climate related risks and opportunities. Management of activities across the existing operational portfolio related to climate-related risks and opportunities. Gross capital investment across development projects deployed toward Green buildings. This includes 256 Queen Street, Downtown Car Park, Freyberg Building, 61 Molesworth Street and other development properties. In FY25, the reduction in spend on Green buildings reflects a lower level of capital deployed to construction activities compared to the previous financial year. 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.	\$447k \$102k \$139.2m	\$282k \$314k \$178.3m
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.	\$40/tCO ₂ -e	\$40/tCO ₂ -e
Remuneration	In FY24, executive and senior management STI objectives included ESG criteria weighted at 25%, though not specifically tied to climate-related risks and opportunities. Following an annual review in FY25, the Precinct Board reassessed its approach and identified the need to shift from broad ESG targets to more targeted climate-related metrics. As a result, while FY25 remuneration did not directly reflect these metrics, the People and Performance Committee has approved a revised STI structure for FY26 that explicitly incorporates climate-related risks and opportunities.		

Metrics and Targets

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

KPI / Industry Metrics	Description	FY25	FY24
Climate risk screening for all new acquisitions	Precinct undertakes due diligence screening of new site acquisitions to understand current and anticipated climate-related risks. From FY25, 100% of new acquisitions completed early stage due diligence as part of the transaction process. The increase from FY24 to FY25 was based on formal analysis of physical and transitional climate risks initiated during FY24 and adopted in full from FY25.	100% of sites (by acquisition value) acquired in FY25 subject to climate risk screening	45% of sites (by acquisition value) acquired in FY24 subject to climate risk screening
Climate adaptation plans for development projects	Inclusion of an early stage Climate Adaptation Plan to guide new development and refurbishment projects to incorporate physical climate risk mitigation at the early design stage through to project completion. 0% is reported for FY25 as BECA House, Bowen House and 30 Mahuhu Crescent did not conduct early stage Climate Adaptation Plans at the beginning of project commencement. 100% of development projects that have commenced from FY25 incorporate a site specific Climate Adaptation Plan as part of project delivery.	0% of development and refurbishment projects by value (completed during FY25)	73% of development and refurbishment projects by value (completed during FY24)
Proportion of existing assets subject to Climate Risk Screening	Precinct undertakes annual climate screening via portfolio analysis of climate-related physical and transitional risks. This screening takes into account asset location, value and addresses at least three climate scenarios relevant to Precinct. From FY24, 100% of existing assets held in part or wholly by Precinct on completion subject to annual Climate Risk Screening.	100% of existing assets during FY25	100% of existing assets during FY24

KPI / Industry Metrics	Description	FY25	FY24
Global Real Estate Sustainability Benchmark (GRESB) Score	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 Precinct completes an annual submission to GRESB regarding its sustainability practices, which includes responses to questions regarding our climate adaptation measures. In the 2024 and 2025 surveys, GRESB included questions related to an entities climate reporting and Precinct view participation in this as an effective tool for peer review and industry benchmarking of climate reporting. Precinct aims to achieve a GRESB Score in the top quartile (25%) of participants. In FY25, 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 FY24 to FY25 was based on improvements in third party rating coverage during operation (Green Star Performance) and coverage of Scope 3 datasets.	89/100 5 star	86/100 4 star



Appendices

Appendix 1

In preparing these Climate-Related Disclosures, Precinct has engaged the following specialist advisers:

Service Provider	Description of Services
Toitū Envirocare	Auditor for Carbon Inventory in accordance with ISO 14064-3 and NZ SAE 1: Assurance Engagements over Greenhouse Gas Emissions Disclosure for FY25
Mott MacDonald	Transition Risk review for the Auckland and Wellington commercial and retail portfolio (as described in the Risk Management section of this statement)
Climanomics	Climanomics by S&P Global is a risk analytics platform that calculates the financial impact of climate risk on physical assets or real estate investments and aggregates up to the portfolio level. Analysis spans across eight decades for four emissions scenarios. Precinct upload all properties within this platform for ongoing reviews against the latest climate data. To support our scenario analysis, we selected the S&P Global Climanomics® platform due to its alignment with regulatory expectations, scientific robustness, and financial relevance. Climanomics enables structured, forward-looking assessments of climate-related risks and opportunities, consistent with the TCFD framework and NZ CS 1–3. It uses CMIP6 climate models, NASA’s NEX-GDDP downscaled projections, and peer-reviewed science to model 9 physical hazards (e.g. extreme heat, flooding, cyclones). Outputs are provided in both absolute and relative financial terms across four emissions scenarios and eight decades, allowing us to quantify risk at the asset and portfolio level. We chose Climanomics because it: • Aligns with global SSPs and NZGBC scenario guidance • Provides credible, investor-grade financial risk outputs • Supports site-specific adaptation planning • Allows offline adjustment for local mitigation measures (e.g. flood barriers), ensuring disclosures reflect realistic risk exposure This approach ensures our scenario analysis is both scientifically grounded and decision-useful, while meeting NZ CS requirements for transparency and audit readiness.
Chapman Tripp	Review of Precinct’s 2025 CRD including compliance against NZ Climate Standard CS 1 (excluding GHG disclosures).
EY	Pre-assessment of FY24 and FY25 Climate Related Disclosures.

Appendix 2

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 into framing the narratives related to nature 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 decarbonization 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 Salekin1*, Yvette L. Dickinson1 , Mark Bloomberg2 and Dean F. Meason1 - SpringerLink
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Appendix 3



INDEPENDENT ASSURANCE REPORT Toitū Verification and Validation To The Shareholders of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited

Conclusion

EMISSIONS - REASONABLE ASSURANCE

We have obtained all the information and explanations we have required. In our opinion, the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty in the climate statements, in all material respects:

- + comply with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB); and
- + provide a true and fair view of the climate statements of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited for the year ended 30 June 2025.

EMISSIONS - LIMITED ASSURANCE

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty defined in the climate statements:

- + do not comply with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB); and
- + do not provide a true and fair view of the climate statements of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited for the year ended 30 June 2025.

EMISSIONS - LIMITED ASSURANCE VALIDATION

Based on our examination of the validation evidence, nothing comes to our attention which causes us to believe that reported assumptions do not provide a reasonable basis for forecast emissions and are not fairly presented. Further, in our conclusion:

- + the forecast is properly prepared on the basis of the assumptions and in accordance with Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB)

Actual future emissions are likely to be different from the forecast as the estimates are based on assumptions that may change in the future, and since anticipated events frequently do not occur as expected and the variation may be material.

Basis of verification opinion

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



Appendix 3

Scope of the assurance engagement

We have undertaken a verification engagement relating to gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty on the climate statements as indicated in the table below for the financial year ended 30 June 2025. Additionally, our assurance engagement does not extend to targets, emissions reduction progress or GHG liabilities, of which details may be referenced within the table below. The scope of emissions and level of assurance are disclosed below.

Precinct Properties's climate statements provide information about the greenhouse gas emissions of the organisation for the defined measurement period and is based on historical information. This information is stated in accordance with the requirements of Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

DOCUMENT	ASSURANCE SCOPE INCLUDED (PAGES)	EXCLUDED - NO ASSURANCE (PAGES)
Climate statements	38-39 (excluding 'Scope 3 - Category 2: Embodied Carbon from new developments'), 42-45, 60-65	1-37, 39('Scope 3 - Category 2: Embodied Carbon from new developments'), 40-41, 46-54, 66-70
Annual report		1 - 141

Key matters

Key matters are those matters that, in our professional judgement, were of most significance in our assurance engagement of the GHG disclosures. These matters were addressed in the context of our assurance engagement and in forming our opinion. We do not provide a separate conclusion on these matters.

KEY MATTER	HOW KEY MATTERS HAVE BEEN ADDRESSED
CAPITAL GOODS (EMBODIED CARBON EMISSIONS FOR BUILDINGS) Carbon emissions embodied (covering more than 50% of total inventory emission) as part of a construction project are calculated based on the "as built" design calculated by a consultant. The estimate is based on a complex model taking into account life cycle assessments, various inputs and building elements based on the New Zealand Green Building Council (NZGBC) framework. Changes in assumptions, inputs and emission factors can lead to significant changes in emissions.	Audit procedures performed: + Assessed the reliability and competency of the consultants used by management. + Engaged the use of an engineer and infrastructure project manager expert to: + Obtain an understanding of the methodology and assumptions used in the model; + Evaluate the assumptions used in model for reasonableness; + Confirm compliance with latest best practice guidance from NZGBC, MBIE and BRANZ; + Review the appropriateness of the LCA tool used; + Review the inclusion of the required elements (activity data) of the project by performing sampling on the inputs into the LCA tool; + Confirm the emissions factors applied in the model with related guidance and standards; + Reperform the calculations for accuracy. + Site inspection to confirm the existence of the embodied emissions. + Reviewed the disclosure of assumptions, estimations, and uncertainty within the climate statements.

Other matters

Other matters that have not been disclosed in the GHG disclosures, that in our judgement are relevant to the intended users:

COMPARATIVE INFORMATION

+ The comparative GHG disclosures (that is GHG disclosures for the periods ended 30 June 2017, 2023 and 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 conclusion.

+ The comparative periods 30 June 2017, 2023 and 2024 have been assured in prior periods in a separate Toitū Envirocare assurance engagement in accordance with ISO 14064-3: 2019 issued by International Organization for Standardization.

Responsible Party's Responsibilities

Precinct Properties New Zealand Limited and Precinct Properties Investments Limited is responsible for the preparation of the GHG disclosure in accordance with Aotearoa New Zealand Climate Standards (NZ CSs) - issued by External Reporting Board (XRB) and GHG Protocol. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of a GHG disclosure that is free from material misstatement, whether due to fraud or error.

INHERENT UNCERTAINTY

As disclosed on page 60, Appendix 4 - "Greenhouse Gas Emissions - Methods, Assumptions and Estimation Uncertainty", 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.

Responsibilities of verifiers and validators

Our responsibility as verifiers is to express a verification opinion to the agreed level of assurance on the inventory report, based on the evidence we have obtained and in accordance with the audit criteria. We conducted our verification engagement as agreed in the pre-audit engagement letter, which defines the scope, objectives, criteria and level of assurance of the verification.

Our responsibility as validators is to express an opinion on the forecast based on our validation. We conduct our validation in accordance with the ISO specification with guidance for the verification and validation of greenhouse gas statements, i.e. ISO 14064-3. This International Standard requires that we plan and perform the validation to reach a conclusion as to whether the forecast in the GHG statement is based on reasonable assumptions.

The International Standard ISO 14064-3:2019 requires that we comply with ethical requirements and plan and perform the validation and verification to obtain the agreed level of assurance that the GHG emissions are free from material misstatements. We are not permitted to prepare the GHG statement as this would compromise our independence.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the ISO 14064-3:2019 Standards will always detect a material misstatement when it exists. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

Existence of relationships

Toitū has also provided other services to the responsible party in relation to Climate Impact certification programme membership only and the cancelling of carbon credits (see details <https://www.toitu.co.nz>). Subject to certain restrictions, our employees may also deal with the responsible party on normal terms within the ordinary course of trading activities. These matters have not impaired our independence as verifier of the responsible party. Toitū has no other relationship with, or interest in, the responsible party.

Independence and quality management standards applied

This assurance engagement was undertaken in accordance with NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures issued by the External Reporting Board (XRB). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

- + ISO 14065: 2020 – General principles and requirements for bodies validating and verifying environmental information;
- + ISO 14066: 2023 – Greenhouse gases — Competence requirements for teams validating and verifying environmental information;
- + ISO 17029: 2019 – Conformity assessment — General principles and requirements for validation and verification bodies;
- + IAF MD4:2023 - For the Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes;
- + Joint Accreditation System of Australia and New Zealand Accreditation Requirements



Verification strategy

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:

- + activities to inspect the completeness of the climate statements and emissions;
- + interviews of site personnel to confirm operational behaviour and standard operating procedures;
- + audit procedures as described in key matters;
- + tracing emission factors to supporting publications and documents;
- + reconciliation and sampling of electricity and natural gas reports and invoices to confirm accuracy of source data into calculation;
- + reconciliation of construction waste reports to confirm accuracy of source data into calculation;
- + detailed retracing of purchased good and service emissions.

The data examined during the verification were historical in nature.

Verification and Validation level of assurance

GHG PROTOCOL CATEGORIES

GHG SCOPE	LOCATION BASED tCO ₂ e	MARKET BASED tCO ₂ e	LEVEL OF ASSURANCE
Scope 1	1,706	1,706	Reasonable
Scope 2	2,060	0	Reasonable
Scope 3	49,100	49,429	Limited
TOTAL INVENTORY	52,866	51,135	

ISO CATEGORY	LOCATION BASED tCO ₂ e	MARKET BASED tCO ₂ e	LEVEL OF ASSURANCE
Category 1	1,706	1,706	Reasonable
Category 2	2,060	0	Reasonable
Category 3	211	211	Limited
Category 4	37,475	37,477	Limited
Category 5	11,414	11,740	Limited
Category 6	0	0	Limited
TOTAL INVENTORY	52,866	51,135	

Validation strategy

Our validation procedures assessed the :

- + GHG boundary;
- + activity estimates;
- + calculation methodologies and measurements;
- + conservativeness of assumptions and estimates;
- + calculation outcomes including extrapolation of data;
- + future estimates and assumptions;
- + uncertainties;
- + retracing data to supporting documentation;
- + sensitivity of the forecast to the assumptions.

The data examined during the validation were projected in nature.

Responsible party's greenhouse gas assertion (claim)

Precinct Properties New Zealand Limited and Precinct Properties Investments Limited including Generator/Precinct Flex, Intercontinental Hotel, Poni, Ghost Donkey and excluding Development Assets has measured its greenhouse gas emissions in accordance with GHG Protocol in respect of the operational emissions of organisation.

Other information

The responsible party has a duty for the provision of Other Information. The Other Information may include climate statements around governance, strategy and risk management, emissions management, liabilities, targets, reduction plans and full annual report but does not include the information we verified, and our auditor's opinion thereon.

We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. Our responsibility is to read and review the Other Information, and consider whether the Other Information is materially inconsistent with the information we verified or our knowledge obtained during the verification.



	VERIFIED BY	INDEPENDENT REVIEWER	ENGAGEMENT LEADER
Name:	Ying Zhao	Billy Ziemann	Osana Robertson
Position:	Verifier, Toitū Envirocare	Independent reviewer	Toitū Envirocare
Signature:			

Date verification
audit: 28- 29 August 2025

Date opinion expressed: 28 October 2025
Location: Wellington



Appendix 4

Greenhouse Gas Emissions - Methods, Assumptions and Estimation Uncertainty

All categories below have been audited in FY25 to a Reasonable (Scope 1 & 2) or Limited (Scope 3) level indicating a strong and robust approach to full value chain reporting. 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.

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. Meaning we have prioritised data directly from supplier or through detailed consultant calculations. Through this process Precinct has achieved the following percentages breakdown of all Scope 3 emissions calculated:

- 61% using data from suppliers or other value chain partners (external from Precinct)
- 39% 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. Adjustments made to figures to cover full year (adjusted down or up depending on invoice coverage).	✓✓✓	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, remainder calculated using total NZD spent per good	Calculations based on assessment of transactions over period. Transactions above \$500,000 (representing 95% of transactions by value) are selected for detailed assessment 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. Where possible direct spend is replaced by Scope 1 & 2 supplier specific impacts (accounting for 3% of spend) with a conservative percentage of coverage of their organisation impacts.	✓	Supplier specific emissions are reasonable quality where available. However, for the remainder 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 kLs 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.
	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. Adjustments made to figures to cover full year (adjusted down or up depending on invoice coverage).	✓ ✓	High quality data with low margin for error for most properties. Some properties require significant coverage adjustment reducing data quality. High quality emission factors available.

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 2 Embodied Carbon from New Developments	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.	✓ ✓	Medium 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.
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 5 Waste Generated from Operations	Auckland Waste	Supplier Data - Actual usage (rubbish direct)	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

Appendix 4

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 5 Waste Generated from Operations	Wellington and Leased Site Waste	Estimated usage using internal methodology, where the actual usage from Auckland 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 (95% 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.
	Construction waste	Supplier Data - Actual Usage	Data in kg per waste stream received from contractor and directly applied to emission factors.	✓ ✓	High quality data as direct from development site contractors. High quality emission factors available for waste to landfill, low quality emission factors available for recycling introducing significant 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. Remainder spend based calculations sourced high quality data from internal finance team. Inherently calculations applying spend-based factors are significantly uncertain and limited in specificity.

GHG Protocol Category	Activity Data	Data Source	Calculation Methodology	Data Quality	Data Quality Assessment Rationale including limitations and uncertainty
Scope 3 Cat 7 Employee Commute	Employee Commute	Calculated using internal methodology, based off 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	Remaining Life Cycle Energy Consumption of Assets Sold	Supplier Data - Actual Usage (NABERSNZ Energy reports)	Data estimated in kWhs and litres from third-party verified certifications (NABERSNZ reports) across remaining asset service life and applied directly to emission factors. A 60 year service has been assumed for all assets.	✓✓	High quality data due to the verification that goes into producing the NABERSNZ reports, but extrapolated out over the remaining service life of the asset at point of sale introducing significant estimation and limitations to the reliability of the anticipated emissions. 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 12 End-of-Life Treatment of Sold Products	End-of-Life Embodied Carbon of Assets Sold	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 "end-of-life" impacts which account for demolition/deconstruction of the asset, transport of material offsite, processing of waste, decomposition of waste. However where assets have not had this assessment undertaken an square metre rate figure based on other assessments is applied.	✓	Medium quality data from industry benchmarks and emissions factors accepted by NZGBC. Best practice approach for embodied carbon calculations used for development projects. However extrapolation to End-of-Life modelling requires significant estimation and introduces limitations to the reliability of the anticipated emissions.
Scope 3 Cat 13 Downstream Leased Assets	Tenant Electricity and Gas Usage	Supplier Data - Actual Usage	Data received in kWhs from utility provider. The tenant on-charged consumption removed in scope 1 and 2 calculations are applied directly to emission factors in this category.	✓✓✓	High quality data from supplier for recharges. High quality emission factors available.

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 tons of CO₂ equivalent: (Corporate Standard Chapter 9, Scope 3 Standard Chapter 11):

GHG Protocol Scope	ISO 140464 Category	Metric	CO ₂	CH ₄	N ₂ O	NF ₃	SF ₆	HFC	PFC
Scope 1	Category 1	tCO ₂ e	1,692	4	1	-	-	9	-
		kg	1,692,485	142	3	-	-	7	-
Scope 2	Category 2	tCO ₂ e	2,000	56	4	-	-	-	-
		kg	2,000,194	1,986	15	-	-	-	-
Scope 3	Category 3	tCO ₂ e	209	1	2	-	-	-	-
		kg	208,940	24	7	-	-	-	-
	Category 4	tCO ₂ e	35,752	1,632	91	-	-	-	-
		kg	35,752,091	58,287	342	-	-	-	-
	Category 5	tCO ₂ e	11,175	222	16	-	-	-	-
		kg	11,175,461	7,918	62	-	-	-	-
	Category 6	tCO ₂ e	-	-	-	-	-	-	-
		kg	-	-	-	-	-	-	-
	Total Scope 3 / Category 3-6	tCO ₂ e	47,136	1,854	109	-	-	-	-
		kg	47,136,492	66,229	411	-	-	-	-
Total all Scopes and Categories		tCO ₂ e	50,829	1,914	114	-	-	9	-
		kg	50,829,171	68,357	429	-	-	7	-

Anthropogenic Biogenic (CH₄ and N₂O) emissions

The only category recording biogenic CO₂-e emissions is ISO 14064-1:2018 Category 4: Indirect emissions from products used by organisation:

- 1,497.63 tCO₂-e

Appendix 4

Base Year Description (Corporate Standard Chapter 5 and 9, Scope 2 Guidance Chapter 7, Scope 3 Standard Chapter 11)

Discussion of the policy for base year recalculations and any significance threshold applied

The measurement period (1st July – 30th June) was selected to align to the financial reporting year beginning in Financial Year 2017 (FY17, 1st July 2016 – 30th June 2017).

For Scope 1 & 2, FY17 was chosen as the base year as it is the first year we had a robust set of data available across the portfolio. This was the year the portfolio was the most stabilised after a number of acquisitions and divestments and is therefore most relevant to provide an accurate comparison. Our Scope 1 & 2 reporting is expected to remain unchanged due to the targets for the portfolio being based on intensity rather than absolute reduction. A change or recalculation of this benchmark of the base year for Scope 1 & 2 may be made in future cycles due to an increase of alternative asset classes being introduced to the investment portfolio that represent a deviation in good performance per m² compared to office and retail assets currently assessed.

For Scope 3, the boundary was significantly adjusted during FY23, FY24 and again in FY25. This is due to the expanded reporting against current and additional categories in Scope 3 in line with the NZCS 1, 2 & 3 regime requiring full value chain reporting. In addition, where data was not available for the period, a methodology has been created to support and fill gaps in reporting previously unreported that leans to a more conservative figure (generally higher than actually anticipated). Due to this change in profile and coverage, a reliable baseline for Scope 3 has not yet been determined for the Portfolio, however further investigation on establishing an appropriate baseline will be completed during FY26 in line with the SBTi workstream to submit valid Scope 3 targets and our next full value chain emissions audit for FY26.

For the Toitū Net Carbon Zero certification, the base year was reset in FY19 (1st July 2018 – 30th June 2019) in line with an increase in reporting scope required for the certification to provide a more consistent year on year comparison for the certification going forward. In conjunction with the Scope 3 baseline investigation, this will be reviewed in FY26 to determine if a change to the base year will be effective for the certification going forward considering the quantity of additional voluntary emissions reported this certification period.

Emissions for the identified base year and current reporting year that are calculated in accordance with the entity's base year recalculation policy

- Scope 1 & 2 - no recalculations have been made for the FY17 base year used in reporting emissions performance
- Scope 3 - no baseline year has been set due to FY25 change in profile and coverage.

Emissions data for all years between the base year and the current reporting year calculated in accordance with the entity's base year recalculation policy

- Scope 1 & 2 - no recalculations have been made for the FY17 base year used in reporting emissions performance
- Scope 3 - no baseline year has been set due to FY25 change in profile and coverage.

The method used to calculate the base year's (FY17) Scope 2 emissions

All data was calculated using Toitū emanage and the organisations sourced emission factors. From FY20 this has been primarily calculated using GHG emissions factors as provided by the Programme based on The Ministry for the Environment's "Measuring Emissions: A Guide for Organisations" published in 2020. A 'location based' calculation methodology has been used for quantifying the GHG emissions inventory using emissions source activity data multiplied by GHG emissions or removal factors.

If Scope 3 emissions are included for the base year, disclose Scope 3 emissions by category in the base year

- Scope 3 - no baseline year has been set due to FY25 change in profile and coverage, however Scope 3 categories reported during the base year have been disclosed.

Appendix 5

Key Board and Management engagements on climate-related risks and opportunities in the reporting year FY25 were as follows:

Date	Governance Body	Relevant Content to CRD
27 August 2024	ESG Committee Meeting (out of cycle)	Legal liability presentation from Chapman Tripp Review of Greenhouse Gas assurance by Toitū Envirocare (FY24 CRD)
20 September 2024	ESG Committee Meeting (out of cycle)	Review Director feedback associated with draft Climate-Related Disclosures ESG Committee endorse approval of the Climate-Related Disclosure Statement to ARC (FY24 CRD)
20 September 2024	ARC (out of cycle)	ARC recommend approval of the Climate-Related Disclosure Statements to the Board (FY24 CRD)
17 October 2024	Board Meeting (out of cycle)	Board approval of Climate-Related Disclosure Statements (FY24 CRD)
14 November 2024	ESG Committee Meeting	Review Precinct's Climate Risk Register Review Sustainability Reporting Review FY24 Climate-Related Disclosure Statements, process and feedback
15 November 2024	Board Meeting	Update to Board from ESG Committee
6 May 2025	ESG Committee Meeting	Review and recommend endorsement of FY25 CRD preparation process to ARC
7 May 2025	ARC Meeting	Endorse and recommend approval of FY25 CRD preparation process
7 May 2025	Board Meeting	Approval of FY25 CRD preparation process
25 August 2025	ESG Committee Meeting	Presentation from Chapman Tripp Review of draft Climate-Related Disclosures (FY25 CRD)
23 September 2025	Joint ESG and ARC Meeting (out of cycle)	Review of Greenhouse Gas assurance by Toitū Envirocare (FY25 CRD) Presentation from EY Review of draft Climate-Related Disclosures (FY25 CRD)

Glossary

\$ and cents

New Zealand currency

Balance date

30 June 2025

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.

Climanomics

A climate risk analytics platform by S&P Global used to assess and quantify the financial impact of climate risks on assets and portfolios.

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 meter 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 meter 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.

GHG

Greenhouse Gas

GHG Protocol

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

Greenhushing

The practice of deliberately downplaying or withholding information about an organisation's environmental goals or achievements to avoid scrutiny or criticism.

Green Star

Green Star is a voluntary sustainability rating system for buildings, fitouts 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

Global Real Estate Sustainability Benchmark; an internationally recognised ESG benchmark for real assets.

Investment Portfolio

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

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.

NZGBC

New Zealand Green Building Council

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

SBTi

Science-Based Targets initiative

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.

SSPs

Shared Socioeconomic Pathways

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 Crown Research Institute, Manaaki Whenua – Landcare Research.

Upfront carbon emissions

Upfront carbon emissions refer to the GHG emissions 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.

Directory

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Precinct Executive Team

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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 2025

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

Manager

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