



FY26 SUSTAINABILITY AND CLIMATE REPORT.



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INTRODUCTION.

Property for Industry Limited (**PFI**) is an NZX listed industrial property specialist, owning over 90 quality 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 FY26 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 2025 to 30 June 2026 (FY26), unless otherwise stated.

PORTFOLIO METRICS¹

WEIGHTED AVERAGE LEASE TERM (WALT)

5.04 years



CONTRACT RENT

\$121.0_m



PROPERTIES

94



TENANTS

124

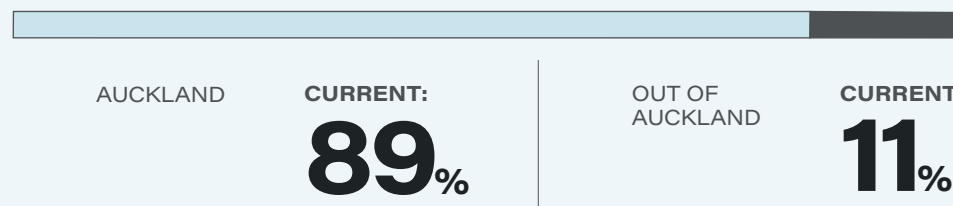


CURRENT PORTFOLIO VALUATION

\$2.3_b



PROPERTY LOCATIONS:



1. Figures on this page are as at 30 June 2026.

78 Springs Road -
Stage 2: Solar Panels

FY26 SUSTAINABILITY UPDATE.

At PFI, sustainability is about protecting and strengthening the long-term value of our business. As a long-term owner of industrial property, we believe doing the right thing by our people, tenants, investors and the environment is fundamental to long-term success.

The properties we own today will serve businesses and communities for decades to come. That means the decisions we make around development, refurbishment, energy efficiency and climate resilience matter, both commercially and environmentally.

Our approach is focused on being practical, transparent and forward-looking. We aim to clearly communicate the impacts our business has on people and the planet, the risks and opportunities we see emerging, and the actions we are taking to respond.

Over recent years, we have continued embedding sustainability into how we invest, develop, maintain and manage our portfolio. This includes obtaining operational performance ratings for selected buildings, targeting Green Star certification for significant new developments, investing in energy performance initiatives such as LED lighting and solar, and strengthening the resilience of our portfolio to climate-related risks.

While the sustainability landscape continues to evolve, our focus remains consistent: making sensible long-term decisions that support resilient buildings, strong tenant relationships and sustainable returns for investors.

78 Springs Road -
Stage 2: LED lighting



FY26 HIGHLIGHTS

LED UPGRADES

72% OF TENANCIES IN OUR PORTFOLIO NOW HAVE FULL LED LIGHTING.



78 Springs Road - Stage 2: LED lighting

GREEN BUILDINGS

20% OF THE PORTFOLIO BY MARKET VALUE HAS NOW ACHIEVED A GREEN BUILDING RATING.



5 GREEN STAR

AS BUILT RATINGS

ACHIEVED FOR TWO BUILDINGS AT 30-32 BOWDEN ROAD AND STAGE 1 AT 78 SPRINGS ROAD¹.

DESIGN RATING

ACHIEVED FOR STAGE 2 AT 78 SPRINGS ROAD.

OPERATIONAL PERFORMANCE RATING



2 GREEN STAR PERFORMANCE (ENERGY AND WATER PATHWAY) CERTIFICATION FOR THREE FURTHER BUILDINGS SINCE FY25. SEE [PAGE 12](#).

KEYSTONE EDUCATION TRUST

WE HAVE EXPANDED OUR RELATIONSHIP WITH KEYSTONE TRUST AND ARE NOW A KEYSTONE KEY SCHOLARSHIP PARTNER SPONSOR.



5 GREEN STAR DEVELOPMENT PIPELINE

COMMENCED CONSTRUCTION AT TOTARA CREEK ESTATE AND COMPLETED DEMOLITION FOR UPCOMING DEVELOPMENT AT 92-98 HARRIS ROAD.



SOLAR PANEL INSTALLATION

793.7kW

SOLAR POWER CAPACITY NOW INSTALLED ACROSS THE PORTFOLIO.

SEE [PAGE 13](#).



1. These buildings achieved a 5 Green Star Design rating in FY25 and final 5 Green Star Design and As-Built ratings during FY26.

OUR SUSTAINABILITY STRATEGY.

PFI owns and manages long-term industrial property assets that support businesses operating across New Zealand’s industrial sector. Because these assets are held for the long term, sustainability considerations are closely linked to the long-term resilience and performance of our portfolio.

Our sustainability strategy focuses on embedding sustainability into our core business activities and decision-making. This includes how we develop, refurbish, maintain and manage our buildings, and how we respond to evolving tenant expectations, investor requirements, regulation and climate-related risks.

We recognise that sustainability is an ongoing journey. As market expectations, technology and regulation continue to evolve, our approach will continue to adapt over time.

CORE PRINCIPLES

					
Create a future-proofed and resilient portfolio .	Maximise the useful lifespan of buildings.	Become a trusted partner for tenants .	Collaborate with supply chain partners to minimise environmental and social impacts .	Maintain strong employee engagement and health and safety performance.	Maintain high standards of financial and governance performance.

MATERIAL FOCUS AREAS

GREENHOUSE GAS EMISSIONS	RESOURCES AND WASTE	DISASTER AND CLIMATE RESILIENCE	PEOPLE AND WELLBEING	ECONOMIC VALUE
				
Minimising emissions associated with our buildings, developments and operations, while improving energy performance and supporting lower-carbon outcomes.	Improving resource efficiency, reducing waste impacts and encouraging more sustainable building materials and construction practices.	Improving the resilience of our buildings and portfolio to the physical impacts of climate change, including flooding and rising temperatures.	Supporting the health, safety and wellbeing of our employees, tenants, contractors and wider stakeholders.	Delivering sustainable long-term economic value for investors while supporting productive industrial activity across New Zealand.

Delivery of our Sustainability Strategy is guided by the transition planning elements of our strategy (on **pages 22-24**), which focus primarily on our existing portfolio and development activities. Our transition plan is centred around four key initiatives: Green Star certification; sustainable refurbishments; embedding climate resilience; and improving operational performance.

Together, these initiatives are intended to support our material focus areas by:

- minimising Greenhouse Gas (GHG) emissions
- improving resource efficiency and minimising waste
- strengthening climate resilience across the portfolio
- supporting long-term portfolio value and tenant outcomes.

Over the next several pages we highlight our progress in delivering against our Sustainability Strategy, Transition Plan and Targets.

DELIVERING OUR STRATEGY.

TO MONITOR THE ONGOING ADVANCEMENT OF OUR STRATEGY AND TRANSITION PLAN, WE MONITOR PROGRESS AGAINST THE FOLLOWING TARGET AREAS.

DEVELOPMENTS

GREEN STAR



Significant new buildings to target minimum 5 Green Star certification.

EXISTING PORTFOLIO

SOLAR SYSTEMS



Achieve 1.4MW of solar capacity by the end of FY27.

LED LIGHTING



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

GREEN STAR CERTIFICATION

PFI has committed to targeting a minimum 5 Green Star certification for all significant new buildings.

During developments, building materials such as concrete and steel are procured from contractors. Extracting, producing and shipping these materials have upstream impacts such as GHG emissions and potential impacts on local communities or biodiversity if not produced responsibly. Waste is also generated during development activities, for example from demolition of existing structures and packaging of materials that are delivered to site.

Green Star certification provides an independent framework for assessing sustainability performance across areas such as materials, energy, water, indoor environment quality and climate resilience.

Green Star certification helps ensure our new developments are designed and delivered with long-term sustainability and operational performance in mind. The certification process also encourages:

- lower GHG emissions
- more efficient building design
- reduced waste impacts
- improved climate resilience.

To support certification requirements, we obtain independent Life Cycle Assessments (LCAs) for developments targeting Green Star ratings. These assessments enable us to understand the upfront embodied carbon emissions associated with construction, compared to a reference building of similar size and use.

CASE STUDY

SUSTAINABLE DEVELOPMENT IN ACTION: SPRINGS ROAD STAGE 2

Stage 2 of our Springs Road redevelopment in East Tāmaki is a recent example of how we are creating modern industrial facilities that deliver benefits for tenants while minimising impacts on the environment.

Completed in April 2026, Stage 2 includes a purpose-built 6,500 sqm warehouse, manufacturing and office facility for MiTek, a global supplier of construction technology, engineered products and manufacturing solutions. The facility was designed in close partnership with MiTek to meet their specific operational requirements while supporting their long-term growth ambitions. The building has been awarded a 5 Green Star Design rating, reflecting its high sustainability standards.

A range of sustainable features have been incorporated throughout the development. These include rooftop solar panels; EV charging infrastructure; rainwater harvesting; low-flow fixtures and fittings; double glazing; LED sensor lighting; and power metering systems that help optimise energy consumption. Daylight harvesting technology reduces electricity use by automatically adjusting lighting levels based on natural light availability. Significant effort

To achieve 5 Green Star certification, developments are required to demonstrate at least a 10% reduction in upfront embodied carbon emissions compared to a reference building, through lower-carbon design and material choices.

Our Green Star commitment also supports broader efforts to reduce construction waste and encourage more sustainable development practices.



was also made to minimise construction and demolition waste, with ~92% of waste diverted from landfill.

The development also demonstrates PFI's commitment to the environment. Mature trees were retained where practical, native planting was introduced, and landscaping was designed to improve biodiversity and the appearance of this prominent site.

The development provides a high-quality, future-focused facility, anchored by a 12-year lease for a global tenant, while contributing to our goal of creating more sustainable industrial property assets for the long term.

Since establishing our Green Star target in 2023, we have completed four buildings that have achieved 5 Green Star certification and have committed to targeting 5 Green Star certification for a number of upcoming developments across the short to medium term.

A summary of these developments is provided in the following pages.

GREEN BUILDING RATINGS ACHIEVED. ■

AS AT 30 JUNE 2026

		MARKET VALUE	UPFRONT EMBODIED CARBON EMISSIONS (TCO ₂ E)	EMISSIONS REDUCTION (COMPARED TO REFERENCE BUILDING)
 COMPLETED	PROPERTY 78 SPRINGS ROAD (STAGE 1) RATING 5 GREEN STAR DESIGN & AS BUILT NZV1.0 RATING	\$ 121.5 _m	9,161	~31%
 COMPLETED	PROPERTY 78 SPRINGS ROAD (STAGE 2) RATING 5 GREEN STAR DESIGN & AS BUILT NZV1.1 DESIGN RATING	\$ 65.5 _m	5,919	~26%
 COMPLETED	PROPERTY 30-32 BOWDEN ROAD (STAGE 1) RATING 5 GREEN STAR DESIGN & AS BUILT NZV1.0 RATING	\$ 64.1 _m	3,861	~35%
 COMPLETED	PROPERTY 30-32 BOWDEN ROAD (STAGE 2) RATING 5 GREEN STAR DESIGN & AS BUILT NZV1.0 RATING	\$ 40.8 _m	4,870	~21%
TOTAL		\$ 291.9 _m		

DEVELOPMENTS REGISTERED FOR GREEN BUILDING RATINGS.

AS AT 30 JUNE 2026¹



FUTURE DEVELOPMENT
- STAGE 1 UNDER
CONSTRUCTION

PROPERTY
TOTARA CREEK ESTATE (STAGES 1, 2 AND 3)

TARGETED RATING
**5 GREEN STAR DESIGN
& AS BUILT NZV1.1 RATING**

MARKET
VALUE

\$49.4_m



UPCOMING
DEVELOPMENT -
DEMOLITION COMPLETE

PROPERTY
92-98 HARRIS ROAD

RATING
**REGISTERED WITH NZGBC UNDER THE
GREEN STAR DESIGN & AS BUILT NZV1.1
RATING TOOL.**

\$24.0_m



FUTURE
DEVELOPMENT

PROPERTY
78 SPRINGS ROAD (STAGE 3)

RATING
**REGISTERED WITH NZGBC UNDER THE
GREEN STAR DESIGN & AS BUILT NZV1.1
RATING TOOL.**

\$24.5_m



FUTURE
DEVELOPMENT

PROPERTY
304, 316 AND 318 NEILSON STREET

RATING
**REGISTERED WITH NZGBC UNDER THE
GREEN STAR DESIGN & AS BUILT NZV1.1
RATING TOOL.**

\$30.6_m

TOTAL

\$128.5_m



1. In some cases, developments registered for Green Building ratings are not fully committed projects. Market value of these upcoming developments reflect market valuations as at 30 June 2026.

OPERATIONAL PERFORMANCE AND ENERGY EFFICIENCY

A significant proportion of PFI's emissions comprise tenant electricity consumed within tenant-occupied buildings. (these are our Scope 3, Category 13 emissions).

As tenants increasingly electrify operations, machinery and vehicle fleets over time, electricity demand across industrial buildings is expected to grow. This creates an opportunity to work alongside our tenants to improve building operational performance across the portfolio. Initiatives such as LED lighting upgrades and solar installations can help reduce energy demand and improve resilience and operational performance of our buildings.

Buildings with better operational performance also typically consume less and cost the tenant less in power and water.

OPERATIONAL PERFORMANCE RATINGS

PFI is actively pursuing operational performance certification for selected buildings in our core portfolio.

Operational performance ratings, such as Green Star Performance, are used to assess the energy and water efficiency of existing buildings and help identify opportunities to improve operational performance.

Over the past two years, we have achieved Green Star Performance certification under the Energy and Water pathway for seven buildings (as set out in the table below).

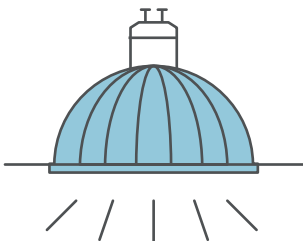
Under this pathway, buildings are assessed against energy and water performance criteria only, which limits the number of stars that can be awarded to 3 Stars (compared to the maximum of 6 Stars achievable under a full Green

Star Performance rating). This certification 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 (Green Debt) from its lenders. Further information on PFI's Green Finance Framework is available at <https://www.propertyforindustry.co.nz/sustainability>

OPERATIONAL PERFORMANCE RATINGS AS AT 30 JUNE 2026

PROPERTY	MARKET VALUE	DATE FIRST CERTIFIED	CURRENT RATING
6 Autumn Place	\$4.4m	2025	2 Green Star Performance Rating NZv1.2
10 Autumn Place	\$16.2m	2025	2 Green Star Performance Rating NZv1.2
102 Mays Road	\$15.8m	2025	1 Green Star Performance Rating NZv1.2
23 Zelanian Drive	\$12.5m	2025	1 Green Star Performance Rating NZv1.2
3-5 Niall Burgess Road	\$31.4m	2026	2 Green Star Performance Rating NZv1.2
7-9 Niall Burgess Road	\$58.0m	2026	2 Green Star Performance Rating NZv1.2
36 Neales Road	\$38.7m	2026	2 Green Star Performance Rating NZv1.2
Total	\$177.0m		



LED LIGHTING

PFI continues to identify opportunities to reduce building electricity consumption through upgrading lighting across our portfolio.

In 2025, we established a target for 80% of portfolio tenancies to have full LED lighting by the end of FY28. As at 30 June 2026, 72% of our tenancies had full LED lighting, representing an increase of 9% from the prior year. LED lighting upgrades improve energy efficiency and support the reduction of operational emissions associated with electricity use.

SOLAR

As New Zealand continues transitioning toward greater electrification, demand on the electricity network is expected to increase over time.

Solar installations help provide tenants with access to renewable electricity while reducing their demand and reliance on the national electricity grid. This initiative can help improve energy resilience and contribute to lower energy costs for our tenants.

We also see solar installations as an opportunity to strengthen tenant relationships.

We established an initial solar target in 2023 and, having met that target in 2024, we revised this target to install 1.4MW of solar capacity by the end of FY27.

As at 30 June 2026, we had installed solar systems across nine buildings, representing almost 0.8MW of installed renewable energy capacity (an increase of 0.06MW from the prior year).

SUSTAINABLE REFURBISHMENTS

Improving existing buildings is a core part of PFI's Sustainability Strategy and Transition Plan.

Sustainable refurbishments can enable improved sustainability performance, energy efficiency and climate resilience while extending the useful life of existing buildings. Refurbishments can also reduce upfront embodied carbon emissions and waste by retaining and reusing existing structures and materials where practical.

These projects also create opportunities to incorporate features such as: solar panels; LED lighting; EV charging; improved water efficiency; and lower-impact materials.

Our internal Sustainable Refurbishment Framework helps guide our decisions by providing a flexible set of sustainability considerations for applicable projects and refurbishments. The framework supports initiatives focused on:

- minimising emissions
- improving energy and water efficiency
- minimising waste
- increasing climate resilience
- supporting renewable energy adoption.

During FY26 opportunities to deploy sustainable refurbishments were limited. Notwithstanding this, PFI has continued to work with tenants to identify practical sustainability initiatives that can improve operational performance and tenant outcomes, for example through LED lighting upgrades and installation of EV chargers and solar panels.

EMBEDDING CLIMATE RESILIENCE

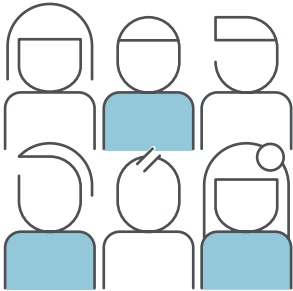
PFI faces a range of risks arising from climate change including regulatory change, increasing demand for sustainable and climate-resilient buildings, changing investor and funder preferences, and impacts from physical climate hazards (e.g., flooding and rising temperatures), driving the need to ensure PFI’s portfolio is both sustainable and resilient. Further information on PFI’s climate-related risks can be found on [pages 29-31](#).

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

The framework focuses on these four key areas:

CLIMATE RESILIENCE FRAMEWORK	
PHYSICAL RISK ASSESSMENTS	Undertaking physical risk assessments as part of our climate-related risks and opportunities assessment, and as part of due diligence prior to the acquisition of new properties.
REFURBISHMENTS AND PROJECTS	Working with our contractors to identify and incorporate climate resilient features into our buildings as part of projects or wider refurbishment activities over time.
DEVELOPMENTS	As part of targeting 5 Green Star certification, undertaking Climate Adaptation Plans to help identify and implement climate adaptation measures into the design of new buildings.
EXISTING PROPERTIES	Embedding climate resilience into our day-to-day facilities management activities via planned proactive maintenance. We aim to minimise the impact of severe weather events through regular and proactive maintenance and capital expenditure.



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

Maintaining strong employee engagement continues to be a focus for us as an employer. Our 2026 engagement survey – with a 100% participation rate – achieved an employee engagement score of 88%. This high level of team engagement is also reflected in our low employee turnover during FY26 of 4%.

	FY22	FY23	FP24	FY25	FY26
EMPLOYEE TURNOVER	11%	4%	0%	4%	4%

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our team and those we work with remains a priority.

We provide a range of wellbeing initiatives and support programmes, including:

- A flexible working policy
- Staff health and safety induction and ongoing training
- A staff wellbeing programme that includes periodic health checks, insurances, and mental health support
- An annual ‘Wellness Week’, which includes a focus on health and wellbeing of our staff
- A contemporary parental leave policy.

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 complies with 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.



The health and safety incidents in the table below reflect incidents that were reported to us across our operations¹:

HEALTH AND SAFETY INCIDENTS	FY22 12 MONTHS	FY23 12 MONTHS	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS
Total incidents resulting in injuries	14	13	7	9	19

1. This table covers all health and safety incidents that resulted in injuries that have been reported to PFI by our contractors, tenants and PFI’s staff.



78 Springs Road - Stage 2: Property Site Tour with
Keystone New Zealand Property Education Trust students

COMMUNITY ENGAGEMENT

Supporting our wider community remains important to PFI and our people.

During FY26 we continued to support the Keystone New Zealand Property Education Trust, becoming a Keystone Key Scholarship Partner Sponsor. During FY26, PFI paid the Trust \$13,725 by way of sponsorship. This sponsorship helps support students pursuing tertiary education and careers within the property and construction sectors.

We participated in a team charity day with TeamUp Events, building bikes to be donated to students at a local school who do not have their own.

We also paid \$24,858 in donations to worthy causes serving our communities during FY26.

MODERN SLAVERY

PFI is committed to respecting and supporting the wellbeing and human rights of our employees, contractors, suppliers and all those who we engage with in our day-to-day operations.

We are working to prepare for modern slavery legislation currently before New Zealand's Parliament and have created a workplan to support our efforts to identify, assess and address modern slavery risks within our operations and supply chain.

ECONOMIC VALUE

PFI's portfolio supports a broad range of industrial businesses across New Zealand by providing high-quality, fit-for-purpose industrial property.

At the same time, we aim to deliver long-term economic value for investors through disciplined portfolio management, prudent capital management and a long-term approach to sustainability and resilience.

We firmly believe that sustainability and climate considerations are linked to long-term portfolio performance. Embedding these considerations into investment, development, refurbishment and asset management decisions is intended to strengthen the resilience, desirability and long-term value of the portfolio as market expectations continue to evolve.

CLIMATE-RELATED DISCLOSURES.

This section contains PFI's Climate-related Disclosures for the 12-month period to 30 June 2026 (FY26).

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).



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:

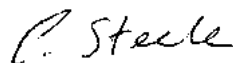
- Adoption Provision 2, which exempts PFI from disclosing anticipated financial impacts in its fourth reporting period.
- Adoption Provision 8, which permits PFI to exclude its Scope 3 emissions disclosures from the scope of GHG assurance engagements for reporting periods ending before 31 December 2027. Accordingly, PFI's Scope 1 and 2

emissions in respect of FY26 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 authorised for issue on 14 September 2026.



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, the transition planning aspects of PFI's strategy, and our current and anticipated impacts of climate change, including current financial impacts. This reflects our current understanding as at 14 September 2026. 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 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 35-36](#). 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 emissions for FY26, the disclosures and metrics in this report have not been assured.

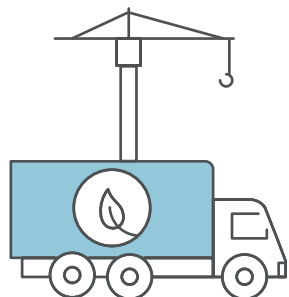
Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. To the fullest extent possible, PFI disclaims liability for any loss suffered as a result of reliance on this report.

GOVERNANCE AND RISK MANAGEMENT

This section describes PFI's approach to governance and management of climate-related risks and opportunities.

GOVERNANCE STRUCTURE

The following table summarises the governance structure for oversight and management of climate-related risks and opportunities. A summary of recent key Board engagements relating to climate-related matters can be found in [Appendix 1](#).



BOARD OF DIRECTORS

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

AUDIT & RISK COMMITTEE

- Assists the Board with risk management, including review of PFI's Risk Management Framework.
- Reviews PFI's Company-wide risk register and climate-related risks and opportunities annually.
- Ensures appropriate metrics and targets for measuring and managing climate-related risks and opportunities are set and monitored in consultation with the Board and Management.
- Reviews and provides recommendations to the Board on PFI's Climate-related Disclosures.

SENIOR LEADERSHIP TEAM (SLT)

Comprised of PFI's Chief Executive Officer, Chief Finance and Operating Officer, Head of Sustainability and Operations, General Counsel and Company Secretary and Portfolio Manager

- Leads PFI's Sustainability Strategy and the day-to-day management of PFI's climate-related risks and opportunities.
- Meets frequently (including nine times in FY26) 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 identification, assessment and management of PFI's climate-related risks and opportunities.
- Aims to ensure alignment between PFI's strategy and management of climate-related risks and opportunities.
- Reports progress on climate-related matters to the SLT via SLT meetings.
- 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 at least every two months (including seven times during FY26) 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 SLT (via the Head of Sustainability and Operations).

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 reviewed and presented to PFI's Directors annually. Risk is also a standing agenda item at quarterly Board meetings and Audit and Risk Committee meetings.

CLIMATE-RELATED METRICS AND TARGETS

PFI's Audit and Risk Committee and Board oversee the development of metrics and targets to measure and manage PFI's climate-related risks and opportunities. As PFI makes progress against set targets, PFI's Board oversees the refresh of PFI's climate-related targets as appropriate. The Board monitored progress against agreed targets at quarterly Board meetings during FY26, and monitors metrics at least annually at Board meetings, including once in FY26. The Board also oversees the

achievement of sustainability-related targets incorporated in the SLT's short-term incentives. Further information on 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 an important strategic consideration for PFI. 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. Further information on PFI's strategy and Transition Plan can be found on [pages 22-24](#).

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. 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 some climate-related skills and experience. Outside of the Directors' individual professional development activities in FY26, PFI facilitated Board training led by an external specialist on climate-related disclosure and ESG matters to help maintain and strengthen the Board's climate-related expertise.

MANAGEMENT'S ROLE

With contribution from the SLT, PFI's Head of Sustainability and Operations leads the identification, assessment, and management of PFI's climate-related risks and opportunities and supports the integration of sustainability and climate-related considerations into the Company's strategy and decision making.

The SLT are responsible for promoting good risk practices by their teams, in accordance with PFI's Risk Management Framework. Sustainability and climate-related matters are discussed at SLT meetings (including at seven out of the nine SLT meetings held during FY26). At these meetings, SLT considered emerging risks, regulatory developments, market trends, and progress against PFI's sustainability targets, strategy and transition planning. Management decisions on PFI's responses to climate-related risks and opportunities can be made through this forum.

During FY26, PFI held seven management sustainability meetings with members of the Property and Facilities Management teams to monitor and track progress on key sustainability targets and initiatives to manage climate-related risks and opportunities. Outcomes from these meetings are reported to the SLT, and the SLT 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 FY26 is described in [Appendix 1](#).

IDENTIFICATION AND ASSESSMENT OF CLIMATE-RELATED RISKS

PFI's Risk Management Framework, approved by the Board, governs our approach to identifying and assessing risks, including climate-related risks. PFI's Risk Management Framework is reviewed two-yearly, and is next due to be reviewed in 2027.

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. Climate-related risks are further assessed across each climate scenario and adapted to reflect how they may evolve in each plausible scenario and across each time horizon (climate scenarios and time horizons considered in this risk assessment are described on [pages 25-28](#)). Risks are then assessed and prioritised 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.

Our climate-related risk assessment is also informed by an analysis of physical hazards for PFI's portfolio of properties. PFI has assessed the exposure of its portfolio to selected physical climate hazards by reference to the following tools:

- S&P Global Climonomics platform (Climanomics), which indicates that the most significant hazards to PFI's portfolio are pluvial and fluvial flooding and extreme temperatures;

- NIWA's extreme sea level flood maps (1%AEP and up to 2m sea level rise); and
- Local Council flood maps.

Further information on the assumptions, limitations and uncertainties underlying these physical hazard models are set out in [Appendix 4](#). Further information on PFI's vulnerability to material physical climate hazards can be found in the [Metrics and Targets section](#).

PFI's climate-related risk and opportunity assessment considers impacts across its value chain, including PFI's direct operations, and upstream and downstream activities. No material parts of the value chain are excluded from this assessment.

MANAGING CLIMATE RELATED RISKS AND INTEGRATION INTO RISK MANAGEMENT

Decisions on PFI's management and responses to climate-related risks and opportunities, including whether to mitigate, accept, transfer or control these risks and opportunities are made by the SLT with oversight from the Board. Actions being taken to respond to and manage PFI's most material climate-related risks are reflected in PFI's Transition Plan and inform capital deployment decisions, acquisition due diligence, development and refurbishment planning, and facilities management and maintenance programmes. Actions being taken to respond to and manage PFI's material climate-related risks are set out in the [Strategy Section](#).

PFI's overall risk management processes integrate climate-related risks. Climate risk is subject to the same risk management processes as our other risks, with oversight by the SLT, the Audit and Risk Committee, and the Board. Risks are discussed at SLT meetings and reports on risk management (including management of climate-related risks) are provided to the Audit and Risk Committee and Board at least annually. Our corporate risk register includes consideration of climate-related risks.

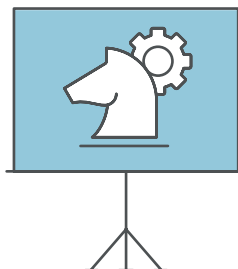
STRATEGY

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 own quality industrial property in strategic locations, support our tenants and continually improve the productivity and performance of the portfolio. As a professional landlord, our business model broadly covers:

- leasing existing properties to industrial tenants;
- portfolio management through acquisitions and divestments;
- refurbishment and development activities; and



- coordinating repairs, maintenance and capital projects for our buildings through our internal facilities management team.

In recent years, PFI has focused on prioritising value creating opportunities through accretive development opportunities and acquisitions that have the potential to increase shareholder returns beyond current levels. We believe integrating sustainability into our decision making and portfolio planning helps to support long-term value creation through improved asset resilience, operational performance and portfolio quality.

PFI's Sustainability Strategy is described on [page 7](#). The transition planning aspects of PFI's overall business strategy align 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 7](#)), the transition planning aspects of our strategy focus on improving the sustainability, energy performance 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 23-24](#)) 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 opportunities, along with actions being taken to respond to those risks and opportunities, are described further on [pages 29-34](#).

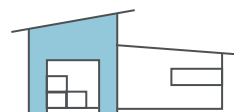
ALIGNMENT WITH CAPITAL DEPLOYMENT AND FUNDING PROCESSES

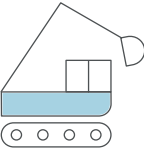
Understanding and regularly reviewing the long-term strategy for each property is critical to enabling PFI to understand whether and when to deploy capital to upgrade existing buildings to be more sustainable and climate resilient or achieve a Green Building rating. Property strategies will adapt over 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 minimisation 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.

TRANSITION PLAN

The transition planning aspects of our strategy aim to embed emissions minimisation 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 29-34](#).

FOCUS AREA	OUR INITIATIVES	RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES	POTENTIAL IMPACT ON GHG EMISSIONS	SHORT-TERM ACTIONS (PRESENT TO 2032)	KEY DEPENDENCIES	CAPITAL MANAGEMENT DECISIONS
EXISTING PORTFOLIO: Upgrade PFI's existing buildings, including acquisitions, to incorporate sustainability, climate resilience and energy efficiency.	Sustainable Refurbishments Apply PFI's Sustainable Refurbishment Framework to applicable refurbishment projects. Refer to page 13 for further information on PFI's Sustainable Refurbishment Framework.	Risk: Climate-related regulatory change, tenant and purchaser demand for sustainable buildings, and changing investor and funder preferences and funding requirements. Opportunity: Improve energy efficiency and operational performance via sustainable refurbishments.	Sustainable refurbishments may enable PFI to reduce Scope 3 emissions, including by minimising Category 2 emissions (upfront embodied carbon) through reusing existing structures and using lower carbon building materials, and reducing Category 13 emissions (electricity use in tenanted buildings) through solar installations and LED upgrades.	Continue applying Sustainable Refurbishment Framework to applicable projects. Actively engage with tenants regarding potential sustainability initiatives. Achieve 1.4MW solar capacity by the end of FY27 (0.8MW solar capacity installed as at 30 June 2026). Upgrade 80% of PFI's tenancies to have full LED lighting by the end of FY28 (72% of tenancies with full LED lighting as at 30 June 2026).	Tenant demand and collaboration, and financial feasibility.	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 climate risks as part of acquisition decisions.
	Embed Climate Resilience Implement PFI's Climate Resilience Framework to improve the resilience of PFI's buildings and portfolio to climate-related physical risks. Refer to page 14 for further information on PFI's Climate Resilience Framework.	Risk: Tenant and purchaser demand for climate resilient buildings, changing investor and funder preferences and funding requirements, flooding, and rising temperatures. Opportunity: Build resilience of PFI's portfolio against physical climate risks.	Building resilience against electricity infrastructure failures via solar installations may contribute to reductions in PFI's Scope 3 Category 13 emissions.	Continue to incorporate climate resilience features into existing buildings as part of wider refurbishments and projects and embed climate resilience into daily facilities management activities (including through planned preventative maintenance and capex planning).	Tenant collaboration and financial feasibility.	



FOCUS AREA	OUR INITIATIVES	RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES	POTENTIAL IMPACT ON GHG EMISSIONS	SHORT-TERM ACTIONS (PRESENT TO 2032)	KEY DEPENDENCIES	CAPITAL MANAGEMENT DECISIONS
	Operational Performance Ratings Measure emissions from electricity consumed at tenanted buildings and maintain operational performance ratings for selected properties in PFI's portfolio.	Risk: Climate-related regulatory change, tenant and purchaser demand for sustainable buildings, and changing investor and funder preferences and funding requirements. Opportunity: Gain accreditation for some buildings via operational performance ratings, secure Green Finance.	Operational performance ratings may enable PFI to identify actions to reduce its Scope 3, Category 13 emissions (electricity use in tenanted buildings), for example, through solar installations and LED upgrades to minimise electricity use.	PFI continues to measure building electricity consumption data via metering. Maintain operational performance ratings for selected properties in the portfolio, and identify actions to reduce building energy consumption.	Tenant collaboration (ratings are often impacted by tenant use and operations) and financial feasibility of upgrading buildings to meet standards required by operational performance ratings.	
	DEVELOPMENTS: Incorporate sustainability and climate resilience into significant new developments and brownfield redevelopments, which are targeting a green building certification.	Green Star Certification Significant new developments and redevelopments to target 5 Green Star certification. This aims to reduce emissions from development activities and address climate-related risks by improving climate resilience and energy performance of our buildings and reducing operational costs for our tenants.	Risk: Climate-related regulatory change, tenant and purchaser demand for sustainable and / or resilient buildings, changing investor and funder preferences and funding requirements, flooding, and rising temperatures. Opportunity: Gain Green Star certification, build climate resilience, secure Green Finance.	Green Star certification enables PFI to address Scope 3 emissions, including by reducing Category 2 emissions (upfront embodied carbon) through design and by using lower carbon building materials, and minimising Category 13 emissions (electricity use) through implementing energy efficiency into the design of the building. Work through opportunities to redevelop existing properties to target Green Star certification. Target 5 Green Star certification for all significant new buildings.	Development, availability and cost of lower carbon materials and technologies (such as lower carbon concrete and steel), financial feasibility, and tenant demand.	Opportunities for Green Star certification are considered as part of the approval process for developments and acquisitions.

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 - 2032	Within PFI's weighted average lease term (WALT) (1-6 years)
Medium term	2033 - 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)

SCENARIO ANALYSIS

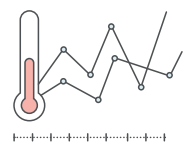
PFI's scenario analysis process draws heavily on the climate scenarios constructed by the New Zealand Green Building Council (NZGBC) and Beca Limited (Beca) for the property and construction sector in 2023¹. These scenarios have helped us to consider the resilience of our business and strategy to climate-related 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 SLT 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.

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' scenario². A description of each scenario is outlined on [pages 26-28](#).

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). Along with other stakeholders in the industry, PFI was involved in overseeing the development of these sector scenarios as part of the Technical Working Group created by the NZGBC. The development of these sector scenarios involved engagement of sector stakeholders, identifying and prioritising climate drivers, selecting climate pathways, and developing sector narratives. These scenarios used a range of data sources, including from Intergovernmental Panel on Climate Change (IPCC) and MfE reports, Statistics NZ, MBIE, the Climate Change Commission, and Network for Greening the Financial System (NGFS).
2. When reviewing the sector scenarios, PFI has assessed transition risk in a greater than 3°C scenario to be higher than anticipated by NZGBC and Beca. PFI has particularly focused on the impacts of extreme physical climate hazards (e.g., flooding and rising temperatures) driving increased demand for climate-resilient buildings among tenants, investors, funders and insurers.



CLIMATE SCENARIOS.

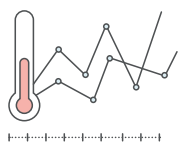


While there have been no revisions to the sector scenarios since they were first constructed in 2023, we consider that these scenarios continue to be relevant to PFI, as many entities within the property and construction industry will face the same challenges resulting from climate change.

Climate scenarios represent a plausible and challenging description of how the future may develop based on assumptions about potential climate-related impacts. Climate 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.

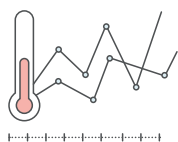
	ORDERLY SCENARIO: 1.5°C	DISORDERLY SCENARIO: <2°C	HOT HOUSE WORLD SCENARIO: >3°C
EMISSIONS REDUCTION PATHWAY	The world successfully limits global warming to 1.5°C above pre-industrial temperatures. This scenario presents medium to high transition risk for PFI due to a greater focus on decarbonisation.	Significant decarbonisation is delayed until 2030. Global warming is limited to below 2°C above pre-industrial levels by 2100. The sector faces high transition risk after 2030 as entities rush to decarbonise.	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.
POLICY AND REGULATORY CHANGE	Decarbonisation policies are enacted immediately and smoothly. The building and construction sector is adopting and prioritising decarbonisation policies in the 2020s, including energy and carbon limits for new buildings, requirements to disclose energy and carbon performance for existing buildings, removal of fossil fuels and retrofits for energy efficiency over the medium term.	Emissions continue to rise during the 2020s, until there is a sudden shift in global policy around 2030. Abrupt and stringent decarbonisation policies are enacted in the 2030s, and significant regulatory changes demand an immediate step change in building energy and carbon requirements.	No further decarbonisation policies are enacted and emissions continue to rise. Regulatory changes are slow and focus on adaptation and managing climate driven immigration / refugees. Mandates are introduced to conserve energy for critical functions, as asset and infrastructure damages due to climate change are realised.
ENERGY TRANSITION	New Zealand's electricity grid reaches near 100% renewable by 2050. Electricity prices increase in the 2020s and 2030s as rapid decarbonisation puts pressure on grid capacity. Shortfalls in generation capacity become more frequent increasing risk of blackouts. In the short-term, this drives demand for on-site electricity generation, and the expansion of alternative fuels (such as hydrogen and biofuels).	Electrification is slow during the 2020s, and the electricity sector is unprepared for the sudden increase in demand in 2030, which leads to supply constraints. These constraints result in more frequent blackouts and fluctuations in electricity prices.	New Zealand's electricity grid is gradually decarbonised further in line with current policies. Increasing frequency and severity of acute weather events (e.g. storms) result in more frequent and severe damage to electricity assets and more frequent and longer blackouts.

CLIMATE SCENARIOS.



	ORDERLY SCENARIO: 1.5°C	DISORDERLY SCENARIO: <2°C	HOT HOUSE WORLD SCENARIO: >3°C
SOCIAL AND BEHAVIOURAL CHANGE	Social changes start to occur in the 2020s, due to changes in market behaviour, working habits, required knowledge/skills, purchasing and investment behaviours, and the changing focus of government funding. 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.	Minimal social changes occur prior to 2030, however the pace of change around 2030 is unprecedented. Carbon intensive industries are either rapidly decarbonised, divested from, or progressively regulated out of existence. Communities impacted by this rapid change are not well supported to adapt.	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. People begin to retreat from areas at risk from physical impacts and significant managed retreat from coastal areas moves populations inland to areas that are less vulnerable to climate hazards.
MARKET CHANGE	Due to increasing market awareness of climate change risks and the need to decarbonise, entities that fail to set and meet ambitious science-based emission reduction targets also face reputational risks, loss of market share, and scrutiny from customers, shareholders, and competitors. These reputational and market risks affect the sector significantly in the short to medium term. Existing building re-use and adaptive re-use are in demand rather than new builds. Changes in carbon pricing results in the cost and lead-times for low carbon materials and products increasing through the 2020s and 2030s, but they become more cost and time effective than traditional materials by 2040.	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. 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.	Physical impacts of climate change drive an increasing need for climate adaptation. For example, the need to retrofit buildings and infrastructure to be more heat and flood resilient. 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). 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.

CLIMATE SCENARIOS.



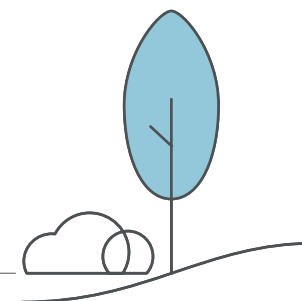
	ORDERLY SCENARIO: 1.5°C	DISORDERLY SCENARIO: <2°C	HOT HOUSE WORLD SCENARIO: >3°C
TECHNOLOGY	Technology matures to a point where the world is on track to achieve net zero CO2 emissions globally by 2050. The implementation of new technology increases pressure on technical and skilled labour supply. As 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.	New technologies haven't been developed in time for the spike in demand in 2030, leading to disruption of the building and materials market and competition for materials and products that impacts new buildings and retrofit development. This leads to significant price escalations and construction delays. The pace of change also generates significant financial incentives for innovation, specifically for carbon sequestration, capture and storage which must play a large role in carbon emissions by 2050.	Technology change remains slow across all sectors. There is little investment in technology and innovation that does not serve pressing adaptation needs. This increases our reliance on current extractive technologies, which become more expensive as material resources become scarcer.
LAND USE	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.	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.	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.
PHYSICAL RISK AND INSURANCE	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.	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.	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. 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 FY26, we reviewed PFI's climate-related risks across the above three climate scenarios. Further information on PFI's approach and processes to identifying and assessing climate-related risks can be found in the [Governance and 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.

RISK DESCRIPTION	RELEVANT TIME HORIZON AND 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 climate resilience (for example, on building materials and design, land use, operational performance ratings, and restrictions on water and energy use) may require PFI to retrofit or upgrade existing buildings to meet evolving regulatory standards.	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	- Increased capital expenditure deployed towards retrofit and development activities to upgrade buildings to a sustainable and climate-resilient standard. - Flow on impacts due to increased demand for lower carbon materials, including increased development costs and a reduction in feasibility of projects. - Devaluation of properties that do not meet new regulatory standards.
Market Risk - Tenant and Purchaser Demand for Sustainable Buildings Increased tenant and purchaser demand for sustainable buildings, increasing the need for PFI to invest in retrofitting or upgrading existing buildings to maintain tenant demand, occupancy levels and asset values.	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	- Increased capital expenditure deployed towards retrofit and development activities to upgrade buildings to a sustainable standard. - Flow on impacts due to increased demand for lower carbon materials, including increased development costs and a reduction in feasibility of projects. - Devaluation of properties that are not considered to be sustainable. - Difficulty re-letting buildings that are not considered to be sustainable.



CLIMATE-RELATED RISKS.

RISK DESCRIPTION	RELEVANT TIME HORIZON AND 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 tenant and purchaser demand for buildings that are resilient to the physical impacts of climate change, increasing the need for PFI to invest in retrofitting or upgrading existing buildings to maintain tenant demand, occupancy levels and asset values.	Medium, Long	Disorderly, Hot House	Medium / High	- Increased capital expenditure deployed towards retrofit and development activities to upgrade buildings to withstand physical climate change impacts. - Difficulty re-letting buildings that are not climate resilient. - Devaluation of properties vulnerable to physical impacts of climate change.	- We apply an internal Climate Resilience Framework to incorporate climate resilience into our existing buildings through wider sustainable refurbishments, and 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 Failure to meet changing expectations of investors and funders in relation to climate-related targets and initiatives, decarbonisation and climate resilience, particularly where existing buildings do not meet evolving sustainability standards.	Short, Medium, Long	Orderly, Disorderly, Hot House	Medium / High	- Reputational damage, negative media attention and scrutiny from funders, investors, and key stakeholders. - Reduced ability to access capital due to changing investor appetite. - Higher debt costs due to changing lender appetite.	- We disclose progress against climate-related targets and initiatives annually. - We regularly engage with our investors and funders to understand expectations. - We have set climate-related targets and have governance over their delivery as set out in this report. - We have established a Green Finance Framework which supports the progressive certification of PFI's properties to a Green Star standard.

CLIMATE-RELATED RISKS.

RISK DESCRIPTION	RELEVANT TIME HORIZON AND CLIMATE SCENARIO			REASONABLY ANTICIPATED IMPACTS IF RISK MATERIALISES	RISK RESPONSE
PHYSICAL RISK	TIME HORIZON	CLIMATE SCENARIO	RESIDUAL RISK RATING		
Acute - Flooding Increased severity and frequency of intense rainfall events lead to pluvial and fluvial flooding and cause temporary inundation and damage to PFI's properties and surrounding infrastructure.	Short, Medium, Long ¹	Orderly, Disorderly, Hot House	Medium / High	- Damage to, or accelerated deterioration of, PFI's assets and surrounding infrastructure (and exposure to increased reactive repairs and maintenance costs). - Disruptions to supply chains, construction timelines, and tenant's operations. - Devaluation of properties vulnerable to damage from pluvial and fluvial flooding. - Increased insurance claims, leading to higher insurance premiums, reduced insurance coverage for certain perils and insurance retreat. - Increased property rates. - Increased pressure from tenants, investors, and funders to improve the climate-resilience of PFI's buildings, resulting in increased capital expenditure deployed towards resilience-related property upgrades to mitigate impacts of climate change.	- We review portfolio physical climate risks periodically and review climate risks 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 aim to reduce physical impacts through proactive property maintenance. - We have a target of 5 Green Star certification for all significant new buildings, which incorporates climate resilience measures. - We manage insurance risk through PFI's captive insurance programme. This forms part of a long-term insurance strategy to position PFI to obtain prudent levels of insurance.
Chronic - Rising Temperatures Increased average temperatures and more frequent and intense heat events lead to thermal stress on buildings and give rise to increased cooling demand across PFI's portfolio.	Medium, Long ²	Disorderly, Hot House	Medium / High	- Increased energy consumption, leading to impacts on operational performance certification. - Increased demand on HVAC systems (leading to faster HVAC degradation and upgrades). - Demand from tenants to improve or increase air-conditioning and temperature control within PFI's buildings, resulting in increased capital expenditure towards upgrades.	- 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 property maintenance.

1. PFI expects the risk associated with pluvial and fluvial flooding to be relevant over a short, medium and long term time horizon, noting that the impacts of this risk are expected to become significantly more severe over time.

2. PFI expects the risk associated with rising temperatures to be relevant over a medium and long term time horizon, noting that the impacts of this risk are expected to become significantly more severe over time.

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.

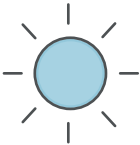
OPPORTUNITY DESCRIPTION	OPPORTUNITY TYPE, TIME HORIZON AND RELEVANT CLIMATE SCENARIO			ANTICIPATED IMPACT IF OPPORTUNITY IS REALISED	RESPONSE
OPPORTUNITY	OPPORTUNITY TYPE	TIME HORIZON	RELEVANT CLIMATE SCENARIO:		
Sustainable Refurbishments Opportunity to minimise emissions, improve the operational performance of some buildings in our existing portfolio and improve building value and desirability by applying PFI's Sustainable Refurbishment Framework to applicable refurbishment projects.	Transition	Short, Medium, Long	Orderly, Disorderly	Anticipated impacts of sustainable refurbishments could include: - An increase in capital expenditure deployed towards 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.	Upgrading existing assets via sustainable refurbishments is already a core element of PFI's Transition Plan and business strategy. In recent years, PFI has applied its Sustainable Refurbishment Framework to applicable projects, undertaken solar installations and LED lighting upgrades, and engaged with a number of tenants on sustainability initiatives.
Green Star Certification for New Buildings 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 minimise 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 capital expenditure deployed towards 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. As at 30 June 2026, PFI has achieved 5 Green Star certification for four newly developed buildings in its portfolio.

CLIMATE-RELATED OPPORTUNITIES.

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:		
Operational Performance Ratings Opportunity to gain accreditation for some buildings in PFI's existing portfolio via operational performance ratings.	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 are an area of focus to improve our existing portfolio of properties. Over the last few years, PFI has: ▪ Installed power metering and monitoring at a majority of PFI's properties as a first step towards measuring energy performance. ▪ Achieved Green Star Performance (Energy and Water only pathway) certification for seven buildings in its portfolio.
Building Climate Resilience Opportunity to embed climate resilience into PFI's portfolio.	Physical	Short, Medium, Long	Orderly, Disorderly, Hot House	Anticipated impacts of building climate resilience could include: ▪ An increase in capital expenditure deployed towards retrofit and development activities to upgrade properties to be more resilient. ▪ A reduction in the number of insurance claims and improvement in insurer appetite. ▪ Potential positive impacts on valuations, occupancy and rental income for properties that are resilient to climate change impacts.	Improving climate resilience and mitigating the impacts of climate change is a focus area in PFI's Transition Plan. Key initiatives undertaken during FY26 include: ▪ Conducting physical risk assessments for the portfolio, and as part of due diligence for new acquisitions; ▪ Completing planned proactive maintenance; and ▪ Incorporating climate resilience into the design of Green Star developments.

CLIMATE-RELATED OPPORTUNITIES.

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 Finance Opportunity to secure Green Debt 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.	We have established a Green Finance Framework which supports the progressive certification of PFI's properties to a Green Star standard.



CURRENT CLIMATE-RELATED IMPACTS AND FINANCIAL IMPACT

PFI has experienced the following current climate-related impacts and financial impacts during FY26.

CURRENT PHYSICAL IMPACTS

PFI did not observe material physical impacts of climate change during FY26, including weather-related insurance claims. Therefore, PFI did not experience any material financial impacts from physical hazards during FY26.

CURRENT TRANSITION IMPACTS

Sustainable buildings

PFI has continued to progress its pipeline of development opportunities registered for Green Star certification. During FY26, PFI has:

- completed its major development at Stage 2 at 78 Springs Road, which has now achieved a 5 Green Star Design & As Built NZv1.1 Certified Design rating;
- progressed demolition works at Stage 3 at 78 Springs Road;

- completed the demolition of existing buildings and infrastructure at 92-98 Harris Road in preparation for its future redevelopment (likely to be tenant-led); and
- commenced construction of its greenfield development at Totara Creek Estate on a speculative basis.

Targeting 5 Green Star certification for all significant new developments is a key initiative in PFI's Transition Plan (see [pages 23-24](#)), and has enabled us to incorporate energy and water efficiency initiatives, embed climate resilience and lower emissions of the new buildings.

PFI has identified a potential market opportunity to obtain operational performance ratings for selected properties, which help prepare PFI for potential regulatory change in this space, and tenant and purchaser demand for sustainable buildings. During FY26, PFI obtained Green Star Performance (Energy and Water Only pathway) certification for a portfolio of three buildings, which achieved a 2 Star Green Star Performance rating.

During FY26, PFI continued to seek opportunities to apply its Sustainable Refurbishment Framework, however, implementation opportunities were limited. Despite these constraints, PFI progressed sustainability initiatives across the portfolio, including LED lighting upgrades, skylight replacements, and solar feasibility investigations.

The current financial impacts to PFI associated with Green Star developments, operational performance ratings, and incorporating sustainability into our existing buildings during FY26 are as follows:

- approximately \$38.6m in gross capital expenditure towards the delivery of Green Star developments.¹
- approximately \$1.6m in gross capital expenditure towards sustainability-related projects (excluding capital expenditure towards PFI's Green Star developments, noted above).²
- pursuing Green Star certification and Green Star Performance ratings has enabled us to grow our portfolio of Green Buildings to \$469m (an increase of \$193m from FY25), supported by \$200m of Green loans as at 30 June 2026.³
- Green Buildings are now generating around \$24.3m in contract rental income (an increase of \$11.2m from FY25), which represents 20.1% of PFI's total contract rent as at 30 June 2026.

1. The capital expenditure deployed towards Green Star developments during FY26 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.

2. Total sustainability-related capital expenditure during FY26 has been captured where projects have been identified as including a 'sustainability feature' and therefore also includes general project costs that are not 'climate-related'.

3. Following the post-balance date refinancing (announced on 17 July 2026), PFI has increased the proportion of Green loans to \$350m.

Climate resilience

During FY26, PFI continued seeking opportunities to apply its internal Climate Resilience Framework. Climate resilience is a key initiative in PFI's Transition Plan (see [pages 23-24](#)) and responds to the risk of increased demand for climate-resilient buildings among tenants, purchasers, investors and funders, and the physical impacts of climate change, including flooding 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 14](#) for further information on PFI's Climate Resilience Framework.

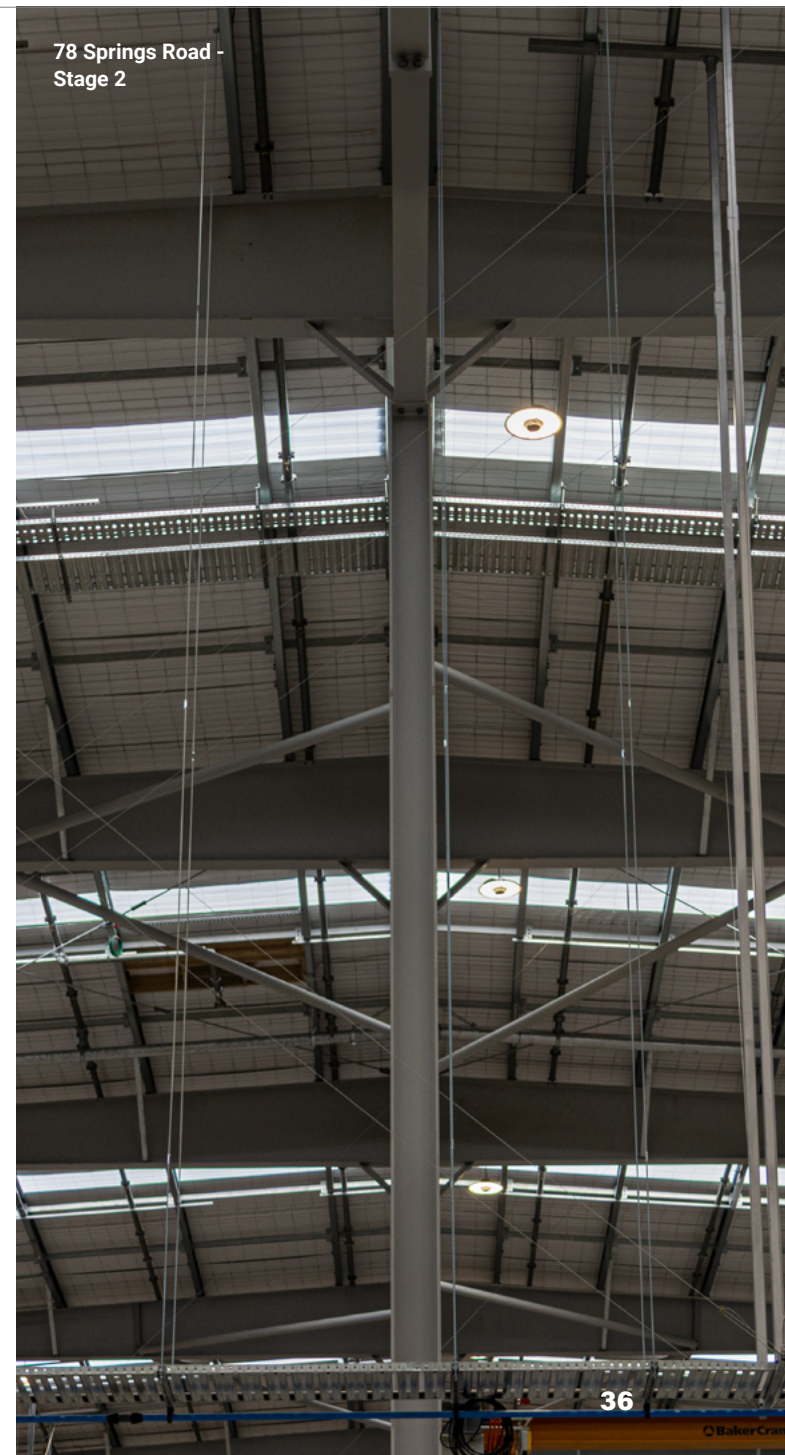
The current financial impacts to PFI associated with the risk of increased demand for climate-resilient buildings and the opportunity to embed climate resilience are captured in PFI's capital expenditure. Capital expenditure towards resilience-related property upgrades during projects and developments is included within the total sustainability-related expenditure and development expenditure noted on [page 35](#).

During FY26, PFI also spent approximately \$3.1m in capital expenditure towards HVAC repairs or upgrades, and roof

repairs and maintenance works. While these activities support the resilience of our buildings against climate-related impacts, this expenditure also includes spend 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.



78 Springs Road -
Stage 2



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 emissions for FY26 are set out on the pages that follow. PFI engaged PricewaterhouseCoopers (PwC) to provide limited assurance for PFI’s FY26 Scope 1 and Scope 2 emissions (but not Scope 3).

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 FY26 CARBON FOOTPRINT

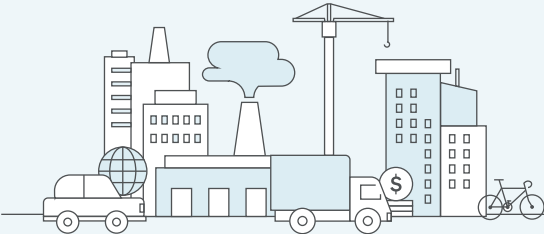
15,687.3

TONNES OF CO₂E

% TOTAL FOOTPRINT

EMISSIONS SOURCE

74.8%
11,727.3 TONNES



UPSTREAM EMISSIONS
SCOPE 3

GOODS AND SERVICES | CAPITAL GOODS |
ELECTRICITY TRANSMISSION AND DISTRIBUTION
LOSSES | EMPLOYEE COMMUTING

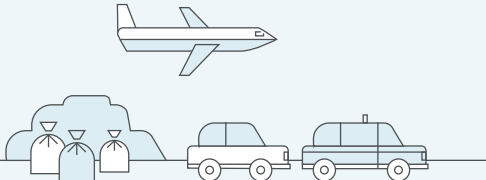
0.7%
109.0 TONNES



CORPORATE EMISSIONS
SCOPE 1 AND 2

FUGITIVE EMISSIONS FROM HVAC SYSTEMS |
DIESEL EMISSIONS FROM SPRINKLER SYSTEMS |
PURCHASED ELECTRICITY

24.5%
3,851.0 TONNES



DOWNSTREAM EMISSIONS
SCOPE 3

ELECTRICITY FROM TENANTED BUILDINGS |
OPERATIONAL WASTE | BUSINESS TRAVEL

OUR GHG EMISSIONS.

SCOPE	CATEGORY	NOTE (SEE PAGE 39)	RESTATED FY23 (TCO ₂ E) 12 MONTHS	RESTATED FP24 (TCO ₂ E) 6 MONTHS ¹	RESTATED FY25 (TCO ₂ E) 12 MONTHS	FY26 (TCO ₂ E) 12 MONTHS
SCOPE 1			NOT ASSURED	NOT ASSURED	LIMITED ASSURANCE	LIMITED ASSURANCE
Direct Emissions	Fugitive emissions (refrigerants)		41.2	68.7	53.7	89.4
	Fuel		5.6	2.4	13.4	11.6
Total Scope 1 Emissions			46.8	71.1	67.1	101.0
SCOPE 2			NOT ASSURED	NOT ASSURED	LIMITED ASSURANCE	LIMITED ASSURANCE
Indirect Emissions	Electricity consumption (location based)	1	4.4	2.2	9.1	8.0
Total Scope 1 and Scope 2 Emissions			51.2	73.3	76.2	109.0
SCOPE 3			NOT ASSURED	NOT ASSURED	NOT ASSURED	NOT ASSURED
Other Indirect Emissions	Category 1: Purchased goods and services		1,244.2	506.1	1,052.3	1,274.3
	Category 2: Capital goods (upfront embodied carbon emissions from developments)	2	Not applicable	3,861.0	14,031.0	5,919.0
	Category 2: Capital goods (other capital goods expenditure)	3	4,209.9	1,636.9	2,913.1	4,501.7
	<i>Category 2: Capital Goods subtotal</i>		<i>4,209.9</i>	<i>5,497.9</i>	<i>16,944.1</i>	<i>10,420.7</i>
	Category 3: Energy and fuel		0.5	0.2	0.7	3.3
	Category 5: Waste generated in operations		0.5	0.1	0.3	0.5
	Category 6: Business travel		25.0	43.6	51.0	22.4
	Category 7: Employee commuting		17.7	11.0	29.3	28.9
	Category 13: Downstream leased assets	4	Not measured in FY23	669.3	5,093.0	3,828.2
Total Scope 3 Emissions			5,497.8	6,728.2	23,170.7	15,578.3
TOTAL Scope 1, 2 and 3 Emissions			5,549.0	6,801.5	23,246.9	15,687.3

1. tCO₂e 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).

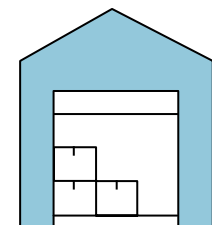
NOTES TO OUR GHG EMISSIONS TABLE

- 1 PFI's Scope 2 emissions are comprised of purchased 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.
- 2 Scope 3 Category 2: Capital Goods (upfront embodied carbon emissions from developments) have been restated for FY23, FP24 and FY25 to reflect a change in methodology and finalisation of Life Cycle Assessments (LCA) for completed developments at 30-32 Bowden Road and Stage 1 at 78 Springs Road. Further detail on this restatement can be found in [Appendix 2](#).

In FY26 these emissions include total upfront embodied carbon emissions for the development at Stage 2 at 78 Springs Road, which achieved practical completion during the reporting period. During FY26, PFI also spent capital expenditure towards the ongoing development at Stage 1 at Totara Creek Estate. The upfront embodied carbon emissions for this development will be reported on completion and has therefore not been included in FY26 emissions reporting.

- 3 Scope 3 Category 2: Capital Goods (other capital goods expenditure) have been estimated using a consumption-based model for capital goods expenditure for all properties. These emissions do not include upfront embodied carbon emissions from developments. As such, the construction-related expenditure at Stage 2 at 78 Springs Road and Stage 1 at Totara Creek Estate have been excluded to avoid double counting. Expenditure related to demolition works at Stage 3 at 78 Springs Road and 92-98 Harris Road are included in these emissions figures, as demolition works are not captured within the scope of LCA reports.

- 4 PFI's Scope 3 Category 13 emissions include emissions relating to our tenants' electricity consumption 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. PFI now has electricity consumption data available for most of its tenanted properties via metering. Reported emissions for FY25 onwards reflects both an increase in activity data available via metering and the extrapolation method used to estimate emissions for remaining properties. Refer to [Appendix 2](#) for further detail on the uncertainties, assumptions and limitations of these estimated emissions.



Totara Creek Estate -
Stage 1

EMISSIONS PERFORMANCE

PFI does not currently have an absolute or intensity emissions reduction target. See [pages 7-13](#) for more information on PFI's strategy to minimise our emissions, along with the transition plan aspects of our strategy on [pages 22-24](#) setting out our planned initiatives to minimise emissions associated with our buildings.

SCOPE 1 AND 2

PFI's Scope 1 and 2 emissions 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. In recent years, PFI has upgraded a significant number of HVAC systems across our portfolio to systems that use lower-impact refrigerant gases and introduced processes to manage electricity use at vacant properties.

We intend to continue to work on initiatives to further minimise our gross Scope 1 and 2 emissions going forward, including:

- Installing lower-impact HVAC systems when older systems reach end of life;
- Continuing to minimise power usage at vacant sites and PFI's office where possible; and
- Monitoring for new technologies that would enable us to make further advances.

PFI's Scope 1 fugitive emissions have increased in FY26 compared to FY25 and FP24 (noting that FP24 represents a 6-month period). These emissions are due

to ad-hoc refrigerant leaks from HVAC systems and are difficult to predict. The increase in PFI's FY26 fugitive emissions was primarily driven by a large leak of refrigerant gas during the reporting period, which accounted for ~29% of PFI's total Scope 1 emissions in FY26.

PFI's Scope 1 fuel emissions associated with diesel usage for sprinkler systems have increased in FY25 and FY26 compared to FP24, attributable to commissioning and servicing of sprinkler systems at PFI's recently completed developments.

PFI's Scope 2 emissions associated with electricity use at PFI's head office, vacant properties and properties with common areas has fluctuated over the last few reporting periods. This was driven by significant changes between the Ministry for the Environment's 2024, 2025 and 2026 emissions factors, and changes in vacancies in the portfolio.

SCOPE 3

PFI's Scope 3 emissions comprise 99.3% of PFI's measured GHG emissions footprint for FY26. PFI's material emissions impacts are Category 2 (Capital Goods), and Category 13 (Downstream Leased Assets).

PFI's Sustainability Strategy and Transition Plan (see [pages 22-24](#)) focus on minimising both embodied and operational emissions of our buildings. We have committed to:

- building and refurbishing in a way that minimises both embodied and operational emissions where practicable (e.g., via Green Star certification and sustainable refurbishments); and

- measuring and over time improving the operational performance of our buildings.

PFI's Scope 3 Category 2 emissions, accounting for 66.4% of PFI's FY26 measured GHG emissions, has fluctuated over the last few reporting periods, primarily due to the timing of the completion of the development works. As full upfront embodied carbon emissions have been reported on completion, 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 24.4% of PFI's FY26 total measured GHG emissions. These emissions were reported for the first time in FP24, and the increase in emissions from FP24 to FY25 onwards 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 and FY26. There was also a change in emission factors between the Ministry for the Environment's 2024, 2025 and 2026 emission factors, which contributed an uplift of 38.7% in FY25 compared to FP24, and a decrease of 22.2% in FY26 compared to FY25. 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 FY26 Scope 1, 2 and selected categories of Scope 3 emissions¹ with voluntary certified carbon credits. These 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 FP24 and FY25, 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 METRICS³

GHG EMISSIONS INTENSITY METRIC	FP24 (TCO ₂ E)	FY25 (TCO ₂ E)	FY26 (TCO ₂ E)	COMMENTARY
Scope 1 + 2 GHG emissions (tCO ₂ e)/sqm lettable area	0.00008	0.00008	0.00011	Scope 1 and 2 GHG emissions intensity increased in FY26 when compared to FP24 and FY25. This increase is largely attributable to the increase in Scope 1 and 2 emissions compared to prior reporting periods, primarily driven by an increase in Scope 1 fugitive emissions during FY26.
Scope 3 Category 13 emissions (tCO ₂ e)/sqm net lettable area	Not measured	0.007	0.006	Emissions intensity for Category 13 emissions has not been calculated for FP24. Scope 3, Category 13 emissions intensity decreased slightly in FY26 compared to FY25, primarily attributable to a change in MfE emission factors resulting in a decrease in overall Scope 3, Category 13 emissions.
Scope 3, Category 2 upfront embodied carbon emissions associated with completed developments (tCO ₂ e)/sqm gross lettable area	0.308	0.272 ⁴	0.345	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 emissions associated with the construction of these buildings 'at completion'. Scope 3, Category 2 emissions intensity reflects the emissions intensity of developments that were completed during the applicable reporting period. Further to developments completed in previous reporting periods, in FY26, PFI completed one development with an emissions intensity of 0.345 tCO₂e per sqm gross lettable area. The emissions intensity of completed developments has fluctuated between reporting periods, primarily due to differences in the scale of the buildings and external areas, materials used and total upfront embodied carbon emissions between each development project. This data is subject to the uncertainties and limitations of LCA data set out in Appendix 2. 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.

1. Including waste, business travel, employee commuting, and energy and fuel; but excluding purchased 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. 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.
4. The upfront embodied carbon emissions intensity for FY25 has been restated to reflect final LCA reports, and reflects the combined emissions intensity for two developments completed during FY25.

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. Reporting against common industry-based metrics is set out below, and we are continuing to monitor metrics used by our peers in the property sector.

METRIC	FY24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
ASSETS / BUSINESS ACTIVITIES VULNERABLE TO PHYSICAL RISKS ¹				
MAAL % due to pluvial and fluvial flooding	0.16%-0.86%	0.16%-0.85%	0.16%-0.84%	PFI has identified a risk that increased severity and frequency of intense rainfall events lead to pluvial and fluvial flooding and cause temporary inundation and damage to properties and surrounding infrastructure. PFI has assessed the vulnerability of PFI's properties to flood risk using S&P Global's Climonomics platform. Climonomics models the potential financial impact of pluvial and fluvial flooding through climate-related expenses, including clean up and repair and business interruption costs, in a metric known as Modelled Average Annual Loss (MAAL). Analysis of trends: According to Climonomics, the combined MAAL due to pluvial and fluvial flooding is anticipated to range between 0.16% of PFI's total portfolio value under a 2020s low climate change scenario (SSP1-2.6) to 0.84% of total portfolio value under a 2090s high climate change scenario (SSP5-8.5) (relative to total asset value). Accordingly, we consider that PFI's assets and business activities could be vulnerable to average annual expenses between 0.16%-0.84% of PFI's total portfolio value through climate-related clean up and repair costs and business interruption associated with fluvial and pluvial flooding. The MAAL % has not materially changed compared to previous reporting periods. Key assumptions, uncertainties and limitations: The output for pluvial and fluvial flooding considers a 1-in-100 year flood event. This metric is subject to assumptions, limitations and uncertainties including that MAAL is an annualised average estimate based on global climate model outputs and is not intended to predict losses from any particular event or year. Climonomics uses CMIP6 Global Climate Models and NEX-GDDP, applies statistical rather than dynamic downscaling, and does not use New Zealand specific bias correction. PFI has also assessed its exposure to flood risk using local council flood maps, which indicates that around ~15% of PFI's portfolio by value is located wholly or substantially on a flood plain or flood prone area. This figure is a measure of exposure only and does not take into account PFI's potential vulnerability to climate-related expenses. Refer to Appendix 4 for further information on assumptions, uncertainties and limitations relevant to Climonomics and MAAL, and on PFI's treatment of local Council flood maps.



Modelled Average Annual Loss (**MAAL**) is an annualised average estimate expressed as a percentage of PFI's total portfolio value and is intended to indicate potential average annual financial exposure to climate hazards in a particular time period. MAAL is calculated as the sum of climate-related expenses (which can include capital expenditure from clean up and repair costs and physical damage, operating costs, and productivity impacts), that could be incurred each year across the portfolio as a result of the identified climate hazards.

1. PFI also previously reported the '% of portfolio by market value that may be at long-term risk of coastal flooding due to sea level rise' as a metric for measuring the proportion of assets vulnerable to physical risks. As PFI's exposure to this risk is low, PFI has removed this metric from our report. As a result of removing this metric, PFI relies on MAAL % due to pluvial and fluvial flooding and extreme temperatures, and the average change in insurance premiums to assess vulnerability to physical risks for FY26. The risk of coastal flooding due to sea level rise was considered to be an industry-based metric, however, other industry-based metrics are disclosed on the following pages. Further information on PFI's assessment of sea level rise risk is provided in [Appendix 4](#).

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
MAAL % due to temperature extremes	0.38%-1.57%	0.37%-1.57%	0.25%-1.09%	PFI has identified a risk that increased average temperatures and more extreme heat events could lead to thermal stress on buildings and increased cooling demand. PFI has assessed the vulnerability of PFI's portfolio to this risk using the S&P Global Climonomics platform, which models the potential financial impact of 'temperature extremes' through climate-related expenses, primarily costs associated with HVAC degradation and cooling costs in the context of rising temperatures. PFI considers this MAAL metric to be a useful proxy for assessing vulnerability to the financial impacts of rising temperatures across the portfolio, noting that it does not capture all possible operational, tenant or asset-level impacts that may arise from rising temperatures over time. Analysis of trends: According to Climonomics, the MAAL due to extreme temperatures is anticipated to range between 0.25% of PFI's total portfolio value under a 2020s low climate change scenario (SSP1-2.6) to 1.09% of total portfolio value under a 2090s high climate change scenario (SSP5-8.5) (relative to total asset value). Accordingly, we consider that PFI's assets and business activities could be vulnerable to average annual expenses between 0.25%-1.09% of PFI's total portfolio value through costs associated with HVAC degradation due to extreme temperatures and cooling costs. The MAAL % has decreased compared to previous reporting periods. This decrease is attributable to updates to modelling assumptions within the modelling and changes in PFI's property portfolio. Key assumptions, uncertainties and limitations: This metric is subject to assumptions, limitations and uncertainties, including that MAAL is an annualised average estimate based on global climate model outputs and is not intended to predict losses from any particular event or year. Climonomics uses CMIP6 Global Climate Models and NEX-GDDP, applies statistical rather than dynamic downscaling, and does not use New Zealand-specific bias correction. Refer to Appendix 4 for further information on assumptions, uncertainties and limitations relevant to Climonomics and MAAL.

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
Average % change in retail insurance premium	13%	7%	-7.5%	PFI has identified a risk of increased severity and frequency of intense rainfall events leading to pluvial and fluvial flooding, causing temporary inundation and damage to properties and surrounding infrastructure. PFI recognises that an anticipated impact of this risk is an increase in insurance claims for climate-related property damage, leading to higher premiums, reduced coverage and potential insurance retreat. PFI monitors insurance premium costs to assess the impact of physical risks to its portfolio. Analysis of trends: PFI has observed the general easing of market conditions over the past three reporting periods and the continued development of its property insurance programme through its wholly-owned captive insurer, P.F.I. Cover Limited. In addition, PFI did not make any material weather-related insurance claims during FY26. During PFI's 2026 insurance renewal, at a portfolio level, we experienced an average 7.5% reduction in insurance premiums when compared to the prior year insurance premium. This has decreased compared to the average premium change experienced in FP24 (13% increase) and FY25 (7% increase). The majority of insurance premiums are recovered from PFI's tenants. Key assumptions, uncertainties and limitations: This metric was initially introduced following the impacts of Cyclone Gabrielle and the Auckland Floods on insurance premiums in 2023. However, PFI no longer considers average percentage change in retail insurance premium to be an appropriate metric for assessing the proportion of assets or business activities vulnerable to physical risk, as premium movements are attributable to a range of factors including a change in sums insured (driven by insurance valuations, acquisitions, divestments, and the completion of developments), severity and frequency of climate events locally and globally, and other market factors. PFI will not report this metric in future reporting periods but will continue to monitor insurance premium changes year on year as part of its assessment of current financial impacts.

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
ASSETS / BUSINESS ACTIVITIES THAT ARE VULNERABLE TO TRANSITION RISKS OR ALIGN WITH CLIMATE-RELATED OPPORTUNITIES ¹				
% of portfolio by market value that has achieved a green building rating <i>This metric is in line with industry-based metrics.</i>	0%	12.7%	20.4%	20% of our portfolio by market value has achieved a green building rating and is therefore considered to be aligned with climate-related opportunities. Analysis of trends: The percentage of PFI's portfolio that has achieved a green building rating has increased in FY26 when compared to prior reporting periods, primarily driven by the following: ■ PFI achieved a 5 Green Star Design & As Built NZ1.1 Certified Design rating for Stage 2 at Springs Road. ■ PFI has also achieved a 2 Star Green Star Performance rating (under the Energy and Water pathway) for a further portfolio of three buildings. Refer to pages 10 and 12 for details of properties that have achieved green building ratings. 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). Green buildings must meet the 'Eligible Asset' criteria in PFI's Green Finance Framework to be included in this metric. Stage 2 at 78 Springs Road was awarded a 5 Green Star Design & As Built NZv1.1 Certified Design rating in June 2026. An as-Built certification for this building has not yet been issued.
% of portfolio by market value that is registered for a green building rating <i>This metric is in line with industry-based metrics.</i>	9.1%	7.8%	5.6%	In addition to the percentage of our portfolio by market value that has achieved a green building rating, 5.6% 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 decreased over the last three reporting periods, noting that this decrease is attributable to the progress PFI has made with its development pipeline. PFI has registered several upcoming developments for Green Star certification, including Totara Creek Estate, Stage 3 at 78 Springs Road, 92-98 Harris Road and 304, 316 and 318 Neilson Street. These properties represent a market value of \$128.5m or 5.6% of PFI's portfolio (based on 'as-is' market valuations as at 30 June 2026). Key assumptions, uncertainties and limitations: This metric includes upcoming developments that have formally been registered for Green Star certification with the NZGBC and are expected to commence in the short term. In some cases, these are not fully committed projects.

1. PFI previously reported the '% of properties with power metering installed' as a metric for measuring the proportion of assets aligned with climate-related opportunities (i.e., preparedness for future operational performance ratings). Having achieved its target to implement power metering and monitoring across 90% of properties by the end of FY25, PFI no longer considers this metric relevant to monitoring alignment with climate-related opportunities.

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
% of portfolio by market value that has not achieved or been registered for a green building rating <i>This metric is in line with industry-based metrics.</i>	90.9%	79.5%	74.0%	74% 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 climate-related transition risks, including tenant and purchaser demand for sustainable and climate resilient buildings, changing investor and funder preferences, and regulatory change risks. 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 and Green Star Performance ratings. 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. In some cases, developments registered for Green Building ratings are not fully committed projects.
% of total funding facilities that is Green Debt	16.7%	14.6%	18.6%	PFI has identified an opportunity to secure Green Debt under PFI's Green Finance Framework to support progressive action towards our strategic objectives and Green Star targets. As at 30 June 2026, ~19% of our total funding facilities are Green Debt and therefore aligned with this opportunity. Following the post-balance date refinancing of PFI's bank facilities on 17 July 2026, the proportion of total committed facilities classified as Green Debt increased to 35.0%. Analysis of trends: The percentage of total funding facilities that is Green Debt increased in FY26 when compared to prior reporting periods. During FY26, PFI reclassified Tranche C of its syndicated bank facility (Syndicated Bank Facility C), with a facility amount of \$100m, as a Green Loan Facility (Syndicated Bank Green Facility C). PFI also repaid and cancelled \$50m drawn under its Green Loan Facility with ANZ Bank New Zealand Limited (ANZ) and Commonwealth Bank of Australia (CBA) (ANZ and CBA Green Facility D1). Key assumptions, uncertainties and limitations: Green Debt is defined in PFI's Green Finance Framework.

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
CAPITAL DEPLOYMENT TOWARDS CLIMATE-RELATED RISKS AND OPPORTUNITIES				
Gross capital investment deployed toward Green Star buildings	\$43.6M	\$23.3m	\$38.6m	Analysis of trends: Gross capital expenditure towards buildings targeting Green Star certification has fluctuated over the last three reporting periods as PFI makes progress with its development pipeline. 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	\$5.9m	\$1.6m	During FY26, PFI spent around \$1.6m 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 FP24. Gross capital expenditure deployed towards sustainability-related projects has decreased during FY26 when compared to FY25. This decrease is primarily attributable to limited opportunities to implement PFI's Sustainable Refurbishment Framework during the year. 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 LED lighting upgrades, solar, skylight replacements, and landscaping. This metric excludes capex deployed towards the development of Green Star buildings (see metric above). Other uncertainties include data entry limitations, including projects being correctly identified and recorded by staff as incorporating a sustainability feature.

OTHER METRICS AND TARGETS.

METRIC	FP24 6 MONTHS	FY25 12 MONTHS	FY26 12 MONTHS	COMMENTARY
REMUNERATION				
% of Short Term Incentives for the Senior Leadership Team linked to climate-related risks and opportunities	10%	10%	10%	Analysis of trends: During FY26, the key performance indicators (KPIs) underpinning the Short-term Incentives (STIs) of the Senior Leadership Team included sustainability-related measures and objectives. Sustainability-related KPIs were weighted at 10% of the Senior Leadership Team's STIs for FP24, FY25 and FY26. During FY26, these objectives included progressing 5 Green Star certification for new developments, obtaining Green Star Performance (energy and water pathway) certifications for a selected group of properties, and progressing LED lighting upgrades within the portfolio.

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 25](#). Performance as at 30 June 2026 against these targets is described below.¹

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 Green Star Design & As Built NZv1.0 Built rating for Stages 1 and 2 at Bowden Road and Stage 1 at Springs Road. During FY26, PFI was also awarded a 5 Green Star Design & As Built NZv1.1 Design rating for Stage 2 at Springs Road. We have also registered a number of upcoming developments for 5 Green Star certification.
SOLAR Achieve 1.4MW of solar capacity by the end of FY27	By the end of FY27 (short-term target)	2023	On track	PFI has completed solar installations at nine buildings in its portfolio. This represents nearly 0.8MW of solar capacity installed at PFI's properties. During FY26, PFI installed 62.7kW of solar capacity at Stage 2 at 78 Springs Road.
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 2026, approximately 72% of PFI's tenancies had full LED lighting, with the remainder containing a mixture of LEDs and non-LED lights, or no LED lights at all.

1. During FY25, PFI achieved its target of implementing power metering and monitoring for 90% of properties by the end of FY25. As this target has been met, PFI will no longer report on progress against it.

APPENDICES

7-9 Niall Burgess Road



APPENDIX 1.

RECENT KEY BOARD ENGAGEMENTS RELATING TO CLIMATE-RELATED MATTERS

Each climate-related matter and activity outlined below involved engagement between the Senior Leadership Team and the Board and / or Audit and Risk Committee through reporting, discussion and recommendations provided by the Senior Leadership Team.

	BOARD	AUDIT & RISK COMMITTEE
May 2025	Review and approval of PFI's corporate strategy. Review and approval of PFI's Sustainability Strategy (including revised climate-related targets).	
August 2025	Update on FY25 Climate-related Disclosures. Update on matters relating to GHG emissions calculations. Quarterly update on progress against climate-related targets.	Update on FY25 Climate-related Disclosures. Update on matters relating to GHG emissions calculations and the GHG emissions assurance engagement.
September 2025	Approval of FY25 Climate-related Disclosures. Board training on climate-related matters.	Review and recommendation of FY25 Climate-related Disclosures for Board approval.
November 2025	Quarterly update on progress against climate-related targets.	
December 2025	Approval of PFI's Risk Management Framework. Approval of limited assurance engagement relating to Scope 1 and Scope 2 GHG emissions.	Two-yearly review of PFI's Risk Management Framework. Annual review of PFI's corporate risk register. Endorsement of limited assurance engagement relating to Scope 1 and Scope 2 GHG emissions for Board approval.
February 2026	Approval of PFI's Climate-related Disclosures process memorandum. Annual review of Climate-related Risk and Opportunity Assessment. Quarterly update on progress against climate-related targets.	Review and recommendation of PFI's Climate-related Disclosures process memorandum. Annual review of Climate-related Risk and Opportunity Assessment, including climate scenarios used.
May 2026	Quarterly update on progress against climate-related targets.	
June 2026		Update on FY26 Climate-related Disclosures. Update on matters relating to GHG emissions calculations.
August 2026	Update on FY26 Climate-related Disclosures. Quarterly update on climate-related metrics and targets.	Update on FY26 Climate-related Disclosures. Update on matters relating to GHG emissions calculations and the GHG emissions assurance engagement.
September 2026	Approval of FY26 Climate-related Disclosures.	Review and recommendation of FY26 Climate-related Disclosures for Board approval.

PFI's People Committee reviewed the Board's skills and experience, including climate-related skills, at the November 2025 People Committee meeting.

APPENDIX 2.

FURTHER INFORMATION ON GHG EMISSIONS

PFI’s GHG emissions for the 12-month period ended 30 June 2026 (FY26) have been measured and prepared in accordance with NZ CS and 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). PFI’s Scope 1, 2 and 3 emissions have also been externally peer reviewed to check alignment with the GHG Protocol (noting that this does not constitute external assurance in line with FMCA assurance requirements).

ASSURANCE OF GHG EMISSIONS

PFI engaged PricewaterhouseCoopers (PwC) as an external assurance practitioner to provide limited assurance for PFI’s FY26 Scope 1 and Scope 2 GHG emissions. PwC’s GHG assurance report is provided in Appendix 3 (pages 59-61).

PFI’s Scope 3 emissions 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 2027.

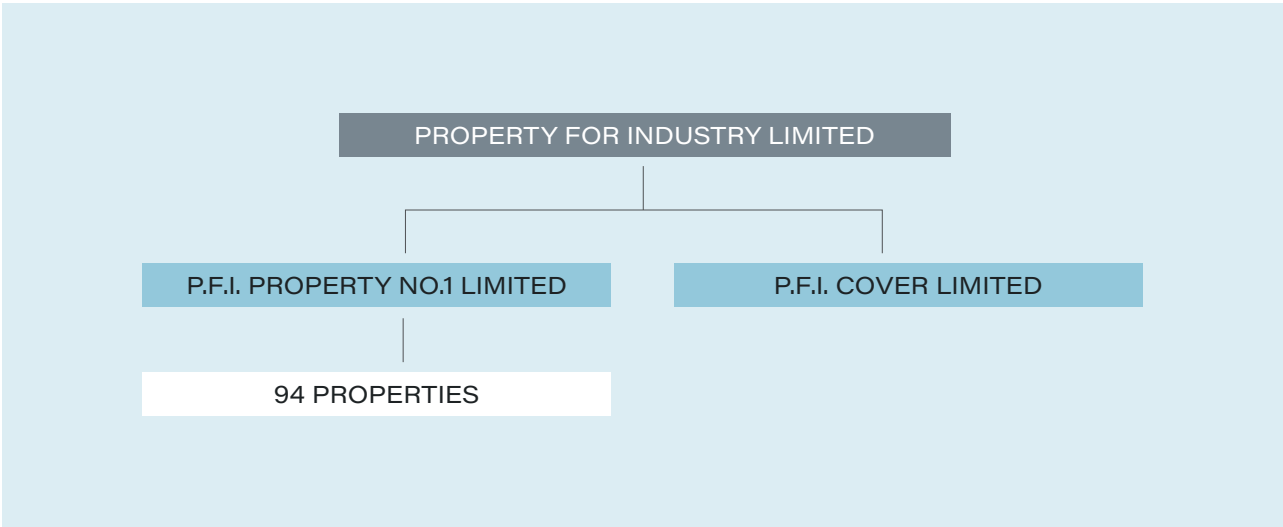


PFI also relies on the Financial Markets Conduct (Climate-related Disclosures – Assurance Engagement) Exemption Notice 2025, which provides that climate-reporting entities are not required to seek assurance over Scope 3 GHG emissions statements, as otherwise required by section 461ZH(1) of the Financial Markets Conduct Act 2013.

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 (collectively, the Group).

PFI is an NZX-listed property vehicle focused on the industrial property sector. As at 30 June 2026, PFI has a portfolio of 94 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, refurbishment, project and development activities and coordinating 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.

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 FY26 GHG emissions were sourced from the 2026 MfE Emission Factors, using GWP rates sourced from IPCC AR5. The 2026 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 Council¹ to estimate Scope 3, Category 1 and 2 emissions, and the UK Government GHG Conversion Factors for Company Reporting 2021 to estimate Scope 3, Category 3 emissions (upstream emissions from purchased electricity).

Embodied carbon emissions from PFI's Green Star developments (covered under Scope 3 Category 2: Capital Goods) are estimated using Life Cycle 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.

RESTATEMENT POLICY

PFI will recalculate and restate 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, judgements or estimates that are relevant to comparative year emissions, or discovery of material errors.

A recalculation of 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 are not relevant or cannot be applied to historic years. In this circumstance, PFI may decide to provide an explanation as to why a recalculation was not deemed appropriate. PFI reserves the right to restate comparative year emissions if there has been a change that is below the 10% threshold if management determines that it would provide primary users with a clearer understanding of emissions.

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 (other capital goods expenditure).

In FY26, PFI has restated Scope 3 Category 2: Capital Goods (upfront embodied carbon emissions from developments) for FY23, FP24 and FY25. Details on this restatement are provided below.

DETAILS OF THE FY23, FP24 AND FY25 RESTATEMENT

Scope 3 Category 2: Capital Goods (upfront embodied carbon emissions from developments)

Scope 3 Category 2: Capital Goods (upfront embodied carbon emissions from developments) have been restated

for FY23, FP24 and FY25 to reflect a change in methodology and finalised LCA data. PFI has restated these emissions in FY26 to improve comparability and consistency of our emissions data for primary users.

In FY26, PFI has changed its methodology to reporting total upfront embodied carbon emissions 'at completion' of each development. Prior to this change, total upfront embodied carbon emissions for our developments at Stages 1 and 2 at 30-32 Bowden Road and Stage 1 at 78 Springs Road were reported over multiple years having been split across FY23, FP24 and FY25, based on spend.

This revision also follows a reduction of ~3,880 tCO₂e realised after the LCA reports for 30-32 Bowden Road and Stage 1 at 78 Springs Road were finalised and independently peer reviewed in late-2025.

Scope 3 Category 2: Capital Goods (upfront embodied carbon emissions from developments) for FY23, FP24 and FY25 have been restated as follows:

REPORTING PERIOD	SCOPE 3 CATEGORY 2: CAPITAL GOODS	PREVIOUSLY REPORTED EMISSIONS (TCO ₂ e)	RESTATED EMISSIONS (TCO ₂ e)	CHANGE
FY23	Upfront embodied carbon emissions from developments	12,523.8	0	A reduction of 12,523.8 tCO ₂ e of total Scope 3, Category 2: Capital Goods (upfront embodied carbon emissions from developments) to reflect the change to an 'at completion' methodology. No developments achieved practical completion during FY23, and emissions for developments undergoing construction during FY23 are now accounted for in FP24 and FY25.
	Other capital goods expenditure	4,209.9	4,209.9	
	Total Scope 3 Category 2 emissions	16,733.7	4,209.9	
FP24	Upfront embodied carbon emissions from developments	6,958.6	3,861.0	A reduction of 3,097.6 tCO ₂ e of total Scope 3, Category 2: Capital Goods (upfront embodied carbon emissions from developments) to reflect the change to an 'at completion' methodology. One development (Stage 1 at 30-32 Bowden Road) achieved practical completion during FP24, and emissions for developments undergoing construction during FP24 are now accounted for in FY25 reporting.
	Other capital goods expenditure	1,636.9	1,636.9	
	Total Scope 3 Category 2 emissions	8,595.5	5,497.9	
FY25	Upfront embodied carbon emissions from developments	2,288.9	14,031.0	An increase of 11,742.1 tCO ₂ e of total Scope 3, Category 2: Capital Goods (upfront embodied carbon emissions from developments) to reflect the change to an 'at completion' methodology. Two developments, including Stage 2 at 30-32 Bowden Road and Stage 1 at 78 Springs Road achieved practical completion during FY25. These restated emissions also reflect finalised LCA reports for these development projects (a reduction of ~3,880 tCO ₂ e compared to design review LCAs).
	Other capital goods expenditure	2,913.1	2,913.1	
	Total Scope 3 Category 2 emissions	5,202.0	16,944.1	

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			
Purchased 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.

EMISSIONS SOURCE INCLUSIONS

GHG EMISSIONS SOURCE	FACILITIES MEASURED	DATA SOURCE AND COLLECTION	KEY UNCERTAINTIES, LIMITATIONS AND ASSUMPTIONS
SCOPE 3			
Category 1: Purchased goods and services	Emissions related to goods and services purchased.	Expenses report for FY26 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 GHG emissions associated with each product or service purchased. 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). 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. Adjustments have not been made for inflation.
Category 2: Capital Goods	Capital expenditure at PFI properties, including refurbishments and major developments.	A combination of dollar spend from internal accounting records and upfront embodied carbon 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 (LCAs). 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. FY26 Category 2 emissions calculations include total upfront embodied carbon emissions for the development at Stage 2 at 78 Springs Road, which achieved practical completion during the reporting period. ▪ Emissions from the development of Stage 1 at Totara Creek Estate, which was in progress during FY26, are excluded as the project did not achieve practical completion during FY26. ▪ LCAs contain estimated upfront embodied carbon emissions for PFI's Green Star developments and are subject to limitations, uncertainties and possible change.

EMISSIONS SOURCE INCLUSIONS

GHG EMISSIONS SOURCE	FACILITIES MEASURED	DATA SOURCE AND COLLECTION	KEY UNCERTAINTIES, LIMITATIONS AND ASSUMPTIONS
Category 3: Fuel and Energy-related Activities (not included in Scope 2) – Transmission and distribution losses / upstream emissions from purchased electricity	Scope 2 purchased electricity	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.
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.
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 – emissions from electricity use across PFI's tenanted portfolio were estimated by extrapolating available metered consumption data. Where less than 12 months of metered data was available, figures were annualised. For properties with no data, average electricity use per net lettable area was applied (kWh/NLA). The following limitations, uncertainties and assumptions apply: - As at 30 June 2026, ~90% of PFI's portfolio were metered, with the remaining properties lacking consumption data. - Metering reports were manually compiled using data fed live from metering. - It is assumed that the metering reports accurately represent the electricity consumed at metered sites. - To the extent that metering data is incomplete, the extrapolated data does not fully reflect PFI's actual Scope 3 Category 13 emissions. - Data includes both tenant and general building electricity consumption.

EMISSIONS SOURCE EXCLUSIONS.

SCOPE AND CATEGORY	SOURCE	JUSTIFICATION FOR EXCLUSION
SCOPE 3		
Category 13: Downstream Leased Assets	Fugitive emissions relating to operational equipment that PFI owns, but which tenants have operational control.	We acknowledge that there are likely to be fugitive emissions from building HVAC systems where tenants have operational control and manage and maintain those assets (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, meaning PFI has operational control and these are included in Scope 1 emissions. Tenant-managed fugitive emissions are not expected to be material when compared to building electricity.

Scope 3, Categories 9, 10, 11, 12, 14, and 15 do not apply 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), as outlined within the *Scope of our limited assurance engagement* section below, included in the FY26 Sustainability and Climate Report (the Climate Statement) of Property for Industry Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2026.

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 52 of the Climate Statement.

Scope of our Limited Assurance Engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 38, 52 to 53, 55 and 58 of the Climate Statement for the year ended 30 June 2026:

- gross GHG emissions:
 - Scope 1 GHG emissions of 101 tCO₂e on page 38; and
 - Scope 2 GHG emissions (location based) of 8 tCO₂e on page 38; and
- additional required disclosures of gross GHG emissions on pages 52, 53 and 58; and
- gross GHG emissions methods, assumptions and estimation uncertainty on page 55.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 54, 56 to 58 and 62 to 69. 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 periods ended 31 December 2023, 30 June 2024 and 30 June 2025 disclosed in the Group's Climate Statement are not covered by the assurance conclusion expressed in this report.

Other matter – comparative information

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

The comparative GHG Disclosures for the year ended 30 June 2025 have been subject to limited assurance by us, with the unmodified assurance report dated on 10 September 2025.

APPENDIX 3: GHG ASSURANCE REPORT

Directors' responsibilities

The Directors of the Company are responsible on behalf of the Company 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 53 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 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 with NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Company.

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 a limited sample of emissions calculations for mathematical accuracy;
- Performed analytical procedures on particular emission categories by comparing, on a monthly basis, the expected GHG emissions to recorded emissions; 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 may occur and not be detected.

Who we report to

This report is made solely to the Company and the Company'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 Company and the Company's Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement partner on the engagement resulting in this independent assurance report is Victoria Ashplant.

For and on behalf of:



PricewaterhouseCoopers
14 September 2026

Auckland

APPENDIX 4.

PHYSICAL RISK ASSESSMENT ASSUMPTIONS, LIMITATIONS AND UNCERTAINTIES

This appendix summarises the key assumptions, limitations and uncertainties relevant to PFI's physical climate risk assessments and related disclosures. PFI expects its understanding of physical risk to evolve over time as data quality improves, methodologies develop, and asset-level investigations are undertaken.

PFI has assessed the exposure of its portfolio to physical climate hazards by reference to third-party tools and publicly available datasets, including S&P Global Climanomics (Climanomics), local Council flood maps, and NIWA's extreme sea level flood maps. These sources use different methodologies, model structures, spatial resolutions, hazard definitions and return periods. Results are interpreted in combination with internal knowledge of PFI's buildings, facilities management experience and property-specific context, rather than being relied on in isolation.

CLIMANOMICS

Climanomics is a third-party global climate analytics platform that quantifies the potential financial impact of climate hazards on physical assets, including pluvial and fluvial flooding, extreme temperatures, tropical cyclone, wildfire, water stress, drought and landslide. Climanomics models physical hazards across eight decades (i.e., 2020s through to 2090s) using four Shared Socioeconomic Pathways (SSPs): low (SSP1-2.6), medium (SSP2-4.5), medium-high (SSP3-7.0), and high (SSP5-8.5) climate

change scenarios. These broadly align with PFI's Disorderly and Hot House World scenarios. Climanomics uses NASA's Earth Exchange Global Daily Downscaled Projections (NEX-GDDP) suite of CMIP6 Global Climate Models, WRI Aqueduct and Floods, HydroAtlas, published academic literature, and other geospatial sources to derive modelled hazards. This ensemble of CMIP6 models and other climate data is combined into a probability distribution, providing the most probable hazard severity across years within each relevant decade.

Climanomics quantifies the potential financial impacts caused by climate hazards in a metric known as Modelled Average Annual Loss (MAAL). MAAL represents the costs of changing climate hazard exposure and is calculated as the sum of climate-related expenses (which can include capital expenditure from clean up and repair costs and physical damage, operating costs and productivity impacts). For PFI's physical risk metrics, MAAL is expressed as a percentage of loss relative to total asset value on an annualised basis for each decadal period.

Climanomics is limited in its ability to predict the anticipated impact of climate change on our assets, however, PFI considers this platform to be an appropriate model on the basis that it provides a useful understanding of the exposure and vulnerability of PFI's portfolio to financial impacts of physical climate hazards, and it is underpinned by established scientific hazard modelling.

However, the Climanomics platform has a number of limitations and assumptions, including:

- Climanomics analysis is based on CMIP6 Global Climate Models and statistically downscaled climate projections, rather than New Zealand-specific regional climate models. The modelling does not use New Zealand specific bias correction.
- the spatial resolution used within the modelling is 1km x 1km for fluvial flooding and 25km x 25km for pluvial flooding and extreme temperatures, which is likely to be a lower resolution and less granular than local New Zealand hazard modelling.
- MAAL estimates reflect an annualised average across a decadal period, and do not predict the potential financial impact of any particular event in any one year, including where hazards occur more frequently or with greater severity than the average outcome suggests. This limitation reflects the inherent uncertainty in projecting future impacts from climate hazards.
- the modelling assumes PFI is responsible for certain expenses (such as operating costs), which are typically passed through to tenants.
- for the pluvial and fluvial flooding hazards, climate-related expenses include clean-up and repair costs and business interruption. The MAAL for this hazard has not been adjusted to account for costs that would

be expected to be covered by insurance. To date, PFI's actual losses for pluvial and fluvial flooding events have not come close to the MAAL over a short-term time horizon.

- for the temperature extreme hazard, 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.
- assets are assigned vulnerability assumptions through impact functions based on globally consistent asset types. Unique engineering designs, maintenance practices, resilience measures, and local operating conditions may not be fully captured. Additionally, annual operational expenditures, capital expenditures, and revenue figures used to construct impact functions are not specific to PFI and are based on globally-sourced data.

NIWA EXTREME SEA LEVEL FLOOD MAPS

NIWA's extreme sea level maps (1%AEP and up to 2m sea-level-rise) for Aotearoa, provides a New Zealand-specific indication of potential exposure to coastal inundation under extreme sea level events and rising sea levels over time and across various climate scenarios. NIWA is a nationally recognised Crown Research Institute that

provides climate expertise specific to New Zealand, and as such, PFI considers this dataset to be an appropriate model to understand which of PFI's properties are located in regions that are exposed to the risk of sea level rise inundation. Based on our assessment, PFI has considered that its exposure to this risk is low due to the location of our assets, and does not consider the risk of coastal flooding due to sea level rise is a material risk to PFI's current portfolio. PFI will continue to assess this risk as part of physical risk assessments for new acquisitions. 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.

Usefulness of NIWA's sea level rise map is constrained by the absence of coverage for some areas and is subject to uncertainties and limitations. The data is produced at national scale and is not intended to replace more detailed regional or local data, nor was it designed to support property level hazard and exposure analysis at higher resolutions.

LOCAL COUNCIL HAZARD MAPS

PFI has also assessed the exposure of PFI's assets to the risk of flooding using local Council flood maps, and in doing so, has identified that approximately ~15% of PFI's properties by market value are located wholly or substantially on a flood plain or flood prone area.

Local Council hazard maps are a useful supplementary

source for identifying whether properties intersect mapped flood plains or flood-prone areas, but they are prepared by different Councils and the coverage, resolution, flood depth, scenarios used, and local data varies between Councils. There is no data for PFI's property in Hastings, therefore this property was excluded from the assessment. Furthermore, many local council flood maps are expressly not intended to be used for individual property-level analysis. These maps generally indicate the presence or extent of mapped hazards rather than the degree of vulnerability, expected financial impact or materiality of risk for a particular property. As such, PFI does not consider local Council hazard maps to be appropriate to measure the 'vulnerability' of PFI's assets to pluvial and fluvial flooding.

APPENDIX 5.

GLOSSARY AND ACRONYMS

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

AR5 IPCC: The Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Climanomics: Refer to [Appendix 4](#).

Climate Scenarios: Climate scenarios represent a plausible and challenging description of how the future may develop based on assumptions about potential climate-related impacts. Climate 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.

Climate Resilience Framework: PFI's internal framework for managing physical climate risks (as described at [page 14](#)).

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 meets the 'Eligible Asset' criteria in PFI's Green Finance Framework.

GHG emissions: Greenhouse gas emissions. Throughout this report, 'emissions' means GHG emissions.

Green Debt / Green Finance: Throughout this report, Green Debt and Green Finance refers to green loans and/or green bonds issued or entered into 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): Refer to [Appendix 4](#).

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 Rating: Certification for energy and water efficiency of a building, including but not limited to Green Star Performance ratings.

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 flooding and temperature change).

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

Sustainable Refurbishment Framework: PFI's internal framework for incorporating sustainability at PFI's properties (as described on [page 13](#)).

tCO₂e: metric tonnes of carbon dioxide equivalent.

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

Upfront Embodied Carbon Emissions: Upfront embodied carbon emissions refer to GHG emissions associated with production of construction materials (such as concrete and steel), transportation of materials, and construction.

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 18
ADOPTION PROVISIONS		
NZ CS 3, 23	Adoption provisions relied on.	Page 18
GOVERNANCE		
NZ CS 1, 7(a)-(b) and 8(a)-(d)	Governance body oversight of climate-related risks and opportunities.	Pages 19-20 , and Appendix 1
NZ CS 1, 7(c) and 9(a)-(c)	Management's role in assessing climate-related risks and opportunities.	Pages 19-20 , and Appendix 1
STRATEGY		
NZ CS 1, 11(a) and 12(a)-12(b)	Current climate-related impacts and financial impacts.	Pages 35-36
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 25-28 (governance body oversight in Appendix 1)
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 29-34 (time horizons on page 25 , and alignment to capital deployment and funding decision making processes on pages 22-24)
NZ CS 1, 11(d) and 15(a)-(d)	Anticipated impacts and anticipated financial impacts of climate-related risks and opportunities.	Anticipated impacts are described on pages 29-34 . PFI has elected to utilise Adoption Provision 2 in NZ CS 2, which provides relief from the requirement to disclose anticipated financial impacts.
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 22-24
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 21 (time horizons on page 25)
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 37-48
NZ CS 1, 21(d) and 23(a)-(e)	Targets used to manage climate-related risks and opportunities, and performance against targets.	Page 49
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 37-48

APPENDIX 7.

GRI INDEX

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
GENERAL DISCLOSURES		
Organisational details	2-1	Property for Industry Limited (PFI); FY26 Annual Report, page 29 . 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 FY26 Annual Report, page 29 and FY26 Sustainability and Climate Report, page 17 .
Reporting period, frequency and contact point	2-3	The reporting period for PFI's financial and sustainability reporting is 1 July 2025 to 30 June 2026. PFI has an annual reporting frequency for both its financial and sustainability reporting. The publication date for the FY26 Annual Report was 24 August 2026. The publication date for the FY26 Sustainability and Climate Report was 14 September 2026, as per clause 7 of the Financial Markets Conduct (Requirement to include Climate Statements in Annual Report) Exemption Notice 2025. Contact point: info@propertyforindustry.co.nz
Restatements of information	2-4	In FY26 PFI has restated Scope 3, Category 2 emissions for the reporting periods ended 31 December 2023, 30 June 2024 and 30 June 2025 (refer to page 54). There have been no other 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 GHG emissions for FY26. PwC's assurance report can be found in the FY26 Sustainability and Climate Report, Appendix 3 (pages 59-61).
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 FY26 Sustainability and Climate Report, pages 5-16 . 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 FY26.
Employees	2-7	As at 30 June 2026, PFI had a team of 28 permanent employees (14 female and 14 male), and two fixed-term contractors (one female and one male). All staff were based in Auckland, New Zealand and 93% were full-time. FY26 Annual Report, page 75 .
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	FY26 Annual Report, pages 71-77 . FY26 Sustainability and Climate Report, pages 19-20 .
Nomination and selection of the highest governance body	2-10	FY26 Annual Report, pages 71-77 .

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
Chair of the highest governance body	2-11	FY26 Annual Report, page 74 .
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	FY26 Sustainability and Climate Report, pages 19-20 .
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 FY26 Annual Report, pages 67-96 .
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 2026.
Collective knowledge of the highest governance body	2-17	FY26 Sustainability and Climate Report, pages 19-20 .
Evaluation of the performance of the highest governance body	2-18	FY26 Annual Report, pages 71-77 . People Committee Charter: https://www.propertyforindustry.co.nz/about/governance
Remuneration policies	2-19	FY26 Annual Report, pages 80-91 . People Committee Charter: https://www.propertyforindustry.co.nz/about/governance
Process to determine remuneration	2-20	FY26 Annual Report, pages 80-91 . 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	FY26 Sustainability and Climate Report, pages 7-16 .
Policy commitments	2-23	PFI Code of Ethics: https://www.propertyforindustry.co.nz/about/governance
Embedding policy commitments	2-24	FY26 Sustainability and Climate Report, pages 7-16 .
Processes to remediate negative impacts	2-25	FY26 Sustainability and Climate Report, pages 7-16 .
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 FY26.

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	FY26 Sustainability and Climate Report, pages 7-16 . FY26 Annual Report, page 94 .
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	FY26 Sustainability and Climate Report, pages 7-16 .
Direct (Scope 1) GHG emissions	305-1	FY26 Sustainability and Climate Report, pages 37-41 and 52-58 .
Energy indirect (Scope 2) GHG emissions	305-2	FY26 Sustainability and Climate Report, pages 37-41 and 52-58 .
Other indirect (Scope 3) GHG emissions	305-3	FY26 Sustainability and Climate Report, pages 37-41 and 52-58 .
GHG emissions intensity	305-4	FY26 Sustainability and Climate Report, page 41 .
Reduction of GHG emissions	305-5	FY26 Sustainability and Climate Report, pages 37-41 and 52-58 .
ECONOMIC VALUE		
Management of material topics	3-3	FY26 Sustainability and Climate Report, pages 7-16 .
Direct economic value generated and distributed	201-1	FY26 Annual Report, pages 21-61 .
Financial implications and other risks and opportunities due to climate change	201-2	FY26 Sustainability and Climate Report, pages 35-36 . FY26 Annual Report, page 42 .

DISCLOSURE TITLE	GRI	LOCATION / INFORMATION
Significant indirect economic impacts	203-2	FY26 Sustainability and Climate Report, page 16 .
RESOURCES AND WASTE		
Management of material topics	3-3	FY26 Sustainability and Climate Report, pages 7-16 .
Waste generation and significant waste-related impacts	306-1	FY26 Sustainability and Climate Report, page 9 .
Management of significant waste-related impacts	306-2	FY26 Sustainability and Climate Report, page 9 and 13 .
Waste generated	306-3	FY26 Sustainability and Climate Report, page 9 .
PEOPLE AND WELLBEING		
Management of material topics	3-3	FY26 Sustainability and Climate Report, pages 7-16 .
Occupational health and safety management system	403-1	FY26 Sustainability and Climate Report, page 15 .
Promotion of worker health	403-6	FY26 Sustainability and Climate Report, page 15 .
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7	FY26 Sustainability and Climate Report, page 15 .
Work-related injuries	403-9	FY26 Sustainability and Climate Report, page 15 .
Diversity of governance bodies and employees	405-1	FY26 Annual Report, page 75 . 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	FY26 Sustainability and Climate Report, pages 7-16 .