



# Climate-related Disclosures

PEXA Group Limited

For the reporting period ending 30  
June 2025

# Table of Contents

<b>1. BASIS OF PREPARATION, OVERVIEW OF THE PEXA GROUP AND ITS VALUE CHAIN, REPORTING BOUNDARY .....</b>	<b>4</b>
1.1 STATEMENT OF COMPLIANCE WITH AASB S2 <i>CLIMATE-RELATED DISCLOSURES</i> .....	4
1.2 CONNECTIVITY WITH FINANCIAL STATEMENTS (REPORTING PERIOD, REPORTING ENTITY, TIME HORIZONS, AND PRESENTATION CURRENCY) .....	4
1.3 OVERVIEW OF PEXA'S OPERATIONS AND VALUE CHAIN .....	4
(a) <i>Our purpose</i> .....	4
(b) <i>Our customers</i> .....	5
(c) <i>Snapshot: PEXA's family of brands and solutions</i> .....	5
(d) <i>Our value chain</i> .....	6
1.4 REPORTING BOUNDARY .....	6
(e) <i>Reporting boundary (excluding greenhouse gas (GHG) emissions)</i> .....	7
(f) <i>Reporting boundary for GHG emissions</i> .....	7
(g) <i>Organisational boundary</i> .....	7
(h) <i>Calculation methods</i> .....	8
1.5 JUDGEMENTS AND MEASUREMENT UNCERTAINTIES .....	8
<b>2. ASSESSMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES .....</b>	<b>11</b>
2.1 MATERIALITY APPROACH .....	11
(i) <i>Identification of climate-related risks and opportunities</i> .....	11
(j) <i>Identification of material information</i> .....	14
2.2 OUTCOME OF THE PROCESS .....	14
(k) <i>Interaction with material information in the financial statements</i> .....	14
<b>3. CLIMATE GOVERNANCE .....</b>	<b>15</b>
3.1 BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES .....	15
(l) <i>Board of Directors</i> .....	15
(m) <i>Audit and Risk Committee</i> .....	16
(n) <i>Remuneration, Nomination and People Committee</i> .....	16
3.2 MANAGEMENT LEVEL RESPONSIBILITIES .....	16
(o) <i>Australian Sustainability Reporting Standards (ASRS) Steering Committee</i> .....	16
(p) <i>Risk and Compliance Committee</i> .....	17
(q) <i>Productivity and Investment Committee</i> .....	17
3.3 BOARD SKILLS AND EDUCATION .....	17
3.4 IMPACT OF CLIMATE ON REMUNERATION POLICIES .....	17
<b>4. RISK MANAGEMENT .....</b>	<b>18</b>
4.1 MONITORING CLIMATE-RELATED RISKS AND OPPORTUNITIES .....	18
<b>5. STRATEGY .....</b>	<b>18</b>
5.1 THE EFFECTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON PEXA'S BUSINESS MODEL AND VALUE CHAIN .....	18

5.2 THE EFFECTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON PEXA'S FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS.....	22
5.3 NET ZERO STRATEGY AND CLIMATE TRANSITION/DECARBONISATION PLANS.....	22
5.4 APPLICATION OF INTERNAL CARBON PRICING IN DECISION-MAKING .....	22
5.5 CLIMATE RESILIENCE AND SCENARIO ANALYSIS .....	22
(r) Time horizons used in PEXA's FY25 scenario analysis .....	23
(s) Key findings from the climate scenario analysis .....	24
(t) Climate scenario selection.....	24
(u) Capacity to adjust or adapt strategy and business model .....	25
(v) Key assumptions, judgements and uncertainties .....	25
<b>6. METRICS AND TARGETS.....</b>	<b>27</b>
6.1 CLIMATE-RELATED RISK AND OPPORTUNITY METRICS .....	27
6.2 CLIMATE-RELATED TARGET(S) AND GHG METRICS.....	27
(w) Net zero targets .....	27
(x) Greenhouse gas emissions FY25.....	28
(y) Approach to measuring GHG emissions .....	29

# 1. Basis of preparation, overview of the PEXA Group and its value chain, reporting boundary

## 1.1 Statement of compliance with AASB S2 *Climate-related Disclosures*

This report has been prepared in consideration of the requirements set out in AASB S2 *Climate-related Disclosures* (AASB S2) as issued by the Australian Accounting Standards Board (AASB). This report is PEXA Group's (PEXA) first climate-related disclosure report. During the financial year 2025, PEXA has been aligning its climate governance, strategies and activities with AASB S2. As this report is PEXA's first and voluntary, PEXA has taken the approach to disclose under each section of the AASB S2 standard and document where work has been completed and where work is continuing into PEXA's first compliance year.

## 1.2 Connectivity with financial statements (reporting period, reporting entity, time horizons, and presentation currency)

The climate-related disclosures within this report should be read in conjunction with PEXA Group Limited's (PEXA) Annual Report and financial statements for the financial year ended 30 June 2025. This report covers the same reporting entity as the related Annual Report and financial statements. In preparing this report, we have assessed both our own operations and our value chain.

PEXA defines its time horizons for strategic decision making, business planning and forecasting at the group level. The following time horizons have been applied in the assessment of climate-related risks and opportunities:

- Short term: 0 - 1 years
- Medium term: 1 - 3 years
- Long term: 3 - 5 years

This report covers a 12-month period for the year ended 30 June 2025 (FY25) which is aligned with the reporting period of the related Annual Report and financial statements. The presentation currency of this report is Australian Dollars (AUD), which aligns to the presentation currency used in our Annual Report and financial statements.

## 1.3 Overview of PEXA's operations and value chain

### (a) Our purpose

PEXA was formed in 2010 by the State governments within Australia to create a connected, efficient, cost-effective platform for property settlement. Since its first transaction in 2013, PEXA's Australian national e-conveyancing exchange platform has facilitated over \$5 TRILLION of property value transacted.




At PEXA, we connect people to place. That’s the driving force behind everything we do — and it inspires us to bring innovation that connects the property ecosystem and community to unlock the potential of the places in which we live and work. For a detailed account of our journey and achievements, please visit <https://www.pexa-group.com/about/history/>.



### *(b) Our customers*

Our Australian brands, including PEXA Australian Exchange, .id and Value Australia, support more than 160 financial institutions, more than 10,000 conveyancing practitioners, more than 70 developers and associated parties and 345 local and state government departments and agencies.

In the UK, our primary goal is driving efficiencies for our customers through their use of our platform. The digitisation of property transactions has led to substantial reductions in turnaround times for remortgages for existing customers when compared to conventional, paper-based transactions and the launch of the Sale and Purchase capabilities in FY26 will enable customers on our platform to achieve even greater benefits. Through Optima Legal, we provide remortgage conveyancing services on behalf of 7 of the 8 largest financial institutions in the UK, while Smoove supports both remortgage and Sale and Purchase based conveyancing activities to over 2,000 practitioners.

### *(c) Snapshot: PEXA’s family of brands and solutions*

	<p>PEXA is the Group’s flagship brand and is the banner under which we deliver our Exchange services in Australia and in the UK. In all our markets, it stands for the integrity, reliability and effectiveness with which we support millions of property transactions and provide associated services.</p>
<b>Australia-specific solutions</b>	
	<p>.id (acquired September 2022) is an established and independent data analytics business that provides reliable demographic, sentiment, economic and housing forecasts at the level of individual neighbourhoods. .id’s solutions help our customers to make high-impact resource allocation and investment decisions.</p>
	<p>Value Australia (acquired July 2022) is a next-generation property valuation platform which uses enriched data and advanced artificial intelligence to provide highly accurate and rapid automated property valuations. Its models can rapidly simulate the value impacts of potential changes in the use or amenity of a property. Value Australia is operated in conjunction with our</p>

	partners, the University of New South Wales and Frontier/SI, who collectively own 30% of the business.
<b>UK-specific solutions</b>	
	Optima Legal (acquired November 2022) is a high-volume remortgage processing firm headquartered in Leeds, England. It provides legal services in the UK remortgage market. Optima has direct relationships with 7 of the country's top 8 lenders, extending PEXA's connections to financial institutions and creating distribution channels in the UK.
	Smoove (acquired December 2023) is a UK-based conveyancing technology provider. Its primary solution is e-Conveyancer, a panel management service that brings together conveyancers, mortgage brokers, and their customers to offer a two-sided conveyancer marketplace. It also provides lender panel management services. The distribution capability afforded by Smoove is instrumental in our ambition to achieve UK Sale and Purchase transaction market share.

#### (d) Our value chain

To provide our services, PEXA depends on a number of other entities, people and resources – this includes key suppliers such as cloud hosting services, external professional services providers, lessors, energy providers, and customers who use our services.

		Description	Geographical location
<b>Upstream value chain</b>	<b>Key suppliers</b>	Cloud hosting servicing suppliers providing co-located data centres	Australia, UK, Ireland
		Co-located call centres	India, Philippines
		External professional service providers for legal, insurance, and technology consulting services	Australia, UK, Philippines
		Lessors of office spaces	Australia, UK, Philippines
		Energy providers	Australia, UK, Philippines
<b>Downstream value chain</b>	<b>Distribution channel</b>	Online PEXA Exchange platform	Australia
	<b>Customer segments</b>	Governments and agencies	Australia, UK
		Financial institutions	Australia, UK
		Conveyancers and lawyers	Australia, UK
		Property developers	Australia
		Practitioners	Australia, UK
		Practice management software providers	Australia

## 1.4 Reporting boundary

#### (e) Reporting boundary (excluding greenhouse gas (GHG) emissions)

The entities, assets and operations (referred to as the 'reporting entity') included in PEXA's climate-related disclosures are the same as those included in our FY25 Annual Report and financial statements.

Our value chain (as outlined in Section 1.3) has been considered when assessing PEXA's climate-related risks and opportunities. In the current reporting period, all metrics reported relate to PEXA's own operations except for GHG emissions which also account for PEXA's value chain as scope 3 (see section below). PEXA's reporting entity and the extent of climate-related information considered and included in this report are summarised below:

Entities and assets in the reporting entity	Additional information	Note in financial statements	Information considered and included
<b>Parent and subsidiaries</b>	-	Note 27	100% of the climate-related information, including consolidated subsidiaries not fully owned.
<b>Leased assets (PEXA is lessee)</b>	PEXA leases space in commercial office buildings.	Note 14	100% of the climate-related information related to the use of the leased assets during the lease term.

#### (f) Reporting boundary for GHG emissions

PEXA measures its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the 'GHG Protocol') as required by AASB S2. PEXA's greenhouse gas emissions inventory is prepared by a third party. PEXA seeks limited assurance over its scope 1, 2 and 3 emissions.

#### (g) Organisational boundary

PEXA applies the operational control approach to establish our organisational boundary for the reporting of GHG emissions.

Entities and assets in the reporting entity	Additional information	Note in financial statements
<b>Parent and consolidated subsidiaries</b>	PEXA has operational control across its subsidiaries, because it has full authority to introduce and implement operational policies across them.	Note 27
<b>Investments in associates</b>	PEXA does not have operational control over select minority investments therefore for GHG reporting purposes these entities have been omitted.	Note 16
<b>Leased assets</b>	For leased assets for which PEXA is acting as a lessee, PEXA has operational control over the assets during the lease term. These assets are office spaces.	Note 14

#### *(i) Operational boundary*

100% of the GHG emissions from entities, assets, and operations for which we have operational control, are included in the GHG emissions reported by PEXA, irrespective of PEXA's ownership interest. These are reported as either scope 1 or scope 2 GHG emissions. Any additional emissions generated in the value chain of these entities, assets and operations are reported as scope 3 emissions. The relevant portion of GHG emissions from entities, assets and operations in the value chain over which PEXA does not have operational control are reported as part of our scope 3 emissions. Where PEXA does not have operational control over select minority investments, these entities have been omitted from GHG reporting.

#### *(h) Calculation methods*

PEXA's Basis of Preparation for its GHG emissions was used to support the calculation and assurance of its scope 1, 2 and 3 emissions. Refer to the company website.

### **1.5 Judgements and measurement uncertainties**

In the process of preparing its climate-related disclosures, PEXA's management has exercised judgement including the process of identifying climate-related risks and opportunities and identifying related material information to report. Additionally, the preparation of this report required the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the information relates to activities in the value chain and needs to be estimated, is related to forward-looking information, and/or involves data limitations.

The table below outlines the significant judgements made by management in preparing this report, as well as the amounts that are subject to a high degree of measurement uncertainty. Further details may be provided in the section referenced.



Summary of significant judgements		
Significant judgement	Description (details of judgement made)	Reference to relevant section
Materiality process	<p>Management applied judgements to identify the climate-related risks and opportunities that are relevant to PEXA, as well as identifying the material information related to those risks and opportunities. In making the assessment of what information could reasonably impact PEXA's financial prospects and influence decisions of primary users, we considered the following in accordance with our Risk Management Framework and Climate Materiality Policy:</p> <ul style="list-style-type: none"> <li>• Financial Impact: Potential effect on revenue, costs, assets, or liabilities.</li> <li>• Operational Impact: Disruptions to PEXA's supply chains, infrastructure, or workforce.</li> <li>• Strategic Impact: Long-term implications for PEXA's business model, market position, or regulatory compliance.</li> <li>• Stakeholder Impact: Relevance to investor expectations, customer demand, and reputational considerations.</li> </ul> <p>PEXA Management will determine a risk as material if when considering appropriate controls for a potential risk's size or impact, the size of the impact (operational, financial or reputational) considered in combination with the likelihood, exceed a residual risk rating of 'medium' and a financial risk rating of 'moderate' over PEXA's short, medium or long term business planning horizons (1-5 years). The process for identifying and prioritising climate-related risks and opportunities is detailed in section 2.</p>	Section 2
Organisational boundary for GHG emissions	PEXA has applied the operational control approach to determine its organisational boundary for reporting GHG emissions.	Section 6

Calculation methods for GHG emissions	PEXA has applied the GHG Protocol and relevant local emissions factors as appropriate for its GHG emissions calculations. For scope 3, supplier specific emissions factors and GHG Protocol emissions factors are used. PEXA's emissions inventory is prepared by the third party and is assured.	Section 6
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In addition to the above judgements, the following metrics require assumptions and estimates under the GHG Protocol:

Summary of significant uncertainty		
<i>Measurement uncertainty</i>	<i>Description</i>	<i>Reference to relevant section</i>
GHG-related metrics	PEXA measures its GHG emissions in accordance with the GHG Protocol. Where activity data and emission factors cannot be obtained directly from third parties, an estimation is used.	Section 6

## 2. Assessment of climate-related risks and opportunities

A robust and detailed materiality assessment was performed to identify, assess and prioritise climate-related risks and opportunities that are relevant to PEXA. The process to identify material climate-related risks and opportunities was performed through engagement workshops with senior business unit representatives and by the ASRS Steering Committee, with input from PEXA Management, as well as external advisors. The outcome of the process was approved by the Board Audit and Risk Committee.

A two-step materiality process was followed:

- Step 1: Identify climate-related risks and opportunities that could be reasonably expected to affect PEXA's prospects over the short, medium and long term (1-5 years).
- Step 2: Identify material information required in relation to the climate-related risks and opportunities identified (if any). The aim of this process was to identify information about climate-related risks and opportunities that could reasonably be expected to affect PEXA's prospects, as well as influence decisions made by primary users of general-purpose financial reports. Management focused specifically on existing and potential investors, lenders, and other creditors in general.

PEXA finalised its materiality assessment including the identification of climate-related risks and opportunities at the end of the 2025 reporting period. Where the above process identified no material climate-related risks and opportunities for PEXA within our 1-5 year planning horizon, information was gathered to provide users of the general purpose financial reports an understanding of the logic for such a determination. PEXA will continue to review and enhance the materiality process in the coming years.

### 2.1 Materiality approach

#### (i) Identification of climate-related risks and opportunities

A systematic approach was followed to identify, assess and prioritise climate-related risks and opportunities that could reasonably be expected to impact PEXA over the designated time horizon of 1-5 years.

This approach was guided by PEXA's Risk Management Framework and Climate Materiality Policy. During this process, PEXA considered both its own activities and activities across its value chain. The process followed is summarised below:

Phases	Key activities
<b>1. Understand PEXA's operations, value chain and business model</b>	<p>Understanding the context in which PEXA operates. PEXA considered its business activities, including products and services provided as well as the geographical, legal and regulatory landscape of the operations.</p> <p>PEXA also considered the resources that it depends on and the relationships that it has along its value chain. A high-level overview of the context considered as part of this assessment is summarised below:</p> <ol style="list-style-type: none"> <li><b>Key locations:</b> PEXA operates in Australia and the UK. Suppliers are mainly located in the countries in which PEXA operates. However, PEXA also has data centres located in Ireland, lessors in the Philippines, call centres in India and the Philippines, and professional service providers in the Philippines.</li> <li><b>Regulations:</b> The regulations in the countries in which PEXA operates, as well as those in the value chain, were considered.</li> <li><b>Key resources:</b> PEXA depends on a number of resources. These include: <ol style="list-style-type: none"> <li>external cloud hosting services;</li> <li>funding from bank loans and other sources of financing to fund PEXA's operations; and</li> <li>key talent and employees.</li> </ol> </li> <li><b>Distribution channels:</b> PEXA's sales channels are primarily online through the online PEXA Exchange platform.</li> </ol>
<b>2. Identify climate-related risks and opportunities</b>	<p>The primary source to identify PEXA's climate-related risks and opportunities was the understanding of its operations and value chain (described above). PEXA considered whether its critical resource inputs, relationships and interdependencies with the value chain are subject to climate-related risks or create opportunities that would affect its ability to generate cash flows. PEXA also considered other internal and external sources of information to identify whether there were any additional risks and opportunities. The sources consulted included the following:</p> <ul style="list-style-type: none"> <li>existing risk management and due diligence processes performed by PEXA;</li> <li>educational materials issued by the AASB related to AASB S2;</li> <li>disclosure topics in the SASB standards for the Software and IT Services industry;</li> </ul>

	<ul style="list-style-type: none"> <li>• climate-related risks and opportunities identified by entities that operate in the same industries as PEXA; and</li> <li>• engagement with internal stakeholders.</li> </ul> <p>PEXA also consulted with third-party experts as part of this process. Climate-related scenario analysis was not used for risk and opportunity identification.</p>
<b>3. Assess whether the climate-related risks and opportunities could reasonably be expected to affect PEXA's prospects</b>	<p>Only those climate-related risks and opportunities that could reasonably be expected to affect PEXA's cash flows, access to finance or cost of capital are required to be disclosed in the climate-related disclosures. Our assessment was limited to our short, medium and long-term time business planning horizons (1-5 years). In making this assessment, PEXA considered a combination of:</p> <ul style="list-style-type: none"> <li>• the likelihood of the event occurring; and</li> <li>• the magnitude of the impact on PEXA's financial prospects if the event did occur.</li> </ul> <p>For risks and opportunities that relate to uncertain future events, PEXA considered a range of possible outcomes and assigned a likelihood to that range.</p> <p>Where there had been past incidents of an event, a higher likelihood was assigned to a similar event occurring in the future. PEXA Management will determine a risk as material if when considering appropriate controls for a potential risk's size or impact, the size of the impact (operational, financial or reputational) considered in combination with the likelihood, exceed a residual risk rating of 'medium' and a financial risk rating of 'moderate' over PEXA's short, medium or long-term business planning horizons (1-5 years).</p> <p>The results of the assessment were plotted on a likelihood and impact matrix to identify those risks and opportunities that could reasonably be expected to affect PEXA's prospects. In assigning rating, potential climate-related risks and opportunities did not meet the materiality threshold.</p>
<b>4. Final consolidation and approval for climate-related risks and opportunities</b>	<p>The determination of material climate-related risks and opportunities requires judgement. PEXA identified that from the list of potential climate-related risks and opportunities assessed, none were considered material within PEXA's 1-5 year business planning horizons.</p> <p>The potential climate-related risks and opportunities were presented to the Audit and Risk Committee for approval.</p>

Refer to Section 4 for more information on PEXA's climate-related risks and opportunities.

**(j) Identification of material information**

Once any climate-related risks and opportunities have been identified, the second step is to identify the material information that should be disclosed related to each matter. PEXA considered whether information is material in the context of its climate-related reporting as a whole and took into account both qualitative and quantitative characteristics. The judgements applied around identification of material information for the climate-related risks and opportunities will be reassessed at each reporting date.

**2.2 Outcome of the process**

In undertaking the above process, it was determined that PEXA does not have any material climate-related risks and opportunities that could reasonably be expected to affect our cash flows, access to finance, or cost of capital over the short, medium or long-term horizons of PEXA's business planning (1-5 years).

PEXA identified that from the list of potential climate-related risks and opportunities assessed, none were considered material within PEXA's 5-year business planning horizons. While AASB S2 requires PEXA only to include disclosures relating to material climate-related risks and opportunities, we have elected to disclose the potential climate-related risks and opportunities taken through the materiality assessment in the current reporting period for the purposes of transparency in this report, refer to section 5.

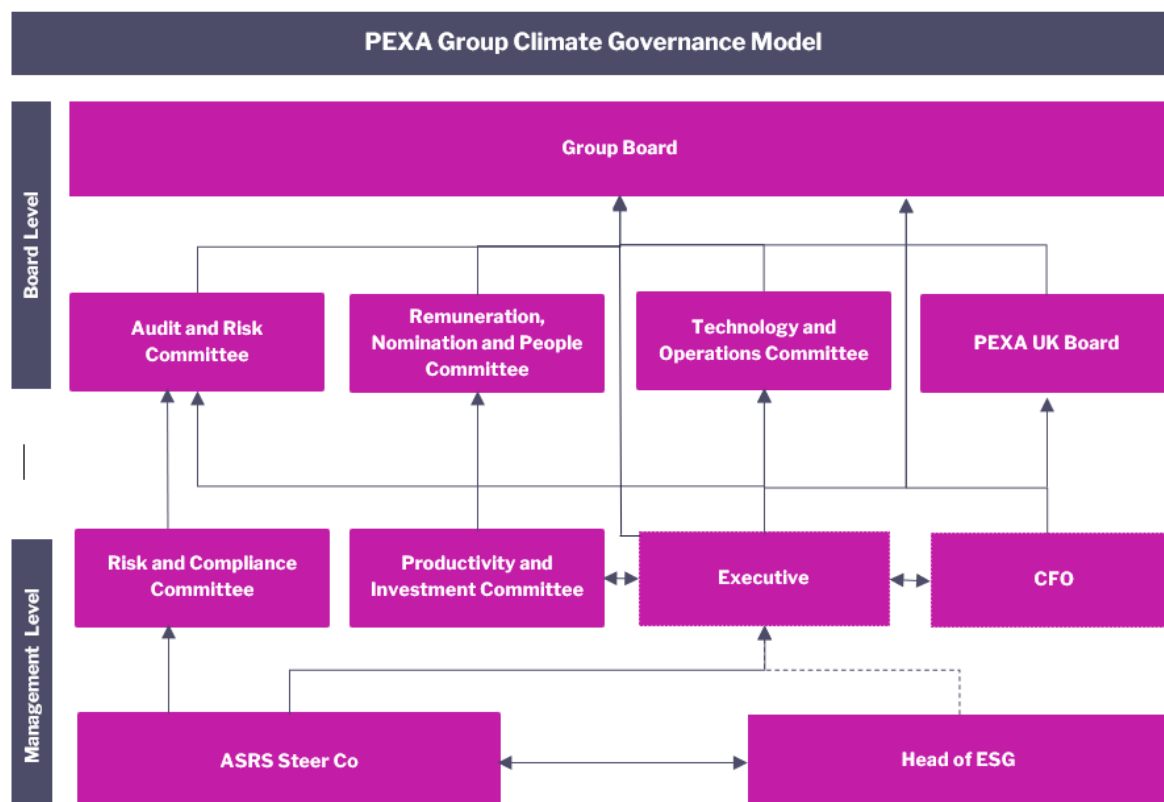
**(k) Interaction with material information in the financial statements**

Within the reporting period, PEXA has determined that it does not have material risks and opportunities over its business planning horizons of 1-5 years.

## 3. Climate governance

### 3.1 Board oversight of climate-related risks and opportunities

PEXA Group's Climate Governance Model was updated in FY25.



#### (I) Board of Directors

The Board is ultimately responsible for PEXA's strategic direction on climate. The Board approves the resources needed for effective management of climate-related initiatives including the financial budgets and allocation for climate related activities.

The Board Audit and Risk Committee has been delegated responsibilities in relation to climate-related risks and opportunities, and these responsibilities are reflected in its Charter and other related policies.

The Board oversees the setting of climate-related targets and strategies by reviewing and approving proposals presented by the Head of ESG which includes PEXA's net zero pathway and target. The Board monitors performance against climate-related targets (emissions) on an annual basis, and reports on this as part of the full-year results which includes the Company's net zero scope 1 and scope 2 target and scope 3 performance. Should PEXA have material

climate-related risks and opportunities, the Committee would consider integration as appropriate in the organisational strategy.

#### **(m) Audit and Risk Committee**

PEXA's Board Audit and Risk Committee has oversight of climate related matters at the group level. The Audit and Risk Committee's Charter states that the Committee has the responsibility to 'review, monitor and make recommendations on the Company's environment, social and governance (ESG) strategy, climate governance, disclosures and emissions management'. The Australian Sustainability Reporting Standards is a quarterly agenda item, including the processes for assessing climate-related risks has been included as an agenda item in Audit and Risk Committee meetings in FY25 ahead of PEXA's compliance date.

#### **(n) Remuneration, Nomination and People Committee**

The Remuneration, Nomination and People Committee monitors executive compensation, and establishes specific key performance indicators (KPIs). In FY25, PEXA considered climate KPIs for KMP remuneration outcomes for FY26. As PEXA determined we do not have material climate-related risks or opportunities within the reporting period, a climate KPI was not recommended to be set for FY26. PEXA will continue to consider the requirements of climate related measures in determining KMP remuneration outcomes in the future.

### **3.2 Management level responsibilities**

#### **(o) Australian Sustainability Reporting Standards (ASRS) Steering Committee**

Management's role in assessing and monitoring climate-related risks and opportunities is embedded into the executive-level ASRS Steering Committee, which was formed in March 2025. The Committee is composed of senior management and is chaired by the Head of ESG. The Head of ESG is responsible for the oversight of the Committee.

The role of the ASRS Steering Committee is to assist Management and the Audit and Risk Committee with strategic management of PEXA's climate-related risks and opportunities. This includes:

- the materiality assessment process and determination
- developing climate-related strategy and policies;
- monitoring PEXA's climate-related actions and plans in line with the strategy
- recommending and developing climate-related metrics and targets and reviewing progress; and
- climate-related disclosures.



The Committee meets on a quarterly basis. Discussion of climate-related risks and opportunities and other climate-matters is part of the ongoing agenda. The ASRS Steering Committee findings are reported to the Audit and Risk Committee as part of quarterly updates provided on the ASRS implementation.

**(p) Risk and Compliance Committee**

The Risk and Compliance Committee assists the Audit and Risk Committee in managing and overseeing climate-related management processes. Should PEXA have material climate-related risks and opportunities, these risks would form part of the company's risk register and be monitored and managed alongside other business risks ensuring a comprehensive approach. The Committee meets on a quarterly basis.

**(q) Productivity and Investment Committee**

The Productivity and Investment Committee evaluates investment as required to support business change and adaptation should PEXA have climate-related risks and opportunities. The Committee considers and allocates financial resources, ensuring that investment decisions align with the company's sustainability and climate-related objectives. The Committee meets on a quarterly basis.

### **3.3 Board skills and education**

In FY25 PEXA revised its Board Skills Matrix. In previous Board Skills Assessments, Sustainability was considered and reported based on Director's primary and secondary skills. In the most recent iteration, PEXA has included *Climate Change* as well as *Sustainability* and determined that 1 Director measured with primary skills, 3 Directors measured with secondary skills and 4 Directors measured with tertiary skills.

In March 2025, a Board briefing session on the Australian Sustainability Reporting Standards (ASRS) was conducted. The session had three main objectives:

- To provide an overview of the sustainability reporting requirements in Australia and to examine specific ASRS approaches within the technology sector, particularly among 'Group 1' reporters
- To understand how entities are assessing climate-related risks and opportunities and climate resilience and provide a deeper dive on assurance requirements and Director's duties
- To update the Board on the progress PEXA is making with implementing the ASRS and to collect Board insights for PEXA's climate-related reporting and ESG Strategy

### **3.4 Impact of climate on remuneration policies**

Noted above, PEXA has a dedicated board-level Remuneration, Nomination and People Committee which is responsible for the development and implementation of the remuneration policy for the Board, its committees, and management.

## 4. Risk management

### 4.1 Monitoring climate-related risks and opportunities

The processes and policies followed by PEXA to identify and assess climate-related risks and opportunities are set out in Section 2 of this report. The risk assessment process incorporates both qualitative and quantitative factors, and it considers the nature, likelihood and magnitude of potential risks. PEXA's Board Audit and Risk Committee is responsible for identifying and managing the overall risks for PEXA. Should PEXA have material climate-related risks and opportunities, they would be integrated into the overall risk management framework of PEXA, which is overseen by the Board Audit and Risk Committee. This Committee also reports to the Board of Directors.

The Board Audit and Risk Committee oversees PEXA's risk assessment framework, where risks are evaluated and prioritised based on their materiality and risk rating. Risks are prioritised based on severity and likelihood, considering potential financial impacts, operational disruptions, and regulatory changes. While climate considerations are included in our risk assessment process, they are not currently classified as material business risks.

## 5. Strategy

### 5.1 The effects of climate-related risks and opportunities on PEXA's business model and value chain

While PEXA identified no material climate-related risks and opportunities within its 1-5 year business planning horizons, the following table presents those potential risks and opportunities that were prioritised for PEXA as part of the risk assessment process, refer to Section 2. These climate-related risks and opportunities will be monitored and revisited on an ongoing basis to determine if any become material for the purposes of reporting in accordance with AASB S2 in future periods (outside of PEXA's business planning horizons). For each climate-related risk and opportunity, PEXA has provided a description and identified where these risks and opportunities are concentrated geographically.

As each of these climate-related risks and opportunities are not currently considered material to PEXA, it is not expected that they will result in significant changes to its business model and/or resource allocation.

Climate-related risk	Risk description	Location, assets impacted and time horizon
<b>Evolving climate-related regulations</b>	<p>Transition Risk</p> <p>Risks associated with failing to meet climate reporting requirements (e.g. AASB S2), impact of penalties, fines, increased supervisory oversight, and reputational damage.</p>	<p><u>Geographical location:</u> Australia, UK</p> <p><u>Facilities/types of assets impacted:</u> All assets and facilities (e.g. servers, offices)</p> <p><u>Time horizon:</u> Short, medium and long</p> <p><u>Below materiality threshold</u></p>
<b>Climate-related third-party risk</b>	<p>Transition Risk</p> <p>Poor environmental practices by a supplier, or practices that fail to meet regulatory or stakeholder expectations and are not aligned with PEXA's Sustainability Strategy and Framework.</p>	<p><u>Geographical location:</u> Australia, UK, Ireland, Philippines, India</p> <p><u>Facilities/types of assets impacted:</u> Owned and third party operated services</p> <p><u>Time horizon:</u> Medium and long</p> <p><u>Below materiality threshold</u></p>
<b>Energy supply and cost for PEXA's own operations</b>	<p>Transition Risk</p> <p>The transition to renewable energy sources introduces potential energy price volatility, as the integration of these sources into traditional energy systems can incur additional costs for backup and infrastructure.</p>	<p><u>Geographical location:</u> Australia, UK, Ireland</p> <p><u>Facilities/types of assets impacted:</u> All assets and facilities (e.g. servers, offices)</p> <p><u>Time horizon:</u> Short</p> <p><u>Below materiality threshold</u></p>
<b>Property demand and supply in highly exposed areas to climate events</b>	<p>Transition Risk</p> <p>The real estate sector may face a potential decline in both property demand and supply due to climate-related physical risks or challenges, which could lead to lower transaction volumes into the future.</p>	<p><u>Geographical location:</u> Australia, UK</p> <p><u>Facilities/types of assets impacted:</u> N/A</p> <p><u>Time horizon:</u> Medium and long</p> <p><u>Below materiality threshold</u></p>
<b>Change in investor sentiment and investor risk sentiment</b>	<p>Transition Risk</p>	<p><u>Geographical location:</u> Australia, UK</p> <p><u>Facilities/types of assets impacted:</u> N/A</p>

	As climate-related challenges intensify, the real estate sector may face potential declines in both property demand and supply. Properties in high-risk areas and those lacking climate resilience are expected to see reduced demand, as buyers and investors become increasingly cautious about climate impacts.	<u>Time horizon:</u> Long <u>Below materiality threshold</u>
<b>Failure to act on climate change</b>	Transition Risk Failure to implement effective decarbonisation strategies. Such inaction may lead to heightened public pressure on the real estate sector to address its greenhouse gas emissions, which in turn could reduce transaction volumes on PEXA's platform.	<u>Geographical location:</u> Australia, UK <u>Facilities/types of assets impacted:</u> N/A <u>Below materiality threshold</u>
<b>Greenwashing and legal/liability risks</b>	Transition Risk The potential for inaccurate assertions regarding environmental practice, misleading representations, failure to meet climate targets and/or inadequate commitments.	<u>Geographical location:</u> Australia, UK <u>Facilities/types of assets impacted:</u> N/A <u>Time horizon:</u> Short, medium and long <u>Below materiality threshold</u>

Climate-related opportunity	Opportunity description	Location, assets impacted and time horizon
<b>Use of more efficient technological infrastructure to reduce emissions and operating costs</b>	To address climate-related challenges and enhance sustainability, PEXA can leverage a suite of technological strategies aimed at optimising energy consumption across its operations.	<u>Geographical location:</u> Australia, UK and Ireland <u>Facilities/types of assets impacted:</u> All assets and facilities (e.g. servers, offices) <u>Time horizon:</u> Medium and long <u>Below materiality threshold</u>

<b>Implementation of renewable energy strategies to reduce operating costs and value chain emissions</b>	Collaboration with data centre owners can significantly enhance energy efficiency by implementing measures such as solar panels or renewable Power Purchase Agreements (PPAs) to reduce emissions.	<u>Geographical location:</u> Australia, UK, Ireland, Philippines, India <u>Facilities/types of assets impacted:</u> Owned and third party operated services <u>Time horizon:</u> Medium and long <u>Below materiality threshold</u>
<b>Development of sustainable solution service offerings</b>	Developing tools that utilise data from Digital Solutions to address climate-related challenges.	<u>Geographical location:</u> Australia, UK <u>Facilities/types of assets impacted:</u> N/A <u>Below materiality threshold</u>
<b>Expand or increase exposure in markets that align to a transition to a low carbon/climate resilient economy</b>	Developing a comprehensive strategy incorporating educational materials focused on property climate resilience, raising awareness and knowledge among stakeholders, in collaboration with partners offering these solutions, further underscores PEXA's commitment to sustainability.	<u>Geographical location:</u> Australia, UK <u>Facilities/types of assets impacted:</u> N/A <u>Time horizon:</u> Medium and long <u>Below materiality threshold</u>
<b>Provide a resilient and robust service</b>	Implement robust data backup systems (through partners) with regular automated backups stored in secure, climate-resilient locations.	<u>Geographical location:</u> Australia, UK, Philippines, India <u>Facilities/types of assets impacted:</u> N/A <u>Time horizon:</u> Medium and long <u>Below materiality threshold</u>

## **5.2 The effects of climate-related risks and opportunities on PEXA's financial position, financial performance and cash flows**

As no material climate-related risks and opportunities have been identified in the current reporting period, PEXA has not quantified the effects on PEXA's financial position, financial performance and cash flows.

## **5.3 Net zero strategy and climate transition/decarbonisation plans**

During the reporting year, PEXA achieved our FY25 target of net zero scope 1 and scope 2 emissions. This was based on our FY24 reporting year greenhouse gas emissions data and was achieved by undertaking of various initiatives, including:

- Improving energy efficiency across our offices where we have operational control;
- Purchasing renewable electricity; and
- Offsetting any residual emissions annually.

PEXA will now focus on maintaining its scope 1 and 2 net zero emissions status through:

- Continuing and extending current renewable electricity contracts and entering new such contracts as appropriate; and
- Offsetting any residual emissions through an offsetting strategy that considers verified credits with co-benefits including biodiversity, indigenous land or other positive social impacts for its FY25 greenhouse gas inventory and beyond
- Retrospectively purchasing the required Large-scale Generation Certificates (LGCs) and offsets with appropriate certification for the reporting year and publishing this information on the group website.

With the achievement of our net zero scope 1 and 2 emissions milestone, PEXA has shifted its focus towards decarbonising scope 3 emissions across our value chain. Having completed our Carbon Emissions Plan, PEXA is currently working to identify key high-emitting sources across the value chain and will seek to engage with the largest suppliers and highest emitters on their net zero targets and what, if anything, PEXA can do to support their emissions reductions. PEXA does not currently have a scope 3 reduction target.

## **5.4 Application of internal carbon pricing in decision-making**

PEXA has elected not to apply an internal carbon price in its decision-making.

## **5.5 Climate resilience and scenario analysis**

While PEXA has determined that it has no material climate-related risks and opportunities in the current reporting period across our 1-5 year business planning horizons, in order to continue to apply a comprehensive approach to this assessment, management has elected to

perform a qualitative climate scenario analysis to assess the resilience of our strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the identified potential climate-related risks and opportunities.

In alignment with the requirements of AASB S2 and the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (the Act), PEXA has selected two SSP scenarios - one where the global average temperature increase is limited to 1.5°C above pre-industrial levels (SSP1-1.9) and one where the average global temperature increase well exceeds 2.0°C above pre-industrial levels (SSP5-8.5).

For the ‘well exceeds 2.0°C’ scenario, it is noted in the Government’s Explanatory Memorandum to the Act that an increase of 2.5°C would be considered sufficient. In the SSP5-8.5 scenario, over the long term, the very likely warming range is between 3.3°C – 5.7°C above pre-industrial levels. This meets the requirements of the Act and will allow PEXA to test its climate resilience under a ‘worst-case’ scenario. The following table provides an overview of the ‘world description’ of each selected scenario:

Taking the green road – SSP1-1.9	Fossil-fuelled development – SSP5-8.5
<p>This scenario envisions a future of global cooperation and sustainable development, where economic growth is decoupled from environmental damage.</p> <p>Lifestyles shift towards reduced consumption and greater well-being, supported by technological advancements and falling fertility rates. Renewable energy sources dominate with highly efficient energy systems along with sustainable land management and improved agricultural practices.</p> <p>Ambitious climate policies and rapid decarbonisation limit warming to 1.5°C by 2100 compared to pre-industrial levels.</p>	<p>This scenario portrays a future world that is resource-intensive as a result of prioritising economic growth over sustainability. High energy demand from resource-intensive activities drives the growth and dominance fossil fuels (e.g. coal, oil and gas) resulting in a significant increase in greenhouse gas emissions.</p> <p>This resource-intensive development creates challenges for climate mitigation, despite assumed high adaptive capacity due to economic and technological progress.</p> <p>Warming is expected to increase between 3.3°C – 5.7°C by 2100 compared to pre-industrial levels.</p>

#### (r) Time horizons used in PEXA’s FY25 scenario analysis

The scenario analysis was performed across the following three time horizons:

- 2030 (short term)

- 2040 (medium term)
- 2050 (long term)

These time horizons were selected considering alignment with the timeframes in the Paris Agreement (a 45% global GHG emissions reduction by 2030; net zero by 2050) and PEXA's climate strategy. Additionally, the majority of PEXA's FY25 potential climate-related risks are transition related and the SSP scenarios assume that most transition-related actions will occur prior to 2050. PEXA's business planning horizons are 1-5 years. More longer-term scenarios were selected to provide further information into the assessment process.

#### (s) Key findings from the climate scenario analysis

The scenario analysis has been performed in FY25 across the Group's operations. The results of the analysis indicated that PEXA's overall climate risk and opportunity exposure remains low, and we do not anticipate material impacts that would require changes to our strategy or business model.

Under the SSP1-1.9 scenario, PEXA's exposure to the potential climate-related risks showed limited change across each time horizon. This suggests that PEXA's business model, value chain and strategy is well positioned for a transition to a low carbon economy. Assessment of our potential opportunities also indicated that there may be additional value creation under this scenario.

Under the SSP5-8.5 scenario, PEXA's potential exposure to climate-related risks reduced across the short- to medium-term as a result of limited global climate policy action. However, the impact of this delayed response suggested that climate-related risks may have a greater impact over the long-term as they rapidly eventualise. In terms of our climate-related opportunities, a lack of market demand for climate solutions will likely reduce their potential across each time horizon.

PEXA acknowledges that climate change impacts may become material overtime, particularly those impacting property demand and supply as identified in our climate scenario analysis. Our processes are ongoing. We will monitor potential impacts and review our risk assessment with business change, or changes in the environment.

#### (t) Climate scenario selection

PEXA has adopted the Shared Socio-economic Pathway (SSP) models for use in conducting the scenario analysis on the basis that, compared to other scenarios available, these were considered to provide a comprehensive look at considering various socioeconomic factors,



focusing on aspects such as population growth, economic development, and technological advancement, in addition to emissions trajectories.

#### (u) Capacity to adjust or adapt strategy and business model

Even in the absence of finalised scenario analysis, as PEXA does not have any material climate-related risks and opportunities in the current reporting period, it is not expected that PEXA's current and/or planned investments for climate-related mitigation, adaptation, or opportunities for climate resilience will be materially impacted.

**Redeploying, repurposing and upgrading assets:** PEXA does not anticipate a need to redeploy, repurpose, or upgrade its assets extensively. PEXA will continue to engage with suppliers (e.g. lessors of office space where PEXA is a tenant and providers of cloud hosting services etc.) to prioritise buildings with appropriate sustainability credentials and where emissions and potential climate-related impacts are being mitigated or minimised where possible.

**Investment in climate-related mitigation, adaptation and opportunities:** PEXA does not invest directly in climate-related mitigation or adaptation of physical assets. PEXA is a tenant in managed office buildings. We focus on emissions reductions for our scope 1, 2 and 3 emissions. PEXA is net zero for scope 1 and scope 2 emissions and will continue to expand renewable electricity purchasing across tenanted office space where available in line with our net zero pathway.

#### (v) Key assumptions, judgements and uncertainties

The choice of climate scenarios (SSP1-1.9 and SSP5-8.5) and the development of key assumptions for each scenario are informed by professional judgement, drawing on authoritative sources such as the IPCC, peer-reviewed models, and regulatory guidance. Judgement is also used to interpret how macroeconomic, regulatory, and market conditions might evolve under each scenario and how these changes could affect PEXA's business model and value chain.

Taking the green road scenario (SSP1-1.9) assumptions	
Climate-related policies	<ul style="list-style-type: none"> <li>• Strong climate policies implemented as part of a broader suite of sustainability policies.</li> <li>• Global policy coordination with strong focus on emission reduction through adoption of technology and shift in consumption and production patterns.</li> </ul>
Macroeconomic trends	<ul style="list-style-type: none"> <li>• Rapid economic growth but overall energy demand remains low due to increased efficiency and shift in consumption patterns.</li> </ul>

	<ul style="list-style-type: none"> <li>• Decline in global population in latter half of century with focus on human well-being and sustainable development.</li> </ul>
National- or regional-level variables	<ul style="list-style-type: none"> <li>• High level of international cooperation and capacity building resulting in rapid global development across all regions (e.g. education, reduced resource-intensive lifestyles).</li> <li>• Land use change due to dietary shifts and investment into afforestation.</li> </ul>
Energy usage and mix	<ul style="list-style-type: none"> <li>• Rapid transition away from fossil fuels to renewable energy sources.</li> <li>• Natural gas plays a bridging role during the transition with electric and hydrogen-based technology to be introduced.</li> <li>• Energy demand is relatively low due to increased efficiency.</li> </ul>
Developments in technology	<ul style="list-style-type: none"> <li>• Rapid technological development including renewable energy technology, energy efficiency and electric/hydrogen vehicles.</li> <li>• Improved agricultural practices with reduced emissions.</li> <li>• Development of bioenergy and carbon capture and storage technology.</li> </ul>

Fossil-fuelled development (SSP5-8.5) assumptions	
Climate-related policies	<ul style="list-style-type: none"> <li>• Limited climate mitigation policies resulting in fossil fuels being the primary source of energy and push towards resource-intensive activities.</li> </ul>
Macroeconomic trends	<ul style="list-style-type: none"> <li>• High economic growth with rapid convergence between regions with strong reliance on fossil fuels.</li> <li>• Material-intensive production and consumption patterns.</li> </ul>
National- or regional-level variables	<ul style="list-style-type: none"> <li>• Assumes fossil fuel resources are abundant.</li> <li>• Land use change with focus on resource-intensive development to meet high economic growth and supply demands.</li> <li>• Increase in adaptive capacity due to high levels of development.</li> </ul>
Energy usage and mix	<ul style="list-style-type: none"> <li>• Rapid increase in energy consumption with fossil fuel being the dominant supply of energy.</li> <li>• Resurgence of coal alongside increases in oil and natural gas extraction</li> </ul>
Developments in technology	<ul style="list-style-type: none"> <li>• Technological developments in energy conversion technologies for electricity, liquid fuels and gases.</li> <li>• Fossil fuel supportive policies drive further technological investment and development to increase fossil fuel extraction and supply.</li> </ul>

## 6. Metrics and targets

### 6.1 Climate-related risk and opportunity metrics

Metric	FY25
Climate-related transition risks	PEXA has identified that it has no material climate-related risks or opportunities (physical and transition) that could reasonably impact the business measured against the timelines used in strategic decision making, planning and forecasting 1-5 years. As such, there is no amount or percentage of assets of business activities vulnerable to material climate-related physical and/or transition risks.
Climate-related physical risks	
Remuneration	Refer to Section 3.4 for further details.
Internal carbon price	PEXA has decided to not implement an internal carbon price. Refer to Section 5.4 for further details.

PEXA has not set any targets against the potential climate-related risks and opportunities identified due to the fact that they were assessed as not being material to PEXA in the reporting period.

### 6.2 Climate-related target(s) and GHG metrics

#### (w) Net zero targets

PEXA achieved its net zero target for scope 1 and scope 2 emissions in FY25 based on our FY24 reporting year's greenhouse gas inventory. Refer to PEXA's Scope 1 and Scope 2 Net Zero Target Summary Report on the group website [Environmental Policy | PEXA Group](#). Our net zero pathway has focused on emissions reduction, the purchase of 100% renewable electricity across our office locations where available and offsetting residual emissions. Our pathway to emissions reduction can be found on the group website. Our independently assessed FY25 gross emissions profile was:

- Scope 1: 0.49 tonnes (<1% of total emissions)
- Scope 2: 199.5 tonnes (market based, 2% of total emissions)
- Scope 3: 9,170.5 tonnes (largest contributor at 98% of total emissions)

Our total gross carbon footprint was 9,370.5 tonnes, with total electricity consumption of 502MWh. Our net emissions totalled 9,332.3 tonnes, a decrease of 3,740.81 tonnes from FY24 using the market-based methodology, which better reflects our efforts to purchase lower-emissions electricity. Our scope 2 location-based emissions were 319 tCO<sub>2</sub>-e.

Our net emissions reduced in FY25 compared to FY24 as a result of us improving our scope 3 spend data sources and how we categorise our data under the GHG Protocol categories and the use of supplier-specific emissions factors, as well as using GreenPower and Carbon neutral electricity. Having completed our Carbon Emissions Plan, we are working to identify key high-emitting sources across the value chain and will seek to engage with the largest suppliers and highest emitters on their net zero targets and what, if anything, PEXA can do to support their emissions reductions. PEXA does not currently have a scope 3 reduction target.

Refer to Section 5.3 for more details.

#### (x) Greenhouse gas emissions FY25

PEXA's greenhouse gas emissions are independently assessed by a third party and limited assurance is sought on scopes 1, 2 and 3 emissions. Annual greenhouse gas reports, assurance statements and supporting Basis of Preparation documents can be found on the company website [Environmental Policy | PEXA Group](#).

PEXA's greenhouse gas emissions category are as follows for FY25:

GHG Protocol Summary FY25			
Scope	GHG Protocol Category	Description	Gross Emissions FY2025 (tCO <sub>2</sub> -e)
Scope 1	Scope 1	Direct emissions from fuel combustion, chemical processing or fugitive emissions	0.49
Scope 2	Scope 2	Indirect emissions from purchased electricity, heat and steam	199.5
Scope 3	Category 1	Purchased goods & services	7,094.85
Scope 3	Category 2	Capital goods	59.27
Scope 3	Category 3	Fuel and energy related activities	29.5
Scope 3	Category 4	Upstream transportation & distribution	0.00
Scope 3	Category 5	Waste generated in operations	5.25
Scope 3	Category 6	Business travel	1,242.6
Scope 3	Category 7	Employee commuting	576.5
Scope 3	Category 8	Upstream leased assets	162.46
Scope 3	Category 9	Downstream transportation & distribution	0.00
Scope 3	Category 10	Processing of sold products	0.00
Scope 3	Category 11	Use of sold products	0.00
Scope 3	Category 12	End-of-life treatment of sold products	0.00
Scope 3	Category 13	Downstream leased assets	0.00
Scope 3	Category 14	Franchises	0.00
Scope 3	Category 15	Investments	0.00
<b>Total</b>			<b>9,370.5</b>

### (y) Approach to measuring GHG emissions

As outlined in Section 1.4, PEXA has adopted the principles of the GHG Protocol in measuring its scope 1, 2 and 3 emissions. PEXA applies the operational control approach to establish our organisational boundary for the reporting of GHG emissions. PEXA believes that the use of the operational control approach is the most appropriate method to measure our GHG emissions; in doing so, PEXA has applied the operational control approach where activities and operations where PEXA has 100% operational control are included in its scope 1 and 2 emissions. Emissions are calculated on a consolidated basis across Australia and the UK.

PEXA's emission factor sources per activity type are summarised below:

Emission Source	Emission factor source
Employee commuting	Department for Energy Security & Net Zero (DESNZ), and Department for Environment, Food & Rural Affairs (DEFRA), <i>'UK Government GHG Conversion Factors for Company Reporting'</i> <sup>1</sup> National Transport Commission (2023), <i>'Carbon Dioxide Emissions Intensity for New Australian Light Vehicles 2022'</i> , 10% uplift factor applied <sup>2</sup>
Working from home	Department for Energy Security & Net Zero (DESNZ), and Department for Environment, Food & Rural Affairs (DEFRA), <i>'UK Government GHG Conversion Factors for Company Reporting'</i>
Electricity	Department of Climate Change, Energy, the Environment and Water, <i>'National Greenhouse Account Factors 2024'</i> <sup>3</sup> Department for Energy Security & Net Zero (DESNZ), and Department for Environment, Food & Rural Affairs (DEFRA), <i>'UK Government GHG Conversion Factors for Company Reporting'</i>
Transport Fuels	Department of Climate Change, Energy, the Environment and Water, <i>'National Greenhouse Account Factors 2024'</i>
Natural Gas	Department of Climate Change, Energy, the Environment and Water, <i>'National Greenhouse Account Factors 2024'</i> Department for Energy Security & Net Zero (DESNZ), and Department for Environment, Food & Rural Affairs (DEFRA), <i>'UK Government GHG Conversion Factors for Company Reporting'</i>
Synthetic GHGs	IPCC Sixth Assessment Report 2021 <sup>4</sup>

<sup>1</sup> <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

<sup>2</sup> WTT (upstream emissions) from DEFRA factors

<sup>3</sup> <https://www.dccew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024>

<sup>4</sup> <https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%2520%2528August%25202024%2529.pdf&ved=2ahUKEwjQ-NCuh8qLaxVk3TgGHWkcNSgQFnoECAgQAQ&usq=AOvVaw1mv2dBkA0E4A4GNOVUySSk>

Emission Source	Emission factor source
Flights	Department for Energy Security & Net Zero (DESNZ), and Department for Environment, Food & Rural Affairs (DEFRA), 'UK Government GHG Conversion Factors for Company Reporting
Hotels	Cornell Hotel Sustainability Benchmarking Index (2021), Rooms Footprint Per Occupied Room (M1), median <sup>5</sup>

Other emissions (i.e. activities where PEXA do not have operational control over) are accounted for in PEXA's scope 3 emissions. PEXA's GHG emissions by scope from base year FY22 to FY25 can be found in Figure 1. PEXA's total gross emissions from FY22 – FY25 can be found in Figure 2. Further GHG emissions documents can be found on the company website in PEXA's Basis of Preparation FY25 [Environmental Policy | PEXA Group](#).

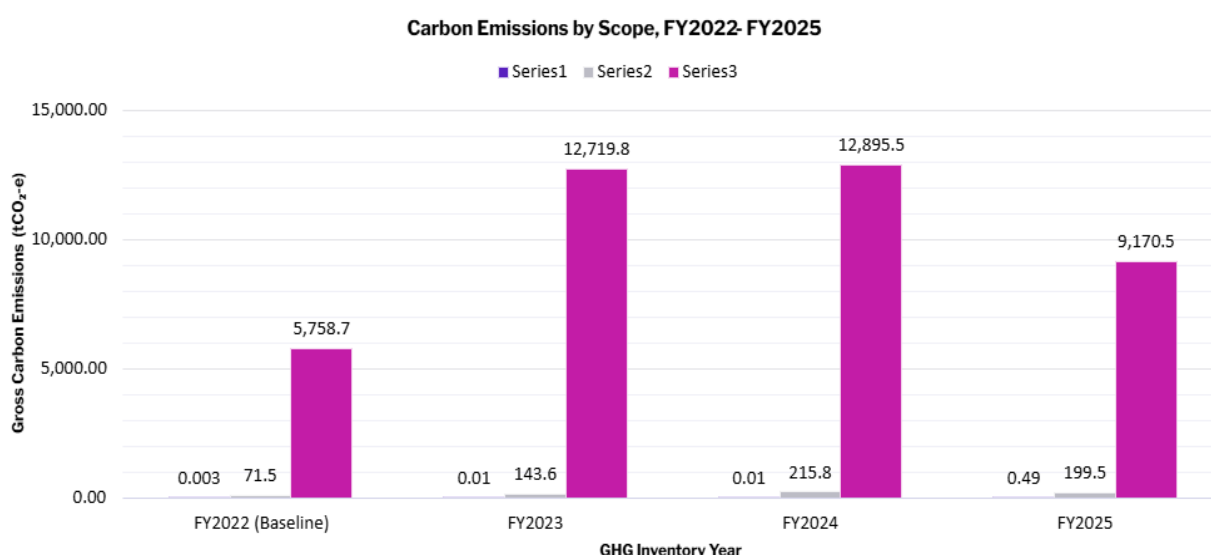


Figure 1

<sup>5</sup> <https://ecommons.cornell.edu/items/f50b30f1-40ea-4c87-95d0-83c8009f6497>

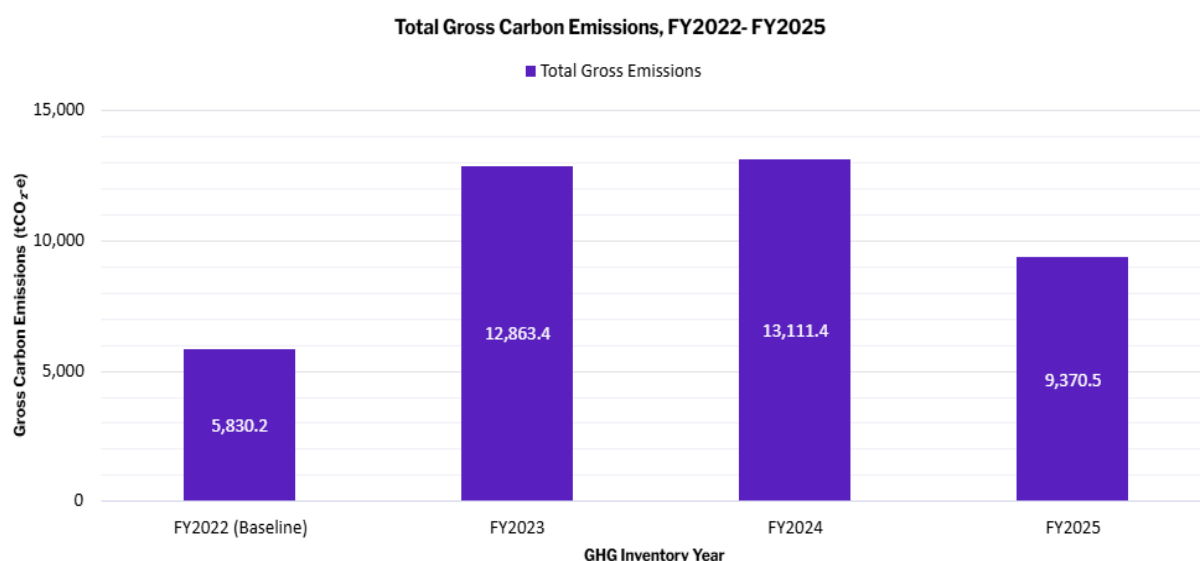


Figure 2

PEXA has not identified material transactions, other events and conditions that have occurred after the end of the reporting period, but before the date on which our Climate-related Disclosure Report was authorised for issue.

Judgements made in preparing our Climate-related Disclosure Report have been stated within the report. PEXA Group's Annual Report can be found on the company website [Financial Reports & Updates - PEXA Group](#).

