

Sustainable Finance Framework

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Mirvac acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the lands and waters of Australia. We recognise that we all live, work and play on the traditional lands of Aboriginal and Torres Strait Islander peoples and we pay our respect to Elders past and present.

SECTION 1:

Mirvac and Sustainability

Mirvac is an Australian Securities Exchange (ASX) top 50 company and one of Australia's leading property groups with an internationally recognised, award-winning innovation capability. Since 1972, Mirvac has been dedicated to shaping Australia's urban landscape and are proud to play an important role in shaping cities, as a creator and curator of places and experiences. Mirvac's legacy is reflected in the beautiful homes, inspiring workplaces and thriving retail precincts created over the last 50 years, with a deep commitment to our people, our customers and our communities at the core of what we do.

ABOUT US

Mirvac owns and manages assets across the office, industrial, retail and build to rent sectors in our investment portfolio. We create award-winning urban precincts that set new benchmarks in sustainability and design excellence. Mirvac's integrated approach 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 process. Mirvac's integrated model also ensures stable income and growth, as well as a balance of passive and active capital, enabling us to respond to fluctuations in the property cycle.

Our people are our greatest asset and they underpin our ability to deliver safe, economic and sustainable outcomes that generate value for our customers, communities, securityholders and our planet.

Mirvac is united behind a single purpose, to Reimagine Urban Life. This purpose inspires us to do the right thing and be a force for good. This means we are committed to making a positive contribution to the environment and making a meaningful difference to people's lives, with everything we do. As one of Australia's largest companies, we aspire to think differently and apply our skills, experience and innovation capability to solve many of the problems faced by our cities, both today and in the future.

Mirvac is also proud of our industry-leading Environmental, Social and Governance (ESG) strategy, This Changes Everything, which shapes the ways in which Mirvac's works to be a force for good in society.

OUR COMMITMENT TO ESG

Our ESG strategy, This Changes Everything, is bold, focused, and authentic. It sets out clear targets to ensure Mirvac continues to have a positive environmental and social impact, to have an engaged workforce, and be a trusted partner. It is underpinned by one of our stated values, which is to do the right thing.

From the way Mirvac designs and manages our assets, to how we use our buying power, to the communities we are creating together, and the homes and neighbourhoods in which our customers live, being environmentally and socially responsible has become firmly embedded at Mirvac. As well as ensuring Mirvac is delivering value to our securityholders, Mirvac is continuously looking at how we can reduce our impact on the planet and leave a positive legacy in our communities.

Mirvac has also applied innovative thinking to solving sustainability problems in different ways, resulting in market-leading initiatives such as Mirvac Energy and the House With No Bills.

Importantly, Mirvac also recognises that sustainability is about more than just the environment. Placing renewed emphasis on social sustainability, we prioritised important projects such as developing our second Reconciliation Action Plan, which supports the Uluru Statement from the Heart, directing \$100 million to the social sector by buying from social and Indigenous enterprises, investing in our communities, and measuring our social impact.

We also have an ongoing commitment to people and culture, which can be seen in our leading employee engagement scores. Our engaged workforce is willing to go above and beyond to make Mirvac a success, which delivers discretionary efforts, and overwhelmingly describe Mirvac as a socially responsible organisation.

We know it's not just what we do that matters, it's how we do it, too. Being the most trusted owner and developer matters to us. We set ourselves that goal because if our key stakeholders trust us to do the right thing, our partnerships are more valuable, and more enduring.



SECTION 1:

Mirvac and Sustainability *continued*

MIRVAC AND SUSTAINABILITY

Through our strategy, Mirvac focuses on six material issues that have been identified as being the most relevant to our business and our stakeholders. These material issues are climate change, natural resources, our communities, social inclusion, our people, and being a trusted partner.

ESG FOCUS AREA	TARGET	TRACKING
Environmental	 CLIMATE CHANGE	Net positive by 2030 DELIVERED FY22
	 NATURAL RESOURCES	Net positive water, and zero waste to landfill by 2029 ON TRACK
Social	 OUR COMMUNITY	Net positive legacy by tripling community investment DELIVERED FY22
	 SOCIAL INCLUSION	\$100m social sector investment by 2030 ON TRACK
Governance	 OUR PEOPLE	Highly engaged, capable, and diverse workforce ON TRACK
	 TRUSTED PARTNER	Most trusted owner and developer ON TRACK



As at 31 March 2022

With a sector leading climate change target to be net positive in carbon by 2030, Mirvac accelerated its efforts and achieved this ambitious target in 2021, nine years ahead of schedule.

For the most recent Sustainability performance, please refer to the sustainability section of our website: <https://www.mirvac.com/sustainability>

CONNECTING SUSTAINABILITY AND FINANCE

Recognising growing investor demand and the focus on environmental sustainability, Mirvac incorporates its sustainability philosophy into raising finance.

Mirvac engaged with its banking partners to outline a roadmap towards sustainable financing opportunities.

SECTION 2:

Mirvac’s Sustainable Finance Framework

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

Sustainable Finance Instruments may include, but are not limited to:

- > Use of proceeds instruments, such as green, social or sustainability bonds and loans;
- > Sustainability-linked instruments, such as sustainability-linked bonds and loans; and
- > Any other debt instruments that may be designated as Sustainable Finance Instruments from time to time.

This Framework is consistent with the applicable sustainable finance principles and guidelines issued by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Asia-Pacific Loan Market Association (APLMA) and the Climate Bonds Standard & Certification Scheme (CBS), where applicable (Market Principles).



SECTION 3:

Use of Proceeds Instruments

Use of Proceeds Instruments are where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing assets or projects that create positive environmental and social outcomes.

Each Use of Proceeds Instrument will align with the following four pillars of the relevant Market Principles as described in this section of this Framework:

-  **1. USE OF PROCEEDS**
-  **2. PROCESS FOR PROJECT EVALUATION AND SELECTION**
-  **3. MANAGEMENT OF PROCEEDS**
-  **4. REPORTING**



1. USE OF PROCEEDS

1.1 GREEN ASSET ELIGIBILITY CRITERIA

The proceeds of any green bond or green loan (together Green Instruments) issued under this Framework will be used to finance or refinance eligible green projects, assets or activities (Green Assets).

Instruments issued under this section of the Framework may take the form of:

- > Green Bonds in accordance with the ICMA Green Bond Principles (GBP)¹ and
- > Green Loans in accordance with the LMA / APLMA Green Loan Principles (GLP)².

Mirvac will obtain certification of Green Instruments under the CBS³ where possible, which is fully aligned with the GBP and GLP.

To determine eligible Green Assets, Mirvac has outlined the below Green Asset Eligibility Criteria for Green Instruments issued under this Framework below. This list is not exhaustive and may be expanded over time.

1. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>
 2. https://www.lma.eu.com/application/files/6115/5266/8726/Green_Loan_Principles_Booklet.pdf
 3. <https://www.climatebonds.net/standard>

SECTION 3:

Use of Proceeds Instruments *continued*

GBP/GLP Eligible Categories	Green Asset Eligibility Criteria	UN SDGs ¹ Alignment and Contribution
Green Buildings	<p>Existing and/or planned low carbon and efficient buildings, including upgrades, which meet regional, national or internationally recognised standards or certifications including:</p> <ul style="list-style-type: none"> > Commercial buildings and assets certified by the Climate Bonds Initiative as aligned to the CBS under the Buildings Criteria, including under Commercial Buildings and Property Upgrade criteria. > For Australian commercial assets (greater than 10,000 square metres) where design began after 1 May 2020, a NABERS Energy minimum 5.5 Star or above and comply with the Australian National Construction Code requirements. > Green Building Council of Australia Green Star certifications such as ‘Buildings’, ‘Performance’ certifications of minimum 5 Star or above or Green Star Homes and any other future certifications that may be introduced. > Any other buildings or assets that are certified as meeting CBS eligibility criteria, including any criteria that may be introduced once this Framework has been published. > Any other equivalent Green Building label that is an equivalent standard to the above. 	
Energy Efficiency	<ul style="list-style-type: none"> > Assets or projects that develop processes and products/technology that reduce energy consumption or carbon emissions of the underlying asset. For example, technologies in new or refurbished buildings, energy storage, district heating, electrification, smart grids, appliances and products. 	
Renewable Energy	<ul style="list-style-type: none"> > Assets or projects that include production, transmission and products of renewable energy, for example, solar PV panels and supporting infrastructure. 	
Pollution Prevention and Control	<ul style="list-style-type: none"> > Assets or projects that include waste prevention, waste reduction, sustainable waste management including waste recycling and energy/emission-efficient waste to energy and reduced embodied carbon outcomes through material selection. 	
Clean Transportation	<ul style="list-style-type: none"> > Assets or projects that enable, enhance and/or encourage the use of sustainable transport options including active travel (e.g. cycling, walking), electric vehicles and public transport. 	
Sustainable water and wastewater management	<ul style="list-style-type: none"> > Assets or projects that capture, treat and reuse wastewater or stormwater, improve sustainable urban drainage systems that reduce environmental impacts on surrounding infrastructure or natural systems e.g. municipal stormwater catchment or natural water bodies. 	
Climate Change Adaptation	<ul style="list-style-type: none"> > Assets or projects that strengthen resilience and adaptation measures to protect against future potential climate related impacts including natural disasters. 	
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> > Assets or projects that improve Mirvac’s natural capital performance including environmentally sustainable agriculture and environmentally sustainable forestry (afforestation or restoration), preservation or restoration of natural landscapes. 	

1. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

SECTION 3:

Use of Proceeds Instruments *continued*

1.2 SOCIAL ASSET ELIGIBILITY CRITERIA

The proceeds from any social bond or social loan (together Social Instruments) issued under this Framework will be used to finance or refinance new or existing eligible social projects, assets or activities (Social Assets).

Instruments issued under this section of the Framework may take the form of:

- > Social Bonds in accordance with the ICMA Social Bond Principles (SBP)¹ and
- > Social Loans in accordance with the LMA / APLMA Social Loan Principles (SLP)².

To determine eligible social assets, Mirvac has outlined the below social asset eligibility criteria for Social Instruments issued under this Framework below. This list is not exhaustive and may be expanded over time.

SBP/SLP Eligible Categories	Social Asset Eligibility Criteria	UN Sustainable Development Goal Alignment
Access to essential services and affordable basic infrastructure	Real estate infrastructure related to education and vocational training including schools, universities and refurbishment of such facilities as well as registered affordable housing.	 
Employment generation	Programs designed to prevent and/or alleviate unemployment, including initiatives and projects to generate employment. Supply chain procurement plans that prioritise and support SME's and First Nations owned business.	 

1.3 SUSTAINABILITY BOND ELIGIBILITY CRITERIA

The proceeds from any Sustainability Bond or Loan issued under this Framework will be used to finance or refinance assets that meet the Green and/or Social Asset Eligibility Criteria (together Eligible Assets) as listed above.

Any Sustainability Bond issued under this Framework will be in accordance with the ICMA Sustainability Bond Guidelines (SBG)³.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Mirvac will ensure that proceeds for any Use of Proceeds Instrument issued under this Framework are earmarked for financing of new or refinancing of existing Eligible Assets. This will be completed by the existing Treasury Committee at Mirvac which is responsible for all financing decisions for both Use of Proceeds and traditional financing. The Treasury Committee will also assist with identifying and selecting Eligible Assets, overseeing the allocation of proceeds raised from Use of Proceeds Instruments to Eligible Assets, and managing assurance reviews and reporting requirements.



1. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Social-Bond-Principles-June-2021-140621.pdf>

2. <https://www.lsta.org/content/social-loan-principles-slp/>

3. <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

SECTION 3:

Use of Proceeds Instruments *continued*

3. MANAGEMENT OF PROCEEDS

To manage the net proceeds of any Use of Proceeds Instrument, Mirvac will establish an Eligible Asset Register along with a Use of Proceeds Instrument Register.

The proceeds of each Use of Proceeds Instrument will be allocated to one or more Eligible Assets identified in the Eligible Asset Register.

The Eligible Asset Register will contain relevant information including summary details of any specific Green or Social Asset(s) to which Use of Proceed Instruments have been earmarked.

For Green Buildings, this includes:

- > Address;
- > Sector;
- > NABERS Energy rating and / or Green Star rating / or other;
- > Emissions intensity for that period;
- > Asset value; and
- > Net Lettable Area (NLA).

If there are any unallocated proceeds during this period, Mirvac will temporarily invest the balance of unallocated proceeds with an amount equal to the balance of the proceeds in:

- a. Cash, or cash equivalents, within a Treasury function;
- b. Other investment instruments that do not include greenhouse gas intensive projects or assets which are inconsistent with the delivery of a low carbon and climate resilient economy; or
- c. Apply the unallocated balance to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursement to a proposed Eligible Assets.

Mirvac has internal management and information systems to track and report Eligible Assets and verify whether net proceeds of Use of Proceeds Instruments have been fully allocated. Mirvac intends to maintain a balance of Eligible Assets that have a fair value which is larger than the sum of the net proceeds from the Use of Proceeds Instruments.

Mirvac commits to allocating any funds from any Use of Proceeds Instruments to Eligible Assets within 24 months of the issue date. Mirvac does not envisage any reason why this requirement will not be met.

Any certified assets shall not be nominated to other certified or labelled instrument unless it is being refinanced or distinct portions of the assets are being funded separately.

4. REPORTING

Mirvac intends to make the following information available either on our [website](#) or to lenders (as required):

Item	Frequency
Framework	At the establishment of this Framework, or prior to subsequent issuances if the Framework is materially amended
Pre-issuance /Post Issuance Verification	Pre-issuance will be sought prior to any Use of Proceeds issuance under this Framework. Mirvac will seek to obtain a post-issuance assurance within 12 months of the start date of any facility to confirm that any CBS certified Green Instruments issued remains in compliance with the Framework, if relevant.
Climate Bond certification (if applicable)	At issuance of any Climate Bonds Standard certified Green Instrument
Update Report	Annually, capturing any outstanding Use of Proceeds Instrument

The Update Report will include information such as:

- a. Details of each Use of Proceeds Instrument: key information including date of financial close, instrument value and maturity date of instrument;
- b. Summary detail of any specific Eligible Asset(s) to which the proceeds of the Use of Proceeds Instrument have been earmarked (e.g. for Green Buildings, information such as address, state, sector, NABERS rating/s and/or Green Star rating, emissions intensity for that period, asset value and NLA will be included);
- c. Confirmation the instrument(s) complies with the relevant Market Principles. E.g. GBP, GLP, SBP, SLP, SBG or CBS (where applicable); and
- d. Any unallocated Use of Proceeds Instrument proceeds yet to be earmarked against any specific Eligible Asset(s).

Where possible, Mirvac will provide qualitative and/or quantitative reporting of the environmental and social impacts resulting from specific Eligible Assets and will look to utilise the impact reporting guidelines as detailed within the relevant Market Principles.



SECTION 4:

Sustainability-Linked Instruments



Sustainability-Linked Bonds and Loans, are performance-based instruments where the cost of borrowing is linked to the performance of ambitious targets that are related and material to the borrower's sustainability strategy (Sustainability-Linked Instruments).

Sustainability-Linked Instruments issued under this section of the Framework may take the form of:

- > Sustainability-Linked Bonds in accordance with the ICMA Sustainability-Linked Bond Principles (SLBP¹); and
- > Sustainability-Linked Loans in accordance with the LMA / APLMA Sustainability-Linked Loan Principles (SLLP²).

Section 4 addresses the key elements of the Market Principles for Sustainability-Linked Instruments, being:

- > Selection of Key Performance Indicators (KPIs);
- > Calibration of Sustainability Performance Targets (SPTs);
- > Sustainability-Linked Instrument characteristics;
- > Reporting; and
- > Verification.

4.1 SELECTION OF KPIS

Mirvac has a commitment to set measurable or quantifiable KPIs that are relevant, core and material to its business and of high strategic significance to Mirvac's current and future operations. This includes the following KPI themes as a guide for potential target setting:

- > Emissions reduction;
- > Renewable energy usage;
- > Energy efficiency;
- > Water consumption and/or avoidance of potable water use;
- > Waste, materials and resource management;
- > Improvement in externally rated environmental performance (e.g., NABERS, Green Star, GRESB or other); and
- > Other sustainability areas that are relevant to Mirvac's Sustainability Strategy.

4.2 CALIBRATION OF TARGETS

Based on the above KPIs, Mirvac will determine one or more timebound Sustainability Performance Targets (SPTs) that are consistent with Mirvac's sustainability strategy, represent a material improvement in the respective KPIs, are beyond a "Business as Usual" trajectory and are set in accordance with the relevant Market Principles.

The SPTs will be clearly specified in the relevant documentation for each Sustainability-Linked Bond and Loan together with any material factors that may impact the achievement of the SPTs. All calculation methodologies will also be disclosed alongside the selected SPT in the relevant documentation.

4.3 SUSTAINABILITY LINKED INSTRUMENT CHARACTERISTICS

Any Sustainability-Linked Instrument Mirvac enters into will have a financial or structural characteristic that changes depending on Mirvac's performance against the predefined SPTs. This may include both penalties and/or incentives, depending on the transaction. The magnitude of the coupon or margin adjustment, as well as the effective date(s) will be clearly set out in the relevant documentation for each transaction.

4.4 REPORTING

Mirvac will state the scope, detail and frequency of reporting in the relevant documentation for each Sustainability-Linked Instruments.

For Sustainability-Linked Bonds, Mirvac will undertake annual reporting regarding the issuance and performance in relation to the SPTs and will make such reporting available on its website or to investors as required by Market Principles.

For Sustainability-Linked Loans, Mirvac will provide appropriate reporting parameters and timing for disclosing information on sustainability performance to the lender(s) as negotiated during the establishment of the instrument.

4.5 VERIFICATION

For each Sustainability-Linked Instrument on issue, an appropriate external verification will be undertaken. This includes providing an external review and assurance of sustainability performance prior to issuance, as well as ongoing annual assurance of performance in relation to the selected SPTs for each issuance.

1. <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf>

2. <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

SECTION 5:

External review

Mirvac has engaged EY to confirm alignment of this Framework with the ICMA Green Bond Principles and Social Bond Principles, the LMA / APLMA Green Loan Principles and Social Loan Principles, the ICMA Sustainability-Linked Bond Principles and the LMA / APLMA Sustainability-Linked Loan Principles.

Mirvac may seek different forms of External Review, from assurance / verification, to second party opinions and evaluations from ratings agencies or sustainability advisors, or any other form of external review as accepted by the market.



SECTION 6:

Continuous Improvement



As the Market Principles and the global sustainable finance markets continue to evolve, so too will Mirvac's approach as it seeks to adapt to the changing environment. Mirvac may update this Framework over time, to remain in line with market best practice.

For the ongoing enhancement of Mirvac's Sustainable Finance Framework and issuances, Mirvac welcomes feedback and input from stakeholders as this will support Mirvac to deliver on its sustainability objectives and meets the needs of investors and stakeholder.

