



This
Changes
Everything



Foreword

As a leading diversified property company, we understand the positive impact we can have in the communities in which we operate and on the environment we share.

Through our Environmental, Social and Governance (ESG) strategy, *This Changes Everything*, launched in 2014, we've embarked on a transformative journey guided by a deep commitment to sustainability across all aspects of our decision-making.

In FY23 we evolved this strategy with a fresh opportunity to consolidate renewed targets:

- > **Environmental:** to be planet positive in carbon (scope 1, 2, and 3 emissions), waste and water by 2030
- > **Social:** invest \$50 million to create a strong sense of belonging by 2025
- > **Governance:** to be the most trusted owner, manager, and developer because we do the right thing

Key to our approach is a steadfast focus on what truly matters to us and our stakeholders.

We recognise that the decisions we make today will shape the world of tomorrow. To enable this we have instilled a culture of ethical decision-making at the heart of our organisation, affirming our dedication to doing the right thing and being a force for good.

As we strive for excellence in sustainability, our employees play a pivotal role in driving our success. Their passion for our authentic approach to sustainability translates into higher levels of engagement, exceptional efforts, and a steadfast commitment to the core values that define us.

This Changes Everything stands on three pillars that define our difference:

- > **Ambition:** We are driven by a bold ambition to leverage our capabilities and influence to effect positive change.
- > **Focus:** Understanding that meaningful change starts with targeted efforts, we concentrate on the areas that matter most to us and our stakeholders.
- > **Authenticity:** The choices we make are not just part of a corporate strategy; they are ingrained in our cultural DNA.

I am pleased to share with you our FY23 Sustainability Report, which brings together extracts from our integrated Annual Report, as well as our sustainability scorecard, and the key reports we released this year.

Our track record of achievements this year is a testament to our dedication to sustainable progress. However, we recognise that we must continuously push the boundaries of what is possible. Together with our stakeholders, we embrace the challenges and opportunities that lie ahead.

Sarah Clarke
Group General Manager,
Sustainability





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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've dedicated ourselves to shaping Australia's urban landscape, with a strong focus on placemaking, safety, sustainability, and innovation. We own and manage \$11.9bn of assets across office, industrial, retail and build to rent on our balance sheet, and manage \$17.1bn of external assets for our aligned capital partners. Through our \$11.6bn commercial development pipeline and our \$17bn residential development pipeline, we create award-winning urban precincts that set new benchmarks in sustainability and design excellence. Our projects and activities are strategically located in Sydney, Melbourne, Brisbane, Canberra and Perth.

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.

And key to everything we do is our people, who help us 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
~\$26BN ASSETS UNDER MANAGEMENT				
OFFICE	INDUSTRIAL	RETAIL	BUILD TO RENT	FUNDS
<ul style="list-style-type: none"> > 24 assets¹ > Portfolio value: \$7.7bn² > NLA: 836,970 sqm 	<ul style="list-style-type: none"> > 10 assets¹ > Portfolio value: \$1.5bn² > NLA: 470,939 sqm 	<ul style="list-style-type: none"> > 11 assets¹ > Portfolio value: \$2.4bn² > NLA: 330,718 sqm³ 	<ul style="list-style-type: none"> > Two assets¹ and three developments under construction > Co-investment equity value: \$272m² > 805 completed, 1,368 pipeline apartments⁴ 	<ul style="list-style-type: none"> > ~\$17.1bn third-party capital under management⁵ > \$14.4bn Funds under management > 14 funds, mandates and JV partners
				
Heritage Lanes, Brisbane	Calibre, Sydney	Broadway, Sydney	LIV Munro, Melbourne ⁸	Angel Place, Sydney

DEVELOPMENT	
~\$29BN DEVELOPMENT PIPELINE	
COMMERCIAL & MIXED USE	RESIDENTIAL
<ul style="list-style-type: none"> > ~\$31bn active developments⁶ > ~\$11.6bn total pipeline value⁶ 	<ul style="list-style-type: none"> > 22,974 pipeline lots⁷ > ~\$17bn expected future revenue⁶ > ~\$1.8bn pre-sales⁸
	
Elizabeth Enterprise, Badgerys Creek ⁹	Olivine, Melbourne ⁹

1. Includes BTR, assets for sale, but excludes IPUC, other co-investment properties and properties held for development. 2. Portfolio value includes assets held for sale, properties being held for development and co-investments, based on equity value, excludes IPUC and represents fair value (excludes gross up of lease liability under AASB 16). 3. Excludes 80 Bay Street and 1-3 Smail Street, Ultimo. 4. Completed apartments include LIV Indigo and LIV Munro; pipeline apartments 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. 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 such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties. 7. Subject to change depending on various factors outside of Mirvac's control such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties. 8. Represents Mirvac's share of total pre-sales and includes GST. 9. Artist impression, final design may differ.

FY23 ESG Highlights

ENVIRONMENTAL



Set ambitious Scope 3 emissions target to be Net Positive by 2030 & released roadmap on how we intend to pursue this¹



Released fifth TCFD report and prepared climate risk scenarios

Average NABERS Star ratings:



Completed our first Green Star Home at Waverley Park, Victoria

SOCIAL

Set goal to invest at least \$50m in Creating a Strong Sense of Belonging by 2025, and made good progress with \$23.1m this year, including:



\$13.9m in verified community investment



\$9.2m

spend on procurement with social and Indigenous businesses

17 ASSETS RATED 5 STAR NABERS ENERGY OR ABOVE ★★★★★

OUR ESG PERFORMANCE

ESG FOCUS AREA	TARGET	TRACKING
<p>ENVIRONMENT Planet positive in carbon, waste and water by 2030</p>	Carbon emissions Net positive in scope 1, 2, 3 emissions¹	<p>ON TRACK</p>
	Nothing wasted Zero waste to landfill	
	Every drop of water Net positive water	
<p>SOCIAL By 2030 we'll have invested \$50 million to create a strong sense of belonging</p>	Our people Active, inclusive care	<p>ON TRACK</p>
	Connection Leaving a positive legacy	
	Inclusion Creating a sense of belonging	
<p>GOVERNANCE Most trusted owner and developer</p>	Procurement Using our buying power for good	<p>ON TRACK</p>
	Finance & investment Greening our finance	
	Capability & disclosure Active, capable governance	

Ranked
no. 1



most gender equitable company
in the world by Equileap



**Investment in
Reconciliation
education**

Recognised by Good Company as
one of the **best workplaces to give
back for the second year in a row**

GOVERNANCE



**Released fourth
Modern Slavery
Statement**



**Recognised as a top
Stewardship Leader
by Stewardship Asia**



**First business in Australia to receive the
Equifax 5 Gold Star iCIRT rating**, demonstrating
our capability to deliver trustworthy buildings



Released Sustainable Finance Framework,
with a third of our total debt facilities now
certified as green loans

RECENT ACHIEVEMENTS

- > Set Scope 3 emissions target to be Net Positive by 2030¹ & released our roadmap on how we intend to pursue this
- > Released our fifth Climate Resilience (TCFD) report and prepared climate-related risks and opportunities
- > Average NABERS Star ratings: 5.2 Energy and 4.8 Water
- > Completed our first Green Star Home at Waverley Park, Victoria
- > Outlined emissions reduction intentions, e.g. the Science-Based Targets initiative
- > Achieved net positive in scope 1 and 2 emissions for the second year
- > Recycling waste: 95% construction and 68% operations

- > Ranked #1 most gender equitable company in the world by Equileap
- > \$13.9 million in verified community investment
- > \$9.2 million spend on procurement with social and Indigenous businesses
- > Recognised by Good Company as one of the best workplaces to give back for the second year in a row
- > Established community partnerships to build capacity in social enterprises and support LGBTIQ+ young people in property and construction
- > Held our biggest National Community Day employee volunteering event to date
- > Investment in Reconciliation education and support of Indigenous artists

- > Released our fourth Modern Slavery Statement
- > First business in Australia to receive the Equifax 5 Gold Star iCIRT rating, demonstrating our capability to deliver trustworthy buildings
- > Recognised as a top Stewardship Leader by Stewardship Asia
- > Released Sustainable Finance Framework, with a third of our total debt facilities now certified as green loans
- > Top ESG index ratings: AAA (MSCI), 5 Star (UN principles for Responsible Investment), Negligible Risk (Sustainalytics)
- > Voluntarily disclosed through the Clean Energy Regulator Corporate Emissions Reductions Transparency pilot
- > Applied to be certified as a B-Corp force for good company

1. This target reflects Mirvac's current intention. Mirvac reserves the right to change this target in the future.

Planet

SUSTAINABILITY

As a leading diversified property company, we aim to be a force for good by making choices, developing products, and working with our communities with sustainability in mind.

Our strategy, *This Changes Everything*, is geared towards making a positive impact. It's designed to manage environmental, social, and governance (ESG) risks and opportunities, while delivering positive outcomes for our people, the planet, our customers and partners, and the communities in which we operate.

We focus on what is most important to us and our stakeholders, working to instil a culture of ethical decision making to support one of our key values, which is to do the right thing. Our employees are a key factor in our sustainability success, and they recognise the importance of our authentic approach, which contributes to high levels of engagement, discretionary effort, and talent retention across the business.

In FY23, Mirvac launched the third iteration of its ESG strategy, which is underpinned by these focus areas:

- > **Environment:** Carbon emissions, Waste, and Water
- > **Social:** Our people, Connection, and Inclusion
- > **Governance:** Procurement, Finance & investment, and Capability & disclosures.

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



OUR PERFORMANCE

ENVIRONMENT

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

Scope 3 emissions

The release of our latest environmental plan, Net Positive in Carbon by 2030, details our target for scope 3 carbon emissions¹. These are the emissions we cannot directly control but can influence – things like embodied carbon in the materials we buy, emissions from waste disposal, and the energy used by our tenants and residential customers. Our focus is on using our internal design and construction procurement capabilities and in-house sustainability expertise, in partnership with our suppliers and customers, to reduce emissions as far as possible. At this stage, we intend to invest in high-quality, nature-based, Australian offsets for remaining emissions from FY30. We are undertaking detailed transition planning across Mirvac, and will then confirm or adjust our target and approach.

Green certifications

We already have one of Australia's greenest office portfolios, with 17 office assets rated 5 Star NABERS Energy or higher; our operating assets are supplied with 100 per cent renewable electricity, progressively electrifying our assets; and we have high waste diversion rates across construction and operations.

In FY23, we constructed our first Green Star Home at Waverley Park in Victoria. The home raises the bar for environmental and social sustainability as part of Mirvac's commitment to create outstanding living environments that leave a positive legacy.

The house is a fully electric home and the most substantial GBCA certified Green Star Home built to date. The home achieved a 7.8 Star NatHERS rating and has a 10kW solar panel system, making it one of our highest performing homes in terms of energy bills and renewable energy consumption.



1. The target reflects Mirvac's current intention. Mirvac reserves the right to change this target in the future.

Waste and materials

In 2020, we set out a plan to reach our target to send zero waste to landfill by 2030, [Planet Positive – Waste and Materials](#). We have already made good progress, recycling 95 per cent of construction waste and 68 per cent of operational waste and making good use of the circular economy model. The principles of this model are fundamental to eliminating waste, reducing costs, and increasing resilience within our business. One of our actions has been to partner with social enterprises to repurpose, recycle and reuse items from our developments.

A standout circularity project in the financial year was at Harbourside Shopping Centre in Sydney as we undertook vacant possession. Together with Mates on The Move, a work program run by Prisoners Aid NSW, we removed over 4,000 unwanted items weighing 22 tonnes, such as furniture and kitchen equipment valued at more than \$320,000, which were delivered to local charities and businesses. In addition, our in-house team conducted waste audits with social enterprise partners at a number of retail centres and office assets to understand landfill waste composition and feedback recycling opportunities for customers.

We are also on track with our ambition to halve development waste. This year, we worked in partnership with Boral on a trial to change the procurement and management of concrete at our Green Square project in Sydney. By connecting the supply and take-back of materials, waste concrete reduced by 50 per cent, with 99.6 per cent of concrete waste recycled back into construction materials.

Water

Our target to reach [net positive water by 2030](#) is tracking well. Our plan focuses on designing to reduce consumption, reusing what we can, and educating and innovating across our portfolio, from masterplanned communities, to retail centres, industrial sites and office and build to rent assets. In FY23, we partnered with Sydney Water and their WaterFix Commercial program to audit water use at three retail centres, Greenwood Plaza, Birkenhead Point Brand Outlet, and Broadway in Sydney, and prepared a plan to reach a 4.5 Star average NABERS Water rating across our office portfolio by 2030.

Nature

Protecting biodiversity is crucial for combating climate change, and we are mindful of emerging requirements to understand and disclose our impacts on nature as part of the Taskforce for Nature-related Financial Disclosures. A priority for FY24 is to continue the process of gathering data to assess our current impacts and opportunities, and map out our strategic approach, building on the lessons we have learned at a range of developments, like our work to preserve diverse natural habitats at Gainsborough Greens in Queensland.

After 15 years of development, Mirvac has successfully completed construction on this 2,000-home masterplanned community, which has played a vital role in transforming this growth corridor. With 173 hectares of conservation area and koala habitat, Gainsborough Greens is now home to over 5,000 residents. The community boasts 32 hectares of parklands, 33 hectares of wetlands, and over 13 kilometres of walking and cycle trails, providing a thriving and sustainable living environment.

ENERGY, GHG, WATER & WASTE¹

Emissions tCO2e	FY13	FY21	FY22	FY23	FY23 Source data
Scope 1					
Natural Gas	2,697	4,430	5,028	7,897	153,254 GJ
Refrigerants	1,383	1,083	1,311	415	526 kg
Diesel	2,333	701	677	1,208	445,827 L
Petrol	646	97	87	83	35,779 L
LPG	7	31	21	29	18,591 L
Total scope 1	7,066	6,342	7,125	9,632	
Scope 2 (market-based)²					
Electricity		12,660	—	—	101,196,684 kWh
Total scope 2		12,660	—	—	
Total scope 1 + 2		19,002	7,125	9,632	
Voluntary carbon offsets			7,225	9,732	
Net scope 1 + 2³		19,002	(100)	(100)	
Renewable electricity %		84%	100%	100%	
Potable water usage					
Retail	492,216	406,320	337,166	322,291	
Office & Industrial	349,597	295,338	291,049	557,800	
Build to rent			22,609	42,815	
Total (kL)	841,813	701,658	650,824	922,906	
Total waste					
Construction	35,565	8,780	7,667	11,819	
Investment	12,833	20,230	17,647	18,343	
Total (T)	48,398	29,010	25,314	30,162	
Construction			95% Recycled	5% Landfill	
Investment			68% Recycled	32% Landfill	

Note: some columns may not add due to rounding.

- This report includes the addition of five MWOFF assets resulting in an increase to Scope 1 emissions, electricity and water consumed.
- We began reporting market-based electricity in FY19.
- This means we offset 100 more tonnes of Scope 1 and Scope 2 carbon emissions than we emit, meeting our Net Positive Carbon by 2030 target.

Planet CONTINUED

SOCIAL

Our purpose to reimagine urban life inspires us to continually strive to do what's right, and to be a force for good in our communities. We know the choices we make with our buying power and when we invest in social infrastructure amenity can make a difference in helping to create a sense of community belonging. That's why we've made community investment and social procurement integral parts of our strategy, allowing us to identify new partnerships and approaches for attracting customers and driving positive outcomes.

Community partnerships

We believe that belonging and inclusion are essential drivers of success for our business. We have progressed our community partnerships, which build capacity and scale our social impact with social and Indigenous suppliers, PRIDE, and First Nations Australians.

One such initiative is our supplier development program in collaboration with Social Traders. We are sponsoring four high-potential social enterprises for 12 months to address their scaling challenges. By assisting these businesses in identifying and overcoming capacity obstacles, we aim to enhance their readiness to collaborate with large organisations like Mirvac, and expand the pool of social procurement suppliers.

Additionally, we are proud sponsors of three scholars through The Pinnacle Foundation, which empowers young LGBTQ+ Australians to overcome identity-related challenges and fulfill their potential. Our focus for these scholars is in our construction business, to help build diversity and a sense of belonging.

Community investment

When we invest in social infrastructure and amenity upfront in the development process, we help to bring the community together and drive preference for our products. Incorporating facilities like libraries, schools, parks, and cafes, and holding events to build community relationships, help to make retail centres, office assets, and residential communities better places to live, work and shop. We measure the impacts of these activities through community investment spend, which this year was \$13.9m, bringing our total since FY18 to \$59.2m.

Our buying power

We have made excellent progress towards our goal to direct \$100m to the social sector by 2030, with \$9.2m directed to Indigenous businesses, social enterprises, B-Corps, and charities in FY23, with a total of \$51.1m since FY18.

Volunteering

We are proud to provide unlimited, fully paid volunteer leave to all employees, and we also provide matched funding for employee donations, which are activated during times of crisis. In FY23, this included raising funds for the Australian Red Cross to support those affected by the earthquake which impacted Türkiye and Syria in February 2023.

This year, our National Community Day was our biggest ever, with nearly 900 volunteers taking part in 48 activities across the country, equalling 6,650+ volunteer hours and over \$550,000 in community investment.

We were again acknowledged by Good Company as one of the best workplaces to give back, for the second year in a row, and were 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 we can develop properties respectfully and create spaces for dialogue that build cultural understanding and inclusion for First Nations People. We are focused on helping facilitate education and knowledge sharing on the Voice to Parliament referendum, so our employees and communities can make an informed choice.

MIRVAC'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

This year we release our fifth climate resilience report, which details the ways in which Mirvac is addressing climate-related risks and opportunities to date, in line with the requirements set out by the Taskforce for Climate-related Financial Disclosures.

This report provides an update on our progress, our plans, as well as an outline of the physical and transition risks and opportunities we face.

A highlight this year is the work we've undertaken on establishing 2050 climate scenarios, which help prepare us for success under any temperature changes.

The full report can be downloaded here: www.mirvac.com/sustainability



GOVERNANCE

We understand our crucial role in creating positive impacts through the choices we make. From preferencing sustainable materials, to working with ethical partners, we work to make choices that align with our value to do the right thing. These efforts are monitored regularly by senior executive and Board oversight groups 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.

Trust in construction

During the financial year, Mirvac Construction became the first business in Australia to be awarded the highest possible 5 Gold Star iCIRT rating, issued by regulated ratings agency Equifax, a global data, analytics and technology company. The rating tool is one of several pillars of reform introduced in NSW in recent years, and is intended to raise building standards and consumer confidence in built form within the state. Mirvac achieved the prestigious 5 Gold Star rating following a rigorous assessment process.

Green finance

In FY23, we launched our [Sustainable Finance Framework](#), which expands our sustainability philosophy into raising finance. The framework sets out how we issue and manage sustainable finance instruments, with a commitment to financing or refinancing eligible projects and assets, or by incentivising improved environmental and social outcomes.

Modern slavery

In line with the Modern Slavery Act 2018, we released our fourth Modern Slavery statement, which provides insight into our modern slavery risks across our operations and supply chain, and details our actions in response. This financial year, we have brought the timing of the release of our report forward to better align with integrated annual reporting. We have looked deeper into cleaning, landscape labour, and stone. And we have partnered with Commonwealth Bank to achieve certification under the Cleaning Accountability Framework (CAF) at South Eveleigh, also serving as our pilot for a CAF precinct and asset-based certification approach.

ESG index ratings and recognition

We continue to have leading ESG ratings, including the top rating of 5 stars with the UN Principles for Responsible Investment. Some of the features of our approach that resulted in our rating included 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 also achieved a AAA rating from MSCI and were included in Sustainalytics' newly released 2023 Top-Rated ESG Companies list. This means that we are globally recognised as one of the best performing ESG companies rated by Sustainalytics. Our leading ESG performance was further showcased at the inaugural Stewardship Asia Steward Leadership 25 Awards for 2022, with Mirvac named as a recipient.

HOW WE MEASURE VALUE

	FY23	FY22
Emissions performance	Net positive carbon (Scope 1 and 2)	Net positive carbon (Scope 1 and 2)
Water ¹	922,906L	650,824L
Waste diverted		
Construction	95%	94%
Operational	68%	68%
MSCI and Sustainalytics ratings	AAA, Negligible risk	AAA, Negligible risk
Social procurement spend ²	\$9.2m	\$14m
Community investment delivered	\$13.9m	\$9.6m

- Total potable water usage for our investment portfolio. The increase in FY23 largely due to the addition of the MWOFF portfolio and Heritage Lanes, 80 Ann Street, Brisbane during the financial year.
- Social procurement spend and community investment figures may fluctuate in line with development pipeline and timing of spend.

FY23 ENRICHING COMMUNITIES

\$13,941,630 
OF COMMUNITY INVESTMENT
(including \$1,521,555 of management costs)

\$1,123,421 
IN-KIND CONTRIBUTIONS

\$10,503,045 
FINANCIAL CONTRIBUTIONS

\$793,609 
VALUE OF HOURS OF SUPPORT

\$168,833 
LEVERAGE CONTRIBUTIONS



Risk and 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 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.

In FY23, we continued to experience a challenging and volatile operating environment and prolonged economic uncertainty. Global and domestic supply chains remained fragile and were further exacerbated by labour shortages, construction insolvencies, and adverse weather conditions, having impacts on our delivery schedules. Inflationary pressures and higher interest rates also continued to have an impact on our business, while risks were further amplified by the transition out of the global COVID-19 pandemic, ongoing international conflict, the accelerating need for climate change adaptation and mitigation, the increasing prevalence of cyber-attacks, and changes in the geopolitical landscape.

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 ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
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.	↑ Rising inflation and increases in interest rates, which may remain higher for longer, have the potential to negatively impact our financial performance, primarily through increased cost of capital, decline in asset valuations and transaction volumes, and a resetting of targeted investment returns.
MACROENVIRONMENT			
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.	↑ A challenging and volatile operating environment and prolonged economic uncertainty, with successive interest rate rises, have impacted consumer confidence and buyer sentiment. The Australian economy may lose considerable momentum and enter a period of low growth and lower investment, with the potential for a cyclical slowdown to negatively impact some income streams.



RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
CAPITAL MANAGEMENT			
 Performance  Place	<p>Maintaining a diversified capital structure to support the delivery of stable investor returns and maintain access to equity and debt funding.</p>	<p>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 its sources of debt capital. Our target gearing ratio is between 20 and 30 per cent.</p>	 <p>Appropriate liquidity is in place and gearing remains within the target range, however, the cost of capital has increased materially, and any movement in net asset valuations and changes in transaction activity have the potential to impact on gearing.</p>
KEY PARTNERS			
 Performance  Place  Partners	<p>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.</p>	<p>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. In FY23, we restructured the Group into separate Investment, Development and Funds divisions, reflecting the growing scale of the platform and our fiduciary mindset with respect to third-party capital. The establishment of Asset Management as a separate division further strengthens our end-to-end management expertise, removes any conflicts of interest in the structure, and provides independent service and support to both Mirvac and its third-party capital partners.</p>	 <p>There was no material change in Mirvac's key partner risk profile during the reporting period.</p>
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>There were several high-profile cyber security incidents in Australia during the reporting period, with increases in the sophistication, scale, and frequency of cyber threats, resulting in changes to laws and regulations, and societal expectations of privacy. The global geopolitical risk landscape and the rapid evolution of the cyber threat environment increases the potential of an attack.</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, 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 Mirvac's innovation and digital disruption risk profile during the reporting period.</p>

Risk and Risk Management CONTINUED

RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
BUSINESS RESILIENCE			
<ul style="list-style-type: none">  Place  People  Partners  Planet 	<p>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.</p>	<p>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.</p>	<p>→</p> <p>There was no material change in Mirvac’s organisational resilience and business continuity management risk profile during the reporting period.</p>
SUPPLY CHAIN			
<ul style="list-style-type: none">  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, accelerated by COVID-19, geopolitical tensions, and the impact of cost-escalation and labour shortages in the construction industry, is actively managed through supply continuity plans and alternative supply arrangements.</p>	<p>↑</p> <p>Supply chain disruption and constraints continue to persist, with local labour and materials shortages in key markets, subcontractor and developer insolvencies, and sustained adverse weather. These have the potential to cause cost escalation and delays in delivery schedules.</p>
SOCIAL RESPONSIBILITY			
<ul style="list-style-type: none">  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>→</p> <p>There was no material change in Mirvac’s corporate social responsibility and stakeholder relations risk profile during the reporting period.</p>
PLANNING AND REGULATION			
<ul style="list-style-type: none">  Partners  Planet 	<p>Our activities can be affected by government policies in many ways, from local decisions regarding zoning and development approval processes, right through to the national position on immigration.</p>	<p>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.</p>	<p>→</p> <p>There was no material change in Mirvac’s compliance and regulatory risk profile during the reporting period.</p>

RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
HEALTH, SAFETY AND ENVIRONMENT			
 People  Partners  Planet	<p>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.</p>	<p>We continue to pursue safety excellence and to improve the overall wellbeing of our employees, our suppliers, our community, and the environment.</p> <p>During FY23, 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, particularly as a result of the long-term societal and health consequences posed by the global pandemic.</p>	<p>→</p> <p>There was no material change in Mirvac's health, safety, and environment risk profile during the reporting period.</p>
PEOPLE, CULTURE AND CAPABILITY			
 People	<p>We require an engaged, motivated, and high-performing workforce with the capability and capacity to deliver our business strategy and maintain our desired culture.</p>	<p>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 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.</p>	<p>→</p> <p>Our high retention level of key talent, a reduction in voluntary turnover, and our overall employee engagement score are indicative of effective talent and change management, and the prioritisation and protection of our culture.</p>
IMPACTS OF CLIMATE CHANGE			
 Place  Planet	<p>Climate change can not only affect our assets, it can affect 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.</p>	<p>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. In FY23, having achieved our ambition to be net positive for scope 1 and 2 carbon emissions nine years ahead of our 2030 target, we released our plan and approach to be net positive in scope 3 carbon emissions by 2030.</p>	<p>→</p> <p>There was no material change in Mirvac's sustainability and ESG risk profile during the reporting period. Mirvac remains proactive in the management of ESG risks and is highly focused on sustainability outcomes, particularly with respect to climate risks and disclosures.</p>

Case study – Sustainable Waste Management: Green Square

Mirvac has set an ambitious target to send zero waste to landfill by 2030.

To help achieve this goal, we've implemented several waste minimisation strategies at our mixed use Green Square development project in Sydney – one of the largest urban renewal projects in Australia.

On completion, Mirvac will deliver more than 1,600 apartments along with state-of-the-art office and vibrant retail spaces, and substantial public spaces within the Green Square Town Centre. The precinct is close to public transportation, healthcare, education, and community services and promotes social inclusion and diversity and fosters a sense of community among its residents.

When it comes to the construction, the primary sustainability objective was to reduce waste on site, increase the use of recycled materials, and promote responsible waste disposal.

To guide our waste reduction efforts, Mirvac analysed project data from the past five years to identify waste patterns and accumulation trends. Typically, concrete constitutes 30% (by weight) of all waste generated on Mirvac projects.



Green Square, Sydney (artist's impression; final design may differ)

At Green Square, we adopted innovative practices in concrete waste management during the structural phase, resulting in a significant reduction of concrete waste.

A pivotal initiative was the establishment of a concrete take-back scheme in collaboration with suppliers Boral & De Martin and Gasparini (DMG).

In this trial, DMG collected all waste concrete for recycling. This arrangement incentivised Boral to be more efficient in managing the amount of concrete delivered to the site. Excess concrete was removed and transported back to Boral's recycling site where it was repurposed as aggregate and used as road base.

The team also initiated a water push, whereby at the end of pouring concrete any concrete left in the pipeline from the truck to the building is flushed through with water. This excess concrete is then collected and then reused.

As a result, Green Square's early stages of development have seen a 50% reduction in concrete waste compared to the average waste generated during the structural phase of a typical Mirvac apartment project.

As one of our scope 3 emissions reduction pilots, this initiative has seen positive outcomes by partnering differently with our suppliers. Mirvac's commitment to sustainable development and waste reduction is being led by innovative partnerships, data-driven decision-making, and a focus on recycling.



NSW Planning Minister Paul Scully alongside with Stuart Penklis, CEO, Development – Residential & Commercial and Mixed Use (Mirvac); Toby Long, General Manager, Residential Development NSW (Mirvac) and Stephanie James, Senior Manager, Government Relations and Stakeholder Engagement (Mirvac)



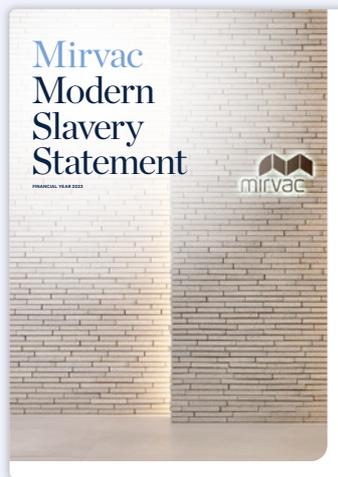
Forme, Tullamore, Victoria

KEY REPORTS

During FY23 we released the following key reports:



Building Climate Resilience – 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.



Modern slavery – 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.



In November 2022, we released **Net Positive Carbon by 2030:** Mirvac’s Scope 3 emissions targets and approach. In this plan, we not only set our Scope 3 emissions target, we outlined our intended approach, guiding principles, emissions boundaries, levers for change, and key strategies. The engagement process we went through to develop this work across our business has led to understanding and agreement on our boundaries’ (what we believe we are responsible for with reference to the Greenhouse Gas Protocol), allowing us to begin the process of modelling our future carbon emissions.





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