

About this report

The 2012 Corporate Responsibility and Sustainability Report presents our annual environmental, social and governance performance and achievements. The report covers the activities of the Mirvac Group (“Mirvac” or the “Group”) within Australia for the 2012 financial year and covers all activities under Mirvac’s operational control. It should be read in conjunction with the 2012 Mirvac Group Annual Report which discloses financial and management performance.

This report has been produced in accordance with the [GRI G3.1 sustainability reporting guidelines](#) to an A+ application level. Limited assurance has been provided by [Net Balance](#).

Contact us

Help us improve our sustainability reporting by sending feedback or questions to sustainability@mirvac.com.

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GRI Index

The Global Reporting Initiative (“GRI”) is an international organisation that pioneered the development of the world’s most widely used sustainability reporting framework.

We use the GRI framework to report on our performance in terms of social, environmental and economic dimensions and this Report has been produced to an A+ application level.

The GRI index is contained in the 2012 Corporate Responsibility and Sustainability Report online.

Disclaimer

While all reasonable care has been taken in the preparation of this report, the information contained herein is believed, but not guaranteed, to be correct at the time of release. Mirvac and its related companies will not be liable for any inaccuracies, omissions or errors in the content, nor for any loss or damage arising from action taken in reliance on the information. Full disclaimer is outlined in Mirvac’s 2012 online Corporate Responsibility and Sustainability Report (<http://mirvac2012.sustainability-report.com.au/about-report/disclaimer>).

Glossary

ARCC	Audit, Risk and Compliance Committee (Mirvac internal governance committee)
AS/NZS	Standards Australia/New Zealand Standards
ASX	Australian Securities Exchange
AuSSI	Australian Sustainable Asset Management Sustainability Index
BASIX	Building Sustainability Index
BEEC	Building Energy Efficiency Certificate
CO₂e	Carbon dioxide equivalent
EIFR	Environmental Incident Frequency Rate
FTE	Full time equivalent
GRI	Global Reporting Initiative
GHG	Greenhouse gas
HSE	Health Safety Environment
HSE&S	Health Safety Environment and Sustainability
IUCN	International Union for Conservation of Nature
KPI	Key Performance Indicator
LTIFR	Lost Time Injury Frequency Rate
LBG	London Benchmarking Group
MPT	Mirvac Property Trust
MirvacPlus Residential Scorecard	Internal management system
NABERS	National Australian Built Environment Rating System
NGER	National Greenhouse and Energy Reporting Act 2007
UNPRI	United Nations' Principles for Responsible Investment
The Mirvac Way	Internal program to promote Mirvac values

BUSINESS CONDUCT

🎯 STRATEGIC OBJECTIVE

To operate ethically, effectively and transparently in line with external regulatory and legislative requirements, and internal governance procedures, in order to achieve sustainable business outcomes.

☆ FY12 ACTIONS

☑️ PROGRESS

▶▶ LOOKING FORWARD – FY13 ACTIONS

Continue to meet statutory requirements for environmental disclosures.

- ✓ Produced **EEO** reports; **NGER** report and **BEECs**.
- ✓ Met statutory compliance requirements and continued to design and deliver projects that met or outperformed minimum building energy efficiency standards as set out in the Building Code of Australia.

- ▶ **Continue to meet statutory compliance requirements for environmental disclosures.**
- ▶ **Continue voluntary reporting of Environmental, Social and Governance performance.**
- ▶ **Formalise procedures for Mirvac's centralised compliance reporting systems to provide standardised and replicable methods of recording and reporting.**
- ▶ **Consider Environmental, Social and Governance issues at all key decision-making points.**
- ▶ **Implement and maintain a climate change policy.**

Articulate our sustainability strategy consistently with The Mirvac Way and strategic driver of sustainability excellence.

- ✓ Included the strategic driver of sustainability excellence in The Mirvac Way communications to the business.
- ✓ Produced a materiality assessment and ensured all actions aligned with material priorities as identified by key internal and external stakeholders.

Create an integrated framework for compliance reporting.

- ✓ Consolidated data for sustainability compliance reporting into a centralised system. We are now expanding the functionality of this system to further incorporate other types of data at an asset level.

Schedule key dates for sustainability communications within the Group-wide communications schedule to improve coordination of work across business units and align communications content with strategy.

- ✓ Coordinated communications among business units to improve outcomes for various strategic actions. This included coordinating lead-in times for reporting and key events, designating reporting lines for disseminating information, e.g. policy updates, promoting events and employee engagement activities.

Embed Mirvac's sustainability principles into the strategic plan.

- ✓ Incorporated sustainability principles within the strategic plan and made the plan available on Mirvac's intranet for all employees.

 ☆ FY12 ACTIONS

☑ PROGRESS

 ▶▶ LOOKING FORWARD – FY13 ACTIONS

Communicate the Group sustainability strategic plan to internal and external stakeholders.

- ✓ Implemented sustainability strategy roadshow to communicate the strategic plan to employees across all Mirvac state offices.
 - ✓ Reviewed one of the Licence to Operate training modules to incorporate key elements of the Group sustainability strategic plan.
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About Mirvac

Mirvac is a leading integrated real estate group, listed on the Australian Securities Exchange (“ASX”) with activities across the investment and development spectrum. Established in 1972, Mirvac has more than 40 years of experience in the real estate industry and an unmatched reputation for delivering quality products across all of its businesses.

Mirvac is committed to being Australia’s pre-eminent developer of real estate and providing stable and secure income through its diversified, quality Australian investment grade portfolio. The Group’s strategy remains focused on the investment and development of Australian real estate within a sustainable business model that delivers returns across business and economic cycles.

During the 2012 financial year Mirvac announced that it had entered into contracts for the sale of its Hotel Management business and the transaction was completed on 22 May 2012. The Hotel Management business was responsible for the management of hotels across Australia and New Zealand.

Financial and operational highlights

Key financial highlights for the 2012 financial year included:

- ▶ profit attributable to the stapled securityholders of Mirvac of \$416.1m, an increase of 128.0 per cent, which included a net gain on investment properties (including investment properties under construction) of \$132.9m, profit of \$21.4m from the sale of the Hotel Management business and, as announced in February 2012, a provision for loss on inventories of \$25.0m in respect to Beachside Leighton, North Fremantle, Western Australia;
- ▶ operating profit after tax of \$366.3m¹, representing 10.7 cents per stapled security;
- ▶ net tangible assets per stapled security of \$1.66 from \$1.62²;
- ▶ operating cash flow of \$317.0m; and
- ▶ full year distribution of \$287.0m, representing 8.40 cents per stapled security.

Key operational highlights for the 2012 financial year included:

- ▶ successfully delivered on the Group’s strategy to simplify its business with the sale of the Hotel Management business, realising a profit of \$21.4m³;
- ▶ established strategic relationships with K-REIT Asia and AVIVA Investors via the sale of 50.0 per cent of 8 Chifley Square, Sydney, New South Wales and Hoxton Distribution Park, Hoxton Park, New South Wales respectively;
- ▶ achieved 3.4 per cent like-for-like net operating income growth within the Investment Division’s portfolio;
- ▶ maintained a high portfolio occupancy rate of 98.4 per cent⁴ and a strong weighted average lease expiry of 7.4 years⁴ within the Investment Division’s portfolio;
- ▶ leased 147,646sqm (10.4 per cent of net lettable area) within the Investment Division’s portfolio;
- ▶ disposed of four non-core retail properties within the Investment Division’s portfolio, realising \$132.0m in gross sale proceeds;
- ▶ continued the strong focus on corporate responsibility and sustainability with the Investment Division’s portfolio achieving an Office NABERS Energy rating of 4.3 Star average, six months ahead of the December 2012 target of 4 Star, and 8 Chifley Square, Sydney, New South Wales awarded a 6 Star Green Star – Office Design v2 rating;

1) Excludes specific non-cash items, significant items and related taxation.

2) Net tangible assets per stapled security based on ordinary securities including Employee Incentive Scheme securities.

3) After costs.

4) By area, excluding assets under development.

- ▶ Mirvac's safety performance continued to improve with a **LTIFR** of 7.3 for employees plus service providers, representing a 17.0 per cent improvement over the 2011 financial year. In addition, the number of workers' compensation claims reduced by 20.5 per cent and the average cost per claim reduced by 34.7 per cent over the 2011 financial year; and
- ▶ strong levels of exchanged pre-sales contracts at \$907.7m¹ in residential projects and achieved 1,807 residential lot settlements.

Further details of the Group's financial performance can be found in the [2012 Annual Report](#).

Governance

Our strong corporate governance framework is critical to fostering a culture that values ethical behaviour to protect the interests of securityholders and other stakeholders. We are committed to ensuring that our systems, procedures and practices reflect a high standard of corporate governance.

During the 2012 financial year, Mirvac's corporate governance framework was consistent with the Corporate Governance Principles and Recommendations released by the **ASX** Corporate Governance Council in August 2007, which were updated in 2010. Key Mirvac policies are available on our [website](#).

The Mirvac Board

The primary objective of the Board is to build long-term securityholder value with due regard to other stakeholder interests. The Board sets strategic direction, including Mirvac's mission, vision and values, and focuses on issues critical for the successful execution of the strategic plan. These critical issues include effectively managing our workforce, maintaining excellent performance and managing risk.

The Board and its committees are also responsible for robust corporate governance, which can add to our performance, create securityholder value and engender the confidence of the investment market.

Together the Board members have the broad range of experience required to effectively oversee Mirvac's business. The Board comprises:

- ▶ James MacKenzie (Chairman)
- ▶ Nicholas Collishaw (Managing Director effective to 31 October 2012)
- ▶ Marina Darling (Director effective 23 January 2012)
- ▶ Peter Hawkins
- ▶ James Millar AM
- ▶ Penny Morris (Director effective to 17 November 2011)
- ▶ John Mulcahy
- ▶ John Peters (Director effective 17 November 2011)
- ▶ Elana Rubin
- ▶ Gregory Dyer (Executive Director and Finance Director effective 4 September 2012)
- ▶ Susan Lloyd-Hurwitz (Managing Director effective 5 November 2012)

1) Total exchanged pre-sales contracts as at 30 June 2012, adjusted for Mirvac's share of joint ventures, associates and Mirvac's managed funds.

Committees

Health Safety Environment and Sustainability Committee

The HSE&S Committee helps Mirvac fulfil its responsibilities in relation to health, safety, environment and sustainability matters by monitoring all HSE&S operational and compliance issues, reporting appropriate matters and reviewing strategic directions.

Audit Risk and Compliance Committee

The ARCC assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's financial reporting, systems of internal controls and management of risk, internal and external audit functions, compliance obligations and processes for monitoring compliance with relevant laws and regulations.

Details of the related governance committees can be found in the [2012 Mirvac Annual Report](#).

Risk and compliance

Risk management procedures and practices

Our risk management procedures with regard to climate change risks and opportunities are integrated into risk management processes across the Mirvac Group. To ensure consistent and effective risk management practices throughout the Group, an enterprise risk management framework approach has been adopted. The application of this framework is overseen by the Group Risk function and is based on ISO 31000:2009 Risk Management – Principles and Guidelines.

Risk identification, determination and assessment at the Group level are undertaken by key functional units (e.g. Finance, Legal, Sustainability, Health, Safety and Environment) and all key business units.

As the property development, construction and property investment businesses face differing risks, we have established a risk register for each business outlining the key risks, the controls to mitigate those risks and the person(s) responsible for implementing and reviewing those controls. Where appropriate, the registers include potential regulatory risks and the physical impacts of climate change.

Risk assessment at an asset level is undertaken within each business unit, as required, in the acquisition, development or redevelopment of sites. Climate change opportunities and risks, including extreme weather events, are assessed in terms of their physical impact on individual facilities, as well as the potential risk to life and livelihood.

Reporting and reviewing risks

Risk registers are reviewed quarterly and updated regularly by the executive management of each business unit. Business units report routinely to the Group's Executive Leadership Team and the Managing Director. The Executive Leadership Team assesses the Group's material business risks and reports quarterly to the ARCC and the Board.

The Group's Risk Management Policy and underlying strategies are reviewed annually by the Board to ensure continued application and relevance. Management's review of the implementation and effectiveness of this policy is also undertaken by the Executive Leadership Team.

Compliance

Mirvac and its business operations must comply with both federal and state environment protection legislation.

At the federal level, Mirvac has triggered the *Energy Efficiency Opportunities Act 2006* threshold and is required to participate. An Assessment and Reporting Schedule has been approved under section 16 of the Act and Mirvac is progressing assessments in accordance with this schedule.

Mirvac has also triggered the participation threshold of the *National Greenhouse and Energy Reporting Act 2007*. This Act requires large energy-using companies to report annually on greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production figures. Mirvac must report by 31 October each year.

Mirvac is also subject to the commercial *Building Energy Efficiency Disclosure Act 2010*. This involves the disclosure of energy efficiency related information at the point of sale or lease of office space greater than 2,000sqm.

The Federal Government has introduced a price on carbon pollution, which came in to effect on 1 July 2012. Mirvac is not a liable entity under the legislation and is affected marginally. The legislation provides for increases in the total carbon cap and, therefore, does not preclude expansion of the number of directly liable entities before the scheme transitions to a cap and trade system in 2015.

Sustainability at Mirvac

We believe that understanding what sustainability means to each of our stakeholder groups is integral to our strategy and we undertake formal stakeholder engagement on an annual basis. We actively engage with our stakeholders to identify and address key issues.

During the 2012 financial year our stakeholder engagement program involved a roundtable discussion with Mirvac stakeholders facilitated by an external sustainability consultant, along with reviewing internal documentation, sustainability reports of our peers, relevant information from industry bodies, media, and national and international sustainability codes.

The issues identified were categorised on the level of interest and importance to stakeholders and Mirvac, and were further refined and validated by internal workshops.

The stakeholder groups represented within the engagement exercise included:

- ▶ Senior management
- ▶ Stakeholder relationship managers
- ▶ Investors/financial institutions
- ▶ Suppliers
- ▶ Industry bodies
- ▶ Tenants
- ▶ Customers

The 29 issues identified as most material were compared to the previous year and used to inform the ongoing development of Mirvac's sustainability strategy, reporting and alignment with the strategic driver of sustainability excellence. The issues were classified into six areas which form the basis of each chapter of this Report.

1. Business conduct

Material issues covered: governance, strategy, compliance and risk, reputation, financial performance, long-term growth, reporting and communications.

2. Mirvac people

Material issues covered: health and safety, culture, engagement, wellbeing, training, attraction and retention, diversity and leadership.

3. External stakeholders

Material issues covered: customers, investors, community, government and industry.

4. Environmental impact

Material issues covered: energy, water, waste, climate change and building ratings.

5. Product responsibility

Material issues covered: design, quality and existing buildings.

6. Supply chain

Material issues covered: procurement, including suppliers for internal and external products, and influencing the supply chain.

MIRVAC PEOPLE

🎯 STRATEGIC OBJECTIVE

To engender a culture committed to sustainability.

★ FY12 ACTIONS

☑️ PROGRESS

▶▶ LOOKING FORWARD – FY13 ACTIONS

Allocate all employees at least one sustainability KPI, set by business units and aligned with endorsed KPI guidelines.

✓ Allocated all employees with a sustainability KPI.

▶ **Continue to develop Mirvac's sustainability outcomes through collaboration across business units.**

Initiate an internal climate change education program.

✓ Briefed executives and key employees across Mirvac with the results of a review regarding physical, regulatory and economic climate change risks.

▶ **Cascade sustainability KPIs from the Managing Director to all employees.**

▶ **Train employees to implement the sustainability KPIs for their roles.**

Launch the 2012 intake of the Mirvac Masters Program.

✓ Completed 2012 intake of the Mirvac Masters Program with 10 students enrolled.

▶ **Provide Mirvac Masters students opportunities to share learnings with the Group.**

▶ **Continue to operate the National Development Sustainability Committee.**

Encourage continued employee engagement through national and local sustainability committees.

✓ Continued the National Development Sustainability Committee which has been restructured around Development Division product and service lines.

▶ **Continue to develop and implement Mirvac's health and wellbeing program.**

▶ **Achieve employee diversity gender targets of 28% female senior management and 30% female in management.**

Develop a cultural behaviour change program related to sustainability.

✓ Developed cultural behaviour change campaigns including: Earth Hour, Switch Off and KeepCup Campaigns.

▶ **Achieve talent turnover target of less than 6% per annum.**

Support Human Resources and HSE departments in health, safety and wellbeing initiatives.

✓ Ensured Human Resources and HSE departments were supported in various health, safety and wellbeing initiatives.

Our culture

At Mirvac our vision is to be a globally recognised leader in real estate investment and development. To achieve this vision we believe we need to be able to attract and retain the very best of talent available. That is why a key component of Mirvac's vision is to be a preferred employer by 2014, as determined by Hewitt's Best Employer program.

We take our commitment to our people seriously. All employees have performance objectives linked to Group strategic drivers, and executive and management bonuses are dependent on the achievement of a balanced scorecard across a range of performance metrics which include financial, HSE, customer and people/engagement targets.

In the 2012 financial year we completed a major review on what made Mirvac a great place to work. Results identified that employees are attracted to, and stay with us, because of our collegiate culture, diversity of opportunity, outstanding quality products, brand and services.

The Mirvac Way

We believe that our Group strategy and performance needs to be more than just a formal document but a living breathing part of our business woven into the very fabric of the organisation.

It is for this reason we created the organisational strategic roadmap called 'The Mirvac Way', containing our vision, purpose, strategic drivers and behavioural values. The Mirvac Way serves as an organisational compass for all employees to be aligned to a common strategy and purpose.

Every year the Executive Leadership Team, with input from employees, refreshes The Mirvac Way and conducts a national roadshow that engages all employees in our strategic plan. In June 2012, our leadership team once again conducted sessions in each capital city outlining the direction of the company and reinforcing the importance of the Mirvac values in our journey to achieve our 2014 vision.

Recognition – Mirvac Stars

Early in the 2012 financial year Mirvac launched a reward and recognition program, 'Mirvac Stars', where employees can nominate one another for demonstrating the Mirvac values. This program reinforces our values, which are an integral element of how we will achieve our 2014 vision.

Employees can nominate colleagues each time they see them:

- ▶ act with integrity;
- ▶ take ownership;
- ▶ strive for excellence;
- ▶ work as one team; and
- ▶ value our customers.

Each nominee receives points, which can be redeemed for rewards. Once nominated for all five categories the employee becomes a Mirvac Values Star.

Each year from the pool of Mirvac Values Stars, a number of Super Stars are selected and one Mirvac Mega Star is recognised at an annual celebration event.

Performance-based culture

A performance-based culture underpins everything we do. All employees have performance objectives linked to the Group strategic drivers of:

- ▶ capital efficiency and financial performance;
- ▶ customer and investor satisfaction;
- ▶ HSE and sustainability excellence;
- ▶ operational excellence; and
- ▶ employee engagement and living the Mirvac values.

All employees have their performance reviewed during the year and receive a performance rating against achievement of KPIs for tasks completed and behaviours demonstrated. This is a key determinant of remuneration reviews and short-term incentive awards.

Short-term incentive payments are dependent on achieving a balanced scorecard across a range of performance metrics including financial, HSE, customer and people/engagement targets. This ensures a transparent linkage between the Group's goals and incentive payments.

Mirvac continues to embed the performance management process throughout the organisation. During 2012 Mirvac consistently met performance targets with more than 95 per cent of employees completing performance plans, mid-year reviews and year-end reviews on time. As at 27 July 2012, 98.96 per cent of male employees and 97.95 per cent of female employees had undergone the performance review process.

In February 2011, we implemented an online performance management system to support our performance culture, driving quality and consistency across Mirvac's performance framework. The implementation of this management system ensures performance, talent and remuneration processes are woven into the fabric of our culture, providing a high-performance ethos, and underpinning the long-term sustainability and success of Mirvac.

In October 2011, Mirvac was awarded the Taleo Asia Pacific Innovation Award for our application of the performance management system to manage probationary reviews.

Employee engagement

Through AON Hewitt research we know that increased engagement results in greater employee discretionary effort and better productivity. As Mirvac's organisational results and operating outcomes have improved since 2009, so has employee engagement. Our 2012 engagement survey results showed employee engagement has increased by 22 per cent since 2009. This year, 96 per cent of our employees completed the survey and shared their views on Mirvac as a place to work.

Engagement tracking

	2009	2011	2012
Engagement score	37%	56%*	59%

* 2009 and 2011 engagement scores included Mirvac Hotels & Resorts.

Employee turnover

Mirvac monitors employee turnover metrics on a monthly basis.

We have continued to see an improvement with total turnover for the 2012 financial year reduced to 26 per cent. Talent turnover, which is measured as the departure of employees who receive a performance ranking of four or five out of a possible five at their full-year performance review, fell to 8 per cent.

To gain a better understanding of the reasons for leaving, and minimise turnover, departing employees are encouraged to complete an online exit survey and talent employees are asked to participate in exit interviews with an independent third party.

Employee turnover

**	2010	2011	2012
Total turnover	43%	29%	26%
Talent turnover	NA***	13%	8%

** All figures exclude Mirvac Hotels & Resorts.

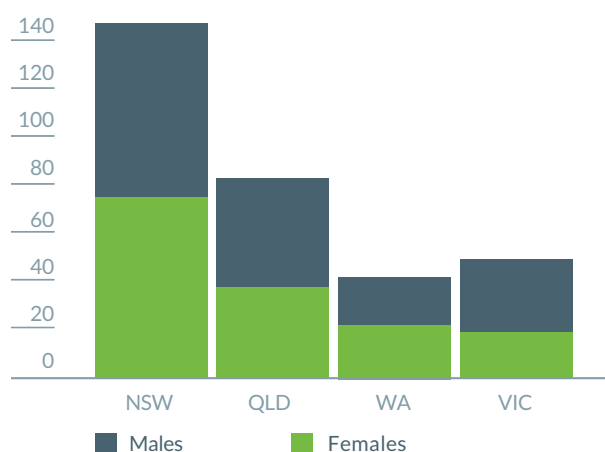
*** Talent figures for 2010 are unavailable as the performance management system was implemented in 2011.

Talent turnover

	Target female turnover 2014	Female talent turnover 2012	Male talent turnover 2012
Mirvac employees	10%	14%	7%
Mirvac managers	7%	9%	8%
Mirvac senior executives	0%	0%	0%
Mirvac total	10%	12%	6%

As at 30 June 2012 and excludes Mirvac Hotels & Resorts.

Total turnover by gender and region



* Figures exclude Mirvac Hotels & Resorts

** Note that NSW & ACT are combined in the above graph

Improving systems and processes

We strive to ensure our systems are robust, efficient and effective. Through continuous improvement we ensure that appropriate controls are in place to meet legislative requirements and minimise error.

Our improved payroll system, with new processes and upgraded technology, enables business functions to effectively respond to future business and market demands. This allows us to apply best practice benchmarks, clarify roles and responsibilities, provide accessible information for managers and employees through improved workflow and support consistent reporting.

Diversity

Mirvac's purpose is to 'Create Great Places for Life'. We do this through community developments, residential developments, apartments, commercial developments and shopping centres.

We believe that our organisation should reflect the communities we support and the customers we serve. At every level of our organisation, we strive to reflect the social structures that our business is designed to support. We also believe that diversity makes good business sense. An organisation that has a positive approach to difference leverages the full potential of its people to optimise commercial decision making.

Mirvac has adopted, and is fully compliant with, the [ASX Corporate Governance Recommendations 3.2 to 3.5](#) and our [Diversity Policy](#) is publicly available on our [website](#).

As an early adopter of guidelines we have continued to demonstrate our ongoing commitment to diversity. Although we recognise we are at the early stages of maturity in our diversity journey, we understand and recognise diversity represents the key to engaging the full potential of the talented individuals working with Mirvac. While we still have some way to go before we achieve all our diversity objectives, the steps we have taken in the 2012 financial year have been important and have moved us forward.

At Mirvac our commitment to diversity extends beyond the programs and initiatives in place; we strive to create a culture in which both visible and tacit differences are recognised and valued. We believe our competitive advantage lies in creating and maintaining a culture where all employees are able to contribute and fulfil their potential without artificial barriers.

The Board, the Human Resources Committee and management have worked hand-in-hand to create a culture where individual differences are valued and respected. The Company has, and will continue to develop, strategies and programs to promote diversity and inclusion. During the 2012 financial year we have focused on gender diversity and have identified indigenous, disability, single parents and ethnic diversity as future priorities. The Board has committed to measurable gender diversity targets and reports on progress each year.

The Human Resources Committee is responsible for the regular review of diversity-related activities. The Board has appointed the Chairman, James MacKenzie, as the diversity program sponsor. The Diversity Council meets regularly to coordinate diversity activities and reports to the Human Resources Committee regarding diversity initiatives and progress.

We aspire to ensure diversity outcomes are integrated at every level of our business. With a priority focus on gender, our approach to diversity demonstrates our strong commitment to supporting women entering the workforce, equity in promotion and initiatives to enhance female retention.

A range of initiatives have been undertaken throughout the 2012 financial year to directly support our diversity policy. The key initiatives implemented, the measurable objectives, and performance against these objectives are set out in the table below.

Diversity initiatives

Initiative	Measureable objective	Progress to date
Establish a Women's Network.	Establish a Leadership Network and Development Program for female leaders by November 2011.	<ul style="list-style-type: none"> ▶ Sponsor and Chair appointed. ▶ Initiative launched (Sept 2011). ▶ Network established. ▶ Development program requirements specified.
Establish an organisation-wide graduate program to provide a pipeline of gender diverse talent for future leadership roles.	Implement Mirvac graduate program with 50% female graduates by February 2012.	<ul style="list-style-type: none"> ▶ Graduate recruitment policy/guidelines introduced. ▶ First graduate intake 50% female.
Update recruitment guidelines to encourage, where possible, a gender balance shortlisted candidates.	Implement recruitment policy that all executive recruitment briefs include a guideline for 50% of shortlisted candidates to be female.	<ul style="list-style-type: none"> ▶ Mirvac recruitment policy updated. ▶ Recruitment process review in progress.
Flexible work arrangements/job design policy.	Implement flexible work policy by June 2011.	<ul style="list-style-type: none"> ▶ Flexible work arrangements/job design policy developed. ▶ Policy launched June 2011.
Conduct a pay parity review and implement measures to achieve gender equity and parity in pay.	Complete annual pay parity review and report against internal and external benchmarks.	<ul style="list-style-type: none"> ▶ First analysis conducted (Sept 2011) – no material difference in the average total fixed pay increase between males and females. ▶ Manager guidelines developed to ensure relevant factors are considered in relation to pay decisions.
Implement a talent management program for female leaders.	Implement a Women in Mirvac Talent Management Program by October 2011.	<ul style="list-style-type: none"> ▶ Talent management program designed and implemented (Dec 2011). ▶ High potential women identified. ▶ Development centres conducted to identify development needs (June 2012).

Proportion of female employees

In line with our diversity policy, the table below outlines our female representation and talent turnover targets, and our progress against achievement of these targets.

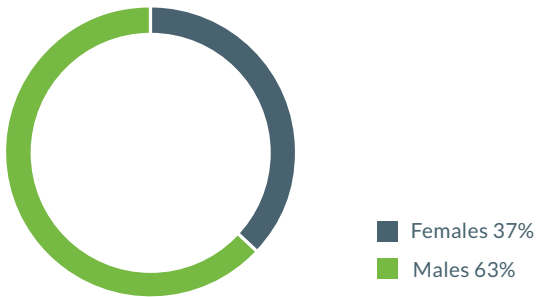
	Measurable objectives		Actuals	
	Target by 2015	Target by 2020	June 2009	Progress* (as at 30 June 2012)
Women on Mirvac Board	35%	50%	14%	25%
Women in senior executive positions (FTE)	35%	50%	-	25%
Women in Mirvac (FTE)	50%	50%	43%	37%
Women in graduate positions (FTE)	>50%	50%	-	50%

*30 June 2012 results exclude Mirvac Hotels & Resorts.

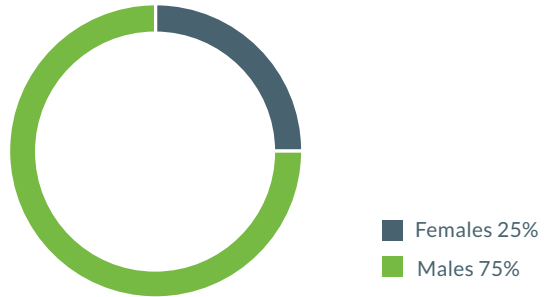
Diversity graphs – all graphs are Group (excluding Hotels & Resorts) except where identified

Gender composition

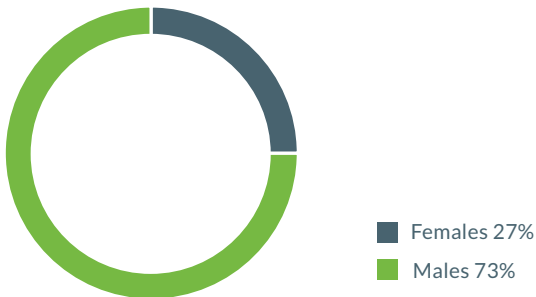
Mirvac Group¹



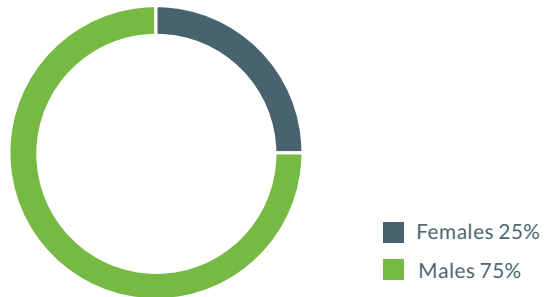
Mirvac Board¹



Mirvac management¹



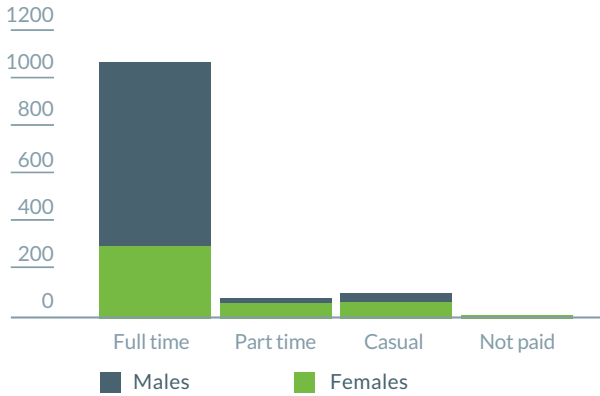
Mirvac senior management¹



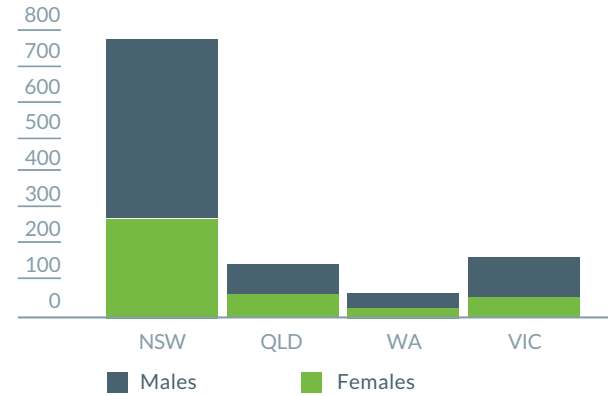
1) Assured by Net Balance.

Mirvac Group

Employment type and gender¹

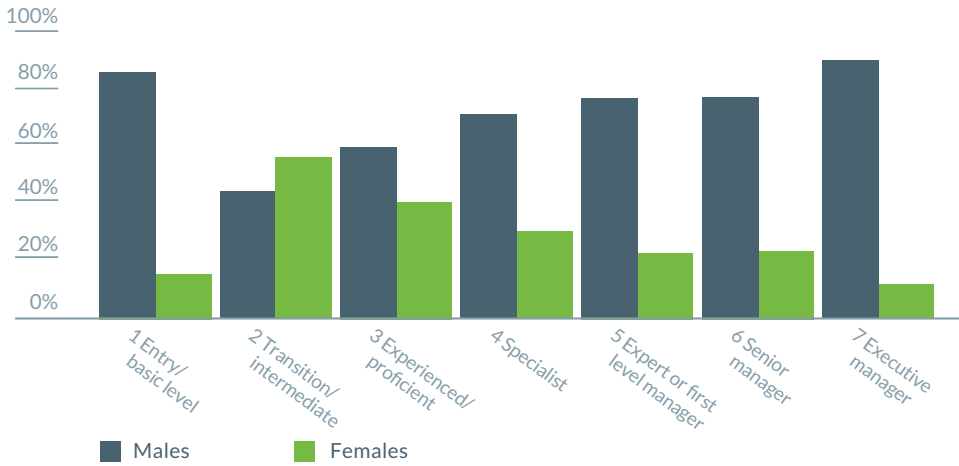


Employment region and gender¹

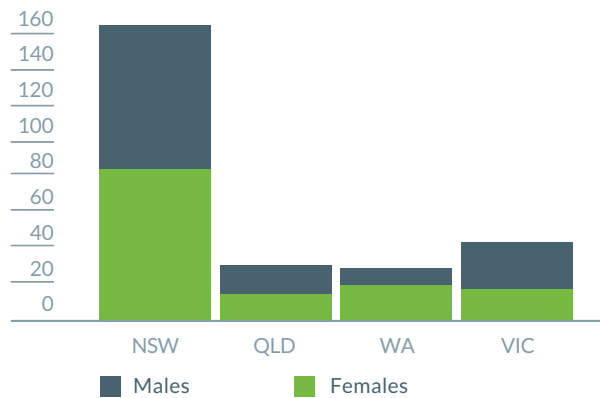


Not paid employees are those that are on extended leave (e.g. leave without pay, maternity leave). Note that for all regional graphs, NSW & ACT are combined, and VIC & TAS are combined.

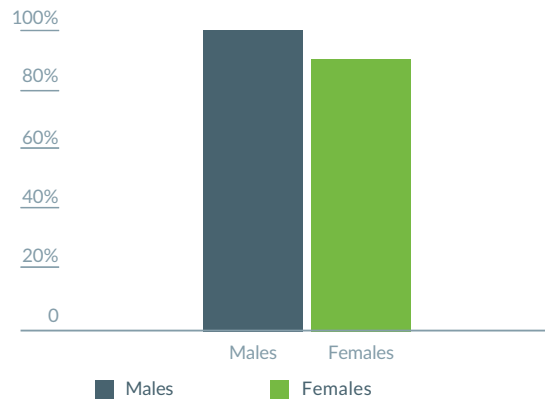
Proportion of males and females by job level¹



New recruitment by gender and location¹



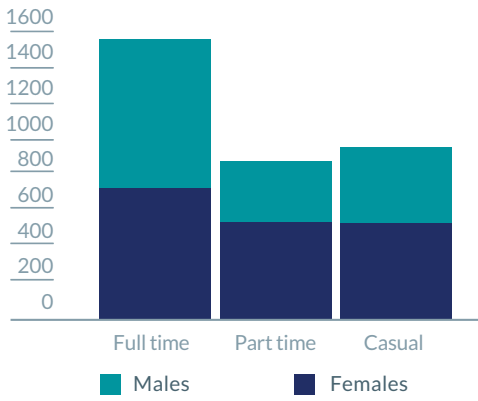
Return to work after parental leave¹



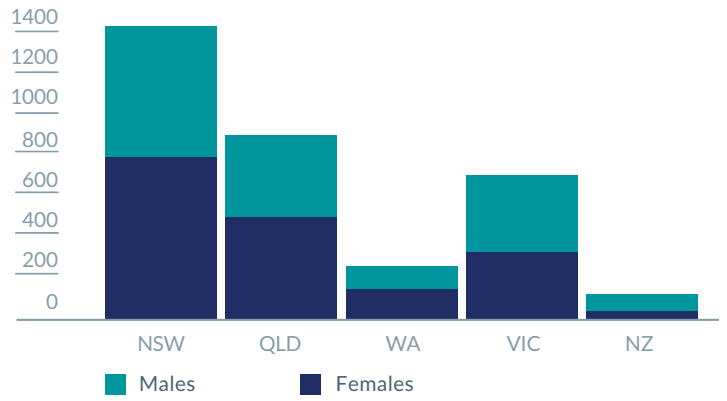
1. Assured by Net Balance.

Mirvac Hotels & Resorts

Employment type and gender¹



Employment region and gender¹



1. Assured by Net Balance.

Pay parity

Mirvac uses the AON Hewitt job grading structure which assigns jobs to one of seven grades according to size and scope, with higher job grades representing jobs with larger accountabilities. Although job grades group together roles of broadly similar magnitude, there is still some variation in pay within a grade due to some roles being sourced from different segments of the labour market to attract the right candidates.

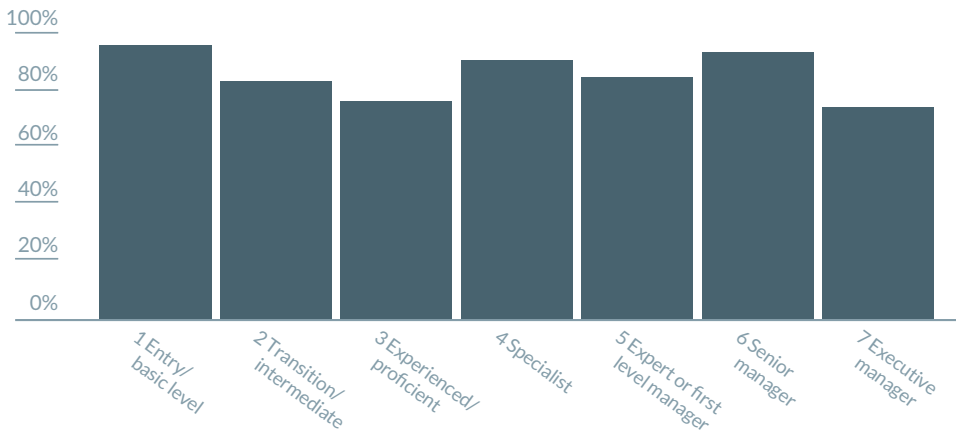
While comparing average male and female pay based on job grades has limitations, we believe it is still a helpful reference point to begin work on achieving pay parity throughout the organisation, regardless of gender. In order to build on this work, a current focus area is the development of reporting that will allow Mirvac to compare the pay levels of males and females performing the same roles. This work will enable Mirvac to understand the root cause of any gender pay disparities better and develop appropriate strategies in response.

Specific pay parity initiatives undertaken during the 2012 financial year include:

- ▶ identifying female employees who appear to be underpaid relative to the external market for their role and bringing them to the relevant manager’s attention for rectification;
- ▶ communication from the Managing Director to managers prior to the annual review process raising the issue of pay parity and affirming Mirvac’s commitment to addressing gender pay inequity; and
- ▶ reviewing pay decisions made during the annual review process to ensure no gender bias was present.

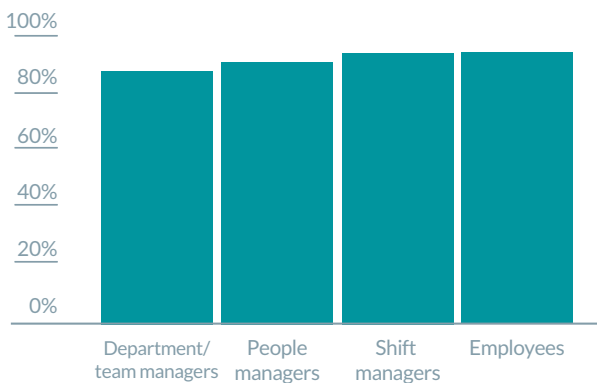
Mirvac Group (excluding Hotels & Resorts)

Female pay as a percentage of male pay by job levels¹



Mirvac Hotels & Resorts

Female pay as a percentage of male pay by job levels¹



1. Assured by Net Balance.

Work-life balance

Mirvac acknowledges the importance of work-life balance for the health and wellbeing of our employees and sustainable organisational performance. We understand our employees are managing a range of demands in their life including: family and carer responsibilities, further education and involvement in various community organisations and activities.

Stress and psychological issues continue to be an emerging area of concern across many industry sectors. These issues and the resulting effects on the health and wellbeing of employees are generally associated with high-intensity work environments, heavy workloads and financial pressure. High stress levels can lead to increased absenteeism and workers' compensation claims.

Our health and wellbeing program helps to improve employee health and lifestyle and support a positive workplace culture. A 'wellbeing week' was held in May 2012 to reinforce the importance that Mirvac places on work-life balance and enhance the overall value proposition for all of our employees.

Mirvac's work-life balance program includes:

- ▶ a Flexible Work Arrangements Policy supported by Mirvac's IT network which has the capability to support flexibility in:
 - ▶ time: options to vary start and end times, and compressed work weeks;
 - ▶ place: telecommuting and working from home;
 - ▶ managing the timing of work: such as when they work (scheduling hours and overtime), when to take breaks, how their time is spent and annualised working hours (working hours are varied according to workloads but averaged out over each six-month period); and
 - ▶ careers: employees are able to enter, exit and re-enter the workforce, or to increase or decrease their workload or career pace at different life stages.
- ▶ the ability for employees to purchase an additional week of annual leave;
- ▶ an increase in paid parental leave to 16 weeks and the introduction of ten days leave for an eligible spouse;
- ▶ paid leave for one day each year to undertake volunteer work in the community;
- ▶ access to financial planning advice;
- ▶ Mirvac's 'personal best' program that seeks maximum productivity by balancing the way an employee thinks, the way they work, the way they manage stress and the way they eat and move;
- ▶ a 'lunch and learn' program with lunchtime workshops on issues such as building resilience, managing challenging behaviours and work-life balance;
- ▶ free access to the 24-hour Employee Assistance Program which provides confidential counselling services to employees and their families. This program assists employees with personal or work-related problems, which may have the potential to significantly affect health and wellbeing, work performance or overall quality of life. It also offers critical incident stress debriefing to individuals or groups in response to a specific work, or even family incident, which may be of a stressful or traumatic nature; and
- ▶ employee discounts for gym membership and health insurance.

Additional benefits of working for Mirvac include:

- ▶ employee discounts with some suppliers, ranging from appliances, beds, computers and more;
- ▶ recognition for key milestones of service through Mirvac's loyalty program, with permanent employees eligible for long-service awards;
- ▶ the ability for eligible employees to share in Mirvac's success by receiving Mirvac stapled securities up to \$1,000 at no cost under Mirvac's employee exemption plan; and
- ▶ Salary Packaging Policy that includes access to a novated vehicle lease.

Case study – Wellbeing

Team Challenge

In 2012 Mirvac undertook the second Team Challenge to promote the health and wellbeing of employees.

Over a ten-week period 40 teams undertook the challenge with each entrant wearing a pedometer to record their steps while exercising. The teams collectively walked a total distance of 83,183km or 103,410,020 steps, which is twice around the world.

The best individual Mirvac participant, Joshua Moldoveanu at Kawanna Shopping Centre, walked 1,934,967 steps, the equivalent of walking from Sydney to Cairns!

The Yarra Warriors, of the Victorian Yarra's Edge construction project, achieved the most steps in the advanced category, collectively walking 5,288,400 steps, the equivalent of 4,254km.

Run Chicken Run, employees of Mirvac Corporate Services Administration and Finance team, achieved the most steps in the open category. The Chickens collectively walked 4,424,770 steps, the equivalent of 3,359km.



Learning and education

Throughout the past year, employees have continued to attend and participate in programs designed to support Mirvac's high-performing culture. During the 2012 financial year, learning modules covered a range of topics such as: leading The Mirvac Way, objective setting, conducting performance discussions, coaching skills, career development, risk management and sales.

Mirvac Masters

In January 2012, as part of our ongoing commitment to sustainability and the development of our people, we once again offered the Mirvac Masters program. This program offered staff the opportunity to apply for a Master of Real Estate (Sustainable Development) at Bond University, funded by Mirvac.

Licence to Operate

HSE as a core learning and development competency remains a key priority at Mirvac. Our Licence to Operate training, introduced in July 2008, has been progressively developed to include a suite of 11 e-learning modules available at all Mirvac workplaces. These modules provide uniform understanding of key management principles including environmental awareness and the importance of HSE at Mirvac. Two further e-learning training modules are scheduled for 2013.

As at 30 June 2012 Mirvac achieved an employee completion rate across the Group of 100 per cent for all modules which represents a 4 per cent improvement over the 2011 financial year. In addition, 555 days training in HSE was provided across the Group for the 2012 financial year.

Development Division program

During the 2012 financial year, our Development Division continued to provide formal cadet and intern programs for graduates. These programs range in length from 3–12 months.

Graduate program

The Mirvac graduate program commenced in February 2012; it aims to attract talented individuals and provides a pipeline of future leaders for the Group.

Health and safety

Mirvac integrates the requirements of work health and safety legislation and environmental protection legislation under its **HSE** management system.

To promote continual improvement the management system is based on the requirements of:

- ▶ **AS/NZS 4801** Occupational Health and Safety Management Systems;
- ▶ the international standard **OHSAS18001** Occupational Health and Safety Assessment Series; and
- ▶ **AS/NZS 14001** Environmental Management Systems.

Management systems and independent external recognition

The Group Manager **HSE** is the appointed management representative required to ensure the **HSE** management system is implemented and maintained in accordance with the abovementioned standards and to report on performance to senior management.

Mirvac continues to implement a standardised **HSE** management system across all aspects of the Group. Mirvac commercial constructions in New South Wales and its related entities in Queensland, Western Australia and Victoria all maintained independent external certification of the implementation of the Mirvac **HSE** management system for the 2012 financial year. The certification, undertaken by Bureau Veritas Australia, relates to the above mentioned Australian/New Zealand standards.

In addition Mirvac's housing construction operations in New South Wales and Victoria maintained independent certification by Bureau Veritas Australia.

In the 2011 financial year Mirvac committed to expand its external independent audit certification of the **HSE** management system. In line with this commitment Mirvac Asset Management, which is responsible for all leasing and property management across Mirvac's property portfolio, underwent an external independent audit by Bureau Veritas Australia and received certification of its **HSE** management system implementation.

Achievements

All years are financial years.

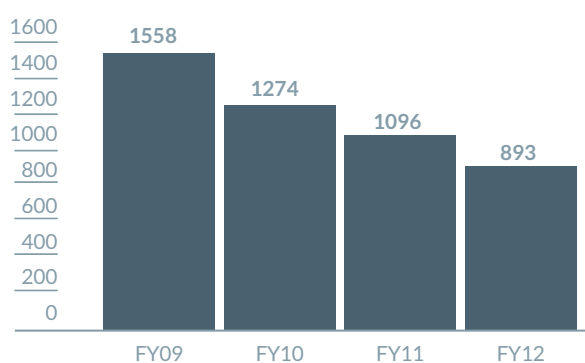
- ▶ Injuries to employees and service providers (contractors and suppliers), where one or more work days were lost from work, reduced by 25.7 per cent over 2011; 39.8 per cent over 2010; and 68.0 per cent over 2008 performance outcomes.
- ▶ The **LTIFR** for employees and service providers reduced from 8.8 to 7.3 per million hours worked, a 17.0 per cent reduction over 2011; 32.4 per cent over 2010; and 57.6 per cent over 2008 performance outcomes. With the sale of the Hotel Management business on 22 May 2012, the **LTIFR** for 2012 (excluding Hotels & Resorts) was 2.9 for employees and service providers.
- ▶ Workers' compensation claims reduced by 20.5 per cent over 2011; 28.7 per cent over 2010; and 51.5 per cent over 2008 performance outcomes.
- ▶ Workers' compensation net incurred claims costs reduced by 48.1 per cent over 2011; 74.3 per cent over 2010; and 81.2 per cent over 2008 performance outcomes.
- ▶ The average cost of each workers' compensation claim also reduced by 34.7 per cent over 2011; 63.9 per cent over 2010; and 77.8 per cent over 2008 performance outcomes.
- ▶ The average time lost in days for each workers' compensation claim reduced by 12.5 per cent over 2011; 66.7 per cent over 2010 and 75.9 per cent over 2008 performance outcomes.

The outstanding improvements in health and safety performance outcomes over the past four years continue to be attributed to the implementation of standardised systems and processes, increased awareness, training and other interventions, such as the:

- ▶ Mirvac **HSE** Leaders Program for Executives;
- ▶ High5 Safety Program; and
- ▶ national program of internal audits and external independent audits.

The success of this approach is reflected in a sustained downward trend in injuries across the Group. Improved injury management and return to work processes have also been key drivers in the performance outcomes achieved.

Mirvac Group total reported injuries



Lost time injury frequency rate

Mirvac monitors **LTIFR** per million hours worked in accordance with Australian Standard AS1885.1 Workplace Injury and Disease Recording Standard. Performance data is outlined below.

LTIFR¹

Financial year	Mirvac Group	Mirvac Group	Fatalities
	Employees and service providers per million work hours (incl. Mirvac Hotels)	Employees and service providers per million work hours (excl. Mirvac Hotels)	
2008	17.2	12.0	0
2009	14.0	11.8	0
2010	10.8	7.4	0
2011	8.8	6.0	0
2012	7.3²	2.9	0

1) The formula for calculating **LTIFR** includes total productivity hours for the measurement period as detailed by AS1885.1. Productivity hours for service providers (contractors and suppliers) are recorded by Mirvac employees by determining the total daily number of employees at the workplace multiplied by a ten-hour day. For housing construction workplaces in New South Wales only, where Mirvac full-time supervision is not provided, productivity hours are calculated from invoicing, which comprises 20 per cent of the total productivity hours recorded for the Development Division. Employee productivity hours are calculated using an eight-hour day.

2) LTIFR is detailed by each division under key performance targets over page.

HSE targets and performance

Each year Mirvac targets 'outstanding' performance in its HSE objectives and targets. The success of the lead and lag performance indicator approach continues to drive improvements across Mirvac.

In the 2012 financial year all objectives and targets achieved 'outstanding' performance with the exception of the Hotels & Resorts business which achieved a marginal decline in injury performance over the 2011 financial year. Despite this marginal increase in injuries for Hotels & Resorts, the overall LTIFR and related injuries for Mirvac decreased by 17 per cent over the 2011 financial year.

Lead indicators HSE continual improvement	FY12 target	FY12 performance	FY11 performance
Workplace culture Demonstrate commitment to HSE by active participation by senior executives (HSE Leaders Program).	100%	100%	100%
Incident reporting Promote timely reporting of workplace incidents and corrective action.	<24hrs >98% (Close out)	11hrs 100% (Close out)	17hrs 100% (Close out)
Community contact (HSE related issues) Promote timely response to community-based contacts including residents, customers or general public.	<48hrs	11hrs	8hrs
Training Provide induction training for all new starters, transfers or relocations.	100%	100%	96%
Provide Licence to Operate training for all employees.	100%	100%	94%
Compliance Audit compliance to critical control measures listed in the Workplace Risk and Opportunity Registers.	>90% 100% (Close out)	96% 100% (Close out)	92% 100% (Close out)
Lag indicators¹ HSE continual improvement			
Mirvac Constructions Employees only LTIFR.	<5	0.0	4.7
Employees and service providers LTIFR.	<10	3.1	6.7
Development Employees only LTIFR.	<5	0.9	2.0
Hotels & Resorts Employees only LTIFR.	<13	14.0	12.9
Mirvac Asset Management (property and business services) Employees only LTIFR.	<5	0.0	2.0
Employees and service providers LTIFR.	<8	1.7	2.5

1) FY12 Assured by Net Balance.

Health and safety initiatives

Mirvac undertakes a variety of injury prevention and intervention programs to eliminate or minimise the risk of injury to employees, service providers (contractors and suppliers) and the public.

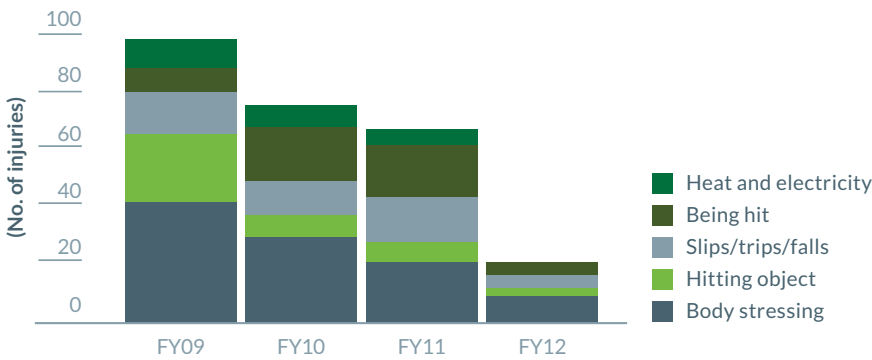
High5 safety program

Implemented in 2009 across Hotels & Resorts, the Mirvac High5 Safety Program is a behaviour-based workplace/task observation initiative developed to help reduce the five key causes that make up more than 90 per cent of Mirvac Hotels' injury claims.

The High5 Safety Program builds on existing safety initiatives, but goes beyond traditional systems compliance approaches to safety management, drawing on behaviour-based observation and analysis to reinforce positive behavioural change. The objectives of the High5 Safety Program are to increase safe behaviours and reduce 'at risk' exposures across workplaces.

After four years, the program has seen a reduction in High5 injuries of 78.6 per cent, corresponding to a reduction in injury costs of 75.7 per cent. In October 2011 the High5 Safety Program was recognised as a finalist in the WorkCover New South Wales Safe Work Awards category 'Best Solution to a Workplace Health and Safety Issue.'

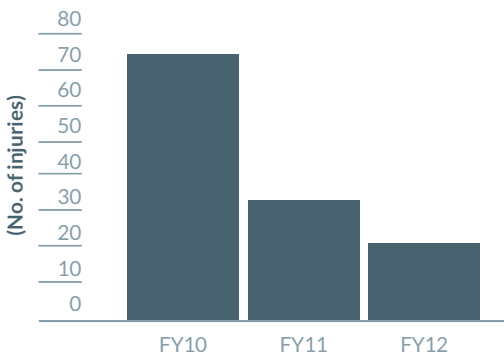
High5 injuries



Compulsory eyewear

Mandatory eyewear on Mirvac construction sites was introduced in 2010 and continues to contribute to a dramatic reduction in eye injuries across construction workplaces. This year the program recorded a reduction in eye injuries of 68.5 per cent compared to the 2010 financial year and a 37.5 per cent reduction over the 2011 financial year.

Mirvac Development & Asset Management Compulsory Eyewear Injury Reduction



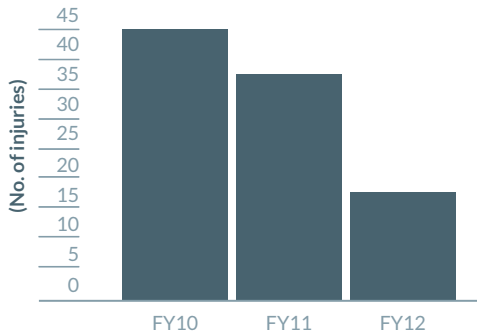
Young workers

Young workers are over-represented in work-related injuries, particularly in industries like construction. Our Young Workers 'Look Out' Safety Program recognises that those new to the workforce often lack the experience to be cautious about workplace safety.

The program is for young workers with less than two years experience and younger than 25 years of age across all Mirvac workplaces.

Since its introduction in 2006, the program continues to contribute to a reduction in injuries for young workers. This year the program recorded a reduction of 60 per cent over young worker injuries recorded in the 2010 financial year and 45 per cent over the 2011 financial year.

Young worker program injury reduction



Workplace culture – safety as a core value

Mirvac's commitment to integrating HSE into all business activities is reflected by a desire to better understand areas for improvement in the management and application of HSE. Research demonstrates that by gauging cultural attitudes to HSE in an organisation, it is possible to predict future behaviours of employees, discern areas for attention and measure improvement in HSE management over time.

This year 88 per cent of employees completed the annual Mirvac Safety Survey achieving a mean score of 4 out of a possible 5, compared with a score of 3.9 last year.

The results continue to support the implementation of standardised systems and processes, increased awareness training and other interventions including the Mirvac HSE Leaders Program and the High5 Safety Program.

Health and safety awards

Awards are an important forum through which organisations and individuals can receive recognition for excellence in health and safety. Awards also encourage the development and sharing of innovative solutions which drive a culture of safety and health at work.

In October 2011 Mirvac Hotels & Resorts was a finalist in the New South Wales Safe Work Awards category 'Best Solution to a Workplace Health and Safety Issue'. The recognition related to the development and implementation of the High5 Safety Program. Mirvac Hotels & Resorts was also nominated as a finalist in these awards under the same category for its Spa Therapist Injury Prevention Program.

In addition, Mirvac Constructions Queensland was awarded the prestigious Safe Work Award 'Best Leadership Contribution to Workplace Health and Safety' in October 2011. The award was presented by Queensland's Safety Ambassador Mal Meninga.

Mirvac Constructions Queensland was also the recipient of the Principal Contractor of the Year Award in October 2011. The award, which related to health and safety training implemented at the Mirvac Newstead Construction Project, was presented by Construction Skills Queensland.



EXTERNAL STAKEHOLDERS

🎯 STRATEGIC OBJECTIVE

To engage and seek feedback from external stakeholders on sustainability issues that result from our business operations.

☆ FY12 ACTIONS

☑️ PROGRESS

▶▶ LOOKING FORWARD – FY13 ACTIONS

Develop a consistent approach to community engagement and consultation for all masterplanned community projects.

- ✓ Completed an internal draft suggesting steps to community consultation for Development projects.

▶ **Engage with Mirvac's key tenants to achieve sustainability outcomes.**

▶ **Engage with industry and government on key sustainability initiatives.**

Develop innovative ideas to inform existing and potential customers of sustainable design features of Mirvac buildings.

- ✓ Produced case studies on a project-specific basis; and conducted sustainability site tours and other events to engage broader customer base.
- ✓ Provided new customers with home-owner manuals which included information on sustainability design features.

▶ **Host industry/investor events to increase awareness of Mirvac's sustainability strategy.**

▶ **Keep abreast of residential customers' needs to understand valued sustainable design inclusions.**

Implement generic green lease clauses endorsed by Mirvac Legal.

- ✓ Created green lease clauses for standard commercial leasing contracts.

Implement a project to engage with Mirvac's key tenancies to achieve joint sustainability outcomes.

- ✓ Engaged with key tenants to deliver joint sustainability outcomes including building plant and lighting upgrades.
- ✓ Conducted energy audits to reduce energy consumption across the Mirvac Property Trust.

Map how information is communicated to our external stakeholders across various business units.

- ✓ Shared key contacts within the business to provide sustainability information to external stakeholders.

Streamline the provision of sustainability information to stakeholders to encourage and promote sustainability excellence.

- ✓ Integrated sustainability information across Group communications and investor relations, including quarterly results announcements, annual report and annual review.

Continue to research Mirvac's residential customers to understand changing demographic characteristics and preferences in terms of sustainable design.

- ✓ Completed an analysis of existing information and identified the potential to develop a future survey.

 ☆ FY12 ACTIONS

☑ PROGRESS

 ▶▶ LOOKING FORWARD - FY13 ACTIONS

Plan employee participation in a Mirvac sponsored charity or community day.

- ✓ Formalised Mirvac's volunteer policy which offers one day annually to volunteer for a community group or charity.
- ✓ The Investment Division implemented a Mirvac community day and 167 employees attended.

Engage with industry and government by representing Mirvac in line with Mirvac's goal of sustainability excellence.

- ✓ Engaged with industry sustainability events and industry groups which included:
 - ✓ becoming a Major Climate Partner in support of initiatives of The Climate Institute;
 - ✓ continuing our partnership as a key supporter of the Bond University Mirvac School of Sustainable Development, Queensland;
 - ✓ sponsoring Green Building Council of Australia events;
 - ✓ engaging as an active signatory to the Investor Group for Climate Change;
 - ✓ being a signatory of the United Nations' Principles for Responsible Investment.
- ✓ Contributed to the development of various sustainability initiatives such as our involvement in the Green Star Communities Rating Tool.
- ✓ Involved with various industry group roundtables such as the City of Sydney Better Building Partnership, CitySwitch and Earth Hour.

Host internal events, inviting key speakers from industry and Mirvac's investors.

- ✓ Hosted an investor day in May 2012 with a focus on sustainability.
- ✓ Conducted a Green Star tour of the Sirius building in February 2012.

Develop processes to embed the United Nations' Principles for Responsible Investment into the business.

- ✓ Completed a review of Mirvac Property Trust investment processes to scope inclusions of the United Nations' Principles for Responsible Investment in 2013.
-

Customers

HYPE

HYPE is a Mirvac initiative that provides an integrated marketing platform to help retailers realise their stores' full sales potential. Mirvac Retail operates the HYPE Program across every one of its shopping centres within Australia, achieving outstanding results. The program has had a noticeable and, in most cases, an immediate impact on increasing individual store turnover and sustainability.

It is a sales-oriented program that covers everything from day-to-day exposure for store activities to long-range strategic growth platforms. Specifically, it provides retailers in our shopping centres with ongoing access to advertising, customer profiling, visual merchandising, employee reward and recognition, and in some instances even provides 'seed' capital to fund new sales-generating opportunities that otherwise may not have been initiated.

The HYPE Program positions Mirvac Retail at the forefront of strategic retailer management. HYPE is all about helping our retailers unlock the unrealised sales potential for their store, ultimately ensuring that the Mirvac brand is synonymous with successful, profitable retail stores.

Kawana's Community Cash Campaign

It's in Kawana Shoppingworld's DNA to play an integral part in the community by proudly supporting a number of local schools and community groups.

Consistent with the centre's history of supporting the local community, the centre launched a month-long Community Cash Campaign to raise awareness and funds for local community groups who provide valuable services to the Kawana Shoppingworld community.

The campaign provided groups with the chance to win \$500, with 10 donations on offer. The Community Cash Campaign was embraced by customers, offering them the option to choose the winners by supporting the group of their choice.

The campaign supported local community groups, and also benefited centre retailers through increased sales and customer visits.

Residential customer satisfaction

Mirvac has implemented customer satisfaction surveys across our Development Division. The customer feedback management system, Medallia, allows us to capture feedback from customers, share the data throughout the business and identify ways in which our services can be improved.

The survey has now been in place for 12 months and results have been collated, benchmarks have been established and national monthly reporting has been introduced.



Investors

Sustainability performance is an increasingly important consideration for our investors and we continue to improve the level of sustainability information provided to investors through regular communication.

Mirvac also participates in voluntary reporting to a number of industry groups to allow our performance to be benchmarked against peers. We are also a signatory to the Investor Group on Climate Change and the United Nations' Principles for Responsible Investment.

Leadership

Over the years our commitment to sustainability continues to be recognised externally and this year Mirvac was the highest-ranked real estate company in the Carbon Disclosure Project Indices.

We received a score of 81.0 per cent in the Carbon Disclosure Leadership Index and an 'A' in the Carbon Performance Leadership Index which rates our performance, points are awarded for actions considered to contribute to climate change mitigation, adaptation and transparency.

Subsequent to the closing of this reporting period, Mirvac has been included on the Dow Jones Sustainability World Index for the first time.



CARBON DISCLOSURE PROJECT



Global Reporting Initiative

Mirvac uses the GRI framework for this report, reporting to an A+ disclosure level.

Community

London Benchmarking Group

Mirvac maintains its membership of the London Benchmarking Group (“LBG”) Australia and New Zealand. Members of this group commit to measuring and benchmarking their corporate community contributions using the LBG methodology.

This methodology provides a transparent and reliable method to measure and benchmark contributions. Mirvac has begun to implement the LBG system across the Group with preliminary reporting this year. We aim to capture all community contributions with this system for the 2013 financial year.

Community Day

The Investment Division held its first Community Day in May 2012, providing employees with the opportunity to make a difference in the communities in which they work and live.

Each shopping centre identified a local initiative that needed some support and organised teams to volunteer on the day.

As a result, 19 community partners received the help of 167 Mirvac volunteers with a total of 1,173 hours donated. Mirvac also rallied the support of 78 contractors and retailers to donate outdoor furniture, plants, mulch and many other items to improve the schools, community groups, refuges, aged care centres and other worthy partners.

The community partners included local chapters of The Salvation Army, refuges for the disadvantaged and abused, Monash Children’s Hospital, The Cancer Council, homes for the aged, Meals on Wheels and many more.



Building sustainable residential communities

Creating robust socially sustainable communities that continue to thrive long after developments are completed is a priority at Mirvac. We are in the process of completing a Sustainable Communities Strategy which addresses three key areas: consultation, development and engagement.

This strategy will provide a common language and a consistent approach depending on a project’s needs. The strategy demonstrates Mirvac’s ongoing ability to draw from its dedicated and integrated sustainability, development, design and marketing teams to deliver projects.

A revised marketing plan matrix incorporating this strategy, and a consistent reporting mechanism for all residential communities, will be formally introduced in the 2014 financial year.

Residential community engagement

Mirvac enjoys a long-standing reputation for creating developments where like-minded people gravitate to create thriving communities.

We create opportunities for new residents to get to know each other, as well as integrating projects into their surrounding environments. From welcome get-togethers and community celebration days to more formal events, Mirvac provides the basis for people to create strong connections and the foundations of community life.

Creating community connections

Mirvac's inaugural Gainsborough Greens Art Awards and Exhibition was held in August 2011 as a result of our active community engagement strategy that identified the need to encourage and celebrate cultural life in the local area.

The event was a success with 180 entries received from both local and Australia-wide artists. The high-quality standards were reflected with the collection of artwork exceeding \$400,000 in value. The main prize winner was awarded \$10,000, two runners up received prizes of \$2,000, along with a People's Choice award of \$1,000.

The exhibition attracted more than 500 people to Gainsborough Greens Golf Club for the week-long exhibition showcasing the short-listed artworks.

Mirvac invited Gold Coast TAFE creative arts students to participate by designing the marketing collateral associated with the awards. The students saw this as a great opportunity to work with Mirvac and showcase some of their design skills.



Support for Kids

In May 2012, Mirvac announced the 'Support for Kids' charity initiative, which aims to raise \$200,000 for rehabilitation programs at the Children's Hospital Westmead. Kids Rehab is a busy clinical unit within the Westmead hospital that currently cares for more than 3,000 young patients.

Along with more than 50 contractors and suppliers, Mirvac employees donated their time and materials to build the 'Support for Kids' house at Glenfield Circuit, which is situated in the Macarthur/Liverpool district of Sydney. The project was instigated by Mirvac's construction crew and has been enthusiastically embraced by Mirvac and the wider community.

The three-bedroom home will include a number of additions and will be fully landscaped to increase the overall value of the property, and maximise the donation to the hospital.

The Climate Institute

During the 2012 financial year Mirvac became a Major Climate Partner with The Climate Institute, an independent research organisation focused on finding solutions to address climate change in Australia.

The partnership aligns Mirvac with other leading businesses that represent key sectors of the economy and who share a united understanding of the risks and opportunities inherent in the climate-change driven economic transformations that lie ahead.

Mirvac School of Sustainable Development

Mirvac is now in the sixth year of our partnership with Bond University through the Mirvac School of Sustainable Development.

Bond University's Mirvac School of Sustainable Development is one of Australia's leading integrated academic institutions with a holistic adoption of sustainable development. The School recognises the importance of balancing human needs while protecting the environment. During their time at the School, students are exposed to valuable industry-based learning by engaging in opportunities such as field trips and interdisciplinary group investigations.

The practices of sustainable development are emerging as a necessity for all professions and the School's mission is to provide graduates who will be industry leaders and bring knowledge of sustainability to the business world.

The Mirvac School of Sustainable Development includes an interactive 'living laboratory' for sustainable education being the first educational building in Australia to achieve a 6 Star Green Star – Education PILOT Certified design rating.

In January 2012, we offered employees the opportunity to apply for a Mirvac-funded Master of Real Estate (Sustainable Development) at Bond University. This is the second cohort of the Mirvac Masters Program.



Earth Hour

Mirvac has participated in Earth Hour since it began in 2007.

Earth Hour is a global movement that aims to raise awareness of energy consumption and sustainability principles by encouraging corporations and the general public worldwide to simultaneously switch off their power for one hour. Supporting this initiative is part of our ongoing commitment to create a lasting legacy.

Student support

Mirvac once again sponsored the University of New South Wales Sunswift solar racing team. The **UNSW** team is a volunteer, student-led group dedicated to developing a high-performance solar racing vehicle and in doing so provide a context for applied learning and sustainable development. The project embraces the spirit of excellence, innovation and proactive youth leadership to drive the development of energy-efficient technologies.

Mirvac's Group Manager for **HSE** provided technical assistance to develop the team's risk assessment for the World Solar Car Challenge from Darwin to Adelaide in October 2011. Mirvac also provided a variety of safety equipment and apparel to the race team to achieve a safe and successful race outcome along the Stuart Highway to Adelaide.



Government & Industry

Government

We have been successful in generating over \$300,000 of Energy Saving Certificates in New South Wales and we continue to deliver projects that have been generously allocated over \$5m of financial support by AusIndustry through the Green Building Fund program.

Industry

Mirvac holds a number of memberships with key green building and industry associations and we participate in public forums.

National memberships include:

- ▶ Australian Institute of Company Directors
- ▶ Australian Property Institute
- ▶ Bulky Goods Retailers Association
- ▶ CitySwitch
- ▶ Facility Management Association
- ▶ Green Building Council of Australia
- ▶ Housing Industry Association
- ▶ Master Builders Association
- ▶ Property Council of Australia
- ▶ Safety Institute of Australia
- ▶ Shopping Centre Council of Australia
- ▶ Urban Development Institute of Australia

In addition to these memberships, a number of senior managers at Mirvac hold positions on industry boards, roundtables and committees. Through these industry bodies Mirvac keeps abreast of, and contributes to, industry-wide discussions, ensuring sustainability remains a top priority.

ENVIRONMENTAL IMPACT

🎯 STRATEGIC OBJECTIVE

To enhance the natural and built environments in which we operate, including identifying and managing the impacts of Mirvac's business operations.

☆ FY12 ACTIONS

☑️ PROGRESS

▶▶ LOOKING FORWARD - FY13 ACTIONS

Establish targets to reduce our carbon intensity by 2014.	<ul style="list-style-type: none"> ✓ Completed a carbon intensity footprint analysis. 	<ul style="list-style-type: none"> ▶ Continue to track and disclose Mirvac's carbon footprint.
Establish energy, water and waste baselines.	<ul style="list-style-type: none"> ✓ Established energy baselines for applicable Mirvac managed properties. ✓ Collated water baseline data for target properties in the Mirvac Property Trust. ✓ Continued regular reporting of baseline environmental impacts for energy and waste for properties in the Mirvac Property Trust. 	<ul style="list-style-type: none"> ▶ Achieve an average 4.5 Star NABERS Energy rating across applicable Mirvac operated assets by June 2013. ▶ Achieve an average 3.4 Star NABERS Water rating across applicable Mirvac operated assets by June 2013. ▶ Continue to reduce water and waste consumption from current baselines. ▶ Implement site-specific water reduction targets for key Mirvac operated assets.
Establish energy, water and waste targets for 2014.	<ul style="list-style-type: none"> ✓ Exceeded recycling targets of 80% demolition waste, 50% construction waste and 95% e-waste. Additionally, we continue to recycle office paper, cardboard, glass and plastic. 	<ul style="list-style-type: none"> ▶ Continue to research and communicate the importance of addressing the embodied energy of materials used in our residential projects.
Quantify Mirvac's environmental impact profile, accounting for whole of life impacts of products produced and used.	<ul style="list-style-type: none"> ✓ Measured and analysed organisational carbon footprint. ✓ Produced a detailed embodied carbon assessment of whole of life impacts for two representative residential designs. 	<ul style="list-style-type: none"> ▶ Integrate consideration of climate change risks within Development and Investment Divisions' new and existing assets and in accordance with current legislative requirements.
Quantify Mirvac's carbon footprint.	<ul style="list-style-type: none"> ✓ Measured and analysed organisational carbon footprint. ✓ Produced a detailed embodied carbon assessment of whole of life impacts for two representative residential designs. 	<ul style="list-style-type: none"> ▶ Continue to document project case studies to demonstrate the commercial, environmental and social benefits of sustainability.
Undertake a strategic climate change risk review.	<ul style="list-style-type: none"> ✓ Produced climate change risk review in consultation with executives and key employees across the Group. ✓ Identified physical, regulatory and economic climate change risks to an asset level, registered them in Mirvac's central risk management system and communicated internally. 	
Develop a climate change policy.	<ul style="list-style-type: none"> ✓ Developed a draft climate change policy. 	

Environmental management

Mirvac integrates the requirements of environmental protection legislation and occupational health and safety legislation under its HSE management system.

To promote continual improvement the management system is based on the requirements of AS/NZS 14001 Environmental Management Systems. Mirvac's commercial construction and housing construction activities hold external independent certification AS/NZS 14001 as well as Mirvac Asset Management.

Mirvac's overall environmental management system approach includes the monitoring of environmental incidents using an EIFR per million hours worked in accordance with Australian Standard AS1885.1. The EIFR recorded for the 2012 financial year was 0.7 incidents per million hours worked.

Throughout the 2012 financial year Mirvac's environmental performance reporting systems, including internal and external independent audits and inspections, recorded no incidents of significant harm to the environment. Mirvac's development projects across Australia were issued a total of two environmental infringement notices with a total value of \$3,000; these notices related to potential for minor uncontrolled sediment run off and were rectified immediately.

Environment Incident Frequency Rate performance data

Financial year	Environment incidents per million work hours
2008	1.0
2009	1.0
2010	0.0
2011	1.0
2012	0.7

Lag indicators	FY12 target	FY12 performance	FY11 performance
HSE continual improvement			
Mirvac Group			
Environment Incident Frequency Rate	<3	0.7	1.0

Environmental protection and biodiversity conservation

Matters of national environmental significance are important to all Australians and this is fundamental to Mirvac's environmental protection and planning processes. These processes include the assessment of potential impacts of Mirvac's business undertakings and related products and services on any such matters of national environmental significance, including biodiversity in protected areas and high biodiversity value areas outside protected areas.

All developments are subject to statutory approvals, and local and federal environmental legislation. Land-use planning options are carefully considered by authorities, providing a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places.

Mirvac does not operate in areas of high biodiversity value. However, some sites are located adjacent to protected areas or contain pockets of environmentally sensitive areas. In these cases, Mirvac undertakes a thorough site analysis to ascertain and manage key features of relevance, including aquatic ecosystems, flora, fauna habitats and landforms.

Potential impacts are identified early in the development process and mitigation strategies are put in place throughout the life of the project, from due diligence and approval to purchase, through the design and construction stages, and at completion.

A site-specific Workplace Risk Management Plan is required before any construction works can begin, which includes a register identifying detailed control measures implemented within Mirvac's HSE management system and in line with AS/NZS 14001 standards. Ongoing education of project personnel, inspection and audit ensures that any matters of environmental significance and related protection measures are closely monitored and reviewed regularly.

This year, Mirvac has ensured habitats in the following projects are conserved, restored and/or created:

- ▶ Mossvale on Manly, Queensland: *Litoria raniformis* (Growling Grass Frog)
- ▶ Highland Reserve, Western Australia: *Calyptorhynchus banksii* (Red-tailed Black Cockatoo), *Calyptorhynchus baudinii* (Baudin's Black Cockatoo), and *Calyptorhynchus latirostris* (Carnaby's Black Cockatoo)
- ▶ Elizabeth Hills, New South Wales: *Pteropus poliocephalus* (Grey-headed Flying Fox) and *Bubulcus ibis* (Cattle Egret)

Climate change

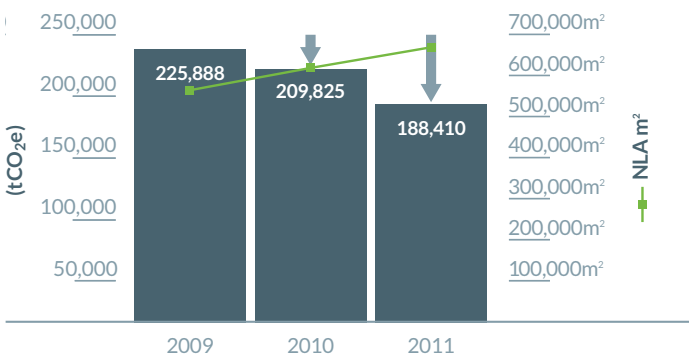
Carbon footprint

Mirvac has reported raw greenhouse gas emissions data since 2008 in compliance with the *National Greenhouse and Energy Reporting Act 2007*. In May 2012, we further assessed our historical carbon data to deliver more meaningful information to the market about our performance over time.

The review identified that Mirvac has:

- ▶ reduced carbon emissions by 17.0 per cent from 2009 while increasing group revenue by \$257m and increasing the net lettable area by 91,117sqm (for assets assessable in the carbon footprint), demonstrating a separation of profit growth from carbon growth;
- ▶ delivered energy efficiency and operational excellence with a 36.0 per cent reduction in carbon intensity for Mirvac Property Trust from 2009 levels;
- ▶ reduced energy intensity (by net lettable area) by 36.0 per cent;
- ▶ outperformed peers in carbon efficiency by net lettable area; and
- ▶ increased carbon productivity relative to peers in Mirvac's comparison group including the Australian Real Investment Trust sector.

Reduction in carbon intensity



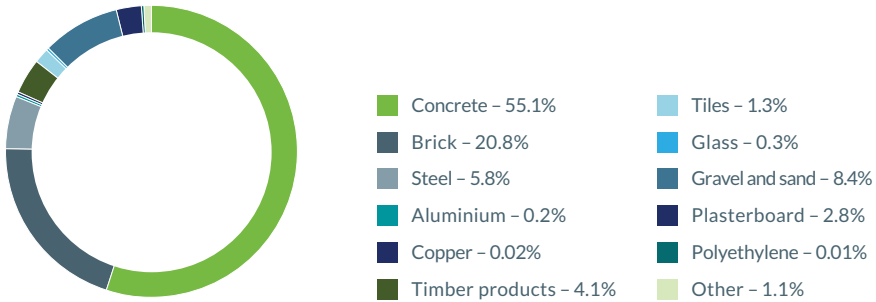
We have also further quantified our environmental impact in the Development Division assessment of embodied greenhouse gas emissions associated with typical Mirvac developments and the likely implications of the Australian Federal Government's carbon price.

The assessments were conducted using an embodied carbon metric which measures the carbon intensity of building materials based on emission factors specific to Australia. This includes emissions from the extraction of raw materials, primary energy sources, manufacturing and transport. For the carbon price assessment, only materials manufactured within Australia has been included. The projects analysed were in New South Wales.

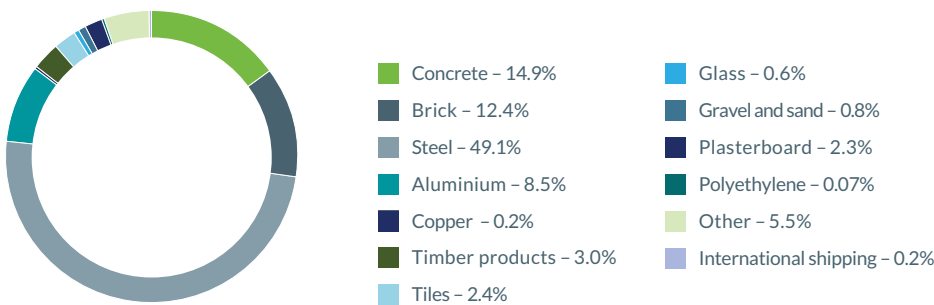
A typical Mirvac house

The overall embodied carbon content of a typical Mirvac two-storey house of 225sqm amounted to 101 tonnes of CO₂e equating to 449kg CO₂e per sqm.

Material input by weight



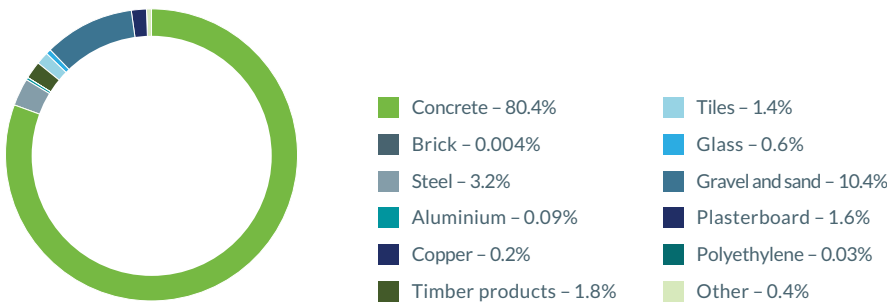
Contribution to carbon intensity



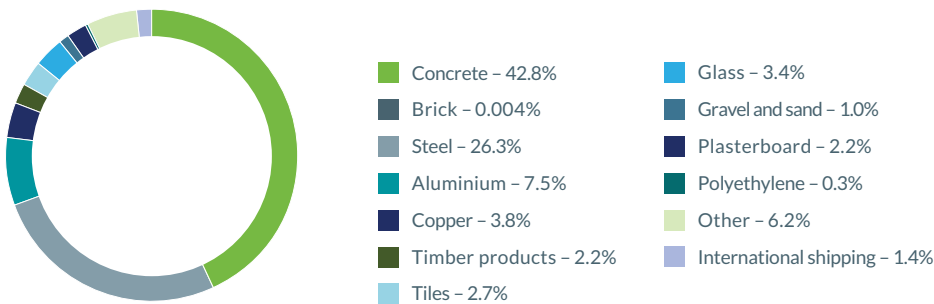
A typical Mirvac apartment building

The overall embodied carbon content of a typical Mirvac 25-storey multi-unit residential development with a total area of 38,225sqm amounted to 12,518 tonnes of CO₂e equating to 327.5kg CO₂e per sqm, 54 tonnes CO₂e per apartment and 501 tonnes CO₂e per floor.

Material input by weight



Contribution to carbon intensity



Source: Davis Langdon 2012

Energy

We understand our responsibility to identify opportunities to enhance the natural and built environments in which we operate and to reduce our impact.

Achieving high environmental ratings makes good commercial sense. The Australian Green Property Investment Index, published by IPD, noted that buildings with higher NABERS and Green Star ratings deliver higher returns on investment. The Index found that, in the 2012 financial year, superior capital growth drove stronger investment returns in Green Star rated and high-rated NABERS Energy buildings.

NABERS ratings

The NABERS energy rating tool measures the energy efficiency of buildings. It does this by using measured and verified performance information that is converted into an easy to understand Star-rating scale from 1 to 6 Stars. A 6 Star rating demonstrates market-leading performance, while a 1 Star rating means the building or tenancy has considerable scope for improvement. Visit the [NABERS website](#) for more information about this system.

Mirvac's flagship action to reduce GHG emissions was a commitment to achieve an average 4 Star NABERS Energy rating on applicable office buildings by December 2012. We exceeded this target well ahead of schedule by achieving a 4.3 Star average at 30 June 2012. We have set our next target of achieving a 4.5 Star average by 30 June 2013.

Office	NABERS Energy rating
340 Adelaide Street, Brisbane, QLD	5.0
John Oxley Centre, 339 Coronation Drive, Milton, QLD	4.0
189 Grey Street, Southbank, QLD	3.5
101 Miller Street, North Sydney, NSW	5.0
40 Miller Street, North Sydney, NSW	4.5
1 Castlereagh Street, Sydney, NSW	3.5
Westpac Place, 275 Kent Street, Sydney, NSW	4.5
Bay Centre, 65 Pirrama Road, Pyrmont, NSW	5.0
One Darling Island, Pyrmont, NSW	5.0
3-5 Rider Boulevard, Rhodes, NSW	5.0
12 Julius Avenue, North Ryde, NSW	4.0
38 Sydney Avenue, Forrest, ACT	3.0
Aviation House, 16 Furzer Street, Phillip, ACT	4.5
Sirius Building, 23 Furzer Street, Phillip, ACT	5.5
60 Marcus Clark Street, Canberra, ACT	2.5
650 Chapel Street, South Yarra, VIC	1.0
Riverside Quay, 1 Southbank Boulevard, Southbank, VIC	4.0
Riverside Quay, 4 Riverside Quay, Southbank, VIC	3.0
Riverside Quay, 6 Riverside Quay, Southbank, VIC	4.0
Royal Domain Centre, 380 St Kilda Road, Melbourne, VIC	3.5

Shopping centre	NABERS Energy rating
Gippsland Centre, VIC	4.0
Orange City Centre, NSW	4.0
St Marys Village, NSW	3.5
Stanhope Village, NSW	3.5
Waverley Gardens, VIC	2.5

Ratings are as at 30 June 2012

Greenhouse gas emissions

Mirvac triggers the threshold of the **NGER** Act which requires large energy-using companies to report annually on greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production figures. Mirvac reports this data annually.

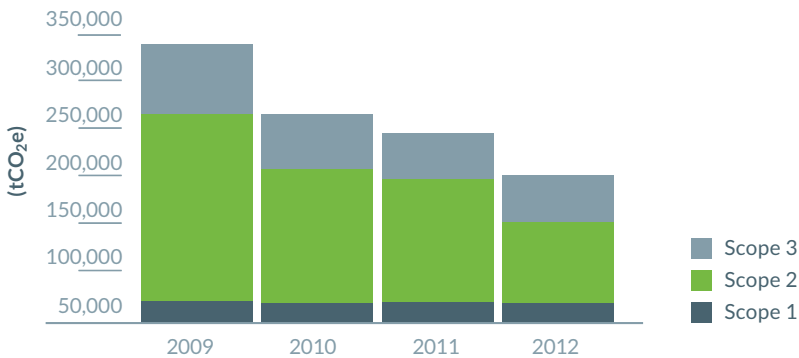
Scope of coverage

Scope 1 – emissions released from a facility as a direct result of the activities of the facility.

Scope 2 – indirect emissions that occur principally at electricity generators as a result of electricity consumption at another facility. They are recorded principally as a measure of what might happen to national emissions as a result of the consumption of electricity from facilities.

Scope 3 – emissions are not reported under the **NGER** scheme; these include **GHG** emissions (other than scope 2 emissions) that are generated in the wider economy as a result of activities at a facility but are physically produced by another facility.

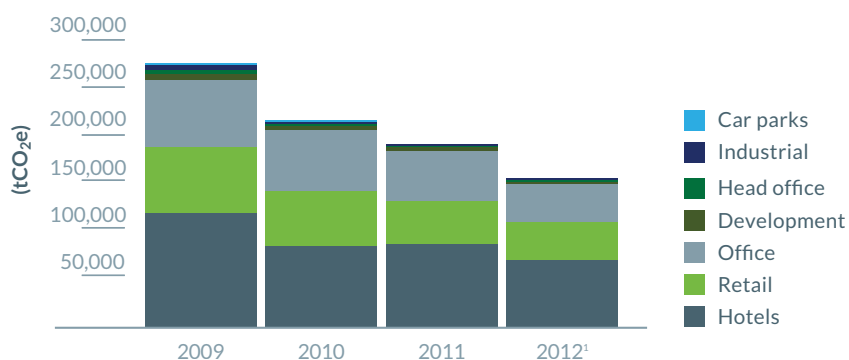
Group emissions



Group emissions

Emission (tCO ₂ e)	2009	2010	2011	2012 ¹
Scope 1				
Natural gas	11,782	9,611	9,968	7,082
Refrigerants	1,175	1,651	1,626	788
Diesel	2,060	729	1,574	802
Petrol	505	228	361	708
LPG	154	162	106	606
Kerosene	-	-	-	0
Wood	-	1	1	0
Total scope 1	15,676	12,382	13,635	9,987
Scope 2				
Electricity	254,449	199,548	175,893	145,228
Total scope 1 & 2	270,126	211,930	189,528	155,215
Scope 3				
Natural gas	1,845	1,623	1,652	1,327
Electricity	38,618	30,895	27,554	23,020
Air travel	635	1,748	2,302	2,795
Waste	32,242	18,958	19,319	15,243
Diesel	156	55	18	61
Petrol	40	17	5	56
LPG	13	14	9	51
Kerosene	-	-	-	0
Scope 3	73,550	53,310	50,859	42,553
Total scope 1, 2 & 3	343,675	265,240	240,387	197,768

Scope 1 and 2 emissions by asset type



1) Assured by Net Balance.

Waste & Water

Waste management

Disposal of waste to landfill results in lost resources and the generation of methane. Australians are the third-largest producers of waste in the developed world with each individual sending about one tonne of waste to landfill each year. The volume and types of solid and hazardous waste generated has increased rapidly due to economic growth, urbanisation and industrialisation and most of this waste is disposed as landfill, i.e. buried in the ground in garbage dumps.

Mirvac is committed to reducing waste and its impact on the environment by minimising the waste generated by its business activities. We monitor our waste performance through annual objectives and targets, which require reviewing waste generated by business activities and developing waste minimisation strategies.

Throughout the 2012 financial year Mirvac diverted 43.9 per cent of waste (by weight) from landfill, achieving its stretch target of 41–50 per cent diversion from landfill. The cause of this 6.1 per cent increase from last year's reporting period is due construction activity in Victoria where acid sulphate soils required bulk removal from site.

Waste reduction

	FY12 target	FY12 performance	FY11 performance
Promote material recycling and reuse to reduce waste to landfill.	>50% By weight	43.9%	50%

Ongoing Mirvac initiatives and achievements to reduce waste to landfill include:

- ▶ establishing baseline waste data from all Mirvac properties;
- ▶ meeting annual objectives and targets for waste diversion from landfill across all divisions;
- ▶ identifying further opportunities to reduce waste through packaging, design and delivery;
- ▶ providing awareness training for all Mirvac employees and specialised training for construction workplaces;
- ▶ segregated waste streams on selective construction sites to gauge the effectiveness of separation at source;
- ▶ treatment and reuse of potential acid sulphate soils;
- ▶ using the BottleCycler glass crushing system at selected Mirvac hotels;
- ▶ achieving 80 per cent recycling of demolition waste and 50 per cent recycling of construction waste;
- ▶ achieving 100 per cent recycling of electronic waste;
- ▶ implementing an Eco bin program across all Mirvac main offices;
- ▶ office recycling including paper, cardboard, glass, PET and other plastics, print cartridges and mobile telephones; and
- ▶ distributing 'KeepCups' to employees to minimise the use of disposable coffee cups.

Waste by division (tonnes)

	Waste to landfill	Waste recycled	Prescribed waste	Total waste
Development	4,447	10,258	3,124	17,829
Mirvac Asset Management	8,581	4,389	0	12,970
Hotels & Resorts	4,469	1,488	1	5,958
Corporate Services	0.02	11.98	0	12
TOTAL Group waste	17,497	16,147	3,125	36,769

Group waste by division



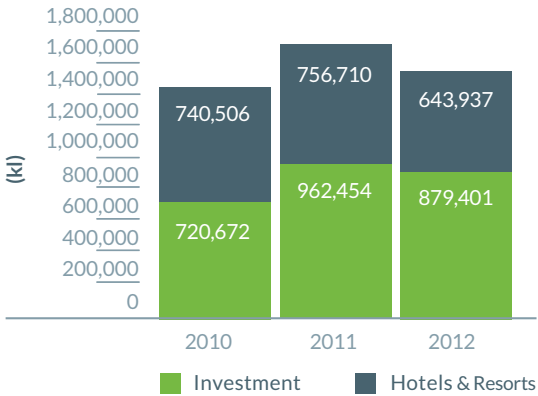
Group waste by division and type



*0% due to rounding, see table for actual tonnes.

Water

Water consumption



PRODUCT RESPONSIBILITY

🎯 STRATEGIC OBJECTIVE

To deliver, maintain and manage buildings in response to the needs of the market, now and into the future.

☆ FY12 ACTIONS

☑ PROGRESS

▶▶ LOOKING FORWARD – FY13 ACTIONS

Continue to promote sustainability as a core part of Mirvac's operations through the Mirvac strategic driver sustainability excellence.

- ✓ Incorporated sustainability excellence into The Mirvac Way as a Group strategic driver and communicated to employees at various events nationally.

- ▶ **Implement annual review of MirvacPlus Residential Scorecard to maintain its relevance to emerging business opportunities and product delivery.**

Source opportunities for business units to work as one team to promote Mirvac sustainable design principles and features.

- ✓ Reviewed Mirvac's Licence to Operate training to include the Group strategic driver of sustainability excellence.

- ▶ **Finalise Mirvac internal community consultation guidelines.**

- ▶ **Improve coordination of Mirvac's corporate philanthropy and community engagement.**

- ▶ **Continue to implement 'green lease' clauses endorsed by Mirvac Legal.**

- ✓ Worked together to communicate sustainable design principles and features. These communications included: compliance and voluntary reporting, building rating submissions, awards submissions, conference talks, site building tours, documentation of case studies, cultural behaviour change initiatives, submissions to consent authorities and news releases.

Continue to document case studies to record the commercial, environmental and social benefits of sustainability.

- ✓ Produced multiple case studies for Mirvac projects.
- ✓ Promoted case studies and sustainability events via Mirvac's intranet and website.

Set medium-term and long-term NABERS targets (energy and water) for Mirvac's non-residential building portfolio.

- ✓ Achieved target of 4 Star NABERS Energy average in the office portfolio six months ahead of target.

Enhance opportunities for introducing product stewardship into the design and procurement process.

- ✓ Surveyed key Mirvac suppliers on sustainable procurement and data collated for appraisal.

Implement annual review of the MirvacPlus Residential Scorecard.

- ✓ Reviewed and updated the MirvacPlus Residential Scorecard.

Quality

Health, safety, environment and sustainability

Mirvac continues to improve the identification and management of HSE&S risks at all stages of a development project's lifecycle. A number of processes and reporting mechanisms have been established in the design, construction and post completion stages to assess and manage impacts, and identify areas for improvement.

Mirvac continues to implement and improve its HSE&S implementation strategies with:

- ▶ a standardised and auditable active risk management strategy which allows the early identification and management of risks at all stages of a project;
- ▶ the MirvacPlus Residential Scorecard, an internal process by which environmental, social and economic outcomes in masterplanned communities and apartments are measured, recorded, monitored and reported as part of the Project Delivery Process;
- ▶ the HSE management system including a safe design review where health, safety, environment, quality and other risks related to building design, demolition and construction, maintenance and end-use are evaluated and managed;
- ▶ all construction work activities carried out in accordance with Mirvac policies, procedures and guidelines referenced in Mirvac's Workplace Risk Management Plan, which includes identifying, managing and reporting of all operational work health and safety hazards and environmental impacts;
- ▶ HSE&S education through the Licence to Operate training; and
- ▶ cascading HSE&S KPIs to all employees.

Design quality

As an integrated real estate group, Mirvac exercises total control over the development process, from concept design to construction and beyond. Our in-house design, development, construction and marketing teams ensure delivery of exceptional projects every time.

An important tool used to ensure excellence in design and sustainability in masterplanned communities and apartments is the MirvacPlus Residential Scorecard. The internal management tool provides a means to track project performance across ten categories:

- ▶ ecology and construction management;
- ▶ transport;
- ▶ social, community and education;
- ▶ energy;
- ▶ water;
- ▶ indoor environmental quality;
- ▶ materials;
- ▶ waste;
- ▶ economic development; and
- ▶ innovation.

The MirvacPlus Residential Scorecard delivers a consistent standard of environmental, social and economic outcomes across all new residential projects, providing the structure to raise the bar and achieve greater levels of performance where appropriate. It allows the sustainability of a project to be assessed at five stages during the project, demonstrating continual improvement and highlighting the evolution of a project as the design develops or as alternative strategies or technologies are adopted.

The MirvacPlus Residential Scorecard is reviewed on an annual basis to ensure its continued relevance to Mirvac's projects. This year, it was reviewed and updated for masterplanned communities to highlight further opportunities to achieve economic sustainability, formalise innovation credits and consider changes in regulatory requirements.

National Development Sustainability Committee

The National Development Sustainability Committee membership has been updated in line with the current Mirvac Development structure and is now formed by representatives from each product and service line.

The committee was formed in 2009 to create and implement a consistent approach to sustainability within Mirvac Development and meets approximately every six weeks via videoconference.

The objectives of the committee are to:

- ▶ provide a forum for information exchange on current and emerging sustainability issues;
- ▶ review regulatory requirements;
- ▶ work together to provide an understanding of cases where sustainability boundaries can be challenged;
- ▶ maintain an understanding of the different sustainability rating tools available;
- ▶ identify ways to deliver sustainability within a competitive industry in a practical manner;
- ▶ work towards consistency in sustainability messages across Mirvac;
- ▶ turn public disclosure and compliance into a valuable process for Development; and
- ▶ ensure Mirvac continues to be at the forefront in terms of sustainability.

Green Star Ratings

Green Star is a national, voluntary environmental rating system that evaluates the environmental design and construction of buildings and communities.

Green Star was developed for the property industry in order to:

- ▶ establish a common language;
- ▶ set a standard of measurement for built environment sustainability;
- ▶ promote integrated, holistic design;
- ▶ recognise environmental leadership;
- ▶ identify and improve life-cycle impacts; and
- ▶ raise awareness of the benefits of sustainable design, construction and urban planning.

The Green Star rating system aims to recognise and reward projects that achieve best practice outcomes or better. A 4 Star certification represents best practice while a 6 Star rating represents world leadership.

Property	Green Star rating
101 Miller Street, North Sydney, NSW	5 Star Green Star – Office Design v2
8 Chifley Square, Sydney, NSW	6 Star Green Star – Office Design v2
5 Rider Boulevard, Rhodes, NSW	4 Star Green Star – Office Design v2
Orion Springfield Town Centre – Stage 1, Springfield Lakes, QLD	6 Star Green Star – Shopping Centre Design PILOT
20 Bond Street, Sydney, NSW	4 Star Green Star – Office Design v3
Sirius, 23 Furzer St, Phillip, ACT	5 Star Green Star – Office Design v2 5 Star Green Star – Office As Built v2
Mirvac Sydney Office Fitout, Sydney, NSW	4 Star Green Star – Office Interiors v1.1
Mirvac Perth Office Fitout, Perth, WA	4 Star Green Star – Office Interiors v1.1

Energy efficiencies through our asset management teams

Many Mirvac assets are performing above expectations largely due to the dedication of our asset management teams delivering efficient buildings.

By June 2012 Mirvac had exceeded its **NABERS** target, achieving an average 4.3 Star **NABERS** Energy rating across its office portfolio. This announcement was well ahead of the 4 Star December 2012 target.

Mirvac is delivering on its commitment to excellence in sustainability while driving financial benefits to investors and tenants via a reduction in outgoings with minimal capital expenditure.

IPD research shows that stronger investment returns are linked to buildings with higher **NABERS** Energy ratings.

With the introduction of the carbon price legislation, it's paramount that our assets operate at peak efficiency and that Mirvac is well placed to manage the impact of the scheme. Across just six of our outperforming assets, a carbon price saving of approximately \$400,000 over the first three years of the scheme will be achieved.

These outcomes are evident in our case studies which include:

- ▶ **Sirius, 23 Furzer Street, Phillip, ACT** the best performing building in Canberra (without purchasing green power). Sirius recently achieved a 5.5 Star **NABERS** Energy rating, 1 Star higher than the tenant's green lease requirements.
- ▶ **275 Kent Street, Sydney, NSW** where the Mirvac team introduced a number of operational efficiency initiatives resulting in significant energy reductions and a half Star **NABERS** Energy rating increase, an improvement from 4 Star to 4.5 Star.
- ▶ **340 Adelaide Street, Brisbane, QLD** which was recently upgraded to achieve improved efficiencies, and through exemplary operational management has also achieved an extra half star, raising it to a 5 Star **NABERS** Energy rating.

Hotels & Resorts

While the Hotel Management business was sold on 22 May 2012, we continued to improve efficiencies during the 2012 financial year. Some of the initiatives included:

- ▶ lighting upgrades for the common areas (e.g. corridors, rooms, carparks) across a number of hotels;
- ▶ monitoring and reducing air conditioner usage to switch on only for new arrivals and occupied rooms, and raising the temperature to 22–24 degrees in summer;
- ▶ installing sensor controls for lighting in common areas;
- ▶ upgrading hot water systems and laundry washers to more energy and water efficient units; and
- ▶ utilising rainwater harvesting for swimming pools.

Case studies



Sirius, Phillip, Australian Capital Territory

The Sirius building, located at 23 Furzer Street in the Woden Town Centre, Australian Capital Territory, is a 46,167sqm, A-grade, campus style office building, purpose-built for the Department of Health and Ageing.

Sirius is a great example of environmental sustainable design transferring into exceptional operational performance.

Although our contractual obligations meant that Sirius needed to achieve a 4.5 Star **NABERS** Energy rating, through exemplary management, the building achieved 5.5 Stars.

Sirius also achieved a 5 Star Green Star Office Design and As Built rating during construction for its advanced environmental design features. These features, in conjunction with focused operational management, have delivered an exceptional **NABERS** Energy and Water result.

This outstanding performance has been achieved through:

- ▶ detailed commissioning and operational involvement in the commissioning process;
- ▶ monitoring energy consumption via an online software platform and extensive onsite sub metering;
- ▶ extensive use of natural gas, as a lower greenhouse intensity fuel, instead of electricity;
- ▶ optimised building control strategies;
- ▶ aligning operations with tenant usage; and
- ▶ focused operational management, which maximised the building's inherent energy and water efficient systems.

Key sustainability outcomes in the 2012 financial year:

- ▶ 5.5 Star **NABERS** Energy rating
- ▶ 5 Star **NABERS** Water rating
- ▶ 5 Star Green Star – Office Design v2
- ▶ 5 Star Green Star – Office As Built v2

Impacts of operating one star over lease requirements:

- ▶ reduction of 1,797 tonnes of CO₂;
- ▶ energy cost reduction of \$447,281;
- ▶ energy reduction of 3,019,912 kWh; and
- ▶ equivalence of taking 506 cars off the road.



275 Kent Street, Sydney, New South Wales

275 Kent Street is a 77,125sqm, premium-grade commercial office building in the western corridor of the Sydney CBD. It is leased to Westpac Banking Corporation until October 2018.

The building was constructed in 2005 to achieve a 4 Star **NABERS** Energy rating. Since purchasing the asset in 2010, the onsite Engineering and Operations team has introduced a number of operational efficiency initiatives which have resulted in significant energy reductions. These initiatives, such as modifying the lighting controls within the toilets to align with business hours and tenant operations, have been implemented without the need for any capital expenditure.

The improvements have resulted in the building achieving a half star higher rating (4.5 Star **NABERS** Energy rating). This performance equates to an annual:

- ▶ energy reduction of 1,481,793kWh;
- ▶ electricity cost savings of \$253,868;
- ▶ emissions reduction of 1,332 tonnes CO₂;
- ▶ equivalence of taking 375 cars off the road; and
- ▶ water reduction of nearly 5 million litres.

Key sustainability outcomes for the 2012 financial year:

- ▶ achieved a 4.5 Star **NABERS** Energy rating (base building);
- ▶ 3 Star **NABERS** Water rating (base building);
- ▶ 15 per cent reduction in energy consumption between April 2011 and March 2012;
- ▶ 1,481,793kWh energy reduction;
- ▶ 1,332 tonnes CO₂ reduction;
- ▶ water reduction of nearly 5 million litres; and
- ▶ received \$500,000 funding through the Round 7 Commonwealth Green Building Funding scheme.

The installation of a tri-generation plant is currently underway and will provide a further uplift to the current **NABERS** Energy rating. The tri-generation installation has been supported by the Commonwealth Green Building Fund. Mirvac is anticipating the **NABERS** Energy rating will exceed 5 Star following completion of this project.



340 Adelaide Street, Brisbane, Queensland

340 Adelaide Street, located in the heart of the Brisbane CBD, is a 17-level, A-grade commercial office building.

In 2010 the major tenant undertook a consolidation exercise and subsequently relocated to another asset which resulted in 32 per cent of the building becoming vacant. At the same time Mirvac identified the need to improve the **NABERS** Energy rating from 1.5 Stars to 4.5 Stars to ensure that the asset remained competitive within the market.

With the objective set to reduce energy consumption and carbon emissions, Mirvac entered into an energy performance contract with Honeywell. The project required Mirvac to commit to capital expenditure of \$1.3m, with a further \$500,000 provided by the Federal Government through the Green Building Fund.

The Engineering and Operations team, working closely with Honeywell, successfully completed the upgrade to the building's plant, equipment and operating systems. At the conclusion of the contract in 2011, 340 Adelaide Street increased from a 1.5 Star **NABERS** Energy rating to 4.5 Star.

Through exemplary onsite operational management, 340 Adelaide Street has now achieved a further half star improvement, raising the **NABERS** Energy rating above its designed level to 5 Star.

Key sustainability outcomes:

- ▶ 5 Star **NABERS** Energy rating, which is an improvement of 3.5 Stars in a two-year period;
- ▶ 760 tonnes CO₂ reduction;
- ▶ emissions reduced by 44 per cent;
- ▶ energy intensity reduced by 39 per cent;
- ▶ chiller plant upgrade;
- ▶ building management system upgrade;
- ▶ lighting upgrade on refurbished floors;
- ▶ solar water heating upgrade; and
- ▶ received \$500,000 through the Green Building Fund.



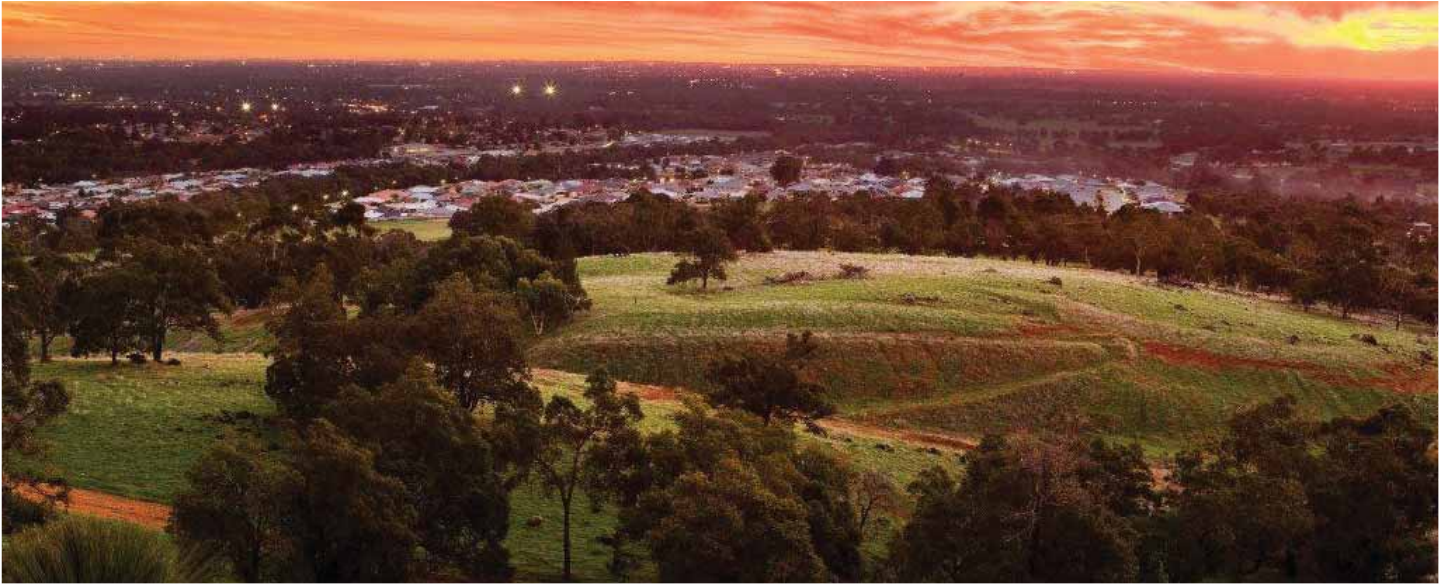
Kimberly Zero, Harcrest, Victoria

Mirvac's Kimberly Zero home sets a new benchmark for sustainable living. Built at Harcrest in the outer Melbourne suburb of Wantirna South, the home is part of a masterplanned community with a focus on sustainability.

Kimberly Zero is Mirvac's newest addition to its collection of zero carbon homes, following in the footsteps of Harmony 9 (Mirvac's zero carbon home, the first by an Australian commercial developer). Our focus for Kimberley Zero was to identify best practice solutions to the point where strategies could be replicated for any home at Harcrest. It showcases an approach to sustainability that is practical and affordable. By analysing how energy is used in our homes, Kimberly Zero identifies a logical path to progressively reducing greenhouse gas emissions and water use.

Kimberly Zero features include:

- ▶ energy rating: 6 Star energy rated home where solar passive design, cross ventilation and high levels of insulation play an important role in ensuring its future owner saves on household energy bills while greatly reducing greenhouse gas emissions;
- ▶ space heating and cooling: Lennox GS61-20W90, 5.3 Star two-stage gas-ducted heating system;
- ▶ hot water: Vulcan VSi160 300L tank solar hot water heater with 5 Star energy efficient gas boosting system;
- ▶ appliances: 3.5 Star dishwasher and 2 Star fridge;
- ▶ internal lighting: lights are light emitting diodes or compact fluorescent low energy fittings;
- ▶ behaviour change: smart metering allows users to keep an eye on their energy consumption, while green switches help make sure non-critical lights and appliances are turned off when nobody is at home;
- ▶ renewable energy: 3.25kW photovoltaic system;
- ▶ taps and fixtures: best available water efficiency labelling and standards rated taps and fixtures, taps 4-5 Star, shower heads 3 Star, toilets 4 Star;
- ▶ landscaping: waterwise grey water irrigation system; and
- ▶ alternative water supply: 2,000L rainwater tank plumbed for toilet flushing and laundry.



Highland Reserve, Jane Brook, Western Australia

Highland Reserve at Jane Brook is located 20km north-east of the Perth city centre and offers a mix of residential and semi-rural lifestyle homesites. The 65 hectare site is set in a bushland landscape in an elevated position commanding spectacular views over the city and Darling Range; in total Highland Reserve is home to 152 urban and 64 semi-rural lifestyle homesites.

Highland Reserve offers homebuyers a sustainable community both environmentally and socially. It has been independently recognised for supporting the local environment, having received EnviroDevelopment certification in Ecosystems under the Urban Development Institute of Australia's prestigious EnviroDevelopment initiative. The certification is an independent verification of the sustainability credentials of a development and acknowledges Mirvac's focus on environmentally sensitive design, in particular the protection of local plants and animals within and surrounding the development area. Its branding system makes it easier for customers to identify developments that meet rigorous criteria. To date, only 12 developments in Western Australia currently boast this accreditation.

Maintaining a number of significant areas for fauna habitat was key to the project, as was enhancing and rehabilitating areas on and offsite to protect the environment. Initiatives included:

- ▶ retention of 67 per cent of native trees on the site to protect the Black Cockatoo population;
- ▶ rehabilitation of the Jane Brook Foreshore Reserve, including a community tree planting day, where local volunteers and Mirvac employees planted more than 10,000 native trees and shrubs;
- ▶ rehabilitation of the Susannah Valley Nature Reserve, formerly cleared farmland, by planting over 3,430 native trees specifically selected to create habitat for the protected Black Cockatoo population;
- ▶ rural lots which include Memorial on Titles preventing the clearing of trees to help preserve the existing natural habitat; and
- ▶ provision of 52 per cent more green space than that set by regulatory requirements, including a 4.5ha parkland to preserve the site's flora and fauna habitat and incorporating BBQ facilities and a playground. Additionally, a 2ha parkland is under development.

Highland Reserve is part of a well-established and friendly community. Residents are connected to their community by attending local events and volunteering their time at local associations such as the Jane Brook Community Association.

In recognition of the importance of community, we worked in close consultation with the Jane Brook Community Association to host a Community Open Day in October, which attracted around 600 visitors. The event was a success with an array of entertainment for the whole family including: face painting, a jumping castle, balloon artists, a gardening competition and presentations from the Western Australia Reptile Park, the Fire Department, Neighbourhood Watch and local sporting groups.



8 Chifley Square, Sydney, New South Wales

Mirvac's latest commercial development, 8 Chifley Square, was awarded a 6 Star Green Star – Office Design v2 certified rating from the Green Building Council of Australia.

In line with our commitment to excellence in sustainability, the project's 6 Star rating demonstrates 'world leadership' by ensuring that impacts on the environment and the community are considered. This is further demonstrated with Mirvac targeting a 5 Star NABERS Energy rating for the building.

As the focal point of 8 Chifley Square, the new 34-storey tower will be a striking, premium-grade office building featuring a highly articulated and expressive architectural design. A five-storey void at the street level of the building will offer a grand entrance and add extensive public open space to the Chifley Square precinct.

One of the key focuses of the building's design is a 'village' concept. The tower comprises seven villages, each providing connectivity, interaction and amenity through vertical integration while offering unique and flexible workspaces.

The environmentally sustainable design features that are incorporated into the design of 8 Chifley Square include:

- ▶ blackwater recycling plant for the treatment and reuse of building and mains sewer;
- ▶ tri-generation system for onsite generation of base building power, heating and cooling and peak load reduction from the existing electricity grid. The system will also be capable of exporting low carbon power to other buildings at certain times of the year;
- ▶ chilled beam mechanical air conditioning system with a high volume of fresh air intake;
- ▶ high efficiency façade, including external shading and performance glazing, reducing heat load, direct sunlight and daylight glare;
- ▶ naturally ventilated ground floor glass lobby enclosure;
- ▶ use of low volatile organic compound materials and minimising the use of polyvinyl chloride products;
- ▶ photovoltaic-ready roof structure;
- ▶ end-of-trip cycling facilities; and
- ▶ excellent access to public transport.



Elizabeth Hills, New South Wales

Elizabeth Hills is amongst the best-located neighbourhoods in the thriving south-west Sydney growth corridor. Close to Liverpool CBD and just an hour's drive from Sydney city, its convenience and accessibility has made it one of the most anticipated developments in the district.

The 56ha estate, which is being developed with Landcom, is creating a masterplanned community to be delivered in six stages with a diverse range of lot sizes and medium-density product. Stages one and three are now complete with strong customer interest, and construction works on stages two and four have commenced.

Elizabeth Hills has maintained a number of significant areas for fauna habitat and also enhanced and rehabilitated on and offsite areas.

The masterplanning design and environmental approvals processes have resulted in a number of key sustainability outcomes. These include:

- ▶ retention of 3.7ha of Alluvial Woodland in the dedicated open space corridor of Hinchinbrook Creek;
- ▶ rehabilitation, revegetation and enhancement of the degraded Hinchinbrook Creek corridor and tributary. This has promoted passive recreation using cycleways, boardwalks, seats and grassed areas and enhanced a thriving ecosystem with wetlands, chain-of-ponds and water sensitive urban design;
- ▶ rehabilitation of the creek corridor to encourage the return of the threatened Green and Golden Bell frog, Grey-headed Flying Fox and Cattle Egret;
- ▶ removal of noxious weeds and planting of over 250,000 native species;
- ▶ retention of some of the Cumberland Plain Woodland in the local park;
- ▶ retention and rehabilitation of the existing man-made pond promoting ecological habitat;
- ▶ revegetation and restoration of 9.13ha adjacent to Elizabeth Hills including planting of Shale Plains Woodland and Sydney Coastal Alluvial Woodland;
- ▶ establishing a management framework that provides long-term protection and management of vegetation and habitat.

SUPPLY CHAIN

🎯 STRATEGIC OBJECTIVE

To further develop responsible supply chain management practices.

★ FY12 ACTIONS

☑️ PROGRESS

▶▶ LOOKING FORWARD – FY13 ACTIONS

Complete a survey of Mirvac's producers and suppliers to identify best practice.

✓ Conducted a survey of Mirvac producers and key suppliers to identify best practice for a series of sustainability issues, such as conformance to standards, carbon accounting, and general environmental and social impacts.

▶ **Analyse existing supplier survey data and assess supply chain sustainability benchmarks.**

▶ **Communicate sustainable procurement assessment benchmarks across the Group.**

Develop a responsible procurement policy and 'in practice' guidelines.

✓ Deferred to FY13 to align with broader Mirvac Group procurement review.

Identify and promote Mirvac preferred product suppliers internally and incentivise other suppliers to raise performance.

✓ Aggregated survey data in preparation for appraisal.

This year we undertook a sustainability survey of our supply chain to gain further understanding of their policies and practices around corporate responsibility and sustainability. The suppliers targeted for this survey were chosen for their impact on all parts of the business.

These suppliers included corporate financial and travel service providers, hotel uniforms and bedding, and office printing and stationery suppliers. The sustainability survey questioned our suppliers across a broad range of issues such as their environmental management practices, corporate social responsibility policies, greenhouse gas emissions, commitment to sustainability, transport and logistics, and packaging and product reporting. By better understanding our supply chain and benchmarking current procurement practices we can make informed decisions and have a positive impact through our purchasing decisions.

The results of the survey will be collated and, in consultation with the business units, we will assess our supply chain sustainability benchmarks and share information across the Group.

The suppliers that participated in this study included:

- ▶ Amex
- ▶ Avis
- ▶ Bidvest
- ▶ Corporate Express
- ▶ Chippys/PFD Food Services
- ▶ OfficeMax
- ▶ Fuji Xerox
- ▶ Haworth
- ▶ Heyday
- ▶ Qantas
- ▶ Quad Services
- ▶ Recall
- ▶ Feltex
- ▶ Fosters
- ▶ Sealy
- ▶ Virgin
- ▶ Zip Industries