

We're committed
to leaving a positive
legacy and to being
a force for good.

Mirvac is a leading, diversified, Australian property group, with an integrated development and asset management capability. Recognising the contribution we make to Australia's major cities, our purpose, to **Reimagine Urban Life**, inspires us to be a *force for good*.



This year's sustainability report is dedicated to Susannah West, our dear friend and colleague, without whom this report and a number of our key sustainability achievements could not have been realised.

Susannah was an incredibly gifted engineer and leader in sustainability who had an unwavering passion for the environment.

She was instrumental in relaunching the refreshed strategy in 2018, a co-author of Planet Positive, and the driving force behind our first report under the Task Force on Climate-related Financial Disclosures framework.

Her grace, her intelligence and her dedication will be remembered always.



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FOREWORD



At Mirvac, ensuring the sustainability of our business is about identifying the environmental, social and governance issues and opportunities that matter most to us and our stakeholders, setting motivating targets to tackle these issues collaboratively, and supporting our business divisions to focus where they can make the most difference.

We see every member of the Mirvac team as a sustainability professional – ensuring that in all that we do we are mindful of the planet, of our opportunity to enrich communities and of upholding our ethical standards. Transparency is critical, including, and perhaps, especially, when no one is looking.

We are all held to high standards of sustainability performance and each member of the team, from our Board right through to the front line, is asked to make more sustainable choices in their every day activities to help us strive towards big goals.

In June last year, we announced a refresh of our strategy, This Changes Everything, which has an emphasis on our organisational purpose and being a force for good. We refined our material issues from 19 down to six, and I'm pleased to say we have made excellent progress against these focused targets. We're now facing in the same direction and have drawn on the strengths of our diversified business to facilitate each division putting their energies into the most relevant goals. Our achievements are outlined in this extract of the Group's annual report.

It's been great to see a growing enthusiasm and creativity amongst our people for sustainability – both environmental and social. We see it come to life in the way our project teams are approaching sustainability in the early stages of development; our relationships, such as that with solar energy company, Allume; and our increasing social procurement to use our purchasing power for good.

As well as the achievements set out in this report, such as releasing our plan to reach net positive carbon and exceeding our goal to triple our community investment by 2022, we have also released our first report under the Task Force on Climate-related Financial Disclosure framework, as well as an update on our progress towards managing and reporting on modern slavery risk in our operations and supply chains.

You can read each of these reports on our annual report website here: <https://annualreport.mirvac.com>.

We look forward to continuing to share the progress of our sustainability strategy with you openly and honestly along the way.

Sarah Clarke
Group General Manager,
Sustainability & Reputation



ABOUT MIRVAC

Mirvac is an Australian Securities Exchange (ASX) top 50 company and one of Australia's leading and most innovative property groups. Since 1972 Mirvac has played a vital role in the evolution of our cities, *reimagine urban life* and creating places that enrich the lives of many thousands of Australians.

Our reputation as a leader in Australia's property industry has been built by delivering innovative and exceptional workplace precincts, retail destinations, high-quality homes and connected communities for our customers, while driving long-term value for our stapled securityholders. We own and manage assets across the office, industrial and retail sectors in our investment portfolio, and we currently hold approximately \$22 billion of assets under management.

Our integrated approach gives us a competitive advantage across the lifecycle of a project. From site acquisition, urban planning and design, through to construction and development, leasing, sales and marketing, property management and long-term ownership, we exercise control over the entire process. Our integrated model also ensures stable income and growth through a balance of passive and active capital, enabling us to respond to fluctuations in the property cycle.

Our goal is to add value to Australia's cities through innovative, visionary design, development, asset management and construction. Our team is committed to operating in a way that is economically, socially and environmentally sustainable in order to leave behind a lasting, positive legacy in everything that we do.

OUR PURPOSE

As our company grows and we take on more challenging projects in different sectors, it is more important than ever to be united behind a single purpose.

At Mirvac, we are in business to *reimagine urban life*. This purpose drives all employees at Mirvac to look beyond profit. It inspires us to be a force for good and leave a positive legacy in everything we do.

Whether it be breathing life into underutilised spaces, lovingly restoring and adapting heritage buildings, creating dynamic new workplaces or bringing to life connected communities where families can grow and thrive, we are committed to enriching the lives of our customers and communities.

We know that to *reimagine urban life* is a great challenge, and it comes with much responsibility. Our passionate, highly engaged workforce has embraced the challenge to think differently, to act conscientiously and apply their experience, passion and energy every day in the pursuit of an enhanced urban environment for us all to enjoy.

WHAT WE DO

We're a creator, owner and manager of some of Australia's most renowned and recognisable projects, with a strategy to be focused, diversified and integrated. This means:

WE ARE FOCUSED

deploying capital with discipline and delivering on our promises, with a strong focus on our customers.

WE ARE DIVERSIFIED

maintaining an appropriate balance of passive and active invested capital through cycles, and retaining capability across the office, industrial, retail and residential sectors.

WE ARE INTEGRATED

leveraging our integrated model to create, own and manage quality Australian assets.

Underpinning this strategy is a commitment to our people, our customers, innovation, technology, sustainability and safety. We're passionate about creating long-term value for our securityholders and having a positive impact on the communities in which we operate.

Both our strategy and our purpose to *reimagine urban life* continue to produce strong results across the business.

ASX TOP 50

One of Australia's *leading & most innovative* property groups





Reimagine urban life



REIMAGINING URBAN LIFE, SUSTAINABLY



RESOURCES REIMAGINED



CLIMATE CHANGE

Net positive (carbon)

2030

10MW renewable energy installed

2023

5MW renewable energy installed
Carbon intensity reduced by 5% in O&I and Retail

2021

2020

Net positive (carbon) white paper released

2019



NATURAL RESOURCES

Net positive (water)
Zero waste to landfill

80% operational waste recycled
Water intensity reduced by 5% in O&I and Retail

Water white paper released¹

Waste white paper released
Water metering and monitoring installed

96% construction waste recycled



OUR COMMUNITY

Net positive legacy

Community wellbeing measure developed

Triple community investment

Community engagement standard developed

Social return on investment report released

ENRICHED COMMUNITIES



SOCIAL INCLUSION

\$100m social sector investment

\$30m social procurement by 2025

Social enterprise capacity building partnership launched

Social housing investment pilot launched

House with No Bills research findings released

Unlimited paid volunteer leave
Define social procurement

TRANSPARENT GOVERNANCE



OUR PEOPLE

Highly engaged, capable and diverse workforce

40:40:20 women in senior management

20% improvement in health and wellbeing

Personalised health and wellbeing support implemented



TRUSTED PARTNER

Most trusted owner and developer

2030

2022

2020

2019

ONGOING

- Maintain Board climate capability
- New office buildings NABERS 5.5 Star Energy
- All new Residential projects to include solar

ONGOING

- All (new) office Gold WELL rated

ONGOING

- Maintain global high performing engagement
- Maintain Risk Culture Index performance
- Understand and share stakeholder trust feedback
- Clear earnings visibility/guidance
- Transparent reporting
- Maintain Board diversity



1. Target extended from 2020.

SUSTAINABILITY

EVOLVING OUR APPROACH TO SUSTAINABILITY

Since Mirvac released its strategy, *This Changes Everything*, over five years ago, there has been a notable change in our approach to sustainability. From the way we design and manage our assets to the new technologies we're implementing across the Group, being environmentally and socially responsible has become firmly embedded at Mirvac. As well as ensuring we're delivering value to our securityholders, we're continuously looking at how we can reduce our impact on the planet, affect positive change in our communities and ensure that we remain a force for good.

We announced a refresh of *This Changes Everything* in June last year, taking our material issues from 19 to six. By doing so, we believe we can focus on the things that matter most to Mirvac and our key stakeholders so we can make a bigger difference in these areas. These material issues comprise climate change, natural resources, our communities, social inclusion, our people, and being a trusted partner.

Each of these material issues and their key milestones are outlined on page 38.

OUR PROGRESS TO DATE

We've made significant progress since we released our refreshed sustainability strategy, and it's been pleasing to see our environmental and social impact become a more fundamental part of the choices we make.

One of our key achievements in FY19 was the release of Planet Positive, our plan to reach net positive carbon by 2030 (see page 40 for more). Climate change is one of the biggest risks businesses face, and eliminating our carbon footprint is not only the right thing to do for the planet and for future generations, it's critical to our long-term success.

Some of the key steps we'll take to reimagine our resources will be to continue to prioritise energy efficiency and commit to renewable energy. Our focused work to reduce our impact has led to our portfolio being one of the greenest in the country, with three 6 star NABERS Energy ratings, constituting a quarter of all 6 star NABERS Energy buildings.

In light of the significant risks posed by climate change, we've also begun reporting our climate risks and mitigations under the Task Force on Climate-related Financial Disclosures framework.

Recognising that there is now an increased requirement from the community for business to do better, and in line with our commitment to leave a positive legacy, we've also defined our community engagement standard, starting with our Residential business. Local communities and their representative governments are critical stakeholders for us, and we aim to be their most trusted development partner. Setting a high standard and a consistent approach to how we engage ensures that we can continue to help deliver communities that flourish.

Investing in our communities is also a priority at Mirvac, and right across the Group we see people making choices that combine good commercial outcomes with genuine social contributions. Last year, we set a target to triple our community investment by 2022 from our FY17 baseline, and in the first year we increased this by 81 per cent. This year, we exceeded our 2022 target early, with our community investment increasing by more than 800 per cent since FY17. This was driven largely by our investments in upfront amenity at our residential communities, such as schools and parks.

We also released our first Social Return on Investment (SROI) report during the financial year (see page 28), which outlines our findings of an SROI analysis of 27 residential projects. As our first attempt at measuring our social impact, it wasn't perfect, but we remain committed to progressing our work in this area.

Another key achievement this year was defining our social focus – to build strong bonds – so we can better align the support we provide through our community activities and have a more meaningful impact. Our unlimited paid volunteer leave provides a great way for our employees to continue to build strong bonds in the community, whether those are physical, as our teams from across Development, Design, Construction, Des+Pres and Marketing showed with the work they did for the Westmead Children's Hospital, Sydney (see page 41), or relational, such as working with local communities.

During the financial year, we were also proud to announce a partnership with social enterprise, Homes for Homes (see page 26), which will see 0.1 per cent of proceeds directed from the sale of 300 homes to their fund in perpetuity, helping to address the need for more social and affordable housing in Victoria.

Some of the targets in our strategy are now core to our business, such as our high-performing and engaged workforce, 50 per cent gender diversity on our Board, and the transparent reporting of our business and of our earnings.

There's no doubt we still have a lot of work to do. Next year, we'll release our plan around waste, and change our energy supply arrangements to take a big leap forward on renewable energy and eliminating our carbon emissions.

We see great value in measuring our social impact, and we'll take the lessons we learned from our first endeavour to progress our work in this area.

We're also going to develop a method to measure a sense of belonging at our residential communities so that we can work towards tackling the growing epidemic of loneliness.

Having reached our community investment target three years early, we'll be looking to set a new target which further demonstrates our commitment to leave a positive legacy. We'll also continue to progress our target to direct \$100 million to the social sector, including social procurement.

MOST RELEVANT SUSTAINABLE DEVELOPMENT GOALS



PLANET POSITIVE: OUR PLAN TO REACH NET POSITIVE CARBON BY 2030

Climate change is one of the greatest challenges we face today, with the potential to significantly impact our business, as well as our planet, in a number of ways. Construction delays, loss in productivity, rising material, water and energy costs and damage to property are just some of the climate-related risks we face as weather events caused by higher temperatures continue to become more extreme.

The built environment is responsible for approximately 25 per cent of Australia's carbon emissions and as a leading Australian property group, we have a responsibility to reduce our impact on the environment and address climate change risks.

This year, we released Planet Positive: our plan to reach net positive carbon by 2030. It explains the strategies we'll adopt to achieve and exceed net zero within our portfolio by 2030, even as new developments come on line and our business grows, making sure that we balance environmental, social and commercial sustainability requirements.

We're mindful that as well as our responsibility to the planet, we have a responsibility to make choices that are cost-effective. Transitioning to a lower carbon economy sooner rather than later means we will be financially better off too.

Our strategy involves maximising energy efficiency and building all-electric buildings powered by 100 per cent renewable energy. After all, we believe the cheapest tonne of carbon for Mirvac and for the planet is the one we don't emit.

Emissions tCO ₂ e	FY13	FY18	FY19	FY19 Source data
Scope 1				
Natural Gas	2,697	4,007	4,193	81,816 GJ
Refrigerants	1,383	1,513	843	496kg
Diesel	2,333	1,154	1,375	507,506L
Petrol	646	101	130	54,629L
LPG	7	54	81	52,087 L
Total Scope 1	7,066	6,828	6,623 ✓	
Scope 2				
Electricity	71,426	73,772	78,041 ✓	95,242,179kWh
Total Scope 1 + 2	78,492	80,600	84,664	
Scope 3				
Natural gas	471	582	639	81,816GJ
Electricity	12,542	9,555	8,962	87,118,091kWh
Travel	2,812	3,304	2,982	10,258,259km
Waste	9,915	8,017	10,164	48,551T
Diesel	178	59	71	507,506L
Petrol	51	5	7	54,629L
LPG	1	3	5	52,087L
Total Scope 3	25,970	21,525	22,829 ✓	
Total	104,462	102,125	107,493	
Potable water usage (kL)				
Retail	492,216	485,976	493,605 ✓	
Office & Industrial	349,597	453,826	488,577 ✓	
Total (kL)	841,813	939,802	982,182	
Total waste (tonnes)				
Construction	35,565	23,393	21,377 ✓	
Investment	12,833	25,685	27,173 ✓	
Total	48,398	49,078	48,551	
Construction			96% Recycled ✓	4% Landfill ✓
Investment			69% Recycled ✓	31% Landfill ✓

Note: A minor error in Scope 3 Electricity emissions FY18 is corrected in this version. Emissions estimates follow NGERs emissions accounting requirements except for refrigerants; Mirvac includes emissions related to R22 use.

“

As a result of our work to be net positive carbon, by 2030 and for each year afterwards, the carbon we don't emit will be equivalent to planting 1.4 million trees and taking over 22,300 cars off the road.

”

Sarah Clarke, Group General Manager of Sustainability and Reputation





Mirvac team in Vietnam

CONCLUDING OUR FIRST RECONCILIATION ACTION PLAN

Mirvac embarked on its first Reconciliation Action Plan (RAP) in July 2017 and we are proud of what that plan has helped us to achieve. Our RAP has given us a platform from which to build stronger relationships with Indigenous Australians and create greater respect and opportunities.

By listening and engaging with local partners, we have developed some great working relationships, such as our partnership with Yerrabingin at our South Eveleigh development which resulted in Australia's first Indigenous rooftop farm. Together we were able to co-create an experience at the precinct that will engage and connect the community to Aboriginal culture and traditions, while educating them on the history of the site.

Through cultural awareness education, we have been able to begin providing our people with the knowledge and experience to help them consider the cultures of Aboriginal and Torres Strait Islander people in the delivery of our projects.

We have also learned a lot about how we can do things differently in the future. We recognise that our biggest opportunity for impact is through procurement, and by directing our buying power towards Indigenous owned businesses. Since launching the RAP in July 2017, we have procured \$8.2 million of goods and services from Indigenous businesses, and we know through our relationship with Supply Nation that Indigenous businesses are 100 times more likely to employ Indigenous people.

In the coming months we will be developing the next iteration of our RAP, and we will continue to engage with the key stakeholders to ensure this plan is reflective of their needs. We look forward to launching this at the beginning of 2020.

BUILDING STRONG BONDS

As a leading Australian property developer, we recognise that we're in a unique position to have a positive impact – through the way we build and manage our investment assets, apartments and houses, as well as the relationships we cultivate in our communities.

In FY19, we renewed our overall social focus to build strong bonds. As well as allowing us to have a much deeper and more meaningful impact in the communities in which we work, this also means we can provide opportunities to those who don't always get them and leave a positive legacy.

Our Homes for Homes initiative (see page 26), is just one way we're building strong bonds with the community – in this case, providing funding to increase access to social and affordable housing in Victoria.

Members of our leadership team took building strong bonds to another level in May this year, volunteering their time and raising money to help build a home for a disadvantaged family in Vietnam. Together with our strategic partner, Boral, the team worked with Habitat for Humanity over the course of a week, using their unlimited volunteer leave to do so. While the 40-degree heat and 80 per cent humidity were certainly no walk in the park, the group helped to construct two-thirds of the home and raised close to \$130,000 in the process.

We also believe we can build strong bonds to help combat loneliness in Australia. Research by Swinburne University and the Australian Psychological Society found that one in four Australian adults are lonely, and that lonely Australians have significantly worse mental and physical health than those Australians who felt connected.

At Mirvac, we have an opportunity to build strong relational bonds through volunteering, such as our annual National Community Day; through the amenity we deliver at our sites and by creating spaces that encourage interaction; and through community events, such as Mirvac's Summer Festival that runs across our residential projects each year.

Our Construction and Development teams also continued to strengthen their bonds with the Westmead Children's Hospital in Sydney during the financial year, helping to refurbish the parents' accommodation and kids' playground, as well as working with our partners to deliver The Teddy Bear Clinic at the Sydney Royal Easter Show. The Teddy Bear Clinic was designed so that kids (and adults) could experience for themselves some of the aspects involved in being treated at the hospital and received both the Gold and Best in Show awards for the exhibit.

In the next financial year, we'll continue to progress our social focus of building strong bonds in the activities we run across our business, and we'll look to develop a method that measures a sense of belonging to help avoid loneliness.

ENRICHING COMMUNITIES

\$16,139,531 ↑822%

of community investment (including \$1,401,307 of management costs)

\$951,967

value of hours of support

\$836,566

in kind donations

\$728,218

leverage contributions

\$12,949,691

cash donations



FORCES OF CHANGE

As our cities continue to expand, and our industry evolves at an increasingly rapid pace, our business is challenged to forecast and act upon what the urban landscape will look like in the coming years. We are acutely aware of a number of significant macro-trends that are shaping our world. As a leading Australian property group, we're focused on monitoring these trends and understanding their potential impact to our business, our workforce and our customers, in order to both manage the risks and embrace the opportunities they present.



HOUSING AFFORDABILITY

Despite recent housing market declines, Australia remains one of the most expensive places in the world to buy a house¹. The result is an intergenerational divide where younger generations have diminishing prospects of buying a house in the established neighbourhoods their parents enjoy. Our initiative, The Right Start, gives first home buyers a leg up towards buying their first property. We've also further advanced our involvement in the emerging build-to-rent sector, and launched a Rent-to-Buy product in WA, which we believe will improve choice, quality and security of tenure for renters and give them a helping hand towards home ownership.



EQUALITY AND EMPOWERMENT

Over the past 12 months, we have seen an increased focus on the violation of human rights; from Australia's disturbing rate of violence against women, to attempts to curb the widespread global problem of modern slavery. As a White Ribbon Workplace, we have taken active steps to break the cycle of violence against women, providing our workforce with tools that build respect, support equality and assist community groups who are doing the same. As a founding member of the Australian Supply Chain Sustainability School, we have been working with other Australian companies to make better supplier choices to help eradicate exploitation and modern slavery. We also want to support and empower companies that deliver positive social outcomes. Over the next 10 years, we're continuing towards our goal to direct \$100 million to the social sector, including through social procurement with Indigenous businesses, social enterprises, and B Corps².



1. The Economic Intelligence Unit's Worldwide Cost of Living Survey 2019.
2. A certified B Corporation is a business that meets the highest standard of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.
3. The Global Assessment Report on Biodiversity and Eco-System Services, 2019 (IPBES).



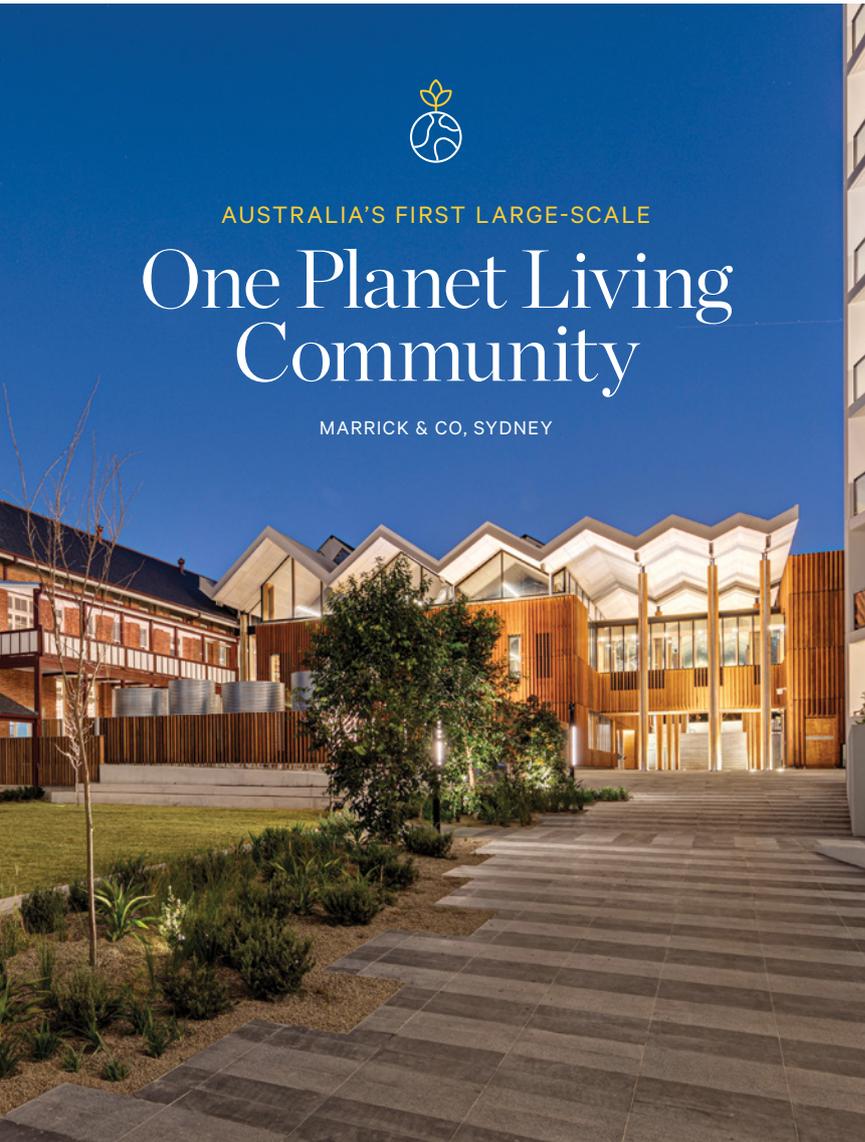
CHALLENGES FACING THE BUILDING INDUSTRY

The building industry was the subject of heavy scrutiny during FY19, following concerns about building quality and the use of combustible cladding. As a result, we are seeing a greater understanding from our customers that the underlying value of any property is dependent on the quality of the design and construction. Our unique integrated capability enables us to exercise tight control over the quality of our projects, throughout their entire lifecycle. This commitment to quality and design excellence over 47 years has built trust and confidence in our brand.

DETERIORATION OF INSTITUTIONAL TRUST

The findings of recent Royal Commissions, together with the recent political uncertainty, further undermined the foundations of public trust in Australia in FY19. In this climate, we believe we have more responsibility than ever to be a force for good. As such, we've renewed our efforts to ensure we are trusted by our customers and securityholders by being transparent in our reporting processes. We continue to listen to stakeholders to understand where we are doing well, and where we need to improve. Underscoring our commitment to be a force for good in our communities, we've far exceeded our goal to triple our community investment three years ahead of target, and have introduced unlimited paid volunteer leave so that our people can give back in their own communities.

we believe we have more responsibility than ever to be *a force for good*



AUSTRALIA'S FIRST LARGE-SCALE

One Planet Living Community

MARRICK & CO, SYDNEY



CLIMATE CHANGE

This year, the City of Sydney joined 600 other municipal bodies from around the world in declaring a climate emergency. The devastating impacts of climate change continue to come to light with the latest research³ showing one million species are threatened with extinction and calling out the current global response as insufficient. Our sustainability strategy, *This Changes Everything*, has seen Mirvac implement transformative change across the business. This year, for instance, we released our plan to reach net positive carbon by 2030 which sets out the actions we'll take to reduce our carbon emissions and ultimately, eliminate more than we emit. We also delivered Australia's first large-scale One Planet Living Community at Marrick & Co, Sydney which adheres to a framework that supports residents to live comfortably within the earth's resources.



DIGITAL DISRUPTION

New technologies are transforming the way we live, work and play. We welcome the opportunities presented to our business and the ways in which new technologies enable us to innovate as part of our purpose to reimagine urban life. Digital disruption typically marks changes in consumer needs and tastes and we have therefore tasked our innovation team, Hatch, to explore ways in which our business can help digital natives thrive. We are also implementing smart technology across our portfolio and using data across our business to better understand our customers, tenants and communities, in order to create places that meet and exceed their expectations.



CONTINUED EXCELLENCE AT EY CENTRE

When it was completed in 2016, EY Centre, 200 George Street, Sydney was a one-of-a kind building, featuring a world-first closed cavity timber façade and blind system, LED lighting throughout the entire building and a comprehensive metering and monitoring system. Its unique architecture, leading sustainability features and world-class innovation have seen the Francis-Jones Morehen Thorp-designed building collect 19 awards over the past three years.

In FY19, EY Centre was recognised again for outstanding building performance, winning the prestigious International Project of the Year award and the Building Performance Champion at the Chartered Institution of Building Services Engineers (CIBSE) Performance Awards in London. As well as building performance, the awards recognised EY Centre’s high levels of user satisfaction and comfort, and its significant and measurable reduction of energy consumption and carbon emissions.



The judges noted that the EY Centre was ‘an exemplary project. The commitment to aftercare reinforces the true desire for a whole life approach. This should be the benchmark for all buildings.’

In addition to this, EY Centre received the Award for Best Sustainable New Development at the Property Council of Australia’s Innovation & Excellence Awards in May this year.

With EY Centre setting a new benchmark for sustainable design and delivery, Mirvac has now committed to a set of minimum sustainability design standards to be used for all future office developments and refurbishments. These include implementing LED lighting throughout all buildings; purchasing 100 per cent renewable energy to be used on site; ensuring a quality façade to optimise thermal comfort and energy efficiency; reducing potable water intensity; maximising the recycling capability at each asset; using highly efficient plant and equipment; and ensuring a high-performance building control strategy.



EY Centre, 200 George Street, Sydney

#HELLOSOUTHEVELEIGH

In May 2019, together with our consortium partners AMP Capital, Sunsuper and Centuria Property Funds, we celebrated the official opening of the first two buildings at the revitalised South Eveleigh precinct (previously known as Australian Technology Park). Axle, the first of two Commonwealth Bank of Australia workplaces to be delivered at the precinct, together with Yerrabingin House, which features a gym and childcare centre, marked a significant milestone in the transformation. The precinct is on track to be complete by 2020 and will be home to 18,000 workers, including 10,000 from Commonwealth Bank.



South Eveleigh will be home to 18,000 workers including 10,000 from Commonwealth Bank of Australia

Our vision for South Eveleigh is to create an environment for collaboration, innovation and exchange. We aim to achieve this by imaginatively mixing workspace with public and recreational facilities that engage the broader community, incorporating a variety of unique experiences to inspire creativity and ensure everyone feels welcome. This vision is now taking shape with a number of successful initiatives in place, which celebrate the rich history of the site, while creating strong cultural connections. We have a particular focus on the local Indigenous community which has such a strong history and presence in the Sydney suburbs of Eveleigh and Redfern.



Community day at South Eveleigh

CONNECTING PAST, PRESENT AND FUTURE

One example of a successful cultural and community initiative at South Eveleigh, is Australia's first Indigenous urban food production farm on the rooftop of Yerrabingin House. The aim of the venture was to create a unique space that offers an array of compelling engagement and educational experiences focused on celebrating and remembering Aboriginal culture.



Yerrabingin rooftop farm, South Eveleigh

Now open for business, the farm welcomes workers, visitors and the local community to a series of planned workshops to learn about Indigenous culture and native plants and tend to the farm. They also have the opportunity to purchase produce from the farm.

We have also worked closely with our neighbours, Carriageworks, on a comprehensive public art strategy for the precinct, with local artists commissioned to create pieces inspired by the history of Eveleigh. Indigenous artist Jonathan Jones, has commenced working on two artworks which celebrate the Indigenous legacy of the site. Jonathan worked closely with Indigenous elder, Uncle Chicka, to develop the artwork 'Welcome to Country'. Uncle Chicka worked at the Eveleigh Railway Workshops for many years and the artwork conveys his personal history of the site through letters stencilled into a series of banners that form a canopy above the entry garden.

Local artist Chris Fox was also inspired by the history of the precinct for his 'Central Pavilion', which will be an iconic meeting point at the heart of South Eveleigh's Village Square. Finally, artist Nell drew on her family history and connection with the Railway Workshops when designing her adult sized 'Treehouse' structure covered in hundreds of steel leaves. The artworks will play a crucial role in the activation of the site by sparking community conversations, imagination and engagement.



MEET THE ARTIST

Nell

Artist Nell was commissioned to deliver two major public artworks at South Eveleigh: 'Happy Rain' a light work for Yerrabingin House and 'Eveleigh Treehouse', a collaboration with design and architectural collective, Cave Urban. She shared her inspiration for the 'Treehouse', her personal connection with the site and the important role she believes public art plays in bringing communities closer:

“

My great-grandfather worked as a shunter and then boilermaker at Bay 4 at the Eveleigh Railway Workshops from 1931 to 1952. The job kept the family afloat during the depression. I learnt more about this time in my family's history after being commissioned to create the South Eveleigh artworks. 'Treehouse' tells the story of the convergence of nature and industry at the site over the last century.

Public art is an essential part of building a strong community. With 'Treehouse', we invited the community to over twenty working bees at Eveleigh Works (the blacksmith workshop) to help forge hundreds of tiny leaves which will adorn the structure. It was a great way to bring the community together for a shared purpose.

At South Eveleigh, public art was considered by Mirvac and its partners from the outset of the project and it is being integrated throughout the precinct in a sophisticated and interesting way. It has the power to harmonise the environment and make people feel good. 'Treehouse' will be a place where people can come and sit and have lunch or just contemplate their surrounds. It's designed to appeal to all generations and will have a ramp for pram and wheelchair access. It's really about bringing people together.

”

Artist Nell with Eveleigh Works blacksmith, Matthew Mewburn





Tramsheds, Sydney

Retail Snapshot

FY19	FY18	FY17
\$3.4bn Portfolio value	\$3.2bn	\$3.1bn
17 Number of properties	17	17
437,899sqm (excludes 1-3 Small St and 80 Bay St) Net lettable area	419,262sqm	418,578sqm
99.2% Occupancy	99.2%	99.4%
4.1 years Weighted average lease expiry	3.8 years	4.2 years
5.41% Weighted average cap rate	5.49%	5.67%
2.6% Like-for-like NOI growth	3.0%	3.0%



CONNECTING COMMUNITIES

As the average home size becomes smaller and people increasingly embrace apartment or medium-density living, our retail centres are, more than ever, providing a place for those in their local communities to socialise and connect. At Mirvac, we're continuously looking at how we can provide our customers with environments and experiences that extend beyond retail.

At Broadway Sydney, for instance, we piloted a unique co-working program called The Third Space, offering start-ups, freelancers, students and artists a high-tech rentable place to work, with the added benefit of being close to all the amenity a retail centre provides. The popular concept, which attracted over 3,000 bookings at Broadway during its 12-month trial, has now been implemented at Orion Springfield Central in Brisbane for the next 12 months.



Brisbane Street Art Festival, Toombul, QLD

We're also responding to a growing consumer trend for fresh and seasonal produce. At Tramsheds, Sydney we run a weekly farmers' market where visitors can purchase directly from local providers and attend workshops and masterclasses held by community operators. Launched in 2018, it continues to be a great day out for families while celebrating businesses in the area.

Recognising the role we play in bringing people together, Mirvac also runs a Mums & Co program nationally to connect parents, grandparents and carers in the community. This year alone, the program – which has over 31,000 registrations – has seen over 100 local events, meet ups and activations held at our centres, offering those in the community the chance to learn a new skill, meet over coffee or enjoy a night out.

Another popular initiative this financial year was the Brisbane Street Art Festival (BSAF), held at Toombul in QLD. Over ten high-impact surfaces of the centre were surrendered to local and international artists, who, over the course of two weeks delighted audiences with mural painting, graffiti art and live theatre. Members of the public were also invited to get their hands dirty and participate in the arts, with Toombul hosting a dedicated artist-in-residence pop-up space for the duration of the festival. The BSAF partnership builds on the success of the centre's regular sell-out artisan and maker workshops.



Rhodes Waterside, Sydney



1,600+
Retailers

440,000
square metres of GLA



Tramsheds, Sydney



continued to show our commitment to *equality and inclusiveness for all*

SOCIAL IMPACT

As well as connecting the community, Mirvac's retail centres are focused on having a direct and positive impact through a range of social initiatives.

At Cherrybrook Village in Sydney for instance, the centre management team worked with Anglicare to provide food relief for families in need, inviting customers to donate non-perishable food items, such as pasta, rice, tea and coffee and tinned goods, which Anglicare then delivered to families across Sydney. The response from the local community was fantastic, with over 3,000 food items collected at Cherrybrook alone.

Meanwhile at Toombul, Brisbane, the team partnered with not-for-profit, Nundah Community Enterprises Cooperative (NCEC), to provide people in the area who have learning difficulties, intellectual disabilities or mental illness with meaningful job opportunities. Being local means that it's easier for NCEC to stay connected with their employees, their employees' families and networks of support. The partnership is also aligned with the Group's target to direct \$100 million of our procurement spend towards the social sector under Mirvac's sustainability strategy, *This Changes Everything*.

We also continued to show our commitment to equality and inclusiveness for all, with our retail centres proudly showing their support for the Sydney Gay and Lesbian Mardi Gras during the financial year. The Group's Sydney retail centres were given colourful makeovers, with rainbow decorated escalators and pedestrian crossings, and at Broadway, Sydney a glittering disco lift experience was installed for customers to enjoy.

“
In this landscape, it's about being bold, continuously adapting to changing consumer behaviours and then refining our approach.

Retail is constantly evolving.

”

Susan MacDonald, Head of Retail



Riverside Quay, Melbourne

NATIONAL RECYCLING WEEK

One of Mirvac's commitments under its sustainability strategy is to send zero waste to landfill by 2030. It's another ambitious target (in addition to our targets to be net positive in carbon and water), and something that we can directly influence at our office, industrial and retail assets.

Each year, Mirvac participates in National Recycling Week, encouraging our tenants and customers to reduce their waste and to recycle. The focus in FY19 was on reducing single-use items (such as plastic bags, plastic straws and coffee cups) and contamination in our recycling streams. Contamination in recycling bins – such as food scraps or single-use plastic – can lead to a significant amount of avoidable waste.

Mirvac's retail centres took to National Recycling Week with gusto, running local promotions that reflected the centres' brand and the interests of their customers.

At our Birkenhead Point in Sydney, for example, we invited customers to trade in 10 plastic shopping bags in return for a reusable bag, designed by illustration artist, Sally Spratt. The team collected around 3,700 plastic bags to be sent to recycling in just one week, which is equivalent to over 20 kilograms of plastic.

The team at St Marys Village in Sydney offered their customers free reusable straws, helping to reduce the millions of single-use straws that flow into landfill each day. As well as introducing new recycling bins at the centre, St Marys Village has also implemented a Return and Earn Machine, with over 7.3 million plastic bottles, cans, glass bottles and cartons recycled as at 30 June, an initiative that will continue to run as a way of educating customers.

It wasn't just our retail centres that took part in the action. At the David Malcolm Justice Centre, our office tower in Perth, Western Australia, the team ran an Eco-Friendly Fair, with tenants of the building given an opportunity to enjoy the afternoon sun and talk to local businesses about composting, fermenting, reusable bags, beeswax wraps and micro waste.

Although National Recycling Week runs for just seven days of the year, Mirvac continues to strive for maximum resource recovery outcomes through robust service and trade agreements, along with strong due diligence on the facilities where our waste and recycling are processed. We also continue to encourage avoidance of waste in the first place and to improve source separation at each of our sites to reduce contamination.



Separate to National Recycling Week, our team at Cooleman Court in Canberra was named ACT's Biggest Recycler at the 10th annual Actsmart Business Sustainability Awards during the financial year. Their CooLo Recycling Warriors program, which encourages retailers to find ways to recycle and to reduce their carbon footprint, has seen recycling rates at the centre increase from 52 per cent in FY17 to 85 per cent in FY19, equating to over 600 tonnes of waste being diverted from landfill.



Toombul, Queensland

INNOVATIVE ENERGY SOLUTIONS IN RETAIL

Since 2017, our Retail team has been investing significantly in EV charging infrastructure at our retail assets, and in FY19, the team introduced an exciting new tenant at Toombul, Brisbane which brings with it an equally exciting EV offering.

Chargefox is the fastest growing open-charging network in Australia, and at Toombul it has installed a new state-of-the-art ultra-rapid charging station that delivers up to 200 kilometres of driving with just eight minutes of charge, or 400 kilometres with 15 minutes of charge. The station can charge two cars simultaneously and is backed up by 100 per cent renewable energy.

Mirvac has been leading the way when it comes to EV charging at our retail centres. An early adopter of the technology, we now have 84 charging bays offered across 12 centres within our portfolio, including 38 universal EV charging bays, 14 Tesla Supercharging bays and 31 Tesla destination charging sites (in addition to the Chargefox ultra-rapid station at Toombul).

When Mirvac unveiled the Tesla Supercharger at Broadway in March 2018 it was the only Sydney CBD outlet offering over 200 kilometres of charge in just 30 minutes. The same offer is being installed at Moonee Ponds Central in Melbourne.

“ We were one of the first retail landlords to make a comprehensive investment in EV charging infrastructure and while Australia has generally lagged in this space we see a great take up of this technology in the future.

It's a great demonstration of the way Mirvac is adapting for the future, facilitating a more sustainable urban landscape and supporting the growing needs of our customers.

”
Tim Weale, Mirvac's National Manager, Retail Solutions

In addition to EV chargers, Mirvac has committed to trialling an innovative solar energy solution at Stanhope Village in Sydney. The lightweight, portable solar technology, called SolPod, was launched in April this year by ERM Power and will provide renewable energy to the Centre. Weighing just 14 kilograms each, the panels can be installed and connected in hours, rather than days, meaning labour costs and safety risks are considerably reduced.

The commercial-grade solar panels are due to be installed on the rooftop of Stanhope Village in the next financial year, and are estimated to help Mirvac avoid approximately 100 tonnes of carbon emissions during the trial.

ALTONA NORTH

A PROJECT OF PURPOSE

Being a force for good is at the core of our business. We're committed to leaving a positive legacy in the communities in which we operate, and our new masterplanned community, The Fabric at Altona North in Melbourne's inner-west, is a shining example of this.



HOMES FOR HOMES

As a property company, Mirvac recognises the intrinsic value that having a home brings, both in the physical sense and in the way that it provides a sense of belonging and connection. With this in mind, we were proud to announce an innovative partnership during the financial year which will see Mirvac direct 0.1 per cent from the sale proceeds of every home at The Fabric at Altona North, to Homes for Homes. Homes for Homes is a funding model from social enterprise, The Big Issue, that aims to increase the supply of social and affordable housing in Victoria. The fund they have established is administered by experts in each state who direct the investments to the people who are most in need.

As well as making the initial 0.1 per cent donation, Mirvac will facilitate a caveat on the home titles that will see a further 0.1 per cent directed to the Homes for Homes fund whenever the properties are sold in the future. A property sold at Altona North for \$700,000, for example, would reflect a donation of \$700, which when multiplied for future sales has a significant impact.

By working with organisations like Homes for Homes, we can make a tangible difference in the community.

ZERO ENERGY DESIGN HOMES

It's not just social value we're delivering at Altona North; we're innovating when it comes to environmental sustainability too, with a 7 Star NatHERS rating being targeted across the entire project, above Victoria's standard 6 Star NatHERS. This will see every home built with thicker walls, increased insulation and high-performing double glazing to improve overall thermal performance, reducing the need for heating and cooling and providing economic and environmental benefits for residents.

In addition to this, the team at The Fabric is working with the Australian Renewable Energy National Agency (ARENA) on an arrangement for Stage 1 that will take environmental performance at the project to the next level. The initiative is expected to involve a funding agreement in which ARENA will contribute towards the incremental capital cost required to implement zero energy design homes across Stage 1. These homes will include:

- > a solar PV and battery system;
- > performance double glazing;
- > efficient reverse cycle air-conditioning;
- > heat pump hot water system;
- > energy-efficient appliances;
- > an EV charging station;
- > LED lighting throughout; and
- > real-time energy monitoring to identify which areas are consuming the most power.

The trial, which will be rolled out to all homes within Stage 1, is another exciting step in improving our sustainability offering for our residential customers, while helping them to reduce their energy bills. We believe that if we build better and more sustainable homes, we can influence positive and lasting behavioural change.

The team at *Altona North* has been passionately pursuing new and exciting ways to enhance our community connections in the area, while having *a positive environmental impact*.



A SMART SOLAR SOLUTION WITH ALLUME

Innovation and sustainability are key to how we do business at Mirvac, and in FY19, our innovation team, Hatch, launched an exciting new sustainability initiative aimed at reducing our customers' energy bills and their carbon emissions at the same time.

Recognising the impact rising energy prices are having on Australian households, and with the demand for solar energy ever increasing, the team embarked on a mission to incorporate renewable energy at our apartment projects – an asset class where it has traditionally been more challenging to install renewable energy for a number of reasons, such as the smaller roof space available and the way energy is distributed to residents.

Mirvac first started researching solar energy for its apartments in 2017, which led to the trial of smart energy systems at two of our apartment projects – Ascot House in Brisbane and Marrick & Co. in Sydney. Following these trials, as well as experiments with an eco-concierge at the Forge tower at Yarra's Edge in Melbourne and The Moreton in Sydney, it became clear that many of our customers want solar and are prepared to pay for it.

In 2018, the team connected with an Australian start-up called Allume, who, through its unique solar distribution technology called SOLSHARE, is making solar more affordable and more accessible for multi-metered buildings. SOLSHARE works within the building's existing metering infrastructure to allow solar to be distributed and billed to individual apartments. Effectively working 'behind the meter', it requires no changes to existing infrastructure which makes installation more affordable and there are no constraints on the residents' choices of energy retailer. The system has also been designed to optimise energy use, sending solar to residents at times during the day that will save them the most money. We have also taken the opportunity to use our purchasing power as a force for good by ensuring that the first installation will be done by Bunjil Energy, an indigenous owned company.

With the number of apartment dwellers looking for a solar energy solution increasing – in both Australia and around the globe – it's a technology that's ripe with potential; so much so that Mirvac has invested in and taken a minority interest in Allume in order to further accelerate bringing the product to market. As well as providing the Group with a potential future revenue stream, the overall commitment to the SOLSHARE technology gives Mirvac a strong competitive advantage when it comes to its sustainability offering at its residential developments. The first project to trial SOLSHARE will be Folia at our Apartments of Tullamore precinct in Melbourne, VIC, where 39 prestige apartments will benefit from this ground-breaking technology.

It's also an initiative that sees Mirvac fulfil its commitment to offer renewable energy to all of our residential customers, a strategic goal under our *This Changes Everything* sustainability strategy leading to us:

-  deliver savings on energy bills
-  drive positive customer behaviour
-  reduce carbon emissions



“

We continue to explore new ways of enhancing the sustainability of our residential communities – a great example of Mirvac's bold approach to designing and developing progressive projects for the future.

”

Stuart Penklis, Head of Residential



Gledswood Hills, Sydney



The Zimmerman family

HOUSE WITH NO BILLS

Mirvac's industry-leading experiment, House with No Bills, was launched in 2017 and a family of four, the Zimmermans, were selected to move in – rent free - as part of the study in June 2018.

Mirvac's intent for House with No Bills was to design and build an energy-efficient home that would reduce a family's energy bills, as well as their carbon footprint. To achieve this, the house has been built with increased roof insulation, solar PV panels and battery installation, LED lighting throughout, energy-efficient appliances and intelligent controls. Smart metering and monitoring systems have also helped to keep track of where and how energy is being used, which has assisted the family to adapt and make behavioural changes. A key goal for the family, in particular, has been learning how to optimise their solar energy consumption.

In the first three months of the experiment, the house was using more energy than was modelled for a typical family of four. As well as building systems that needed to be fine-tuned, there were unexpected usage patterns due to Mr and Mrs Zimmerman's shift work.

Mirvac and Curtin University worked with the family to recommend small changes, leading to a marked improvement in energy usage. In fact, in a number of months that followed these changes the house generated more solar energy than it consumed, effectively performing as a net positive house. In April this year, for example, 105 per cent of the home's electricity was generated through solar energy, with the excess energy exported to the electricity grid.

Having gained rich insights into the way our customers consume energy, and a better understanding of the information our future customers will need to reduce energy bills, we have now extended the House with No Bills project until December 2019, helping the Zimmerman family to continue to save for a deposit for their first home in the process.

Our hope is that our learnings from the House with No Bills project will inform future design and help create more affordable, energy-efficient communities across Australia.

MEASURING OUR SOCIAL IMPACT

As a company that has a direct and lasting impact on the built environment, we're committed to helping to create communities that are sustainable and resilient – places where people feel healthy, happy, connected and safe, particularly as our cities continue to urbanise and grow at a rapid pace.

We recognise that in addition to providing the infrastructure and amenity that ensures we help build thriving communities with strong bonds, it's important to measure and understand our impact so that we can be more strategic in how we design and deliver new projects in the future.

In 2015, we worked with KPMG to develop a Social Return on Investment (SROI) framework and tool that would help us to quantify the social value we were creating in our residential projects. We wanted to clearly understand the impact of including features such as open spaces and quality landscaping, community programs and events, walkability, playgrounds, parks and sporting facilities, and well lit areas. In FY19 we analysed twenty-seven of our existing projects using a combination of project data and data collected from residential customer surveys. The research found that:

- > by improving the sense of safety through the creation of open spaces, enhanced connectivity and engagement activities, it was estimated that Mirvac created \$10 million in social value through a reduction in costs related to crime, such as loss of property, medical expenses, prevention and law enforcement costs;
- > similarly, by having communities that promote physical activity (through quality open spaces, walkability, and bicycle paths) approximately \$468,000 of value was created in reduced healthcare costs and reductions in lost productivity; and
- > in terms of our wider economic impact, we created or are forecast to create over 5,200 jobs throughout the construction period (ranging from between 18 to 500 jobs per site). This equates to around \$2 billion in salaries and wages paid, a significant contribution to the Australian economy.

Overall, the SROI study estimated that for every dollar Mirvac invested across the 27 residential projects, \$1.79 of social and economic value was created for local communities. Our first attempt to measure our SROI showed us that the process and methodology were far from perfect, but we have learned from the experience. We realised that trying to measure too many inputs across a large number of projects, or measure outputs where data wasn't readily available, created a reporting burden for our development managers and consequently this hindered the capture of consistent or complete data from across each project. Having broad baseline data also meant that our findings were somewhat oversimplified, and we learned that attributing a value to an outcome is not an easy thing to do.

In the next iteration of measuring social impact, to commence in FY20, we will take these learnings and look at measuring fewer areas with a higher level of confidence across fewer projects, while aligning it with our emerging social purpose – to build strong community bonds. We recognise that SROI is an imperfect science, but we remain strongly committed to better understanding our social impact and being part of the growing capability in this area. We believe its measurement will be invaluable in helping to guide how we invest in our residential projects in the future.



OUR PEOPLE

At Mirvac, we believe our high-performing and talented workforce is fundamental to our success, helping us to execute our strategy and deliver value to our customers, partners and securityholders. We know that when we invest in our people and provide them with the right tools, technology and environment to do their jobs effectively – while ensuring they have flexibility in the way they manage work and life – we’re enabling them to do their best work and deliver our strong financial and operational performance.

We also believe that our unique and vibrant culture is a key competitive advantage, allowing us to attract and retain top talent and ensure that we have the right people in the right roles. At a time when institutional trust in Australia has been fractured, our culture – underpinned by our purpose and an ambition to be a force for good – continues to set us apart. Having a strong culture is also important for the delivery of our strategy and current business activities, and likewise, means we are resilient and well placed to adapt to market changes.

Each year, we seek feedback from our people on their experience of working at Mirvac. It gives us an opportunity to hear from our employees about what they think we’re doing well, and equally, to provide feedback on the things we need to improve. As part of the survey, we measure employee engagement, which indicates how willing our people are to go above and beyond to support Mirvac’s success. Last year, we achieved a high employee engagement score of 90 per cent, and we were extremely pleased to maintain this in FY19¹. Our score places us well above the industry and Australian norms, and above the global high-performing norm.

It’s been great to see from the results that our people continue to understand and believe in our purpose and strategy, and that they’re proud of the projects and services we’re delivering for our customers. In addition to this, our people tell us that they value working for a company that is a leader in health and safety, sustainability, diversity and inclusion, people leadership and flexibility.

They value initiatives such as *My Simple Thing*, through which we encourage all of our employees to adopt some form of flexibility into their working week, day or month and to be open about it with their teams. Another successful people-focussed initiative is our health and safety program, *Thrive*, which is aimed at both the physical and mental wellness of our people. This year we relaunched our recognition program *Mirvac Stars* which acknowledges the people going above and beyond in their roles; and our mentoring and leadership programs, which are aimed at developing our workforce capability. Engagement really starts with a strong relationship between an employee and their immediate manager and so we are committed to ensuring we have capable managers, focused on the right things.

We continue to offer our employees an industry-leading 20 weeks of paid parental leave for the primary carer and four weeks of paid parental leave for partners. Importantly, we also now pay superannuation on all paid and unpaid leave so that parents who take time out of the workforce to raise a family are not disadvantaged in building wealth for retirement.

We want to remain an attractive place to work, and we want to continue to provide a workplace environment where our people are inspired to do their best.



PEOPLE HIGHLIGHTS IN FY19

employee engagement **90%**

97%

of our people said they are willing to work beyond what is required of them to help Mirvac to succeed

95%

of our people believe Mirvac is socially and environmentally responsible and has a positive impact on the community

94%

of our people believe Mirvac supports diversity in the workplace

89%

of our people understand the risks in our business, are comfortable raising issues and know who to report the issues to

75%

of our people have some form of a flexible work arrangement in place

OUR GUIDING PRINCIPLES

We’re extremely proud of the culture we have created at Mirvac. Underpinning this strong culture are our values, which govern the way we work with each other, with our customers and with our partners. They are:



WE PUT PEOPLE FIRST

This means that we listen to, understand and respond to our customers and treat all people with respect.



WE ARE PASSIONATE ABOUT QUALITY & LEGACY

We strive to deliver enduring customer-focused quality which leaves a positive legacy in the communities in which we operate.



WE COLLABORATE

We build trust and collaborate across the business, as well as with our partners.



WE ARE CURIOUS & BOLD

We ask what’s possible and we deliver on our purpose with confidence.



WE ARE GENUINE & DO THE RIGHT THING

Being down to earth, taking ownership and doing what we say we’ll do is key to our success.



HOW WE WORK MATTERS

How we work is our differentiator and we strive to be leaders in safety, sustainability, innovation, inclusion and learning.

It’s been great to hear from our people that our values resonate with them, that they see the values demonstrated at Mirvac, and that they feel our values reflect the qualities and behaviours that will help us to deliver on our strategy and purpose.

1. Mirvac measures its employee engagement through Willis Towers Watson.
2. Compared to FY18.



STRONG SUCCESSION
PIPELINES AT

75%

(above 70% target)

PEOPLE
LEADERSHIP INDEX

83%

(above 80% target)

RETENTION OF
KEY TALENT

96%

(above 90% target)

RETURN TO WORK
FROM PARENTAL LEAVE

91%

INCREASE IN MEN TAKING
PARENTAL LEAVE²

32%

WOMEN IN
SENIOR ROLES

43%

(40:40:20 target)

SAFETY

The safety and wellbeing of our people are our number one priority at Mirvac, and our HSE strategy, Thrive, which is now in its second year, sets out the practices and behaviours that we believe will keep our workforce healthy and safe.

In FY19, we broadened our focus and metrics around safety to include a critical incident frequency rate (CIFR), which enables us to identify and examine critical incidents and near misses, and drive systemic change that strengthens our HSE practices. In doing so, we can further establish a safety culture that works towards preventing injury rather than reacting to it. Our CIFR in FY19 was 0.91 and we reduced our lost time injury frequency rate again this year to 1.02, another record low.

We've also begun to embrace new technology platforms and leverage our analytics capability within the HSE function. During the financial year, our HSE and Business Intelligence teams worked together to develop a tool that can track the frequency of safety incidents that have occurred across the Group, and potentially predict when and where they are likely to happen again. For example, a pilot tool looked at how weather patterns influenced the number of safety incidents – such as slips, trips and falls – at our retail centres and construction sites, and was such a success that Mirvac is now looking at how it can apply the tool across the business.

We were also pleased to obtain accreditation for our Construction Business from the Office of the Federal Safety Commissioner during the financial year, which both strengthens our safety capability and enables stronger government partnerships. To receive accreditation, the team undertook a thorough review of our safety management system to ensure all documents contained the right information and were easy to read and understand, and apply on site.

As well as providing our people with a safe place to work, the health and wellbeing of our people are of the utmost importance and we believe we have a duty to support our people with their physical and mental health. Statistics show that in any one year, one million Australians are affected by depression and twice as many are affected by anxiety¹. The construction industry, in particular, reports a high incidence of mental health issues. Through Thrive, we've launched a number of initiatives aimed at promoting positive mental wellbeing, including free access to a meditation app, mindfulness seminars, meditation classes, and free Pilates and yoga classes at various locations around the country.

We also continued to encourage active lifestyles for our employees, running 'Steptember' in September last year – through which we raised \$47,000 for the Cerebral Palsy Alliance – and holding sessions on the benefits of sleeping well and nutrition.

In July last year, and following a review of our Health and Safety Management System, we released eight critical focus areas for safety at Mirvac. These critical focus areas have been identified as being the high-risk activities most relevant to our operations. They comprise:

- > fall prevention
- > site establishment & logistics
- > civil works & groundworks
- > cranes & materials handling
- > electrical safety
- > worker health & welfare
- > emergency procedures
- > sustainability & environment

Mirvac prescribes a set of minimum requirements for the management of each of our critical risks, which are known as the Mirvac Minimum Requirements (MMRs).

GLEN O'NEILL (1975-2019)
Group General Manager, HSE & Construction Legal

Earlier this year we were saddened by the sudden passing of our colleague, Glen O'Neill. Glen was a brilliant lawyer, respected colleague, much loved friend and dedicated family man. His leadership of the HSE function at Mirvac led to a marked improvement in our understanding and provision of safety at Mirvac. We recognise his significant contribution to our business. He is deeply missed.



HSE STATISTICS IN FY19

INDICATOR

INDICATOR							
	HSE Leader Actions	LTIFR ²	Timely Reporting	Workers Compensation claim count	Training	Fatalities	CIFR
2017	134%	2.6	14.3hrs	22	99.9%	0	—
2018	211%	1.3	21hrs	22	99.7%	0	—
2019	200%	1.02 ✓	14hrs	20	93.0%	0	0.91
TARGET	100%	<2	<24hrs	n/a	98.0%	0	<1.5

Our HSE management systems within construction continued to be certified to ISO 14001, OHSAS 18001, and AS/NZS 4801. Limited assurance has been provided by Pricewaterhouse Coopers. Data sets that have been assured are marked with a ✓. For further information visit mirvac.com/sustainability.

1. <https://www.beyondblue.org.au/the-facts>
2. Service providers and employees.

OUR WORKFORCE AT A GLANCE

Headcount
1,540

Board representation
50:50

Paid parental leave policy
20 weeks Primary carer **4 weeks** Non-primary carer

43% Female representation in senior management

Gender split
43% **57%**
Ethnicities **>25** Languages **>33**

59
WA

Employees by location

126
QLD

1,096
NSW

259
VIC



DIVERSITY AND INCLUSION

Having a diverse and inclusive culture, where our people feel supported and encouraged to speak up, is essential for our business. Having breadth of diversity across age, gender and culture leads to better engagement and brand perception, higher levels of employee retention and more creative and innovative solutions to business issues.



Our Diversity & Inclusion strategy has a focus on gender balance, and the work we have done to improve gender equality across the Group – such as our industry-leading shared care parental leave policy and gender pay parity – is now considered business as usual.

We continue to be recognised externally for our gender equality focus during the financial year, receiving the Workplace Gender Equality Agency (WGEA) Employer of Choice citation for the fifth consecutive year, and ranking as the 31st best company for gender equality globally in Equileap's Global Top 200, as well as the sixth best company in Australia. Direct Advice for Dads and Core Data also identified Mirvac as a leading Australian employer for fathers for the second year in a row.

In addition to this, our commitment to embedding diversity and gender equality at Mirvac was recognised at the Australian Human Resources Institute Awards in November last year when Susan Lloyd-Hurwitz was presented with the CEO Diversity Champion Award.

As well as gender diversity, we believe cultural diversity is important to ensure diversity of thought. We became a signatory to CareerSeekers' Article 23 Program which has formalised our commitment to employing newly arrived refugees via CareerSeekers' intern program.

CareerSeekers is a not-for-profit social enterprise that helps to create employment opportunities for people seeking asylum and refugees who are either studying or looking to re-establish their careers in Australia. Participants undertake a paid internship over 12 weeks, which provides them with local experience and a local reference, while helping them establish a network within their chosen profession.

Mirvac has supported three CareerSeekers over the past three years. Ayad Yousif is one of them. Ayad came to Australia in 2016 on a humanitarian visa. Having worked as a civil engineer in Iraq, Ayad heard about CareerSeekers through a friend and decided to get in touch.

CareerSeekers gave Ayad lessons on how to adapt to Australia's workplace environment, understand Australian culture and improve his communication skills. He was also able to practice interviewing through a series of mock interviews – a process he says is completely different in Iraq.

Through CareerSeekers, Mirvac employed Ayad on a three-month internship in July 2017. By December that year he was made a permanent employee and now works as a Post-Completion Coordinator in Mirvac's residential business in Melbourne (Ayad also completed a Diploma in Building & Construction during that time).

“CareerSeekers helped to build my confidence and has given me the opportunity to live a good lifestyle in Australia, working with a respected and well-known company,” Ayad said.

Ayad's placement through CareerSeekers is good for Mirvac too.

“Working with CareerSeekers helps us to create a more diverse and inclusive culture, which has a number of positive flow-on effects for our business. This includes higher levels of employee engagement, increased innovation and a wider range of skills.”

Chris Akayan, Mirvac's Head of Culture & Reputation

Ayad Yousif





Cultivate

INNOVATION

Innovation is instrumental to Mirvac’s continued future success and our Hatch team progressed with a number of innovative projects across the Group in FY19.

We introduced our urban farm concept, Cultivate, at 275 Kent Street, Sydney for our anchor tenants, Westpac; opened our co-working hub, The Third Space, at Orion Shopping Town Centre in QLD; and trialled a pet concierge at Green Square in Zetland, Sydney, which we ran in partnership with the RSPCA.

This year, Hatch, together with Mirvac Ventures, embarked on one of the most exciting innovations yet – a technology that uses artificial intelligence and data analytics to automate construction processes on site. The technology is expected to significantly reduce time spent on monitoring construction progress, freeing our employees to spend more time on high-value work. Early testing has shown that the automation could result in a 10 per cent efficiency gain to the top 10 site-based personnel – and this is just the beginning.

The technology has now helped to launch its own start-up company, and Mirvac has such a high level of confidence in the technology that it has participated in funding its growth.

It’s just another way Mirvac is using technology and innovation to be at the forefront of change in our industry.

HELPING PEOPLE WHO HAVE EXPERIENCED DOMESTIC VIOLENCE

Last year, Mirvac proudly became a White Ribbon accredited organisation in recognition of the steps we’ve taken (and continue to take) to stop violence against women, and the support we offer to those affected by it. This includes offering employees affected by domestic violence 10 days of paid leave, as well as financial assistance and access to specialist service through our Employee Assistance Program.

Our support went a step further this financial year, with the delivery of a bridging accommodation facility to provide a safe, stable and comfortable environment for women with children exiting domestic violence situations.

Mirvac and property developers, Halcyon, along with not-for-profit organisation, DV Connect, have collaborated on building the facility, which, once complete, will comprise a mix of one-, two-, and three-bedroom units each with their own kitchenette, living area and courtyard. It’s intended to provide those leaving violent domestic situations with a safe place, giving them the opportunity to plan for the future, and, where relevant, re-enter the workplace with confidence.

In 2018 alone, DV Connect placed 4,000 women and children in Queensland motels because all other shelters were at capacity.

“Domestic violence is a serious, prevalent and preventable issue in Australia”, said Mirvac’s Co-Head of Human Resources, Kristen Sweeney.

“Working with Halcyon and DVConnect to support families experiencing domestic violence is another example of how Mirvac can help to make a real difference and play an important role in a community response.”

DV Connect is funded largely by the Queensland Department of Child Safety, Youth and Women and is the only state-wide telephone service offering a free crisis hotline for anyone affected by domestic or family violence.

MIRVAC VENTURES

Mirvac Ventures is our new internal corporate venture funding platform, which was created in response to the increasingly competitive business landscape and to fund investment opportunities provided by technological advancement. Mirvac Ventures has been seeded with an initial allocation of \$10 million and will serve to enhance our core business by allocating funding to all forms of innovation that create a sustainable competitive advantage.

With Mirvac’s market-leading reputation for delivering quality products, we wish to maintain our edge and our ability to be agile and innovative. Mirvac Ventures aims to invest in early stage companies that deliver mutually beneficial value, augment or improve our core business, drive our strategy and enhance our ability to put customers at the centre of everything we do.

Along with the construction tech start-up as worked on with Hatch, Mirvac Ventures is currently pursuing key investment themes focused on renewable energy, agtech, property data management and the fractionalisation of real estate assets.

MIRVAC IS PROUDLY A WHITE RIBBON WORKPLACE. WE PROMOTE RESPECTFUL RELATIONSHIPS AND GENDER EQUALITY WITHIN THE WORKPLACE AND DEMONSTRATE A CULTURE OF ZERO TOLERANCE OF VIOLENCE.



RISK MANAGEMENT

RISK GOVERNANCE

The Board has adopted a consolidated risk management policy & framework which incorporates governance, compliance, risk appetite and business continuity management. This approach is consistent with the Australian and New Zealand standard on risk management (ISO 31000:2009).

The Board determines the overall risk appetite for the Group and has approved strategies, policies and practices to ensure key risks are identified and managed within the approved risk appetite.

The Board has charged management with the responsibility for managing risk across the group and the implementation of mitigation strategies under the direction of the CEO & MD and supported by other senior executives.

The Group Risk function, led by the Head of Risk, provides a centralised role in facilitating the risk management framework, advising business units on risk management plans and consolidating risk reporting to senior executives, the ARCC and ultimately the Board.

While we have a dedicated risk team, each area of the business is ultimately accountable for its specific risks, and we want to empower our people to identify and mitigate these effectively.

An overview of the risk management policy & framework is available on Mirvac's website: www.mirvac.com/about/corporate-governance

OUR PRINCIPAL STRATEGIC RISKS AND OPPORTUNITIES

A number of the risks and opportunities Mirvac faces in delivering its strategic plan are set out in the below table. They are largely related to our portfolio of assets and are typical of a property group. These are not the only risks associated with Mirvac. The risks are grouped by theme rather than order of importance.

RISK AND OPPORTUNITY

INVESTMENT PERFORMANCE

Mirvac's business is impacted by the value of our property portfolio. This can be influenced by many external aspects outside our direct control, including the health of the economy and the strength of the property market.

HOW WE'RE ADDRESSING IT

Mirvac partners with aligned investors to leverage capability and develop recurring income streams. Prudent capital decisions are made on the basis of due diligence and market research to ensure investor confidence is retained. We take steps to anticipate shifts in market conditions and to make strategic decisions in securing development pipeline opportunities. Buying and selling at the right time in the property cycle has enabled us to deliver sustainable returns to our securityholders for the past six years. When we approach new acquisitions, we are mindful of the fundamentals needed to maintain growth through our sustainable urban-focused business model.

MACRO-ENVIRONMENT

Mirvac is impacted by changing domestic and international economic and macro-prudential and regulatory measures, which impact access to capital, investor activity, and foreign investment.

Mirvac monitors a wide range of economic, property market and capital market indicators as well as uses trend analysis to assess macro-economic changes, and is attentive to these shifts.

We are currently monitoring the following:

Office: Mirvac has one of the youngest office portfolios in Australia with a substantial overweight to Sydney and Melbourne, Australia's deepest and most attractive office markets for both tenants and investors. This ensures it is well placed to capture demand from high-quality tenants. Mirvac monitors movements in both supply and demand and has an internal strategic forecasting process to optimise leasing decisions. Having a young and modern office portfolio also ensures Mirvac's capital expenditure on its assets is expected to remain relatively lower than that of our AREIT peers. In terms of office developments, the Group manages uncertainty around tenant demand in a number of ways, such as substantially pre-letting development projects ahead of construction and by partially selling down office developments to capital partners in advance of completion.

Industrial: Continued strength in investor demand for prime-grade industrial assets in key locations is resulting in strong investor demand for quality assets in major markets like Sydney. In this environment Mirvac retains a focus on creating new, high quality and well located assets, generating secure cash flow profiles. Mirvac continues to focus on properties based on proximity to infrastructure, long lease terms and secure cash flow profiles while also considering the rapid growth of e-commerce and renewed focus from tenants to speed up supply chain fulfilment.

Retail: Mirvac continues to manage its retail portfolio effectively by leveraging its strategic partnerships, experiential expertise and integrated capability. Mirvac is focused on continually refreshing its retail assets (via refurbishment, redevelopment or tenant remixing) to adapt to changing market dynamics. This active management has seen an increased weighting to more resilient and experiential categories such as food and beverage, entertainment, services and non-retail. Furthermore, Mirvac maintains a focus on key urban and metropolitan markets, which are economically resilient over the long term, ensuring the business is well placed to meet the challenges and opportunities of the changing retail landscape.

Residential: Recent indicators reflect early signs of stabilisation in housing markets. Recent fiscal and monetary stimulus measures, as well as changes to serviceability requirements, have positively impacted dwelling purchase sentiment. In this environment, location, build quality and a deep understanding of customers remains key for attracting demand. With stricter lending criteria, both domestically and offshore, concerns have been raised over the ability of residential property purchasers to settle. Mirvac has a range of strategies in place and carefully and proactively monitors its settlement risk profile, with a proven track record of low defaults.

REPUTATION

In an Australian context of low institutional trust, Mirvac must maintain and enhance trust and reputation to retain a social licence to operate.

Mirvac provides consistent, high-quality communication and transparent and responsible reporting. We have committed to proactively sharing our progress as a business to help us earn and retain trust. We track trust and reputation through stakeholder research and are pleased to see strong results.

We were ranked the number one ESG company in Australia by J.P. Morgan ESGQ in 2018. We provide good earnings visibility, guidance and full disclosure to our securityholders so they can make informed choices.

Our strong Residential brand is leveraged to consistently attract substantial residential pre-sales, delivering one of the highest levels of repeat buyers in the property industry.

SUPPLY CHAIN

With a broad range of suppliers providing an equally diverse range of goods and services, Mirvac's stakeholders can be directly and indirectly impacted by the practices of our suppliers, and the materials they're supplying.

Historically, Mirvac has looked at supply chain risk on a project-by-project basis. Working groups have since been developed group-wide to address key areas such as modern slavery, worker exploitation, material import risk, high-risk materials, and cyber security. We are elevating our controls to identify and mitigate our exposure to these risks and ensure full compliance to emerging legislation.

PLANNING AND REGULATION

Mirvac's activities can be affected by government policies in many ways, from local decisions regarding zoning and developments, right through to national positions on immigration.

Mirvac's stakeholder relations team works closely with the broad organisation to help coordinate proactive and constructive engagements with all levels of government to ready our business to respond to changing community expectations.

IMPACTS OF CLIMATE CHANGE

Climate change can not only affect our assets, it can affect our business operations. It is vital Mirvac responds to the implications of climate change by implementing appropriate adaptation and mitigation strategies for the portfolio, and building resilience throughout the business.

Mirvac regularly assesses its portfolio for climate risk and resilience. We have reported under the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and climate risk is emerging as a consideration in due diligence during the acquisition and development process. Mirvac strives to design developments and major renovations to a high standard for green building and community certifications, as well as energy and water performance ratings.

Mirvac recently released its plan to reach net positive carbon to help investors and other stakeholders understand how we will meet this goal by 2030, and provide the metrics and milestones to track our progress. Renewable energy will be an important part of achieving net positive with the added benefit of energy price stability for our portfolio.

CAPITAL MANAGEMENT

Maintaining a diversified capital structure to support delivery of stable investor returns and maintain access to equity and debt funding.

Mirvac has a capital management framework, approved and monitored by the Board. The framework aims to address the market, credit and liquidity risks while also meeting the Group's strategic objectives.

The Group seeks to maintain a minimum investment-grade credit rating of BBB+ to reduce the cost of capital and diversify its sources of debt capital. The Group's target gearing ratio is between 20 and 30 per cent.

HEALTH AND SAFETY

Maintaining the health, safety and wellbeing of our people is our most important duty of care obligation, and critical to Mirvac's ongoing success.

We continue to pursue safety excellence and to improve the overall wellbeing of our employees, suppliers, our community and the environment.

During FY19, Mirvac launched a revised, modernised and simplified HSE Management System, establishing the Mirvac Minimum Requirements (MMR) and standards for managing HSE at Mirvac to ensure we consistently manage critical HSE risks across all parts of the business.

Mirvac Construction maintained certification for HSE (AS/NZS 4801:2001 OHS Management Systems, OHSAS 18001:2007 OHS management systems and AS/NZS ISO 14001:2004 – Environmental Management Systems). Additionally, Mirvac Construction obtained accreditation in August 2018 under the Work Health and Safety Accreditation Scheme administered by the Office of the Federal Safety Commissioner.

PEOPLE

We are mindful that we require a motivated, high-performing, and capable workforce to deliver business strategy and a desired culture.

Mirvac's people strategy includes a range of initiatives designed to ensure we have the right culture and capabilities so our people are engaged and enabled to deliver on our strategy. The Group has a range of programs aimed at creating great leaders, growing and retaining key talent, and fostering a diverse and inclusive workplace.

Mirvac has been defining, measuring and curating its desired culture for some time. We have clearly defined values that align to our purpose to reimagine urban life and we measure our leaders on whether they demonstrate supporting behaviours that underpin these values. We think it is critical that our people do the right thing, a core Mirvac value, and that we have an environment where people feel 'safe to speak up', which in addition to mitigating reputational and conduct risk, leads to better business outcomes.

Mirvac's remuneration strategy is designed to attract the best talent, and motivate and retain individuals, while aligning to the interests of executives, securityholders and community expectations.

Read more on Mirvac's people initiatives on page 30.

TECHNOLOGICAL CHANGE

Technology is changing our world at a rapid pace, and without high responsiveness, companies are less able to innovate and take advantage of new technologies.

A core element of Mirvac's strategy is understanding and preparing for disruption and building a resilient business. Some examples include:

- > continued exploration of new construction technology to drive better outcomes, including pre-fabricated components;
- > embracement of technologies to further integrate sustainability across all business units, such as solar and battery systems, and smart building management systems;
- > an innovation program to ensure we continue to innovate in a meaningful way. Our innovation team, Hatch, performs business scans to understand and respond to disruptive technology; and
- > additional investment in resources for customer solutions and business systems.

DATA, SYSTEMS AND BUSINESS DISRUPTION (INCLUDING CYBER SECURITY)

It's crucial we have the ability to manage a major incident causing physical or information disruption timely and efficiently. This includes cyber security threats and/or breaches to our information systems and/or damage to physical assets which could cause significant damage to our business and reputation.

Mirvac has a business continuity management policy which identifies and addresses the key response actions, systems and tools required to effectively manage and continue business critical processes during a business impacting event. The Crisis and Incident Management Plan establishes clear accountabilities and first response protocols based on a three-tiered incident severity rating system. The Disaster Recovery Plan specifies an action plan for IT staff involved in the recovery of critical IT business systems following a disaster.

Mirvac is committed to protecting the organisation through maintaining the confidentiality, integrity and availability of Mirvac information and information systems in a secure environment.

Mirvac has established a high standard for the management of all IT security incidents and to prevent or mitigate the side effects of data-related security breach.

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a force for good.

