

CLIMATE CHANGE POLICY

September 2020

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Policy Authorised by: HSE&S Committee on 30/09/2020. Policy Maintained by: Group Sustainability

Version Number: 2.0

Last Revised Date: 30/09/2020



1 Climate Change Policy

Mirvac recognises that climate change presents a number of critical environmental, financial, and physical risks. The increase in global temperatures is driving sea level rise and an increase in both the frequency and intensity of extreme weather events. This Policy sets out our commitment to minimising our impact on the planet and managing the risks associated with climate change on our business investments, developments, and operations.

1.1 Target

Our Policy is driven by an ambitious target to be net positive in carbon by 2030. This commitment is ahead of the COP 21 Paris Agreement's objective to manage climate impacts to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

As part of an industry that contributes to approximately 25 per cent of carbon emissions in Australia, the actions and the leadership we take now will be important in achieving these objectives.

1.2 Transparent disclosure

We are committed to disclosing our financial, physical, and transition risks in line with the recommendations set out by the Task Force for Climate-related Financial Disclosures. As well as being an effective risk strategy, taking prompt action on climate change will deliver significant financial benefits to the Group. By transitioning to a low carbon economy early, we will combat rising energy costs, retain premium tenants and minimise vacancy rates. With low carbon building policy reforms on the horizon, we'll also be ahead of the curve when it comes to compliance.

In 2019 we released our [plan](#) to reach net positive carbon. The key elements of this include:

- continuing to maximise energy efficiency at our assets
- developing all-electric assets;
- powering them with 100 per cent renewable energy; and
- purchasing high-quality carbon offsets as an interim measure for onsite fossil fuels, as we transition away from gas and diesel.

As key activities towards our target, we are committed to:

- reducing carbon intensity in our investment portfolio;
- building all new assets in our office and industrial business to a 5.5 Star Energy NABERS rating standard;
- including solar in all new Residential projects; and
- continuing to focus on renewable energy procurement at our investment assets.

In our ambition to reduce our carbon emissions, Mirvac will also continue to:

- align with the UN Principles for Responsible Investment and our Responsible Investment Policy;
- look at how we can improve the resilience of our developments and our existing assets by assessing their exposure to climate risks, and implementing mitigation and adaptation measures;
- consider climate-related impacts within the site planning and construction management process;

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- proactively educate our employees on climate change and ways to mitigate and adapt;
- maintain transparent disclosure of our greenhouse gas emissions profile and performance; and
- review our climate change strategy and associated targets every three years.

1.3 Risk governance

Ensuring that climate change governance and risk is appropriately managed, and the climate capability of our Board is maintained, is also a key focus. Our Board's Audit, Risk and Compliance Committee meets every quarter and oversees climate risk explicitly, and the full Board receives a briefing at least every quarter.

Climate risk is decentralised through our Group risk function, and we have conducted significant engagement across Mirvac to identify risks and allocate accountability, ensuring that senior leaders who are accountable for controls are also accountable for the management of associated risks.

In addition, climate change forms a key accountability across leadership teams at Mirvac, with formalised targets set, agreed, and monitored each month by the Health, Safety, Environment and Sustainability Management Team, which is chaired by an Executive Team member, and is comprised of representatives from across the Mirvac Leadership Team. Performance is monitored each month and Group performance must meet or exceed 80 per cent of objectives to meet the required threshold for the Group's Short-Term Incentive program.

2 Policy Maintenance and Review

Mirvac's Group Sustainability is responsible for ensuring that this Policy is reviewed at least every three years.

3 Mirvac Approval

This policy was approved and adopted by the Mirvac Group on [to be updated].