

LOCAL:



ESG Report

2025 – 2026

Designed for on-screen viewing: We're doing our best to operate sustainably and we'd love it if you held back from printing this document and viewed it on your screen instead.



Acknowledgement of Country

In the spirit of reconciliation, Local acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea, sky and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Table of Contents:





01

Year in Review

We're thrilled to share Local's ESG report for 2025, a year defined by growth and refinement of our operational execution.



Over the past year, Local has continued to build momentum as we grow our portfolio and strengthen our commitment to delivering sustainable, community-focused housing. Each milestone reinforces our belief that thoughtfully designed homes and inclusive communities can have a meaningful and lasting impact.

A highlight of the year was seeing the continued success of **Local: Kensington**, where a thriving resident community has emerged since opening. Through thoughtful design, shared spaces and active resident engagement, Kensington has become a place where people feel connected and supported. We are also proud that the **social and affordable homes at Kensington are now fully leased**, delivered in partnership with **Women's Property Initiative**, ensuring these homes are providing stable housing outcomes for residents who need them most. We also welcomed a new partnership with Enliven Housing, who will support residents within our Specialist Disability Accommodation (SDA) dwellings, further strengthening our ability to deliver inclusive and accessible housing.

Our development pipeline also progressed significantly during the year. **Local: Box Hill** reached completion towards the end of 2025 and welcomed its first residents in **January 2026**. The project is our first asset to be rated under the Green Building Council of Australia's Green Star Buildings V.1.1 tool, reflecting our ongoing commitment to delivering high-quality, environmentally responsible homes. Construction at **Local: South Melbourne** is progressing well, with the building on track to welcome residents in **mid-2026**.

Another exciting milestone was the takeover of management of the **Smith Collective** in late 2025. With over **1,200 apartments and an already vibrant community**, this asset represents a significant step in the evolution of our portfolio. Our focus will be on applying Local’s ESG framework to an existing community, working to improve its **energy performance, sustainability outcomes and liveability** while supporting and strengthening the established community.

Sustainability remains central to our strategy. During the year we were once again **certified as a Climate Active Carbon Neutral Organisation**, reinforcing our commitment to measuring, reducing and offsetting our corporate emissions. Across our projects and operations, we continue to embed our environmental targets into the way we design, build and manage our assets.

Equally important is the culture we’re building within our organisation as we scale. We are proud to have been **re-certified as a Great Place to Work for the fourth consecutive year**, reflecting the passion and dedication of our team. Achieving our ambitious goals requires talented people who share our values, and we remain committed to fostering a workplace where our team can grow, collaborate and thrive – ensuring that people are better for being here.

As our portfolio expands, so too does our opportunity to make a positive impact. From delivering new sustainable buildings to improving the performance of existing assets that come into our fold, we remain focused on creating places where people feel welcome, supported and connected.

Our vision remains unchanged: to demonstrate that sustainability, strong communities and long-term value can go hand in hand. We look forward to continuing to measure, strengthen and report on our ESG progress in the years ahead.

ESG Report 2025–2026 was approved by the Local Residential Board of Directors on 12 June 2026.



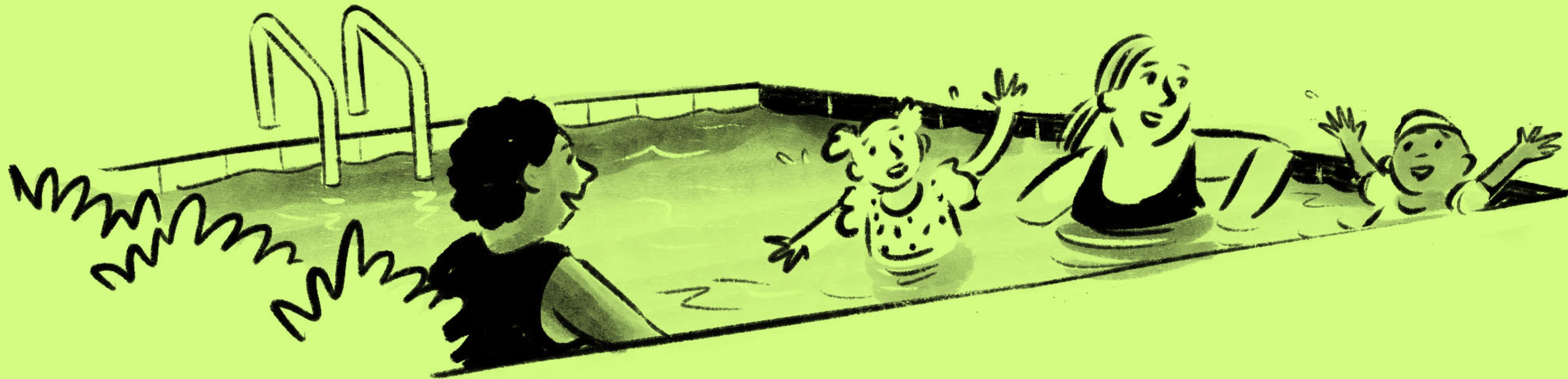
MATTHEW BERG

Co CEO



DAN MCLENNAN

Co CEO



02

Our Stakeholders

We recognise that our actions have a lasting impact on a diverse range of stakeholders. To establish enduring, sustainable value we're focused on delivering a positive experience for everyone involved in our projects and operations.



Existing Neighbourhoods

Investors

Consultants

Development & Construction Partners

Suppliers

Business, Community & Retail Partners

Employees

Local



03

Our Approach

The United Nations Sustainable Development Goals (UNSDGs) are a collection of 17 independent yet interconnected global goals carefully designed to create a better future for all of us.



The goals were formulated and adopted by all member states, including Australia, in 2015 to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.

The UNSDGs provide businesses with a roadmap to leverage their influence by directing efforts towards specific objectives to focus and measure their alignment and contribution to global social and environmental goals. We have identified six of the UNSDGs that are core to our mission which we'll seek to align with throughout the implementation of the actions contained in this report.

To best deliver on these, we've continued to follow the key focus areas to drive the implementation of our initiatives through to December 2026:

Sustainable Buildings

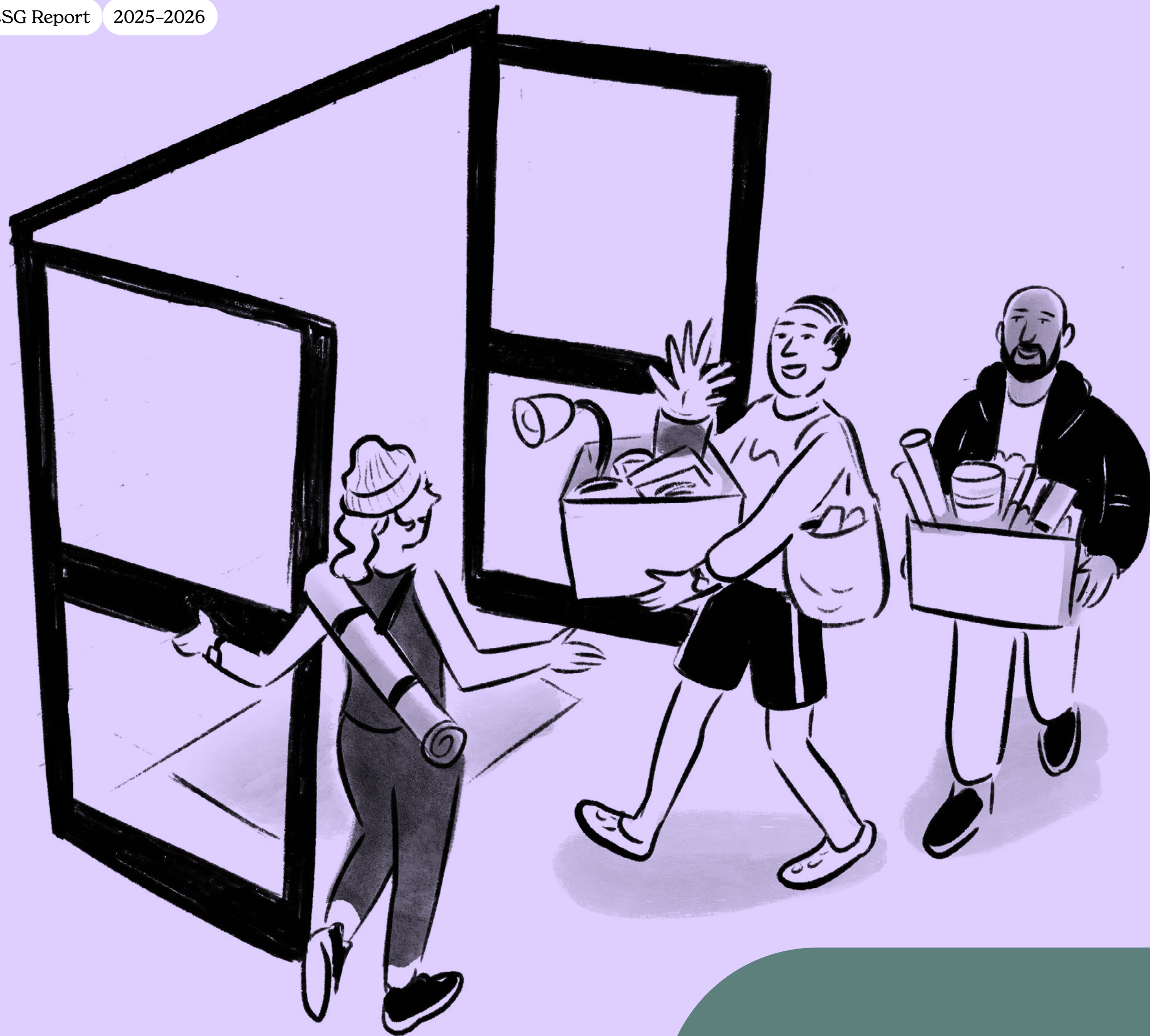
Safety & Fairness

Homes for All

Culture & Capability

Thriving Communities

Strong Governance



04

Actions

Outcomes & Targets

Sustainable Buildings



Action

Status

KEY TARGETS

5 Star Green Star

All new Local initiated development projects will target achievement of a 5 Star Green Star rating under the rating tool applicable to the asset. Founded by Green Building Council of Australia in 2003, Green Star is an internationally recognised rating system setting the standard for healthy, resilient, positive buildings and places.

7.5 Star NatHERS

Local will seek to maintain a portfolio-weighted average NatHERS rating of at least 7.5 stars under the Nationwide Housing Energy Rating Scheme (NatHERS) for assets Local has developed (or is developing). NatHERS provides dwellings with a star rating out of ten based on energy efficiency. Operation of the NatHERS is administered by the Commonwealth Government on behalf of all Australian State and Territory governments.

4.5 Star NABERS Energy

All new Local initiated development projects will target achievement of a minimum 4.5 Star NABERS Energy rating. NABERS is the National Australian Built Environment Rating System, an initiative by the Australian government to measure and compare the environmental performance of Australian buildings and tenancies.

Existing Assets and Third Party Developments

For existing assets and projects developed by third parties which Local acquires or otherwise manages, Local will work with the relevant owner(s) and investor(s) to explore commercially viable options to increase the sustainability performance of the relevant asset.

7.5 Stars

Current Portfolio Average NatHERS Rating

4.5 Stars

Current Portfolio Average NABERS Rating (modelled)

Kensington outcomes (Local initiated development)

- 6 Star Green Star Design Review Rating (Design and As Built v1.3 Tool)
- 7.8 Star avg NatHERS Rating

Box Hill outcomes (Third party development)

- 4 star Green Star Rating (Buildings v1 Tool)
- 7.2 Star avg NatHERS Rating
- 4.5 Star NABERS (modelled outcome – to be measured once property reaches 75% occupancy)

South Melbourne outcomes (Third party development)

- 7.6 Star avg NatHERS Rating
- 4.5 Star NABERS (modelled outcome – to be measured once property reaches 75% occupancy)

Sustainable Buildings



What's Next?

KEY TARGETS

Kensington outcomes (Local initiated development)

- NABERS Energy certification and Climate Active Carbon Neutral certification to be pursued in 2027 following achievement of occupancy threshold.

Box Hill outcomes (Third party development)

- Green Star As-Built self-certification to be pursued in 2026.
- NABERS Energy certification and Climate Active Carbon Neutral certification to be pursued in 2027 following achievement of occupancy threshold.

South Melbourne outcomes (Third party development)

- NABERS Energy certification and Climate Active Carbon Neutral certification to be pursued in 2028 following achievement of Practical Completion (due Q3 2026) and occupancy threshold.

We remain focused on actively monitoring and improving the environmental performance of our portfolio. This includes continued reporting to GRESB and strengthening processes to monitor and reduce operational energy, water and waste consumption across our buildings.

Our portfolio continues to demonstrate strong sustainability outcomes, with a Portfolio Average NatHERS Rating of 7.5 Stars and a Portfolio Average NABERS Rating of 4.5 Stars (modelled until certification is possible). We remain committed to maintaining and improving these metrics as part of our broader ESG strategy.

Over the coming year, we will further embed the promotion of building sustainability credentials within leasing and resident onboarding processes, helping residents understand the environmental features of their buildings and supporting operational performance outcomes.

We will also continue to invest in ongoing education for Operations and Facilities Management teams, ensuring alignment with Green Star, NET ZERO and sustainability best practice requirements and supporting consistent performance across the asset lifecycle.

To support high construction standards, we will explore enhanced accountability measures including airtightness targets above National Construction Code and Green Star requirements, expanded façade testing and clearer airtightness verification standards.

Through these initiatives, we aim to further strengthen portfolio performance and long-term environmental outcomes.



Sustainable Buildings



Action

NET ZERO

As a certified Climate Active organisation, we recognise that there is no Planet B, and as such we are fully committed to being an active participant in the global movement to reduce emissions, starting with being **NET ZERO in our business operations from day one and NET ZERO in our new building operations from practical completion**. This means we'll keep our carbon footprint in check and make sure our business and building operations have minimal impact on the environment. Our identified pathway to 40% reduction in embodied carbon by 2030.

We are committed to reducing embodied carbon by 40% by 2030 and aspire to achieve NET ZERO across the board by 2050.

All completed new projects will target the Climate Active Carbon Neutral Base Building Certification through the Australian Government certification scheme, measured once 12 months of performance data is available. Climate Active is the only third party verified carbon neutral scheme in Australia and is a reputable and recognised scheme. This means we'll keep our carbon footprint in check and make sure our business and building operations have minimal impact on the environment, with an identified pathway to 40% reduction in embodied carbon by 2030.

Even so, we aim to continually improve how efficient our buildings are to reduce energy and carbon consumption across our future portfolio.

We'll also empower our tenants to embrace a zero emissions lifestyle. By providing fully electric living where possible in our new projects, **GreenPower**, promoting **waste reduction** practices and conscientiously utilising resources only when necessary, while prioritising their **conservation** we aim to educate and promote sustainability to our residents, reduce barriers to their participation through building design, and encourage buy-in.

While we have the greatest ability to influence environmental outcomes in new developments which Local conceives and delivers, we recognise that meaningful climate action extends beyond clean-slate projects. We are equally committed to improving the performance of established assets, and assets conceived by others, including existing assets, enhancing energy efficiency and reducing emissions to drive measurable environmental progress across the broader built environment.

2025 Result

- Corporate operations Climate Active Carbon Neutral recertified.
- NET ZERO Business plan board approved and in execution phase with key targets:
 - NET ZERO in business operations from day one.
 - NET ZERO in building operations from practical completion.
 - 40% reduction in embodied carbon by 2030.
 - NET ZERO across the board by 2050.
 - Pathway to 40% reduction in embodied carbon by 2030 developed.
- Embedded network providers supplied GreenPower or equivalent renewable electricity products across all projects.
- All projects incorporated embodied carbon reduction as a key design consideration, supported by a contractual Project Performance Requirement (PPR) targeting a minimum 15% reduction.



Climate Active Carbon Neutral Certification is a voluntary certification program that helps organisations **measure, reduce** and **offset** their greenhouse gas emissions. The program is administered by Climate Active, an independent organisation that is recognised with the **Australian Government**.

Sustainable Buildings



What's Next?

NET ZERO

Corporate

- Seek recertification as a Climate Active organisation in CY2025 to maintain accountability and track ongoing progress, promoting the creation of good habits and behaviours regarding our office carbon footprint.
- Conduct a review of our NET ZERO Business Plan, developed in CY2023, to assess progress and establish updated and ambitious targets, three years after the plan's initial release.
- Review upfront carbon target and suggested initiatives in the Local: Upfront Carbon Roadmap.
- Ensure design and construction teams are challenged and have good access to technical expertise to allow implementation of initiatives from the roadmap, particularly in relation to key materials such as concrete.
- Review corporate approach and policies related to air travel and office operations.
- Complete annual GRESB benchmarking report, aiming for improvement on previously achieved outcomes.
- Share current performance against pathway within the organisation.

Development

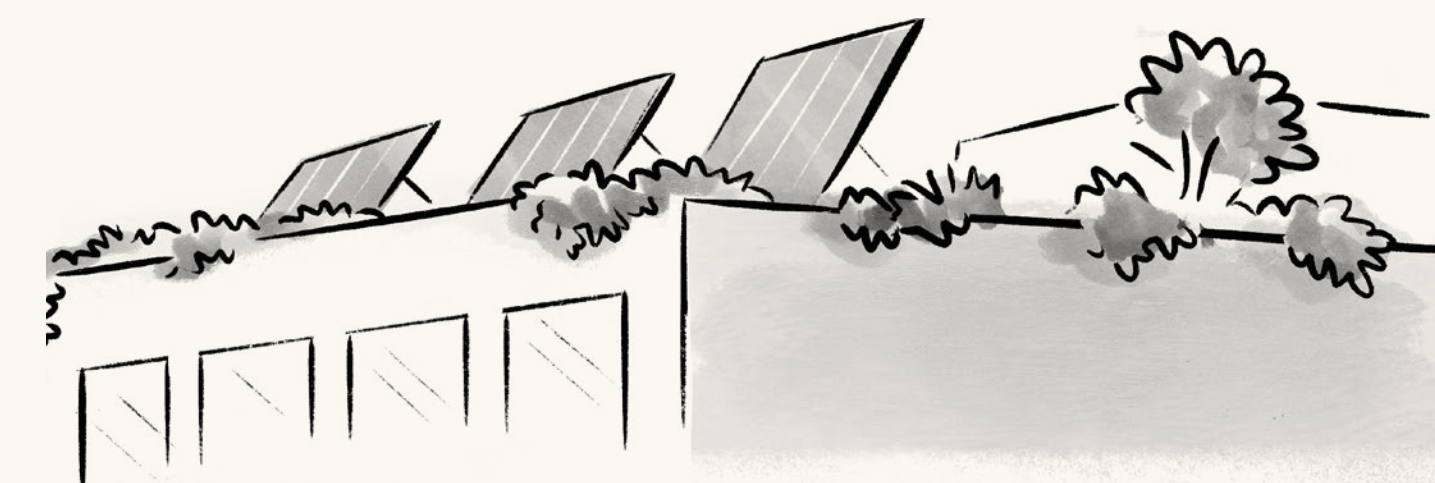
- The NET ZERO Business Plan 2023 update identified the importance of reducing embodied carbon in our future projects. The focus will be on how to identify opportunities to minimise embodied carbon – working with our peers and project teams to investigate supply chains, market growth to promote positive outcomes.
- Local will aim to set our embodied carbon reduction requirement to a minimum of 10% for all new projects.

Operations

- Promoting our investment in providing renewable power to our sites and creating a simple process for residents to sign up with reduced barriers to participation.
- Align greenhouse gas emissions reduction target with SBTi.
- Continue to investigate viability and effectiveness of battery storage investment based on size of solar and site-specific project requirements.

Long term

- Monitor the emerging markets & supply chains.
- Investigate new market growth potential for low carbon concrete and façade technologies.



Sustainable Buildings



Action

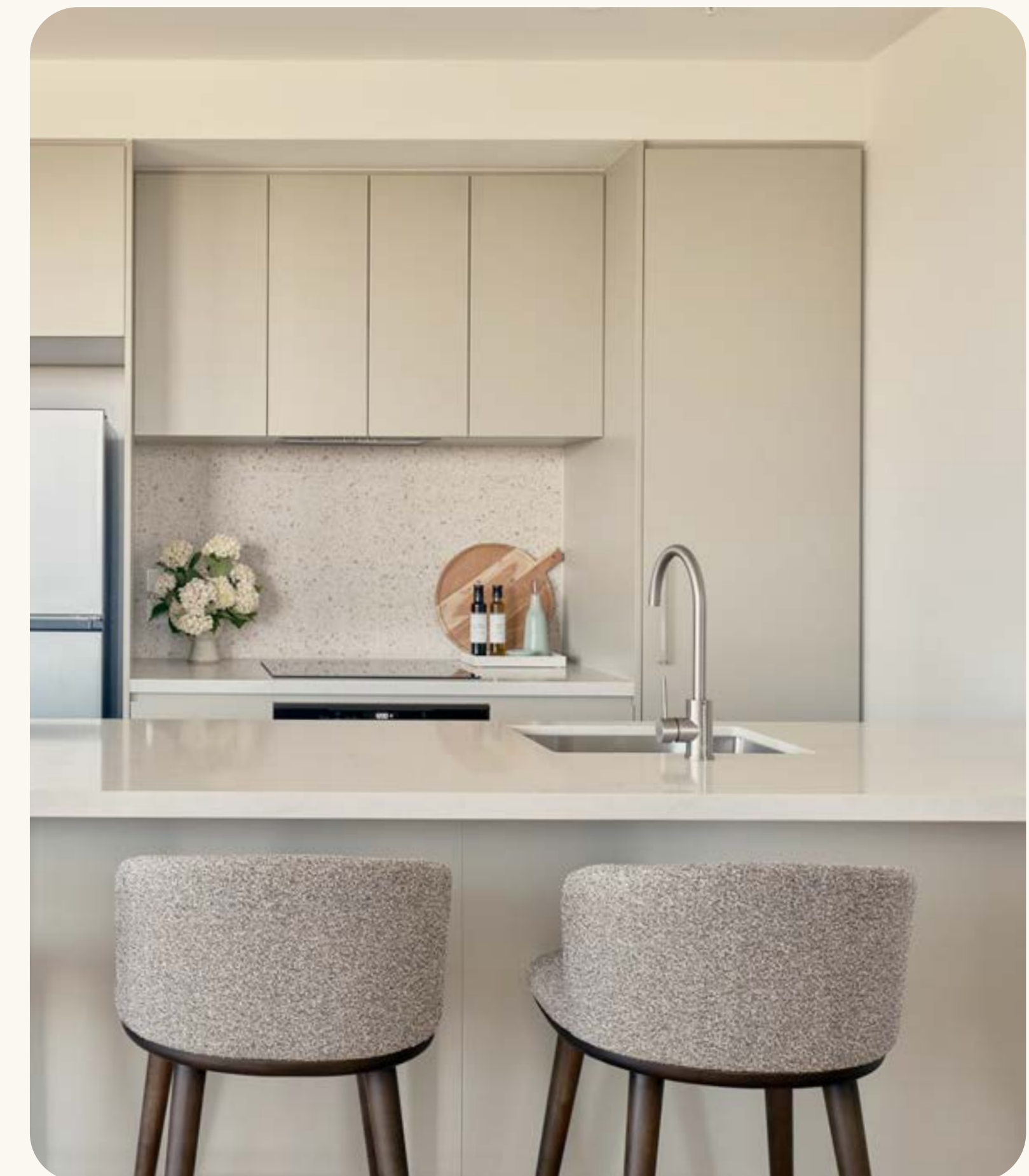
SUSTAINABLE DESIGN, MATERIALS & PROCESSES

When it comes to designing sustainable buildings that can stand the test of climate change, **sustainability is our guiding light**. We consider the climate in every step of our building design and site selection process, factoring in everything from the site's accessibility to public transport to ensure **reduced reliance on cars, to future proofing each building against existing and emerging climate risks**.

To bring sustainability to life, we integrate a range of features into our new designs, including **rooftop solar panels** that power our common areas, harnessing the sun's energy to keep our operations green. We also implement embedded networks that run on **100% GreenPower**, ensuring our energy sources are clean and renewable.

We're also fully committed to the **ethical and sustainable** procurement of all materials in our supply chains. We roll up our sleeves with our project partners to make sure we're considering **materials selection** throughout the whole procurement process.

Our materials selection process is centred on the use of materials that are natural, and recyclable, or made of recycled content, all the while carefully considering the **lifecycle** and **durability** of each material. And, whenever possible, our preference is to partner with **local suppliers**. This not only aids in reducing emissions but also enhances the **wellbeing** of our **local communities**.



Sustainable Buildings



2025 Result

SUSTAINABLE DESIGN, MATERIALS & PROCESSES

All new Local operated buildings are committed to utilising energy from 100% GreenPower through embedded energy networks and solar PV array.

- Kensington Solar: 200kW
- South Melbourne Solar: 53kW
- Box Hill Solar: 76kW
- Docklands: 60kW.

Separately Local assumed management of the Smith Collective in 2025 which has a 850kW solar PV array.

Responsible material selection remained a key consideration across our projects, recognising that each development requires a tailored approach. We continue to strengthen our commitment to ethical and sustainable procurement by embedding our Human Rights and Sustainable Procurement policies within project processes, including incorporating modern slavery requirements into contractor procurement agreements.

Material selection processes continually evolve with market and supply chain growth and regulatory change. We are proactively designing to reduce materials wherever possible – as an example, we have replaced slab-edge façades details in projects with exposed slabs to minimise material consumption, while maintaining design quality.

A native and drought-resistant landscaping approach was implemented in 2025 in line with Green Star requirements, supported by soil technology irrigation systems to optimise water efficiency.



Sustainable Buildings



What's Next?

SUSTAINABLE DESIGN, MATERIALS & PROCESSES

Development

- Consider how to future proof our buildings by establishing a Climate Resilience framework for all projects, and a process to assess new sites and projects against Climate Change Risk criteria.
- Integrate the Green Factor tool into Project Performance Requirements (PPR) to guide and assess landscape and biodiversity outcomes across projects.
- Develop and implement a Material Selection Checklist to be reviewed at key project gateways.
- Formalise an Internal Liveability Framework (ILF) to guide consideration of resident wellbeing and liveability across projects.

- Establish a Comprehensive Safety by Design process to embed safety considerations throughout project design stages.
- Ensure our project teams continue to comply with our Human Rights policies for ethical and sustainable sourcing.
- Develop art strategy for all new assets to commission entire project artwork requirements through artists from underrepresented groups.
- Ensure 2% of total labour component in construction works is procured from Social Benefit Suppliers, including Indigenous owned businesses.

Operations

- Create a BMS/EMS & Metering Strategy & Procedure for best practice methods to best monitor, track and minimise energy water and waste consumption for all sites.
- Ensure BMS/EMS cost v benefit analysis completed for all projects.
- Monitor the performance of materials selections for durability, ease of cleaning and replacement to ensure our selections are fit for purpose.
- Ensure at least one space on ground floor in all new projects is activated in partnership with an Indigenous owned business or individual.

Corporate

- Assess the environmental and social impacts associated with the potential relocation to CBD premises, including any possible mitigation of any impacts arising from the office fit-out.

Sustainable Buildings



Action

WASTE + WATER MANAGEMENT

We adopt a proactive approach to **collaborate** with our suppliers and engage stakeholders in actively **reducing waste generation, minimising landfill creation**, and ensuring **responsible waste disposal** throughout both the construction and operational phases of our buildings.

In line with our commitment to sustainability, we are currently in the process of implementing a range of measures aimed at **reducing waste** generation while maximising our efforts in **recycling** and **composting**. Our ultimate goal is to contribute to the establishment of a **circular economy** and do our part in reducing the **environmental impact** associated with waste management.

We're focused on minimising water usage and supporting water conservation efforts through indoor and outdoor water efficiency, **drought resistant gardens** and implementing **rainwater capture systems**. These initiatives not only reduce our reliance on water resources but also contribute to the overall **sustainability** and **resilience** of our buildings.

2025 Result

Development

- Demolition and construction site waste reduction implemented in new assets for contractors recovering, reusing and recycling building materials.

Operations

- Implementation of waste reduction strategy commenced, including clear wayfinding for bin chutes and rooms, resident education on participation, and communal bins provided to encourage correct use in mixed recycling collection.
- Onsite collection for organics established in our operational Kensington asset, compost bins are provided in each apartment to reduce general hard waste, and battery bins are supplied for resident use.
- Charity donation bins provided to residents in communal area to encourage recycling of used goods.
- Monthly newsletters circulated to increase education and encourage behavioural change in waste and water usage minimisation.

Corporate

- Printing at head office was significantly reduced through staff education and awareness initiatives.
- Composting and recycling facilities were implemented in the staff kitchen to support improved waste management.
- Staff engagement initiatives were delivered to encourage reduction of single-use plastics.



Sustainable Buildings



What's Next?

WASTE + WATER MANAGEMENT

Corporate

- Continue to monitor and measure our office waste and create reduction strategies including education of staff, and reduced barriers to participation.
- Assess move to CBD office for waste & water impact, and implement mitigation and reduction strategies.

Operations

- Our Operations team are best placed to monitor and manage waste streams. We aim to engage residents on our journey to reduce waste through education programmes and incentives. As our Kensington project becomes fully occupied and Box Hill become operational, the team will:
 - Conduct review and of asset app information to support resident awareness of waste, recycling and energy and water conservation practices.
 - Ensure all signage is clearly visible and up to date.
 - Monitor waste stream usage and implement reduction strategies – General Waste, Co-mingled recycling, cardboard bins, e-waste bins, Salto battery bin, hard waste collections and Dirt packaging.
 - Develop waste program for Local residents to educate and promote good habits and behaviour on how to correctly dispose of waste, reduce the amount of waste created and reduce water usage.
 - Develop strategy for diverting reusable vegetation, rocks and soil from disposal.

- Define stretch targets for waste stream recovery, reuse and recycling.
- Develop strategy for further utilisation of organics through onsite organic collection.
- Regularly remind residents of different waste streams in the facility, provide amenity locator maps and monitor occupant donations.
- Investigate separate glass collection with a view to implement by 2027 in line with Council regulations.
- Investigate other waste collections streams such as soft plastics.
- Donations for reuse – encourage residents to donate unwanted but useful items for reuse, prior to entering other waste streams.

Development

- Resolve green waste strategy to future proof our projects.
- Define demolition and construction site waste reduction targets and incentives.



Homes for All



Action

IMPACT HOUSING

Every Local project will incorporate a component of impact housing, reflecting Local’s commitment to improving housing impact and promoting inclusive communities. This will provide dedicated homes on a tailored project approach to households ranging from very low to moderate income earners who have reduced access to appropriate housing options.

The Local commitment is to allocate at least 10% of the housing within a project to impact housing.

Our impact housing will focus on providing homes for residents from the following three groups:

1. Social Housing

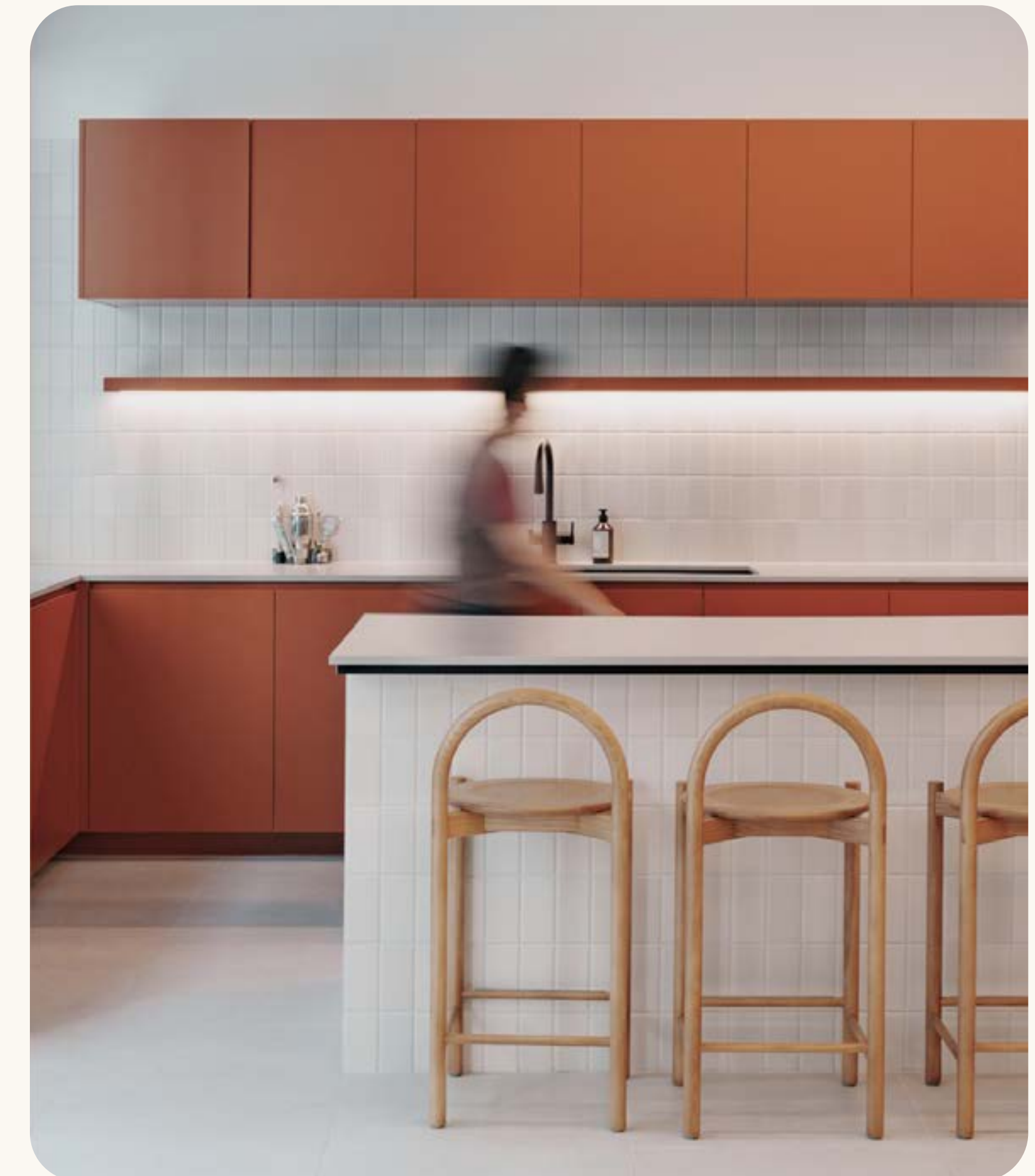
- Providing homes for women over the age of 55 who are homeless or at risk of homelessness.
- Tenancies to be managed by Women’s Property Initiative, a registered community housing provider with expertise in providing housing and tenancy support.

2. Key Worker Affordable Housing

- Providing housing for key workers on low to moderate incomes who are serving the local community.
- Residents will be sourced by Local in conjunction with Storey Residential.

3. Specialist Disability Accommodation (SDA)

- Providing high quality housing for younger people in or at risk of entering residential aged care facilities.
- NDIS participants with SDA funding to be sourced by SDA provider Enliven Housing.



Homes for All



2025 Result

IMPACT HOUSING

- \$82M capital committed to impact housing.
- Partnership with **Women’s Property Initiative (WPI)** for **Kensington, Box Hill, and South Melbourne**.
- Partnership with Storey Residential for South Melbourne and Box Hill.
- Partnership with Enliven Housing for Kensington and Box Hill.

Kensington

- **Social:** 11 apartments
- **SDA:** 9 apartments (16 residents plus 1 onsite overnight support dwelling)
- **Affordable:** 22 apartments
- **Total:** 42 apartments

All social and affordable dwellings have been leased with leasing of the SDA dwellings underway.

Between 2025 and 2030, we forecast an average annual voluntary contribution of \$447,483 toward impact housing initiatives, exceeding statutory planning permit requirements.

South Melbourne

- **Affordable:** 39 apartments
- **Total:** 39 apartments

Forecast average annual voluntary contribution over planning permit obligations of \$472,532 from 2026 to 2030.

Box Hill

- **Social:** 8 apartments
- **SDA:** 9 apartments (for 16 tenants plus 1 carer)
- **Affordable:** 33 apartments
- **Total:** 50 apartments

Forecast average annual voluntary contribution over planning permit obligations of \$801,967 from 2026 to 2030.

What’s Next?

Kensington

- Complete first round of Storey lease renewals and eligibility reviews on anniversary of affordable leases.
- Complete lease-up of SDA dwellings in conjunction with Enliven Housing.

Box Hill

- Complete lease-up of SDA dwellings in conjunction with Enliven Housing.
- Complete lease-up of social and affordable dwellings in conjunction with Women’s Property Initiative and Storey Residential.

South Melbourne

- Complete lease up of affordable housing offering in conjunction with Women’s Property Initiative and Storey Residential.

Smith Collective

- Explore potential to incorporate impact housing offering in established asset.

Homes for All



What's Next?

IMPACT HOUSING

Local remains committed to contributing to the supply of high-quality affordable and accessible housing in Australia. In addition to our ongoing partnership with Women's Property Initiative to provide social housing, and our new partnership with Enliven Housing to support Specialist Disability Accommodation (SDA) within our projects, Local will partner with Storey Residential, a specialist not-for-profit provider of affordable housing, to deliver key worker housing at scale.

Impact Partners:



Storey Residential

Storey Residential (Storey) is a not-for-profit company providing affordable rental accommodation to low-to-moderate income earners in institutionally funded Build to Rent developments, providing secure, sustainable rental housing for key workers who give back to the community.



Women's Property Initiative

Women's Property Initiatives (WPI) provide secure, affordable homes for low-income women and women led families. By providing long term housing solutions, WPI change women's futures for the better and break the intergenerational cycle of poverty.



Enliven Housing

Enliven Housing is a specialist housing provider delivering high-quality Specialist Disability Accommodation (SDA) for people living with disability. Through accessible, purpose-designed homes and supportive housing models, Enliven enables residents to create long term liveability and independence.

Homes for All



Impact Housing Partner – Women’s Property Initiative

ROBERTA BUCHANAN, CEO

“The key drivers for women’s homelessness are housing affordability, gender inequality and family violence.

WPI is delighted to partner with Local Residential: Kensington to provide secure and affordable long-term housing to 11 women over the age of 55 and 21 on a moderate income. The impact housing is salt and peppered throughout Local Residential: Kensington and the homes are indistinguishable from market properties.

Partnering with Local Residential: Kensington has enabled WPI to offer high quality accommodation to 33 women to create new beginnings in long term housing that is affordable. Whilst the Workplace Gender Equality Report 2024-2025 shows that for every \$1 on average a man makes, women earn just \$0.79. Over the course of the year, that difference adds up to over \$28,356.

When you intersect gender inequality with a lack of affordable housing, it means that women are disproportionately experiencing homelessness. WPI is delighted to work with Local: Kensington and our renters have settled into their homes and are highly valued members of an inclusive community, enjoying the fabulous amenity on offer. We look forward to working with Local in the future to help more women find affordable homes.”



Homes for All



Impact Housing Partner – Storey Residential

QUEENIE TRAN, CHAIRPERSON

“Storey was established with a clear vision: to create secure, sustainable and high-quality affordable housing that improves lives and strengthens communities. Over the past year we have continued to build momentum toward that goal, expanding our capacity to support residents and preparing to scale our impact significantly.

With approximately 350 social and affordable homes now secured and operational across multiple sites, Storey is entering an important phase of growth. This expansion enables us not only to continue supporting our current residents with stable, well-managed housing, but also to welcome many more people into secure homes from 2026 onwards.

As we scale, our focus remains firmly on delivering housing that is well-governed, thoughtfully managed and centred on resident wellbeing. By growing Storey’s platform responsibly, we aim to contribute meaningfully to Australia’s affordable housing supply – alleviating housing stress, improving quality of life and helping to build stronger, more connected communities.”



Thriving Communities



Action

RESIDENTS + COMMUNITY FIRST

At Local, community is central to what we set out to achieve. We believe a strong sense of belonging and connection is fundamental to wellbeing, and we aim to create environments where residents can not only live but truly flourish.

Our building designs nurture connections within residential communities and the surrounding neighbourhoods. By creating spaces that encourage interaction, comfort and safety, we support healthier, more liveable homes that enhance the wellbeing and sense of belonging of every Local resident.

We also proactively engage with local communities, authorities and stakeholders to build positive, reciprocal relationships, seeking to maximise the benefits our developments bring while minimising potential impacts wherever possible.



2025 Result

- Regular resident events program implemented to foster connections and introductions.
- Resident engagement encouraged through ongoing feedback and service request channels.
- Resident survey program implemented at move-in and mid-tenancy, with additional surveys informing shared car services and resident events.
- Health and wellbeing initiatives prioritised for residents including regular yoga and Pilates classes that run alongside full-service on-site gym.
- Monthly publication of resident satisfaction results, transitioning from CSAT to a combined CSAT and NPS framework.
- Community Engagement Plan developed and implemented for the Kensington asset.
- Community donations strategy implemented, supporting Vision Australia at Kensington.
- Impact measurement framework developed, with implementation planned for 2026.

Thriving Communities



What's Next?

RESIDENTS + COMMUNITY FIRST

For Local, the resident experience is a fundamental component of successful asset performance. We aim to measure and continually improve the value a highly sustainable building offers to the resident experience, and how well the spaces are utilised for connection and wellbeing.

The communities we create within our developments and with stakeholders is of utmost importance, and we will continue to foster these relationships.

Our on-site teams will continue to expand resident engagement beyond routine communications and move-in assistance, through a series of purposeful community events.

Across our projects we will aim to reach out and collaborate with local community groups and businesses with our purchase power and love for our new neighbourhood.

Priorities for 2026 include:

- Developing a community donations strategy for new assets, relevant to the local history and culture.
- Integration of resident initiatives with community engagement and charitable activities, to create purpose in our connection.
- Introduction of event surveys and implementation of feedback, to remain relevant to our community's priorities.
- Build out of a new survey program in HubSpot for resident engagement outside of existing move-in and mid term feedback, to ensure we're making feedback timely and intentional.
- Implementation of placemaking strategy to ensure we provide vibrant, inclusive, and culturally rich environments.



Safety & Fairness



Action

SAFETY FIRST

Our unwavering commitment is to create a workplace that **enhances** the **health and wellbeing** of our team members, with safety as our top priority. We consistently enhance our systems and protocols to guarantee that everyone, whether they work at or visit a Local worksite or office, can **safely** return home **unharm**ed at the end of the day.



Safety & Fairness



2025 Result

SAFETY FIRST

Corporate

- Our staff have access to ergonomic desks, robust non-toxic materials, and a variety of workspaces in a clean, large open plan office space. The variety of methods available to travel to and from work are safe and near to the office. Adequate space is provided to facilitate breaks and wellness, including free access to our on-site gym.
- Our teams encourage walking meetings to reduce sitting time and ensure regular access to daylight and fresh air.
- Our office has secure access for staff and nearby carparking is well lit and in public areas with high levels of foot traffic.
- Workplace Health & Safety System implemented.
- All employees are inducted into the Local Workplace Health and Safety System.

- Quarterly safety report submitted to Board Health, Safety, Environmental and Sustainability committee including Lost Time Injuries (LTI), Missed Time Injuries (MTI) and Near Miss statistics for Local head office and each Local project.
- WHS training is rolled out annually to all staff members ensuring awareness of and compliance with internal expectations and legislation.
- Free telehealth appointments with experienced doctors are provided to staff and their children through our partnership with UpDoc.
- Flu vaccinations are provided free of charge to all team members.

Operations

- All safety incidents are logged in Safety Champion with responsible contact assigned and resolution actions logged and tracked.
- The on-site leasing team endeavour to ensure there are always two staff members on site to reduce risk of working in isolation.
- WH&S measures are employed for all public areas when it comes to potential spills, falls, and trip hazards.
- CCTV facilities are monitored for unsafe activity and behaviour to reduce risk to residents and staff.

Development

- Monthly independent third-party assessments are carried out to promote compliance by construction contractors with onsite health and safety management plans and broader WHS requirements.
- We ensure that all specified materials are low-VOC and meet high health and safety standards, supporting non-toxic interiors and sustainable design practices.
- We look out for safety hazards at every stage of our projects and make sure they're considered in the design. For example, in one asset we're bringing vehicle and loading access together so public spaces are pedestrian-friendly, with separate areas for bikes to keep people safe and encourage healthy living.
- We incorporate biophilic design principles in our projects to help people feel connected to nature, using green spaces, landscaping, and natural light to create healthy, engaging environments.

Safety & Fairness



What's Next?

SAFETY FIRST

Corporate

- Review move to CBD office for potential impacts on safety and wellbeing.
- Ensure public transport and bicycle commuters are catered for to promote healthy behaviours.
- Offer ergonomic assessments for both new office premises and considering WFH arrangements for staff.
- Continue to implement various strategies to encourage staff to regularly move, including walking meetings, engagement activities focussed on sporting events, regular office fitness clubs, and sit-stand desks.



Operations

- Continue to ensure our sites once operational remain safe for all staff and residents. Monitor all CCTV alarms for undesirable activity or behaviour.
- Provide training to staff on dealing with conflict and aggression in their duties.
- Continue to monitor and log any WH&S items and track outcomes.
- Develop psychosocial safety protocols to minimise risk to employee wellbeing.

Design

- Ensure specified materials to be non-toxic, reduce cutting of materials through design.
- Continue to employ biophilic design principles and create a connection to nature in design principles.
- Continue to ensure pedestrian and bicycle movements are prioritised throughout the site to promote healthy behaviours.



Safety & Fairness



Action

HUMAN RIGHTS

At Local, we firmly believe that the principles of **human rights** and **fundamental freedoms** should be universally accessible to every individual, regardless of their location. We are steadfast supporters of the **Universal Declaration of Human Rights** and the core conventions of the **International Labour Organisation**.

We acknowledge the **dual responsibility** in upholding human rights, where governments must safeguard these rights, and businesses have a duty to respect them.

At Local, we are **committed** to **identifying** and **addressing** potential and actual **human rights impacts** stemming from our business activities and the relationships we forge within our operations.

2025 Result

- United Nations Declaration of Human Rights included in supplier agreements and principles accepted as code of conduct by all suppliers during onboarding process.
- Modern Slavery Contractor Procurement agreement in place.
- Significant supplier and contractual counter party vetting completed by expert third party consultant.
- Maintain duty of care to our internal team and service providers
- Nominated minimum contractor requirement for social and supplier procurement implemented for new projects.
- Social Procurement policy implemented for Corporate supplier selections such as catering, groceries and cleaning.

What's Next?

- Issue Modern Slavery Statement for CY2025.
- Implement Modern Slavery policy within supply chains across all streams.
- Supply chain engagement program developed.
- Implement Social Procurement Policy across projects.



Safety & Fairness



Action

DIVERSITY, EQUITY & INCLUSION

We understand that a genuinely diverse and inclusive community fosters innovation and sparks creativity. We aim to build a workforce that is a true representation of our society, and we support our team members at every stage of their lives.

Local remains dedicated to adapting to the changing requirements of our clients, community, shareholders, and employees.

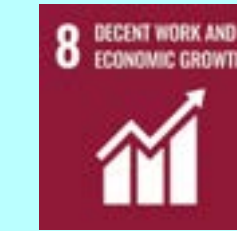
We nurture a culture where our team members are not only respected for their individuality but also celebrated for their valuable contributions, all while being empowered to realise their fullest potential.

2025 Result

- Commenced implementing Diversity, Equity, and Inclusion Action Plan.
- Annual diversity report issued to Local Board of Directors.
- Agreed commitment to target a 40:40:20 gender balance in our Senior Leadership Team by June 2026.



Safety & Fairness



What's Next?

DIVERSITY, EQUITY & INCLUSION

Diversity, equity and inclusion

- Continue implementing diversity, equity & inclusion action plan.
- Issue annual diversity report to Local Board of Directors.
- Complete annual review of parental leave policy.
- Social procurement/ social enterprise partnering including risk assessment.
- Gender balance within Senior Leadership team to be reviewed at each hire and annually.
- Gender pay gap analysis to be conducted by role level and at an organisational level.
- Incorporate DEI workshops into learning and development strategy that increase understanding of barriers experienced, and progress meaningful change.

RAP

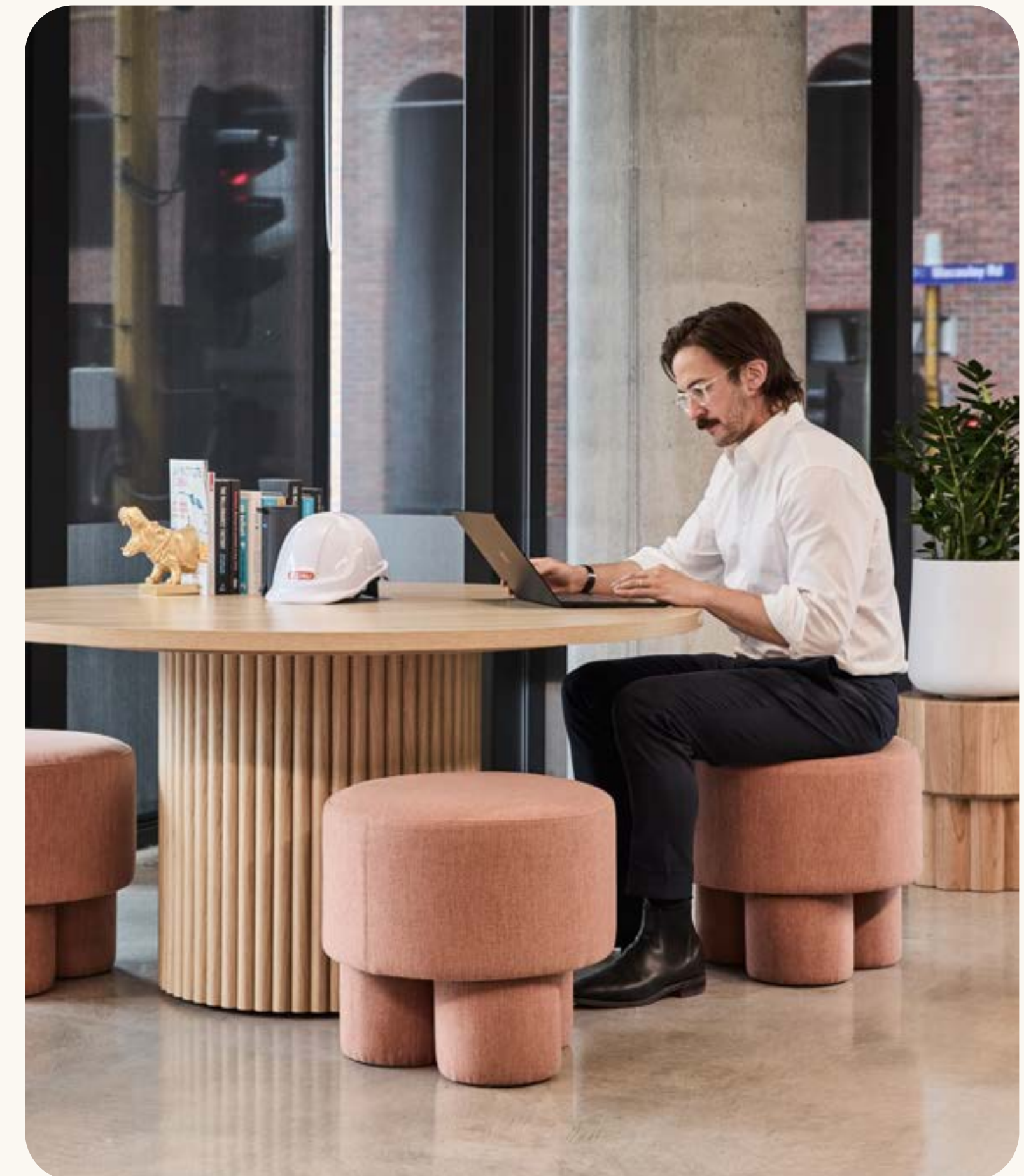
- Develop and implement next Reconciliation Action Plan.
- Continue to deepen our understanding of the diverse lands on which we operate, particularly as our project pipeline expands.
- Incorporate DEI education and training for all staff.

Social Procurement

- Implement Social Procurement Policy across Local streams.



Since 2006, Reconciliation Action Plans (RAPs) have enabled organisations to sustainably and strategically take meaningful action to advance reconciliation. Based around the core pillars of **relationships, respect** and **opportunities**, RAPs provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity and supporting First Nations self-determination.



Culture & Capability



Action

EMPLOYEE ENGAGEMENT & WELLBEING

As we head into our fifth year in business, with big plans to keep reshaping the Australian housing scene, our team has grown across states and projects. The best part? As we've grown, we've held onto the curiosity and drive to challenge outdated thinking that's always set us apart.

To make those plans happen, we need big energy from our team. In return, we're committed to creating a culture that brings out people's best, offering benefits that encouraged rest, reduced burnout and automated the right to disconnect.



2025 Result

- We backed our employee-led social club with meaningful funding and support, focusing on wellness, connection and inclusion activities.
- Achieved Great Place to Work certification for the fourth consecutive year (September 2025), with 100% of employees agreeing we are a "Great Place to Work." Insights from this certification directly shaped our people action plan.
- Our team all enjoyed a paid wellness day of their choice, and we scheduled 7 "Local Days", where we closed the business across the board. We spread those days across the year to create regular, guilt-free breaks that encouraged rest & helped reduce burnout.
- We offered practical and meaningful wellbeing benefits, including an Employee Assistance Program, EV/hybrid novated leasing, end-of-trip facilities, an on-site gym, and strong public transport access.
- Our dog-friendly office continued to be a hit, ensuring that in those crunchy project points there were plenty of energy-boosting pats on demand.

What's Next?

- Bring our engagement survey in-house to create more space for authentic feedback, free from any perceived external pressure. We'll continue delivering on the actions identified with our team in 2025.
- Re-certify as a B Corp, reaffirming our commitment to high standards of social and environmental performance.
- Relocate head office to Melbourne CBD, assessing environmental and social impacts and prioritising access to public transport, connection spaces, improved ergonomics and fitness facilities.
- Review of internal collaboration platforms to reduce friction in tasks, and reduce communications interference in work/life balance
- Benchmark our benefits against the market to ensure we continue offering industry-leading health and wellbeing support.
- Increase our focus on community impact through Group Volunteer Days, and deepen our understanding of workforce diversity to strengthen inclusion initiatives.
- Increase social club funding to further promote wellbeing, connection and inclusion across the team.

Culture & Capability



Action

LEARNING & DEVELOPMENT

We believe in providing our team the opportunity to flourish in their role by actively supporting and encouraging opportunities for professional development and career advancement.

Regular meetings with People Leaders to identify gaps in their teams, or nominated by staff members themselves identifying any learning and development that staff may want to participate in to support the business.

2025 Result

- We provided a \$1,600 per person annual Learning & Development budget to keep our team future-ready and evolving their knowledge outside of their day-to-day.
- We facilitated access to industry events for our team to ensure they could access diversity of thought and best practice to learn from.
- Our teams coordinated information sharing sessions to increase understanding, break down siloes and reduce cognitive friction.

What's Next?

- We'll launch an internal learning and development program to complement the external training we fund, including AI capability training, and a Leading at Local program to support People Leaders in their development.
- We'll track learning and development goals in our new People system, ensuring they're prioritised alongside our wider business objectives.
- We'll refine our ESG goals and build them into employee performance plans, ensuring a clear link between accountability and remuneration.



Strong Governance

Action

Our governance framework ensures we live by the standards we've set. Local seeks to establish a culture where ESG performance is part of our everyday operations and conversations.

ESG leadership is demonstrated by our board, senior executives and more broadly across our organisation.



2025 Result

- Board of Directors continue to ensure that Local has an appropriate framework in place to effectively manage ESG related risks and opportunities.
- Global Real Estate Sustainability Benchmark (GRESB) benchmarking assessment was completed with a score of 3/5.
- Board Risk and Health, Safety, Environmental and Sustainability Committee continued the management of ESG related risks and opportunities.
- Senior management team appointed and responsible for the implementation of the Local ESG policy and management systems with KPI accountability.
- Policies, procedures and code of conduct reviewed and implemented.
- Risk management framework reviewed and implemented.
- Compliance training completed by 100% of Local team members.
- Science Based Targets initiative (SBTi) membership approved.
- Responsible Investment Association of Australasia and UN Principles of Responsible Investment membership approved.

What's Next?

- Seek recertification as a B Corporation in 2026.
- 2026 Global Real Estate Sustainability Benchmark (GRESB) benchmarking assessment to be undertaken.
- Governance policy review to be completed and policies updated in line with industry best practice.
- Compliance training to be completed by 100% of Local team members, and assessed for learning transfer and application.
- Undertake reporting for Responsible Investment Association of Australasia and UN Principles of Responsible Investment.



B Corp certifications recognise businesses that meet rigorous standards of **social** and **environmental performance**, and **transparency**. B Corps are held to a high standard and they must continually improve their performance, giving us a rigorous and independent playbook to enhance our policies, systems and targets over time.

LOCAL: Thank you

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