FLETCHER BUILDING LIMITED

2025 Climate Statements

Fletcher Building

Reporting Entity

These Climate Statements are the Group Climate Statements for Fletcher Building Limited and its subsidiaries, and are equivalent to the Group's mandatory Climate-related Disclosures (CRD). When used in these statements, references to the 'Company' are references to Fletcher Building Limited. References to 'Fletcher Building', 'FB', 'we', 'our' or the 'Group' are to Fletcher Building Limited together with its subsidiaries and, where relevant, its interests in associates and joint ventures. These Climate Statements relate to our continuing operations, unless otherwise stated. The scope of the reporting entity aligns with that used in the Group's 2025 consolidated financial statements.

Reporting Period and Currency

These Climate Statements have been prepared for the financial year ended 30 June 2025 (FY25). All references to financial years are to the financial year ended 30 June. References to $ and NZ$ are to New Zealand dollars unless otherwise stated. Information, including metrics, has been stated on the basis of our continuing operations unless otherwise stated.

Important Notice/Disclaimer

This report contains current and forward-looking statements about climate change, the impacts of it both generally and on the Group, and the Group's response to it. Forward-looking statements may include statements or opinions regarding intent, belief or current expectations, scenarios, anticipated impacts, risks and opportunities, metrics and targets and transitional activities. The current and forward-looking statements are subject to a number of risks and uncertainties and are necessarily based on evolving assessments, judgements, assumptions and incomplete data. Actual outcomes may differ materially from what is described, as future results may vary due to economic, technological and market factors beyond the Group's control, and there is no assurance that outcomes contemplated in any current or forward-looking statements (including our ability to meet any targets) will be realised. While the Group aims to fairly present information for the year ended 30 June 2025 as at the publication date (21 October 2025), this report and its contents: should not be relied upon as guarantees of future performance; contain no representations, warranties or assurances in relation to any forward-looking statements or opinions; and do not constitute legal, financial, investment or tax advice or advice of any other kind.

To the extent permitted by law, the Group does not accept any liability whatsoever for any loss arising directly or indirectly from any use of, or reliance upon, the information contained in this report.

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Message from the Chair and Managing Director & CEO

At Fletcher Building, we recognise that climate change is one of the defining challenges of our time. Our impact extends beyond our own operations, as our products and decisions shape the built environment for generations. This brings an opportunity - to reduce emissions and enable lower-carbon choices for our customers and communities. Over the past year, we have made progress in aligning our strategy with a low-carbon future. Central to this is our science-based decarbonisation pathway, which sets clear and measurable targets for reducing emissions. We remain committed to reducing our Scope 1 and 2 emissions by 30% against a FY18 baseline by 2030 and to achieving Net Zero Scope 1 and 2 emissions by 2050. Meeting these goals will require regulatory certainty particularly in respect of sustained investment, disciplined execution and collaboration across our value chain.

In FY25, we advanced several key initiatives. In our cement and concrete operations, where emissions are most material, we have invested in alternative fuels, clinker substitution and product innovation to lower embodied carbon. We are expanding the availability of lower-carbon concrete solutions and working closely with industry partners to accelerate uptake. Our energy transition programme is reducing reliance on fossil fuels, with an increasing share of renewable electricity across our sites.

The greatest opportunity lies in the products we produce and provide. By embedding sustainability into product design and expanding our range of certified lower-carbon materials, we enable builders, architects and developers to make climate-positive choices. We believe long-term value will come from solutions that support both resilience and affordability in the built environment.

We are acutely aware of the transition risks and opportunities that lie ahead. Regulatory uncertainty, particularly around the New Zealand Emissions Trading Scheme, presents challenges for our decarbonisation investments. Market shifts towards low-carbon products, energy availability and supply chain resilience are all critical factors influencing our strategy. We continue to engage with government, industry peers, iwi, our supply chain and research partners to accelerate systemic change and enable our business to remain resilient and competitive.

Transparency and accountability remain core to our approach. These Climate Statements follow the recommendations of the International Sustainability Standards Board (ISSB) and Task Force on Climate-related Financial Disclosures (TCFD), providing investors and stakeholders with a clear view of our risks, opportunities and progress.

We are proud of the progress made to date and equally mindful of the work still ahead. On behalf of the Board and Executive team, we thank our people, customers and partners for their ongoing support.

Peter Crowley
Chair, Fletcher Building Limited

Andrew Reding
Managing Director and CEO, Fletcher Building Limited

Key Highlights for 2025

Scope 1 and 2 carbon emissions

24% lower[1] vs FY18 baseline

79% of manufacturing revenue from sustainably certified products[2]

87% of waste diverted from landfill[2]

As part of their Positive Biodiversity strategy, Winstone Aggregates® worked with Natureland Wildlife Trust to **breed and release yellow crowned kakariki chicks at Mount Bruce,** a 900-hectare restored forest home of endangered wildlife.

Golden Bay® achieved an **exit run rate of ~65% coal substitution in FY25** following completion of the front-end firing capability that allows the use of more waste products such as plastics.

Winstone Wallboards® has partnered with Hastings District, Napier City councils, Central Environmental and major local building supply merchants to **trial a recycling system, where plasterboard offcuts are collected, processed, and turned back into new product.**

Our Australia businesses **generated 975 MWh of solar electricity** across three sites, **equivalent to 684 t CO_2e of avoided emissions.**

1. Scope 1 & 2 emissions decreased partly due to increased coal substitution in cement, renewable energy sources in Australia and other initiatives; however, lower market activity and trading volumes are also a factor. Emissions may fluctuate with sales absent further mitigation. Refer to *Strategy (page 12)* for detailed justification.
2. The revenue for sustainably certified products is a percentage of the total revenue from products made or sold by our manufacturing businesses only. Waste diverted from landfill does not include waste that is not managed under our principal waste contracts and where specific waste measurements for our operations are not provided to us. Please refer to *Appendix A: Glossary of Terms* for definitions and further clarification.

Statement of Compliance

Fletcher Building Limited (together with its subsidiaries, the 'Group', 'Fletcher Building' or 'FB') is a Climate Reporting Entity under the Financial Markets Conduct Act 2013 (the Act). This report, which constitutes our Group Climate Statements in accordance with the Act, covers the period from 1 July 2024 to 30 June 2025. The statements and disclosures are prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS), comprising NZ CS 1: Climate-related Disclosures, NZ CS 2: Adoption of Aotearoa New Zealand Climate Standards and NZ CS 3: General Requirements for Climate-related Disclosures. In accordance with NZ CS 2, Fletcher Building has applied the following adoption provisions for this reporting period:

- *Adoption Provision (AP) 2:* Anticipated financial impacts – applied in full. Accordingly, anticipated financial impacts of climate-related risks and opportunities are not disclosed in this report.
- *Adoption Provision 4:* Scope 3 greenhouse gas (GHG) emissions – Disclosed for all GHG Protocol supply chain categories except Downstream leased assets and Processing of sold products (see *Appendix B*).
- *Adoption Provision 6:* Comparatives for metrics – Two years of comparatives are disclosed for Scope 1, 2 and 3 emissions, and Scope 1 and 2 intensity; one year is disclosed for all other metrics, consistent with AP 6.
- *Adoption Provision 7:* Analysis of trends – Trends provided for disclosed Scope 1, 2 and 3 GHG emissions, but not for other metrics.

On behalf of Fletcher Building Limited, 21 October 2025.

Peter Crowley
Chair

Cathy Quinn
Director, Chair of Safety, Health, Environment and Sustainability Committee

Sandra Dodds
Director, Chair of Audit and Risk Committee

Our Governance of Climate-related Risks and Opportunities

Board oversight of climate-related risks and opportunities

The role of the Fletcher Building's Board of Directors (the Board) is to provide overall strategic guidance and effective oversight of management for the purposes of protecting and enhancing the value of Fletcher Building assets in the best interests of the Group. The Board is responsible for oversight of climate-related risks and opportunities. This includes oversight of the identification of key financial and non-financial risks and overseeing the Group's commitment to sustainable development, the environment and the community.

The Board's roles and responsibilities are formalised in a Board Charter, which is available on the Group's website. The Board Charter sets out those powers and functions that may be delegated to management and those that are reserved for the Board and Board sub-Committees. Where climate-related matters are material to the Group, they are presented to the Board for consideration. In FY25, reporting was provided related to the Science-based Targets Initiative and for the Golden Bay® regulatory uncertainty and investment strategy. The Board also receives and discusses reports from the relevant sub-Committees.

The role of the Audit and Risk Committee (ARC) is to oversee the Group's overall Risk Management Framework, including climate-related risks. This involves overseeing the mechanisms and internal controls that identify, monitor and manage the material financial, operational and emerging risks and approve public disclosures of matters relating to its area of responsibility.

The role of the Safety, Health, Environment and Sustainability Committee (SHES) is to support the Board on strategies related to environmental and sustainability matters. This includes having responsibility for overseeing the Group's strategies, policies, governance and performance in relation to the environment, monitoring compliance with environmental- and sustainability-related requirements, and monitoring developments in climate science and key climate change developments.

Board skills and competence

The Board has expanded its climate-related expertise through targeted education sessions. In April 2024, the Board participated in an externally facilitated in-depth exploration of regulatory, legal and practical aspects of current and forecast climate-related risks and opportunities. The Board seeks and receives internal and external advice related to climate-related risks as required. Ongoing education, along with regulatory and market updates, are provided to the ARC and SHES Committees. Additionally, the Board's climate capability is strengthened through individual directors' experiences on boards of other climate reporting entities, and through participation in professional director networks such as Chapter Zero New Zealand, which supports governance capability on climate-related matters.

The Board has adopted a skills matrix which, since FY23, has assessed the extent to which 'environmental, social and governance' skills and experience is represented among the directors. The current Board Skills Matrix is available at https://fletcherbuilding.com/investor-centre/corporate-governance.

Management role in assessing and managing climate-related risks and opportunities

The Executive team is responsible for identifying, assessing and managing climate-related risks and opportunities. Supported by the Climate Reporting Working Group (CRWG) members *(see pages 9 to 10 for details of its roles and responsibilities)*, the Executive team is responsible for implementing the sustainability strategy within their teams and respective business units. This includes the integration of climate transition, mitigation plans and initiatives into 5-year divisional plans, and capital allocation reviews, which are then considered, and may be discussed through the Group's annual budget planning processes and monthly operational reviews where material.

The Executive team is also responsible for overseeing whether business units are appropriately identifying, assessing and monitoring climate-related risks and opportunities in accordance with the Group's Risk Management Policy and Sustainability Policy, including

assessing the asset value or percentage exposed to physical climate-related risks.

Divisional Chief Executives present their climate- and sustainability-related strategies and performance to SHES on a rotating basis every 18 months. These presentations provide updates on key metrics, initiatives, challenges and insights.

The Chief Financial Officer (CFO) and the Chief Safety and Sustainability Officer (CSSO) have management co-accountability for Fletcher Building's annual Climate Statements.

Fletcher Building's Climate Statements are prepared by the CRWG and reviewed by the members of the ARC and SHES prior to being endorsed for approval by the Board.

All Divisional Chief Executives are required to provide a long-term carbon reduction plan that supports Fletcher Building's 30% reduction in combined Scope 1 & 2 emissions by 2030 target, and identifies and costs specific GHG reduction initiatives, including goals that work towards achieving Net Zero by FY50.

In FY25, the Short-Term Incentives (STI) for Executives were weighted 50% financial and 50% non-financial including weighted goals for individual performance. These non-financial goals are individually determined and may include ESG goals where issues or matters are material to the Group or division. For example, the Concrete Chief Executive had a 5% goal related to the Golden Bay®'s decarbonisation strategy.

Governance activities in FY25

Audit and Risk Committee (ARC)

The ARC met five times during FY25, with relevant Executives present at all meetings to support discussion of climate-related risks. Climate-related matters were considered at three of these meetings:

- November 2024: management recommended pre-assurance over climate-related disclosures;
- February 2025: management provided an update on mandatory climate-related disclosures, the FY25 delivery plan for the Group's Climate Statements and regulatory developments; and
- May 2025: management presented the draft FY25 pro forma Climate Statements incorporating pre-assurance provider recommendations, together with updates on key action plans scheduled for completion by 31 October 2025.

The ARC also reviewed a summary of the Group's risks under categories such as 'Business Resilience', 'Supply Chain', 'Environmental' and 'Regulatory and Legal', presented by the Group Risk function in November 2024 and May 2025. Climate-related risks and opportunities are managed separately from this process; however, they are interlinked with these categories and considered in that context. While the ARC's responsibilities include receiving annual updates on the Group's responsibilities under the Emissions Trading Scheme (ETS) updates, none were provided to the ARC in FY25, as this matter was reviewed directly by the Board, particularly in relation to impacts on Golden Bay®.

Safety, Health, Environment and Sustainability Committee (SHES)

The SHES met six times in FY25. Standard agenda items include carbon emissions performance against targets, key assumptions monitoring, progress on strategic items (e.g., manufacturing revenue from sustainably certified products and waste diverted from landfill) as well as relevant regulatory updates.

The standard quarterly SHES agenda includes updates from a Divisional Chief Executive on their sustainability performance and insights (this rotates so all divisions are represented at least every 18 months). In FY25, the following Divisions presented to the SHES: Residential and Development, Concrete, Distribution and Construction.

In addition, two special SHES meetings were held. One in August 2024 to review the ESG content for the FY24 Annual Report; one in December 2024 to review and approve planned updates to Fletcher Building's Science-based Targets. Both of these were then submitted to the Board for endorsement.

People and Remuneration Committee (PREM)

PREM considered climate-related Executive remuneration matters once during FY25, including setting STI targets and reviewing Executive STI performance against climate objectives. In August 2025, PREM approved the FY25 Remuneration Report for circulation to shareholders, which included disclosure of climate-related STI outcomes.

Climate Reporting Working Group (CRWG)

The CRWG is a cross-functional group comprising representatives from Fletcher Building's Insurance & Treasury, Risk & Assurance, Governance, Sustainability, Corporate Affairs and Finance & Performance teams. During FY25, following updates to the operating model, the CRWG continued to coordinate climate reporting activities through regular cross-functional working sessions and updates, rather than formally scheduled meetings. Engagement increased in the lead-up to the disclosure reporting period to seek alignment of activities and reporting.

Due to operational model changes carried out during FY25, the CRWG was unable to meet formally with the full Executive team to inform, support decision-making and monitor climate-related matters, relying instead on ad hoc and informal communications. This is an area we plan to strengthen in the coming year by formalising regular catch-up sessions between the CRWG and the Executive team. In practice, because the CRWG is comprised of representatives from the Executive and Group functions, its members inform and are informed by the activities of those functions. Where a Group function has materials for submission to the ARC or other Board sub-Committees (e.g. the Group's Risk Register presented to the ARC), those materials were reviewed by the relevant Executives for that function prior to submission. This evidences the interaction between the CRWG and Executives, with each function respectively engaging with the Executive in the preparation and review of materials.

Flow to the Board

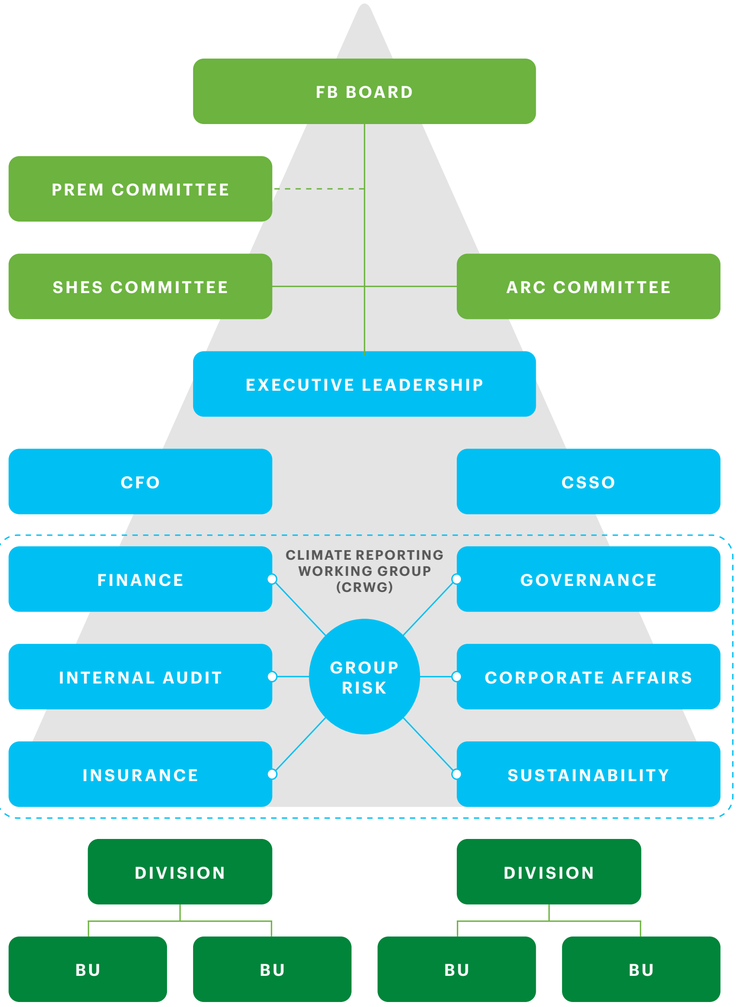
The outputs of the ARC, SHES and PREM were reported to the Board after each Committee meeting. This allows climate-related risks, opportunities, metrics and remuneration matters to be considered at Committee level and elevated for the Board's oversight.

In May 2025, Golden Bay® provided an update directly to the Board, addressing key questions raised at the December 2024 Board meeting on its future operating model in light of ETS policy settings. This update, which covered decarbonisation progress, regulatory developments and alternative operating pathways, was consistent with the disclosures on Golden Bay® made elsewhere in these Climate Statements.

In September 2025, the SHES approved the Group's FY25 GHG emissions for inclusion in these Climate Statements. A joint meeting of the SHES and ARC occurred in mid-October 2025 to endorse these Climate Statements, prior to submission to the Board for approval on 21 October 2025.

Governance and management hierarchy overview

The diagram below outlines Fletcher Building's governance and management hierarchy for climate-related risks and opportunities, with key responsibilities set out in the accompanying narrative.



ROLES AND RESPONSIBILITIES WITHIN CLIMATE GOVERNANCE		
FB BOARD		
Responsible for oversight of climate-related risks and opportunities. Includes oversight of identification of key financial and non-financial risks, as well as FB's commitment to sustainable development, the environment and the community.	Delegates climate-related responsibilities to ARC and SHES and receives recommendations from those Committees in relation to those matters.	Seeks internal and external advice on climate risks. Monitors Scope 1 & 2 GHG emissions performance.
Approves Sustainability Policy, targets, Risk Management Policy and annual Climate Statements on the recommendation of the Board sub-Committees.	Develops its climate and sustainability expertise through education sessions.	Through its Skills Matrix the Board assesses on an ongoing basis whether FB has Directors with the requisite expertise and experience in the area of ESG.
SUB COMMITTEES (ARC AND SHES)		
Meet at least four times annually. Reporting to the Board after each meeting.	Review relevant aspects of the Climate Statements before recommending them to the Board for approval.	Receive ongoing education and updates on regulations and market trends.
AUDIT AND RISK COMMITTEE (ARC)		
Oversees FB's Risk Management Framework and the internal controls to identify, monitor and manage the material strategic financial, operational and emerging risks. Approves public disclosures related to its role and responsibilities.	Reviews the Risk Register with management to track and update risks at least biannually or as needed.	Reviews risk summaries and relevant ETS updates at least annually.
SAFETY, HEALTH, ENVIRONMENT AND SUSTAINABILITY COMMITTEE (SHES)		
Oversees FB's sustainability strategy and ESG issues, including reporting on Scope 1 & 2 progress.	Reviews Emissions Inventory annually and Sustainability & EHS policies biannually.	Tracks emissions performance and carbon reduction progress biannually.
PEOPLE AND REMUNERATION COMMITTEE (PREM)		
Assists the Board in setting climate-related STI targets for Executives, set annually.	Annually reviews Executive STI performance on climate objectives.	
EXECUTIVE		
Manages climate-related risks and reports impacts to the ARC or Board at least biannually.	Implements sustainability strategy and integrates climate plans into divisional plans and capital reviews, with monthly operational reporting.	Responsible for BUs identify and monitor climate risks per policies, with annual reporting.
CHIEF FINANCIAL OFFICER (CFO) AND CHIEF SAFETY AND SUSTAINABILITY OFFICER (CSSO)		
Lead climate reporting to ARC and SHES Committees respectively.	Co-accountable for FB's annual Climate Statements.	
CRWG		
Supports the reporting of climate-related impacts on the business and prepare the Group's annual Climate Statements.		

Strategy

Fletcher Building is a major manufacturer, distributor, home builder and partner in construction and infrastructure projects. Dual-listed on the NZX and ASX, it operated through six divisions during FY25: Building Products, Distribution, Concrete, Australia, Residential and Development and Construction. Fletcher Building has over 500 operating sites across New Zealand, Australia and the South Pacific.

Fletcher Building's diversified businesses span resource extraction, manufacturing, distribution, property development and infrastructure construction. For more details about Fletcher Building and our work in sustainability, including performance data, see our website.

We want to play a leading role in building a climate-resilient and sustainable economy and have a positive impact on the environment. Our sustainability strategy is driven by five goals that bring to life where and how we can make this happen.

Our Strategic Goals

Purpose

Improving the world around us through smart thinking, simply delivered

Strategic Goals	What does this look like?
Safe, diverse & inclusive workplace	Our people can bring their whole selves to work and go home safely at the end of the day
Our community at the heart of what we do	Our actions enrich our customers' lives and the communities we operate in
Net positive environmental impact	Our mindset & actions focus on making a positive impact on our environment
Leading the way in sustainable building products & solutions	We innovate to deliver sustainable building products & solutions, and work with the industry to achieve this
Circular economy commitment across our businesses	We consciously eliminate waste and create ways to reuse products & materials

Group Measures

- Zero serious injuries
- 30% women in leadership (by FY27)
- Engagement (eNPS) ≥40
- NPS ≥55
- Net Zero carbon (by FY50)
- 70% waste avoided, recycled and/or reused (by FY26)
- 75% manufacturing revenue from sustainably certified products (by FY27)

Enablers

- Sustainability-focused culture & mindset driving our people
- Transparency of our sustainability performance

The Group's climate strategy is aligned to Net Zero Scope 1 & 2 carbon emissions by 2050, supported by a near-term target of reducing Scope 1 and 2 emissions by 30% by 2030 against a FY18 baseline. This ambition is framed within a science-based approach and is underpinned by actions across operations, products and supply chains. The Group continues to prioritise innovation, with initiatives such as the development of lower-carbon cement alternatives, energy-efficient housing and circular economy solutions, including expanded waste reduction and recycling activities. These efforts are complemented by a commitment to transparent reporting and disclosure, with annual measurement of progress against targets, independent assurance of greenhouse gas inventories and alignment to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The climate strategy acknowledges the need to address both mitigation and adaptation. Alongside emissions reduction initiatives, the Group performs a stand-alone assessment of transition risks, such as carbon pricing, regulatory change and evolving market expectations, and of physical risks, including flooding, heat stress, extreme weather events, longer-term exposure to sea-level rise, water stress and wildfires/bushfires. These risks are considered across multiple time horizons, informing the consideration of required resilience in forward planning. The integration of climate targets with the Group's broader sustainability objectives, including a focus on sustainably certified products and diversion of waste from landfill within the same timeframe, reflects the Group's intention to embed climate considerations throughout its business model. These targets are also core to supporting our progress on Scope 3 emissions.

A material challenge to this strategy and to the achievement of our targets arises from ongoing uncertainty in the regulatory environment, particularly in relation to the New Zealand Emissions Trading Scheme (NZ ETS). Recent changes to NZ ETS legislation have created ambiguity regarding the future level of free allocation of carbon credits to emissions-intensive trade-exposed industries. This uncertainty has direct implications for the Group's Golden Bay® business, New Zealand's only domestic cement manufacturer, which plays a critical role in national supply resilience. While the Group remains committed to decarbonising cement and concrete, the absence of stable and predictable policy settings constrains the ability to deploy the significant capital required for domestic low-carbon manufacturing.

The Group recognises there are broader challenges in the delivery of its climate strategy. Reducing Scope 3 emissions remains a complex undertaking, requiring greater collaboration with suppliers and partners across the value chain. While progress has been made in year-on-year emissions reduction for emissions sources measured and disclosed, the rate of reduction will need to accelerate if the Group is to achieve its FY26 and 2030 milestones. It should also be noted that the Group's near-term 2030 target is based on absolute reductions in carbon emissions rather than intensity-based measures. As such, the ability to achieve targets is also sensitive to changes in production volumes, which may increase as the Group seeks to grow its businesses. This dynamic creates an additional challenge in balancing growth aspirations with the delivery of absolute emissions reductions. The success of the Group's strategy is also influenced by external factors, including the cost and availability of new technologies,

Scope 1 & 2 greenhouse gas (GHG) emissions

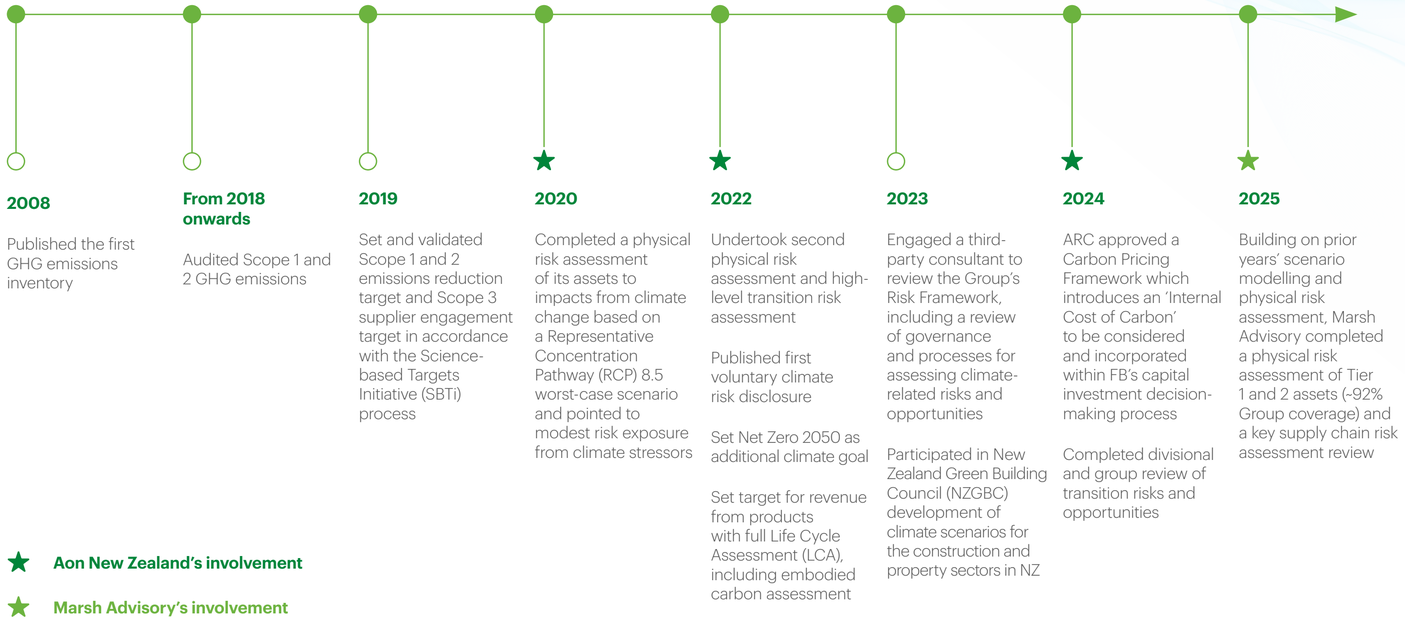
Manufacturing revenue from sustainably certified products

Percentage of waste diverted from the landfill

renewable energy and the stability of climate and energy policies in New Zealand and Australia. In the longer term, the Group expects physical risks associated with climate change to become more material. Ongoing adaptation planning will therefore be required.

Fletcher Building is actively reviewing its portfolio and strategic priorities. As part of this, announcements have been made during FY25 and FY26 of the intention to sell our Construction business and to undertake a strategic review of the Residential and Development businesses. As with any significant change to the business, if these give rise to material divestments, they will result in a change to the emissions and risk profile of the Group. Re-baselining and updating our risks and plans will occur as part of the annual financial cycle each year and be updated for any divestments or other significant changes to the Group.

Our climate-related transition journey at-a-glance



Current climate-related physical and transitional exposure and impacts

During the year, the Group observed a number of climate-related impacts but none of these were financially material to the Group. In aggregate, the estimated impact of physical and transition risk exposures was less than 5% of Group's earnings before interest and taxation and Significant Items (EBIT before Significant Items).

While currently not having a material financial impact, carbon pricing and changes in regulations in New Zealand are potentially having the most significant impact on the Group, with more moderate impacts seen in insurance premiums, and customer, supplier, shareholder and competitor behaviour. Below is a summary of current impacts:

- Lower capital is being deployed by Golden Bay® to decarbonise its operations than previously signalled, as a result of uncertainty introduced from recent changes to ETS legislation in 2023, including the Climate Change Response (Late Payment Penalties and Industrial Allocation) Amendment Act 2023, regarding future free allocation levels which, in the Group's view, disincentivise accelerated decarbonisation and increase the possibility of emissions leakage.
- Higher fuel costs are being incurred due to the NZ ETS and other carbon pricing mechanisms.
- Additional compliance costs in FY25 for annual Climate Statements required under the New Zealand Climate Standards (NZ CS), including external assurance, scenario analysis and disclosure reviews, plus internal resources. Further additional costs are expected in FY26 when Fletcher Building Australia Pty Ltd begins reporting under the Australian Sustainability Reporting Standards, which have different requirements to the NZ CS.
- Increased Group-wide insurance costs driven by climate-related risks such as property damage and business interruption (the underlying impacts directly associated with 'Climate' are difficult to quantify and cannot be easily bifurcated from other drivers).
- Investment in initiatives that reduce emissions, improving energy efficiency and increasing availability of lower-carbon products. Projects undertaken in FY25 have contributed collectively to progress against our Carbon Reduction Roadmap and our Science-based Targets, supporting the Group's pathway to a 30% reduction in combined Scope 1 and 2 emissions by 2030 (see *Metric and Targets – Capital Deployment* below (*page 42*)).

Scenario analysis

In FY24, Fletcher Building assessed three climate scenarios based on the New Zealand Green Building Council (NZGBC) 'Climate Scenarios for the Construction and Property Sector'. These were developed with participation from a wide range of industry and public sector stakeholders, and Fletcher Building contributed through representation on the NZGBC Leadership Group and Technical Working Group. The NZGBC scenarios were then reviewed and agreed with the Board and Audit and Risk Committee for adoption by Fletcher Building.

FLETCHER BUILDING'S THREE CLIMATE SCENARIOS OVERVIEW

	'Orderly' scenario (1.5°C)	Decarbonisation policies are enacted immediately and smoothly. Whole of life carbon emission reductions requirements for buildings is at 90% by 2050. The data for this scenario is sourced from downscaled NIWA projections from the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5) and is aligned to Representative Concentration Pathways (RCP) 2.6. Once downscaled data for IPCC AR6 is available, this scenario will align to Shared Socioeconomic Pathways (SSP) 1-1.9.
	'Disorderly' scenario (<2°C)	Significant decarbonisation is delayed until 2030, leading to global warming being limited by 2100. The sector faces high transition risks and costs after 2030 as entities rush to decarbonise. The data for this scenario is sourced from downscaled NIWA projections from IPCC AR5 and is aligned to RCP2.6. Once downscaled data for IPCC AR6 is available, this scenario will align to SSP1-2.6.
	'Hot House World' scenario (>3°C)	Global warming reaches more than 3 degrees above pre-industrial levels by 2100. No further decarbonisation policies are enacted. Emissions continue to rise, and the sector faces limited transition risk, but extreme physical risk. This scenario, and the assessments in FY20 and FY22, align to RCP 8.5 and SSP3.

Please refer to Appendix C: Detailed climate scenarios and Appendix D: Data sources used for the three scenarios.

The three NZGBC climate scenarios adopted by Fletcher Building remain unchanged in FY25. They continue to serve as stand-alone assessments, providing the basis

for identifying and integrating both physical and transition risks and opportunities into Group, divisional and business unit risk reviews.

For FY25, Fletcher Building retained the 2024 scenario framings ('Orderly' (~1.5°C), 'Disorderly' (<2°C) and 'Hot House World' (>3°C)) and refined how these scenarios are represented where model outputs were not available. As part of the FY25 physical risk modelling, Marsh Advisory used these scenarios to assess climate hazards across Fletcher Building's material sites. Due to limitations in model availability at a scale appropriate for asset-level assessment (refer to *Appendix E*), the low-warming model run SSP1-2.6 was not explicitly modelled. This absence is common in impact modelling, as incremental changes in risk at lower levels of warming are often small relative to baseline years, and modelling effort is typically prioritised elsewhere.

To address this, Marsh Advisory applied climate analogues[3] for SSP1-2.6 across the three reporting horizons (2030, 2050 and 2100). Where preferred low-warming model runs (SSP1-2.6 / RCP2.6 or SSP1-1.9) were not available, vendor model runs and years were used as analogues, selected based on their similarity in absolute global mean surface temperature increase (relative to pre-industrial, 1880–1900) for each reporting horizon. These analogue years were chosen to align temporally with the reporting periods, minimising transient-state mismatches. This approach preserves comparability of the physical climate hazard results, while maintaining the socioeconomic assumptions embedded in the proxy SSP (for example, SSP2 versus SSP1).

The 'Orderly' scenario is arguably no longer considered reasonable, given that achieving a below -1.5°C pathway is increasingly viewed as unlikely. However, that scenario is maintained for comparability with international frameworks, alignment with regulatory guidance, and to assess the resilience of Fletcher Building's strategy against a more ambitious decarbonisation pathway.

3. A climate analogue refers to a model run from a different scenario or year that reflects a comparable level of global warming (relative to pre-industrial 1880–1900) and is used as a practical proxy where preferred model runs are unavailable.

Climate-related physical and transition risks and opportunities and anticipated impacts

Fletcher Building recognises that the transition to a low-carbon economy brings both material risks and significant opportunities. The key climate-related risks and opportunities identified across the Group, along with their anticipated impacts, are outlined below. In line with NZ CS 2 Adoption Provision 2, we have not provided anticipated financial impacts for physical risks or transition risks and opportunities.

Value chain limitations

Many of our suppliers and customers are at an early stage in their climate reporting journey. As a result, our understanding of climate-related risks and opportunities across the full value chain is limited and is dependent on the quality and availability of information accessible at this stage.

Scope considered

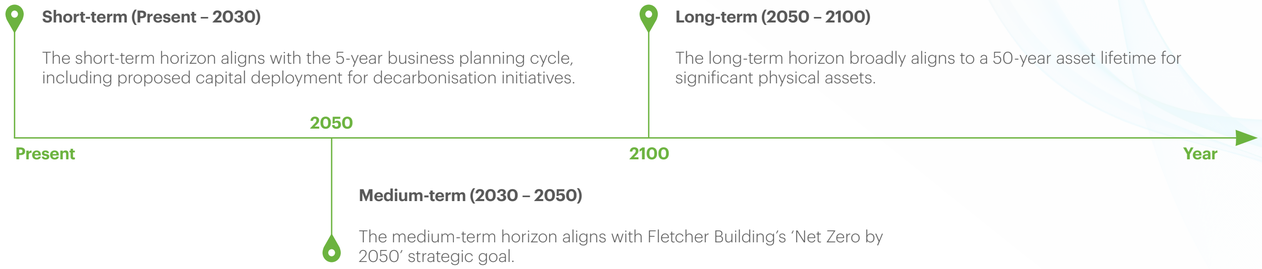
- **Upstream:** In FY25, our assessment focused on 27 critical supplier sites (highest spend and criticality), including two Australian joint ventures where Fletcher Building has joint control. These suppliers represent the most significant risks to continuity of raw materials and services for the Group (e.g., cement inputs, timber, resins, plasterboard paper). Broader Tier 1 suppliers were not individually assessed due to lower risk profiles and/or data limitations.
- **Downstream:** Risks and opportunities have been evaluated at the level of key customer segments (residential, commercial and infrastructure). Assessing physical climate risks at an individual customer level is not practicable due to variation in geography, end use and design. Accordingly, these are considered more broadly in the context of the markets in which we operate.
- **Operations:** In FY25, all operational sites were considered for transition risks, while 177 sites (representing ~92% of the Group's Total Insured Value) were assessed for physical risks.
- **Data and methodological constraints:** Climate scenario modelling, emissions factors and physical risk projections remain subject to evolving methodologies and data availability. Current assessments represent best-effort estimates rather than precise forecasts.

Time horizons

Physical risk assessment: These time horizons were selected because the construction and property sectors in general, and our operations specifically, hold long-lived assets that will be subject to the long-term impacts of climate change. They are also aligned with the Group's business planning and asset management processes.

Transition risk assessment: For the transition risk assessment, Fletcher Building used the same three scenarios as for physical risks. The short-term horizon is the same for both assessments. However, the medium-term and long-term horizons for transition risk assessment are shorter than the physical risk assessment. This is because the nature of transition risks, which are policy, regulatory, market, technology and reputational risks, means that there is limited value (and very high uncertainty) in assessments beyond one to two business planning cycles (approximately 5 to 10 years).

Physical risk assessment



Transition risk assessment

Physical Risks and Opportunities

The Group expects to continue facing potential disruptions from weather events and other climate-related hazards. While individual events may materially affect Group assets or operations in a given year, the current annualised average exposure is not considered material at a Group level.

We have disclosed material climate-related risks and opportunities, determined based on their potential impact on overall Group earnings, expressed as an annual average loss/benefit (i.e., expected average impact within a 12-month period over time). This approach does not capture the acute impact of rare, severe events (e.g., a 1-in-200-year flood), which could have a materially greater impact in a given year. However, in our view, this approach gives greater insight into the average anticipated risk exposure and change in risk factors under the various scenarios and time horizons specific to climate impacts.

This assessment is based on historic and recent modelling of physical risks to our assets, as well as the impacts of severe weather events experienced in FY23 and FY25. It does not, however, extend to suppliers or customers.

During FY23, the impacts of Cyclone Gabrielle and the North Island floods in New Zealand were consistent with the levels of exposure and loss indicated by our historic scenario analysis for sites identified as being at high or very high flood risk. The impact amounted to $21 million for property damage and direct remedial works. This included impairment of property and plant, rectification of damage and remediation of leased assets, and write-down of inventory.

This impact was not material to the Group's cash flows in FY23. Additionally, in FY24, the Group received insurance proceeds of $10 million relating to those property damage losses and costs for direct remedial works.

In FY25, the significant Queensland Floods in Australia were assessed to have a non-material business interruption impact on the Group.

The below table reflects the Group's identified physical risk and opportunities related to climate. Note that no physical opportunities were identified in FY25 or FY24.

Unmitigated anticipated impact to business operations

S – Short term <2030
M – Medium term 2030-2050
L – Long term 2050-2100

PHYSICAL RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
PR1: The risk of increasing frequency and/or severity of extreme weather events to assets of the Group.										
Floods - fluvial (riverine) and pluvial (flash) floods Sites/locations exposed[4]: c.25%										Potential for increased frequency and intensity of rainfall leading to increased river discharge as well as localised overland and flash flooding, particularly in more urbanised locations. Particularly in New South Wales (NSW) and Queensland in the long term under the 'Disorderly' and 'Hot House World' scenarios. However, risk profile expected to remain broadly consistent across all scenarios and time horizons. Key anticipated impacts: • Flooding of manufacturing plants, warehouses and distribution centres, stores, resulting in operational downtime and damage to equipment and inventory. • Disruption of transport links to and from sites, delaying deliveries of raw materials and finished goods. • Increased site drainage and stormwater management requirements.
Hurricanes/ Typhoons/ Cyclones Sites/locations exposed[4]: c.80%										Changes in wind regimes and sea surface temperatures have the potential to enhance wind speeds and intensity of hurricanes/typhoons. Particularly in Auckland and Queensland under all scenarios, with risk to Western Australia and Whangarei expected to increase over the medium to long term under the 'Disorderly' and 'Hot House World' scenarios. Key anticipated impacts: • Physical damage to site buildings, storage yards, quarries and infrastructure (see *Floods*). • Health and safety risks to employees during high-wind events. • More frequent power outages at operational sites, requiring backup energy solutions.
Wildfires/ Bushfires Sites/locations exposed[4]: c.40%										Increased incidence of fire-inducing weather due to confluence of days with higher temperatures, wind speeds and drier conditions. Identified as a primary risk in Queensland area under all scenarios and time horizons, with limited/lower risk to other regions. Key anticipated impacts: • Heightened risk of bushfires near production sites or distribution yards, causing direct asset damage or evacuation. • Increased insurance costs and site compliance requirements for fire protection. • Potential interruptions to supply chains if fires affect transport corridors.

Part 1 of 3

4. Based on 177 of Fletcher Building's 536 assets across Australia and New Zealand, representing approximately 92% of Fletcher Building's assets Total Insured Value (TIV). Percentages are calculated based on the TIV of sites exposed compared to the total TIV of the 177 assets assessed.

PHYSICAL RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
PR2: The risk of longer-term shifts in climate patterns to assets of the Group.										
Water Stress Sites/locations exposed[4]: c.60%										Demand for safe, usable water exceeds supply. Identified as a heightened risk in Western Australia and Queensland under all scenarios and time horizons, with increased risk in Victoria in the medium and long term in a 'Hot House World' scenario. Key anticipated impacts: • Constraints on site water use for production processes (e.g., concrete batching, plasterboard manufacturing). • Higher costs for water access, treatment or recycling infrastructure. • Risk of regulatory restrictions on industrial water use during drought periods.
Sea-level rise Sites/locations exposed[4]: c.0%	Very low risk under all scenarios and time horizons									Rising sea levels, high tides, vertical land movements and storm surges result in a higher incidence of coastal flood events. Key anticipated impacts: • Coastal or low-lying sites exposed to inundation and saltwater intrusion. • Increased cost of flood protection or site relocation in extreme cases. • More frequent disruptions to coastal transport and logistics hubs.
Heat Stress Sites/locations exposed[4]: c.100%										Heightened temperature, humidity and urban heat island effects result in increased heat stress. Key anticipated impacts: • Heat stress risks for employees working in outdoor or uncooled indoor environments. • Reduced operational efficiency of equipment and cooling systems. • Increased energy costs for site cooling and ventilation.
PR3: The risk of increasing frequency and/or severity of extreme weather events and risk of longer-term shifts in climate patterns to supply chain.										
Natural Hazard (Acute and Chronic) Sites/locations exposed: All to varying degrees	The impact to earnings of Group-wide supply chain risks within a 12-month period, including the potential impact from climate change, are assessed as 'minor' in our Group Risk Framework (i.e., $7.5 million to $50 million earnings impact). This year our supply chain risk focused on 27 key supplier sites, including two Australian-based joint ventures. The assessment only relates to our current exposure, not to different scenarios or time horizons as this has not been embedded into current processes.									Reliance on suppliers in climate-vulnerable regions may cause disruption and price volatility. Natural hazards (including extreme heat, river flood, coastal flood and earthquakes) that may impact supplier sites and supply chain for business units. Major drivers of supply chain vulnerability include high natural hazard exposure and moderately high supplier concentration risk, particularly in India, New Zealand, China and Taiwan. In many cases, these risks are underpinned by exposure to suppliers of suppliers (Tier 2 suppliers), rather simply to our direct suppliers. Key anticipated impacts: • Expected delays or downtime in relation to critical raw materials supply/finished goods required for operations, impacting operational recoveries and ability to meet customer orders.

Part 2 of 3

4. Based on 177 of Fletcher Building's 536 assets across Australia and New Zealand, representing approximately 92% of Fletcher Building's assets Total Insured Value (TIV). Percentages are calculated based on the TIV of sites exposed compared to the total TIV of the 177 assets assessed.

PHYSICAL RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
PR4: The risk of increasing frequency and/or severity of extreme weather events and risk of longer-term shifts in climate patterns on customers.										
• Separate analysis of risk to customers under different scenarios and time horizons has not been conducted. We have also not yet assessed the anticipated financial or operational impacts of this risk. Assessing the downstream implications of climate change at an individual customer level is not practicable for our business. In particular, inferring physical climate risk exposure to customers (e.g., the resilience of their assets or construction projects to flooding, fire or extreme weather events) is highly challenging, given the wide variation in end use and geography.										

Physical risk modelling conducted in FY25

The FY25 physical climate risk assessment focused on 177 key assets representing approximately 92% of Fletcher Building's Total Insured Value (TIV). Using downscaled Coupled Model Intercomparison Project Phase 6 (CMIP6) climate projections and RMS Climate on Demand modelling, we assessed risk exposures from heat stress, water stress, flooding, wildfires, hurricanes and sea-level rise across multiple climate scenarios and time horizons. To assess the potential impacts of these risks over relevant time horizons, Fletcher Building, in conjunction with Marsh Advisory, applied the NZGBC scenarios to 177 of the Group's 536 assets or sites across Australia and New Zealand, comprising:

- *Tier 1 assets: 67 sites accounting for approximately 77% of the Group's Material Damage value and 73% of Business Interruption value; and*
- *Tier 2 assets: 110 sites accounting for 16% of Material Damage value and 18% of Business Interruption value.*

Tier 3 assets, comprising 359 sites and accounting for 7% of Material Damage value and 9% of Business Interruption value, were not assessed.

This modelling is considered the most appropriate as it aligns with the approach our insurers use to assess physical risk exposure across our sites. As insurance cover for physical risks represents the Group's primary financial response to such events, having consistency between our internal risk assessment and insurer methodologies strengthens the link between risk identification and risk transfer, with a focus on sites most material to the business and business operations.

Across the scenarios, the analysis shows that:

- **Short- and medium-term risk drivers:** Water Stress and Hurricanes/Typhoons remain the dominant risks across the Group in the short- and medium-term horizons under all scenarios, reflecting the current and emerging vulnerabilities of our Australian and New Zealand asset base to water availability constraints and severe storm events.
- **Long-term risk drivers:** In the long-term horizon (2050–2100), Heat Stress emerges as the dominant physical risk driver under a 'Hot House World' scenario (accounting for close to 60% of portfolio exposure – we have determined exposure based on the annualised average loss rate for sites assessed and calculated the exposure percentages based on the total TIV of sites exposed compared to the total TIV of 177 assets assessed) and the second most dominant under a 'Disorderly' scenario, consistent with projected rising temperature trends. Water Stress remains the leading long-term risk under a 'Disorderly' scenario, and the second most dominant under a 'Hot House World' scenario highlighting the continued importance of water security for our operations.
- **Australia versus New Zealand exposure:** Underlying risks are different between Australia and New Zealand under the scenarios, with the proportionate risks for New Zealand sites significantly lower than for Australian sites. In 2020, Australian operations represented approximately 35% of the Group's portfolio exposure, rising to nearly 60% by 2100 under RCP 8.5. These shifts reflect both the relative concentration of insured asset value in climate-exposed regions and the assessed vulnerabilities of Australian sites, which represent circa 45% of the Group's TIV.
- **Scenario outcomes:** Under the 'Disorderly' pathway (RCP 4.5), the Group's portfolio exposure increases gradually, rising by around 60% compared with the 2020 baseline by 2100. Under the 'Hot House World' pathway (RCP 8.5), risk grows more sharply, increasing by more than 200% compared with the 2020 baseline and more than double the outcome under RCP 4.5.
- **Asset concentration:** By 2100, eight of the ten most exposed assets are Heat Stress–driven, with six of these located in Queensland. Collectively, these top ten sites represent approximately one-fifth of the Group's TIV. Within this Group, Laminex® Toolara is the single largest hotspot, accounting for circa 30% of Australia's long-term physical risk under a 'Hot House World' scenario and circa 26% for Group-wide risk, despite representing circa 24% of Australia's TIV. Laminex® Monkland is also highlighted as a material contributor to long-term Heat Stress exposure in Queensland, reinforcing the high sensitivity of the Laminex® portfolio to extreme heat.
- **Risk concentration in Queensland:** Risk for the Group is primarily concentrated to sites in Queensland under all scenarios and time horizons. The risk to Queensland sites is most acute under a 'Hot House World' scenario where Heat Stress is the most pronounced, with Wildfires/Bushfires also contributing to increased risk along with Water Stress in the region. Queensland is identified as the most exposed region, increasing from just over one-third of portfolio risk in 2020 to more than half by 2100. Given Queensland accounts for

circa 30% of the Group's TIV, changes in this region are particularly influential to the Group's overall risk profile.

- **Scope and limitations of assessment:** The assessment excludes supply chain and asset devaluation risks and assumes a static asset portfolio. Results are indicative and subject to uncertainties inherent in climate modelling. These findings support our ongoing risk management and strategic resilience planning.

Fletcher Building's supply chain risk assessment, conducted independently of our physical climate scenario analysis, focused on 27 key supplier sites, including two Australian-based joint ventures, representing critical sources of raw materials and services. The assessment identified natural hazard and geopolitical risks, with coastal flooding posing the highest threat. Risks were expressed as estimated downtime (in days) based on historical event data from Marsh Advisory's modelling, rather than actual events experienced by Fletcher Building, which informs our understanding of potential disruption. The overall financial impact was assessed as minor within a 12-month period. We acknowledge limitations in data coverage and supplier climate reporting maturity. We continue to engage with suppliers to enhance resilience and plan to incorporate climate scenario analysis of supply chain risks in future disclosures.

Major drivers of supply chain vulnerability include high natural hazard exposure and moderately high supplier concentration risk, particularly in India, New Zealand, China and Taiwan. In many cases, these risks are underpinned by exposure to suppliers of suppliers (Tier 2 suppliers).

For example:

- ATP Electronics Taiwan Inc., a Tier 2 supplier, provides automatic data processing machine components used in flooring, Pink® Batts®, plates and other product lines. Its site is exposed to both coastal flooding and earthquake risk, with estimated downtime of approximately 195+ days and 220+ days respectively in severe events.
- East Gate in Taiwan has been identified as the highest concentration risk for the Group assessed, which includes one Tier 1 supplier site (Interactive Corporation) and a high number of Tier 3 supplier sites. 28 product lines are impacted within this area of concentration with PVC Pipe being the product line with the highest risk. 52% of sites in the concentration area also share high potential natural hazard risk, driven by earthquake risk.

The modelling highlights the complexity of Fletcher Building's supply chain. Findings will be used to guide future risk discussions in exposed business units and used to assess regional natural hazard and geopolitical and supplier concentration risks, engage with critical suppliers on resilience measures, monitor disruption events, identify short- and medium-term mitigation options (e.g., extra stock, dual sourcing) and evaluate insurance coverage in the context of residual risks. See *Appendix E: Climate risk assessment methods and limitations of the scenario analysis* for detailed findings.

Transition Risks and Opportunities

We reviewed global and regional risk frameworks in FY22 and FY23 to inform our climate-related disclosures. Following the sector scenarios, we engaged a consultant in FY24 to identify potential transition risks and opportunities relevant to our operations. These were moderated in a series of workshops by subject matter experts from across the business. They were then reviewed by the Executive team to confirm the most material risks, opportunities and impacts, their expected time horizons and the relative priority of each. Material risks and opportunities were prioritised based on likelihood and impact. For example, a risk noted as 'high' priority would be one that the moderation group considered to have both high likelihood and a material impact at Group level under a specific scenario and time horizon.

Leveraging the prior year's in-depth assessment, for the FY25 Climate Statements, Divisional CFOs were asked to provide impact ratings on the summarised transition risks and opportunities. Ratings were assigned using the Group's internal risk matrix and divisional materiality thresholds across each scenario and time horizon. These ratings were also used internally to help prioritise risks and opportunities for management action and monitoring. These inputs were then consolidated and moderated to produce overall assessments for Australia and New Zealand at a Group level. As the results were broadly consistent across both countries, the outcomes are presented below in two consolidated summary tables (one for risks and one for opportunities).

One previously identified opportunity in the prior year ('integrate lean design and off-site manufacturing principles into projects for carbon and cost savings') has been removed following the closure of Clever Core® in FY25, as the related business unit is no longer part of the Group's portfolio.

This assessment confirms that the most material transition risks for Fletcher Building remain consistent with those identified in FY24. In particular, carbon pricing and regulatory change (TR1), market preference shifts toward low-carbon products (TR2) and energy availability and cost (TR3), continue to represent higher priority risks across scenarios and time horizons.

Several opportunities have also been prioritised. These include low-carbon product leadership (TO2), with more than 75% of manufacturing revenue already attributed to certified sustainable products; industry leadership and influence (TO2), through sector-wide decarbonisation initiatives such as the Concrete NZ Net Zero Roadmap; innovation in energy and processes (TO3), encompassing renewable generation, alternative fuels and electrification of plant and fleet; and policy alignment advantage (TO1), particularly in New Zealand if carbon pricing is applied to importers, then this could strengthen the competitiveness of local production.

Overall, the findings reinforce that transition-related factors, particularly those linked to policy, markets, energy and supply chains, will continue to be a major driver of Fletcher Building's business strategy and capital allocation. Risks and opportunities are assessed on a whole-of-Group basis, embedded into divisional planning, and used to inform both near-term investment decisions and our long-term Transition Plan.

Unmitigated anticipated impact to business operations

Low | Medium | High

S – Short term <2030
M – Medium term 2030-2040
L – Long term 2040+

TRANSITION RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
TR1: Carbon pricing and regulation – Policy changes may disadvantage local manufacturers or increase operational costs through emissions trading schemes or carbon pricing, stricter building codes or planning requirements.										
Industrial allocation settings - Emissions Trading Scheme (Policy and Legal) **High Priority** **Short- to medium-term focus**										Policy and regulatory changes for emissions-intensive trade-exposed (EITE) businesses, including re-baselining of industrial allocation, that make local cement manufacturing financially unsustainable. Principally impacting the Concrete division. Key anticipated impacts: • The discretionary review of industrial allocation discourages private investment into decarbonisation due to the uncertainty it creates as a result of potential 5-yearly reviews. • Cost increases to domestic operators shifts production overseas to jurisdictions with lower, or no, carbon pricing. • Lack of local production makes New Zealand reliant on imported cement, which results in heightened supply chain risk for the construction sector, and less economic resilience. • Global emissions increase due to the higher intensity of overseas producers.
Carbon pricing policies (Policy and Legal) **High Priority** **Short- to medium-term focus**										Policy and regulatory changes including carbon pricing policies that make local manufacturing less cost-competitive. Principally impacting the Concrete division. Key anticipated impacts: • Importers are not captured by the NZ ETS, which puts local manufacturers within the ETS at risk of a loss of market share. This has a direct impact on potential viability of domestic cement production. • Reduced revenue generation ability of existing assets. • Competition in both quality (lower-carbon, high-quality imports) and cost (cheap, higher-carbon overseas imports). • The ETS impacts energy prices broadly, which will impact costs across the business. • Carbon capture, uptake and storage options are currently prohibitively expensive and in our view will remain so for the medium to long term.

TRANSITION RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
Stricter building codes and land use guidelines (Policy and Legal) **Medium- to long-term focus**										Increased planning requirements and more stringent building codes and land use guidelines as a result of extreme weather events. Key anticipated impacts: • Potential risk of stranded assets in Residential and Development portfolio. • Resilience requirements may increase for Fletcher Building's existing manufacturing facilities.
Building code advances faster than technology solutions (Policy and Legal) **Long-term focus**										Building code advances faster than technology solutions with tighter regulations around material specifications in design. Principally impacting Building Products, Australia and Concrete divisions. Key anticipated impacts: • Certain building products becoming obsolete in light of worsening extreme weather events. • Risk of low-cost, low-emission products reaching NZ market ahead of local products' ability to adapt.
TR2: Market preference shift – Customer, investor, employee and shareholder demand impacted by cost pressures, reputation and/or appetite for more sustainable products and services.										
Stakeholder demand for lower-carbon products and services may erode market share if not met (Market) **High Priority** **Medium- to long-term focus**										Failure to meet consumer, client and employee expectations on sustainable innovation. Key anticipated impacts: • Fletcher Building may lose market share if it does not invest sufficiently in sustainable innovation to meet potential future demand for sustainable products. • However, if investment in developing and bringing to market more sustainable products outpaces demand, there may be a cost impact. • Our recruitment pool may be restricted if purpose-driven future employees want to work elsewhere given a lack of sustainable action.
Disruptive competitor innovation (Technology) **High Priority** **Medium- to long-term focus**										Early introduction of greener products/services by competitors. Key anticipated impacts: • Potential for building products to be displaced by overseas imports. • Loss of market share to lower-carbon competitors' products or margin erosion.

TRANSITION RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
Customers transition impacted by cost pressures (Policy and Legal) **Medium- to long-term focus**										Customers may delay their long-term sustainability commitments due to short-term cost pressures, which will impact on demand for sustainable products. Principally impacting the Concrete and Residential and Development divisions. Key anticipated impacts: • Clients may continue to make decisions based on cost, putting off delivering on their sustainability ambitions, which will impact on demand for sustainable products from our business. • Ability for clients to undertake long-term strategic planning or target setting may suffer from government policy shifts.
Public perception as a large carbon emitter (Reputation) **Medium-term focus**										Key anticipated impacts: • Insurance companies and investors may avoid emissions-intensive industries/assets or those without a firm plan to build resilience. • Accessing capital may become more expensive if we do not progress our Reduction Roadmap. • External pressure for more aggressive targets. • Targets become more difficult to reach if emissions reduction investments or actions are delayed.
Association with emissions-intensive infrastructure (Reputation) **Medium-term focus**										Continuing to construct infrastructure that enables GHG emissions, like roads and airports, may be viewed as unfavourable by investors and the public. Principally impacting the Concrete and Construction divisions. Key anticipated impacts: • Decline in reputation if viewed as continuing to construct grey, rather than green, infrastructure which may deter investment.
TR3: Energy availability and cost - Renewable energy sources and new technology may be difficult or expensive to access, raising costs.										
Renewable energy sources difficult or expensive (Technology) **High Priority** **Medium- to long-term focus**										Inability to make use of alternative renewable energy sources, or Unstable supply and pricing of low-carbon material feedstocks and fuels. Principally impacting the Concrete and Australia divisions. Key anticipated impacts: • Downstream reputational and financial impacts. • Failing to switch from energy sources that are subject to future pricing policies may increase costs for Fletcher Building and end users. • Risk of locking in fossil fuel combustion technology for manufacturing if comparable cost solutions are not available soon. Inability to lock in long-term supplies of material feedstocks and fuels may impact ability to transition certain processing activities, leading to a risk of failing to meet emissions reduction milestones. • Long-term forecast may suffer from global pricing volatility. • Risk of not meeting climate-related targets.

TRANSITION RISK	SCENARIO									POTENTIAL AND KEY ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
New technology is expensive and incompatible (Technology) **Long-term focus**										New technology is overly expensive or incompatible with the Australia or New Zealand operating environment. Principally impacting the Concrete division. Key anticipated impacts: • Slower progression towards achieving climate-related commitments and targets if new solutions for emissions abatement are not able to be adopted or developed. • Materials that are not cost-competitive may not be attractive to clients. • Carbon capture, uptake and storage options are currently prohibitively expensive and in our view will remain so for the medium to long term.
Existing costs increase (Market) **Medium- to long-term focus**										Increased expense of manufacturing existing products and technology. Principally impacting business units involved in the manufacture of products. Key anticipated impacts: • Margin erosion (e.g., through pricing in the cost of compliance with the NZ ETS, higher fossil fuel costs (i.e., gas in NZ)) or requiring external sourcing of alternative materials for cement manufacture. • The cost of alternative materials may be higher than the materials currently used.

Part 4 of 4

Potential opportunity and anticipated impact

Low | Medium | High

S – Short term <2030
M – Medium term 2030-2040
L – Long term 2040+

TRANSITION OPPORTUNITY	SCENARIO									POTENTIAL OPPORTUNITY AND ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
TO1: Policy and regulation – Policy and regulation changes may benefit early movers and domestic manufacturers.										
Medium- to long-term focus										Potential opportunities to support climate adaptation through NZ's national adaptation plan. Principally benefitting the Concrete and Construction divisions. Key anticipated impacts: • Develop products that can be made and installed throughout the year, are less prone to seasonal changes, and are durable under extreme weather events. • Positive public perception and social licence to operate could be improved by contributions to climate adaptation.
TO2: Industry leadership to drive market change – Participation in decarbonisation initiatives strengthens positioning and influence.										
Lower-carbon product development **All time horizons focus**										Innovation and development of building products and services with a smaller carbon footprint. Principally benefitting the Concrete, Building Products and Australia divisions. Key anticipated impacts: • Leading the industry could help expand competitive advantage. • Reduction of costs by making raw materials go further. • Competitive advantage of cement innovation relative to other competitors. • Market presence retained across New Zealand as the leading supplier.
Innovation to drive climate change solutions **Short- to medium-term focus**										Prioritise innovation to drive climate change solutions and resilience. Principally benefitting the Construction and Residential and Development divisions. Key anticipated impacts: • Primary benefit in the infrastructure space is changing systems, not products. Examples are off-site construction and lower-carbon design for bridges, foundations and other structural elements. • Potential to develop offerings aligned to climate adaption. • Ability to evaluate potential sector level impacts.

TRANSITION OPPORTUNITY	SCENARIO									POTENTIAL OPPORTUNITY AND ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
Packaged service offerings **Short- to medium-term focus**										Identify and package service offerings spanning business units that meet promote resilience and broader societal benefits. Key anticipated impacts: • Increased revenue from selling total package services comprises products spanning multiple business units, for example selling a total residential/commercial system that meets potential future embodied emission requirements. • Better coordination across our people in advocacy roles to offer a more holistic solution to clients, moving from a focus on selling products to systems that resolve problems.
Influence market preferences **Medium- to long-term focus**										Identify ways to influence the mass market to support their own decarbonisation ambitions. Benefits all divisions. Key anticipated impacts: • Impacts will be most effective to a targeted audience, through education of designers, specifiers and group home builders on choices they can make to reduce the impact of their projects, leading to uptake of more sustainable products. • Ability to leverage our first-to-market range of Environmental Product Declarations (EPDs), building a brand around existing, 'more sustainable' products. • Potential to position PlaceMakers® as the 'storefront' for more sustainable products. • Potential to sell package solutions, rather than just individual products, meaning more sustainable choices become simple for customers to make.
TO3: Innovation in energy and processes – Shifting to lower-emission fuels and materials, and investing in more efficient processes, onsite renewable generation, and electric vehicles to reduce costs and decarbonise supply chain.										
Energy efficiency initiatives **Short- to medium-term focus**										Energy efficiency improvements driven by the implementation of the '30 by 30' emissions reduction programme. Principally benefiting Concrete and Australia divisions. Key anticipated impacts: • Over the short term, cost reduction is the primary impact. • Over the medium term, the key outcome is revenue protection.

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TRANSITION OPPORTUNITY	SCENARIO									POTENTIAL OPPORTUNITY AND ANTICIPATED IMPACTS
	ORDERLY 1.5°C			DISORDERLY <2°C			HOT HOUSE WORLD >3°C			
	S	M	L	S	M	L	S	M	L	
Alternative, lower emission energy sources **All time horizons focus**										Opportunities to use alternative, lower-emission energy sources and reduce dependence on imported energy sources like coal and diesel. Principally benefiting Concrete and Australia divisions. Key anticipated impacts: • Potential for cost reduction, if this can be achieved with energy pricing in the Australia and New Zealand markets. • Decarbonisation of energy sources will flow through to products and services, supporting Fletcher Building to meet emissions reduction targets. • Positive or improved investor relations, through investor ability to demonstrate their own transition plans. • Potential for net positive energy residential developments. • Positive market positioning from 'greener' construction projects, e.g., non-fossil energy, if we are an early mover. • Increased resilience and more energy independence, with reduced risk of supply chain disruptions.
Implement circular economy solutions **Short- to medium-term focus**										Implement circular economy principles within Fletcher Building's business group. Principally benefiting the Concrete and Building Products divisions. Key anticipated impacts: • Use of biomass in some product manufacturing, or sale of pelletised biomass, supporting non-fossil fuels. • Reduced space requirements for waste through designing out waste, increased reuse and recycling.

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Our Transition Plan

Our Transition Plan is centred on reducing emissions, expanding lower-carbon products and services and strengthening resilience and adaptation to climate risks. To support this, capital projects are no longer assessed solely on financial returns. The Group's capital project business case templates have been updated to also allow for considerations of how initiatives align with transition objectives and sustainability goals, including contributions such as emissions reductions, energy-efficiency improvements or circular-economy outcomes. Priority initiatives aligned with these goals include investment in alternative fuels at Golden Bay® (pending regulatory certainty, as explained in *page 12*), renewable energy procurement in Australia and upgrades to deliver lower-carbon, more efficient manufacturing and service delivery.

Our Transition Plan in response to climate-related risks and opportunities

RESPONSES TO PHYSICAL RISKS				
Risk/ Opportunity	**PR1: The risk of increasing frequency and/or severity of extreme weather events to assets of the Group**	**PR2: The risk of longer-term shifts in climate patterns to assets of the Group**	**PR3: The risk of increasing frequency and/or severity of extreme weather events and risk of longer-term shifts in climate patterns to supply chain**	**PR4: The risk of increasing frequency and/or severity of extreme weather events and risk of longer-term shifts in climate patterns on customers**
Responses	Fletcher Building manages climate-related risks through its business continuity framework, which is reviewed annually and incorporates internal reviews and external expert input. Bushfire risk is recorded in business unit risk registers, discussed at annual risk workshops, and managed through continuity plans, emergency procedures, fire detection/suppression systems and insurer-led risk engineering surveys, with progress reported to the ARC annually. Cyclone risk is addressed through proactive preparation guides, which have been shared and discussed with business units over the past two years. The Group also maintains Material Damage and Business Interruption insurance to protect against losses from extreme weather and climate-related events.	Current exposure to these risks is considered low. We intend to progressively align our enterprise Risk Management Framework to explicitly include long-term climate-related risk considerations. As part of this evolving approach, we are also looking to integrate specific climate factors into asset management processes.	The Group holds Material Damage and Business Interruption insurance to cover losses from extreme weather and climate-related events. This policy also includes supplier contingency (general and supplier-specific) to help reduce potential losses from supply chain disruptions. We are looking to progressively integrate more in-depth assessment of supply chain risks (specifically from climate-related impacts) into our risk processes.	We are committed to playing a leading role in building a climate-resilient and sustainable economy in the countries we operate while doing so in a way that is commercially and financially sustainable for our business. We aim to engage and work with our customers regularly to inform our strategy and improve customer service, while contributing to wider economic resilience.

Continued on next page...

RESPONSES TO TRANSITION RISKS AND OPPORTUNITIES			
Risk/ Opportunity	**TR1: Carbon pricing and regulation** **TO1: Policy and regulation**	**TR2: Market preference shift** **TO2: Industry leadership to drive market change**	**TR3: Energy availability and cost** **TO3: Innovation in energy and processes**
Responses	The Group is proactively monitoring regulatory developments and maintaining regular engagement with government, regulators and industry bodies. Financial modelling for the Golden Bay® Cement business is being regularly updated to assess potential regulatory impacts and changes. The Group is actively tracking proposed carbon import rules and positioning New Zealand production as a lower-carbon alternative. Certification initiatives are being advanced to support compliance with anticipated regulatory requirements.	The Group is committed to a '30 by 30' near-term target for Scope 1 and 2 emissions reductions and to achieving Net Zero Scope 1 and 2 emissions by FY50. The Group is targeting >75% of manufacturing revenue from sustainably certified products and >70% of waste diverted from landfill. The Group is contributing to sector-wide efforts such as the Concrete NZ Net Zero Roadmap. Global scanning for innovation is being carried out, with business units and divisions supporting fast-tracked development of low-carbon solutions. The Group is maintaining transparency through public emissions targets and disclosures and is seeking to build trust through active engagement with ESG networks and stakeholders.	The Group is investing in solar and renewable procurement (particularly in Australia) and increasing the use of alternative fuels such as biomass and tyres in cement operations. The Group is engaging with at-risk suppliers, prioritising local or low-carbon sources, and factoring supply chain emissions into procurement (e.g., working with key steel and cement suppliers on science-based targets and low-carbon pathways). Flexible design and procurement strategies are being integrated to manage material availability and exposure. The Group is continuing to invest in low-carbon and more efficient manufacturing processes to reduce costs where they make the most impact.

How carbon emission reduction targets are embedded as part of our Transition Plan

Fletcher Building's Scope 1 and 2 emissions reduction target was set and validated in December 2019 in accordance with the Science-based Targets Initiative (SBTi) process for setting targets. Our target is aligned to a 'well-below two degrees' future. The target is a 30% absolute reduction in combined Scope 1 and 2 emissions by 2030 from a FY18 base year. The '30 by 30' target does not rely on offsets.

In addition to this near-term Scope 1 and Scope 2 target, Fletcher Building's long-term target is Net Zero by 2050 for Scope 1 and Scope 2 GHG emissions. This is consistent with New Zealand and Australian regulatory goals that are aligned to a 1.5 degrees future and therefore we consider our Net Zero target to be aligned to a 1.5 degrees future. The Net Zero target is an internal target but is aligned to the Science-based Targets approach. This target is likely to rely on offsetting for residual emissions, which would be for no more than 10% of emissions. Our targets remain subject to regulatory certainty for cement manufacturing.

Fletcher Building has completed the analysis for 'well below 1.5 degrees' including short-and long-term targets associated with Net Zero and aligned with a 1.5 degrees pathway. As part of this, we have further analysed our Scope 3 emissions and drafted targets. These are currently in the validation process with the Science-based Targets Initiative (SBTi) and as a result we are not yet in a position to disclose these.

GOALS THAT SUPPORT OUR BUSINESS MODEL	1. OUR '30 BY 30' NEAR-TERM TARGET FOR SCOPE 1 AND 2 GHG EMISSIONS REDUCTION	2. NET ZERO SCOPE 1 AND 2 TARGET	3. OUR MANUFACTURING REVENUE FROM SUSTAINABLY CERTIFIED PRODUCTS	4. OUR WASTE DIVERTED FROM LANDFILL
DETAILED GOALS	A Science-based Target to achieve 30% reduction in Scope 1 and Scope 2 GHG emissions by 2030, from a 2018 baseline	To achieve Net Zero carbon emission by FY50	To have >75% of product revenue from our manufacturing businesses from products that hold a third-party sustainability certification that is based on whole-of-life analysis	To have >70% of waste diverted from landfill either by reuse, reduced or recycled
OUR FOCUS AREAS	Reducing our operational emissions		Providing lower-carbon products and services	Reducing operational waste and increase recycling or circular opportunities
OUR PRIORITIES	Reduce our use of coal, natural gas and diesel, reduce cement process emissions Integration of emissions reductions into business strategies and capital investment decisions		Continue offering lower-carbon products to market Moving into offering lower-carbon services within our operations	Seek opportunities to reduce or reuse waste, and working with customers and partners to drive circular economy opportunities
OUR PROGRESS	In FY25, we achieved 24% reduction of combined Scope 1 & 2 GHG emissions against our 2018 baseline (on track to our target)		In FY25, we achieved 79% manufacturing revenue from sustainably certified products (exceeding target)	In FY25, we achieved 87% waste diversion from landfill (exceeding target)
OUR POTENTIAL BARRIERS	Three potentially significant barriers to implementation of the Group's Transition Plan and its emissions reduction targets are: • Regulatory uncertainty, as explained on *page 12*, particularly in relation to the ETS and its treatment of emissions-intensive trade-exposed emitters, may pose a significant barrier to implementing the Transition Plan should it make operational costs or capital to decarbonise uneconomic in the local market. • The potential impact of high energy costs, or lack of availability of lower-carbon energy sources. • The Group's ability, including the ability of our supply chain, to implement the transition for goods and services where proven technical solutions do not yet exist.			

Carbon Reduction Roadmap – Scope 1 and 2 emissions

Scope 1 & 2 Emissions (kt CO_2e)

The key business tool we use for emissions reduction planning and assumptions is our Carbon Reduction Roadmap. This maps technically feasible carbon reduction options for Scope 1 and Scope 2 GHG emissions for each of our divisions through to 2030.

In order to achieve our '30 by 30' near-term target for Scope 1 and 2 emissions reductions, we would need to continue to decarbonise through to FY30, building on the 24% reduction achieved from FY18 to FY25. The Roadmap shows the key initiatives required to be delivered from FY25 to FY30 in order to achieve our target.

Our Roadmap to 2030 assumes the Australian National Electricity Market achieves its target of 82% renewable component by 2030 and lower-emission transport becomes available in the transport sector in New Zealand in line with Transport sector midpoint scenarios[5]. We also recognise the need to align our reduction trajectory with a Net Zero in Scope 1 and Scope 2 emissions outcome by 2050. The main actions in our Carbon Reduction Roadmap are detailed in the *Scope 1 and 2 Transition Plan Roadmap Initiatives* table in *page 35*.

As a result of regulatory uncertainty , as explained on *page 12*, regarding the Emissions Trading Scheme and level playing field (to be competitive) with importers, we have reviewed our capital investment strategy for Golden Bay®. Our previous strategy required significant investment for targeted decarbonisation. Given the lack of clear regulatory requirements for emissions reductions, we have significantly reduced our investment. In the short term, Golden Bay® assumes that the market will pick up and, as such, they will experience a small increase (2%) in their emissions. The capital investment strategy will be reviewed in 2026 (pending regulatory certainty). Regardless of this change to the Roadmap, based on our projections and assumptions, we are still currently on track for achieving our '30 by 30' target.

The Roadmap is reviewed and revised by each division as part of annual budget reviews and as part of the annual 5-year plan reviews. Performance against the Roadmap is reported to the SHES Committee at least twice per annum, along with updates and progress against key assumptions, and is included in the incentives for the Chief Executive of the Concrete division, which is the division with the highest contribution to emissions.

5. Mahere Hohenga kia Whakakorea te Waro ā-Kawenga 2022–25 Decarbonising Transport Action Plan 2022–25

Scope 1 and 2 Transition Roadmap Initiatives

	COAL USE AND CEMENT OPERATIONS	ELECTRICITY IN OUR AUSTRALIAN BUSINESSES	PROCESS HEAT FROM OUR MANUFACTURING OPERATIONS	TRANSPORT FUEL – OUR FLEET
THE HIGHEST SOURCES OF SCOPE 1 AND 2 GHG EMISSIONS FOR OUR BUSINESS, COLLECTIVELY CONTRIBUTING OVER 90%, ARE	• Coal used for process heat in our cement operations at Golden Bay® plant in Portland • Carbon dioxide produced from the cement manufacturing process itself	• Electricity used in the manufacture of products in our Australian businesses	• Process heat from our manufacturing operations in New Zealand	• Fuel used for transport in New Zealand
PERCENTAGE OF SCOPE 1 AND 2 GHG EMISSION SOURCES	FY25 : 58% FY24 : 56%	FY25 : 20% FY24 : 21%	FY25: 9% FY24: 9%	FY25: 7% FY24: 7%
OUR FOCUS AREAS	Reduce coal consumption in cement manufacturing. Integrate alternative cementitious materials.	Shift to renewable electricity sources and leverage solar installations.	Reduce emissions from natural gas use in steel coating and wallboard operations.	Transition fleet to hybrid and EVs; reduce emissions from light and heavy vehicles.
OUR PRIORITIES	Support industry roadmap to Net Zero by 2050. Continue to make the case to the government for regulatory settings that do not disadvantage local manufacturing over imports.	Execute rooftop solar rollout and secure cost-effective renewable electricity contracts across regions with the greatest impact on emissions.	Identify lower-emission alternatives for high-temperature heat applications.	Replace light vehicles with hybrids; explore affordable EV and viability of hydrogen options for heavy fleet.
OUR INITIATIVES	Continue to reduce coal usage at Golden Bay® via coal substitution with biomass, waste end-of-life tyres and other alternative fuels.	Install rooftop solar at three large sites; secure renewable electricity contracts; and investigate other regions for renewable electricity.	Upgrade equipment for efficiency; explore biomass and other low-carbon heat sources.	Leasing hybrids for light vehicles; partnering with suppliers exploring EV and monitoring viability of hydrogen technology.
REDUCTION FROM FY18 BASELINE YEAR – FY25	24%			
LIMITATION	To execute our reduction plan, market acceptance of low-carbon cement and cementitious materials is key.	We are reliant on the Australian electricity grid achieving its targets for renewable content by 2030.	Few viable replacements for natural gas in high-temperature applications; tech still developing.	Dependent on the availability of electric or other non-ICE (Internal Combustion Engine) options entering the NZ market that are appropriate for our business.

Measured Scope 3 Transition Roadmap Initiatives

	PURCHASED STEEL AND CEMENT	FREIGHT	CONSTRUCTION OPERATIONS AND MATERIALS	IN-USE AND END-OF-LIFE EMISSIONS FROM SOLD PRODUCTS THAT WE MANUFACTURE
PERCENTAGE OF MEASURED SCOPE 3 GHG EMISSION SOURCES	FY25 : 48% FY24 : 52%	FY25 : 14% FY24 : 9%	FY25: 16% FY24: 15%	FY25: 7% FY24: 9%
OUR FOCUS AREAS	Decarbonisation of upstream materials; evaluate supplier alignment with global steel and cement emission reduction pathways.	Assess carbon intensity of current freight operations; identify potential low-emission transport solutions.	Identify materials with high embodied carbon beyond steel and cement, map emissions along supply chains.	Improve energy efficiency and reduce embodied emissions in manufactured products and the houses we build. Advance circular economy principles by increasing recycled content, improving end-of-life recovery and supporting sustainable material use.
OUR PRIORITIES	Engage with key suppliers on alignment with decarbonisation pathways.	Focus on heavy freight decarbonisation impacts by 2050.	Identify high-carbon components and quantify their contribution.	Scale up low-carbon, energy-efficient building systems and circular solutions. Collaborate with suppliers to reduce embodied emissions and increase recycled content in products. Design out waste and create circular pathways for manufacturing by-products.
OUR INITIATIVES	Investigate long-term options to identify cost-effective supply of low-carbon steel and cement.	Engagement with suppliers to understand and align with long-term decarbonisation goals.	Investigating materials with high embodied carbon for future reduction initiatives.	Plasterboard offcut recovery and upcycling schemes. Assess the feasibility of expanding utilisation of bio-based raw materials.
LIMITATION	Dependent on supplier commitments and material affordability.	Reliant on third-party logistics and sector-wide technological advancements.	Data gaps on material impacts and supply chain complexity.	Energy resilience and affordability challenges. Dependence on consistent supply and cost-effective processing of waste streams. Data gaps on household energy use and recycled content logistics. Need for supply chain collaboration and technological advancements.

Case Study – Golden Bay® Decarbonising New Zealand's Cement

Golden Bay® Cement is New Zealand's only domestic cement manufacturer, playing a critical role in maintaining national building materials supply resilience. As part of its commitment to sustainability, Golden Bay® has taken steps to reduce coal use and offer lower-carbon cement products.

Its adoption of waste-derived alternative fuels reflects a focus on innovation and environmental responsibility. This approach contributes meaningfully to reducing reliance on fossil fuels and supports broader efforts to manage industrial waste and promote circular economy principles.

Since 2003, Golden Bay® has progressively replaced coal with alternative fuels, reaching 65% substitution in FY25 with a goal of being coal-free by 2030. To sustain the investment required to meet this goal, it is essential that a level playing field is established between imported and domestically manufactured cement. A Carbon Border Adjustment Mechanism (CBAM), or a comparable policy instrument, will be critical to ensuring fair competition and supporting the decarbonisation of local production.

Golden Bay®'s decarbonisation journey has been a cornerstone of Fletcher Building's Carbon Reduction Roadmap and is aligned with the Concrete NZ Net Zero Roadmap, which targets Net Zero emissions across the concrete sector by 2050. As New Zealand's only domestic cement producer, Golden Bay® is pioneering practical solutions to cut embodied carbon in their products and increasing diversions from landfill with their alternate fuel use.

Golden Bay®'s Alternate Fuel Journey

2003

Bio-fuel (Woodwaste) introduced as a partial replacement for coal
~10% coal substitution

2021

Installation of feed system to handle tyre-derived fuel
~50% coal substitution

2025

Front-end firing project to introduce hard-to-recycle plastic waste & wood into front end of kiln
~65% coal substitution target

2010

Introduction of construction & demolition waste (C&D) into process
~25% coal substitution

2023

Purchase of shredder machine, adding pre-processing capabilities & ability to handle other waste
~50-60% coal substitution

2030

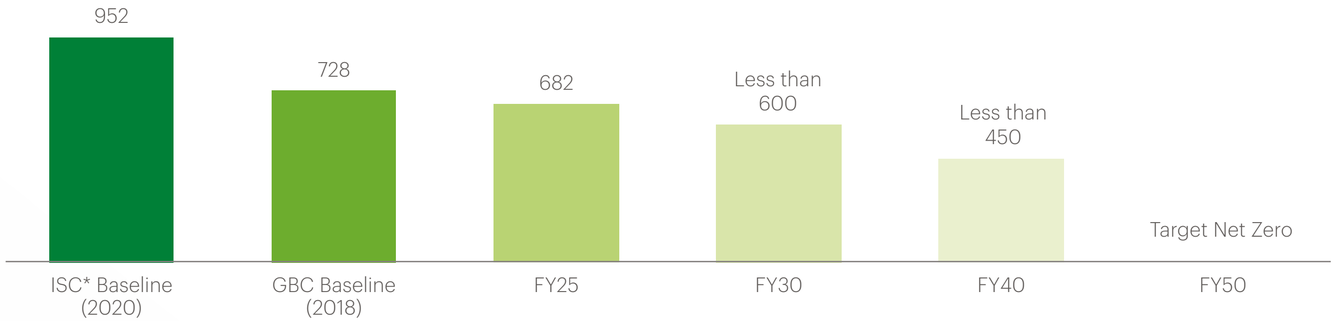
Target of being coal-free
100% coal substitution target

Golden Bay® has recently invested in modernising its manufacturing processes, adopting alternative fuels for the calciner, optimising operations, increasing mineral additions to cement and implementing hotdisc firing.

In line with the Global Cement and Concrete Association and Concrete NZ Net Zero Roadmaps, between FY25 and FY30, Golden Bay® intends to invest to support the continued decarbonisation efforts. With a focus on increasing the use of alternate fuels and raw materials, continuing development of low-carbon cements and increasing supply of low-carbon Supplementary Cementitious Products (SCMs), these initiatives are critical to achieving Fletcher Building's '30 by 30' near-termtarget for Scope 1 and 2 emissions reductions and to enabling a coal-free future for New Zealand's cement.

Net Zero 2050 targets for Golden Bay® are dependent on regulatory certainty and availability of developing technologies such as Carbon Capture, Storage and Use (CCSU). Further information on the regulatory challenges that may impact Golden Bay®'s decarbonisation pathway is provided in the *Strategy* section of these Climate Statements *(page 12)*, consistent with the 'Property, plant and equipment' disclosure note within Fletcher Building's FY25 Annual Report *(page 42)*.

Potential Golden Bay® CO_2 Reduction pathway (relative, kg CO_2/t cement equivalent)



Key decarbonisation focus areas for Golden Bay® to achieve Net Zero 2050 Targets

(Aligned to Concrete NZ Net Zero 2050 Strategies for Decarbonisation)

Clinker

Reducing emissions from clinker production
Use of waste materials as alternative fuels (both biomass waste and fossil-derived waste) to replace fossil fuels, energy efficiency measures and use of decarbonised raw materials.

Cement & Binders

Reducing emissions from cement and binders
Using less cement by replacing it partly with SCMs and mineral additions (particularly limestone) in Portland cements.

Electricity

Decarbonisation of electricity
Further decarbonising New Zealand's electricity grid with renewable power purchase agreements and landfill gas generator offtake agreements, which reduces the carbon emissions from cement grinding.

Carbon Capture & Utilisation

Support CCSU R&D and Development and commercialisation in NZ
Removing CO_2 from the chemical process for producing Portland cement from exhaust gases for use a CO_2 feedstock or for permanent storage.

** ISC stands for Infrastructure Sustainability Council*

Risk Management

Fletcher Building's Risk Management Framework is aligned with ISO31000: 2018 Risk Management – Principles and Guidelines standard. The purpose of the Risk Management Framework is to identify, assess, control, monitor and report the key risks faced so that the Group can achieve its objectives and protect its staff, customers and reputation. The framework provides a consistent structure for risk management and is aligned with the overall Group strategy.

The Group's Risk Management Framework, including the current key risks it is focused on, is set out in the *Corporate Governance Statement 2025* available on the Group's website. While the Group's assessment of climate-related risks and opportunities, as presented in these statements, is conducted on a stand-alone basis from other risk management processes, the Group intends to build the learning from these assessments into future risk and resilience discussions across the business.

Current material physical risks from climate impacts are generally captured and considered within the Group's risk framework and in business units' risk registers under categories such as 'Business Resilience' (e.g., disruption to business processes, loss of key assets, energy access) and 'Supply Chain'. Current material transition risks are reflected under 'Regulatory and Legal', 'Environment' and 'Corporate Reputation and Social Licence to Operate'.

However, more detailed assessments of climate-related risks and opportunities across different scenarios and time horizons are not yet fully integrated into current risk management practices at the business unit level. These assessments are still primarily conducted at a Group level and are not consistently understood or embedded across all parts of the business.

The Group is progressively aligning its enterprise Risk Management Framework to explicitly incorporate climate-related risk considerations, including the use of multiple scenarios and time horizons. As part of this approach, climate-related considerations are beginning to be incorporated into aspects of asset management, such as planning, maintenance and investment reviews, with further integration expected over time. Climate-related risk analysis is also progressively being embedded into risk management processes, including the review of business continuity plans within individual business units so they can adapt and respond to any new key risks identified.

Enterprise Level

The Group's risk management and assurance processes are overseen by the Board and Executive Leadership Team, with a dedicated internal audit team reporting to the ARC. The climate-related scenario analysis and risk management process is overseen by the Group's CRWG and Risk team, reporting into the ARC annually. With support from the Group's insurance broker, assumptions for climate-related risk scenarios are used as inputs to model potential outcomes and assess key risks and opportunities to which the Group could be exposed and may need to respond.

Business Unit / Divisional Level

Operational risk management is the responsibility of individual business unit managers and Divisional Chief Executives. Each business unit has a General Manager (GM) and Senior Leadership Team (SLT) accountable for implementing risk management processes and maintaining a key risk register.

Risk registers are reviewed annually in workshops between business unit leadership teams and Group Risk. In these workshops, risks are identified (including current material climate-related and other exposures), assessed using a standard 5x5 risk matrix and assigned ratings based on probability (Y-axis) and financial impact (X-axis). The resulting risk level (low, medium, high, very high) determines both the frequency of review and the approval level required within Fletcher Building. Group Risk aggregates outcomes from all workshops to evaluate the Group's overall risk profile and reports this to the ARC. Twice annually, Group Risk formally engages with the ARC to present the aggregate risk profile, highlight 'very high' rated risks, and discuss emerging risks observed through the workshops. This process also supports the identification of any material current climate-related exposures outside of specific climate-related risk management processes carried out by the CRWG and Group Risk team.

In FY25

- 27 risk workshops were held with business units to support bottom-up reporting and appropriate risk management strategies being implemented. These workshops were not conducted through a specific climate risk lens; however, climate-related considerations were addressed in certain circumstances, particularly in the context of business continuity, resilience and environmental risks.
- The Group engaged Marsh Advisory to conduct a detailed physical climate risk assessment across its Tier 1 and Tier 2 sites (177 leased and owned sites with a total insurable value of $10 million or greater), representing approximately 92% of the Group's Total Insured Value. The approach undertaken by Marsh Advisory broadly aligns with previous physical risk assessments in terms of asset focus, hazard and impact modelling. Notably, this year's analysis provides more granular and comprehensive estimates of potential damage and revenue impacts at site level. Building on prior assessments, this analysis reflects the Group's ongoing commitment to climate risk evaluation. The findings will inform adaptation and resilience measures across the business.
- For the first time, and in collaboration with Marsh Advisory, an in-depth supply chain risk assessment, which included consideration of climate-related risks, was completed for 27 of the Group's key supplier sites. The assessment provided additional insights into potential physical and transition risks, supporting future risk discussions and mitigation planning.
- Transition risks and opportunities were reconfirmed with Divisional CFOs, building on the FY24 findings. Feedback was consolidated into priority ratings for New Zealand and Australia, with the principal change from FY24 being structural, with similar risks and opportunities consolidated into single categories to improve clarity.

Metrics and Targets

Fletcher Building discloses climate-related metrics and targets in line with NZ CS 1. This section summarises those metrics, with references to detailed disclosures elsewhere in these Climate Statements. No additional industry-based metrics or key performance indicators are disclosed.

METRIC CATEGORY	FY25	FY24	NOTES
Percentage of gross revenue vulnerable to transition risks	100%	100%	Currently, it is not possible to distinguish exposure at the level of each individual asset or activity. However, each division is subject to at least one of the material transition risks identified in *Transition Risks and Opportunities (pages 23-30)* above. Therefore, at a Group level we estimate that all gross revenue is exposed to transition risks. The comparative FY24 percentage has been updated to align with the current methodology, which treats all Group's gross revenue as exposed to transition risks. This provides consistency with the FY25 disclosure and should avoid potential confusion.
Percentage of assets vulnerable to physical risks	92%	100%	The percentages reflect the proportion of the Group's assets included in the physical risk assessment, not the proportion directly exposed. In FY24, Aon assessed 100% of FB sites in NZ, expressing potential physical impacts as asset value loss (e.g. $54 million for a 1-in-200-year pluvial flood across all NZ sites) and performed a high-level assessment of FB sites in Australia. As disclosed in the *FY24 Climate Statements (page 21)*, this high-level assessment of Australian sites included qualitative consideration of a range of physical hazards, with examples including exposures identified at the Laminex® Toolara site. These were highlighted as areas for future detailed analysis once more granular data became available. Based on these assessments, we consider 100% of Fletcher Building's assets were exposed to physical climate-related risks, noting that the level of analytical granularity differed between regions. In FY25, Marsh Advisory assessed 92% of FB's sites in both Australia (AU) and NZ (Tier 1 and Tier 2), with results expressed as Average Annual Loss (AAL) and related metrics. We consider, based on these analyses, 100% of assessed assets were exposed to physical risks from climate change. However, because only 92% of sites were assessed in FY25, we can only speak to the vulnerability of those sites. Accordingly, we consider that 92% of sites in FY25 are vulnerable to physical risks. Summary modelling outcomes for FY25 are set out in the *Physical Risk Modelling conducted in FY25* section *(pages 21-22)*.
Percentage of business activities aligned with climate-related opportunities	100%	100%	Currently, it is not possible to distinguish alignment at the level of each individual asset or activity. However, each division aligns with at least one of the climate-related transition opportunities identified in *Transition Risks and Opportunities (pages 23-30)* above. Therefore, at a Group level we consider that all business activities are aligned with climate-related opportunities.

Part 1 of 2

METRIC CATEGORY	FY25	FY24	NOTES
Capital deployment - Amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities	Not material	Not material	We invest in projects that contribute to carbon reduction, energy efficiency and the development of lower-carbon building products. In FY24, Fletcher Building disclosed that $179 million of capital was deployed towards carbon reduction initiatives, responding to climate-related risks and opportunities. This amount reflected the total capital invested in each project during the year, and therefore the figure did not separate out the capital specifically addressing climate-related risks and opportunities. The capital cost incurred that specifically addresses climate-related risks and opportunities has been assessed as being not financially material for FY25 and also for FY24. Key investments/initiatives in FY25 include: • Golden Bay® Cement front-end firing capability (FY25 capex spend: $6.1 million) - This was implemented in FY25, enabling the use of up to 30,000 tonnes of additional waste-derived alternative fuels per annum. Once fully operational, this project is expected to offset up to 17,000 tonnes of CO_2 emissions per year by displacing coal as a thermal fuel in the production of cement. • Higgins® introduced a new bitumen tanker fleet that has reduced fuel burn by 19% per tanker (FY25 capex spend: $2.3 million), anticipated to deliver an estimated 65% reduction in CO_2 per kilometre, with ongoing work to quantify the total emissions reduction achieved since implementation. • Solar-as-a-service panel installations across multiple Laminex® Australia sites, generating renewable electricity and reducing Scope 2 emissions. • Renewable Power Purchase Agreements (PPAs) in Australia, providing long-term emissions reduction benefits and supply chain resilience.
Internal emissions price: Projects < 5 years	NZ$80 or AU$60 per tonne CO_2e	NZ$80 or AU$60 per tonne CO_2e	We have developed an internal emissions price framework to assess the potential financial impact of carbon reduction initiatives in project evaluation and capital planning. However, no business case with a value greater than $500,000 has utilised this framework in FY25. Refer to *Appendix F: FB's Internal Cost of Carbon Framework*.
Internal emissions price: Projects > 5 years	NZ$100 or AU$50 per tonne CO_2e	NZ$100 or AU$50 per tonne CO_2e	
Management remuneration linked to climate-related risks and opportunities	Nil	Nil	5% of the STI available for the Chief Executive in the Concrete division (less than $30,000 in each of FY25 and FY24) was tied to delivery of key decarbonisation enablers supporting our 30% emissions reduction target by 2030. However, no payout was made in FY25 or FY24 against this target due to Board exercising their discretion to not pay STIs to Executives in these years.

Part 2 of 2

Greenhouse gas (GHG) emissions

Appendix B sets out Fletcher Building's GHG emissions methodology and assurance approach. Scope 1 and 2 emissions have obtained reasonable assurance, while Scope 3 emissions have obtained limited assurance.

In FY25 we also restated our FY18, FY23 and FY24 inventories to account for divestments and inclusion of additional Scope 3 sources:

- Divestment of Tradelink® and New Zealand Ceiling & Drywall Supplies; and
- Inclusion of the following Scope 3 sources: End-of-life emissions from sold products, in-use emissions from sold products and well-to-tank emissions from liquid fuels.

Scope 1 and 2 GHG Emissions

Scope 1 and Scope 2 GHG emissions for our ongoing operations were 911 kilotonnes of CO_2e (kt CO_2e) in FY25. The majority of these were associated with our cement operations, process heat, transport fuel and electricity use in Australia.

Target – Near-term Science-based Target (validated by the Science-based Targets Initiative (SBTi) in December 2019):

- 30% absolute reduction in combined Scope 1 and 2 GHG emissions by 2030 from a FY18 base year
- Aligned to a 'well-below two degrees' future

SCOPE	BASELINE AND COMPARATIVES (kt CO_2e)				PERFORMANCE AND ANALYSIS OF TRENDS (kt CO_2e)
	FY18 BASELINE	FY23	FY24	FY25	COMMENTS
SCOPE 1	896	773	752	714	Scope 1 emissions declined 20% from baseline; FY25 reductions were primarily due to lower use of thermal fuels and fugitive emissions from clinker in cement-making operations, and natural gas used for process heat, in both cases due to reduced productivity.
SCOPE 2	303	239	217	196	Scope 2 emissions declined 35% from baseline; FY25 reductions due to decreased consumption in Australia and lower emission factors in the Australian electricity grid in FY25.
SCOPE 3	828	1,570	1,503	1,587	Scope 3 emissions increased in the first few years due to improved data quality predominantly from steel supply and more recently from inclusion of suppler specific freight data. (see *Appendix B* for more detail on sources of Scope 3 emissions (Categories 4 to 6))
TOTAL	**2,027**	**2,582**	**2,472**	**2,498**	

Emissions intensity for Scope 1 & 2 has decreased 29% from our baseline of 183 t CO_2e/$ million in FY18 to 130 t CO_2e/$ million in FY25. Emissions intensity increased 3% from FY24 due to lower revenue in FY25.

Our absolute emissions would be expected to increase when the market conditions improve and production increases. As a result, we will continue to monitor our emissions intensity (as well as absolute emissions) to provide a full picture of our emissions profile.

Summary of Scope 1 and Scope 2 GHG Emissions Sources

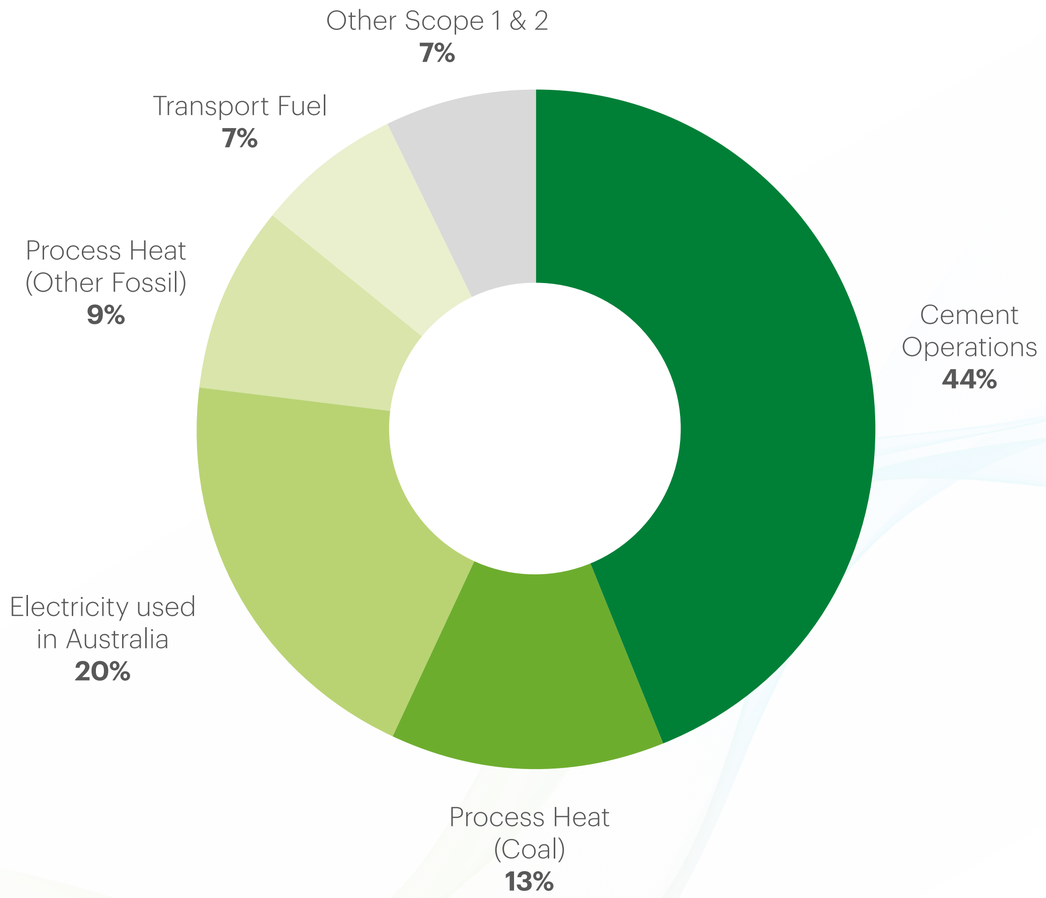
Most of our emissions reductions have occurred because of reduced production, increased coal substitution in cement and increased renewable content from electricity grids as well as gains from capital investment in asset improvements.

Summary of Scope 1 and Scope 2 GHG Emissions Sources

Breakdowns of Scope 1 and 2 GHG Emissions by source and year

	OUR KEY EMISSIONS SOURCES	EMISSIONS ($kt\ CO_2e$)			REDUCTION (%)
		FY18	FY24	FY25	FY18-25
SCOPE 1	**Cement Operations** *Manufacture of cement – thermal fuels and clinker*	663	545	527	20%
	Process Heat – Other Fossil *Natural gas and LPG used for process heat in manufacturing*	98	91	81	17%
	Transport Fuel *Fuel used in vehicles*	72	64	61	15%
SCOPE 2	**Electricity AU** *Electricity used in Australian operations*	276	200	180	35%

Scope 1 and 2 GHG emission sources



Measured Scope 3 GHG Emissions

Scope 3 GHG emissions were assessed as 1,587 kt CO_2e in FY25. The highest sources of measured Scope 3 GHG emissions[6] for our business, collectively contributing circa 84% of Scope 3 GHG emissions, are:

- Purchased steel and purchased cement;
- Construction operations and materials;
- Freight; and
- In-use and end-of-life emissions from sold products.

There are a number of smaller sources that make up our Scope 3 GHG emissions. The following make up 2% of Scope 3 GHG Emissions each: transmission and distribution losses from the electricity and natural gas grids; business travel and employee commuting; and well-to-tank emissions. In addition, there are other sources individually contributing less than 2% each of overall Scope 3 GHG emissions.

In FY25, we increased the quantity of supplier-specific data sourced directly from freight providers and reduced our reliance on spend-based estimates. The resulting increase in Scope 3 emissions from freight are therefore a reflection of improved data quality and do not necessarily mean an increase in real-world emissions.

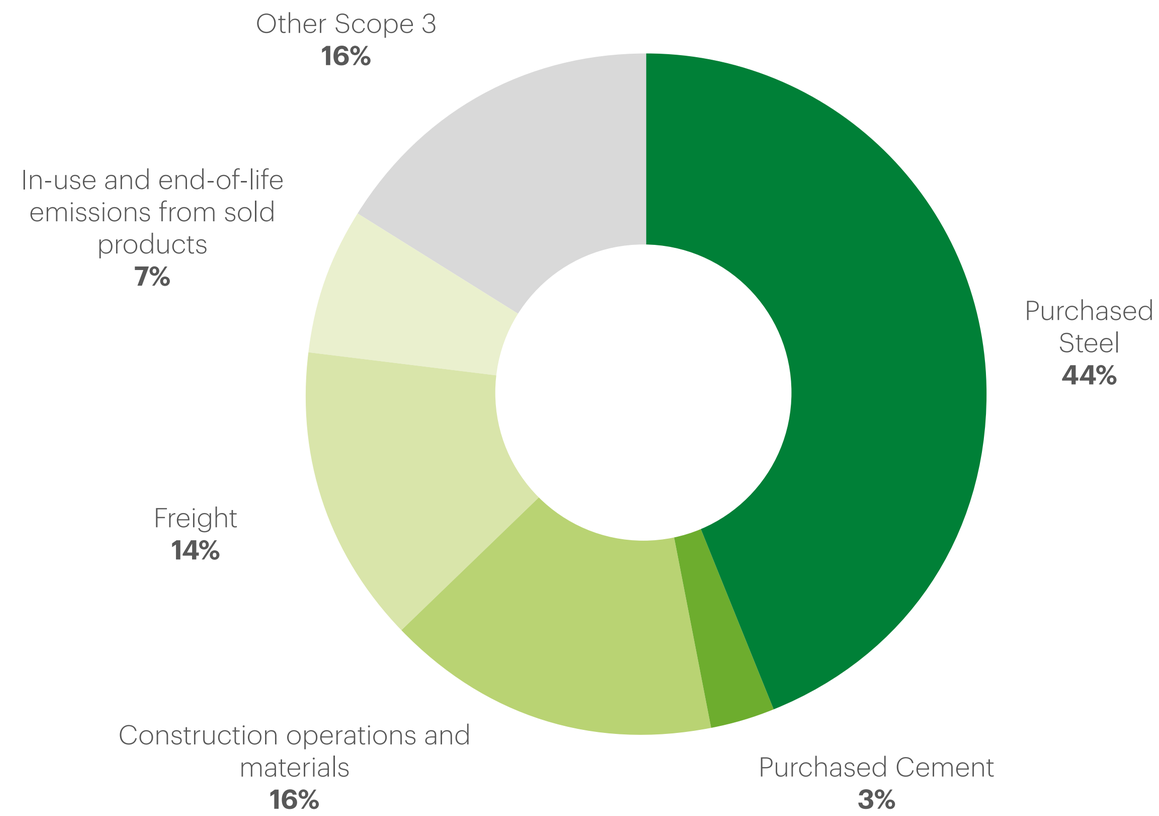
Our Transition Plan currently focuses on addressing the most significant components of currently measured Scope 3 GHG emissions.

Breakdown of Measured Scope 3 GHG Emissions by source and year

	SCOPE 3 GHG PROTOCOL CATEGORIES	OUR KEY EMISSIONS SOURCES	EMISSIONS (kt CO_2e)		
			FY18	FY24	FY25
SCOPE 3	**1. Purchased goods and services**	**Purchased Steel** *Embodied emissions from purchased steel*	*Not measured*	728	703
	1. Purchased goods and services	**Construction operations and materials** *Construction materials and activities, raw materials used in manufacturing*	356	221	258
	4. Upstream transportation and distribution **9. Downstream transportation and distribution**	**Freight** *Contracted freight services (land, water, air)*	138	129	217
	11. Use of sold products **12. End-of-life treatment of sold products**	**In-use and end-of-life emissions from sold products** *In-use and end-of-life emissions from sold products we manufacture*	*Not measured*	136	111
	1. Purchased goods and services	**Purchased Cement** *Embodied emissions in purchased cement*	22	47	53
	3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	**Well-to-tank emissions** *Upstream emissions associated with production of liquid fuels*	37	33	31
	6. Business travel **7. Employee commuting**	**Business travel & employee commuting** *Flights, accommodation, rental cars, employee commuting and remote working*	25	19	25

6. We assess Scope 3 GHG emissions for all upstream value chain categories and all downstream categories other than processing of sold products and downstream leased assets. Details of the Scope 3 categories assessed, and the assurance of Scope 3 GHG emissions, are provided in the *Assurance Statements for FY18, FY23 and FY24* that are available in the *'Sustainability reports, publications and policies'* section of our Sustainability web page (fletcherbuilding.com/sustainability).

Measured Scope 3 GHG emissions sources



Appendices

Appendix A: Glossary of terms

1. Manufacturing revenue from sustainably certified products

The manufacturing revenue from sustainably certified products included in this report is revenue from products that hold a credible, third party verified, sustainability certification.

The sustainability certifications that we include are Type I environmental labelling requirements under the ISO 14024 Standard (Eco Choice Aotearoa, Good Environmental Choice Australia, Global GreenTag GreenRate™) and Type III environmental declaration requirements under the ISO 14025 Standard.

These certifications qualify for the sustainable products credits in either the Green Star or IS Rating construction sustainability ratings within New Zealand and Australia.

We calculate the revenue for sustainably certified products as a percentage of the total revenue from products made or sold by our manufacturing businesses. We exclude revenue from non-manufacturing businesses (our Distribution and Construction businesses) from the total revenue used for this calculation.

Where revenue is noted as being for products that hold Type I certification, these products may also hold Type III certification.

Where revenue is noted as being for products that hold Type III certification, these products do not also hold Type I certification.

2. Waste diverted from landfill

The waste diverted from landfill figures included in this report are the tonnage of waste diverted from landfill. These figures include waste managed as part of our principal waste contracts, which represents most of the waste generated from our operations, together with waste reported by individual operational sites.

The figures for waste diverted from landfill do not include waste material resulting from our operations that was reused as cleanfill or hardfill, or waste used for energy recovery. The waste figures in this report do not include waste that is not managed under our principal waste contracts, and where specific waste measurements for our operations are not provided to us.

Appendix B: Methodology used for greenhouse gas (GHG) emissions

Greenhouse Gas (GHG) emissions are calculated in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard* (together referred to as the GHG Protocol), *ISO 14064-1:2018 International Standard for GHG Emissions Inventories and Verification and Aotearoa New Zealand Climate Standards (NZ CSs) - issued by External Reporting Board (XRB).*

Scope 1 (ISO 14064 category 1, direct emissions), Scope 2 (ISO 14064 category 2, indirect emissions from imported energy) and Scope 3 GHG emissions (ISO 14064 categories 3-6, indirect emissions from the supply chain) have been externally assured by Toitū Envirocare in accordance with *NZ SAE 1: Assurance Engagements over Greenhouse Gas Emissions Disclosure - issued by External Reporting Board (XRB).* Scope 1 and 2 GHG emissions have Reasonable assurance, and Scope 3 GHG emissions have Limited assurance. *Assurance statements for FY18, FY23 and FY24* are available in the *'Sustainability Reports'* section of our website.

GHG emissions are calculated in accordance with the GHG Protocol location-based methodology. All Scope 1, 2 and 3 GHG emissions from our businesses are calculated on the equity share basis. This means that emissions from our businesses and from joint ventures we have an ownership interest in have been included. For joint ventures, the percentage of emissions included is based on our percentage ownership of the joint venture.

Scope 3 GHG emissions, those from our supply chain, were calculated in accordance with the GHG Protocol. Scope 3 GHG emissions were assessed for all upstream supply chain categories and all downstream categories other than processing, use and end-of-life treatment of sold products, and downstream leased assets. Our reported Scope 3 GHG emissions for FY25 include data sourced directly from our largest steel and cement suppliers. Supplier-specific data was used for circa 63% of reported Scope 3 GHG emissions.

Limited assurance has been completed for 13 of the 15 Scope 3 GHG Protocol Categories. The following two GHG Protocol Supply Chain Categories are excluded from our reporting:

1. *Downstream leased assets:* We do not lease downstream assets.
2. *Processing of sold products:* The significant majority of our sold products are building supplies sold for direct use in building and construction, and not reprocessed for final use. Therefore, processing of sold products is not expected to have significant emissions but has not been evaluated.

For the balance of emissions, we have used emission factors from goods and services published by the New Zealand[7] or Australian[8] Governments to convert the mass, volume or other units for goods and services into tonnes of CO_2 equivalents (t CO_2e). Both the New Zealand and Australian government emission factors use the 100-year time-horizon GWP (GWP100) values, as listed in table 8.A.1 of the Fifth Assessment Report (AR5) of the IPCC. Where data on quantities of supply chain goods and services was not available, we have estimated emissions using spend-based factors, using the internationally recognised DEFRA factor set[9], corrected for exchange rates and inflation. The DEFRA factors use 100-year time-horizon GWP (GWP100) values, as listed in table 8.A.1 of the Fifth Assessment Report (AR5) of the IPCC.

As required periodically by the Greenhouse Gas Protocol accounting standard, we re-baselined our emissions in FY25 to account for acquisitions, divestments, methodology changes and improved availability of historic data. Re-baselining means that the GHG emissions and emission reductions are based on what our real-world emissions would have been for all years from, and including, FY18 if the boundary of our operations for those years had been the same as for FY25.

GHG emissions are calculated for our continuing operations and exclude emissions from our Tradelink® and New Zealand Ceiling & Drywall Supplies, which were divested in FY25.

The tables below within this Appendix provides an overview of how data were collected for each GHG emissions source, the source of the data and an explanation of any uncertainties or assumptions made.

7. Ministry for the Environment. 2024. *Measuring emissions: A guide for organisations: 2024 detailed guide.* Wellington: Ministry for the Environment (MfE).
8. Australian National Greenhouse Accounts Factors Workbook 2024, Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW).
9. *Conversion factors kg CO_2 per £ spent, by SIC code 2022* from: UK and England's carbon footprint to 2022 - GOV.UK (www.gov.uk).

Exclusions are estimated to be less than 5% of total emissions inventory.

All data was calculated using the most recent GHG emissions factors from New Zealand and Australia. These were sourced from the New Zealand Ministry for the Environment (MfE, July 2024) and Australian National Greenhouse Accounts factors supplied from the Australian Department of Climate Change, Energy, the Environment and Water (DCCEEW, August 2024).[10,11]

All emissions were calculated using emission factors published by MfE, DCCEEW, IEA or calculated using third-party data as specified below.

Emission factors from IEA, MfE, DCCEEW & DEFRA use Global Warming Potentials (GWP) from the IPCC fifth assessment report (AR5).

Where applicable, unit conversions applied when processing the activity data has been disclosed.

Assessment criteria for sources and uncertainties

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Uncertainties were qualitatively assessed based on the quality of the activity data and relevance of emissions factors.

Where there is higher confidence in data quality (e.g., invoiced quantities from suppliers or directly metered data) the uncertainty in activity data is lower. Where we have used spend data, the data is highly aggregated at a Group level and therefore the uncertainty increases due to reduced granularity of data on products and services being purchased. In addition, the aggregate at Group level can affect the accuracy of activity category allocations.

For emissions factors, where we have regionally specific emissions factors there is lower uncertainty (e.g., MfE, DCCEEW). Where we have had to apply spend-based factors, these are from foreign jurisdictions and are adjusted for inflation and exchange rates. The emissions factor in UK jurisdictions, for example, may not accurately reflect the emission rates for the same activity in New Zealand and Australia.

Excluded sources and business units

Fletcher Building owns a number of holding, trustee, name reservation and other companies that are inactive. These businesses that have no operational activities are excluded from the inventory.

We use hydrofluorocarbons (HFCs) and refrigerants in some of our cooling systems but these have not been quantified and are not included in the GHG inventory. Estimates illustrate that emissions from HFCs were <1% of total emissions. We do not have data or estimate emissions from the products that we distribute, but do not manufacture. Refer to *Scope 3 emissions (ISO 14064 Category 5) (page 68)* below for more detail.

Scope 1 emissions (ISO 14064 Category 1)

Emission factors for waste end-of-life-tyres and clinker were sourced from Tables 7 and 9, respectively, from the Climate Change (Stationary Energy and Industrial Processes) Regulations 2009.[12]

Emission factors for refuse derived fuel were calculated from third-party elemental analysis and calorific value studies conducted on a representative sample of plastic waste.

Biogenic emissions from wastewater treatment at Laminex® Australia were estimated using the NGER Industrial Wastewater Calculator v 1.5 (2023-2024), published by the Australian Clean Energy Regulator.[13] All emissions from wastewater were reported as biogenic CO_2.

Biogenic emissions, such as those from biomass combustion, the biogenic fraction of tyres and liquid biofuels, and biomass decomposition in wastewater, are relevant to Fletcher Building and were quantified during inventory preparation. In accordance with ISO 14064-1:2018, these emissions are reported separately because they are considered part of the natural carbon cycle and fall outside the scope of the disclosed anthropogenic GHG inventory. Biogenic emissions for Fletcher Building were 251 kt CO_2e.

10. https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/
11. https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024
12. https://www.legislation.govt.nz/regulation/public/2009/0285/latest/DLM2390302.html
13. https://cer.gov.au/document/nger-wastewater-industrial-calculator-2023-24

The following GHG Source Data tables are used as part of our standard GHG Inventory Management and were applied in FY25, where applicable.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Biomass – air dry (H_2O ≥20%) / GB Biomass – air dry (H_2O ≥20%)	Wood chips used in heat plant	Measured data obtained from process weighing equipment Invoices and bulk reports from suppliers	t	MfE (NZ) / DCCEEW (AU)	5%	**Activity data:** Obtained from process weighing equipment and supplier reports. **Emission factor:** Assumes a constant moisture content of wood.
Biomass – oven dry (H_2O <20%)	Sander dust and reject board hogged for fuel	Calculations based on sampling and production volumes	t	MfE (NZ) / DCCEEW (AU)	15%	**Activity data:** Calculated from production reports and assumes constant dust generation per product type.
BioPetrol – E10 / BioPetrol – E10 (post 2004)	10% ethanol blend biopetrol used in Australia	Invoices and bulk data reports from suppliers	l	Calculated from DCCEEW factors for ethanol and regular petrol	2%	**Emission factor:** Calculated from DCCEEW factors for regular petrol and bioethanol.
Biosolids	Dried organic sludge used in heat plant	Calculated data obtained from count and average skip weight of centrifuged material	t	DCCEEW (AU)	20%	**Activity data:** Estimated from samples of average bin weights and count.
CO_2 from Formaldehyde production	Fugitive emissions given off as a byproduct of formaldehyde manufacturing	Calculated from stack emission rate and plant operating hours	t	IPCC	10%	**Activity data:** Flow rates calculated from periodic stack testing. Calculation assumes that stack flow rates and CO_2 concentrations are uniform.
Diesel – Stationary / Diesel AU – Stationary	Diesel fuel used in stationary plant (e.g., generators, heat plant) and non-road registered mobile equipment (e.g., forkhoists and loaders)	Invoices and bulk data reports from suppliers	l	MfE (NZ) / DCCEEW (AU)	1%	**Emission factor:** Assumes a constant calorific value for fuel.
Diesel – Transport / Diesel AU – Transport	Diesel fuel used in road registered vehicles (e.g., cars and trucks)	Invoices and bulk data reports from suppliers	l	MfE (NZ) / DCCEEW (AU)	1%	**Emission factor:** Assumes a constant calorific value for fuel.
Dolomite	Raw material used in glassmaking that dissociates in the process to release CO_2	Data from ERP system, reconciled with monthly count cycles	t	DCCEEW (AU)	5%	**Emission factor**: Assumes that MgCO3/CaCO3 ratio is constant in purchased dolomite.
Fire suppressant CO_2	Inert gas used as a fire prevention device in coal baghouses	Supplier invoices – quantity delivered	kg	IPCC	1%	**Activity data:** Assumes that activity data from supplier is accurate.

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GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Welding gas CO_2	Inert gas used in welding	Invoices and bulk data reports from suppliers	kg	IPCC	1%	**Activity data:** Assumes that activity data from supplier is accurate.
GB Clinker (CaO)	Product of cement manufacture, from limestone that dissociates in the process to release CO_2	Measured data obtained from process weighing equipment and stock surveys	t	Climate Change (Stationary Energy and Industrial Processes) Regulations 2009	1%	**Activity data:** Obtained from stockpile surveys and process weighing equipment.
GB Clinker (MgO)	Product of cement manufacture, from limestone that dissociates in the process to release CO_2	Measured data obtained from process weighing equipment and stock surveys	t	Climate Change (Stationary Energy and Industrial Processes) Regulations 2009	1%	**Activity data:** Obtained from stockpile surveys and process weighing equipment.
GB Coal Bituminous	Bituminous coal used in cement kiln	Measured data obtained from process weighing equipment and stock surveys	t	MfE (NZ)	1%	**Activity data:** Obtained from stockpile surveys and process weighing equipment.
Refuse derived fuel	Waste plastic used as fuel for cement kiln at Golden Bay® Cement	Measured data obtained from process weighing equipment and stock surveys	t	MfE (NZ)	20%	**Emission factor:** Based on microanalysis of point samples. Assumes make-up of feedstock and GCV is uniform.
Waste end-of-life tyres (WELT)	Shredded waste tyres used as fuel for cement kiln at Golden Bay® Cement	Measured data obtained from process weighing equipment and stock surveys	t	Climate Change (Stationary Energy and Industrial Processes) Regulations 2009	5%	**Emission factor:** Assumes a consistent fossil:biogenic ratio and that GCV is uniform for all feedstock.
Acetylene	Welding gas	Supplier invoices – quantity delivered	kg	EPA Ireland	1%	**Activity data:** Assumes that activity data from supplier is accurate.
LFO / LFO AU	Light fuel oil combusted for process heat	Invoices and bulk data reports from suppliers	l	DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Limestone NZ (pure)	Raw material used in glassmaking that dissociates in the process to release CO_2	Measured data obtained from process weighing equipment	t	Climate Change (Stationary Energy and Industrial Processes) Regulations 2009	5%	**Activity data:** From weighing equipment. Assumes constant purity of material.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
LNZ Taupo OD Biomass	Sum of dry sander dust and reject product used as fuel in heat plant at Laminex® NZ Taupo	Calculated data from count of reject product and sanded production volumes	t	MfE (NZ)	15%	**Activity data:** Assumes a constant ratio of sander dust per unit of production.
LPG - Stationary / LPG AU - Stationary	LPG used in stationary plant (e.g., generators, heat plant) and non-road registered mobile equipment (e.g., forkhoists and loaders)	Invoices and bulk data reports from suppliers	kg	MfE (NZ) / DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
LPG - Transport / LPG AU - Transport	LPG fuel used in road registered vehicles (e.g., cars and trucks)	Invoices and bulk data reports from suppliers	kg	MfE (NZ) / DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Natural Gas	Natural gas used in stationary heat plant	Invoices and bulk data reports from suppliers	GJ	MfE (NZ) / DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Petrol - Stationary / Petrol AU - Stationary	Petrol used in stationary plant (e.g., generators) and non-road registered mobile equipment (e.g., forkhoists and loaders)	Invoices and bulk data reports from suppliers	l	MfE (NZ) / DCCEEW (AU)	1%	**Emission factors:** Assume a constant calorific value for fuel and do not differentiate between regular and premium grades.
Petrol - Transport / Petrol AU - Transport	Petrol fuel used in road registered vehicles (e.g., cars and trucks)	Invoices and bulk data reports from suppliers	l	MfE (NZ) / DCCEEW (AU)	1%	**Emission factors:** Assume a constant calorific value for fuel and do not differentiate between regular and premium grades.
Soda Ash / Soda Ash NZ	Raw material used in glassmaking that dissociates in the process to release CO_2	Measured data obtained from process weighing equipment (NZ) / Data from ERP system, reconciled with monthly count cycles (AU)	t	DCCEEW (AU) / Climate Change (Stationary Energy and Industrial Processes) Regulations 2009 (NZ)	1%	**Activity data:** From weighing equipment. Assumes constant purity of material.
Wastewater	Emissions from wastewater system used at Laminex® Australia Toolara plant	Internal activity, 3rd-party COD reports, Clean Energy Regulator NGER wastewater calculator	t CO_2e	Clean Energy Regulator (AU)	50%	**Activity data:** Assumes constant ratio of wastewater per unit of production. **Emission factor:** Assumes aeration of pond.

Scope 2 emissions (ISO 14064 Category 2)

Electricity emissions from operations in the island nations (Fiji, Papua New Guinea, Vanuatu) by Fletcher Construction South Pacific used “Other Asia” emissions factors from IEA v17 (04/2022).

All other emission sources used New Zealand factors by default.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Electricity consumption	Purchased grid electricity	Invoices and bulk data reports from suppliers	kWh	MfE (NZ) / DCCEEW (AU) / IEA	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Generated electricity	Electricity generated from solar panels on-site	Invoices and bulk data reports from suppliers	kWh	N/A	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Renewable electricity	Purchased electricity from renewable sources	Invoices and bulk data reports from suppliers	kWh	MfE (NZ) / DCCEEW (AU) / IEA	1%	**Activity data:** Assumes that activity data from supplier is accurate.

Scope 3 emissions (ISO 14064 Category 3)

Emissions for category 3 sources were estimated using a hybrid method of supplier-specific, average and spend data, according to the GHG Protocol Technical guidelines. Where data was available directly from suppliers, this was used in conjunction with supplier-specified emission factors. Where supplier-specific emission factors were unavailable, published data was used from MfE.

The spend method used Group level operating expenses data and UK DEFRA factors from 2022, adjusted for average July 2024 to June 2025 exchange rates and UK CPI inflation on 30 June 2025.

Employee commuting was estimated based on online voluntary survey data taken during March 2025 to obtain information on average commuting habits. In FY25, 1141 employees responded (approximately 10%). The survey covered:

- Total distance travelled by employees during commuting.
- Types and quantities of fuels consumed during transportation.
- Mode of transport used by employees (private transport, company car, public transport & walking).
- Days worked from home.

The average-data method was used to extrapolate the sample results to a representative headcount of 11,605 FTE.

Wheel-to-tank emissions for Category 1 petroleum-based fuels (Diesel, Petrol, LFO, LPG, BioPetrol, Biodiesel) were calculated using NGA fuel production emission factors published by DCCEEW. These were applied to fuel usage in all regions.

Where available, subcontractor transport fuel emissions were calculated using supplied reports of direct fuel consumption (volume) or distance-based measures. Where supplier-specific emission factors were unavailable, it was estimated using operating expenses data and DEFRA spend-based factors.

Business travel emissions were calculated from supplier-specific reports, using emission factors published by MfE. For rental cars, the distance travelled per day in New Zealand was assumed to be 50 km, in Australia 82.1 km (51 miles).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Dom Average	Flights - Domestic Economy (average)	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** Includes radiative forcing.
SH Economy Class	Flights - Short Haul Economy	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
SH Premium Economy Class	Flights - SH Premium Economy	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
SH Business Class	Flights - SH Business	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
SH First Class	Flights - SH First	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
SH Average Passenger	Flights - SH Average Passenger	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.

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GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
LH Economy Class	Flights - LH Economy	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
LH Premium Economy Class	Flights - LH Premium Economy	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
LH Business Class	Flights - LH Business	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
LH First Class	Flights - LH First Class	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
LH Average Passenger	Flights - LH Average Passenger	Bulk data reports from travel agency	pkm	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** NZ factors applied to flights in all countries. Includes radiative forcing.
Rental car small - petrol	Rental car small - petrol	Bulk data reports from travel agency	km (converted from d)	MfE (NZ)	5%	**Activity data:** Supplier assumes daily travel distance. **Emission Factor:** NZ factors applied to cars in all countries.
Rental car medium - petrol	Rental car medium - petrol	Bulk data reports from travel agency	km (converted from d)	MfE (NZ)	5%	**Activity data:** Supplier assumes daily travel distance. **Emission Factor:** NZ factors applied to cars in all countries.
Rental car large - petrol	Rental car large - petrol	Bulk data reports from travel agency	km (converted from d)	MfE (NZ)	5%	**Activity data:** Supplier assumes daily travel distance. **Emission Factor:** NZ factors applied to cars in all countries.
Rental car extra large - petrol	Rental car extra large - petrol	Bulk data reports from travel agency	km (converted from d)	MfE (NZ)	5%	**Activity data:** Supplier assumes daily travel distance. **Emission Factor:** NZ factors applied to cars in all countries.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Rental car default - petrol	Rental car default - petrol Used when type of car unknown	Bulk data reports from travel agency	km (converted from d)	MfE (NZ)	5%	**Activity data:** Supplier assumes daily travel distance. **Emission Factor:** NZ factors applied to cars in all countries.
Freight	Third-party road, rail, surface and air freight	Supplier-specific reports	tkm, t CO_2e, l	MfE (NZ)	5%	**Activity data:** Assumes that activity data and/or calculated emissions from suppliers is accurate. **Emission factor:** Average container ship and bulk carrier used. NZ emission factors used where fuel volumes supplied directly by supplier.
Road Transport	Road freight used for upstream & downstream transportation	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Water Transport	Surface shipping used for upstream transportation	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Employee commuting	Employee travel to workplace	Employee survey	NZD	DEFRA (UK)	10%	**Activity Data:** Survey responses received from 10% of employees, which is statistically significant but low with respect to absolute coverage.
Room night - AE	Business travel - accommodation in United Arab Emirates	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - AU	Business travel - accommodation in Australia	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - BE	Business travel - accommodation in Belgium	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - BG	Business travel - accommodation in Bulgaria	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Room night - BR	Business travel - accommodation in Brazil	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - CA	Business travel - accommodation in Canada	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - CH	Business travel - accommodation in Switzerland	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - CK	Business travel - accommodation in Cook Islands	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - CN	Business travel - accommodation in China	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - CZ	Business travel - accommodation in Czech Republic	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - DE	Business travel - accommodation in Germany	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - DZ	Business travel - accommodation in Algeria	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - ES	Business travel - accommodation in Spain	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - FJ	Business travel - accommodation in Fiji	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - FR	Business travel - accommodation in France	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Room night - GU	Business travel - accommodation in Guam	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - HK	Business travel - accommodation in Hong Kong	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - HU	Business travel - accommodation in Hungary	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - ID	Business travel - accommodation in Indonesia	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - IN	Business travel - accommodation in India	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - IT	Business travel - accommodation in Italy	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - JP	Business travel - accommodation in Japan	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - KH	Business travel - accommodation in Cambodia	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - KR	Business travel - accommodation in South Korea	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - LU	Business travel - accommodation in Luxembourg	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - MY	Business travel - accommodation in Malaysia	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - NL	Business travel - accommodation in Netherlands	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Room night - NR	Business travel - accommodation in Nauru	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - NU	Business travel - accommodation in Niue	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - NZ	Business travel - accommodation in New Zealand	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - PG	Business travel - accommodation in Papua New Guinea	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - PT	Business travel - accommodation in Portugal	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - SB	Business travel - accommodation in Solomon Islands	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - SE	Business travel - accommodation in Sweden	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - SG	Business travel - accommodation in Singapore	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - TH	Business travel - accommodation in Thailand	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - TL	Business travel - accommodation in Timor-Leste	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - TO	Business travel - accommodation in Tonga	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Room night - TR	Business travel - accommodation in Turkey	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - TW	Business travel - accommodation in Taiwan	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - UK	Business travel - accommodation in United Kingdom	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - US	Business travel - accommodation in USA	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - VN	Business travel - accommodation in Vietnam	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - VU	Business travel - accommodation in Vanuatu	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night - WS	Business travel - accommodation in Samoa	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.
Room night – ZA	Business travel - accommodation in South Africa	Bulk data reports from travel agency	Room night	MfE (NZ)	5%	**Activity data:** Assumes that activity data from supplier is accurate.

Scope 3 emissions (ISO 14064 Category 4)

Emissions from waste to landfill were calculated using data supplied by waste service suppliers in New Zealand and Australia and internal records. All waste to landfill in New Zealand was assumed to enter landfills with gas capture. There was no data available about landfill destinations in Australia so the default construction & demolition waste factor from the Australian DCCEEW was used.

Certain Category 4 emissions, specifically those relating to purchased goods and services, and capital goods, were estimated using spend-based methodologies that rely on industry-average emission factors and high-level assumptions. These estimations are inherently uncertain, and variations in the underlying assumptions or spend categorisation could significantly affect the accuracy of the reported emissions for these categories.

Some freight emissions were calculated using supplier-specific emissions reports. These reports provided limited transparency regarding the underlying methodologies, emission factors and data sources used.

Pre-calculated emissions, haulage or fuel consumption from third-party freight services were sourced directly from suppliers where available for road, rail and surface freight. Other significant sources of freight emissions (gypsum and paper) were calculated using haulage data from imported material weights and assuming direct port-to-port distances for average bulk or container ships, respectively, and relevant emission factors from MfE. Where supplier-specific freight data was unavailable, it was estimated using operating expenses data and DEFRA spend-based factors.

Purchased steel and cement were included as significant sources of Category 4 emissions. Emissions factors for embodied emissions in these materials were obtained from EPD data (cement), directly from suppliers or using industry average values where supplier-specific data was unavailable (steel). EPD data for purchased cement was sourced from EPD Australasia. Industry average values for steel were sourced from World Steel.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Fuel and energy related activities	Well-to-tank emissions (WTT) from production of liquid fuels, fuel-related activities not elsewhere covered	Supplier-specific reports	l, kg	DCCEEW (AU, WTT emissions), MfE (NZ)	20%	**Activity data:** Assumes that supplier reports are accurate. **Emission Factor:** WTT emission factor from AU applied to fuel use in all countries (LPG, diesel, petrol, biopetrol, LFO).
Waste generated in operations	Waste generated in operations	Supplier-specific reports	t	MfE (NZ), DCCEEW (AU)	20%	**Activity data:** Covers all preferred suppliers, some of whom estimate weight to landfill. **Emission factor:** Assumes gas capture at landfills.
Upstream leased assets	Upstream leased assets	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Construction	Construction operations and raw materials	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Machinery and equipment n.e.c.	Purchased machinery	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Other manufactured goods	Purchased manufactured goods	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Rest of repair; Installation - 33.11-14/17/19/20	Maintenance activities and installation services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Manufacture of cement, lime, plaster and articles of concrete, cement and plaster	Finished concrete products	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Services to buildings and landscape	Services to buildings and landscape	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Paper and paper products	Paper and paper products	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Wholesale and retail trade and repair services of motor vehicles and motorcycles	Vehicle procurement and maintenance	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Petrochemicals - 20.14/16/17/60	Petrochemicals not elsewhere covered	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Wood and wood products	Wood and wood products	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Advertising and market research services	Advertising and market research services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Computer, electronic and optical products	Computer, electronic and optical products	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Rental and leasing services	Rental and leasing services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Telecommunications services	Telecommunications services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Furniture	Furniture	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Other food products	Other food products	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Computer programming, consultancy and related services	Contracted IT services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Financial services, except insurance and pension funding	Financial services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Human health services	Human health services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Natural water; water treatment and supply services	Water treatment & supply	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Warehousing and support services for transportation	Warehousing services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Other professional, scientific and technical services	Professional services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Office administrative, office support and other business support services	Administrative services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Services of head offices; management consulting services	Consultancy services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Wearing apparel	Clothing and PPE	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Architectural and engineering services; technical testing and analysis services	Architectural & engineering services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Postal and courier services	Postal and courier services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Employment services	Employment services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Education services	Education services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Printing and recording services	Printing and recording services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Security and investigation services	Security services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Legal services	Legal services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Food and beverage serving services	Food and beverage serving services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Scientific research and development services	Scientific research and development services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Information services	Information services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Real estate services, excluding on a fee or contract basis and imputed rent	Real estate services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Services auxiliary to financial services and insurance services	Services auxiliary to financial services and insurance services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Accounting, bookkeeping and auditing services; tax consulting services	Accounting & auditing services	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).
Transmission & distribution losses from electricity	Line losses from the transmission of electricity purchased from the grid	Invoices and bulk data reports from suppliers	kWh	MfE (NZ), DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Transmission & distribution losses from natural gas	Line losses from the transmission of natural gas purchased from the network	Invoices and bulk data reports from suppliers	GJ	MfE (NZ), DCCEEW (AU)	1%	**Activity data:** Assumes that activity data from supplier is accurate.
Imported cement	Purchased cement	Invoices from suppliers	t	Supplier EPD	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** Assumes that supplier-specific emission factors are accurate.
Purchased steel	Purchased steel	Invoices from suppliers	t	Supplier EPD, World Steel	5%	**Activity data:** Assumes that activity data from supplier is accurate. **Emission Factor:** Assumes that supplier-specific emission factors are accurate.

Scope 3 emissions (ISO 14064 Category 5)

Emissions from sold product end-of-life were calculated using FY25 sales and production data, using life-cycle C-stage GWPf values from published product EPDs, where available. For insulation and plastic pipe products, this module was not declared at the time of publication and these products were assumed to be inert at the end of their life. Emissions were not estimated for distributed products that we do not manufacture ourselves.

For residential houses, the end-of life emissions were calculated on a per-square-metre basis extrapolated from a modelled Fletcher Residential house using the C-stage output from LCAQuick v3.4.3, published by BRANZ.

Emissions from sold product in-use emissions were calculated using FY25 sales data from Fletcher Residential houses, using life-cycle emissions on a per-square-metre basis extrapolated from a modelled Fletcher Residential house using the B-stage output from LCAQuick v3.4.3, published by BRANZ.

Emissions were calculated for products manufactured and sold by the following businesses:

- Laminex® New Zealand
- Laminex® Australia
- Iplex® Australia
- Iplex® New Zealand
- Winstone Wallboards®
- Higgins®
- Fletcher Residential
- PlaceMakers® Frame & Truss

The following business products end of life data was not available in published EPDs at the time of publication (i.e., C stage module not declared in EPDs). As a result, the following are excluded:

- Winstone Aggregates®
- Golden Bay®
- Firth®
- Fletcher Steel®
- Fletcher Insulation®
- Comfortech®
- Oliveri®
- Stramit®

All products not manufactured by Fletcher Building businesses (e.g., PlaceMakers®, Mico®) are excluded due to a lack of data availability.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
In-use emissions from sold product	In-use emissions from sold houses, wood panels, asphalt and plasterboard	Sales/production data	t CO_2e	BRANZ (NZ)	25%	**Emission factor:** Calculated emissions and the underlying energy modelling from BRANZ LCAQuick tool are accurate.
End-of-life emissions from sold products	End-of-life fossil emissions from sold houses, wood panels, asphalt and plasterboard	Sales/production data	t CO^{2e}	Product-specific EPDs	10%	**Activity data:** Assumes all products are disposed in landfill at end of life.

Scope 3 emissions (ISO 14064 Category 6)

Other emissions in this category were calculated from operating expenses data and DEFRA spend-based factors.

GHG SOURCE/SINK	DESCRIPTION	SOURCE OF DATA	UNIT	SOURCE OF EMISSION FACTOR	UNCERTAINTY (QUALITATIVE)	MAIN SOURCES OF UNCERTAINTY (ACTIVITY DATA / EMISSION FACTOR)
Insurance, reinsurance and pension funding services, except compulsory social security & Pensions	Insurance	Estimated from spend data	NZD	DEFRA (UK)	50%	**Activity data:** Highly aggregated in Group level report. Adjustments made for exchange rate & inflation. **Emissions factor:** From international jurisdiction (UK).

Appendix C: Detailed climate scenarios

Scenario One

An ‘Orderly’ scenario where the world succeeds in limiting global temperature increase to 1.5°C above pre-industrial temperatures. Global emissions decline steadily to achieve Net Zero CO_2 emissions globally by 2050. New Zealand climate policies are ambitious and in line with the rest of the world’s, with the building and construction sector adopting and prioritising decarbonisation policies. The energy grid shifts rapidly away from fossil fuel use, with the New Zealand grid reaching 100% renewable by 2050. Alternative fuels are used as a backup, and renewables are utilised on site instead of fossil fuels.

The shadow price of carbon increases dramatically to align with a 1.5°C trajectory, steadily rising up to $250/t CO_2e by 2050 (an increase) of ~614% from a 2023 baseline of $35/t CO_2e). As a result, the cost and lead-times for low-carbon materials and products increase through the 2020s and 2030s, but they become more cost and time effective than traditional materials by 2040. The construction sector grows significantly as carbon-supporting infrastructure is replaced with greener, low-carbon infrastructure.

New Zealand Emissions Trading Scheme (NZ ETS) is amended to make Carbon Capture and Storage (CCS) a recognised removal activity. CCS systems are implemented in the medium term to accelerate the rate of decarbonisation and mitigate hard-to-abate fossil fuel use.

The primary driver of changes to land use and densification is GHG emissions reduction, with changes in transportation use and community connections being of primary importance out to 2050. Land use change due to increased forestry sequestration continues through to 2050 but the extent is limited and has marginal impacts on food production and biodiversity.

Regulatory changes for the property and construction sector include government procurement policies targeting recycled materials and circular economy principles. Stringent energy and carbon caps for new buildings are phased in rapidly. Existing buildings must disclose energy and carbon performance, take steps to remove all reliance on fossil fuels for operation, and scale up energy efficiency.

Pressures on centralised infrastructure increase with the demand for electrification, closing of fossil fuel power stations and direct climate impacts on storm and wastewater networks. Modular, circular designs will take precedence, with existing building reuse and adaptive reuse being in demand rather than new builds. Rapid densification puts pressure on horizontal infrastructure, necessitating significant upgrades.

Significant behavioural change results in an increased demand for energy-efficient buildings, increased pressures on public transport, the rise of circular business models and a higher consumer awareness regarding low-carbon buildings.

	Increase in average global air temperature (relative to pre-industrial levels)		**Average sea level rise NZ** (from a 1995-2014 baseline)	**Increase in number of hot days in NZ** (from a 1986-2005 baseline)	**Increase in rainfall intensity in NZ** (from a 1986-2005 baseline)	**Increase in extreme wind speeds in NZ** (from a 1986-2005 baseline)
2041-2060	**1.6°C**	2031-2050	**0.19m**	**40%**	**6%**	**Up to 5%**
2081-2100	**1.4°C**	2081-2100	**0.39m**	**40%**	**6%**	**Up to 5%**

Scenario Two

A ‘Delayed Transition’ where policy, technology and behaviour changes remain slow up until 2030. As global emissions continue to rise during the 2020s, concerns about meeting Paris Agreement Goals drives a sudden shift in global policy around 2030. Abrupt and stringent decarbonisation policies are enacted in the 2030s, succeeding in limiting global warming to below 2°C above pre-industrial levels by 2100.

The pace of change also generates significant financial incentives for innovation, especially for carbon sequestration, capture and storage which must play a large role in carbon emissions reduction by 2050.New Zealand follows suit with the rest of the world, leading to abrupt policy and market changes for the property and construction sector post-2030. There is no initial increase in carbon price up to 2030, at which point price rapidly increases to reach $250/t CO_2e by 2050.

During the 2020s there is a slow increase in demand for electricity, followed by a surge in demand in the 2030s as New Zealand rushes to electrify our transport networks. The electricity sector is unprepared for the sudden shift in demand at 2030, which causes a delay in adequate expansion of the grid during the 2030s and leads to supply constraints. These constraints result in more frequent blackouts and fluctuations in electricity prices.

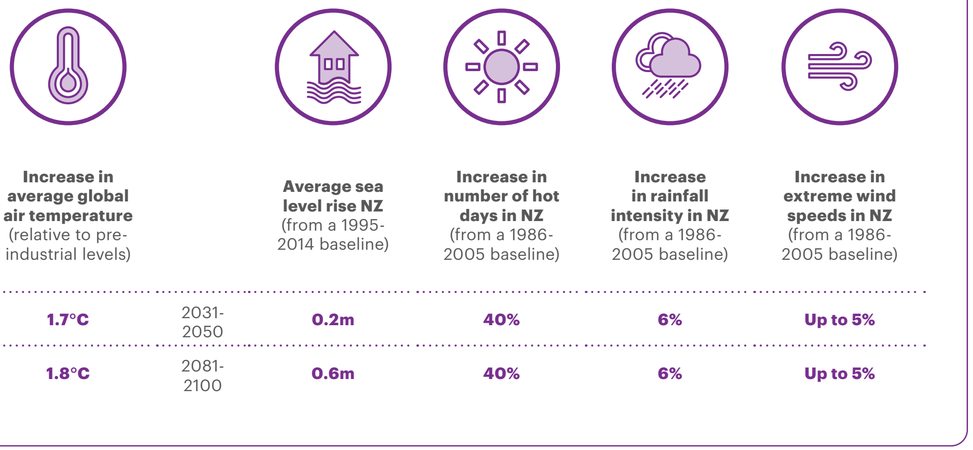
During the 2020s, increased regulation within the sector attempts to address the need to decarbonise, but regulation is uneven across local entities and conflicting regulations lead to uncertainty. At 2030 more stringent regulatory changes are introduced. During the 2020s there is less investment signalling for both new and retrofit low-carbon buildings, which causes further uncertainty and lack of momentum until 2030. At 2030, significant regulatory changes demand an immediate step change in building energy and carbon requirements.

Limited investment during the 2020s means the spike in demand for low-carbon materials, low-energy technology and on-site generation in 2030 causes significant disruption for the sector. Competition for availability of products, materials, professional advice and competent installers impacts significantly on both new building and retrofit projects resulting in escalation in development costs.

After 2030, the primary driver of changes to land use and densification switches to GHG emissions reduction, with changes in transportation use and community connections being of primary importance. Land use change due to increased forestry sequestration takes place out to 2050 and there are moderate impacts on food production and biodiversity as rapid decarbonisation efforts significantly expand the extent of managed forests.

Pressures on centralised infrastructure are compounded after 2030 due to increasing densification and the increasing impacts of physical climate risks. Spatial planning to prioritise decarbonisation and densification versus climate resilience and managed retreat is inconsistent across the country. This inconsistency leads to increasing uncertainty for the construction and property sector regarding which assets are most likely to become stranded.

Initially the construction and property sector is slow to decarbonise, but ‘fast movers’ get the opportunity to utilise materials, capital, and knowledge while late movers are disadvantaged when demands peak post-2030.



	Increase in average global air temperature (relative to pre-industrial levels)		**Average sea level rise NZ** (from a 1995-2014 baseline)	**Increase in number of hot days in NZ** (from a 1986-2005 baseline)	**Increase in rainfall intensity in NZ** (from a 1986-2005 baseline)	**Increase in extreme wind speeds in NZ** (from a 1986-2005 baseline)
2041-2060	**1.7°C**	2031-2050	**0.2m**	**40%**	**6%**	**Up to 5%**
2081-2100	**1.8°C**	2081-2100	**0.6m**	**40%**	**6%**	**Up to 5%**

Scenario Three

A ‘Hot House World’ where global emissions continue to grow. Global average temperature rises to greater than 3°C above pre-industrial levels by 2100.

New Zealand’s climate change policy remains in keeping with the rest of the world. No further policies are introduced to curb emissions, with the building and construction sector following suit. Regulatory changes are slow and focus on adaptation and managing climate driven immigration/refugees. The price of carbon remains at the current ETS floor price through to 2050. Mandates are introduced to conserve energy for critical functions, as asset and infrastructure damages due to climate change are realised.

New Zealand’s electricity grid is gradually decarbonised further in line with current policies. Emission grid factors remain at 0.06 kg CO_2/kWh by 2050 which means buildings wishing to achieve Net Zero carbon emissions must invest in their own zero carbon generation.

There are no incentives for meaningful behavioural change. A significant breakdown of social cohesion occurs, with heat stress and mental health impacts from climate change at record levels. Food insecurity and growing populations drive retreat from cities. Spikes in demand for housing occur due to climate-driven immigration from other parts of the world and increasing numbers of climate refugees.

Use of Carbon Capture and Storage is minimal. Current policies are entrenched seeing New Zealand’s reliance on carbon sequestration through forestry increase significantly out to 2050 in an attempt to offset continued increases in emissions.

Existing low-carbon materials are readily available due to low demand but there is little innovation beyond technologies and materials currently available. Investment is prioritised towards adaptation and climate resilience. Some assets become stranded as building codes increasingly become more stringent regarding the need for buildings to withstand climate impacts (such as storm events, extreme rainfall, heatwaves and floods).

Centralised infrastructure will show failures and stresses, with some assets becoming stranded due to physical impacts of climate change. Consequently, local councils increase rates to invest in protection and restoration of certain assets.

	Increase in average global air temperature (relative to pre-industrial levels)		**Average sea level rise NZ** (from a 1995-2014 baseline)	**Increase in number of hot days in NZ** (from a 1986-2005 baseline)	**Increase in rainfall intensity in NZ** (from a 1986-2005 baseline)	**Increase in extreme wind speeds in NZ** (from a 1986-2005 baseline)
2041-2060	**2.1°C**	2031-2050	**0.24m**	**100%**	**8.6%**	**5-10%**
2081-2100	**3.6°C**	2081-2100	**1.08m**	**300%**	**26.1%**	**Up to 10%**

Appendix D: Data sources used for the three scenarios

The data sources set out below relate to the three NZGBC climate scenarios ('Orderly', 'Disorderly' and 'Hot House World') that were established and adopted by Fletcher Building in FY24. The scenario framing remains unchanged in FY25 to provide continuity and comparability, while *Appendix E* provides further detail on the Marsh Advisory physical risk modelling and associated hazard datasets that apply these scenarios.

DATA TYPE / VARIABLE	SOURCE AND ADDITIONAL NOTE/REMARK	SCENARIO ONE ORDERLY 1.5°C	SCENARIO TWO DISORDERLY <2°C	SCENARIO THREE HOT HOUSE WORLD >3°C
Increase in average global mean air temperature	Intergovernmental Panel on Climate Change (IPCC), 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the IPCC. Cambridge University Press.	SSP1-1.9	SSP1-2.6	SSP3-7.0
Percentage increase in average number of hot days per year	Ministry for the Environment (MfE), 2018: Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. There is significant variability between regions for baseline (1986-2005) number of hot days per year, however, percentage changes are similar across different locations.	RCP2.6 downscaling		RCP8.5 downscaling
Increase in rainfall intensity data	MfE, 2018: Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. This data was calculated using projected increase in rainfall depth for a 12 hour, ARI 100yr ("1 in 100 year") rainfall event (as a proxy).	Based on the projected degree of warming for RCP2.6		Based on the projected degree of warming for RCP8.5
For Australia: • Rainfall data • Sea level rise data	Australian Bureau of Meteorology (BOM).			
Increase in extreme wind speeds data	MfE, 2018: Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. An approximate estimate for increased in wind speed at different timeframes was taken from tables presented on page 106 of the MfE 2018 report referenced.	RCP2.6 projections		RCP8.5 projections
Emissions trajectory data	Network for Greening the Financial System (NGFS), International Institute for Applied Systems Analysis (IIASA) Scenario Explorer (2021).	NGFS Net-Zero 2050	NGFS Disorderly	NGFS Hot-House World
New Zealand population and age distribution projections	Tatauranga Aotearoa / Stats NZ, 2020: National population projections: 2020 (base) - 2073.	Median (50th percentile)	Median (50th percentile)	High migration (proxy)

Part 1 of 3

DATA TYPE / VARIABLE	SOURCE AND ADDITIONAL NOTE/REMARK	SCENARIO ONE ORDERLY 1.5°C	SCENARIO TWO DISORDERLY <2°C	SCENARIO THREE HOT HOUSE WORLD >3°C
Average sea-level rise (NZ) data	Te Tai Pari o Aotearoa / NZ Sea Rise 2022 Maps: For Public. Data for average NZ sea-level rise was derived from a random data point with the vertical land movement correction removed (this derives the same number across all data points). Timeframes for sea-level rise data have been provided out to 2130, given that significant variation in average sea-level rise between scenarios will not be realised until beyond 2100.	SSP1-1.9	SSP1-2.6	SSP3-7.0
Projected changes in carbon, fossil fuel use and energy efficiency for buildings	Estimated using Ministry of Business, Innovation and Employment (MBIE): Building for Climate Change programme intentions as a benchmark.			
Carbon price and oil price projections	He Pou a Rangi / Climate Change Commission (CCC), 2021: Scenarios dataset for Draft Advice for Consultation (ENZ model).	Tailwinds	Tailwinds & Headwinds	Current Policy Reference Case
Electricity grid emissions	Assigned with a sensible estimate for each scenario at different timeframes based on CCC, 2021: Electricity Market Modelling datasets.			
Relative change in labour productivity due to heat stress in NZ	NGFS Climate Impact Explorer. The projections use average annual temperatures and are displayed with spatial aggregation method using a population-weighted average.	Net-Zero 2050	Delayed Transition	Current Policies
Global GDP data	NGFS, IIASA Scenario Explorer (2021). *See Appendix G for limitations.* Assumes a different level of chronic physical risk damage estimate.	Net-Zero 2050 (medium damages)	Disorderly (medium damages)	Current Policies (high damages)
Net carbon emissions forestry data	CCC: modelling of forestry net carbon.	Tailwinds	Headwinds	Current Policy Reference Case
Climate Scenarios for the Construction and Property Sector	New Zealand Green Building Council (NZGBC): Climate Scenarios for the Construction and Property Sector.			
Combined Hazard Information Platform (CHIP) catastrophe risk-profiling tool	Aon: Combined Hazard Information Platform (CHIP). Draws on seismological, meteorological, hydrological and other data from a range of curated sources. Data linked to locations to allow detailed site exposure assessment for a range of hazards.			
Assessing climate change risks and opportunities for investors: Property and Construction Sector	Smith, M.H. (2013). Assessing climate change risks and opportunities for investors: Property and Construction Sector. Investor Group on Climate Change (IGCC) & Australian National University.			

Part 2 of 3

DATA TYPE / VARIABLE	SOURCE AND ADDITIONAL NOTE/REMARK	SCENARIO ONE ORDERLY 1.5°C	SCENARIO TWO DISORDERLY <2°C	SCENARIO THREE HOT HOUSE WORLD >3°C
The Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5)	IPCC, 2014: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Fifth Assessment Report. Cambridge University Press.			
Climate Change Projections for New Zealand (general)	MfE, 2018: Climate Change Projections for New Zealand.			
Our Atmosphere and Climate 2023	MfE, 2023: Our Atmosphere and Climate 2023.			
Climate Change 2013: The Physical Science Basis (IPCC AR5 WGI)	IPCC, 2013: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report. Cambridge University Press.			
State of the Climate 2022	Commonwealth Scientific and Industrial Research Organisation (CSIRO) & BOM, 2022: State of the Climate 2022.			

Part 3 of 3

Appendix E: Climate risk assessment methods and limitations of the scenario analysis

Physical Climate Risk Assessment

The change in engagement from Aon to Marsh Advisory in respect of the physical risk assessment for FY25 facilitated a more detailed and comprehensive approach to the modelling of assets and sites specific risks in both New Zealand and Australia. The physical risks assessment covered 177 of Fletcher Building's 536 assets, representing around 92% of the Group's Total Insured Value. This included all Tier 1 and Tier 2 assets. Together, these accounted for 93% of Material Damage and 91% of Business Interruption values. Tier 3 assets were not included, as they represent only 7% and 9% of Material Damage and Business Interruption values respectively.

Methods

Portfolio of 177 Fletcher Building assets in NZ and Australia analysed (67 Tier 1, 110 Tier 2) have been analysed using the below parameters.

- Hazards assessed: Heat Stress, Water Stress, Floods (coastal, river, pluvial), Wildfires, Hurricanes/Typhoons and Sea-level rise. *(see table below)*
- Climate scenarios:
  - SSP1–2.6 (analogue, ~1.5°C pathway)
  - SSP2–4.5 (intermediate pathway)
  - SSP5–8.5 (high-emissions pathway)
- Time horizons: 2020 (baseline), 2030, 2050, 2100.
- Modelling tool: RMS Climate on Demand – uses downscaled CMIP6 projections adjusted to baseline hazard levels.
- Risk metric: Average Annual Loss (AAL), derived from:
  - Annual Damage Rate (ADR) × Total Insured Value (TIV)
  - Includes property damage, business interruption, insurance deductibles/premiums, higher operating costs.

The data sources used in preparing Fletcher Building's three scenarios are set out in *Appendix D*.

HAZARDS	NATURE	BRIEF PERIL DESCRIPTION	MODEL RESOLUTION	HAZARD METRICS	
Floods	Acute	Increased frequency and intensity of rainfall leading to increased river discharge as well as localised overland and flash flooding, particularly in more urbanised locations	30m	• Rainfall Intensity (%) • No. of Very Wet Days (>95th percentile) • No. of Wet Days (>10mm)	• Flood Frequency (Return Period of Flooding) • Flood Severity (Inundation Depth of 1-in-100 RP Flood)
Cyclones	Acute	Changes in wind regimes and sea surface temperatures have the potential to enhance wind speeds and intensity of hurricanes/typhoons	Variable	• Cumulative Wind Speed (Knots)	
Wildfires	Acute	Increased incidence of fire inducing weather due to confluence of days with higher temperatures, wind speeds and drier conditions	250m	• Maximum Wildfire Potential (KBDI) • Days with High Wildfire Potential	• Change in Maximum Wildfire Potential (KBDI) • Change in Days with High Wildfire Potential
Water Stress	Chronic	Demand for safe, usable water exceeds supply	25km	• Current baseline water stress • Current interannual variability • Future water demand • Future water supply	• Water demand change • Water supply change • Fraction of Water Reduction
Sea-level Rise	Chronic	Rising sea levels, high tides, vertical land movements and storm surges result in a higher incidence of coastal flood events	30m	• Absolute Return Period of Coastal Flooding • Relative Coastal Flooding Frequency	
Heat Stress	Chronic	Heightened temperature, humidity and urban heat island effects result in increased heat stress	50km	• Energy Demand in Cooling Degree Days • % of Extreme Temperature	• No. of Extreme Heat Days

Assumptions and Limitations

- Analysis focused on at-site physical risk only; did not cover supply chain or asset devaluation.
- Asset portfolio assumed to remain static (no new sites, divestments or relocations).
- AAL cannot be split into property damage vs. business interruption.
- Asset valuations held constant across time horizons.
- Uncertainty introduced through climate model downscaling and bias correction.
- Results are indicative, not predictive and depend on underlying model assumptions.

Supply Chain Risk Assessment

In addition, Fletcher Building engaged Marsh Advisory to assess supply chain risks, with a focus on geopolitical, natural hazard (including earthquake), bottleneck and concentration risks across the Group's 27 key supplier sites. This assessment also included two Australian-based joint ventures where Fletcher Building has joint control or significant influence. The assessment identified potential risks of disruption at key sites, expressed as estimated downtime (days) based on historical event data from Marsh Advisory's modelling, rather than actual events experienced by Fletcher Building. These findings provide valuable insights into resilience and disruption exposure, but they were conducted independently of the scenario analysis and did not apply climate scenarios.

Accordingly, the FY25 scenario analysis does not yet include Fletcher Building's full value chain. Exclusions comprise:

- The remaining direct operations in New Zealand and Australia (which are the Tier 3 sites/assets); and
- Joint ventures and associates in New Zealand and Australia, representing approximately 3% of total Group assets;

The scenarios used are limited by the information available at the time and the assumptions made about future states. They are not intended to be probabilistic or predictive. Their intended use is as a tool to support strategic planning by providing a view of multiple plausible future states and testing the resilience of Fletcher Building's operations and strategy.

Methods

- Sentrisk mapped Fletcher Building's supply chain using trade flow data from January 2020 onwards, capturing ~60% of global trade.
- Supply chain visibility extended to Tier 0 (own sites), Tier 1 (direct suppliers) and deeper tiers (T2, T3), identifying ~31,363 sites across 84 countries.
- Risks were assessed through an Expected Risk (XR) score, combining:
  - Likelihood of disruption
  - Severity of impact
- Risk categories assessed:
  - Natural hazard risk (e.g., flood, earthquake, cyclone, extreme heat, wind)
  - Geopolitical risk (e.g., war, sanctions, political instability)
  - Concentration risk (clusters of suppliers in one location)
  - Bottleneck risk (dependency on sole/critical suppliers)

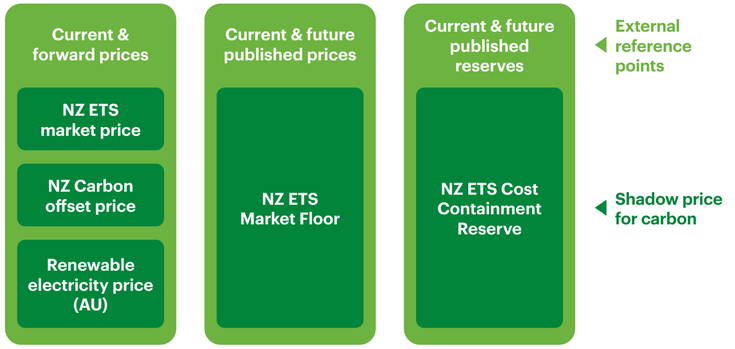
Assumptions and Limitations

- Only international trade transactions captured in Sentrisk's database are included; intra-country trades are less visible.
- The analysis assumes that captured transactions feed into final product lines, though this cannot be guaranteed.
- Output is based on probability-weighted models; results are indicative and not predictive of specific disruptions.
- Site-level risk estimates (e.g., downtime days) are based on historical event data and may vary in practice.

Appendix F: FB's Internal Cost of Carbon Framework

Fletcher Building's Internal Cost of Carbon Framework (the cost of carbon framework) was approved by the ARC in May 2024 to guide the Group's capital investment decisions in a manner that aligns with its environmental goals and meets regulatory expectations, both present and future. By incorporating carbon pricing into the decision-making process, the aim is to support the effective evaluation and prioritisation of investments that also materially impact the carbon footprint of the Group and any of its business units.

Methodology for Carbon Pricing: Our shadow price for carbon is determined using multiple external reference points:

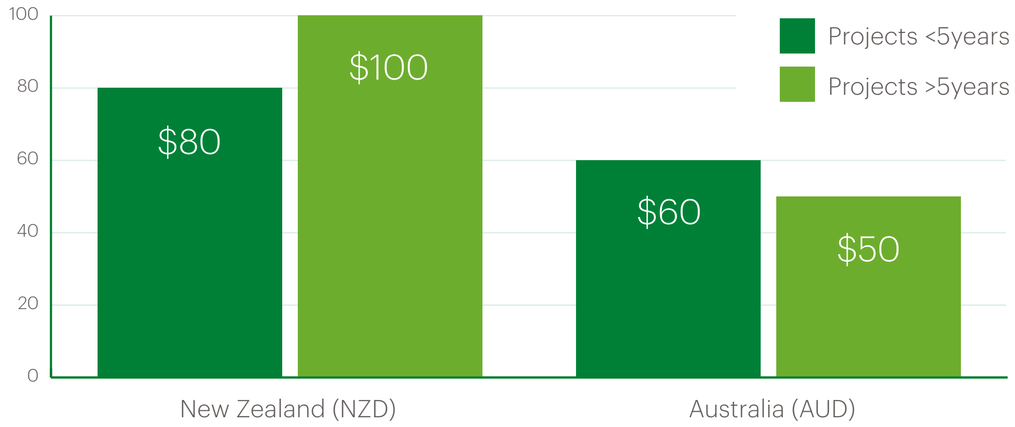


Different weightings are assigned to these reference points based on relevance, currency and availability. The market price carries the greatest weighting given its timeliness. The market floor establishes a minimum value. Carbon offset credits, which are limited to 10% of the Group's carbon reduction, are weighted accordingly, while the cost containment reserve is weighted based on relevance.

The approved internal carbon pricing mechanism is evolutionary and assumes the Group's carbon prices will change with time. As countries, and indeed the Group, gets closer to their carbon reduction deadlines, urgency becomes a factor. Therefore, updates to the Group's internal carbon prices will need to be considered regularly (at least annually), to remain current.

The Group's carbon pricing also considers the cost of implementing initiatives in different jurisdictions and initiatives with different time horizons, where a blend of current and forward/future pricing is used to inform an appropriate carbon price for projects in different countries and with different horizons. The following carbon prices were approved for internal use in FY24 and remain unchanged for FY25:

Internal Cost of Carbon $ per tonne CO_2e



Appendix G: Table of disclosures

This table maps each NZ CS 1 disclosure requirement to its location within these Climate Statements, and where applicable, to external documents or websites referred to herein in accordance with NZ CS 3 (paragraphs 17–19).

NZ CS 1 REQUIREMENTS	LOCATION WITHIN FY25 CLIMATE STATEMENTS	EXTERNAL CROSS REFERENCING
GOVERNANCE		
Identify governance bodies responsible for oversight of climate-related risks and opportunities – *Para 7(a)*	*Pages 7 and 10*	The following Fletcher Building documents are available on the FB website. Page numbers shown below indicate where each reference is cited within the Climate Statements. • Pages 5 and 12 - Key highlights for 2025 - consistent with 2025 Annual Results Presentation (NZX market announcements) (page 36). • Page 7 - Board Charter – for the formal statement of the Board's roles and responsibilities. • Pages 7, 10 and 39 - Corporate Governance Statement 2025 – for the reference to the Group's Risk Management Policy/Framework. • Pages 7 and 10 - Board Skills Matrix 2025 – for the reference to that ESG and climate-related competencies incorporated into the summary of directors' skills and experience. • Pages 7 and 10 - Sustainability Policy – for the reference to the Group's approach in managing sustainability and climate-related matters. • Page 8 - FY25 Remuneration Report (page 7) – for the reference to the senior leaders' STI scorecards incorporating ESG goals. • Page 17 - FB 2024 Annual Report (page 117) – in line with the disclosure of physical impacts from climate-related risks (FY23 & FY24) in the consolidated financial statements. • Page 38 - FB 2025 Annual Report (page 42) – in line with the disclosure of key impacts arising from climate-related transition risk in the consolidated financial statements. • Pages 46 and 49 - Fletcher Building Assurance Statements for FY18, FY23 and FY24 Emissions Inventory – for the independent assurance obtained over reported GHG emissions.
Governance body oversight – *Para 7(b)* and *8(a), (b), (c)* and *(d)*	*Pages 7-10*	
Management's role in assessing & managing climate risks – *Para 7(c), 9(a), (b)* and *(c)*	*Pages 7-10*	
STRATEGY		
Current physical and transition impacts – *Para 12(a)*	*Page 14*	
Current financial impacts – *Para 12(b)* and *(c)*	*Page 14*	
Scenario analysis undertaken – *Para 13*	*Page 14-15; Appendices C and D*	
Time horizons – *Para 14(a)*	*Page 16*	
Climate-related risks and opportunities – *Para 14(b)* and *(c)*	*Pages 15 and 17-30; Appendix E*	
Anticipated impacts – *Para 15(a)*	*Pages 15 and 17-30; Appendix E*	
Anticipated financial impacts – *Para 15(b), (c)* and *(d)*	*Adoption relief, see Page 6*	
Transition plan: Current business model & strategy – *Para 16(a)*	*Pages 11-13*	

Part 1 of 2

NZ CS 1 REQUIREMENTS	LOCATION WITHIN FY25 CLIMATE STATEMENTS	EXTERNAL CROSS REFERENCING
Transition plan aspects of strategy and extent of alignment with internal capital deployment – *Para 16(b)* and *(c)*	*Pages 31-38*	*(Same as previous page)* The following Fletcher Building documents are available on the FB website. Page numbers shown below indicate where each reference is cited within the Climate Statements. • Pages 5 and 12 - Key highlights for 2025 - consistent with 2025 Annual Results Presentation (NZX market announcements) (page 36). • Page 7 - Board Charter – for the formal statement of the Board's roles and responsibilities. • Pages 7, 10 and 39 - Corporate Governance Statement 2025 – for the reference to the Group's Risk Management Policy/Framework. • Pages 7 and 10 - Board Skills Matrix 2025 – for the reference to that ESG and climate-related competencies incorporated into the summary of directors' skills and experience. • Pages 7 and 10 - Sustainability Policy – for the reference to the Group's approach in managing sustainability and climate-related matters. • Page 8 - FY25 Remuneration Report (page 7) – for the reference to the senior leaders' STI scorecards incorporating ESG goals. • Page 17 - FB 2024 Annual Report (page 117) – in line with the disclosure of physical impacts from climate-related risks (FY23 & FY24) in the consolidated financial statements. • Page 38 - FB 2025 Annual Report (page 42) – in line with the disclosure of key impacts arising from climate-related transition risk in the consolidated financial statements. • Pages 46 and 49 - Fletcher Building Assurance Statements for FY18, FY23 and FY24 Emissions Inventory – for the independent assurance obtained over reported GHG emissions.
RISK MANAGEMENT		
Processes for identifying, assessing and managing climate-related risks – *Para 18(a),* and *19(a), (b), (c), (d)* and *(e)*	*Pages 39-40*	
Integration into overall risk management processes – *Para 18(b)*	*Pages 39-40*	
METRICS & TARGETS		
Metric categories (GHG emissions and emissions intensity) – *Para 22(a)* and *(b)*	*Pages 43-47*	
Metric categories (Óthers) – *Para 22(c)* to *(h)*, and *Para 21(b)* and *(c)*	*Pages 41-42*	
Targets – *Para 23(a)* to *(e)*	*Pages 33 and 43*	
GHG emissions – *Para 24(a)* to *(d)*	*Appendix B*	
Comparatives for metrics – *Para 40* of *NZ CS 3*	*Pages 41-46*	
ASSURANCE OF GHG EMISSIONS		
GHG emissions subject to assurance engagement – *para 25* and *26*	*Pages 43-47; Appendix B; Independent Assurance Report*	

Independent Assurance Report

TOITŪ
ENVIROCARE

Toitū Verification and Validation
To the shareholders of Fletcher Building Limited

Conclusion

Emissions – Reasonable Assurance

We have obtained all the information and explanations we have required. In our opinion, the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty in the Climate Statements, in all material respects:

+ comply with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB); and
+ provide a true and fair view of the Climate Statements of Fletcher Building Limited for the year ended 30 June 2025.

Emissions – Limited Assurance

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty defined in the Climate Statements:

+ do not comply with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB); and
+ do not provide a true and fair view of the Climate Statements of Fletcher Building Limited for the year ended 30 June 2025.

Emissions – Limited Assurance Validation

Based on our examination of the validation evidence, nothing comes to our attention which causes us to believe that reported assumptions do not provide a reasonable basis for forecast emissions that are not fairly presented. Further, in our conclusion:

+ the forecast is properly prepared on the basis of the assumptions and in accordance with Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB);

Actual future emissions are likely to be different from the forecast as the estimates are based on assumptions that may change in the future, and since anticipated events frequently do not occur as expected and the variation may be material.

Basis of verification opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Scope of the assurance engagement

We have undertaken a verification and validation engagement relating to gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty on the Climate Statements as indicated in the table below for the financial year ended 30 June 2025 . Additionally, our assurance engagement does not extend to targets, emissions reduction progress or GHG liabilities, of which details may be referenced within the table below. The scope of emissions and level of assurance are disclosed below.

Fletcher Building's Climate Statements provide information about the greenhouse gas emissions of the organisation for the defined measurement period and is based on historical and projected information. This information is stated in accordance with the requirements of Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals (ISO 14064-1:2018) and Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

DOCUMENT	ASSURANCE SCOPE INCLUDED (PAGES)	EXCLUDED - NO ASSURANCE (PAGES)
Climate Statements	Table page 43 , 49 - 69	1 - 42 , 43 other areas - 48, 70 - 80
FY25 Annual Report		1 - 89

Key matters

Key matters are those matters that, in our professional judgement, were of most significance in our assurance engagement of the GHG disclosures. These matters were addressed in the context of our assurance engagement and in forming our opinion. We do not provide a separate conclusion on these matters.

KEY MATTER	HOW KEY MATTERS HAVE BEEN ADDRESSED
Biomass and biosolids emissions calculations. The complexity, technical nature of the underlying assumptions used in the calculations for biosolids and biomass emissions involves significant judgment. Changes in assumptions and emission factors can lead to significant changes in emissions.	+ We obtained an understanding of the methodology and assumptions used in the calculation of the emissions. + We reviewed the methodology used to determine the emission factors using an expert. + We assessed the reasonableness of assumptions used. + We traced the input data to supporting documentation and reperformed the calculation. + We conducted a site visit to the Laminex® plants in Gympie, Australia to observe the process to ensure it reflects actual operations and relates to the calculation. + We reviewed the disclosures in the climate statements. No material findings or issues noted.

Other matters

Other matters that have not been disclosed in the GHG disclosures, that in our judgement are relevant to the intended users:

Comparative Information

+ The comparative GHG disclosures (that is GHG disclosures for the periods ended 30 June 2018, 2023 and 2024) have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: Assurance Engagements over Greenhouse Gas Emissions Disclosures ('NZ SAE 1'). These disclosures are not covered by our assurance conclusion.
+ The comparative periods 30 June 2018, 2024 and 2023 have been assured in prior periods in a separate Toitū Envirocare assurance engagement in accordance with ISO 14064-3:2019 issued by International Organization for Standardization.

Responsible Party's Responsibilities

Fletcher Building Limited is responsible for the preparation of the GHG disclosure in accordance with Aotearoa New Zealand Climate Standards (NZ CSs) - issued by External Reporting Board (XRB), ISO 14064-1:2018 and GHG Protocol. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of a GHG disclosure that is free from material misstatement, whether due to fraud or error.

The forecast of GHG emissions included within the GHG disclosures are based on the following assumptions:

+ Assumptions used for forecast GHG emissions for GHG Emissions Category 5 on page 68

Inherent Uncertainity

As disclosed in paragraph *"Assessment criteria for sources and uncertainties"* on *page 50*, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Responsibilities of verifiers and validators

Our responsibility as verifiers is to express a verification opinion to the agreed level of assurance on the inventory report, based on the evidence we have obtained and in accordance with the audit criteria. We conducted our verification engagement as agreed in the pre-audit engagement letter, which defines the scope, objectives, criteria and level of assurance of the verification.

Our responsibility as validators is to express an opinion on the forecast based on our validation. We conduct our validation in accordance with the ISO specification with guidance for the verification and validation of greenhouse gas statements, i.e. ISO 14064-3. This International Standard requires that we plan and perform the validation to reach a conclusion as to whether the forecast in the GHG statement is based on reasonable assumptions.

The International Standard ISO 14064-3:2019 requires that we comply with ethical requirements and plan and perform the verification and validation to obtain the agreed level of assurance that the GHG emissions are free from material misstatements. We are not permitted to prepare the GHG statement as this would compromise our independence.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the ISO 14064-3:2019 Standards will always detect a material misstatement when it exists. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

Existence of relationships

Toitū has also provided other services to Fletcher Concrete & infrastructure Limited T/A Golden Bay® in relation to the selling of 3,000 carbon credits in August 2024, to Fletchers Steel Limited Climate Impact programme certification membership only. In addition, we provided review services around setting Science Based Targets. We did not provide services in terms of setting targets. Subject to certain restrictions, our employees may also deal with the responsible party on normal terms within the ordinary course of trading activities. The existence of these relationships has not impaired our independence.

Independence and quality management standards applied

This assurance engagement was undertaken in accordance with NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures issued by the External Reporting Board (XRB). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:

+ ISO 14065: 2020 – General principles and requirements for bodies validating and verifying environmental information;
+ ISO 14066: 2023 – Greenhouse gases — Competence requirements for teams validating and verifying environmental information;
+ ISO 17029: 2019 – Conformity assessment — General principles and requirements for validation and verification bodies;
+ IAF MD4:2023 - For the Use of Information and Communication Technology (ICT) for Auditing/ Assessment Purposes;
+ Joint Accreditation System of Australia and New Zealand Accreditation Requirements

Verification strategy

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:

+ activities to inspect the completeness of the inventory;
+ interviews of site personnel to confirm operational behaviour and standard operating procedures;
+ sampling of fuel records to confirm accuracy of source data into calculations;
+ recalculation of biomass emissions;
+ site visit to Laminex® plant Australia;
+ reviewing emission factors for accuracy and appropriateness;
+ detailed retracing of LPG consumption;
+ reconciliation of electricity consumption, natural gas, acetylene, waste-end-of-life-tyres, light fuel oil records and steel purchases;
+ reconciliation of coal used to production records.

The data examined during the verification were historical in nature.

Verification and Validation level of assurance

GHG Protocol Categories

GHG SCOPE	LOCATION BASED kt CO_2e	LEVEL OF ASSURANCE
Scope 1	714	Reasonable
Scope 2	196	Reasonable
Scope 3	1,587	Limited
Total Inventory	2,498	

ISO CATEGORY	LOCATION BASED kt CO_2e	LEVEL OF ASSURANCE
Direct Emissions:		
Category 1	714	Reasonable
Indirect emissions from imported energy:		
Category 2	196	Reasonable
Indirect emissions from transportation:		
Category 3	254	Limited
Indirect emissions from products used by organisation:		
Category 4	1,221	Limited
Indirect emissions associated with the use of products from the organisation:		
Category 5	111	Limited
Indirect emissions from other sources:		
Category 6	1	Limited
Total Inventory	2,498	

Validation strategy

Our validation assessed the:

+ GHG boundary;
+ activity estimates;
+ calculation methodologies and measurements;
+ data management;
+ conservativeness;
+ calculation outcomes;
+ future estimates;
+ uncertainty.

The data examined during the validation were projected in nature.

Responsible party's greenhouse gas assertion (claim)

Fletcher Building Limited has measured its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) in respect of the operational emissions of its organisation on an equity share basis for the organisational boundary.

Other Information

The responsible party has a duty for the provision of Other Information. The Other Information may include Climate Statements around governance, strategy and risk management, emissions management, liabilities, targets, reduction plans and full annual report but does not include the information we verified, and our auditor's opinion thereon.

We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. Our responsibility is to read and review the Other Information, and consider whether the Other Information is materially inconsistent with the information we verified or our knowledge obtained during the verification.

Summary

Verified by
Rhea Selwan,
Verifier, Toitū Envirocare

Independent Reviwer
Billy Ziemann,
Independent reviewer

Engagement Leader
Osana Robertson,
Toitū Envirocare

Date verification audit (onsite)
19 – 21 May 2025 (Interim)
15 – 16 July 2025 (Final)

Date Opinion Expressed
21 October 2025

Location
Wellington

TOITŪ ENVIROCARE

Cautionary Statement

The metrics, particularly targets, projections, forecasts and other forward-looking metrics used in this report should be treated with caution, in particular given the uncertainty around the evolution and impact of climate change and around broader factors, such as impacts and dependencies on nature.

These metrics include but are not limited to estimates of historical emissions and of historical climate change and forward-looking climate and nature-related metrics and estimated climate and nature-related projections and forecasts.

Any forward-looking statements included in these statements are current only as at the date of this reporting period (30 June 2025), and should be treated with special caution. Readers are cautioned not to place reliance on forward-looking statements in these statements.

Current, historic and future information in these statements relates to the continuing operations of Fletcher Building.

Although the forward-looking statements prepared or adopted by Fletcher Building and included in these statements are based on management's current expectations, they are not certain and involve judgements, attitudes, known and unknown risks, uncertainties and assumptions, many of which are beyond Fletcher Building's control, which may be affected by variables which may cause actual results, performance, conditions, circumstances, outcomes or the ability to meet commitments and targets contained in Fletcher Building's forward-looking statements to differ materially from those expressed or implied in such statements. Fletcher Building reserves the right to change its views in the future.

These statements should not be relied upon as a recommendation, forecast or guarantee by or expectation of Fletcher Building, its related or controlled entities or officers, directors, employees or agents. The forward-looking statements in these statements should be read in the context of the variables, risks, uncertainties and other factors outlined in this notice or mentioned elsewhere in these statements.

The climate-related scenarios used in scenario analysis are not intended to be probabilistic or predictive. Scenario analysis is a process for exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps Fletcher Building identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy. These statements, including the Appendices, set out the methods and assumptions underlying the climate-related scenarios used, and the scenario analysis employed. Readers are cautioned in their use of such information in these statements and reminded that it is important to understand the limitations applicable to the information presented.

Words or phrases such as 'will', 'should', 'expect', 'intend', 'plan', 'anticipate', 'effort', 'estimate', 'continue', 'could', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'may', 'objective', 'outlook', 'potential', 'predict', 'projection', 'seek', 'target' or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements or other similar words, and include statements regarding Fletcher Building's intent, belief or current expectations with respect to Fletcher Building's business and operations, market conditions, results of operations and financial condition, capital adequacy and risk management. By their nature, forward-looking statements involve significant risk and uncertainty. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements or any liability whatsoever (including for negligence) for any loss howsoever arising from any use of these statements or reliance on anything contained in it or omitted from it or otherwise arising in connection with these statements is disclaimed.

Fletcher Building does not make any representation or warranty (express or implied) as to the accuracy, completeness, reliability, adequacy or reasonableness of any forward-looking statements prepared by entities or persons other than Fletcher Building or matters (express or implied) contained in, or derived from, any omissions from any such statements.

There is a risk that the judgements, estimates or assumptions and other forward-looking statements made in these statements may subsequently prove to be incorrect. Except as required by applicable law, Fletcher Building is under no obligation, and does not undertake, to update any of the forward-looking statements contained within these

statements to reflect changes to relevant risks, inputs, uncertainties, or other factors, and/or Fletcher Building's understanding of them. Forward-looking statements may be affected by a number of uncertainties and factors, including but without limitation:

- a lack of common definitions and standards for climate-related data;
- the availability and quality of historical emissions data;
- a lack of transparency and comparability of climate-related forward-looking methodologies;
- variation in climate-related approaches, methodologies and outcomes;
- limitations of climate scenario analysis and the models that analyse them;
- calculations of forward-looking metrics are complex and require many methodological choices and assumptions, including the assistance of one or more external data and methodology providers;
- uncertainty and changes to climate-related policy, laws and regulations;
- climate change disclosures are prone to inherent uncertainty and these statements reflects new legal requirements;
- climate change reporting is subject to ongoing changes as the circumstances and impact of a transition to a low-emissions economy and climate change develop in New Zealand and across the world over a long period of time;
- climate-data, modelling and methodology is rapidly evolving, which may directly or indirectly affect the metrics and data points used in the preparation of, and the targets contained in, these statements; and
- changes arising out of market practices and standards, including emerging and developing ESG standards.

Climate-related disclosures made in these statements are subject to risk factors associated with, amongst other things, decarbonisation technologies, government action, consumer attitudes and potentially carbon products and markets. Readers are also reminded that Fletcher Building's business and plans are subject to risks that may cause actual results to differ materially from forward-looking statements.

Other notices

The material in these statements is general background information about Fletcher Building and its activities as at the date of the statement, given in summary form. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider these factors and consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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