CLIMATE REPORT

2023

Cedar Woods Properties Limited
ABN 47 009 259 081

CEDAR WOODS
DEVELOPING TOMORROW TODAY

CEDAR WOODS 2022/23 CLIMATE REPORT

Cedar Woods presents its climate-related metrics & targets and risk analysis report for FY23. The report has been guided by the pronouncements of the Taskforce on Climate related Financial Disclosures (TCFD) and IFRS (International Financial Reporting Standards) S2 International Sustainability Disclosure Standard recently issued by IFRS Foundation. Disclosure under the standard 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 consultation is expected to be required for Cedar Woods by FY27.

Category	Context / Metrics / Unit of measure	Target	FY23 Progress
Greenhouse Gas Emissions			
Scope 1 and 2	Absolute gross greenhouse gas emissions (metric tonnes of CO_2 equivalent) of Cedar Woods group.	Actively measure and reduce carbon emissions, with a 5% annual reduction target, baselined to FY2023	Our total net corporate greenhouse gas emissions (Scope 1, 2 & 3) were 1,978 tonnes in FY23. This was higher than in FY22 (1,699 tonnes) mainly as a result of relocation of our Perth and Brisbane offices and the associated fit outs, better estimation of inputs and certain methodology changes. As a result of the carbon reduction strategy, we avoided or offset approximately 230 tonnes (10%) of corporate CO_2 emissions associated with the measures below.
			Now sourcing 100% of electricity for our Victorian and South Australian corporate offices from renewables.
			Now sourcing 100% of electricity needed for our sales offices fromrenewables.
			Offsetting 100% of business flight emissions.
			Work from home policy provides savings on commuting emissions.
	GHG (greenhouse gas) emissions intensity, expressed as metric tonnes of CO_2 equivalent per unit of physical or economic output.	Reduce metric tonnes of CO_2 equivalent per employee over time by climate-adaptive measures.	Emissions intensity is 11 metric tonnes of CO_2 gross equivalent per employee (excludes Williams Landing Shopping Centre)
Scope 3	Absolute gross greenhouse gas emissions (metric tonnes of CO_2 equivalent).	Engage with industry and government to increase awareness of technical calculation of project-based development emissions based on case studies. Carbon footprint analysis will highlight existing practices which work to reduce GHG emissions and identify further scope for GHG reduction.	Completion of carbon footprint mapping of first case study at Bushmead (WA) which includes recommendations for carbon reduction. Results were released at a WA property industry event in July 2023.
Climate Change Adaptation			
Acute Physical Risk Event-driven exposures (including the increased severity of extreme weather events, flooding, and bushfires).	Acquisition due diligence investigations address climate change risk and adaptation strategies, the cost of mitigation strategies and impact on project viability.	Identify and assess climate change risk, as well as climate adaptation strategies, as part of acquisition due diligence investigations.	Key climate-related considerations were considered for acquisitions as part of the decision-making process. None were considered to have material residual physical risk associated with climate change.
	Four projects contain land impacted by 1-in-100 flood events: Bushmead (WA), The Brook at Byford (WA), Fletcher's Slip (SA), South Maclean (QLD). Climate adaptation measures include: flood modelling; increasing site and building levels; and exclusion and management of impacted land.	Manage the potential for material impact of flooding in accordance with acquisition assumptions and allowances. Material impacts include: ▪ Flood mitigation costs ▪ Net Developable Area (NDA) assumptions ▪ dwelling construction cost / project revenue ▪ market expectations ▪ reputation.	4 project sites are impacted by 1-in-100-year flooding. Adaptation and mitigation strategies are in place to address associated risk.
			72 dwellings were sold which benefited from adaptation measures to address flooding risk.
	Bushfire risk arises in projects which retain or are in proximity to urban bushland.	Mitigate the material impact of bushfire in accordance with acquisition assumptions and allowances. Material impacts include: ▪ bushfire mitigation costs ▪ NDA assumptions ▪ dwelling construction cost / project revenue ▪ market expectations ▪ reputation.	16 out of 18 (89%) of land development projects are impacted by the risk of bushfire. This risk is managed through adaptation and mitigation strategies (Bushfire Management Plans) for each affected project.
			411 residential lots were sold which benefit from adaptation and mitigation strategies which directly address bushfire risk.

FY2023 net Greenhouse Gas Emissions (t-CO_2-e)

Corporate operations	Scope 1 & 2*	Scope 3#	Total
State offices	41	856	897
Sales offices	29	183	212
Shopping centre	437	432	869
	507	**1,471**	**1,978**

** Direct emissions from refrigerants and from the generation of purchased electricity*
 # Other emissions outside scope 1 and 2 such as water use, waste generation, purchased goods and air travel.
*Emissions calculated by independent consultants from company data. Further details are in the climate report at www.cedarwoods.com.au/Our-Company/Sustainability_*

Category	Context / Metrics / Unit of measure	Target	FY23 Progress
Chronic Physical Risk Longer-term shifts in climate patterns (e.g. sustained higher temperatures, leading to sea level rise, water scarcity).	The company's exposure to sea level rise is limited to 2 projects: ▪ Fletcher's Slip (SA) ▪ Atwater (WA).	Mitigate the potential material impact of sea level rise in accordance with acquisition assumptions and allowances. Material impacts include: ▪ project costs ▪ NDA assumptions ▪ dwelling construction cost / project revenue ▪ market expectations ▪ reputation.	Adaptation strategies in place to address the risk of sea level risk. Measures include: waterfront setbacks; and raising site and building levels to sit higher than projected flood levels.
			72 dwellings sold were adapted to address sea level rise.
	Water scarcity impacts many urban areas, the result of sustained demand on water catchments and groundwater sources and prolonged depletion in rainfall and recharge. In a small number of our estates, the lack of groundwater for irrigation has forced reliance on scheme water and water use reduction strategies for landscaping.	Manage the material impact of water scarcity in accordance with acquisition assumptions and allowances. Material impacts include: ▪ project costs ▪ implementation of nil-low water use landscaping initiatives.	Waterwise landscaping was delivered at Incontro, where 41 townhouses were settled.
	Increasingly, design and construct standards are being varied to improve building performance to better respond to climate change. These changes apply industry wide and potentially result in both reduced project yield and increased project cost. The company monitors these changes nationally to assess their impact.	Monitor regulatory and policy changes relating to climate change – physical risks and quantify potential impact on project financials.	ALL – proposed higher performance standards under the National Construction Code will increase construction costs.
			WA – Proposed new Medium Density Code has potential to negatively impact / reduce lot yield.
			WA – Bushfire regulations have potential to impact existing projects by decreasing NDA and increasing housing construction costs.
			VIC – Melbourne City Council is in the process of mandating 5-Star Greenstar ratings for all developments, increasing construction cost to all future developments in the City of Melbourne.
Environment	Many strategic development sites, confirmed through government endorsed urban growth strategies and plans, contain environmental values and result in environmental impacts. The company has a track record in successfully balancing development and environmental outcomes and in the delivery of environmental excellence. When considering new project acquisitions, the company develops strategies to ensure that ecologically sustainable development outcomes can be achieved in a way that ensures environmental values and biodiversity are maintained for future generations. These strategies often require regulatory approval (providing certainty) and involve substantial investment in: decontamination; revegetation; donating land for ongoing conservation and land management; fauna habitat restoration and enhancement; groundwater and waterways protection; and offsets.	100% of projects with environmental impact to be accompanied by approved environmental management strategies.	14 current projects incorporate either Commonwealth, State, or local environmental approval requirements.
		Maintaining compliance with environmental approval terms and conditions but maintaining a track-record of over-performance.	100% compliance with environmental approvals is achieved. Many projects undertook annual compliance auditing.
		Continued investment in environmental rehabilitation and management, in accordance with environmental management strategies and environmental approvals.	Approx. 324ha of project land is designated for conservation purposes across projects, with some 260ha still owned and managed by the company.
			$1.96 M was invested in environmental enhancement works, including: ▪ Ellendale (QLD) saw continuation of revegetation works, where over 40% of the project site is reserved for open space and retained natural bushland. ▪ Bushmead (WA) saw continuation of revegetation works, including the planting of an additional 59,289 seedlings.

▲ Fletcher's Slip – levels increased to address sea level rise.

▲ Bushmead – has measures to address bushfire risk

▲ Ellendale, QLD – investment in revegetation

▲ 324ha of conservation land across portfolio

Category	Context / Metrics / Unit of measure		Target	FY23 Progress
Transition Risks				
Risks related to the transition to a low-carbon economy. **Policy and Legal**	▪ Increase in cost due to the pricing of carbon (through carbon tax or pricing schemes). ▪ Regulatory compliance costs. ▪ Risk of not achieving environmental approval.	▪ Increase in insurance premiums. ▪ Litigation risk. ▪ Greenwashing.	Continue to address the risk associated with environmental approval pathways as part of due diligence, purchase structure and decision-making processes.	Annual review of the risk identification and management framework was undertaken to monitor the potential for material impacts.
			Avoid all climate related litigation.	There was no climate related litigation.
Technology	▪ Substitution of products and services with lower emission options.	▪ Costs to transition to new technologies	Consider pathways to new technologies.	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 and community battery storage.
Market	▪ Changing tenant and purchaser demand. ▪ Increased cost of materials.	▪ Decrease in value for vulnerable or low performing assets. ▪ Linking performance and reporting to access to finance.	Maintain awareness of marketing trends.	The company tests market demand for new technologies. The company set up market testing for the proposed Community Energy Sharing Network at Eglinton (WA). In SA, market testing was undertaken for full electrification of apartments, without the provision of reticulated natural gas for cooking.
Reputational	▪ Changing customer and community attitudes relating to climate change.	▪ Impact on stakeholders, including shareholders, if disclosure and reporting requirements are not met.	Enhance climate change reporting.	Cedar Woods published its first climate report in accordance with updated reporting standards.
Climate-related Opportunities				
Redevelopment Sites	Redevelopment sites can offer significant smart growth opportunities: often benefiting from existing or upgraded infrastructure; connections with road and rail infrastructure; reduced capital and operational costs of services; lead to increased housing choice; lead to employment self- sufficiency; and have limited impact on the natural environment.		Optimise infill redevelopment opportunities, where possible.	8 Redevelopment Sites, representing 100% of FY23 built-form housing, delivered 420 dwellings / lots, adding to housing supply, diversity, and choice in established inner capital city locations.
	Redevelopment sites in proximity to high-frequency public transport provide the optimal approach to facilitating population growth, building housing, employment, and services around high-frequency public transport systems (bus corridors and rail) to promote Transit Oriented Developments (TODS).		Build high-quality mixed-use developments within TOD precincts, where possible.	The company is delivering 9 TOD projects. 396 dwellings were delivered in TOD precincts, representing 95% of all built-form delivered that year.
	Industrial land use in inner city locations has left a legacy of degraded sites situated in or close to densely populated areas, making them relevant to urban renewal. Redeveloping these sites creates an opportunity to resolve longstanding environmental, social and health problems.		Maintain a track record of rehabilitating inner city redevelopment sites.	There are 8 remediation sites in the company's portfolio including: Williams Landing (VIC), St A (VIC), Jackson Green (VIC), Glenside (SA), Fletcher's Slip (SA), Ariella (WA), Byford on the Scarp (WA), Bushmead (WA).
				Over $4 M was invested in cleaning up the Fletcher's Slip (SA) site, where former industrial uses led to the need for remediation.
	Another aspect of historic land use is the preservation of heritage buildings. Heritage projects with the conservation of buildings: Glenside (SA), Fletcher's Slip (SA), Greville (QLD). Heritage projects with heritage values: Williams Landing (VIC), Fieldstone (VIC) and Bushmead (WA).		Maintain a strategy of preservation and adaptive reuse of key heritage buildings and recognition of heritage values.	The company has 6 sites with heritage values across the portfolio, which relate to the settlement of some 120 dwellings and 90 lots in FY23. The convent building at Greville (QLD) was adapted for re-use as a childcare centre.
Resource Efficiency	The company's aims to play its part in the property sector's transition to renewable energy. It implements this by investment in research and development, solar and green power initiatives, and promotion of electrification at the exclusion of gas.		Achieve targeted reduction in fossil-fuel generated energy by promoting electrification and the increased take-up of renewable power generation across the portfolio.	Approx. $0.5 M research and development in increasing the take-up of renewable energy, including the establishment of a Community Energy Sharing Network at Eglinton, expected to result in 50 – 65% of total energy demand being supplied by renewables, through roof-top solar and community battery storage.
				Townhouses include conduits from roof to switchbox to accommodate future take-up of rooftop solar. Townhouse buyers at Glenside are offered an upgrade to include rooftop solar and private battery storage.
				Various apartment sales strategies promote electrification and exclusion of gas.
				The Sage Park sales office is off grid, featuring rooftop solar and battery storage.

Category	Context / Metrics / Unit of measure	Target	FY23 Progress
Resource Efficiency	The National Construction Code (NCC) sets out the requirements for design and construction nationally. Minimum performance is currently 5-Stars, with an average of 6-Stars. Minimum performance requirements are set to increase. The company complies with the requirements of the Nationwide House Energy Rating Scheme (NatHERS). Dwellings which meet the minimum average 6-Star rating are estimated to be within the top 15% of national housing stock, in terms of efficiency performance.	Minimum compliance with NatHERS average 6-Star rating but maintaining a track-record of over-performance.	Monarch Apartments – Ave 7.7-Star NatHERS.
			Glenside Townhouses – Ave 6-Star NatHERS.
			Fletcher's Slip Townhouses – Ave 6-Star NatHERS.
			Lincoln Apartments – Ave 6-Star NatHERS.
			Aster Apartments – Ave 6.5-Star NatHERS.
			St A – Ave 6.2 Star NatHERS.
			Incontro – Ave 7.5-Star NatHERS.
	The company has now consolidated its Ecologically Sustainable Design (ESD) and construction standards, for apartments, into a national template, to encourage consistent application across the portfolio. Various initiatives are grouped under: Management, Water Resources, Energy Efficiency, Stormwater Management, Indoor Environmental Quality, Transport, Waste and Urban Ecology.	Maintain a consistent standard of ESD performance in built form, including but not limited to energy efficiency measures such as embedded networks which include: rooftop solar; double glazing; energy efficient appliances; energy efficient lighting; and natural daylight, shading, ventilation, and breezeways.	Consistently applied across 231 apartments and 187 townhouses.
		Maintain a consistent standard of ESD performance in built form, including but not limited to water efficiency measures such as: 4-5 Star WELS rating for sanitary fixtures; drip irrigation with moisture sensor; rainwater tanks plumbed for toilet flushing and irrigation.	Consistently applied across 231 apartments and 187 townhouses.
	The company has adopted a national position in ensuring that its residential apartment projects are Electric Vehicle (EV) ready, by providing charging infrastructure in parking areas.	Ensure company apartment developments are EV ready, where possible.	Monarch Apartments, where 46 apartments are considered EV ready.
			Boston Commons (strata office) includes EV charging stations.
	Purchaser interest in ESD initiatives and building performance is increasing, particularly where it leads to environmental benefits (in the generation of renewable energy) or a reduction in living costs (lower energy and water consumption). ESD benefits are increasingly featuring in project marketing.	Ensure environmental and sustainability initiatives and benefits are communicated to customers.	Strong customer focused communications were deployed at Glenside, Fletcher's Slip and Eglinton Village.

▲ Williams Landing – TOD Precinct rail and bus interchange

▲ Glenside, SA – adaptive reuse of heritage buildings

▲ Monarch Apartments, SA – 7.7-Star NatHERS

Category	Context / Metrics / Unit of measure	Target	FY23 Progress
Capital Deployment			**FY23 Highlights**
	Amount of capital deployment (capital expenditure, financing, or investment) deployed towards climate-related risks and opportunities.	No specific targets developed; however, the company is diverting investment into climate related and environmental initiatives.	324 ha of company owned land assets were dedicated to environmental conservation, with some 260 ha of conservation land still under company ownership.
	Investment in carbon adaptation measures.		Over $1.8 M expenditure was incurred in environmental enhancement works, including revegetation.
			There was over $4 M expenditure in contaminated site clean-up.
			Approx. $0.5 M was spent in research and development to increase the take-up of renewable energy.
Internal Carbon Price			
	The price for each metric tonne of GHG emissions that the business uses to assess the costs of its emissions.	The company has elected to not adopt an internal price on carbon at this stage. Rather, attention is focused on increasing awareness of carbon impact and investigating carbon reduction strategies, as outlined under Greenhouse Gas Emissions.	N/A.
	The company has not yet adopted a carbon price to guide decision making, such as investment decisions, transfer pricing and scenario planning.		
Remuneration			
	Provide for Board oversight of the company's climate objectives and ensure there is both incentive and accountability for effective management within the company structure.	Provide metric in the company's Balanced Scorecard.	Metric in Balanced Scorecard.
		Executive team remuneration linked KPIs contain climate-related targets.	Balanced scorecard, which links to executive Short-Term Incentives, contains ESG- linked KPIs, which includes climate change initiatives.
		Key Performance Indicators (KPIs) are allocated to the management team overseeing the delivery of the Company's ESG / Climate Action Strategy.	Management KPIs cascade down through business. Broadening of management ESG responsibilities has been increased for FY24.

CLIMATE RELATED RISK ANALYSIS

Cedar Woods' relationship with the environment has always been core to our business model but addressing climate change risk and realizing emerging opportunities through mitigation and adaptation is becoming increasingly important.

The Company provides its analysis consistent with the Financial Stability Board's Taskforce on Climate-Related Financial Disclosure (TCFD) for addressing climate change-related risks and opportunities. The report is currently under review, having regard to proposed changes in disclosure and reporting standards.

Climate-Related Risk Assessment and Opportunities

Using the TCFD approach, the following provides an assessment of climate-related risk, in the context of Cedar Woods' core business and value creation model. The following observations and assumptions are noted:

- The Company notes the passing in federal parliament of the Climate Change Bill 2022 and the government's commitments to emission reductions by increasing the take-up of renewable energy. We expect the property development sector to have an important role to play in this carbon reduction strategy.
- Cedar Woods notes the recent publication of new standards by IFRS's International Sustainability Standards Board and future pronouncements are likely to change or augment current reporting in Australia.
- The property development sector is strongly regulated, with various mitigation and adaption measures already being implemented at State levels, including:
  a. Sea Level Rise and Coastal Erosion: State government coastal planning policies make provision for the latest data on sea level rise and storm surge; mapping of low-lying areas; and establishes the need for coastal process assessments to determine the need for coastal protection and defence initiatives.
  b. Changes in temperature and extreme heat events: minimum requirements for the design, construction and performance of residential buildings are set by the Australian Building Codes Board. Buildings are classified on a star-based scale under the National House Energy Rating Scheme (NatHERS). For commercial buildings, the Building Energy Disclosure Act requires commercial buildings above a certain floorspace to meet energy efficient requirements through the National Australian Built Environment Rating System (NABERS) certification scheme. Other relevant elements of building design, considering climate change, are energy efficiency and water sensitive design.
  c. Bushfire: The state governments update bushfire risk mapping and have various land use planning requirements relating to fire mitigation (exclusion zones) and adaption (use of fire-retardant materials in building construction). These policy measures are undergoing increasing scrutiny in light of recent catastrophic bushfire disasters across the country.
  d. Storms, cyclones and flooding: The Commonwealth and State governments update rainfall and runoff guidelines (looking at rainfall intensity) flood mapping and identification of cyclone zones where appropriate construction standards are required.
- The discussion on the following pages on risk relates to both climate change scenarios (>1.5°C or >2°C). It is difficult to respond to the various climate change scenarios as they relate more to a scientific assessment of climate projections and the contribution the property sector makes to those projections. The assessment below has a broad universal application.
- The need for effective mitigation and adaptation strategies through the property sector needs to be driven from the top, through policy and regulatory change, perhaps assisted by guidance and initiatives of industry bodies, rather than relying on the diverse and varying initiatives of individual companies.
- Cedar Woods' climate-related risk assessment is focused on project outcomes and more significantly relate to a combination of direct delivery impacts

(loss of native bushland) and the on-going impacts of urban development (associated travel and household emissions over the 40-year lifecycle of buildings).

- The highest levels of perceived risk in the analysis below are in the areas of: Policy risk – bushfire (transitional risk); Water scarcity (transitional risk) and Construction costs (including cost of delays) due to severe weather (acute risk).

Board and management oversight of climate related risks

The Board has overall responsibility for the risk management framework and is responsible for decisions in relation to strategies and key risks. In turn, this authority has been delegated in part to the Audit Risk and Management Committee (ARC), which assists the Board to meet its risk management and compliance obligations. The ARC considers reports addressing Cedar Woods' risk culture, its risk appetite framework, its strategic risk profile, the risk registers and emerging or notable risks, including those related to climate change.

Major business proposals brought to the Board are accompanied by comprehensive due diligence incorporating risk analysis, including, where relevant, climate-related risks. Climate-related issues are also considered when reviewing the Corporate Plan, annual budgets and business plans. ESG and climate related performance targets form part of the corporate balanced scorecard and individual performance metrics of staff.

The Executive Team has developed the ESG strategy and is responsible for its delivery. Each member of the Executive Team has specific responsibilities related to sustainability, including initiatives related to climate related risks and opportunities.

How Cedar Woods identifies, assesses and manages climate-related risk

The Executive Team is responsible for developing and facilitating the risk management framework, advising and training the business on risk management, and consolidating risk reporting to the ARC and the Board.

At each stage in the project lifecycle, significant risks (including climate-related risks) are identified by project team leaders as part of risk assessment procedures. The Executive team continuously liaises with all levels of the organisation, across projects to ensure risks are appropriately identified, assessed, treated and monitored.

Existing and emerging regulatory requirements related to climate change (e.g. bushfire regulations) are incorporated into overall risk management, risk registers and risk reporting.

Risk Assessment

	Climate Related Risk	Financial Impact	Risk	Adaptation & Mitigation
Transitional	**Policy Risk: Sea Level Rise and Coastal Erosion.** Time horizon: Medium to long-term	Increase in coastal setbacks, development levels, coastal protection measures, reduced dwelling yield.	Low	Measures addressed in State policies relating to coastal protection and land use planning. Cedar Woods has limited exposure to coastal and estuary locations. Mitigations in place at specific projects.
	Policy Risk: Changes in temperature and extreme heat events. Time horizon: Medium to long-term	High construction costs associated with more stringent performance requirements associated with NatHERS (residential) or NABERS (commercial) construction requirements. Increased landscaping / reduced development footprint. More costly built form responses.	Low	All buildings within Cedar Woods projects comply with national design, construction and performance rating requirements. In land estates, energy efficiency and water sensitive design is encouraged through design guidelines. Measures addressed in State policies relating to medium density, such as: reducing 'urban heat island' effect; focus on natural cooling / breezeways; reduction in hard surfaces; use of lighter-coloured materials; and mature landscaping / tree canopy.
	Policy Risk: Bushfire. Time horizon: Short to long-term	Increased project approval uncertainty, loss of developable area (exclusion zones) and increased cost of construction (fire mitigation / retardant materials), reduced land value.	Medium	More rigorous policy measures under continuous review. Bushfire management is becoming determinative, over-riding normal land use and planning controls. Cedar Woods monitors the implications on existing and new projects and considers exposure to native bushland at the acquisition phase.
	Policy Risk: Rainfall, Storms, Cyclones and Flooding. Time horizon: Medium to long-term	Accommodating worst-case rainfall and flooding scenarios will increase cost of stormwater and drainage infrastructure and increase loss of developable land – for retention /detention	Low	All Cedar Woods projects comply with water management strategies and plans and install appropriate water management infrastructure based on current rainfall and runoff data.
	Policy: Water Scarcity. Time horizon: Short to long-term	Increasing cost of water and cost associated with securing non-potable water sources	High	Evidence suggests non-potable groundwater for irrigation is becoming scarce. Cedar Woods has responded by using scheme water (as interim measure) and increasing reliance on low water nature-scape or no water use xeriscape landscaping techniques. In land estates, water wise landscaping is promoted. In some cases, rebates provide incentive for installation of rainwater tanks, to reduce reliance on potable water supplies. Third-pipe reticulation is used to distribute recycled water in most land estates in Victoria.
	Policy: Enhanced climate change reporting and disclosures Time horizon: Short to long-term	Increased resources to respond to requirements for increased climate change disclosures and reporting. Increased investor scrutiny and activism, and potential for limits to access to capital for failure to respond to business community	Medium	Evidence indicates increase in ethical investing, shareholder activism and proxy firms linking ESG performance to recommendations on AGM resolutions. Cedar Woods is responding by implementing an enhanced ESG strategy and increasing disclosures.

	Climate Related Risk	Financial Impact	Risk	Adaptation & Mitigation
Transitional	**Legal / Liability Risk** Time horizon: Medium to long-term	Evidence suggests that existing homes directly exposed to climate-related risk, (particularly when threatened by coastal processes and bushfire) are adversely impacted by higher insurance premiums (or inability to insure certain risks), lower property valuation and reluctance by financial institutions to provide finance	Low	New property development is subject to the latest climate change data reflected in coastal protection, bushfire and drainage and flooding management plans / requirements. Risk relates more to older established dwellings in vulnerable locations
	Technological Risk Time horizon: Medium to long-term	Out of date technology and lack of innovation. Cost of retrofitting to achieve compliance	Low	Urban and built-form design response and incorporation of climate-related impact mitigation and adaption can be constantly updated and applied throughout the life of a Cedar Woods project
	Market: Change in Consumer Preferences Time horizon: Short to long-term	Reduced market share, sales and return on investment	Low	Setting aside considerations relating to location and price, new housing in estates that are compliant with climate-related policy settings (energy efficient design, bushfire mitigation, drainage and flood management etc) respond better to shifting consumer preference than housing stock with inferior design qualities and in more vulnerable locations. Cost of retrofitting older housing stock can be cost prohibitive
	Reputational Risk. Time horizon: Short to long-term	Loss of company reputation, credentials and branding. Loss of engagement with staff	Low	Performance is enhanced through adherence to ESG strategy and transparent reporting
Acute	**Physical Risk: Bushfire.** Time horizon: Short to long-term	Loss and cost of rehabilitation, replacement, upgrade and repair Compliance with firebreak requirements	Medium	Cedar Woods considers WH&S and duty of care implications for communications plans and procedures in relation to staff, contractors and residents associated with bushfire threat to current projects in vulnerable locations
	Physical Risk: Increase in construction time and costs due to increase in severe weather Time horizon: Short to long-term	Extra cost and time to construct physical assets.	Medium	Cedar Woods provides additional time to construction budgets, feasibilities and timetables to allow for severe weather
	Physical Risk: Rainfall, Storms, Cyclones and Flooding. Direct loss or damage to property assets. Time horizon: Short to long-term	Loss and cost of rehabilitation, replacement, upgrade and repair	Low	All Cedar Woods' projects comply with stormwater drainage and flooding infrastructure and flooding requirements
Chronic	**Physical Risk: Sea Level Rise and Coastal Erosion.** Time horizon: Medium to long term	Cost of protective measures, upgrade and repair	Low	Cedar Woods has limited exposure to vulnerable coastal locations