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This report covers the activities of the Mirvac Group ("Mirvac" or the "Group") within Australia under Mirvac’s operational control for the financial year ending 30 June 2016. It should be read in conjunction with the 2015 Mirvac Group Annual Report which disclose financial and management performance.

This report has been produced in accordance with the Global Reporting Initiative’s ("GRI") G4 Sustainability Reporting Guidelines. The GRI index is available for download from the FY16 Sustainability Report website and provides a list of our GRI disclosures and their location in this report and associated documents. Limited assurance has been provided by Pricewaterhouse Coopers. Data sets that have been assured are marked with ✔.

For further information visit mirvac.com/sustainability

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CHANGE ISN’T SOMETHING THAT HAPPENS OVERNIGHT.

When we first launched our strategy “This Changes Everything” in 2014, we knew it would take time to embed our ambitious targets into the way we do things here at Mirvac. That said, after just three years, it’s truly remarkable to see the shift that has taken place—and the degree to which we are now embracing This Changes Everything across our business.

In this, the third year of our strategy, I have been consistently impressed by the initiative our people are taking with regards to sustainability.

Rather than seeing it as an add-on, we are now treating sustainability as something that is integral to what we do.

Significantly, we are also seeing the dollar value that’s attached to our efforts.

**Increasingly, we are seeing the connection between sustainability and business benefits.**

With the property market remaining strong, Mirvac has continued to make the most of the opportunities presented and pushed the boundaries by bringing more innovative ideas to market. We have achieved some really significant things this year: pioneering a profit for purpose café, conceiving Mirvac Energy, and unveiling the closed cavity facade at 200 George Street to name a few.

With our groundbreaking research into Social Return on Investment, we are even finding new ways to demonstrate the value we create within our communities. When combined with the House with No Bills, it represents a major step forward, enabling us to change the conversation around sustainability with residential customers.

The common thread across all these initiatives is:

**Demonstrating that we can improve sustainability without compromising on quality or cost.**

And while this is valuable for our business, it’s perhaps even more valuable to our customers.

As we continue to deliver our strategy, I look forward to seeing what other new ideas will be brought to the table.

It feels as though “This Changes Everything” has now really caught fire within the business.

And while we have plenty left to achieve, there is a strong conviction that we will make our plans a reality. When we line up behind a goal—no matter how ambitious it may be—I believe there’s no stopping us.

Susan Lloyd-Hurwitz
Managing Director & CEO Mirvac Group
FY16 was always going to be a telling year. As we moved in to the third year of our strategy, would momentum slow, or continue to grow?

Looking back on the past 12 months, I’m happy to report that sustainability is stronger than ever at Mirvac – something that’s increasingly embedded into our actions, and driving our business performance on all fronts.

While we’ve always known sustainability was “a good thing to do”, there’s now a growing appreciation of the income and value it can actually deliver. Internally, we’ve seen that by making sustainability more tangible, we can make it easier to engage with, as proven by the success of our Social Return On Investment (SROI) tool. Innovative thinking has also brought completely new business concepts to the table, such as Mirvac Energy and the House with No Bills.

The way we’re connecting across business units has also changed, especially through collaborations such as our One Planet Living community. Our residential part of the business has been one area we’ve made particularly impressive progress with this year, from piloting our first battery-operated home to launching our Residential Sustainability and Innovation Awards.

Right across the business, however, progress is being made every day. We have commenced the process of developing a new Health, Safety & Environment strategy. A significant amount of research has gone into this already, including a benchmarking study as well as interviews with internal and external stakeholders. A key area for this strategy is to “put the H into HSE”, with an increased focus on health and wellbeing. We have also increased our focus on biodiversity, having launched a new commitment to create biodiversity action plans for all our assets by 2018.

This year, external interest in our sustainability work has continued to grow, with an enthusiastic response to initiatives such as our “Nudge by Mirvac” sustainability film festival. Right across the business, however, progress is being made every day. We have commenced the process of developing a new Health, Safety & Environment strategy. A significant amount of research has gone into this already, including a benchmarking study as well as interviews with internal and external stakeholders. A key area for this strategy is to “put the H into HSE”, with an increased focus on health and wellbeing. We have also increased our focus on biodiversity, having launched a new commitment to create biodiversity action plans for all our assets by 2018.

This year, external interest in our sustainability work has continued to grow, with an enthusiastic response to initiatives such as our “Nudge by Mirvac” sustainability film festival.

Of course, we’ve also been delighted to receive considerable recognition in terms of awards, becoming the first in Australia to have two 6 Green Star –Performance certified existing buildings, among other achievements.

Moving into FY17, we may be ahead of the game, but we’re not slowing down. While we’ve ticked off one commitment ahead of time – delivering two Smart buildings in the form of 200 George Street in Sydney and 699 Bourke Street in Melbourne – we have no illusions that our work here is done. Our goal to be net positive by 2030 remains ambitious, and the big question remains the same: “What’s next?” I, for one, can’t wait to find out.
FY16 AT A GLANCE

**Smarter Thinking**
- 821,471 people educated on sustainability
- 84,116 people directly
- 737,355 people indirectly

**Future of place**
- Launched House With No Bills
- 2.5HA created Park & Wetlands sanctuary at Enclave (27,000 indigenous wetland plants)
- Developed a Sustainability Lifestyles Index
- LTIFR 2.2 per million hours worked

**Re-imagining Resources**
- Energy
  - Our office portfolio average
  - 5.1 NABERS energy rating
  - Carbon intensity
  - -20.4%
  - 1.2MW of renewable energy commissioned (install FY17)

- Water
  - Our office portfolio average
  - 3.8 NABERS water rating
  - Water intensity
  - -23.6%
  - 53,495KL captured water

- Waste
  - 93% construction
  - 60% operation waste recycled
  - 10 Lifecycle assessments complete
  - $1,947,459 avoided in landfill tax by sending less waste to landfills

**Enriching Communities**
- SROI Framework delivered
- $1.08M cash donations
- 8,127 total hours volunteered
- $2.1M invested in our communities
- First Profit For Purpose cafe launched in partnership with YWCA
- 200 George St
- 699 Bourke St

STRATEGY PROGRESS

How we’re tracking with This Changes Everything

Launched in 2014, This Changes Everything is Mirvac’s plan for a sustainable future. It comprises of four interconnected areas of focus: Re-imagining Resources, Shaping the Future of Place, Enriching Communities and Smarter Thinking. Under each area is a long-term mission, supported by several more immediate commitments. This year, we’ve achieved another one of our commitments and have set several new ones.

IMPLEMENTING THE STRATEGY

Each Mirvac business unit has five-year targets, and since 2015, these have been linked to sustainability scorecards, individual performance plans and Short-Term Incentives (STI). In this way, sustainability has become part of our criteria for measuring and rewarding business and individual success.

Core Business strategy | Core driver
--- | ---
Sustainability Strategy | This Changes Everything
Business Unit | Sustainability plans linked to a scorecard
Short-Term Incentives | 75% target against scorecard
Performance Plans | Individual employee targets linked to business plans
IN OUR WORLD

Engaging with our stakeholders

CUSTOMERS

Who they are:
People who buy, lease and occupy our assets (residential, commercial and industrial).

How we engage:
Residential customers
• Customer satisfaction surveys to measure our quality of service
• Survey to national database, researching sustainability perceptions and priorities (1,386 respondents)
• Launch events and communications such as Velocity and House with No Bills
• Publications like The Right Place magazine
• Face-to-face interaction with our sales team
• Visits to our Head Office sales suite, which is customised for different launches
• Commenced research into “willingness to pay” for solar and batteries

Tenants
• Tenant Liaison Centre
• Tenant workshops & face-to-face meetings
• Sustainability events such as Earth Hour & clothes donation in partnership with H&M
• Bin Trim Assessments
• Regular building management meetings
• Green Lease clauses in new commercial Heads of Agreement
• Retailer events and information nights
• Monthly Retailer newsletters
• Retailer support program – Drive by Mirvac

VISITORS

Who they are:
People who visit our assets.

How we engage:
Our retail centres attract millions of visitors each year.
• Unique activities to support customer engagement such as the Orion Street Party or Halloween at Kawana
• Social media and digital platforms to provide information on what’s happening in our centres
• Initiatives for special-needs customers including Sensory Santa photos and adult change tables
• Multiple feedback platforms including print, online, and bi-monthly mystery shopping activities
• Charity collections and allocated community space for local groups at no charge
• Digital Centre Directories and signage for wayfinding and other centre information
• Activities to recognise and celebrate diversity, including Diwali, Lunar New Year, NAIDOC week, Mardi Gras and Mooncake Festival
• “Hello Sydney”, a tourist program for domestic and international visitors
• Facilitate social interaction and meeting places, including 2,126 seniors at Storytime at Cherrybrook and walking groups at Cooleman Court.

COMMUNITY

Who they are:
People who live, work or play in and around our properties.

How we engage:
• Focused support for our National Charity Partner, The Smith Family
• Collaboration with YWCA, including a social enterprise café at Mirvac HQ
• “Giving at Mirvac” program launched, encompassing donation matching, workplace giving, a volunteering hub and in-kind donations
• Community events, including the Summer Festival which has held film nights, BBQs and other fun community engagement activities
• Community Charters at all of our retail assets
• Meet the neighbour events at all of our residential communities
• Community Liaison Officers helping new residents settle into our communities
• National Community Day, which saw us volunteering to support charities across 47 sites
• Partnership with the National Art School
• A founding Social Trader member, identifying opportunities for social enterprises within our supply chain
EMPLOYEES
Who they are:
People who work directly for Mirvac.

How we engage:
• In this year’s employee engagement survey, Mirvac scored 68 based on the Aon Hewitt survey
• Developed a new flexibility charter as part of our Diversity & Inclusion strategy and Transforming The Way We Work program
• Engagement with employees in the lead-up to the move to our new headquarters
• Employee Assistance and Manager Assist Programs provide free counselling to employees and their families
• Drug & Alcohol training completed by 1,050 employees
• Clothing bins in our HQ for employees to donate items to The Smith Family
• Launched Domestic & Family Violence leave and associated support arrangements

GOVERNMENT & INDUSTRY
Who they are:
Peer and partner businesses, industry and legislative bodies.

How we engage:
• Committee involvement, including active participation with Better Building Partnership, the Green Building Council of Australia and the Property Council of Australia (PCA)
• Annual reporting, including our annual sustainability report
• Representation on the PCA Male Champions of Change committee
• Targeted engagement on initiatives such as zero-carbon buildings and the City of Sydney’s Environmental Strategy advisory panel

INVESTORS
Who they are:
Those who have a financial investment in our business (security holders).

How we engage:
• Sustainability indices, including the Carbon Disclosure Project, Global Real Estate Sustainability Benchmark and the Dow Jones Sustainability Index
• Investor Group on Climate Change (working group)
• Investor Relations team and website
• Annual reporting, including our sustainability report
• Investor Roadshow
• Presentations at Investor Forums
• Sustainability meetings with investors and 1:1 meetings
• Participation in industry conferences and forums

SUPPLIERS
Who they are:
Companies who provide goods, services and materials as part of our supply chain.

How we engage:
• As a founding member of the Sustainability Supply Chain School, which helps educate suppliers online
• Site visits and inductions for our construction staff and other suppliers
• MRAC (Mirvac Risk Assessment Cards) launched to contractors
• Work Safe, Stay Safe program promoting safety on construction sites
• Open Line facility providing a confidential way of reporting any concerns of unethical behaviour
• Sustainability Survey (suppliers) and Vendor Code of Conduct
• Two zero-waste trade pilot schemes
Material matters
DEFINING OUR MATERIAL ISSUES

As outlined in our strategy, Mirvac has 19 material issues. We have now made commitments towards 17 of these issues, including new commitments made in FY16 under Affordability & Access, Resilience, Supplier Governance, Transport and Biodiversity.

By the end of December 2016, we will have completed a review of both material issues and commitments to ensure they are still relevant, something we review every three years.
The extent of our impact

DEFINING OUR REPORTING BOUNDARIES

As property developers, we leave a lasting impact on the world – an impact that we acknowledge is far greater than the footprint of our buildings. For this reason, our strategy focuses on creating positive outcomes beyond our immediate boundaries, whether it’s through our supply chain or within the communities in which we operate. With the help of tools such as Life Cycle Assessment and Social Return on Investment, we’re increasingly able to understand the true effect we are having on the world, and change things for the better.

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

The new LAT Portfolio that came under our operational control in February 2016 will be included in our This Changes Everything commitment reporting in two years. For a detailed overview of how we calculate our progress against strategy commitments, click here.

A CONNECTED REPORTING FRAMEWORK

Connecting the dots between investment and benefits to the business is important to Mirvac. For details on our connected reporting framework, click here.

We know we leave a lasting impact and we want it to be as positive as possible.
LOOKING AHEAD

From now until 2030

2014 Commitments
- Complete LCAs on all new projects commencing after June 2014 (ongoing)
- To hold a Future of Place Summit (achieved 2015)

2015 Commitments
- Pre-qualify 50% of our supply chain on their aligned sustainable practices (updated)
- Create a data capture system for measuring and monitoring community investment across the whole business (achieved 2015)
- Develop and utilise SROI methodology for key projects (achieved 2015)

2016
- Create a framework for the future of place
- Integrate sustainability criteria into our procurement process
- Create Biodiversity Action Plans for all assets
- Develop a Community Framework
- Create Community Plans or Charters for all office, retail and residential assets
- Pilot a home with no energy bills
- Implement 3 closed-loop recycling projects
- Recycle 75% of waste

2017
- Develop an Indigenous Strategy culminating in our first Reconciliation Action Plan
- Create a “One Planet Living” community
- Create Green Transport Plans for all assets
- Create Community Plans or Charters for all office, retail and residential assets
- Create a data capture system for measuring and monitoring community investment across the whole business (achieved 2015)
- Pre-qualify 50% of our supply chain on their aligned sustainable practices (updated)
- Develop and utilise SROI methodology for key projects (achieved 2015)

2018
- Achieved 2015
  - Reduce potable water intensity by 15%
  - Increase water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2019
- Achieved 2016
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2020
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2021
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2022
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2023
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2024
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2025
- Achieved 2016
  - Achieve net zero carbon
  - Improve water capture and recycling to 15%
  - Reduce carbon intensity by 20%
  - Install 1MW renewable energy
  - Create a “One Planet Living” community
  - Install batteries in all new Mirvac homes
  - Educate 1 million people on sustainability

2030
- Create the first smart portfolio
- Be net positive by 2030
- Educate 1 million people on sustainability
- Install solar PV on all new Mirvac homes
- Zero Waste

NEW
- Create Community Plans or Charters for all office, retail and residential assets
- Develop a sustainable lifestyles index for implementation
- Develop an Indigenous Strategy culminating in our first Reconciliation Action Plan
- Integrate sustainability criteria into our procurement process
- Create the first smart portfolio
Progress so far...

Our capacity to deliver on our strategy is underpinned by our engaged and educated workforce and supply chain. We’ve seen a huge increase in the number of people educated on sustainability this year, having reached almost one million people through indirect education methods alone.

That said, our focus remains on increasing the number of people we educate directly, which we know will help us deliver on our sustainability strategy and generate real behavioural change.

With our innovative approach becoming ingrained into how we do business, we’ve gained momentum on our Smarter Thinking commitments. One of the most exciting milestones of the year – Mirvac’s move to our new HQ, a building that truly embodies our smart ideals.

MISSION:  
To create the first smart portfolio by 2020

TARGET:  
Educate 1 million people about sustainability by 2020

**Total educated so far, direct and indirect:** 1,128,873

TARGET:  
Deliver our first smart building by 2018

Achieved in 2016 (two years ahead of schedule) we delivered 200 George Street in Sydney and 699 Bourke Street in Melbourne, two buildings that exemplify our smart standards.
TECHNOLOGY

This year, a lot of the work we've been doing with new technology came to fruition, both across our projects and within the business. Increasingly, we’re looking at how technology can influence all phases of our process, from data collection and design and construction to facility management and customer experience. Of course, with new technology emerging all the time, this is a never-ending journey, but it’s one that never fails to inspire us.

Smart moves

This time last year we developed our Design Guidelines, a tool to help us consistently raise the “intelligence” of our buildings over time. This has already started to pay off, enabling us to make more informed decisions and adjustments to our design specifications.

Having seen the difference that SkySpark technology made to our operational efficiency, we’ve now rolled this out across 20 properties, including our new HQ at 200 George St – our first development to earn the title of a “Smart Building”.

Our use of smart meters is also increasing, enabling us to gather insights into the daily and monthly performance of our buildings. At 200 George Street, we’re not only sharing this data with employees and visitors via live digital displays, we have also committed to share it with the Green Building Council of Australia for research purposes. Cooling Tower Telemetry (a technology that enables us to measure how effectively the cooling towers are performing) is another tool we’re continuing to expand, with systems installed in five of our properties.

As well as rolling out existing technology, we’re finding new ways to solve emerging problems. Our end-of-trip facilities, for example, encourage people to walk or cycle to work, but have also caused water consumption to increase in some of our assets. We are metering these facilities separately, and looking for opportunities to filter and reuse water. Persistent, difficult to locate leaks are another challenge. To solve the problem, we ran an innovation session we are now piloting called Solenoids at Sirius – technology that shuts off the water usage to some areas overnight.

This year, we also updated our Design Guidelines with Smart Building elements, helping us to incorporate these elements into our process from the start. This included “haystack” international naming conventions to “tag” every point in new Mirvac buildings, so we can locate and utilise data effectively.

Through all of these initiatives, we can gain greater insight into how our assets run, and feed this back into the design process to improve the accuracy of our modelling. It’s about ensuring that what happens in reality matches up with what we predicted, and improving that reality.

Response system is tailored to the specific agile working requirements of AGL, while also being configured to optimise the energy performance. The system is also easy to use and the on-site facilities team, alongside AGL Employee Services, are trained to make employee specific alterations without the engagement of specialised contractors.

The sensor nodes utilise an innovative Bluetooth Smart Mesh to extend beyond lighting control and into occupancy and utilisation analytics. The size of this project makes it one of the largest implementations of its kind. This cloud-based platform provides both real-time and historical utilisation data to improve workplace efficiency. For example, data integration with AGL’s workplace management tool, Serraview, has resulted in real-time correlations between meeting-room-bookings and availability.

One of Mirvac’s first Smart Buildings, 200 George Street, raises the bar in more ways than one. Curious to see what makes it so special? Read all about it here.

Smart building 699

This year, Mirvac and our tenant AGL Energy (AGL) took an integrated approach to installing smart technology throughout 699 Bourke St to build the foundation for a smarter, more flexible workplace that delivers an enhanced user experience.

Smart lighting control is at the core of this solution and, on its own, is expected to save 46% in lighting energy compared to a traditional system.

With over 3,500 sensor nodes embedded across the 19,300 square metre tenancy (one in every single luminaire), the Organic
WELCOME TO WOODLEA

Our proposal for a Smart Community

This year we announced an exciting new proposal for Woodlea: an approximately 7,000-lot development west of Melbourne that will become our first ever Smart Community. This project will see Mirvac team up with development partner Victoria Investments & Properties and work with the local council and service authorities to design a community with improved social and economic outcomes. As part of the process, we will utilise good urban planning, transparent governance and technology to help empower the community, which we believe will improve efficiency, management, and responsiveness.

Our end goal? To create a clean, safe and sustainable environment where people can enjoy a better quality of life. This strategy is a living and evolving initiative that will adapt over time to be responsive to what the community needs. At this preliminary stage, the following initiatives are included in the project:

**INITIATIVE 1: Smart streetlights**

Smart LED streetlights installed in park areas will incorporate light sensors and controllers, feeding data back into a centralised control system and reducing maintenance and energy use. Equipped to collect data via sensors and cameras, these streetlights also enable us to gain insight into the surrounding environment, such as weather conditions, and relay CCTV. The lights will also provide free public WiFi and can promote advertising messages or safety warnings.

**INITIATIVE 2: Smart health**

A world-first study that aims to measure the health and wellbeing of residents for a five-year plus period, with these insights to inform master planning, infrastructure and investment. The study also aims to prevent issues that can affect people in outer suburbs, such as obesity, depression and social isolation.

**INITIATIVE 3: Smart learning**

The Woodlea Learning Centre aims to create student-friendly spaces tailored to local requirements. Study courses and tutorials can be held face-to-face or via two-way Smart Learning video links to external learning providers. Short courses and bridging programs are also expected to be part of the education mix. It’s all about bringing education and training to the people in a local setting, and using technology to support this.

**INITIATIVE 4: Smart community**

The Woodlea Smart Community strategic framework with solutions will be amended and refined as ongoing workshops and reviews are conducted.
Mirvac’s new HQ at 200 George Street won’t just be a place to work, it will be a place to learn thanks to our new Living Lab. This is an area within the building where we conduct live research into the quality of the indoor environment.

Using a range of sensor devices (including SAMBA units provided via our partnership with The University of Sydney), the Living Lab will give us the capability to assess everything from facade temperature to vibrations. As a result, we can run controlled experiments, such as filling the space with plants to see the impact on carbon dioxide levels or volatile organic compounds. As part of our experiments, we also seek the feedback and involvement of occupants using the Building Occupants Survey System Australia (BOSSA). This will certainly be a space to watch in the year ahead!
SKILLS & TRAINING

Investing in our people and seeing the results

Employee development is essential to keep our people growing, thriving and adapting, and it was a major focus for us in FY16. Read all about it here.

EDUCATING ONE MILLION

Our target to educate one million people is about more than raising awareness of sustainability - it’s a catalyst for achieving our other commitments and a shared goal that keeps staff and external stakeholders engaged. This year, education has been promoted in many ways, with our Nudge Film Festival and the rollout of our Sustainability LTO being the most notable direct education activities. We also reached a huge number of people indirectly through online communication and signage, our launch for The Finery in Waterloo and Broadway with electronic sustainability signage the biggest contributors. To be transparent in our reporting on this commitment, we always show both our direct and indirect education numbers. Although our reach has now exceeded one million people using both approaches, we continue to work on increasing the number of people directly educated.

To see more about Nudge by Mirvac, head to our Annual Review where there’s a full story here.
INNOVATION

It's been another big year for Mirvac in innovation, with our Hatch champions embedding innovative thinking across our business. Get the full story on our progress here.

HEARD OF THE RASIs?

At Mirvac we believe great work should be recognised, so it was great to see our residential team take the initiative to launch their very own sustainability award this year. The Residential Awards for Sustainability and Innovation (RASIs), give staff the opportunity to submit specific ideas or initiatives they’ve implemented to drive sustainability outcomes. These will be judged by a panel, that includes Susan Lloyd-Hurwitz, and the winner can choose their prize: either an international study trip, or a long weekend at Heron Island or in Broome (or, if a team wins, they’ll receive a sailing trip on Sydney Harbour). The RASIs sparked great excitement and attracted some stellar entries in the residential team, and we plan to make it an annual award.

WORKFORCE

Flexibility has been a big focus at Mirvac this year, with the launch of new initiatives such as our new Building Balance program, which encourages construction teams to take initiative in creating more flexible working conditions.

Our unwavering commitment to safety has also remained strong, and we took the time to assess our approach to HSE to date and develop a clear plan for the future.

Some of the year’s highlights included:
- training to raise awareness of the factors that underpin drug and alcohol misuse
- the continued rollout of our successful “Work Safe, Stay Safe” program
- the launch of Mirvac Risk Assessment Cards (MRACs), which visually depict construction risks, and appropriate controls
- delivering “Designing Out Our Risk” (DOOR) training to all parts of the business
- a new HSE strategy, with an increased focus on health and wellbeing, which is now in development.

For more details on putting the H into HSE, see our Annual Report, here.

INDICATOR 2014 2015 2016 TARGET

<table>
<thead>
<tr>
<th>Workplace culture</th>
<th>Demonstrate commitment to HSE with active participation by senior executives (HSE leaders program).</th>
<th>110%</th>
<th>108%</th>
<th>130%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mirvac Group LTIFR (service providers and employees)</td>
<td>2.2</td>
<td>1.6</td>
<td>2.2</td>
<td>&lt;4</td>
<td></td>
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<td>Promote timely reporting of workplace incidents</td>
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<td>17hrs</td>
<td>17hrs</td>
<td>&lt;24</td>
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<td>Workers compensation claim count</td>
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Table 2:3 HSE Lead & Lag Indicators

Our HSE Management Systems within construction are certified to ISO14001; OHSAS18001; and AS/NZS4801.
Shaping the Future of Place
Progress so far…

What factors define a great place?
At Mirvac, this is a question we constantly consider. We’re always looking for ways to improve the places that we create, whether it’s by making them more connected, more community-focused or more carefully designed for the long term.

A great deal of information was gathered during our Future of Place forum, and we are looking at how we can apply what we learnt to a number of projects in our development pipeline. We are currently conducting Future of Place audits on two properties, and plan to appoint place managers at Sydney’s Green Square and Australian Technology Park. The deadline for delivering our Future of Place framework has been pushed back by one year to ensure we are able to include all of this information, along with all of our learnings from last year’s Future of Place summit.

We’ve also made great progress in other areas, particularly One Planet Living. With new commitments made and a new mission in development, we feel confident we’re on track for the year ahead.
Sustainable Lifestyles

AT MIRVAC, WE WANT TO MAKE SUSTAINABLE LIVING SOMETHING PEOPLE VALUE AND EMBRACE.

So we’re working hard to ingrain sustainability into the design of the places we create, whether it’s by making solar panels a standard feature in homes, or giving office workers somewhere to shower so they can cycle to and from work. Behavioural change is always a gradual process, but we’re already receiving some positive feedback on the changes we’re making.

Sharpening our SLI tools

Following on from last year’s desktop research into our Sustainable Lifestyles Index (SLI), we have completed a second workshop and internal testing to develop our own SLI tool. Our tool has now been finalised and covers four key categories: Environment, Economic Prosperity, Health & Wellbeing, and Community. While we haven’t quite met our goal to deliver it within FY15, the tool will be piloted on several sites by the end of 2016.

Orion: a connected space

Since it was developed in 2007, Orion Springfield Central shopping centre has become more than a place to shop for Springfield residents. With its thoughtful design, Orion is now a popular destination for people to socialise, whether it’s on their way to or from work, or on the weekend. This is in no small part thanks to the collaboration between Ipswich City Council, Springfield Land Corporation and Mirvac.

The vision for Orion was to create a space that’s cohesive, connected and encourages sustainable behaviour. This is now a reality, thanks to the centre’s inviting open layout and the walking paths linking it to public transport, the town walk, and the lagoon.

The lagoon itself has become a popular swimming spot, and its aquatic theme has been extended into the centre with the installation of an interactive water feature in the restaurant area. Given Queensland’s climate, we saw an opportunity to create a fun, attractive centrepiece that would provide a welcome break from the heat. The water feature provides just that, and is already a huge hit with local children. Mirvac now also provides towels at the centre’s customer service desk for visitors to dry off after having a dip.

Together with a new cinema and vibrant dining precinct, this has cemented Orion’s place in the heart of the Springfield community – a real asset that all residents can use and appreciate.
One Planet Living

One of our commitments for This Changes Everything is to deliver a One Planet Living (OPL) community – and this year we took the first important step of identifying a site and registering the project with Bioregional Australia. We hope to receive the rating in the second half of 2016.

Located in Marrickville, in Sydney’s inner west, the site will see a former hospital transformed into a closely connected urban community. In addition to approximately 200 apartments, the project will encompass extensive outdoor community space known as “the common”, which will offer comfortable green space for residents and the local community. The site will also be home to the new Marrickville Library and Inner West Council Community Hub, which Mirvac will also deliver.

Features of the project that will help towards the OPL rating include:

• environmental sustainability initiatives, including energy efficient building design and services, water sensitive urban design, a focus on reducing waste and an aspiration to increase the biodiversity value of the site.
• bicycle racks and maintenance areas, electric vehicle charging and car-share pods – all of which will encourage alternative transport methods.
• community and kitchen gardens, plus a focus on healthy indoor and outdoor spaces, which will enhance the health and wellbeing of residents.
• adaptive re-use of heritage buildings and an urban design response that aims to address the local streetscape, reflecting and enhancing the site’s local character and history.

As part of the project, we’re also working on a community plan and educational strategy to help residents live a sustainable lifestyle, along with a local economy strategy to promote businesses and employment in the area.

There is no doubt Marrickville is an exciting step forward for Mirvac and for Sydney’s inner west; a place that’s uniquely designed around the human experience, and where the community sits at the heart of every decision we make.
Biodiversity

While it’s always been important to Mirvac to protect and increase biodiversity in the areas in which we operate, we’re moving towards an increasingly structured approach. Whether it’s through protecting native species, habitat regeneration, landscaping or planting trees, we aim to leave a positive legacy, particularly in locations that are adjacent to protected or sensitive ecosystems.

Before & after

The more we know about the biodiversity that exists at our sites, the more positive our impact can be. For this reason, we have developed our first Biodiversity Assessment matrix, a tool that allows us to measure biodiversity at our residential sites before and after a development.

When developing the matrix, we consulted with internal and external stakeholders and sought inspiration from a range of global ratings tools, such as Green Star, LEED, SITES and NSW BioBanking. We also carefully considered biodiversity-related legislative requirements and biodiversity assessment matrices at the national and state government levels. This background research enabled us to develop a set of criteria that’s relevant to our projects, and can be easily integrated into our existing processes.

One great benefit of the matrix is that it can help us gather insights to feed into our design process. For instance, if an urban infill site has little or no biodiversity, we can integrate native shrubs and trees into the landscaping. In this way, we can make a positive contribution to biodiversity with every residential project.

The approved matrix will be piloted on selected residential projects, then rolled out nationally. While it’s been developed for residential projects, we believe it’s flexible enough to apply to any kind of asset, and will allow us to set targets we can work towards in the future.

More grand plans

Following on from last year’s work with students at Macquarie University, we have now developed biodiversity plans for nine assets: 8 Chifley Square in Sydney, 16 Furzer Street in Woden, 23 Furzer Street in Woden, 275 Kent Street in Sydney, Cooleman Court in Weston, Broadway Shopping Centre, Greenwood Plaza in North Sydney, as well as Rhodes Waterside and 5 Rider Boulevard in Rhodes.

Each plan looks at the biodiversity present at the site and in surrounding areas, and whether there’s anything of high biodiversity value in the local council area. Using this as a basis, the plans then identify a list of actions to improve on the current status, whether it’s to install planter boxes or add green walls. The intention is that these recommendations will be included in the scope of work for future upgrades on each asset. While we’ve made great progress in developing these plans, more are on the agenda.

A new sanctuary

On 12 December 2015, Mirvac was proud to host the grand opening of a new wetlands precinct at our Enclave community in Ascot Vale, Victoria. Opened by mayor Andrea Surace, the 2.5 hectare park and wetlands sanctuary will enrich the local ecosystem with over 27,000 indigenous wetland plants, providing water quality treatment and a habitat for local fauna.

The park has also been designed to encourage active, healthy living, and features almost a kilometre of walking trails, a circular path around the wetlands and viewing platforms for people to experience the wildlife firsthand. It also includes picnic facilities and a variety of interactive play equipment for children, and will be a major health and environmental asset for Enclave residents and the wider Ascot Vale community.
Wild at heart

Welcome to The Finery at Waterloo, home to a new urban forest.

With heat generation an increasing concern in major cities, Sydney certainly has scope to cool things down. And with our new apartment development in Waterloo, Mirvac hope to do just that.

The Finery is a 227-apartment complex occupying 9,400 square metres - 30 per cent of which will be dedicated to greenery. At the heart of the development will be a courtyard planted with species such as Australian teak, water gum, cabbage palms and banksia. These are all species that once grew in local wetlands and will be irrigated using rainwater harvested onsite. In addition, The Finery will feature green roofs, green walls and street planting. The result: a cool "gully-like" experience akin to what you’d find in a National Park.

As well as increasing biodiversity in the area, the Finery aims to reduce the temperature of the site by two to three degrees.

“We all know greenery looks good, but our SROI research has shown there’s a lot more to it than that,” says John Carfi, Mirvac’s Head of Residential. “Green space creates a more comfortable environment for people to live in, which in turn increases property value, both for Mirvac and our customers. For us, it’s about making a positive environmental impact, without compromising comfort or aesthetics.”
Transport

We continue to focus on reducing transport impacts in the areas that matter most: our customers’ modes of transport and the transport of materials to our projects.

Driving has been the default mode of transport for most Australians for decades. But through the design of our developments, we are making it easier for people to cycle, walk or catch public transport instead. Features such as cycle paths and end-of-trip facilities are becoming standard for us, and are being received with enthusiasm by our customers.

Customers weigh in

In August 2015, we surveyed our national database, exploring their attitudes to sustainability. Pleasingly, 35 per cent of the almost 1,400 respondents said they use public transport regularly.

83% said that bike paths, parks and landscaping are important in making a place desirable. This is good news, because we plan to deliver a whole lot more of them.

Walking the walk

Along with social factors, the built environment can have a big impact on whether people choose to walk or participate in physical exercise, and at Mirvac, we are increasingly working to encourage this activity. As well as being good for people’s health and wellbeing, active lifestyles have more tangible benefits too. In fact, an increase in Australia’s physical activity can lead to 6,000 fewer incidents of disease, 2,000 fewer deaths, 114,000 extra working days, 180,000 extra home days and a saving of $265 million a year.

With this in mind, we’ve undertaken Social Return on Investment research to determine how we can inspire people to be more active and understand what influence Mirvac is already having to support our residents.

Mirvac developments currently help create active lifestyles by providing walkability, open spaces, cyclability, connectivity and community facilities.

By increasing the level of physical activity in Mirvac developments, we estimate a potential average saving of $241 per resident.

Charging ahead

Electric vehicles may not yet be commonplace in Australia, but by 2025, it’s estimated we will have around 165,000 on our roads – a huge increase compared to the 2,000 or so currently in operation.

Overseas, countries are already investing in infrastructure to support this shift and, this year, Mirvac started to look at ways it could cater for this technology in its developments.

We have now made a commitment to install electric car charge points in all our new residential developments.

These are already a feature at some of our apartment projects, and by making them standard we hope to encourage more people to make the shift to electric vehicles in the future.

Taking a load off

As well as considering the way people get around, the transportation of our materials matters a lot to Mirvac too.

This year, we made a huge step forward with the Velocity project.

This project has streamlined the construction process significantly, enabling us to cut down on the amount of transportation required for both raw materials and contractors.

42% reduction in the mass of materials transported.
Resilience

This year, Mirvac has increased our focus on climate change resilience, conducting a gap analysis to identify where we can improve the way we manage climate change risk. This formed the basis for a climate change action plan.

As part of the action plan, we’re aiming to finalise a Climate Change policy and create a framework to assess climate change exposure in order to improve the adaptability of our assets. This will help us to make informed decisions that carefully consider climate change projections in the whole life cycle of a project, from acquisitions through to development and ongoing operations. As well as helping us to make climate change projections, the framework will allow us to make informed decisions about where we build. We also plan to find a way to analyse attributes of existing buildings, so we can be on the front foot with any adaptation measures required.

In early 2016, we also commissioned an updated Combined Hazard Reporting Profile report from our insurance partners. This report assesses four key risks for all our assets: cyclone, earthquake, storm surge and bushfire. Findings have been shared across our teams so that they can identify any potential risks affecting their portfolios and take action.

In a broader sense, we’re also working to make our communities more resilient, especially in terms of energy sustainability. This has led us to add two new commitments to our list this year:

- install solar PV on all new MPC homes by 2020; and
- install batteries in all new MPC homes by 2025

Affordability & Access

At Mirvac, we believe everyone should have the opportunity to live productive, sustainable lifestyles, regardless of where they’re from or how much money they make. This year, we began to address the issue of affordability and access, looking at ways to make it easier for the average Australian to reap the rewards of sustainable living. After all, it’s only by making sustainability easy and attainable for all of us that we can create truly meaningful change.

New affordability commitment:
Pilot a home with no energy bills by 2018.
Imagine living in a House with No Bills

Thanks to Mirvac, one Australian family has the chance to do just that.

For many Australian families, the rising cost of power bills is an unavoidable fact of life. But what if that didn’t have to be the case? Last year, we tabled a new concept for a house designed to have no energy, water or sewerage bills, making these everyday expenses a thing of the past for the family living there.

Thanks to the focused efforts of our team over the past 12 months, the “House with No Bills” concept has evolved from an interesting idea into a tangible reality. As with all our innovations, we wanted to test our idea before rolling it out, so began by selecting a site where a pilot home could be built. The property, in our Jack Road development in Cheltenham, Melbourne, will look like a regular Mirvac home, however, it will operate far more efficiently thanks to a range of energy-saving features.

In addition to solar PV panels and batteries (to store energy captured), the house will feature increased roof insulation, LED lighting and energy efficient appliances with no gas connection. Smart meters and monitoring systems will also be installed, allowing us to track and understand the energy use of the family who lives there. We will also be monitoring water usage, and our goal is to ultimately eliminate sewerage, waste water and water bills too.

NEXT STEP?
FINDING A TENANT.

The response following the launch of the House with No Bills project in May 2016 has been fantastic. Once the pilot house is completed, a family will be invited to live there, rent-free, for 12 months. Over this period, we will gain valuable insights into how a typical Australian family uses energy, and what behavioural changes are needed to achieve the “no energy bills” target.

It’s important to us that the chosen tenants accurately represent the average Australian family, in terms of statistics and attitudes. Rather than cast the net nationwide, we are looking for a family already living in the local area, with one of the family members in a key-worker role (such as healthcare or teaching).

We’re also not looking for vigilant greenies! Rather, we are seeking a family that simply wants to live their everyday life in a more cost-effective way. After all, this project is a learning exercise for Mirvac, and we want to monitor the reality of how most Australians use energy. By living rent-free (and hopefully bill-free) for a year, we hope our chosen family will have the chance to save enough for a home deposit.

Will we achieve our goal of zero bills? We don’t know. But we’re certainly dedicated to giving it a try – and we’ll certainly learn a thing or two along the way.
Re-imagining Resources
Progress so far...

Using resources wisely is essential for a company like Mirvac, and we’ve continued to make steady progress towards our strategy commitments. From conserving energy and water to recycling waste, we’ve built on our past successes and have empowered our tenants, customers and suppliers to do the same. While achieving our net-positive goal will still be a challenge, our efforts remain focused and consistent, and we believe we are on track to make it a reality. With new commitments made and a new mission in development, we feel confident we’re on track for the year ahead.

With a cleaner grid and significant investment in energy efficiency, we were pleased to achieve our carbon intensity reduction commitment of 20 per cent this year, ahead of our 2018 target.

As we continually dispose of and acquire assets, our investment portfolio changes, so we will need to continue to monitor our progress to ensure we maintain our carbon intensity reduction target up to the final due date in 2018.
The Road to Net Positive

ENERGY

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

REDUCE CONSUMPTION

2013: 75,500MWh
Equals 52MW of installed renewables

2015: 74,605MWh

2016: 90,100MWh

2018: 60,400MWh

2020: 56,600MWh

2025: 49,000MWh

2030: 45,300MWh
Equals 39MW of installed renewables

INCREASE GENERATION

2013: 0kW

2015: 80kW

2016: 80kW

2018: 1MW

2020: 5MW

2025: 20MW

2030: 39MW
Net positive

This year our net positive roadmap includes our absolute energy consumption for 2016. The increase in absolute energy consumed is due to a change in our reporting methodology for cogeneration and to account for the change in assets coming in and out of the investment portfolio. Despite this increase, both our carbon and energy like-for-like intensities reduced across the portfolio from our FY13 baseline.
The Road to Net Positive

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

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

**POTABLE WATER**
- 2013: 883,012 KL
- 2016: 904,677 KL
- 2018: 750,560 KL

**ALTERNATIVE WATER**
- 2013: 0 KL
- 2016: 53,495 KL (6%)
- 2018: 112,500 KL (15%)

**INVESTMENT**
- 2013: 39%
- 2015: 48%
- 2016: 60%
- 2018: 75% (target)

**CONSTRUCTION**
- 2013: 96%
- 2015: 94.7%
- 2018: 92%
- 2030: 100% (on 1 project)
Energy

Reducing energy use is a constant consideration for us at Mirvac, and whether it's through education, collaboration or new technology, we are making steady progress every year.

While the way we manage energy hasn't changed in the past 12 months, the technology available continues to grow more sophisticated. For Mirvac, that means we're constantly presented with opportunities to do things differently and reap the rewards. We're also becoming increasingly bold in our innovative approach and, as a result, entirely new business ideas are coming to fruition - Mirvac Energy being a perfect example.

Beyond the environmental benefits, we're excited that our energy efficiency initiatives are starting to deliver tangible value too, not just for our business, but for our customers, tenants and investors too.

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<td>-</td>
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ENERGY

Next Gen Energy

Exploring renewable energy sources has been a major focus for us at Mirvac this year. Thanks to the planned installations at Orion Springfield Central in Queensland and One Darling Island in New South Wales, we are set to reach our target to install at least 1MW of solar PV in 2017, an entire year ahead of schedule.

Having made commitments to install solar panels as standard on all masterplanned community homes from 2020, and batteries as standard from 2025, we looked to establish a relationship with a key supplier. After inviting eight solar and battery companies to tender, we engaged Evergen as our chosen partner, a group whose founding partner CSIRO has been pioneering best-of-breed solar and battery solutions since 2002.

Our first project is a pilot house at our Brighton Lakes development in New South Wales. As well as installing solar and battery systems in the house, we plan to use “smart features” to measure household energy consumption patterns. With access to all of these real day-to-day insights, we will be able to fine-tune our solar and battery solutions for broader application across all our masterplanned communities projects.

Sirius in the spotlight

In the past 12 months Sirius at 23 Furzer Street in Woden, ACT, has carried on impressing judging panels across the world, winning three major awards, including:

- 2016 CIBSE Facilities Management Team Award & Highly Commended in the International Project category
- 2015 Facility Management Association award for Energy Efficiency; and
- 2015 National Energy Efficiency Award for Best Commercial Building Energy Efficiency Project

In the words of Luke Menzel, CEO of the Energy Efficiency Council: “Sirius is an outstanding example of what can be achieved when property owners, facility managers and tenants work together in the pursuit of energy efficiency. In particular, judges noted the exceptional level of collaboration between Mirvac’s Facility and Property Management teams and their tenant, the Department of Health. With Sirius, Mirvac has set a new benchmark for the commercial building industry to aspire to.”

New NABERS

It was a big year for Mirvac on the NABERS front, with many assets achieving at least a 5 Star NABERS Energy rating.

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</tr>
<tr>
<td>275 Kent</td>
<td>5</td>
</tr>
<tr>
<td>8 Chifley</td>
<td>5</td>
</tr>
<tr>
<td>65 Pirrama</td>
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</tr>
<tr>
<td>One Darling</td>
<td>5.5</td>
</tr>
<tr>
<td>3-5 Rider</td>
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</tr>
<tr>
<td>10-20 Bond</td>
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<td>23 Furzer</td>
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Like-for-like energy & carbon intensity:

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<th></th>
<th>FY13**</th>
<th>FY16</th>
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<tr>
<td>CO₂/m²</td>
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</tbody>
</table>

*Energy increase is due to gas fired cogeneration. By switching fuel source we reduce CO₂.
** FY 13 Has been updated for like-for-like properties. Please refer to Strategy Reporting Boundaries Document for an explanation.
ENERGY

Raising the Green Star Bar

In the past twelve months, Mirvac achieved some amazing results under the Green Star Performance Rating, a tool that assesses the operational performance of existing buildings across nine impact categories.

In total, 41 Mirvac assets have now achieved Green Star Performance ratings as part of our portfolio rating. Two of these deserve a special mention, both having earned an incredible 6 Star Green Star Performance rating: 23 Furzer Street, in Woden, ACT, and 275 Kent Street in Sydney, NSW.

We were also proud to achieve a 3 Star Green Star Performance Portfolio rating, a great reflection of the targeted energy, water and environmental and waste management plans we deliver across our entire investment portfolio.

Keeping good company

Mirvac has been active on a number of committees and working groups this year, including:

• Better Building Partnership (including a waste working group)
• NABERS technical working group, focusing on revising the NABERS Waste tool
• Property Council of Australia State and National Sustainable Development Committees; and
• Calculating Cool Tool steering group (rating tool for HVAC systems)

How do you build a carbon neutral display home in just 16 weeks?

At Osprey Waters in Mandurah, WA, we discovered the answer: using Structural Insulated Panels. New to the WA market, this technique is proving to be a great alternative to construction methods, and something we may use more of in future.

When the lights go out...

Once again Mirvac used Earth Hour as an opportunity to educate office and retail tenants about sustainability – sending out information packs about ways to audit and improve their sustainability performance all year round.

Stepping it up on site

After trialling features such as solar PV cells and indoor planting on two “site sheds” last year, we took things to the next level in 2016, piloting our own high performance sustainable site office at Green Square in Sydney. Significant planning went into creating an environment where on-site workers could embrace healthy work practices. The site office at Green Square is now a far cry from the basic sheds of old. Along with better lighting, efficient air conditioning and low VOC paints, the site office features an open-plan layout and indoor planting. The response has been extremely positive, and we are pleased to be able to support our on-site teams in this way.

We’re also gaining more insight into how solar PV performs by installing this technology on several more site sheds across the country. Thanks to the addition of smart metering on these sheds, our on-site teams can now access data on energy use, and report on how much energy we create each month (and how many tonnes of carbon dioxide we offset). This practical knowledge has already informed our decisions around solar on a broader scale and because the solar PV is modular in design, we will be able to re-use it in future.

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Unlocking a renewable energy strategy

Installing solar on our buildings is a great idea in theory; after all, it immediately reduces operational energy use, lowering bills for the landlord. For Mirvac, however, it’s been a difficult investment to justify. While we love passing on value to our tenants, we needed to find a way to gain some payback to offset the upfront costs.

The solution came to light this year: what if Mirvac was to establish a separate business as an energy provider? The idea quickly gained momentum, and after several intensive months of development we had an entity established: Mirvac Energy.

Mirvac Energy is essentially a new off-grid energy provider.

The idea is that Mirvac Energy pays to install renewable energy systems on our own assets. Then, through a partnership with a preferred supplier, we sell the energy generated back to the building as an off-grid supplier.

In this way, we can offset the initial cost of the solar installation and gain long-term profit from the sale of the energy, as well as a capital uplift from leasing roof space.

ORION SPRINGFIELD CENTRAL AND ONE DARLING ISLAND ARE ALREADY ONBOARD.

We have now commissioned over 1.1MW solar PV at these assets, giving us a strong starting point to trial Mirvac Energy. With installation due in 2017, this will enable us to achieve one of our strategy commitments a year ahead of schedule. While it’s unlikely that 100 per cent of the energy required by these buildings will be provided by Mirvac Energy, we believe we can supply a significant portion, which means greater value for tenants and a whole new revenue stream for Mirvac. Certainly a huge achievement, and evidence that setting long-term goals, like being net positive, leads to innovation.
Mindful water consumption is essential – not just for Mirvac, but for all of us.

While our operations will always mean we consume a significant amount of water, we also have the power to influence water usage on a major scale. Not only can we design homes and shopping centres to use water efficiently, we can educate the people who use our assets to be more mindful in how they value this precious resource. Whether it’s by building community recycling water plants, or by educating tenants to be more water-wise, we’re striving to make every drop count.

Through our audit process, two sites in Rhodes, New South Wales, were identified as over-reporting the amount of non-potable water collected. We have restated the FY15 figures in this report and have incorporated the results into our programs to ensure we are still on track to deliver our commitment to increase water capture to 15 per cent by 2018.

### Potable water usage (kL)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>492,216</td>
<td>462,937</td>
<td>499,627</td>
<td>470,430 ✔</td>
</tr>
<tr>
<td>Office &amp; Industrial</td>
<td>349,597</td>
<td>420,075</td>
<td>386,186</td>
<td>434,247 ✔</td>
</tr>
<tr>
<td><strong>Total (kL)</strong></td>
<td><strong>841,813</strong></td>
<td><strong>883,012</strong></td>
<td><strong>885,813</strong></td>
<td><strong>904,677 ✔</strong></td>
</tr>
</tbody>
</table>

Table 4.2

### Non-potable water

- **53,495kL**
- **6%**

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

### Water intensity reduction

- **Retail**
  - **-25.6%**

- **Office & industrial**
  - **-16.8%**

- **Portfolio**
  - **-23.6%**
Rainwater is still one of our greatest challenges, but our progress continues.

**Rainwater at Orion + 200 George Street**
Mirvac’s new HQ at 200 George Street, Sydney, has a rainwater collection system, while another has been commissioned at Orion Springfield Central, Queensland, to complement the original system.

**Rainwater Optimisation at 275 Kent Street**
Through the implementation of a rainwater optimisation strategy, the team at 275 Kent Street, Sydney, has almost tripled the rainwater tank output, a clear demonstration of why this asset was awarded a 6 Star Green Star Performance v1 rating.

**End-of-trip experiments**
This year, we noticed that, due to the increase in end-of-trip facilities, water consumption had increased in some of our buildings. We ran an innovation session to identify ways to tackle this issue, and are trialling new technology as a result.

**Record temperatures**
We experienced record temperatures in Australia this year, especially in Melbourne during March 2016, when the temperature only dropped below 30 degrees Celsius after midnight. This has affected energy and water use at our buildings as they cannot cool down overnight. Again, we are implementing technology, such as SkySpark, that we believe will help us respond to weather events like this in future to ensure we are resilient to the impacts of climate change.
WINNING WATER WAYS

Googong: an award-winning community championing water conservation

A joint venture between Mirvac and CIC Australia, Googong is a new self-contained township on the NSW/ACT border. Designed with sustainability at its very heart, Googong was awarded New South Wales’ first 5 Star Green Star Communities rating, an achievement that represents Australian excellence, and reflects the thinking and innovation that’s gone into creating this community.

CONSCIOUS CONSERVATION

As well as achieving all points in Green Star’s “liveability” category, Googong was recognised for its water capture and recycling techniques. Conservation is key here, with all homes in Googong required to be fitted with water-saving taps and fixtures, as well as a rainwater tank that holds at least 2,000 litres.

Googong’s community runs off a four megalitre closed-loop blackwater system, meaning that waste water is treated and re-used for toilet flushing and irrigation. The development also exceeds Queanbeyan Council stormwater quality targets through its chain of ponds, and Water Sensitive Urban Design (WSUD) integrated into streetscapes and public open space. Even Googong’s landscaping is composed of predominantly low water-use plant species.

Once Googong is fully occupied, its water-saving strategies will result in a reduction of potable water use by around 62 per cent, and allow for 50 per cent of the community’s waste water to be recycled. Googong is already using less water than an average Australian community with one third of its population.

In the words of Googong Project Director, Malcolm Leslie, “We believe our planning and design at Googong has set a benchmark for similar communities in Australia. In fact, Googong is one of the best current examples nationally of how water savings can be achieved – so having the Green Building Council of Australia’s endorsement is another feather in our cap.”

Over 50% of the township’s waste water will be recycled

Reduced potable water by around 62%

The project’s integrated water cycle includes features such as:

- A 50% BASIX Water regional rate, well ahead of the 40% target
- Googong’s 18,000 residents will use less water than just 6,500 residents in an average Australian community
- All homes must have a rainwater tank holding at least 2,000 litres, with a 5,000-litre tank recommended
- A four megalitre water treatment plant that will recycle over 50% of waste water for irrigation and toilet flushing
Waste

When it comes to managing waste, there are six key strategies: avoid, reuse, recycle, recover, treat and dispose. In 2016, we continued to do well on all fronts, making some strategic decisions that have already had far-reaching impacts.

With our Resource Recovery Manager leading the charge, we’ve completed a review of our recycling suppliers, and in construction, we’ve continued to push the envelope both in terms of technology and contractor collaboration. We’ve also carried on engaging with our tenants through initiatives such as bin trim assessments, take-back programs, e-waste collections, and education around the Pulpmaster. Our goal is to gradually build awareness of waste reduction and recycling, and to make sustainable habits commonplace for everyone using our buildings.

Table 4.3

Waste type by division

<table>
<thead>
<tr>
<th></th>
<th>CONSTRUCTION</th>
<th>INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>93%</td>
<td>60%</td>
</tr>
<tr>
<td>recycle</td>
<td>0%*</td>
<td>0%</td>
</tr>
<tr>
<td>prescribed</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>landfill</td>
<td>7%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 4.4

Total waste

<table>
<thead>
<tr>
<th>FY13 INVESTMENT</th>
<th>FY14 INVESTMENT</th>
<th>FY15 INVESTMENT</th>
<th>FY16 INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13 CONSTRUCTION</td>
<td>12,833</td>
<td>15,429</td>
<td>19,209</td>
</tr>
<tr>
<td>FY14 CONSTRUCTION</td>
<td>35,565</td>
<td>44,082</td>
<td>44,082</td>
</tr>
<tr>
<td>FY15 CONSTRUCTION</td>
<td></td>
<td>26,382</td>
<td>26,382</td>
</tr>
<tr>
<td>FY16 CONSTRUCTION</td>
<td></td>
<td>20,646</td>
<td>19,281</td>
</tr>
</tbody>
</table>

75% Recycling rate - Investment Portfolio

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15 YTD</th>
<th>FY16 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td>38%</td>
<td>48%</td>
<td>60%</td>
</tr>
</tbody>
</table>

TARGET: FY13 25% FY14 35% FY15 45% FY16 55%

* Hazardous waste is less than 0.05
THE FINAL FIVE

With construction recycling rates of around 95 per cent, Mirvac has a strong track record. Yet to achieve zero waste, we still need to address that “last five per cent”.

One way we’re doing this is through new technology, such as the use of modular building methods. The modular bathrooms being installed at Forge Melbourne have eliminated a great deal of waste. These bathrooms are now manufactured in a controlled environment off-site, and only need to be unwrapped and installed once they’ve been delivered.

Similarly, we have already seen up to a 40 per cent reduction in waste on-site for homes constructed using prefabrication technology. Given that we create an estimated 10.78 tonnes of waste per house using traditional methods, this really adds up.

We are also now working towards zero waste-to-landfill trades, starting at some of our terraces in Victoria. Here, we have been collaborating with plasterboard manufacturers to change sheet size for greater efficiency and less waste. Segregated bins are also being provided to encourage on-site teams to recycle plasterboard offcuts more easily. In the future, we plan to apply a similar approach to other trades too.

CLEANING UP OUR CONTRACTS

As part of our plan to build more strategic relationships with our suppliers, Mirvac completed a review of our waste and recycling services across our retail and office portfolios. After undergoing a tendering process, we selected a group of suppliers that can cater to our varied needs.

Thanks to this process, we now have updated specifications, requirements and contracts in place for all waste and recycling suppliers. The Better Building Partnership’s operational waste management guidelines are now integrated into these contracts, reflecting both industry best practice and our own strategic goals.

We have also been able to expand many services to improve our performance. In New South Wales, for example, we are now working with a supplier that provides alternative waste treatment facilities, a move that’s enabled us to divert up to 60 per cent of waste from landfill via a secondary sorting process. In Victoria, we also now have an organic recycling supplier on board.

With better contracts and a more comprehensive supplier network, we’ve been able to raise the bar for our waste management across the board. This year we have hit our recycling target of 55 per cent, and are closing in on our long-term commitment to recycle 75 per cent of waste by 2018.
MATERIALS

The sphere of Mirvac’s influence extends beyond our immediate operations. After all, we couldn’t do what we do without the materials and services supplied by a range of contractors and suppliers, including those we engage directly and indirectly.

This means the way we manage our supply chain is of crucial importance, and with the help of our Ariba system, our procurement process is becoming more and more strategic. While Ariba is yet to be applied across all parts of the business, it will ultimately allow us to measure and monitor supplier performance, and secure the right relationships with the right people. Once rolled out, we will be able to manage all our contracts through Ariba, and use this centralised information to streamline and strengthen our supplier relationships.

Prequalification progress

With the launch of This Changes Everything in 2014, we started to broaden our formal supplier pre-qualification process to include sustainability as well as our standard governance, risk and financial criteria. In FY15 we’d pre-qualified 32 per cent of our supply chain through the use of our sustainability survey, an optional questionnaire suppliers were asked to complete as part of the tendering process. We realised, however, that a more efficient way to manage this pre-qualification would be to embed the survey into our standard tendering platform, and so the survey became automatic.

This process is currently being piloted with corporate services and facility management suppliers, and will be rolled out and adapted across the whole business.

In light of this new approach, we have also updated our corresponding commitment. Rather than aiming to pre-qualify a set percentage for suppliers, we are now committed to integrating sustainability criteria into the tendering process for all suppliers by 2017.

On a related note, we also finalised our Vendor Code of Conduct this year, which now incorporates environmental and social sustainability criteria.

School’s still in

This year we continued to support the Supply Chain Sustainability School, a not-for-profit initiative that encourages suppliers towards more sustainable practices through free online resources, education and events.

Supply Chain Stats

| Total number of suppliers: | 5,800 |
| Amount spent in foreign currency: | N/A |
| Total spend on suppliers: | $1.6bn |
| Number of suppliers flagged as problematic: | 0 |
| Proportion of suppliers in Tiers 1 & 2: | 74% |

How our suppliers are categorised

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

'Ve this Changes Everything' Sustainability Report 2016
**CYCLE OF IMPROVEMENT**

The Life Cycle Assessment (LCA) methodology was introduced in 2014 and has since grown to play an increasingly significant role in our development process. By giving us insight into how different materials perform over a building’s entire lifecycle, our LCA studies allow us to make more informed decisions about how we build.

After completing 10 LCAs between 2014 and 2015, we were able to identify potential hot spots, including concrete and steel, road transport used to carry heavy goods over long distances, and products sourced from countries using primarily coal-based energy sources.

Since February 2016, we have commenced seven more LCAs focusing on these areas. Australian Technology Park, Brighton Lakes, Marrickville, Green Square, Harold Park in Sydney, as well as The Eastbourne and Yarra’s Edge in Melbourne.

We have already used the results of our LCAs to adjust our methods in a number of ways, including the use of concrete with fly ash, implementing solar PV technology, and broadening our use of modular building methodology. Together, these design solutions have enabled us to achieve a 77 per cent reduction of carbon in one of our projects.

So what’s next in terms of LCA? Along with commissioning further studies, we plan to develop an in-house LCA tool to support our teams in integrating Life Cycle thinking into their design, construction and development processes. By using this tool to make a simple LCA assessment, we can reduce our environmental impact while enhancing the technical and economic performance of our buildings too.

**THE PERKS OF PREFAB**

Prefabricated building technology delivers surprising sustainability benefits.

Over the past three years, we have been working with a prefabricated panel building methodology called Velocity. Developed by Mirvac and CSR, this has enabled us to cut construction times drastically on homes built within the masterplanned community business, and increase safety and efficiency along the way.

While we were aware of the improved quality and time savings Velocity delivers, we were curious to see how it stacked up in terms of carbon intensity. So this year, we conducted an LCA on a typical three-bedroom home at our Brighton Lakes project in New South Wales, comparing the Velocity wall technology to traditional building methods. This involved an assessment of all of the components and the assembly requirements for the house, at every stage of the home’s life cycle.

This was largely due to a major reduction in raw materials and waste generated by traditional construction methods on-site. The study also showed that a house built using prefabricated wall panels requires less water and transport.

Initial results also allowed us to identify some opportunities to improve Velocity even further, for example, reducing the use of cement and zinc-coated products.

Of course, the advantages of prefabrication don’t stop there. The reduction in manual handling required also provides a safer working environment for our employees and contractors, something that’s of paramount importance to us. And with 54 Velocity homes completed to date and a further 120 to complete over the project’s lifetime, we believe that the benefits of using a prefabricated panel system will just keep getting better.
Enriching Communities
Progress so far...

Creating supportive, vibrant communities is a key part of what we do at Mirvac. Since the introduction of our sustainability strategy, This Changes Everything, we’ve worked hard to make community a more tangible and measurable concept, and the last year has been no different.

We’ve realised that the more strategic our community initiatives are, the more impact they can have. Whether it’s by consolidating our charity work or gathering data through our online data capture system, iSystain, we’re striving to be more focused in every aspect of our community work. As the numbers illustrate, this approach is already making a difference, and we’ve committed to bring all of our community tools and processes together in the form of a Community Framework by 2018.

Since introducing This Changes Everything, our community investment almost doubled.

<table>
<thead>
<tr>
<th>Year</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1.2m</td>
<td>$2.1m</td>
</tr>
</tbody>
</table>

Since introducing This Changes Everything, our community investment almost doubled.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of Hours of Support</th>
<th>'In Kind' Donations</th>
<th>Cash Donations</th>
<th>Management Cost</th>
<th>Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$239,535</td>
<td>$23,628</td>
<td>$814,533</td>
<td>$175,958</td>
<td>$1,253,656</td>
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<tr>
<td>2015</td>
<td>$356,289</td>
<td>$148,748</td>
<td>$1,106,007</td>
<td>$277,112</td>
<td>$1,888,156</td>
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<tr>
<td>2016</td>
<td>$406,035</td>
<td>$294,025</td>
<td>$1,088,035</td>
<td>$277,865</td>
<td>$2,065,960</td>
</tr>
</tbody>
</table>
CHARITABLE CONNECTIONS

At Mirvac, we’re already reaping the benefits of our new charity strategy, introduced last year, and so are the charities we support. Designed to consolidate the charity work we do across the business, the strategy challenged us to get smarter about how we select and support charities, enabling us to give more and engage our staff on a new level.

Along with our National Charity Partner, The Smith Family, we’ve continued our partnership with the Property Industry Foundation (PIF) to keep young Australians off the streets. This year, we’ve also supported a range of organisations, from local youth groups, PCYCs and partners such as Sunnyfield on our National Community Day, through to charities chosen by staff via workplace giving. We also continued our successful partnerships with the National Art School in Sydney, along with Galleries, which is a breakfast service for homeless people in Sydney, funded and staffed by Mirvac every Friday.

Our charity committee, also introduced last year, has continued to do a great job delivering the strategy, now working under the banner of Giving at Mirvac.

Giving at Mirvac

In line with our objective to consolidate our charity work, we brought our activities together under a single banner, Giving at Mirvac. This rebrand has given the committee the responsibility of driving specific initiatives around volunteering, workplace giving and fundraising. We believe it’s an approach that will help us focus our efforts even further, and inspire our people to give even more.

- Mirvac continues to match these donations up to the value of $10,000 per year.
- Employees can apply for additional funding from the charity committee for any project initiatives they are working on. Mirvac also matches fundraising donations of up to $200 per year.
- Mirvac employees can connect with opportunities to volunteer for a range of charities via our Volunteering hub. To make it easy to find activities nearby, we have created a link to ‘Do Something Near You’, an initiative of the Do Something charity that enables people to search for community and charity events by postcode. Each Mirvac employee is given one volunteering day a year for the cause of their choice.

Mo money

November 2015 was a particularly hairy month in the Mirvac offices, with 50 employees taking part in the Movember campaign to support men’s health. Together, our Movember team raised over $18,500 (with $1,100 coming from the Kawana MoBros team alone). The Charity Committee also offered to donate an additional $10,000 if at least 50 people participated, bringing the grand total to almost $30,000. This was a great achievement and placed Mirvac third nationally in the Movember Construction Challenge.

Up to speed

After upgrading our IT systems in preparation for our move to the new HQ, Mirvac had a large amount of computer equipment that was no longer needed. We wanted to put these items to good use, so in addition to making tech pack donations to The Smith Family, we gave a number of computers to the Brisbane Indigenous Media Association (BIMA).

More than wishful thinking

On 7 May 2016, Mirvac was proud to auction one of our homes at our Osprey Waters masterplanned community in Western Australia, with the profits going straight to Make-A-Wish Australia. Our $161,000 donation will go a long way towards helping Make-A-Wish achieve their aim to grant 2,000 wishes to seriously ill children over the next decade.

A not-for-profit organisation based in Queensland, BIMA provides media training to Aboriginal and Torres Strait Islander people. IT equipment is essential for BIMA’s programs, which include running a 24-hour radio station, and accredited training in areas such as radio broadcast, video editing and TV production. Due to recent funding cuts, BIMA had been unable to upgrade their computers and were struggling with slow and unreliable old machines. The upgraded computers donated by Mirvac have made a great difference, allowing BIMA to not only operate more efficiently, but to also expand their online learning programs.

★ $161,000 donation
We are family

A great year supporting our National Community Partner, The Smith Family

With their mission to support disadvantaged children through education, The Smith Family is a National Charity partner Mirvac is proud to support. This year, our partnership was activated through a range of initiatives across all parts of our business. Some of the key initiatives Mirvac and The Smith Family worked on together include:

**LEARNING FOR LIFE**

As part of The Smith Family’s Learning for Life scholarship program, Mirvac began sponsoring tertiary students in NSW, VIC, QLD and SA. Learning for Life alumni, May Yousif and Mark Ryan, also visited our offices in NSW and QLD, speaking to our staff to help them understand the value of the program.

**CARING FOR COMMUNITY**

This year, Mirvac provided focused support to four communities across the country: Alexandria Park, NSW; Brimbank, VIC; Brisbane, QLD and Midland WA. This included National Community Day activities such as art and writing competitions for students.

**RAISING CHRISTMAS SPIRITS**

Christmas is a tough time for many, so Mirvac ran a series of special fundraising activities, including a seasonal online program ‘Simply Giving’. We also ran a book and toy drive (with personal deliveries from our CEO & Managing Director Susan Lloyd-Hurwitz), and raised $4,600 through a gift-wrapping service at Broadway Shopping Centre, with funds going directly to The Smith Family’s learning support programs for disadvantaged children.

**TECH TACTICS**

In preparation for our move to the new HQ in Sydney, Mirvac’s tech team donated 214 computers worth $25,000.

**GIVING IN KIND**

Recycled clothing collection bins also proved to be a great way to raise awareness and funds for The Smith Family. We placed collection bins in three of our shopping centres, giving tenants the chance to donate surplus retail stock. We also installed them in our Sydney head office and at summer festival locations in NSW and ACT.

**OFFICE MATTERS**

Mirvac’s offices also played a role in supporting The Smith Family, raising well over $8,000 through workplace giving, flower sales, a winter coat drive and a winter warmer lunch. We also moved The Smith Family to our building at 340 Adelaide Street and are contributing to their rent, allowing them to direct these savings to their education programs.

**SHARING STORIES**

Through our magazine, The Right Place, Mirvac took the opportunity to spread the word about The Smith Family’s work, with 9,000 copies distributed to residential sales offices and VIP customers. A further 105,000 customers received the magazine in digital form.
Indigenous update

As part of our commitment to deliver a Reconciliation Action Plan by 2017, we spent this year developing our strategy towards reconciliation. The has now been approved by Mirvac’s Executive Leadership Team (ELT). By making this our starting point, we believe we can maximise the individuals’ potential, while creating opportunities and positive change.

While Mirvac has undertaken many initiatives to support Indigenous communities, these have historically been very project specific. Our new strategy aims to coordinate our efforts and build greater consistency in Mirvac’s approach to creating opportunities for Australia’s First Peoples. As part of our internal engagement, we are planning to deliver cultural training to all Board, ELT and MLT members.

We also want to better engage with our employees, with activities such as NAIDOC week celebrations as well as developing a visual identity for our Indigenous strategy.

We’ve learned that many people across Mirvac want to do more to support and understand Aboriginal and Torres Strait Islander people and their culture, but aren’t sure how to go about it. For this reason, we also plan to provide a central hub where all of our resources are in one place.

In terms of external programs supporting education, we’ve launched two initiatives to support the Tribal Warrior Association, a group that provides specialised training to young indigenous people, and we plan to do more work in this vein in the future.

FORMALISING OUR FRAMEWORK

Mirvac has committed to deliver a Community Framework – a single project delivery plan that encompasses all our tools, templates and strategies related to community engagement and activity. We believe that having these resources accessible in a single place will make them easier to use, and in turn we’ll be able to consistently embed community initiatives into every single project we work on.

As part of the Community Framework development process, we will also map Mirvac’s community journey. This will help us to understand all the touchpoints when our developments interact with the community, and who at Mirvac should be taking ownership of this interaction at each stage.
Charting a positive course

Mirvac retail centres are more than just places to shop. They’re places where people in the community can come to learn, play, and spend time together. While we’ve always used our centres to engage with the community, we saw scope to leverage them even more. This year, we developed a national Community Charter to help individual centres connect and contribute in a more active and meaningful way.

The new charter outlines three key areas: reinforcing the role of the retail centre as a community hub; building positive relationships; and supporting our National Charity Partner, The Smith Family, along with local charities.

With more clarity around our community commitments, our retail centres can take ownership over what they do, and tailor their activities to the needs of their local communities. We believe this will go a long way in helping us achieve our mission to demonstrate community investment beyond our boundaries by 2018.

The Nappy Collective

While the retail Community Charter has only just been developed, we’ve already started putting it into action by partnering with The Nappy Collective. This is a national not-for-profit organisation that supports mums and families in crisis by running ‘nappy drives’.

Mirvac teamed up with The Nappy Collective twice this year, providing collection points in 13 of our retail centres, as well as our head office in Sydney. Here, members of the community as well as our own employees could donate unused disposable nappies, supporting people in need and diverting potential waste from landfill. During our May drive alone, we collected

21,000 nappies

This is a great example of what we can achieve through our retail centres when we put our minds to it.
Rewarding returns

At Mirvac, we want all communities to be safe, healthy, vibrant and connected. To achieve this, we knew we needed a way to measure our progress and understand our impact. In an industry first, we teamed up with professional service company, KPMG, to develop a framework and tool for measuring our Social Return on Investment.

After spending 12 months researching the factors that define social value, we identified four areas of focus: safety, community, health and wellbeing, and sense of place. Under each area, we determined metrics for capturing what Mirvac is delivering and investing, as well as external benchmarks, through to the dollar value of social impacts created.

To read more, see our SROI brochure here.

Present vs future

In addition to measuring how we currently compare, we have also developed an Impact Prediction Tool that estimates the economic and social impact of a Mirvac development. These predictions are based on academic research and data collected both internally and externally, including information on construction, open spaces, facilities, connectivity and the results of residential surveys. We will continue to refine this tool, and use it to create benchmarks and targets for future developments. This tool is being embedded within our development process so that all future developments are tracked in terms of social impacts.

1  Value of Social Change Report, KPMG, Aug 2015, Pg 40
2  Value of Social Change Report, KPMG, Aug 2015, pg 31
3  Vic Health Indicators Survey, Vic Health Research, 2011
Supporting social enterprise at our new HQ

When planning the move of our Sydney head office to 200 George Street, we wanted to make our new café as special as the rest of the building. In 2016, we forged a unique partnership with the YWCA to develop a ‘profit for purpose’ café, where every cup of coffee or sandwich sold helps to protect women and children from domestic violence.

This ‘profit for purpose’ model is nothing new for the YWCA; they’ve pioneered it since 1983 through their Y Hotel in Sydney, a high quality commercial hotel that donates its profits to domestic violence and homeless support services. In the corporate world, however, it’s a new concept, and one Mirvac is proud to get behind.

Mirvac and YWCA’s joint venture opened its doors in July this year, the same day our first employees moved into 200 George Street. Named The Song Kitchen, it provides premium café and catering services to Mirvac’s employees and visitors, with 100 per cent of proceeds going to the YWCA’s support program.

By providing healthy food that’s clearly labelled, The Song Kitchen has also enabled us to meet the WELL rating we are targeting for 200 George Street.

With one woman in Australia dying each week at the hands of a current or former partner, domestic violence is still disturbingly prevalent in our society.

Through The Song Kitchen, Mirvac aims to change these sobering statistics, and create a brighter future for more women and children. We hope many other companies follow suit.

To learn more about the YWCA, visit ywca.org.au

Currently around 1.4 million women in Australia are living in an abusive relationship.

This is an alarming statistic that highlights the need for greater awareness of the issue, and the support needed for victims. To show our commitment to preventing domestic violence, Mirvac has forged a partnership with YWCA, an organisation that delivers vital support services to women and children in need.

We have also launched Domestic & Family Violence leave, which outlines the practical support we provide to those experiencing domestic violence. This includes paid leave, financial assistance and counselling. In addition, Mirvac employees and their immediate families have access to free and confidential counselling as part of our Employee Assistance Program (EAP).
What’s Next?
So what’s next?

On the heels of a fantastic year, we’re primed and ready for the year ahead.

With new commitments to strive for, new data to analyse, and new projects to launch, there’s no shortage of opportunities to show what we can do. Across the business, we are excited to tackle many different challenges. Our shared goal remains clearer than ever: to continue delivering our strategy, paving the way to a more sustainable world.

“Over the next year we will be focusing on targeting sustainability outcomes that will add the most value to our customers and the communities in which we operate.”

ROCHELLE PHILLIS
Residential Sustainability Manager

“People will enable Mirvac to deliver This Changes Everything, so next year we will continue to focus on them internally and externally”

PAUL EDWARDS
Group General Manager
Sustainability & HSE

“Leadership: lifting capabilities and embedding leadership into everyone’s role, at all levels.”

CHRIS AKAYAN
Group General Manager,
Human Resources

“Keeping the sustainability messages new and fresh to keep people enthusiastic and engaged.”

MATTHEW KELLY
Sustainability Manager,
Construction

“Using our new biodiversity assessment and action plan tools to measure and enhance biodiversity across the business in a more structured way.”

ELHAM MONAVARI
Environmental Sustainability Manager

“Engaging more broadly within the business on innovation using an Open Innovation Platform – an external network we can invite people to take part in our ideation sessions.”

CHRISTINE GILROY
Group General Manager, Innovation

“Increasing cultural and Indigenous understanding and engagement throughout our business. We want people to understand the importance of reconciliation, to them, Mirvac and society as a whole.”

SARAH BREAVINGTON
Sustainability Manager

“Dealing with de-fit waste is a huge opportunity. Although it’s not normally under control, we want to create best practice guidelines to support our new tenants in minimising their impact.”

DAVID PALIN
Sustainability Manager

“Integrate sustainability criteria into our procurement process

Develop an Indigenous Strategy culminating in our first Reconciliation Action Plan

Commitments due next financial year

- Integrate sustainability criteria into our procurement process
- Develop an Indigenous Strategy culminating in our first Reconciliation Action Plan

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Lessons Learned

Telling the whole story means including both successes and failures, and at Mirvac we’re committed to doing just that, through balanced, honest reporting. This year saw us have many successes, however there were also a number of instances that provided us with an opportunity to learn and improve.

Supply Chain Sustainability

In our industry, a sustainable, resilient supply chain is extremely important. While Mirvac has always recognised this, we have previously managed our supply chain in an ad hoc manner, using a range of systems. Since launching This Changes Everything, we have worked to develop a more structured approach to screening our suppliers on sustainability.

The move to a centralised online procurement platform provides us with a vehicle to expand our existing financial, governance and risk pre-qualification process to also include social and environmental sustainability criteria.

We still have a long way to go, but we are making progress in understanding the strengths and weaknesses of our supply chain. By reflecting on the lessons we learn along the way, and publicly disclosing this information, we hope to inspire others to embark on the same journey, creating stronger, more sustainable supply chains across the entire Australian property sector.

Our Strengths

- Materials and supplier governance are two key focus areas in This Changes Everything.
- We have created new tools to help us increase sustainability, including a new Vendor Code of Conduct, Sustainability Questionnaire, and our Annual Supplier Report.
- Our new commitment to embed sustainability criteria into our tendering process
- The investment into a new centralised online procurement system. This will streamline the tendering and supplier management processes, and in turn, will give us more time and better data to manage our supplier relationships.
- By moving workflows online, we have continued to reduce paper consumption.

Our Weaknesses

- With over 5,000 suppliers engaged each year, it is difficult to develop a sustainability approach to fit them all. With this in mind, we continually seek feedback from suppliers to help us tailor our tools to meet their needs
- Many suppliers purchase products and services on our behalf, reducing our visibility across the entire supply chain
- Moving to our new centralised procurement system has taken longer than expected, and required significant testing and refinement
- We were unable to achieve our first commitment to pre-qualify 50 per cent of our suppliers by 2015
Because we are constantly learning about our supply chain, we have recognised that we need to be able to adapt our approach as we go. We initially committed to pre-qualifying 50 per cent of our supply chain on sustainability criteria, for example. However, due to the systems in place, this process proved very labour intensive and we achieved only 32 per cent. We have since changed our approach to embed our sustainability questionnaire into all new online tenders, making it business as usual.

We are in the process of defining how this will work for the construction side of our business, and look forward to reporting our progress in our next Sustainability Report.

**Outcome**

This year we will be working to:

- use the increased visibility on supplier data and performance to strategically increase our supplier engagement activities;
- continue testing our new system as it’s rolled out and adapted across the company into parts of our business with more complex supply-chain relationships, such as our construction side; and
- continue working with our peers to get an industry standard on supply chain sustainability engagement.
APPENDIX 1

Sustainability Governance

We advocate sustainability through membership and participation in:

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

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

- Dow Jones Sustainability Index (DJSI)
- Carbon Disclosure Project (CDP)
- Global Real Estate Sustainability Benchmark (GRESB)
- United Nations Principles of Responsible Investment (UNPRI)

All Mirvac’s awards are published by year on our website here.

Sustainable building rating tools are also used to demonstrate sustainability leadership including Green Star, WELL Building, One Planet Living and NABERS. Our Green Star and NABERS ratings are tabled below. For full details, see our FY16 Property Compendium, here.

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### NABERS Ratings

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<th>Property</th>
<th>Energy</th>
<th>Water</th>
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<tr>
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<td>4 Riverside Quay, Southbank VIC</td>
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<td>-</td>
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### Green Star

In FY16, Mirvac achieved a 3 Star Green Star Portfolio rating, covering 41 office and retail assets, under the Green Star Performance v1 rating tool. In addition to this, the following Green Star ratings have also been achieved:

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<th>Project</th>
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<tr>
<td>10-20 Bond Street, Sydney NSW</td>
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<td>699 Bourke Street, Melbourne Vic.</td>
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<td>8 Chifley Square, Sydney NSW</td>
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<td></td>
<td>- Office Design &amp; As Built v2</td>
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<tr>
<td>Mirvac Perth office, L3 305 Hay Street, Subiaco WA</td>
<td>4 Star Green Star - Office Interiors v1.1</td>
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<tr>
<td>Orion Springfield Town Centre - Stage 1, Springfield Lakes QLD.</td>
<td>6 Star Green Star - Shopping Centre Design Pilot</td>
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<td>275 Kent Street, Sydney NSW</td>
<td>6 Star Green Star - Performance v1</td>
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<td>Googong Township</td>
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