

CLIMATE REPORT

2024

Cedar Woods Properties Limited
ABN 47 009 259 081

CEDAR WOODS

FY2024 CLIMATE REPORT

Cedar Woods presents its climate-related metrics, targets & risk analysis report for FY2024. The report has been guided by the pronouncements of the Taskforce on Climate related Financial Disclosures (TCFD), the IFRS (International Financial Reporting Standards) S2 International Sustainability Disclosure Standard issued by IFRS Foundation & Exposure Draft: Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information (ED SR1). Disclosure under the standard/exposure draft is not mandatory in Australia and the Company’s disclosures continue to evolve with a view to stepping towards compliance when standards become mandatory, which based on Federal Government pronouncements is expected to be required for Cedar Woods by FY2027.

Governance / Risk Management

Cedar Woods is committed to addressing climate risk by understanding its potential impacts and providing meaningful responses. The Board’s Audit and Risk Management Committee (ARC) oversees the management of climate risk. Our Executive Team and ESG/Climate Committee collaboratively execute strategic and operational climate response initiatives across the Company’s national operations. Cedar Woods’ Risk Management Framework (RMF) incorporates our approach to managing these climate risks and updates are incorporated in the Company’s RMF and reported biannually to the ARC.

Strategy

Our strategy is designed to respond to current & projected impacts of climate change through our acquisition due diligence process & project delivery management. Our initiatives involve both mitigating identified risks & capitalising on business opportunities. Cedar Woods’ Decarbonisation Policy, adopted by the Board this year, embodies the aim of the Company to reduce its carbon footprint & enhance environmental performance. Key initiatives in the policy include promoting energy efficiency, exploring renewable energy options for new & existing projects, & committing to full electrification of apartment projects where feasible. The policy integrates circular economy principles into procurement processes & mandates rigorous feasibility assessments to ensure productivity and shareholder returns are not compromised. The policy aims to build some in-house expertise for accurate measurement, reporting, & monitoring of carbon emissions, aligning with proposed regulatory requirements. Our approach also seeks to collate & analyse climate information for various stakeholders.

In the tables below we have conducted a detailed analysis of both the physical and transitional climate change risks to our business, our progress on mitigating these risks, abating greenhouse gas emissions and capitalising on climate-related opportunities.

Physical Risk

As a national property development business operating in most states, Cedar Woods focuses on risks that significantly impact its projects. The Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information – Exposure Draft aims to reduce the need to incur costs & effort in selecting a global temperature goal for testing climate resilience. The draft proposes adopting the ambitious global temperate goal of 1.5° C above pre-industrial levels, as outlined in the Climate Change Act. The Company has identified key material risks as biodiversity, sea-level rise, extreme rainfall with localised flooding, & bushfire, which are addressed in acquisition due diligence & during project delivery. When new projects with vulnerabilities are considered, mitigation measures are typically stipulated as part of the regulatory approvals processes.

Category	Climate-related metrics		Climate-related targets	FY2024
Climate Change – Physical Risk	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Biodiversity: Project sites containing natural flora & fauna values.	National portfolio of 40 Projects To respect, conserve & regenerate the natural environment in accordance with environmental approvals & outperform where we can.	There are 11 projects (28%) which have high biodiversity values. 100% of projects with environmental impact are accompanied by regulatory approvals and on-going conservation management plans. Collectively, they will see close to 300ha conserved.
		Sea level rise (inundation/storm damage): Project sites with direct exposure to sea levels & requiring adaptation.	Prepare and implement sea level rise responses in accordance with due diligence assumptions.	We have 4 projects (10%) where adaptation strategies are required / in place to address the risk of sea level risk, all within the Fletcher’s Slip project area. Measures include waterfront setbacks & raising site/building levels to sit higher than possible flood levels.
		Extreme rainfall & flooding: Project sites containing rivers, wetlands &/or natural inundation.	Prepare and implement flood management strategies in accordance with due diligence assumptions.	There are 6 projects (15%) where adaptation and mitigation strategies are required and include flood modelling, designation of foreshore reserves, & urban water management strategies.
		Bushfire: Project sites with medium – high bushfire risk due to proximity to natural vegetation or other fire hazards.	Ensure all necessary adaptation and mitigation measures are implemented.	Bushfire risk presents in 15 (37%) of projects in the Company’s portfolio. This is managed through adaptation and mitigation strategies, outlined in Bushfire Management Plans (or similar) prepared for each affected project.

Case Study: Bushmead

Bushmead, Perth's newest suburb located 16km from the CBD, offers residents a blend of urban convenience and natural beauty, with 185ha of bushland and conservation areas. Cedar Woods, having purchased the land in 2010, has focused on ecological preservation, extensive revegetation, & sustainability efforts, ultimately planning to gift the conservation area to the WA Government.



Case Study: Ellendale

For over 30 years, Cedar Woods has developed environmentally conscious communities, including Ellendale, a 227 ha master-planned community, 12 km from Brisbane CBD. Ellendale, adjacent to South D'Aguilar National Park, preserves 91ha of natural corridors & green spaces, incorporating the landscape's natural features into its design, enhancing biodiversity & community amenities, and undergoing extensive rehabilitation efforts with a \$4.03m investment in environmental initiatives.



Transitional Risk

FY2024 has seen several potential new regulatory & policy settings proposals from the Federal Government, including publishing a statutory emissions reporting exposure draft & the possible setting of carbon reduction targets for the property industry. The narrative identifies the property sector as a significant contributor to the world's energy-related emissions, calling for increased accountability for its environmental footprint. We anticipate increased scrutiny and intervention in the sector in the coming years. Our Decarbonisation Policy focusses on a number of transitional objectives, which also work directly to mitigate these transitional risks as well as presenting opportunities for the Company to build its response & resilience to climate change.

Category	Climate-related metrics		Climate-related targets	FY2024
Climate Change – Transitional Risk	The amount & percentage of assets or business activities vulnerable to climate-related transitional risks.	Policy: Complexity of environmental & regulatory approvals. Disclosure & reporting requirements. Transitioning to net zero emissions. Potential carbon pricing initiatives.	Monitoring government policy changes which have a material impact on assets or business activities.	Government introduced the Treasury Laws Amendment Bill 2024 which will allow the Australian Accounting Standards Board to establish climate-related financial disclosures (CRFD) through amendments to the Corporations Act 2001 & ASIC Act 2002. This would establish a statutory reporting obligation on the Company, expected to apply from FY2027, for which the Company is underway with preparation.
			Participate in industry advocacy to manage the impact of potential regulatory changes.	Government released its Climate Change Authority Issues Paper – Targets, Pathways & Progress, which builds on proposed statutory reporting requirements by setting pathways to net zero for the building industry. The Company contributed to a national industry response.
				Government released its Circular Economy Ministerial Advisory Group – Interim Report, which seeks to integrate circular economy principles in development practices to assist in meeting net zero emission targets. The Company contributed to a national industry response.
		Legal: Compliance & liability relating to significant emitters. Failure to report on climate change risk or misleading disclosures.	Ensure accuracy & transparency in climate related statements, disclosures or reporting.	The Company has not made net zero statements or targets, nor does it use terms such as 'carbon neutral', 'clean' or 'green' in its product marketing.
				Material ASX announcements are submitted for independent review by investor relations consultants and, if necessary, legal advisors.
		Technology / Market: Phasing out of high-emission products and services.	Transition away from reliance on fossil fuels by transitioning to electrification & renewable energy.	The Board adopted a Decarbonisation Policy in FY2024. Key initiatives in the policy include enhancing energy efficiency, exploring renewable energy options for new and existing projects, and committing to full electrification of dwellings where feasible.
		Market: Increasing stakeholder focus on management of climate-related risks. Capability & competitiveness for new projects. Retail competitiveness. Changing consumer preferences.	Monitor sales & customer feedback.	The Company has innovated in its projects in order to meet its climate goals which include market competitiveness. Strong FY2024 sales & presales demonstrate that the Company's positioning is in line with market expectations.
				The Company is looking to improve its customer feedback platforms to better understand the importance of renewable energy, energy efficiency & other transitional technologies in the purchase decision.
		Reputational: Shareholder expectations. Investor confidence. Staff engagement.	Ensure ESG & climate initiatives are consistent with shareholder, investor & staff expectations.	MSCI maintained its 'A' rating of the Company on ESG performance.
				Cedar Woods' staff engagement survey shows room for improvement in advancing & better communicating the Company's ESG performance.

Carbon Emissions

Cedar Woods has started on its plan to measure & reduce its operations emissions by measuring its corporate greenhouse gas emissions & sourcing renewable energy for its offices & sales offices, where possible. This year, the Company has been working to establish a collaboration agreement with key industry peers & the Urban Development Institute of Australia (WA) to develop a tool for measuring & reporting on the life-cycle carbon emissions of property development projects. The methodology and reporting standard will align with the National Greenhouse & Energy Reporting (NGER) Act. Agreements between the parties have been finalised & work will soon begin on creating templates for civil works & built-form that reflect key project development inputs. Initial deliverables will include calculating carbon emission footprints for two pilot projects.

Category	Climate-related metrics		Climate-related targets	FY2024
Greenhouse Gas Emissions	Absolute gross greenhouse gas emissions generated within the FY2024 reporting year (metric tonnes of CO ₂ equivalent):		Measure, report & reduce organisational Scope 1, 2 & 3 emissions, with a 5% annual reduction target, baselined to FY2023. Build Company capacity to measure and report on project related greenhouse gas emissions.	Our total net corporate greenhouse gas emissions (Scope 1, 2 & 3) was estimated at 1,349 tonnes. Our corporate operations generated no Scope 1 emissions. Scope 2 emissions were reduced by over 40% from FY2023, primarily as a result of the adoption of green and solar power. As a result of our carbon reduction strategy, we avoided or offset approximately 100 tonnes of corporate CO ₂ emissions associated with the measures below. ■ Sourcing 100% of electricity for our VIC & SA corporate offices from renewables. ■ Sourcing over 90% of electricity needed for our sales offices from renewables. ■ Offsetting 100% of business flight emissions ■ Work from home policy provides savings on commuting emissions. Emissions intensity is 13 metric tonnes of CO ₂ gross equivalent per employee, however this should be taken as a guide, as employee numbers are only a factor in operational emissions. Scope 3 emissions from value chain activities such as purchased goods and services, water use, air travel, waste increased by 19% over the emissions reported in FY2023. This is a result of estimation methodology changes as well as changes in operational activity and capital investment.
		Scope 1: Direct greenhouse gas emissions occurring from sources owned or controlled by the Company.		NIL
		Scope 2: Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the Company.		42 (t-CO ₂ -e)
		Scope 3: Indirect greenhouse gas emissions (not included in Scope 2) occur in the value chain of the Company, including both upstream & downstream emissions.		1,307 (t-CO ₂ -e)
		Internal Carbon Price: the price used to assess the financial implications of changes to investment production and consumption patterns, & of potential technological progress & future emissions-abatement costs.		The Company is building upon its knowledge and capability to better manage, measure and report on its carbon emissions, in a manner consistent with industry and in anticipation of future regulatory requirements. Methodologies continue to evolve, and the Company expects some variability in results from this process. The Company has not adopted an internal carbon price.

Case Study: Pioneer Study aids property industry move toward Net Zero

Addressing climate change is a significant global challenge, with the property development industry in Australia being the fourth largest carbon emitter. Cedar Woods is tackling this by implementing initiatives to measure & reduce its carbon footprint, such as partnering with UDIA WA & DevelopmentWA to conduct a Life Cycle Carbon Assessment Study, which evaluates the carbon impact of its projects, including the award-winning Bushmead Estate.

FY2024 net Greenhouse Gas Emissions (t-CO₂-e) - calculated by independent consultants from Company data.

Corporate operations	Scope 1	Scope 2*	Scope 3#	Total
State offices	-	32	940	972
Sales offices	-	10	367	377
	-	42	1,307	1,349

* Indirect emissions from the generation of purchased electricity
Other upstream emissions outside scope 1 & 2 such as water use, waste generation, purchased goods & services, air travel.

Climate related opportunities

Cedar Woods is identifying strategic opportunities to integrate climate risk mitigation into its business strategy and provide long term value. This includes focusing our acquisition strategy on inner-city redevelopment sites, particularly transit-oriented developments near high frequency public transport, which help reduce travel-related emissions. Additional benefits of infill sites often include the remediation of historic site contamination and the adaptive reuse of heritage buildings, delivering other environmental benefits such as removing public health hazards, improving wellbeing and reducing embodied energy through reuse and recycling. The Company is also seizing the opportunity to future-proof its projects by increasing their transitioning to renewable energy.

Category	Climate-related metrics		Climate-related targets	FY2024
Impact on strategy and market-based opportunities	Percentage of projects on re-development sites	Redevelopment sites close to high-frequency public transport, providing locational context for transit-oriented development (TOD) and promoting reduced travel-related emissions.	Measure, report & reduce organisational Scope 1, 2 & 3 emissions, with a 5% annual reduction target, baselined to FY2023.	8 redevelopment Sites, representing the majority of the Company's built-form housing.
			Build Company capacity to measure and report on project related greenhouse gas emissions.	The Company is delivering 9 TOD projects. This financial year saw: <ul style="list-style-type: none">■ Boston Commons strata offices completed, providing additional business and employment opportunities at Williams Landing (VIC)■ Delivery of the first stages of Eglinton Village (WA), a 1200-lot master-planned community located 500m from the new Eglinton METRONET station.■ Over 50 townhouses delivered at Glenside (SA), located within a 15-minute walk to the Adelaide CBD and benefiting from high-frequency transit.■ Fletcher's Slip (SA) is part of the Port Adelaide waterfront, adjacent to the Glanville train station. Cedar Woods is transforming the historic shipping and industrial harbor into a contemporary urban area, with multiple townhouse and apartment developments.■ The successful completion of the TOD at Jackson Green, located in Clayton South, 20km from the Melbourne CBD, and near the Clayton train station.■ Completion of site remediation and construction of the first 12 townhomes at Greville, located in Woolloowin, 5km north of the Brisbane CBD and 100m to the Woolloowin train station.
		Redevelopment requiring remediation of historic site contamination.		There are 8 remediation sites in the Company's portfolio.
		Redevelopment involving the adaptive reuse of heritage buildings.		The Company has 6 sites with heritage values across the portfolio.
	Decarbonisation	Improve energy efficiency.	Support initiatives that enhance energy efficiency, reduce energy use, lower customer electricity costs, and decrease energy-related emissions.	The Company implements a number of initiatives to ensure energy efficient buildings, including building orientation, thermal performance and various efficiency fittings and fixtures and technologies. Reporting metrics are being developed for FY2025.
			Minimum compliance with NatHERS but maintain a track-record of over-performance.	Apartment developments at Glenside continue to showcase the Company's performance in sustainable living, including high NatHERS ratings, energy efficiency initiatives, full electrification and 100% renewable energy for operational consumption.
			Maintain a consistent standard of ecologically sustainable development (ESD) performance in built form.	
		Encourage electrification and renewable energy transition.	Promote full electrification coupled with transition to renewable energy solutions, to reduce reliance on fossil fuels & lower emissions throughout the lifecycle of our projects.	The Company established a Community Energy Sharing Network at Eglinton, forecast to result in 50 – 65% of total energy demand being supplied by renewables, through roof-top solar panels and community battery storage. The first stages of Eglinton were delivered in FY2024, with the first stages of the network infrastructure being installed. Creation of the Network is anticipated to provide valuable IP for potential future projects.
		Reduce embodied life cycle emissions.	Lower total building emissions by focusing on materials selection & associated processes, such as resource extraction, manufacturing, transportation, construction, replacement / renovation, reuse & material recycling or disposal.	The Company has commenced the inclusion of reuse and recycle provisions in demolition & construction contracts. Monitoring & reporting will commence in FY2025.

Case Study: Monarch Apartments

Cedar Woods is committed to environmental and social responsibility, with a focus on sustainable housing and communities to meet the growing demand for energy-efficient homes. The Monarch Apartments in the Glenside estate, South Australia, exemplify this commitment, achieving a 7.7-star NatHERS energy rating and attracting a wide range of buyers due to its sustainable design and reduced environmental impact.



Case Study: Eglinton Village Energy (Eve) at Eglinton Village

For over 35 years, Cedar Woods has focused on creating vibrant, sustainable communities, addressing environmental and social responsibilities. At its Eglinton Village development, Cedar Woods has partnered with Zenith Energy to launch Eve, WA's first residential community energy sharing network, allowing residents to benefit from long-term energy savings and reduced carbon footprints through shared renewable energy resources created through roof top solar panels without incurring upfront costs.

Remuneration

Cedar Woods is looking to embed climate-related risk and opportunity management into its employee culture. Related targets are in our balanced scorecard and employee performance objectives.

Incentive	Climate-related metric	Progress
Provide incentive and accountability for the effective management of climate-related risk and opportunity within the company structure.	Provide metric in the Company's Balanced Scorecard.	Metric in Balanced Scorecard.
	Allocate climate related key performance indicators for the Executive team and Management linked to remuneration.	Balanced scorecard, which links to executive Short-Term Incentives, contains ESG-linked KPIs, which includes climate change initiatives.
		Management KPIs cascade down through business.

Project Pipeline – physical risks and opportunities

Project Name		Project Type	Lots / Units	Lots/Units Remain ¹	Biodiversity	Sea Level Rise	Flooding	Bushfire	Redevelopment Site	TOD	Remediation	Heritage
WESTERN AUSTRALIA - PERTH												
1.	Ariella, Brabham & Henley Brook	Residential Land	1,215	358				•				
2.	The Brook at Byford	Residential Land	421	2	•		•	•				
3.	Rivergums, Baldivis	Residential Land	1,426	106				•				
4.	Byford on the Scarp	Residential Land	268	1	•		•	•				
5.	Solaris, Forrestdale	Residential Land	307	36	•			•				
6.	Bushmead	Residential Land	915	270	•		•	•				
7.	Millars Landing, North Baldivis	Residential Land	1,536	1,369			•	•				
8.	Eglinton Village	Residential Land and Commercial	1,270	1,223	•			•		•		
9.	Pinjarra	Residential Land	1,080	1,080				•				
10.	Incontro, Subiaco	Townhouses and Apartments	151	110					•			
11.	The Acreage, Dalyellup	Residential Land	41	1				•				
12.	Atwater, Rockingham	Residential Land and Townhouses	82	28				•	•			
13.	Harrisdale Green ²	Residential Land and Townhouses	404	75				•				
14.	Subiaco Depot ²	Apartments	213	213					•			
VICTORIA – MELBOURNE												
15.	88 Leveson, North Melbourne	Townhouses	15	15					•		•	
16.	Mason Quarter, Wollert	Residential Land	851	537	•			•		•		
17.	Clara Place, Fraser Rise	Residential Land	287	287								
18.	South Bank	Apartments and Commercial	183	183			•		•	•		
19.	Fieldstone	Residential Land	529	529	•							•
20.	Williams Landing	Residential Land, Townhouses, Apartments	2,296	33	•				•	•		
21.	Williams Landing	Boston Commons, Strata Offices	81	3					•	•		
22.	Williams Landing	Hudson Hub Strata Offices	79	79					•	•		
23.	Williams Landing	Apartments, Offices, Townhouses	685	291					•	•		
24.	Williams Landing	Commercial (13ha)							•	•		
25.	Corio ³	Residential Land	400	400								
26.	Noble Park ³	Apartments	103	103					•	•		
QUEENSLAND – BRISBANE												
27.	Greville, Woolloowin	Townhouses and Apartments	291	290					•	•	•	•
28.	Ellendale, Upper Kedron	Residential Land	895	302	•		•	•				
29.	Flourish, South McLean	Residential Land	510	510	•		•	•				
30.	Sage, Burpengary	Residential Land	375	270	•			•				
31.	Robina Quarter ^{2,3}	Townhouses and Apartments	414	414						•		
SOUTH AUSTRALIA – ADELAIDE												
32.	Glenside	Townhouses and Apartments	757	411					•	•	•	•
33.	Banksia Apartments, Glenside	Apartments	72	72					•	•	•	•
34.	Bloom Apartments, Glenside	Apartments	59	59					•	•	•	•
35.	Bloom 2 Apartments, Glenside	Apartments	60	60					•	•	•	•
36.	Elegan Apartments, Glenside	Apartments	116	116					•	•	•	•
37.	Fletcher’s Slip, Port Adelaide	Townhouses and Apartments	403	219		•			•	•	•	•
38.	Sirocco Apartments, Fletcher’s Slip	Apartments	41	41		•			•	•	•	•
39.	Ancora Apartments, Fletcher’s Slip	Apartments	35	35		•			•	•	•	•
40.	Marella Apartments, Fletcher’s Slip	Apartments	23	23		•			•	•	•	•

¹ Lots/units Remain relates to unsettled lots/units as of 1 July 2024. ² Partnered Projects, CW interest: Harrisdale Green 80%, Subiaco Depot 50%. ³ Conditional acquisitions.