FY25 SUSTAINABILITY AND CLIMATE REPORT.

CONTENTS.

INTRODUCTION.

Property for Industry Limited (PFI) is an NZX listed industrial property specialist, that owns over 90 properties worth more than $2 billion. Our well-diversified portfolio is focused on strategic locations that drive value and growth for the industrial sector, for our tenants, and for our investors. Since listing on the NZX in 1994, we've built a strong track record of delivering consistent returns. We invest for the long-term, combining our capital and specialist industry capability to deliver the successful outcomes all our stakeholders need.

This report contains PFI's FY25 Sustainability Update and Climate-related Disclosures. All financial information in this report is presented in New Zealand Dollars and excludes GST.

Reporting period

This report covers the 12-month period from 1 July 2024 to 30 June 2025 (FY25), unless otherwise stated.

01.

PORTFOLIO METRICS[1]

WEIGHTED AVERAGE LEASE TERM (WALT)

5.47 years

PROPERTIES

91

CONTRACT RENT

$112.3M

TENANTS

126

CURRENT PORTFOLIO VALUATION

$2,166.2M

AUCKLAND

CURRENT: **87%**

OUT OF AUCKLAND

CURRENT: **13%**

Stage 2 of our development at 78 Springs Road.

1. Figures on this page are as at 30 June 2025.

FY25 SUSTAINABILITY UPDATE.

The purpose of PFI's FY25 Sustainability Update is to transparently communicate the impacts we have on people and the planet, to explain our strategy to address such impacts, and to provide insight into our sustainability-related risks and opportunities.

02.

OUR SUSTAINABILITY STRATEGY

PFI plays an important role in the hard-working industrial sector by providing workplaces for industrial tenants. PFI owns long-term assets, so making sustainable, enduring decisions is critical for delivering positive outcomes for our tenants and investors. PFI is focused on embedding sustainability in our core business activities, to position PFI for the future.

In 2022, PFI set its Sustainability Strategy to 2030, with an initial implementation plan that spanned from 2023 to 2025. Since then, PFI has made significant progress toward delivering the first stage of its Sustainability Strategy, having achieved our initial solar and metering targets ahead of expectations. During FY25, PFI undertook a review of PFI's Sustainability Strategy and targets. PFI's revised targets are set out below, including new targets around solar installations and LED lighting upgrades.

Our implementation of the strategy will be dynamic. We will review and adapt our response as we learn and as our external environment changes.

OUR SUSTAINABILITY STRATEGY: 2030

CORE PRINCIPLES

Create a future-proofed and resilient portfolio through sustainable refurbishments, developments, acquisitions and divestments.

Maximise the useful lifespan of buildings to minimise waste by transforming our core portfolio.

Become a trusted partner for tenants when it comes to sustainability and reducing greenhouse gas emissions.

Collaborate with supply chain partners to minimise waste, use lower-impact materials and promote positive social impacts.

Maintain strong employee engagement and health and safety performance.

Maintain high standards of financial and governance performance.

MATERIAL FOCUS AREAS TO 2030

GREENHOUSE GAS EMISSIONS

Aspiration

The embodied and operational greenhouse gas emissions associated with PFI's buildings are minimised.

RESOURCES AND WASTE

Aspiration

The impacts from the materials that PFI uses and the waste PFI produces during developments and refurbishments are minimised.

DISASTER AND CLIMATE RESILIENCE

Aspiration

PFI's buildings are resilient and we are well placed to respond to disasters.

PEOPLE AND WELLBEING

Aspiration

Our people are safe and engaged, and we promote positive social impacts through our operations.

ECONOMIC VALUE

Aspiration

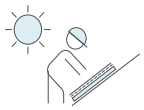
The value of PFI grows to create economic value for investors, tenants, our people and others that we work with.

CURRENT TARGETS

GREEN STAR

Significant new buildings to target minimum 5 Green Star certification.

SOLAR SYSTEMS

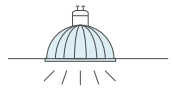


UPDATED TARGET:
Achieve 1.4MW of solar capacity by the end of FY27.

METERING

TARGET ACHIEVED:
Implement power metering and monitoring for 90% of properties by the end of FY25.

LED LIGHTING



NEW TARGET:
80% of PFI's tenancies to have full LED lighting by the end of FY28.

FY25 HIGHLIGHTS:

POWER METERING AND MONITORING

91%

Achieved our target of installing power metering and monitoring at 90% of our properties by the end of FY25, with 91% of properties in our portfolio now with metering installed. See page 11.

5 STAR GREEN STAR DESIGN RATING

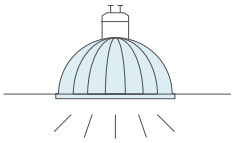
Awarded a 5 Star Green Star Design rating for three buildings (Stage 1 and 2 at 30-32 Bowden Road, and Stage 1 at 78 Springs Road). 10.3% of our portfolio by market value has achieved a 5 Green Star Design rating.

DEVELOPMENT PIPELINE

Commenced construction on Stage 2 at 78 Springs Road, which is currently registered for a Green Star rating.

OPERATIONAL PERFORMANCE RATINGS

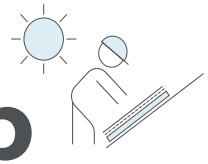
Green Star



2.4% of our portfolio by market value has achieved a Green Star Performance (Energy and Water Pathway) rating. See page 11.

SOLAR PANEL INSTALLATION

731kWp



Installed solar panels at a further three buildings, meaning that a total 731 kwp of solar capacity has been installed across eight buildings in PFI's portfolio. See page 12.

OUR FY25 CARBON FOOTPRINT

11,504.7

TONNES OF C02E

	UPSTREAM EMISSIONS SCOPE 3	CORPORATE EMISSIONS SCOPE 1 AND 2	DOWNSTREAM EMISSIONS SCOPE 3
% TOTAL FOOTPRINT	**54.6%**	**0.7%**	**44.7%**
	6,284.3 TONNES	**76.2 TONNES**	**5,144.3 TONNES**
EMISSIONS SOURCE	GOODS AND SERVICES | CAPITAL GOODS | ELECTRICITY TRANSMISSION AND DISTRIBUTION LOSSES | EMPLOYEE COMMUTING	FUGITIVE EMISSIONS FROM HVAC SYSTEMS | DIESEL EMISSIONS FROM SPRINKLER SYSTEMS | PURCHASED ELECTRICITY	ELECTRICITY FROM TENANTED BUILDINGS | OPERATIONAL WASTE | BUSINESS TRAVEL

GREENHOUSE GAS EMISSIONS

PFI's measured greenhouse gas emissions are set out above. A more detailed breakdown can be found on pages 39-41 and 50-55.

Scope 3 emissions comprise 99.3% of PFI's measured Greenhouse Gas (GHG) emissions footprint for FY25. PFI considers its most material emissions impacts to be:

- Emissions relating to our development and refurbishment activities, known as embodied carbon emissions. These are our Scope 3, Category 2 emissions from capital goods.
- Emissions relating to the electricity use in our tenanted buildings, known as operational emissions. These are our Scope 3, Category 13 emissions from downstream leased assets.

PFI's strategy and Transition Plan (see pages 20-22) primarily focus on minimising both the embodied and operational carbon emissions of our buildings. We have committed to:

- building and refurbishing in a way that reduces both embodied and operational greenhouse gas emissions where practicable; and
- measuring and over time improving the operational performance of our buildings.

Embodied carbon is likely to be a particular challenge for PFI in the coming decades. These emissions largely arise from the use of materials such as concrete and steel when constructing our buildings. There are lower-carbon products becoming available (such as low-carbon concrete and steel), which PFI is utilising where practicable and subject to cost considerations. However, PFI is reliant on third parties for the development and provision of lower carbon products. PFI is continuing to monitor progress in this space and highlights the re-use of existing buildings as an opportunity to reduce these impacts.

Emissions associated with property maintenance are also significant (falling under Scope 3, Category 1). Bringing PFI's facilities management in-house during 2023 was an important step in positioning the business to address these emissions in future as it has enabled PFI to form direct relationships with the contractors generating these emissions. However, our primary focus in reducing our GHG emissions remains on developments, refurbishments and electricity use of our buildings, as set out in our Transition Plan on pages 21-22.

New Buildings and Brownfields Developments

When developing significant new buildings, our target of a minimum 5 Green Star certification[1] aims to ensure the building performs to a range of sustainability standards including materials, water, energy, and indoor environment quality. In particular, the Green Star tool seeks to:

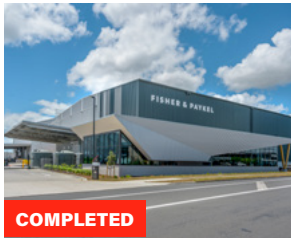
- minimise the impact of building materials and practices on the environment, including embodied carbon emissions; and
- ensure the building is designed efficiently to minimise greenhouse gas emissions arising from the operation of the building (for example, electricity usage).

As part of meeting 5 Green Star certification requirements, PFI must obtain independent Life Cycle Assessments for its developments. Life Cycle Assessments enable us to understand the upfront embodied carbon emissions associated with construction using lower carbon building materials and design, compared to a reference building of similar size and use. To achieve 5 Green Star certification, all upcoming registered developments will be required to achieve a mandatory 10% reduction in embodied carbon emissions (compared to a reference building), through design and use of low carbon building materials.

PFI has commenced construction on Stage 2 at 78 Springs Road, which is targeting 5 Green Star certification. PFI has also committed to targeting 5 Green Star certification for a number of upcoming developments (which will be completed in stages over the short to medium term). As a first step in this process, PFI has registered five development projects with the NZGBC, meaning that these properties will be designed and built to meet the NZGBC's Green Star certification requirements.

1. Green Star ratings are administered by the New Zealand Green Building Council (NZGBC). PFI is a member of the NZGBC.

Green Building Ratings Achieved as at 30 June 2025[2]



PROPERTY
78 Springs Road (Stage 1)

MARKET VALUE
$121.0m

RATING
5 Green Star Design & As Built NZv1.0 Design rating.[3]

PROPERTY
30-32 Bowden Road (2 buildings)

MARKET VALUE
$103.0m

RATING
5 Green Star Design & As Built NZv1.0 Design rating.[3]

Developments Registered for Green Building Ratings as at 30 June 2025[2]

PROPERTY
78 Springs Road (Stage 2)

MARKET VALUE
$34.3m

RATING
Registered with NZGBC under the Green Star Design & As Built NZV1.1 rating tool.

PROPERTY
686 Rosebank Road

MARKET VALUE
$58.9m

RATING
Registered with NZGBC under the Green Star Design & As Built NZV1.1 rating tool.

PROPERTY
Spedding Road

MARKET VALUE
No market valuation available[4]

RATING
Registered with NZGBC under the Green Star Design & As Built NZV1.1 rating tool.

PROPERTY
92-98 Harris Road

MARKET VALUE
$25.0m

RATING
Registered with NZGBC under the Green Star Design & As Built NZV1.1 rating tool.

PROPERTY
304, 316 and 318 Neilson Street

MARKET VALUE
$31.6m

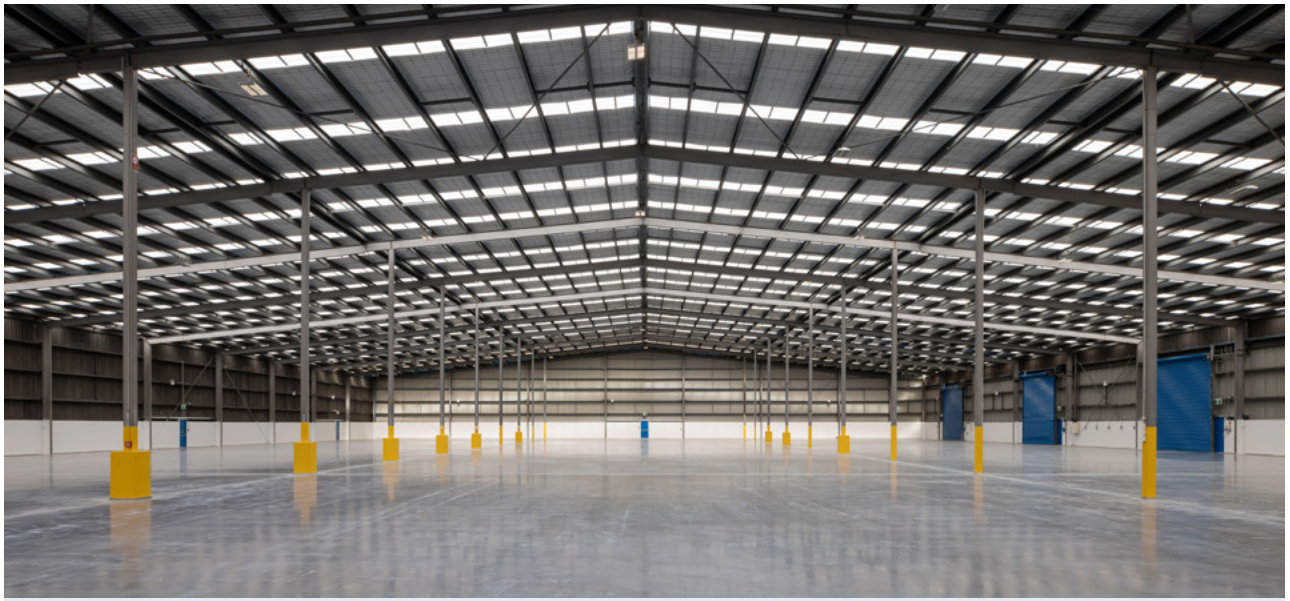
RATING
Registered with NZGBC under the Green Star Design & As Built NZV1.1 rating tool.

2. Market value of these developments reflect market valuations as at 30 June 2025.
3. PFI was awarded an 'As-Built' certification for Stage 1 at 30-32 Bowden Road in July 2025. An 'As-Built' certification for Stage 2 at 30-32 Bowden Road and Stage 1 at 78 Springs Road have not yet been issued, but PFI is well-progressed through the NZGBC Green Star certification progress.
4. In 2023 PFI entered into a conditional contract to purchase two lots (5.8 hectares of land) for $40.6m.

Sustainable Refurbishments

In some cases, we are able to extend the useful life of an aged building by undertaking a refurbishment. This avoids the generation of embodied carbon and waste by reusing materials (such as walls and foundations) that were already in place in an original building, while presenting an opportunity to upgrade or add sustainable features (such as LED lighting). PFI has created an internal Sustainable Refurbishment Framework, providing guidance for our team and contractors to minimise our environmental impacts when we undertake refurbishment projects through a preference for lower-carbon materials and resource efficient design features.

As each refurbishment is unique, this framework ensures we have a range of sustainable design options to consider for each refurbishment. A refurbishment under our Framework might include improving energy efficiency and water consumption, reducing waste, using lower impact building materials, and moving to renewable energy sources.



CASE STUDY:

212C Cavendish Drive

PFI applied our Sustainable Refurbishment Framework to the vacant property at 212C Cavendish Drive, Wiri. PFI undertook an identification process with our head contractor Haydn & Rollett to evaluate the opportunities and types of sustainable refurbishment features to be considered for this project. The general categories of focus for this refurbishment were improving energy efficiency, water consumption, the indoor environment, using low carbon building products, and waste management.

During FY25, PFI deployed approximately $1.5m in gross capital expenditure towards this refurbishment (including general refurbishment costs). This refurbishment assisted PFI to secure a new tenant, Portacom, for this property.

Key sustainable features incorporated into this property include:

- reuse of existing structure.
- installation of solar panels.
- upgrades to LED lighting for the office and canopy.
- temperature and lighting controls.
- use of lower carbon concrete for the new warehouse floor slab.
- installation of rainwater harvesting tanks for greywater use.
- double glazing and insulation for the office.

Measuring and Improving Operational Performance

PFI's Scope 3, Category 13 emissions comprise electricity consumed by our tenants in our buildings. In 2022 we commenced a project to install power metering and monitoring at 50% of properties by the end of 2025. Having achieved that initial target in FP24, we revised our metering target to: install power metering and monitoring for 90% of properties by the end of FY25. As at 30 June 2025, PFI has successfully achieved this target with power metering installed at 91% of properties in the portfolio. With metering installed at the majority of our buildings, we are now better-placed to measure the operational performance of our buildings[1].

With the data collected so far, we have been able to measure and disclose the greenhouse gas emissions associated with the use of electricity in our tenanted buildings in FY25 (for detailed methodology and assumptions, see Appendix 2).These emissions are a material part of our Scope 3 emissions, and we anticipate these emissions could increase over time due to proactive responses by our tenants to climate change, such as the electrification of their machinery or vehicles in their efforts to decarbonise.

In time, as we build up data, we expect that we may be able to identify opportunities to collaborate with our tenants to improve the energy efficiency of our buildings (including through initiatives to upgrade to energy efficient lighting and solar panels). The power use of buildings forms part of a tenant's Scope 2 emissions, so we are in a position to help them with their own emissions reduction plans. Buildings with better operational performance also typically consume less and cost the tenant less in power and water.

The collection of data has been a crucial first step to exploring options for operational performance certification for our existing properties. Operational performance ratings (such as Green Star Performance) are used to assess the operational performance of existing buildings, and assists building owners to measure and identify opportunities to improve the operational performance of their buildings.

CASE STUDY:

Green Star Performance (Energy and Water Pathway) Trial

In 2025, PFI completed a trial for a small selection of properties for Green Star Performance certification under the Energy and Water only pathway. Under this pathway buildings are only assessed against energy and water performance criteria, which limits the number of stars that can be awarded to 3 Stars (compared to the maximum of 6 Stars achievable under a full Green Star Performance rating). PFI has achieved a 2 Star Green Star Performance rating for a portfolio of four buildings. This certification is valid for a period of three years and is subject to annual energy and water performance audits.

These buildings are now able to be classified as 'Eligible Assets' under PFI's Green Finance Framework, which in turn, may allow PFI greater access to Green Finance from its lenders. Further information on PFI's Green Finance Framework is available at https://www.propertyforindustry.co.nz/sustainability

With a trial of the Green Star Performance certification process now complete, we intend to work toward seeking ratings for selected other properties in the portfolio.

Operational Performance Ratings as at 30 June 2025

PROPERTY	MARKET VALUE	RATING
6 Autumn Place	$5.0m	2 Star Green Star Performance NZv1.2
10 Autumn Place	$19.1m	2 Star Green Star Performance NZv1.2
102 Mays Road	$15.6m	2 Star Green Star Performance NZv1.2
23 Zelanian Drive	$12.3m	1 Star Green Star Performance NZv1.2

1. Measuring operational performance will remain challenging as it is often difficult to differentiate between emissions from the operation of an industrial building and emissions associated with tenant operations within that building (which is relevant to obtaining operational performance ratings).

Solar panel installation makes renewable electricity available to tenants.

Solar

New Zealand has a higher supply of renewable electricity than many other countries. However, electrification of activities that we currently rely on fossil fuels for (such as driving) is key for decarbonising many aspects of our economy, resulting in increased demand for electricity. Installing solar panel arrays at our properties makes renewable electricity available for our tenants to use, reducing their demands on New Zealand's electricity grid, and their energy bills.

Solar installations can help PFI to strengthen our relationships with our tenants, and in some cases, presents an opportunity to extend lease terms and generate an acceptable commercial return through lease negotiations with tenants interested in solar.

PFI has installed solar systems at a total of eight buildings as at 30 June 2025, including at three buildings during FY25. This represents 0.73 MW of renewable power capacity installed at our properties. PFI has recently revised its solar target to achieve a total 1.4MW of solar capacity in its portfolio by the end of FY27.

Scope 1 and 2 emissions

PFI's Scope 1 and 2 emissions[1] are very small when compared to the scale of Scope 3 emissions from developments and electricity use at tenanted buildings. While our Sustainability Strategy focuses on managing these more material impacts, we acknowledge that we need to be mindful of our direct footprint, and we have taken steps to reduce it.

In recent years, PFI has upgraded a significant number of HVAC systems across our portfolio within PFI's operational control in order to reduce emissions and remove ozone-depleting refrigerant gases.

We intend to continue to work on initiatives to further reduce our gross Scope 1 and 2 emissions going forward, particularly as new technologies become available that enable us to make further advances.

RESOURCES AND WASTE

When PFI undertakes property developments and refurbishments, building materials such as steel and concrete are procured by PFI's contractors. Extracting, producing, and shipping these materials have upstream impacts such as greenhouse gas emissions and potential impacts on local communities or biodiversity if not produced responsibly.

Waste is also generated by PFI's contractors during development and refurbishment activities, for example from demolition of existing structures (including concrete and steel) and packaging of materials that are delivered to site. We aspire to minimise the impacts from the materials that PFI uses and the waste that PFI produces during developments and refurbishments. We are collaborating with suppliers to improve waste measurement and reduction, and use of lower-impact materials.

Our commitment to 5 Green Star encourages us to use lower impact materials and reduce the waste impacts from our developments. PFI has achieved high rates of construction and demolition waste diversion from landfill for the Green Star developments that have recently been completed:

DEVELOPMENT	WASTE DIVERTED FROM LANDFILL	TOTAL WASTE (TONNES)	WASTE SENT TO LANDFILL
30-32 Bowden Road (Stage 1 & Stage 2)	98.4%	9,331.2	1.6%
78 Springs Road (Stage 1)	97.9%	9,829.3	2.1%

1. PFI's measured Scope 1 emissions include fugitive emissions from refrigerant gas and diesel consumed at PFI's properties. PFI's measured Scope 2 emissions include purchased electricity consumed at PFI's head office, vacant spaces and common areas in PFI's portfolio of properties, where PFI has operational control over the electricity used.

PFI also considers the impacts of resources and waste from our refurbishment activities through our Sustainable Refurbishment Framework. During a refurbishment of an existing building, we can reduce the impacts caused by building materials by reusing existing materials and structures (where possible) and aim to use lower impact materials.

Our in-house facilities management model also enables us to make more informed decisions about capital expenditure on our buildings and reduce the unnecessary use of materials.

DISASTER AND CLIMATE RESILIENCE

PFI aims to ensure its buildings are resilient and we are well placed to respond to disasters, including climate-related events.

Climate Resilience Framework

PFI faces a range of risks arising from climate change including regulatory change, increasing demand for sustainable and climate-resilient buildings, changing investor and funder preferences, and the effects of extreme weather (including on insurance availability and pricing), driving the need to ensure PFI's portfolio is both sustainable and resilient.

Preparing the business and portfolio for the physical and transition impacts of climate change has been an ongoing focus for PFI, and PFI's Sustainability Strategy and Transition Plan are designed with this in mind.

Assessing physical climate-related risks to PFI's buildings is one of a number of considerations that inform our asset planning, portfolio management decisions, due diligence for new acquisitions and decisions to divest existing properties. Physical risk assessments are undertaken annually as part of PFI's climate-related risks and opportunities assessment, and prior to acquisition of new properties.

PFI has implemented an internal Climate Resilience Framework, which identifies the opportunities and actions PFI could consider to mitigate climate change impacts and improve the climate resilience of its properties. Through this Climate Resilience Framework, PFI is aiming to mitigate or manage physical climate-related risks by:

- working with our contractors to identify and incorporate climate resilience features into our buildings as part of sustainable projects or wider refurbishment activities over time (for example, improving weather-tightness, installing solar or rainwater harvesting tanks);
- identifying and implementing climate adaptation measures into the design of new buildings as part of targeting 5 Green Star certification; and
- embedding climate resilience into our day-to-day facilities management activities via planned proactive maintenance to minimise the impact of severe weather events, such as by increasing the frequency of gutter cleans and maintenance and through roof maintenance and repairs.

The extent to which these are applied will vary depending on the specific circumstances of the properties, including landlord and tenant needs, and cost considerations.

Addressing Seismic Risk

For many years, PFI has been working through a programme to assess, and where appropriate, improve the seismic ratings of each property in our portfolio to reduce the likelihood of damage and harm as a result of earthquakes. Seismic risk is also carefully considered when acquiring new properties as part of our due diligence process.

PEOPLE AND WELLBEING

PFI strives to ensure our people are safe and engaged, and we aim to promote positive social impacts through our operations. PFI also interacts with a wide range of stakeholders, for whom we want to contribute to a safe and positive working environment.

Team Engagement

PFI focuses on maintaining strong staff engagement. We achieved an 86% staff engagement score and a 100% participation rate in our last full staff engagement survey, undertaken in 2023. We also achieved a low employee turnover of 4% during FY25.

Our facilities management team works closely with our tenants.

Health, Safety and Wellbeing

The health, safety and wellbeing of our team and others that we work with remains a critical focus for PFI. We provide a variety of wellbeing offerings to our team, including:

- A flexible working policy
- Staff health and safety induction and ongoing training
- Provision of ergonomically designed workstations
- A staff wellbeing programme that includes funding for periodic health checks, staff insurances, and access to a clinical psychologist
- Safety protocols, including personal protective equipment, for site visits
- Governance and incident management through our health and safety committee
- An annual 'Wellness Week', which includes a focus on health and wellbeing of our staff

PFI has implemented a Health, Safety and Wellbeing Manual that provides a practical and enduring system to ensure our approach to health, safety and wellbeing goes beyond adherence to the Health and Safety at Work Act. The manual sets out our objectives, policies, risk management controls and responsibilities across our team.

The development, maintenance and ongoing management of our properties presents a range of risks to our tenants, contractors and other visitors to those properties, such as those arising from electrical hazards, roof access and fire risks. Risk management initiatives for our properties include:

- Prequalification requirements and induction for contractors
- Periodic and independent property risk assessments
- Asbestos management protocols
- Requirements for safety plans and site inspections for development projects
- Governance and incident review through our health and safety committee

Health, safety and wellbeing is a priority for the PFI team.

The health and safety incidents in the table below reflect incidents that were reported to us across our operations[1]:

Community Engagement

Engaging with our community is important to PFI and to our team. During FY25, we participated in a team volunteering day at Fair Food NZ, preparing food packages for local West Auckland families in need.

PFI also made the following donations during FY25:

- $10,000 donation to Auckland City Mission to support their activities in the community.
- $5,000 donation to Fair Food New Zealand to support access to fresh food in the West Auckland community.
- $4,500 donation to The Gut Foundation NZ to support their efforts to promote research and education of gut diseases and disorders.
- $2,500 donation to Southern Charity Hospital Trust to support access to healthcare for the Southland community.

We also continued our sponsorship of Keystone New Zealand Property Education Trust, which supports students to get a tertiary education in the property or construction sector.

ECONOMIC VALUE

PFI is proud to help our tenants to generate economic value through the provision of fit-for-purpose properties from which they can operate their businesses, while generating direct economic value for our investors and other capital providers. We see our Sustainability Strategy (along with our proven business model, prudent capital management, strategy, and team) as critical to the ongoing delivery of strong economic performance as the context in which we operate continues to evolve with regulatory change, changing market demands and increasing expectations from our business partners and investors.

HEALTH AND SAFETY INCIDENTS AND NEAR MISSES	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS
Injuries	13	6	8
Incidents that did not result in injury / near misses	20	16	31
Total recorded incidents and near misses	33	22	39

1. This table covers all health and safety incidents and near misses that have been reported to PFI by our contractors, tenants and PFI's staff.

CLIMATE-RELATED DISCLOSURES.

This section contains PFI's Climate-related Disclosures for the 12-month period to 30 June 2025 (FY25).

PFI's Climate-related Disclosures are for Property for Industry Limited (the Company) and its subsidiaries P.F.I. Property No. 1 Limited (PFI No. 1) and P.F.I. Cover Limited (PFI Cover) (collectively, the Group, PFI or we).

Balance Date Change

The Group changed its balance date from 31 December to 30 June with effect from 1 January 2024. These Climate-related Disclosures represent the first full 12-month reporting period under the new balance date, covering the year ended 30 June 2025. The comparative information presented for the immediately preceding reporting period reflects a six-month period ending 30 June 2024 (FP24).

03.

STATEMENT OF COMPLIANCE

PFI is a climate reporting entity under the Financial Markets Conduct Act 2013. These Climate-related Disclosures comply with the Aotearoa New Zealand Climate Standards (NZ CS 1, 2 and 3) issued by the External Reporting Board (XRB).

In preparing this report, PFI has elected to use the following adoption provisions in NZ CS 2:

- Adoption provision 5, which exempts PFI from disclosing two years of comparative information for Scope 3 GHG emissions. PFI has disclosed comparative information for the previous two reporting periods for all relevant Scope 3 GHG emissions sources except Category 13 which was not reported in FY23. PFI disclosed its Category 13 emissions for the first time in FP24, noting that the GHG emissions for FP24 cover a six-month period compared to the current 12-month period due to PFI's change in balance date in 2024.
- Adoption Provision 8, which permits PFI to exclude its Scope 3 emissions disclosures from the scope of GHG assurance engagements for reporting periods ending before 31 December 2025. Accordingly, PFI's Scope 1 and 2 emissions in respect of FY25 are subject to a limited assurance engagement. While PFI has disclosed its Scope 3 emissions, these emissions have not been assured. PFI relies on the Financial Markets Conduct (Climate-related Disclosures – Assurance Engagement) Exemption Notice 2025, which exempts PFI from seeking assurance over Scope 3 GHG emissions statements, as otherwise required by section 461ZH(1) of the Financial Markets Conduct Act 2013.

The Climate-related Disclosures contained in this report are signed on behalf of Property for Industry Limited and were authorised for issue on 10 September 2025.

DEAN BRACEWELL
Board Chair

CAROLYN STEELE
Audit and Risk Committee Chair

DISCLAIMER

Climate change is an evolving challenge, with high levels of uncertainty. This report sets out PFI's approach to scenario analysis, our understanding of, and response to, PFI's climate-related risks and opportunities, PFI's Transition Plan, and our current and anticipated impacts of climate change, including financial impacts. This reflects our current understanding as at 10 September 2025. We acknowledge that this will evolve over time, and this report contains estimates and assumptions about future external physical and transitional changes driven by climate change and their anticipated impacts on our business. These representations are subject to significant uncertainties and assumptions.

This report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of PFI's future intentions, transition planning, estimates and judgements. These statements involve assumptions, forecasts and projections about PFI's present and future strategies and the environment in which PFI will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change. The risks and opportunities described here, and our strategies to achieve our targets, may not eventuate or may be more or less significant than anticipated.

There are many factors that could cause PFI's actual results, impacts, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of PFI's control.

The disclosed qualitative financial impacts and quantitative data are inherently subject to limitations and uncertainties. These have been described at pages 33-37. PFI has sought to provide a reasonable basis for forward-looking statements and is committed to progressing our response to climate-related risks and opportunities over time but we are constrained by the novel and developing nature of this subject matter. We remain committed to reporting our progress each year, but we caution reliance on aspects of this report that are necessarily less reliable than other aspects of our annual reporting.

With the exception of PFI's Scope 1 and Scope 2 greenhouse gas emissions for FY25, the disclosures and metrics in this report have not been assured.

Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. To the fullest extent possible, PFI disclaims liability for any loss suffered as a result of reliance on this report.

GOVERNANCE

This section describes the role of PFI's Board in overseeing climate-related risks and opportunities and the role of management in assessing and managing climate-related risks and opportunities.

Board of Directors

- Oversees PFI's strategy and performance, including PFI's Sustainability Strategy.
- Establishes a framework for recognising and managing all business risks, including climate-related risks.
- Oversees, reviews and approves PFI's Climate-related Disclosures.

Audit & Risk Committee

- Assists the Board with risk management.
- Annually reviews PFI's Company-wide risk register and climate-related risks and opportunities.
- Reviews and provides recommendations to the Board on PFI's Climate-related Disclosures.

Senior Leadership Team

Comprised of PFI's Chief Executive Officer, Chief Finance and Operating Officer, Head of Sustainability and Operations, and Portfolio Manager[1]

- Leads PFI's Sustainability Strategy and the day-to-day management of PFI's climate-related risks and opportunities.
- Meets monthly and monitors progress against PFI's strategy and targets.
- Reports PFI's progress and response to climate-related risks and opportunities to the Board quarterly.

Head of Sustainability and Operations

- Leads the assessment of PFI's climate-related risks and opportunities.
- Aims to ensure PFI's strategy is designed to respond to climate-related risks and opportunities.
- Reports progress on climate-related matters to the Senior Leadership Team.
- Leads the preparation of PFI's Climate-related Disclosures.

Management Sustainability Meetings

Attended by members of the Property and Facilities Management Teams, who manage the day-to-day operations and play a critical role in implementing PFI's Sustainability Strategy and targets.

- Attendees meet every 6-8 weeks to discuss sustainability-related topics in the context of property and facilities management, including the execution of PFI's Sustainability Strategy and performance against targets.
- Reports progress to the Senior Leadership Team (via the Head of Sustainability and Operations).

1. PFI's General Counsel and Company Secretary was appointed to the Senior Leadership Team with effect from 1 July 2025.

GOVERNANCE BODY OVERSIGHT

Climate-related Risks and Opportunities

PFI's Board of Directors is responsible for oversight of climate-related risks and opportunities affecting PFI. The Board oversees PFI's overall performance and strategy, as well as its Sustainability Strategy and management of climate-related matters. The Board is also responsible for recognising and managing all business risks and ensuring effective risk management systems are in place to protect PFI's assets, including for climate-related risks, supported by the Audit and Risk Committee.

The Audit and Risk Committee and the Board review PFI's Risk Register annually, which provides a view of the Company's overall business risks. Climate-related risks are embedded in several of PFI's business risks, including our strategic, financial, operational, ESG, property and reputational risks. PFI's climate-related risks and opportunities are also reviewed and presented to PFI's Directors annually. PFI's Risk Register was reviewed by Directors at an Audit and Risk Committee meeting held in December 2024, and PFI's climate-related risks and opportunities were reviewed by Directors at a Board meeting held in May 2025. Risk is also a standing agenda item at quarterly Board meetings and Audit and Risk Committee meetings.

Further details on PFI's risk management processes are set out in the Risk Management section.

Climate-related Metrics and Targets

PFI's Audit and Risk Committee is responsible for ensuring appropriate metrics and targets for managing PFI's climate-related risks and opportunities are set and monitored in consultation with the Board and management. As PFI makes progress against set targets, PFI's Board also oversees the refresh of PFI's climate-related targets as appropriate. The Board monitored progress against agreed targets at quarterly Board meetings during FY25. Having met some of these targets ahead of time in FY25, the Senior Leadership Team undertook a review of PFI's Sustainability Strategy, which included a review of PFI's targets and initiatives for managing climate-related risks and opportunities. Revised targets were approved by the Board at a Board meeting in May 2025. The Board intends to monitor progress against these revised targets at quarterly Board meetings in FY26.

The Board also oversees the achievement of sustainability-related targets incorporated in the Senior Leadership Team's short-term incentives. Further information can be found in the Metrics and Targets Section.

The Board also oversees the development of metrics to measure and manage climate-related risks and opportunities, and monitors progress against these metrics and targets at least annually at Board meetings, including once in FY25. Further information on PFI's metrics and targets can be found in the Metrics and Targets Section.

Strategy Implementation

PFI's Board considers climate-related risks and opportunities when reviewing and overseeing implementation of PFI's overall strategy, plans and budgets. Management of climate-related risks and opportunities associated with our existing portfolio is a key strategic consideration for PFI. Key strategic initiatives for PFI include targeting a minimum 5 Green Star certification for all significant new buildings, and aiming to improve energy efficiency, sustainability and climate resilience of PFI's existing buildings via sustainable refurbishments and property upgrades. Climate-related risks and sustainability matters are one of a number of factors the Board considers as part of PFI's due diligence for acquisitions and in decisions to divest properties. The Board reviewed and approved PFI's corporate strategy and Sustainability Strategy (including revised climate-related targets) at the May 2025 Board meeting. Further information on PFI's Transition Plan can be found on pages 20-22.

PFI's specialist industrial capability delivers value for our tenants and investors.

Board Skills and Competencies

PFI's Board aims to ensure that the Board maintains the right mix of skills and competencies to effectively deal with current and emerging issues of the business, including climate-related risks and opportunities as appropriate. PFI's Directors review the Board's skills and competencies annually, which includes a self-assessment of their skills and experience across a range of topics, including climate-related skills. Four Directors have assessed themselves as having either 'strong' or 'some' climate-related skills and experience, with two Directors assessing themselves as having 'limited' climate-related skills or experience. PFI's Directors last attended training on climate-related disclosures in 2023, and intend to attend a further training session in 2025 to develop and maintain their climate-related skills.

A summary of recent key Board engagements relating to climate-related risks and opportunities can be found in Appendix 1.

Sustainability is a key focus for members of the property and facilities management team.

MANAGEMENT'S ROLE

PFI's Chief Executive Officer and Chief Finance and Operating Officer are responsible for managing risks and executing PFI's overall strategy, including climate-related risks and opportunities. With contribution from the Senior Leadership Team, PFI's Head of Sustainability and Operations leads the identification, assessment, and management of PFI's climate-related risks and opportunities and aims to ensure that the Company's strategy is designed to respond to these risks and opportunities. Under PFI's Risk Management Framework, which is approved by the Board, the Senior Leadership Team are responsible for promoting good risk practices by their teams. Further details of how PFI identifies, assesses, and manages climate-related risks are set out in the Risk Management Section.

During FY25, PFI held seven management sustainability meetings with key members of the property and facilities management team. The agenda of these meetings covers PFI's sustainability targets and initiatives. Attendees monitor and track progress on key targets and management of climate-related risks and opportunities through this forum.

Sustainability and climate risk is also a frequent topic at monthly Senior Leadership Team meetings, where management discuss emerging climate-related market trends, progress against PFI's key targets, strategy, climate risk and transition planning. Management decisions on PFI's responses to climate-related risks and opportunities can be made through this forum. The Senior Leadership Team engage with PFI's Board and Audit and Risk Committee on climate-related risks and opportunities, progress against targets, and risk responses via reporting at Board and Audit and Risk Committee meetings. The frequency of Management's engagement with the Board and Audit and Risk Committee during FY25 is described in Appendix 1. Further information on PFI's responses to climate-related risks and opportunities can be found in the Strategy section.

STRATEGY

This section describes the scenario analysis PFI has undertaken, the climate-related risks and opportunities we have identified in our work to date, our current and anticipated impacts of climate change, and how we plan to position our business towards a low emissions, climate-resilient future.

PFI'S STRATEGY

PFI's strategy is to invest in well-diversified, strategically located, quality industrial properties across New Zealand. As a professional landlord, our business model broadly covers leasing existing properties to industrial tenants, portfolio management through acquisitions and divestments, and refurbishment and development activities. Following the insourcing of facilities management in mid-2023, we now coordinate repairs, maintenance and capital projects for our buildings through our internal facilities management team. We work to embed sustainability and climate risk into PFI's overall business strategy, and in recent years, PFI has focused on prioritising value creating opportunities through significant developments, projects and bolt-on acquisitions that have the potential to increase shareholder returns beyond current levels. As part of PFI's portfolio management, we also divest properties to recycle capital and fund our ongoing brownfield opportunities, new developments, or upgrades of our existing assets.

PFI's Sustainability Strategy is described on page 6. The transition planning aspects of PFI's overall business strategy aligns with PFI's Sustainability Strategy. Further information on PFI's Transition Plan can be found below.

TRANSITION PLANNING ASPECTS OF STRATEGY

PFI recognises that the impacts of climate change require us to be responsive and make strategic decisions to address climate-related risks and realise opportunities. PFI's scenario analysis, and identification of climate-related risks and opportunities (as set out in this section) demonstrate that there is scope for PFI to evolve its activities to effectively manage the risks and realise the opportunities arising as the global and domestic economy transitions towards a low-emissions, climate resilient future state. Building from the core principles in our Sustainability Strategy (see page 6), the transition planning aspects of our strategy focus on improving the sustainability, energy efficiency and climate resilience of our buildings.

PFI's Transition Plan outlines initiatives that are critical to our overall strategy and to help position PFI in the transition to a lower carbon, more climate resilient future. These initiatives (described on pages 21-22) require PFI to make strategic decisions regarding its existing portfolio and new acquisitions, including whether to:

- retain and upgrade existing buildings (via a sustainable refurbishment or project);
- demolish and re-develop existing buildings (seeking Green Star certification); or
- divest properties and recycle capital to fund sustainable refurbishments, Green Star developments or acquisitions.

PFI's climate-related risks and actions being taken to respond to those risks are described further on pages 27-32.

Alignment with capital deployment and funding processes

Understanding and regularly reviewing the long-term strategy for each property is critical to enabling PFI to understand whether and when to deploy capital to upgrade existing buildings to be more sustainable and climate resilient or achieve a Green Building Rating. Property strategies will adapt over time based on market conditions, changes in tenant, owner and funder preferences, and tenant demand.

PFI's Transition Plan provides a high-level overview of how we incorporate emissions reductions and climate resilience into decision-making (including capital-deployment and funding decisions), noting that climate change is one of a number of factors in strategic decision-making for the portfolio.

HIGH LEVEL TRANSITION PLAN

The transition planning aspects of our strategy aim to embed emissions reduction initiatives and climate resilience in key strategic decisions to retain and upgrade, demolish and redevelop, and acquire or divest properties. More information on PFI's climate-related risks and opportunities is provided on pages 27-32.

FOCUS AREA	OUR INITIATIVES	RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES	SHORT-TERM ACTIONS (PRESENT TO 2030)	CAPITAL MANAGEMENT DECISIONS
EXISTING PORTFOLIO: Upgrade PFI's existing buildings, including acquisitions, to incorporate sustainability, climate resilience and energy efficiency.	**1. Sustainable Refurbishments** Aim to address climate-related transition risk and reduce our embodied and operational carbon emissions (Scope 3) by applying PFI's Sustainable Refurbishment Framework to applicable refurbishment projects (refer to page 10) for further information on PFI's Sustainable Refurbishment Framework. PFI has targets to achieve 1.4MW of solar capacity by the end of FY27 and for 80% of PFI's tenancies to have full LED lighting by the end of FY28.	Climate-related regulatory change, tenant and purchaser demand for sustainable and / or climate resilient buildings, and changing investor and funder preferences and funding requirements.	Apply Sustainable Refurbishment Framework to applicable projects. Active engagement with tenants regarding potential sustainability initiatives. Improve energy performance via installing metering and monitoring, solar and LED lighting.	Funding to include sustainable or climate resilience features into our existing buildings can be incorporated into our: ▪ Annual maintenance capex planning (for example, through LED lighting upgrades to improve energy efficiency or HVAC replacements when equipment reaches end of useful life). ▪ Approval processes for lease-related capex (for example, to incorporate tenant specific sustainability / resilience features as part of securing new or renewing leases). We also consider exposure to physical climate risks as part of acquisition and divestment decisions.
	2. Embed Climate Resilience Implement PFI's Climate Resilience Framework to improve the resilience of PFI's buildings and portfolio to climate-related physical risks (such as severe storms, wind, flooding, and heat). Refer to page 13 for further information on PFI's Climate Resilience Framework.	Opportunity to embed climate resilience against extreme weather events, rising temperatures, and sea level rise risk.	Implement Climate Resilience Framework by incorporating climate resilience features into existing buildings as part of wider refurbishments and projects, and as part of daily facilities management activities.	

FOCUS AREA	OUR INITIATIVES	RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES	SHORT-TERM ACTIONS (PRESENT TO 2030)	CAPITAL MANAGEMENT DECISIONS
	3. Operational Performance Ratings Measure emissions from electricity consumed at tenanted buildings and work toward obtaining operational performance ratings for some properties in PFI's portfolio.	Climate-related regulatory change, tenant and purchaser demand for sustainable and / or resilient buildings, and changing investor and funder preferences and funding requirements.	PFI achieved its target to implement power metering and monitoring for 90% of PFI's properties, and is now continuing to measure electricity consumption data via metering. Work toward seeking operational performance ratings for selected properties in the portfolio.	
DEVELOPMENTS: Incorporate sustainability and climate resilience into significant new developments and brownfield redevelopments, which are targeting a green building certification. 	**4. Green Star Certification** Significant new developments and redevelopments to target 5 Green Star certification. This aims to reduce embodied carbon emissions from development activities and address climate-related risks by improving climate resilience and energy efficiency of our buildings and reducing operational costs for our tenants.	Climate-related regulatory change, tenant and purchaser demand for sustainable and / or resilient buildings, changing investor and funder preferences and funding requirements, extreme weather events, and rising temperatures.	Commitment to 5 Green Star certification for all significant new buildings. Work through opportunities to redevelop existing properties to target Green Star certification.	Opportunities for Green Star certification are considered as part of development and acquisition funding applications.

TIME HORIZONS

Climate change is a fundamental shift in our external environment that requires decisions to be made now with the implications spanning multiple years. PFI's scenario analysis, climate-related risks and opportunities, and targets consider short-term, medium-term and long-term time horizons that align with PFI's strategic planning. These time horizons are set out below:

HORIZON	PERIOD	DESCRIPTION
Short term	Present - 2030	Within PFI's weighted average lease term (WALT) (1-6 years)
Medium term	2031 - 2050	The period in which PFI anticipates spending major CAPEX at most properties (6-25 years)
Long term	2051 - 2100	The anticipated life of a building (25+ years)

Upgrades like installation of solar panels improve the energy performance of existing buildings

SCENARIO ANALYSIS

During FY25, PFI undertook a scenario analysis assessment to review PFI's previously identified climate-related risks and opportunities and assess our strategic resilience across three climate scenarios. Climate-related scenarios represent a plausible and challenging description of how the future may develop based on assumptions about potential climate-related impacts. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcomes of climate change. Climate scenarios are intended to help entities develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change.

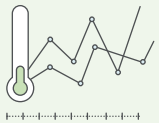
As a starting point PFI's scenario analysis process involved using the climate scenarios constructed by the New Zealand Green Building Council (NZGBC) and Beca Limited (Beca) for the property and construction sector in 2023[1], and assessing PFI's risks and opportunities under each climate scenario. Along with other key stakeholders within the industry, we are pleased to have been involved in overseeing the development of these sector scenarios as part of the Technical Working Group created by NZGBC in 2022.

The scope of operations covered in the scenario analysis process included the full supply chain, including tenants, suppliers and funders. Our scenario analysis considered a 1.5°C 'Orderly' scenario, a less than 2°C 'Disorderly' scenario, and a greater than 3°C 'Hot House World' scenario[2]. A description of each scenario is outlined on pages 24-26, with a detailed description, methods, assumptions, and sources of data used to construct each scenario available on NZGBC's website: www.nzgbc.org.nz/research-and-reports.

We consider the sector scenarios to be relevant to PFI, as many entities within the property and construction industry will face the same challenges resulting from climate change. These scenarios have helped us to consider the resilience of our business and strategy to climate-related risks and opportunities faced by PFI and our sector generally. PFI's climate-related risks and opportunities were assessed against these scenarios with oversight from the Senior Leadership Team and reviewed by the Board. PFI's scenario analysis forms part of PFI's climate risk and opportunity assessment, which in turn is used to inform PFI's corporate strategy.

1. Beca Limited, Climate Scenarios for the Construction and Property Sector, Ngā Horopaki Āhuarangi mō te Rāngai Hanganga me ngā Whare, New Zealand Green Building Council (2023).
2. When reviewing the sector scenarios, PFI has assessed transition risk in a Hot House World scenario to be higher than anticipated by NZGBC and Beca. PFI has particularly focused on the impacts of extreme physical climate risks (extreme weather events, rainfall and flooding) driving increased demand for climate-resilient buildings among tenants, investors, funders and insurers.

CLIMATE SCENARIOS



Orderly scenario: 1.5°C

Decarbonisation policies are enacted immediately and smoothly (globally, in New Zealand, and within the sector). The world successfully limits global warming to 1.5°C above pre-industrial temperatures. This scenario presents medium to high transition risk for PFI due to a greater focus on decarbonisation.

Global emissions decline steadily to achieve net zero CO_2 emissions globally by 2050. New Zealand climate policies are ambitious and in line with the rest of the world's, with the building and construction sector adopting and prioritising decarbonisation policies. The energy grid shifts rapidly away from fossil fuel use, with the New Zealand grid reaching 100% renewable by 2050.

Alternative fuels are used as a backup, and renewables are utilised onsite instead of fossil fuels. Direct carbon capture technology matures to a point where the world is on track to achieve net zero CO_2 emissions globally by 2050.

New Zealand's Emissions Trading Scheme (ETS) is amended to make carbon capture and storage (CCS) a recognised removal activity. Carbon capture and storage systems are implemented in the medium term to accelerate the rate of decarbonisation and mitigate hard-to- abate fossil fuel use.

The implementation of this technology increases pressure on technical and skilled labour supply. As this technology matures there is a reduction in focus on hard-to-abate emissions associated with some construction materials (e.g. concrete, steel, aluminium). This unlocks capital for more cost-effective decarbonisation strategies.

The shadow price of carbon increases dramatically to align with a 1.5°C trajectory, steadily rising up to $250/t$CO_2$e by 2050 (an increase of ~614% from a 2023 baseline of $35/t$CO_2$e). As a result, the cost and lead-times for low carbon materials and products increase through the 2020s and 2030s, but they become more cost and time effective than traditional materials by 2040. The construction sector grows significantly as carbon-supporting infrastructure is replaced with greener, low carbon infrastructure.

Land use change due to increased forestry sequestration continues through to 2050 but the extent is limited and has marginal impacts on food production and biodiversity.

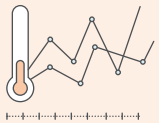
Regulatory changes for the property and construction sector include government procurement policies targeting recycled materials and circular economy principles. Stringent energy and carbon caps for new buildings are phased in rapidly. Existing buildings must disclose energy and carbon performance, take steps to remove all reliance on fossil fuels for operation, and scale up energy efficiency.

Pressures on centralised infrastructure increase with the demand for electrification, closing of fossil fuel power stations and direct climate impacts on storm and wastewater networks. Modular, circular designs will take precedence, with existing building re-use and adaptive re-use being in demand rather than new builds. Rapid densification puts pressure on horizontal infrastructure, necessitating significant upgrades.

Significant behavioural change results in an increased demand for energy efficient buildings, increased pressures on public transport, the rise of circular business models and a higher consumer awareness regarding low carbon buildings.

In response to continued high intensity rainfall events, properties in floodplains, or subject to unstable ground conditions, experience increasing insurance premiums above inflation and experience insurance retreat by 2050. The threat of late century sea level rise is being priced into property valuations in the short term and premiums on some coastal properties increase to the point of permanent unprofitability, leading to them being stranded.

CLIMATE SCENARIOS



Disorderly Scenario: <2°C

Significant decarbonisation is delayed until 2030 (globally, in New Zealand, and within the sector). Global warming is limited to <2°C by 2100. The sector faces high transition risk after 2030 as entities rush to decarbonise.

As global emissions continue to rise during the 2020s, concerns about meeting Paris Agreement goals drive a sudden shift in global policy around 2030. Abrupt and stringent decarbonisation policies are enacted in the 2030s, succeeding in limiting global warming to below 2°C above pre-industrial levels by 2100.

New Zealand follows suit with the rest of the world, leading to abrupt policy and market changes for the property and construction sector post-2030. There is no initial increase in carbon price up to 2030, at which point the price rapidly increases to reach $250/tCO$_2$e by 2050.

Whilst rapid policy, technology, and behaviour change does occur, it is disordered and inconsistent across sectors and sub-sectors.

Land use change due to increased forestry sequestration takes place out to 2050 and there are moderate impacts on food production and biodiversity as rapid decarbonisation efforts significantly expand the extent of managed forests.

During the 2020s there is a slow increase in demand for electricity, followed by a surge in demand in the 2030s as New Zealand rushes to electrify our transport networks. The electricity sector is unprepared for the sudden shift in demand at 2030, which causes a delay in adequate expansion of the grid during the 2030s and leads to supply constraints. These constraints result in more frequent blackouts and fluctuations in electricity prices.

During the 2020s, increased regulation within the sector attempts to address the need to decarbonise, but regulation is uneven across local entities and conflicting regulations lead to uncertainty.

At 2030 more stringent regulatory changes are introduced. During the 2020s there is less investment signalling for both new and retrofit low carbon buildings, which causes further uncertainty and lack of momentum until 2030. At 2030, significant regulatory changes demand an immediate step change in building energy and carbon requirements.

Limited investment during the 2020s means the spike in demand for low carbon materials, low energy technology and onsite generation in 2030 causes significant disruption for the sector. Competition for availability of products, materials, professional advice and competent installers impacts significantly on both new building and retrofit projects resulting in escalation in development costs.

Pressures on centralised infrastructure are compounded after 2030 due to increasing densification and the increasing impacts of physical climate risks. Spatial planning to prioritise decarbonisation and densification versus climate resilience and managed retreat is inconsistent across the country. This inconsistency leads to increasing uncertainty for the construction and property sector regarding which assets are most likely to become stranded.

Initially the construction and property sector is slow to decarbonise, but ‘fast movers’ get the opportunity to utilise materials, capital, and knowledge while late movers are disadvantaged when demand peaks post-2030.

A lack of action in addressing medium term physical risks in the 2020s results in a greater extent of vulnerable assets in the medium term (2030-2050). The pace of insurance retreat is accelerating. Properties in floodplains experience increasing insurance premiums above inflation and experience insurance retreat by 2040. Premiums on some coastal commercial properties increase to the point of permanent unprofitability, leading to them being stranded by 2030.

CLIMATE SCENARIOS

Hot House World Scenario: >3°C

No further decarbonisation policies are enacted (globally, in New Zealand, and within the sector), and emissions continue to rise. Global warming reaches >3°C above pre-industrial levels by 2100. The sector faces extreme physical climate risks, particularly towards the end of the century.

In a Hot House World scenario PFI expects transition risks will continue as a consequence of the extreme physical impacts of climate change, particularly as adaptation and climate resilience are prioritised.

New Zealand's climate change policy remains in keeping with the rest of the world. No further policies are introduced to curb emissions, with the building and construction sector following suit. Regulatory changes are slow and focus on adaptation and managing climate driven immigration / refugees. The price of carbon remains at $35/tCO$_2$e to 2050. Mandates are introduced to conserve energy for critical functions, as asset and infrastructure damages due to climate change are realised.

New Zealand follows global trends in not introducing additional policies and both technology and behaviour change remain slow across all sectors.

Increasing frequency and severity of acute weather events, as well as longer term increases in baseline shifts (increasing temperatures and sea level rise), drive an increasing need for climate adaptation. For example, the need to retrofit buildings and infrastructure to be more heat and flood resilient. There is little investment in technology and innovation that does not serve these pressing adaptation needs.

This increases our reliance on current extractive technologies, which become more expensive as material resources become scarcer (e.g. rare earth minerals for EVs and mobile phones).

Use of carbon capture and storage is minimal. Current policies are entrenched seeing New Zealand's reliance on carbon sequestration through forestry increase significantly out to 2050 in an attempt to offset continued increases in emissions.

New Zealand's electricity grid is gradually decarbonised further in line with current policies. Emission grid factors remain at 0.06 kgCO_2 /kWh by 2050 which means businesses wishing to achieve net zero carbon emissions must invest in their own zero carbon generation.

Existing low carbon materials are readily available due to low demand but there is little innovation beyond technologies and materials currently available. Investment is prioritised towards adaptation and climate resilience. Some assets become stranded as building codes increasingly become more stringent regarding the need for buildings to withstand climate impacts (such as storm events, extreme rainfall, heatwaves, and floods).

Centralised infrastructure will show failures and stresses, with some assets becoming stranded due to the physical impacts of climate change. Consequently, local councils increase rates to invest in protection and restoration of certain assets.

There are no incentives for meaningful behavioural change. A significant breakdown of social cohesion occurs, with heat stress and mental health impacts from climate change at record levels. Food insecurity and growing populations drive retreat from cities. Spikes in demand for housing occur due to climate- driven immigration from other parts of the world and increasing numbers of climate refugees.

The pace of insurance retreat accelerates. Properties in floodplains experience increasing insurance premiums and likely experience insurance retreat by 2040. Properties lose value and become stranded assets. Premiums on coastal commercial properties may increase to the point of permanent unprofitability, leading to them being stranded by 2030.

CLIMATE-RELATED RISKS

In FY25, we reviewed PFI's climate-related risks across the above three climate-related scenarios. Further information on PFI's approach and processes to identifying and assessing climate-related risks can be found in the Risk Management Section.

This process has assisted us to identify what we consider to be PFI's material climate-related risks. A summary of these risks, along with the associated anticipated impacts is illustrated below. Anticipated financial impacts are further described in the pages that follow.

RISK DESCRIPTION	RELEVANT TIME HORIZON & CLIMATE SCENARIO			REASONABLY ANTICIPATED IMPACTS IF RISK MATERIALISES	RISK RESPONSE
TRANSITION RISK	Time Horizon	Climate Scenario	Residual Risk Rating		
Policy Risk - Climate-related Regulatory Change Policy and regulatory change relating to decarbonisation and / or climate resilience (for example, on building materials and design, land use, operational performance ratings, and restrictions on water and energy use).	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	Anticipated impacts of climate-related regulatory change are: ▪ Increased retrofit and development activities to upgrade buildings to a sustainable and climate-resilient standard; ▪ Increased demand for (and cost of) low carbon materials; ▪ Increased development costs or a reduction in feasibility of projects; and / or ▪ Increased compliance risk.	▪ We closely monitor and work with industry bodies to respond to regulatory changes and comply with new regulations. ▪ We are continuing to execute PFI's Sustainability Strategy and initiatives, which focuses on improving energy and water efficiency, climate resilience and reducing embodied carbon emissions of our buildings.
Market Risk - Tenant and Purchaser Demand for Sustainable Buildings Increased tenant and purchaser demand for sustainable buildings.	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	Anticipated impacts of increased tenant and purchaser demand for sustainable buildings are: ▪ Increased retrofit and development activities to upgrade buildings to a sustainable or green building standard; ▪ Increased demand for (and cost of) low carbon materials; ▪ Increased development costs or a reduction in feasibility of projects; ▪ Positive impacts on valuations for properties that are sustainable, or negative impacts on valuations that are not sustainable; and / or ▪ Difficulty re-letting buildings that are not sustainable.	▪ We have a target of 5 Green Star certification for all significant new buildings. ▪ We apply an internal Sustainable Refurbishment Framework for eligible projects and refurbishments. ▪ We are working to drive stronger operational sustainability performance of existing buildings through inhouse facilities management. ▪ We are working toward operational performance ratings for selected existing assets.

RISK DESCRIPTION	RELEVANT TIME HORIZON & CLIMATE SCENARIO			REASONABLY ANTICIPATED IMPACTS IF RISK MATERIALISES	RISK RESPONSE
TRANSITION RISK	Time Horizon	Climate Scenario	Residual Risk Rating		
Market Risk - Tenant and Purchaser Demand for Resilient Buildings Increased demand for buildings that are resilient to the physical impacts of climate change.	Medium, Long	Disorderly, Hot House	Medium / High	Anticipated impacts of increased tenant and purchaser demand for climate resilient buildings are: ▪ Increased retrofit and development activities to upgrade buildings to a resilient standard; ▪ Increased development costs or a reduction in feasibility of projects; ▪ Difficulty re-letting buildings that are not climate resilient; and / or ▪ Devaluation of properties at risk of climate change impacts.	▪ We have begun applying PFI's internal Climate Resilience Framework to PFI's existing buildings. ▪ Climate resilience is embedded in our day-to-day facilities management activities. ▪ Climate adaptation plans are completed for major developments which assist with designing new buildings to be more resilient to the expected physical impacts of climate change.
Market Risk - Changing Investor and Funder Preferences and Funding Requirements Risks relating to changing expectations of investors and funders, including: ▪ Failure to meet climate-related targets and initiatives, or set sufficiently ambitious targets; ▪ Failure to meet expectations for decarbonisation or climate resilience; ▪ Declining market attractiveness due to increased vulnerability and exposure to climate change impacts.	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	Anticipated impacts of changing investor and funder expectations are: ▪ Reputational damage, negative media attention and scrutiny from funders, investors, and key stakeholders; and / or ▪ Impacts on PFI's ability to access capital or higher debt costs due to changing lender requirements.	▪ We disclose progress against climate-related targets and initiatives annually. ▪ We regularly engage with our investors and funders to understand expectations. ▪ We have a target of 5 Green Star certification for all significant new buildings. ▪ We apply an internal Sustainable Refurbishment Framework for eligible projects. ▪ We apply an internal Climate Resilience Framework for eligible projects, refurbishments and developments and as part of day-to-day facilities management activities. ▪ In 2023, PFI launched its Green Finance Framework and established its inaugural $150 million Green Loan Tranches to support progressive action towards Green Star targets.

RISK DESCRIPTION	RELEVANT TIME HORIZON & CLIMATE SCENARIO			REASONABLY ANTICIPATED IMPACTS IF RISK MATERIALISES	RISK RESPONSE
PHYSICAL RISK	Time Horizon	Climate Scenario	Residual Risk Rating		
Acute - Extreme Weather Events Increased severity and frequency of extreme weather events (for example, flooding, storms, intense rainfall, high winds or cyclones).	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	Anticipated impacts of extreme weather events are: ▪ Damage to, or accelerated deterioration of, PFI's assets and surrounding infrastructure; ▪ Disruptions to supply chains, construction timelines, and tenant's operations; ▪ Shorter earthworks seasons due to changes in ground conditions; ▪ Health and safety risks to staff, tenants and contractors; ▪ Increased insurance claims and property rates, leading to higher insurance premiums or risk of insurance retreat; and / or ▪ Increased pressure from tenants, investors, and funders to improve the climate-resilience of PFI's buildings.	▪ We review portfolio physical climate risks periodically and complete climate risk assessments as part of due diligence for new acquisitions. ▪ We apply an internal Climate Resilience Framework to incorporate climate resilience into our existing buildings through wider sustainable refurbishments, and facilities management activities. ▪ We have a target of 5 Green Star certification for all significant new buildings, which incorporates climate resilience measures. ▪ In FP24, P.F.I. Cover Limited was incorporated for the purpose of establishing a captive insurance programme for the Group. This forms part of a long-term insurance strategy to position PFI to obtain prudent levels of insurance. ▪ We aim to reduce physical impacts through proactive maintenance via inhouse facilities management.
Chronic - Rising Temperature Temperature rise and extreme heat resulting in the need to upgrade properties to be more heat resilient.	Medium, Long	Disorderly, Hot House	Medium / High	Anticipated impacts of temperature extremes are: ▪ Increased cooling demand and energy consumption; ▪ Increased demand on HVAC systems (leading to HVAC degradation and upgrades); ▪ Impacts on operational performance certification requirements; ▪ Health and safety risks for tenants and contractors; and / or ▪ Demand from tenants to improve air-conditioning and temperature control within PFI's buildings.	▪ We apply an internal Climate Resilience Framework to incorporate climate resilience into our existing buildings through wider sustainable refurbishments, and facilities management activities. ▪ We aim to reduce physical impacts through proactive maintenance via inhouse facilities management.
Chronic - Sea Level Rise Risk Rising sea levels result in coastal flooding during storms or coastal inundation.	Long	Hot House	Low	Anticipated impacts of sea level rise are: ▪ Insurance retreat from coastal locations; and / or ▪ Properties at risk of sea level rise impacts becoming permanently stranded or unprofitable.	▪ Sea level rise risk is a consideration in PFI's acquisition and divestment decisions. ▪ We have assessed PFI's current portfolio for risk of coastal flooding due to sea level rise.

CLIMATE-RELATED OPPORTUNITIES

We have also identified climate-related opportunities, which may be used to manage PFI's climate-related risks.

The following climate-related opportunities have been identified and are being progressed by PFI.

OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE, TIME HORIZON AND RELEVANT CLIMATE SCENARIO			ANTICIPATED IMPACT IF OPPORTUNITY IS REALISED	RESPONSE
OPPORTUNITY	OPPORTUNITY TYPE	TIME HORIZON	RELEVANT CLIMATE SCENARIO:		
Sustainable Refurbishments With increased demand for lower carbon, energy efficient buildings and a focus on decarbonisation among some investors, funders, tenants, and policy makers, we have a potential opportunity to reduce emissions, improve the operational performance of some buildings in our existing portfolio and improve building value and desirability by applying PFI's Sustainable Refurbishment Framework to refurbishment projects. This may include: ▪ Reducing embodied carbon emissions via use of lower carbon materials and reuse of existing materials or structures. ▪ Reducing operational carbon emissions, helping our tenants meet their climate commitments and potentially reducing costs via implementation of energy and water initiatives (for example, LED lighting, metering, water capture and fittings). ▪ Helping our tenants move to renewable energy (via solar installations) or implementing sustainable initiatives as part of their lease negotiations.	Transition	Short, Medium, Long	Orderly, Disorderly	Anticipated impacts of sustainable refurbishments could include: ▪ An increase in retrofit activities to upgrade existing assets to be energy efficient and climate resilient. ▪ Potential positive impacts on valuations, occupancy and rental income if properties are upgraded to a sustainable standard or to meet green building standards.	Upgrading existing assets via sustainable refurbishments is already a core element of PFI's Transition Plan and business strategy. During FY25, actions PFI took to realise this opportunity include: ▪ Completion of a sustainable refurbishment at 212 Cavendish Drive. ▪ Application of PFI's Sustainable Refurbishment Framework to other projects (i.e., solar installations, metering and LED lighting).

OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE, TIME HORIZON AND RELEVANT CLIMATE SCENARIO			ANTICIPATED IMPACT IF OPPORTUNITY IS REALISED	RESPONSE
OPPORTUNITY	OPPORTUNITY TYPE	TIME HORIZON	RELEVANT CLIMATE SCENARIO:		
Green Star Certification We have identified an opportunity to use Green Star certification as a differentiator for our new buildings, which may improve building value and desirability. Through Green Star certification, PFI has the opportunity to reduce embodied and operational emissions and address market and regulatory risks, which may drive demand for low carbon, energy efficient and climate resilient buildings.	Transition	Short, Medium, Long	Orderly, Disorderly, Hot House	Anticipated impacts of Green Star certification could include: ▪ An increase in development activities to upgrade properties to meet Green Star certification. ▪ Potential positive impacts on valuations, occupancy and rental income for properties that have achieved Green Star certification. ▪ Potential opportunity to obtain Green finance.	Brownfield and Greenfield developments are already a core element of PFI's Transition Plan and business strategy, with PFI's current target that all significant developments target a minimum 5 Green Star certification. During FY25, PFI has achieved a 5 Green Star Design & As Built NZv1.0 Design rating for three new buildings.
Operational Performance Ratings We have identified a potential opportunity to gain accreditation for some buildings in PFI's existing portfolio via operational performance ratings. Power metering and monitoring is a first step that will allow us to measure operational carbon emissions from energy use in our buildings with an ambition to eventually reduce these emissions where practicable. PFI views this as a potential way to further improve building value and desirability.	Transition	Short, Medium	Orderly, Disorderly	Anticipated impacts of operational performance ratings could include: ▪ An increase in retrofit activities to upgrade existing assets to be energy efficient. ▪ Potential positive impacts on valuations, occupancy and rental income for properties with operational performance ratings. ▪ Potential opportunity to obtain Green Finance.	Operational performance ratings is an area of focus to improve our existing portfolio of properties. During FY25, PFI undertook actions that are critical to achieving operational performance ratings in future, including: ▪ Continuing to install power metering and monitoring at PFI's properties as a first step towards measuring energy performance; and ▪ Conducting a trial using the Green Star Performance rating tool (Energy and Water only pathway) for a portfolio of four properties, which has achieved a 2 Star Green Star Performance rating.

OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE, TIME HORIZON AND RELEVANT CLIMATE SCENARIO			ANTICIPATED IMPACT IF OPPORTUNITY IS REALISED	RESPONSE
OPPORTUNITY	OPPORTUNITY TYPE	TIME HORIZON	RELEVANT CLIMATE SCENARIO:		
Building Climate Resilience With increased severity and frequency of extreme weather events and temperature rise driving demand for resilient buildings, we have an opportunity to embed climate resilience into PFI's portfolio. Through the implementation of PFI's Climate Resilience Framework, PFI may be able to: ▪ Improve resilience of existing assets against the physical impacts of climate change by incorporating climate resilience features during sustainable refurbishments and developments and as part of day-to-day building management. ▪ Improve PFI's due diligence and management of properties with heightened climate risk to create a more resilient portfolio. ▪ Reduce reactive capital expenditure on responding to climate-related weather events. ▪ Reduce the number of insurance claims and improve insurer appetite. ▪ Improve the safety of tenants and occupants.	Physical	Short, Medium, Long	Orderly, Disorderly, Hot House	Anticipated impacts of building climate resilience could include: ▪ An increase in retrofit and development activities to upgrade properties to be more resilient. ▪ An increase in planned proactive maintenance activities to mitigate impacts of climate change. ▪ Potential positive impacts on valuations, occupancy and rental income for properties that are resilient to climate change impacts.	During FY25 PFI undertook actions to improve climate resilience and mitigate the impacts of climate change, including: ▪ Implementing PFI's internal Climate Resilience Framework, which involved working with PFI's contractors to identify ways to incorporate climate resilience measures into our sustainable refurbishments and projects; ▪ Conducting physical risk assessments for the portfolio, and as part of due diligence for new acquisitions; ▪ Completing planned proactive maintenance, including gutter cleans for some buildings (where appropriate); and ▪ Incorporating climate resilience into the design of Green Star developments.
Green finance PFI has identified an opportunity to secure green finance under PFI's Green Finance Framework to support progressive action towards our strategic objectives and Green Star targets.	Transition	Short, Medium	Orderly, Disorderly	Anticipated impacts of green finance include the opportunity to access capital at potentially lower rates.	▪ In 2023, PFI launched its Green Finance Framework and established its inaugural $150 million Green Loan Tranches to support progressive action towards Green Star targets. For further information on PFI's Green Finance Framework, refer to https://www.propertyforindustry.co.nz/sustainability

CURRENT CLIMATE-RELATED IMPACTS AND FINANCIAL IMPACTS

PFI has experienced the following current climate-related impacts and financial impacts during FY25.

Current physical impacts

We continued to observe physical impacts of climate change during FY25. During FY25, PFI lodged insurance claims for three properties that experienced flood-related damage due to heavy rainfall, storms, and subsequent leaks. The financial impact to PFI from these events was immaterial. PFI considers a property to be 'impacted' by an extreme weather event if an insurance claim has been made to cover the cost of repairing damage. PFI makes no assumptions around the extent to which a weather event was caused by climate change.

Current transition impacts

Sustainable buildings

Climate-related transition risks and opportunities, including increased demand for sustainable and climate-resilient buildings among tenants, purchasers, investors, and funders, have directly influenced the implementation of sustainability initiatives for our buildings.

PFI has progressed major developments at 30-32 Bowden Road and 78 Springs Road. During FY25, three buildings were awarded a 5 Green Star Design and As-Built NZV1.0 Design rating. PFI also commenced construction at Stage 2 at 78 Springs Road, which is targeting 5 Green Star certification. Targeting 5 Green Star certification for all significant new developments is a key initiative in PFI's Transition Plan (see pages 21-22), and has enabled us to incorporate energy and water efficiency initiatives, embed climate resilience and lower embodied carbon emissions of the new buildings.

We aim to embed sustainability into our core business activities.

The current financial impacts to PFI associated with these Green Star developments during FY25 are captured as follows:

- approximately $23.3m in gross capital expenditure spend towards the delivery of Green Star developments (including Stage 2 at Bowden Road and Stages 1 and 2 at Springs Road). The capital expenditure deployed towards Green Star developments during FY25 reflects gross capex and does not separate the incremental spend that is 'climate-related' from general development costs, nor does it provide an estimate of additional costs incurred for undertaking Green Star developments (therefore the gross spend also includes costs that are not 'climate-related'). Although we are unable to reliably estimate the incremental costs incurred for developing these buildings to a Green Star standard, additional costs associated with seeking 5 Green Star certification include costs to implement energy and water efficiency measures, use of low impact building materials and products, and additional consultant fees to support the certification process.
- the three completed buildings (excluding Stage 2 at Springs Road, which is still under construction), represent a value of $224.0m or 10.3% of PFI's current portfolio market value (based on 30 June 2025 valuations). These buildings are now generating around $10.8m in contract rental income, which represents 9.7% of PFI's total contract rent as at 30 June 2025.

PFI has also continued to apply an internal Sustainable Refurbishment Framework to incorporate energy and water efficiency and use lower impact building materials at applicable projects and refurbishments. During FY25, sustainable features incorporated into PFI's buildings include solar installations, LED lighting upgrades, metering installations, rainwater harvesting tanks, sustainable landscaping, and EV chargers.

During FY25, PFI spent approximately $5.9m in capital expenditure towards sustainability-related projects (excluding capital expenditure towards PFI's Green Star developments, which is noted above). Total sustainability-related capex during FY25 includes some general refurbishment costs, and therefore also includes some capex that is not 'climate-related'.[1]

Climate resilience

During FY25, PFI implemented an internal Climate Resilience Framework, which helps to identify opportunities to improve climate resilience of both new and existing buildings within our portfolio. Embedding climate resilience is a key initiative in PFI's Transition Plan (see pages 21-22) and is a response to climate-related risks such as increased demand for climate-resilient buildings among tenants, purchasers, investors and funders, and the risk of extreme weather events and rising temperatures. PFI has also recognised that implementing PFI's Climate Resilience Framework presents an opportunity to improve the resilience of our assets. See page 13 for further information on PFI's Climate Resilience Framework.

The current financial impacts to PFI associated with climate resilience measures are captured in PFI's capital expenditure. PFI has incorporated climate resilience-related property upgrades as part of wider sustainable projects or refurbishments, which includes rainwater harvesting, solar installations, and landscaping. Capital expenditure deployed towards these resilience-related property upgrades are included within the total sustainability-related capital expenditure noted above.

During FY25, PFI also spent approximately $1.8m in capital expenditure towards HVAC repairs or upgrades, and roof repairs and maintenance works. While this capital expenditure assists us in improving the resilience of our buildings against climate-related impacts, it also includes capex spent for general building maintenance purposes and therefore includes costs that are not 'climate-related'. This capital expenditure is not included in the sustainability-related project costs noted above.

Operational performance ratings

Over the past few years, PFI has installed metering at 91% of our properties, which allows us to obtain data to measure operational performance of our existing portfolio of buildings. While no legislation mandating operational performance ratings for commercial buildings has formally been introduced, this presents a potential market opportunity to obtain operational performance ratings for selected properties, and prepares PFI for potential regulatory change in this space. During FY25, PFI conducted a trial of the Green Star Performance rating tool (Energy and Water Only pathway) for a small portfolio of four buildings, which achieved a 2 Green Star Performance rating. The costs associated with obtaining Green Star Performance certification for these four buildings during FY25 were immaterial. The capital expenditure spent towards metering installations during FY25 is included in the sustainability-related project costs noted above.

PFI proactively obtained operational performance ratings on four of its buildings.

1. Sustainability-related capital expenditure for FY25 is captured where projects have been identified as including a 'sustainability feature', and does not separate capex that is 'climate-related' from general project costs. Other uncertainties include data entry limitations.

ANTICIPATED CLIMATE-RELATED IMPACTS AND FINANCIAL IMPACTS

Based on our current understanding of PFI's climate-related risks and opportunities and scenario analysis, PFI anticipates the following physical and transitional impacts of climate change are reasonably expected in future. Anticipated impacts of PFI's risks and opportunities are described in the tables on pages 27-32.

Anticipated physical impacts

PFI considers physical climate-related risks as part of asset management and portfolio management decisions such as future capital expenditure and / or divestment decisions. Physical risk assessments also inform our due diligence processes for new acquisitions.

Climanomics

PFI has assessed the anticipated financial impact of physical risks across its portfolio using the S&P Global Climanomics tool, which quantifies the potential financial impact of climate risks on physical assets. PFI's assessment indicates that the most significant potential risks to PFI's portfolio are flooding and extreme temperatures.

Climanomics is limited in its ability to predict the anticipated financial impact of climate change on our assets but does provide a useful understanding of modelled financial impacts of physical climate risks for PFI's portfolio using up to date climate data. For this reason, PFI considers this platform to be an appropriate model to estimate the financial impact of physical risks to PFI's portfolio across a range of climate scenarios and time horizons. PFI's anticipated financial impacts of the physical risks described below are modelled over short, medium and long-term time horizons and across a 'Disorderly' and 'Hot House World' scenario.

Refer to Appendix 4: Glossary and Acronyms for further detail relevant to Climanomics and Modelled Average Annual Loss (MAAL).

Severe weather events

PFI has identified a risk that increased severity and frequency of weather events (for example, flooding, storms and cyclones), could result in damage or accelerated deterioration of our assets, and exposure to increased reactive repairs and maintenance costs to respond to climate events and business interruption for our tenants.

According to Climanomics, the combined MAAL out to 2100 due to pluvial and fluvial flooding is anticipated to range between 0.16-0.85%. This means the average annual loss to the portfolio due to these climate hazards is projected to be less than 1% of our total portfolio value through to 2100. Further information can be found in the Metrics and Targets section. The anticipated costs captured in the modelling (repair and business interruption costs) are typically covered by insurance. However, following PFI's scenario analysis and climate risk assessment, PFI anticipates that over a short to medium-term time horizon, insurance will become increasingly difficult and expensive to obtain, particularly for certain perils. Further details on the anticipated impact of climate change on insurance premiums can be found on page 37.

Other financial impacts of severe weather could include weather-related delays to projects and developments and increased planned proactive maintenance costs to mitigate impacts of climate change. These anticipated financial impacts cannot be reliably quantified as PFI does not have sufficient hazard-related data to quantify these impacts.

Rising temperatures

PFI has identified a risk that rising temperatures could result in increased demand on, or for, air conditioning systems and electricity use, particularly in a 'Hot House World Scenario'. According to Climanomics, the MAAL due to temperature extremes is anticipated to range between 0.37 – 1.57%. This means that the average annual loss to the portfolio due to HVAC-related costs is projected to be up to 1.57% of our total portfolio value through to 2100. Further information can be found in the Metrics and Targets section.

Sea Level Rise

Although sea level rise is considered a lower risk for PFI because of the physical location of our assets, we anticipate that sea level rise could result in insurance retreat from coastal locations and at-risk properties may become stranded over a long-term time horizon.

Climanomics' assessment is that PFI's portfolio will not suffer any financial impact from coastal flooding through to 2100. However, PFI has also assessed the risk of sea level rise to PFI's properties using NIWA's extreme sea level flood maps (1%AEP and up to 2m sea-level rise) for Aotearoa.[1] Through this modelling, PFI has identified that two properties representing a combined value of $37.2m (or 1.7% of PFI's portfolio by market value), are potentially at risk of coastal flooding due to sea level rise, albeit over a long term time horizon.[2] Further information can be found in the Metrics and Targets section.

1. NIWA's extreme sea level flood map identifies national and regional level flood hazard and exposure trends with rising sea levels (across various climate scenarios). NIWA is a nationally recognised Crown Research Institute that provides climate expertise specific to New Zealand. PFI considers this dataset to be an appropriate model to understand which of PFI's properties are located in regions that are at risk of sea level rise inundation. NIWA's extreme sea level flood map for New Zealand can be found here: https://experience.arcgis.com/experience/8e3d7262cc9846968f0bfb86da0806f8
2. There is no data for the Bay of Plenty region within the NIWA extreme sea level flood maps, therefore PFI has not yet assessed the risk of sea level rise for properties located in this region.

Anticipated transition impacts

Anticipated transition financial impacts have been quantified over a shorter time frame, where a reasonable forecast is able to be made.

Anticipated Capital Expenditure and Other Costs

PFI considers that it is in the interests of long-term shareholder value to prudently invest capital expenditure to upgrade our assets to be more sustainable, energy efficient and climate resilient over a short- and medium-term time horizon. Capital deployment is necessary to implement the key initiatives in PFI's Transition Plan (see pages 20-22), and is reasonably expected to occur across all climate scenarios.

We anticipate increased capital deployment to pursue the opportunities associated with Green Star certification, sustainable refurbishments, operational performance ratings, and building climate resilience. Additionally, this capital deployment is driven by transition risks such as regulatory change and tenant and purchaser demand for sustainable and climate-resilient buildings, which could have an impact on retrofit and development costs and PFI's capital deployment.

PFI is investing in the development of new buildings that are designed and built with a view to addressing climate-related risks and opportunities. PFI anticipates $30m of remaining spend will be deployed towards the development of Stage 2 at Springs Road during FY26, with a pipeline of a further $297m-333m of capital expenditure to be deployed towards Green Star developments over the short to medium term (based on early estimates of development costs, noting that in some cases these are not fully committed projects).

PFI also anticipates investing capital expenditure to upgrade our existing properties to be more sustainable, energy efficient and climate resilient over the short to medium term time horizon. Around $3.9m of PFI's budgeted capital expenditure for FY26 is expected to be deployed towards projects that will incorporate sustainability and climate resilience features into our existing buildings.[1] This includes LED lighting upgrades, solar investigation work, sustainable landscaping, and climate-resilient weather design.

PFI has recently reviewed its sustainability targets, including revising its solar target and introducing an LED lighting target. Solar investigation work and LED lighting upgrades have been budgeted for in FY26, and these costs are included within PFI's FY26 budgeted sustainability-related capex noted above. PFI anticipates spending around a further $2m in capital expenditure towards solar installations and LED lighting upgrades through to FY28 to meet these targets (excluding what has been budgeted for in FY26).

Budgeted capital expenditure for other sustainability and resilience-related property upgrades from FY27 onwards cannot be reliably estimated at this stage due to insufficient data, however PFI anticipates deploying significant capex towards sustainable refurbishments over the short to medium term. In time, as PFI completes more projects, it expects to be able to provide more guidance on the costs to upgrade other buildings.

Anticipated Impact on Valuations and Rental Income

PFI anticipates that over a short to medium term time horizon, regulatory change and market demand for sustainable and climate-resilient buildings will impact property valuations and rental income for industrial buildings that are considered to be sustainable and climate resilient (e.g., via green building certification), versus those that are not. The anticipated financial impact of sustainability and green building certifications on property valuations and rental income is not currently quantifiable due to insufficient market data. At present, standard market valuations do not differentiate the additional value and rent attributable to properties that have green building certification compared to a like-for-like building that does not have certification. Likewise, we are unable to quantify the potential reduction in value and rental income that is attributable to owning properties that are not sustainable or climate resilient. In addition, climate change impacts is one of a range of economic factors that determine future rents and valuations, such as location, strategy and tenant demand. PFI expects it may be able to quantify this impact in future as more market data becomes available.

1. Budgeted sustainable capital expenditure for FY26 is captured where projects have been identified as including a 'sustainability feature' and does not separate capex that is 'climate-related' from general project costs (for example, wider refurbishment works). Therefore, budgeted sustainable capex also includes some costs that are not climate-related. Budgeted sustainable capex does not include capex towards Green Star developments. PFI notes that budgeted sustainable capital expenditure for FY26 may differ from actual spend during FY26. Other uncertainties include data entry limitations.

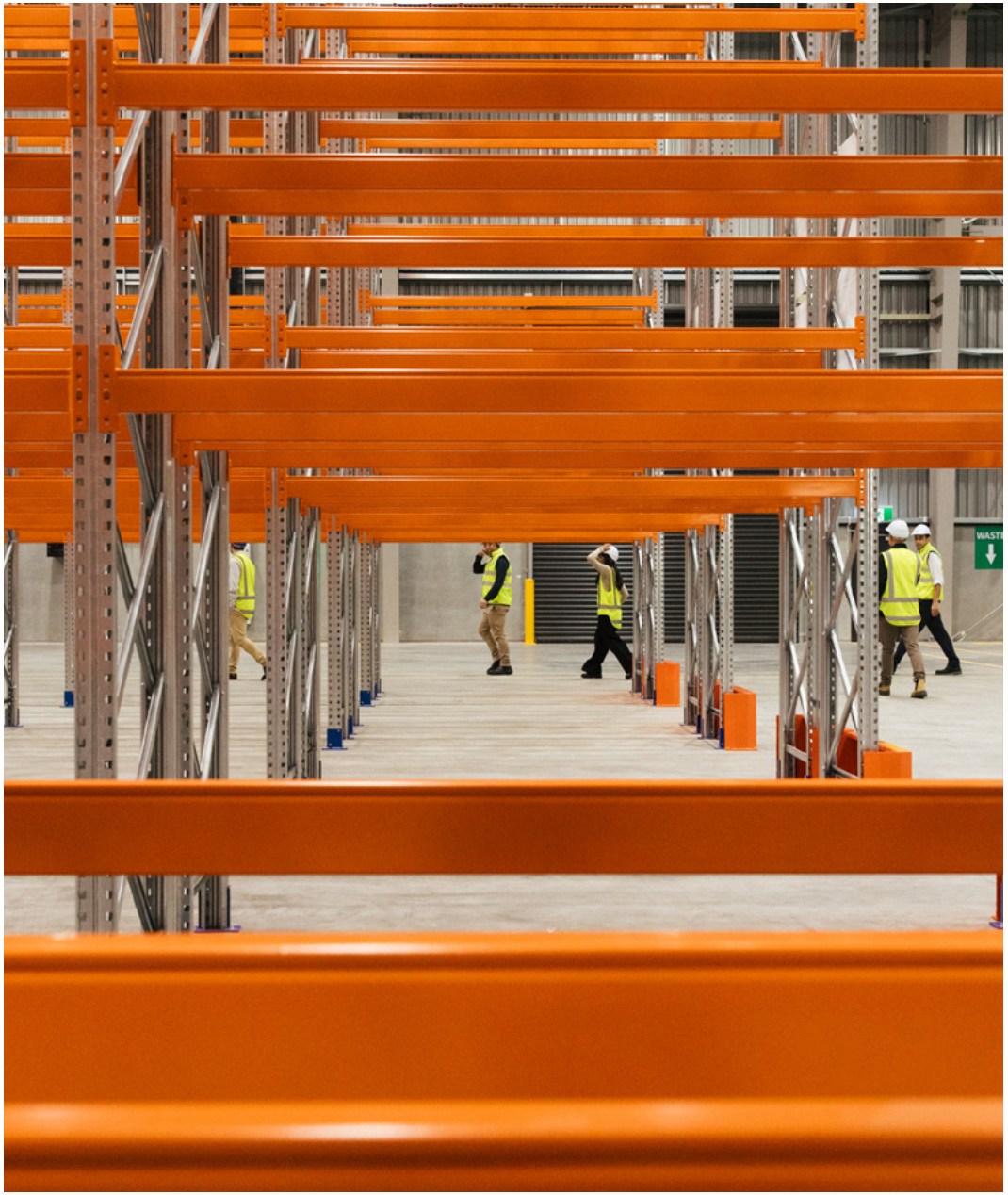
Anticipated Impact on Green Financing

We anticipate that over time as we increase the proportion of our portfolio that has green certification, the percentage of our funding that is green funding will adjust accordingly.[1] PFI considers that there is an opportunity over the short and medium-term to increase access to capital via green finance and potentially secure finance with cheaper rates. However, there is insufficient market information at this time to quantify the anticipated financial impact of this and we note that finance market dynamics are likely to continue to be the primary influencer of this financial impact. PFI may be able to quantify this impact in future if more financial market information, including interest rates, becomes available.

Anticipated Impact on Insurance

Notwithstanding the changes that PFI has made to its insurance programme to prepare for the impacts of climate change, we anticipate that insurance premiums may continue to increase over a short, medium and long-term time horizon, particularly if the world experiences frequent extreme weather events. The anticipated financial impact of climate change on insurance premiums and insurance coverage is unable to be quantified due to a lack of available and reliable data around the potential impact of climate change on the insurance market and premiums. PFI also considers that claims history, insurer loss modelling, and insurance market dynamics are likely to continue to be key drivers of insurance pricing, in addition to actual climate change-related losses suffered by insurers. PFI may be able to quantify this financial impact in future if more market information as to the expected increase in insurance premiums becomes available.

1. Refer to PFI's Green Finance Framework for further information on green funding.



Our team visits a newly completed 5 Green Star building.

RISK MANAGEMENT

This section describes PFI's processes for identifying, assessing and managing climate-related risks and how these processes are integrated into PFI's overall risk management processes.

IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS

As noted in the Governance section, identification and assessment of PFI's climate-related risks and opportunities is led by PFI's Head of Sustainability and Operations, with oversight from the Senior Leadership Team. The Senior Leadership Team also identifies any responses and opportunities PFI may undertake to manage PFI's climate-related risks. PFI undertakes an annual assessment of both PFI's climate-related risks and company-wide risks, which are reviewed by the Board at least annually.

PFI's Risk Management Framework governs our approach to identifying and assessing risks, including climate-related risks. In line with this framework, climate-related risks are identified by reviewing previously identified climate-related risks and considering any changes to the internal and external environment. Risks are then assessed and prioritised according to our Risk Management Framework which assesses them against a risk matrix of likelihood of the risk occurring and consequences to PFI, should it occur. The Framework provides an 'inherent risk rating' and a 'residual risk rating', which can be assessed as low, medium or high risk. The residual risks are determined by assessing any changes to consequences and likelihood, considering PFI's current responses to mitigate this risk.

In addition to this typical risk assessment process, climate-related risks have been assessed across each sector scenario and adapted to reflect how they may evolve in each plausible scenario. We have also considered the potential impact to PFI over different time horizons. The time horizons considered in this risk assessment are described on page 23.

PFI's climate-related risks are characterised as either 'transition risks' or 'physical risks'. This risk assessment is also informed by an analysis of the potential impacts of physical climate hazards across all PFI properties as noted on page 35.

PFI's climate-related risks and opportunities assessment considers PFI's direct operations, as well as upstream and downstream impacts. No parts of the value chain are excluded.

Managing and responding to climate-related risks forms part of PFI's Sustainability Strategy. Any decisions on PFI's responses to climate-related risks, including whether to mitigate, transfer, accept or control these risks and opportunities are made by the management team with oversight from the Board. PFI's assessment of climate-related risks and opportunities translates through to PFI's Transition Plan. Actions being taken to respond to and manage PFI's most material climate-related risks are set out in the Strategy Section.

INTEGRATION INTO OVERALL RISK MANAGEMENT PROCESS

Under PFI's Risk Management Framework, every PFI staff member is responsible for the identification, management and escalation of risks as part of their role. Risks are discussed at Senior Leadership Team meetings and reports on risk management are provided to the Audit and Risk Committee and Board at least annually.

In 2023, PFI's Audit and Risk Committee and Board reviewed and approved PFI's Risk Management Framework, which was updated to integrate climate-related risks into the risk management process. Assessment and management of climate risk is managed in the same way as our other risks, with oversight by the Senior Leadership Team, including the Chief Executive Officer and Chief Finance and Operating Officer, and the Board. PFI's Risk Management Framework is reviewed two-yearly, and is next due to be reviewed in November 2025.

PFI's climate-related risks are also incorporated into PFI's company-wide risk register to give a single view of PFI's risks. In most cases, climate risks are an extension of our existing risks. Potential impacts of climate change are considered to present strategic, financial, operational, ESG, property and reputational risks for PFI. Our controls for those risks have been improved to include consideration of climate change impacts. For example, PFI added new controls for PFI's strategic and ESG risk, which now includes an annual review of PFI's climate-related risks and opportunities.

METRICS AND TARGETS

This section describes the metrics and targets set to measure and manage PFI's climate related risks and opportunities.

GREENHOUSE GAS EMISSIONS

PFI's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for FY25 are set out below. PFI engaged PricewaterhouseCoopers (PwC) to provide limited assurance for PFI's FY25 Scope 1 and Scope 2 emissions (but not Scope 3). PFI's Scope 1, Scope 2 and Scope 3 emissions have also been externally peer reviewed by Ekos Kamahi Limited to check alignment with the GHG Protocol.

Further information on PFI's calculation methodology, assumptions, limitations, uncertainties, consolidation approach, emissions factors, and excluded emissions is detailed in Appendix 2. PwC's GHG assurance report is provided in Appendix 3.

OUR GHG EMISSIONS

SCOPE	CATEGORY	NOTE (SEE PAGE 40)	FY19 (tCO_2e) 12 MONTHS	FY20 (tCO_2e) 12 MONTHS	FY21 (tCO_2e) 12 MONTHS	FY22 (tCO_2e) 12 MONTHS	FY23 (tCO_2e) 12 MONTHS	FP24 (tCO_2e) 6 MONTHS[1]	FY25 (tCO_2e) 12 MONTHS
SCOPE 1			NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	LIMITED ASSURANCE
Direct Emissions	Fugitive emissions (refrigerants)		94.5	116.8	76.8	61.3	41.2	68.7	53.7
	Fuel	1	Not measured in FY19	Not measured in FY20	0.2	4.5	5.6	2.4	13.4
SCOPE 2			NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	LIMITED ASSURANCE
Indirect Emissions	Electricity consumption (location based)	2	15.5	5.4	14.2	19.6	4.4	2.2	9.1
Total Scope 1 and Scope 2 Emissions			**110.0**	**122.2**	**91.2**	**85.4**	**51.2**	**73.3**	**76.2**
SCOPE 3			NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED
Other Indirect Emissions	Category 1: Purchased goods and services	3	Not measured in FY19	111.3	117.4	284.3	1,244.2	506.1	1,052.3
	Category 2: Capital goods	4	Not measured in FY19	2,564.7	2,615.0	2,122.4	16,733.7	8,595.5	5,202.0
	Category 3: Energy and fuel		Not measured in FY19	0.5	1.2	1.8	0.5	0.2	0.7
	Category 5: Waste generated in operations		0.7	0.5	0.2	0.4	0.5	0.1	0.3
	Category 6: Business travel		19.8	9.4	12.7	18.4	25.0	43.6	51.0
	Category 7: Employee commuting		Not measured in FY19	15.1	13.6	12.6	17.7	11.0	29.3
	Category 13: Downstream leased assets	5	Not measured in FY19	Not measured in FY20	Not measured in FY21	Not measured in FY22	Not measured in FY23	669.3	5,093.0
Total Scope 3 Emissions			**20.5**	**2,701.5**	**2,760.3**	**2,439.9**	**18,021.7**	**9,825.8**	**11,428.5**
TOTAL Scope 1, 2 and 3 Emissions			**130.5**	**2,823.7**	**2,851.3**	**2,525.4**	**18,072.9**	**9,899.1**	**11,504.7**

1. tCO_2e figures for FP24 reflect the six-month period between 1 January 2024 and 30 June 2024 due to PFI's balance date change to 30 June, and are therefore not comparable with emissions for prior or subsequent years (which reflect a 12-month reporting period).

The notes below relate to the GHG Emissions table on the previous page.

NOTE

1 Fuel emissions from diesel-powered sprinkler systems were not measured in FY19 (base year), FY20 and FY21 due to a lack of data available.

2 PFI's Scope 2 emissions are comprised of electricity consumption at PFI's head office, vacant properties and common areas within PFI's portfolio of properties for which PFI has operational control over the electricity consumed.

3 Scope 3 Category 1 emissions were estimated using a spend-based methodology, which multiplies PFI's expenditure on purchased goods and services against spend-based emission factors. The increase in Scope 3 Category 1 emissions from FY23 onwards reflects a change in the spend-based methodology used by PFI, rather than a material change in underlying activity. Refer to page 52 for further detail on the uncertainties, assumptions and limitations of this spend-based calculation methodology.

4 Scope 3 Category 2 emissions were calculated using Life Cycle Assessments (LCAs), which provides estimated upfront embodied carbon emissions of PFI's major developments. A spend-based methodology is used for the balance of emissions in this category. The increase in Scope 3 Category 2 emissions from FY23 onwards is attributable to both an increase in development activity and a change to the spend-based methodology used by PFI. **Please note:** The upfront embodied carbon emissions from PFI's completed developments have been allocated across reporting periods based on spend (i.e., split across FY23, FP24 and FY25). PFI is transitioning to reporting total upfront embodied carbon emissions 'at completion' of each development for projects that commence after 1 July 2024 (noting that these projects may span over multiple reporting periods). Refer to page 53 for further detail on the uncertainties, assumptions and limitations of this methodology.

5 PFI's Scope 3 Category 13 emissions include emissions relating to electricity consumption in PFI's tenanted buildings. In 2022, PFI began installing utility metering to measure electricity consumed in PFI's tenanted buildings. PFI reported Scope 3 Category 13 emissions for the first time in FP24 using actual measured metering data for a limited number of properties. Therefore, the emissions reported for FP24 do not represent the total emissions associated with building electricity use across the whole portfolio. As at 30 June 2025, PFI had metering data for 89% of properties in its portfolio. Reported emissions for FY25 reflects both an increase in activity data available via metering and the extrapolation method used to estimate emissions for remaining properties. Refer to page 54 for further detail on the uncertainties, assumptions and limitations of these estimated emissions.

EMISSIONS PERFORMANCE

PFI does not currently have an absolute or intensity emissions reduction target. See pages 8-12 for more information on PFI's strategy to minimise our emissions, along with the transition plan aspects of our strategy on pages 21-22 setting out our planned initiatives to minimise emissions associated with our buildings.

Scope 1 and 2

PFI's Scope 1 fugitive emissions have decreased in FY25 compared to FP24 (noting that FP24 represents a 6-month period), and have increased compared to FY23. These emissions are due to ad-hoc refrigerant leaks from HVAC systems and are difficult to predict. Overall, PFI's Scope 1 fugitive emissions have decreased by 40.8 tCO_2e (or 43.2%) in FY25 compared to PFI's FY19 base year. This is primarily due to PFI's transition away from R22 refrigerant gas.

PFI's Scope 1 emissions associated with diesel usage for sprinkler systems have increased, noting that 42.8% of the diesel consumption during FY25 is attributable to refuelling sprinkler systems at the new developments at 78 Springs Road and 30-32 Bowden Road.

PFI's Scope 2 emissions associated with electricity use at PFI's head office, vacant properties and properties with common areas have increased when compared to prior reporting periods. A change in emission factor from the Ministry for the Environment's 2024 Measuring Emissions Guide to the 2025 Measuring Emissions Guide contributed significantly to the increase in Scope 2 emissions for FY25 (an uplift of 38.7%).

Scope 3

PFI's most significant Scope 3 emissions are Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), and Category 13 (Downstream Leased Assets).

PFI's Scope 3 Category 1 emissions account for 9% of PFI's FY25 measured GHG emissions. These emissions have stayed relatively stable in FY25 when compared to FP24, and have decreased by around 15% when compared to FY23. This is largely attributable to changes in the types of expenditure during the period.

PFI's Scope 3 Category 2 emissions, accounting for 45.2% of PFI's FY25 measured GHG emissions, decreased in FY25 compared to FY23 and FP24, primarily due to the timing of the completion of the development works at 30-32 Bowden Road (Stage 1 and 2) and 78 Springs Road (Stage 1). These emissions are expected to fluctuate over time as PFI completes new developments.

Scope 3 Category 13 emissions associated with electricity consumption at tenanted buildings account for 44.3% of PFI's FY25 total measured GHG emissions. These emissions were reported for the first time in FP24, and the increase in emissions from FP24 to FY25 is reflective of an increase in visibility over the electricity consumed by tenants via metering and the extrapolation method used to estimate emissions across the whole portfolio of properties in FY25. There was also a change in emission factor between the Ministry for the Environment's 2024 Measuring Emissions Guide to the 2025 Measuring Emissions Guide, which contributed significantly to the increase in these emissions for FY25 (an uplift of 38.7%). Electricity use in PFI's tenanted buildings is expected to vary depending on tenant operations. PFI also anticipates an increase in these emissions over time, particularly as tenants are expected to increasingly electrify their operations.

OFFSETS

We have offset our measured FY25 Scope 1, 2 and selected categories of Scope 3 emissions[1] with certified carbon credits. These certified carbon credits are sourced from a project that helps to deliver forest protection, biodiversity conservation and water quality protection.[2]

INTERNAL EMISSIONS PRICE

As in FY23 and FP24, PFI does not currently use an internal emissions price for its business activities. PFI has a small team, and relevant staff members have developed an understanding of PFI's material emissions impacts (in particular, the impacts of developments, refurbishments and building operation) through regular management meetings. At this stage, PFI does not consider that setting an internal emissions price will add material incremental value to the business's decision-making with regards to carbon impacts.

GHG EMISSIONS INTENSITY METRICS

GHG EMISSIONS INTENSITY METRIC	FY23 (tCO_2e)	FP24 (tCO_2e)	FY25 (tCO_2e)	COMMENTARY
Scope 1 + 2 GHG emissions (tCO_2e)/sqm lettable area	0.00006	0.00008	0.00008	Scope 1 and 2 GHG emissions intensity stayed relatively stable over the last three reporting periods.
Scope 3 Category 13 emissions (tCO_2e)/sqm net lettable area	Not measured	Not measured	0.007	PFI measured its Scope 3, Category 13 emissions for the first time in FP24 using a limited dataset, therefore the emissions intensity for Category 13 emissions has not been calculated for FP24.
Scope 3, Category 2 upfront embodied carbon emissions associated with developments that were completed during the reporting period (tCO_2e)/ sqm lettable area	Not measured	0.308	0.347	See below for commentary on embodied carbon emissions intensity.

Embodied Carbon Emissions Intensity

This intensity metric has been calculated using the upfront embodied carbon emissions from Life-Cycle Assessments (LCAs) prepared for developments targeting Green Star certification. LCAs estimate embodied carbon emissions associated with the construction of these buildings 'as at completion'.

In FP24, PFI reported the emissions intensity of Scope 3, Category 2 upfront embodied carbon emissions associated with properties that were under development during the reporting period per sqm lettable area developed. The intensity metric for FP24 has been updated to reflect our emissions intensity of developments that were completed during the reporting period (and to align with our transition to reporting these emissions 'at completion'). In FP24, PFI completed the development of one building at 30-32 Bowden Road, which is estimated to have an emissions intensity of 0.308 tCO_2e per sqm. In FY25, PFI completed the development of two buildings at 30-32 Bowden Road and 78 Springs Road, which is estimated to have a combined emissions intensity of 0.347 tCO_2e per sqm[3].

This data is subject to the uncertainties and limitations of LCA data set out on page 53. This intensity metric does not cover all Scope 3, Category 2 emissions, however upfront embodied carbon emissions is one of PFI's largest emissions sources.

PFI does not calculate intensity metrics for the following Scope 3 emissions: Purchased Goods and Services, other Capital Goods (not associated with developments), Energy and Fuel, Waste, Business Travel and Employee Commuting.

1. Including waste, business travel, employee commuting, and energy and fuel; but excluding goods and services, capital goods, and downstream leased assets.
2. These carbon credits are certified under the Plan Vivo (UK) carbon credit standard and are retired on the Markit Environmental Registry.
3. The upfront embodied carbon emissions intensity for FP24 has been calculated using a final 'as built' LCA, whereas the emissions intensity for FY25 has been calculated using LCAs prepared at the design stage of each development. This means that the actual upfront embodied carbon emissions intensity for developments completed in FY25 will vary depending on materials used during each development.

OTHER METRICS AND TARGETS

The key metrics used to measure and manage our climate-related risks and opportunities are set out below. We consider these metrics to be most relevant to PFI's industry and business model. PFI uses these metrics to understand and assess the extent to which our assets and business activities are vulnerable to climate-related transition and physical risks and to track progress on climate-related initiatives.

The following metrics were set with oversight from the Board. Metrics in line with industry-based metrics are indicated below, and we are continuing to monitor metrics used by our peers in the property sector.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
ASSETS / BUSINESS ACTIVITIES VULNERABLE TO PHYSICAL RISKS				
MAAL % due to pluvial and fluvial flooding	0.16% – 0.85%	0.16% – 0.86%	0.16% – 0.85%	PFI undertook an assessment of the vulnerability of PFI's properties to flood risk using S&P Global's Climanomics platform, which quantifies the potential financial impact of climate hazards on physical assets. **Analysis of trends:** According to Climanomics, the combined MAAL over a short-, medium- and long-term time horizon (2020s through to 2090s) due to pluvial and fluvial flooding is anticipated to range between 0.16 – 0.85% (relative to PFI's current insurance value), in a 'Disorderly' and 'Hot House World' scenario'. Accordingly, we consider that less than 1% of PFI's assets (by portfolio value per annum) are vulnerable to risks associated with fluvial and pluvial flooding (out to 2100). The MAAL % has remained stable compared to previous reporting periods (primarily due to there being no material change to PFI's portfolio size and location over the reporting periods). **Key assumptions, uncertainties and limitations:** Refer to Appendix 4: Glossary and Acronyms for detail relevant to Climanomics, MAAL, and pluvial and fluvial flooding. The Climanomics platform has a number of limitations and assumptions, including that the modelling assumes PFI, or the tenant are responsible for certain costs, which does not necessarily align with PFI's lease agreements (negotiated separately). Using local Council flood maps, PFI has also identified that a significant portion of PFI owned properties are located near or on a flood plain or flood prone area (in some capacity, whether fully or partially). However, this exposure does not necessarily mean the properties are vulnerable to physical climate risks. As such, PFI does not rely on Council data as an appropriate measure of the 'vulnerability' of PFI's assets to physical risks.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
MAAL % due to temperature extremes	0.38% – 1.57%	0.38% – 1.57%	0.37% – 1.57%	PFI has identified a risk that rising temperatures could result in increased demand on, or for, HVAC systems. PFI has assessed the vulnerability of PFI's portfolio to this risk using the S&P Global Climanomics platform, which models the potential financial impact of temperature extremes from climate-related expenses (costs associated with HVAC degradation). **Analysis of trends:** According to the Climanomics platform, the MAAL over a short, medium and long-term time horizon (2020s through to 2090s) due to temperature extremes is anticipated to range between 0.37 – 1.57% (relative to PFI's current insurance value) in a 'Disorderly' and 'Hot House World' scenario. Accordingly, we consider that less than 2% of PFI's assets (by portfolio value per annum) are vulnerable to risks associated with temperature extremes. As above, the MAAL % has remained stable compared to previous reporting periods (primarily due to there being no material change to PFI's portfolio size and location over the reporting periods). **Key assumptions, uncertainties and limitations:** Refer to Appendix 4: Glossary and Acronyms for detail relevant to Climanomics and MAAL. Climanomics primarily considers costs associated with HVAC degradation due to temperature rise over time. PFI considers that this financial impact may be overstated, as the warehouse components of PFI's buildings do not typically have cooling (as opposed to HVAC systems cooling the office portion of the building). However, as we expect temperatures to rise over time, we anticipate we will need to upgrade HVAC systems as they reach the end of their useful life and incorporate temperature control within some PFI warehouses over a long-term time horizon.
% of properties by market value that may be at long-term risk of coastal flooding due to sea level rise *This metric is in line with industry-based metrics.*	2.2%	1.8%	1.7%	PFI undertook an assessment of the vulnerability of PFI's assets to risk of coastal flooding due to sea level rise using NIWA's extreme sea level flood maps (1%AEP and up to 2m sea-level rise) for Aotearoa. **Analysis of trends:** As at 30 June 2025, PFI currently owns two properties that are potentially at risk of coastal flooding due to sea level rise of a minimum 0.8m and 1.4m respectively. These properties represent a combined value of $37.2m (based on 30 June 2025 valuations). The timeframes over which these properties might be impacted by sea level rise is long (potentially between 2080-2110 in a 'Hot House World' Scenario). Accordingly, we consider that 1.7% of PFI's total portfolio value, or $37.2m, is vulnerable to risk of coastal flooding due to sea level rise of at least 0.8-1.4m by the year 2080-2110. PFI divested one property that was at risk of sea level rise impacts in FP24. The market value of the remaining two properties has stayed relatively stable. **Key assumptions, uncertainties and limitations:** There is no data for the Bay of Plenty region within the NIWA extreme sea level flood maps, therefore PFI has not yet assessed the risk of sea level rise for properties located in this region. These unassessed properties represent 5.3% of PFI's market value.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
Average % increase in retail insurance premium	33%	13%	7%	**Analysis of trends:** PFI has observed the general easing of market conditions in FY25 and the continued development of its property insurance programme through its wholly-owned captive insurer, P.F.I. Cover Limited. During PFI's 2025 insurance renewal, at a portfolio level, we experienced an average 7% increase in insurance premiums when compared to the prior year insurance premium. This has decreased compared to the average premium increase experienced in FY23 (33%) and FP24 (13%).The majority of insurance premiums are recovered from PFI's tenants. **Key assumptions, uncertainties and limitations:** An increase in insurance premiums is attributable to a range of factors including increased sums insured (often driven by changes in the insurance valuation of each property, the acquisition of properties and the completion of developments), increased severity and frequency of climate events locally and globally, and other market factors. The average increase in premium does not include a small number of tenant-insured properties in PFI's portfolio as PFI does not have oversight of these premium increases.
ASSETS / BUSINESS ACTIVITIES THAT ARE VULNERABLE TO TRANSITION RISKS OR ALIGN WITH CLIMATE-RELATED OPPORTUNITIES				
% of portfolio by market value that has achieved a green building rating *This metric is in line with industry-based metrics.*	0%	0%	12.7%	PFI considers that tenant and purchaser demand for energy efficient, sustainable and climate resilient buildings present both a market risk and an opportunity to improve PFI's buildings to achieve a green building rating. 12.7% of our portfolio by market value has achieved a green building rating and is therefore considered to be aligned with this climate-related opportunity. We are currently targeting 5 Green Star certification for all significant new buildings. **Analysis of trends:** The percentage of PFI's portfolio that has achieved a green building rating has increased in FY25 when compared to prior reporting periods, primarily driven by the following: ▪ During FY25, PFI achieved a 5 Green Star Design & As Built NZ1.0 Design rating for three new buildings, including Stage 1 and Stage 2 at Bowden Road, and Stage 1 at Springs Road. These buildings have a combined value of $224m, representing 10.3% of PFI's portfolio by market value. ▪ PFI has also achieved a 2 Star Green Star Performance rating for a portfolio of four buildings, including 10 Autumn Place, 6 Autumn Place, 23 Zelanian Drive and 102 Mays Road. These buildings have a combined value of $51.9m, representing 2.4% of PFI's portfolio by market value. **Key assumptions, uncertainties and limitations:** PFI considers a 'green building rating' to include a Green Star rating or an operational performance rating (such as Green Star Performance). PFI does not specify a minimum rating for buildings to be included in this metric. An 'As Built' certification for Stage 1 at 30-32 Bowden Road was awarded on 17 July 2025. As Built certification for Stage 2 at 30-32 Bowden Road and Stage 1 at 78 Springs Road have not yet been issued.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
% of portfolio by market value that is registered for a green building rating *This metric is in line with industry-based metrics.*	6.8%	9.1%	7.8%	In addition to the percentage of our portfolio by market value that has achieved a green building rating, 7.8% of our portfolio by market value is registered for a green building rating. This demonstrates alignment with the opportunity to improve PFI's buildings to achieve a green building rating. **Analysis of trends:** The percentage of PFI's portfolio that is registered for a green building rating has fluctuated over the last three reporting periods. PFI expects this metric to fluctuate as PFI works through its development pipeline. PFI has registered several developments for Green Star certification, including Stage 2 at 78 Springs Road, and upcoming developments at Neilson Street, Rosebank Road, and Harris Road. These properties represent a market value of $168.1m or 7.8% of PFI's portfolio (based on 'as-is' market valuations as at 30 June 2025). PFI expects the percentage of projects registered for a green building rating to fluctuate over time, particularly as PFI executes the transition plan aspects of our strategy. **Key assumptions, uncertainties and limitations:** This metric includes upcoming developments that have formally been registered for Green Star certification with the NZGBC. The figure for FY25 excludes the upcoming greenfield development at Spedding Road, which has also been registered for Green Star certification. PFI has not settled the acquisition of this property and it does not currently have a market valuation.
% of portfolio by market value that has not achieved / been registered for a green building rating *This metric is in line with industry-based metrics.*	93.2%	90.9%	79.5%	79.5% of our portfolio by market value has not yet achieved or been registered for a green building rating. This proportion of our portfolio is therefore considered to be potentially vulnerable to the climate-related risk that tenants and purchasers demand sustainable and climate resilient buildings. **Analysis of trends:** The percentage of PFI's portfolio that has not achieved, or been registered for, a green building rating, has decreased compared to prior reporting periods. This is primarily driven by an increase in properties that have achieved, or been registered for, Green Star certification. **Key assumptions, uncertainties and limitations:** This metric includes properties that have not achieved a Green Star rating or an operational performance rating (such as Green Star Performance), and properties that have not been formally registered for Green Star certification with the NZGBC. We note that there are not green building rating tools available for all building types in PFI's portfolio, and that PFI may have taken steps to improve the sustainability performance of a building without seeking formal certification.
% of properties that have power metering installed *This metric is in line with industry-based metrics.*	21.7%	62.6%	91.2%	PFI identified an opportunity to obtain operational performance ratings for some properties in our portfolio, with a need to collect electricity data to prepare for this. 91.2% of our properties have power metering installed and are therefore aligned with this opportunity. In 2022, PFI committed to installing power metering at 50% of PFI's properties by the end of 2025, which was later revised to install power metering at 90% of PFI's portfolio of properties by the end of FY25. **Analysis of trends:** The percentage of properties that have power metering installed has increased when compared to the prior reporting periods. We have now achieved our goal of implementing power metering and monitoring at 90% of PFI's properties by the end of 2025, with power metering installed at 91% of properties (or 83 properties) in PFI's portfolio as at 30 June 2025.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
% of total funding facilities that is Green Debt	16.7%	16.7%	14.6%	PFI has identified an opportunity to secure green finance under PFI's Green Finance Framework to support progressive action towards our strategic objectives and Green Star targets. 14.6% of our total funding facilities are Green Debt and therefore aligned with this opportunity. **Analysis of trends:** The percentage of total funding facilities that is Green Debt has decreased slightly when compared to prior reporting periods. This is primarily driven by an increase in funding facilities that is not Green Debt. **Key assumptions, uncertainties and limitations:** Green Debt is defined in PFI's Green Finance Framework.
CAPITAL DEPLOYMENT TOWARDS CLIMATE-RELATED RISKS AND OPPORTUNITIES				
Gross capital investment deployed toward Green Star buildings	$64.25M	$43.6M	$23.3m	**Analysis of trends:** Gross capital expenditure towards buildings targeting Green Star certification has decreased during FY25 when compared to the last two reporting periods. As part of executing PFI's strategic goal for all new significant buildings to target a minimum 5 Green Star certification, PFI has completed construction for three buildings including Stage 1 and 2 at Bowden Road, and Stage 1 at Springs Road, which was awarded a 5 Green Star Design & As Built NZV1.0 Design rating during FY25. PFI also commenced construction at Stage 2 at Springs Road during FY25, which is expected to be completed in FY26. Since FY23, PFI has deployed a gross amount of around $130m in capital expenditure towards these developments. **Key assumptions, uncertainties and limitations:** This metric does not separate the incremental spend that is 'climate-related' from general Green Star development costs, nor does it provide an estimate of additional costs incurred for undertaking Green Star developments (therefore the gross spend also encompasses costs that are not climate-related).
Gross capital investment deployed toward sustainability-related projects at existing properties	Not measured	Not measured	$5.9m	During FY25, PFI spent around $5.9m in gross capital expenditure towards sustainability-related projects at existing properties. **Analysis of trends:** This metric reflects an updated approach to materiality and was not measured in FY23 and FP24. PFI's capital deployment metrics in FY23 and FP24 included 'gross capital deployment towards solar installations' and 'gross capital deployment towards metering and monitoring'. When considered individually, the capital deployed towards these initiatives are deemed to be immaterial and therefore have not been included as standalone metrics in this year's capital deployment metrics. Capital deployed towards solar and metering installations during FY25 are included within the overall gross capital investment deployed toward sustainability-related projects at existing properties metric, along with other sustainable features that have been incorporated into PFI's existing properties (see key assumptions, uncertainties and limitations below). **Key assumptions, uncertainties and limitations:** Total sustainability-related capital expenditure is captured where projects have been identified as including a 'sustainable feature' and does not separate capex that is 'climate-related' from general project costs. Sustainability-related projects include projects that have incorporated sustainable features such as installation of solar panels, LED lighting upgrades, rainwater harvesting, EV chargers, electrical metering, water efficiency measures, skylight replacements and sustainable landscaping. This metric excludes capex deployed towards the development of Green Star buildings (see metric above). Other uncertainties include data entry limitations.

METRIC	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	COMMENTARY
REMUNERATION				
% of Short Term Incentives for the Senior Leadership Team linked to climate-related risks and opportunities	15%	10%	10%	**Analysis of trends:** During FY25, the key performance indicators (KPIs) underpinning the Short-term Incentives (STIs) of the Senior Leadership Team included sustainability-related measures and objectives. In FY23, sustainability-related KPIs were embedded in a wider KPI that had a 15% weighting. Sustainability-related KPIs were weighted at 10% of the Senior Leadership Team's STIs for FP24 and FY25. During FY25, these objectives included progressing 5 Green Star certification for new developments, and conducting a trial of the Green Star Performance rating tool (energy and water pathway) for a selected group of properties.

TARGETS

PFI has committed to key targets to operationalise its Sustainability Strategy. The time frames for these targets align to the time horizons set out on page 23. Performance as at 30 June 2025 against these targets is described below.

TARGET	TIMEFRAME	BASE YEAR	PROGRESS	PERFORMANCE
GREEN STAR Significant new buildings to target minimum 5 Green Star certification	Ongoing target (short, medium and long-term target)	2023	On track	PFI has been awarded a 5 Star Green Star Design & As Built NZv1.0 Design rating for Stage 1 and Stage 2 at Bowden Road (leased to Tokyo Food and Daikin) and Stage 1 at Springs Road (leased to Fisher and Paykel Appliances). We have also registered a number of upcoming developments for 5 Green Star certification, including Stage 2 at Springs Road, Spedding Road, Rosebank Road, Neilson Street, and Harris Road. These developments are expected to progress over the next few years.
METERING Implement power metering and monitoring for 90% of properties by the end of FY25	By the end of FY25 (short-term target)	2023	Target achieved	Power metering and monitoring have been implemented at 91% of properties in PFI's portfolio.
SOLAR Achieve 1.4MW of solar capacity by the end of FY27	By the end of FY27 (short-term target)	2023	On track	Having successfully met our target to install solar systems at five buildings in our portfolio by the end of 2025 ahead of time, we have revised our target to achieve a total 1.4MW (megawatt) of solar capacity by the end of FY27. Over the last three reporting periods, PFI has completed solar installations at eight buildings in its portfolio. This represents 0.73MW of solar capacity installed at PFI's properties.
LED LIGHTING 80% of PFI's tenancies to have full LED lighting by the end of FY28.	By the end of FY28 (short-term target)	2025	On track	As at 30 June 2025, approximately 62% of PFI's tenancies had full LED lighting, with the remainder containing a mixture of LEDs with non-LED lights, or no LED lights at all.

APPENDICES.

04.

APPENDIX 1: RECENT FY25 KEY BOARD ENGAGEMENTS RELATING TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

	BOARD	AUDIT & RISK COMMITTEE
July 2024	Review and endorsement of PFI's Transition Plan.	Update on FP24 Climate-related Disclosures.
August 2024	FP24 Climate-related Disclosures update, including progress against climate-related metrics and targets.	
September 2024	Approval of FP24 Climate-related Disclosures.	Review and recommendation of FP24 Climate-related Disclosures for Board approval.
November 2024	Update on progress against targets within PFI's Sustainability Strategy.	
December 2024	Approval of limited assurance engagement relating to Scope 1 and Scope 2 greenhouse gas emissions.	Review of PFI's corporate risk register. Endorsement of limited assurance engagement relating to Scope 1 and Scope 2 greenhouse gas emissions for Board approval.
February 2025	Approval of processes for preparing PFI's FY25 Climate-related Disclosures. Update on progress against targets within PFI's Sustainability Strategy.	Review and recommendation of processes for preparing PFI's FY25 Climate-related Disclosures. Update on matters relating to FY25 Climate-related Disclosures.
May 2025	Review and approval of PFI's refreshed Sustainability Strategy and revised climate-related targets. Review of annual Climate-related Risk and Opportunity Assessment, including climate scenarios used. Update on progress against targets within PFI's Sustainability Strategy. Update on matters relating to greenhouse gas emissions calculations and the greenhouse gas emissions assurance engagement.	
June 2025		Update on FY25 Climate-related Disclosures.
August 2025	Update on FY25 Climate-related Disclosures. Update on matters relating to greenhouse gas emissions calculations. Update on progress against targets within PFI's Sustainability Strategy.	Update on FY25 Climate-related Disclosures. Update on matters relating to greenhouse gas emissions calculations and the greenhouse gas emissions assurance engagement.
September 2025	Approval of FY25 Climate-related Disclosures.	Review and recommendation of FY25 Climate-related Disclosures for Board approval.

PFI's People Committee reviewed the Board's skills and experience, including climate-related skills, at the November 2024 People Committee meeting.

APPENDIX 2: FURTHER INFORMATION ON GHG EMISSIONS

PFI's greenhouse gas emissions for the 12-month period ended 30 June 2025 (FY25) have been measured and prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (GHG Protocol).

Assurance of GHG emissions

During FY25, PFI engaged PricewaterhouseCoopers (PwC) as an external assurance practitioner to provide limited assurance for PFI's FY25 Scope 1 and Scope 2 greenhouse gas emissions. PwC's GHG assurance report is provided in Appendix 3 (pages 56-58).

PFI's Scope 3 emissions for this reporting period are not subject to an external assurance engagement. PFI has elected to use Adoption Provision 8 in NZ CS 2, which exempts PFI from including Scope 3 emissions disclosures from the Scope of GHG assurance engagements for reporting periods ending before 31 December 2025. PFI also relies on the Financial Markets Conduct (Climate-related Disclosures – Assurance Engagement) Exemption Notice 2025, which provides that climate-reporting entities are not required to seek assurance over Scope 3 GHG emissions statements, as otherwise required by section 461ZH(1) of the Financial Markets Conduct Act 2013.

PFI's Scope 1, 2 and 3 emissions have been externally peer reviewed by Ekos Kamahi Limited to check alignment with the GHG Protocol (noting that this does not constitute external assurance).

Organisation Description

PFI is comprised of a single parent company, Property for Industry Limited (the Company), and its subsidiaries, P.F.I. Property No. 1 Limited (P.F.I. No.1), which owns the full property portfolio, and P.F.I. Cover Limited (PFI Cover) (collectively, the Group).

PFI is an NZX-listed property vehicle focused on the industrial property sector. As at 30 June 2025, PFI has a portfolio of 91 properties located throughout New Zealand, but primarily in Auckland. PFI's core activities broadly cover leasing pre-existing properties to industrial tenants, portfolio management through acquisitions and divestments, and refurbishment, project and development activities. Following the insourcing of facilities management in July 2023, PFI now coordinates repairs, maintenance and capital projects for PFI's properties through its internal facilities management team.

Organisational Boundary and Consolidation Approach

PFI's organisational boundaries have been set with reference to the methodology described in the GHG Protocol. PFI has applied an operational control approach to identify and determine the boundary of PFI's GHG inventory.

All emissions that PFI has operational control over in its own head office and within its property portfolio are covered in this inventory. Operational control is determined by PFI's capacity to enact operational decisions for an emissions source (i.e., full authority to introduce and implement operating policies). This approach allows us to focus our initiatives on the emission sources which we have operational control over and can make decisions on in line with our Sustainability Strategy.

Reporting Period and Base Year

In line with PFI's financial reporting period, this inventory covers emissions for FY25 (1 July 2024 to 30 June 2025).

PFI's base year inventory is 2019. The 2019 base year was selected to enable early performance comparison across reporting years.

Balance Date Change

In 2024, PFI and its subsidiary changed balance date from 31 December to 30 June. As a result of this change, PFI had a shorter six-month financial period from 1 January 2024 to 30 June 2024 (referred to as Financial Period 2024 or FP24). PFI's FP24 emissions will continue to be included in the year-on-year comparison, noting that to the extent that the FP24 emissions reflect a short six-month period, these emissions are not comparable to prior or subsequent years, which reflect a 12-month reporting period.

Methodologies, assumptions, limitations and uncertainties

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. PFI's GHG emissions have been calculated with guidance provided by Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions (version 1.0) (Technical Guidance).

Unless otherwise stated, the calculation methodology used to quantify emissions was based on the method of multiplying supplied activity data by the relevant emissions factor or Global Warming Potential (GWP) rate.

PFI uses emission factors and GWP rates sourced from the most recent and up to date Ministry for the Environment's Measuring Emissions Guide: Emission Factor Workbook (MfE Emission Factors) that are available as at the end of the relevant reporting period (30 June). Emission factors and GWP rates used to calculate PFI's FY25 GHG emissions were sourced from the 2025 MfE Emission Factors, using GWP rates sourced from IPCC AR5. The 2025 MfE Emission Factors have not been applied to prior year emissions calculations. Emissions factors have also been sourced from the Market Economics Limited 2023 Consumption Emissions Modelling report prepared for the Auckland Council[1] to estimate Scope 3, Category 1 and 2 emissions.

Embodied carbon emissions from PFI's major developments (covered under Scope 3 Category 2: Capital Goods) are estimated using Life Cyle Assessments (LCAs) prepared by Beca Limited.

Data for Scope 1, 2 and 3 emissions are captured by PFI's team members or provided by suppliers, and are subject to data entry limitations.

Specific data sources, data uncertainties, assumptions and limitations are set out on the pages that follow.

Base Year and Comparative Year Restatement Policy

PFI will recalculate and restate base year and comparative year emissions where there has been a change of more than 10% of the total inventory as a result of structural changes, a change in calculation methodology that has a material impact on base year emission data, or discovery of material errors.

Organic growth or decline will not trigger a base year recalculation. A recalculation of base year and comparative year emissions may not be appropriate if a recalculation is unable to be carried out due to a lack of reliable data, or where new methodologies cannot be applied to historic years. In this circumstance, PFI may decide to establish a new base year or otherwise provide an explanation as to why a recalculation was not deemed appropriate.

PFI's restatement policy was not triggered during FY25.

1. The Market Economics Limited, 2023, Consumption Emissions Modelling report prepared for Auckland Council (Table 5 Consumption Emission Intensities for the Year Ending 2019) has been used to calculate Scope 3 Category 1: purchased goods and services and Scope 3 Category 2: Capital Goods (excluding construction-related emissions for major developments at Bowden Road and Springs Road).

EMISSIONS SOURCE INCLUSIONS

A summary of the emissions sources included in this inventory is provided below, along with a description of the methods, assumptions, limitations, and uncertainties relevant to calculating or estimating emissions.

GHG EMISSIONS SOURCE	FACILITIES MEASURED	DATA SOURCE AND COLLECTION	KEY UNCERTAINTIES, LIMITATIONS AND ASSUMPTIONS
SCOPE 1			
Fugitive Emissions from HVAC systems	All properties within the portfolio where the HVAC is owned and maintained by PFI.	Records from HVAC suppliers (emails and reports) detailing the quantity used (in kg) to top up HVAC systems during the year.	**Medium uncertainty** – assumption that records provided by HVAC suppliers represent a complete and accurate account of all fugitive emissions from HVAC systems. Assumption made that the quantity of refrigerant gas topped up equals the quantity of the refrigerant gas lost during the reporting year.
Diesel emissions from sprinkler systems	All properties with diesel-powered sprinkler systems that are owned and maintained by PFI.	Records from suppliers that maintain PFI's sprinkler systems (emails and reports) detailing the quantity of diesel used (litres) to top up sprinkler systems.	**Medium uncertainty** – assumption that records provided by contractors are a complete and accurate account of diesel emissions from sprinkler systems.
SCOPE 2			
Electricity consumption (location based)	Purchased electricity consumed in PFI's head office, vacant spaces and common areas within PFI's portfolio of properties (where PFI has operational control over the electricity used).	Metering reports and invoices from electricity suppliers which record kWh consumed.	**Low uncertainty** – assumption that the meter readings are correct and that the kWh provided by electricity suppliers are an accurate record of the electricity consumed.
SCOPE 3			
Category 1: Purchased goods and services	Emissions related to goods and services purchased.	Expenses report for FY25 extracted from PFI's accounting software.	**High uncertainty** – data limitations meant that a spend-based method was employed. Uncertainties arise from the lack of detailed information about the exact greenhouse gas emissions associated with each product or service purchased. Expenditure categories that did not relate to goods and services or have been accounted for elsewhere in PFI's GHG Inventory have been excluded from these calculations. Category 1 emissions were estimated by multiplying spend against relevant emissions factors derived from the Market Economics Limited 2023 Consumption Emissions Modelling Report prepared for the Auckland Council (a New Zealand consumption-based model). PFI has used this NZ consumption-based model since FY23[1]. This methodology provides an estimate only, and relies on the quality of the statistical data used to calculate emissions factors and the categories aligning with PFI's accounting codes.

1. Emissions factors for calculating Scope 3 Category 1 and 2 emissions from FY23 onwards were taken from the Market Economics Limited, 2023, Consumption Emissions Modelling, report prepared for Auckland Council. Emissions factors for calculating Scope 3 Category 1 and 2 emissions prior to FY23 were derived from GZA's US environmentally-extended input output (EEIO) model.

GHG EMISSIONS SOURCE	FACILITIES MEASURED	DATA SOURCE AND COLLECTION	KEY UNCERTAINTIES, LIMITATIONS AND ASSUMPTIONS
Category 2: Capital Goods	Capital expenditure at PFI properties, including refurbishments and major developments.	A combination of dollar spend from internal accounting records and embodied emissions data from Life Cycle Assessments.	**High uncertainty** – emissions were estimated using a combination of a spend-based method and data from Life Cycle Assessments (LCA). The spend-based methodology involved multiplying property spend against emissions factors derived from a consumption-based model (limitations are described above). This method was applied to Category 2, Capital Goods emissions, where LCA data was not available. Upfront embodied carbon emissions associated with material production, transport of materials and construction at PFI's major developments were estimated using data from LCA reports prepared by Beca Limited (for the purpose of design review and certification under the Green Star framework). This methodology intends to more accurately estimate the construction-related emissions from PFI's major development activities using estimated emissions totals for the product and construction stage of each development. The following uncertainties and limitations apply: ▪ LCA data is calculated 'at completion' of development projects, which may span across more than one reporting period before achieving practical completion. The upfront embodied carbon emissions recorded in LCAs for the developments at 30-32 Bowden Road and Stage 1 at 78 Springs Road have been split across FY23, FP24 and FY25 reporting periods based on spend. These development projects were complete as at 30 June 2025. ▪ PFI is transitioning to reporting upfront embodied carbon emissions 'at completion' for all development projects that commenced construction on 1 July 2024 onwards. This means that the upfront embodied carbon emissions for the development at Stage 2 at 78 Springs Road were excluded from FY25 Category 2 emissions calculations. The upfront embodied carbon emissions for this development, and future development projects, will be reported in the year of completion (rather than being split across reporting periods). ▪ LCAs contain estimated emissions for PFI's major developments, which are not finalised until after practical completion and are subject to limitations, uncertainties and possible change. PFI has used the most recently available LCAs for each development project, which in some cases are a draft version. For PFI's FY25 reporting, adjustments have been made to FY25 to account for variance from initial estimates in draft LCA reports.
Category 3: Fuel and Energy – Transmission and distribution losses	Properties for which PFI is responsible for paying for the electricity and has operational control over the electricity consumed.	Records from electricity suppliers – total kWh from PFI's Scope 2 emissions from purchased electricity.	**Low uncertainty** – assumption that electricity invoices and meter readings accurately represent the energy that PFI consumed across its offices, and properties with vacant spaces and common areas.
Category 5: Waste generated in operations	Waste generated from PFI's head office.	Proxy measurement.	**High uncertainty** – in the absence of actual supplier data for waste generated in PFI's head office, PFI has estimated emissions using a proxy measurement method. Assumptions have been made around the total kg of waste per full time employee.

GHG EMISSIONS SOURCE	FACILITIES MEASURED	DATA SOURCE AND COLLECTION	KEY UNCERTAINTIES, LIMITATIONS AND ASSUMPTIONS
Category 6: Business Travel	Staff from PFI head office.	Records include invoices, booking confirmations, and reports from PFI's accounting system.	**Medium-High uncertainty** – a combination of a distance-based and spend-based methodologies were used to estimate emissions associated with staff air travel, rental car use, taxi use, mileage, and hotel accommodation. Assumptions have been made relating to the type of vehicle and fuel used. Assumption that all business-related travel is captured in PFI's accounting records. An average national emissions factor has been applied.
Category 7: Employee commuting	Staff from PFI head office.	Employee Commuting Survey results. The data collection unit is kilometers (km) travelled to work via private vehicle, bus, train and ferry and number of days worked from home.	**Medium uncertainty** – a distance-based methodology was used to estimate emissions associated with commuting. Assumption that the answers provided by PFI's employees in the survey are a complete and accurate representation of how employees commuted to work in a typical week. Assumptions have been made around the number of days worked and distance travelled.
Category 13: Downstream Leased Assets – Electricity consumed at tenanted buildings	All tenanted properties within PFI's portfolio.	Records include metering reports.	**Medium uncertainty** – electricity consumption data has been extrapolated to estimate emissions for PFI's whole portfolio during FY25 using actual consumption data for almost 90% of PFI's properties. Electricity consumed at metered properties with less than 12 months of consumption data was annualised. Estimated emissions were calculated using the average kWh consumed per sqm net lettable area (NLA) for metered properties (kWh/NLA), applied across the remaining properties where no consumption data was available. The following limitations, uncertainties and assumptions apply: ▪ As at 30 June 2025, 91% of PFI's portfolio had electricity metering installed, with 89% having verifiable consumption data available for FY25. In some cases, metering was installed partway through the reporting period and metered data reflects less than 12 months of electricity consumption for those properties. PFI does not have electricity consumption data available for some properties. ▪ Metering reports were manually compiled by BraveGen using data fed live from metering. Metering reports include data from the first full month of verified consumption only. ▪ It is assumed that the metering reports are a complete and accurate representation of the electricity consumed at tenanted buildings with metering installed. ▪ To the extent that metering data is incomplete, the extrapolated electricity consumption data does not reflect PFI's actual Scope 3 Category 13 emissions associated with electricity consumption in tenanted buildings. ▪ In many cases, data includes power associated with tenants' operations as well as building electricity use. ▪ Specific adjustments have not been made in relation to portfolio activity during the period.

Emissions Source Exclusions

SCOPE AND CATEGORY	SOURCE	JUSTIFICATION FOR EXCLUSION
SCOPE 3		
Category 3: Fuel and energy-related activities	Upstream emissions of purchased electricity.	Upstream emissions of purchased electricity, including emissions associated with the extraction and production of fuels consumed in the generation of purchased electricity are excluded due to there being no relevant emission factor available to account for this.
Category 4: Upstream transportation and distribution	Freight, couriers and other delivery services.	Emissions associated with upstream transportation and distribution are included in the calculations for Category 1: Purchased goods and services.
Category 8: Upstream leased assets	PFI office electricity and operational expenditure (including office HVAC).	Emissions associated with upstream leased assets are included in calculations for Scope 2 (Office Electricity) and Scope 3 Category 1 (operational expenditure).
Category 9: Downstream transportation and distribution	N/A	Not applicable to PFI's operations.
Category 10: Processing of sold products	N/A	Not applicable to PFI's operations.
Category 11: Use of sold products	N/A	Not applicable to PFI's operations.
Category 12: End of life treatment of sold products	N/A	Not applicable to PFI's operations.
Category 13: Downstream Leased Assets	Emissions relating to operational equipment that PFI owns, but which tenants manage and maintain.	We acknowledge that there are likely to be fugitive emissions from building HVAC systems that tenants manage (Scope 3, Category 13: Downstream Leased Assets). These emissions are excluded from PFI's inventory due to an absence of data, and we note that it is unlikely PFI will be able to gain visibility of these fugitive emissions. However, the vast majority of HVAC systems in PFI buildings are managed by PFI, and tenant-managed fugitive emissions are not expected to be material when compared to building electricity.
Category 14: Franchises	N/A	Not applicable to PFI's operations.
Category 15: Investments	N/A	Not applicable to PFI's operations.

There were no exclusions relevant to Scope 1 and 2 emissions.

APPENDIX 3: GHG ASSURANCE REPORT

Independent Assurance Report

To the Directors of Property for Industry Limited

Limited Assurance Report on Property for Industry Limited's Greenhouse Gas (GHG) Disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), within the *Scope of our limited assurance engagement* section below, included in the FY25 Sustainability and Climate Report (the Climate Statement) of Property for Industry Limited (the Group) and its subsidiaries (the Group) for the year ended 30 June 2025.

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 GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on page 16 of the Climate Statement.

Scope of our Limited Assurance Engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 15, 16, 39 to 41, 50 to 52 and 55 of the Climate Statement for the year ended 30 June 2025:

- gross GHG emissions:
  - Scope 1 GHG emissions of 67.1 tonnes CO_2e (tCO_2e) on page 39; and
  - Scope 2 GHG emissions (location based) of 9.1 tCO_2e on page 39;
- additional required disclosures of gross GHG emissions on page 50, 51 and 55; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 51 to 54.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 49 and 51 to 55. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. The comparative information for the years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024 disclosed in the Group's Climate Statement are not covered by our assurance conclusion expressed in this report.

Other matter – comparative information

The comparative GHG Disclosures (that is GHG Disclosures for the periods ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

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APPENDIX 3: GHG ASSURANCE REPORT

Directors' responsibilities

The Directors of the Group are responsible on behalf of the Group for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CSs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent Uncertainty in preparing GHG Disclosures

As discussed on page 51 of the Climate Statement, the 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.

Our independence and quality management

This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB) (NZ SAE 1). 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:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

In our capacity as auditor and assurance practitioner, our firm also provides audit, review, and other assurance services, and subsequent to year ended, we were engaged to perform agreed-upon procedures. Our firm carried out other assignments in the area of other services relating to the provision of remuneration market data. In addition, certain partners and employees of the firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Assurance practitioner's responsibilities

Our responsibility is to express a conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained. NZ SAE 1 requires us to plan and perform the engagement to obtain the intended level of assurance about whether anything has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Group.

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

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1, and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements*. This involves assessing the suitability in the circumstances of the Group's use of NZ CSs as the basis for the preparation of the GHG Disclosures, assessing the risks of material misstatement of the GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Disclosures.

APPENDIX 3: GHG ASSURANCE REPORT

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the GHG Disclosures, we:

- Obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates;
- Tested, a limited number of items to, or from, supporting records, as appropriate;
- Assessed the appropriateness of all in-scope emission factor sources and reperformed emissions calculations for mathematical accuracy;
- Performed analytical procedures on particular emission categories by setting expectations for unusual items and made inquiries of management to obtain explanations and corroborating evidence where deemed necessary for any significant differences we identified; and
- Considered the presentation and disclosure of the GHG Disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement and does not enable us to obtain assurance that we would become aware of all significant matters that we otherwise might identify. Accordingly, we do not express a reasonable assurance opinion on these GHG Disclosures.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the compliance requirements may occur and not be detected.

Who we report to

This report is made solely to the Group's Directors, as a body. Our work has been undertaken so that we might state those matters which we are required to state to them in our assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement leader on the engagement resulting in this independent assurance report is Mathew McQueen.

For and on behalf of:

PricewaterhouseCoopers Auckland
10 September 2025

APPENDIX 4: GLOSSARY AND ACRONYMS

Annual Exeedance Probability (AEP): The probability that a flood event of a specific size or larger will occur in any given year.

AR5 IPPC: The Fifth Assessment Report of the International Panel on Climate Change.

Climanomics: S&P Global Climanomics is a climate analytics platform that quantifies the potential financial impact of climate hazards on physical assets (such as pluvial and fluvial flooding, extreme temperatures, tropical cyclone, wildfire, water stress and drought). Climanomics models physical risk across eight decades (i.e., present through to 2100) for four climate scenarios that broadly align with the 'Disorderly' and 'Hot House World' scenarios.

Climate Resilience Framework: PFI's internal framework for managing physical climate risks (as described at page 13).

Embodied Greenhouse Gas / Carbon Emissions: Emissions associated with production of construction materials (such as concrete and steel), transportation of materials, and construction.

ESG: Environmental, Social and Governance.

Fluvial Flooding: Flooding that occurs when rainfall causes the water level of rivers, lakes or streams to rise and overflow onto land.

Green Building: A building that has achieved a Green Star Rating (see below).

Green Finance: Finance obtained by PFI in accordance with PFI's Green Finance Framework, available at: https://www.propertyforindustry.co.nz/sustainability

Green Star Rating: A voluntary sustainability certification for buildings administered by the New Zealand Green Building Council (NZGBC). The NZGBC's Green Star rating system provides a rating of up to six stars based on a building's key sustainability credentials. A Green Star rating can be awarded under the Green Star Design and As Built rating tool (version 1.0, 1.1, and any subsequent versions), and under the Green Star Performance rating tool (including under the 'Energy and Water' only pathway).

Life Cycle Assessment (LCA): An analysis of the greenhouse gas emissions impacts associated with all stages of a building's life cycle.

Modelled Average Annual Loss (MAAL): A metric used by S&P Global Climanomics to assess the potential financial impact of climate hazards. MAAL is the sum of climate-related expenses (such as clean up and repair costs), decreased revenue and / or business interruption. Risk is presented as a percentage of loss relative to total asset value (calculated as MAAL / asset value), and is reported annually for each decadal period. For PFI, MAAL is calculated using the current insurance value of PFI's portfolio (as at 30 June 2025).

New Zealand Green Building Council (NZGBC): A not-for-profit, industry organisation that advocates for sustainable homes and buildings in New Zealand. The NZGBC administers Green Star certification tools.

Operational Performance: The energy and water efficiency of a building.

Operational Emissions: Emissions arising from the day-to-day operation of the building, primarily from energy consumption.

Physical Risks: Risks associated with the physical impacts of climate change (such as extreme weather events, storms, flooding, temperature change, and damage to property).

Pluvial Flooding: Flooding that occurs when rainfall exceeds the capacity of stormwater drainage systems or the ground to absorb water.

Transition Risks: Risks associated with transitioning to a lower carbon, climate resilient economy (such as changes in policy, regulation, technology, and market).

Sustainable Refurbishment Framework: PFI's internal framework for incorporating sustainability at PFI's properties (as described on page 10).

APPENDIX 5: GRI INDEX

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
GENERAL DISCLOSURES		
Organisational details	2-1	Property for Industry Limited (PFI); FY25 Annual Report, page 26. https://www.propertyforindustry.co.nz/contact; New Zealand.
Entities included in the organisation's sustainability reporting	2-2	PFI is comprised of a parent company, Property for Industry Limited, and subsidiary companies P.F.I. Property No. 1 Limited and P.F.I. Cover Limited (together, the Group). For reporting purposes, there are no differences to the entities included in PFI's sustainability reporting and the entities included in PFI's audited financial statements. Refer to FY25 Annual Report, page 26, and FY25 Sustainability and Climate Report, page 15.
Reporting period, frequency and contact point	2-3	The reporting period for PFI's financial and sustainability reporting is 1 July 2024 to 30 June 2025. PFI has an annual reporting frequency for both its financial and sustainability reporting. The publication date for the FY25 Annual Report is 25 August 2025. The publication date for the FY25 Sustainability and Climate Report is 10 September 2025, as per clause 7 of the Financial Markets Conduct (Requirement to include Climate Statements in Annual Report) Exemption Notice 2023. Contact point: info@propertyforindustry.co.nz
Restatements of information	2-4	There have been no restatements of information made from previous reporting periods.
External assurance	2-5	Audit and Risk Committee Charter: https://www.propertyforindustry.co.nz/about/governance PFI has engaged PricewaterhouseCoopers (PwC) to undertake limited assurance over PFI's Scope 1 and Scope 2 greenhouse gas emissions for FY25. PwC's assurance report can be found in the FY25 Sustainability and Climate Report, Appendix 3 (pages 56-58).
Activities, value chain and other business relationships	2-6	PFI operates in the property sector. PFI's value chain, including activities, supply chain and entities downstream from PFI are described in the FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 5-14. PFI's business relationships broadly include a number of tenants, partners and suppliers (for example, construction partners, repairs and maintenance contractors, and consultants). There have been no significant changes to PFI's business relationships during FY25.
Employees	2-7	As at 30 June 2025, PFI had a team of 24 permanent full-time employees (13 female and 11 male), 1 part-time employee and 2 fixed-term contractors. All staff were based in Auckland, New Zealand. FY25 Annual Report, *Other Disclosures Section*, pages 71-72.
Workers who are not employees	2-8	PFI works with a range of external partners, primarily by purchasing services from specialist companies. These include contractors for construction, maintenance and other operational needs. Temporary staff or independent contractors are occasionally engaged for specific projects.
Governance structure and composition	2-9	FY25 Annual Report, *Other Disclosures section*, pages 68-73; FY25 Sustainability and Climate Report, C*limate-related Disclosures*, pages 17-19.
Nomination and selection of the highest governance body	2-10	FY25 Annual Report, Other Disclosures section, pages 68–75.

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
Chair of the highest governance body	2-11	FY25 Annual Report, *Other Disclosures section*, page 71.
Role of the highest governance body in overseeing the management of impacts	2-12	PFI Board and Committee Charters: https://www.propertyforindustry.co.nz/about/governance
Delegation of responsibility for impacts	2-13	FY25 Sustainability and Climate Report, *Climate-related Disclosures*, pages 17-19.
Role of highest governance body in sustainability reporting	2-14	PFI Board and Committee Charters: https://www.propertyforindustry.co.nz/about/governance
Conflicts of interest	2-15	PFI Code of Ethics: https://www.propertyforindustry.co.nz/about/governance PFI has disclosed information on Director independence, Director's relevant interests in the Company's financial products, Director's interests register and Substantial Product Holders in the 2025 Annual Report, *Other Disclosures section*, pages 63-89.
Communication of critical concerns	2-16	PFI Code of Ethics: https://www.propertyforindustry.co.nz/about/governance There were no critical concerns communicated to the Board during the reporting period ended 30 June 2025.
Collective knowledge of the highest governance body	2-17	FY25 Sustainability and Climate Report, *Climate-related Disclosures section*, pages 17-19.
Evaluation of the performance of the highest governance body	2-18	FY25 Annual Report, *Other Disclosures section*, pages 68-73. People Committee Charter: https://www.propertyforindustry.co.nz/about/governance
Remuneration policies	2-19	FY25 Annual Report, *Other Disclosures section*, pages 74-84. People Committee Charter: https://www.propertyforindustry.co.nz/about/governance
Process to determine remuneration	2-20	FY25 Annual Report, *Other Disclosures section*, pages 74-84. People Committee Charter: https://www.propertyforindustry.co.nz/about/governance
Annual total compensation ratio	2-21	PFI does not disclose data on compensation ratios.
Statement on sustainable development strategy	2-22	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 5-14.
Policy commitments	2-23	PFI Code of Ethics: https://www.propertyforindustry.co.nz/about/governance
Embedding policy commitments	2-24	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 5-14.
Processes to remediate negative impacts	2-25	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 5-14.
Mechanisms for seeking advice and raising concerns	2-26	PFI Code of Ethics: https://www.propertyforindustry.co.nz/about/governance
Compliance with laws and regulations	2-27	PFI has had no significant instances of non-compliance during FY25.

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
Membership associations	2-28	New Zealand Green Building Council, Property Council of New Zealand.
Approach to stakeholder engagement	2-29	FY25 Sustainability and Climate Report, *Sustainability Update*, pages 5-14. 2025 Annual Report, *Other Disclosures section*, pages 73-74 and 87.
Collective bargaining agreements	2-30	None of PFI's employees are covered by collective bargaining agreements, and all employee working conditions and terms of employment are determined irrespective of the collective bargaining agreements from other organisations.
MATERIAL TOPICS		
Process to determine material topics	3-1	During 2022, PFI worked with a range of stakeholders including employees, suppliers, investors and funders to seek their views on our organisation's impacts and direction going forward. With the help of sustainability specialists, Proxima Consulting, we conducted an impact assessment to review PFI's actual and potential impacts on people and planet along the company's value chain. Impacts were given a numerical ranking based on their relative significance, which considers severity and likelihood. Impacts falling in the bottom 30% were deemed immaterial for reporting purposes. Material topics were determined through engagement with stakeholders and internal workshops. PFI's material topics were reviewed as part of a wider strategic review during FY25. No changes were made to PFI's material topics following the review.
List of material topics	3-2	Greenhouse gas emissions; Resources and waste; Disaster and climate resilience; People and wellbeing; Economic value.
GREENHOUSE GAS EMISSIONS		
Management of material topics	3-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 5-14.
Direct (Scope 1) GHG emissions	305-1	FY25 Sustainability and Climate Report, pages 39-41 and 50-55.
Energy indirect (Scope 2) GHG emissions	305-2	FY25 Sustainability and Climate Report, pages 39-41 and 50-55.
Other indirect (Scope 3) GHG emissions	305-3	FY25 Sustainability and Climate Report, pages 39-41 and 50-55.
GHG emissions intensity	305-4	FY25 Sustainability and Climate Report, pages 39-41 and 50-55.
Reduction of GHG emissions	305-5	FY25 Sustainability and Climate Report, pages 39-41 and 50-55.
ECONOMIC VALUE		
Management of material topics	3-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Direct economic value generated and distributed	201-1	FY25 Annual Report, *Financial Statements*, pages 17-62.
Financial implications and other risks and opportunities due to climate change	201-2	FY25 Sustainability and Climate Report, *Climate-related Disclosures section*, pages 20-37. FY25 Annual Report, *Notes to the Financial Statements*, page 39.
Significant indirect economic impacts	203-2	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
RESOURCES AND WASTE		
Management of material topics	3-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 12-13.
Waste generation and significant waste-related impacts	306-1	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 12-13.
Management of significant waste-related impacts	306-2	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 12-13.
Waste generated	306-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, pages 12-13.
PEOPLE AND WELLBEING		
Management of material topics	3-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Occupational health and safety management system	403-1	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Promotion of worker health	403-6	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Work-related injuries	403-9	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 14.
Diversity of governance bodies and employees	405-1	FY25 Annual Report, *Other Disclosures section*, pages 71-72. PFI does not report data on age and other diversity indicators due to the small team size.
DISASTER AND CLIMATE RESILIENCE		
Management of material topics	3-3	FY25 Sustainability and Climate Report, *Sustainability Update section*, page 13.

APPENDIX 6: LOCATION OF CLIMATE-RELATED DISCLOSURES

NZ CS REFERENCE	DESCRIPTION	LOCATION / INFORMATION
STATEMENT OF COMPLIANCE		
NZ CS 3, 55 and 56	Statement of compliance.	Page 16
ADOPTION PROVISIONS		
NZ CS 3, 23	Adoption provisions relied on.	Page 16
GOVERNANCE		
NZ CS 1, 7(a)-(b) and 8(a)-(d)	Governance body oversight of climate-related risks and opportunities.	Pages 17-19, 38, and Appendix 1
NZ CS 1, 7(c) and 9(a)-(c)	Management's role in assessing climate-related risks and opportunities.	Pages 17, 19 and Appendix 1
STRATEGY		
NZ CS 1, 11(a) and 12(a)-12(b)	Current climate-related impacts and financial impacts.	Pages 33-34
NZ CS 1, 11(b), 13 and NZ CS 3, 51(a)-(b)	Scenario analysis process undertaken, including narratives, time horizons, methods and assumptions.	Pages 23-26 (governance body oversight on page 18 and Appendix 1, and detail on modelling undertaken on page 35)
NZ CS 1, 11(c) and 14(a)-(c)	Climate-related risks and opportunities, time horizons, and input to internal capital deployment and funding decision making processes.	Pages 27-32 (time horizons on page 23, and alignment to capital deployment and funding decision making processes on pages 20-22)
NZ CS 1, 11(d) and 15(a)-(d)	Anticipated impacts and anticipated financial impacts of climate-related risks and opportunities.	Pages 27-32, and 35-37
NZ CS 1, 11(e) and 16(a)-(c)	Business model and strategy, transition planning aspect of strategy, and alignment with capital deployment and funding.	Pages 3, 6, and 20-22
RISK MANAGEMENT		
NZ CS 1, 18(a)-(b) and 19(a)-(e)	Processes for identifying, assessing and managing climate-related risks, and integration into overall risk management processes.	Page 38 (time horizons on page 23)
METRICS AND TARGETS		
NZ CS 1, 21(a)-(c), 22(a)-(h) and NZ CS 3, 40	Climate-related metrics (including cross-industry and industry-based metrics), key performance indicators, including comparative information for metrics.	Pages 39-47
NZ CS 1, 21(d) and 23(a)-(e)	Targets used to manage climate-related risks and opportunities, and performance against targets.	Page 47
NZ CS 1, 24(a)-(d)	GHG emissions reporting standard used, consolidation approach, source of emission factors and GWP rates, and exclusions.	Appendix 2
NZ CS 3, 52-53	GHG emissions methods, assumptions, limitations and uncertainties.	Appendix 2
NZ CS 3, 42	Analysis of Trends	Pages 39-47