GREEN FINANCE FRAMEWORK 2026 →

GREEN FINANCE FRAMEWORK

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Totara Creek Estate Development
June, 2026

01. INTRODUCTION

ABOUT PROPERTY FOR INDUSTRY

Property For Industry Limited (PFI or we) is an NZX listed property vehicle focused on the industrial sector.

Since listing in 1994, we've built a well-diversified portfolio of nearly 100 high-quality properties valued at over $2.0 billion, supported by more than 4,000 shareholders.

Our approach is grounded in investing in quality industrial assets in prime locations, managing them well, and maintaining a disciplined stance on risk. This focus has helped us deliver strong, stable returns through a wide range of market conditions. We're not driven by growth for growth's sake. Instead, we prioritise performance - building a portfolio that delivers long-term value for our investors, our tenants, and the communities we operate in.

Sustainability plays a key role in that performance. We know that delivering on our environmental and social ambitions takes long-term thinking, consistent effort, and a clear strategy. Our approach is designed to help us manage risk, unlock opportunity, and support the continued success of New Zealand's industrial sector.

The purpose of this Green Finance Framework (**Framework**) is to document the approach for managing Green Loans and/or Green Bonds by PFI. The entities that may enter into Green Loans and/or Green Bonds under this Framework are Property For Industry Limited and its wholly owned subsidiary, P.F.I Property No.1 Limited.

PFI'S APPROACH TO SUSTAINABILITY

Sustainability is increasingly embedded in what we do.

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.

Our 2030 Sustainability Strategy incorporates the following core principles:

1. Create a future-proofed and resilient portfolio through sustainable refurbishments, developments, acquisitions and divestments;
2. Maximise the useful lifespan of buildings to minimise waste by transforming our core portfolio;
3. Become a trusted partner for tenants when it comes to sustainability and reducing greenhouse gas emissions;
4. Collaborate with supply chain partners to minimise waste, use lower-impact materials, and promote positive social impacts;
5. Maintain strong employee engagement and health and safety performance; and
6. Maintain high standards of financial and governance performance.

The Sustainability Strategy is centred on the following material topics and aspirations:

MATERIAL TOPIC	ASPIRATION
Greenhouse Gas Emissions	The embodied and operational GHG emissions associated with PFI's buildings are minimised.
Resources and Waste	The impacts from the materials that PFI uses and the waste PFI produces during developments and refurbishments are minimised.
Disaster and Climate Resilience	PFI's buildings are resilient and we are well placed to respond to disasters.
People and Wellbeing	Our people are safe and engaged, and we promote positive social impacts through our operations.
Economic Value	The value of PFI grows to create economic value for investors, tenants, our people and others that we work with.

Our implementation of the strategy will be dynamic. We will review and adapt our response as we learn and as our external environment changes. We will continue to report our material focus areas to 2030, and current sustainability targets within our annual Sustainability and Climate Reports, which are available on our website.

02.
ABOUT THIS FRAMEWORK

PFI has developed this Framework to support progressive action towards our Sustainability Strategy (outlined above), including our strategic target to develop significant new buildings targeting minimum New Zealand Green Building Council (**NZGBC**) 5 Green Star certification.

This Framework outlines the process by which PFI or a subsidiary intends to issue or enter into Green Loans and/or Green Bonds (**Green Debt**), where an amount equal to the net proceeds of the Green Debt will be notionally allocated to finance and/or refinance Eligible Assets (as defined below).

This Framework is consistent with the voluntary sustainable finance principles and guidelines (together the **Market Standards**) outlined below:

- **Green Bonds** will be issued in accordance with the Green Bond Principles (**GBP**)[1] issued by the International Capital Market Association; and
- **Green Loans** will be entered into in accordance with the Green Loan Principles (**GLP**)[2] issued by the Asia-Pacific Loan Market Association, the Loan Market Association and the Loan Syndicates and Trading Association.

While PFI has no immediate plans to execute a Sustainability-Linked Loan or issue a Sustainability-Linked Bond, PFI may consider these sustainable finance instruments in the future and would update the Framework accordingly.

03.
SUSTAINABILITY GOVERNANCE

PFI's Board is responsible for oversight of PFI's Sustainability Strategy and performance. PFI's Board receives quarterly reporting from Management on strategy, sustainability, operations and risk management. This reporting includes progress against agreed initiatives within PFI's Sustainability Strategy (which are set with oversight from the Board).

In relation to this Framework, the Chief Finance and Operating Officer will be responsible for managing the issuance of, or entry into, any Green Debt instruments and ensuring ongoing compliance with this Framework. This includes having oversight of PFI's reporting obligations under this Framework, including the notional allocation to Eligible Assets (as defined below) under this Framework and reporting to the Board on a quarterly basis.

1. As at the date of this Framework, these are the ICMA Green Bond Principles 2025 (GBP)
2. As at the date of this Framework, these are the APLMA Green Loan Principles 2025 (GLP)

04.
GREEN LOANS AND GREEN BONDS

4.1 USE OF PROCEEDS

PFI intends to notionally allocate an amount equal to the net proceeds from Green Debt to finance and/or refinance, in whole or in part, new or existing buildings, buildings under development or building upgrade projects that conform with the eligibility criteria set out below (**Eligible Assets**). A reference in this Framework to proceeds being "allocated" means a notional allocation in PFI's systems.

Eligible Assets may include projects delivered, or in the process of being delivered, which PFI (or a subsidiary):

- Owns outright;
- Partially owns (for example, through a joint venture); or
- Has an interest in because it holds a direct or indirect equity investment in the owner of the relevant assets.

Allocation will be on the basis that the value of Eligible Assets (determined in accordance with section 4.3 below) will be at least equal to the aggregate amount of all outstanding Green Debt (subject to temporary management of unallocated proceeds). In the case of partial ownership and direct or indirect equity interests, the value attributed to an Eligible Asset for this purpose will be based on PFI's proportionate ownership share of the Eligible Asset or its owner.[3]

Eligible Assets may include projects delivered, or in the process of being delivered, and may include the funding of capex, opex and other related expenditure.

3. In the case of an equity investment, if the relevant owner of those Eligible Assets issues its own Green Bonds or Green Loans to finance or refinance such Eligible Assets, we will reduce the allocation of our Green Debt proceeds on a proportionate basis so that there is no double counting.

Stage Two
Springs Road Estate Development
September, 2025

ELIGIBLE ASSET ELIGIBILITY CRITERIA

The criteria for categorising Eligible Assets (**Eligibility Criteria**) is outlined below with reference to the GBP and GLP and informed by the current NZGBC 'Guidance on green building ratings for sustainable finance' (**NZGBC Guidance**)[4].

ELIGIBLE CATEGORIES (GBP/GLPs)	ELIGIBILITY CRITERIA
Green Buildings	Investments in new or existing buildings, buildings under development or building upgrade projects that achieve at least one of the following national green building ratings outlined below for the relevant Green Debt issuance date. New buildings are required to obtain a Green Star Performance rating or equivalent (as referenced below) within three years of build completion or obtaining a Green Star 'Built' rating (subject to PFI's determination that there is the availability of an appropriate rating tool and/or benchmark for the building type)[5]. Up until this point, only the relevant construction rating is required. **For Green Debt issued prior to 1 August 2025:** - Certified as obtaining, or evidenced as targeting, a minimum NZGBC 5 Green Star Design and As Built rating[6] or a 4 Green Star Buildings NZ rating[7]. - Certified as obtaining, or evidenced as targeting, a NZGBC Green Star Performance rating achieving a minimum score of 8/20 (base building) or 9/23 (whole building), within the GHG emissions credit section of the NZGBC Green Star Performance rating tool[8]. **For Green Debt issued from 1 August 2025 to 31 December 2026:** - Certified as obtaining, or evidenced as targeting, a minimum NZGBC 5 Green Star Design and As Built rating or a 4 Green Star Buildings NZ rating. - Certified as obtaining, or evidenced as targeting, a NZGBC Green Star Performance rating achieving a minimum score of 10/20 (base building) or 11/23 (whole building), within the GHG emissions credit section of the NZGBC Green Star Performance rating tool.

4. At the date of this Framework, the current NZGBC Guidance is (version 2.0) (dated September 2025). The NZGBC Guidance sets NZGBC's view on the minimum green building certifications required for assets to be classified as a Green Building under the GLP/ GBP.
5. As at the date of this Framework, the Green Star Performance benchmarks do not cover all industrial and bespoke building types (i.e. those industrial & logistics buildings to which the NZGBC Pathway B industry-wide benchmark does not apply, including but not limited to, manufacturing warehouses and those with significant process load). Until PFI considers this position to have changed, PFI is not required to obtain an operational performance rating in addition to the minimum construction ratings for these building types to continue to qualify as Eligible Assets.
6. As at the date of this Framework, the relevant Green Star Design and/or As Built rating tool is Version 1.0 and Version 1.1. The relevant version may be updated over time.
7. As at the date of this Framework, the relevant Green Star Buildings NZ rating tool is Version 1.0.
8. As at the date of this Framework, the relevant Green Star Performance rating tool is Version 1.2.

ELIGIBLE CATEGORIES (GBP/GLPs)	ELIGIBILITY CRITERIA
	■ Certified as obtaining, or evidenced as targeting, any other equivalent regional, national, or internationally recognised rating or certification that becomes recognised as a credible standard of environmental performance for green buildings. This may include, for example, NABERSNZ ratings for warehouses and cold storage, where these meet the minimum thresholds specified in the NZGBC Sustainable Finance Guidance, the New Zealand Sustainable Finance Taxonomy (as and when developed) or where the ratings or certifications are externally verified as aligning to the GLP and GBP. **For Green Debt issued from 1 January 2027 to 31 December 2030:** ■ Certified as obtaining, or evidenced as targeting, a minimum NZGBC 5 Green Star Design and As Built rating or a 4 Green Star Buildings NZ rating. ■ Certified as obtaining, or evidenced as targeting, a NZGBC Green Star Performance rating achieving a minimum score of 12/20 (base building) or 13/23 (whole building), within the GHG emissions credit section of the NZGBC Green Star Performance rating tool. ■ Certified as obtaining, or evidenced as targeting, any other equivalent regional, national, or internationally recognised rating or certification that becomes recognised as a credible standard of environmental performance for green buildings. This may include, for example, NABERSNZ ratings for warehouses and cold storage, where these meet the minimum thresholds specified in the NZGBC Sustainable Finance Guidance, the New Zealand Sustainable Finance Taxonomy (as and when developed) or where the ratings or certifications are externally verified as aligning to the GLP and GBP.

Buildings that are targeting (but are yet to receive) one or more of the above ratings may also qualify as an Eligible Asset if evidence can be provided that indicates the targeted rating will be achieved (e.g. written confirmation from a registered Green Star Accredited Professional (or other technical/ informed advisers), Green Star Design rating, registration with the NZGBC or inclusion of a building on the NZGBC database, etc).

PFI supports the development of operational performance ratings for green buildings. In respect of its Eligible Assets, PFI will endeavour to provide operational energy data to the NZGBC, using the NZGBC Green Star Performance calculators (as applicable).

The minimum Eligibility Criteria which applies throughout the tenor of a Green Debt instrument is determined based on the date of issuance of that Green Debt instrument. For example, a Green Debt instrument issued in 2023 will be notionally allocated to finance/ refinance Eligible Assets which meet the 2023 minimum construction rating and operational ratings (where applicable) and that criteria will apply for the duration of that Green Debt instrument. Where a Green Debt instrument is Refinanced, it will be considered a new Green Debt 'issuance' and will be subject to the eligibility criteria applicable at the time of Refinance. For the purposes of interpreting 'Refinance', this includes (A) an extension of the tenor of that Green Debt instrument or (B) an increase in the overall facility limit of that Green Debt instrument (but, for the avoidance of doubt, excludes any adjustment to a green facility limit or a green tranche limit which does not increase the overall facility limit of that Green Debt Instrument).

The list of Eligibility Criteria may be amended from time to time in accordance with the Market Standards.

4.2 PROJECT EVALUATION AND SELECTION

PFI has processes in place to ensure that Eligible Assets are identified and evaluated to ensure compliance with this Framework.

In the first instance, PFI will utilise the NZGBC green building rating tools and systems to assess the sustainability attributes of new and existing buildings, in alignment with the Eligibility Criteria in section 4.1. This includes Green Star, which is an internationally recognised rating system for the sustainable design, construction and operation of buildings and fitouts. This can be used to assess sustainability attributes of both new developments and existing buildings. Green Star provides a trusted mark of independent verification. The NZGBC maintains and discloses a database of certified buildings on its website[9].

PFI will also consider the following factors in the selection of Eligible Assets:

- Alignment to PFI's Sustainability Strategy outlined in Section 1;
- Conformance with the Market Standards;
- Assessment of any potential negative social and/or environmental impacts from the Eligible Asset and mitigants to these impacts. Eligible Assets must be compliant with applicable national laws and regulations, as well as policies and guidelines at PFI to support management and mitigation of environmental and social risks;

9. NZGBC list of Green Star certified projects is available on NZGBC's website

- PFI's own professional judgement, discretion and sustainability knowledge; and
- Consideration of the NZGBC Guidance.

Once a building has been assessed as meeting the relevant Eligibility Criteria set out in this Framework, it can be included as an Eligible Asset in the Register (as defined below). If an Eligible Asset is sold or no longer meets the Eligibility Criteria set out in this Framework, then it will be declassified, and the total value of the Eligible Assets will be reduced accordingly.

4.3 MANAGEMENT OF PROCEEDS

PFI will maintain a register of Eligible Assets that outlines (among other things) how an amount equal to the net Green Debt proceeds have been notionally allocated to a pool of Eligible Assets. Detail on each Eligible Asset will include the current or targeted green building rating, other information to support Eligible Asset classification and the applicable Eligible Asset value (**Register**).

Each Eligible Asset may be valued at its latest independent market valuation or project cost (including land in each valuation method, where applicable). PFI will update this Register annually and in alignment with its annual financial reporting. Where an Eligible Asset is not yet complete, the Register may also disclose the total expected project cost on completion for transparency.

PFI is a long-term property investor, and our investment strategy may involve the acquisition of suitable land for new development (or existing properties for re-development) many years in advance of a green building development commencing. PFI will endeavour to prioritise the financing of new Eligible Assets when notionally allocating an amount equal to the net proceeds from the Green Debt. In the case of refinancing, a green building may be included as an Eligible Asset where the development spend (i.e. construction, refurbishment or acquisition) has been incurred within three years of the Eligible Asset first being recorded in PFI's Register. No look back period will apply to the land acquisition costs for these Eligible Assets.

PFI will endeavour to notionally allocate an amount equal to the net Green Debt proceeds to Eligible Assets within 24 months of issuance. Pending allocation, any unallocated proceeds shall be temporarily:

- Held in cash or cash equivalent instruments with a Treasury function; or
- Applied to reduce indebtedness of a short term or revolving nature before being redrawn for notional allocation to Eligible Assets.

For revolving credit facilities, the drawn balance will be less than, or equal to, the current value of Eligible Assets throughout the life of the revolving credit facility.

Where there are multiple Green Debt instruments, the total value of Eligible Assets will be at least equal to the aggregate amount of all outstanding Green Debt (subject to temporary management of unallocated proceeds).

PFI will service its debt obligations under Green Debt out of its general cashflows and not specifically from revenues generated by Eligible Assets alone.

4.4 DISCLOSURE AND REPORTING

PFI recognises the importance investors place on transparency and disclosure and, in the case of Green Bonds, will make the following information available on its website. In the case of Green Loans, the information will be provided directly to lenders at a minimum.

4.4 DISCLOSURE AND REPORTING

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ITEM	FREQUENCY
Green Finance Framework	Published at (or prior to) the first issuance of a Green Debt instrument (and when this Framework is amended).
Pre-Issuance External Review	Sought prior to the first issuance of a Green Debt instrument under the initial Framework (dated July 2023).
Annual Update Report	Provided annually for all outstanding Green Debt instruments.

PFI intends to disclose Annual Update Reports in line with the Market Standards that include the following information:

- **Allocation Reporting:** A list and description of the Eligible Assets (location, building type, value) and the amount of net proceeds notionally allocated towards such Eligible Assets. This includes confirmation of the aggregate amount of Green Loans and Green Bonds, along with disclosure of any unallocated proceeds.
- **Eligibility Reporting:** Confirmation that the Eligible Assets meet the relevant Eligibility Criteria requirements included in this Framework, including any current/targeted green building ratings.

Stage One
Totara Creek Estate Development
June, 2026

- **Impact Reporting:** PFI will endeavour to provide qualitative and/or quantitative reporting of the environmental impacts of the Eligible Assets, in accordance with the impact reporting guidelines detailed in the Market Standards. Examples of impact indicators that may be reported include:
  - The green building ratings achieved by each of the Eligible Assets;
  - Annual GHG emissions reduced or avoided;
  - Additional new and total installed capacity of solar electricity generation and (subject to availability of data) may include annual generation of electricity from solar installations;
  - Percentage, or tonnes, of demolition and construction waste minimised, reduced or recycled; or
  - Progress with energy efficiency initiatives and associated power savings.

4.5 EXTERNAL REVIEW

Pre-issuance External Review:

In July 2023, PFI obtained external review in the form of a second party opinion from DNV that the initial Framework (dated July 2023) and Eligible Assets listed in the Register (dated May 2023) aligned to the relevant Market Standards.

In 2026, the Framework was updated (see Section 8, Document Control). These changes were deemed minor and no updated second party opinion was obtained.

In the future, if the Framework is materially amended, PFI may obtain an external review report from an appropriately qualified verifier that the Framework and Eligible Assets align to the Market Standards (at PFI's discretion).

Post-issuance External Review:

In the case of Green Bonds and Green Loans, post issuance external review reports may be obtained at a frequency determined by PFI in accordance with the Market Standards. In the case of Green Loans, PFI may elect to provide lenders with either (a) independent evidence of green building certifications/ ratings and valuations for each Eligible Asset or (b) post-issuance external review reports.

05. CONTINUOUS IMPROVEMENT

PFI will monitor how the Market Standards and global sustainable finance markets continue to develop and intends to adapt its approach to sustainable finance as relevant. As a consequence, PFI may update this Framework from time to time in its discretion, including to ensure it remains in line with market practice and the Market Standards.

In parallel, and as part of our ongoing stakeholder engagement, we welcome feedback and input from stakeholders on this Framework to support our commitment to continuously adapt our approach to sustainable finance as the markets and our own Sustainability Strategy. Contact information is outlined below.

06. IMPORTANT NOTICE

PFI intends to manage Green Debt in accordance with this Framework. However, this Framework does not form part of the contractual terms of any Green Debt instrument. If PFI fails to comply with this Framework, the Market Standards, PFI's Sustainability Strategy or sustainability objectives, or the Green Debt instruments cease to have a 'green' status, then:

- This does not constitute an event of default, event of review, or any other breach in relation to any Green Debt instruments; and
- There is no requirement for PFI to repay the Green Debt instruments as a result of this non-compliance and neither investors nor PFI have any right to early repayment as a result of this non-compliance.

This means there is no legal obligation on PFI to allocate the proceeds in the manner or by the time described in the Framework or to comply with the Framework or the Market Standards on an ongoing basis. As a result, Green Debt instruments may cease to be labelled as 'green'. PFI will disclose if a Green Debt instrument ceases to be labelled as 'green' in its Annual Update Report.

07. FURTHER INFORMATION

More information on PFI's approach to sustainability can be found on our website or in our annual report.

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Email: info@propertyforindustry.co.nz

08. DOCUMENT CONTROL

REVISION REGISTER	
ISSUE/ REVIEW DATE	**REASON FOR REVISION**
1.0 / July 2023	Initial Framework published for PFI
2.0 / July 2026	Revised document updating: ■ Section 1 (Introduction) ■ Section 2 (About this Framework) to reflect the latest GLP and GBP versions ■ Section 4.1 (Use of Proceeds) to align to Version 2 of the NZGBC Guidance published September 2025 with further clarification to support Eligibility Criteria interpretation ■ Section 4.2 (Project Evaluation and Selection) ■ Section 4.4 (Disclosure and Reporting) & Section 4.5 (External Review)

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