

SUSTAINABILITY AT MIRVAC

THE IMPORTANCE OF UNDERSTANDING WHAT SUSTAINABILITY MEANS TO EACH OF OUR STAKEHOLDERS IS KEY TO OUR APPROACH. WE ENGAGE WITH THEM TO IDENTIFY AND ADDRESS KEY ISSUES.

During 2011 we conducted a stakeholder engagement program to determine the sustainability issues of greatest importance to Mirvac and our stakeholders. This report is based on the 22 issues identified as most material for Mirvac through that process.

Conducted by Group Sustainability, the stakeholder engagement program involved both internal and external Mirvac stakeholders and was facilitated by an external sustainability consultant.

The program involved a combination of interviews, a review of internal documentation, a review of the sustainability reports of Mirvac's peers, relevant information from industry bodies, media, and national and international sustainability codes. The issues were categorised based on the level of interest and importance to stakeholders and to Mirvac, these were then refined and validated by internal workshops with Mirvac participants.

The most material issues were used to inform the development of Mirvac's sustainability strategy, future reporting, and to further align with the Mirvac Group strategy and strategic driver of sustainability excellence. These issues were grouped and classified into six focus areas and form the basis of each chapter within this report.

We believe the stakeholders engaged for this materiality review to be representative of those with an interest in this report. The stakeholder groups included:

INTERNAL

- > Mirvac Board
- > Executive Leadership Team
- > Senior Management
- > Other managers
- > Stakeholder Relationship Managers

EXTERNAL

- > Investors/Financial Institutions
- > Suppliers/Partners
- > Industry Bodies
- > Tenants
- > Customers

To further enhance the strategy, Mirvac has committed to undertake formal stakeholder engagement on an annual basis.

The six areas of focus, the related material issues identified by this process and the strategic objectives developed to address these issues are:

1

BUSINESS CONDUCT

Material issues covered: governance, strategy, compliance and risk, reputation and financial performance.

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

2

MIRVAC PEOPLE

Material issues covered: health and safety, culture, engagement, wellbeing and training.

Strategic objective: to engender a culture committed to sustainability.

3

EXTERNAL STAKEHOLDERS

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

Strategic objective: to engage and seek feedback from external stakeholders on sustainability issues that result from our business operations.

4

ENVIRONMENTAL IMPACT

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

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

5

PRODUCT RESPONSIBILITY

Material issues covered: design, quality, existing buildings and housing affordability

Strategic objective: to deliver, maintain and manage buildings in response to the needs of the market, now and into the future

6

SUPPLY CHAIN

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

Strategic objective: to further develop responsible supply chain management practices.

HIGH

LEVEL OF CONCERN TO OUR STAKEHOLDERS

MATERIAL ISSUES

- Biodiversity
- Natural resource management
- Product health and safety
- Transport
- Future generations
- Tenant expectations
- Retail customer behaviour
- Board and CEO remuneration
- Training around sustainability
- Products and materials labelling
- Unmet commitments/targets
- Payments transparency

- Occupational health and safety
- Diversity
- Legacy impacts
- Innovation
- Compliance
- Government engagement
- Investor engagement
- Industry engagement
- Environmental ratings
- Sustainability reporting
- Strategic positioning vs competitors
- Internal communications
- Internal leadership
- Team involvement in sustainability
- Sustainability systems

- Reputation and market positioning
- Climate change and energy
- Carbon pricing
- Sustainability strategy
- Waste management
- Water management
- Data collection and targets
- Integrated quality
- Building design and materials
- Government regulation and policy
- Community development
- Financial impact of sustainability
- Sustainability risks
- Environmental performance of old stock
- Employee engagement
- Profitability
- Access to capital
- Stakeholder engagement
- Social/community reporting
- Tenant and customer engagement
- Housing affordability
- Supply chain management

LOW

CURRENT OR POTENTIAL IMPACT ON OUR BUSINESS

HIGH