

2024

Sustainability Report

Precinct™





Sustainability Report



On behalf of the ESG Committee, we present Precinct’s Sustainability Report for the financial year ended 30 June 2024. It has been prepared in accordance with the GRI Standards for sustainability reporting.

As a business, we continue to identify and reduce our material impacts across ESG aspects of Precinct’s operations.

Nicola Greer, Independent Director and Chair of Precinct ESG Committee

The following section provides an overview of sustainability at Precinct, including our impacts on people and planet and how we are managing these while focused on future performance. With the future in mind, during the year, we have been building on Precinct’s interim climate-related disclosures published in 2023 to meet the Aotearoa New Zealand Climate Standards (NZ CS1, 2 and 3 requirements).

We look forward to sharing Precinct’s 2024 climate-related disclosures later in the year. These will be available at [Precinct’s website](https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/) in October 2024 as well as alongside our peers on the public registry located here: <https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/>.

In FY24, a number of sustainability initiatives have been undertaken, these include:

- Achieving an increased Global Real Estate Sustainability Benchmark (GRESB) survey score in 2023 of 86/100 (global average: 75);
- Being one of the first real estate companies in New Zealand to commit to company-wide emission reductions in line with the Science Based Targets initiative;
- Continuing to certify the energy performance of our buildings through NABERSNZ and using this benchmark to progress Precinct’s capital expenditure plan to support our Net Zero 2030 commitments;
- Enrolling and certifying all eligible assets within our Portfolio to Green Star Performance;
- Verifying and disclosing our carbon emissions across our investment portfolio and business activities through Toitū net carbonzero certification with validation across FY23 covering Scope 1 & 2 as well as broadening our Scope 3 emissions;
- Being the first New Zealand based real estate company to enrol our Portfolio in the WELL at Scale program and achieving the first WELL Equity rating in Oceania for a real estate company corporate office;
- Continuing to partner with our electricity supplier, Meridian Energy, to supply RE100 compliant Renewable Energy Certificates for 100% of electricity purchased across the portfolio;
- Progressing workstreams related to our Climate Related Disclosure risks and opportunities; and
- Submitting voluntary first year reporting as signatory to the World Green Building Council (WGBC) Net Zero Carbon Buildings Commitment.

As Precinct executes on our sustainability strategy, we remain focused on working in partnership with our people and partners to progress our shared ESG commitments including positive social procurement and environmental outcomes.

Nicola Greer,
Independent Director and Chair of the ESG Committee

Sustainability Report

Sustainability highlights

86/100

GRESB score

22,614

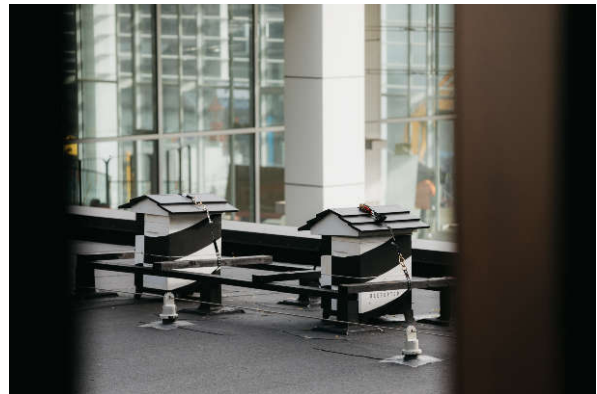
MWh renewable energy certificates purchased

399,200

Total sqm of WELL at Scale enrolled spaces

13

Commercial Office Buildings with a 4 star, 5 star or 6 star Green Star Built rating










\$1.9 b

Eligible assets which meet the criteria as per the Green Asset table in this report.

We commend Precinct Properties for its leadership on equity and are thrilled to have them join the growing WELL at scale community.

Rachel Hodgdon, President and CEO, IWBI

Performance - Ratings and Benchmarks

Participation in	Overview	Target	Current performance
	The overarching measure Precinct have chosen to use as its core ESG indices performance benchmark is the Global Real Estate Sustainability Benchmark (GRESB). It is considered the global standard for ESG benchmarking and reporting for real estate entities.	Achieve >4 star rating or achieve over 85/100 points	86 (global average 75) Public disclosure level A (global average B)
	The Net Zero Carbon Buildings Commitment is developed to recognise and promote advanced climate leadership action from businesses, organisations, cities and subnational governments in decarbonising the built environment, to inspire others to take similar action and remove barriers to implementation.	Achieving net zero carbon emissions for all buildings under our direct operational control by 2030	Voluntary reporting completed and disclosed in 2023 Mandatory reporting period in 2024
	Green Star is an internationally-recognised rating system for the sustainable design, construction and operation of buildings, fitout and communities.	Portfolio: >60% 5 Star (NZ Excellence) Development: 5 Star Design and As-Built rating (Excellence)	Portfolio: 45% Development: 100% Note: Excludes assets held by third parties and includes targeted ratings
	NABERSNZ is a ratings scheme to measure and rate the energy performance of office buildings in New Zealand.	Portfolio: 100% of portfolio +4 star by 2030 (Excellence) Development: All Development +5 star	Portfolio: 54% Development: 100% Note: Excludes assets held by third parties and includes targeted ratings
	Morgan Stanley Capital International (MSCI) ESG Rating aims to measure a company's resilience to long-term, financially relevant ESG risk.	Target A or better	A (on a scale of AAA-CCC) 2023: A 2022: BBB
	WELL at Scale is administered by the International WELL Building Institute (IWBI) and provides a prescriptive measure of health and wellbeing initiatives benchmarked and progressed at a Portfolio level.	>40 points by 2025	2023: 36 points
	Toitū carbonzero certifies Precinct is a carbon neutral organisation in accordance with internationally recognised ISO 14064-1:2006 standards. Toitū use the ISO 14064-1:2018 standard, which aligns with the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition).	Carbonzero certification	Achieved 2020-2023: Achieved Note: Precinct discloses annual Scope 1, 2 and 3 greenhouse gas emissions within its annual report.

Sustainability Report

Precinct's material topics

Precinct's material topics¹

1. Precinct's material topics remain unchanged since 2022. Following a desktop review of Precinct's significant impacts on people and planet, the material topics presented above were revalidated internally this year and meet the requirements of the GRI Standards. The analysis considered a wide array of information sources, including the opinion of our key stakeholders. We continue to monitor those topics under Precinct's reporting threshold, in particular biodiversity loss in relation to depletion of natural resources.

Our impact

We recognise and acknowledge the impact our operations have on the environment. This understanding guides and influences our future activities to minimise our environmental footprint.

Our future focus

We acknowledge our role in shaping the communities we operate in. Through our activities and long-term commitments, we work towards achieving sustainable outcomes and making a positive impact.

Our values

Our core values drive our commitment to sustainability and business success. We prioritise connecting people and creating positive experiences, ensuring that our actions align with these values to foster a sustainable and thriving environment.

How we determine our material topics

1. Review our sustainability context

Recognise our value chain and consider: the full range of activities associated with our business model; the various relationships we have with businesses, government agencies, NGOs, communities, cultural groups and workers; the economic, environmental and societal challenges related to our sector and locations of operation; and, the domestic and international standards and the intergovernmental instruments linked to our sector.

2. Identify actual and potential impacts on the economy, environment and people

Actual and potential impacts are identified in several ways: through intermittent informal discussions, group meetings and surveys with relevant stakeholder groups; through our own internal assessments of our activities; with guidance from sector-based impact reports, standards and articles; and, through engagement with subject matter experts.

3. Assess the significance of impacts

Using information obtained in step 2, the relative significance is determined by evaluating the gravity of the impact (the scale), how widespread it is (the scope), and how hard it is to counteract the harm (irremediable character). This process is typically facilitated by an independent sustainability consultant.

4. Prioritise the most significant impacts for reporting

Based on mostly qualitative analysis, numeric values are used to rank the relative significance of impacts, which are grouped into topics. A reporting threshold is set by considering the needs of information users and other stakeholders.

Our approach

Material topic	How Precinct impacts people and planet	How we are responding to our impacts on people and planet	Knowledge for future success
Climate change	<ul style="list-style-type: none"> Contributes to climate change through embodied carbon (CO₂ emissions from developing a building) and operational carbon (CO₂ emissions from running a building). 	<ul style="list-style-type: none"> WGBC Net Zero Carbon Buildings Commitment including 100% of the directly owned Portfolio targeting a minimum 4 star NABERSNZ Certified Rating. Centering the reduction of carbon as part of our sustainable design strategy. Offsetting carbon through high quality verified offset units. Matching our annual electricity consumption with certified 100% renewable energy generated by Meridian Energy. 	<ul style="list-style-type: none"> Valuing engagement to influence and align with climate-related solutions Partnering with NZGBC and PCNZ to promote and lead industry-wide practices. Leading industry first research studies into mitigating our embodied carbon and operational carbon impacts
Partnerships and community wellbeing and vitality	<ul style="list-style-type: none"> Helps to create desirable conditions for community and business interaction. Contributes to city-centre cultural vibrancy. Strengthens city-centre communities. 	<ul style="list-style-type: none"> Maintaining and developing high-quality space supporting initiatives that facilitate community, wellbeing and vitality. Supporting community projects through sponsorships, financial and in-kind donations. Partnering with Mana Whenua, local and central government, and council-controlled organisations. 	<ul style="list-style-type: none"> Formalising our commitment through our first Social Value policy Continually seek feedback from our stakeholders. Proactive communication and engagement.
Depletion of natural resources and contribution to waste	<ul style="list-style-type: none"> Procurement of non-renewable raw materials and finished goods via local and international supply chains. Disposing of materials and goods to landfill. 	<ul style="list-style-type: none"> Evaluating procurement against sustainability-related criteria. Developing waste management infrastructure and systems that increase material recycling and re-use. Reuse of existing structure for new development projects, where feasible. 	<ul style="list-style-type: none"> Extending knowledge and learnings from the projects we have undertaken to improve our waste management strategy Progress Portfolio wide waste management strategies to leverage partnerships
Economic activity and opportunity	<ul style="list-style-type: none"> Contribution to GDP, employment in the labour market and contracting services 	<ul style="list-style-type: none"> Fostering and maintaining good governance and ethical business practices. Sustainable financing. Sustainable Procurement Framework. 	<ul style="list-style-type: none"> Leverage Precinct's market position and build our in-house capability. Progressing our memberships with diverse supplier directories including Amotai
Client, worker and staff wellbeing	<ul style="list-style-type: none"> Contributes to health, safety and wellbeing of people by providing positive social outcomes 	<ul style="list-style-type: none"> Becoming the first real estate organisation in NZ to enrol in WELL at Scale to benchmark and improve social impact Achieving the first WELL Equity rating for a real estate Corporate office in Oceania Providing modern and high-quality physical spaces that support and improve people's wellness, health and safety. Fostering diversity through policies, procurement and hiring practices. 	<ul style="list-style-type: none"> Enhance client satisfaction and core operations provided by Precinct.

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Carbon emissions - our Greenhouse Gas inventory

GHG Emissions

Precinct's GHG emissions have been measured since 2017 using an 'operational control' approach to consolidating emissions. The source of the emissions factors used in our measurements at the time of this report (FY23) include:

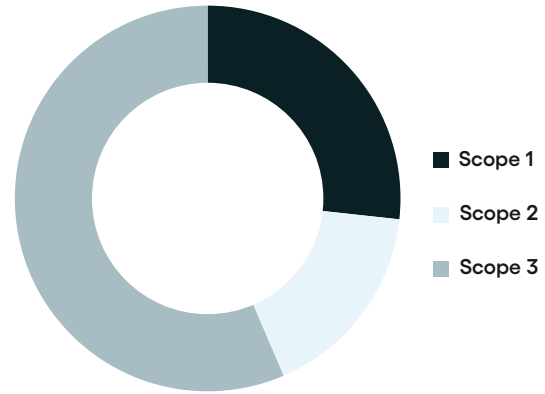
- The Ministry for the Environment's Detailed Guide to Measuring Emissions
- ISO 14064-1:2006 Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)

Sources of emissions excluded from our GHG emissions profile include:

- Scope items less than 1% of total footprint have been excluded in line with reporting protocols
- Scope items which are not under Precinct's direct operational control during the reporting period i.e. GHG emissions from development projects

Precinct is a reporting entity in line with the Aotearoa New Zealand Climate Standards and this requires full value chain reporting across Scope 1, 2 and 3 emissions for FY24 data (with exemptions). Precinct will publish this data within our Climate Statement in October 2024.

Total operating carbon emissions¹



¹ Total carbon emissions for FY23 totalled 6,711 tCO₂e (FY22 totalled 4,197 tCO₂). Emissions data has been verified by [Toitū Envirocare](#) to ISO 14064-1:2018 requirements and has been verified through audit in accordance with ISO 14064-3:2019. The figures presented reflects data up to FY23 due to the timing of the annual Toitū audit process and excludes development assets. In preparation of full value chain Scope 3 emissions required from FY24, Precinct included select additional categories within the FY23 inventory. Whilst emissions have risen since FY22, these are attributed to a rise in indirect emissions from Scope 3 and an increase in transparency of a broader inventory of this category.

Total carbon emission intensity - office portfolio¹

Office Portfolio Emission Intensity	Emissions (kgCO ₂ e)/sqm							Variance (change%)	
	FY23	FY22	FY21	FY20	FY19	FY18	FY17 (base)	to FY21	to base year
Scope 1	5.9	6.1	9.1	8.9	10.1	8.8	10.4	(3.3)	(43.3)
Scope 2	3.0	7.0	6.5	6.4	6.7	6.9	7.5	(57.1)	(60.0)
Scope 3	6.8	1.2	1.5	1.8	1.9	0.1	0	466.7	N/A
Total	15.8	14.3	17.1	17.2	18.6	15.7	17.9	(16.4)	(20.1)

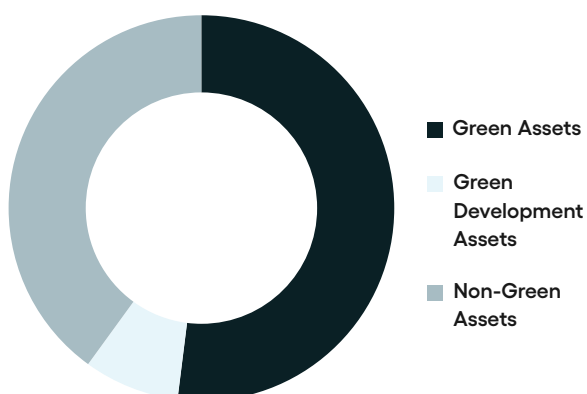
¹ Carbon emission intensity data excludes buildings that were under development or were transacted during the year.

Climate change

Toitū net carbonzero certification

Since 2020, Precinct has achieved Toitū net carbonzero certification. Precinct meets the requirements of Toitū net carbonzero® certification having measured its greenhouse gas emissions in accordance with ISO 14064-1:2018. Toitū net carbonzero certification is accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ). This provides assurance that our certification meets international best practice. Precinct continues to offset its unavoidable emissions from our operations by buying high-impact carbon credits from Gold Standard certified international projects.

Green assets¹



¹ Green assets defined as per sustainable debt framework; as targeting or certified a minimum 5-Star Green Star Built Rating or 4-Star NABERSNZ Rating.

Embodied carbon

Precinct continues to assess and report on embodied carbon from the development of a new building and the operational carbon emitted from building usage. Adaptive reuse projects remain a key strategy and this approach continues to deliver impressive results from an embodied carbon and cost saving perspective. During the reporting period, 1 Queen Street achieved an impressive 67% reduction against 'business as usual' for embodied carbon resulting in 264 kgCO₂eq/m².

In line with Green Star Design and As Built criteria, Precinct targets 5-Star Green Star Design and As Built rating for all new projects. As embodied carbon performance is a key aspect to this rating system, our holistic commitment to Green Star as a metric reflects our commitment to reducing the embodied carbon footprint of our development pipeline.

As part of this process, a life cycle assessment (LCA) is undertaken as early in the project as possible to determine areas of influence that will support the project team to reduce embodied carbon emissions for each new development project. Then on completion, Precinct voluntarily purchases Toitū endorsed units to offset the impact in line with our Net Zero 2030 commitment. An LCA is conducted by third party consultants, demonstrating independence in relation to this practice and best practice ahead of an industry endorsed benchmark. We utilise an internal carbon price to drive innovation by our project teams to ensure we're keeping discussions related to carbon front and centre at the right stage of project delivery.

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Operational excellence at PwC Tower

In addition to obtaining a 5 Star 'NZ Excellence' Green Star Design & As-Built rating post completion in 2021, PwC Tower has also demonstrated exceptional performance by achieving a 5 Star NABERSNZ Energy Efficiency rating in operation in 2023.

The transition from design excellence to operational success is a significant achievement.

Maintaining performance during operation requires effective management and continuous improvement. Precinct's property and facilities management team has demonstrated exceptional commitment through:

- **Ongoing building tuning:** The ongoing building tuning at the Commercial Bay Precinct involves working closely with contractors and consultants to optimise the building systems. This process ensures that systems operate at their highest efficiency levels and utilise the various operating profiles offered to fine-tune the performance of the building.
- **Continuous monitoring and improvement:** The use of advanced metering and monitoring systems enables the management team to identify and address inefficiencies promptly.
- **Sustainability initiatives:** Ongoing efforts to engage occupants and promote sustainable practices have contributed to the building's operational performance, particularly through the success of the Commercial Bay Club.

In addition, PwC Tower incorporates several advanced building systems that contribute to its high performance and sustainability including highly efficient HVAC systems, energy and water management including water metering and electrical sub-metering, predicted GHG emissions and high efficiency LED lighting with controls. Precinct also voluntarily procures RE100 compliant renewable energy certificates (RECs).

Undertaking
planned
preventative
maintenance is
supporting and
enhancing the
efficiency of
our buildings.

Paul Singleton
National Operations Manager



Partnerships and community wellbeing and vitality

Creating communities

Community is at the heart of Precinct. The quality of Precinct’s interactions, relationships and spaces continue to drive the positive social value and contribution Precinct is making. Creating community takes the form of wellness spaces, client communication apps, partnerships, art shows, lobby events, fitness clubs, retailer activations and more. We want to create environments in which people and businesses can thrive.

Precinct’s client quarterly ESG data sharing

During the year, Precinct has continued to engage and collaborate with our people and partners. This includes launching Precinct’s client quarterly ESG data sharing initiative. As part of this initiative, Precinct has proactively shared transparent and informative ESG data to inform our Clients on the performance of the building they occupy. This data includes energy (electricity and gas) and water consumption, as well as waste generation rates for the building they occupy. To guide discussions on interpreting this data, Precinct led organised workshops with our clients to facilitate estimating their first NABERSNZ Tenancy ratings to benchmark energy performance. This programme reinforces Precinct’s commitment to supporting our clients on their sustainability efforts.

Inclusive Stakeholder Engagement

Precinct continues to engage regularly with all of our key stakeholders which includes our people and partners, clients and people using our spaces, contractors and service providers, community based organisations, shareholders, industry bodies and Government. Our engagement process includes regular meetings, surveys and consultations and updates to ensure stakeholders are well informed.

Precinct recognises the unique role of Māori as Tangata Whenua and embraces Te Tiriti o Waitangi recognising Māori as tino rangitiratanga of Aotearoa/New Zealand. This reflects the three guiding principles of the Treaty – partnership, participation and protection. We will endeavour to implement policies and practices that incorporate and value Māori cultural concepts, values and practices.

Social Investment

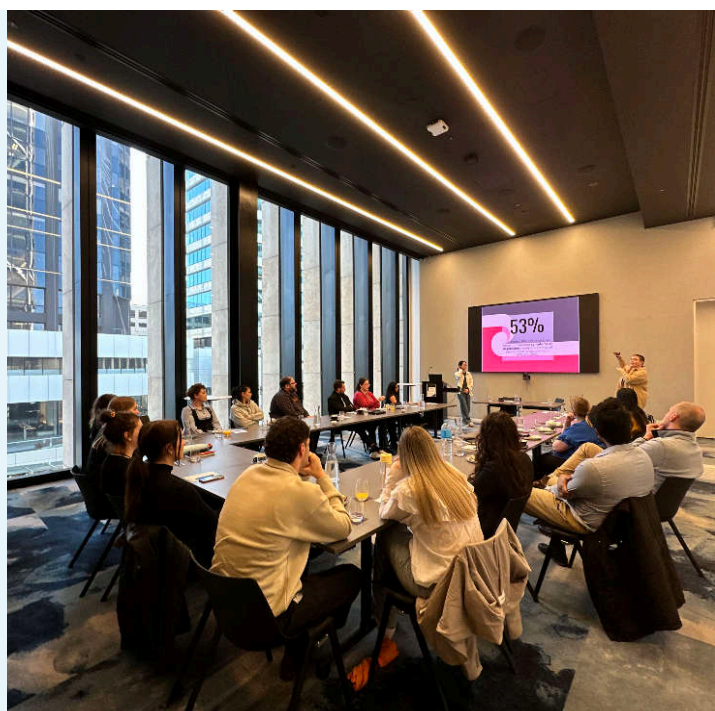
During the last 12 months, we have continued our social investments with donations to Mates in Construction, Keystone Trust and the Tania Dalton Foundation.

6,000+

Club memberships.

The Commercial Bay Club continues to have increased engagement in professional networks. This includes Sustainability Meetup which fosters client collaboration on sustainability initiatives and Rainbow Connect (members and allies of rainbow communities - pictured to the right).

The Club also prioritises social procurement and community engagement through partnering with a number of charities.



Sustainability Report

Depletion of natural resources and contribution to waste.

Precinct contributes to the depletion of natural resources and the accumulation of waste through its procurement and contracting practices, as well as in the management of waste infrastructure and systems. As a business that develops new buildings, undertakes significant refurbishments, and completes fit-outs within its portfolio, Precinct actively seeks opportunities to minimise waste production. This is achieved through design efficiency, maximising recycling and reuse of demolition, construction, and operational waste, and promoting on-site reuse of existing structures and non-landfill organic waste. Additionally, Precinct encourages occupier participation in both fit-outs and ongoing operations to further support waste reduction efforts.

Globally and in New Zealand, the construction sector remains a significant contributor to discarded waste to landfill and we acknowledge the contribution we are making to this through the development and operation of our own buildings. In exploring our full value chain of Scope 3 reporting, Precinct are including Construction & Demolition waste in our carbon inventory from FY24. This will allow our team to understand the full impact our construction activities have on the environment and benchmark to improve for future years.

We plan to report our Operational Waste Management plans and waste data through the New Zealand Green Building Council (NZGBC) Green Star Performance framework to ensure best practice standards are implemented during the operational phase of our assets. In addition, we commenced quarterly data sharing with our Clients during FY24 to encourage open discussions related to ESG metrics including operational waste. This decision has led to an increase in awareness with our Clients on their contribution to waste and how we can work together to improve performance in the long term.

Operational Waste Innovation at Commercial Bay

Following staged developments over the past 5 years, the Commercial Bay Precinct was finalised with One Queen Street achieving practical completion at the end of 2023.

A key sustainability element introduced during this final stage was establishing a best practice operational waste management plan to coordinate the thriving Commercial Bay retail centre, world class restaurants, new Intercontinental Hotel and premium office spaces from the one collection point.

The result of this masterplan is a space that supports Precinct in separating a minimum of 8 waste streams including food waste, co-mingled, paper/cardboard, glass, polystyrene, soft plastics, electronic waste, and general waste.



Economic activity and opportunity.

Disclosure of our financial performance can be found in the results overview section on page 19 and in Precinct's financial statements on pages 87 to 129. Disclosure on our ethical business practices, including our Code of Ethics and Financial Products Dealing Policy is reported in the corporate governance section of this report. Our Code of Ethics includes a whistle-blowing clause for reporting unethical or unlawful behaviour and the full code can be found on our [website](#), along with our Financial Product Dealing Policy and other key governance documents.

Sustainable Debt Programme

Precinct's Sustainable Debt Framework (the "Framework") can be found on Precinct's [website](#) and sets out the process by which Precinct intends to issue and manage Sustainable Debt on an ongoing basis to fund low carbon buildings within Precinct's property portfolio. Proceeds from the issuance of Green Bonds or Loans will be used wholly or in part to finance or refinance existing and/or planned Eligible assets. Eligible assets which meet the criteria as per the [Green Asset table](#) in this report.

Amotai Membership

Precinct acknowledge the importance of Mana Whenua of Māori and Pasifika peoples and centering their influence in key business operations. Key to this acknowledgement is economic activity and opportunity. Precinct are proud of our joint venture partnership with Ngāti Whātua Ōrākei alongside PAG for the Te Tōangaroa precinct and look forward to progressing our diverse supplier engagement through our recent Autere membership to the Amotai Directory.

Maintain best practice policies and culture of ethical business practice

Precinct constantly strives to act ethically and honestly in its business dealings and interactions. This is only possible when its people including directors, employees, contractors and consultants act in an ethical, fair and honest way. All of our employees have access to our code of ethics and when new employees join it forms part of their induction pack. Staff training is also delivered each year and includes ethics-related topics to promote awareness to the ethical practices in the Company and ensure a positive culture at Precinct. No ethics related issues were reported via any whistle-blowing channels during the last financial year.

Economic Contribution:

Job creation for the local economy
 Circa 150 FTE employees across Precinct, Generator and Commercial Bay Hospitality businesses

Construction person-hours
 1,250,000 contractor hours during FY24

Financial Contribution:

Occupancy and secure income stream
98%
 Target ≥98%

Dividend payout ratio to AFFO
101%
 Target long term sustainable returns to shareholders

MSCI rating
A
 Target A or better

FTSE EPRA Nareit Indexes
 Precinct is a constituent of the FTSE EPRA Nareit Global Real Estate Index and FTSE EPRA Nareit Green Indexes, which represent general trends in eligible real estate equities worldwide.

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Clients, workers and staff wellbeing.

Precinct contributes to the wellbeing of its clients, clients' workers and its own staff through the design of its buildings and management of its relationships with clients. Precinct also directly impacts the wellbeing of workers via procurement and contracting practices. Conducted every two years, our most recent independently run client satisfaction survey (undertaken in March 2023) results showed that overall satisfaction of working in a Precinct-owned and managed building is 91% (2021: 87%, target of ≥80%).

We are proud to be the first real estate company in Aotearoa New Zealand to enrol almost 400,000 square metres NLA in the WELL at Scale program. This program will support us in benchmarking and improving health and wellbeing outcomes across the majority of our assets to the benefit of our people, clients and community. In our first cycle of assessment we achieved the first WELL Equity rated corporate office for a real estate company in Oceania. This result means we are in line with the global standard for Equity in real estate, and that Precinct's policies and initiatives are leading the way for diversity and inclusion in the workplace. Achieving a diverse and highly inclusive workforce is a key part of the overall wellbeing for our people. Our approach to managing diversity is guided by our Diversity and Inclusion Policy available at www.precinct.co.nz.

Health and safety

Health and safety is a key topic component and one of Precinct's core corporate values. We are committed to complying with all relevant legislation, regulations and standards and work hard to exceed them. Our business actively embeds a positive health and safety culture. Precinct works collaboratively with our staff, contractors and stakeholders to implement market leading health and safety measures across all Precinct sites and offices.

In addition to regular external audits and monitoring by health and safety specialists Construct Health Limited, Precinct also regularly engages third-party reviews of its health and safety processes.

Precinct's Health and Safety Policy and more on key FY24 initiatives and performance can be found on the next page and on Precinct's [website](#)



Precinct worker engagement

Precinct's Health & Safety Committee comprises the Executive team, the Senior Health & Safety Adviser, General Counsel, Development Managers, Facilities Managers and includes representation from Generator and Intercontinental Hotel. The Committee meets once a month. We have expanded the participation and engagement of workers with the establishment of quarterly informal H&S catch-ups with all Precinct and Generator staff. These sessions have been very well received and have seen high levels of engagement with staff. Feedback received from staff in these sessions has resulted in our "Three Pillars" Health, Safety & Wellbeing strategy being continued for FY25.

Health and Safety

Benchmarking our performance

For the year ended 30 June 2024, Precinct recorded 5.15 for its health and safety TRIFR performance, compared to 8.25 in 2023. This is an improvement of 37.5%. In addition to improved site safety management, three development projects have been completed in FY24.

The TRIFR rate includes all recordable injuries/illnesses in the categories of: Medical Treatment Injury; Restricted Work Injury or Illness; and Lost Time Injury. Precinct has previously chosen to report its TRIFR against the Business Leaders' Health and Safety Forum Benchmarking initiative. However, this Forum has discontinued the TRIFR benchmarking as overseas evidence indicates that TRIFR is not a complete reflection of the state of safety within projects. Precinct will continue to focus on improving contractor engagement and reduce injury severity. We continue to engage with relevant industry bodies to develop meaningful benchmarking for safety.

A total of 81 independent inspections were undertaken across all development and stabilised portfolio sites by Construct Health. All development sites have a target rate of 95%. One Queen Street scored an average of 94.5% (FY23:97%); Bowen House 97% (FY23:97%), Wynyard Quarter 95% (FY23:96%) and 61 Molesworth Street 98% (FY23:98%). Any corrective actions identified in the audits were promptly rectified.

WorkSafe Notifications

Five incidents met the threshold of WorkSafe notifiable incidents. Each of these incidents was investigated in detail and corrective actions were developed and completed. In respect of all these incidents, WorkSafe did not consider it necessary to investigate further.

Incident monitoring and reporting

We recorded 294 health and safety incidents in the year compared to 433 reported in FY23. This is an approximately 32% decrease from the previous year. Much of this decrease can be attributed to the completion of three major development projects (1 Queen Street, 40 and 44 Bowen Street). Events reported include observations, near misses, first aid injuries, medical treatment injuries and lost time injuries. Recorded incidents also include security and property damage incidents. There were 18 (FY23:50) Lost time Injuries (5.6%), 26 (FY23:31) Medical Treatment injuries (10.9%) and 50 (FY:82) First Aid incidents (17%). A total of 40 (FY23:96) (13%) incidents occurred in our stabilised property portfolio (office portfolio) in Auckland and Wellington. Our development sites, which are managed by the Precinct-appointed main contractor recorded 124 (FY23:176) incidents (42%). Two new residential development projects have commenced, Domain and FABRIC 2. Precinct is working with contractors and the third party consultant to align residential development to Precinct's high H&S expectations on our commercial developments.

Commercial Bay Retail and Willis Lane accounted for 114 (39%) incidents. The majority of these incidents were security incidents 37 (32%), property damage 30 (26%) and observations 23 (20%). Commercial Bay had 11 Medical Treatment incidents (9.6%). The others are made up of minor incidents like near miss and first aid. Compared to last year, Commercial Bay Retail incidents have decreased by 25%. This can be attributed to some extent to the return of tourists and office workers to central Auckland, together with improved security measures. Precinct continues to work with our retail stakeholders to mitigate new risks and collaborates closely with authorities, our security provider and neighbouring precincts (Britomart and Viaduct Harbour) to provide a safe and enjoyable experience in Commercial Bay.

Generator, Precinct and Commercial Bay Hospitality venue staff recorded 16 (FY23:27) incidents during the year, an approximately 40% reduction.

GRI content index

Disclosures Title	GRI No.	Location/Reference or Information
Organisational details	2-1	Directory, P138; Precinct Today, P4-P7
Entities included in the organisation's sustainability reporting	2-2	Precinct Properties New Zealand Limited
Reporting period, frequency and contact point	2-3	Precinct reports on sustainability annually along with its financial reporting. This report covers the period 1 July 2023 – 30 June 2024. This report was published on 28 August 2024 . Questions about this report can be directed to: hello@precinct.co.nz
Restatements of information	2-4	None
External assurance	2-5	<p>External assurance is sought only for Precinct's GHG inventory on P74</p> <p>Toitu's assurance statement can be found here: https://www.toitu.co.nz/___data/assets/pdf_file/0004/229270/Disclosure_2223_Precinct-Properties-New-Zealand-Limited_Net-CZ_Org.pdf</p> <p>The ESG Committee is responsible for advising the Board on questions of assurance pertaining to sustainability-related information.</p>
Activities, value chain and other business relationships	2-6	Precinct Today, P4-P7, Capital partnerships P13 https://www.precinct.co.nz
Employees	2-7	Corporate Governance, P36-P37
Workers who are not employees	2-8	Information unavailable (not held).
Governance structure and composition	2-9	Corporate Governance, P35-P39
Nomination and selection of the highest governance body	2-10	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Chair of the highest governance body	2-11	Corporate Governance, P37
Role of the highest governance body in overseeing the management of impacts	2-12	Sustainability Report, P69, P73; Corporate Governance, P37 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Delegation of responsibility for impacts	2-13	Sustainability Report, P69, P73; Corporate Governance, P37 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Role of highest governance body in sustainability reporting	2-14	Sustainability Report, P69, P73; Corporate Governance, P37 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Conflicts of interest	2-15	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Communication of critical concerns	2-16	Corporate Governance, P39
Collective knowledge of the highest governance body	2-17	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Evaluation of the performance of the highest governance body	2-18	Corporate Governance, P39
Remuneration policies	2-19	Remuneration Report, P58
Process to determine remuneration	2-20	Remuneration Report, P58

Disclosures Title	GRI No.	Location/Reference or Information
Annual total compensation ratio	2-21	Remuneration Report, P63
Statement on sustainable development strategy	2-22	Chair's Report, P15
Policy commitments	2-23	Chair's Report, P15; Corporate Governance, P37; Modern Slavery Policy can be found at: https://www.precinct.co.nz
Embedding policy commitments	2-24	Corporate Governance, P39; PCT Corporate Governance Manual found at: https://www.precinct.co.nz
Processes to remediate negative impacts	2-25	Precinct's modern slavery policy, social value policy and supplier code of conduct can be found at: https://www.precinct.co.nz
Mechanisms for seeking advice and raising concerns	2-26	PCT Corporate Governance Manual (Whistle blower Policy) found at: https://www.precinct.co.nz
Compliance with laws and regulations	2-27	Precinct had no instances of compliance breaches or fines in the reporting year.
Membership associations	2-28	https://www.precinct.co.nz
Approach to stakeholder engagement	2-29	Sustainability Report, P77
Collective bargaining agreements	2-30	In line with New Zealand legislation, Precinct's employees are not covered by collective bargaining agreements, and employee working conditions and terms of employment are not based on collective bargaining agreements.
Process to determine material topics	3-1	Sustainability Report, P72
List of material topics	3-2	Sustainability Report, P72-P73
Climate Change		
Management of material topics	3-3	Sustainability Report, Climate Change, P73 Precinct's waste management plan has now commenced and will be completed during FY25.
Direct (Scope 1) GHG emissions	305-1	Sustainability Report P74 Information on 305-1 (b) is omitted because it was unavailable at the time of reporting. We expect to include this in the FY24 reporting cycle.
Energy indirect (Scope 2) GHG emissions	305-2	Sustainability Report P74 Information on 305-2 (c) is omitted because it was unavailable at the time of reporting. We expect to include this in the FY24 reporting cycle.
Other indirect (Scope 3) GHG emissions	305-3	Sustainability Report P74 Information on 305-3 (b) and (d) is omitted because it was unavailable at the time of reporting. We expect to include this in the FY24 reporting cycle.
GHG emissions intensity	305-4	Sustainability Report P74
Partnerships, Community Wellbeing and Vitality		

GRI content index

Disclosures Title	GRI No.	Location/Reference or Information
Management of material topics	3-3	Sustainability Report, Partnerships, Community Wellbeing and Vitality, P73; Information on 3-3 (e).i.-iv. is omitted because the management approach is under development. We expect to disclose this information consistently within 2-3 years.
Operations with local community engagement, impacts assessments, and development programs	413-1	Sustainability Report, Partnerships, Community Wellbeing and Vitality, P77; Disclosure 413-1 (a).iv. is omitted because we have not developed an approach to quantifying the percentage of our operations with community development programs. We expect to develop this within 2-3 years
Depletion of natural resources and contribution to waste		
Management of material topics	3-3	Sustainability Report, Depletion of natural resources and contribution to waste, P73; PCT Corporate Governance Manual (Supplier Code of Conduct) found at: https://www.precinct.co.nz
Waste generation and significant waste-related impacts	306-1	Sustainability Report, Depletion of natural resources and contribution to waste, P78
Economic activity and opportunity		
Management of material topics	3-3	Sustainability Report, Economic activity and opportunity, P73
Significant indirect economic impacts	203-2	Sustainability Report, Economic activity and opportunity, P79
Client, worker and staff wellbeing		
Management of material topics	3-3	Sustainability Report, Client, worker and staff wellbeing, P73
Occupational health and safety management system	403-1	Sustainability Report, Client, worker and staff wellbeing, P81
Work-related injuries	403-9	Sustainability Report, Client, worker and staff wellbeing, P81

Precinct has chosen to prepare its 2024 Annual Report in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards are the world's most widely used sustainability reporting standard.

The GRI index above shows where information can be found in this report and on Precinct's website about the indicators that are relevant to our business operations.

This annual report of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited (Precinct Properties Group) is dated 27 August 2024 and is signed on behalf of the Boards by:



Anne Urlwin
Chair and Independent Director



Mark Tume
Chair Audit and Risk Committee and Independent Director

