

Net positive carbon by 2030

June 2025

An update on Mirvac's Scope 3 emissions
target and approach



Highforest, West Pennant Hills, Sydney. Artist's impression. Final design may differ.

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Acknowledgement of Country

Mirvac pays its respects to all Aboriginal and Torres Strait Islander peoples as the traditional custodians of the lands and waters of Australia where we live, work and play.

Artwork created by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji) of We are 27 Creative.

55 Pitt Street, Sydney.
Artist's impression. Final design may differ.

Foreword



In 2022, Mirvac announced an ambitious goal to achieve ‘net positive’¹ in the challenging area of Scope 3 emissions by 2030, releasing a [report](#) that articulated our Scope 3 emissions intention and approach.

As promised, we are issuing this update to communicate our progress since setting this goal.

After efforts to continue to increase our confidence in the actions within our control, and monitoring the areas outside our control, we can now reaffirm this ambition.

While much has changed in the past two years, the significance of global warming certainly has not, and we have seen its continued impacts on the environment, people and the economy. Scientists confirmed 2024 as the [hottest year on record](#), and these temperatures exacerbated extreme events and disasters worldwide, from fires and heatwaves, to cyclones and flooding. According to [Climate Council researchers](#), the 2024 global average temperature, for the first time, exceeded 1.5°C above pre-industrial levels – highlighting the increasing urgency of addressing climate change.

Globally, Paris Agreement targets have influenced decarbonisation policies in key jurisdictions, including Australia. The Australian Government has committed to a 2030 emissions target of a 43 per cent reduction below 2005 levels, including a target of 82 per cent renewable electricity nationally, and is developing policies which support its delivery. The responsibility of businesses to manage and disclose information about how the changing climate may impact their organisations is increasing from a regulatory perspective, with reporting frameworks such as the [Transition Plan Taskforce](#) (TPT) continuing to evolve, and new mandatory Australian Sustainability Reporting Standards (ASRS) – which include Scope 3 disclosures – coming into effect from January this year.

At the same time, climate-related impacts have also become an increasingly high priority for investors, who are [demanding good information](#) about the companies they invest in, to better understand how exposed a company is to the effect of climate change or to the consequences of transitioning to a lower carbon economy. They want to know how they are incorporating sustainability into their strategic decisions, risk-management and financial statements. Access to capital is a key driver for businesses to both decarbonise and transparently demonstrate their progress against targets.

Scope 3 is undoubtedly a crucial, but challenging, piece of the puzzle. At Mirvac, we have spent the past two years testing our original assumptions, and exploring our strategic levers for reducing Scope 3 emissions as part of our overarching sustainability strategy, This Changes Everything. A key part of this work has been understanding our competitive advantages as an integrated development business – such as the ability to consider emissions in the design phase, control materials and on-sell renewable energy – and using these to drive positive change throughout our value chain. Decarbonisation continues to be in Mirvac’s commercial interest, as we anticipate and address the needs of our customers.

A note on forward-looking statements

This report contains ‘forward-looking’ statements that discuss expectations concerning Mirvac’s business and future Scope 3 emissions trajectory. These have been based on the information available at the date of publication – however, given our rapidly evolving operating context, and our dependence on the decarbonisation in other sectors, we recognise that this information is subject to change without notice. Many influencing factors (such as policy development and geopolitical conditions) are beyond our control, and for this reason, forward-looking statements within this update must not be taken as guarantees or predictions of future performance.

Rather, this snapshot intends to capture a moment in time, with the goal of sharing relevant information with our industry and the investment community. We look forward to continuing to provide such updates as our Scope 3 journey unfolds.

Sarah Clarke
Group General Manager
Sustainability

1. This is Mirvac’s stated goal which is subject to change.
2. www.climateactiontracker.org/countries/australia/.
3. www.dcceew.gov.au/climate-change/emissions-reduction/net-zero.

Sustainability at Mirvac

Now more than ten years on from the 2014 launch of our sustainability strategy, This Changes Everything, Mirvac has maintained a continued emphasis on sustainability and culture. Through our focus areas, outlined below, we prioritise initiatives that positively impact the planet, our customers, partners and employees, and the communities in which we operate.

Our focus areas

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

Recent highlights

- > Sustainalytics' 2024 ESG Top Rated Companies list and low risk rating.
- > Recycling waste: 96 per cent construction waste and 66 per cent investment waste diverted from landfill.
- > 16 Mirvac office assets have a 5 Star NABERS energy rating or higher.
- > AFR #1 company for giving.
- > ~\$66M since FY18 in social procurement spend.
- > Top 10 globally in gender equality from Equileap in 2022, 2023 and 2024.

Our annual reporting suite provides a broader view of this work and includes our Climate Resilience Report, Annual Report and ESG Analyst Toolkit. Readers may also find our FY24 Sustainability Report and 2022 Net Positive Carbon by 2030 report useful in reference to Mirvac's goals, actions and progress.

Links to these resources can be found at the [end of this report](#).



Harbourside, Sydney. Artist's impression. Final design may differ.

A changing context

Australia's decarbonisation journey has gained momentum in the last two years, and there is a growing awareness of the need to tackle Scope 3 emissions, both in Australia and globally. In September 2023, the World Economic Forum (WEF) estimated that Scope 3 can account for up to 90 per cent of a company's total emissions, and it called on global companies to join the [Alliance of CEO Climate Leaders](#) to help tackle this complex problem.

While the work to respond is evolving rapidly, Scope 3 emissions remain part science, part art – and associated definitions, forecasts and estimates continue to emerge. However, it is broadly agreed that property development companies such as Mirvac sit in a 'hard to abate' industry, due to our reliance on construction materials such as steel, concrete and aluminium. Traditionally, these materials have been used in significant quantities and are typically carbon intensive, which translates to higher embodied carbon in the buildings they're used to create. In hard to abate sectors, the pathway to reduction is often unclear and requires transformative solutions.

In Australia, research has shown that the construction industry needs to reduce embodied emissions by 31-36 per cent by 2030 to adhere to the Science Based Targets initiative (SBTi) and limit global temperature increases to 1.5°C above pre-industrial levels.¹

The research has found that new commercial office buildings generate 4.5 times more upfront embodied carbon emissions than refurbishments – and that 82-91 per cent of this upfront embodied carbon comes from the cold shell scope: the bare structural bones of the building without finishes and when services have not yet been installed.

External changes reinforce this shift in focus, with emerging requirements to consider upfront embodied carbon in certain developments and [sustainable procurement guidelines](#) for federal government departments and agencies introduced in July 2024. The publication of Environmental Product Declarations (EPDs) is [on the rise](#), while ratings tools such as National Australian Built Environment Rating System (NABERS) are [moving to adopt upfront carbon calculations](#) into their suite of rating tools.

At Mirvac, we have also observed growing awareness of emissions amongst tenants, with [JLL research](#) confirming that 74 per cent of Sydney and 67 per cent of Melbourne CBD occupiers (>5,000 sqm) now have net zero carbon targets of their own. This has a direct influence on the electricity used to power the buildings they occupy, with a growing tenant demand for both 100 per cent electric assets – both a challenge and an opportunity for Mirvac – as well as 100 per cent renewable electricity. Over 40 per cent of tenants in our office portfolio by net lettable area (NLA) and 94 per cent of our retail portfolio (GLA) will be using 100 per cent renewable electricity by 2025.²

Leveraging these insights is important, as it enables us to respond to decarbonisation in our context, market demands and our customers' requirements, while taking advantage of our position to drive industry-wide change.

1. [Dean, T., Mortensen, J. and Wiejesuriya, S. \(2024\), Let's be upfront about upfront carbon: Upfront embodied carbon benchmarking, Slattery.](#)
2. According to targets.

For example, we can continue to use our buying power by working with suppliers to improve quality, cost and availability of lower-carbon construction materials (see page 8).

We recognise that while we can continue and accelerate our decarbonisation through internal actions, we are also highly dependent on external factors beyond our control.

Key external factors we monitor

1. Electricity grid decarbonisation
 - Australia's progress towards renewable energy targets
2. Technological transformation to decarbonise key materials, including concrete, steel and aluminium
3. The cost and integrity of carbon offsets.

However, the assumptions we made about these changes (outside our control) and the key levers we identified (within our influence) in our 2022 Net Positive Carbon by 2030 plan have remained largely consistent. We will continue to monitor external forces, adjust our approach accordingly, be transparent and share what we learn along the way.

A changing context cont.

Strategic summary



The world we work in is decarbonising

Driven by capital and policy, the economy, including our electricity grid, is predicted to decarbonise sharply by 2030. Our suppliers, customers and peers are setting climate targets to reduce their emissions.



Scope 3 emissions remain part science, part art

The industry's work to define Scope 3 emissions is not yet mature. Definitions, forecasts and estimates remain fluid. In particular, we are exposed to 'hard to abate' sectors, with the future of 'greener' construction materials still uncertain.



We continue to work to increase certainty

Having established our areas of responsibility, setting a base year and forecasting methods, we are prepared to leverage the decarbonisation of our operating environment, at the right pace & price, while remaining flexible to adapt as needed to changing conditions.



We are taking these key actions



Continue to:

- > Electrify all asset classes
- > Install solar in Residential and Industrial
- > Buy lower carbon materials
- > Secure high-quality carbon offsets



Step up our efforts to:

- > Secure national materials supply agreements
- > Collaborate with suppliers
- > Advocate strongly for greener materials
- > Continue to innovate with our design & construction options



Because protecting the planet is good business

We believe that decarbonising will continue to attract value by meeting customer, partner & capital expectations. It helps us to retain balance sheet flexibility by securing preferential investment in, and customers for, our developments. And it protects the value of our business by increasing the resilience of our investment portfolio and reducing asset downtime risk.



Mindful of the key external factors we do not control

1. Electricity grid decarbonisation - Australia's renewable energy progress
2. Technological transformation towards lower carbon materials
3. Supply and integrity of carbon offsets

Mirvac reaffirms its intention to be net positive in Scope 1,¹ 2 and 3 emissions by 2030.

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

Our decarbonisation journey

Having achieved our Scope 1 and 2 emissions target nine years early, Mirvac set an intention in 2022: aiming to be net positive Scope 1, 2 and 3 by 2030. This was articulated in our [Net Positive Carbon by 2030 plan](#), together with our intended approach for reaching this goal.

TARGET

2030

Net positive
in carbon
emissions

(SCOPE 1, 2 & 3)



Reached net positive carbon
in Scope 1 and 2 emissions

FY14

FY19

FY22

FY23

FY25

Achieved from FY19-FY22

EMISSIONS TARGET SET

Net positive in
Scope 1 and
2 emissions
by 2030

Planet Positive –
Our plan to reach
net positive
carbon released

Reduced carbon
intensity by 21%,
while portfolio
grew by a third

Reduced
carbon intensity
by 84%

3.9MW
commercial
onsite solar
installed

Reduced
carbon emissions
by 80%

HOW WE GOT THERE

Maximising
energy efficiency

Building
all-electric
and buying
100% renewable
electricity

Investing in
a small amount
of high-quality,
nature-based
carbon offsets

TARGET SET

Net positive in
Scope 1, 2 and
3 emissions
by 2030¹

Our intended
Scope 3
approach shared

Shared our
emissions
reduction plans

TARGET REAFFIRMED

Submitted our
science-based
targets to the SBTi

Key external
factors identified

Increasingly
confident forecasts

An update on our
plan published

Ongoing monitoring

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

Our plan

Our targets were based on preliminary emissions forecasts and key assumptions about the pace of decarbonisation across Australia, the electricity grid and projected carbon offset pricing. We also committed to third party verification by signing up to the SBTi.

In our plan, we identified three key Scope 3 carbon reduction strategies. These reflect our main identified Scope 3 emission sources: embodied carbon in construction materials and waste, energy use, and maintenance and repairs for our leased assets and sold products.

1. Reducing embodied carbon.

- We prioritise materials with recycled content, and are targeting 25 per cent recycled content in major materials by 2030.
- We focus on dematerialisation (such as utilising a higher strength of product and less of it).
- We use lower carbon concrete, aluminium and steel and we explore options for the greater use of timber.
- In addition, Mirvac regularly conducts life-cycle assessments on projects during the design stage. By doing this, it allows project teams to make design and procurement decisions that seek to reduce embodied carbon and enhance the environmental performance of the construction works. This includes minimising environmental impacts, such as global warming potential and ensuring the more efficient use of natural resources, such as fresh water. With each assessment we undertake, we become better informed, carrying our learnings onto future projects.

2. Collaborating with customers

to reduce their emissions. We are leveraging our in-house capability to maximise energy efficiency – building all-electric, phasing out fossil fuels from our existing portfolio and exploring how to enable 100 per cent renewable electricity for customers.

3. Investing in high-quality, nature-

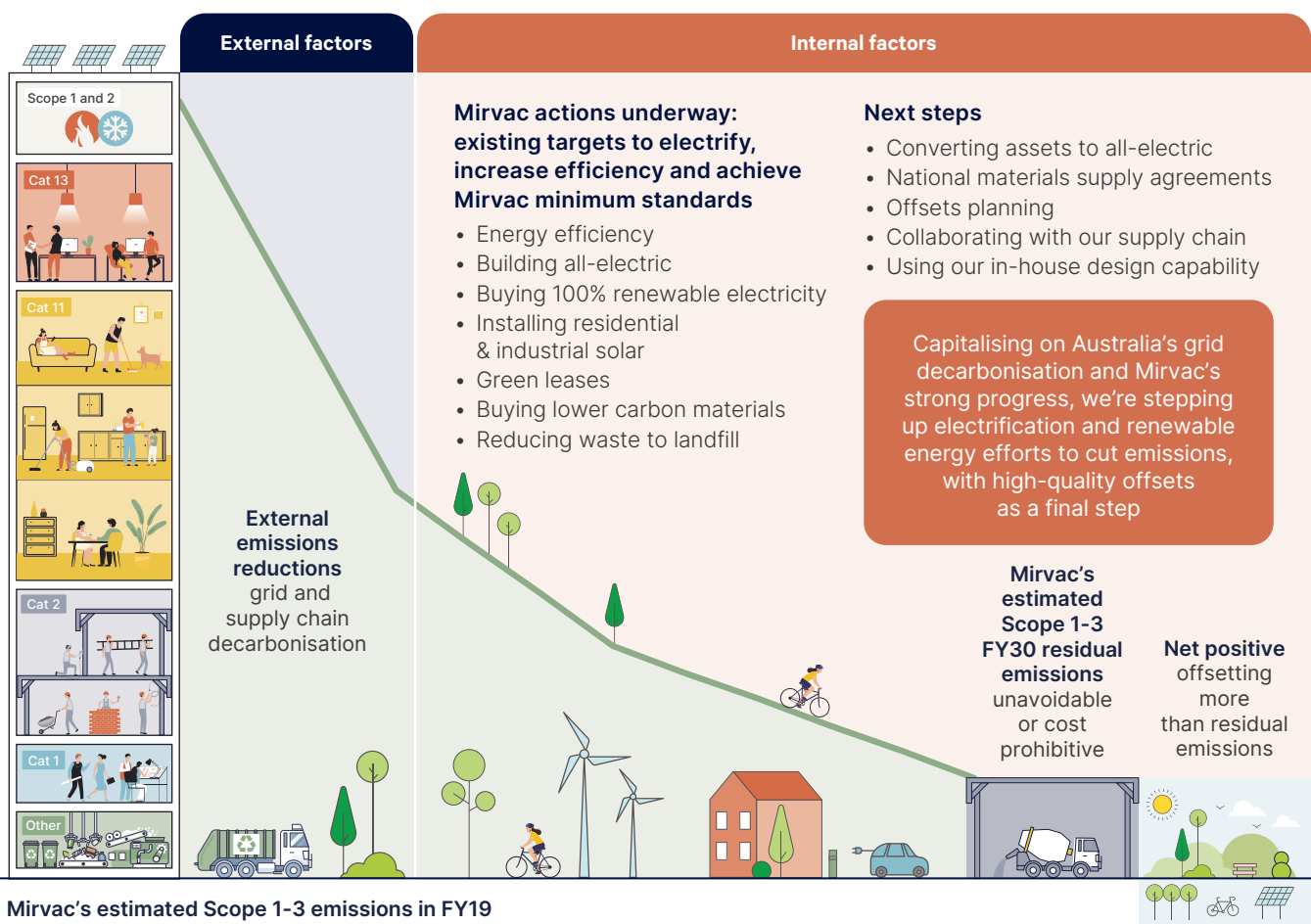
based offsets. As well as helping to offset our residual carbon emissions, our existing and intended carbon offset approach is focused on Australian nature-based carbon offsets, which also deliver ecosystem, local economic, reconciliation and social benefits.



Net positive in Scope 1, 2 & 3 emissions by 2030¹

Mirvac remains focused on our goal to decarbonise by 2030.

Progress depends on several external factors, including the decarbonisation of Australia's electricity grid, advancements in low-carbon materials, and the availability and reliability of high-quality carbon offsets. Significant changes in these areas may impact the pace and cost of their efforts.



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

Note: Future reductions in emissions are representative and illustrate the potential downward movement of total emissions.

Progress update

Since publishing our Net Positive Carbon by 2030 plan, we have taken a number of steps towards better defining, understanding and addressing our Scope 3 emissions.

01 Redefining our responsibility

To help us understand what is material to Mirvac, we have developed a Basis of Preparation (BoP). This document is designed to help us more confidently navigate discretion in the Greenhouse Gas Protocol, and to predictably and consistently know which emissions sources to 'count' as our responsibility.

The BoP establishes 'relevant and significant' categories of emissions for Mirvac (outlined below), and de-scoped categories that are immaterial or insignificant. The document combines actual data with industry benchmarks, where our own data was not available. It was carefully reviewed internally by Mirvac's subject matter experts, and then peer reviewed by two external technical consultants to test for consistency with industry approaches. We intend to review this BoP regularly and update as needed as the accessibility and quality of data improves.

Our approach:

Our rationale	Greenhouse Gas Protocol	Our products
We start with all Mirvac's Scope 3 emissions.	<p>We then use appropriate data and determine how we will account for emissions using the following guidance:</p> <ul style="list-style-type: none"> > Relevance > Completeness > Consistency > Transparency > Accuracy 	Then we apply it to the products we provide and influence.

	Upstream emissions			OUR PRODUCTS	Downstream emissions		
WHAT WE INCLUDE	GOODS AND SERVICES PURCHASED	MATERIALS	WASTE ¹		ENERGY FROM PRODUCTS PROVIDED	ALL TENANT ENERGY USE	SCOPE 1 & 2 OF INVESTMENTS ¹
Residential Development	✓	✓	✓		✓		
Commercial Development	✓	✓	✓				
Office/Retail	✓		✓			✓	✓
Industrial	✓		✓			✓	
Living	✓						✓
Corporate	✓						

1. When Mirvac does not have financial control, emissions are classified as Category 15: Investments, aligning with the Greenhouse Gas Protocol.

Note:

- > Mirvac has adopted the financial control approach.
- > Upstream and downstream emissions as defined in the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions are included in Mirvac's scope boundary – however, only major emission sources are shown in the diagram.
- > A basis of preparation has been developed which details inclusions and exclusions. This table simplifies the calculation approach.

02

Monitoring external factors (outside our control)

We are aware that our decarbonisation work has some key dependencies and that certain external factors could potentially influence our progress. By paying close attention to these factors, we can observe any changes and revise our plans accordingly. Amid a complex and dynamic context, there are three areas that can significantly impact the pace of our decarbonisation and offsets to reach net positive.



1. Electricity grid decarbonisation

In order to meet its Paris Agreement decarbonisation target of 43 per cent, the Australian Government forecasts that emissions will decrease across all sources by 31 per cent by 2030.¹ The [2024 Integrated System Plan](#) (ISP) released by the Australian Energy Market Operator (AEMO) provides a roadmap for the transition of the National Electricity Market (NEM) power system, and a 50 per cent reduction in grid emissions intensity is expected from 2024-2030. However, achieving targets will depend heavily on investment, customer demand and the management of transition risks. A key driver of this will be more renewable electricity in the National Electricity Market.



2. Lower carbon materials

Materials remain a key dependency for our business, particularly concrete, steel and aluminium. As awareness of embodied carbon grows, there is increasing demand for lower carbon alternatives for these products, which is helping drive down cost and improve accessibility. The rate at which this technology scales will be a significant cost planning factor for development businesses, including Mirvac. To remain at the forefront of developments in this space, Mirvac is a supporter of the [Materials Embodied Carbon Leadership Alliance](#) (MECLA). We have found that direct engagement with suppliers and a national approach to leveraging our buying power is already creating opportunities for Mirvac to secure key materials with significantly reduced embodied carbon at attractive prices.



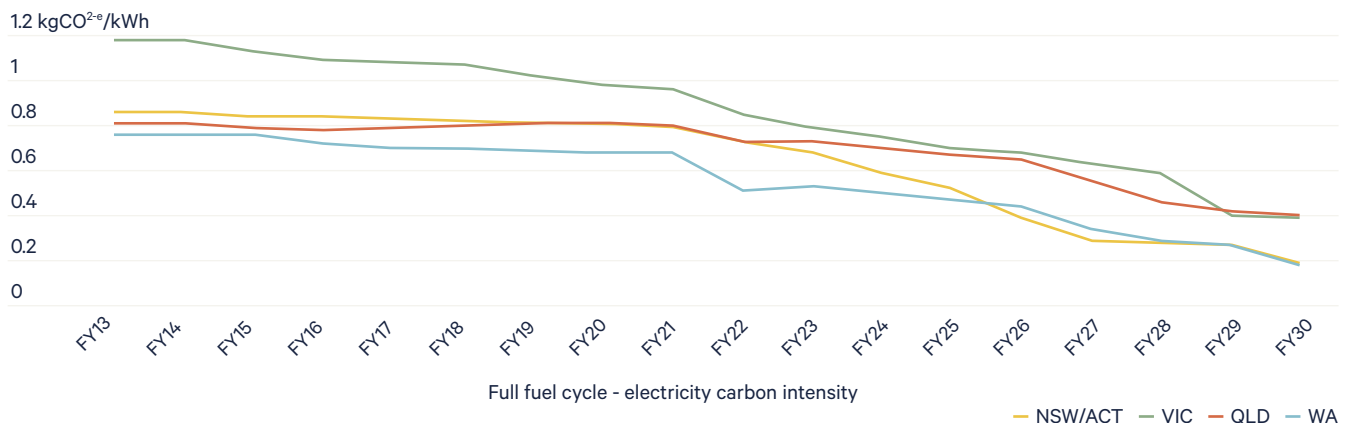
3. Offsets

The cost of quality carbon offsets.

- > **Offset costs are subject to change based on demand** and how existing integrity issues are addressed. Improved confidence in the quality of offsets is [likely to drive up cost](#), and careful planning will be required to manage these increases. In addition, we are mindful of the co-benefits that can be achieved with high-quality, nature-based offsets, such as those in which we have already invested. A carefully planned approach to carbon offsets can help Mirvac secure more predictable costs, as well as fulfill emerging obligations around nature and engagement with First Nations communities and social businesses.

Greening of the Grid (State Breakdown): Grid decarbonisation forecast

Our forecasts include assumptions about the pace of these changes, and significant shifts may impact our timing for delivery.

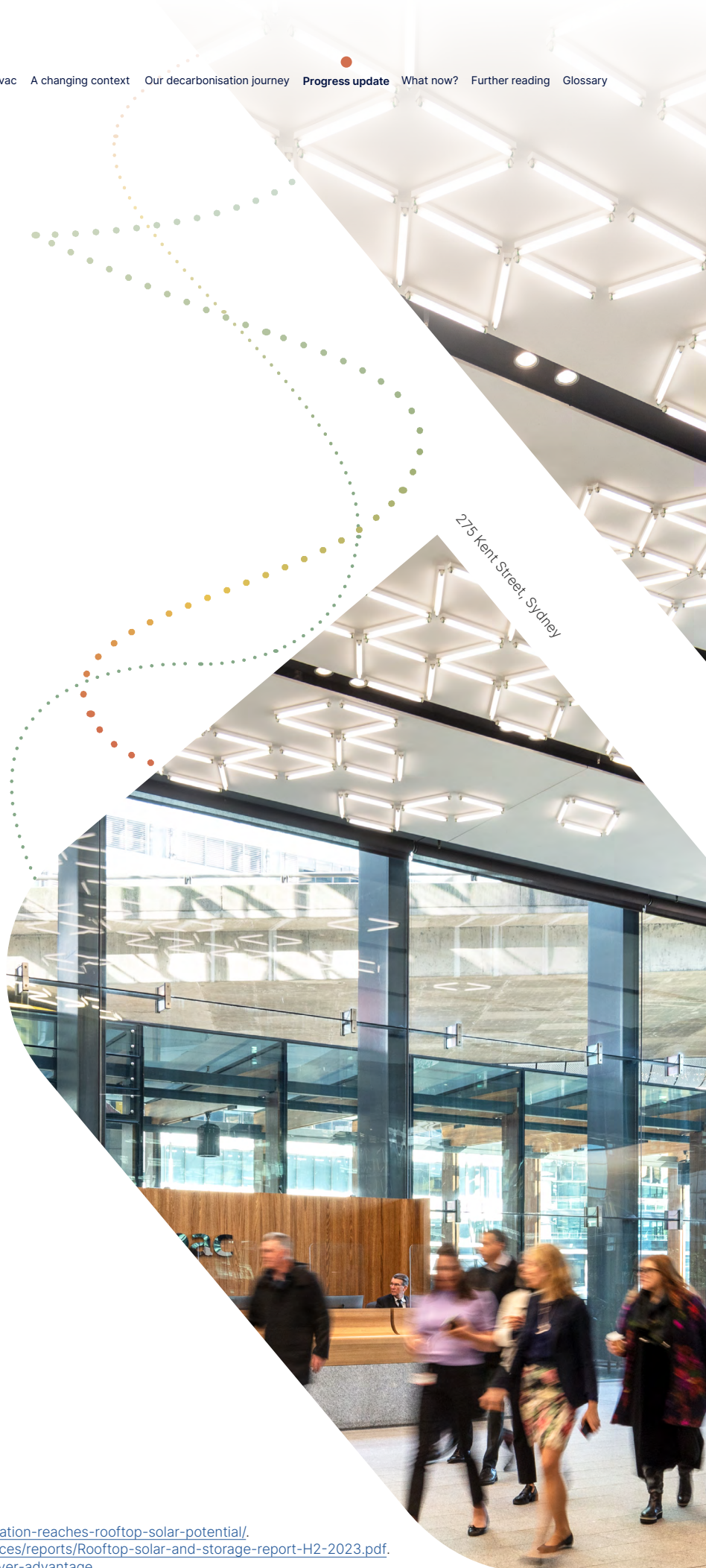


Source: Department of Climate Change, Energy, the Environment and Water (2025 to 2030)

1. www.dcceew.gov.au/climate-change/emissions-reduction/net-zero.

Progress update cont.

- > **Home solar installation is on the rise.** Already [3.6 million Australian households](#) have taken control of their power bills by putting solar panels on their rooftops, signalling strong consumer demand for this technology.¹ Rooftop solar now accounts for [11.2 per cent](#) of Australia's energy supply.² Importantly, we can see how installation of solar in our residential and industrial products is a sought-after expectation of customers.
- > **Demand for low-carbon, high-quality office buildings is growing**, with [JLL research](#) indicating that around 70 per cent of major tenants now have net-zero commitments of their own.³ This research also suggests that demand could significantly outstrip supply in just a few years' time. For Mirvac, this represents both a challenge and a significant opportunity. The Australian Government is also [leading by example](#), expressing a preference for all-electric office premises, and making this mandatory from 2026 onward.⁴
- > **We are seeing changes to green building rating tools.** For example, planned updates to the NABERS rating system in 2025 and 2030 will recognise the decarbonisation of the electricity grid, making high ratings harder to maintain without electrification, while customer expectations for high performance ratings continue and/or increase. This means that in order to avoid downtime risk in asset leasing, we are continuing our approach to electrification to meet changing customer expectations.
- > **The requirement for scrutiny and verification of climate targets and outcomes is increasing.** While the SBTi continues to play a role in meeting these expectations, regulated climate disclosures across jurisdictions including Australia, the UK, the EU and the USA are gaining momentum. As at October 2024, more than [6,400 businesses](#) had set science-based emission reduction targets globally, more than 80 of which are Australian, and [SBTi targets are becoming an expectation](#) for more investors from some jurisdictions. Many businesses [found reaching initial targets challenging](#), raising questions about the program's expectations, and the initiative itself continues to [evolve and update its criteria](#).



275 Kent Street, Sydney

1. www.climatecouncil.org.au/resources/aussies-benefit-if-nation-reaches-rooftop-solar-potential/.
 2. www.assets.cleanenergycouncil.org.au/documents/resources/reports/Rooftop-solar-and-storage-report-H2-2023.pdf.
 3. www.jll.com.au/en/trends-and-insights/research/early-mover-advantage.
 4. www.propertycouncil.com.au/property-australia/new-electrification-requirements-for-government-offices.

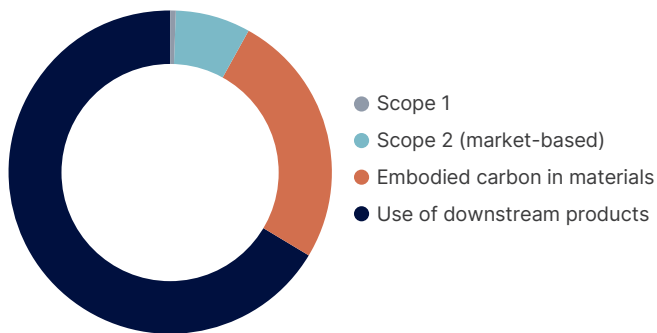
03

Establishing a baseline

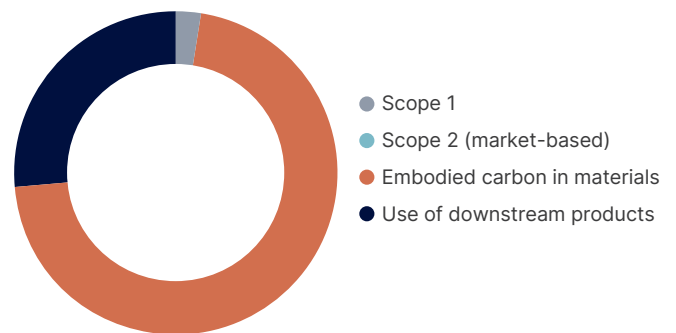
We have defined our current baseline year as 2019 and assessed Mirvac's emissions profile, establishing the proportion of Scope 3 emissions across asset classes and building typologies.

Tenant energy use accounts for the majority of our emissions from managed assets, while construction materials comprise the majority of our development emissions. The areas we must prioritise are clear.

Mirvac's Emissions profile in FY19



Mirvac's Emissions profile in FY30



Notes:

- > The charts show Scope 1, Scope 2 and Scope 3 categories 2, 11 and 13.
- > Other Scope 3 categories account for around 10% of total emissions in FY19 and have been excluded from the graphs for simplicity.
- > Tenant energy use and emissions from the use of our sold products comprise the majority of our emissions in FY19.
- > Materials we purchase for construction were a significant contributor to emissions in FY19 and we expect this area to remain challenging.
- > Use of downstream products includes leased assets and sold products.



Progress update cont.




04

Better understanding our strategic levers (within our influence)




We know that investing in the electrification of our assets, installing onsite renewable energy systems, activating our design options and buying lower carbon construction materials are the key levers that can influence our Scope 3 reduction journey, after which we plan to invest in high-quality carbon offsets to reach net positive and beyond. We have made progress exploring each of these areas.

Electrification and solar

With gas usage accounting for a significant proportion of Mirvac's Scope 1 emissions, electrification of our properties is an important lever for reduction, energy efficiency and customer retention. We have commenced a large electrification program and made progress in improving the operational energy efficiency of our assets across almost all classes.

Asset class	Progress
Office 	<p>As part of Mirvac's minimum design standards, all new commercial developments are required to be delivered as 100 per cent electric - ie no gas provision or usage for base building services. Since introducing this requirement, we have completed the all-electric 80 Ann Street, Brisbane QLD, and have three more in construction: 55 Pitt Street and Harbourside, Sydney NSW and 7 Spencer Street, Melbourne VIC.</p> <p>A program to electrify Mirvac's existing office buildings¹ is also underway, and we are planning to have an all-electric office portfolio by 2030. Electrification projects vary in complexity and are done on a building-by-building basis, taking into account many practical factors including the location of existing plant equipment, new equipment required, acoustics, available space, electrical capacity, tenant requirements and cost.</p> <p>Our goal is to find the most efficient way to not only electrify each building, but also to maximise energy efficiency. In addition to upgrading or replacing plant equipment, this can involve measures such as lowering temperature set points on heating hot water systems (thus reducing the energy required). This was trialled across all Mirvac's office assets in 2024, to derisk the installation of heat pumps, with no material impact on building occupant experience. We are also moving to replace any residual non LED tenancy lights, exploring low global warming potential refrigerants (as an alternative to R134a), and where possible, on-selling renewables to tenants (see 'Renewables' section, page 12).</p> <p>Electrification works are strategically timed to align with Mirvac's capital expenditure plans. Major electrification works are structured to reduce any downtime and provide an opportunity to engage with tenants to solve challenges, such as removing gas from kitchens or purchasing renewables for their own operations. Many of Mirvac's anchor tenants, such as CBA, Westpac, PWC, KPMG and Suncorp, have net zero targets, which will positively impact Mirvac's Scope 3 emissions forecast.</p> <p>Increasingly, Mirvac is also taking opportunities to complete smaller-scale electrification works to buildings ahead of schedule, such as electrifying end of trip facilities when they are due to be enhanced. In some cases (where buildings have long hot water piping runs) this involved installing a localised heat pump to minimise energy losses in the hot water loop.</p> <p>Two Mirvac office assets have now been fully electrified: One Darling Island and Bay Centre, both in Pyrmont NSW.</p>
Retail 	<p>Electrification of retail assets has traditionally been a challenge due to the popular use of gas in kitchens for food and beverage tenants. However, Mirvac has now planned to fully electrify one large mixed-use development including the retail component: Harbourside, Darling Harbour NSW. This has required us to work closely with retailers to ensure their requirements are met via fully electric operations.</p>
Industrial 	<p>A key lever for Scope 3 emissions reduction in our industrial portfolio is installing solar PV. We have installed over 2.5MW of onsite solar PV to reduce emissions and grid electricity costs for our tenants. Again, this work has often been aligned with lease renewals. We are noticing increased sophistication from our industrial tenants, with some seeking Green Star ratings in their requirements for leased buildings and Switchyard, Auburn NSW, and Aspect Warehouse 1, Kemps Creek NSW, working to achieve Climate Active certification. This is further encouraging our development teams to accelerate the adoption of low carbon products.</p>

1. Mirvac Property Trust assets.

Asset class	Progress
Build to rent (BTR) 	<p>Mirvac's first three BTR assets utilised gas in some cooktops and domestic hot water systems, so we are carrying out studies to determine how to remove gas infrastructure – aiming to do so progressively between now and 2030. We also have two all-electric BTR projects underway : LIV Albert Fields, Melbourne VIC and LIV Anura, Brisbane QLD.</p>
Residential 	<p>Across both masterplanned community (MPC) and apartment building typologies, Mirvac is working towards greater energy efficiency through electrification, enhanced thermal performance and installation of solar. Our first all-electric 7-star NatHERs residential development was The Fabric, Altona North VIC, which was launched in 2019. Learnings from this project have helped inform our baseline inclusions moving forward with 100 per cent electrification and rooftop solar now our target for all new housing developments.</p> <p>Mirvac has recently launched a number of all-electric projects to market including at Highforest, West Pennant Hills, NSW (apartments and housing) at Riverlands, Milperra NSW (housing) and at Harbourside, Sydney NSW (apartments). We currently have three all-electric apartment projects underway in Melbourne (The Albertine, Prince & Parade and Trielle).</p>
Land lease (JV) 	<p>Mirvac has recently moved into land lease with the October 2023 acquisition of the Serenitas portfolio, together with our joint venture partner, Pacific Equity Partners (PEP). The assessment and boundaries for Scope 3 emissions are currently being considered.</p>



Aspect Industrial Estate, Kemps Creek, Sydney

Renewables

Currently, Mirvac on-sells 100 per cent renewable electricity wherever possible through our embedded networks in retail centres, office buildings and build to rent assets.

We have also completed several large-scale solar installations at industrial assets. These include Aspect Building 1, Kemps Creek NSW (830kW) and Switchyards, Auburn NSW, which has 650kW of rooftop solar and a low voltage embedded network, made possible by the campus-style composition of multiple smaller warehouse units within the estate. All new industrial assets developed since 2022 have been equipped with a minimum of 200kW of solar, in response to tenant demand.

Many of our tenants, such as Commonwealth Bank Australia, Lander & Rogers and Aldi, currently buy 100 per cent renewable electricity, and Woolworths and Coles have also signalled that they will look to purchase 100 per cent renewable electricity by 2025. This is expected to positively impact Mirvac's Scope 3 emissions.

Rooftop solar is a standard inclusion for all new Mirvac homes, with 4-6kW typically installed. Solar is provisioned in apartment buildings where possible to deliver renewable electricity to common areas.

We are also looking at onsite renewables to reduce emissions in the construction process. Diesel generators have been substituted with electric on some projects, and we procure 100 per cent renewable electricity. Biofuels were trialled at 55 Pitt Street, Sydney NSW, where they enabled emissions reductions associated with crane use – however, further use at this stage is being constrained by market conditions.

Progress update cont.

Design and procurement materials

Mirvac is exploring a number of strategies to reduce embodied carbon in the buildings we develop, outlined below. These strategies involve continuous evaluation of materials choices, weighing up carbon savings, cost and availability – all of which are subject to change due to external factors.

- > **Considering carbon content of materials in our design and tendering processes.** We have introduced new minimum sustainability standards in our development process, and we have begun to preference suppliers with environmental product declarations (EPDs) which will enable us to carry out embodied carbon assessments on all new projects at the design stage. We also continue to review the viability of using different material types, for example, we investigated how the use of steel framing may impact the embodied carbon of our homes, when compared to timber. The utilisation of pre-fabricated technology is another ongoing consideration.
- > **Working with suppliers to identify and source lower carbon products.** For instance, through our relationship with Boral, we are now procuring lower carbon concrete on several of our major developments. This began with a trial of *Envisia* and *Aspire* lower carbon concrete at 80 Ann Street, Brisbane QLD, resulting in a 10,000 tonne CO₂^e reduction. We went on to utilise a 30-40 per cent lower carbon concrete product at 55 Pitt Street and a 40 per cent lower carbon product at Harbourside. We have formed an agreement with Boral to supply a 30 per cent lower carbon product for MPC built form developments. Our national procurement agreements are an advantage, enabling us to purchase materials at scale, and potentially achieve cost neutrality while reducing carbon.
We are exploring the bigger challenge of lower carbon steel. Through our relationship with InfraBuild, 55 Pitt Street, Sydney NSW, has been able to achieve greater embodied carbon reductions by adopting the new *SENSE 600* lower carbon reinforcing product. We are also looking at the greater challenge of using lower carbon steel in slabs and on more project types, including masterplanned communities.
- > **Using materials with at least 25 per cent recycled content.** This is an active part of our procurement approach, and at Heritage Lanes, Brisbane QLD, it led to the use of reinforcing steel made with 89 per cent recycled content. Even small details are being considered: for instance, we are now exploring options such as purchasing plastic bar chairs (used to set reinforcing mesh) made from recycled waste materials derived from powder coating and agricultural processes. At some industrial assets, we are exploring the option to use a crystalline silica free surface made from recycled glass for benchtops instead of reconstituted stone, achieving a carbon reduction and cost neutrality.
- > **Retaining structural elements instead of demolishing.** This was done at The Locomotive Shed at South Eveleigh, Sydney NSW.
- > **Waste reduction initiatives.** Since launching our Planet Positive: Waste & Materials plan in 2020, we have made progress towards our 2030 zero waste to landfill target. We now recycle 96 per cent of construction waste and 66 per cent of operational waste, and we take advantage of opportunities to repurpose materials across projects. For example, at Highforest, West Pennant Hills NSW, we have repurposed 96 per cent of materials from the former IBM building onsite, which included donating and selling more than 4,600 pieces of office furniture, fixtures and fittings, as well as 150 tonnes of major building heating, cooling and generator services equipment. We also repurposed materials from the de-fit of 55 Pitt Street, Sydney NSW with our social enterprise partner, Mates on the Move, helping us to provide items such as office furniture and kitchen equipment to a number of charities. We have also established a concrete take-back agreement with Boral at Green Square, Zetland, NSW and at 55 Pitt Street, Sydney NSW, to ensure excess concrete can be recycled and reused elsewhere.

Offsets

Mirvac utilises the GHG Protocol and the requirements of the National Greenhouse and Energy Reporting Act to determine our Scope 1 emissions. Our carbon offset purchases include a stapled component that is recognised by the Clean Energy Regulator's Climate Active Carbon Neutral Standard and was recognised under the Australian Government's Corporate Emissions Reduction Transparency initiative.

Mirvac currently purchases a small amount of high-quality, nature-based carbon offsets to address our residual Scope 1 carbon emissions, and we expect this will be part of our approach to addressing Scope 3 emissions. We remain committed to Australian nature-based offsets which also deliver a social benefit. The offsets we have bought since 2022 have been through Greenfleet, an Australian not-for-profit organisation with over 23 years of experience in establishing and maintaining native biodiverse forests.

Our first offset purchase was in the Noosa Hinterland project in Queensland, a site that has an Indigenous Land Use Agreement in place between Greenfleet and the Kabi Kabi Peoples Aboriginal Corporation. This project will restore 1,100 hectares of native forest, delivering carbon sequestration and significant cultural and social benefits for the Kabi Kabi Traditional Owners. We have since purchased offsets in NSW and Victoria, all of which are located in remote ecosystems and deliver nature and community benefits. Several Mirvac team members have participated in volunteer tree planting with Greenfleet to gain firsthand experience with the projects.

05 Developing emissions forecasts

We made significant progress in the last two years in developing internal tools designed to assist us with forecasting Scope 3 emissions.

These allow us to assess Mirvac's assets under management on an asset-by-asset basis and determine how emissions reduce as we roll out our electrification program, as well as factoring in the stated climate targets of our major customer tenants.

By utilising our identified levers and making key assumptions, we have forecast our Scope 3 emissions trajectory between now and 2030 (refer to our infographic on page 6).

In addition, for our development business, we will be able to forecast emissions associated with every project. Armed with this information, we can weigh up cost versus emissions reduction when making development decisions, such as materials procurement.



06 Preparing for mandatory disclosures

In FY24, the Australian Government initiated legislation on new [Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information](#). These disclosures will require changes in both the content disclosed and the standard of assurance required. Mirvac is well-progressed with disclosures aligned with the Taskforce for Climate-related Financial Disclosures, and we commissioned a gap analysis by a third party in FY24 to understand where we should focus our efforts in preparing to meet these increased expectations.

Mirvac is also building our understanding of the [Transition Plan Taskforce \(TPT\) Disclosure Framework](#), which sets out good practice for robust and credible transition plan disclosures. This voluntary framework is managed by the IFRS Foundation, and we intend to refer to it for guidance in our transition planning.

What now?

With this re-affirmed 2030 Net Positive Carbon target, and our 2024 SBTi submission, we are continuing to decarbonise at pace. Within the dynamic context, and with several external factors subject to change, we will actively monitor key assumptions. In particular, our focus will be on the pace of decarbonisation of the electricity grid, the pace of key materials decarbonisation and the cost of high-quality offsets. We are conscious that while our Scope 1 and 2 emissions more than meet the SBTi target already, and our planned reductions in downstream leasing also far exceed SBTi requirements, we – like our peers – are dependent on market transformation in low carbon construction materials to progress at pace to ensure that costs for securing these materials remain commercially viable.

Our influence on this outcome is through strong advocacy, the securing of national supply agreements and close collaboration with suppliers. As these external factors evolve and our internal work progresses, we will continue to provide updates on the associated implications for absolute reductions in our embodied carbon forecasts.

We will continue to work with industry, our customers and our suppliers, sharing our knowledge and using our influence to help them reduce their own emissions. Through our alliances with bodies such as MECLA, NABERS, Green Building Council of Australia (GBCA), Property Council of Australia (PCA) and Climate Leaders Coalition (CLC), we will remain active advocates for decarbonisation within the sector and beyond. We look forward to keeping our industry, our customers and the investment community updated on our progress.

Further reading

For detailed information on related topics, please refer to the below, which provides links to Mirvac's publicly available reports and communications.

Greenhouse gas emissions: calculations and boundaries

[Mircac's Net Positive Carbon by 2030 plan](#), page 8

Governance and risk management

[Building Climate Resilience](#), Mirvac's FY24 TCFD report, pages 4-5

Strategic alignment

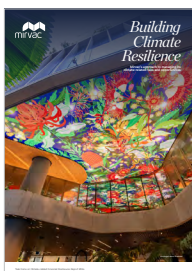
[Building Climate Resilience](#), Mirvac's FY24 TCFD report, page 6

Climate resilience work: Scenario planning

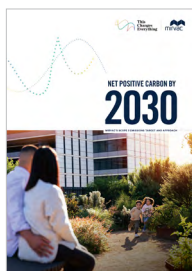
[Building Climate Resilience](#), Mirvac's FY24 TCFD report, page 8

Climate resilience work: Transition planning

[Building Climate Resilience](#), Mirvac's FY24 TCFD report, page 12-13



**Building
Climate
Resilience**



**Mircac's Net
Positive Carbon
by 2030 plan**



Glossary of terms

- > **Carbon neutral / Net zero** is a state that occurs when net greenhouse gas emissions are equal to zero.
- > **Net positive / Carbon positive** means going beyond this, making additional 'positive' contributions to the environment.
- > **Greenhouse Gas (GHG) Protocol** is a comprehensive and detailed standard that covers all aspects of GHG accounting and management, and is aligned with most voluntary and mandatory reporting programs.
- > **Scope 3 Category Descriptions (GHG Protocol)**
 1. **Purchased goods and services:** Emissions from the extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year. This includes emissions from all upstream activities up to the point of receipt by the reporting company.
 2. **Capital goods:** Emissions from the extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year. Capital goods are final goods that are used to produce other goods or services (e.g., buildings, machinery, equipment).
 3. **Fuel and energy-related activities (not included in Scope 1 or Scope 2):** Emissions related to the extraction, production and transportation of fuels and energy purchased and consumed by the reporting company that are not included in scope 1 or scope 2. This includes emissions from extraction, production, and transportation of fuels and energy purchased or acquired.
 4. **Upstream transportation and distribution:** Emissions from the transportation and distribution of products purchased by the reporting company in the reporting year, between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company).
 5. **Waste generated in operations:** Emissions from third-party disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company).
 6. **Business travel:** Emissions from the transportation of employees for business-related activities in vehicles not owned or operated by the reporting company (e.g., air travel, rail, buses, rental cars).
 7. **Employee commuting:** Emissions from the transportation of employees between their homes and their worksites in vehicles not owned or operated by the reporting company.
 8. **Upstream leased assets:** Emissions from the operation of assets that are leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 (i.e., assets that are not owned by the company but are used in its operations).
 9. **Downstream transportation and distribution:** Emissions from transportation and distribution of products sold by the reporting company in the reporting year, between the company's operations and the end consumer (if not paid for by the reporting company), in vehicles and facilities not owned or controlled by the reporting company.
 10. **Processing of sold products:** Emissions from processing of intermediate products sold by the reporting company by third parties (e.g., manufacturers) subsequent to sale by the reporting company.
 11. **Use of sold products:** Emissions from the use of goods and services sold by the reporting company in the reporting year. This includes direct use-phase emissions from the use of the product by the end user.
 12. **End-of-life treatment of sold products:** Emissions from the waste disposal and treatment of products sold by the reporting company at the end of their life.
 13. **Downstream leased assets:** Emissions from the operation of assets owned by the reporting company and leased to other entities in the reporting year, not included in scope 1 and scope 2.
 14. **Franchises:** Emissions from the operation of franchises in the reporting year, not included in scope 1 and scope 2. A franchise is a business operating under a license to sell or distribute another company's goods or services within a certain location.
 15. **Investments:** Emissions associated with the reporting company's investments in the reporting year, not included in scope 1 and 2. This includes equity investments, debt investments, and project finance.

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