

by mirvac

Corporate Responsibility and Sustainability Report 2010





We are pleased to report that we obtained the level of A+ in the GRI Guidelines.

The 2010 Corporate Responsibility and Sustainability Report has been produced in accordance with the Global Reporting Initiative's ("GRI") G3 Sustainability reporting Guidelines. We have obtained an A+ application level which has been third-party checked by Ernst & Young as part of their assurance procedures. In order to achieve this A+ application level we were required to respond to each of the core G3 performance indicators as well as make other disclosures on our management approach. Ernst & Young's limited assurance report is provided in full on pages 84-85 of this report.

ABOUT THIS REPORT

This report generally covers the activities of Mirvac Group ("Mirvac" or the "Group") for the period of 1 July 2009 to 30 June 2010. The report does cover activities undertaken in the period 1 July - 30 October 2010 a revised set of objectives and a revised reporting framework. The inclusion of these additional items is explained in the report.

The purpose of this report is to measure, communicate and disclose our financial, environmental and social performance to key stakeholders, our staff, customers, suppliers, securityholders, the community and the general public. We aim to provide a detailed and transparent assessment of our sustainability activities.

FEEDBACK

Help Mirvac improve its reporting by sending comments via the Group's website feedback function at www.mirvac.com.

DISCLAIMER

Whilst all reasonable care has been taken in the preparation of this report, the information contained herein is believed, but not guaranteed, to be correct at the time of release. Mirvac and its related companies will not be liable for any inaccuracies, omissions or errors in the content, nor for any loss or damage arising from action taken in reliance on the information.



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HIGHLIGHTS

Mirvac is committed to excellence in sustainability, managing and creating innovative, quality real estate assets now and in the future.



We take an outcomes-based approach:

- › 188 sustainability business objectives to measure and track performance
- › Continue to achieve external recognition:
 - A+ GRI rating
 - “Sustainability Leader” in the Dow Jones Sustainability Index (Asia Pacific)
 - FTSE4Good Index member
 - Australian SAM Sustainability Index (“AuSSI”) Member
 - Ranked 17th in the world in the Global Environmental Real Estate Index
- › Won eight sustainability awards over the last year

We innovate by designing, building and operating more sustainable buildings:

- › \$2.2 billion portfolio of greener buildings, including:
 - “World Leadership” with Australia’s first 6 Star Green Star shopping centre
 - A 6 Star Green Star office building under development
 - Six buildings rated 4 Star NABERS Energy or higher

We believe we have a wider responsibility:

- › To the communities in which we operate – we support a number of charitable organisations and community initiatives
- › To our employees – by creating a positive work environment that promotes employee engagement
- › To create workplaces free of harm – achieved a 39 per cent reduction in lost time injuries
- › To build a sustainable future through education – over 330 students attended Mirvac’s Bond University Sustainable School of Development in 2009

MIRVAC'S 10 YEAR HISTORY OF SUSTAINABILITY LEADERSHIP AND INNOVATION



- 2000** > Built Australia's first 800 home solar suburb at Newington, NSW, in a joint venture with Lend Lease
- > Built the first office tower in Australia to commit to 4 Star Australian Building Greenhouse Rating ("ABGR") at 40 Miller Street, North Sydney, NSW

- 2001** > Sustainable Energy Development Authority NSW ("SEDA") Tenant Energy Handbook sent to all commercial tenants
- > Mirvac's Chris Luscombe was awarded ABGR Champions Award

- 2004** > First listed on the Dow Jones Sustainability Index
- > Launched WA's first sustainable display homes at Mandurah, replicable for mass market
- > Pioneered use of the Building Sustainability Index ("BASIX") for multi-unit dwellings
- > Undertook Platinum Sponsorship of the Green Star Retail tool (Pilot)
- > First reported to the Carbon Disclosure Project ("CDP")

- 2005** > First listed in the Climate Leaders CDP Index
- > Became a foundation member of the Green Building Council Australia ("GBCA")
- > Became a partner with the "3CBDs Greenhouse Initiative" to work with tenants to reduce energy
- > Piloted the National Australian Built Environment Rating System ("NABERS") for commercial buildings

- 2006** > First listed on the FTSE4Good Index
- > Awarded the Department of Energy, Utilities and Sustainability (NSW) Premier's Sustainability Excellence Award
- > Published our first public Sustainability Report
- > World innovator in tertiary education for sustainable development with the launch of the Mirvac School of Sustainable Development at Bond University, QLD

- 2007** > Opened a world leading shopping centre at Orion Springfield, QLD, the first 6 Star Green Star shopping centre
- > Built the first residential housing estate powered by trigeneration at Glenfield, NSW
- > Received the Banksia Climate Award for Outstanding Achievement with Australia's first residential housing estate powered by trigeneration at Vision Estate, Glenfield, NSW
- > Signed the Bali Communiqué, calling for strong early action on climate change
- > Called for a national low emissions strategy as part of the Australian Business and Climate Group
- > Innovative Water Sensitive Urban Design ("WSUD") at Ashgrove Estate, Auburn NSW, reduced water consumption by 45 per cent, or 10 million litres per year

- 2008** > World leadership – the first 6 Star Green Star education facility at the Mirvac School of Sustainable Development, Bond University, QLD opened
- > First existing office tower in Australia to deploy trigeneration at 101 Miller Street, North Sydney, NSW
- > First major Australian hotel group assessed for NABERS Energy and Water ratings
- > Chris Luscombe, General Manager Mirvac Asset Management, appointed to the GBCA Board

- 2009** > Signed the Copenhagen Communiqué calling for an ambitious, robust and equitable global deal on climate change
- > Developed the latest stages of Waverley Park as 6 Star energy rated homes
- > Built the first 9.2 Star zero carbon home by an Australian commercial developer
- > Mirvac School of Sustainable Development wins the RICS Global Sustainability Award
- > Australia's largest residential / mixed use application of cogeneration underway at The Royal Newcastle, NSW

- 2010** > Over 60 sustainability awards won since 2000
- > 188 sustainability objectives set across the Group
- > Obtained A+ in the GRI for the first time
- > Recognised as a "Sustainability Leader" in the Dow Jones Sustainability Index (Asia Pacific)
- > Ranked 17th in the world in the Global Environmental Real Estate Index
- > Committed to a second 6 Star Green Star Building at 8 Chifley Square, Sydney, NSW

ABOUT MIRVAC

Mirvac is committed to being Australia's pre-eminent developer of residential real estate and providing secure income through its diversified, quality Australian investment portfolio.

Mirvac is a leading integrated real estate group, listed on the Australian Securities Exchange ("ASX") with activities across the investment and development spectrum.

Established in 1972, Mirvac has more than 38 years of experience in the real estate industry with a reputation for delivering quality products and services across all of its businesses.

Mirvac is committed to being Australia's pre-eminent developer of residential real estate and providing secure income through its diversified, quality Australian investment portfolio.

Investment

The Investment Division has a total portfolio value of \$5.8 billion, with investments in 77 assets covering the office, retail, industrial sectors and a hotel.

The Group's integrated approach provides a competitive advantage via a specialised in-house asset management team responsible for all leasing and property management. Mirvac's in-house design, development and construction expertise allows the Investment Division to improve and expand existing assets and develop new opportunities.

Mirvac's Hotel Management undertakes the management of hotels across Australia and New Zealand with Investment Management facilitating capital interaction between the two core divisions.

Development

Mirvac's Development Division operates in New South Wales, Queensland, Victoria and Western Australia across the residential and commercial sectors.

Residential development activities include apartments, homes, integrated residential developments and house and land packages. Mirvac has a strong track record of developing quality investment grade properties, from new commercial developments to refurbishments of existing assets.

Mirvac's integrated approach provides cost efficiencies through centralised design, in-house construction, and sales and marketing. This expertise delivers quality control and price competitive outcomes.

Financial Highlights

The Group's operating profit (profit before specific non-cash and significant items) for the year ended 30 June 2010 was \$275.3 million, which was above guidance previously provided. The statutory net profit after tax for the Group was \$234.7 million. Operating earnings were 9.3 cents per stapled security and the Net Tangible Assets ("NTA") per stapled security was \$1.66.

Distributions for the full year totalled 8.0 cents per stapled security. The Group's distribution policy is to distribute a minimum of Trust taxable earnings and, in a normalised market, up to 80 per cent of corporate operating profit, with the remaining 20 per cent retained to fund activities driving future earnings growth.

Mirvac's full statutory accounts can be viewed on the website (www.mirvac.com) or request a copy by calling 1800 356 444.



Business model



FROM THE MANAGING DIRECTOR

Our commitment to sustainability is outcomes-based, innovative and founded on a belief that as a company, we have a wider responsibility and our contribution to sustainability will have a lasting impact.

I am pleased to present Mirvac's Sustainability Report for the 2010 financial year, a year in which we are proud to have strengthened our commitment to sustainability across our entire business. Sustainability is a top priority for Mirvac and is an integral part of our Group strategy. We are committed to excellence in sustainability, managing and creating innovative, premium real estate assets now and in the future.

Business Overview

Throughout 2010, we have remained focused on our core strengths of delivering Australia's pre-eminent residential developments, and managing and owning Australian investment grade properties.

Since 2008, we have successfully repositioned the Group to expand our core operations and pursue strategic opportunities. We took advantage of the low point in the economic and valuation cycle in December 2009 when we successfully acquired the Mirvac Real Estate Investment Trust ("MREIT") portfolio. This acquisition increased our recurring rental income within the Investment Division and increased the value of the Group's net asset backing.

We have further enhanced the Group's income security with our successful acquisition of the high quality \$1.1 billion Westpac office portfolio.

We have continued to achieve strong pre-sales securing \$802.4 million in future revenue, further demonstrating our position as Australia's pre-eminent built form residential developer. We have also activated our commercial development pipeline in line with improved market conditions and have secured new commercial projects including a 140,000 square metre distribution facility at Hoxton Park, Sydney, New South Wales – one of the largest industrial developments to be undertaken in Australia.

We have also expanded our fee based Hotel Management business which has broadened our customer base and allowed us to enter new markets. This has helped us increase the occupancy rate across the portfolio of 46 hotels and resorts, despite difficult conditions in the tourism sector.

Overall, we are confident that our experienced management team and our focus on quality products will enable the Group to deliver solid long-term returns to our securityholders and effectively manage any short-term pressures which will continue to be part of the cyclical nature of the property industry.

Mirvac and Sustainability

Our approach to sustainability is based around three main areas:

Outcomes-based

Firstly, our commitment to sustainability is outcomes-based. This year we have published 188 objectives against which we will measure, report and track our sustainability performance. These objectives cover a broad scope and are focused on increasing our engagement across the range of areas that are material to the business, including our people, our investors, our customers, our suppliers and the communities in which we operate.

The ownership of these objectives lies at the top with our Board and senior management and is embedded throughout the organisation. Achievement of sustainability goals is reflected in our executives' Key Performance Indicators ("KPIs"), providing explicit accountability to sustainability.

This outcomes-based approach is evident through our continued external recognition, such as our listing on the FTSE4Good, the Dow Jones Sustainability (Asia Pacific) and the AuSSI indices.



We were ranked 17th in the world in the Global Environmental Real Estate Survey and have won eight sustainability awards this year – including the 2010 Premier of Victoria's Sustainability in the Built Environment Award for Harmony 9 in Victoria, and the Royal Institute of Chartered Surveyors (UK) Global Sustainability Award for the Mirvac-designed Bond University's Mirvac School of Sustainable Development in Queensland.

In addition, this report has achieved a level of A+ in the GRI G3 sustainability reporting guidelines, which has been third-party checked by Ernst & Young.

Innovation

Our commitment to sustainability is also about innovation.

Our work over the past year demonstrates sustainability excellence and our commitment to introducing leading-edge technologies and practical measures to minimise our impact on the natural environment across our real estate related activities and within our \$5.8 billion investment grade property portfolio.

We are proud to be managing and developing two world-leading 6 Star Green Star buildings and six buildings that are rated 4 Star NABERS Energy or higher.

We were the first commercial developer in Australia to build a zero carbon home; Harmony 9, our concept home at our masterplanned residential state at Waverley Park in Victoria, has a 9.2 Star energy rating and sets a new benchmark for sustainable housing design.

Our upgraded building at 101 Miller Street represents an award-winning \$40 million retro-greening of a 16 year old building to deliver outstanding environmental and financial dividends, while significantly reducing embodied energy inputs and wastage.

This project includes an Australian first for an existing building: a state-of-the-art trigeneration plant which can provide the vast majority of the building's power needs.

Our design capability is through our partnership with our fully-owned architecture and design platform, Mirvac Design, ensuring all Mirvac developments encapsulate excellence in sustainable innovation and design.

Mirvac's unique business model means that we are a fully integrated development company. This provides us with visibility and operational control across the entire development process, enabling us to apply sustainable innovation at every stage - during the design phase, as well as the acquisition, development and management stages.

Wider responsibility

Finally, sustainability at Mirvac is based on a belief that as a business, we have a wider responsibility and that our contribution to sustainability will have a lasting impact.

This means that we have a responsibility to minimise our impact on the natural environment and we are 'future proofing' by building more sustainable developments – we have a \$2.2 billion portfolio of greener buildings.

It also means that we are committed to supporting the communities in which we operate - through financial contributions that add real value, as well as engagement with a number of charitable organisations. Our commitment to our residential communities goes well beyond providing financial support. Through our masterplanned communities with their open spaces, conservation areas and recreational precincts, we provide neighbourhoods with a rich sense of community.

Our wider responsibility also extends to our employees, suppliers and contractors. We value our employees and encourage a culture that promotes work-life balance, as well as learning and development opportunities.

We understand the importance of sustainability education evident through our ongoing partnership with Bond University. We are proud to offer Australia's first tertiary program in sustainable development through the Mirvac School of Sustainable Development. This dynamic, world-class learning centre is a world innovator in sustainable development education.

Outlook

Sustainability is a top priority for Mirvac and an integral part of the Group's overall business strategy. Importantly, sustainability will continue to be embedded throughout our organisation, with everyone from the Board level down responsible for ensuring our company and our developments are sustainable.

We understand that we have improvements to make. However, through our outcomes-based sustainability approach, we believe we are certainly on the right track for delivering real benefits for our securityholders, customers, employees and the community. We recognise that acting in a responsible and sustainable manner creates new opportunities, enhances investor value, and improves social and environmental returns.

We look forward to keeping you updated on our sustainability achievements over the coming year and I thank you for your ongoing support.



Nicholas Collishaw
Managing Director

AWARDS

Our progress in sustainability continues to be recognised with Mirvac receiving more than 60 awards over the last 10 years. This year we received the following major awards:

- 2010 United Nations Association of Australia's World Environment Day Green Building Award – Bond University Mirvac School of Sustainable Development, QLD
- 2010 Premier of Victoria's Sustainability in the Built Environment Award – Harmony 9, Waverley Park, Mulgrave, VIC
- 2010 Shopping Centre News' Shopping Centre Marketing Award for Community/Societal Category – Mirvac Retail
- 2009 PCA Retail Property Awards, Environmental Excellence – Hinkler Central, Bundaberg, QLD
- 2009 API NSW Excellence in Property Awards, Environmental Development Award – 101 Miller Street, North Sydney, NSW
- 2009 AIA QLD, Sustainable Architecture Award – Bond University Mirvac School of Sustainable Development, QLD
- 2009 Royal Institute of Chartered Surveyors (UK), Global Sustainability Award – Bond University Mirvac School of Sustainable Development, QLD
- 2009 DECC NSW Green Globe, Commercial Property Sustainability Award – 101 Miller Street, North Sydney, NSW

MEMBERSHIPS

We take an active role in advocating for a more sustainable property sector by regularly engaging with a wide range of policy makers. We have committee and board memberships with key green building and industry associations and participate in a number of public forums.

Mirvac is a member of the following organisations:



SUSTAINABILITY AT MIRVAC

Our efforts to align sustainability reporting more closely with internal reporting represent a significant improvement on our sustainability journey.

About this Report

At Mirvac we understand that sustainability can mean different things to each of our stakeholders, and that it is constantly evolving. We therefore recognise the importance in changing and adapting our approach to address issues of environmental, social and economic relevance to our business. We also recognise the value in communicating our sustainability performance to external audiences.

This year we have undertaken a thorough review of our sustainability performance, and how it is aligned to the Group's strategy of being a globally recognised leader in real estate investment, development and hotel management. We have taken a number of steps to improve our sustainability reporting processes, including:

1. reviewing feedback across the business to determine the issues that impact Mirvac's stakeholders;
2. revising our approach to reporting on our sustainability performance by structuring the report to reflect these material areas;
3. benchmarking our reporting with international trends and leading practice to identify where we can improve our previous approach; and
4. obtained limited assurance over relevant information in the report that we determine to be most material.

As part of the review process, we have identified the issues that are most material to Mirvac from an environmental, social and economic context. We drew our feedback from a diverse range of sources and also reviewed the issues highlighted by other international organisations in the property development, construction, and management sectors from publicly available information.

Based on this information, we re-structured our report to better meet the needs of our stakeholders and to comprehensively and transparently report against the most material impacts of our business. The primary stakeholder groups and areas of focus for 2010 are:

- > investors;
- > people;
- > health safety environment ("HSE");
- > environment;
- > community;
- > customers; and
- > materials and suppliers.

From our assessment of key trends in sustainability reporting, we reviewed the goals and objectives of financial year 2010, and detailed these in the report chapters and in the section on 'measuring against last year's goals'.

We have also developed more robust processes for monitoring, measuring and reporting of key data, improving transparency of our sustainability processes and governance.

In addition, we have obtained third-party assurance over material data sets in the report. In the coming year we will specifically focus on tailoring our approach to providing sustainability information to stakeholders, and providing more integrated financial and sustainability reporting.

Measuring, monitoring and reporting remain key to our ongoing management of sustainability, and we recognise that we still have room to improve. Our aim is to increase simplicity, accountability and effectiveness across the Group on an issue that is widely perceived to be complex, and at times hard to measure with precision.

Issues, risks and opportunities were identified from a wide variety of sources, including regular stakeholder consultation, strategic planning across the Group, regulations and policies, customer research and benchmarking with our peers.

Our assessment highlighted that while we engage with a range of stakeholders across the business, we require a more cohesive strategy for stakeholder engagement. We are therefore committed to developing a process to address this. In doing so, we will be able to readily identify changes to key business risks and improve our responsiveness.

Objectives that Count

This year we have published 188 objectives to measure, report and track performance against the current and emerging issues that impact our business and our stakeholders. These are not just public statements; they are owned by our senior executives and are reflected in both their scorecards and their KPIs, providing explicit accountability for sustainability performance at Group level.

We have endeavoured to set objectives that are precise, meaningful and robust enough to test the Group. Taking a realistic view, we do not expect to accomplish every single objective within 12 months. Our goal is to create a business framework for continuous attainment of objectives that count. This is the basis for our outcomes-based approach.

Foundations for the Future

We have reflected on our sustainability journey over the last 10 years; a decade of innovation and progress. This history and our people who created it provide a solid foundation for Mirvac to build upon over the next 10 years and beyond. We continue to make real progress to becoming a more sustainable company. Success so far is a result of the dedicated and committed staff across the Group.

This report explains our clear and authentic commitment to sustainability, and outlines what it means for Mirvac.

We welcome and encourage your feedback.

Our commitment to corporate responsibility and sustainability means managing environmental, social and economic risks, and delivering sustainable development and investment outcomes for the benefit of stakeholders and the broader community.



Sustainability is about the future. We understand that as a business we have a wider responsibility and that our contribution to sustainability will have a lasting impact by creating new opportunities, enhancing investor value, and improving social and environmental returns.

OBJECTIVES

- > Continue to formalise Sustainability Governance at the Board and senior management level
- > Report annually the Group's Sustainability Policy, the Group's strategy and the Group's performance clearly and consistently
- > Publish the Corporate Responsibility and Sustainability Report and report performance and progress against objectives
- > Continue to meet all compliance requirements
- > Improve Group-wide data management and reporting systems
- > Report against the main voluntary and compliance regimes and programs
- > Achieve a score of A+ in the GRI
- > Utilise the partnership with the Bond University Mirvac School for Sustainable Development to promote sustainability excellence
- > Promote sustainability leadership and excellence across the property and building sector with Government and industry stakeholders
- > Play a leadership role in the GBCA
- > Undertake benchmarking against industry sustainability indices and reports to assist in performance improvement
- > Develop and implement a tailored and consistent approach to stakeholder engagement
- > Conduct a stakeholder engagement audit to ensure completeness and inclusivity

CASE STUDY: Bond University Mirvac School of Sustainable Development

“Through this major international award, Australia’s Bond University has been recognised on the world stage as a leader in sustainable design.” – Julia Gillard, August 2008



Mirvac is now in the fourth year of its partnership with Bond University through the Mirvac School of Sustainable Development, which offers Australia’s first tertiary program in sustainable development.

Bond University is a world innovator in sustainable development education, and Australia’s highest rated university according to the 2010 Good Universities Guide. It offers a unique education experience in Australia, boasting state-of-the-art facilities, the smallest student-staff ratio in the nation and world-class education.

Bond University’s Mirvac School of Sustainable Development embraces world’s best practice sustainable processes and includes an interactive ‘Living Laboratory’ for sustainable education. The building is the first in Australia to achieve a 6 Star Green Star – Education PILOT Certified Rating for design by the Green Building Council of Australia.

The Mirvac School of Sustainable Development is a dynamic, world-class learning centre with more than 330 students enrolled at the end of 2009.

The School has 20 academic teachers and 10 adjunct teaching fellows that are at the forefront of global thinking on the complex issues surrounding social, environmental and economic goals for urban development. The School’s close relationship with industry contributes to both the concept and practice of sustainability, by integrating design, planning, property, construction and urban development into the education programs.

The Mirvac School of Sustainable Development received international recognition, winning the Royal Institution of Chartered Surveyors (“RICS”) Global Award for Sustainability. The RICS Global Awards are among the world’s largest and most prestigious and represent the very best in construction and design in regeneration, conservation, sustainability and community development.

The RICS Award elevated the profile of the School to an international level:

Prime Minister Julia Gillard
In August 2008, the then Deputy Prime Minister said: “Through this major international award, Australia’s Bond University has been recognised on the world stage as a leader in sustainable design.”

Kaye Herald, Managing Director RICS Oceania said: “The school has demonstrated its commitment to the development of carbon friendly and sustainable building practices.”

Kevin McCloud, from Grand Designs, and an Honorary Member of RICS said: “The RICS Awards stand out because the winners must show both excellence in their category, and a commitment to value for money and sustainability.”

Mirvac is proud of its role in establishing the School and to be actively engaged with higher education in Australia. The School’s graduates will be industry leaders in implementing responsible and practical sustainability management initiatives in the business world and in the communities in which they will live. Some of these graduates are members of the Mirvac staff team:

Elizabeth Terrens, General Manager, The Sebel Maroochydore, Mirvac Hotels & Resorts:

“The Masters was a very intense learning experience and I savoured every moment of it. It increased my awareness of sustainability and the importance of making life-changing decisions to benefit my family, local community and the world at large. Making positive changes to behaviour and the way of doing things can have a significant benefit to the sustainability of our lives.”



John Moschatos, Associate, Mirvac Design:
 “Completing the course presented me with a number of great opportunities; I was able to further research my already established interest in sustainability and study how it impacts design and development. I also learnt a great deal about the development process itself. Attending the course with colleagues from the different disciplines within Mirvac was also a fulfilling experience, as it presented a broader perspective on the influence of sustainability and how we can apply the principles within our organisation.”

Chris Newman, Assistant Development Manager Housing, Development New South Wales:
 “The program gave me a better understanding of the importance of ethical and accountable development practice, as opposed to development purely driven for financial return. Working within the residential masterplanned development team, this course provided me with a better understanding of the opportunities available in creating vibrant and sustainable communities.”

Georgina Madsen, Senior Development Manager, Development Queensland:
 “The Masters was an opportunity for me to study in a unique environment and to build on my existing skills whilst engaging with my fellow peers from across the country. The course covered all facets of property development in a sustainable manner, and was delivered during a particularly difficult time in the property market, providing a robust and challenging learning environment. I learnt that to deliver sustainable development, whatever the scale, requires an upfront vision and commitment to the delivery of a project that is holistically beneficial to the greater community.”

Key Sustainability Features:

- > Wastewater treatment system and rainwater capture and re-use to reduce use of potable water by 90 per cent
- > Optimum orientation to maximise solar gain and capture prevailing breezes
- > Exotic trees mulched and native landscaping, providing net increase in biological diversity
- > Building design is carbon neutral
- > Energy efficient lighting, including task lighting
- > Refrigerants with zero ozone depleting potential and minimal global warming potential
- > 80-90 per cent of construction waste recycled/re-used
- > 70 per cent of materials were sourced from local manufacturers
- > Substituted 25 per cent of cement with fly-ash in all concrete
- > 20 per cent of energy produced on site from renewable sources
- > 65 per cent reduction in energy consumption compared to existing buildings on campus
- > Living laboratory education centre, with digital building management system, and display sustainability data
- > 50 per cent of all spaces in building have dual purposes, minimising waste disposal, energy use and emissions

CASE STUDY: Harmony 9

Mirvac developed the Harmony 9 concept home to bring together the latest technologies and showcase the future of sustainable housing design.



Harmony 9 is the first zero carbon 9.2 Star Energy rated home by an Australian commercial developer and sets a new benchmark for residential design. It showcases a wide range of sustainable initiatives including low e-lighting, WELS rated fittings, a recycled water system, renewable energy generation and the highest rated appliances for both water and energy use.

Harmony 9 was officially opened by Justin Madden, Minister for Planning on 3 December 2009. Today it serves as an educational display home providing visitors with a glimpse into the future of sustainable living. We estimate more than 1,500 people have visited the home in the last year.

Awards



Harmony 9 Incorporates 21 Sustainability Initiatives:

Building

Structure – Concrete waffle-pod slab on ground/timber structural walls and internal walls/timber framed first floor and roof trusses/steel roof.

Shading – All windows are shaded to optimise the passive design, allowing full sunlight penetration in winter and no sunlight penetration during the summer months.

Reverse brick veneer – External walls place the masonry wall leaf inside the insulation barrier to increase the internal thermal mass and to regulate the internal temperature and store winter passive solar gains.

Windows – Stegbar western red cedar timber frames with high performance argon filled double glazing units.

Insulation – External walls R5.0
Roof R8.0 Glass Wool – First Floor R8.0 internal walls R2.5 Glass Wool.

First floor – Timber flooring Australian Forestry Standard ("AFS") Certified.

Water

Recycled water – A Nubian Class 'A' recycled water system treats grey water from the showers, basins and the bath.

Water tank – 20,000 L tank is located under the driveway which stores roof storm water (120sqm) and the Class 'A' recycled water. Water from this tank is available for use irrigating the garden, flushing toilets and use in the laundry.

WELS rating: Taps – 6 Star,
Shower heads – 3 Star,
Toilet systems – 4 Star.

Permeable surfaces – External hard-scape areas are permeable (except the driveway).

Driveway – Stormwater run-off is directed to a rain garden to slow run-off and clean the water before discharging into the street system.

Toxicity

Paint – Internal paint is Wattyl ID low Volatile Organic Compounds ("VOC") paint.

Floor covering – No carpet has been used to minimise VOC emissions.

EO boards – Joinery Boards are Emissions Zero ("EO").

Bold external cladding – Pre-finished/pre-cut fibre cement sheet minimising on site finishing, waste disposal, spills and clean up.

Clear finishing – Timber cladding/window frames use natural oil.

Renewable Power

Solar cells – 3.6kw system, located on the roof and the façade as sun shading devices.

Energy Use

Hot water service – Rheem Solar Hot Water System 80 per cent efficient, gas boosted.

Internal lighting – All internal lights are Light Emitting Diodes ("LEDs") or Compact Fluorescent, Low Energy Fittings.

Daylight – Appropriately shaded skylights provide natural daylight to all areas.

Behaviour Change

Smart meters – Eco-vision smart meter allows real time monitoring of energy and water use.

Harmony 9 is the first zero carbon 9.2 Star Energy rated home by an Australian commercial developer.

HIGHLIGHTS:

- > 9.2 Star Energy rating
- > 125,000 litres of water potentially saved per year
- > 12 tonnes of CO₂ emissions potentially reduced per year
- > \$1,200 on household energy bills potentially saved per year



GOVERNANCE

We are committed to ensuring that our systems, procedures and practices reflect a high standard of corporate governance. We foster a culture that values ethical behaviour, integrity and respect with the aim of protecting the interests of our securityholders and stakeholders at all times.

During financial year 2010, our corporate governance framework was consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.¹

Governance of Sustainability

Sustainability is a top priority for Mirvac and is embedded throughout the organisation, with the Mirvac Board and senior management playing a lead role.

To further embed sustainability within our Group, the Board Health Safety Environment Committee was extended in July 2009 to include sustainability.

Now called the Board Health Safety Environment and Sustainability ("HSE&S") Committee, the Committee provides greater visibility and accountability for sustainability issues within Mirvac.

The HSE&S Committee meets on a regular basis to monitor the Group's HSE and sustainability activities, including compliance with all relevant legislation.

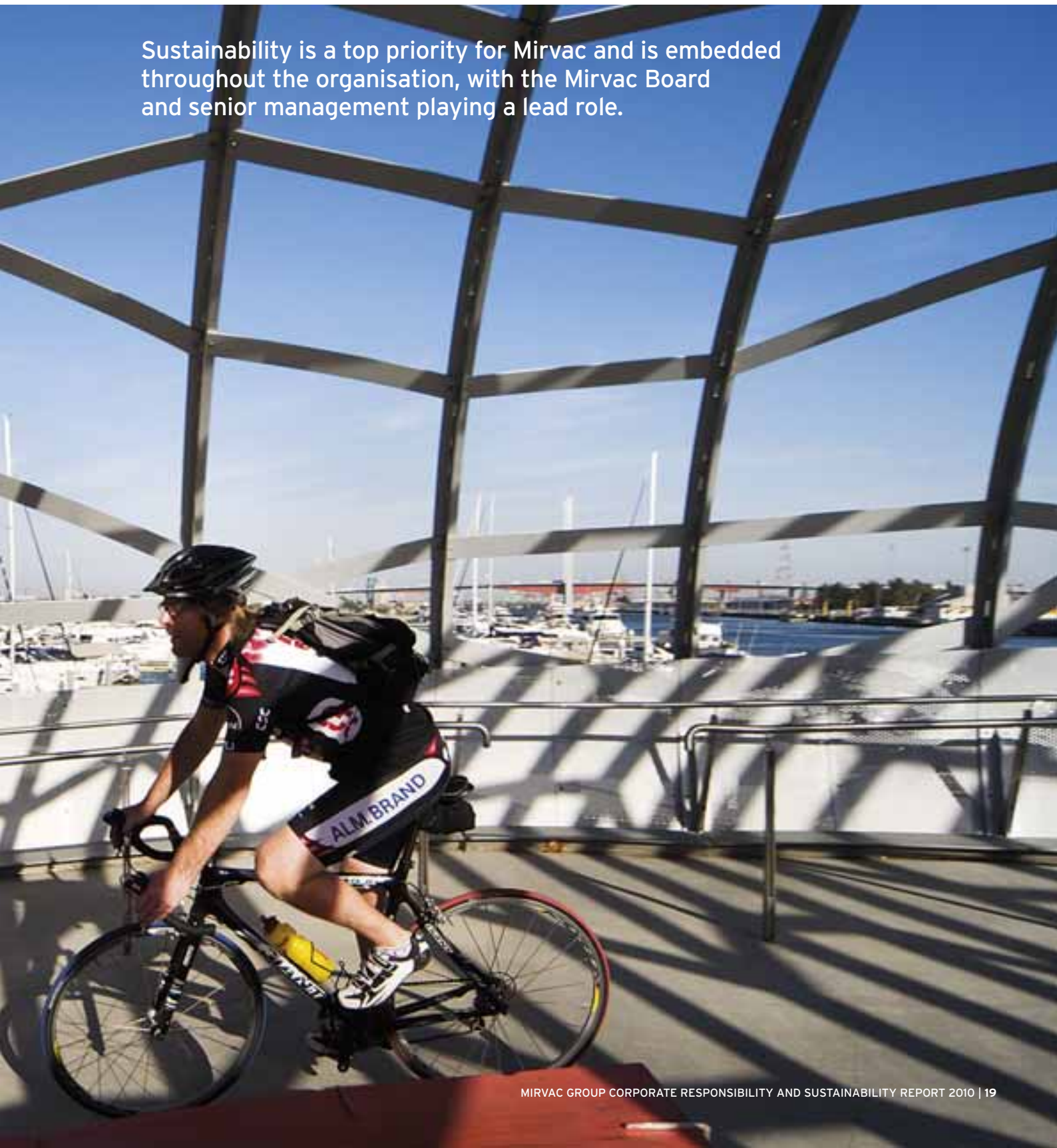
The accountabilities and responsibilities of the Committee include:

- compliance with the Group's standards and practices, and legal compliance with HSE legislation;
- the performance of the Group relative to industry benchmark standards and compliance with the Group's HSE Policy and the Corporate Responsibility and Sustainability Policy;
- reporting lost time injury and other statistical measures, rehabilitation status, incident reporting, energy use and intensity, audit outcomes and other performance indicators across the Group;
- performance against set objectives and targets;
- initiatives recommended by the HSE Managers Committee and the Sustainability Managers Committee;
- the effectiveness of corrective action to eliminate or minimise HSE&S risk;
- the development and integration of industry leading HSE&S initiatives to minimise risk to employees, service providers (contractors and suppliers) and their employees, visitors, customers and the environment arising from the Group's activities;
- the development and integration of appropriate initiatives to maintain the Group's position as a leader in corporate responsibility and sustainability; and
- management's response to relevant emerging sustainability related strategic issues, including applicable legal and regulatory requirements, emerging issues, trends and technologies.

1. Copies of Mirvac's corporate governance policies can be found at www.mirvac.com.



Sustainability is a top priority for Mirvac and is embedded throughout the organisation, with the Mirvac Board and senior management playing a lead role.



GOVERNANCE

The HSE&S Committee is chaired by a Non-Executive Director and Committee members include the Company Secretary, the Chief Operating Officer, the Chief Executive Officer National Development, the Group General Manager Human Resources, the Group Manager Health Safety Environment, the Group Sustainability Manager, and senior management representatives from Mirvac Asset Management, Mirvac Investment Management, Mirvac Development, Mirvac Construction, Hotels & Resorts, and representatives from other operations within the Group as determined by the Committee from time to time.

The Mirvac Corporate Responsibility and Sustainability Policy is signed by the Managing Director and is a demonstration of the Group's commitment to corporate responsibility and sustainability. The Managing Director has publicly tasked all Divisions and personnel across Mirvac with the implementation of this Policy.

The Policy was set in January 2009 and will be reviewed every two years and updated as required to maintain Mirvac's position as a leader in corporate responsibility and sustainability.





Mirvac Corporate Responsibility and Sustainability Policy

Mirvac is a leading ASX-listed, integrated real estate group with activities across the real estate investment and development spectrum.

Mirvac's commitment to corporate responsibility and sustainability means managing environmental, social and economic risks and responsibilities and capitalising on opportunities to deliver sustainable development and investment outcomes for the benefit of stakeholders and the broader community.

Mirvac recognises that acting in a responsible and sustainable manner creates new opportunities, enhances investor value, and improves social and environmental returns.

This policy enshrines Mirvac's Group-wide commitment to corporate responsibility and sustainability, and directs further change across all Mirvac Group activities.

Commitments

Mirvac is committed to:

- Maintaining high standards of honest, ethical and legal business behaviours at all times.
- Establishing performance improvement targets against our six sustainability priority areas - Business Conduct, Mirvac People, Stakeholders, Supply Chain, Environmental Impact and Climate Change - and regularly reviewing and reporting publicly on progress.
- Providing our customers, investors, suppliers and business partners with an experience that delivers excellence, meets or exceeds expectations of sustainable performance and engenders loyalty.
- Engaging with our suppliers to improve the sustainability performance of our supply chain.
- Enhancing the communities in which we operate through actions including active engagement, offering innovative and sustainable products, preserving heritage and enhancing culture, and a focussed program of community donations, investments and initiatives.
- Developing, recognising and rewarding our staff to facilitate optimal performance, achieve career objectives and foster a high performance culture committed to sustainability.
- Preventing harm to people.
- Improving resource efficiency and minimising the environmental impacts of activities.
- Positioning Mirvac to operate in a changing climate and carbon-constrained economy.
- Contributing to advancing the sustainability of the real estate investment management, asset management and development sectors.
- Pursuing continual improvement in corporate responsibility and sustainability management and performance.

Accountability

Group, State and Business unit-level Sustainability Committees are accountable for developing and driving implementation of the Group corporate responsibility and sustainability strategy and targets structured under this policy. The Mirvac Group Executive Committee is responsible for reviewing performance.

Progress against our sustainability strategy will be independently assured where appropriate.

This policy will be reviewed at least every two years and updated as required to maintain Mirvac's positioning as a leader in corporate responsibility and sustainability.

I commit Mirvac to the implementation of this policy and task all divisions and personnel across Mirvac with contributing to this goal.

Nicholas Collishaw
Managing Director

January 2009



CASE STUDY: 340 Adelaide Street, Brisbane

Mirvac's upgrade project at 340 Adelaide Street, Brisbane, is aimed at making significant improvements in the energy efficiency of the building services, boosting the performance from around 1 Star to a 4.5 Star NABERS Energy rating.

With the help of a \$500,000 Federal grant from the Green Building Fund, the \$1.6 million project at 340 Adelaide Street has been completed.

The project involves major replacements of the air conditioning, lighting and heating systems, along with the installation of a comprehensive building automation and energy metering system.

The 340 Adelaide Street project highlights the increasing focus on energy efficiency in the commercial building sector, aimed at delivering cost savings and reducing greenhouse gas ("GHG") emissions.

Mirvac Asset Management continuously reviews the operation of our properties to identify opportunities to improve energy efficiency, and sustainability issues are always addressed as part of normal business processes when equipment upgrades are planned.



CASE STUDY: Swanbourne, Western Australia

There has been a significant focus on environmentally friendly design strategies during the planning and construction phases.



The Eco Collection at Swanbourne in Western Australia is an exclusive release of seven architecturally designed 6 Star sustainable homes.

Featuring the latest in sustainable design, while maintaining the most luxurious detail, these premium quality, two storey terrace and courtyard residences set a new benchmark for sustainable living in Perth.

The development introduces a range of innovative construction methods, including the use of lightweight materials, and there has been a significant focus on environmentally friendly design strategies during the planning and construction phases.

Construction Features:

- > Rigorous Environmental Management Plan ("EMP"), which includes induction programs to all site personnel and subcontractors to ensure that appropriate measures are taken to reduce environmental impact
- > Approximately 75 per cent construction waste recycling
- > All timber sourced from sustainably harvested forests: most timber is FSC certified
- > Brownfield development

Mirvac provides Swanbourne homeowners with advice on how to efficiently operate their homes and reduce household waste through initiatives such as recycling and composting. In addition, the development includes a number of in-built sustainability features.

Key Sustainability Features Include:

- > Minimum 6 Star NatHERS rating
- > Use of low VOC paints and carpets
- > Use of E1 low-formaldehyde cabinetry
- > Each home is equipped with a 1.5kW PV system
- > Solar gas-boosted hot water
- > Use of materials with low-embodied energy (e.g. lightweight construction)
- > Residences designed to use 50 per cent less energy than a conventional home for heating and cooling
- > Optimal orientation and shading that promotes passive heating during the winter, shading during the summer, and natural cross ventilation throughout the year
- > Ceiling fans in living areas and bedrooms to improve air circulation and aid the cooling efficiency
- > Energy efficient appliances
- > Each home is equipped with a 5,000 L rainwater tank plumbed for toilet flushing
- > Water wise landscaping
- > Water efficient fittings and appliances

PEOPLE

We recognise that building a sustainable business means valuing our employees by providing them with opportunities to learn and develop their skills, and rewarding them for their performance. Our approach to our people is built on establishing a culture of leadership and developing an engaged team to deliver Mirvac's strategic plan.

OBJECTIVES

- > Implement the Mirvac employee engagement program with the goal of being a best practice employer as measured by the Hewitt engagement survey
- > Implement the Mirvac performance program ensuring a minimum of 95 per cent compliance of all managers at every stage
- > Ensure 100 per cent of employees have participated in the "Mirvac Way" staff development program
- > Implement a comprehensive Human Resource scorecard with measures and targets for turnover, performance, engagement and diversity
- > Set sustainability KPIs into employee performance reviews and remuneration targets
- > Continue to rollout sustainability education programs for employees



Mirvac Human Resources Strategy

In 2010 Mirvac completed a structured review of the Group's people plan with the goal to become a recognised best practice employer as measured by the Hewitt Best Practice Employer Survey.

That review produced a renewed Mirvac People strategy with clear strategic goals in six categories:

- > Leadership and Talent
- > Culture and Values
- > Performance Based Culture
- > Human Resources Operational Excellence
- > Remuneration and Rewards
- > Staff Engagement

Strategic Goal	FY10 Initiatives	FY11 Initiatives
Leadership and Talent	Redesign Group results communication program	Review and implement Mirvac leadership profile Implement 360 leadership assessment and feedback tool Implement talent management program Implement a succession planning program for all key leadership positions Design and implement group diversity program
Culture and Values	Executive team to develop desired culture and values for the Group – "The Mirvac Way"	Program for integrated organisation wide communication of organisational strategy, purpose, culture and values Implement reward and recognition program Implement induction program Redesign and implement "leader led" employee communication program
Performance Based Culture	Redesign the Mirvac performance management system to provide clear linkage between individual and Group goals	Provide a performance management training program for all employees including modules on performance planning, performance coaching and feedback, conducting an effective performance review Design a performance management measurement and compliance system to track quality and process completion
Human Resources Operational Excellence	Design and implement a Human Resources policies and procedure framework for the Group	Implement a Human Resources quality system and operations manual Design and Implement a Human Resources metrics framework Implement a Human Resources shared services framework Implement the Taleo Human Resources information system – Performance, Talent and Remuneration modules
Remuneration and Rewards	Redesign remuneration structures to provide a clear and transparent link between performance and reward	Strategic review and redesign of the Group position grading and remuneration structure
Employee Engagement	Implement the Hewitt Best Practice Employer Survey Establish action planning and engagement framework	Design and implement linkage between leadership remuneration and engagement results Develop the engagement action planning program to ensure action plans are cascaded through every level of the business

PEOPLE

Leadership and Talent

Mirvac's goal for leadership and talent is to have a robust identification and support framework that identifies and develops Mirvac's leaders to fulfil the organisation's current and future strategic requirements.

In 2010 we embarked on a journey of engaging the senior executive team to define The Mirvac Way - the organisation's strategic vision, purpose and core values that will drive and underpin the achievement of our plan.

Over a number of months the executive team worked through a series of workshops and engaged a large number of staff at every level of the organisation to produce and finalise the Group's strategic roadmap - named 'The Mirvac Way'.

The Mirvac Way provides the strategic foundation for all the Group's key activities and serves as a platform to launch the people strategy. Most importantly, The Mirvac Way provides the framework for the development of the people strategy in conjunction with the broader organisational strategy such that the two are seamlessly interwoven.

Culture and Values

The Group's values and behaviours are at the centre of Mirvac's desired leadership profile and are integrated into performance, talent, succession and leadership development programs for 2011.

In 2010 the senior leadership team spent considerable time developing and defining the desired organisational culture for Mirvac represented on the Mirvac Way strategic roadmap through the group's core values and behaviours.

The Group aims to be perceived both internally and externally as a performance based culture.

Performance Based Culture

In 2010 the Group completed for the first time the Hewitt's Best Employer Engagement Survey. An engagement working group was established with representatives from across the Group to distil the results and make recommendations. The engagement working group proposed that one of the key areas of focus would be redesigning the performance management process.

The recommendation was accepted and a performance design team, consisting of business representatives, was established to overhaul the process and more closely align it to business requirements.

The new process was implemented with individual performance plans in place that were aligned to the Group strategic plan.

Staff received mid year and end of year performance assessments that were directly linked to individual remuneration outcomes.

The performance assessment outcomes will be central to Group's talent management program to be implemented in 2011.

Human Resources Operational Excellence

A fundamental part of the Human Resources strategy is to provide a reliable, consistent and quality Human Resources operation.

In 2010 a Human Resources Policy and Procedures framework was implemented and communicated through a Group education program to all staff.

Remuneration and Rewards

The goal of the organisation's remuneration and rewards is to reinforce, through innovative reward and recognition programs, Mirvac's culture, values and achievement of the Group's strategic priorities.

Recognising the challenging economic conditions and the impact on securityholders, a salary freeze was in place during financial year 2010, with adjustments only made in exceptional circumstances. In response to improved market conditions, the Board approved a budget for increases in fixed remuneration for financial year 2011.

Short-term incentive amounts were paid for results achieved during financial year 2010 reflecting improvements in business performance from 2009.

In 2010 the focus of the remuneration and rewards strategy was to redesign the Group's incentive programs to create a direct and transparent linkage between rewards and performance.

The Group's short-term incentive and fixed remuneration review design was restructured to provide scaled and clear remuneration outcomes based directly on Group and individual performance assessment.

All management and staff received communication outlining their remuneration structure and performance requirements to achieve certain financial outcomes.

End of year performance assessment and feedback was followed by formal remuneration outcome advice.



PEOPLE

Engagement

The goal of the Group's engagement program is to be a best practice employer as measured by the Hewitt Best Practice Employer survey.

In 2010, the senior leadership team endorsed the recommendations of the working group and focussed on two issues:

- The group performance management program; and
- Leadership and communication.

Detailed programs were established and implemented for each issue.

Engagement working groups were subsequently established in every business unit. All 2010 plans were tracked on the monthly Human Resources scorecard.

The survey will be conducted again in February 2011.

Engagement targets form a central part of the Group performance scorecard, and all managers' performance plans and incentive programs are tied directly to achievement of engagement targets. Engagement targets also form one of five components of the Group's balanced scorecard.

Mirvac People, Programs and Initiatives

Employee Benefits

Mirvac continues to provide benefits to employees, including:

- All eligible employees are invited to share in the success of Mirvac by receiving up to \$1,000 worth of Mirvac stapled securities at no cost, under Mirvac's employee exemption plan;
- Special accommodation rates plus food and beverage discounts available at all Mirvac Hotels & Resorts for all permanent employees after three months of service;
- 24 hour access to the Employee Assistance Program ("EAP") which provides confidential counselling services to employees and their families;
- Family friendly arrangements including paid parental leave of up to three months according to years of service;
- Opportunities to work on a part time, flexible or work from home basis, especially when returning from parental leave. The Work from Home Policy and Procedure outlines the conditions and arrangements that are to be put in place to ensure employees have a safe, healthy and productive working environment at home;
- Access to staff discounts with key suppliers, ranging from appliances, beds, computers and more; and
- Recognition for key milestones of service through Mirvac's formal company loyalty program, with permanent employees eligible for long service awards.

Diversity and Non Discrimination

Australia has comprehensive anti-discrimination and equal opportunity legislation at Federal and State level, and Mirvac has recruitment and selection policies and procedures in place to ensure compliance.

The Group's merit based recruitment and selection strategy aims to attract and appoint the best people with the necessary qualifications, skills and experience to meet the job requirements. Mirvac is committed to equity in the workplace and recognises it as an integral part of achieving business results. The Group's Equal Opportunity Policy is a reflection of Mirvac's belief that equity and cultural diversity in the workplace make good business sense and are part of sound management practice. It is the policy of Mirvac to avoid all forms of discrimination in employment and human resource practices.

These anti-discrimination and equal opportunity initiatives are outlined in an Equal Opportunity for Women in the Workplace Agency ("EOWA") report, submitted annually. Mirvac is compliant with the Equal Opportunity for Women in the Workplace Act 1999.

Mirvac Hotels & Resorts was a finalist for a Diversity Leader for the Advancement of Women Award for the 2009 report. Mirvac Hotels & Resorts were also honoured as a finalist for the National Work life Balance Awards 2010.

Employee Assistance Program

Mirvac's EAP continues to provide counselling services to all employees across its regions of operation. The service is voluntary, free of charge and completely confidential. The aim of the program is to assist employees with the resolution of personal or work related problems, which may have the potential to significantly affect health and well being, work performance or overall quality of life.

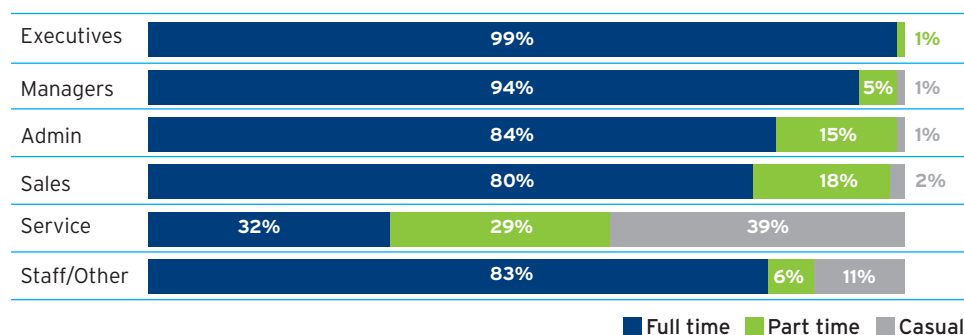
The EAP also offers Critical Incident Stress Debriefings to individuals or groups in response to a specific work or family incident, which may be of a stressful or traumatic nature.

Mirvac People Metrics

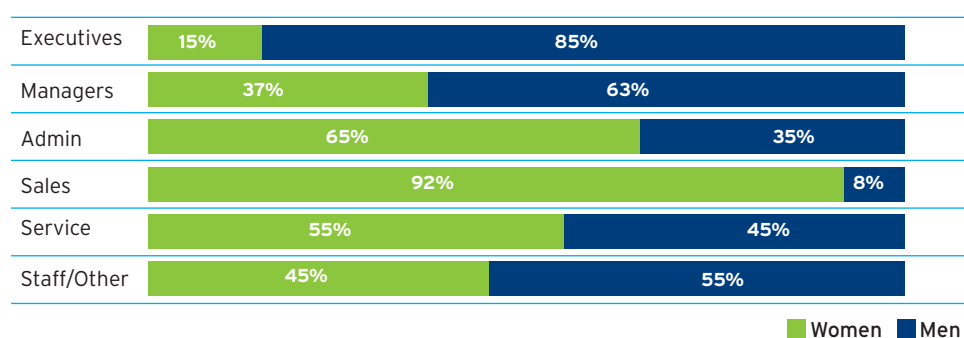
Workforce breakdown by job category

Job category	Full time	Part time	Casual	Total employees
Executives	103	1	0	104
Managers	811	43	10	864
Admin	123	23	1	147
Sales	53	12	1	66
Service	664	595	812	2071
Staff/Other	810	55	113	978

Workforce breakdown by job category (as above)



Gender breakdown by job category



CASE STUDY: Waverley Park, Victoria

Waverley Park is an exceptional community designed by Mirvac to ensure a sustainable and relaxed living environment for residents.



Waverley Park is an exceptional community, distinct from other new housing developments. Located on the 80 hectare site of a historical AFL stadium, the estate has been masterplanned by Mirvac to ensure a stylish and relaxed living environment for residents.

The special character of the site has been captured and reinforced by the use of the old stadium's grandstand.

The football oval has been retained and eight bays of the Sir Kenneth Luke stand have been remodelled for use as communal facilities including a supermarket, cafe, gymnasium and medical centre.

The development creates a residential community of around 1,400 homes with a carefully planned network of local neighbourhoods, each with its own identity and open space, which are inter-connected by a closely integrated masterplan of roads, open spaces and landscape vistas. The \$554 million project which commenced in 2003 has seen the community develop over 12 stages.

A substantial proportion of Waverley Park is dedicated to public space, with green parklands, playgrounds, wetlands and a unique heritage walking trail making up over 10 per cent of the estate. Residents are never more than a short stroll from their neighbourhood park.

Water Sensitive Urban Design ("WSUD") strategies have been implemented in precincts to capture, cleanse and return stormwater for public and parkland realm irrigation.

A Sense of History and Community

New life has been breathed into the historic Sir Kenneth Luke Stand. Now the headquarters for the Hawthorn Football Club, a cutting edge fitness centre allows residents to work out while they watch the 'Hawks' being put through their paces on the refurbished Waverley Park Oval.

For some, the 'Hawks' are simply part of the scenery. For others they bring new meaning to 'backyard footy', with star players running junior clinics for tomorrow's footy legends. Residents of oval front homes have box seats allowing them to cheer on the 'Hawks' from their balconies during practice matches and training.

6 Star Living

Mirvac homes are designed to inspire, creating modern spaces that nurture families of all sizes and complement the environment. Unique to Waverley Park, Mirvac's 6+ Star homes offer substantial long-term benefits to residents while reducing the impact on the environment. Surpassing the Victorian Government's 5 Star energy benchmark for new homes, Mirvac has created innovative homes that save on energy and water usage everyday.



Some of the innovative features include:

- > 6 Star building fabric – Smart design and insulation can save households up to \$222 per year in running costs while sparing the planet 1.8 tonnes in CO₂ emissions
- > 2,000 L rainwater tank can reduce mains water usage by up to 24,000 L per year, collecting rainwater to flush toilets
- > A gas boosted solar hot water system can save households \$314 in running costs and 2 tonnes in CO₂ emissions compared to a 4 Star gas storage hot water system
- > Low energy light fittings can save the home up to \$66 per year in running costs and 0.63 tonnes in CO₂ emissions. An additional 0.5 tonnes can be saved through the use of the master standby 'off-switch' at the front door
- > Paints used internally are certified by Good Environmental Choice Australia for Low VOC content and low impact on the environment
- > 6 Star WELS rated tapware potentially saves 25,000 litres in mains water usage per year
- > Smart metering means homeowners can ensure they are getting the most out of their efficiency initiatives
- > Optional upgrades to LED lighting, a grey water system, and an additional rain water tank for garden watering are offered to buyers

HEALTH SAFETY ENVIRONMENT

HSE is a strategic driver and core business value at Mirvac. Our goal is simple – to achieve HSE excellence by providing workplaces free from harm supported by a culture which ensures that the safety of people and protection of the environment is an absolute priority.

We hold the principle that the best solution for the management of HSE is also the best business solution for all stakeholders across the Group. We remain committed to measurable and continuous improvement in our HSE performance through the implementation of the Mirvac HSE Strategic Plan 2010-2011.





Our Goal:
Health Safety
Environment
excellence.

HEALTH SAFETY ENVIRONMENT

Strategic Objective 1: Organisational Culture

Continue to implement the elements of the Mirvac Group Health Safety Environment Management System (“HSE MS”) to impress core values and promote HSE excellence.



Strategic Objective 1 focuses on organisational culture. The acceptance of HSE as a core organisational value in the minds of executives, managers, supervisors, staff and service providers is required to support a robust HSE MS if lasting HSE performance outcomes are to be achieved.

The ability to sustain improvements in HSE performance is dependent on the ongoing development of an effective HSE MS and supportive organisational culture.

Research reveals that best practice organisations adopt a consistent, systematic approach to managing HSE, focusing on occupational health promotion and risk elimination as the underlying purpose of HSE systems.

Concern for employees drives safety and safety is seamlessly integrated within all business activities.

Key Implementation Strategies:

- > Develop and implement a Core Principles Program in line with the strategic driver and goal of HSE excellence.
 - > Senior executives personally conduct a minimum of eight HSE formal workplace initiatives throughout each financial year.
 - > Cascade the HSE Executive Action Program through senior management of Divisions and business units.
 - > Managers’ responsibilities include active participation in HSE programs and workplace consultation.
 - > Managers are informed of expected behaviour with regards to HSE matters, with responsibilities and performance expectations defined for all employee layers.
- > Employees participate in HSE programs and workplace consultation arrangements and HSE is reflected in all KPIs.
 - > All incidents are reported within 24 hours with a blame free learning culture endorsed by senior management.
 - > Continue to implement mechanisms to drive cultural change, including learning and development programs and recognition and reward initiatives.
 - > HSE is first in all meetings where listed as an agenda item.
 - > The Mirvac Safety Culture Survey is implemented to further assess organisational culture change and the engagement of employees in achieving the strategic driver of HSE excellence.

Strategic Objective 2: Consolidate and embed systems and processes

Consolidate and embed systems and processes to improve the capability to identify and effectively manage organisational safety risks or environmental impacts.



Strategic Objective 2 focuses on continued development and implementation of standardised HSE MS and processes to promote predictability, clarity and familiarity in HSE management.

The general principle of effective HSE management is that the source of safety risks or environmental impacts are proactively identified and subsequently eliminated or minimised.

Effective management can only be achieved by providing a standardised framework across all Mirvac Divisions to promote predictability, clarity and familiarity in how HSE is managed.

Key Implementation Strategies:

- Continue to implement the Mirvac standardised HSE MS and supporting policies and procedures across all Divisions and business units including Mirvac Asset Management and Development.
 - Monitor compliance with the Group HSE MS, policies, procedures and initiatives across all Divisions.
 - Undertake random audits of the HSE MS implementation across all Divisions and major business units.
 - Report by Division on trends and corrective action outcomes at maximum six monthly intervals.
 - Continue a program of legal compliance audit.
- Monitor progress on harmonised national OHS legislation and implications for Mirvac systems and processes.
 - Maintain external independent certification of the HSE MS to AS/NZS4801; OHSAS18001 and ISO14001 for selective high risk business units.
 - Gain external independent certification of the HSE MS for selective business units.
 - Continue a program of review of the accuracy and currency of HSE MS information in accordance with existing document identification, retention and control procedures.
 - Implement standardised systems and processes for key injury management functions and tasks.
 - Undertake random reviews of workplace injury management processes to align these processes with standardised systems.

HEALTH SAFETY ENVIRONMENT

Strategic Objective 3: Performance Data and Analysis

Improve the quality of HSE information available to decision makers at all levels.



Strategic Objective 3 focuses on monitoring the effectiveness of control strategies by improving the accuracy of HSE data and the capacity to react to significant incidents, detect recurring trends and learn from experience. Methods that enable the sharing of information and technical HSE knowledge across the Group continue to be refined.

Managers require timely and accurate information to manage and report HSE performance effectively, ensure compliance with statutory requirements and apply resources for maximum effect. The ability to initiate timely interventions is heavily dependent on receiving information on relevant indicators of performance. These include incident events, frequency and duration rates.

Key Implementation Strategies:

- Continue to implement a Mirvac HSE Management Information System to improve the accuracy, timeliness and reporting of HSE incidents.
- Complete training in incident investigation across all Divisions and business units.
- Expand the implementation of the HSE MS to include proactive reporting of hazards and tracking of HSE actions arising from workplace consultation.
- Evaluate improvement outcomes against HSE objectives and targets and seek continuous improvement through an annual review of objectives and targets.
- Implement Mirvac's existing HSE lead and lag indicator performance measurement within the HSE MS framework.
- Monitor workplace hazard and incident reporting to ensure quality performance data.
- Include quarterly workers' compensation analysis data in key reporting.

Strategic Objective 4: Risks to People and the Environment

Continue to implement mechanisms to systematically identify and manage Mirvac's most significant risks to people and impacts on the environment.



Strategic Objective 4 focuses on continuing to improve the identification and management of Mirvac's most significant safety risks and environmental impacts and required ongoing control measures. Less significant safety risks and environmental impacts continue to be managed through ongoing enhancement of existing Mirvac Standard System Control Measures ("SSCM").

Highlight specific sources of risk through the continued enhancement and implementation of risk and opportunity planning and critical control measures.

Key Implementation Strategies:

- Continue to implement a Workplace Risk Management Plan including a site specific Risk and Opportunity ("R&O") Register(s) at all Mirvac workplaces.
- Continue ongoing risk and opportunity planning to identify those HSE risks that most require attention and implement critical control measures by Division or at the workplace level.
- Implement R&O Register(s) and critical control measures across all Divisions/business units.
- Implement a plant and equipment risk assessment program across Hotels & Resorts.
- Continue to develop HSE SSCM to manage common (less significant) risks across all Divisions and business units.
- Continue to implement HSE alerts and corrective actions for identified significant risks or environmental impacts.
- Provide prepared toolbox talk topics and other awareness strategies for key safety risks and environmental impacts.
- Refine and implement a shared services model across HSE at Mirvac to address risk management of key Divisions/business units.
- Review Ultra Violet/Sunlight Policy and clothing supply and implement improved sun awareness education.

HEALTH SAFETY ENVIRONMENT

Strategic Objective 5: Reduce Occupational Injury or Illness

Injury prevention is the primary objective of the approach to HSE management.



Strategic Objective 5 focuses on recognition that the severity of occupational injury and illness can be minimised through targeted intervention programs, enhanced return to work programs and increased monitoring.

Injury prevention is the primary objective of Mirvac's approach to HSE Management. Across the Group the occurrence of injuries means that about 100 employees are unfit for work due to injury at some time throughout the year.

Statistical claims data shows that the primary mechanisms of injury across Mirvac employee injuries have reduced to:

- Body stressing – 23 per cent of all injuries and 40 per cent of total claims cost. This includes back injuries comprising 18 per cent of all injuries and 56 per cent of all claim costs
- Slips, trips, falls – 12 per cent of all injuries and 7 per cent of total claims cost
- Being hit by objects – 3 per cent of all injuries and 10 per cent of total claims cost

- Hitting objects – 7 per cent of all injuries and 4 per cent of total claims cost
- Heat and electricity – 5 per cent of all injuries and 1 per cent of total claims cost

Key Implementation Strategies:

- > Achieve a minimum 15 per cent improvement in injury statistics (LTIFR) over financial year 2010 levels.
- > Review injury intervention programs to determine their effectiveness in addressing the principal sources of occupational injury to Mirvac or service provider personnel.
- > Continue to implement the High5 Safety Program intervention to address the principal sources of occupational injury to Mirvac hotels personnel.
- > Assess Mirvac's injury management systems and processes, and outline and implement an action plan for improvement.
- > Implement standardised systems and processes for key injury management functions and tasks.
- > Include quarterly workers' compensation reporting prepared by the Insurer in Board reports.
- > Undertake random audits of injury management processes at a workplace level.
- > Develop a suitable duties register for key positions within Hotels, Construction and Mirvac Asset Management.
- > Continue to implement annual reporting on statistical analysis of injury.
- > Continue to implement preferred medical practitioners within the Hotels and Resorts Division
- > Undertake monthly claim reviews for each workers' compensation claim through the Workers' Compensation Steering Committee.

Strategic Objective 6: Train, Support and Motivate

Train, support and motivate personnel to identify and manage workplace hazards effectively.



Strategic Objective 6 focuses on clarifying responsibilities, developing appropriate competencies, delivering specialised support and providing assurance to management that HSE risks are being identified and managed.

Learning and development is critical to effective implementation of HSE strategies across the Group. All staff require appropriate skills to enable the effective identification and management of workplace safety risks or environmental impacts.

It is essential that management encourage all staff to promptly report on safety risks or environmental impacts. Leadership is critical to the successful management of HSE.

Key Implementation Strategies:

- Continue to implement HSE roles and responsibilities and accountabilities for all positions.
- Review training needs targeted to roles and responsibilities at Group, Division and workplace levels.
- Supervisor personnel to undertake formal 'OHS Risk Management for Supervisors' training.
- Maintain the HSE learning and development program to include:
 - HSE induction to all new staff on Day 1;
 - greater than 90 per cent new staff to complete HSE Licence To Operate training; and
 - on-line HSE induction implemented in Victoria and Western Australia offices.
- Implement targeted training programs for key risks including cash handling.
- Implement training in injury management standardised systems and processes for key personnel including Return To Work Coordinators.

HEALTH SAFETY ENVIRONMENT

Strategic Objective 7: HSE Performance Third Parties

Enable Mirvac personnel to better manage the HSE performance of service providers consistent with Mirvac policies and practices.



Strategic Objective 7 focuses on strengthening Mirvac's HSE elements of service providers procurement to ensure that Mirvac's risk exposure is commensurate with the level of control defined in contract arrangements.

Mirvac's continued exposure to key industry sectors, which rely predominately on service providers such as contractors and suppliers means continued HSE risks, which need to be managed.

The activities of service providers pose significant potential risks to a wide range of Mirvac interests including employees, the public, guests or customers, themselves and the Mirvac Group. The continued development of standardised HSE procurement and performance standards is critical to the successful management of this risk.

Key Implementation Strategies:

- Continue to implement standardisation of HSE MS procurement, contract conditions and pre-qualification of service providers.
- Continue to implement standard HSE conditions of contract for use across the Group.
- Appoint the service provider as Principal Contractor/Controller for the works in contract conditions wherever practicable.
- Include random review of service providers' HSE management at Mirvac workplaces in annual objectives and targets.
- Standardise contract clauses to facilitate improved compliance with workers' compensation legislation and return to work for injured service provider personnel.
- Standardise contract clauses to facilitate trained Return To Work ("RTW") Coordinators for service providers employing more than 10 people.
- Enhance service provider HSE assessment review to include:
 - the requirement for a trained RTW Coordinator; and
 - the requirement to provide a RTW plan and suitable duties plan.
- Enhance monthly reporting to include statistics on workers' compensation claims, RTW plans, suitable duties plans and medical certificates.

Performance Overview

Last year's HSE Plan established seven strategic objectives and 45 key implementation strategies to improve HSE across the Group.

As a result, 162 initiatives commenced and 94 per cent were completed. A further 14 initiatives (6 per cent) have been carried into the HSE Strategic Plan for financial year 2011.

HSE performance across the Group improved significantly in the 2010 financial year. Injuries for employees and service providers, where one or more work days were lost, reduced by 39 per cent¹ over the previous financial year (2009) and 47 per cent over the 2008 financial year performance outcomes.

Employee injuries that resulted in a workers' compensation claim reduced by 28 per cent in financial year 2010 which resulted in a 72 per cent reduction in the total overall costs incurred through employee claims across the Group. The average cost of each workers' compensation claim also reduced by 61 per cent over financial year 2009 claims costs.

The improved HSE performance outcomes are attributed to the implementation of standardised systems and processes, increased awareness training, and other interventions including Mirvac's HSE Program for Executives, the High5 Safety Program and a national audit program. Improved injury and claims management was also a key driver in the improved performance outcomes.

Mirvac monitors Lost Time Injury Frequency Rate ("LTIFR") per million hours worked in accordance with Australian standard *AS1885.1 Workplace Injury and Disease Recording Standard*. Performance data for financial years 2007 to 2010 is outlined below.

In addition, Mirvac monitors the environmental performance of its core business activities using its Environmental Incident Frequency Rate ("EIFR") per million hours worked. The EIFR recorded for financial year 2010 was zero.

Importantly, no incidents of significant harm to the environment occurred in financial year 2010. Mirvac's development projects across Australia were issued a total of two environmental infringement notices throughout the year with a total value of \$4,500. The notices related to minor incidents of environmental impact at development sites and were rectified immediately. These included:

- working outside hours determined by the development approval; and
- failing to prevent pollution from entering a stormwater system.

Mirvac Group

Financial year	Index	Direct labour employees only per million hours	Direct labour plus service providers per million hours ²	Fatalities
2007	LTIFR	17	19	0
2008		14	17	0
2009		12	14	0
2010		12	11	0
2007	EIFR	1	1	
2008		1	1	
2009		1	1	
2010		0	0	

1. The Mirvac Annual Review 2010 reported the number of injuries where one or more days was lost reduced by 48 per cent over the previous financial year and 55 per cent over the 2008 financial year with a corresponding reduction in LTIFR from 14 to 9. Review of internal data reporting systems and external independent assurance of that data has identified a correction to this reported information. For the 2010 financial year the number of injuries where one or more days was lost reduced by 39 per cent (not 48 per cent) over the previous financial year and 47 per cent (not 55 per cent) over the 2008 financial year with a corresponding reduction in LTIFR from 14 to 11 (not 14 to 9 as reported in the Mirvac Annual Review 2010).

2. The formula for calculating LTIFR includes total productivity hours for the measurement period. Productivity hours for Service Providers (contractors and suppliers) is recorded by Mirvac personnel by determining the total daily number of personnel at the workplace multiplied by a ten hour day with the exception of Western Australia where nine hours was used. For housing construction workplaces where Mirvac full time supervision is not provided productivity hours are calculated from invoicing, which comprises 15 per cent of the total productivity hours recorded for the Mirvac Development Division. Employee productivity hours are calculated using an eight hour day.

HEALTH SAFETY ENVIRONMENT

Key Performance Targets

Mirvac targeted the achievement of an 'outstanding' performance in its HSE objectives and targets for 2010. The success of the lead and lag performance indicator approach in

driving HSE outcomes has resulted in the further development of a revised and more stringent series of objectives and targets for financial year 2011. All objectives and targets set achieved Outstanding.

LEAD INDICATORS (As at 30 June 2010)	Below acceptable	Business as usual	Stretch	Outstanding industry leader	Performance financial year 2010
Workplace culture (yearly) Demonstrated commitment to HSE by active participation. (Mirvac) Executive Committee completes at least 2 x HSE related actions on a bi-monthly basis (min. 8/fin. year/person).	<50%	51-70%	71-99%	100%	100%
Incident reporting Promote timely reporting of workplace incidents.	>48 hrs <80% (Close Out)	37-48 hrs 80-89% (Close Out)	24-36 hrs 90-99% (Close Out)	<24 hrs 100% (Close Out)	17 hrs 100% (Close Out)
Community contact (HSE related issues) Promote timely response to community based contacts including residents, customers or general public.	>68 hrs	59-68 hrs	48-58 hrs	<48 hrs	8 hrs
Waste Promote material recycling and reuse to reduce waste to landfill.	<26% By Weight	26-40% By Weight	41-50% By Weight	>50% By Weight	54%
Training (i) Induction training for all new starters, transfers or relocations. (ii) Licence To Operate training for all employees.	<70% <60%	71-80% 61-75%	81-95% 76-85%	>95% >85%	96% 90%
Compliance Audit compliance to critical controls listed in the Workplace Risk & Opportunity Register.	<75% <80% (Close Out)	75-85% 80-89% (Close Out)	86-90% 90-99% (Close Out)	>90% 100% (Close Out)	91% 100% (Close Out)
LAG INDICATORS (as at 30 June 2010)					
Construction (employees) LTIFR	>10	7-10	5-6	<5	4
Construction (service providers + employees) LTIFR	>20	15-20	10-14	<10	9
Development (employees) LTIFR	>10	7-10	5-6	<5	2
Hotels & Resorts (employees) LTIFR	>23	20-23	16-19	<16	15.7
Mirvac Asset Management (employees) LTIFR	>10	7-10	5-6	<5	4
Mirvac Asset Management (service providers + employees) LTIFR	>20	15-20	10-14	<10	3
EIFR	>10	8-10	3-7	<3	0

HSE MS and Independent External Recognition

Mirvac continues to implement a standardised HSE MS across all aspects of the Group. Mirvac Constructions and its New South Wales operations achieved independent external certification of its implementation of this HSE MS in June 2009. The certification relates to Australian/New Zealand standard *AS/NZS4801 Occupational Health and Safety Management Systems* and the international standard *OHSAS18001 Occupational Health and Safety Assessment Series*. Ongoing surveillance audits continue to achieve this independent recognition.

In May 2010 Mirvac's construction operations in Western Australia achieved independent certification for the implementation of Mirvac's HSE MS. The certification relates to Australian/New Zealand standard *AS/NZS4801 Occupational Health and Safety Management Systems*, the international standard *OHSAS18001 Occupational Health and Safety Assessment Series* and Australian/New Zealand standard *AS/NZS (International Standards Organisation) 14001 Environmental Management Systems*.

The ongoing process of independent external recognition of Mirvac's standardised management system approach across selective business units continues to reaffirm that the system, structure and implementation is a sound basis for continued implementation across the Group. Certification of other business units is underway for financial year 2011.

The Group Manager Health Safety Environment is the appointed management representative required to ensure the HSE MS and its elements are implemented and maintained in accordance with the above mentioned standards, and to report on performance to senior management for review and ongoing improvement.



A summary of high risk foods from the e-learning module 'Safe Food Handling'

Learning and Development

HSE as a core learning and development competency remains a key priority. Licence to Operate ("LTO") is an initiative that was introduced in July 2008 and has been progressively developed to include a suite of 10 e-learning modules available online at all Mirvac workplaces. The courses provide uniform understanding of key management principles which include:

- > the importance of HSE at Mirvac (a message from the Managing Director);
- > individual roles and responsibilities;
- > hazard identification;
- > risk assessment;
- > management systems;
- > preventing harassment at work;
- > preventing strains and sprains at work;
- > safe food handling; and
- > environmental awareness.

As at 30 June 2010 Mirvac achieved a 90 per cent completion rate for all HSE e-learning modules across the Group, representing a combined total of 2,351 training days.

In addition, 1,896 personnel undertook face-to-face training in HSE MS, the High5 Safety Program and incident reporting. This training, when combined with the LTO initiative, represents a total of 3,239 days of targeted HSE core awareness training across the Group.



Health Safety Environment Initiatives

High5 Safety Program

Implemented in 2009, the High5 Safety Program is a behaviour-based workplace/task observation initiative developed by Mirvac to help reduce the five key causes of injury at our workplaces.

Injury analysis identifies the top five causes which make up over 90 per cent of Mirvac's injury claims, as:

1. body strains and sprains;
2. slips, trips and falls;
3. being hit by things;
4. walking into things; and
5. heat and electricity

While the High5 Safety Program builds on existing HSE initiatives, it goes beyond traditional approaches to safety management which tend to emphasise systems compliance. Instead, the High5 approach draws on behaviour-based observation and analysis to reinforce positive behavioural change.

The objectives of the High5 Safety Program are to increase safe behaviours and reduce 'at risk' exposures across Mirvac workplaces. 'At risk' exposures are those which generally involve shortcuts that employees may take when completing work tasks. Increased safe behaviours are achieved by focusing on agreed 'critical behaviours' (preventative job steps) for each of Mirvac's top five injury-causing hazards.

After one year of implementation, the program has seen a 28 per cent reduction in injury claims from 179 to 129; a 64 per cent reduction in the average time lost through injury from 14 days to five days; and a 61 per cent reduction in the average cost per claim.

HITTING OBJECTS

Minimum 2 metre head height to be provided

Make sure no objects are protruding into access paths or work areas

Access paths should be clear of obstructions

Markings are applied to external glass doors and panels

Fast Facts

- Walking into/bumping objects is Mirvac's 4th highest cause of injury and makes up about 15% of all injury claims each year.
- 10% of all Australia/New Zealand compensation injuries are from hitting objects
- The average time off work related to hitting objects at Mirvac is 5 days compared with the national average of 13 days

Ensure lighting is adequate



Compulsory Eyewear – Intervention in Mirvac Construction Workplaces

The incidence of eye injuries requiring follow-up medical care has decreased by 73 per cent in the first 12 months of this intervention.

This confirms that although compulsory protective eyewear does not always prevent injury, it does have a significant affect in reducing the severity of the injury sustained.

Prior to the intervention, there was on average 0.15 eye injuries per 1,000 workers per month requiring follow-up medical treatment. Since the intervention, there has been on average 0.04 eye injuries per 1,000 workers per month.

Workplace Culture – Safety as a Core Value

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

To gauge the HSE culture existent across the Group, a compulsory and anonymous survey was issued across all departments in February 2008. The same survey was re-issued in August 2009 to determine attitudinal change across the Group, and the capacity of Mirvac's HSE systems and programs to embed HSE in the hearts and minds of employees.

The mean response achieved by the 2,565 respondents to the survey (61 per cent of all employees) was four compared with a score of three for the first survey round. This score translates to a 'good' organisational safety culture, which is described as: "an organisational culture, where concern for people is a major driver but safety is not wholly integrated with the business."

The score represents an overall improvement in safety culture across the Group compared with those results obtained in 2008. The findings support the implementation of standardised systems and processes, increased awareness training and other interventions, including Mirvac's HSE Program for Executives and the High5 Safety Program.

CASE STUDY: 101 Miller Street, North Sydney

101 Miller Street was awarded a 5 star Green Star rating (Office Design V2) in August 2008.



Mirvac's 101 Miller Street represents an award-winning \$40 million retro-greening of a 16 year old building to deliver outstanding environmental and economic dividends, while significantly reducing embodied energy inputs and wastage.

The average age of Australia's office buildings exceeds 27 years, with 90 per cent of buildings designed before the introduction of the Australian Building Greenhouse Rating (now the National Australian Built Environment Rating System ("NABERS")). Although it is crucial that new buildings feature strong environmental performance, it is equally important to adopt practical methods to address performance issues within existing buildings like 101 Miller Street, which make up the majority of stock.

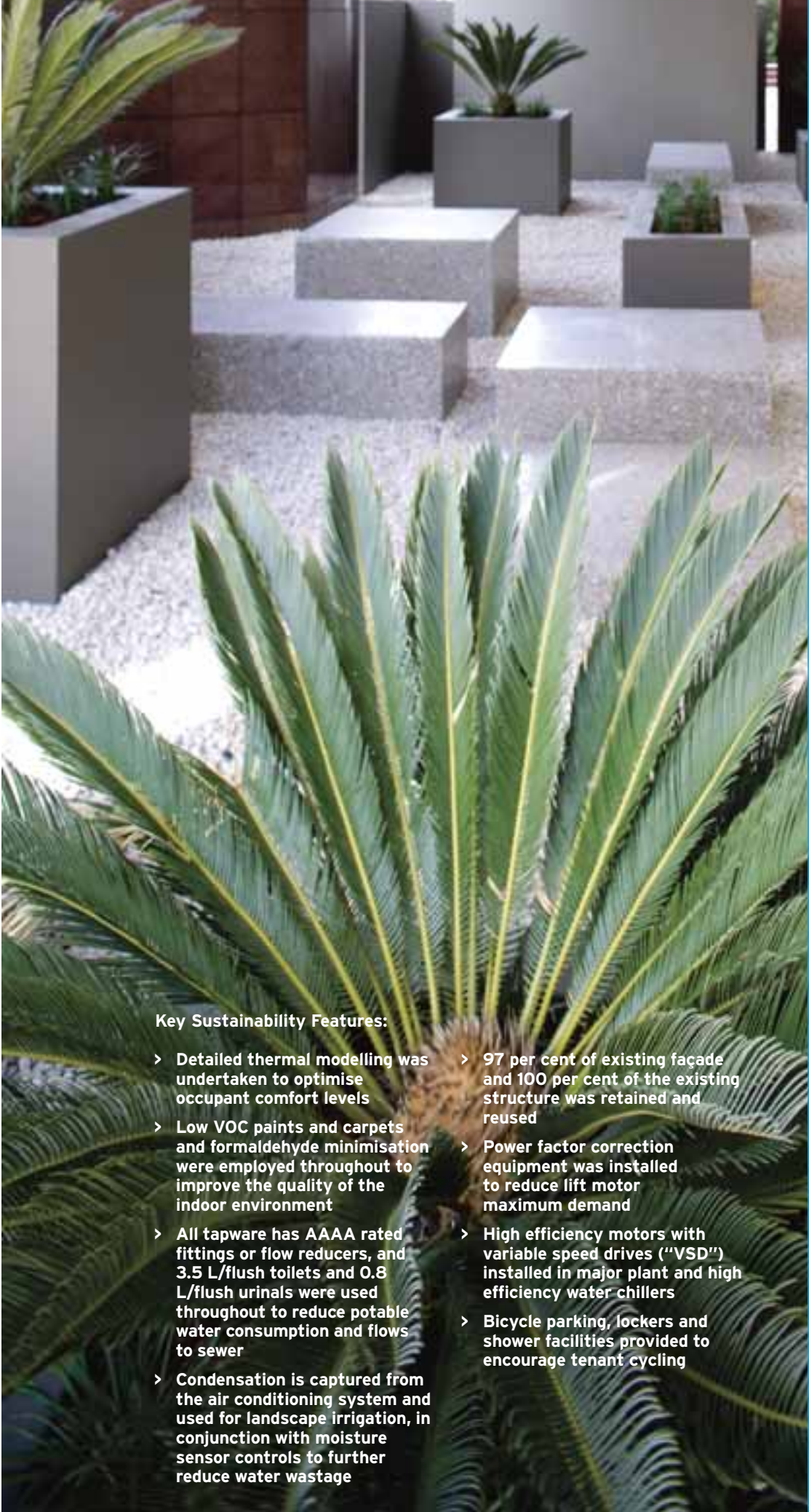
By retaining the existing structure of 101 Miller Street and modernising the building systems and features, Mirvac has created a highly efficient and sustainable building, capable of functioning for years to come without excessive energy inputs or substantial demolition waste generation. The transformation included a complete reconfiguration of the lobby, as well as comprehensive upgrades to the large column-free office floors, premium building services and amenities.

101 Miller Street was awarded a 5 Star Green Star rating (Office Design V2) in August 2008, representing Australian excellence. It scored strongly across all Green Star categories, particularly in the energy and management categories.

An Australian First: Trigeneration in an Existing Building

An Australian first for an existing premium building, 101 Miller Street contains a state-of-the-art trigeneration plant which was installed in partnership with Cogent Energy and with support from the NSW Government. The large scale 2.4MW gas-fired trigeneration system is capable of providing the majority of base building and tenant power needs. It harnesses waste heat to provide heating and cooling, significantly improving overall energy and GHG efficiency.

Trigeneration is the simultaneous generation of electricity, waste heat energy for heating and waste heat conversion for cooling through an absorption chiller by using a natural gas powered generator. The plant, combined with other energy saving features has produced a simulated NABERS Energy rating of 5 Star and 40 per cent CO₂ saving.



Key Sustainability Features:

- > Detailed thermal modelling was undertaken to optimise occupant comfort levels
- > Low VOC paints and carpets and formaldehyde minimisation were employed throughout to improve the quality of the indoor environment
- > All tapware has AAAA rated fittings or flow reducers, and 3.5 L/flush toilets and 0.8 L/flush urinals were used throughout to reduce potable water consumption and flows to sewer
- > Condensation is captured from the air conditioning system and used for landscape irrigation, in conjunction with moisture sensor controls to further reduce water wastage
- > 97 per cent of existing façade and 100 per cent of the existing structure was retained and reused
- > Power factor correction equipment was installed to reduce lift motor maximum demand
- > High efficiency motors with variable speed drives ("VSD") installed in major plant and high efficiency water chillers
- > Bicycle parking, lockers and shower facilities provided to encourage tenant cycling

Environmental dividends

101 Miller Street is targeting a NABERS Energy rating of 5 Star. This is a significant improvement since 2002, when a 3 Star NABERS Energy rating was achieved, and 2007, when a 4 Star rating was recorded. The 4 Star rating was achieved following careful tuning and was considered the maximum possible given the building and plant configuration at that time. By increasing the building's energy rating from 3 to 4 Stars, 1,250 MWh of energy were saved, equivalent to 1,175 tonnes of CO₂. The final step of bringing 101 Miller Street to 5 Star plus 40 per cent CO₂ saving will reduce 2,238 tonnes of CO₂ compared to performance in 2002.

Potable water has been reduced by 17,725 kL, compared to an average building of equivalent size through the installation of water efficient fixtures and fittings, and by capturing air conditioning condensate for landscape irrigation. Additionally, irrigation water sensors help reduce water consumption by irrigating only when necessary.

Over 80 per cent of construction waste was recycled off-site.

101 Miller Street has in place recycling facilities for paper, cardboard and co-mingled items (base building and tenancies). Building management require regular reports against agreed waste minimisation targets. Where waste to landfill is unavoidable, it is transferred to a landfill centre with a bioreactor facility to further reduce emissions to the atmosphere from waste activities.

The project allows tenants to achieve a 5 Star NABERS Energy tenancy rating with minimal capital expenditure, through effective use of low energy lighting, and zone controls for lighting and HVAC. Performance to date indicates that tenant energy use on a square metre basis is significantly below industry benchmarks, which leads to reduced tenant electricity bills and building heat loads.

101 Miller demonstrates Mirvac's commitment to introducing new technologies and practical measures to reduce greenhouse gas emissions, improve energy efficiency, increase the reliability of an asset's energy systems for tenants.

ENVIRONMENT

As a leading property developer, Mirvac understands it has a responsibility to minimise its impact on the natural environment – covering energy, water, waste consumption, greenhouse gas emissions, the consumption of raw materials and building products and impacts on biodiversity.

Mirvac's flagship action to reduce GHG emissions from property assets is a commitment to achieve an average 4 Star NABERS Energy rating on applicable office buildings by December 2012.





ENVIRONMENT

MPT/MAM OBJECTIVES

- > Target average 3.5 Star NABERS Base Building Energy Rating across the applicable office assets by December 2011 and 4 Star by December 2012
- > Ensure all major refurbished and redeveloped office assets target a minimum 4 Star Green Star Design and minimum 4 Star NABERS Base Building Energy Rating
- > Continue to reduce the greenhouse gas intensity of the Group's owned and managed buildings across the office and retail portfolios
- > Undertake NABERS, EEO and energy audit assessments across all applicable assets
- > Maintain the 4.5 NABERS Energy Tenancy Rating for the Group's Sydney head office
- > Develop and implement an electronic monitoring strategy for all utilities, and continue to roll-out a sub-metering strategy for all applicable assets
- > Continue to improve and implement standard monitoring and reporting templates for the measurement of base building energy, water and waste metrics
- > Ensure in-house sustainability team has NABERS Commercial, Retail and Commercial Building Disclosure Accreditation
- > Ensure all applicable retail and office assets have recycling facilities and established waste recycling targets
- > Undertake NABERS Water ratings across the applicable office portfolio by December 2011
- > Develop a baseline of water usage intensity across the applicable portfolio

HOTELS & RESORTS OBJECTIVES

- > Adopt Mirvac Asset Management sustainability contract guidelines and incorporate into service tenders and contracts/agreements
- > Advocate NABERS Energy and Water ratings to external owners and JV partners to expedite implementation assessments
- > Undertake NABERS Energy and Water ratings across all applicable hotels within the Mirvac Wholesale Hotel Fund ("MWHF")
- > Report monthly waste and recycling at 80 per cent of the Hotel portfolio
- > Use the Hotels & Resorts Sustainability Guidelines for all development and refurbishments

DEVELOPMENT OBJECTIVES

- > Ensure all developments incorporate principles of passive solar design
- > Adopt a minimum of WELS 4 star for all taps and basin spouts installed
- > Commission reports for all sites containing heritage or cultural significance
- > Achieve a minimum of 80 per cent of demolition waste by mass reused or recycled where applicable
- > Install dedicated facilities for recycling bins at all residential apartment developments
- > Prohibit the use of electric storage hot water unless an alternative is not feasible
- > Use a minimum of 30 per cent local native species in public landscaping
- > Follow the Residential Development Sustainability Scorecards for all developments

GROUP OBJECTIVES

- > Develop a Sustainability Education Program that meets the needs of the Group's business
- > Ensure all Mirvac state offices use sustainably sourced paper and co-mingled recycling services
- > Use recycled and sustainably sourced paper for all marketing materials and other publications
- > Improve the Group-wide approach to climate change risks and opportunities
- > Work towards establishing emissions reductions targets for the Group

ENVIRONMENT

Mirvac is focused on where it can deliver the most impact: the efficient operation of Mirvac's owned and managed office, retail, industrial and hotel assets.

According to the GBCA, residential and commercial buildings are responsible for 23 per cent of Australia's total GHG emissions annually, the vast majority from energy consumption. This represents 130 megatonnes of greenhouse gas put into the atmosphere each year. Around 40 per cent of the amount of waste that goes into Australia's landfills is a result of the construction and destruction of buildings. Australia's ability to achieve at least 60 per cent deep cuts in GHG emissions by 2050 will be significantly enhanced by transforming buildings to deliver energy savings.

Climate Change and Energy Legislation and Programs

Mirvac is exposed to a number of climate change-related regulatory schemes, including various State and Federal building codes, planning and design regulations, and energy and GHG emissions programs.

At the Federal level, Mirvac is required to meet obligations under the Energy Efficiency Opportunities Act 2006 (Cth) ("EEO"). An EEO Assessment and Reporting Schedule ("ARS") has been approved under Section 16 of the Act and Mirvac is progressing assessments in accordance with the ARS with all Round 1 assessments to be complete by 30 June 2011.

Since the commencement of EEO, Mirvac has identified and implemented 16,866GJ of energy saving projects, with related savings of approximately \$843,300 per annum (assuming the cost of energy per GJ is around \$50). These savings are divided between tenants and Mirvac.

NABERS Ratings

	NABERS Energy	NABERS Water
No. of official ratings currently held	13	8
Ratings due for completion FY10	11	11
Ratings due for completion FY11	42	42

Mirvac is also required to participate under the National Greenhouse and Energy Reporting Act 2007 (Cth) ("NGERA" or "NGERs"). NGERA requires large energy-using companies to report annually on greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production figures.

The Building Energy Efficiency Disclosure Bill requires an owner selling or leasing more than 2,000 square metres of Class 5 Commercial Property (as per the Building Code of Australia) to provide a Building Energy Efficiency Certificate ("BEEC") at the point of sale or lease. A BEEC comprises of a NABERS energy rating, tenancy lighting register and energy efficiency guidance. The scheme took effect 1 November 2010.

Under the Green Building Fund, Mirvac has been granted \$2,420,520 on a dollar for dollar basis for energy efficiency upgrade projects, for six buildings across Australia.

NABERS and Mandatory Disclosure

NABERS is the industry standard for measuring and benchmarking the environmental performance of existing Australian buildings. NABERS is a national initiative of federal, state and territory governments, and is managed by the NSW Department of Environment and Climate Change.

Property owners and managers use NABERS Energy for its value as an externally verified benchmark of building performance.



Energy Efficiency Opportunities Program (as at Qtr 2, FY10)

	Before FY10	FY10	FY11	Total to date
Buildings to be assessed	19	27	23	69
Assessments completed	11	5	-	16
Assessments on schedule		21	23	44
Assessments behind schedule	8	1	-	9
No. of opportunities identified	52	30		82
Under investigation	33	4		37
To be implemented	2	15		17
Implementation commenced	12	0		12
Implemented	2	0		2
Not yet implemented	3	11		14

Reducing our GHG Emissions

Mirvac continues to pursue efforts to improve the energy and GHG performance of our business and respond to climate change risks and opportunities.

Mirvac's focus is where it can deliver the most impact: the efficient operation of Mirvac's owned and managed office, retail, industrial and hotel assets.

Mirvac's flagship action to reduce GHG emissions from property assets is a commitment to achieve an average 4 star NABERS Energy rating on applicable office buildings in the sustainability performance management and reporting program across the Mirvac Property Trust ("MPT"). A 3 star rating represents current market best practice.

Participation in CDP

In 2009 Mirvac completed the CDP Questionnaire. The CDP information request was sent to more than 3,700 of the world's largest quoted companies. It is the fourth year that the ASX100 has been included in the request and Mirvac has responded on each occasion.

Through participation in the CDP, Mirvac continues to fine tune the capture and analysis of energy and GHG information.

Earth Hour 2010

For the fourth consecutive year, Mirvac shut off non-essential lighting and equipment for Earth Hour across the office, retail and industrial portfolios, construction sites, sales suites, and the hotels and resorts – many of which hosted candlelit dinners and cocktail parties.

While Earth Hour is an important initiative to draw attention to climate change, Mirvac's engineers and building managers work hard all year round to ensure assets are operating at maximum efficiency.

Participating in Earth Hour is a visible display of Mirvac's commitment to sustainability, including the climate change challenge.

Mirvac Asset Management

Mirvac has demonstrated its commitment to sustainability with the recruitment of three more sustainability engineers over the last year within the Mirvac Asset Management ("MAM") business. The team of five ensure effective sustainability operations across our portfolio.

Stuart Woodruffe, MAM Engineering & Operations Sustainability Champion for 2009

Stuart Woodruffe, Operations Manager for Logan Mega Centre and Ballina Central shopping centre was inaugural Engineering & Operations Sustainability Champion for 2009.

The Engineering & Operations team is very much on the front line in ensuring that all our properties operate as efficiently as possible and that we are able to meet the many diverse reporting requirements. The criteria for the award is focused on the routine aspects of sustainability management, such as: ensuring that bills for electricity, gas and water are checked and stored securely; conducting regular checks of plant, energy and water usage; conducting regular reviews of system operations and ensuring that our suppliers are meeting their obligations with respect to sustainability.

Stuart's success as an effective sustainability manager includes his achievement of reducing energy intensity at Logan Mega Centre by almost 14 per cent over 18 months. This was accomplished without plant upgrades.



ENVIRONMENT

GHG Reporting

Mirvac continues to improve its GHG reporting. This year we report our emissions in accordance with the NGERs. This allows us to account for our emissions in terms of:

- > transparency;
- > comparability;
- > accuracy; and
- > completeness.

The 2010 NGERs data has been verified by third party assurance.

ABOUT NGERs

Controlling corporations that are registered under the NGERA are obliged to report information on GHG emissions, energy production and energy consumption in relation to their corporate group to the Greenhouse and Energy Data Officer ("GEDO") from the operation of facilities under the operational control of the corporation and entities that are members of the corporation's group, during that financial year.

Reporting is detailed in Technical Guidelines that embody the latest methods for estimating emissions and are based on the National Greenhouse and Energy Reporting (Measurement) Determination 2008 and the Energy Reporting (Measurement) Amendment Determination 2009 (No. 1). The Technical Guidelines provide additional guidance and commentary to assist reporters in estimating GHG emissions for reporting under the NGERA.



Scope of Coverage

GHG emissions covered are carbon dioxide, methane, nitrous oxide, specified hydrofluorocarbons, specified perfluorocarbons, and sulphur hexafluoride.

Greenhouse sources covered include fuel, petrol, diesel, electricity, refrigerants, and LPG ethanol as defined by Scope 1 or Scope 2.

- > Scope 1 – emissions concern emissions released from a facility as a direct result of the activities of the facility.
- > Scope 2 – emissions are a form of indirect emission and occur principally at electricity generators as a result of electricity consumption at another facility. They are recorded principally as a measure of what might happen to national emissions as a result of the consumption of electricity from facilities.

Provision of GHG data under NGERA means that Mirvac has provided data for all individual property assets under operational control, and especially for NABERs rated assets and this data is published to relevant stakeholders.

Between 2009 and 2010 the Group's GHG emissions Scope 1 and 2 as reported to NGERA dropped by 49,666 tonnes or 17 per cent – this was largely due to asset disposal, as well as continued improvements in the energy efficiency of our buildings.

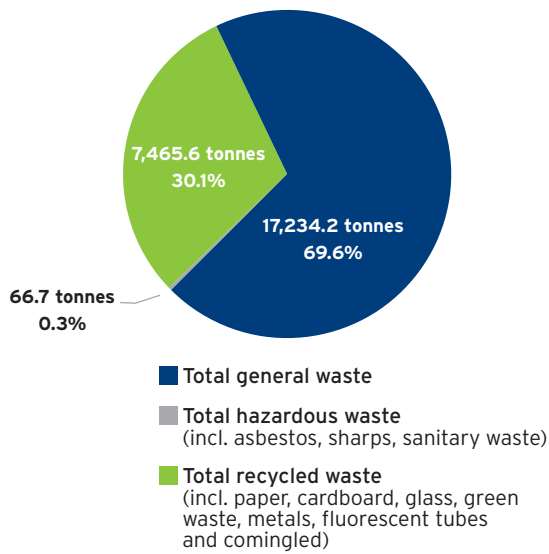
Overseas Exclusion

Mirvac has a limited number of activities in overseas locations that we consider to be immaterial. Mirvac Hotels Pty Limited manages three hotels in New Zealand and Mirvac holds a 14 per cent stake in a US-based Industrial Trust. In addition, Mirvac holds 100 per cent of a property asset in Chicago. The emissions from these activities are not included in this report.

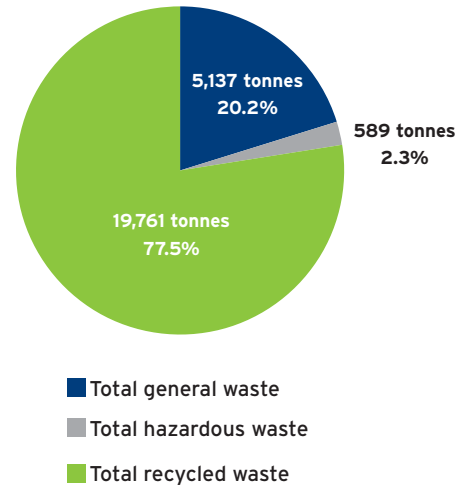
NGERS data

	2009	2010
Total Scope 1 emissions tCO ₂ e	15,676	12,450
Total Scope 2 emissions tCO ₂ e	280,697	234,257
Total	296,373	246,707
Energy Consumed (GJ)	1,329,376	1,106,333

Managed assets waste data (MAM/MPT/H&R)



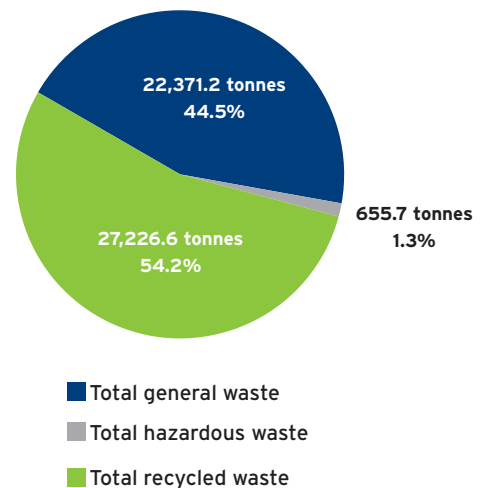
Development waste data



Greenhouse Gas Emissions by Source and Scope

Emission (tCO ₂ -e)	2010	2010 Source data
Scope 1		
Natural Gas	9,611	187,241,893 MJ
Refrigerants	1,720	14.7 t
Diesel	729	270,048 L
Petrol	228	95,886 L
LPG	162	105,045 L
Wood	0.54	26.2 t
Sub-total	12,450	
Scope 2		
Electricity	234,257	250,584,135 kwh
Sub-total	234,257	
Scope 3		
Natural Gas	1,623	
Electricity	36,420	
Air Travel	1,748	
Waste	18,958	
Diesel	55	
Petrol	17	
LPG	14	
Sub-total	58,653	
Total	305,543	

Mirvac combined total waste data



MIRVAC OWNED GREENER BUILDINGS



101 – 103 Miller Street¹, North Sydney, NSW
\$170m 36,554 sqm
NABERS Energy pre-commitment rating: **5 Star**
5 Star Green Star Office Design



40 Miller Street, North Sydney, NSW
\$93.5m 12,664 sqm
NABERS Energy rating: **4 Star**



275 Kent Street, Sydney, NSW
\$720m 77,410 sqm
NABERS Energy rating: **4 Star**



One Darling Island, Pyrmont, NSW
\$163m 22,197 sqm
NABERS Energy rating: **5 Star**



Bay Centre, Pirrama Road,
Pyrmont, NSW
\$97m 15,972 sqm
NABERS Energy rating: **5 Star**



3 Rider Boulevard, Rhodes, NSW
\$73m 16,713 sqm
NABERS Energy rating: **4 Star**

1. Co-owned with Eureka Funds Management

TOTAL VALUE: \$2.2 billion TOTAL NLA: 328,977 sqm



UNDER DEVELOPMENT
8 Chifley Square, Sydney, NSW
\$276m 19,123 sqm
Designed for NABERS Energy rating: **5 Star**
Targeting **6 Star Green Star** Office Design



Aviation House, 16 Furzer Street, Canberra, ACT
\$67m 14,814 sqm
NABERS Energy rating: **4.5 Star**



Sirius Building, 23 Furzer Street, Canberra, ACT
\$225m 46,167 sqm
5 Star Green Star Office Design



UNDER DEVELOPMENT
10 – 20 Bond Street¹, Sydney, NSW
\$152.3m 34,712 sqm
NABERS Energy pre-commitment rating: **5 Star**
4 Star Green Star Office Design V.3

What does the NABERS Energy rating mean?

4 and 4.5 Stars – office demonstrates excellent energy performance due to design and management practices or high efficiency systems and equipment, or low greenhouse intensive fuel supply.

3 and 3.5 Stars – office has very good systems and management practices and reflects an awareness of the financial and environmental benefits of optimising energy use.

What does the Green Star rating mean?

4 Star Green Star rating signifies 'Best Practice' in environmentally sustainable design and/or construction.

5 Star Green Star rating signifies 'Australian Excellence' in environmentally sustainable design and/or construction.

6 Star Green Star rating signifies 'World Leadership' in environmentally sustainable design and/or construction.



Orion Springfield Town Centre, Springfield, QLD
\$143m 32,651 sqm
Australia's first **6 Star Green Star** Shopping Centre Design

¹ All valuations as of 30 June 2010 as listed in Mirvac's property compendium. 10-20 Bond Street is co-owned with ING.



Mirvac Hotels & Resorts

Mirvac Hotels Managed Properties and Mirvac Wholesale Hotel Fund ("MWHF")

Mirvac's Hotel Management business continued its strategic expansion of hotel management contracts during the year, bringing the total number of managed hotels and resorts to 46, covering 5,812 rooms. Financial year 2010 was marked by the difficult trading conditions associated with the global financial crisis. We therefore operated in a capital constrained environment with significant emphasis on containing costs and leveraging operational efficiencies.

Across the hotel and resort portfolio, more than 120 sustainability initiatives have been undertaken.

Key sustainability achievements for Mirvac Hotels & Resorts were:

- MWHF continued to complete NABERS ratings – averaging Energy 2.5 Star and Water 3 Star
- E-monitoring of electricity across 60 per cent of all properties was achieved and electronic monitoring of gas or water is planned for financial year 2011
- Streamlined and monitored waste and recycling reports.
- Industry participation – the Hotels Sustainability Manager presented and facilitated at the PCA Facilities Management event.

Across the hotel and resort portfolio, more than 120 sustainability initiatives have been undertaken; highlights include:

- More than 20 hotels upgraded lighting across guest rooms, hotel lobbies, corridors, and outdoor and car parking areas to increase energy savings. Most lighting has been upgraded from halogen or incandescent to energy efficient LED or CFL globes.

- Several hotels upgraded room showerheads and washing machines and installed dual flush toilets and timed or sensor urinals, all resulting in significant water savings.
- Improved hot water systems in some hotels to reduce energy consumption. Quay West Resort Bunker Bay is currently trialing the replacement of Villa Hot Water gas heating systems with more environmentally friendly, energy efficient and cost effective electric heat systems.
- More efficient watering systems for gardens.
- Improvements in air conditioning efficiencies including better use and control of guest controlled air conditioning systems.
- Signage and staff education on how their actions, such as switching off lights can have a greater impact on the overall efficiencies of the hotel.

Mirvac has a published set of Hotels & Resorts (“H&R”) Sustainability Guidelines: Development and Refurbishment. Although the Guidelines are not mandatory because we manage rather than own the majority of Mirvac Hotels, they are designed to be used in conjunction with the relevant Australian controls and standards, and do not contradict compliances issues.

H&R Guidelines

Smart Metering	Smart electricity, natural gas and water metering systems to be installed where metering service available
Management Initiatives	Identify and consider all environmental risks and implement control measures as is required under BCA, State, Local Government Development consent conditions and Mirvac HSE systems
Energy Efficiency	Beyond BCA Section J and DA consent, to consider improved energy efficiency in all aspects of the project, including those listed; 3.1 Plant and equipment; 3.2 Solar passive design including use of thermal mass, solar orientation, thermal resistance/insulation (walls, ceilings, floors as well as ducts and piping), partially or fully natural heating, and natural lighting; 3.3 Water heating systems for guest rooms, kitchen, laundry, pool; 3.4 On-site energy generation; 3.5 Building Management Systems; 3.6 Insulation; 3.7 Embodied energy of materials and products; 3.8 Transport efficiencies; 3.9 Retention/reuse of existing materials
Appliances	Appliances within one energy star of maximum of available to be installed
Lighting	Compact Fluorescent Lamps or LED Lighting required in place of incandescent bulbs, such as ceiling and wall lights, lamps, and other light fittings
Water Efficiency	Beyond specific requirements for fixtures and fittings, landscaping and laundry services, also consider opportunities for improved water efficiency in all aspects of the H&R development and refurbishment project, including those listed below. The provision of a written report that details options considered and lists outcomes. Opportunities for water efficiency include, though are not limited to: 6.1 Rooftop and storm water harvesting; 6.2 Grey water recycling; 6.3 Leak detection systems; 6.4 Humidifiers; 6.5 Plumbing maintenance and operation scheduling, including landscape irrigation; 6.6 Pool and spa water management; 6.7 Back of house water use, including cooking, cleaning, dishwashing; 6.8 Cooling tower operation; 6.9 Wash-down systems; 6.10 Fire protection systems
Fixtures and Fittings	WELS rated water efficient fixtures and fittings installed
Landscaping	Water efficient landscape design, including careful selection of plants and irrigation methods utilised
Laundry Service	Investigate water saving opportunities through selection of laundry service providers, that also meet local water authority water efficiency licensing requirements
Demolition and Construction Recycling	Meet local authority development consent conditions for demolition waste and recycling requirements and aim to maximise recycling of pre-construction and construction waste
Product Specification	Investigation of opportunities to reduce waste via product specification, packaging, design and delivery
Recycling Facilities and Services	Implement recycling services, including glass crushers. In design, adequate allowances must be made for these future services, including space for dual/multiple bins in loading docks, back of house, offices, and other locations, as well as clear access for service providers and appropriate signage
Tree Retention	Tree retention program by developers, where relevant
Landscaping	Maintain local native/drought resistant species in landscaping of public areas where applicable
Timber	Developers and contractors to ensure all timber to be certified sustainably harvested where feasible
Volatile Organic Compounds	VOC to be minimised, through selection of low VOC materials including fabrics, carpets, fibreboard, plastic products, sealants, glues and adhesives, solvents, paints and varnishes with products that meet the relevant BCA and Australian Standards

ENVIRONMENT

THE SEBEL RESORT NOOSA installed six 5,000 litre water tanks for rain water harvesting dramatically reduces water requirements for irrigation, topping up swimming and water features.



EXAMPLES OF SUSTAINABILITY INITIATIVES IN HOTELS



THE SEBEL HERITAGE YARRA VALLEY is in the process of switching its light globes from 12 volt down lights to compact fluorescent. The project is approximately 40 per cent complete, involving a total of 4,000 lights. Most rooms have compact fluorescent and all corridors have been changed to 9 watt fluorescents instead of 20 and 50 watt down lights. Dual flush toilets and water restrictors on shower heads have also been installed.



THE SEBEL PIER ONE SYDNEY replaced all the lights in the hotel foyer with LED lights and this is to be extended to guest rooms resulting in the replacement of approximately 300 lights. Air conditioner control panels have been replaced with digital controls in all guest rooms. The hotel has installed controlled watering systems for outside plants and trees.



CITIGATE MELBOURNE upgraded all guest room and bathroom lights to compact fluorescent globes and upgraded shower heads to 9l/min in 189 guest rooms.



THE COMO MELBOURNE has stopped all automated watering of garden beds resulting in an estimated water savings of 70,000 litres per annum. An LED globe trial in the corridors has resulted in an approximate 60-70 per cent energy reduction compared to standard halogen lighting units.

COMMUNITY

Supporting the communities in which we operate is critical to our success in building a sustainable future. To be successful we need to ensure we are adding real value through our community contributions and are working to improve those systems in the year ahead.

OBJECTIVES

- > Review current approaches to community engagement across business units and develop a coordinated and consistent approach
- > Develop and implement a stakeholder and community consultation plan for major residential and commercial developments
- > Maintain membership of the London Benchmarking Group
- > Track and report on charitable contributions through the Mirvac Foundation
- > Streamline sponsorship and foundation program
- > Develop guidance procedures for community engagement
- > Provide all employees with one paid day a year to volunteer at a charity or not-for-profit organisation, and where feasible focus on aligning senior management's expertise with specific charitable projects
- > Promote employment of local residents at geographically remote hotels
- > Specific targets for Community are also in the Development Sustainability Scorecard





Helping Communities Become More Sustainable

We became a member of the technical reference committee to develop the Draft National Framework for the GBCA Green Star Communities.

The Framework aims to shape the evolution of our existing and future sustainable communities by providing a common language to help these communities achieve best practice sustainable community outcomes.

The GBCA's national principles for sustainable communities are:

- Create liveable communities
- Provide opportunities for economic prosperity
- Enhance environmental quality
- Design great places
- Promote good urban governance

Mirvac's early involvement in this project enables us to work closely with the GBCA and other key stakeholders to develop a national framework that will drive the development of sustainable communities in the future.

The Mirvac Foundation

The Mirvac Foundation is the focus of the Group's charitable support on both a national and state basis. It is designed to connect with those most in need in the communities in which Mirvac operates. As housing and accommodation are issues at the cornerstone of our business and the lifeblood of Mirvac's culture, the Foundation supports charities that care for the homeless.

Mirvac staff make donations to the Foundation and donate their time to support these charities' activities. The Foundation's role is to provide funding and employee support to key charities and not-for-profit organisations.

London Benchmarking Group

Mirvac is a member of the London Benchmarking Group ("LBG") Australia and New Zealand, an organisation whose members commit to measuring and benchmarking their corporate community contributions using the LBG methodology.

The LBG methodology provides a transparent and reliable way to measure and benchmark contributions. Mirvac Development Victoria has undertaken a second year piloting the LBG methodology to measure charitable donations, community investment and commercial initiatives.

Charitable donations included support of the Murdoch Children's Research Institute, Sudden Infant Death Syndrome, breast cancer research and food drives for the homeless.

Community investment activities included participation in the Kids Under Cover Cubby House Challenge to support children at risk of homelessness; assistance with the development of the Think Pink Living Centre which provides support for patients undergoing treatment for breast cancer; and the provision of design, planning skills and materials for refurbishment of the Ronald McDonald House outdoor space. From an environmental community investment perspective Mirvac also worked closely with the Hawthorn Football Club and Woolworths to deliver an innovative water harvesting project at the Waverley Park development. Staff also participated in a literary buddy program for children from Sunshine Primary school. Commercial initiatives in line with development activities included sponsorship of Mordialloc Life Saving Club and Wantirna South local football club.

Mirvac Supporting the Community

Over the last year, the Group has held numerous events across all its business units to engage staff in fundraising activities to support specially selected charitable organisations.

The Group supports a number of charity initiatives including: Pink Ribbon Day, Jeans for Genes Day, Daffodil Day, and The Salvation Army's Oasis Youth Support Network. Through Oasis, Mirvac offers employment and training opportunities for under-privileged youth and has successfully placed two young people in full-time permanent roles.

Mirvac's shopping centres also play a critical role as a central hub in their communities. Over the past year, many of our centres have provided the provisions for a local JP Service and support selected local community groups by providing space for them to run local initiatives.

Around Christmas time, our centres look out for those most in need by collecting gifts and supporting community activities, such as gift wrapping, to raise funds.

Most Mirvac shopping centres participated in Earth Hour 2010, with our Rhodes centre embarking on an ambitious plan to increase awareness in the local community by distributing 5,000 'Earth Hour Packs' leading up to the event. Each pack consisted of: an official Earth Hour postcard reminding recipients to diarise Earth Hour; tips on how to get involved on an individual or household level; and a candle with glass candle holder kindly donated by IKEA to encourage the community to switch off their lights during Earth Hour.

Mirvac retail centres have contributed more than \$280,000 over the last year to support community initiatives and charity events.



For a number of years, the H&R business unit has chosen to support the Mirabel Foundation, which assists children who have been orphaned or abandoned due to parental illicit drug use. Events, held at a number of Mirvac H&R, successfully engaged guests and staff to participate in raising funds. The team looks forward to continuing their support throughout next year.

George Gregan Foundation

Mirvac's construction team played an instrumental part in building an all-access playground at Sydney Childrens' Hospital in Randwick as part of a project by the George Gregan Foundation. The aim was to create a relaxing oasis for the kids and families needing to escape from the hospital wards. Mirvac's team helped to create a fusion of natural areas with trees and plants, kids' play equipment, and a treasure trove of games and creatures to explore.

Building Homes You Want to Live in and Communities You Want to Be Part Of

Mirvac's commitment to residents goes well beyond providing beautiful homes. We have fostered a successful partnership with Connections Community Development to ensure that Mirvac estates provide residents with the opportunities to socialise and enjoy their neighbourhood.

Together we have built traditions. We work with residents to establish sporting activities, playgroups, school holiday programs and various festivals and themed celebrations, ranging from weekly morning teas to large-scale Christmas events.

'Meet your neighbour' events have been popular. Other activities have included 'Movies under the stars', the annual 'Newington Festival', and the always popular Easter Bunny and Santa visits are enjoyed by all.



Encouraging Sustainable Ideas

In 2009, Mirvac sponsored the University of New South Wales ("UNSW") Sunswift student-led solar racing team, which is a volunteer, student-led organisation dedicated to developing a high-performance solar racing vehicle. This initiative provides a context for practical learning and sustainable development.

Dr Ross Trethewy, Mirvac's Group Manager HSE, provided technical assistance in the development of the team's risk assessment for the World Solar Car Challenge 2009, a race from Darwin to Adelaide. Mirvac's sponsorship also included safety equipment and apparel for the 20-strong race team.

Against local and international teams, the UNSW Sunswift students achieved first place in the Silicon Challenge Class and fifth place overall. This was a remarkable achievement for the Sunswift student team which handbuilt its solar racing vehicle.

Broadway is committed to changing the lives of young people

Broadway Shopping Centre has a dedicated Youth and Community Liaison Officer, who works with the City of Sydney to support youth activities in the Glebe area, where the centre is based. The centre commits funding and time to work with Glebe Youth Service, an organisation that provides a number of programs for young people aged 16-24 who are at risk due to their family situation. The service provides programs such as an 'After Dark' Drop-in Centre where case workers work with kids who are often from disadvantaged and problem families, and as a result have behavioural issues or have dropped out of or been suspended from school. The service provides food after school, a safe environment and a place to continue learning.

CUSTOMERS

We recognise the important role our customers play in implementing long-term sustainability. This year we have set more robust sustainability objectives to promote lasting sustainability with our customers across the portfolio.

OBJECTIVES

- > Target opportunities to work with key tenants on joint sustainability initiatives and identify leadership opportunities
- > Develop an information program on Green Star and NABERS and communicate this to customers to raise awareness and promote sustainable design
- > Develop Mirvac guidelines with respect to Green Leases
- > Ensure all purchasers receive a home owners guide that details ways to turn sustainable design into green living
- > Include sustainability performance questions in residential development customer satisfaction surveys
- > Engage with non-Mirvac hotel owners to identify opportunities to set sustainability targets and measures
- > Enhance the Mirvac and Tenants Environmental Sustainability Programs ("MATES")
- > Continue to expand hotel guest education programs on sustainability as feasible

Helping Homeowners Make the Most of their Mirvac Homes

Mirvac home buyers receive a Homeowners Manual which includes comprehensive information on the environmental features of the home and guidance on operating their new homes efficiently.

The manual includes ways for homeowners to do more to reduce their environmental footprint and save money. This includes tips on effective heating and cooling, ways to reduce water consumption, how to access public transport and key considerations when purchasing major appliances.

Communicating with our home buyers in this way helps ensure that sustainable design translates into sustainable operation.

Educating Hotel Guests

Mirvac continues to promote best practice sustainability to our Hotel guests, stakeholders and employees by:

- providing information about sustainability in all the guest rooms;
- providing information in guest rooms regarding towels and water-usage;
- changing all in-room amenities over to bio-degradable product and packaging;
- outlining our sustainability policy on our website; and
- including information about sustainability in all our corporate contracts.

Supporting Sustainable Tenants

Mirvac engages with tenants on sustainability issues through sustainability committees at selected buildings, such as 101 Miller St, North Sydney, NSW.

At present, MAM's Sustainability Manager chairs sustainability committees at two locations in accordance with Green Lease requirements, providing building-specific performance updates and guidance to assist tenants in their own sustainability initiatives. The Green Lease requirements, though differing slightly based on location, typically obligate the tenant and Mirvac to achieve pre-determined sustainability performance, such as a NABERS Energy rating, and share information on building performance in other areas.

Similar guidance and support is provided by MAM building managers and sustainability specialists, at a number of other locations on an ad-hoc basis.

MATERIALS AND SUPPLIERS

We have relationships with a wide range of suppliers and we are working with our supply chain partners to improve our collective sustainability performance. In the future, our focus will be on the development of a responsible supply chain strategy and we will continue to work with our leading suppliers to help them understand and follow our sustainability principles.

OBJECTIVES

- › Communicate our sustainability objectives and activities to suppliers
- › Develop a responsible procurement strategy for leading suppliers
- › Initiate a supplier monitoring program to assess our leading suppliers
- › Identify gaps and obstacles in sustainable procurement and sourcing
- › Identify mechanisms for better transparency and verification of supply chain issues





Development

Across its Development business, Mirvac has engaged with its supply chain and external providers by the use of the Residential Development Sustainability Scorecard for procurement on projects. The Scorecard procedure is detailed on page 75-76 and covers areas of energy, water efficient appliances, stormwater, landscaping, timber, building reuse, construction waste and product packaging. Some of the practical outcomes are detailed in case studies throughout this report.

MAM

Sustainable materials are addressed principally during refurbishment and operational cycles, and with the use of the main environmental ratings tools: Green Star and NABERS. These tools prescribe a range of more sustainable equipment and processes.

Hotels & Resorts

In 2010 Mirvac completed a sustainability review with some Hotel & Resorts' core supply partners. Ten suppliers representing \$9.5 million in total spend per annum, were selected and were asked to provide a summary of their sustainability commitments. Ten more suppliers will be reviewed in the year ahead and our objective is to have a more strategic approach to reviewing the sustainability performance and commitments of our suppliers. The suppliers involved in the review were spread across a broad range of industries including dry goods, TV and electronics, guest supplies, beds, wines, stationery and printing, coffee and tea, and food and beverage supplies.

Mirvac offices

All Mirvac offices have a supply agreement for office paper, where A4 copy paper is EXP 50 per cent recycled content and A3 copy paper is Evolve 100 per cent recycled content.

INVESTORS

We believe sustainability performance should be an important consideration for investors. In a year where business has endured the global financial crisis, we have consistently viewed sustainability as a priority and our progress continues to be recognised externally.

The term 'ESG' – Environment, Social and Governance – is often used in investment markets, to represent the sustainability performance and issues which are thought to be financially material.

OBJECTIVES

- › Become a signatory to the Investor Group on Climate Change ("IGCC")
- › Become a signatory of the United Nation's Principles for Responsible Investment ("UN PRI") and embed the six Principles across the Group
- › Review all investor communication materials for inclusion of sustainability performance information
- › Include sustainability performance in the Investment Committee reports
- › Implement sustainability elements in the Investment Property Acquisition Due Diligence Processes
- › Undertake one-to-one tailored meetings with ESG analysts on the Group sustainability strategy and performance
- › Undertake investor presentations to inform them of the Group's sustainability strategy and performance
- › Educate internal investment managers to incorporate ESG issues
- › Address ESG issues in investment policy statements

Mirvac as a Global Leader

Mirvac was ranked 17th out of 198 for environmental performance in the Global Environmental Real Estate Index. This annual survey is carried out by Maastricht University, Netherlands, on behalf of major institutional investors like APG Asset Management and PGGM Investments, and is endorsed by the Australian Council for Superannuation Funds ("ACSI").

This survey, which contacted 688 listed real estate companies and private real estate funds, was the first of its kind, and intended to create an overview of the current level of integration of environmental management in all listed real estate companies and private real estate funds across the globe.

Key findings of the survey include:

- Australia leads the way and provides a global best practice benchmark; and
- Mirvac was one of only 20 respondents (10 per cent) that can be classified as "green stars", with relatively high scores on both environmental Management and Policy, and Implementation and Measurement.

Carbon Disclosure Project and Leadership Index

Mirvac completed the CDP questionnaire once again in financial year 2010. CDP is an investor coalition representing institutional investors with combined assets of \$55 trillion (at 1 February 2009) under management. As a result of the submission, Mirvac was listed in the Carbon Disclosure Leadership Index ("CDLI").

CGI Glass Lewis & Co

In February 2010, Mirvac received the highest score, "Best Practice", for environment by global ratings agency CGI Glass Lewis & Co.

FTSE4Good

Mirvac recognises that responsible management is an important consideration for investors and is proud to have been a member of the FTSE4Good Index, the responsible investment index, calculated by global index provider FTSE Group, for the last five years. Mirvac is also included in the FTSE4Good Australia 30 Index.

Membership in the FTSE4Good Index provides reassurance to investors that Mirvac demonstrates a commitment to environmental management, climate change mitigation and adaptation, countering bribery, upholding human and labour rights and maintaining supply chain labour standards.

Global Reporting Index

In 2010 Mirvac reported against the GRI framework for sustainability, as detailed on Page 88.

Dow Jones Sustainability Index

Mirvac is one of only 21 real estate companies listed on the global and regional indices classified as 'Sustainability leader' by Dow Jones Sustainability Index ("DJSI"). Mirvac was listed in the Dow Jones Sustainability Asia Pacific Index, which comprises the leading companies in terms of sustainability from developed markets in the Asia Pacific.

The DJSI follow a best-in-class approach and includes sustainability leaders from each industry on a global and regional level respectively. It is the largest global analysis of corporate sustainability leadership and 2,500 companies are invited to participate. The annual review is based on a thorough analysis of corporate economic, environmental and social performance information. The questionnaire is independently verified by Deloitte.

Australian SAM Sustainability Index

Mirvac continues to be listed on the AuSSI, which tracks the performance of Australian companies that lead their industry in corporate sustainability. Based on a thorough assessment of economic, environmental and social criteria, the AuSSI comprises the top sustainability-driven companies from each of 21 industry clusters, covering the entire Australian economy.

Ethical Investor List

At the end of this financial year, Mirvac was rated in *Ethical Investor Magazine*, by Corporate Monitor as having "Best Practice" for environmental performance; as being "Engaged" on social issues, and as being "Proactive" in corporate governance practice.

Ethical Investor 5 star rating system¹

Rating	Environment	Social	Governance
H	Adverse	Adverse	Questionable
HH	Developing	Disengaged	Patchy
HHH	Compliant	Responsive	Compliant
HHHH	Sustainable	Engaged	Proactive
HHHHH	Best Practice	Best Practice	Best Practice

1. For more information and Corporate Monitor Tables Explanatory Notes, see *Ethical Investor Magazine*. Aug/Sept 2010, Issue 93, pg 43. ○ = Mirvac's score

RESIDENTIAL DEVELOPMENT SUSTAINABILITY SCORECARDS

As part of our outcomes based approach the Mirvac Residential Sustainability Scorecard system was developed to provide a consistent metrics-based sustainability performance tracking tool, across all our residential projects – apartments, land subdivisions and homes nationally.



The Mirvac Residential Land and Home Sustainability Scorecards

The Scorecards are an internal management system embedded across the Development Division that comprises a set of objectives that drive outcomes rather than specified targets.

They are designed to achieve a consistent level of environmental and social outcomes across all projects, and provide the structure for project teams to explore stretch opportunities where appropriate.

The Scorecard is to be filled out at project milestones, which allows environmental and social outcomes to be reviewed as the project is developed.

The Scorecards provide a database record of each project's sustainability deliverables and outcomes.

The Scorecards also allow for project comparison across type, location and stage, while providing transparent, verified and consistent sustainability information across the following categories:

- > Ecology and Construction management
- > Transport
- > Social/Community/Education
- > Energy
- > Water
- > Indoor Environment Quality
- > Materials
- > Waste
- > Economic Development
- > Innovation

Residential Development Sustainability Scorecard Objectives

1		
ECOLOGY AND CONSTRUCTION MANAGEMENT		
1.01	SITE SELECTION	That assessment of site's potential sustainability opportunities, constraints and climate change adaptation measures are undertaken and factored into pre-purchase feasibility studies
1.02	RE-USE OF LAND	To develop land that is zoned for proposed use or is part of an urban growth strategy as is intended to be appropriately zoned
1.03	HERITAGE & CULTURE	That the heritage and cultural significance of a site is respected, recorded and where possible, retained (Not applicable if site does not contain items of heritage or cultural significance)
1.04	REMEDICATION OF SITE	That sites are fit for approved uses
1.05	BIODIVERSITY	That all developments are to take into account biodiversity potential and existing ecosystems
1.06	CONSTRUCTION RISK & ENVIRONMENTAL MANAGEMENT	That the construction process is adequately managed to minimise risk and its impact on the environment
2		
TRANSPORT		
2.01	CAR PARKING	That the development complements the usage of public transport (where available) and therefore appropriately balance private car usage
2.02	BICYCLE FACILITIES	That the usage of bicycles is a viable mode of transport
2.03	PUBLIC TRANSPORT	To actively pursue development opportunities with a public transport strategy in place
2.04	ADJACENT AMENITY	To actively pursue developments adjacent to existing or proposed amenity
3		
SOCIAL / COMMUNITY / EDUCATION		
3.01	HOUSING DIVERSITY	Across the development division, provide a variety of dwelling options to suit different household configurations, lifestyle opportunities and budgets with the aim of ensuring a social mix of ages and family structures
3.02	PUBLIC OPEN SPACE PROVISION	To provide public open space amenity
3.03	OCCUPANT FRIENDLY ENVIRONMENT	That the design of buildings and open space promotes health and wellbeing for occupants and visitors
3.04	COMMUNITY FACILITIES/ COMMUNITY LIAISON	That sufficient facilities are considered within a development to provide adequate amenity and encourage a sense of community amongst occupants (Optional for land subdivision and housing projects of 200 dwellings or less and apartment projects of 100 dwellings or less)
3.05	MARKETING MATERIAL	That project marketing material and/or sales suite adequately promotes the sustainable benefits of the project to prospective purchasers
3.06	OCCUPANT BEHAVIOUR EDUCATION	That the occupants are made aware of the sustainable benefits and advice is given or available on how to operationally maximise the sustainable outcomes
3.07	COMMUNITY LIAISON	To develop and encourage a sense of community amongst occupants (Optional for projects of land subdivision of 100 dwellings or less and all apartment projects)

RESIDENTIAL DEVELOPMENT SUSTAINABILITY SCORECARDS

4		ENERGY
4.01	ENERGY REDUCTION	To reduce GHG emissions
5		WATER
5.01	STORMWATER MANAGEMENT	That stormwater is appropriately managed to add site amenity, reduce impacts and improve downstream environments
5.02	WATER RE-USE	That projects utilise available water recycling opportunities
5.03	WATER EFFICIENT TAPS AND SPOUTS	That water efficient taps and spouts are selected (Not applicable to land subdivision where no Mirvac built form is included)
5.04	WATER EFFICIENT APPLIANCES	That water efficient appliances are selected (Not applicable to land subdivision where no Mirvac built form is included)
5.05	LANDSCAPE	That landscape design and irrigation systems are water efficient (where connected to the potable water supply) (Optional where 100 per cent recycled water used for irrigation)
6		INDOOR ENVIRONMENT QUALITY
6.01	VOCs	That measures are taken to minimise VOC impacts (Not applicable to land subdivision where no Mirvac built form is included)
6.02	FORMALDEHYDE MINIMISATION	That measures are taken to minimise formaldehyde offgassing impacts (Not applicable to land subdivision where no Mirvac built form is included)
6.03	ACOUSTICS	To achieve appropriate levels of acoustic performance (Not applicable to land subdivision where no Mirvac built form is included)
6.04	PRIVACY	To achieve appropriate levels of privacy and amenity (Not applicable for one storey developments) Land subdivision projects achieve stretch points by including items in design guidelines
7		MATERIALS
7.01	TIMBER	That any solid timber specified to be fixed in place has been sustainably harvested (Not applicable to land subdivision where no Mirvac built form is included)
7.02	BUILDING RE-USE	To re-use or adapt existing buildings where appropriate (Not applicable where no buildings exist on the site)
8		WASTE
8.01	CONSTRUCTION WASTE AND PRODUCT PACKAGING	That all projects optimise recycling of construction waste to minimise the quantity of waste going to landfill
9		ECONOMIC DEVELOPMENT
9.01	ECONOMIC GROWTH	To promote or provide housing communities and employment through our development activities
10		INNOVATION
10.01	INNOVATION	To pursue innovation and sustainable technologies across the development business

CASE STUDY: Gainsborough Greens

The driving vision behind Gainsborough Greens is that of a 'Connected Community'.



Underpinning this vision are four key pillars:

- > Quality urban environment
- > An accessible community – creating a sense of connectivity
- > Focus on the creation of community connections and development strategies, implemented by a Community Development Officer employed for the project
- > A golf course at the heart – a focal point of the development

With 65 per cent of the total site being open space, the Connected Community concept means that residential precincts are inter-connected islands within a sea of green space that includes a golf course and conservation areas. It is this green space and the connection of the community across these spaces that provides opportunities for sustainability.

The core environmental initiative at Gainsborough Greens is the retention of existing ecosystems on the eastern, southern and north-western edges of the site. These existing ecosystems are to be joined by a network of wetlands and open water bodies which will have multiple benefits, including:

- > Creation of a habitat for aquatic and semi-aquatic wildlife;
- > Purification of run-off water;
- > Treatment and improvement of acid sulphate soils that occur naturally on site;
- > Wildlife corridors connecting through the site; and
- > Re-useable water supplies for the golf course and for green space irrigation.

Overlaying these environmental initiatives are a number of social sustainability initiatives to help achieve the connected community. These include:

- > Diversity of housing products to support a vibrant and inclusive community;
- > Use of Community Management schemes to build community connection;
- > Focus on the creation of community connections and development strategies implemented by a Community Development Officer employed for the project;
- > Fibre to the Home telecommunications, and a community internet portal;
- > A cycle/walking pathway throughout the development dubbed the 'Greenway'; and
- > Urban farming as a community uniting activity and local food production option.

MEASURING AGAINST LAST YEAR'S GOALS

Goals, objectives and targets from 09/10	Financial year 10 Report
Further integrate sustainability practices into the business.	All business units have sustainability targets and there is a monthly Board HSE&S Committee meeting.
Set water consumption reduction targets across the Mirvac Investment property portfolio.	NABERS water ratings underway in a number of properties.
Formalise the consideration of sustainability issues within the organisation at State, Group, Executive Committee and Board level.	See Governance Chapter. All business units have a sustainability plan and issues are addressed in the monthly Board HSE&S Committee meetings.
Improve the identification and management of material sustainability risks to the business.	See Governance Chapter and Environment Chapter. Addressed in monthly Board HSE&S Committee meetings.
Undertake an organisational climate change risk mapping exercise.	Addressed in monthly Board HSE&S Committee meetings. Included in the CDP response.
Undertake a physical impact of climate change asset risk mapping exercise.	Continued to monitor and assess these risks, e.g., via the monthly PCA Sustainability Committee. No additional site specific work undertaken.
Review our approach to carbon management and build on existing climate change mitigation and adaptation strategies.	See Environment Chapter. Continued to improve the GHG performance of buildings via NABERS, EEO and Green Star program. Adaptation reviewed in, e.g., the PCA Sustainability Committee.
Improve reporting systems to support more streamlined reporting of sustainability performance.	See Governance Chapter and Environment Chapter.
Embed the key performance indicator process for all Mirvac employees (excluding H&R).	See People Chapter. Introduced in the new performance management process.
Undertake an Employee Engagement Survey and task senior managers through the KPI process with responding to any issues raised.	See People Chapter. Working Groups established across the organisation. Re-survey to take place in 2011.
Undertake an annual employee satisfaction survey to determine areas for improvements and report outcomes and actions to employees.	See People Chapter. The Hewitt Engagement survey will be an annual process that will provide results on employee satisfaction as part of measuring the level of employee engagement.
Improve tracking and reporting of training undertaken by employees through the online Learning Management System ("LMS").	The LMS only records online training completed by employees. A training database has been established to capture attendance records for classroom training completed by employees.
Track and report on average hours of training per year per employee by employee category.	This measure has been established for FY11 and will be reported on quarterly.
Further integrate various Human Resources programs, such as succession planning, goal setting, learning, performance appraisal and remuneration.	A new performance management process has been approved and is being introduced which includes objective setting.
All H&R employees to undertake mandatory Licence to Operate training from July 2008 to improve understanding of sustainability issues including environmental hazards and controls and to raise overall sustainability awareness.	Ongoing.
Develop the capacity of Mirvac People, through the Mirvac Living Quality Program, to lead a more active, healthy and positive way of life.	See People Chapter. The Mirvac Way introduced to Investment, Development, Corporate Services and Senior Hotel employees.
Establish a process of employee entry and exit surveys.	To be introduced during 3rd quarter FY11.
Conduct a sustainability training needs review across the organisation.	Organisation-wide assessment not undertaken. Training provided for specific staff in MAM, MPT, H&R and Development eg NABERS and Green Star qualifications, and more sustainability staff employed.
Continue to implement mechanisms to drive cultural change, including learning and development programs and recognition and reward initiatives.	See HSE Chapter for details of training completion rates.
Senior executives and their direct reports personally conduct a minimum of eight HSE formal workplace initiatives each financial year.	<ul style="list-style-type: none"> • Board endorsed annual KPIs. • ExCom 100 per cent overall compliance. • Group Board includes HSE in workplace inspections, e.g. Quay Grand and Newstead.
HSE comes first in all meetings where it is listed as an agenda item.	<ul style="list-style-type: none"> • Board Committee and Steering Committee minute's template developed to ensure HSE as first agenda item. • Listed as KPI for Senior Management.

Goals, objectives and targets from 09/10	Financial year 10 Report
Managers actively participate in HSE programs and workplace consultation arrangements.	<ul style="list-style-type: none"> • Senior Executive Program continued for 2nd year and number of items raised from 6 to 8. • Cascaded to State ExComs and other Business Units. • Hotel Managers to attend >95 per cent of all Committee Meetings stipulated as a KPI.
Managers are informed of expected behaviour with regards to HSE matters.	<ul style="list-style-type: none"> • Corrective action and follow up on incidents 100 per cent close out of 1,616 reported incidents to 30 June 2010. • Face-to-face training delivered across all layers of management in all States with a total of 1,896 personnel trained representing a total number of 888 days face-to-face training.
All employees participate in HSE programs and workplace consultation arrangements.	See HSE Chapter for learning and development details.
All incidents are reported within 24 hours with a blame free learning culture endorsed by Senior Management.	See HSE Chapter.
Implement the second round of the Mirvac Safety Culture Survey to further assess change to organisational culture.	See HSE Chapter for workplace culture survey.
Continue to implement the Mirvac Group standardised HSE Management System and supporting policies and procedures across all divisions.	See HSE Chapter for HSE MS details.
Monitor compliance with the Mirvac Group HSE Management System, policies, procedures and initiatives across all divisions.	See HSE Chapter for monitoring and audit procedures and details.
Undertake an audit of the HSE Management System implementation.	See HSE Chapter for monitoring and audit procedures and details.
Report by division on trends and outcomes of corrective action at maximum six month intervals.	<ul style="list-style-type: none"> • Six monthly audit summary reports now included as part of HSE MS. • Analysis of audit outcomes undertaken for December 2009 and June 2010 and corrective actions implemented. • Corrective action on 1,616 reported incidents 100 per cent complete to June 30 2010. • Audit summary report each business unit completed for December 2009 and June 2010.
Implement audit of legal compliance.	<ul style="list-style-type: none"> • Legal compliance audit tool developed and implemented as standard practice aimed at randomly selected sites for audit. • Mirvac internal audit of construction sites identified average 91 per cent legally compliant achieving outstanding category for HSE Objectives and Targets. 9 per cent actioned immediately.
Monitor progress on harmonised national OHS legislation and its implications across the Group.	<ul style="list-style-type: none"> • 4th internal briefing paper issued in FY10. • Two public submissions by Mirvac on draft model Act. • One public submission on draft model regulations in consultation with the Master Builders Association NSW. • Awaiting public comment release of draft harmonised regulations by the end of 2010.
Maintain external independent certification of the HSE Management System to recognised standards.	See HSE Chapter for details of certification achieved.
Comply with the Group HSE document identification, retention and control procedures to ensure the accuracy and currency of HSE MS information.	<ul style="list-style-type: none"> • No non conformities issued across Mirvac Constructions external audits. • Hotels audit program underway. • MAM audit scheduled.
Continue to implement a Group level HSE Management Information System to improve the accuracy, timeliness and reporting of HSE incidents across Mirvac and its divisions.	<ul style="list-style-type: none"> • Software procured following six month review by consultant. • Project managed internally through Mirvac IT and Group HSE. • Not yet implemented in MAM.

MEASURING AGAINST LAST YEAR'S GOALS

Goals, objectives and targets from 09/10	Financial year 10 Report
Implement training in Incident Reporting across the Group.	<ul style="list-style-type: none"> • Training and roll out 94 per cent complete December 2009. • Training yet to be implemented across Mirvac Constructions in NSW and Mirvac Asset Management. • Live incident reporting and corrective action tracking for close-out and performance reporting purposes complete. • Centralisation of electronic files for workers compensation complete. • Simplified monthly and annual Board and Sustainability reporting – comparative analysis between national data sets complete. • Division/Region/Business Unit breakdown; Mechanism/Nature/Agent/Category complete.
Evaluate improvement outcomes against HSE objectives and targets and seek continuous improvement.	<ul style="list-style-type: none"> • Objective and Targets tracked monthly and reported to the Board. • Outstanding lead and lag targets achieved for Mirvac. • H&R reporting waste. • Tracking of office based induction of new staff – recording system in place and performance assessed for QLD, WA and NSW. • VIC and WA yet to implement electronic induction.
Continue to implement a Workplace Risk Management Plan including a site specific Risk and Opportunity ("R&O") Register(s) at all Mirvac workplaces.	See HSE Chapter for details of R&O Register requirements and procedures.
Continue ongoing review of risk and opportunity planning to identify those HSE risks that most required attention and implement critical control measures by division or at the workplace level.	See HSE Chapter for details of R&O Register requirements and procedures.
Implement a plant and equipment risk assessment program.	<ul style="list-style-type: none"> • Proforma developed and complete. • Construction complete. • H&R part implementation.
Continue to develop Mirvac HSE Standard System Control Measures to manage common risks across all divisions.	<ul style="list-style-type: none"> • Implemented version H on 26 April 2010. • SSCM references outlined in R&O Register for critical risks. • SSCM included in HSEMS training. • Ongoing review of policies, procedures, guidelines and forms. • Developed and implemented three new injury management forms, three new procedures, four new training aids and eighteen new roles and responsibility position descriptions.
Continue to distribute alerts and corrective action on key risks across the divisions.	<ul style="list-style-type: none"> • 12 HSE Alerts distributed over FY10. Close out of all issues verified. • Corrective actions plans initiated and verified implementation for all audits and inspections carried out by HSE Group. • 1,616 incidents reported FY10 with 100 per cent close out with average of 20 days achieved for close out.
Achieve a minimum 15 per cent improvement in injury statistics (lost time injury frequency rate) over FY09 levels.	See HSE Chapter for details – 21 per cent reduction achieved in injury statistics.
Implement the High5 Safety Program intervention to address principal sources of occupational injury to Mirvac personnel.	See HSE Chapter for details on the High5 Safety program and achievements.
Review and continue to implement the Injury Management Pack across all divisions.	<ul style="list-style-type: none"> • Injury Management Pack implemented across all Divisions. • Workers Compensation Steering Committee workshop convened to review injury management and workers compensation procedures. • Action plan developed identifying 16 priority areas for FY11 development and training implementation.
Continue to implement preferred medical practitioners within the H&R divisions.	<ul style="list-style-type: none"> • InjuryNet operational across Hotels. • InjuryNET now provides primary care to all Mirvac employees and many service providers.
Issue a Quarterly Workers Compensation Report Card prepared by the insurer.	<ul style="list-style-type: none"> • Quarterly Workers Compensation Report Card implemented. • Aspects of report card included in June Board HSE&S report.
Undertake monthly claim review for each workers compensation claim.	<ul style="list-style-type: none"> • Workers Compensation Steering Committee established. • Monthly claims reviews implemented for all divisions. • Quarterly claims review implemented with Allianz.

Goals, objectives and targets from 09/10	Financial year 10 Report
Develop a suitable duties register for each Division.	<ul style="list-style-type: none"> • Suitable Duties Register under development. • Draft reviewed. • Register finalised. • MAM suitable duties register to be implemented.
Develop an awareness training package for RTW Coordinators.	<ul style="list-style-type: none"> • Training package developed and implemented for all RTW Coordinators. • Further training to be initiated when new procedures and forms are implemented.
Continue to implement the risk in design review procedure for new developments.	<ul style="list-style-type: none"> • DOOR review implemented. • HSE Managers participating in all aspects of DOOR reviews.
Review the workers compensation/injury management system structure and implement structural alignment across all divisions.	<ul style="list-style-type: none"> • Workers Compensation Steering Committee workshop convened to review injury management and workers compensation procedures. • Action plan developed identifying 16 priority areas for FY11 to achieve structural alignment across all divisions, development and training implementation.
Implement increased resources to the Group injury management function.	<ul style="list-style-type: none"> • Function restructured with two new resources. • Workers Compensation Steering Committee established.
Ensure HSE roles and responsibilities are define and aligned with accountability for all positions.	<ul style="list-style-type: none"> • Roles and responsibilities now form part of all management and position layers. • Roles and responsibilities included as LTO module.
Conduct Training Needs Analysis targeted to roles and responsibility at Group, division and workplace levels.	<ul style="list-style-type: none"> • Training needs analysis conducted. • HSE training records available at Group level. • Divisional HSE training records not yet centralised.
All Supervisors to undertake formal OHS Risk Management for Supervisor's Training or equivalent.	<ul style="list-style-type: none"> • National Provider sourced and coordinated through LMS. • Program initiated and progress to be tracked through LMS.
<p>Establish HSE learning and development program to include:</p> <ul style="list-style-type: none"> – HSE induction to all new staff Day 1; – Greater than either five per cent staff completion of Licence to Operate program (nine courses) by 30 June 2010; – Competency training identified and implemented to suit specific workplace needs. <p>All new employees complete Licence To Operate modules 1-5.</p>	<ul style="list-style-type: none"> • HSE online induction program initiated and 96 per cent completion achieved across four main offices. • Online induction to be implemented for WA and VIC offices. • LTO compliance achieved 90 per cent for FY10. • Workplace training needs analysis form implemented as part of the workplace risk management plan – site specific. • LMS change implemented for automatic enrolment of all new employees.
Continue to implement standardisation of HSE Management System proceure, contract conditions and pre-qualification of Service Providers.	<ul style="list-style-type: none"> • Tender process standardised and contained in Group HSE Procedure. • Forms developed and implemented. • MAM implemented Rapid Induct pre-qualification. • Development (other than construction) prequalification yet to be implemented.
Continue to develop and provide standard HSE conditions of contract for use across Mirvac.	<ul style="list-style-type: none"> • Model clauses developed and available on request. • Review of 20 contracts undertaken on request.
Implement a shared services model across HSE at Mirvac.	<ul style="list-style-type: none"> • Shared Services model formalised. • Part implementation Hotels and MAM. • Model put to Board HSE&S Committee May 2010. • Model to be redeveloped. • Development yet to be implemented.
Appoint the Service Provider as Principal Contractor/Controller for the works in contract conditions wherever practicable.	<ul style="list-style-type: none"> • Verified in contract conditions. • HSE Management System includes PC requirement. • Objectives and targets drafted for Development include PC requirement.
Undertake random audit of Service Providers at Mirvac workplaces.	<ul style="list-style-type: none"> • HSE implementation (audit) tool implemented for Service Providers. • MAM audit of service providers initiated monthly.

MEASURING AGAINST LAST YEAR'S GOALS

Goals, objectives and targets from 09/10	Financial year 10 Report
Continue to provide high quality, consistent, accurate and practical sustainability information that meets Mirvac stakeholder's needs.	Various stakeholders requests dealt with on an on-going basis. A range of compliance and voluntary sustainability data is published on www.mirvac.com and other sources eg EEO, CDP, NGERs, DJSI.
Develop a builder sustainability information sheet including issues of waste management and recycling, safe work practices and materials selection.	See Case Studies. Construction teams complete an Information Sheet and reports on waste, recycling, energy and fuel use as part of monthly HSE reporting.
Develop and distribute sustainability focused industrial tenant education materials.	No new initiatives undertaken in FY10.
Run a retail tenant awareness campaign on waste reduction and recycling for at least 30 per cent of retail centres.	On going programs in selected retail centres and recycling data published in the Environment Chapter.
Improve reporting on our community contributions, providing enhanced transparency on where we contribute to the community – through sponsorship, donations and volunteering.	See the Community Chapter.
Track and report on charitable contributions through the Mirvac Foundation.	See the Community Chapter.
Develop H&R preferred arrangement to support fund raising activities of community based organisations through donation of accommodation, room hire or meals.	See Community Chapter.
Continue to work within our network to advocate for and contribute to a more sustainable built environment.	See Environment Chapter and Memberships Chapter. Mirvac engaged with a variety of partners and initiatives, eg PCA, NABERS, GBCA, EEO.
Investigate suitable opportunities to participate in international corporate sustainability initiatives.	Signed the Copenhagen Communiqué.
Achieve a more consistent approach to stakeholder engagement.	See Community Chapter and Memberships Chapter. Continued to expand out stakeholder engagements in FY10.
Undertake a 12 month follow-up survey of customers on the performance of and their satisfaction with the sustainability features of their new homes.	Included sustainability questionnaires on some developments.
A stakeholder and community consultation plan prepared and implemented for 100 per cent of residential and retail developments.	Detailed in the development sustainability Scorecards. Community consultation plans implemented for individual Development Victoria projects at Waverley Park and Austral (Harcrest) as part of planning approvals, and at Gainsborough Greens.
Increase our understanding of sustainability impacts and opportunities of our suppliers.	See Case Studies and Environment Chapter.
Communicate our sustainability objectives, targets and activities to suppliers.	See Case Studies and Environment Chapter. Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Develop a purchasing policy giving consideration to environmental and social performance and opportunities to 'buy local'.	See Case Studies and Environment Chapter. Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Establish a program to benchmark performance of suppliers.	See Case Studies and Environment Chapter.
Continue to establish innovative preferred supplier partnerships with suppliers of materials, products and services.	See Case Studies and Environment Chapter.
Options for improved energy efficiency to be considered and reported for each Industrial development.	Industrial development at Smithfield incorporated energy efficient lighting.
Water saving opportunities, including rooftop and stormwater harvesting and grey water recycling, to be investigated for all new industrial developments.	Industrial development at Smithfield incorporated water harvesting initiatives.
Water efficient landscape design, including careful selection of plants and irrigation methods, to be undertaken in all industrial developments.	Detailed in the Development Scorecard.
Suitable rated water efficient fixtures and fittings to be installed in all industrial developments.	Detailed in the Development Scorecard.
A requirement for suitably rated water efficient fixtures and fittings to be included in H&R development specifications.	Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Examine opportunities to specify product packaging/design/delivery to reduce site waste.	Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Provision of recycling services to be incorporated into the design of all developments.	Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Utilise local native species in landscaping of industrial public areas.	Industrial development at Smithfield used native species in the newly landscaped areas.

Goals, objectives and targets from 09/10	Financial year 10 Report
Undertake tree retention program on all relevant sites.	Detailed in the H&R Sustainability Guidelines and the Development Scorecard.
Maintain local native species in landscaping of public areas of properties under management of MAM.	Included in routine procedures.
Undertake audits for at least 25 per cent of retail centres to identify opportunities for improved environmental performance.	Energy audit program underway, and data captured through EEO assessment program.
Smart electricity, natural gas and water metering system to be installed in all existing Mirvac owned H&R.	All hotels utilise smart electrical metering, except Sebel Cairns.
Determine feasibility of installing gas boosted solar hot water systems or heat pumps in 30 per cent of new homes.	Detailed in the Development Scorecard. 90 homes settled in FY10 at Waverley Park had Gas Boosted Solar hot Water systems installed as part of the Harmony 6+ Star range.
Determine feasibility of a minimum of 50 per cent of lighting in dwellings and common areas to utilise energy efficient lighting.	Detailed in the Development Scorecard. 90 Homes settled FY10 at Waverley Park had low energy light fittings throughout as part of the Harmony 6+ Star range.
Work with Group Sustainability Manager to select two residential developments to pilot green travel plans and report back findings to assess benefits.	Mirvac Development Victoria trialed a Green Travel Plan for the Melbourne head office with a 'Riding to Work' Fact Sheet.
Pilot green travel plans for occupiers and visitors of one retail centre.	Target not achieved.
H&R development specifications to be updated to include consideration of sustainability issues (in lieu of separate Sustainability Scorecard).	H&R Sustainability Guidelines utilised.
Include sustainability guidance within H&R Developer's Guide.	H&R Sustainability Guidelines utilised.
A requirement for improved energy efficiency opportunities to be considered and reported for all Mirvac owned new builds H&R to be included in development specifications.	See Environment Chapter. Royal Newcastle is detailed in the case studies.
A requirement for commercially available energy efficient HVAC and appliances, within one ENERGY STAR of maximum available to be utilised in all Mirvac owned new builds and refurbishments to be included in H&R development specifications.	See Environment Chapter. Target met at Citigate Perth Sebel Melbourne and Citigate and Sebel King George Square Brisbane.
A requirement for Compact Fluorescent Lamps to replace incandescent light bulbs in all Mirvac owned new builds and refurbishments to be included in development specifications.	Detailed in the H&R Sustainability Guidelines and Development Sustainability Scorecard.
A requirement for water efficient landscape design, including careful selection of plants and irrigation methods, to be undertaken in all Mirvac owned new builds and refurbishments to be included in H&R development specifications.	Detailed in the H&R Sustainability Guidelines.
A requirement for water saving opportunities, including rooftop and stormwater harvesting and grey water recycling, to be investigated in all Mirvac owned new builds and refurbishments to be included in H&R development specifications.	Detailed in the H&R Sustainability Guidelines.
Continue our program of NABERS Energy and NABERS Water ratings across our assets.	MPT, MWHF and Tuckerbox to complete NABERS Energy and NABERS Water ratings across all office and hotel assets. Engaged with non-Mirvac hotel owners to determine willingness to undertake NABERS Energy and NABERS Water ratings.
Average 4 Star NABERS Energy tenancy in all head office locations.	Sydney Head office achieved 4.5 Star NABERS Energy rating.
All taps to be 5 Star minimum and toilets are 4 Star minimum.	No Mirvac Office upgrades undertaken in this period.
Instigate the required operational changes and commission the necessary upgrade works to achieve a 3 Star base building NABERS Energy average on all commercial properties across the MPT and MREIT portfolio in the sustainability performance management and reporting program.	3 stars NABERS Energy target achieved and a new target set for FY11.
Pursue opportunities to improve resource efficiency and minimise GHG emissions.	See Environment Chapter and case studies.
Establish baseline levels for energy, water, waste and recycling, paper use and travel for each office.	Paper, energy and business travel monitoring in place. Commuter travel surveys undertaken at all head offices locations.
Examine opportunities for water saving through selection of laundry service providers in H&R.	Investigation undertaken at Sebel/Citigate Albert Park, but not practicable based on feedback of two main laundry suppliers.

MEASURING AGAINST LAST YEAR'S GOALS

Goals, objectives and targets from 09/10	Financial year 10 Report
Investigate opportunities for waterless urinals.	No building upgrades undertaken.
Recycling service to be provided at 90 per cent of all commercial properties.	Waste recycling facilities (minimum paper/ cardboard) are provided at 25 of 27 office and industrial properties (93 per cent) where Mirvac has responsibility to remove waste.
Reduce waste to landfill from all commercial properties to a maximum of 50 per cent by 2009.	Waste data published for non-Development sites.
Recycling service to be provided at 90 per cent of all retail centres.	Waste recycling facilities (minimum paper/ cardboard) are provided at 20 of 22 retail properties (86 per cent) where Mirvac has responsibility to remove waste.
Reduce waste to landfill from retail centres to a maximum of 50 per cent by 2009.	See Environment Chapter. Waste data is published for MPT MAM assets, rather than the asset type.
Glass recycling for back of house in all H&R where a service is available.	Glass crusher and recycling in place at Citigate Central Sydney, NSW, Sydney Marriott Hotel, NSW, The Sebel Pier One, NSW, The Sebel Surry Hills, NSW, The Sebel Resort and Spa Hawkesbury Valley, NSW and The Sebel, Parramatta, NSW.
Establish minimum requirements for recycling at each H&R including paper and cardboard, glass, aluminium cans, plastic bottles, telephone books, used light globes, used cooking oil and printer toner cartridges and implement where services are available.	See Environment Chapter. Detailed in the H&R Sustainability Guidelines.
Target a minimum of 10 large tenants directly to participate in the Mirvac and Tenants Environmental Sustainability ("MATES") Program.	Tenant program undertaken on bilateral basis with eight interested tenants, eg Miller St Committee.
Maintain local native/drought resistant species in landscaping of public areas of H&R properties, where applicable.	Detailed in the H&R Sustainability Guidelines.
Encourage commercial tenants to undertake a green travel plan.	No specific actions recorded in FY10.
Use recycled content and/or environmentally friendly paper and printing processes for all marketing collateral.	Majority of marketing collateral printed on recycled or environmentally responsible paper.
All timber to be certified sustainably harvested.	The majority of built-in timber used on projects is plantation grown. Mirvac has not knowingly specified any rainforest timber, and used recycled wood in some projects. Most solid wood is in form-work. See case studies and Environment chapter. Detailed in the H&R Sustainability Guidelines and the Development Sustainability scorecard.
Determine the feasibility of adopting environmentally friendly cleaning products for MAM managed properties.	Research undertaken into green cleaning opportunities.
Total VOC to be minimised, through selection of low VOC materials including fabrics, carpets, fibreboard, plastic products, sealants, glues and adhesives, solvents, paints and varnishes.	See Case Studies and Environment Chapter. Detailed in the H&R Sustainability Guidelines and the Development Sustainability Scorecard.
Improve the business processes for the identification of and response to climate change risks and opportunities.	See Governance Chapter and Environment Chapter. Captured in the Board HSE&S monthly meetings.
Work towards establishing emissions reduction targets for the Group.	Continued to improve GHG performance of building assets that serves as a basis for GHG targets. GHG targets set for some portfolio assets via NABERS and Green Star ratings. Scorecards contribute to more energy efficient developments.

CASE STUDY: The Royal Newcastle, NSW




With a rich and interesting history, The Royal holds a special place in the development and history of the area. The site was once a convict prison and then went on to become Newcastle's first public hospital.

The Royal has been captured on film and in a commemorative coffee table book. Audio recordings of past employees and patients have been secured and original architectural drawings and blue prints have been provided to the University of Newcastle and Hunter New England health and vast physical pieces of history have been harvested for future use within the site and other key public spaces.

To further engage the community, Mirvac has held a Sculpture Competition where the local community were encouraged to vote for the sculpture they wanted to see installed on Newcastle Beach.

Environmentally Sustainable Design Principles:

- The Royal's inclusion of a cogeneration plant will reduce CO₂ emissions by approximately 400 tonnes per year. The cogeneration plant generates electricity on site and also captures otherwise wasted heat from the electricity production to produce hot water for the development
- This is first of its size and type to be installed anywhere in a residential/mixed use development in Australia
- In addition to the cogeneration plant, hot water is also produced by a centralised, energy efficient, natural gas hot water system
- A large underground rainwater storage tank is used for common area landscaping drip feed irrigation and car washing in the car wash bay
- Low water usage appliances including dual flush toilets, WELS rated tap fittings and water efficient washing machines
- The majority of apartments incorporate natural cross ventilation and are designed to maximise solar access
- Air cooled energy efficient reverse cycle air conditioning systems
- Time control devices are fitted to common areas, including car parking levels, to control lighting and mechanical systems
- Energy efficient appliances are utilised
- The use of low water demand native trees and shrubs



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Limited Assurance Report to the Management and Directors of Mirvac Limited

We have carried out a limited assurance engagement in relation to Mirvac Limited's ('Mircac') Corporate Responsibility and Sustainability Report 2010 (the 'Report') in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter detailed below has not been presented and calculated in accordance with the criteria described below.

Subject Matter

The Subject Matter, as reported in Mirvac's Sustainability Report for the year ended 30 June 2010, which is limited to Mirvac's Australian operations, comprises:

1. applicable greenhouse gas emissions and occupational health and safety data, limited to:
 - i. Total direct emissions of greenhouse gases (Scope 1) (Pages 54-55);
 - ii. Total indirect emissions of greenhouse gases (Scope 2) (Pages 54-55); and
 - iii. Lost time injury frequency rates (LTIFR) (Page 42).
2. the self-declared GRI application level (Page 2)

Criteria

Management of Mirvac have determined methods considered appropriate for reporting greenhouse gas emissions and occupational health and safety data. There are no prescribed methods within Australia for determining the total greenhouse gas emissions or LTIFR for public reporting and the use of different methods can result in materially different amounts. Mirvac Management have determined the total greenhouse gas emissions taking an operational control approach using the Australian Government's National Greenhouse and Energy Reporting System (NGERS). Sources for emissions factors were drawn from the Australian Government's National Greenhouse and Energy Reporting (Measurement) Determination 2009. Mirvac has set policies based on AS1885.1 (Workplace injury and disease recording standard) for the classification of occupational health and safety incidents, including LTIFR disclosed in its 2009-10 Sustainability Report in the 'Health, Safety and Environment' section. Management of Mirvac have used the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines in assessing and self-declaring a GRI application level.

The Responsibility of Management for the Report

The management of Mirvac are responsible for the preparation and presentation of the Report in accordance with the criteria described above. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the data that is free from material misstatement, whether due to fraud or error; selecting and applying specific principles, methodologies, policies and data sources used to prepare and present the data attributable to the reporting entity; and making estimates that are reasonable, when appropriate.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the Subject Matter based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the Australian Standard for Assurance Engagements: ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This Auditing Standard requires that we comply with relevant ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether the specific activity data is free from material misstatement.

Our procedures included but were not limited to the following:

- ▶ Gaining an understanding of the greenhouse gas and occupational health and safety incident reporting processes supporting the business activities



- ▶ Conducting site visits to understand the basis management measure and identify sources of greenhouse gas emissions and occupational health and safety incidents
- ▶ Conducting interviews and collation of evidence to understand the process and controls supporting the data
- ▶ Reviewing incident reports on a sample basis to assess whether the classification of reported incidents were appropriately recorded
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Reviewing assumptions supporting the calculations of incidental emissions for reasonableness
- ▶ Reviewing the appropriateness of the presentation of information
- ▶ Reviewing Mirvac's self-declared application level of the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. These procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable engagement. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of Report

Our assurance report has been prepared for distribution to the management and directors of Mirvac only. We disclaim any assumption of responsibility for any reliance on this assurance statement or on the specific data to which it relates to any person other than management of Mirvac, or for any purpose other than that for which it was prepared.

Independence, Competence and Experience

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Conclusion

Based on our work described in this report nothing has come to our attention that causes us to believe that the Subject Matter, as presented in Mirvac's Report for the year ended 30 June 2010, was not presented fairly in all material respects, and calculated in accordance with the criteria detailed above.

Matters relating to electronic presentation of the Sustainability Report

Where web-links have been made from the Report to Mirvac's web pages for the purposes of meeting the declared GRI G3 application level, our review included that web-based information that was available via these web-links as of the date of this statement. We provide no assurance over changes to the content of these web links after the date of this assurance statement.

Ernst & Young
Sydney, Australia
16 December 2010

Trent van Veen, Partner

GLOBAL REPORTING INITIATIVE INDEX

The Global Reporting Initiative (“GRI”) is an international network-based organisation that has pioneered the development of the world’s most widely used sustainability reporting framework. GRI has been recognised globally as a valuable tool for measuring and assessing the performance of a business in terms of social, environmental and economic dimensions, as well as setting the parameters for feedback, engagement and continual improvement.

GRI is a voluntary reporting tool that promotes a standardised approach to reporting sustainability information. Sustainability reports based on the GRI framework can be used to benchmark organisational performance with respect to laws, norms, codes, performance standards and voluntary initiatives; demonstrate organisational commitment to sustainable development; and compare organisational performance over time.

Mirvac’s 2010 Corporate Responsibility and Sustainability Report is based on the GRI G3 guidelines to an A+ application level. Mirvac has responded on each core G3 indicator with due regard to the materiality Principle. The report has been independently verified by Ernst & Young for compliance with the guidelines, and their statement of compliance is provided on pages 86-87 of this report.

GRI INDICATOR

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13, 4.5 - 4.13, 4.16 - 4.17	Same as requirement for Level B	Report Externally Assured	Report Externally Assured	Report Externally Assured
G3 Management Approach Disclosures OUTPUT	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Report Externally Assured	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regards to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report Externally Assured	Report Externally Assured	Report Externally Assured

*Sector Supplement in final version

GRI Index

Report Reference¹

Strategy and Analysis

1.1	Statement from CEO and Chair	Pages 8-9 (From the Managing Director)
1.2	Description of key risks and opportunities and effects on stakeholders	Pages 8-9 (From the Managing Director) Pages 18-20 (Governance) Annual Report pages 112-119

Organisational profile

2.1	Name of the organisation	Mirvac Group
2.2	Primary brands, products, and/or services	Annual Report pages 4-5
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	Pages 6-7 (About Mirvac) Annual Review pages 1, 6, 7, 11 Annual Report pages 1-5
2.4	Location of organisation's headquarters	Level 26, 60 Margaret St, Sydney NSW Australia
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Mirvac operates in Australia, and New Zealand and manage a fund that has assets in Chicago
2.6	Nature of ownership and legal form	Annual Report page 1
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Annual Review pages 6-11 Pages 6-7 (About Mirvac)
2.8	Scale of the reporting organisation, including: number of employees, net sales, total capitalisation broken down, and quantity of products or services provided	Annual Review pages 1-14
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: location of or changes in operations, changes in share capital structure and other capital formation	Annual Report page 1-3
2.10	Awards received in the reporting period	Page 10 (Awards) Also listed on the website www.mirvac.com in the 'Awards' section

Report Parameters

3.1	Reporting period	Inside cover - 1 July 2009-30 June 2010
3.2	Date of most recent previous report	Corporate Responsibility and Sustainability Report 2009
3.3	Reporting cycle	Annual
3.4	Contact point for questions regarding the report or its contents	Inside cover - feedback
3.5	Process for defining materiality, including determining materiality, prioritising topics within the report, and identifying stakeholders the organisation expects to use the report	Page 12 (Sustainability at Mirvac)
3.6	Boundary of the report (eg, countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Inside cover - About this Report
3.7	State any specific limitations on the scope or boundary of the report	Inside cover - About this Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	Property Compendium available on the website www.mirvac.com in the 'Investor Information' section
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	Pages 48 - 61 (Environment) Mirvac CDP submission available on the website www.mirvac.com in the 'Sustainability' section

1. All references to the Annual Report, Annual Review and Property Compendium relate to the reports for the year ended 30 June 2010

GLOBAL REPORTING INITIATIVE INDEX

GRI Index	Report Reference
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (eg, mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Page 12 (Sustainability at Mirvac) No 2009 data has been edited
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Page 12 (Sustainability at Mirvac)
3.12 Table identifying the location of the Standard Disclosures in the report	Pages 86-94 (GRI Index)
3.13 Policy and current practice with regard to seeking external assurance for the report	Pages 84-85 (Assurance statement by Ernst & Young)
Governance, commitments and engagement	
Governance	
4.1 Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	Pages 18-21 (Governance) Annual Report pages 26-38
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	Annual Report pages 27-28
4.3 The number of members of the highest governance body that are independent and/or non-executive members	Annual Report page 6-8
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body Include reference to processes regarding: use of shareholder resolutions, and informing and consulting employees about working relationships with form representation bodies	Pages 18-21 (Governance) Pages 24-29 (People) Annual Review page 14 Shareholder information can be found in the Annual Report
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	Pages 12 (Sustainability at Mirvac) Pages 24-29 (People) Annual Report pages 11-22
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Pages 18-21 (Governance) Annual Report pages 30-31
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	Annual Report pages 6-8 and 26-38
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Policies available on the website www.mirvac.com in the 'About Mirvac' section – Corporate Governance
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Pages 18-21 (Governance) HSE Policies and strategies available on the website www.mirvac.com in the 'Sustainability' section - HSE
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Pages 18-21 (Governance)
Commitments to external initiatives	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Pages 21 (CR&S Policy) www.mirvac.com/sustainability

GRI Index		Report Reference
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Pages 86-94 (GRI Index) Annual Report pages 26-38
4.13	Memberships in associations and/or national/international advocacy organisations in which the organisation has positions in governance bodies: <ul style="list-style-type: none"> - Participates in projects or committees - Provides substantive funding beyond routine membership dues - Views membership as strategic 	Pages 11 (Memberships)
Stakeholder engagement		
4.14	List of stakeholder groups engaged by the organisation	Pages 24-29 (People) Pages 62-65 (Community) Pages 66-67 (Customers) Pages 68-69 (Suppliers) Pages 70-71 (Investors) Page 11 (Memberships)
4.15	Basis for identification and selection of stakeholders with whom to engage	Page 12 (Sustainability at Mirvac)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Pages 24-29 (People) Pages 62-65 (Community) Pages 66-67 (Customers) Pages 68-69 (Suppliers) Pages 70-71 (Investors) Pages 11 (Memberships)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	Page 12 (Sustainability at Mirvac)
Economic		
Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Annual report pages 40-45
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Pages 48-61 (Environment) Mircac CDP submission available on the website www.mircac.com in the 'Sustainability' section
EC3	Coverage of the organisation's defined benefit plan obligations	Superannuation contributions are made in accordance with legislative requirements
EC4	Significant financial assistance received from government	Page 52 (Environment)
Market Presence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Not reported
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Mircac does not currently report on this indicator as data is unavailable. We intend to cover this with our new objectives in FY11

GLOBAL REPORTING INITIATIVE INDEX

GRI Index

GRI Index	Report Reference
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Mirvac does not currently report on this indicator as data is unavailable. We intend to cover this with our new objectives in FY11

Indirect Market Presence

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Some local benefits of individual development projects are listed on www.mirvac.com Pages 72-74 (scorecards)
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	Some local benefits of individual development projects are listed on www.mirvac.com Pages 72-74 (scorecards)

Environment

Materials

EN1 Materials used by weight or volume	Mirvac does not currently collect this data, however, we will do so in the long term
EN2 Percentage of materials used that are recycled input materials	Data not collated centrally

Energy

EN3 Direct energy consumption by primary energy source	Page 54 (Environment)
EN4 Indirect energy consumption by primary source	Page 54 (Environment)
EN5 Energy saved due to conservation and efficiency improvements	Page 54 (Environment) Mirvac CDP submission available on the website www.mirvac.com in the 'Sustainability' section
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Pages 48-61 (Environment) Pages 72-74 (Scorecards) Mirvac CDP submission available on the website www.mirvac.com in the 'Sustainability' section
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	Pages 48-61 (Environment) Mirvac CDP submission available on the website www.mirvac.com in the 'Sustainability' section

Water

EN8 Total water withdrawal by source	Mirvac has not reported the Group total but has asset-level data on water consumption. We commit to improving our reporting data in financial year 2011
EN9 Water sources significantly affected by withdrawal of water	As far as we can ascertain, no water sources were significantly affected
EN10 Percentage and total volume of water recycled and reused	Not reported at a Group level

Biodiversity

EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All developments are subject to planning approvals and the Mirvac scorecard Pages 72-74 (Scorecards)
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GRI Index	Report Reference
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Mirvac had no operations in protected areas
EN13 Habitats protected or restored	Pages 72-74 (Scorecards)
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	Pages 72-74 (Scorecards)
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Pages 72-74 (Scorecards)
Emissions, Effluents and Waste	
EN16 Total direct and indirect greenhouse gas emissions by weight	Pages 54-55 (Environment)
EN17 Other relevant indirect greenhouse gas emissions by weight	Pages 54-55 (Environment)
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	Pages 54-55 (Environment)
EN19 Emissions of ozone-depleting substances by weight	Mirvac has reported HFC gases under NGERs, but not HCFCs. We do collate HCFC-22 from RAC use data as part of standard MAM management operations, and we commit to improving our reporting data in FY11
EN20 NOx, SOx, and other significant air emissions by type and weight	Mirvac has not reported on NOx or SOx emissions since these are not material to our operations
EN21 Total water discharge by quality and destination	Mirvac does not currently collect this data but will review this in the long term
EN22 Total weight of waste by type and disposal method	Page 55 (Environment)
EN23 Total number and volume of significant spills	None
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Mirvac waste is all transported locally. We have no verification if this waste is then transported overseas
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Pages 72-74 (Scorecards)
Products and services	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Page 37 (HSE) Page 72-74 (Scorecards)
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	This indicator is not applicable as Mirvac does not produce products that would be classified under this indicator
Compliance	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Page 41 (HSE)
Transport	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	Air travel is reported page 55 (Environment)
Overall	
EN30 Total environmental protection expenditures and investments by type	This is not quantified in financial terms. EEO program savings page 52 (Environment)

GLOBAL REPORTING INITIATIVE INDEX

GRI Index		Report Reference
Human Rights		
Investment and Procurement Practices		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Not applicable as Mirvac operates in the countries which have legislation addressing human rights issues
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Not applicable as Mirvac operates in the countries which have legislation addressing human rights issues
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Not applicable as Mirvac operates in the countries which have legislation addressing human rights issues
Non-Discrimination		
HR4	Total number of incidents of discrimination and actions taken	None
Freedom of Association and Collective Bargaining		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	None
Child Labour		
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Not applicable as Mirvac complies with employment legislation in the countries in which we operate
Forced and Compulsory Labour		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	Not applicable as Mirvac complies with employment legislation in the countries in which we operate
Security Practices		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Not applicable as Mirvac operates in the countries which have legislation addressing human rights issues
Indigenous Rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	None
Labor Practices		
Employment		
LA1	Total workforce by employment type, employment contract, and region	Page 29 (People)
LA2	Total number and rate of employee turnover by age group, gender, and region	Page 29 (People) National data reported for Australia Turnover data measurement is under development, we intend to report in the medium term
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Page 28 (People)
Labor/Management Relations		
LA4	Percentage of employees covered by collective bargaining agreements	Mirvac does not currently report this data but will review this in the long term
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Mirvac does not currently report this data but will review this in the long term

GRI Index		Report Reference
Occupational Health and Safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Pages 18-21 (Governance) Page 32-45 (HSE)
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	Page 41 (HSE)
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Page 29 (People)
LA9	Health and safety topics covered in formal agreements with trade unions	Not applicable
Training and Education		
LA10	Average hours of training per year per employee by employee category	Page 43 (HSE) Data is aggregated
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Page 43 (HSE)
LA12	Percentage of employees receiving regular performance and career development reviews	Pages 24-29 (People)
Diversity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Pages 18-21 (Governance) Annual Review page 5 Annual Review pages 6-8
LA14	Ratio of basic salary of men to women by employee category	Page 29 (People)
Social Performance		
Community		
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Pages 62-65 (Community)
Corruption		
S02	Percentage and total number of business units analysed for risks related to corruption	Annual Report page 31 Code of Conduct / Ethical Behaviour Policy, anti-Money Laundering and Counter-Terrorism Financing Policies available on the website www.mirvac.com in the 'About Mirvac' section - Corporate Governance
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	Anti-corruption policies are shared with employees as part of our induction training Code of Conduct / Ethical Behaviour Policy, anti-Money Laundering and Counter-Terrorism Financing Policies available on the website www.mirvac.com in the 'About Mirvac' section - Corporate Governance
S04	Actions taken in response to incidents of corruption	No incidents of corruption reported

GRI Index		Report Reference
Public Policy		
S05	Public policy positions and participation in public policy development and lobbying	Page 11 (Memberships) Annual Report page 31
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Annual Report page 31
Anti-Competitive Behaviour		
S07	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes	Nil
Compliance		
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Nil
Product Responsibility		
Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	http://www.mirvac.com/health-safety-environment
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Page 41 (HSE) http://www.mirvac.com/health-safety-environment
Product and Service Labelling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	See NABERS and Green Star Ratings Pages 56-57
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Pages 72-74 (Scorecards) Pages 62-65 (Community)
Marketing Communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Annual Report page 31
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	None
Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None
Compliance		
PR9	Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services	Page 41 (HSE) Fine of \$4,500



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