

ESG REPORT



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Our vision is to be the best Australian property company renowned for performance and quality. We aim to play a positive role in society over the long-term, through our products and services, which are fundamental to human wellbeing in homes and businesses, and through behaving responsibly in our markets and in our communities.

Cedar Woods does more than create vibrant communities. We are proud of our reputation for being environmentally and socially responsible. We continually look for ways to:

- reduce our ecological footprint
- promote affordable housing
- respect indigenous and cultural heritage
- stimulate economic investment and jobs
- foster cooperative stakeholder relationships
- activate the communities we create

- foster diversity, equal opportunity and career development in the workplace
- provide a safe work environment for all who work on Cedar Woods projects; and
- instill our values and promote an ethical business culture through strong governance.

This section communicates our progress and achievements on sustainability, community outcomes and governance, benefiting those affected by our actions.

The link between our values and our sustainability objectives



ENVIRONMENT

Protecting the Environment

Environmental issues, including climate change, are a challenge affecting society globally and we must address them collectively to preserve our planet for future generations.

Cedar Woods recognises that its development activities carry the risk of environmental impact. The strategies to limit this impact are summarised below.

Our Objectives

This year the company formulated its Environmental Management Policy which incorporates mitigation and adaption measures for climate change throughout the business lifecycle.

- Our focus on urban infill seeks to mitigate climate change by redeveloping existing brownfield sites to avoid further impact on the natural environment, lower travel emissions by reducing travel distances and encouraging the use of public transport.
- When evaluating the business case for new projects we investigate potential climate change impacts, along with the adoption of mitigation strategies. These factors affect urban design, development outcomes and project feasibility.
- During detailed design we plan for climate responsive solutions, such as conservation and protection of natural bushland, rehabilitation of degraded land, design guidelines (with energy and water efficiency measures) and bush fire risk mitigation.
- During construction we implement strategies and initiatives relating to conservation, revegetation, offsets, environmental management, wildlife protection, water management and, in some cases, infrastructure for renewable energy. We also work to reduce and recycle demolition and construction waste.
- Post construction we engage in activities to monitor and manage ongoing environmental impacts such as fauna surveys, ground water monitoring, and conservation reserve management.

Key Areas

SUSTAINABLE COMMUNITIES

Cedar Woods has a strategic focus on creating sustainable communities, with a growing involvement in transit-oriented-development and urban renewal. This enables us to better respond to climate change by reducing urban sprawl, maximising use of existing infrastructure, including public transport, and by developing more compact cities.

BIODIVERSITY

Land development on greenfield estates can impact local bushland habitat, ecological communities and significant species. We aim to minimise and mitigate these impacts

to protect biodiversity in surrounding environments. In most cases, only that part of a project site already degraded or denuded is suitable for urban development and environmental rehabilitation.

WATER

Australia's climate is characterised by variability, either severe flooding or long-term drought / water scarcity (often resulting in water restrictions). In response, Cedar Woods is constantly considering where its water is sourced, how efficiently it is used and how water quality is managed.

ENERGY

Implementing strategies to reduce energy use from fossil fuels and

increase the uptake of renewable energy is an important part of our carbon emissions mitigation strategy. Most energy initiatives are realised at the building stage.

WASTE

Investigating land for potential contamination, identifying hazardous waste and undertaking remediation and removal of waste to enable urban development, are important considerations when considering new acquisitions and project delivery. We manage demolition and construction impacts by containing or removing contaminants and minimising waste to landfill with subsequent environment and financial benefits.

Sustainable Communities

How we are Implementing

We define a sustainable community as having the following attributes:

- Compact infill built-form in existing urban areas (brownfields), or new urban expansion areas (greenfields) that benefit from urban infrastructure, community centres, major transport networks and proximity to commercial centres and employment; or
- Compact infill urban development connected to high-frequency public transport, such as train stations and bus corridors.

Our Progress

The company has some 2,700 townhouses and apartments in its national development pipeline, making it one of Australia's largest density infill builders. In financial year 2020, for lots / dwellings settled:

- 50 per cent are urban infill, within 20 km of a capital city
- 88 per cent are close to a commercial centre and major transport network
- 40 per cent are medium-high density townhouses or apartments
- 38 per cent are within 1 km proximity to high frequency public transport.

All greenfield land development projects within the portfolio are in a 'Sustainable Communities' context.

Design and construction of the new Emergency Communications Facility in Williams Landing will bring 300 additional workers to the Town Centre, bringing total employment to 2,100 persons. The Town Centre has some 17 hectares of development land still available for a mix of office, retail and residential projects and is adjacent to rail, bus and freeway connections.

The company acquired a 1.4 hectare infill urban renewal site in Subiaco (WA) and a 43 hectare site in Wollert (VIC). In Subiaco we will deliver a quality medium density residential development consisting of townhouses and apartments. Wollert will be a master-planned community of over 500 lots and provides for a future train station, town centre, schools and community facilities.



Biodiversity

How we are Implementing

Cedar Woods seeks to minimise impacts on biodiversity in line with requirements and internal goals. This includes the preparation of a range of environmental management plans which are referred to authorities for review and approval.

Environmental management initiatives vary by project and include measures such as:

- vegetation protection, including handing land over to relevant long-term conservation management;
- on-site and off-site revegetation and rehabilitation;
- wetland management and enhancement; and
- fauna protection and relocation.

Auditing for compliance against obligations under the applicable management plans and conditions of approval are carried out by authorities.

Our Progress

- **Bushmead (WA).** We continue to implement our environmental management plan, preserving over 185 hectares of this community as pristine natural bushland. This has included bushland revegetation and rehabilitation and the installation of black cockatoo nesting boxes.
- **Ellendale (QLD).** Ellendale offers 91 hectare of open space corridors, over 40 per cent of the estate. Our work has consisted of ongoing vegetation maintenance and monitoring of revegetation.
- **Ariella (WA).** Referred for Commonwealth environmental approval. We continue to implement the management plan to conserve wetland park, including revegetation and implement the fauna relocation plan (relocation of kangaroos). Revegetation monitoring and maintenance is ongoing.
- **Millars Landing (WA).** We continue ongoing revegetation maintenance and monitoring in the Tramway reserve.
- **Harrisdale Green (WA).** This estate is adjacent to the Jandakot Regional Park. Our work includes implementation of a bushland management plan, and interface management, including fencing, with the adjoining 'Bushforever' conservation area.
- **The Rivergums (WA).** We continue ongoing revegetation maintenance and monitoring in reserves and parks. Preparation of acid sulphate soils management plan was completed. We achieved audit clearance for the landscape management plan.
- **Solaris (WA).** Solaris is situated adjacent a 'Bushforever' area and incorporates a conservation wetland, for which our management plan was approved by the City of Armadale.
- **Karmara (WA).** Contamination was removed and remediation audit approved by authorities. Revegetation monitoring and maintenance is ongoing.
- **Carlingford (VIC).** The estate incorporates important conservation areas and habitat links. The company continues to protect and manage local fauna under the kangaroo management plan.
- **Williams Landing (VIC).** We implement ongoing management and maintenance of conservation management plan for grassland and wetland reserves.

Water

How we are Implementing	Our Progress
We ensure our greenfield projects comply with Better Urban Water Management Guidelines. These require the preparation of a strategic and detailed plan demonstrating how an urban project achieves a holistic water balance and addresses stormwater recharge and water quality.	<ul style="list-style-type: none"> All projects conform with applicable state government water sensitive urban design principles to enhance natural water systems, integrate stormwater treatment into the landscape, protect water quality from urban development, manage runoff and reduce peak flows by using retention measures. The year saw ongoing groundwater monitoring across most greenfield projects to ensure water quality is maintained.
Our Design Guidelines help achieve water efficiency in new home construction. Purchasers are encouraged to reduce potable water consumption by installing rainwater tanks and plumbing them directly for toilet flushing or use in the laundry or installing grey-water systems which use laundry and shower water for irrigation. In Bushmead (WA) and Harrisdale Green (WA), Cedar Woods provides a financial rebate to incentivise the installation of rainwater tanks.	<ul style="list-style-type: none"> Design Guidelines apply to all vacant lot sales. At Bushmead (WA) over \$150,000 was invested in new rainwater tanks through customer rebates. The estate has met the criteria for compliance and accreditation with UDIA EnviroDevelopment (Water), achieving a 20 per cent reduction in potable water use from statutory compliance. At Williams Landing Town Centre (VIC) the Emergency Communications Facility and 101 Overton Road incorporate rainwater tanks for local harvesting and onsite re-use in addition to water efficient fixtures and fittings for taps, showers and toilets.
As part of its rebate scheme, Cedar Woods offers new lot purchasers with a rebate for waterwise front landscaping packages, to promote water efficiency in our new residential communities.	<ul style="list-style-type: none"> Newly appointed landscape contractors for land development estates in WA are 'waterwise accredited'. During FY20 358 waterwise gardens were completed across WA projects.

Energy

How we are Implementing	Our Progress
Greenfield land development estates incorporate climate responsive subdivision lot layouts. Our Design Guidelines recommend strategies to reduce energy consumption and increase the take-up of renewable energy. In Bushmead (WA) and Harrisdale Green (WA), Cedar Woods provides a financial rebate to incentivise the installation of photovoltaic systems.	<ul style="list-style-type: none"> Land development estate Design Guidelines make recommendations that encourage purchasers to incorporate climate responsive design principles; take advantage of renewable energy systems (photovoltaic cells and solar hot water); and incorporate energy efficient fittings and appliances when building their new home. At Bushmead (WA), Cedar Woods has complied with the UDIA EnviroDevelopment (Energy) criteria by achieving a 20 per cent reduction in off-the-grid power consumption across the estate.
Cedar Woods has the opportunity to contribute to sustainability progress by putting an emphasis on smart and resource-efficient building construction.	<ul style="list-style-type: none"> Botanica Apartments (SA) achieved 7-star energy rating, with common areas supported by photovoltaic systems. At the Emergency Communications Facility (VIC) a 4.5 star NABERS energy performance was targeted through use of optimized glazing, building fabric, solar renewable energy system, LED sensor lighting control and air-cooled chiller air-conditioning. At 101 Overton Road (VIC) a 4.0 Star NABERS energy performance was targeted through use of double glazing, VRV/VRF heating and cooling systems and LED sensor lighting control.
Cedar Woods has started to examine how it can further influence its supply chain to improve its procurement practices by requiring suppliers to optimise environmental outcomes.	<ul style="list-style-type: none"> In the coming year Cedar Woods will review its procurement tendering and selection processes to emphasise the company's preference for: supporting local materials; supplies and jobs; emission reduction strategies; and waste minimisation.

Waste

How we are Implementing

Often projects involve the investigation of land for contamination, identifying hazardous waste material and undertaking remediation and removal of waste arising from historic land uses.

We manage construction impacts to minimise waste to landfill.

Our Progress

- **Subiaco TAFE Site (WA).** Due diligence included detailed investigations to manage the risk of site and building contamination.
- **Port Adelaide (SA).** Continuation of asbestos management, site contamination remediation and bulk earthworks.
- **Glenside (SA).** Completion of Stage 1 and 2 contamination remediation, with audit certificates issued for both stages.
- **Williams Landing (VIC).** Environmental surveys completed. Cedar Woods maintains all relevant Certificates and Statements of Environmental Audit at Williams Landing including those secured prior to acquisition and those relating to the repurpose of the land for residential use.
- **Bushmead (WA).** We used recycled concrete pavement in road base and recycled concrete eco blocks for retaining wall construction. Bushmead recently featured as an Urban Development Institute of Australia (UDIA) webinar case study on the use of recycled materials. At Bushmead we are trialing the different soil profiles to increase the use of in situ material for fill and reduce the amount of waste removed from the site.
- **Botanica Apartments (SA).** Construction incorporated a 3-bin waste management system to achieve zero waste taken to landfill.



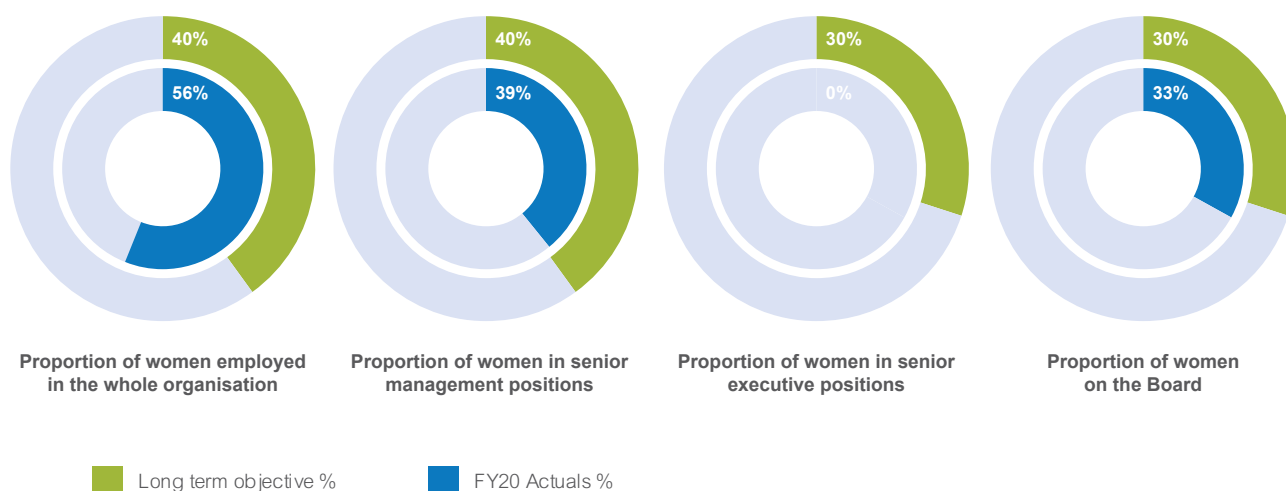
SOCIETY

Maintaining strong Stakeholder relationships is fundamental to Cedar Woods' long-term sustainable success.

Our People

Our Objectives	Key Areas
Creating a progressive, high spirited, inclusive and safe work environment with strong staff alignment to values and objectives, where top talent work collaboratively and high performance is rewarded.	Strong culture, equal opportunities, diversity, health & safety, development and progression, flexible workplace policies.
How we are Engaging	Our Progress
<p>Employee engagement surveys are conducted annually and provide valuable insight on the issues that matter to our workforce and our culture.</p> <p>Our staff communications platform, 'Woodsy' enables our employees to keep up to date with the latest news across the Company, access employment policies, collaborate with colleagues and share experiences and content.</p> <p>Utilising an on-line training platform and external providers, we provide targeted training and development opportunities, including health and safety training, and the tools needed to deliver enhanced operational and financial performance in line with our growth strategy.</p>	<p>We increased our gender diversity in the company during the year, with the proportion of females in the workforce increasing from 53 per cent to 56 per cent. We are cognisant that we need to promote and recruit more females to senior management and executive positions, with this objective being positively pursued in our career development and recruitment programs.</p> <p>We were pleased that in our most recent survey 97 per cent of our people completed the employee survey and 90 per cent were either engaged or highly engaged in their roles.</p> <p>Our good health and safety record continued through the effective operation of our work, health and safety systems resulting in no reportable incidents.</p> <p>Our workplace policies in the areas of anti-bribery and corruption and whistleblowing were introduced or updated.</p>

Gender Diversity



In support of our people objectives we have policies on:

Equal employment opportunity	Diversity
Whistleblowing	Flexible working arrangements and special leave
Anti-bribery and corruption	Grievance
Study support	Workplace health and safety



COVID-19

During the COVID-19 pandemic we safeguarded our staff by taking pro-active measures across the business, including introducing new social distancing and hygiene policies, enhanced cleaning practices, formalised working from home arrangements, and a series of other policies informed by government guidelines. Our leading

technology and systems enabled the smooth transition to remote working arrangements, including on-line training and performance management and assessment. The program has informed our digital strategy and business continuity planning.

Our Suppliers

Our Objectives	Key Areas
Developing strong relationships with like-minded suppliers renowned for good safety and sustainability is key to the operational success of our businesses and ensures that we have agility to develop new and market competitive solutions to meet our customers' needs.	<ul style="list-style-type: none"> • Long term relationships • Social impacts • Health and Safety
How we are Engaging	Our Progress
<p>Cedar Woods values long term business relationships built on trust and shared values and behaviours.</p> <p>We recognise our role to ensure that the products and materials included in our developments are responsibly sourced with a view to ensure the company's values are reflected within its supply chain.</p> <p>Our principal suppliers are regularly engaged with and assessed for performance on a range of metrics, with remediation action taken place where required.</p> <p>We are committed to limiting the risk of modern slavery occurring within our business, infiltrating the supply chain or through any other business relationship.</p> <p>As part of this ongoing process we review our principal suppliers' health and safety systems to ensure our own, and the suppliers' workforce is adequately protected. This is enforced with regular audits and occasional site briefings for our Board. Activity on work sites is monitored with regular reports to the Board.</p>	<p>Our most recent review of our suppliers' performance resulted in 98 per cent passing or exceeding the required benchmark, up from 97 per cent in the previous year.</p> <p>During the year we introduced our Modern Slavery Policy and communicated this to our suppliers, with key terms being included in our construction contracts. Test checks have been carried out with major suppliers in our supply chain. Employees responsible for purchasing were trained in order to help us meet our obligations under the Modern Slavery Act 2018.</p> <p>Our good health and safety record continued through the effective operation of our work, health and safety systems resulting in no serious injuries or fatalities on contractor sites.</p>

Our Customers

Our Objectives	Key Areas
Our customers play an essential role in ensuring the sustainability of our operations. Our aim is to provide our customers improved quality of life, in the fulfilment of our company vision as a company renowned for performance and quality.	<ul style="list-style-type: none"> • Quality • Value • Customer focus
How we are Engaging	Our Progress
<p>Cedar Woods engages with its customers from initial enquiry through to eventual product settlement and beyond that as a member of each community.</p> <p>We engage digitally with our customers via our websites and through social media, and in our customer sales centres. Focus groups are frequently established to market test new products before delivery.</p> <p>Customer surveys are conducted throughout the year as products are completed, providing valuable feedback to help us to refine our customer offering and to help drive innovation.</p>	<p>Feedback received from our customers through surveys have indicated high net promoter scores.</p> <p>Our customer relationship management (CRM) system continues to be refined to enhance data analytics and learn more about our customers' requirements.</p> <p>We have embarked on a digital strategy to more effectively capture and manage our leads and enquiries, and a corporate marketing strategy to better coordinate national marketing initiatives.</p>

Community

Our Objectives

We create vibrant, socially beneficial communities by investing in resident wellbeing, nurturing a strong sense of community and maximising social connectivity. We respect indigenous and cultural heritage.

Key Areas

- Social impact
- Improving quality of life
- Respecting heritage
- Housing and workplace affordability

How we are Engaging

We create communities with amenities, public open space and easy access to transport and community facilities such as schools and ovals. Many of our projects are located close to train stations or transport hubs.

We engage with the communities we create with regular family events such as festivals, family fun days, local environmental initiatives and entertainment.

At the grass roots level, we support our local communities through the Neighbourhood Grants program.

Within particular projects, we preserve local heritage, such as at the Woolloowin project in Queensland, which contains two historic heritage-listed buildings that will be restored and re-purposed within the development.

Certain communities include affordable dwellings and offices to appeal to younger or less affluent buyers.

Our Progress

Feedback received from our community engagement provides us vital feedback to help further improve our products.

During the year the company received FOUR coveted Urban Development Institute of Australia Awards, being the Residential Excellence Award (more than 250 lots), for Bushmead in WA and best Master-planned Development, best Residential Development and Excellence in Urban Renewal for the Glenside project in SA.

Since its inception The Neighbourhood Grants program has donated more than half a million dollars to support a range of community projects, organisations and clubs that operate in the localities of our projects.

During the year we created 4 social housing lots at Harrisdale Green (WA) and 13 affordable housing apartments at Glenside (SA).



Affordable Housing

Partnering with the Department of Communities (WA) to provide affordable housing, where 1 in 9 of the dwellings at Harrisdale Green are dedicated to affordable housing product.

Shareholders

Our Objectives

Our purpose is to create long term value for our shareholders. We are committed to transparent and open engagement with our investors.

Key Areas

- Returns to shareholders
- Shareholder engagement and communications
- Investor relations

How we are Engaging

The Managing Director and Chief Financial Officer engage with shareholders and potential investors throughout the year with briefings and investor roadshows. The half year and full year results are presented by way of a webcast followed by a question and answer forum. Directors and staff are available to meet with shareholders at the Annual General Meeting.

The company conducts investor shareholder feedback surveys on a regular basis to obtain feedback from institutional and retail investors and engages an investor relations consulting firm to assist with its investor relations strategy.

Our Progress

Returns to shareholders over 1, 3 and 5 years are detailed in the remuneration report at page 54 of the annual report.

Further details with respect to our shareholder communications and disclosures are set out in the Corporate Governance Statement available on our website.

When asked in the independently conducted survey how timely Cedar Woods is with its investor communications, investors rated the Company 4.5 out of 5.

CORPORATE GOVERNANCE & BUSINESS ETHICS

The Board of Cedar Woods is committed to achieving and demonstrating the highest standards of corporate governance. The Company updates its comprehensive Corporate Governance Statement annually, a copy of which is lodged with ASX on the date that the Company publishes its full year results. Investors may find a copy in the Governance section (under 'Our Company') on the company website www.cedarwoods.com.au.

Governance

Governance is overseen by the Board and its Committees, with the main responsibility areas as follows:



Risk Management Process

The Board has ultimate responsibility for internal compliance and control. The Board has established the Audit and Risk Management Committee as responsible for overseeing and ensuring that internal control systems are in place to monitor and manage risk.

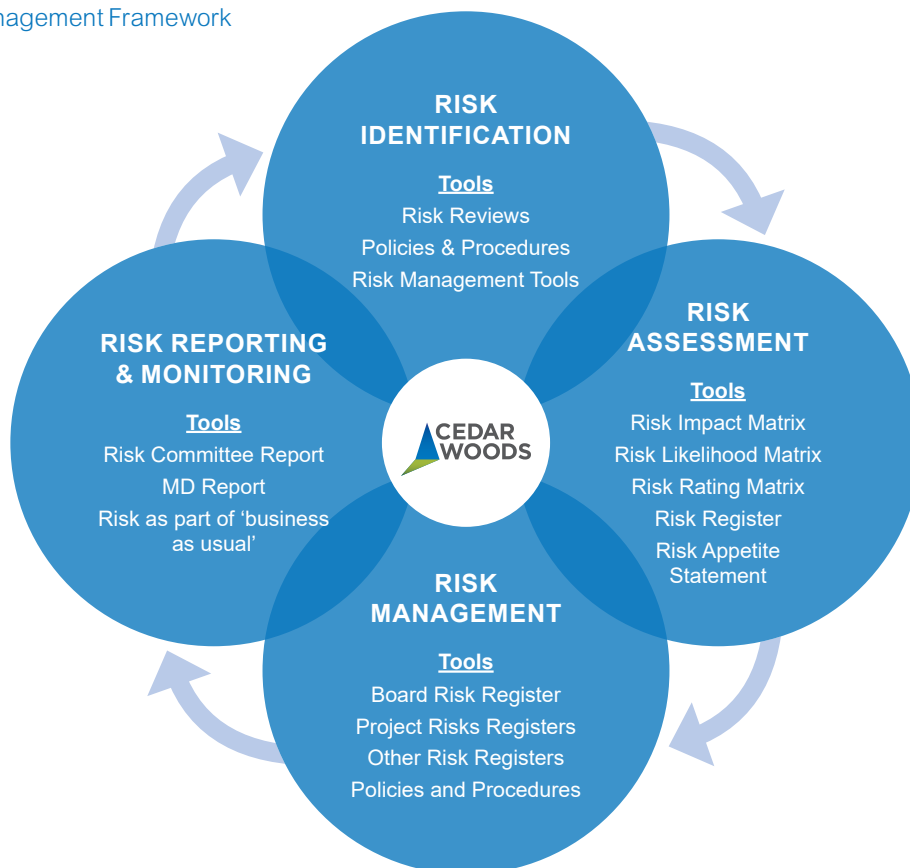
The Board has adopted a Risk Management Framework that governs the identification, management and monitoring of risks in the business. The framework incorporates a number of tools that are used in the business to identify, assess and manage risks and opportunities, assess how they are controlled and whether further actions are required.

During the year, updates from management are provided to the Committee, and ultimately the Board, covering all principal risks.

In addition, the Board requires that each major proposal submitted to the Board for a decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

An overview of the Risk Management Framework is provided below.

Risk Management Framework



Corporate Policies

In support of the governance framework and the company's culture, and to promote sound business ethics the company has developed corporate policies, copies of which are available on our website.

- Code of Conduct
- Anti-bribery & Corruption
- Conflicts of Interests
- Continuous Disclosure
- Diversity
- Environmental Management & Climate Change
- Investor Communications
- Modern Slavery
- Performance Evaluation
- Privacy
- Risk Management
- Securities Trading
- Whistleblower
- Other internal policies