

Sustainability Report FY24

Mirvac Group



building the
imagine nation

Foreword

As a leading diversified property company, we recognise the significant impact we have on communities and the environment. Our ESG strategy, *This Changes Everything*, set 10 years ago, reflects our commitment to sustainability, and we've continued to advance our efforts in FY24.

I am pleased to share in this report an update on how we are progressing towards our ambitious goals, as well as how we create value and mitigate risk through our approach to ESG.

Environmental Performance

Having first reached net positive carbon in scope 1 and 2 emissions in 2021, we're now striving to be net positive in Scope 3 by 2030.¹ Scope 3 are those emissions that we can influence, but not control, so we are increasingly working closely with our suppliers and customers. Our in-house design and construction, and sustainability engineering capability, means we can progressively address the most material of these emissions by electrifying our portfolio, and buying and designing with lower carbon materials. In FY24, we established a baseline for our Scope 3 carbon emissions target, and plan to share out information with the Science Based Target initiative (SBTi) in FY25.

In 2019, we made the choice to start designing out our fossil fuels and building all-electric assets and communities. We are making good progress in this area, and developments like Heritage Lanes at 80 Ann Street, Brisbane which became the first office asset in Australia to achieve a 6 Star Green Star rating from the Green Building Council of Australia, demonstrates our capability and commitment. We've also moved forward with all-electric conversions, including at 1 Darling Island Road, Sydney and we now have a number of studies underway to help us plan strategically for the full electrification of our office portfolio.

Energy efficiency remains a key focus at Mirvac – our view is the cheapest kilowatt hour for the planet and our pockets is the one that is never used. Our green certifications are a testament to these efforts, with 16 office assets rated 5 Star NABERS Energy or higher, and nine assets achieving 6 Star Green Star ratings.

We value materials and want to see them continue to serve the community through re-use. Our resource recovery goal is to send zero waste to landfill by 2030. We are maintaining very high performance with 96 per cent waste diversion in construction and 66 per cent in our investment business.

As part of this, we look to salvage materials through the development process, including de-fits and projects like Highforest, our new masterplanned community in Sydney, where we've been able to repurpose 96 per cent of materials from the former IBM building, which was previously on site.

We are mindful of the need to protect biodiversity and are preparing to share our approach as part of the emerging Taskforce for Nature-related Financial Disclosures. We're proud of efforts, such as the 148 hectares of conservation bushland and walking trails at our masterplanned community, Everleigh, in Brisbane and the more than 10 hectares of endangered Blue Gum High Forest and Sydney Turpentine Ironbark Forest set to be returned to public ownership at Highforest in Sydney.

We're also aiming to be net positive in water by 2030, focusing on reducing consumption in operating assets and using non-potable water, where possible, in our masterplanned communities. We are pleased that our office portfolio achieved an impressive 4.5 Star average NABERS Water rating in FY24.

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 - Building Climate Resilience (TCFD)
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 - RAP Wrap-Up

1. Refer to Net Positive Carbon By 2030: Mirvac's Scope Emissions Target and associated reports for further information, including assumptions on Scope 3 initiatives, found [here](#). The target reflects Mirvac's current intention. Mirvac reserves the right to change this target in the future.



Sarah Clarke

Group General Manager, Sustainability

Social Impact

More than ever, business is about people. Our team works to create value for our customers, communities and partners, which in turn drives performance for our securityholders. Our success relies on fostering a sense of belonging among employees, suppliers and the communities in which we operate. This helps to create stronger levels of trust, which encourages more opportunities.

We consider Mirvac's social impact and the power we have to make a positive difference; we look to leverage our buying power to be a force for good, and to include groups who can otherwise feel left out.

Our community investment in FY24 was \$13.1m, with \$72.3m delivered since 2018. We purchased \$15.3m of goods from social and Indigenous suppliers, taking our total social procurement spend to \$66m since FY18.

We also advanced community partnerships, such as our Supplier Development Program with Social Traders, which supports the social enterprise sector to build capacity to service large clients – for which we have been recognised with several awards – as well as our partnership with The Pinnacle Foundation which LGQTBI+ tertiary students.

Our second Innovate Reconciliation Action Plan (RAP) concluded with significant progress, and we enhanced our internal reconciliation working group to focus on respectful development, employment, procurement, cultural celebrations and cultural competence.

We continue to offer unlimited, fully paid volunteer leave and matched funding for employee donations. Our tenth National Community Day saw nearly 1,000 volunteers participating.

Governance

We aim to be one of Australia's most trusted property companies. The trust of the people with which we collaborate is important to us – we align with the UN Principles for Responsible Investment (UNPRI) and the UN Global Compact, and we were the first company in New South Wales to be awarded the highest possible 5 Gold Star iCIRT rating.

We continue to achieve high ESG ratings, including a 5-star rating from the UNPRI and an AA rating from MSCI. We're also proud to be listed in Sustainalytics' 2024 Top-Rated ESG Companies.

Every employee at Mirvac is partially remunerated by our success in meeting ESG goals, and our progress is monitored regularly by senior executive and Board committees.

In response to the Australian Government's 2024 Bill on mandatory climate disclosures, we are enhancing our reporting practices to meet new standards and collaborate with our industry. In the meantime, we have shared our sixth report aligned with the Taskforce on Climate-related Financial Disclosure, which details our progress on building climate resilience in line with Mirvac's three climate scenarios.

Additionally in FY24, our Sustainable Finance Framework continued to support sustainability goals by financing projects that meet our criteria, and we released our fifth Modern Slavery statement, addressing risks across operations and supply chains.

While we continue to observe a changing climate and social inequality, we take heart that coming together and focusing our efforts on ambitious goals means we can make a difference and leave a positive legacy.

Sarah Clarke

Group General Manager,
Sustainability



About Mirvac

We are a leading urban property group, with a clearly defined purpose to *Reimagine Urban Life*.

Mirvac is an Australian Securities Exchange (ASX) top 100 company with an integrated asset creation and curation capability. For more than 50 years, we have dedicated ourselves to shaping Australia's urban landscape, with a strong focus on placemaking, safety, sustainability, and innovation. We are a leader in the living sector, with our exposure spanning the broad spectrum of housing – from apartments and masterplanned communities in our residential business, to build to rent and land lease communities that provide passive income to the Group. We are focused on optimising the performance of the assets we own and manage in our Investment portfolio, as well as the assets we manage on behalf of our aligned capital partners. Through our commercial and residential development activities, we create award-winning urban precincts that set new benchmarks in design excellence. We are focused in Australia's key cities of Sydney, Melbourne, Canberra, Brisbane and Perth, with a core weighting to Sydney and Melbourne.

Underpinning the success of our urban strategy is our integrated and diversified business model, which ensures we maintain an appropriate balance of passive and active capital, enabling us to be agile and respond to fluctuations in the property cycle. This integrated approach also gives us a competitive advantage across the lifecycle of a project; from site acquisition, urban planning, and design, through to development and construction, leasing, sales and marketing, property management and long-term ownership, we exercise control over the entire value chain. This means we are also able to see the bigger picture and take a longer term view, with the ability to create multifaceted spaces and adapt to our customers' diverse and changing needs. The value that our integrated approach delivers to our business and our broad range of stakeholders is further outlined on pages 16 to 31.

And key to everything we do is our people, who help to drive significant outcomes for our customers, communities, securityholders, and our planet. By harnessing the unique skill set of our people across each of the sectors we operate in, we are able to create and curate outstanding urban environments and make life better for millions of Australians.

Our purpose

Our purpose is to Reimagine Urban Life, which inspires us to think about how we can enhance the lives of those who work, shop, or live in and around our assets and developments. We apply our expertise and experience to create unique urban precincts and thriving communities, and we look to have a positive impact in all that we do. This means designing and delivering assets and projects that are at the forefront of sustainability and innovation; creating communities that connect the people within them and leave a positive legacy; and harnessing the capabilities and the power of our people.

Our values

Our values are aligned with our purpose and guide us in what we do.



We put people first



We collaborate



How we work matters



We are passionate about quality and legacy



We are curious and bold





We are genuine and do the right thing

Our business













We have three core business segments that drive our financial performance and underpin our commitment to *Reimagine Urban Life*: Investment, Funds, and Development.

Investment				Funds
~\$22bn assets under management				~\$15.4bn third-party capital under management ⁵
~\$10.6bn passive invested capital				
Office	Industrial	Retail	Living	Funds
<ul style="list-style-type: none">> 32 assets¹> Portfolio value: \$6.3bn²> NLA: 772,111 sqm	<ul style="list-style-type: none">> 12 assets¹> Portfolio value: \$1.5bn²> NLA: 577,529 sqm	<ul style="list-style-type: none">> 9 assets¹> Portfolio value: \$2.2bn²> NLA: 313,986 sqm³	<ul style="list-style-type: none">> JV & Co-investment equity value: \$0.8bn²> 5,393 operational and 3,240 pipeline living sector lots, across Build to Rent and Land Lease⁴	<ul style="list-style-type: none">> ~\$12.0bn Funds under management> 15 funds, mandates and JV partners
				
1 Darling Island Rd, Pyrmont	Aspect Industrial Estate, Sydney	Orion Springfield Central, Brisbane	LIV Aston, Melbourne	Bourke Place, Melbourne

Development	
~\$29bn development pipeline	
~\$3.5bn active invested capital	
Commercial & Mixed Use	Residential
<ul style="list-style-type: none"> > ~\$4.5bn active developments⁶ > ~\$10.1bn total pipeline value⁶ 	<ul style="list-style-type: none"> > 28,219 pipeline lots⁷ > ~\$19.3bn expected future revenue⁶ > ~\$1.3bn pre-sales⁸
	
Elizabeth Enterprise, Badgerys Creek ⁹	Iluma Private Estate, Perth

1. Includes assets for sale and co-investment properties, but excludes IPUC and properties held for development. 2. Includes assets held for sale, properties being held for development, and co-investments based on equity value, excludes IPUC, and represents fair value (and excludes gross up of lease liability under AASB 16). Subject to rounding. 3. Excludes 80 Bay Street, Ultimo. 4. Completed apartments include LIV Indigo, LIV Munro, and completed Land Lease lots; pipeline lots are subject to various factors outside of Mirvac's control, such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties. 5. Includes external funds, developments and assets under management and excludes Mirvac's investment in those managed assets and vehicles. 6. Represents 100% expected end value / revenue (including GST), including where Mirvac is only providing development management services, subject to various factors outside Mirvac's control. 7. Subject to change, depending on various factors outside of Mirvac's control. 8. Represents Mirvac's share of total pre-sales and includes GST. 9. Artist impression, final design may differ.

Our performance: key achievements in FY24

ESG focus area	Target	Tracking
 ENVIRONMENT	 Carbon emissions	Net positive in scope 1, 2, 3 emissions ¹
	 Nothing wasted	Zero waste to landfill
	 Every drop of water	Net positive water
 SOCIAL	 Our people	Active, inclusive care
	 Connection	Leaving a positive legacy
	 Inclusion	Creating a sense of belonging
 GOVERNANCE	 Procurement	Using our buying power for good
	 Finance & investment	Greening our finance
	 Capability & disclosure	Active, capable governance



ON TRACK



ON TRACK



ON TRACK

1. Refer to Net Positive Carbon By 2030: Mirvac's Scope Emissions Target and associated reports for further information, including assumptions on Scope 3 initiatives, found at www.mirvac.com/sustainability/our-performance.

2. Refer to our methodology for calculating community investment visit <https://www.mirvac.com/sustainability/our-performance>.

Recent achievements

- > Collaborating to progress ambitious Scope 3 emissions roadmap to reach Net Positive by 2030 target
 - > Released our sixth Climate Resilience (TCFD) report and prepared climate-related risks and opportunities
 - > 1 Darling Island Road, Pyrmont became our second commercial asset to be converted to all-electric base building services
 - > Average NABERS Star ratings: 5.3 Energy and 4.5 Water
 - > Heritage Lanes, Brisbane, achieved 6 Star Green Star Buildings certified rating from GBCA
 - > LIV Anura, Brisbane, awarded a 5 Star Green Star Design & As Built v1.3 Design Review certified rating from the GBCA
 - > Highforest, West Pennant Hills, Sydney was formally registered for Green Star Communities with the GBCA
 - > Recycling waste: 96% construction waste & 66% investment waste diverted from landfill
-
- > Ranked in the top 10 globally in Equileap's Global Report on Gender Equality for the third year in a row
 - > \$13.1 million in community investment/\$15.3 million spend on procurement with social and Indigenous businesses
 - > Recognised by Good Company as one of the best workplaces to give back for the third year in a row (ranked #2)
 - > Top Australian property company for giving in the AFR / GivingLarge Top 50
 - > Established two new partnerships: a supplier development program with Social Traders to build capacity in social enterprises and a scholarship program with the Pinnacle Foundation to support LGBTIQ+ young people in property and construction
 - > Concluded our second Reconciliation Action Plan (RAP) and published the outcomes we've delivered to date
-
- > Released our fifth Modern Slavery Statement
 - > Mirvac ESG program ranked #1 against peers in the 2024 All Asia Institutional Investor survey
 - > Mirvac Construction awarded 5 Gold Star iCIRT Equifax rating for the second time, the only business in Australia to do so
 - > High ESG index ratings: AA (MSCI), 5 stars Policy Governance & Strategy and 4 for Direct – Real Estate (UNPRI)
 - > Sustainalytics: 2024 ESG Top-Rated Companies List and low risk rating
 - > Voluntarily disclosed through the Clean Energy Regulator Corporate Emissions Reductions Transparency pilot



Everleigh, Greenbank, Queensland

Sustainability

We strive to make responsible choices and collaborate with our communities to promote sustainability.

Our strategy, *This Changes Everything*, aims to generate positive impacts while managing ESG factors. We prioritise the initiatives that benefit our employees, the environment, our customers and partners, and the neighbourhoods where we operate. Our ESG strategy is underpinned by three focus areas:

- > **Environment:** carbon emissions, waste, and water
- > **Social:** our people, connection, and inclusion
- > **Governance:** procurement, finance and investment, and capability and disclosures.

We align our targets with these United Nations Sustainable Development Goals:



Progress towards our goals

Environmental	Social	Governance
Our goals		
<ul style="list-style-type: none"> Net positive in Scope 1 & 2 emissions by 2030 Net positive in Scope 3 emissions by 2030¹ Net positive water by 2030 Zero waste to landfill by 2030 	<ul style="list-style-type: none"> \$50m invested in creating a strong sense of belonging by 2025 \$100m directed to the social sector by 2030 	<ul style="list-style-type: none"> Using our buying power for good Greening our finance Active capable governance
● Completed ● On track ● Delayed ● At risk		
Our progress in FY24		
<ul style="list-style-type: none"> ✓ Reducing Scope 3 emissions through initiatives such as the electrification of our assets ✓ Achieved 4.5 Star average NABERS Water rating in our office portfolio ✓ 96% construction waste and 66% operational waste diverted from landfill 	<ul style="list-style-type: none"> ✓ \$51.6m invested in a strong sense of belonging since FY23, surpassing our target of \$50m by 2025 ✓ \$13.1m in community investment in FY24, and \$72.3m since FY18 ✓ \$15.3m procured from social and Indigenous businesses in FY24, and \$66.4m since FY18 	<ul style="list-style-type: none"> ✓ Fifth modern slavery report lodged with the Australian Attorney-General's Department ✓ Maintained high governance credentials, including: UN Principles for Responsible Investment: 5 stars for Policy Governance & Strategy and 4 stars for Direct – Real estate; low risk rating; and MSCI: AA rating ✓ 43% of finance issued under sustainable finance instruments

Our performance

Environment

We have set ambitious targets in carbon, waste and water and have published transparent plans to outline the steps we will take towards achieving these goals.

Our decarbonisation journey

We aim to be Net Positive in Carbon by 2030¹ by focusing on Scope 3 emissions – those emissions we can influence but not directly control. These include the emissions from the materials we buy, waste disposal, and energy use by our tenants and customers. We leverage our in-house design and construction teams, as well as suppliers and partners, to reduce these emissions as far as possible. For any remaining emissions, we intend to invest in high-quality, nature-based, Australian offsets for remaining emissions from FY30.¹

During the financial year, we worked towards developing a baseline for embodied carbon emissions across all asset classes. This will enable us to develop decarbonisation transition plans, which we expect to finalise in FY25. We are also aiming to provide our information to the Science Based Target initiative (SBTi) in the next financial year.

Going all-electric

Electrification remains a key activity in our decarbonisation pathway. We have noted several policy shifts which complement our choice to design out fossil fuels in our office assets, including:

- > planned updates to the NABERS rating system in 2025 and 2030 to recognise the decarbonisation of the electricity grid, resulting in high ratings becoming harder to maintain without electrification.
- > the Australian Government's Net Zero in Government Operations Strategy policy, with all government entities to prefer all-electric buildings from July 2024 onwards and commit to leasing assets with a minimum 5.5-star NABERS Energy rating in metropolitan areas. As part of this, all new office buildings owned or built for the government must also be 6 stars NABERS energy, and 4 Stars Green Star rating or higher, and from 2026, buildings must be all-electric.

We are already seeing the impact of these changes, with an increased focus on electrification requirements in tenant briefs. We pushed forward with our asset retrofit projects in FY24, with 1 Darling Island Road, Pyrmont, Sydney, becoming our second building to be converted to all-electric base building services.

1. Refer to Net Positive Carbon By 2030: Mirvac's Scope Emissions Target and associated reports for further information, including assumptions on Scope 3 initiatives, found [here](#).

Energy, GHG, water and waste¹

Emissions tCO ₂ e	FY13	FY22	FY23 ¹	FY24	FY24 Source data
Scope 1					
Natural Gas	2,697	5,028	7,897	8,363	162,292 GJ
Refrigerants	1,383	1,311	415	1,218	913 kg
Diesel	2,333	677	1,208	1,025	397,847 L
Petrol	646	87	83	57	23,812 L
LPG	7	21	29	49	31,406 L
Total Scope 1	7,066	7,125	9,632	10,711	
Scope 2 (market-based)²					
Electricity		—	—	—	106,593,216 kWh
Total Scope 2		—	—	—	
Total Scope 1 + 2		7,125	9,632	10,711	
Voluntary carbon offsets		7,225	9,732	10,811	
Net Scope 1 + 2³		(100)	(100)	(100)	
Renewable electricity %		100%	100%	100%	
Renewable energy %			67%	70%	
Potable water usage					
Retail	492,216	337,166	322,291	283,963	
Office & Industrial	349,597	291,049	557,800	663,746	
Build to rent		22,609	42,815	58,718	
Total (kL)	841,813	650,824	922,906	1,006,427	
Total waste					
Construction	35,565	7,667	11,819	15,645	
Investment	12,833	17,647	18,343	19,420	
Total (T)	48,398	25,314	30,162	35,065	
Construction			96% Recycled	4% Landfill	
Investment			66% Recycled	34% Landfill	

1. From FY23 the addition of five Mirvac Wholesale Office Fund (MWOFF) assets resulted in an increase to Scope 1, emissions, electricity and water consumed.

2. We began reporting market-based electricity in FY19.

3. This means we offset 100 more tonnes of Scope 1 and Scope 2 carbon emissions than we emit, meeting our Net Positive in Scope 1 and 2 Carbon Emissions by 2030 target.

Note: Some columns may not add due to rounding

Green certifications

We have one of the greenest office portfolios in Australia, with 16 office assets rated 5 Star NABERS Energy and or higher, and a portfolio performance average of 5.3 Stars. Our assets operate assets on 100 per cent renewable electricity, and we have high waste diversion rates across construction and operations.

We also have nine 6 Star Green Star rated assets and four assets rated 5 Star Green Star or above. This includes at Heritage Lanes in Brisbane, where we became the first building in Australia to achieve a 6 Star Green Star Buildings certified rating from the Green Building Council of Australia, a new world-leading sustainability benchmark.

Waste and materials

In 2020, we published our plan to achieve zero waste to landfill by 2030 under our [Planet Positive – Waste and Materials plan](#). We've already made significant progress, recycling 96 per cent of construction waste and 66 per cent of operational waste. For example, at our new Highforest masterplanned community development in Sydney, we have repurposed 96 per cent of materials from the former IBM building onsite. The principles of materials circularity are crucial for eliminating waste, reducing costs, and enhancing our business resilience.

Water

We remain on track to achieve net positive water by 2030. Our plan includes reducing water consumption, reusing water where possible, and promoting education and innovation across our properties, from masterplanned communities to retail centres, offices, and industrial sites. We achieved a 4.5 Star average NABERS Water rating for our office portfolio in FY24, which we will look to maintain to 2030 and beyond.

Nature

Protecting biodiversity is crucial for business resilience and combating climate change, and we recognise the importance of disclosing our impacts on nature as part of the emerging Taskforce for Nature-related Financial Disclosures. While some of our planned nature activities have been paused while we set out our decarbonisation plans and attended to emerging mandatory climate disclosures, we intend for our strategic approach to be developed further in FY25. This will build upon lessons from projects such as Highforest, where the design is ecologically led and features C2 Environmental Conservation, the highest form of zoning protection. Mirvac will dedicate approximately 10 hectares of forest area to the NSW State Government and provide a cash contribution for future maintenance.



16 office assets rated

5+ Star

NABERS Energy



Sustainability

Social

We put our stakeholders at the heart of our business activities. Understanding who has the most interest, impact, or influence is essential for our performance, social responsibility, and ability to leave a positive legacy. Our sustainability strategy aims to foster belonging amongst employees, with our suppliers, and in our communities – working together as a force for good. We focus on promoting diversity and inclusion in our workforce, advancing reconciliation, investing in social infrastructure, using our purchasing power for good, and encouraging volunteering as a key aspect of community service and understanding.

Community partnerships

In FY24, we progressed a number of community partnerships that build capacity and scale our social impact with social and Indigenous suppliers, the LGBTQ+ community, and First Nations Australians. One such initiative is the Supplier Development Program created in collaboration with Social Traders. We partnered with four social enterprises over a 12-month period to help them address challenges in scaling their businesses. Our aim was to help overcome obstacles and enhance their readiness to collaborate with large organisations like Mirvac, while also expanding our pool of social procurement suppliers. Our collaboration with the Pinnacle Foundation (see page 20) also helps to empower young LGBTQ+ Australians to overcome identity-related challenges.

Our buying power

We have made excellent progress towards our goal to direct \$100m to the social sector by 2030, with \$15.3m directed to Indigenous businesses, social enterprises, B-Corps, and charities in FY24, with a total of \$66.4m since FY18.

Community investment

We consider our investment in the communities where we build and manage assets to be a core part of how we operate. We know that when we invest in social infrastructure and amenity upfront in the development process, and when we facilitate events and activations that bring the community together, we drive preference for our products and create spaces where people can flourish.



Incorporating facilities like playgrounds, parks, and recreational facilities help to build community relationships, and make our retail centres, office assets, and residential communities better places to shop, work and live.

Anticipating the need for robust metrics which demonstrate how an organisation delivers social value, we have begun a process of change in our community investment disclosures. In FY24, we developed a transparent methodology outlining how Mirvac directly invests in our communities and what we count as community investment.

All of our community investment disclosures undergo an internal verification process. Our Basis of Preparation sets out the categories, definitions, and calculation methodologies. In this first year, categories assured by PwC include donations and volunteering.

Our community investment spend in FY24 was \$13.1m, bringing our total since FY18 to \$72.3m.

Community Investment Table

Category	FY24 Contribution (\$m)
Donations	\$0.3 
Volunteering	\$0.6 
Donated space	\$0.9
Sponsorships	\$0.3
Social infrastructure	\$10.2
Community events	\$0.7
Leverage	\$0.1
Total community investment	\$13.1

 Limited assurance provided by PwC.

Volunteering

We are proud to provide unlimited, fully paid volunteer leave to all employees, and we also provide matched funding for employee donations. This year, our tenth National Community Day was our biggest ever, with nearly 1,000 volunteers taking part in 100 activities across the country. We were again acknowledged by Good Company as one of the best workplaces to give back for the second year in a row and also named as one of Australia's most generous companies in the fourth annual Australian Financial Review Corporate Philanthropy 50.

Reconciliation

We believe we all have a role to play in creating a more just and reconciled Australia. For us, this means creating spaces that are respectful to Traditional Owners and encouraging dialogue that builds understanding and inclusion of Aboriginal and Torres Strait Islander cultures. We have concluded our FY21-23 Innovate Reconciliation Action Plan (RAP), making progress under our five reconciliation driving principles. At the same time, we recognise we have more to do to better understand cultures and histories, and effectively embed this into the way we do business. To accelerate progress in key areas, we made changes to our internal reconciliation working group, attracting broad representation from across the company. Work will focus on employment, procurement, respectful development, cultural competence, and celebrating significant events. Read our review of our [FY21-23 Innovate Reconciliation Action Plan \(RAP\) activities](#).



National Community Day, 2024

1. Details on our Basis of Preparation are available at www.mirvac.com/sustainability/our-performance.



NAIDOC Week celebrations at 275 Kent Street, Sydney.

Governance

We understand our crucial role in creating positive impacts through the choices we make. From preferencing sustainable materials to working with ethical partners and being a trusted, iCirt-rated developer, we aim to make choices that align with our value to do the right thing. These efforts are monitored regularly by senior executive and Board committees to ensure we deliver on our ESG promises. Accountability for performance against our targets is shared across the company, and forms part of every employee's remuneration.

The ESG reporting landscape is changing. In March 2024, the Federal Government introduced a Bill into Parliament that seeks to legislate the requirements for mandatory climate-related financial disclosures. Having voluntarily reported on climate-related risks and opportunities for several years, Mirvac welcomes the evolving reporting requirements. This year, we continued to make progress against our targets, and invested time in preparing for the new reporting environment. We're conscious that there are still inconsistencies in reporting methodology within our own sector – such as the way Scope 3 emissions are calculated – and we are working with our peers and through peak bodies towards aligning methodologies to support comparison of company Scope 3 performance. Ensuring our readiness for the new reporting standards has been a priority for us internally, and we have also commissioned a gap analysis to highlight the areas we will need to address.

Green finance

Mirvac has a [Sustainable Finance Framework](#) which sets out how we will issue and manage sustainable finance instruments on an ongoing basis. Sustainable finance instruments will enable Mirvac to achieve its sustainability objectives by financing or refinancing projects and assets that fall within the eligibility criteria designed in this Framework, or by incentivising improved sustainability outcomes (Sustainable Finance Instrument).

Modern slavery

In line with the Modern Slavery Act 2018, we have released our fifth Modern Slavery statement, which provides insight into modern slavery risks across our operations and supply chains and details our actions in response. We have continued our partnership with the Cleaning Accountability Framework to increase capability and ensure fair work across this extended supply chain. This has involved annual health checks at our three existing sites Angel Place and South Eveleigh, Sydney and Bourke Place, Melbourne, and we are now looking to certify 275 Kent Street, Sydney.

ESG index ratings and recognition

We continue to have high ESG ratings, including the top rating of 5 stars in Policy, Governance and Strategy with the UN Principles for Responsible Investment. Some of the features of our approach that resulted in the 5 star rating were a responsible investment policy and associated employee training, climate scenario analyses, percentage of real estate assets with external certification, disclosure of political influence activities, third-party assurance, and internal audit. We achieved an AA rating from MSCI and were again included in Sustainalytics' 2024 Top-Rated ESG Companies list – global recognition that we are one of the best performing ESG companies rated by Sustainalytics.

How we measure value	FY24	FY23
Emissions performance	Net positive carbon (Scope 1 and 2)	Net positive carbon (Scope 1 and 2)
Water	1,006,427L	922,906L
Waste diverted		
Construction	96%	95%
Investment	66%	68%
MSCI and Sustainalytics ratings	AA, Low risk	AAA, Negligible risk
Social procurement spend ¹	\$15.3m	\$9.2m
Community investment delivered ¹	\$13.1m	\$13.9m

1. Social procurement spend and community investment figures may fluctuate in line with development pipeline and timing of spend.

Risk & risk management



Risk governance

The Mirvac Board is responsible for ensuring the effectiveness of Mirvac's risk management framework. This framework outlines our governance, risk appetite, accountability for risk management, and operational resilience, and is consistent with the Australian and New Zealand standard on risk management (ISO 31000:2018). The Board has charged our leadership team with the responsibility for managing risk across the Group and implementing mitigation strategies under the direction of the Group CEO & Managing Director, supported by other senior executives. Each business unit is responsible for identifying and managing their risks. An enterprise-wide risk management system is in place to drive consistency in risk recording and reporting.

The Group Risk function is responsible for embedding the risk management framework, advising business units on risk management plans, and consolidating risk reporting to senior executives, the Audit, Risk & Compliance Committee, and the Board. A strong risk management culture is the key element underpinning the risk management framework.



















FY24 continued to be characterised by uncertain operating conditions linked to external and macroeconomic factors. The effect of inflation and high interest rates continued to impact our business, tenants, customers, and supply chain. Capital flows in real estate slowed, with limited transactional activity. Supply chain challenges persisted through contractor insolvency, availability of skilled labour, and inflationary cost pressures. These risks have the potential to be amplified by deepening geopolitical tension and conflict globally.

Our integrated and diversified business model, the quality of our modern, sustainable investment portfolio, our strong balance sheet, and disciplined approach to capital management and allocation have positioned us well to navigate through the cycle. We will continue to leverage our key competitive advantages to manage risks and identify opportunities in order to drive long-term success and achieve our targeted strategic objectives.











The Risk Management Policy is available on our website: <https://www.mirvac.com/about/corporate-governance>.












Risk management: Our principal risks and opportunities

A number of the risks and opportunities we face in delivering our strategic plan are set out in the table below. They are largely related to our portfolio of assets and are typical of a property group. These are not the only risks associated with Mirvac. The risks are grouped by theme, rather than order of importance.

Related pillar of value	Key risks and opportunities	How we're addressing them	How risk has changed since FY23
Investment and development performance			
 Performance  Place	Our business is impacted by the value of our property portfolio and our ability to deliver modern, high-quality, sustainable assets. This can be influenced by external factors outside our direct control, including the health of the economy and the strength of the property sector and capital markets, and internal factors, including our investment decisions and group structure.	We collaborate with aligned investors to leverage capability and develop recurring income streams. Prudent capital decisions are based on due diligence and market research to ensure investor confidence is retained. Buying and selling at the right time in the property cycle has enabled us to deliver sustainable returns to our securityholders. We have a disciplined approach to acquisitions and are mindful of the fundamentals needed to maintain growth through our sustainable and diversified urban-focused business model.	 A challenging operating environment, characterised by increasing costs, capitalisation rate expansion and difficult capital markets, has continued to impact financial performance through cost of capital, asset values and transaction volumes.
Macro environment			
 Performance  Place	Mirvac is impacted by changing domestic and international economic and macroprudential and regulatory measures, which impact access to capital, investor activity, and foreign investment.	We monitor a wide range of macro economic, property market and capital market indicators and use trend analysis to assess macroeconomic changes, and we are attentive to these shifts. We maintain a robust balance sheet and appropriate gearing to ensure we can respond to unforeseen economic shocks.	 Continued uncertainty and volatility as interest rates remain high, productivity remains challenged, and inflation continues to impact the economy.
Capital management			
 Performance  Place	Maintaining a diversified capital structure to support the delivery of stable investor returns and maintain access to equity and debt funding.	We have a capital management framework that is approved and monitored by the Board. The framework aims to address market, credit and liquidity risks, while also meeting the Group's strategic objectives. We seek to maintain an investment-grade credit rating of A-/A3 to reduce the cost of capital and diversify our sources of debt capital. Our target gearing ratio is between 20 and 30 per cent.	 The cost of capital continues to increase, and asset valuation movements and transaction activity are expected to impact gearing. The Australian economy is showing signs of slower growth, while labour markets have remained strong.
Key partners			
 Performance  Place  Partners	Our partners play a vital role in our business, and our sustained success and the execution of our development pipeline is driven by engagement with targeted and strategically aligned partners. It is crucial that we build long-term relationships that are driven by trust, transparency, and shared values.	Our partner relationships are based on delivering mutual benefits to all parties. Our value creation model has a focus on committed partners and enables the delivery of our strategy through the partner lens. Fit-for-purpose governance frameworks are in place to manage our capital partnerships. Our Asset Management team services both our Investment and Funds divisions, which removes any conflicts of interest in our business structure, and provides independent service and support to both Mirvac and its third-party capital partners.	 There was no material change in our key partner risk profile during the reporting period. Access to capital remains challenging in the current economic environment.
Business resilience			
 Place  People  Partners  Planet	It is crucial that we have the capability and capacity to effectively manage and recover from a major incident in a timely and efficient manner, and to adapt to changes in our operating markets.	We have an embedded organisational resilience program that enables the business to effectively manage and continue business-critical processes and operations during a business-impacting event. This includes breaches to our information systems and/or damage to physical assets, which could cause significant damage to our business and reputation.	 There was no material change in our organisational resilience and business continuity management risk profile during the reporting period.

Risk and risk management

Related pillar of value	Key risks and opportunities	How we're addressing them	How risk has changed since FY23
Cyber risk			
 Place  Partners	<p>Cyber security and information privacy are an increasing risk for our business given the dynamic nature of these threats. Safeguarding our intellectual property, information and operational technology systems, contractual agreements, and employee and customer information is critical to ensure ongoing business continuity and the safety of our people, assets, and customers.</p>	<p>We have a technology and cyber security strategy and framework (aligned to the National Institute of Standards and Technology Cyber Security Framework), which includes a disaster recovery plan and a comprehensive cyber security incident response plan, to prevent and detect cyber threats and respond and recover from cyber-related incidents. This includes data governance and information security frameworks to safeguard the privacy of information in accordance with applicable privacy regulations. Cyber security frameworks are tested frequently, and remedial action is monitored by ELT and the Board.</p>	 <p>While cyber threats continue to evolve and become more frequent alongside the development of new technologies, such as AI, we continue to strengthen our cyber security response. As a result, there was no material change in our cyber risk profile during the reporting period.</p> <p>The geopolitical risk landscape continues to underpin the potential threat.</p>
Digital disruption			
 Place  Partners	<p>Technology is changing our world at a rapid pace. It is important we embrace new digitally enabled ways of working and customer experiences to maintain relevance and continue to innovate.</p>	<p>A core element of our strategy is understanding and preparing for disruption and building a resilient business. We are committed to ensuring that we have the right people, processes, and systems to take advantage of disruption and to create a competitive advantage. Our innovation program, Hatch by Mirvac, ensures that we continue to innovate in a meaningful way. We also continue to invest in people and technology to ensure that digital experiences are continually evolving.</p>	 <p>There was no material change in our innovation and digital disruption risk profile during the reporting period. We have developed an AI strategy to leverage the opportunities this emerging technology provides.</p>
Supply chain			
 Partners	<p>With a broad range of suppliers providing an equally diverse range of goods and services, our stakeholders can be directly and indirectly impacted by the practices of our suppliers, and the materials they are supplying.</p>	<p>We have well-established process and oversight bodies to manage key areas, such as modern slavery, worker exploitation, material import risk, high-risk materials, and cyber security. We are elevating our controls to identify and mitigate our exposure to these risks and ensure full compliance with emerging legislation. Supply chain disruption, geopolitical tensions, stagnating productivity, and the impact of cost-escalation and labour shortages in the construction industry, are actively managed through supply continuity plans and alternative supply arrangements.</p>	 <p>Supply chain constraints persist, with skilled labour shortages, subcontractor and developer insolvencies, and productivity having the potential to impact on cost and delivery schedules.</p>
Social responsibility			
 Partners  Planet	<p>In an Australian context of low institutional trust, we must maintain and enhance trust and reputation to retain a social licence to operate.</p>	<p>We provide consistent, high-quality communication and transparent and responsible reporting. We have a coordinated and consistent stakeholder engagement framework to instil a considered approach to stakeholder and community engagement. We have committed to proactively sharing our progress as a business to help us earn and retain trust. We provide good earnings visibility, guidance and full disclosure to our securityholders so they can make informed choices.</p>	 <p>There was no material change in our corporate social responsibility and stakeholder engagement risk profile during the reporting period.</p>
Planning and regulation			

Related pillar of value	Key risks and opportunities	How we're addressing them	How risk has changed since FY23
 Partners  Planet	Our activities can be affected by government policies in many ways, from local decisions regarding zoning and developments, right through to the national position on immigration.	We have proactive and constructive engagements with all levels of government on policy changes that may impact our business and projects, and we ensure we are prepared to respond to changing community expectations. Approval timeframes are built into project delivery plans and are actively managed to minimise the impact on returns.	 There was no material change in our compliance and regulatory risk profile during the reporting period.
Health and safety			
 People  Partners  Planet	Maintaining the health, safety and wellbeing of our people is our most important duty of care obligation and is critical to our ongoing success. We must safeguard the integrity of our operations, assets, and the environment, and enable our people to thrive in order to deliver an enhanced safety performance in a high-growth and complex landscape.	We continue to pursue safety excellence and to improve the overall wellbeing of our employees, our suppliers, our community, and the environment. During FY24, we continued to strengthen our stewardship of major hazards and operations integrity across the lifecycle of our projects, while enhancing our safety leadership culture. We recognise psychological health and safety and psychosocial hazards require a greater level of capability, solutions and leadership going forward.	 There was no material change in our health and safety risk profile during the reporting period.
People & culture			
 People	We require an engaged, motivated, and high-performing workforce with the capability and capacity to deliver our business strategy and maintain our desired culture.	We focus on having the right culture and capabilities so that our people are engaged and enabled to deliver on our strategy, particularly in an uncertain and changing operating environment in which labour markets are currently constrained. We have a range of programs aimed at creating great leaders, growing and retaining key talent and rising stars, and fostering a diverse and inclusive workplace, and have been defining, measuring and curating our desired culture for some time. Our remuneration strategy is designed to attract the best talent, and motivate and retain individuals, while aligning to the interests of executives, securityholders and community expectations.	 High retention level of key talent and rising stars, low voluntary turnover, and our overall employee engagement score continue to indicate effective talent and change management, and the prioritisation and protection of our culture.
Impacts of climate change			
 Planet	Climate change has the potential to affect our assets and our business operations. It is vital that we respond to the implications of climate change by implementing appropriate adaptation and mitigation strategies for the portfolio, as well as building resilience throughout the business.	We regularly assess our portfolio for climate risk and resilience. We report under the Task Force on Climate related Financial Disclosures (TCFD) recommendations. We strive to design developments and major renovations to a high standard for green building and community certifications, as well as energy and water performance ratings.	 There was no material change in our sustainability and ESG risk profile during the period. We remain proactive in managing our ESG risks and we are highly focused on sustainability outcomes, particularly with respect to climate risks and disclosures.

Key Reports

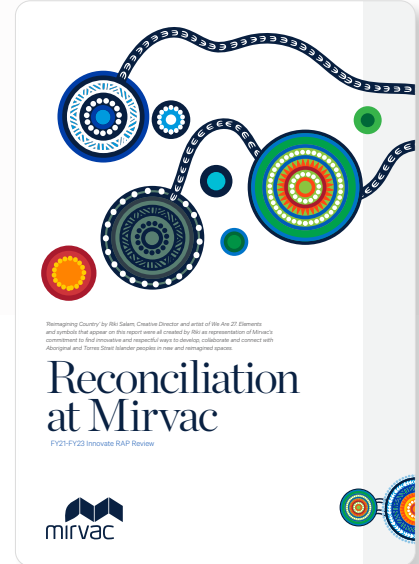
During FY24 we released the following key reports



Informed by the latest climate science, we are taking proactive measures to continue to strengthen our ability to effectively navigate the future consequences of global warming. Our fifth climate resilience report, which highlights our achievements so far, and what our future focus will be. This provides an update on our progress, our plans, as well as an outline of the risks and opportunities we may face in the future.



We're committed to helping bring slavery out of the shadows, and we know we can affect change through the choices we make in our supply chain and procurement practices. Our fourth Modern Slavery Statement explains how, by establishing good governance, systems, and processes, we can ask the right questions, identify risks, and work constructively with our suppliers to shine a light on this form of abuse. It also outlines how we're collaborating with other leading Australian businesses and sharing our learnings to help drive sustainable change, as we work towards the goal of eliminating modern slavery.



We have concluded our FY21-23 Innovate Reconciliation Action Plan (RAP), making progress under our five reconciliation driving principles. At the same time, we recognise we have more to do to better understand cultures and histories, and effectively embed this into the way we do business. To accelerate progress in key areas, we made changes to our internal reconciliation working group, attracting broad representation from across the company. Work will focus on employment, procurement, respectful development, cultural competence, and celebrating significant events.



**This
Changes
Everything**





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