

ASX ANNOUNCEMENT

18 October 2021

Lendlease Stakeholder Engagement Presentation

Attached is a presentation to be referred to during engagement meetings in October and November 2021 between Lendlease Chairman, Michael Ullmer AO, Lendlease Chairman of the People & Culture Committee, Elizabeth Proust AO, and key stakeholders.

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Authorised for lodgement by Lendlease Group's Disclosure Committee

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Sydney: Artist's impression of One Sydney Harbour – on Gadigal Country

Stakeholder Engagement

Michael Ullmer, AO
Chairman, Lendlease Group

Elizabeth Proust, AO
Chairman, People & Culture
Committee

October & November 2021

lendlease

Board Focus Areas in FY21

CEO succession, leadership changes and Group strategy

- Orderly three month transition to the new Chief Executive Officer, Tony Lombardo who officially commenced on 1 June 2021
- Internal and External appointments:
 - External: Chief Financial Officer, Simon Dixon (from 1 October 2021); Chief People Officer, Deborah Yates (from 1 July 2021)
 - Internal: Chief Operating Officer and Chief Executive Officer Americas, Denis Hickey; Chief Risk Officer, Frank Krile; Chief Executive Officer Australia, Dale Connor; Chief Executive Officer Asia, Justin Gabbani and appointment of Chief Product Officer roles for Development, Investments and Construction
- Continuity of main components of strategy outlined in August 2020, reaffirmed in the market update on 30 August 2021:
 - Focus on core Development projects and grow Investments platform
 - Reviewing components of Group portfolio
 - Pathways for delivering \$8b+ production target by FY24
 - Targeting FUM > \$70b by FY26
 - Renewed focus on culture and customer
- Business review of organisational structure to support efficient resource allocation and execution of strategy, and simplification opportunities post divestments
 - Target annual savings of > \$160m

Operations during COVID-19

- Prioritised health and safety of employees and all who interact with the Group
- From March 2020, the Board transitioned to enabling virtual attendance at Board and Committee meetings in response to the COVID-19 restrictions
- Due to travel restrictions, the Board transitioned to holding virtual site visits with our local and regional offices
- Sites visited in FY21 either virtually or in person included One Sydney Harbour, Sydney Martin Place Metro and Sydney Place in Australia, TRX and the Ardor Gardens Senior Living project in Asia, and the MIND project in Europe (Asia and Europe – virtual tours). The most recent virtual site visit attended by the Board was the San Francisco Bay Area (Google) project (August 2021)
- Site visits allow the Board to observe a project's delivery in a strategic context, and assess the Lendlease culture through engagement with project staff

Health and Safety

Our highest priority

- Improving our performance and eliminating incident and injury has been at the forefront of our strategy and operating philosophy.
- A strong safety culture has always been embedded within the organisation. However, a transformational decision was taken in 2008 to take an uncompromising leadership position on health and safety. This led to the introduction of initiatives including our Global Minimum Requirements (GMRs). We experienced 8 fatalities (including 1 Lendlease employee) between FY11-FY20 compared to 69 fatalities across our operations from FY01-FY10 (including 3 Lendlease employees).
- We go beyond reporting requirements and report all fatalities on our sites as we do not treat the lives of subcontractors and community members any differently to our employees.

We are deeply saddened to report that two fatalities occurred in FY21:

Curtin University, Australia

- The Board was satisfied based on material from internal and external sources made available at the time, that Lendlease had met the standards set out in its GMRs, which are generally set at an equivalent or higher standard than those of local regulators.

Setia Mall, Malaysia

- The findings from the external investigation conducted by the Malaysian authorities confirmed that Lendlease is not a party of interest

In FY22 there has also been a fatal incident involving a subcontractor on a project in New York. An independent investigation is in progress.

We strive for excellence in the underlying drivers of safety outcomes

Global Minimum Requirements

- Our GMRs define the Lendlease way for managing health and safety.
- The 2021 update of the GMRs support our people and supply chain partners to apply these standards across all phases of the real estate and construction lifecycle.
- Include a renewed focus on providing the best possible working conditions.

Culture

- Holistic culture of care
>90% agreement from our people to each of the following statements:
- Health & Safety is a key priority
 - We are motivated to look after our safety
 - Lendlease creates a culture of working safely
 - Working safely is appreciated by leaders in the organisation

Compliance

- Significant EH&S focus during investment, design and procurement
- Shift from compliance checks to forward focused risk management
- Over 1 million safety observations recorded by our people and supply chain in the past 5 years.
- Project metrics, such as schedule and scope changes, are treated as leading indicators of safety risk

Reporting

- 94% operations without a critical incident in FY21
- Lost time injury rate reduced from 6.6 in FY03 to 1.8 in FY21
- Critical injury frequency rate reduced from 2.57 in FY12 to 0.66 in FY21
- >1,500 employees trained in the Mental Health First Aid program
- All metrics inclusive of employees, consultants and supply chain

FY21 Business Performance and Review

Financial performance: reflects COVID-19 impacts across the Group and additional provisioning in the Non core segment

<p>\$377m</p> <p>Core operating¹ Profit after Tax</p> <hr/> <p>54.8c Earnings per stapled security</p> <hr/> <p>27³cps Distributions</p>	<p>5.4%² Return on Equity</p> <hr/> <p>49% Payout ratio</p>	<p>\$222m</p> <p>Statutory Profit after Tax</p> <hr/> <p>(\$181)m Non core segment Loss</p> <hr/> <p>\$26m Investments segment property revaluations</p>	<p>Strong</p> <p>Financial position</p> <hr/> <p>5.0%⁴ Gearing</p> <hr/> <p>\$1.7b Cash and cash equivalents</p>	<p>COVID Impacts⁶</p> <p>Development – pipeline delays, impact on Build to Rent, pricing differentials on capital solutions</p> <p>Construction – productivity impact from social distancing</p> <p>Investments – co-investment income impacted with activity disrupted across underlying assets, \$40m in rental assistance provided to tenants across LL managed asset portfolio, reduced occupancy in US Build to Rent portfolio</p> <p>No participation in Australian JobKeeper program</p>
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Operating performance: solid growth in Pipeline and FUM despite COVID-19 impacts on Development and Investments activity

<p>Development</p> <p>\$14.5b Work In Progress</p> <hr/> <p>\$3.8b Production (Completions)</p> <hr/> <p>\$113.6b Pipeline</p>	<p>Construction</p> <p>\$6.4b Revenue</p> <hr/> <p>\$8.8b⁵ New work secured</p> <hr/> <p>\$14.9b⁵ Backlog revenue</p>	<p>Investments</p> <p>\$39.6b Funds Under Management</p> <hr/> <p>\$28.5b Assets Under Management</p> <hr/> <p>\$3.5b Investments</p>
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1. Statutory profit excluding Investments segment property revaluations and Non core segment result.
2. Return on Equity is calculated using the Core operating Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity.
3. Final dividend component zero franking. Interim dividend component of 11.2 cents per share 50% franked.
4. Net debt to total tangible assets, less cash.
5. Internal and external.
6. Refer page 59 of Annual Report for further detail

Our Strategy and Priorities | Reaffirmed

Employ our placemaking expertise and integrated business model in global gateway cities to deliver urbanisation projects and investments that generate social, environmental and economic value.



Leverage
competitive edge

Accelerate
development

Scale
investments

Best practice
construction
delivery

Leadership in
sustainability

People and Culture

Key Areas of Focus for the Board and the Committee during FY21

Wellbeing

Hardship & Wellbeing Fund established in response to COVID-19:

- More than 340¹ short term grants
- Payments to more than 2,800 frontline workers, recognising challenges in performing their roles during COVID-19
- More than \$4.5m distributed to support our employees

Foundation sponsored programs to support morale and engagement

Human Capital Management

Development of an updated human capital strategy to support the execution of the broader organisational strategy

Mission critical capabilities identified along with the shifts required to source, retain and reward the capabilities that drive behaviours needed to outperform

Talent and Succession

Selection of an internal successor for the Group CEO role demonstrates bench strength

Regular review of the performance and potential of our leaders:

- Aids in understanding the diversity and breadth of the talent pipeline
- Informs decisions about talent development and succession, to provide growth opportunities for internal talent







Diversity and Inclusion

Driving gender participation through cultural change and educating all employees about Everyday Sexism

Leading the construction industry in Australia for LGBTI+ inclusion through research and advocacy in partnership with University of New South Wales

Endorsed a detailed action plan to eliminate workplace sexual harassment

Actions taken in response to votes against the FY20 Remuneration Report ²

 <p>Established a Board led working group</p>	 <p>Reflected on the feedback received from securityholders as part of pre-AGM engagement</p>	 <p>Reviewed proxy advisor reports from FY18-FY20</p>
 <p>Conducted an online survey to seek feedback from our Top 100 securityholders</p>	 <p>Developed a Remuneration Fact Base</p>	 <p>Met with key stakeholders</p>

In an unprecedented and challenging year our People have continued to deliver for our customers and supported the execution of our strategy

1. Grants approved to 30 June 2021

2. At the November 2020 AGM, Lendlease received 47.34% votes against the resolution to adopt the Remuneration Report and 18.61% of votes against the resolution to approve the allocation of performance rights to the Managing Director.

FY21 Remuneration Snapshot

FY21 reward outcomes reflect our performance and environment

Nil STA

awarded to
former Group CEO

20%

reduction in Chairman's fees
for FY22

30%

**of Maximum STA
awarded to new
Global CEO**

(KMP STA outcomes ranged from
17% to 40% of Maximum STA
opportunity)

Nil LTA

award vested¹

Long Term performance
targets (relative TSR and ROE)
failed to meet challenging
thresholds

33%

reduction
in unhurdled
remuneration

21%

reduction
in maximum
remuneration
opportunity

(for the new Global CEO compared
to former Group CEO)

The Board conducted an extensive program of work to listen to security holder feedback
and to test the effectiveness of our Executive Reward Strategy

**FY22 Executive Reward
Strategy amended**

to balance stakeholder
views and continue to
support strategic priorities

LTA continues to reflect the
**long dated nature of our
business**

76%

**of new Global CEO Total
Maximum Remuneration
is performance based**

Total Maximum
Remuneration opportunity
reduced

50%

of future STAs to be
deferred into equity

Removed the RSA
increasing the proportion of
performance based reward

**All outstanding equity awards
remain subject to original
performance conditions**

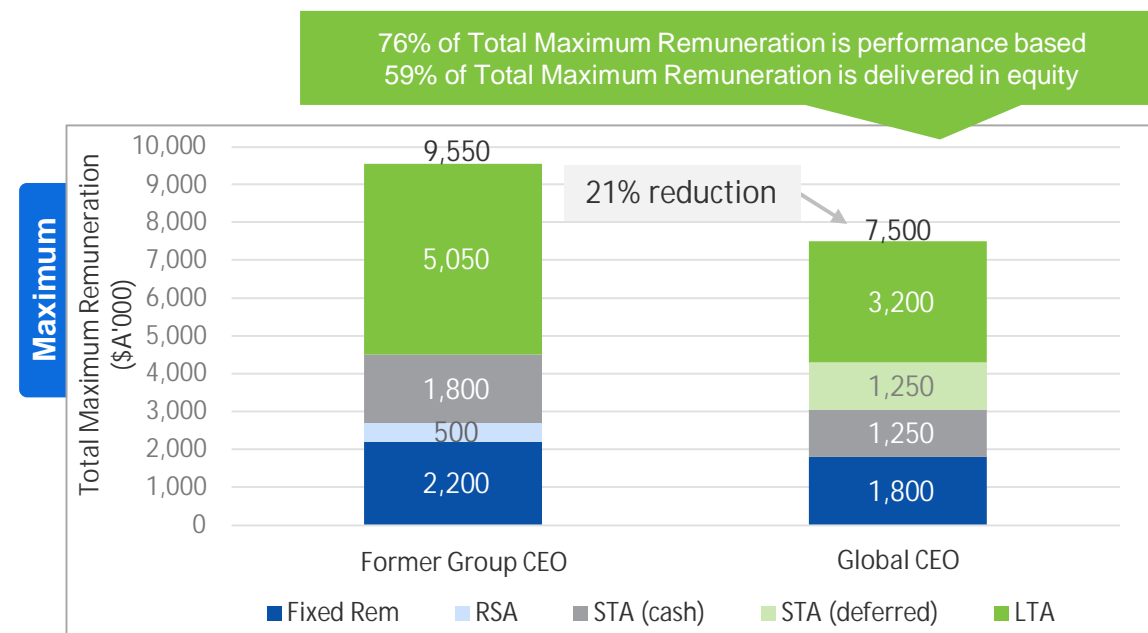
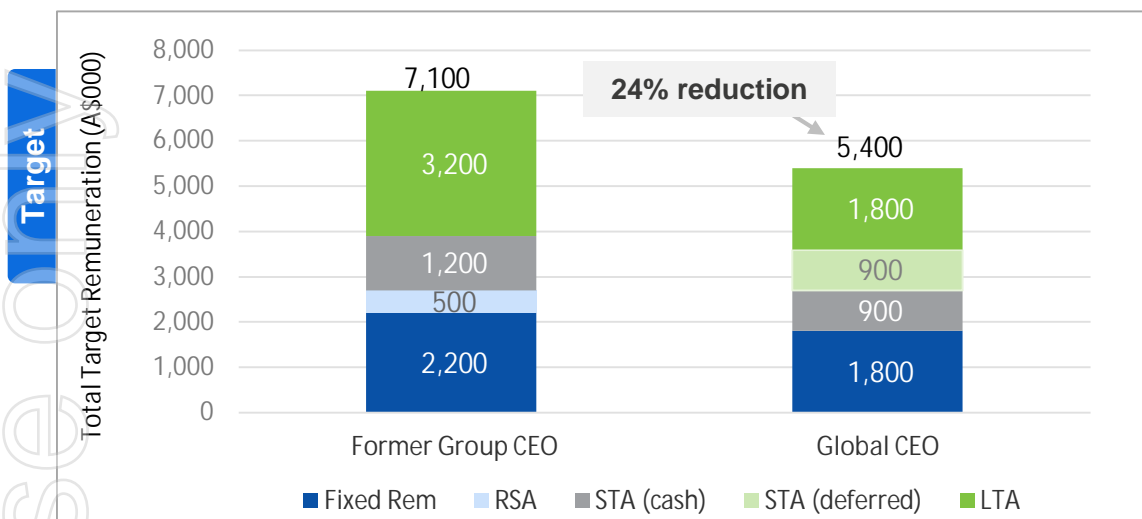
Termination arrangements for former
Group CEO in line with contract

6

Key appointments to the Global
Leadership Team

1. 2018 LTI (tranche 2) and 2019 LTA. Excludes the Restricted Securities Award (RSA – previously referred to as the LTA Minimum)

Changes to CEO remuneration & Strike Response



Key changes (effective for GLT from 1 July 2021)	Addresses issues	Comments
Overall quantum is lower compared to former CEO	✓	<ul style="list-style-type: none"> The Board reset the Group CEO remuneration on transition
Removal of the Restricted Securities Award	✓	<ul style="list-style-type: none"> Increases proportion of remuneration subject to performance
Short Term Award has been increased to reflect the removal of the Restricted Securities Award	✓	<ul style="list-style-type: none"> Increases proportion of 'at risk' remuneration from current arrangements
Improved Short Term Award Target Disclosures	✓	<ul style="list-style-type: none"> The Board reviewed its approach to remuneration decision making and refined the process to include more detailed disclosures in relation to STA outcomes.
50% of Short Term Award deferred over 2 years	✓	<ul style="list-style-type: none"> Provides further alignment with the securityholder experience Equity (both Short Term Award and Long Term Award) now vesting more progressively (1-6 years after grant, compared to 3-6 years after grant in the previous Executive Reward Scheme)
Simplified Long Term Award vesting schedules and Grant Long Term Award at maximum	✓	<ul style="list-style-type: none"> Straight line vesting between threshold and maximum simplifies approach Granting at maximum or face value is aligned with market practice and increases transparency in disclosures
For FY22 Short Term Award, reduced the number of KPIs and reweighted to 65% Financial, 35% Non-financial	✓	<ul style="list-style-type: none"> All KPIs measurable, and tied to Strategy and Operating Plan Specific weighting assigned to each KPI, with pre-determined Threshold/Target/Maximum range

The LTA continues to reflect the long dated nature of our business with vested awards delivered in four equal tranches at the end of Y3, Y4, Y5 and Y6

FY21 Remuneration Outcomes

FY21 reward outcomes reflect our performance and environment

The Board's initial assessment of FY21 CEO STA scorecard performance has been adjusted as follows:

Stephen McCann - Former Group CEO			Anthony Lombardo - Global CEO		
Period as Group CEO • 1 July 2020 to 31 May 2021			Period as Global CEO • 1 June 2021 to 30 June 2021		
FY21 CEO STA Scorecard Performance 'Initial Assessment'	30% of Maximum STA	\$495,617	FY21 CEO STA Scorecard Performance 'Initial Assessment'	30% of Maximum STA	\$62,500
Other Considerations	<ul style="list-style-type: none"> Additional provisioning in the Non Core business relating to legacy Engineering projects ↓ The business review identified a number of projects where a material change to the development strategies may be required ↓ Supported successful CEO leadership transition ↑ 		Adjustment	• n/a	
Adjustment	<ul style="list-style-type: none"> On balance, the Board determined that the FY21 STA outcome for Stephen McCann should be reduced to nil 		FY21 Global CEO STA	30% of Maximum STA	\$62,500
Adjusted FY21 Former Group CEO STA	0% of Maximum STA	\$0	CEO Asia role	• From 1 July 2020 to 31 May 2021	
			Other Considerations	<ul style="list-style-type: none"> Notwithstanding that Anthony's performance as CEO Asia for the first part of the year was ahead of the Group scorecard performance, the Board considered it more appropriate to apply the overall Group outcome, being 30 per cent of maximum opportunity 	
			Adjustment	• n/a	
			FY21 CEO Asia STA	30% of Maximum STA	\$181,500
			Total FY21 STA	30% of Maximum STA	\$244,000

LTI / LTA outcomes and securityholder experience

The following chart shows LTI / LTA outcomes for the former CEO (Steve McCann) relative to 3 year TSR and 3 year average ROE over time:

- Over the period from Sep-05 to Sep-18, 41 per cent of the aggregate value of LTI / LTA awards vested (outcomes range from 0 per cent to 99 per cent)
- 4 of the 14 LTI / LTA awards were worth more than the grant value due to security price growth (Sep-10, Sep-11, Sep-12 and Sep-13)
- 5 of the 14 LTI / LTA awards were worth nothing when they were tested (Sep-05, Sep-06, Sep-07, Sep-17 and Sep-18).



1. The LTI / LTA grant value is the number of securities granted multiplied by the 1 September opening security price for the LTI / LTA grant year.

Board and Committee Membership

Board structure and governance in FY21

- The **Board** is currently **87.5% independent** while all committees are 100% independent.
- Its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective; and the size of the Board is conducive to effective discussion and efficient decision-making.
- The Board is focused on diversity beyond gender, looking at skills, talent, background and experience. The Board currently has **37.5% female representation** on the Board. Our **target is 40%**.

Director	Role	Date of Appointment	Independence	People & Culture Committee	Audit Committee	Risk Committee	Nomination Committee	Sustainability Committee
Michael Ullmer	Non-Executive Chairman	01/12/2011	Independent	Member	Member	Member	Member	Member
Jane Hemstritch	Non-Executive Director	01/09/2011	Independent	Member	Member	Member	Chair	-
Nicola Wakefield-Evans	Non-Executive Director	01/09/2013	Independent	-	Member	Member	Member	Chair
David Craig	Non-Executive Director	01/03/2016	Independent	Member	Chair	Member	Member	-
Philip Coffey	Non-Executive Director	01/01/2017	Independent	Member	Member	Chair	Member	-
Elizabeth Proust	Non-Executive Director	01/02/2018	Independent	Chair	-	Member	Member	Member
Robert Welanetz	Non-Executive Director	01/03/2020	Independent	Member	-	Member	Member	Member
Anthony Lombardo ¹	Global Chief Executive Officer and MD	03/09/2021	Not Independent	-	-	-	-	-
Other Key Board Appointments								
Margaret Ford	Board Advisor	19/8/2020	Margaret Ford, who is currently an independent advisor to the Board based in the UK, has flagged a willingness to re-join the Board once COVID-19 related restrictions have significantly subsided, if this remains appropriate					
Nicholas Collishaw	Non-Executive Director	1/12/2021	Nicholas Collishaw will join the Board in December 2021. His appointment continues the focus on Board renewal and in particular, identifying candidates with deep skills in our core operating segments of Development and Investments					

1. Anthony Lombardo commenced as Global CEO on 1 June 2021. He joined the Board as Managing Director on 3 September 2021

Board Skills Matrix

High calibre membership with an appropriate mix and diversity of skills and experience

- The Directors have a mix of local and international experience and expertise, as well as specialised skills to assist with decision making to effectively govern and direct the organisation for the benefit of securityholders. The skills matrix assists the Board with succession planning and professional development initiatives for Directors.
- The table below is a subset of the skills and experience considered by the Board to be important for its Directors to have collectively. The Board considers that Governance, Strategy, People & Culture, Financial Acumen, Risk Management are core skills which 100 per cent (all) Directors have self-assessed as being within their core competencies.

Skills / Experience	Comments	Michael Ullmer	Jane Hemstritch	Nicola Wakefield Evans	David Craig	Phil Coffey	Elizabeth Proust	Robert Welanetz (based in US)	Anthony Lombardo	Nicholas Collishaw ¹	Margaret Ford ² (based in UK)	Total
Industry Experience	Experience in one or more of LL's operating segments of Property, Construction and Investments	✓ Investments	-	✓ Investments	✓ Property & Investments	✓ Investments	✓ Investments	✓ Property Investments Construction	✓ Property Investments Construction	✓ Property Investments Construction	✓ Property Investments Construction	9 of 10
International Operations	Experience working in or managing key clients/teams in LL offshore regions (other than AU)	✓ Asia, Europe, US	✓ Asia, Europe	✓ Asia, US	✓ Asia, US	✓ Asia, Europe, US	✓ Europe	✓ Asia, Europe, US	✓ Asia, Europe, US	✓ Europe, US	✓ Europe	10 of 10
Executive Leadership	Performed a senior executive role for a considerable time – last executive role shown	✓ Deputy CEO	✓ Managing Director	✓ Managing Partner	✓ CFO	✓ Deputy CEO	✓ Managing Director	✓ CEO	✓ CEO (current)	✓ CEO	✓ Managing Director	10 of 10
ESG	Experience in assessment strategy and performance against environmental, social and governance criteria	✓	-	✓	-	✓	-	✓	✓	✓	-	6 of 10
Legal	Identifying and resolving legal and regulatory issues, and advising the Board on these matters	-	-	✓	-	-	✓	-	-	-	-	2 of 10
Technology	Experience via direct line accountability for managing significant technology functions or major project implementations	-	✓	✓	✓	✓	-	-	✓	-	✓	6 of 10

1. Nicholas Collishaw will join the Board from 1 December 2021

2. Margaret Ford is an independent advisor to the Board and has flagged a willingness to re-join the Board once COVID-19 restrictions have subsided

Board Renewal and Succession Planning

Board members seeking re-election at the 2021 Annual General Meeting



Michael Ullmer, AO

Mr Ullmer joined the Board in December 2011

Board Committee Memberships:

- Chairman of the Board
- Member of the Audit Committee
- Member of the People & Culture Committee
- Member of the Nominations Committee
- Member of the Risk Committee
- Member of the Sustainability Committee



Elizabeth Proust, AO

Ms Proust joined the Board in February 2018

Board Committee Memberships:

- Chairman of the People & Culture Committee
- Member of the Nominations Committee
- Member of the Risk Committee
- Member of the Sustainability Committee

Board renewal – succession planning for Board roles is critical

- The Directors have a range of local and international experience and expertise, as well as specialised skills to assist with decision making and leading the Group for the benefit of securityholders
- The process of selecting a new Director involves reviewing the experience of current Directors, identifying any gaps in the Board skills set and using that to identify potential new candidates

Industry experience

The Board views industry experience as skills or experience gained in one or more of the core Lendlease operating segments of Development, Construction and/or Investments.

100%

Of Directors have experience in Governance, Financial Acumen, People, Strategy and Risk Management

Director's average tenure

The Board considers it has an appropriate mix of new, mid and longer tenured Directors. At September 2021, the average term of the Board is 4 years.¹



1. Nicholas Collishaw and Margaret Ford are not included in these numbers as they are not members of the Board as at September 2021

Environmental, Social and Governance

FY21 key achievements

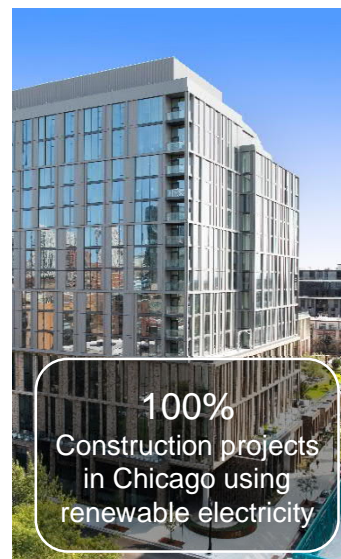
Launched
Mission Zero
Raising awareness of
our carbon targets

\$47.3 million
Social value created
18.9%
of \$250 million target by
FY25

Launched second
Elevate RAP¹
2020 – 2023

Published
**Modern Slavery
Statement**
Covering all operations
globally

Founding signatory to
SteelZero
initiative



Founding member of
MECLA³
Decarbonising
Australia's building and
construction industry

#1 ranked
Office fund in GRESB⁴

A+ rankings⁵
Strategy and
Governance
Awarded by PRI

**Net Zero
Carbon**
US Multifamily
portfolio

>50%
of Melbourne Quarter
precinct is green and
publicly accessible

Australian Building
business providing
Net Carbon Neutral
construction
three consecutive years



1. Reconciliation Action Plan.
2. Milan Innovation District.
3. Materials and Embodied Carbon Leaders Alliance.
4. 2021 Global Real Estate Sustainability Benchmark.
5. Awarded to Lendlease Funds Sustainability.

Progress on Sustainability Targets

New sustainability targets

In August 2020 we launched two bold sustainability targets aligned to our Sustainability Framework, with an environmental and a social focus respectively. They are our call to action and will be our measure of success.

Our ambition is to live in a world warmed by no more than 1.5°C and to be responsible for creating measured social value on the journey.

The built environment contributes to c.40 per cent of global greenhouse gas emissions. Our industry has a unique responsibility and opportunity to act, which is why our targets are intentionally ambitious; the environmental target sets a global benchmark for real estate.

Industry collaboration is critical in order for our sector to meaningfully reduce its carbon footprint. This means working closely and co-operatively with our partners across the supply chain to reduce the embodied carbon in the materials our sector relies on – namely steel, cement and aluminium.

An update on our progress towards both our environmental and social targets is included in our FY21 Integrated Report.

#Mission Zero

In May 2021, Lendlease launched a global campaign, Mission Zero, to promote our new sustainability targets that support one of the Group's strategic priorities of leadership in sustainability. The campaign aims to:

- Advocate for industry transformation by demonstrating what is possible through our project execution proof points and what is needed through leadership pieces
- Foster collaboration to enable the innovation and change required, at pace and scale, to limit global warming and achieve our targets.

To view Lendlease's sustainability targets, please visit: www.lendlease.com/au/company/sustainability/our-targets/

To view Lendlease's Mission Zero Campaign, please visit: www.lendlease.com/au/missionzero/

A community can't thrive if the world around it doesn't.
At Lendlease, we take our responsibility to the planet
and its people seriously.

We are a
1.5°C
aligned
company

We aim to tackle
the climate crisis
head on

Net zero carbon
scope 1 and 2 by 2025

Absolute zero carbon
by 2040

Create
\$250m of
social value
by 2025

Creating
social
value

Measured by return on
investment from shared
value partnerships