

Stories of change

2015 Sustainability Report



by mirvac

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This report covers the activities of the Mirvac Group ("Mircvac" or the "Group") within Australia under Mirvac's operational control for the financial year ending 30 June 2015. It should be read in conjunction with the 2015 Mirvac Group **Annual Report** and **Annual Review**, which disclose financial and management performance.

This report and GRI Index is in accordance with the "Core" criteria for disclosures under the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines. The GRI index is available for download from the FY15 Sustainability Report website and provides a list of our GRI disclosures and their location in this report. Selected key data for FY15 has been independently assured by EY under the ASAE 3000 standard. Data sets that have been assured are marked with ✓.

For further information visit mirvac.com/Sustainability

Any feedback or questions? Please get in touch via sustainability@mirvac.com or contact us at:

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FY15 at a glance

Re-imagining Resources

Energy

Our office portfolio average

5.1 
NABERS
ENERGY RATING

Water

Our office portfolio average

3.8 
NABERS
WATER RATING

Waste

 **94.7%**
of construction waste
recycled

Carbon intensity 
-18.8%

Water intensity 
-16.5%

 **1st**
Annual Supplier
Report published

 **40kW**
of renewable energy
under construction

Captured water 
73,600KL

\$1,715,881
avoided in landfill tax
by sending less
waste to landfill

Future of Place

100 people
attended
our Future of Place
 Forum

2 
Green Travel Plans
developed for Rhodes Shopping
Centre & 5 Rider Boulevard

 **29,600**
plants planted
at Osprey Waters, WA

Enriching Communities

\$1.06m
cash donations

 **6,903**
hours
donated

\$1.88m
invested in our
communities

Smarter Thinking

178,926 
people educated
on sustainability
39,948 people directly /
141,978 people indirectly

14 Group General
Managers, Executive
Leadership Team
& Board Members
completed
Green Star training


0 
construction shifts lost to
injuries or illnesses
**ON MASTERPLANNED
COMMUNITIES SITES**



Susan Lloyd-Hurwitz

Managing Director & CEO Mirvac Group

There's no doubt it's been another big year for Mirvac.

While it's been a challenging time for many, the current property market cycle has brought huge opportunities for our business to thrive—and we've certainly made the most of this unique time. I'm proud to say that in spite of the pressure and fluctuations around us, one thing has remained consistently strong: our unwavering commitment to sustainability and innovation.

Taking a bold stance on sustainability has earned us genuine credibility.

Now half way through its second year, our strategy 'This Changes Everything' continues to gain unprecedented traction. I've continued to be surprised by the attention we've received and new alliances we've forged as a direct result of the strategy, whether it's with new suppliers, councils or other businesses. It seems that taking a bold stance on sustainability has earned us genuine credibility as a thoughtful and thought-provoking leader in our industry.

To choose one highlight from the past 12 months is difficult.

Mirvac definitely had stand-out successes, such as achieving equal representation of men and women on our Board, holding our first Future of Place Forum, and earning 6-star Green Star Ratings for several developments. However, it's also been deeply satisfying to see progress continue evenly across all four pillars of our strategy through a whole host of day-to-day activities: from the Equilibrium Man Challenge to our 'Clean & Green' marketing for Bondi. And we're particularly pleased that we have reduced our water intensity from 2013 levels by 16.5%, and have already surpassed our 2018 target.

The intense pace we've been maintaining for the past year has been both tough and exhilarating.

Perhaps even more pleasing has been the continued shift in our culture and language, and the way in which people are now talking about sustainability. Ideas and conversations around sustainability are happening everywhere, from supplier meetings to site offices, with no prompting required. Investors are also taking a

greater interest in the value of sustainability, and the impact it has on our business as a whole is becoming clearer to everyone.

The intense pace we've been maintaining for the past year has been both tough and exhilarating. While I'm proud of our achievements to date, I know we're all keen to keep up the momentum and to continue translating 'This Changes Everything' into tangible results. With many upcoming projects on the horizon, a newly invigorated Board and an exciting new HQ in development, exciting times are ahead. Watch this space.

Managing Director & CEO Mirvac Group



Change carries on

Paul Edwards, Group General Manager Sustainability & HSE

As one of our core business drivers, sustainability is essential for our long-term success – and I'm pleased to say that since the introduction of 'This Changes Everything', we've gone from strength to strength.

Progress has continued consistently on all fronts – from the prequalification of 32% of our supply chain, to the installation of smart building systems, to a 23% reduction in carbon emissions generated by our office and industrial portfolio since 2013. Sustainability seems to increasingly be on the agenda, no matter which direction I look.

Community counts

In the past years, we've continued to see a major shift in the way people at Mirvac define sustainability—and the inclusion of social and community initiatives under the sustainability umbrella has been a big part of this. In fact, of all our accomplishments in the past 12 months, those related to community have been amongst the most significant. Not only have we achieved two of our

commitments under the Enriching Communities pillar, we've set two new ones for 2016-17. We've also run a host of successful community events, established a new Charity Committee and strategy, and forged new alliances with groups such as the National Art School.

An eye on the future

Another huge success has been our work with Future of Place. In addition to conducting internal and external research about perceptions of place, we brought together some incredible speakers at our first Future of Place Forum—an inspiring day where many fascinating ideas and views were shared.

We've also made inroads towards achieving our ambitious goal of educating one million people about sustainability. This has included some creative strategies, such as utilising the popular 'film festival format' through our new sustainable film competition. Launched in August 2015, it's aptly named Nudge by Mirvac, and encourages participants to "nudge a neighbour to change a behaviour".

Work in progress

Of course, with the implementation of any strategy come challenges and lessons to be learned. What's been pleasing about the past year is that we've seen tactics

and tools developed to deal with hurdles as they've come up—such as our new 7-step process for development, and our communication tree. It's satisfying and reassuring to see our people taking such proactive steps to supporting the implementation process.

What's been pleasing about the past year is that we've seen tactics and tools developed to deal with hurdles as they've come up – such as our new 7-step process for development, and our communication tree.

As mentioned in last year's report, sustainability is now part of a five-year plan for each business unit, and linked to a scorecard. I'm happy to say progress is great, with several units scoring over 75% on their scorecards to beat the targets we've set for ourselves. Our reputation for sustainability is also helping shape the new business we're attracting, and is now incorporated into our business bids.

Change carries on

Paul Edwards, Group General Manager
Sustainability & HSE.

Our reputation for sustainability is also helping shape the new business we're attracting...

Looking ahead, there is still much to be done -water will continue to be a challenge, as will be educating customers about the value of sustainability. However, we have some exciting plans underway, including the rollout of the Velocity House, and on the heels of this we've set up a 'House of the Future Committee' dedicated to finding the 'next big thing' in this vein. And with many new developments in the pipeline, we won't be short of opportunities to try new ideas, innovate and push the boundaries of what's possible.

Within the development process, we have been creating an approach to sustainability which streamlines its integration. The result will be a greater level of engagement and knowledge sharing across projects through a new document called Sustainable Implementation Plan. Teams will then be able to demonstrate their commitments easily with the communication tree. We believe this will ensure greater visibility of our sustainability commitments.



Group General Manager Sustainability & HSE

7-Step process for development

Streamlining sustainability for greater integration



7-Step process development

Step 5 : Communication Tree



699 BOURKE ST Sustainability Tree

'This Changes Everything'

Launched in FY14, 'This Changes Everything' is Mirvac's plan for a sustainable future.

It comprises four interconnected areas of focus: Re-imagining Resources, Shaping the Future of Place, Enriching Communities and Smarter Thinking. Under each area is a long-term mission, supported by several more immediate commitments.

Since 'This Changes Everything' was launched, each business unit at Mirvac has set a five-year plan with targets, which are linked to their sustainability scorecard, individual performance plans and Short Term Incentives program (STI). In this way, sustainability becomes part of our criteria for measuring and rewarding business and individual success.

Six commitments will be completed by the end of 2015, and we've already started to set new ones (two under the Enriching Communities pillar). This process will continue in Q1 FY16, when we will set several other new commitments.



Six commitments will be completed by the end of 2015.

Material matters

Defining our material issues

As outlined in our strategy, Mirvac has 19 material issues, 11 of which we've already made commitments towards. Both our material issues and commitments are reviewed biannually.



The extent of our impact

Defining our reporting boundaries

As property developers, we know we leave a lasting impact on the world—and we want it to be as positive as possible. For this reason, our reporting boundaries stretch beyond the initial design and construction of our assets.

As well as taking into account the areas over which we have direct control (design, construction and investment), we also factor in our broader sphere of influence (supply chain, community, tenants). We may not have control over how a home we build is operated after purchase in terms of water and energy usage, for instance, but we can design it for optimal savings – and as a result, count it towards our positive impact overall.

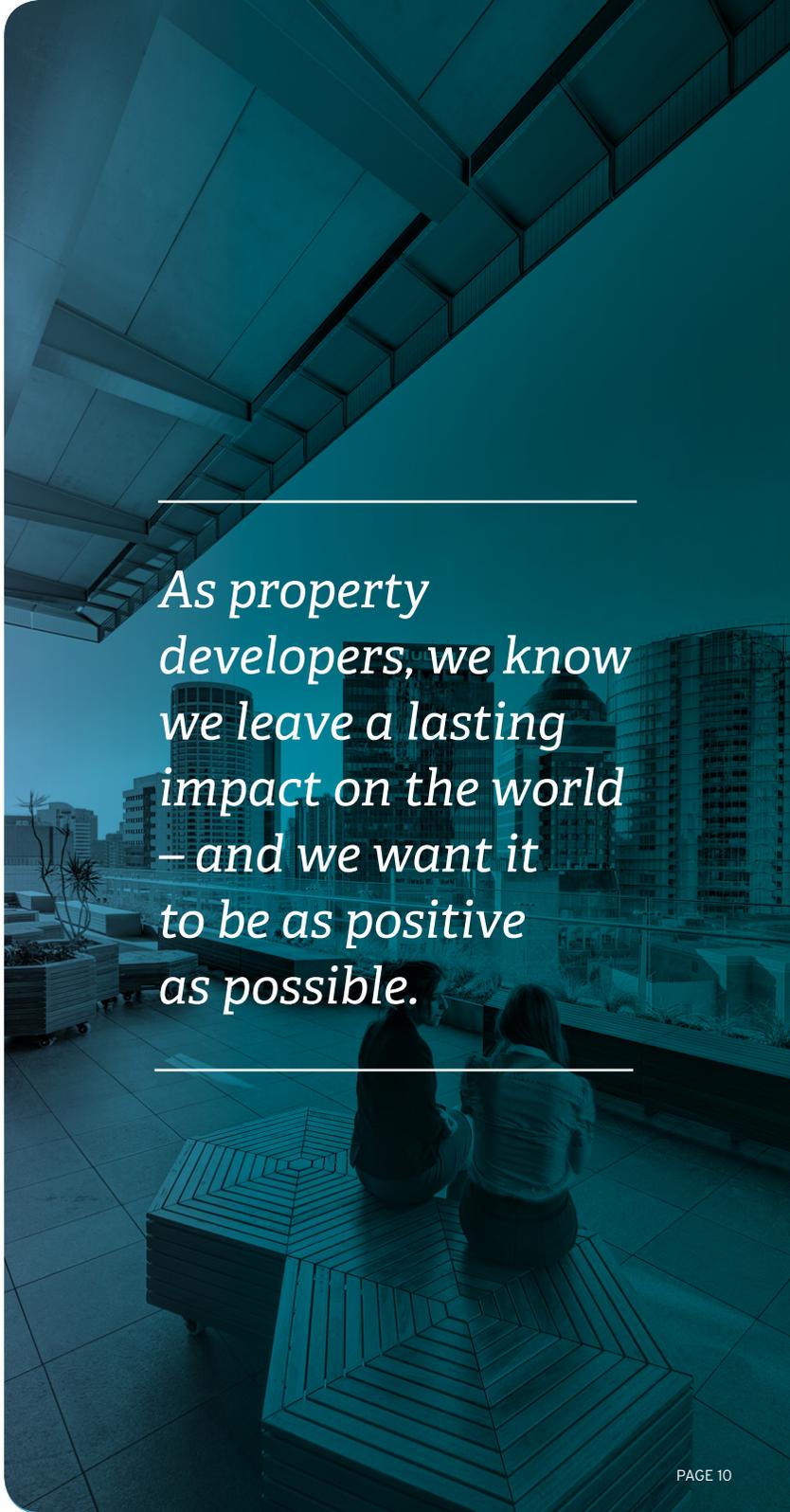
We have separated the boundary of our commitments into three categories: operational control, financial control and influence. Our reporting methodology was determined as part of the strategic development process, and was also reviewed by a third party.

For a detailed overview of how we calculate our progress against strategy commitments, click [here](#).

A connected reporting framework

Connecting the dots between investment and benefits to the business is important to Mirvac and our key stakeholders.

For details on our connected reporting framework, click [here](#).



As property developers, we know we leave a lasting impact on the world – and we want it to be as positive as possible.

In our world

Engaging with our stakeholders

Customers

Who they are:

People who buy, lease and occupy our assets (residential, commercial & industrial).

How we engage:

Residential customers

- Customer satisfaction surveys to measure our quality of service
- Launch events and communications, such as the 'Clean & Green' marketing to promote the sustainability credentials of the Moreton development in Bondi
- Publications such as The Right Place magazine, which includes a regular sustainability column by Jon Dee
- Face-to-face interaction with our sales team
- Visits to our Head Office sales suite, which is customised for different launches
- Sustainability section in most MPC and Apartments marketing brochures
- Sustainability section in all owners manuals provided to all new residential customers
- Sustainability specific customer surveys at New Brighton, a Masterplanned Community in Moorebank NSW

Tenants

- Tenant Liaison Centre
- Tenant workshops & face-to-face meetings
- Green lease clauses in all new commercial Heads of Terms
- On-site solutions for waste management
- Bin Trim assessments were provided free of charge to over 400 tenants across 9 assets
- Regular building management meetings on sustainability

Visitors

Who they are:

Our retail centres and offices attract millions of visitors each year.

How we engage:

We engage with these people in a wide range of ways to deliver a retail experience that's better for them and their local environment.

- Events and activities such as the Construction Classroom at Orion Springfield
- Bi-monthly mystery shopping activity
- Android feedback units in every centre
- Facebook pages providing information on what's happening in our centres
- Centre websites including online feedback forms
- Free retail space given to local community groups including youth groups, charities, and schools
- Charity collections, including the Nappy collective and Christmas toy appeals
- Community information events with local groups such as police and health professionals

Community

Who they are:

People who live, work or play in and around our properties.

How we engage:

- National Community Day where 730 Mirvac people volunteered across 47 projects, supporting 35 charities
- Partnership with the National Art School
- New Charity Strategy and Committee launched, National Charity Partner selected
- Donation matching, workplace giving, volunteering hub
- Community events, including the Summer Festival which has seen us hold events such as film nights, BBQs and other fun community engagement activities
- 'Grow your own' educational events held at Harcrest to support the opening of our community garden
- Community Liaison Officers helping new residents settle into our communities
- Community consultation and information events- Bondi / Green Square and Riverside Quay
- School engagement programs
- Community fundraising activities such as Bikes for Humanity and Leighton Swim Thru
- Health and Wellbeing initiatives, including 'Get active in the park' programs
- Teaching and learning events, such as reptile encounters, interior styling and sustainability workshops



Suppliers

Who they are:

Companies that who provide goods, services and materials as part of our supply chain.

How we engage:

- Founding member of industry Sustainability Supply Chain School set up to help educate suppliers online
- Sustainability questionnaire and vendor code of conduct to our suppliers through an online system and personalised dashboard
- Site visits and inductions for our construction staff and other suppliers
- Work Safe, Stay Safe program promoting safety on construction sites
- Open Line providing a confidential way of reporting any concerns of unethical behaviour

Investors

Who they are:

Those who have a financial investment in our business (security holders).

How we engage:

- Sustainability indices, including the Carbon Disclosure Project, Global Real Estate Sustainability Benchmark (GRESB) and the Dow Jones Sustainability Index
- GRESB and Investor Group on Climate Change working groups
- Investor Relations team and website
- Annual reporting, including our sustainability report
- Investor Roadshow
- Mail-out to investors of sustainability report summary
- Galleries breakfast kitchen investor volunteer session
- One-to-one meetings with investors

Government & Industry

Who they are:

Peer and partner businesses, industry and legislative bodies.

How we engage:

- Committee involvement, including active participation with Better Building Partnership, the Green Building Council of Australia, NABERS, the Property Council of Australia (PCA) and the London Benchmarking Group
- Annual sustainability report
- Mirvac Chairman on the PCA Male Champions of Change Committee
- Two participants in Equilibrium Man initiative
- Attendance at City initiatives such as City of Sydney Climate Adaptation planning session
- Founding member of City of Melbourne Renewables Club

Employees

Who they are:

People who work directly for Mirvac.

How we engage:

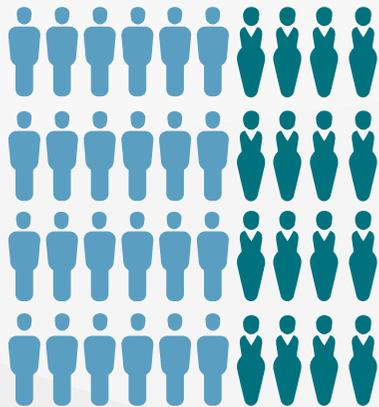
- In our most recent employee engagement survey, Mirvac's result positions us in the Best Employer category
- New onboarding process developed and launched
- Wellbeing week providing health and wellbeing activities focusing on resilience
- New Diversity and Inclusion Council formed and strategy developed and launched
- New initiatives launched to mainstream flexible work practices as part of Mirvac's new workplace, including Equilibrium Man and flexibility training



A snapshot of Mirvac

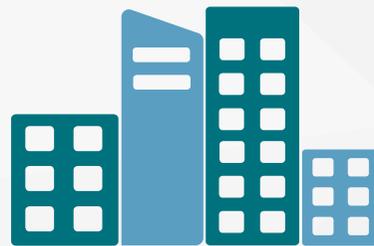
Key facts and figures

1,436
people in our workforce



59%
male

41%
female



4
Mirvac offices in
SYDNEY
BRISBANE
PERTH
MELBOURNE
major cities



\$454.8m
operating profit

59 properties



net lettable area 1,391,734m²



Sectors
operating in:
RETAIL,
OFFICE,
RESIDENTIAL
& INDUSTRIAL

Leading by example

Consistent governance and a reinvigorated Board

At Mirvac, effective governance underpins everything we do – from maintaining an ethical, values-based culture, to delivering consistent returns to security holders. We pride ourselves on behaving with integrity, and making responsible decisions that take everyone’s best interests into account.

Of course, this wouldn’t be possible without a diverse, actively engaged Board. This year, our Board has continued to maintain a close connection with the Mirvac business, enabling them to understand the context and impact of the decisions they make. The Board attended meetings in each city in which we have offices during FY15, except Perth, where the Board will meet in early 2016.

Mirvac is one of just two companies in the ASX Top 50 to have 50% of the Board represented by women.

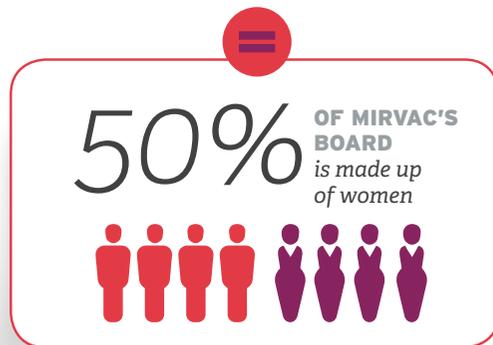
Site tours were again run in conjunction with these meetings-giving Directors the chance to see our work in progress and our plans in action. Sustainability also continues to be presented on a biannual basis as a minimum, with specific presentations (such as ‘Future of Place’) given as required, ensuring it stays top of mind.



A balanced Board

This year, we're delighted to have welcomed two new Directors to our Board, and in doing so, achieved an even split of men and women on the Board. This makes Mirvac one of just two companies in the ASX Top 50 to have 50% of the Board represented by women.

Our new Directors bring significant qualities to the Mirvac Board. New Director Christine Bartlett has an impressive track record with the likes of NAB and Jones Lang LaSalle, and is currently on the Board of The Smith Family. Our other new Director, Samantha Mostyn, brings experience across a host of industries, not to mention serious social and sustainability credentials. As well as serving on The Climate Council and several other Boards, she is currently Deputy Chair of the Diversity Council of Australia. Both Sam and Christine have already shown their commitment to positive change and we're excited to see the impact their contributions will continue to have as time goes on.



Close connections

Our Directors have a range of skills and experience and serve on a number of other well-respected Boards.

- John Mulcahy: Chair of Coffey International Limited, a Non-Executive Director of ALS Limited and GWA Group Limited. John is also a Director of The Shore Foundation Limited and the Great Barrier Reef Foundation
- Peter Hawkins: Non-Executive Director of Westpac Bank and Clayton Utz
- James M. Millar AM: Chairman of The Smith Family, Trustee of the Australian Cancer Research Foundation and the Vincent Fairfax Family Foundation and non-Executive Director of Fairfax Media Limited
- John Peters: brings to the Board over 40 years' experience in architectural design, project management, property development and property management
- Elana Rubin: Director of several NAB life insurance and asset management subsidiaries, Touchcorp Limited, Transurban Queensland and Executive Board Member of Committee for Melbourne

Championing change

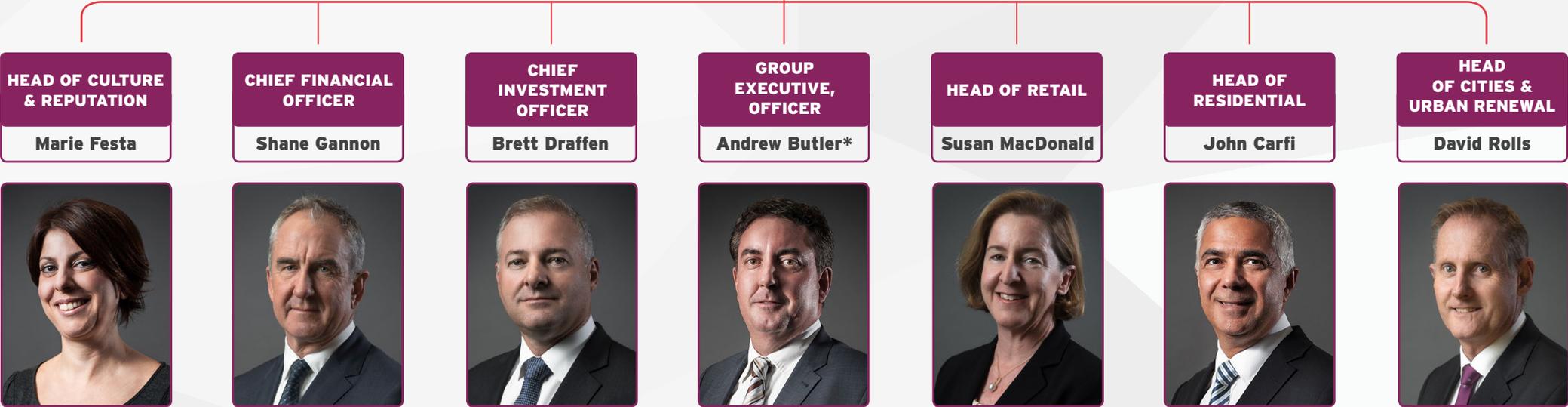
This year, Mirvac's Board has led by example, demonstrating our commitment to sustainability in a range of ways. Several Directors attended Mirvac's Future of Place Forum, and 25% completed Green Star Training, along with 14 executive staff. Susan Lloyd-Hurwitz continued to sit on the GBCA Board, and Chairman John Mulcahy joined the Property Council of Australia's Male Champions of Change Committee, an industry-led initiative designed to support gender equality.

Aside from the changes to our Board, there have also been some changes to Mirvac's organisational structure, detailed in the diagram below. This new structure was implemented on 1 June 2015, and was designed to enable Mirvac to function in a more efficient, streamlined manner. Our governance remains consistent with the Corporate Governance Principles & Recommendations released by the ASX Corporate Governance Council in August 2007, and updated in 2010 and 2014.

To see more on our policies and charters visit [here](#).

Mirvac's new Organisational Structure – Effective 1 June 2015

MIRVAC CEO/MD
Susan Lloyd-Hurwitz



* Interim arrangement, pending selection exercise for Head of O&I

Q&A: Samantha Mostyn

Meet one of Mirvac's newest Directors

What inspired you to join Mirvac's Board?

When Chairman John Mulcahy first told me about his goals for Mirvac, I was immediately interested. Right from the start it was clear Mirvac had a commitment to building a seriously diverse Board that brought together people with a range of professional, social and life experiences. During my interview for the position at Mirvac, John produced the 'This Changes Everything' brochure, explaining that sustainability is a key part of the business strategy, and how my skills could help in delivering our commitments. This was fantastic to hear—in my experience it's the first time sustainability has been front and centre of a Board interview process. And when I did my due diligence and looked further into the company, I discovered a culture that was very much consistent with what I'd been told.

A sustainable approach can actually help drive a profitable business.

What have been your impressions of Mirvac so far?

The Board has already proven to be an interesting, dynamic, diverse group of people, capable of conducting robust, balanced debates, testing ideas and making considered decisions. Removing the gender bias has been key—as one of four women sitting around the table, I feel absolutely 'normal', and part of a group that really does represent our customer base.

What insight and experience do you think you can add to Mirvac?

I don't come from the property sector, but I've had experience with other aspects of infrastructure, such as insurance, banking, roads and transport. It's instilled in me a keen interest in placemaking and future cities—a topic that's very relevant for Mirvac. My previous experience on Boards has also given me a good understanding of governance, and the role a good Director needs to play; when to step in (or not) and how to support management.



Q&A: Samantha Mostyn

Meet one of Mirvac's newest Directors

What drives you in your work, both on Boards and as a consultant?

I believe that good work doesn't need to be restricted to the not-for-profit sector; a sustainable approach can actually help drive a profitable business. I have a general interest in what makes a 'good company', from culture to product. As a Board member, it's a privilege to be in a position to help shape a company's direction. I enjoy hearing the variety of perspectives and insights that arise during Board discussions, debating tough issues and determining solutions.

As a Board member, it's a privilege to be in a position to help shape a company's direction.

What would you like to help Mirvac achieve?

I'd like to see Sue and the team realise their vision, while keeping the business sound and delivering good results to investors. Ultimately, I'd like to see Mirvac become globally recognised as a leading placemaker—a company working alongside government to produce sustainable, workable, liveable communities.



Risk and resilience

A proactive approach to preventing incidents

At Mirvac, risk management is built into all our operations, and we work hard to meet our obligations as an ASX-listed company. While our Board, Audit Risk and Compliance Committee (ARCC) and Executive Leadership Team (ELT) are responsible for ensuring we apply effective risk management strategies and practices, we believe that identifying risk is the responsibility of everyone in the company.

How we manage risk

According to the standard ISO31000 on which our framework is based, a risk is an event that hasn't occurred, but has some likelihood of occurring (and having an impact on our business as a result). Mirvac takes a proactive risk management approach by actively maintaining risk registers using an online system called Active Risk Manager (ARM). This enables us to track and manage risk in a consistent and transparent manner across the organisation.

We recognise there are risks associated with every part of our business process—from the design of a building to its ongoing operation. Therefore, our risk process is cross-functional and enterprise-wide. While the business is accountable for identifying and managing risks, Mirvac's Group Risk team facilitates the enterprise risk management process across the organisation and reports outcomes to the ARCC on a regular basis. Our goal is ensure that risk management is embedded in everything we do.

Internal Audit

Mirvac has a permanent, in-house Internal Audit function made up of certified accountants and auditors. The Head of Internal Audit reports directly to the Chair of ARCC and has unencumbered access to all personnel records and documents of the group. Internal Audit delivers an annual risk-based Internal Audit Plan approved by the ARCC, comprising audits and other assurance activities based on risk and materiality. The Head of Internal Audit also acts as the Investigations Officer for Mirvac's anonymous whistle blowing service.

The implications of climate change

Last year, we worked together with insurance partner Aon to determine the climate change-related risks affecting our properties. This report has now been completed, allowing us to assess existing and potential assets for four types of risk: cyclone, flood, bushfires and earthquakes. In this way, we can see whether an asset is adding to the overall risk of our portfolio, or reducing it—and help our Investment Committees make more informed decisions about which properties we will purchase, retain or sell.



100%

*of employees trained
in fraud/corruption*
**AS PART OF CODE OF
CONDUCT TRAINING**



100%

*of business units
assessed*
**FOR FRAUD/
CORRUPTION RISK**

Risk and resilience

A proactive approach to preventing incidents

A new approach to insurance claims

Another achievement in the past 12 months has been a shift in the way we deal with customer insurance claims. Since November 2014, we have been working with our claims management firm to keep a close eye on all incident reports, actively looking for patterns or consistencies, and seeking opportunities to prevent incidents from recurring. This has involved working with tenants and Property Portfolio Managers to make strategic changes or improvements in our properties—for instance, if we are seeing visitors slipping over, we may alter the cleaning schedule to avoid slippery floors, or use signage to alert people.

Full details of our Risk Management Framework and the ARCC Charter can be found at mirvac.com and in our [Annual Report](#).

What else is new?

Code of Conduct: This mandatory annual attestation has been expanded to include confidentiality and anti-money laundering (AML).

Open Line: Mirvac continues to maintain an Open line, which allows employees, contractors, customers and suppliers to report any fraud, bribery and corruption concerns via phone or email.

Compliance Diary: This has been developed to manage key obligations of Mirvac and its employees. Reminders are now sent automatically to renew licences and maintain other forms of compliance.

eLearning: Continues to be used for Code of Conduct training, but also now enables Mirvac to track other types of continuous learning, such as security training and trust accounts for real estate. We are working towards ultimately managing and monitoring all training online.

Designing Out Our Risk (DOOR): We've set up a Working Group focused on enhancing the already embedded DOOR practice in our processes, with a view to re-launching improved design tools in September 2015. Essentially, the new tools will give project teams a built-in knowledge base they can refer to from the early stages of design—a set of best practice templates to build on where safety risk mitigation is factored in at every stage, from every perspective. Importantly, the new system will evolve over time, allowing us to retain lessons learnt and recommendations from previous projects. Any new initiative identified will be registered and reviewed by a steering committee and, where appropriate, become a minimum standard. All business units will also include a DOOR champion, to ensure consistency of approach and improve the efficiency and effectiveness of the system.

Q&A: Jason Vieusseux

We chat to Mirvac's Group Executive Construction

Since you've been at Mirvac, what has sustainability come to mean to you?

Mirvac had a strong history in sustainability even before I started in 2003-back then we were building the Olympic Village at Newington, Australia's first sustainable suburb. But in recent years, we've certainly started to define sustainability more clearly. Launching 'This Changes Everything' marked a major shift, as it makes sustainability more tangible. Now I think it's easier for everyone to understand and work towards defined outcomes, right down to the sub-contractors working on our construction sites.

Do you think people think about sustainability differently now than they used to?

I think people are becoming far better educated about sustainability, and that's helping support a cycle of positive change. People are grasping what sustainability means, asking questions and now making suggestions. Our customers are also more aware, and they're increasingly expecting us to deliver

products that are more sustainable, without compromising on quality or price. The bar has definitely been lifted.

Many of our great sustainability successes have required us to push ourselves, and find new ways to get the result we wanted.

Why is it so essential that sustainability is integrated into how Mirvac delivers construction?

In my mind, sustainability is inextricably linked to our end goal of delivering better quality buildings. Increasingly, we're realising that by working more sustainably, we're working more efficiently and the end result is better. By challenging supposed barriers, it really is possible to have the best of both worlds-have a great quality, affordable product that's also more sustainable.



I'd have to say the greatest progress has been in terms of the education of our people.

Why is measurement so important in terms of construction sustainability?

In Construction, we're all about setting targets and tracking our progress against them. Translating sustainability into defined targets means we better know what's required, and by measuring our progress we can focus the right resources on making things happen.

What have been some recent highlights that show how far we've come in terms of sustainability?

Our housing team has partnered with CSR to develop an innovative construction technology that manufactures the walling and flooring for our houses at an off-site facility. This greatly reduces the overall construction duration and improves both safety and sustainability outcomes. We will be rolling out the 'CSR Velocity' solution on our Brighton Lakes project in late 2015.

That said, I'd have to say the greatest progress has been in terms of the education of our

people. Now, people in our Construction teams are asking more questions and sustainability is becoming core to what we do. Our teams have always been very strong at delivering our health and safety (HSE) platform; now we're asking them to think about sustainability as the next key platform to focus on.

What's the most valuable thing you've learnt about sustainability while being at Mirvac?

To be inquisitive, and to not take no for an answer. Many of our great sustainability successes have required us to push ourselves, and find new ways to get the result we wanted. If it seems like something can't be done, it's important to ask why not? By identifying the barriers we can then find ways around them. Problem solving is something we do incredibly well here at Mirvac, and that way of thinking is essential for improving sustainability outcomes.

Finally, what's your vision for Mirvac for the future?

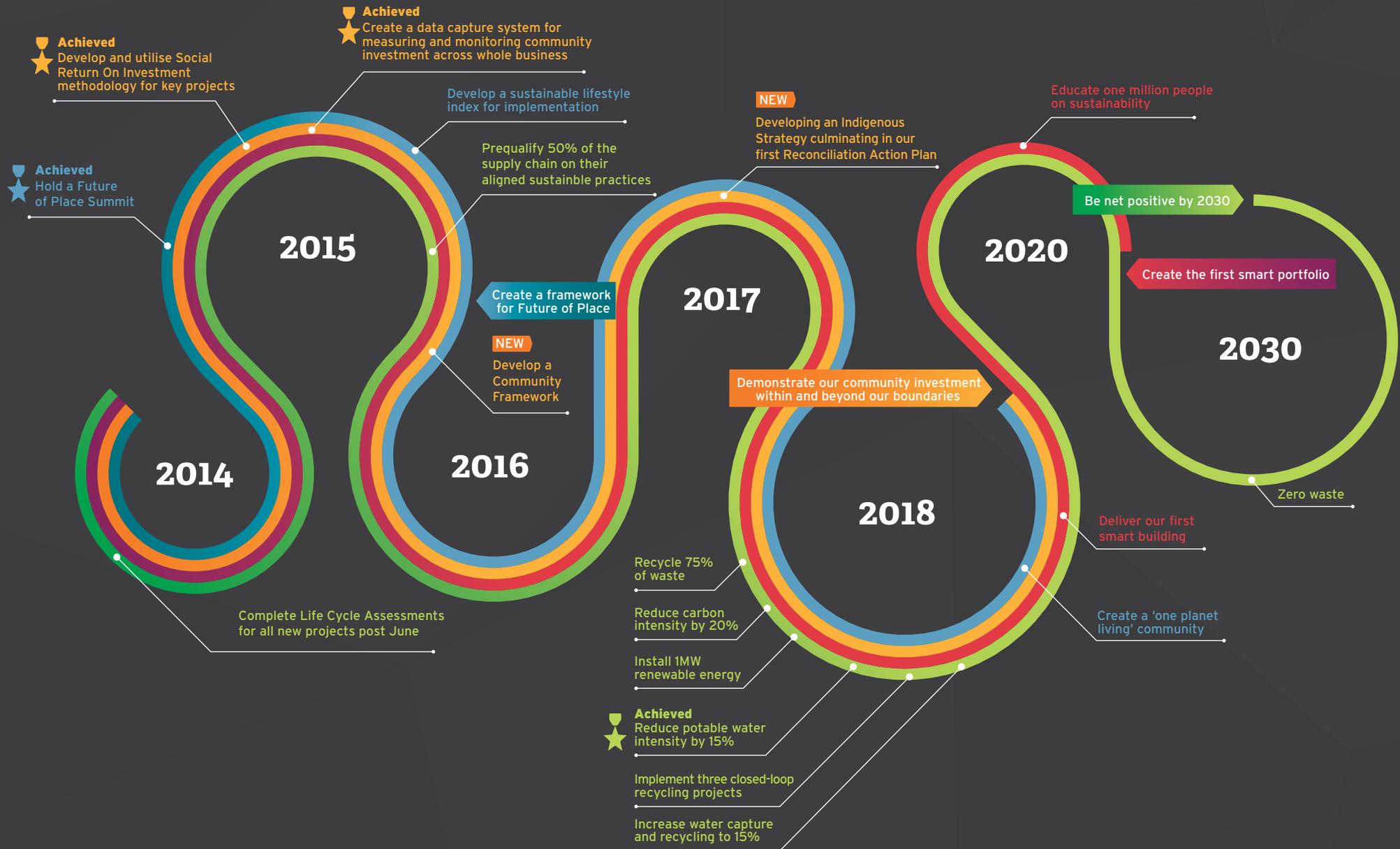
For Mirvac Construction to be renowned for consistently building high quality and innovative projects that exceed our customers' expectations, and to enhance our growing reputation for delivering increasingly complex and challenging construction solutions. We want our teams to look beyond the traditional challenges of time, cost and quality, and

embrace innovation and sustainable thinking in our building practices. And we want our people to keep asking those difficult questions that make change possible!

We want our teams to look beyond the traditional challenges of time, cost and quality, and embrace innovation and sustainable thinking in our building practices.

Looking ahead

From now until 2030





Enriching Communities



Progress so far...

While Mirvac has always invested in communities, there's no doubt that our sustainability strategy 'This Changes Everything' has placed community into a more meaningful and immediate context. Since the strategy was introduced last year, we've already seen a shift in the way our people think and talk about community within Mirvac – and together, we've made some noticeable progress towards our mission.

In fact, of all the pillars of our strategy, community is probably the one where we've achieved the most in the past 12 months. Not only have we reached two of our targets, we've also enhanced the health, wellbeing and quality of life of people in the areas where we operate in many ways – from volunteering and 'in kind' donations, to charity initiatives.

With two new targets now set for 2016 and 2017, we look forward to continuing our progress, and creating places where communities can connect, collaborate and thrive.



Mission: To demonstrate community investment within and beyond our boundaries by 2018

Progress

Target



Community Investment

This system is now in place, and approximately 70 people have been trained to use it. In FY15 we have had access to a full year of data. Over 500 events have been logged on the system with progress reported quarterly to all business unit leaders.

CREATE A DATA CAPTURE SYSTEM FOR MEASURING AND MONITORING COMMUNITY INVESTMENT ACROSS THE WHOLE BUSINESS



Social Impact

We have developed a SROI tool and research focused on the key areas of:

- Improved sense of safety
- Increased sense of community
- Improved health and wellbeing
- Increased sense of attachment and sense of place
- Economic impacts during and post construction

This is based on historic projects. The year ahead will look at how we embed SROI in our future projects and use the tool to make predictions for our developments.

DEVELOP AND UTILISE SROI METHODOLOGY FOR KEY PROJECTS



Community Investment

NEW

We have begun to map the community journey on our developments and the different opportunities to engage with the communities in which we operate.

DEVELOP A COMMUNITY FRAMEWORK



Demographics

NEW

We've begun analysing action previously taken by Mirvac, and are seeking recommendations and advice from external opinion leaders.

DEVELOPING AN INDIGENOUS STRATEGY CULMINATING IN OUR FIRST RECONCILIATION ACTION PLAN

2014 2015 2016 2017 2018 2020 2030

Community Investment



Increasingly, we're recognising that our impact on communities goes beyond the construction of our buildings – and that we have the capacity and responsibility to make a difference on a broader scale.

One of our first targets under 'This Changes Everything' was to develop a data capture system that could accurately measure the community contributions we're making.

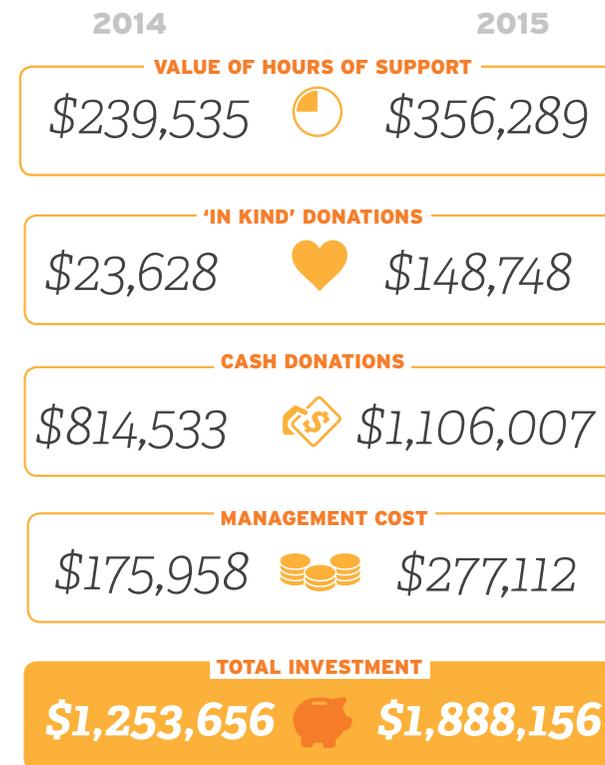
The system we introduced last year for this purpose, the software package iSustain, is now successfully in place. In 2015, we were able to gather granular data for the first time, across the whole business, throughout the year. Due to the system's user-friendly design, it has proven easy for people across the business to report on community investment, whether it's in the form of funds donated to a charity, or time spent volunteering and to start to measure the impacts we have. The upshot: we now have regular reporting and highly detailed, genuinely better quality data, in real time that is distributed to all business leaders.

The system has also allowed us to collaborate more effectively. For example, when a 'construction classroom' developed to educate kids at Orion shopping centre, Springfield, proved successful, we were able to make the same tools and templates available for all construction projects. Now if a good community investment idea comes up, we're in a great position to make the most of it and ensure it can be replicated elsewhere.

We're pleased to say that this year we have increased our hours of support from 4,761 to 6,903, which is an increase of 45% compared to last year.

We've also worked with LBG this year regarding the way we measure 'in kind' community donations. We've now clarified how we report foregone revenue (profits we give up by donating space in our retail centres and offices). According to the metric agreed with LBG, we're pleased to say we've donated over \$7,005,970 in foregone revenue from retail centres and offices this financial year, and an

additional \$138,858 was donated from our employees, customers and suppliers. This year Mirvac made it's largest contribution ever to the communities in which it operates, in the form of cash, time and 'in kind' support.



Case study:

NATIONAL COMMUNITY DAY

DELIVERS ON:



10 November 2014 was a big day for Mirvac, as that was when we held our very first National Community Day.

730 Mirvac employees took part in over 47 events across Australia, ranging from knitting circles to buddy days, charity shop clear-outs and working bees. Even our contractors got involved, donating their services to support teams in painting, concreting and general repairs to community facilities.

We ended up supporting 35 different charity partners on the day.

This year, we wanted employees to have the chance to support the charities close to their hearts, so while promoting the event, we actively asked them to propose charity partners. For the first time we also had a Community Day online hub that allowed everyone to see what events they could take part in across the country.

NATIONAL COMMUNITY DAY



730
employees took part



47
events across
Australia



25.8
tonnes of waste
generated



22.8
tonnes of waste
recycled (88.5%)

Case study: NATIONAL COMMUNITY DAY

On the day, we ended up supporting 35 different charity partners across the country. Activities included undertaking major renovations at Glebe PCYC (NSW), which is linked to our Harold Park Development, and 50 volunteers working to makeover OzCare Homeless Hostel (QLD)-a fantastic community facility that's next door to our Art House development.

Click [here](#) for the video.

We also worked with a range of charity partners Mirvac has a long history of supporting, such as Westmead Hospital (NSW), the Starlight Foundation (WA), and Berry Street, a not-for-profit Victorian organisation that helps protect families from violence, neglect, abuse, trauma and poverty.

It was great to see our people come together for such a good cause.

The work carried out as part of the National Community Day resulted in the generation of 25.8 tonnes of waste, of which 22.8 tonnes or 88.5% was recycled.

It was great to see our people come together for such a good cause, and we look forward to repeating the event next year, with even greater emphasis on aligning our initiatives directly with the communities in which we operate.



Community consultation

At Mirvac, we know that effective engagement with stakeholder groups isn't just good business practice – it's also invaluable in helping us achieve key community and corporate outcomes. For this reason, we have a set of Community Consultation Frequently Asked Questions (FAQs) and a consultation matrix that can be used in the early stages of planning as a reference guide. Using these tools, we can ensure our community consultation is effective and consistent.

The importance of community consultation was strongly emphasised at our Future of Place Forum.

Our FAQs are based on industry best practice and the AA1000 Stakeholder Engagement Standard, and are also incorporated into our residential Project Delivery Process for monitoring. They assist us in assessing projects and identifying what engagement is appropriate –and how much influence the community can realistically have.

During construction, we have clear protocols in place that guide how we engage with the local community and respond to queries (these are incorporated into HSE processes to ensure all activity is recorded and responded to effectively). Once construction is complete, this process continues with our customer service team who engage with new tenants, responding to queries and supporting our new communities. We're also building on this by creating a community framework with tools and templates for community engagement across the lifetime of projects.





Keeping Bondi connected

This year saw us launch The Moreton at Bondi, which has been a great demonstration of our community consultation process in action. After purchasing the site from the Benevolent Society, we were mindful of its long history, and took this into account through the developments design-retaining features such as the existing Scarba heritage House and the walk through link that were important to local people.

During the development phase, we also engaged extensively with local stakeholders, particularly schools. Through meetings with childcare workers, teachers and parents at Bondi Public School, Montessori & Long Day Day-Care Centre, we were able to identify their concerns and provide solutions, such as dust screens to prevent dust affecting the adjacent childcare centre.

As part of the process, we also held a public exhibition on the site. This allowed residents and the surrounding community the opportunity to see what was being proposed, meet the project team and ask questions. It also enabled Mirvac to get firsthand feedback on our development design and understand local concerns.



Throughout the construction phase, we kept local residents informed of what was planned outside the approved DA conditions (with prior council approval), and furthermore kept schools in the loop with three-weekly email updates to inform them about any upcoming major works (such as the erection of cranes). We also provided a dedicated 1800 number responding to resident queries.

Riverside Quay Place Renewal

The City of Melbourne and Mirvac are working in partnership to renew the Riverside Quay area in Southbank. Since April, we have been undertaking community engagement as part of this process, aiming to find out who is using the area, how it is being used, and what people have to say. This has included intercept surveys, vision workshops, establishing a community reference group and hosting an online forum and website.

The feedback we receive during community engagement will help us create a vision for the Riverside Quay area, which will be released for further community engagement later this year. The vision will then inform a master plan that will outline how the existing area could be renewed to meet the needs and values of the local community.

RIVERSIDE QUAY PLACE RENEWAL

JOIN THE CONVERSATION



We're very keen to build on our knowledge and build capacity among the community to work together.

This will directly influence designs for the public realm and works Mirvac undertakes as part of our Riverside Quay development. We're very keen to build on our knowledge and build capacity among the community to work together to transform this area into a thriving hub for Melbourne.

Changing our approach to charity

In keeping with our new focus on measuring our community impact, we decided to review our charitable activities. This involved developing and launching a new charity strategy, coordinating our charity activities nationally, targeting shared value opportunities, and keeping employees more engaged and aware in the process.



**MIRVAC'S BUDGET FOR
DELIVERING OUR**

*corporate charitable
strategy*

\$160,000
per year

The new strategy has allocated budgets for national and regional charity partners (which will be reviewed every two years in alternate years), workplace giving, donation matching and crisis support (which this year included donating to emergency appeals for Vanuatu, Nepal and the NSW floods). We will also continue our partnership with the Property Industry Foundation (PIF) to keep youth off the streets.

This means there is now a yearly ring-fenced budget of \$160,000 for delivering our corporate charitable strategy. This includes a donation of \$50,000 per year for our National Charity partner, as part of a two-year commitment. All donations made by the committee are to registered charities that meet our new publicly disclosed charity policy.

A new committee

To implement the strategy, we've also set up a new Charity Committee, made up of individuals across all areas of the business and all states, elected by the Executive Leadership Team.

Workplace giving

In October 2014, we introduced workplace giving, which enables Mirvac employees to donate to the charity of their choice automatically via salary sacrifice. Currently, 3.9% of employees are choosing to support a

charity in this way. This year, Mirvac matched donations to the value of \$10,688, with employees making a total contribution of \$32,540.

Donation matching

Employees may now apply to have charity donations made through fundraising, matched to the value of \$200 per year, and can apply via our intranet for additional funding from the charity committee for any project initiatives they are working on.

Volunteering opportunities

For several years, we have given Mirvac employees the opportunity to spend one working day per year volunteering for charity. Now, we're able to promote and manage this activity in an easier, more centralised way through the new Volunteering Hub. Accessible via the intranet, the hub shows what charity activities and opportunities exist for Mirvac employees across the country, so employees can take their pick. The hub has also opened up opportunities for broadening certain charity activities—for example, this year, we expanded our support for the Bandaged Bear initiative for Westmead Hospital, enabling employees across the business to volunteer for fundraising across a number of our assets.

Corporate community strategy



Our first ever National Charity Partner: The Smith Family

When our new Charity Committee was set up, their first task was a big one: to select our first National Charity Partner for Mirvac for a two-year partnership. Keeping in mind the new charity strategy, and the preference voiced by employees for charities focused on shelter, education and youth issues, the committee put forward 15 candidates. This was narrowed down to a shortlist of 10, who met with Mirvac's social sustainability team. Of those 10, five were asked to respond to a written brief – and after reviewing these responses, the Charity Committee then nominated two finalists who presented in person.

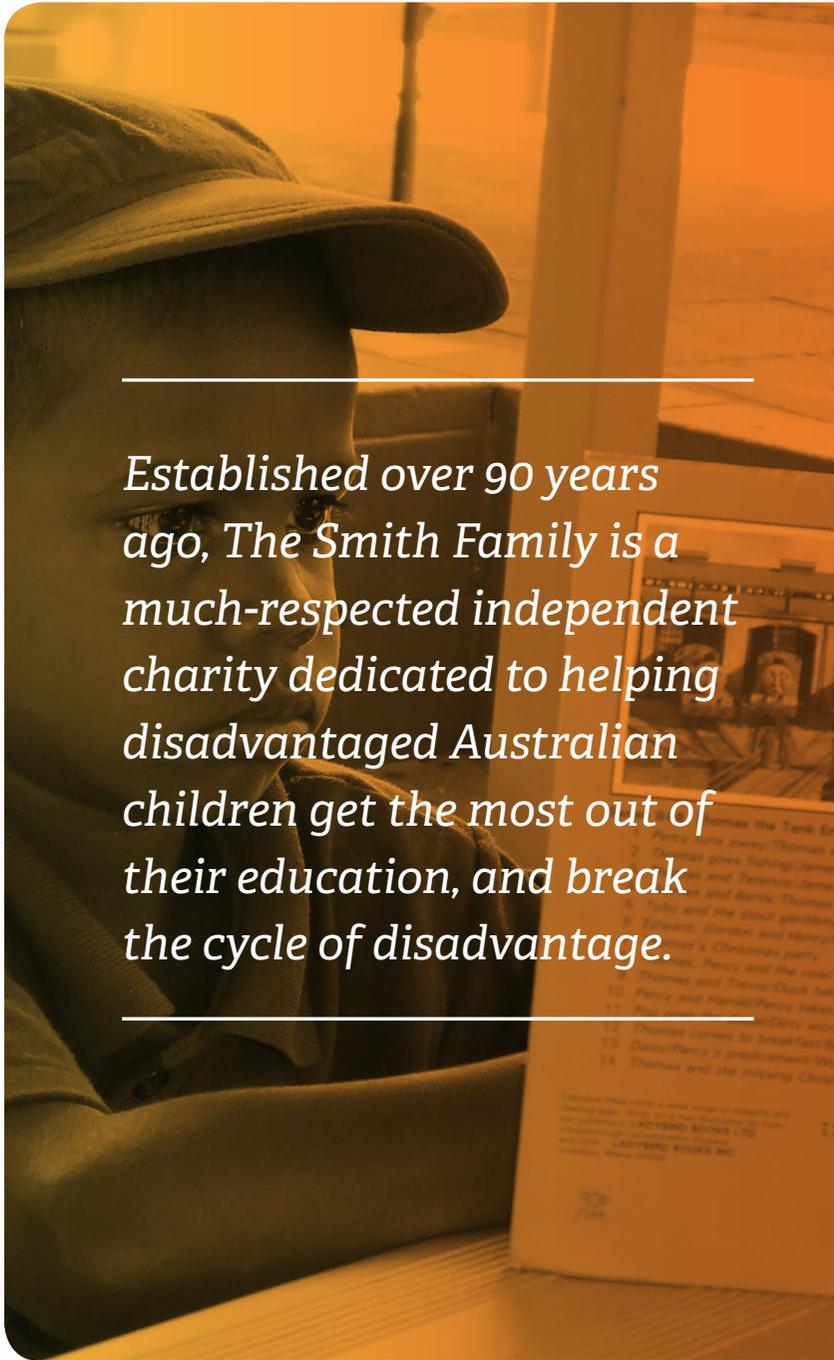
Mirvac is committed to donating to the Smith Family for two years

\$50,000
per year

It was a long and involved process, and a tough decision; but following the final presentations, the Charity Committee presented their recommendation to the ELT, and our National Charity Partner was announced as The Smith Family.

Established over 90 years ago, The Smith Family is a much-respected, independent charity dedicated to helping disadvantaged Australian children get the most out of their education, and break the cycle of disadvantage. Active in 94 communities across the country, The Smith Family's work currently centres on Learning for Life—a program for children from pre-school to the time they're in the workforce. Designed to help create brighter futures for young Australians, Learning for Life gives children financial assistance, a support network and access to Smith Family education programs. It's a great reflection of the Smith Family's goals and values, and a reminder what a good match this organisation is for Mirvac.

We're excited to be working with The Smith Family for the next two years, and look forward to finding new Regional Charity Partners, which will be nominated by an employee vote in each state next year.



Established over 90 years ago, The Smith Family is a much-respected independent charity dedicated to helping disadvantaged Australian children get the most out of their education, and break the cycle of disadvantage.

Weathering the storm

May 2015 brought with it some dramatic storms and floods that devastated many areas of NSW, including Maitland-home to our Saddler's Ridge Masterplanned Community. With 313 of our residents affected by the floods, Mirvac quickly stepped up to see what we could do to help. After enquiring about how their community felt we could best support them, we donated \$5,000 to the Salvation Army so they could provide food and support for those in need. We hope the community continues to make a swift recovery.



Mirvac donated

\$5,000

TO THE SALVATION ARMY

Start of the art

In an innovative new partnership, Mirvac has teamed up with the National Art School to give emerging artists a whole new avenue for exhibiting their ideas: commissioned works for our assets. As well as broadening our engagement with the community and providing grassroots funding for new artists, this partnership will enable us to enhance the look and feel of our developments, and the experiences people have there.

We've also been working with the National Art School to develop a sustainable plan for the school's site.

Our first project has been to commission five up-and-coming artists to submit their ideas for a large-scale public work to be installed in the Sydney CBD laneway adjacent to our 200 George Street development. One concept has been selected for further development, and workshops are underway to make the installation a reality. We've also

been working with the National Art School to develop a sustainable plan for the school's site in Darlinghurst, Sydney, and looking at opportunities to commission art for some of our office foyers.

Our artistic endeavours haven't been limited to Sydney either. In Perth, we enlisted the help of external art curators as part of our Old Treasury Building development-a precinct which will ultimately house government and community facilities and a hotel. After redesigning the ground level lobby to include a café and bistro, we briefed several leading interactive artists to submit concepts for making the area even more inspiring and inclusive. The winning artist, Sohan Ariel Hays, created an incredible concept that will feature life like, motion-sensitive images of fish and aquatic life projected into a central pond. Due to be installed when the development is completed in 2016, this piece will certainly bring the pond to life in a way we never could have envisaged, and attract families and children to a precinct that would otherwise be seen as more corporate.



Christopher Phillips

Case study:

FOOD FOR THOUGHT

DELIVERS ON:  

When the development team began work on-site at 200 George Street, Sydney, they quickly noticed the number of homeless and disadvantaged people in the local area. Deciding that they wanted to do something positive to address the issue, the team approached Scots Presbyterian Church of Sydney, a nearby church that was already providing food to those in need on a regular basis.

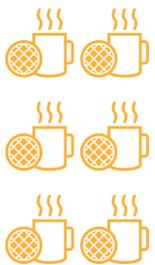
Over several months, we worked closely with the church to help it become a registered charity and help support the work it was already doing. As a result, Mirvac is now serving hot breakfasts to disadvantaged people in the area every Friday morning through 'Galleries'-a public place, that is free to access, promotes human interaction and educates the volunteers on a sociocultural level. As well as volunteering in the kitchen, the 200 George Street construction team has raised enough money to fund the entire initiative for a year, lightening the load on the church and showing our commitment the community.



Case study:
FOOD FOR THOUGHT



We now have 14 Mirvac employees volunteering their time across two shifts every Friday, and have served over 1,500 hot breakfasts this year alone. Even our industry partners and clients are getting on board and donating their time at Galleries, including Corrs Chambers Westgarth, Qantas, NRMA, the Climate Institute, GBCA and a number of institutional investors. It's certainly been a valuable lesson in the power of proactivity, and a truly satisfying way to make an immediate difference to those around us.



WE HAVE SERVED OVER
1,500
hot breakfasts
THIS YEAR ALONE.

BY MIRVAC EMPLOYEES AT GALLERIES



Social Impact

The status of Social Return on Investment

Understanding the social impact of our design and investment decisions is fundamental to creating places where people want to work, play and live. That's why over the past year, we've been working on a tool that measures the Social Return on Investment of our developments, aiming to better understand what our impact truly is.

Our aim is to not have a definitive SROI ratio for each development, as we know there will always be unique attributes to all projects. We want to be able to identify and analyse specific areas of social value created from design and investment decisions.

So we embarked on an initiative that was an industry first, working with KPMG to better understand the social changes we create.

SIX AREAS OF FOCUS



Improving the quality of the public domain



Contributing towards healthy and active living



Improving community cohesion and interaction



Enhancing local identity by providing places of cultural heritage significance, as well as arts & culture programs



Investing in construction projects that generate acceptable returns for the economy



Investing in projects that can enable sustainable ongoing economic activity

We wanted to be thorough and rigorous in our approach, because we know it's a complex topic. We didn't just want to better understand where our money was going, but also to understand our impacts and their value to our customers, partners and business.

So we began by looking at various government and sustainability indices, with the goal of finding common threads. We facilitated interviews and workshops across Mirvac and, with our partners, asked about their perceptions of Social Return

We were able to distil our findings down to six core areas of focus, which became the basis for our tool.

on Investment and where they thought value was created. We also researched industry best practice and guidelines and undertook a massive data collection from across our business.

From this research, we were able to distil our findings down to six core areas of focus: improving the quality of the public domain, contributing towards healthy and active living, improving community cohesion and interaction, enhancing local identity by providing places of cultural heritage significance as well as arts and culture programs, investing in construction projects that generate acceptable returns for the economy and investing in projects that can enable sustainable ongoing economic activity.

When analysed against ABS General Social Survey Results, our initial findings have shown that our developments perform significantly higher when rating people's sense of safety or community in comparison to surrounding areas. Early results have identified the average number of people satisfied with sense of safety in a Mirvac development was 89%, compared to an average of 67%, with some states seeing an increase of over 30% in comparison to surrounding areas. This is an average saving in the reduced cost of crime of \$300 per residency.

Likewise, a satisfied sense of community in a Mirvac development was 87% compared to an inner city average of 71%. Sense of community appeared stronger in places where we have actively supported the creation of residents associations or employed community connectors.

Having collected data from across the business, we have been able to create an internal tool entitled 'Social Change-Understanding the Social and Economic contributions of Mirvac developments'. This will predict certain economic and social outcomes for new projects. We have also been able to develop a clear roadmap for information we know we need to gather going forward.

Our plan is to share the findings of our research in external reports during 2015. Our aim is to also really delve into some of the more specific drivers for increased impacts, to start to improve our data collection and continue to analyse new projects going forward.



of people felt satisfied with the sense of safety in a Mirvac development
COMPARED TO THE AVERAGE OF 67%*



of people felt satisfied with the sense of community in a Mirvac development
COMPARED TO AN INNER CITY AVERAGE OF 71%**



average saving in the reduced cost of crime
PER RESIDENCY

*Based on Mirvac Medallia survey respondents and "General Social Survey: Summary Results, Australia, 2010", Australian Bureau of Statistics, 30 September 2011. **Based on Benchmark Mirvac Medallia survey respondents and VicHealth Indicators Survey, Vic Health Research, 2011

Indigenous inspiration

The site of our Parkbridge Masterplanned Community in Middleton Grange, NSW, came with a long heritage. Three individual PADs (Potential Archaeological Deposits) had been found on the site, so we were very mindful of being respectful of the area's Indigenous history throughout our development process.

We were very mindful of being respectful of the area's Indigenous history.

After spending time with the Darug people, the Indigenous group who previously inhabited the site; we commissioned Indigenous artists to create a series of paintings designed to capture the culture, stories and values of these tribes. These paintings were then made into plaques that have been integrated into Parkbridge's design aesthetic. Now both residents and visitors can be educated about the site's origins, and be reminded to honour and respect the people who originally lived there.



Re-setting our sights

Having already achieved our first two Community targets, we've now set two new ones.

Achieved
★ Develop and utilise Social Return On Investment methodology for key projects

Achieved
★ Create a data capture system for measuring and monitoring community investment across whole business

NEW

Developing an Indigenous Strategy culminating in our first Reconciliation Action Plan by 2017.

Work on an Indigenous Strategy, including a Reconciliation Action Plan, has already commenced. We're currently conducting interviews internally to identify current and past initiatives, determine what has been effective, and see where opportunities and potential partnerships may exist. We're also meeting with external parties and peers who are leaders in indigenous strategy and reconciliation, including Qantas, CBRE and CBA. Once we have the information and insight we need, we'll work towards developing a three-year plan.

Demonstrate our community investment within and beyond our boundaries

NEW

Develop a Community Framework by 2016

The purpose of this is to take all the knowledge we've gained from engaging with communities over the years, and to use it to develop a set of tools and templates that can be used across the business. As well as making our activities more consistent, this will promote a 'best practice standard' for community engagement across all our assets.



Smarter Thinking



Progress so far...

Smarter Thinking is a powerful part of our strategy. Whether it's by educating people, empowering our workforce to work more flexibly, or pioneering innovative technologies, we want to gain and maintain an edge in our industry. We've already acknowledged we don't yet know exactly how we'll achieve our strategy missions – so we're relying on smarter thinking to get us there.

This year, the way we think about sustainability has continued to shift. Initiatives like our Hatch innovation program have continued to grow, and we've made some visible progress towards our education and smart building targets. There's still a long way to go, but the momentum hasn't slowed one bit.

What is a smart building?

Essentially, a smart building uses an Intelligent Building Management System (IBMS) to deliver greater cost savings, functionality and desirability. Our residential business describes it as improving customer quality of life through enabled and connected communities, using SMART thinking to improve customer wellbeing and their environment. Responding to and predicting new ways in which people live.



Mission: To educate one million by 2020

Progress



Skills & Training

Total educated so far:

201,234

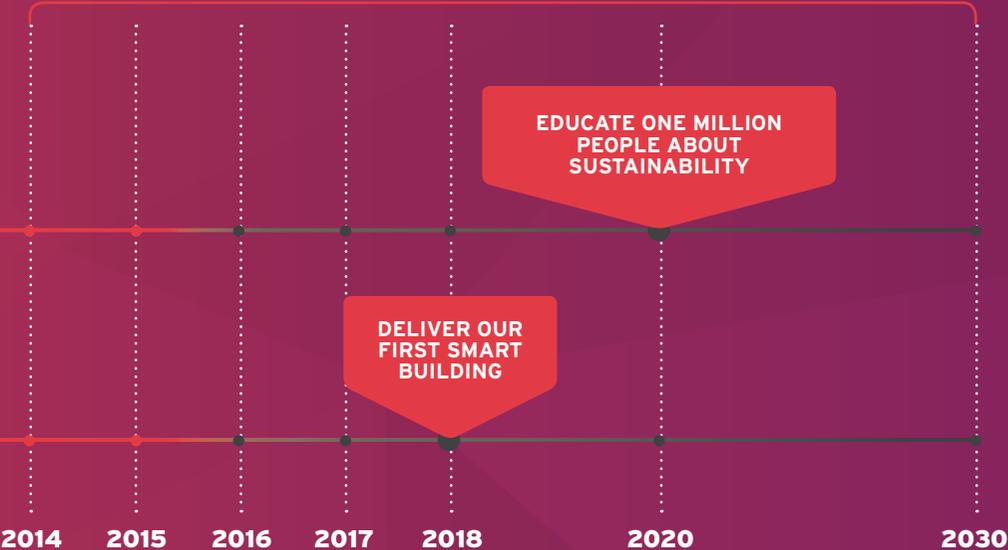
(21% of one million).



Technology

We are trialling various forms of smart building management technology and developing a set of definitions and commitments for our different units.

Target



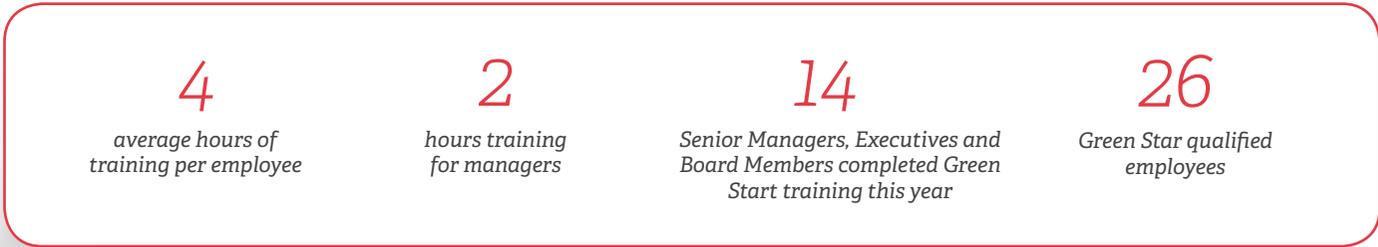


Skills and training

Education and training isn't just about building the skills of our own people – it's about inspiring positive change on a broader scale. Teaching people about sustainability is a major focus of our strategy, and this year we've continued to progress towards our mission to 'educate one million people'.

From our new employees licence, to operate training, to on-site inductions and Board meetings, sustainability will soon be included in Mirvac training and processes for all employees, at all levels. Beyond that, we continue to take every opportunity to promote sustainability to customers, tenants, suppliers and within the community.

This year, we've educated 178,926 people on sustainability, 18% of our target. We can partly attribute this to our ongoing communications with stakeholders, but we've also started to target people through new avenues such as our film competition **Nudge by Mirvac** and the **Australian Supply Chain Sustainability School**. Enlightening times are ahead!



Learner's licence

In their first month at Mirvac, every new employee completes compulsory 'Licence to operate' (LTO) training. Over the past 12 months, we've developed a new sustainability section to be included in this training, designed to give employees the knowledge to help implement our sustainability strategy from the very start. Due to be implemented in FY16, this is just one more way we're ingraining 'This Changes Everything' into our culture.

The Mirvac Learning Academy

Based on feedback from our 2014 employee engagement survey, we recognised the need to improve the learning and career development options available to our people. In response, we've started to develop what we call the Mirvac Learning Academy: a website on our intranet where employees will be able to view learning and development options available to them. This will help people develop technical property skills, interpersonal and leadership skills-and it will also help provide introductory training to those who are new to Mirvac.

Fit-outs of the future

With our upcoming move to a new HQ, we've been learning a lot about the office 'fit-outs of the future'. It only made sense to share this knowledge and inspiration with our tenants -so we created a Sustainable Tenant Fit-out Guide just for them. Designed to prompt tenants to rethink their current working environment, this guide shows tenants how they can consider and integrate sustainability in a variety of ways, from flexible layout to new communication technology. We look forward to seeing how this will help shape the working environments of our tenants, and the benefits they'll experience as a result.



Lights, camera, action

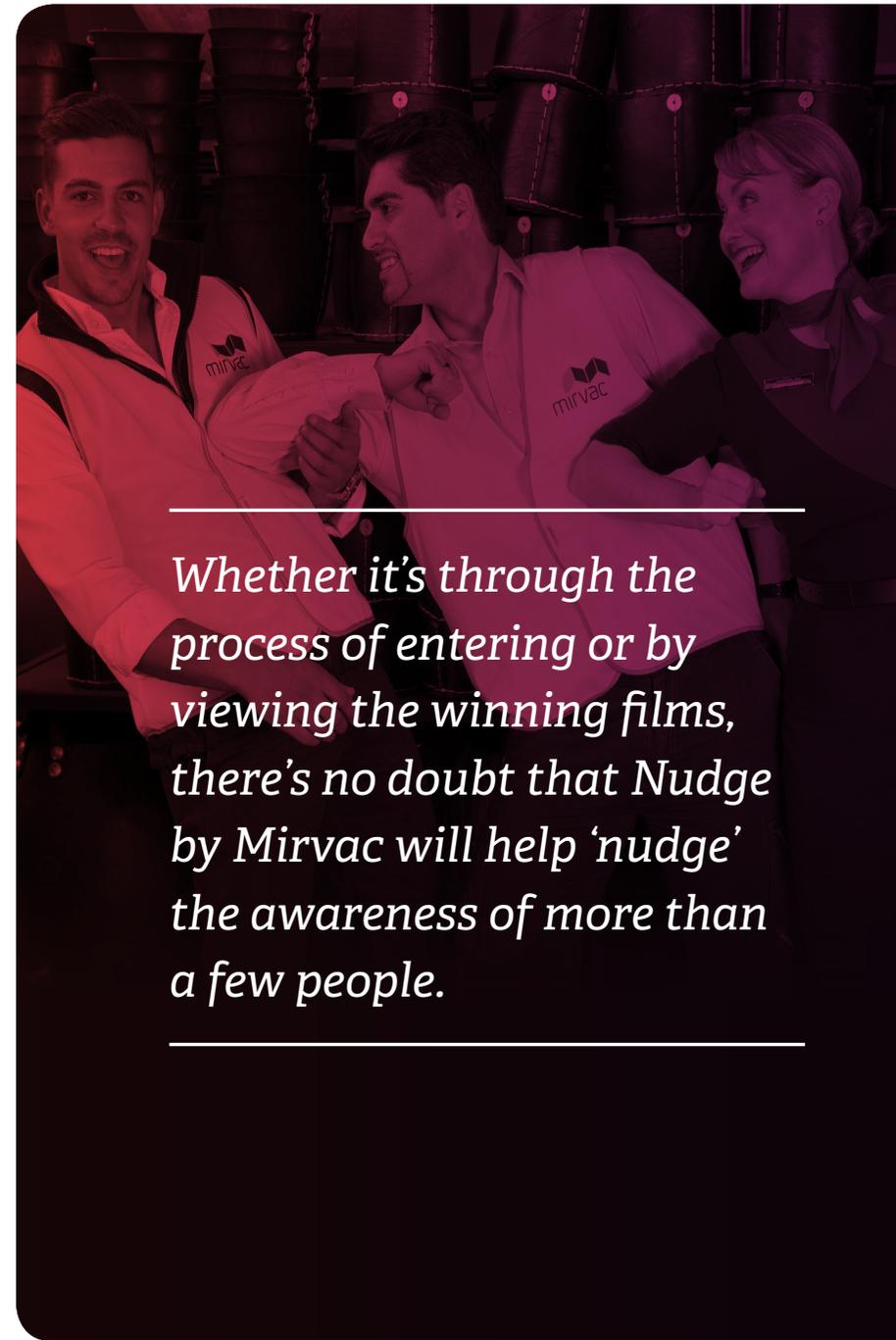
Film festivals have become hugely popular among Australians in recent years, and in August 2015 Mirvac jumped on board with the launch of Nudge by Mirvac, our very own Sustainability Film Competition. We challenged the community to 'nudge a neighbour to change a behaviour'!

Inspired by our mission to 'Educate one million', this nationwide competition invites people to create and submit original short films which aim to educate people on the topic of sustainability. Entries opened in August, with judging set to take place late 2015, and there will be two categories: one open to all and one just for students. To support the student competition, we've collaborated with Cool Australia to create curriculum to educate students about energy, water, waste and materials—equipping them with the knowledge they need to start creating films.

Nudge by Mirvac has also seen us join forces with Qantas, which will promote the competition through its media channels and donate eco-tourism prizes for the winners. Harvey Norman has also come on board as a sponsor and prize donor.

With Adam Spencer as its ambassador, Nudge by Mirvac has already attracted considerable attention.

With Adam Spencer as its ambassador, Nudge by Mirvac has already attracted considerable attention. We're excited to see the entries as they roll in, and plan to screen the finalists at our national Summer Festival film nights (and that's just for starters). Whether it's through the process of entering or by viewing the winning films, there's no doubt that Nudge by Mirvac will help 'nudge' the awareness of more than a few people.

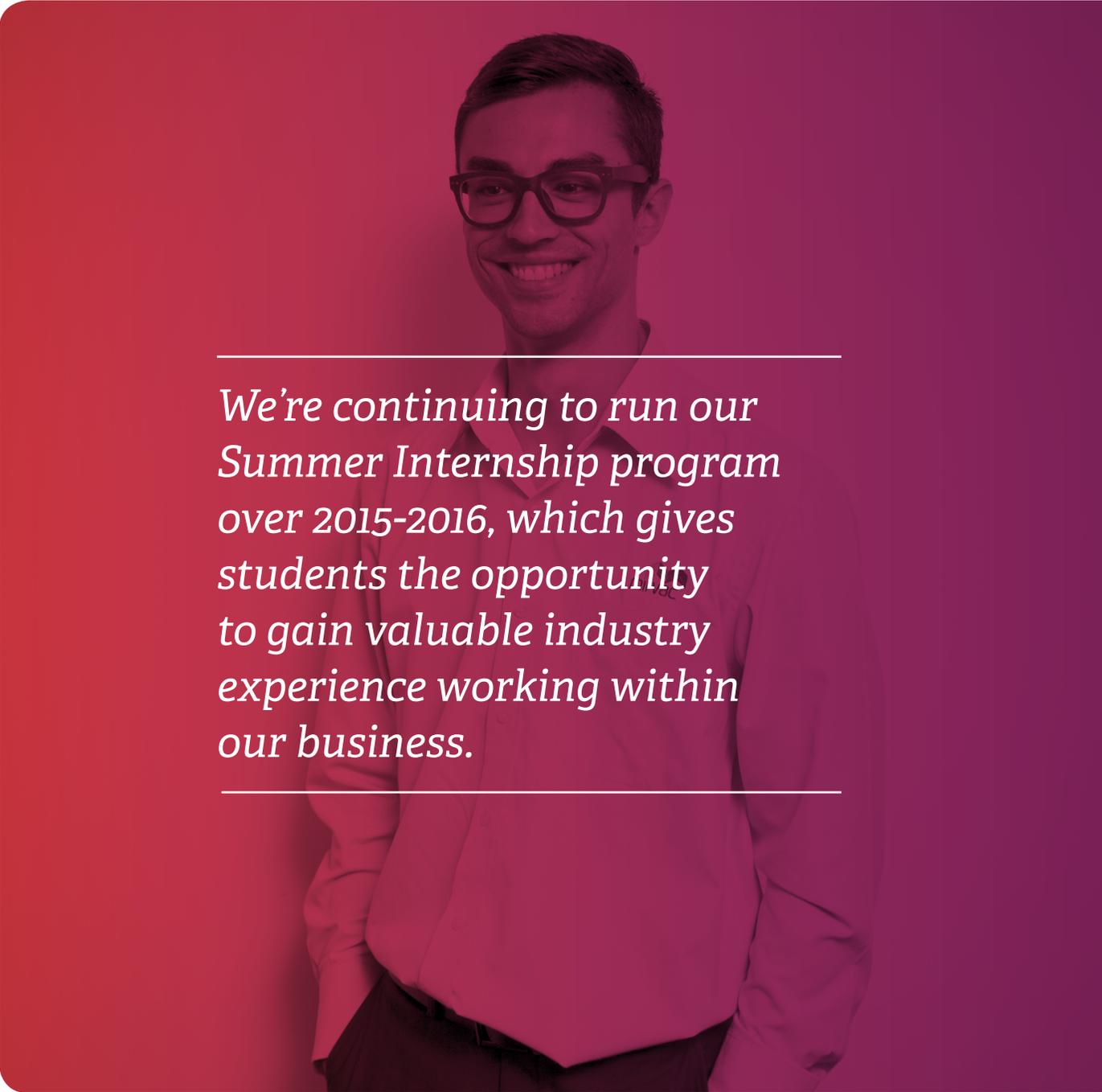


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Nurturing our next generation

We're always keen to help young people make the most of their potential, whether it's through internships, cadetships or scholarships. This year, we were delighted to award the Mirvac Scholarship and Cadetship to Troy Hamer, who previously worked with us as an intern at Middleton Grange. While he was born deaf, this has proved to be no obstacle for Troy—who finished the HSC and went on to complete a TAFE diploma in Architectural Technology, before starting a Bachelor of Housing degree at University of Western Sydney. The Mirvac scholarship will fund the final semester of this degree, after which Troy will commence a Cadetship for Mirvac Construction at Elizabeth Hills. Congratulations Troy!

We're also continuing to run our Summer Internship program over 2015-2016, which gives students the opportunity to gain valuable industry experience working within our business. There are up to 18 positions available within development, construction, design, sustainability, sales and marketing, finance and retail departments. Each intern will be partnered with a senior Mirvac staff member, who will act as their mentor throughout the program. We look forward to welcoming these new recruits.



We're continuing to run our Summer Internship program over 2015-2016, which gives students the opportunity to gain valuable industry experience working within our business.

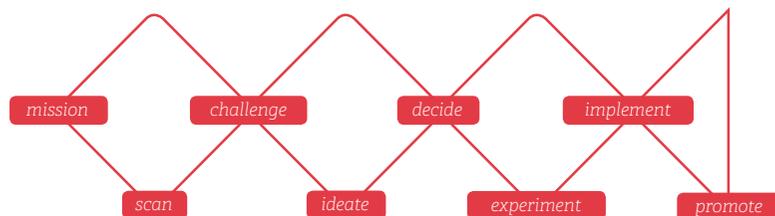
Innovation

While many pay lip service to innovation, at Mirvac we're determined to 'walk the talk'. Last year we launched Hatch, our innovation program – and in doing so, we made a clear demonstration of how fundamental innovation is to our business. In the past 12 months, we've continued to strengthen and grow this program, and it's gratifying to see the impact it's having on our business.

Innovation process

The process and methodology Hatch is built on is now being picked up and used in many contexts across the business, and we're confident this will help us develop, test and explore more and more ways to achieve our sustainability goals.

Click [here](#) for the video.



Source: Inventium



Hatching continues...

In December 2014, after months of intensive workshopping with the ELT and CEO, the Hatch team announced eight Innovation Missions. These Missions, which are aligned with business strategy, are where the business wanted to shine a light and focus its innovation efforts over the next few years.

These Missions were carefully chosen to address the biggest opportunities and the biggest challenges for Mirvac, and included one of the missions from 'This Changes Everything'-to educate one million people about sustainability.

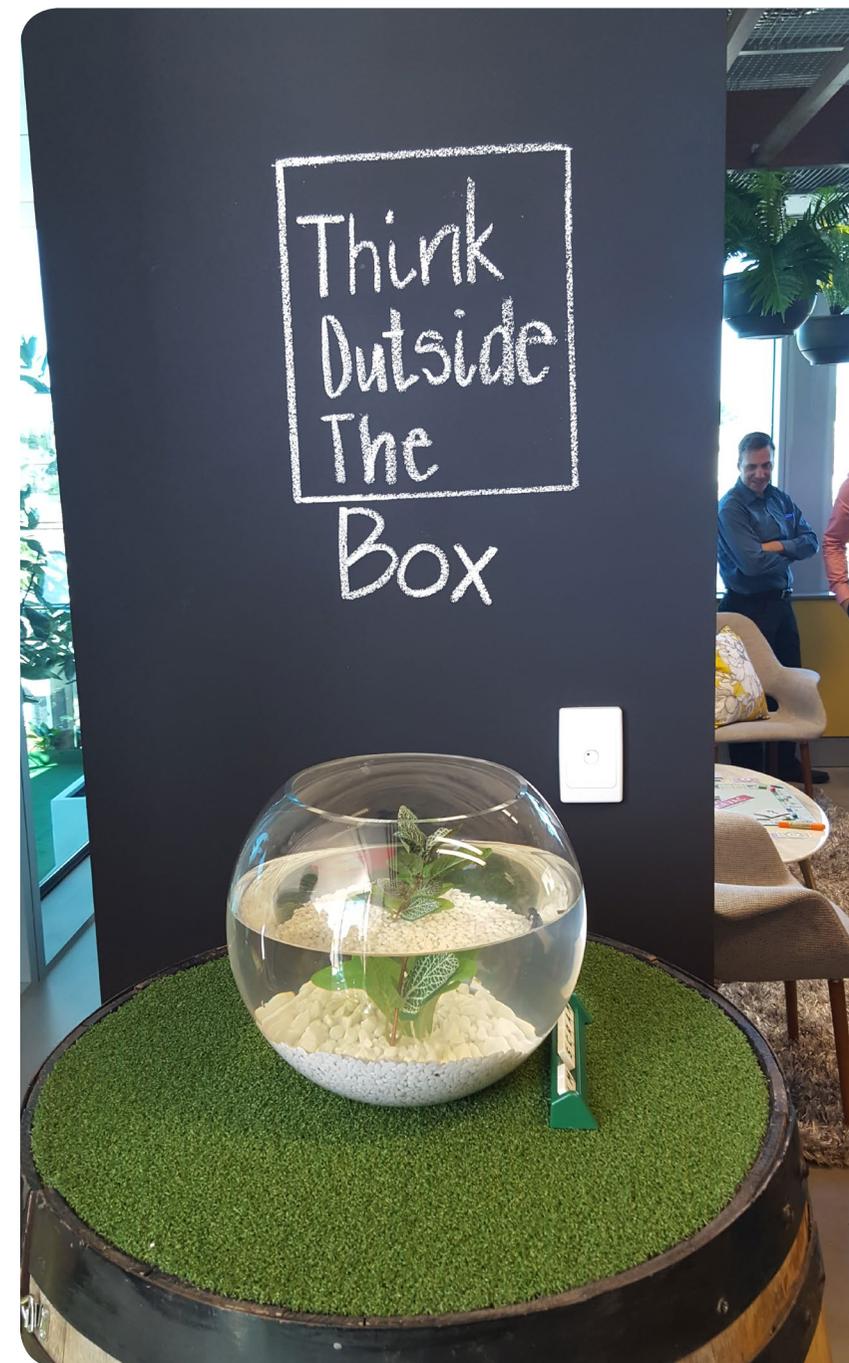
Innovation Champions were assigned to each Mission, and they have already made a great start on the first part of their process: exploratory research. While the Champions have two to three days per month allocated to innovation, we know it's still a challenge to juggle these responsibilities in addition to a

regular job. So to give the original Champions added support, we also decided to train up a second group-so we now have 45 Champions across all parts of the business, giving innovation an even stronger presence.

We'll soon have 45 Innovation Champions across all parts of the business.

Grand designs

While we are busy developing Hatch's 'innovation pipeline' we have also rolled out the very successful 'Hatching Space Challenge'. This involved the Hatch team inviting all Mirvac employees to submit ideas for how they could transform 'dead' spaces in our offices into something more inspiring. Teams with diverse skills were then selected to bring the winning ideas to life, with just a \$15,000 budget and six weeks.



The first spaces that sprang up were at our head office: 'Bar 28', a warm, inviting, open space inspired by the small bars of Sydney, and 'The Park', a space used for quiet contemplation. The concept and resulting spaces proved so popular, we repeated the process again in Brisbane, Perth and Melbourne. All teams also made great use of waste and recycled materials from display suites, building sites and wherever else they could locate them.

Teams with mixed skills were then selected to bring the winning ideas to life, with just a \$15,000 budget and six weeks.

As well as giving employees spaces that invite and inspire innovation, the Challenge was great because it made Hatch tangible to everyone. These spaces are a constant reminder that innovation is increasingly embedded in our business and here to stay.



Best practice innovation process



Super champions



Challenges put to the business



Missions



People trained to be innovation champions



Ideas to solve challenges crowd-sourced from the business



Ideas to solve challenges sourced from Ideation workshops



Of Ideation workshop participants external to Mirvac

Technology

Technology continues to help us improve how we do things at Mirvac – whether it’s by increasing efficiency, cutting costs, reducing our environmental impact or delivering a better quality product. In several places, we’re seeing years of trials and testing start to bear fruit, but we’re far from complacent. While we’re not sure what the ‘next big thing’ will be in technology, one thing is for certain – we’re doing our absolute best to figure it out.

Game on

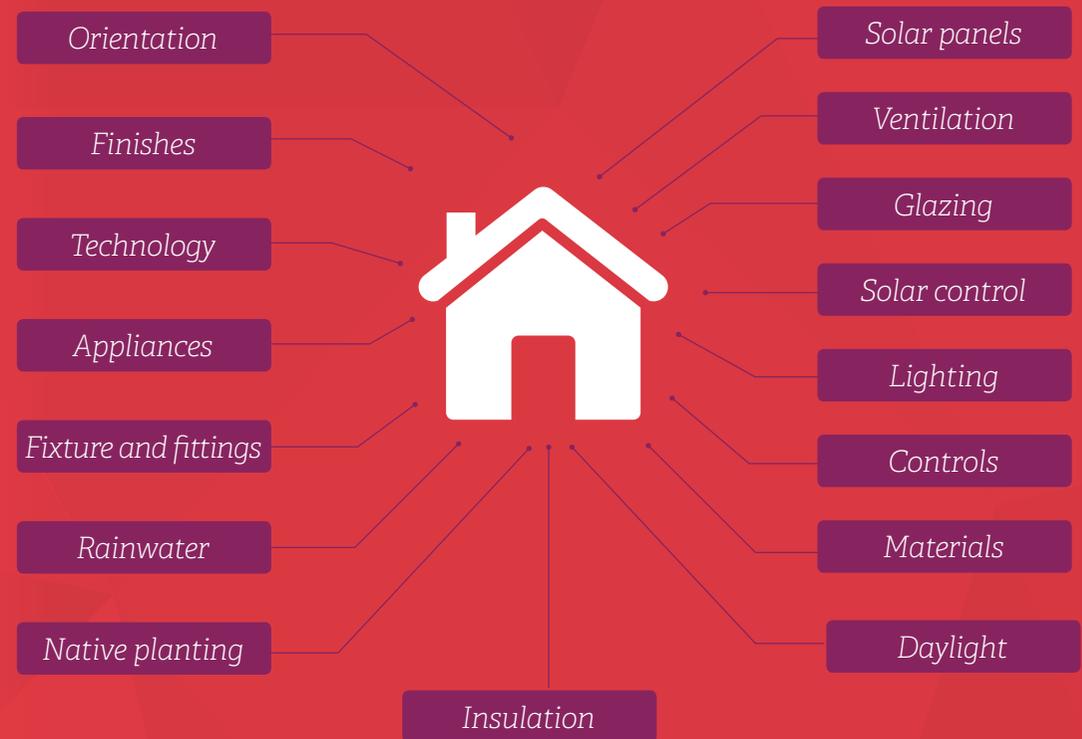
In 2015, Mirvac launched Success through Motivation, also known as SuMo—a gamification program designed to motivate our people to change their everyday behaviours and solve problems, earning points and rewards along with way.

So far, Mirvac has taken on six challenges focused on small actions like cutting down use of coffee cups, printing less or in black and white, reducing air travel, and committing to get fresh air at lunch time. The results have already been great:

- 122 registered SuMo users
- 12 flights to approx. value of \$8,700 saved
- 467 fresh air challenges taken
- 2,100 old coffee cups saved
- 600 plastic bags saved
- 10 green thumb challenges taken up with 49 posts of grown produce
- We are working hard to reduce colour and black and white printing and the early signs are very positive

House of the Future

We’re now asking ourselves the inevitable question: what’s next? Hungry for a new innovation on this scale, we’ve put together a working group dedicated to designing ‘The House of the Future’. Strongly focused on home design and construction, the committee has brought together six representatives from across Mirvac—and it will be exciting to see what they conceive.



Smart standards

One of our strategy commitments is to deliver a smart building by 2018 – but in order to do this, we realised we needed to start by defining what this actually means in the context of residential and commercial development. While there was some common ground between residential and commercial, there were also clear differences, which led us to agree on two separate definitions.

What defines smart residential?

A smart apartment steering committee worked together to identify five smart themes, which need to be addressed to deliver smart residential. Work is now underway to create a roadmap towards smart apartments, which will be broken down into various propositions – each of which will be tested through methodologies such as customer scanning, research to recruit and pilot.



Design

Passive, active, technology, materials, liveability, facilities, sharing, active materials

Customer Relationship

Contract, clauses, engagement, data, engagement, communication

Construction

Methods, materials, delivery, process, technology, modular

Maintenance

Technology, controls, apps

Living

Enabled, connected, controls, data sharing, adaptability, lifelong (liveability), collaborative consumption, environments, health, apps, improve experience



Work is now underway to create a roadmap towards smart apartments, which will be broken down into various propositions – each of which will be tested through methodologies such as customer scanning, research to recruit and pilot.

What defines smart commercial?

A significant evolution from conventional systems, the IBMS acts like a building's central nervous system—a central control centre that receives and processes information from the building's functions. The IBMS can improve operations, create a better experience for occupants, and maximise profitability for both owner and tenant.

The commercial team recognised we are already blessed with the perfect pilot smart building, our new head office at 200 George Street. This building has already started us on the journey towards smart, with the first Closed Cavity Façade, the first full LED lighting system and nine innovations credits as part of the Green Star process. These include Metering of Fire Test Water; Digital Building User Guide; Green Travel Plans; Energy vs Operational Model; Financial Transparency; Unoccupied Areas; Contractors' Education and Façade Leakage Testing.

As part of our Future of Place Forum, Mirvac also commissioned a paper on workplace by globally recognised futurist, Philip Ross. Entitled 'Jellybean Working', this paper was presented to 100 attendees at the Forum on 23 October 2014.

TENANT



2015

2020

LANDLORD



TENANT



2020

2025

LANDLORD



Mirvac has written a new intelligent building platform guide, which all new developments must comply with.

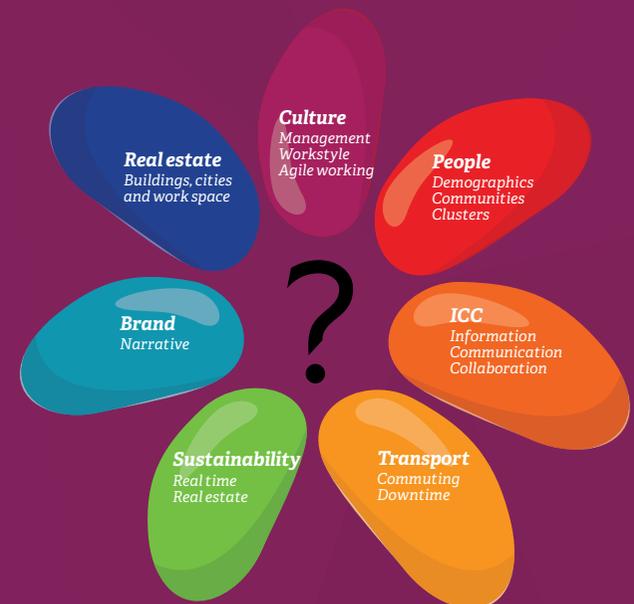
Mirvac then engaged Philip Ross to help define the office of the future, which will celebrate difference and become a more heterogeneous place with choice, variety and adaptability as key drivers. This work focused on technology and confirmed that a key focus must be on infrastructure and ensuring we have intelligent building management systems (iBMS) in place. With this in mind, Mirvac has written a new intelligent building management platform guide, which all new developments must comply with. It is understood that by creating the right iBMS, we lay the foundation for all the future initiatives which may occur. Mirvac has also piloted a new intelligent building backbone at three shopping centres and plans to roll this out across the portfolio. The review then examined 21 different technology themes from a Landlord and Tenant perspective.

We are now working on smart solutions for our new tenancy, which we will be able to discuss next year when we will have delivered our first smart tenancy.

For details click [here](#).

Other highlights...

- Mirvac was awarded the **'FM Services: In house'** award by the Facility Management Association of Australia, with a submission structured around our sustainability goals.
- We are trialling SkySpark, a diagnostic and analytics package that 'plugs in' to our existing Building Management Systems and delivers a constant stream of data, allowing Facility Managers to optimise our operations. SkySpark is currently operational at two properties, with 15 more implementations underway.
- We installed a new telemetry system into the cooling towers at 275 Kent Street (Westpac building) in May 2015. Cooling towers use a lot of water, so we've identified this as an opportunity for improvement. Like SkySpark, it's designed to actively monitor the water system, allowing us to keep a closer eye on what's happening, make more informed, timely decisions and run as efficiently as possible. Our use of Smart Meters is expanding, including them in all new properties.
- We trialled the BOSSA (Building Occupants Survey System Australia) in our tenancy at 60 Margaret Street, Sydney, as part of our pilot of the Green Star Performance rating tool. Designed by The University of Sydney, BOSSA measures the Indoor Environment Quality (IEQ) of Australia's office buildings-supporting research aimed at improving office occupants' health, comfort and productivity. Following this survey, we were thrilled to have the opportunity to trial two of the University's new SAMBA units, which provide a near-real time monitor and display of IEQ parameters, such as temperature, relative humidity and Predicted Mean Vote. We are yet to fully distil the findings of this trial, but we are very excited by the technology and the opportunity to work with the University's team of experts.



Case study:

VELOCITY TAKES OFF

DELIVERS ON: 

In the past few years we've worked closely with CSR to test a cutting-edge new building methodology dubbed 'Velocity'. This involves using a prefabricated complete wall panel to construct houses in pieces that are fitted together on site – meaning a large amount of the construction work is done in a controlled environment off-site.

As well as improving safety and efficiency, this approach allows us to significantly reduce the waste produced on-site.

When we trialled this approach by constructing two Velocity houses, we were also amazed by how efficient the process was, allowing us to reduce the build time of a standard home from 24 to 14 weeks.

We also found a reduction in waste generated on site by up to 60%, a reduction in the carbon content of the home by nearly 10%, a reduction

in health and safety issues and a reduction in sediment control issues. At this early stage, these are indicated levels of improvement, but thorough monitoring will be conducted during the next phase of implementation.

Our two test homes also allowed us to see how the Velocity houses performed, and we were pleased to see fewer defects and greater thermal and acoustic performance (particularly when compared to typical construction standards). The rendered finish of the buildings also went down well with consumers, who perceived this to be even better quality than brick.

Our test Velocity homes were sold in May 2015 after being tenanted for 12 months, and now we're planning to take this approach and apply it on a greater scale at our new Brighton Lakes development. Here, 106 homes will be constructed using Velocity technology—and potentially around 200 more. Civil works have commenced on this site, and CSR have prepared accordingly by fitting-out an entire factory to cater to the upcoming work, with construction due to start FY16. Exciting times ahead!



Workforce

A diverse, balanced and high-performing workforce is what Mirvac is built on, and we're committed to supporting our people to realise their potential.

This year, we've made strides towards improving our diversity policy by placing a greater focus on inclusion. We've continued to provide our employees with practical support through initiatives like Wellbeing Week in October 2014, as well as our ongoing Employee Assistance Program and Mirvac Stars recognition program.

This year, we've also worked hard to improve our onboarding process, with new employees now receiving a full-day orientation day at our Sydney office. People Managers also attend a second day to equip them with the leadership fundamentals to successfully manage their new teams.

During the year, we revised our performance management framework to further enhance a high-performance culture. The changes ensure all employees know how to contribute to Mirvac's success, both in 'what' they deliver and 'how' they go about it.

While our workforce has seen some change following our organisational restructure in June 2015, we're pleased to see a culture that's remained positive, engaged and increasingly enthusiastic about sustainability.

Absenteeism rate*

QLD



NSW



VIC



WA



Figure 57.2

Parental leave return

Commenced parental leave



Returned after leave



Return rate



Commenced parental leave in FY14



Still employed after 12 months in FY15



Still employed after 12 months**



Figure 57.1 ✓

* Based on all employees during FY15. Including paid and unpaid sick leave only.

** The metric is based on staff taking parental leave in FY14, returning and are still employed after 12 months. Employees are deemed to have returned from parental leave if they have continued working after their parental leave for at least three days.

Diversity & Inclusion

In November 2014, we launched a refreshed Diversity & Inclusion Council. Previously known as the Diversity Council, the new name reflects Mirvac's shift to a more holistic approach.

Mainstreaming flexible work is a key focus area for Mirvac. We recognise that men and women are seeking arrangements that help achieve better work/life quality.

Our participation in Equilibrium Man (see case study overleaf) aims to encourage flexible work for men. We have also committed to flexible work training as part of the move to our new way of working.

The new Council represents a true 'slice' of our business-between its 18 members, a range of genders, ages and levels of seniority are represented, as well as all business units and states. This means people at Mirvac can feel their voices are being heard on the Council, because at least one member is 'in their boat'.

The Council's first task was to develop a three-year strategy, which was signed off by the Board in March 2015. Our vision is to "Build a diverse team and inclusive culture that values the diversity of perspectives and enables our people to safely contribute, realise their potential, respond to our stakeholders' needs and provide Mirvac with a competitive advantage". We have articulated four areas to focus on: diversity of thought, creating an inclusive culture, flexibility and continuing to make progress on gender balance. Under each of these areas, we've defined clear priorities, timings and metrics so we can measure our progress.

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We are pleased that the Workplace Gender Equality Agency awarded Mirvac a citation as 'Employer of Choice for Gender Equality' in 2014.



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Diversity & Inclusion

Employment by region and gender

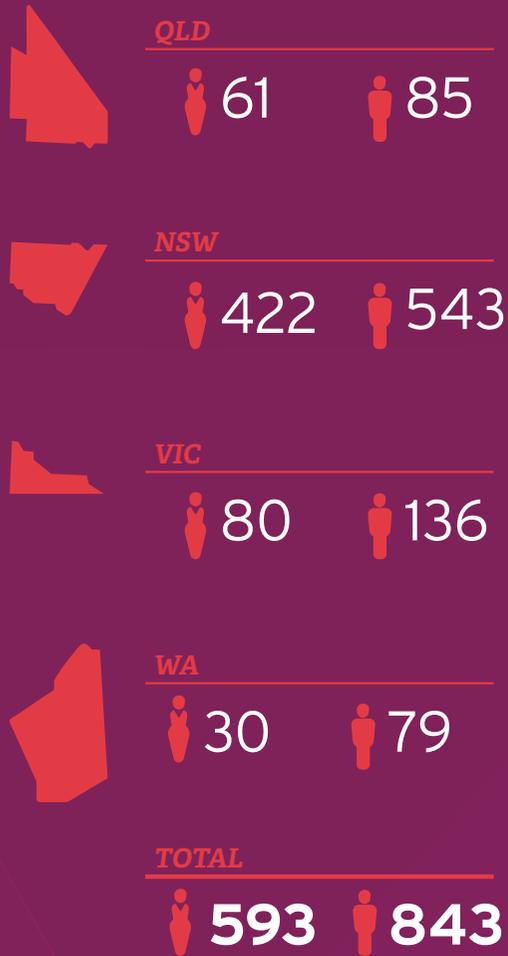


Figure 59.2 ✓

Employee breakdown—average full-time equivalent salary

Job level	Female	Male	Female % of ave male FTE salary
1	13%	87%	99%
2	61%	39%	93%
3	47%	53%	77%
4	37%	63%	89%
5	31%	69%	88%
6	28%	72%	87%
7	0%	100%	0%
Executive Leadership Team	36%	64%	111%
N/A*	21%	79%	130%

* May include staff whose positions do not require a job level

Figure 59.1 ✓

Case study:

EQUILIBRIUM MAN

*"Sporting performance
helps professional performance."*

equilibriumman 



DELIVERS ON: 

*Last year, we mentioned we were sponsoring an online documentary series called **The Equilibrium Man Challenge**, which follows a series of men who are striving to improve their work/life balance for a variety of reasons.*

We've been pleased to see this evolve over the past year, with two Mirvac employees taking part: Adrian, a Construction Foreman who wanted to spend more time with his young daughter, and Tom, who aimed to balance his role as a Development Manager with his elite beach volleyball career.

The series has proven to be hugely popular, with the Equilibrium Man website having received 22,000 visits by 30 June 2015. Adrian's and Tom's videos have received over 12,000 hits. The initiative has also sparked thought-provoking dialogue about flexible work opportunities for men. We're proud to be challenging gender stereotypes and look forward to continuing to explore more flexible options for all our employees.

To see more, visit equilibriumchallenge.com.au



Steps towards safety

As you might recall from last year's report, Mirvac developed a new safety campaign called 'Work Safe, Stay Safe' in FY14 – and over the past 12 months we've seen this successfully rolled out across the business. Designed to promote positive behaviours by placing safety in a broader context, the campaign was launched with a series of events across the country.

Our guest at these events was James Wood, an inspiring speaker who shared his own experience becoming a paraplegic as the result of a workplace accident. James reiterated the importance of the choices we make, and the greater impact these decisions can have on our lives, which certainly brought home the importance of Be Safe for Life behaviours.

Since it was launched, 'Be Safe for Life: Work safe, Stay safe' has been promoted through the business with toolbox talks, on-site comms and internal TV screen animations. We've already seen business units roll out the first initiative under the Be Safe for Life banner, "See it. Sort it. Report it".

A recent review of safety culture at Mirvac Construction, conducted by an independent organisational psychologist, found Mirvac Construction is functioning at above benchmark levels on a range of leadership, people management and safety indicators.

Snap happy

Finding new ways to engage about safety was also a priority, so we ran a Hatch Ideation session at the end of 2014, with around 30 participants from different areas of Mirvac. One idea that came from this was to run a photo competition-which we did over the summer break. We asked employees to submit pictures that encapsulated "what are you staying safe for?" and received loads of entries that gave us glimpses into our employees' lives-from holidays to family time. Judged in March (with cash vouchers for winners), the competition proved to be a great way to engage with employees and extend the safety message throughout the holiday period.

Since Be Safe For Life's implementation, we have seen a 106% increase in the reporting of hazards and near misses. Across the Group we've seen a 27% reduction in Lost Time Injury Frequency Rate (LTIFR). In construction, five million hours were worked with LTIFR of only 0.8, which is outstanding. MPC construction team have yet again managed zero LTI's in a whole year!

This is an amazing result in just six months and we look forward to seeing these numbers improve even more as time goes on.

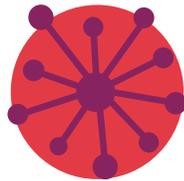


Other highlights:

Mirvac Construction has established a Crane Working Group. This Group meets regularly to discuss and agree strategies to enhance tower crane operations on our site and has provided for independent verification of competencies of all operators.

All HSE manuals and systems have been moved to Share Point. This means all documentation is now centralised, organised and easy to access.

Mirvac Construction has created the HSE Excellence Awards, which recognise positive safety performance and attitudes on our sites by Mirvac employees and service providers.



**ALL HSE MANUALS AND SYSTEMS
NOW CENTRALISED, ORGANISED
AND EASY TO ACCESS.**

Lead indicators	FY13	FY14	FY15	Target
Workplace culture				
Demonstrate commitment to HSE by active participation by senior executives (HSE leaders program).	100%	110%	108%	100%
Incident reporting				
Promote timely reporting of workplace incidents.	11hrs 100%	31hrs 99.6%	17hrs 99%	<24hrs 98%
Compliance audit				
Compliance to critical controls listed in the Workplace Risk and Opportunity Register.	94.80%	94.6%	91%	>90%
LTIFR (Mirvac Group LTIFR) ✓				
Lost Time Injury Frequency Rate (service providers & employees)	2.9	2.2	1.6	<5
TRIFR				
Total Recordable Injury Frequency	-	18.5	14.2	
Workers compensation claim count				
	26	14	21	-
Training (LTO completion)				
Provide induction training for new starters, transfers or relocations.	88%	98%	100%	100%

Figure 62.1

Management Systems, AS/NZS ISO14001 Environmental Management Systems, United Kingdom OHS Assessment Series OHSAS18001). Our HSE Management Systems were also subject to a full legal compliance review during the year. The review has provided us with confidence that our HSE Management Systems fulfil our HSE legislative obligations.



Shaping the Future of Place

Progress so far...

It's been an exciting year in terms of Future of Place, with one target achieved and valuable lessons learned along the way. There's no doubt that Mirvac is committed to shaping great places for communities to thrive, and we're working hard to understand the factors that will define them.

Research was a major focus for us this year. We completed two research projects – the first of which involved interviewing employees across Mirvac about their perceptions of place, and where they feel our opportunities and barriers lie. Secondly, we conducted some focus groups and one-on-one interviews with global experts and customers across residential, retail and commercial. This paved the way for our Future of Place Forum, which was a great success – and a learning experience in itself.

By listening to what customers and employees value, and what experts believe, we'll gain valuable insight into the factors that drive urban development – empowering us to create places where sustainable living becomes second nature for those who live, work and play there.



Mission: To create a framework for the Future of Place by 2015

Progress

Target



Future Cities & Adaptation

The Forum took place in March 2015, with **100 attendees** (58 internal, 42 external).

TO HOLD A FUTURE OF PLACE FORUM



Sustainable Lifestyles

We have researched a range of indices to find commonalities, and developed a draft SLI based on the areas of Community, Environment, Economics and Health & Wellbeing. It's planned that this will be finalised by the end of 2015.

DEVELOP A SUSTAINABLE LIFESTYLE INDEX FOR IMPLEMENTATION



Sustainable Lifestyles

A gap analysis has been completed, focusing on our Harold Park development, identifying the challenges we need to address to gain OPL certification.

CREATE A "ONE PLANET LIVING" COMMUNITY

2014 2015 2016 2017 2018 2020 2030

Future Cities & Adaptation

Future of Place Forum

Limited to just 100, invitations to Mirvac's Future of Place Forum were highly sought-after – and the event itself, held in March 2015, didn't disappoint. Designed to be a day of ideas and discussion, the Forum combined keynote speakers, panel discussions and open dialogue, giving everyone a chance to engage.

Discussion topics varied widely, touching on everything from the post-GFC resurgence of traditional values, to the increasingly pervasive presence of technology. Local and international speakers brought a variety of perspectives to the table. First was Marcus Westbury from Renew Australia, who addressed the relationship between community and creative space, and explained how his team breathed life back into neglected areas of Newcastle City Centre. Phil Kim of Hong Kong's Jerde Partnership then spoke about the importance of engaging with urban spaces through 'joyous meandering';

while Robert Hammond gave attendees a fascinating glimpse into the creation of New York City's famous High Line. There were also lively panel discussions around planning, design and activation.

A few key points came out of the session, including the importance of open dialogue around place throughout its creation, the theory that 'activity creates activity', and the notion that a place should be born from a script or narrative that outlines its inherent reason for being.

Above all, it was agreed that the definition of place is complex, and there's certainly more to it than physical factors. As Paul Edwards said, "Community collaboration, ownership, unique experiences and the need for flexible, adaptive spaces are all prerequisites when planning, designing and activating spaces. While every space is different, there are some fundamentals that will help us unlock the 'place potential' in communities around Australia."



Community collaboration, ownership, unique experiences and the need for flexible, adaptive spaces are all prerequisites when planning, designing and activating spaces...

Paul Edwards

Sustainable Lifestyle

The way spaces are designed shapes the way we use them – and by increasingly embedding sustainability into our properties, we aim to make sustainable living an automatic choice for people who live, work and play there.

This year, we've continued to research the best way to define sustainable living through the development of our Sustainable Lifestyles Index, due to be delivered by the end of 2015. We've also continued to enhance the lifestyles of our customers and tenants in a range of practical ways—from providing green travel options, to planting trees and regenerating wildlife.

In development: Sustainable Lifestyles Index

How do you put sustainable lifestyles into measurable terms? It's a challenge, but over the past 12 months we've looked at a range of indices that attempt to do just that, with the goal of finding common threads.

These indices have included existing community-wide tools (LEED-ND, Green Star Communities, BREEAM Communities), national and regional indices (Bhutan's Gross Happiness Index, UK National Wellbeing, City of Sydney Community Wellbeing and Hong Kong Quality of Life Index) and international wellbeing indices (UNEP Liveable Cities, OECD Better Life Index and Happy Planet Index).

After testing the common themes and metrics with people across Mirvac, we drafted a Sustainable Lifestyles Index (SLI) around four areas: Community, Environment, Economics and Health & Wellbeing. Next up: finalising and communicating our SLI by the end of 2015 to meet our strategy commitment, then putting it to the test on selected pilot Mirvac projects.



Environment



Community



Economics



Health & Wellbeing

One Planet Living 101

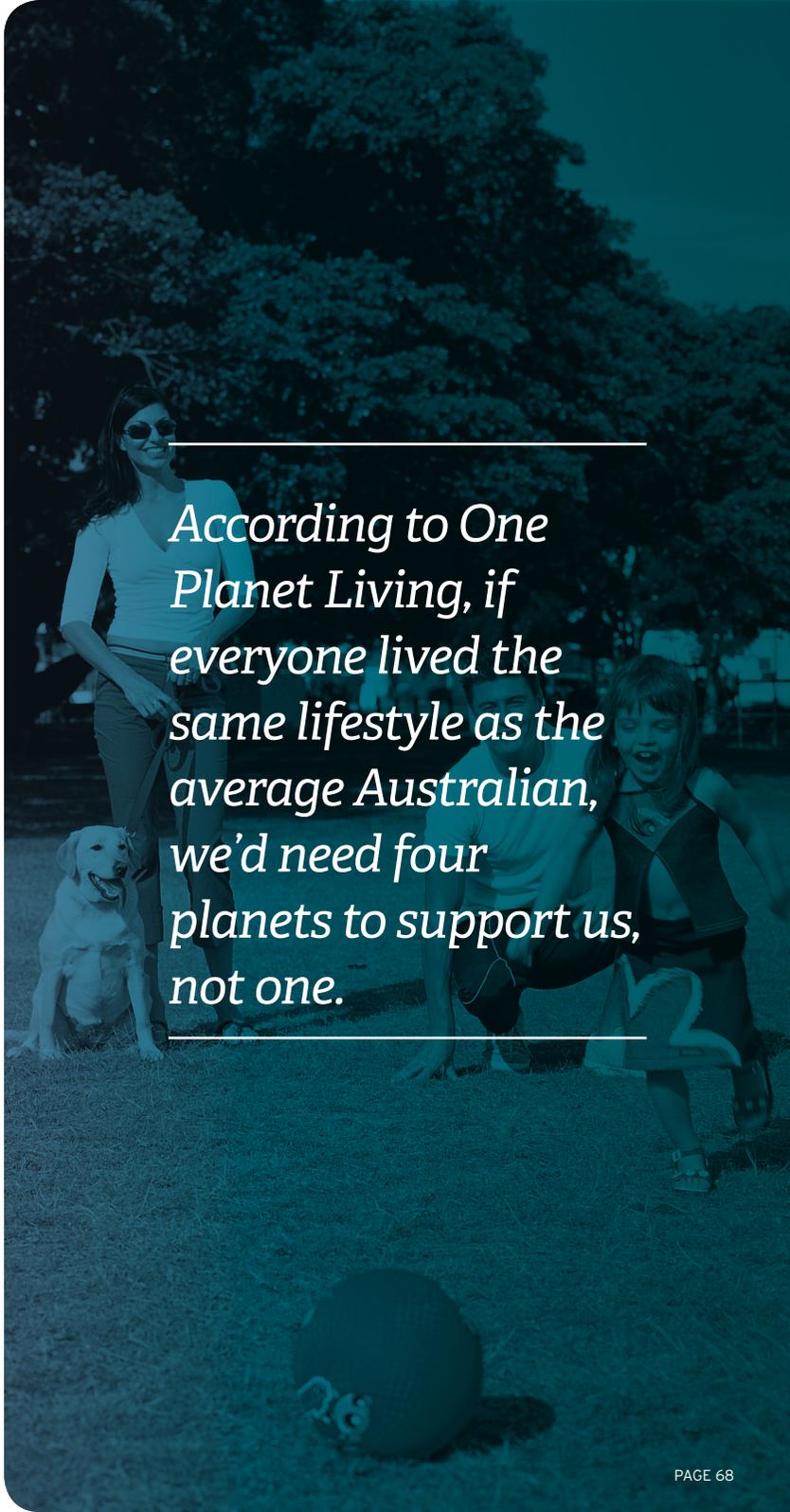
One Planet Living (OPL) is a vision for a world where it's easy, attractive and affordable for people to live happy and healthy lives within a fair share of the earth's resources. Conceived in the UK, its framework is now being adopted across the world – including here in Australia.

According to One Planet Living, if everyone lived the same lifestyle as the average Australian, we'd need four planets to support us, not one. OPL's goal is to address this by creating property developments that are planned, designed, constructed and operated against a verified or endorsed One Planet Action Plan.

This year, we took steps towards this by completing a gap analysis to determine the challenges we'll face along the way.

One of Mirvac's targets is to have a nationally certified One Planet Living Community by 2018.

We confirmed that, while we're not there yet, gaining OPL certification is achievable for Mirvac provided we prioritise the challenges identified – and start planning as soon as possible. In order to help us do just that, we have created a quick assessment protocol allowing us to 'run the ruler' over new projects. We have also prepared a draft OPL Action Plan to identify what we need to do to get there, so watch this space.

A photograph of a woman in a white top and sunglasses standing in a park, with a dog sitting next to her and children playing in the background. The image is overlaid with a teal tint and white text.

According to One Planet Living, if everyone lived the same lifestyle as the average Australian, we'd need four planets to support us, not one.

Transport

At Mirvac, we increasingly encourage people to find alternatives to driving. As well as promoting the use of public transport (and ensuring our properties are well connected to existing networks), we continue to take steps like integrating cycle paths or end-of-trip facilities into our developments. As with all aspects of sustainable lifestyles, it's about making it easy for people to make a responsible choice. We currently have under construction, or nearly completed 1,637 apartments and 18,294 MPC lots and are providing:

	Apartments	MPC
Bicycle Parking Spaces	1,637	107
Motorcycle Parking Spaces	64	5
Car Share Spaces	21	0
EV Charging Points	1	0

3,388 
tonnes of CO₂
FROM FLIGHTS

20.6 
tonnes of CO₂
FROM CAR HIRE

TONNES OF GHG

	 air travel	 car hire
2012	2,795	-
2013	2,791	21.1
2014	2,952	25.2
2015	3,388	20.6

✓ Figure 69.1

flight travel

 12,785,290km

21.6% 
CO₂ INTERNATIONAL FLIGHTS

& 78.4% 
CO₂ NATIONAL FLIGHTS

Figure 69.2

Green Travel Plans at Rhodes

Late in 2014, Mirvac was approached by a group of Macquarie University students who were seeking areas of focus for their Masters projects. We were happy to be involved, so several students went on to develop a Green Travel Plan (GTP) for our Rhodes Shopping Centre.

Students created a Green Travel framework for Mirvac – plus a checklist that was used to audit the Rhodes Shopping Centre.

After conducting extensive research, including exploration of current industry best practice and surveys to gauge customer attitudes and expectations, the students created a Green Travel framework for Mirvac – plus a checklist that was used to audit the Rhodes Shopping Centre .

The final GTP focuses on four key areas:

- developing infrastructure to facilitate green travel
- establishing policies to promote it
- working in partnership with local councils
- and providing information for consumers

For Rhodes Shopping Centre, this resulted in recommendations such as bicycle parking and repair kits, a review of car parking policies, an online green travel portal, and discounts being offered for those opting for green travel.

Following the first plan for Rhodes Shopping Centre, we have developed our first office asset GTP for 5 Rider Boulevard and will be developing plans for all assets under operational control.



Biodiversity

Whether it's through habitat regeneration, landscaping or protecting native flora and fauna, Mirvac aims to maintain or improve biodiversity in all areas we operate. While we do not directly operate in any areas of high biodiversity, some of our sites are adjacent to protected or sensitive ecosystems – and we see it as our responsibility to monitor and care for these environments.

 0
environmental
infringement
Australia wide

 29,600
more plants planted
at Osprey

 0.5
EIFR (Environmental Incident
Frequency Rate per one
million hours worked).

Ospreys feather their nest

As part of our commitment to environmental sustainability, two new purpose-built Osprey nesting poles have been erected within the foreshore reserve at the Osprey Waters development in WA. The existing nests, which had been on the site for many years, were moved to this new location to enable these striking water birds to continue their residency in the area.

Ospreys are birds of prey that often inhabit coastal areas and build large, untidy nests called 'stacks', which they loyally return to year upon year. These nests are often built on man-made structures, and can end up 3-4m deep and 1-2m in diameter-easily big enough for a human to sit in. This means relocating nests is no small undertaking!



To ensure our Ospreys were successfully relocated, we consulted with the City of Mandurah and environmental authorities, before constructing a new 13m high poles and nest structure to recommended specifications. The existing nests were then carefully removed (after we checked no birds or eggs were present) and placed onto the installed nesting poles. Fortunately, the hard work paid off and the birds were only too eager to get in and use their new home. The Mirvac team is pleased the exercise was a success, and hope these special residents remain here for many years to come.

The birds were only too eager to get in and use their new home.

Case study:

BIG PLANS FOR BIODIVERSITY

DELIVERS ON:   

This year, a group of Macquarie University Masters students developed a Biodiversity plan for Mirvac's Rhodes Shopping Centre.

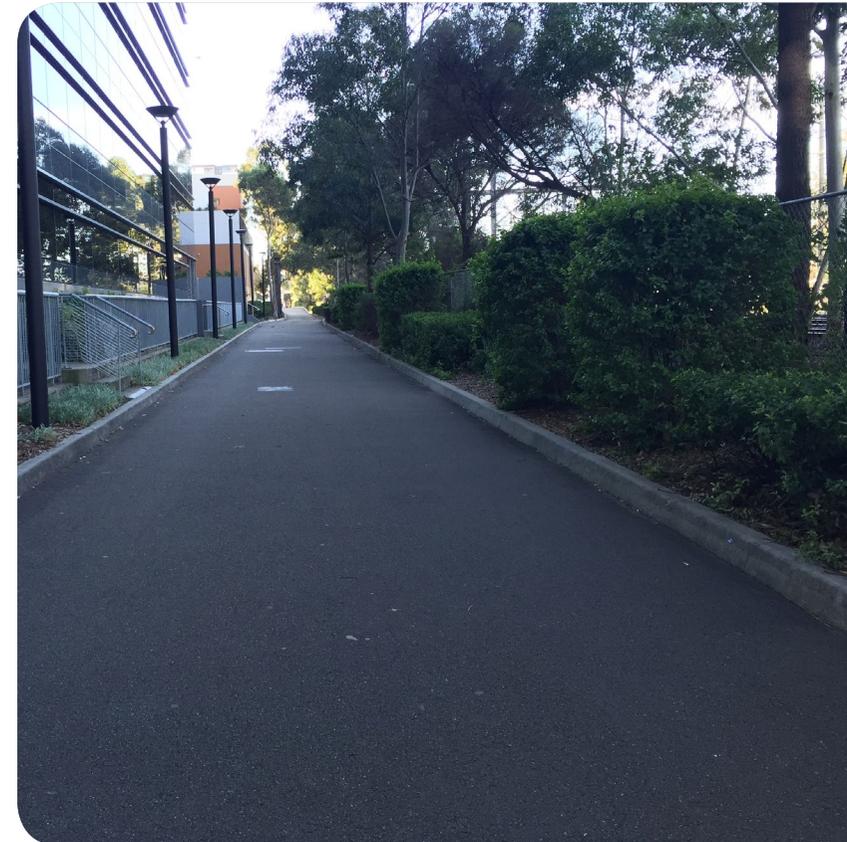
As well as researching the components of biodiversity plans, the students looked at the Green Star rating system, with a view to making suggestions that could earn Mirvac 'ecological value' credits in the future. They then created a checklist, which they used to audit the Rhodes development—using their findings to develop a comprehensive Biodiversity Plan.

Intended to help Mirvac support healthy ecosystems, the final Biodiversity Plan covers habitat creation, ecological landscaping, weed management, biodiversity corridors, rain gardens, remnant bushland and even community engagement. A number of interesting suggestions were made—for example, introducing Living Walls and Roofs and introducing more native flora into the development (complete with signage to educate people about each species).

The students found that, within close proximity to the shopping centre, five fauna species listed as threatened were present and eight species of birds listed as either endangered or vulnerable occurred as well. Whilst the shopping centre could not provide primary habitat for these species, careful plant selection could contribute to their foraging resources.

A number of interesting suggestions were made... introducing Living Walls and Roofs and introducing more native flora into the development.

As with the Green Travel Plan developed this year, the Biodiversity Plan has been piloted at Rhodes and will be rolled out across our portfolios.



Responsibility, recognised

Last year, we mentioned the work we'd done promoting biodiversity at our Gainsborough Greens community in Pimpana. Twelve months on, we're pleased to report that our environmental responsibility here has been recognised by the State Government-which included Gainsborough Greens as a positive case study in the latest update of the Queensland Acid Soil Technical Manual.

Gainsborough Greens is situated in an environment recognised to contain sensitive Acid Sulphate Soils, which, when disturbed, can release sulphuric acid that's damaging to the natural and built environment. At Gainsborough Greens, the Mirvac team chose to eliminate any likelihood of this happening by treating the soil with low dosages of lime. The team was congratulated on this proactive and responsible approach, which is a great reflection on our business.

Putting down roots in Woodlea

In May and August, 70 future residents of our Woodlea community came together for a tree planting day. The day signified the start of the regeneration of Victoria's Kororoit Creek, which Mirvac committed to support as part of the Woodlea development.

Over 500 trees were planted along the creek in an effort to enhance and restore it, and to bring people together. The planting day symbolises the start of Woodlea's growth into a brand new suburb for Western Melbourne.

Click [here](#) for the video.





Re-imagining Resources

Progress so far...

Carbon emissions, water, waste and the consumption of materials are unavoidably significant issues for Mirvac. Not only do we use these valuable resources in the construction of our developments, we're in a position to shape how they are used in future – whether it's by tenants, customers or visitors. The onus is on us to reduce our usage and help others do the same.

The road to net positive will be challenging, but by implementing smart technology, educating stakeholders and challenging ourselves, we believe it can be achieved. Where there's a will, there's a way. And this year, on a like-for-like basis, across the office and industrial portfolio, we have achieved a 23% reduction in carbon emissions from our 2013 baseline.



Mission: To be net positive by 2030

Progress from our FY13 baseline



Energy

Office & Industrial reduced by

23.45%

Retail reduced by

16%



Energy

This year, we installed a new 90kW array at 699 Bourke Street for our new tenant AGL, as we continue to grow our renewables portfolio. We are also currently installing a peak total of 40kW at Harold Park. The 80kW of solar PV installed at 23 Furzer Street last year has performed well and further PV installations are planned for FY16.



Waste

Operations

48%

Construction

94.70%

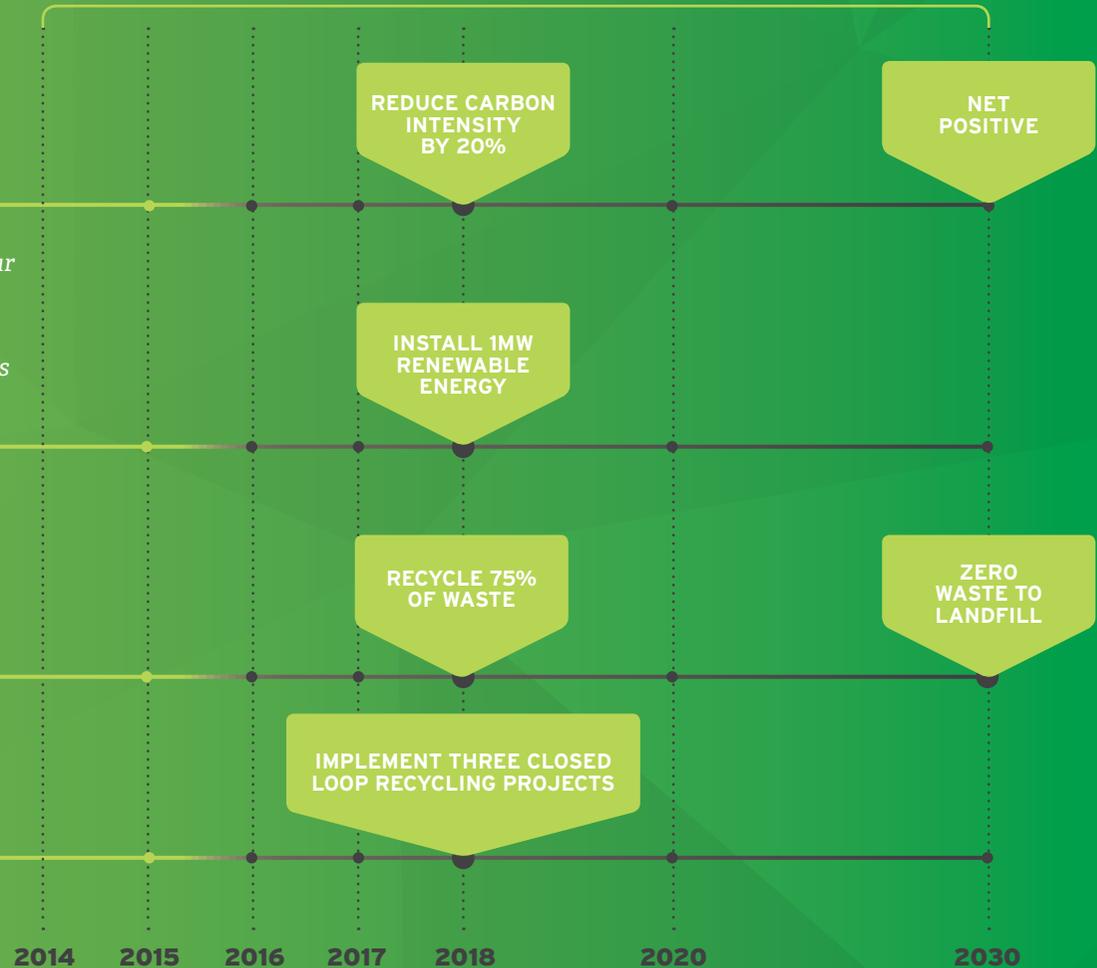
Operational data includes wet waste



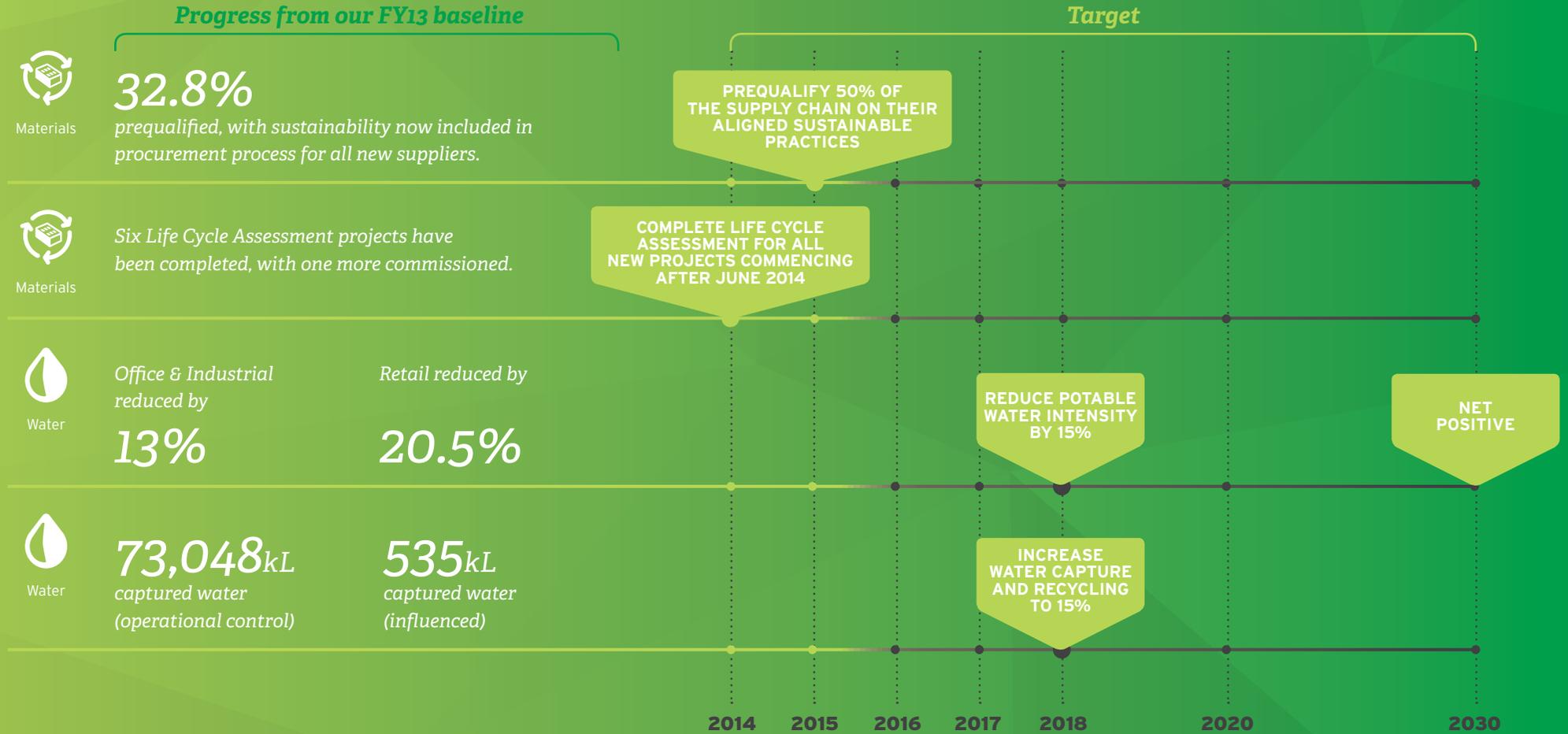
Waste

Planning for our first project continues to progress.

Target



Mission: To be net positive by 2030



Energy

Greenhouse gas emission

With our ambitious targets to reduce energy use and greenhouse gases, we're constantly keeping an eye on properties where we have operational control and seeking ways to improve our performance.

In some cases, a simple change has enabled us to make a major impact—such as at 60 Marcus Clarke, Canberra, where we achieved a huge 27% reduction in energy use from FY2013 by replacing the chillers and the cooling towers.

In other cases, we're engaging with tenants like AGL to design developments that will be more energy efficient to operate throughout their annual life cycle.

We've also continued to research and trial new approaches, and striven to deliver developments that are genuinely energy efficient. For us, it's about more than environmental responsibility—it's about the value we can pass on to tenants, customers and investors too.

GHG emissions

Emissions tCO ₂ -e	FY13	FY14	FY15	FY15 Source Data
Scope 1				
Natural gas	2,697	7,561	7,278	141,785 GJ
Refrigerants	1,383	1,283	879	6,803 kg
Diesel	2,333	2,109	1,382	514,981 L
Petrol	646	465	313	136,549 L
LPG	7	23	16	10,360 L
Kerosene	-	-	-	n/a
Wood	-	-	-	n/a
Total scope 1	7,066	11,441	9,867	
Scope 2				
Electricity	71,426	69,202	67,513	74,604,941 kWh
Total scope 1 + 2	78,492	80,643	77,381	
Scope 3				
Natural gas	471	1,613	1,521	141,785 GJ
Electricity	12,542	12,620	9,784	74,604,941 kWh
Travel	2,812	2,978	3,409	12,903,567 km
Waste	9,915	10,622	11,237	11,369 T
Diesel	178	161	105	514,981 L
Petrol	51	37	25	136,549 L
LPG	1	2	1.3	10,360 L
Kerosene	-	-	-	-
Total scope 3	25,970	28,032	26,082	
Total scope 1 + 2 + 3	104,462	108,676	103,463	

✓ Figure 78.1

Carbon intensity

Reducing energy use and greenhouse gases are important areas of focus for Mirvac. By monitoring the energy use of our operations and assets, we aim to identify areas where we can improve. This table has been updated to reflect the changes in our portfolio. Please refer to Boundaries document for an explanation.

LIKE-FOR-LIKE ENERGY AND CARBON INTENSITY*

		FY13**	FY15 % change
Office & Industrial	CO ₂ /m ²	67.53	-23.45%
	GJ/m ²	0.31	+22.53%
Retail	CO ₂ /m ²	122.22	-16.00%
	GJ/m ²	0.53	-14.75%

Figure 79.1

*Energy increase is due to gas fired cogeneration. By switching fuel source we reduce CO₂.

** FY 13 Has been updated for like-for-like properties. Please refer to Boundaries Document for an explanation.

Setting the standard for NABERS

Since it was launched in 1998, NABERS has been instrumental in driving energy efficiency in the commercial property sector by providing a common language for sustainability. Over 75% of Australia's office market has been rated with NABERS Energy ratings – and in 2011, the NABERS rating scale was extended from 5-stars to 6-stars to reflect the sector's world-leading standards.

While 'This Changes Everything' has broadened Mirvac's focus beyond NABERS targets, we still see them as valuable measures of success. In September 2014, we were proud to become the first organisation to achieve a 6-star NABERS Energy rating for a major office building without the use of GreenPower.

Located at 23 Furzer Street, in the ACT, Sirius House has achieved a 5.5-star NABERS Energy rating for the past two years, before reaching the impressive 6-star NABERS Energy rating milestone. A building with a 6-star NABERS Energy rating emits 50% less greenhouse gases than a building with a 5-star rating.

Director of the Metropolitan Branch at the Office of Environment and Heritage, Tom Grosskopf, said that a 6-star NABERS rating is classified as 'market leading', and Mirvac's ability to realise this achievement for a major office building demonstrates our leadership in sustainability.

"Just over 20% of rated buildings are currently achieving a 5-star NABERS Energy rating or above. Now that Mirvac have shown it can be done in a building of this size, we're expecting more companies to follow suit and achieve 6 Star NABERS Energy ratings in the coming years," Mr Grosskopf said.

"Mircac's achievement has raised the bar for the property industry and is an inspiration for the retrofit movement to continue in Australia, ensuring Australia retains its place as global market leaders in sustainability."

Our office portfolio average

5.1 
NABERS
ENERGY RATING

Six barriers

In working on our target of installing 1MW of renewable energy infrastructure by 2018, we have identified six potential challenges to overcome:

- Legislation-Division 6C
- Grid cost
- On-selling to the grid
- Demand charging structure
- Utilisation-especially for weekend periods in office properties
- Equipment life cycles and payback periods

Our renewables working group is working on these challenges to unlock our 2018 target, which will ultimately set the road map for our mission of being net positive by 2030.

Just over 20 per cent of rated buildings are currently achieving a 5 Star NABERS Energy rating or above.

 5 Rider, NSW Energy Star Rating: 5.5	 65 Pirrama, NSW Energy Star Rating: 5.5	 3 Furzer, ACT Energy Star Rating: 6
 One Darling, NSW Energy Star Rating: 5.5	 189 Grey, Qld Energy Star Rating: 5	 40 Miller, NSW Energy Star Rating: 5
 20 Bond, NSW Energy Star Rating: 5	 275 Kent, NSW Energy Star Rating: 5	 101 Miller, NSW Energy Star Rating: 5
 16 Furzer, ACT Energy Star Rating: 4.5	 380 St Kilda, Vic Energy Star Rating: 4.5	 6 Riverside, Vic Energy Star Rating: 4.5
 60 Marcus Clark, ACT Energy Star Rating: 4	 4 Riverside, Vic Energy Star Rating: 3.5	

Case study:

18-STAR SUCCESS

DELIVERS ON: 

This year, we've been proud to see three Mirvac buildings achieve 6-star Green Star ratings – an impressive reflection on our continued commitment to delivering our strategy.

8 Chifley achieved a 6-star Green Star As-Built rating, representing world leadership in environmental design and construction-and with it, the highest weighted score of any v2 office project and the third highest rating overall. The development was also awarded Commercial Development of the Year, Best Sustainable Development and Best Development Overall at the Property Council Australia (PCA) Awards.

200 George was awarded a 6-star Green Star V3 Office Design rating. This was achieved as a result of being awarded nine out of 10 innovation credits by the GBCA.

The LED lighting is a great example of how we are looking at what deliverables really do define a sustainable building.

The inclusion of LED lighting across the entire project will mean improved lighting energy efficiency of up to 30%, compared with standard T5 lighting, and extended life of 'tubes' will result in reduced waste to landfill, and reduced maintenance. 200 George was one of the first of any Australian office buildings to shift to full LED lighting and was recognised by the GBCA as a 'market transformation'. We worked with future tenants EY to show how LED lights not only improve energy efficiency, but also save money, lower maintenance and tenant disruption, and reduce landfill-all of which helps



Case study: 18-STAR SUCCESS

to improve the operating conditions for them. In addition to features such as the Closed Cavity Façade (mentioned in last year's report), the LED lighting is a great example of how we are looking at what deliverables really do define a sustainable building.

Mirvac is also collaborating with tenants AGL to create an energy efficient, flexible office fit-out.

699 Bourke Street has also achieved a 6-star Green Star rating for its innovative design. With its rainwater catchment, extensive array of solar PV solar panels, ultra-high-performance façade and distinctive public realm, 699 Bourke is set to become one of Melbourne's green icons. Mirvac is also collaborating with tenants AGL to create an energy efficient, flexible office fit-out.

We also piloted an Organic Response enabled lighting system which was completed prior to the fit-out works. This yielded a 46% improvement in energy efficiency and warranted the successful (and now complete) installation of around 3,500

sensors in the AGL fit-out. Each sensor tracks occupancy and natural light levels and triangulates the data over space and time.

The building also features co-generation, electric car-charging and BMS integrated digital signage to communicate live data on building efficiencies to the public realm.



Re-inventing the humble site shed

Historically, our site teams have spent their working weeks in fairly basic temporary offices on-site. Now, we've recognised there's scope for us to transform these 'sheds' into more open, creative and environmentally-responsible spaces. We're currently trialling various initiatives, such as solar PV cells, temporary LED fittings, rainwater tanks, bike racks, maximising daylight, low VOC finishes, recycled furniture and indoor planting across project offices in Victoria, Queensland and New South Wales. Feedback from staff has been positive and we plan to continue to develop these spaces, with the GBCA's Innovation Challenge to create a High Performance Site Office a potential future goal.



Keep it clean (& green)

Promoting sustainability features to residential customers has been a focus this year. To support the launch of The Moreton at Bondi, we developed 'Clean & Green'-a visually engaging document that showcased the sustainable features and benefits of the apartments. Included in marketing materials such as brochures and The Moreton website, 'Clean & Green' put sustainability into very real and easily understandable terms. Significantly, it explains the dollars saved if the customer uses the space effectively to maximise the environmentally sustainable design features. The response from consumers to 'Clean & Green' was excellent, and we have already rolled out the concept at two more projects, with more planned in FY16.



Switching off for Earth Hour

This year, Mirvac took its long-standing support of earth hour to the next level, by adding an educational element to our tenant engagement. Not only did we encourage nearly 500 tenants to participate in Earth Hour, we connected them with resources that could help them make a difference beyond the actual 'hour' itself-such as getting a NABERS tenancy rating or implementing energy-saving ideas from CitySwitch.



Water

Whether we're constructing or operating a building, water is an absolute essential. Keeping in mind the precious nature of this resource, we carefully manage our water by metering our properties, and implementing water-saving and harvesting features such as rainwater tanks, grey and black water systems and water recycling systems. This year, we've also continued to engage with tenants and customers to encourage reduced water consumption in the longer term.

Absolute water usage (kL) ✓ Figure 84.1

	FY13	FY14	FY15
Retail	492,216	462,937	499,627
Office & Industrial	349,597	420,075	386,186
Total (kL)	841,813	883,012	885,813

Non-potable water

73,048kL

7.6%



Uses for non-potable water include toilet flushing and garden irrigation.

✓ Figure 84.2

Water intensity reduction



-20.5%

Retail



-13.0%

Office & industrial



-16.5%

Portfolio

Water-saving systems

Last year, we were busily researching and trialling water-saving systems. This year, we were excited to put several into place.

Rainwater at Rhodes

Ninety kilolitres of rainwater tanks have now been installed at our Rhodes Shopping Centre, NSW. These will mainly be used to supply amenities, and will improve both potable and non-potable water use.

Black water at 8 Chifley

While Chifley's black water system was already installed, this year we got the 'green light' to get it up and running. We've learned a lot from this already, and are currently working to improve energy efficiency and optimise the percentage of black water being used.

Telemetry at 275 Kent

In May 2015, we installed a new telemetry system into the cooling towers at 275 Kent Street, Sydney (home of Westpac). Cooling towers use a lot of water, so we've identified this as an area we could improve. Designed to actively monitor cooling tower water use, the telemetry system will give us access to data we can use to modify and optimise efficiency. Its reporting structure tells us how water is being used and how the cooling towers are performing versus key performance indicators. If it's a success, we plan to roll out these systems across all our properties.

The first Stage A and B of the Googong Water Recycling Plant, due to be completed in late 2015, will be capable of delivering 1 ML per day of recycled water to the Stages A and B housing and land currently under development. We also switched on a grey water system at OTB, expected to produce 15 kL per day, and have one in operation in Sirius building producing approximately 20,000 kL per annum in conjunction with the on-site rainwater system (accounting for around half of the site's total water consumption).



GOOGONG WATER RECYCLING PLANT

1ML

*Capability of the plant
TO DELIVER RECYCLED WATER*

15kL

*Capability of grey water system
AT OTB*

20,000kL

*Capability of grey water system
IN THE SIRIUS BUILDING*

Waste

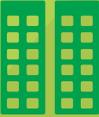
The progress we've made on waste this year has been one of the highlights. As well as continuing to build on our already strong construction recycling rates, we've achieved great results rolling out technology piloted last year, and engaging with our tenants to reduce operational waste.

After appointing a dedicated Resource Recovery Manager last year, we've also improved how operational waste is measured and monitored. Now, we run monthly reports to monitor performance across all Commercial and Retail assets, keeping an eye out for any anomalies, and for opportunities to improve our approach to waste—whether it's through recovery, recycling or preventing waste in the first place.

Our strong focus on tenant engagement has paid off and helped us continue to achieve our resource recovery targets, with the added bonus of improving the tenant, landlord relationship—this year achieving our FY15 target of 45% diversion from landfill.

Waste type by division

✓ Figure 86.1

CONSTRUCTION	94.7% recycle	0%* hazardous	5.3% landfill	
INVESTMENT	48% recycle**	0% hazardous	52% landfill	

Total waste

✓ Figure 86.2



75% Recycling rate



* Hazardous waste is less than 0.05%

** The recycling data for two sites corresponds to the on-site segregation rate



The power of pulp

Last year, we discovered the PulpMaster: an exciting new form of technology that transforms organic waste into a slurry that can be used for soil injection or converted to green energy and nutrient-rich fertiliser by a facility called EarthPower. This clever compact unit was trialed with Harris Farm at our Broadway Shopping Centre in NSW, where it proved a huge success. Twelve months on, the unit is still going great guns, producing 20-25 tonnes of waste a month.

We've worked closely with the PulpMaster team to help tenants make the transition to using the units.

In light of this initial success, we've spent the last year rolling out the PulpMaster at other sites including Cherrybrook, Rhodes, Harbourside and Westpac Place. Throughout the process, we've worked closely with the PulpMaster team to help tenants make the

transition to using the units. We learned that having someone on site to promote the units and educate tenants in how and why to use them made a big difference. The PulpMaster team has also helped us overcome several 'teething problems'-such as contamination and damage caused by cutlery accidentally put through the unit by restaurant tenants. In the latter case, a magnetic cutlery catcher was devised and installed, preventing wayward forks and knives being caught up in the machinery (and enabling us to return these items to a very grateful tenant!).

While we've learned they are not necessarily suitable for all locations, the five PulpMasters installed so far are still proving extremely effective when used as intended-and we plan to continue rolling out the technology at appropriate locations across the country.

Smart compactors

Accessed via swipe card, Smart Compactors are giving us greater insight into how much waste our tenants are generating. Armed with this knowledge, we'll be able to help tenants understand more about their waste profiles, and encourage them to reduce waste and increase recycling through targeted education. A Smart Compactor is already in place at the Como Centre in Melbourne and we are planning several more installations.



Who's been snooping through our trash?

At Rhodes Shopping Centre, we've been working with Canada Bay Council, the NSW Environment Protection Authority (EPA) and our tenants to conduct Bin Trim Assessments to audit tenant waste. While the PulpMaster is now helping address the heavy organic waste component of Rhodes' waste, we're interested in finding out what else goes into waste—and what can be done about it.

In May 2015, the site team arranged a comprehensive waste audit of all landfill waste taken to the docks by tenants and cleaners.

In May 2015, the site team arranged a comprehensive waste audit of all landfill waste taken to the docks by tenants and cleaners. Three cleaners were engaged in shifts from 10am to almost midnight to physically dissect and assess each and every bag brought down to the docks.

The results were eye-opening. In particular, we saw that many food court retailers were still placing organic waste in comingled waste bins, and as a result we've implemented an intensive program encouraging retailers to properly utilise the organics processing stream.

We've also committed to repeat the audit process randomly throughout the year at Rhodes, and have completed additional Bin Trim Assessments at other sites including Broadway, Cherrybrook, Harbourside, Greenwood, St. Marys and Stanhope.

Construction waste

Mirvac has consistently scored well on recycling construction waste, but this year saw us set the bar even higher by re-defining how we measure and report the waste created. Now, instead of including excavation materials, we only count waste generated on-site by the demolition and construction process.

Our target to recycle 95% of construction waste was just missed for FY15, but in redefining the metrics, it has been a great result for FY15. We're taking steps towards achieving this by working with suppliers to reduce the waste generated in the first place, and we aim to pilot 'zero waste' trades in the near future.



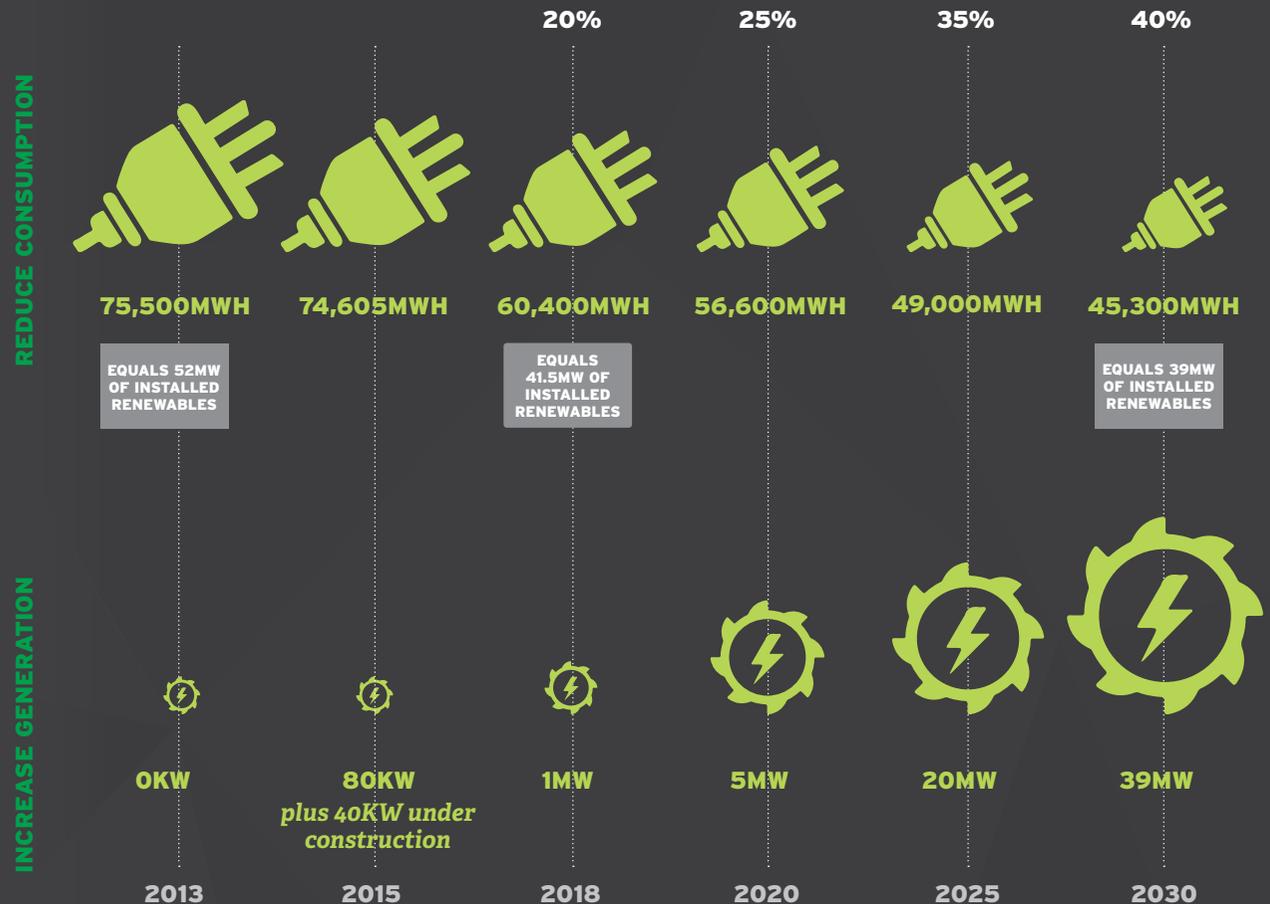
The Road to Net Positive

Net positive means generating more water and energy than we consume, and finding ways to capture and reduce waste beyond that which we create.

Energy

By 2030 we will reduce consumption, while increasing the amount of energy we generate.

How could we get to net positive?

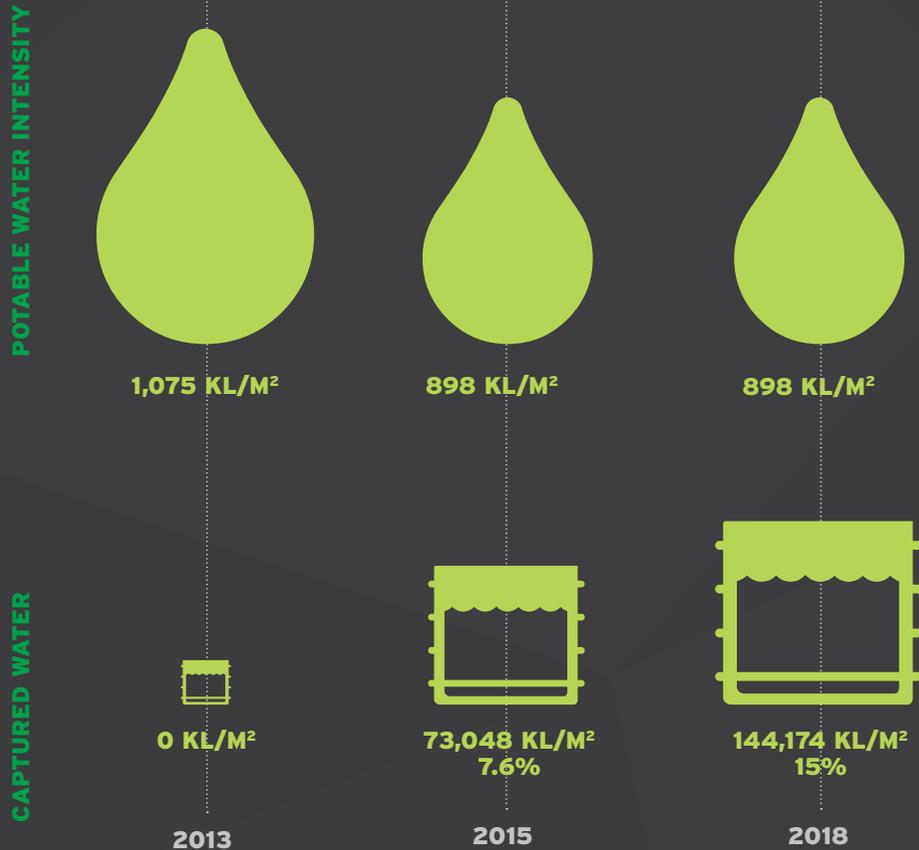


*The only committed target is 2018-2030

Water

By 2030, we will reduce water intensity, while improving efficiency and capture to increase use of alternative water supply.

Current water status



Waste

By 2018, 75% of waste from each business will be diverted from landfill and be zero waste by 2030.

How do we get to zero waste?



Materials & Supplier Governance

Our operations require all sorts of materials and services, including those we purchase directly and those handled by sub-contractors on site. This means our estimated supply chain extends well beyond suppliers engaged directly by Mirvac.

The suppliers and materials we use are significant both in terms of scale and potential impact-so choosing them carefully is a must. On construction sites, we manage suppliers to deliver as promised, and we have annual discussions with company-wide suppliers to define our supplier relationship strategy. For higher-risk material purchases, we are rigorous in ensuring the supplier adheres to fair work practices and quality standards (even if it involves visiting an offshore factory to check).

The suppliers and materials we use are significant both in terms of scale and potential impact – so choosing them carefully is a must.

Now, with a greater percentage of our supply chain pre-qualified, we have more insight into the sustainability practices of the companies we work with. We're also on the front foot in educating suppliers thanks to our participation in the new Supply Chain School. It's all part of our aim to use our influence to improve sustainability in a broader context-to make a difference in areas beyond those we immediately control.

A new school of thought

Educating our supply chain about sustainability was one area where we made tangible progress this year, through our involvement in the Australian Supply Chain Sustainability School (SCSS). This is an industry-led initiative launched to help improve sustainability knowledge and competency across the supply chain in the Australian infrastructure and construction industry. It's a concept that's been successful in the UK-this is the Australian edition-and Mirvac is one of eight founding partners, also co-chairing the committee.

Launched in March 2015, SCSS gives suppliers access to free content, resources and self-assessment tools via an online hub. So far, 342 suppliers have signed up, more than 100 of which joined via their relationship with Mirvac, and we hope many more will follow. Please visit the SCSS at supplychainschool.org.au

Supply Chain Survey

In October 2014, we introduced a Sustainability Survey which will be part of the tender package new suppliers receive when they tender for a job. It's linked to our Vendor Code of Conduct and asks potential suppliers a set of questions about their sustainability practices-meaning we're automatically gathering information about new suppliers that come on board.

Whilst completing the survey is not mandatory, it's obviously an opportunity for potential suppliers to provide us with information that can show how their practices are aligned with our own (and help them win business). So far every new supplier who has submitted a tender has completed the survey-meaning 100% of suppliers we engaged in the last year were pre-qualified.

In addition, we've also started to pre-qualify existing suppliers. There are around 211 suppliers who account for around 67.7% of our FY14 spend, so we chose to start with them. We sent all of them the Sustainability Survey, with the aim of getting 50% to respond this calendar year. We managed to achieve 32.8% and will continue to push forward until we achieve our goal.

This year, we also launched our first Supplier Annual Report, which describes our commitment to educate, engage and encourage our suppliers to embed sustainable practices.

To read our first annual Supply Chain Report click [here](#).

HOW OUR SUPPLIERS ARE CATEGORISED

- Subcontractors
- Building Materials
- Building Maintenance
- Consultants
- Electricity
- Real Estate Agents
- Advertising
- Insurance
- IT
- Human Resources
- Equipment Hire
- Travel & Accommodation
- Legal
- Administration

Supply Chain Stats: FY15 – Actionable Spend



4,521

Total number of suppliers

\$1.4b

Total spend on suppliers

Less than

\$1M

Amount spent in foreign currency

5%

Proportion of suppliers in Tiers 1 & 2

32.8%

Proportion of suppliers pre-qualified

0

Number of suppliers flagged as problematic

Materials & Supply Chain

Life Cycle Assessment

Last year, we decided to start applying Life Cycle methodology to all new projects from July 2014. Since then, we've completed LCAs on six residential properties (with an additional LCA commissioned): MPC homes at Valetta and Foxdale, the Osprey Waters site office, and properties at Glenfield Panorama, Rhodes Pinnacle and Leighton Beach.

While each LCA project was different, the major material impacts proved to be similar for all six. After identifying the processes and materials that are likely to have the highest environmental impacts across each building's life cycle, we chose to commission more focused research into two 'hot spots': steel and concrete procurement. We chose steel and concrete because these can contribute up to 70% of the GHG emissions associated with materials within our buildings. The assessments helped to quantify what we already expected about concrete, that Portland cement production has the biggest impact

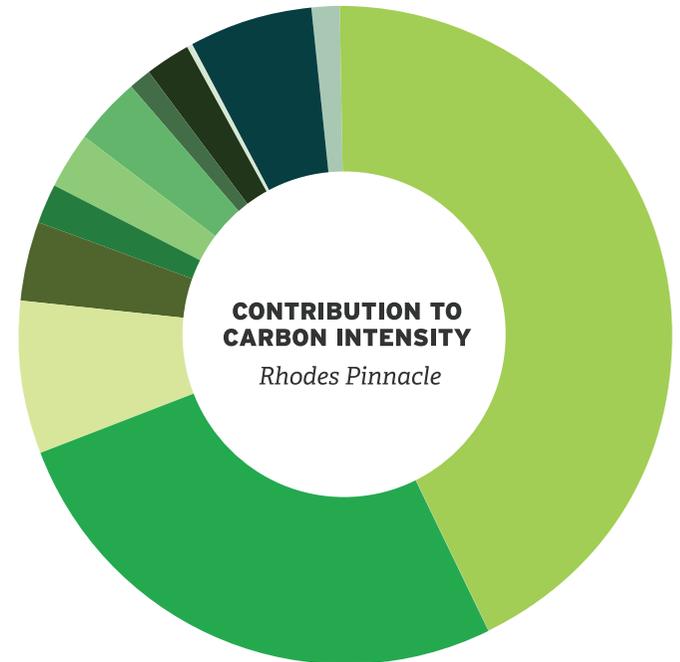
and that we should focus our attention on innovative ways to reduce the quantity of Portland cement in our buildings. However, reducing the impact of steel is more to do with the efficiencies of its production and the

These findings will enable us to focus future assessments on the actions that will result in the greatest environmental benefits.

emissions intensity of the electricity supplied to the steel plant. In both cases, efficient structural design will play an important part in reducing the impacts of these materials in the future.

We found that reducing the content of Portland cement in our concrete mixes will have the biggest impact for concrete.

These findings will enable us to focus future assessments on the actions that will result in the greatest environmental benefits.



Life Cycle Assessment



So what's next?

We hope you agree we have sprinted from the start line, now we need to maintain the pace of change, whilst embedding those key initiatives discovered on the way which create value. It's still early days in our journey to changing everything, but this year proved we're serious about it. From the technology rollouts to tenant engagement, from transparency and governance on charity, to inclusion across the business we have seen change within the business.

While we've always been committed to sustainability, 'This Changes Everything' certainly has changed how we think, simplified a complex topic and enabled people to talk

about it-and as a result, how those around us perceive our company. In so many areas, our commitment to gathering and using data is paying off. While this may be something that happens 'behind the scenes', it's beginning to have a real impact on the decisions we make, particularly on an operational level. After all, the better we understand what's going on in our world, the better equipped we are to change it. 'This Changes Everything' is now layered into our decision process and risk management, so helping the business to ensure change is within its DNA.

With momentum growing and our culture strengthening, things look promising for the next 12 months and beyond. Our ultimate strategy missions are still a long way off-but with all the projects in our pipeline, we'll have ample opportunities to keep learning, testing, refining, innovating and pushing the limits of what's possible.

Goals for 2016

- *Recycle 55% of waste from our baseline.*
- *Reduce carbon intensity by 12% from our baseline.*
- *Install 60MW of renewables.*
- *Reduce potable water intensity by 9% from our baseline.*
- *Increase water capture and recycling by 5% from our baseline.*
- *Develop a Community Framework.*

Lessons Learned

Balanced reporting is important to us at Mirvac – and that means talking about more than just our successes. There are important lessons to be learned from every initiative, even those that fail, and last year we began to report on how we're recognising and addressing such weaknesses.

Our approach to community investment and charities was one area we realised we needed to improve. So over the last year, we have started to make significant changes to our approach – a process that led to a new charity strategy and an improved reporting system.

So what were the lessons learnt that enabled us to reach this point, and what are we looking to address in the future?

Charity Strategy

HISTORY:

Mirvac has always had a strong history of corporate giving—from the establishment of the Mirvac Foundation, through to our support of the Property Industry Foundation and annual sponsorship of Sydney's Walk for a Wish. At a project level, we've been particularly effective in delivering local activities relevant to the communities in which we operate. A fantastic example being Master Planned Communities auctioning a house for Westmead Children's hospital, and Mirvac investments undertaking their annual Community Day.

OUR STRENGTHS:

- Employees are consistently engaged, enthused and willing to participate in charity activities.
- Business units have been proactive in responding directly to community and business needs.
- We have contributed over \$1m annually to community programs in the form of money, time and space.
- We have found creative ways to engage the community with some business units creating an annual community day for their team.

OUR WEAKNESSES:

- Our activities had no strategic approach, direction or guidance on how staff could get involved or be supported in divisional activities.

- Whilst some initiatives were clearly aligned to community and business needs, others were limited in their relevance to the business.

- There was no real understanding on how much was being invested, what opportunities existed for staff to participate or on the outcomes of investments. Which meant we risked investing in the wrong causes, charities, places and initiatives.

WHAT WE LEARNED:

By responding to a specific survey, employees told us where they would like Mirvac to concentrate its efforts -and it became clear that we needed a clear and concise strategy linked to a transparent governance structure. Employees identified three key areas of focus: youth, education and shelter. We identified how much was being invested in community initiatives to establish a group baseline for activities and to propose a charity budget which had to be ring fenced.

Our new strategy was developed to provide a structured way staff could engage directly with causes of their choice—with the flexibility to also respond to emergency appeals or divisional initiatives. To support and promote the strategy implementation, we also set up a charity committee with representatives from across the business.

OUTCOME:

The result has been fantastic. Mirvac now has a clear, transparent governance structure, a committee

Lessons Learned

chaired by an ELT member, and a ring fenced annual budget that allocates money to charities in four ways. This year saw 34% of our charitable donations focused on welfare, and 12% on youth and education. We were also able to respond to major national and international incidents, donating \$17,652 to support causes including the Vanuatu cyclone disaster and the Nepal earthquake.

All staff can now participate in donations through a workplace giving program with match funding by the business, and we have announced our first two-year national charitable partnership with The Smith Family. Staff can also apply for match funding up to \$200 if they are raising money for charities outside of work.

Importantly, we've also improved the support for employees wishing to donate their time. We now have a dedicated 'volunteering hub' on our Intranet and offer every employee one paid day per year to volunteer for their choice of charity-on top of our annual National Community Day, which sees many people across the company get involved.

NEXT STEPS:

As we've rolled out our strategy, we have continued to learn even more lessons. Our plan to have regional charity partners is currently being reassessed to see if there is a more effective way to engage with divisional initiatives in FY 2016. In the coming year we will also be seeking staff feedback to see how effective the new strategy has been, and we'll be calling for new committee members.

Community Investment Tool

HISTORY:

For the past six years, Mirvac has reported on our community investments as part of the London Benchmarking Group annual program. Undertaken at the end of each financial year, the reporting process involved inconsistent and inaccurate submissions and many initiatives being lost along the way. This approach to data capture also meant we were unable to provide consistent feedback to the business throughout the year, or to monitor progress and complete trend analysis. Feedback is critical in promoting the importance of community investment, and we realised we needed to encourage more of this in the right way.

OUR STRENGTHS:

- We had a system in place that allowed us to capture this information annually and align it to a recognised international standard.
- We had many initiatives underway and a group of people within the business who understood the need for community investment and the link to the success of the business.

OUR WEAKNESSES:

- The old system meant we did not understand the number of low-value activities undertaken.
- We also had no understanding of the depth of engagement in the business.
- Lack of granular data meant we could not recognise the good work across the business, or promote good practice that brought true business benefit and shared value.

- Similarly, we were unable to provide trend analysis or feedback on our progress throughout the year.
- We were also so focused on capturing the information, we ended up spending more time producing reports than ensuring our strategy met the business' needs.

WHAT WE LEARNED:

Teams across the business told us they needed a system where they could enter data immediately, and one that they'd be trained to use. They also wanted a system that provided feedback so they could understand progress, and one that enabled them to interrogate the data and identify the best forms of community engagement.

OUTCOME:

Once we understood what was required, we identified suitable software and began to create an internal online system that addressed all our pain points. As a result, we have developed a new online system where data is captured throughout the year in real time, input by people on site, at assets or on projects. Not only has this improved accuracy (as people enter data immediately), it has increased our capacity to share knowledge and log trends, and enabled us to produce quarterly reports. Thanks to the new system, our reported contributions to charitable causes rose from \$1.25m to \$1.88m. We have also gained significant clarity across the business on the amount spent on specific initiatives, which has enabled us to start to share accurate information across divisions.

NEXT STEPS:

We plan to continue to review and improve system's effectiveness and efficiency-tailoring our reporting

Lessons Learned

to individual needs, and creating live data dashboards that projects, assets and business unit leaders can access to instantly review progress. We will also be undertaking a new round of training and staff engagement through 2015/16 to build on momentum and engage new staff.

With more granular information, we want to start comparing developments and investments, and identify where similar initiatives have been more effective. Combined with our other work around customer surveys, this will provide a new data set for Mirvac to make informed decisions to improve our commitment to social impact and enriching communities.

Sustainability Reporting Criteria

The following outline sets out the main principles and methodologies used by Mirvac in the reporting of data and metrics relating to our sustainability performance in our 2014 Sustainability Report. This is to be read in conjunction with the attachment on the boundaries and measurement for reporting on progress against our sustainability strategy: 'This Changes Everything'.

Figure 32.1, 38.1 and 62.1: Energy, water & carbon intensity figures (like-for-like FY13 to FY15) and educating one million people are measured as per Mirvac's strategy boundaries and reporting document. For a detailed overview go to our sustainability report online.

Re-imagining resources:

Figure 78.1 & 79.1 Emissions GHG Reporting

Boundaries / Scope: The scope of emissions data collected and reported is with direct reference to the sites and facilities under direct Mirvac Operational Control. This is in alignment with the *National Greenhouse and Energy Reporting Act 2007* and its associated guidelines. All facilities for which operational control was deemed to exist are reported, including those that have been acquired or disposed of in the reported financial year. Excludes properties located outside of Australia.

Also includes all tools of trade cars managed by LeasePlan Australia and for which Mirvac is provided an annual summary of fuel purchases. Emissions are calculated using National Greenhouse Account (NGA) Factors December 2014 Update, Table four for post 2004 vehicles.

Restatement: No restated data within this reporting period.

Gap estimation: Typically Gaps in data can occur, these can typically occur as a result of delays in utility providers providing data and/or invoices. Mirvac's methodologies are designed to use electronically metered data where available, followed by historical data where electronic metering is not available.

GHG emissions related to energy consumption: Scope 1 Direct Emissions comprise of the following, Natural gas, Diesel, Unleaded Petrol in all forms and Liquid Petroleum Gas (LPG).

Scope 2 Indirect emissions comprise of greenhouse gases emitted by other facilities controlled by others for the production electricity used in the construction of our projects. Scope 3 emissions include the greenhouse gases emitted by another facility as an indirect consequence of Mirvac activities and specifically relate to electricity transmission losses, energy used in the production and transport of natural gas and fuels. This relates to electricity consumed. All reported quantities are reported in tonnes of CO₂ equivalents.

Data preparation methods: 98% of Mirvac energy data is compiled from vendor invoices. Where estimates or extrapolations of energy use are necessary, these are subject to internal review and are validated by an external audit process.

Mirvac uses product specific factors as defined by The Australian NGA, specifically the NGA Factors December 2014.

84.1 Water Usage

Base building operational water consumption from assets with operational control.

Definition: Water captured and consumed which is derived from non-potable sources

Source: There are several sources of captured water used in the Mirvac portfolio: rainwater; condensate water; grey water; black water; and mains reticulated recycled water.

Method: Captured water is measured in kilolitres. Water capture percentage equals captured recycled water divided by captured recycled water plus potable water consumed.

Figure 86.1: Waste by Division

Definition: This accounts for the waste in each division (construction or investment) that is recycled, prescribed or sent to landfill as a percentage of total division waste (mass).

Source: iSustain (HSE reporting tool)

Method: Mass of recycled, prescribed or landfill waste as a percentage of total division (construction or investment) waste generated.

Figure 86.2: Total Waste

Definition: Total waste generated

Source: iSustain (HSE reporting tool)

Method: Mass of total waste generated from investment and construction division.

Future of place

Figure 69.1 Transport

Boundary (air travel): All domestic and international flights taken by employees.

Source (air): Carbon emission factors derived from research by Flight Centre's offset partner, 'Cleaner Climate'. Research sources include DEFRA (Department for Environment Food and Rural Affairs), Oxford University and the UK Royal Commission on Environmental Pollution.

Method (air): For 'transactions' from 1 June 2009, Cleaner Climate's co-efficient for flight travel is 0.231kg CO₂ released per passenger per km of flight for flights greater than or equal to 3701km, 0.205kg, CO₂ released per passenger per km of flight for flights between 1108 and

Sustainability Reporting Criteria

3700km inclusive, and 0.366kg CO₂ released per passenger per km of flight for flights less than 1108km. This co-efficient assumes standard economy class travel.

Boundary (car hire): All domestic car hire by employees.

Source (car hire): All car hire arrangements are managed by Avis Australia. All distances travelled and fuel consumption are derived from their annual consolidated reports on a state by state basis.

Method (car hire): Emissions are calculated on a state by state basis using the NGA Factors December 2014, from distances travelled and fuel consumption recorded by Avis Australia.

Smarter Thinking

Figure 100.1 Employment type by gender

Definition: This accounts for all employees as at 30 June 2015. 'Full-time' employees include permanent full-time, fixed term full-time employees and those listed as 'Not Paid' (i.e. on extended leave without pay, e.g. maternity leave). 'Part-time' employees include permanent part-time and fixed term part-time employees.

Source: Discoverer reporting tool. The Discovery reporting tool is part of the Oracle HRIS system employed by Mirvac called Alesco. This allows reports based on specific metrics to be developed.

Method: Head count of females and males expressed as a % of total employees within the same employee type.

Figure 100.2 Board Gender Composition

Definition: All Non-Executive Directors as at 30 June 2015

Source: Discoverer reporting tool.

Method: Headcount of females and males expressed as a % of total headcount.

Figure 59.2 Employment by Region and Gender

Definition: All employees as at 30 June 2015, broken down by the state in which their main source of work exists. Note that NSW and ACT are combined.

Source: Discoverer reporting tool.

Method: Head count of females and males expressed as a % of total employees within the same state.

Figure 57.2 Absenteeism

Definition: This accounts for all sick leave hours taken between 1 July 2014 to 30 June 2015.

Source: Discoverer reporting tool.

Method: This is calculated by dividing the total number of hours of sick leave taken per state by the total number of productive hours in each state.

Figure 57.1 Parental leave return

Definition: This accounts for all who went on parental leave between 1 July 2014 and 30 June 2015.

Source: Discoverer reporting tool.

Method: This is calculated by looking at the total number of males and females who went on parental leave during the year and returned for work afterwards. Employees are deemed to have returned from parental leave if they have continued working after their parental leave, or if their employment was terminated more than three days after their parental leave.

Figure 59.1, 100.1, 100.2 Mirvac Group, Board & Senior Executive Manager Gender Profile % as at 30 June 2015

Definition (Group): Group accounts for all full-time, part-time, casual and fixed-term contractors within Mirvac as at 30 June 2015. Also includes Non-Executive Directors.

Definition (Senior Executive Manager): Position up to two reporting levels below the CEO/MD.

Definition (Board): All Non-Executive Directors at 30 June 2015.

Source: Discoverer reporting tool.

Method: Head count of females and males expressed as a % of total head count.

Figure 59.1 Staff breakdown average FTE salary

Definition: This accounts for all employees as at 30 June 2015. Mirvac has eight job levels, ranging from one (lowest) to seven (highest) then the Executive Leadership Team. "FTE Salaries" are the salaries of all employees, including casuals and part timers, brought up to full time equivalent, i.e. 38 hours for 52 weeks + superannuation.

Source: Discoverer reporting tool.

Method (female salaries as % of male per level): Average female FTE salaries are divided by the average male FTE salaries in the same job level and expressed as a percentage.

Method (gender profile): Male and female employees are expressed as a percentage of the total employees within the same job level.

Figure 62.1 Lost Time Injury Rate (LTIFR)

Definition: A lost-time injury is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more.

Source: WIN OHS reporting tool, Workcover medical certificates.

Method: Mirvac reports and monitors the lost time injury frequency rate (LTIFR) per million hours worked in accordance with Australian Standard AS1885.1 Workplace Injury and Disease Recording Standard. Within this calculation, 'operational' or 'field' personnel are calculated at 10 hours per working day, and 'state office personnel' are calculated at 7.6 hours per working day.

Retail, office and industrial staff (Mircvac employees) are calculated at 50 hours per week. All service provider hours are recorded as hours on site via the Contractor Management System (CMS). Mircvac construction staff are calculated at 50 hours per week and construction contractors at 10 hours per day Monday to Friday and eight hours on Saturday. Mircvac Head Office full-time equivalents are calculated at 38 hours per week.

Enriching Communities

Definition (Indigenous): Aboriginal and Torres Strait Islander peoples.

Source: Reconciliation Australia.

Appendix

Governance

We advocate sustainability through membership and participation in:

- Better Buildings Partnership
- CitySwitch
- Facility Management Association
- Green Building Council of Australia
- Housing Industry Association
- Investor Group on Climate Change
- Property Council of Australia
- Urban Development Institute of Australia
- Shopping Centre Council

We also use the following indices to demonstrate leadership in sustainability to our investors:

- Dow Jones Sustainability Index (DJSI)
- Carbon Disclosure Project (CDP)
- Global Real Estate Sustainability Benchmark (GRESB)
- FTSE4GOOD

Workforce

- 1,436 people in our workforce (593 women : 843 men)
- 1,357 full-time employees
- 330 new hires in the past 12 months (138 women : 192 men)
- 89% female and 77% male employees who returned to work after parental leave and are still employed after 12 months
- 100% of employees trained in anti-corruption policies
- 100% of employees receiving performance and career development reviews
- Employee Engagement score of 67%
- 12.5% on collective bargaining agreements
- 36% women in senior executive roles

Employment Type By Gender

	women	men
Casual	55	19
Fixed term full-time	32	18
Fixed term part-time	6	1
Permanent full-time	431	799
Permanent part-time	69	3
Not paid	0	3
TOTAL	593	843

✓ Figure 100.1

Board of Directors By Age And Gender

	women	men
30 – 50 years	2	0
Over 50 years	2	4
TOTAL	4	4

Figure 100.2

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