

ESG performance and strategy update

Property for Industry Limited

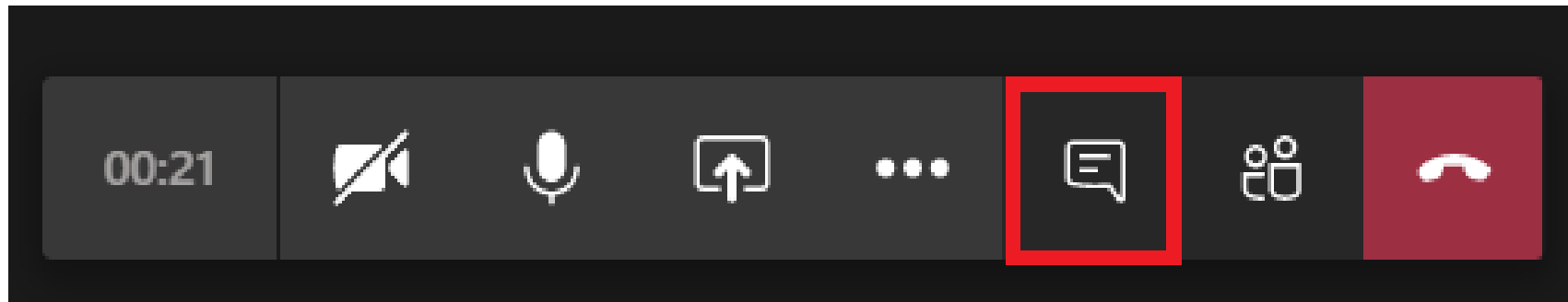
11 March 2021

Thanks for joining us. The meeting will start at 10:30am.



Thanks for being here

Please use the **Chat** function to ask a question.



Introductions

Craig Peirce

Chief Finance and Operating Officer



Sarah Beale

Sustainability, Risk and Compliance
Manager



Simon Woodhams

Chief Executive Officer



2019: Strategy Development

PFI'S ESG STRATEGY

PURPOSE

PFI generates income for investors as professional landlords to the industrial economy, generating prosperity for New Zealand

VISION

PFI will be one of New Zealand's foremost listed property vehicles. Our measures will be performance, quality, scale and reputation.

ESG PRIORITIES

Leadership — Strategy — Transparency — Diversity and Inclusion — Wellbeing — Community — Environment — Climate

STRATEGIC PILLARS

Health, safety and wellbeing — Resource efficiency — Long-term thinking

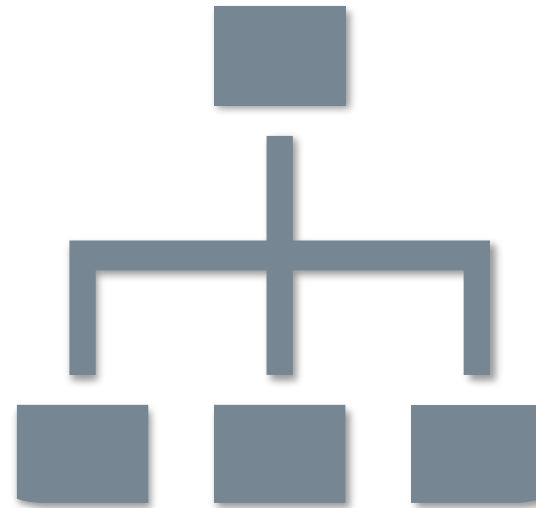
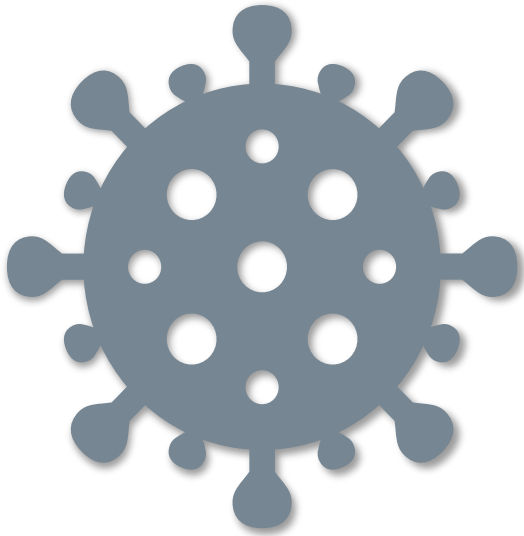
STRATEGIC THEMES

Taking care of our team — Looking after our tenants — Responsible property ownership — Delivering for our investors

PFI MATERIALITY MATRIX



2020: Strategy Execution



COVID-19

Health &
Safety

Governance

Climate
change

Governance



ESG Monthly Meetings

- Keep up to date on sustainability trends and legislation
- Guide and make decisions on ESG initiatives
- Monitor progress on our ESG strategy

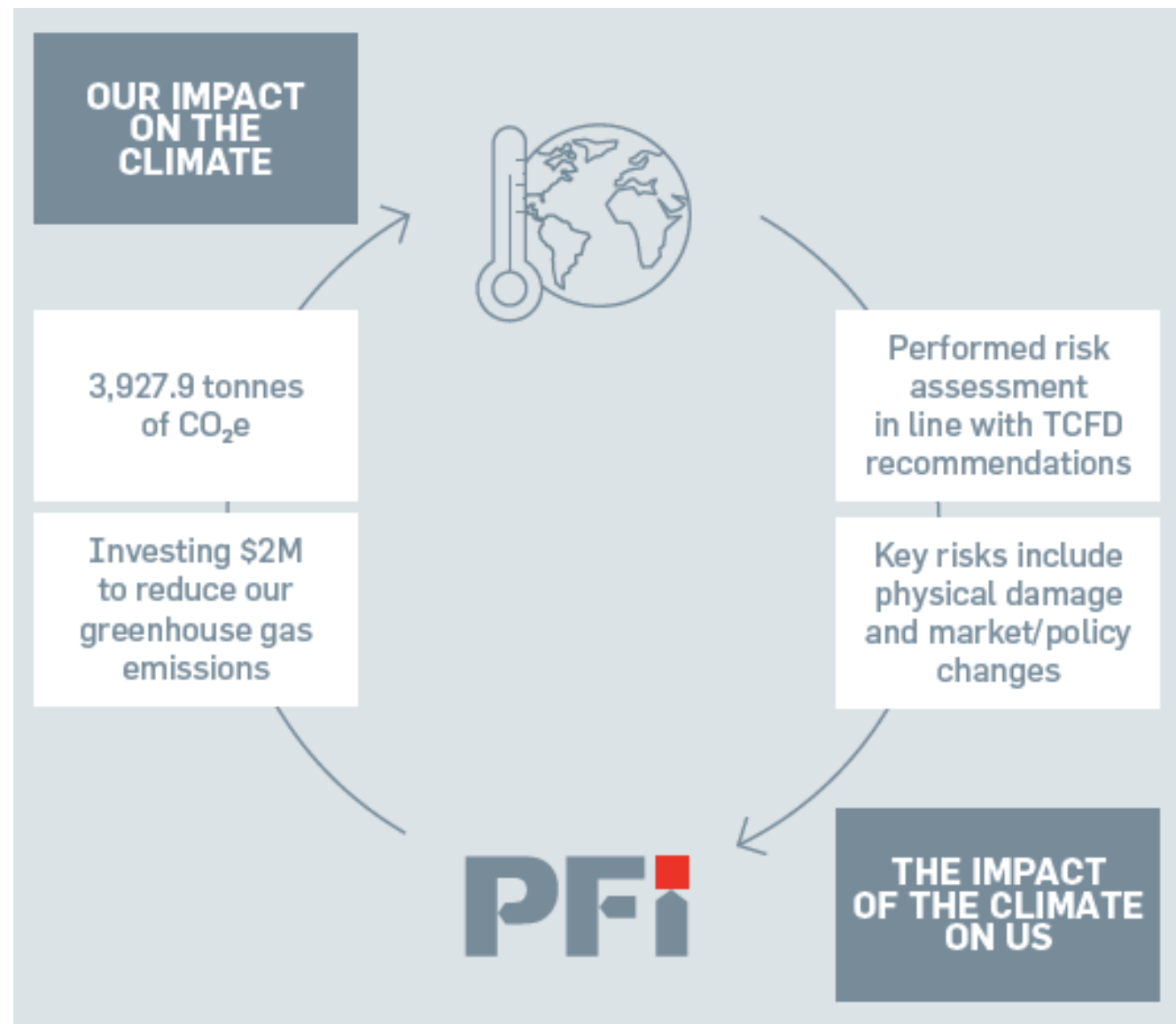
ESG Programme

26 actions within our four strategic themes of:

- Taking care of our team
- Looking after our tenants
- Responsible property ownership
- Delivering for our investors

Board Oversight

Understanding our climate impacts



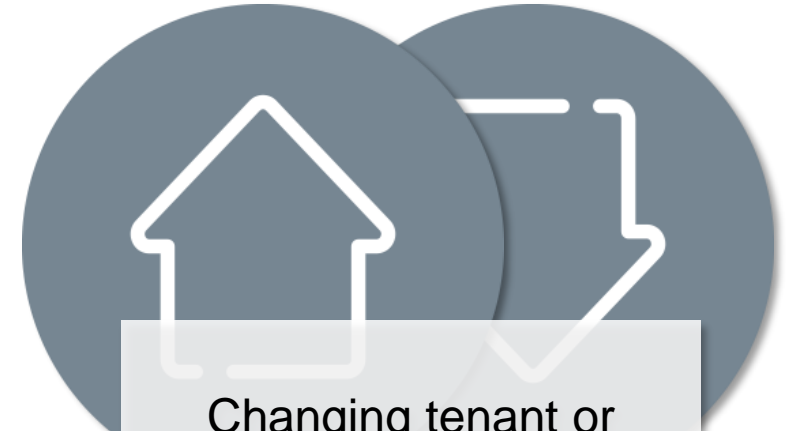
Transition risks & opportunities



Changing **regulations** in relation to governance, building performance and development.



Capital availability: changing investor or funder preferences.



Changing tenant or purchaser **demand**, particularly from strong corporate entities.

Physical risks & opportunities



**Rising Sea
Levels**



**Rising
Temperatures**



More Storms



**Extreme Weather
Events**



**Increased
Rainfall**

Damage to buildings

Changing insurer appetite

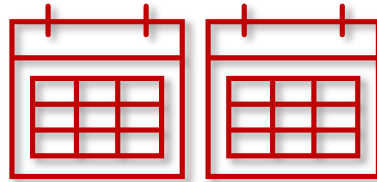
Timeframes



1 - 5 years

Transition risks are heightened; physical climate impacts are less prominent.

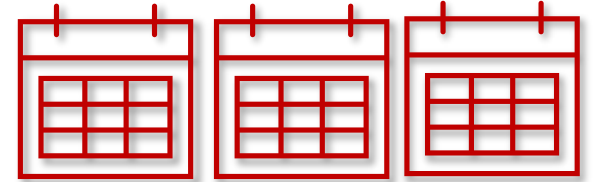
- Focus on response to transition risks
- Plan and commence resilience plan for physical risk



6 - 20 years

Transition risks continue; physical climate impacts take increasing effect.

- Continue focus on transition risks
- Embed resilience plan for physical risk



20+ years

Higher level of uncertainty over risks depending on climate change trajectory.

- Monitor and potentially adapt our strategy over time

PFI's Response

Our high-level strategy of investing in quality industrial property remains robust.



Response
to
regulatory
change



Sustainable
building
features



Disclosure

Our response to climate risk will form part of our ESG programme.



Insurance
strategy



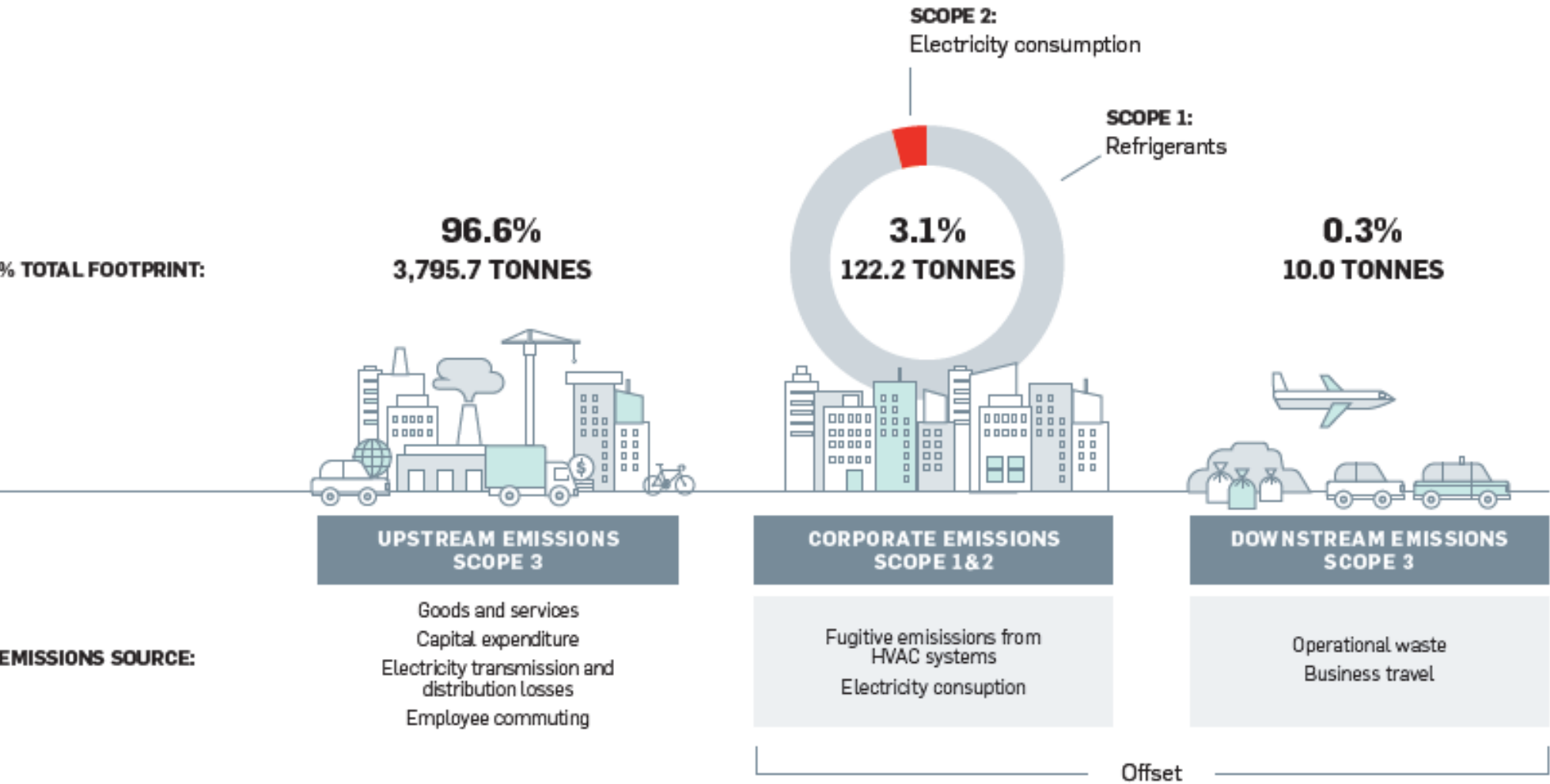
Climate
resilience
strategy



Retaining a
strong
balance
sheet

3,927.9

Tonnes of CO₂e



Our Key Climate Commitments

1.

\$ **2** **M**

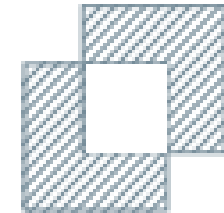
investment to reduce emissions
from our HVAC systems

2.

Net Zero

scope 1, scope 2 and selected
scope 3 emissions⁽³⁾

3.



Transparency for our stakeholders
on our climate impacts

(3) Waste and business travel

Other ESG Initiatives



Taking care of our team

- Health, Safety & Wellbeing
- Diversity and inclusion
- Volunteering and donations



Looking after our teams

- Health, Safety & Wellbeing
- Tenant sustainability engagement
- Sustainability considerations for lease renewal



Delivering for our investors

- CDP response
- Environmental policy
- Sustainability due diligence for acquisitions



Responsible Property Ownership

- Seismic upgrade programme
- Asbestos management
- Sustainable building design

Other ESG Initiatives



Sustainable Building Design

Green Star certification

Engagement with contractors



Tenant Engagement

Tenant sustainability objectives

Solar

