

ESG CHARTER

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE

2022

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01 Introduction

We live in a changing world and with change comes challenge. By placing ESG principles at the core of our company operations; we model a commercial moral fibre that considers the environmental, social, and economic outcomes of our actions.

Chatham Homes

We are one of Victoria's leading boutique home builders and place a heavy premium on human health and well-being while reducing environmental degradation. We are in a unique position to play an active role in driving industry change towards global sustainability goals. By breaking through the prevailing assumption that profitable growth rides on the back of environmental and social degradation, we believe the two can thrive together and be mutually reinforcing.

Our ESG Strategy and Commitments



To the environment

We reduce environmental degradation by working with our teams, partners, and clients to enhance natural resource conservation and energy efficiency of our operations and the homes we build.



To our social responsibilities

We support the health and well-being, safety, equality and inclusion of our people, clients and partners in relation to their environment by acting on areas of mutual value alignment.



To strong governance practices

We uphold rigour in our board governance and operational processes to make effective decisions that comply with the law, requirements of our stakeholders and deliver on commitments to our environmental and social objectives.

02 The Business Case for Action

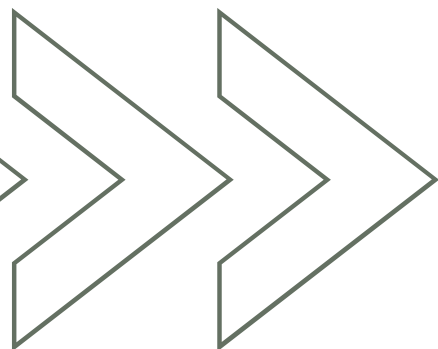
For most Australians, buying a home is one of the most impactful decisions that can be made in a lifetime.

It is our responsibility to:
Guide Market Awareness
Support Innovators
Drive Industry Change

The Australian residential construction industry represents fertile ground for the urgent transition to sustainable construction methodology. We outline three key themes that are industry specific and pave the way towards achieving global sustainability goals. The three themes we have identified as bearing the greatest capacity for positive impact and material risk are:

1. Climate conservation and resilience
2. Health and well-being
3. Quality of life

Through collaborative thought and action, we build homes with a reduced carbon, waste and energy footprint that are conducive to a healthier lifestyle. Using materials and technologies that are safe and supported by research to lower the cost of living whilst adding value to local communities, natural ecosystems and closed loop economies.



03 Priority SDGs

There are 17 SDGs and 169 targets in total.

The business case behind aligning our approach with the United Nations Sustainable Development Goals (SDGs) as part of implementing the 2030 agenda, is decisive and purposeful. We have assessed the areas that our industry has the greatest material impact and opportunity for significant progress. As such, we have identified the five below SDGs as our priority goals.



GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.



AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.

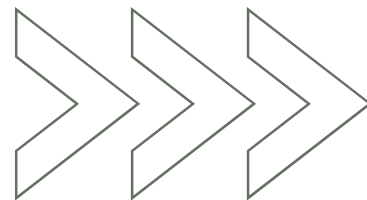


CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

04 Environment

Resilience and Conservation

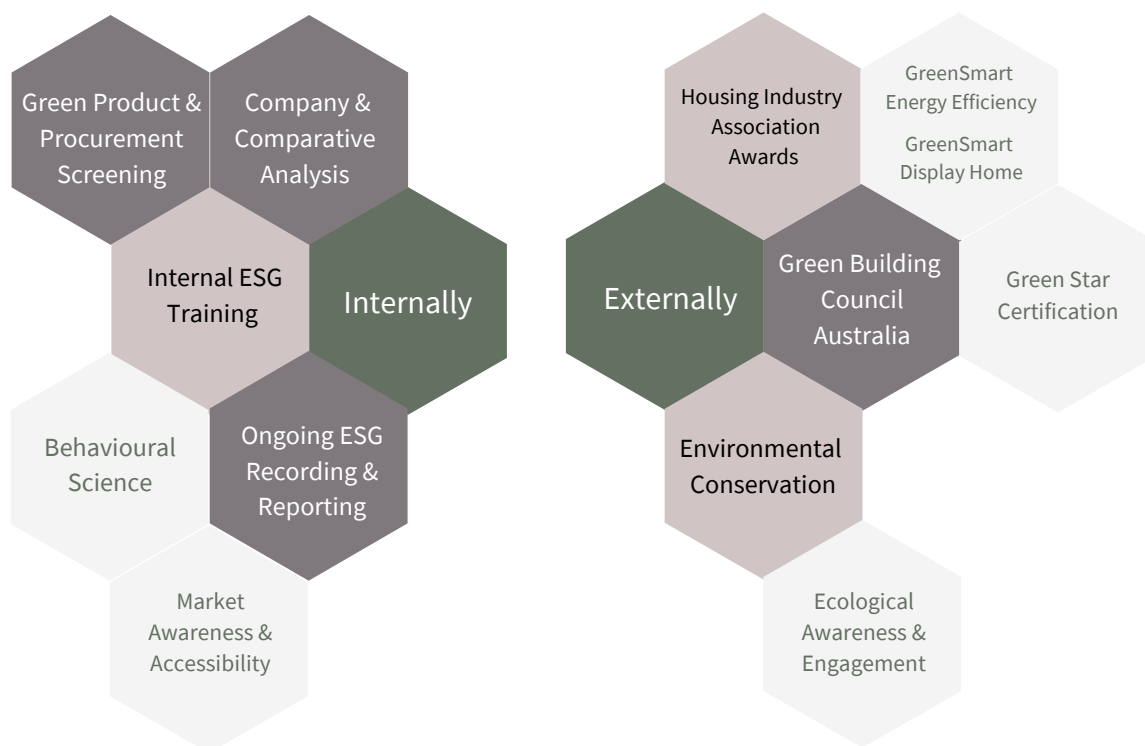


We understand environmental resilience and conservation by measuring the adaptive capacity a home must have to absorb stresses and maintain function in the face of external pressures imposed upon it by climate. We protect the environment through preserving natural resources and ensuring our ecosystems are safe from further damage.

By applying the principles of thermodynamics and considering climatic patterns, capturing data and seeking out commercial value alignment; we begin to grasp the pressures Australian's and their homes will face in the future. This awareness allows us to educate the market and incorporate mitigation measures into our methods as a sustainable solution that's compatible with modern living.

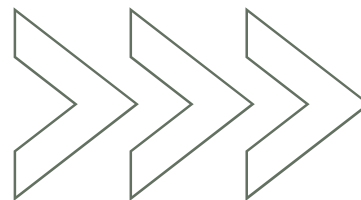
Environmental Research and Development supports ethical and educated supply chain management. It is designed to uphold our ecological responsibilities and exceed green industry compliance requirements. As we continue to evolve, we do so in partnership with our stakeholders, governing bodies and broader community. This provides us with invaluable insights and continues to shape and inform our ongoing approach to achieving long-term value creation for both our natural and built environments.

Paving the way forward by building environmental strategy into our operations:



05 Social

Health, Well-being and Quality of Life



We understand well-being is a complex combination of physical, mental, emotional and social factors that span beyond the absence of disease or illness.

Closely associated to the rapid growth we've all become accustomed to, is environmental degradation, which presents harmful implications on human health and compromises our quality of life. To coincide with this, we recognise that health represents a key measure of a population's overall wellbeing and economic development.

By measuring various components of energy efficiency and the associated quality of life implications, we can incorporate targets on an operational level with the view of continuous improvement. Concurrently, it provides us with further insight as we seek out and support commercial partnerships that stand to protect the health and well-being of Australians through innovative solutions.

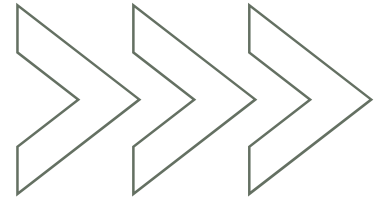
Through this lens, we're able to quantify the current Australian standard of living and set goals to significantly improve it. By converting data into digestible information, we speak directly to the Australian residential market by providing education around the health, financial and environmental impacts of their decisions.

Example comparison metrics

Key Indicator	Standard	Chatham	Measure
NatHERS Energy Rating (Nationwide House Energy Rating Scheme)	5	8.2	39% More Thermally Efficient
Annual Greenhouse Gas (GHG) emissions	4.87 t	3.6 t	26% Less GHG Emissions
Air-tightness (Air changes per hour @50 pascals)	15.4	4.45	3.4x More Air-tight
Annual energy consumption	7,300 kWh	3,318.40 kWh	55% Less Energy Used
Annual electricity bill	\$1,852.30	\$1,102.16	\$750 Annual Savings

Figures above are calculated based on Ballarat display home energy consumption and CSIRO data analysis.

06 Governance



Achievement and Accountability

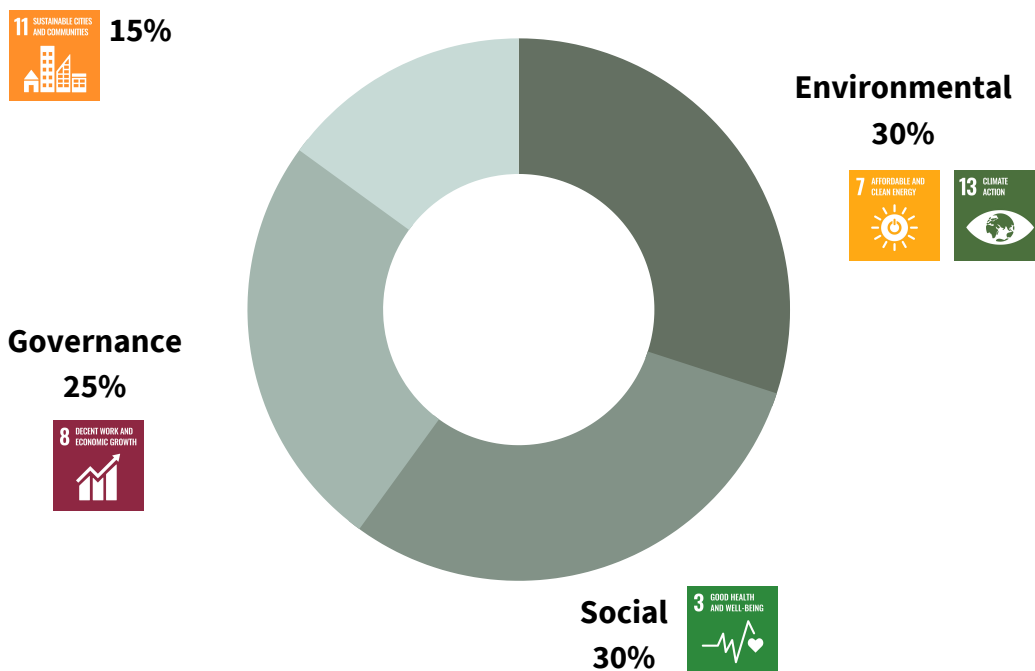
Engaging in a strategy led action plan that spans beyond good intentions, involves stringency measures that hold us accountable in achieving broader sustainability goals.

Incorporating ESG measures into this regime, presents the opportunity to review the broader environmental, social and economic impacts of our commercial actions. Chatham's Board of Directors review the operational and financial progress of company goals on a monthly basis.

Integrating our SDGs at a board level ensures every effort made across all areas of Chatham's operations will be continuously reviewed under the guides of commercial evolution, cultural permeation, technological innovation and strong moral standing. Allowing us to improve stringency around our implementation strategies, material output and associated marketing campaigns to improve our transparency and ultimately our impact as a result.

Making weighted decisions in our daily operations and procurement processes in line with our priority SDGs:

Green Procurement Guidelines



07 ESG Strategic Direction

Where do we go from here?

Achieving our ESG targets and broader Sustainable Development Goals requires a three-phased integration plan. By itemising the three operative bodies of Chatham Homes and attributing unique strategic direction to each; we can account for specific considerations that will determine the overall success of ESG implementation and its role in the optimisation of our homes.



01 ESG Charter

Board of Directors

Chatham's board of directors agree to place ESG strategy at the core of company operations. This solidifies the long-term direction, desirable outcomes, level of engagement and chronology of strategic ESG integration.



02 ESG Framework

Senior Management

Chatham's Senior Management Team agrees upon the cultural, commercial and operational approach to integrating ESG strategy into core teams and decision making processes. This builds sustainable infrastructure across all operations.

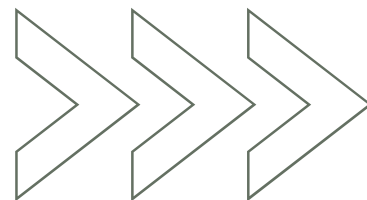


03 ESG Performance

Chatham Teams

Chatham's core teams are introduced to and agree upon what ESG integration represents from a build-ability and day to day perspective. This instills ESG education into daily processes, elevates culture and provides valuable data for continuous improvement.

08 Future Impact



We live in a changing world and with change comes adaptation. If we want to achieve our ESG and SDG targets by 2030, then we must welcome new thoughts and actions into our personal and commercial practice.



INTEGRATE

Make ESG a shared reality for the whole team, day-to-day and across our commercial undertakings, in line with environmental, social and governance best practice.



EDUCATE

Honour our responsibility to educate ourselves and the Australian market through transparency.



ACTION

Build homes that are designed to nourish human health and nurture the environment. Do so with conviction, calculation and continuous improvement.

Driving industry change and reinventing the Australian home is no easy feat and this Charter is the first step in representing our dedication to doing exactly that.



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