

# ASX ANNOUNCEMENT

22 August 2022

## Appendix 4G and 2022 Corporate Governance Statement

Attached is the Appendix 4G (Key to Disclosures Corporate Governance Council Principles and Recommendations) and the Lendlease 2022 Corporate Governance Statement.

### FOR FURTHER INFORMATION, PLEASE CONTACT:

**Investors:**

Justin McCarthy

Mob: +61 422 800 321

**Media:**

Stephen Ellaway

Mob: +61 417 851 287

*Authorised for lodgement by Lendlease Group's Disclosure Committee*

**Lendlease Corporation Limited** ABN 32 000 226 228 and  
**Lendlease Responsible Entity Limited** ABN 72 122 883 185 AFS Licence 308983  
as responsible entity for **Lendlease Trust** ABN 39 944 184 773 ARSN 128 052 595

Level 14, Tower Three, International Towers Sydney  
Exchange Place, 300 Barangaroo Avenue  
Barangaroo NSW 2000 Australia

Telephone +61 2 9236 6111  
Facsimile +61 2 9252 2192  
[lendlease.com](http://lendlease.com)



# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

LENDLEASE CORPORATION LIMITED

ABN/ARBN

ABN 32 000 226 228

Financial year ended:

30 JUNE 2022

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.lendlease.com/au/company/governance/>

The Corporate Governance Statement is accurate and up to date as 22 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 22 AUGUST 2022

Name of authorised officer authorising lodgement: Wendy Lee, Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on pages 2 and 3 and we have disclosed a copy of our board charter at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on page 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on page 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a> and we have disclosed the information referred to in paragraph (c) on page 14</p> <p>Lendlease Group Limited was included in the S&amp;P / ASX 300 Index at the commencement of the reporting period and has adopted a target of 40% female directors.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) on pages 4 and 5 and whether a performance evaluation was undertaken for the reporting period in accordance with that process on page 4</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) on page 3 and also in the Remuneration Report on pages 78 to 103</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process on page 3 and in the Remuneration Report on pages 78 to 103</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> on pages 5-7</p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a> and the information referred to in paragraphs (4) and (5) on pages 5-7 and in the Annual Report on pages 66-70 and page 77</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in the Annual Report on page 71.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> on pages 3 and 4</p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in the Annual Report on pages 66-70</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> on pages 3 and 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> on page 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> on page 4	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> on page 10 under Lendlease Core Values and Code of Conduct and we have disclosed our values in our Code of Conduct which can be found at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> on pages 10 and 11 under Lendlease Core Values and Code of Conduct and we have disclosed our code of conduct at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> on page 11 under Group Policy on Conduct Breach Reporting and we have disclosed our whistleblower policy at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	<p><input checked="" type="checkbox"/> on page 11 under Bribery and Corruption</p> <p>and we have disclosed our anti-bribery and corruption policy at:  <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> on pages 5-7</p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a> and the information referred to in paragraphs (4) and (5) on pages 5-7 and in the Annual Report on pages 66-70 and page 77</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/> on page 9	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/> on page 9	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> on page 12 under Securityholder Communications and Continuous Disclosure and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> on page 12 and we have disclosed information about us and our governance on our website at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 12 and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> on pages 5-7</p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a> and the information referred to in paragraphs (4) and (5) on pages 5-7 and in the Annual Report on pages 66-70 and page 77</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> on page 8-9</p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period on pages 8-9</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<input checked="" type="checkbox"/> on page 9 and we have disclosed how our internal audit function is structured and what role it performs on page 9	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> on page 9 and we have disclosed whether we have any material exposure to environmental and social risks on page 9 and, if we do, how we manage or intend to manage those risks in the Annual Report on pages 42-46 and pages 49-55	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> on pages 5-7</p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a> and the information referred to in paragraphs (4) and (5) on pages 5-7 and in the Annual Report on pages 66-70 and page 77</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> on page 3</p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Annual Report on pages 78-103</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> on pages 12-13</p> <p>and we have disclosed our policy on this issue or a summary of it in our Securities Trading Policy which can be found at: <a href="https://www.lendlease.com/au/company/governance/">https://www.lendlease.com/au/company/governance/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable	<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable	<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable	<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	Alternative to Recommendation 1.1 for externally managed listed entities: The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Not applicable	
-	Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities: An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	Not applicable	



# Corporate Governance Statement

Lendlease  
2022



lendlease



# 2022 Corporate Governance Statement

This statement sets out the principal features of Lendlease Group's (Lendlease) Corporate Governance Framework and main governance practices.

Lendlease is committed to exceptional corporate governance policies and practices which are fundamental to the long term success and prosperity of Lendlease and its subsidiaries (the Group). The Lendlease Board regularly reviews its governance practices to address its obligations as a responsible corporate entity.

Unless indicated otherwise, a reference in this Corporate Governance Statement of the Board is a reference to the Boards of Directors of Lendlease Corporation Limited (LLC) and Lendlease Responsible Entity Limited (LLREL) which is the responsible entity of the Lendlease Trust.

Australian Securities Exchange (ASX) Listed Entities are required to report on the extent to which the company followed the 4th ASX Corporate Governance Council Principles and Recommendations (Principles) during the reporting period. Throughout the reporting period, the Board considers that the Corporate Governance Framework complied fully with the Principles.

This Corporate Governance Statement reflects the corporate governance and other related policies and practices in place for the Group as at 22 August 2022 and has been approved by the Lendlease Board. Copies of all the governance documents can be found in the corporate governance area of the Lendlease website ([www.lendlease.com](http://www.lendlease.com)).

## 1. Board and Management Roles and Responsibilities

### Relevant policies and charters (see [www.lendlease.com](http://www.lendlease.com))

- Board and Committee Charters

### 1.1 Board Responsibilities

The Board Charter sets out the role, structure, responsibilities and operation of the Board as well as the function and division of responsibilities between the Board and senior management.

Following the appointment of the Lendlease Group Chairman, Michael Ullmer, in November 2018, a comprehensive review of the Board and its Committees was undertaken. A range of opportunities were identified to enhance the effectiveness and efficiency of the Board process and the responsibilities reserved specifically for the Board and its Committees. These responsibilities continued to be reviewed at least annually to determine whether the respective roles are clearly delineated and form part of the review of Board and Committee performance. Following this review, the main responsibilities specifically reserved for the Board include the following:

- Defining the Group's purpose and strategic objectives
- Approval of the business strategy and vision in line with efforts to drive securityholder value creation
- Approval of business plans, which includes operating budgets
- Receiving, considering and approving the Group's financial reports
- Approval of major investments, transactions, acquisitions or divestitures following review and endorsement by the Board Risk Committee
- Determining capital structure and distribution policy
- Benchmarking the delivery of value to customers, clients and partners
- Reviewing the performance of the Global CEO and Managing Director

(Global CEO), and Global Leadership Team (GLT) in conjunction with the People and Culture Committee

- Oversight succession planning for the Global CEO and the GLT in conjunction with the People and Culture Committee
- Oversight of the management of social, economic and environmental concerns consistent with the delivery of sustainability outcomes for stakeholders
- Receiving reports on and monitoring reputation, brand and community relations
- Reviewing Group governance related policies.

The Board and Committee Charters set out these responsibilities in further detail and are reviewed on a regular basis to assess that the balance of responsibilities remains appropriate.

### 1.2 Role of the Global CEO and Senior Management

The Board delegates authority for all other functions and matters necessary for the day to day management of the Group to the Global CEO, who delegates to senior management as required.

Limits of Authority are in place which outline the matters specifically reserved for determination by the Board and those matters delegated to Board Committees or Group Executive Management. The Global CEO is accountable to the Board for the authority delegated to all levels of management. The Limits of Authority are reviewed on at least an annual basis in light of specific business, market and economic changes. During the reporting period, a comprehensive review of the Limits of Authority was undertaken in light of the recently approved Group Strategy and revised operating model. A Board Subcommittee was formed to support management's evaluation and assessment of the proposed new Limits of Authority framework and to clarify items reserved for specific determination by the Board.



All Directors have access to management to request information and management is responsible for providing the Board with accurate and timely information on the Group's operations to enable the Board to perform its responsibilities.

The management structure of Lendlease consists of the Global CEO who is a member of the GLT. The leadership structure for the GLT has been in place since Tony Lombardo was appointed as the Global CEO on 1 June 2021. The GLT comprises the Global Chief Operating Officer, the Group Chief Financial Officer, the Group Chief Risk Officer, the Group Heads of Development, Construction and Investments, the Chief People Officer, the Group General Counsel, the Group Head of Corporate Affairs and Marketing, Chief Digital Officer and the CEOs of the Americas, Asia, Europe and Australia regions. The GLT is responsible for managing the Group's performance and key business issues in line with the Group's long term strategy. A written agreement is in place between the Group and each senior executive setting out the terms of their appointment. Appropriate background and reference checks are made before appointing a new executive to Lendlease.

The GLT meet on a regular basis and each meeting is chaired by the Global CEO.

#### *Review of Global CEO and Senior Management*

The Board sets goals for the Global CEO which are contained in a scorecard. During the reporting period, a comprehensive review of Key Performance Indicators (KPI) and goals for the senior executives was undertaken, resulting in fewer and more critical objectives, and a higher weighting towards financial outcomes, without compromising the importance of non financials goals. With the new KPI framework in place, the Global CEO set the goals for the GLT which were reviewed and discussed at the People & Culture Committee and approved on behalf of the Board. The goals have regard to the Group's strategic priorities, and financial and non financial goals. The non financial goals include health and safety, people, customer and sustainability objectives. Short Term Award outcomes for the Global CEO and GLT are assessed against these financial and non financial goals.

The Global CEO and the Board assess the GLT against the performance of the key strategic goals during the year, culminating in a detailed review at the end of the financial year. Each member of the GLT conducts a performance evaluation of themselves with the Global CEO. The Global CEO uses these evaluations to provide input into the formal assessment of

the GLT at the People and Culture Committee. In addition to the review conducted against the scorecard and goals, the Global CEO and GLT are also assessed against Lendlease's defined leadership capabilities, core values and leadership behaviours. A review of the performance of all members of the GLT was conducted in the financial year and was in accordance with the procedure described above.

#### *Remuneration*

The Board has comprehensively outlined the Executive Reward Strategy and framework in the Remuneration Report. The Remuneration Report explains how performance has been linked to reward outcomes at Lendlease. Further information is set out in the Remuneration Report on pages 78 to 103 of the Annual Report.

### **1.3 Meetings**

The Board meets as often as necessary to fulfil its role and Directors are required to allocate sufficient time to the Group to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

The number of Directors required to constitute a quorum is three.

There are ten scheduled Board meetings each year and additional meetings are held as required. During the year 11 meetings of the Board were held.

Typically, four face to face meetings would be held in Australia and one each in the UK, Asia and the Americas to align with the Group's regional operations. In addition, three shorter meetings are scheduled to provide updates to the Board between the longer face to face meeting programs. During the reporting period, the Board transitioned to face to face meetings including a return to offshore meetings from April 2022. Virtual attendance is also permitted at all Board and Committee meetings. Matters were also dealt with as required by circular resolution.

Further detail on the number of Board and Committee meetings held during the financial year and the attendance of Directors at those meetings can be found in the Directors' report on page 77 of the Annual Report.

As an international company and having regard to the material scale of individual projects, the Board program is formulated to reflect the geographic spread of Lendlease businesses. The Board program typically comprises formal meetings and additional business briefings, presentations from internal and external sources, project site visits, employee events and meetings with key stakeholders and customers.

The Lendlease Board views these program activities, in addition to the formal, scheduled Board and Committee meetings, as an important part of receiving a greater understanding of our people, our business and the activities and operations within each region. The Chairman works with the Company Secretary to forward plan the program for the year. Depending on the time of year and depth of project review required, the program runs for three to five days. In FY22, the Board maintained its regular cadence of meetings throughout the year. While some engagement activities with our people and customers were temporarily placed on hold in response to COVID, other parts of the program were able to be maintained. Further details of the Lendlease Board regional program can be found on page 72 of the Annual Report.

### **1.4 Independent Decision Making**

Any Director may seek external, independent, professional advice relating to their role as a Lendlease Director at the expense of Lendlease with the approval of the Chairman of the Board. The policy of the Board is that external advice will be made available to all Directors unless the Chairman of the Board determines otherwise. To facilitate independent decision making by the Board, the Non Executive Directors meet at every Board meeting without management present.

## **2. Structure and Composition of the Board**

#### **Relevant governance documents ([www.lendlease.com](http://www.lendlease.com))**

- Lendlease Corporation Limited Constitution
- Board Charter
- Policy on Independence of Directors

### **2.1 Composition and Membership**

As at the date of this report, the Board consists of nine Directors, all of whom have been assessed as independent with the exception of the Global CEO who is not independent. Membership of the Board and profiles of the Directors, including their skills, experience and expertise relevant to their position, as well as the period they have held office as a Director, can be found on pages 66 to 71 of the Annual Report.

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.

## 2.2 Independent Directors

The Board's Policy on the Independence of Directors sets out the criteria and guidelines for assessing the independence of Directors and assists the Board in determining whether a Director is to be regarded as independent.

The predominant test used by the Board is whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. This general test of independence is supplemented by specific criteria and thresholds which encompass the definition of independence set out in the ASX Recommendations.

The Board evaluates the materiality of any interests or relationships that could be perceived to compromise independence on a case by case basis, having regard to the circumstances of each Director. Where the Board is satisfied in the circumstances that the Director meets the general test of independence the Board may, in its absolute discretion, determine that a Director is independent, even though not all of the criteria under the policy are satisfied. Appropriate disclosures will be made to the market where the Board considers that an independent Director has ceased to be independent.

An assessment of the independence of each Director is conducted each year and on disclosure by a Director of any new interests or relationships. The Board considers that all the Non Executive Directors are independent and have remained so throughout the year. An Executive Director would not be considered to be an independent Director due to their integral involvement in the day to day management of the Group's businesses.

## 2.3 Chairman of the Board

The Chairman of the Board is elected by the Directors and serves as the primary link between the Board and management. The Board Charter prohibits the current or any former CEO of the Group from becoming Chairman and the roles of Chairman and Managing Director are separate.

The Chairman provides leadership to the Board so that the Board works effectively and discharges its responsibilities. The Chairman is responsible for ensuring that each Director participates fully in Board activities and works with the Company Secretary to set and guide the Board agenda so that Board meetings are held regularly throughout the year.

Michael Ullmer is the Chairman of the Board and was appointed as Chairman in November 2018.

## 2.4 Company Secretary

Appointed by the Board, the Company Secretary works with the Chairman of the Board to monitor and enhance corporate governance processes and see that Board policies and procedures are followed. The Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board. Details of the experience and qualifications of the Company Secretary are set out in the Directors' Report on page 70 of the Annual Report.

## 2.5 Retirement and Re-election of Directors

Under the Constitution of LLC, at each Annual General Meeting one third of the Directors and any other Director who will have been in office for three or more Annual General Meetings since he or she was last elected (excluding the Managing Director) must retire from office and may submit themselves for re-election. Prior to standing for election or re-election, each Director undergoes a performance evaluation which is considered by the Board in making a recommendation in respect to re-election. Securityholders are also provided with all material information relevant to a decision whether or not to elect or re-elect a new Director.

New Directors must stand for election at the Annual General Meeting (AGM) immediately following their appointment.

## 2.6 Selection and Appointment of New Directors

The Nomination Committee is responsible for the recommendations to the Board in respect to the appointment of new Directors and Board succession is reviewed regularly throughout the year. The aim is to have a Board comprised of Directors with an appropriate mix and balance of skills, expertise, experience, diversity and independence. Both individually and collectively, the Board considers that the Directors have an appropriate mix and balance of these attributes. A comprehensive review of the Board skills matrix was undertaken during the year and this can be found on page 71 of the Annual Report. The skills matrix comprehensively outlines the Director's individual skills and indicates the last executive position held, whether the director has experience in one or more of the core Lendlease segments of Investments, Development or Construction, and details of offshore experience in one or more of the Lendlease geographies.

The process of selecting a new Director involves reviewing the experience of current Directors, identifying any gaps in the Board's skill sets and commissioning

an international recruitment firm to identify and present appropriate candidates following a comprehensive briefing as to the Board's requirements. The Board has regard to a number of factors when reviewing candidates including technical skills and expertise, experience across relevant industries and geographic locations, and diversity of background. The candidates undergo a thorough process which involves formal interviews with the Directors as well as appropriate background and reference checks prior to their appointment.

New Directors must stand for election at the AGM immediately following their appointment.

## 2.7 Induction and Briefing Programs

New Directors are provided with a letter of appointment which sets out their rights, duties and responsibilities as a Director of Lendlease. As part of their induction, new Directors also receive a comprehensive information pack and attend briefings with management in each of the regions where Lendlease operates to enable them to gain an understanding of the Group's businesses, strategy, key issues and operations. Visits to Lendlease sites, either in person or virtually, are also an integral part of the induction program.

All Directors have access to Group information, senior management and employees as required to enable them to fulfil their responsibilities. Management briefings are provided at each scheduled Board meeting and Directors are regularly briefed on key business and industry developments and matters material to their role. Presentations by external speakers are organised as part of the Board program to give Directors an overview and understanding of macro issues affecting the Group. Directors are also encouraged to attend externally administered training seminars and programs. Lendlease has in place a formal Director development program with the primary objective being that Directors continuously enhance their knowledge of current and emerging issues of relevance to their role as Lendlease Directors. A formal program is mapped out on a forward looking basis but flexibility is maintained to respond to changing environments as required, including changes in the regulatory landscape, strategic focuses and critical company issues.

## 2.8 Board Performance Assessment

Each year, the Board conducts a review of the performance of individual Directors retiring and seeking re-election at the AGM with an external review generally conducted every second year.

### External Review Process

The external review process comprises completion of a wide ranging questionnaire and a mixture of interviews with Directors and senior management as well as key stakeholders.

As a comprehensive external review of the Board, its Committees and individual Directors was conducted in May 2021, an external review was not conducted in the reporting period. However, the focus has been on working through and implementing the recommendations generated from the review. The main areas of focus in the external review were:

- Role of the Board and Committees
- Size, composition, diversity and experience of the Board
- Interface with Management
- Board dynamics and culture
- Chairman, CEO and individual Director effectiveness.

As part of the review, the external facilitator provided feedback on the performance of the Board Chairman. In the interests of transparency, this feedback was circulated to all members of the Board. During the period June – August 2021, the Board Chairman met with each of the Directors to provide feedback on their individual performance, including their strengths and areas for development.

### Internal Review and Assessment

The Chair of the Nomination Committee, acting in consultation with other Board members, is responsible for conducting an annual evaluation of Board members standing for re-election at the AGM, and this was conducted during the period.

The process of conducting reviews includes an assessment by each of the Directors and may cover matters such as Board contribution and performance, interaction between management and between Board members, consideration of relevant skills and structure and conduct during Board meetings. The review process generates recommendations so that the Board can continue to operate effectively with the requisite mix of skills and experience and appropriate procedures.

### 2.9 Directors' Remuneration

Details of the Group's Remuneration Policy and the remuneration of Directors is contained in the Remuneration Report from page 78 of the Annual Report. The structure of Non Executive Director remuneration is clearly distinguished from that of other senior executives. One of the key distinctions is that performance based components do not form part of Non Executive Directors' remuneration in order to maintain their independence.

## 3. Board Committees

### Relevant policies and charters ([www.lendlease.com](http://www.lendlease.com))

- Lendlease Corporation Limited Constitution
- Audit Committee Charter
- People and Culture Committee Charter
- Nomination Committee Charter
- Risk Committee Charter
- Sustainability Committee Charter

### 3.1 Overview of Board Committees

There are five standing Board Committees to assist, advise and make recommendations to the Board on matters falling within their areas of responsibility. Each Committee consists of independent, Non Executive Directors. The Chair of each Committee is not a Chair of other Committees, or Chair of the Board.

Each Committee is governed by a formal Charter setting out its objectives, roles and responsibilities, composition, structure, membership requirements and operation. Directors who are not members of the Committees have a standing invitation to attend meetings of the Committees. During the reporting period and in conjunction with the review of the Board and its Committees, a review of the accompanying Charters and Workplans for each of the Committees was undertaken.

From time to time special subcommittees are formed to give the Board better guidance and provide oversight concerning specific matters. Details of the number of meetings held by each Committee and special subcommittees during the reporting period is set out in the Directors' Report on page 77 of the Annual Report.

The five permanent Committees of the Board are:

#### Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to accounting policies and practices, tax matters, treasury reporting, monitoring of internal financial controls, internal and external audit functions and financial reporting of the Group.

#### People and Culture Committee

The role of the People and Culture Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to establishing people management and compensation policies for the Group that:

- Foster exceptional, diverse and inclusive human talent, and motivate and support employees to pursue the

growth and success of the Group in alignment with the Group's values

- Integrate human capital considerations into the Group's strategy and business plans
- Enable the Group to attract and retain employees who can create sustainable value for stakeholders
- Equitably and responsibly reward employees, having regard to the performance of the Group, individual performance and statutory and regulatory requirements.

#### Risk Committee

The role of the Risk Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the risk management and internal control systems, risk policies and practices, compliance, and approvals of project transactions of the Group. The Risk Committee also has another important role: to review, and if approved, recommend to the Board for approval major transactions as referred to the Committee by the Global Investment Committee.

#### Sustainability Committee

The role of the Sustainability Committee is to assist the Board in monitoring the decisions and actions of management in achieving the Lendlease Group aspiration to be a sustainable organisation. Sustainability encompasses how the Lendlease Group conducts business through:

- The pursuit of workplace safety
- A commitment to corporate social responsibility
- Environmentally sustainable solutions
- Employee diversity, development and opportunity.

#### Nomination Committee

The role of the Nomination Committee is to provide advice and support to the Board in fulfilling its responsibilities to securityholders to be assured that the Board is comprised of individuals who in combination bring a mix of expertise, skills, experience and perspectives and contribute to the discharge of diligent oversight and effective corporate governance of the Group. The Nomination Committee also oversees activities for Director development and reviews of Board, Committee and Director performance.

Membership and composition of the Committees is set out in the accompanying table. During the reporting period, a review of the main responsibilities of each Committee was conducted in conjunction with a review of the responsibilities outlined in the Charters.

	Nomination	People and Culture
Members	Jane Hemstritch (Chair) Philip Coffey Nicholas Collishaw David Craig Elizabeth Proust Michael Ullmer Nicola Wakefield Evans Robert Welanetz	Elizabeth Proust (Chair) Nicholas Collishaw David Craig Michael Ullmer Robert Welanetz
Changes since last Report	Nicholas Collishaw joined the Committee upon his appointment to the Board in December 2021	Following a review of Committee composition, Philip Coffey and Jane Hemstritch retired from the Committee and Nicholas Collishaw was appointed to the Committee
Composition	<ul style="list-style-type: none"> <li>• Minimum of three, non executive Directors</li> <li>• Chair must be an independent Director and not the Chair of the Board</li> </ul> <p>All requirements were met in the reporting period</p>	<ul style="list-style-type: none"> <li>• Minimum of three Directors</li> <li>• Majority of the Committee to be independent</li> <li>• Chair must be an independent Director and not the Chair of the Board</li> </ul> <p>All requirements were met in the reporting period</p>
Main areas of responsibility	<ul style="list-style-type: none"> <li>• Reviews size and composition of the Board</li> <li>• Identifies and evaluates Board candidates</li> <li>• Assists in the evaluation of the performance of the Board and the performance of any Directors standing for re-election at an AGM</li> <li>• Establishes processes for the review of Board succession planning</li> <li>• Identifies skills and experience gaps in the Board and reviews the Board skills matrix</li> <li>• Reviews continuing education and development plan for Non Executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews and makes recommendations to the Board on contractual arrangements for the Global CEO and GLT</li> <li>• Reviews and makes recommendations to the Board on remuneration programs and performance targets for the Global CEO and GLT and assessment of performance against these targets</li> <li>• Monitors and advises the Board on succession planning for the Global CEO and members of the GLT</li> <li>• Reviews and approves the strategies and practices for people management and workplace culture</li> <li>• Reviews and makes recommendations to the Board on the remuneration framework for Non Executive Directors</li> <li>• Reviews and makes recommendations to the Board on remuneration and required disclosures</li> <li>• Reviews the effectiveness of Group policies on workplace diversity, inclusion and equal opportunity</li> </ul>
Interaction with Management	The Committee has unrestricted access to senior management of the Group. The Committee reviews and recommends, in cooperation with management, a process for the induction and education of new Directors and a continuing education and development plan for all Non Executive Directors	The Chairman of the Committee liaises regularly with the Group Head of People and Culture on matters related to the Committee, so that the Committee is appropriately briefed on matters relating to employees



Audit	Sustainability	Risk
David Craig (Chair) Nicholas Collishaw Jane Hemstritch Michael Ullmer Nicola Wakefield Evans	Nicola Wakefield Evans (Chair) Philip Coffey Elizabeth Proust Michael Ullmer Robert Welanetz	Philip Coffey (Chair) Nicholas Collishaw David Craig Jane Hemstritch Elizabeth Proust Michael Ullmer Nicola Wakefield Evans Robert Welanetz
Following a review of Committee composition, Philip Coffey retired from the Committee and Nicholas Collishaw was appointed to the Committee	Following a review of Committee composition, Philip Coffey was appointed to the Committee	Nicholas Collishaw joined the Committee upon his appointment to the Board in December 2021
<ul style="list-style-type: none"> <li>• Minimum of three, non executive Directors</li> <li>• All members must be independent</li> <li>• Chair must be an independent Director and not the Chair of the Board</li> <li>• All members must be financially literate and at least one member has accounting or relevant financial expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of three Directors</li> <li>• Majority of the Committee to be independent</li> <li>• Chair must be an independent Director and not the Chair of the Board</li> </ul> <p>All requirements were met in the reporting period</p>	<ul style="list-style-type: none"> <li>• Minimum of three, non executive Directors</li> <li>• Majority of the Committee to be independent</li> <li>• Chair must be an independent Director and not the Chair of the Board</li> </ul> <p>All requirements were met in the reporting period</p>
All requirements were met in the reporting period		
<ul style="list-style-type: none"> <li>• Make recommendations to the Board as to whether financial statements should be approved</li> <li>• Reviews significant corporate reporting issues and assess the appropriateness of accounting policies and methods chosen by management</li> <li>• Monitors the adequacy of the nature, extent and effectiveness of the internal control processes overseen by the finance teams</li> <li>• Monitors the Group's significant treasury and tax matters</li> <li>• Oversees quality and effectiveness of internal and external audits</li> <li>• Monitors the resolution of matters arising from the internal audit reports</li> <li>• Reviews performance of the Internal Audit and External Audit function</li> <li>• Makes recommendations to the Board on external auditor appointment and rotation of audit partner</li> </ul>	<ul style="list-style-type: none"> <li>• Oversees the Group's Environment, Health &amp; Safety function</li> <li>• Reviews the effectiveness of Group policies on corporate social responsibility including the Lendlease Foundation, Modern Slavery and Indigenous Engagement</li> <li>• Assists the Board in its oversight of the Group's compliance with applicable regulatory requirements in relation to environmental matters, social responsibility initiatives and health and safety issues</li> <li>• Reviews the effectiveness of Group policies and initiatives designed for the wellbeing of employees in the workplace</li> <li>• Makes recommendations to the Board on the Sustainability Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews the parameters of the Group's risk strategy and the risk appetite statement for recommendation to the Board</li> <li>• Reviews the effectiveness of the Group's Enterprise Risk Management system</li> <li>• Monitors the adequacy and effectiveness of the internal control environment of Lendlease</li> <li>• Oversees the effectiveness of the Group's policies, procedures, systems and controls established by management to support the compliance management framework</li> <li>• Reviews insurance arrangements and considers whether appropriate coverage is in place</li> <li>• Reviews and monitors the Group's exposure to cyber and data governance risks</li> <li>• Reviews and recommends to the Board for approval major transactions as referred to the Committee by the Global Investment Committee</li> </ul>
The Group CFO and the Group Head of Internal Audit report to the Committee. Meetings with these Function Heads and other Finance Function Heads are held on at least a quarterly basis or as required. The Committee meets with the external auditor without management present every half year or as required. The Committee also meets with the Group Head of Internal Audit without management present every half year or as required	The Chair liaises with the Group Chief Risk Officer, Group Head of Sustainability, Group Head Safety and Group Head of Indigenous Engagement on at least a quarterly basis or as required	The Chair liaises with the Group Chief Risk Officer and Group Head of Risk and Insurance prior to each Risk Committee meeting or more as required

## 4. Risk Management, Internal Control and Integrity in Financial Reporting

### Relevant governance documents ([www.lendlease.com](http://www.lendlease.com))

- Risk Committee Charter
- Risk Management Policy

### 4.1 Enterprise Risk Management

Risk Management is a critical oversight responsibility of the Board. Lendlease has a multilayered approach to the identification, management and mitigation of external, corporate and operational risk. The approach to risk management recognises the nature and level of risk we are willing to accept to achieve our strategic goals and key performance targets to create securityholder value. It focuses on:

- Aligning Board and management to drive informed and consistent decisions
- Achieving effective and efficient allocation of capital and resources
- Providing an understanding of risk limits
- Providing context to identify, report and manage risks
- Creating a culture of risk awareness and accountability.

Accountability and responsibility for risk governance and management is held at various levels across the business including the Board and Board Committees, Group Leadership, Regional Leadership, Business Operations and Specialist Functions such as corporate risk and insurance, operational assurance and internal audit.

### Three Lines of Defence



### 4.2 Risk Management Reporting

The Group Corporate Assurance Function is responsible for keeping the Board's Risk Committee informed on a regular basis of material business risks. In the reporting period, the Committee has received regular reports on material risks facing Lendlease businesses worldwide and management has reported to the Board as to the effectiveness of Lendlease's management of its known material business risks. A comprehensive review of the Group's Risk Appetite Statements and Tolerances was also conducted and approved during the period. These Risk Appetite Statements define at a high level, the expectations of management and the Board regarding the nature and extent of risks the Group is willing to take in pursuit of its strategy. The Risk Committee has also approved the Group's Risk Appetite Tolerances. These provide guardrails that will assist in aligning Lendlease's appetite for risk with our decision making and review processes.

Lendlease has identified and described its core operational and market risks and their mitigants on page 51 of the Annual Report.

The risk matrix defines the risk tolerance of Lendlease by setting thresholds for impact and likelihood and defining the material business risks required to be reported to the Board. The Board, through the Risk Committee, reviews the Company's risk management framework on a regular basis to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the Board. A review of the Group's risk management framework was conducted in the reporting period.

Further information on the Group's approach to Risk Management can be found in the Annual Report on pages 50 and 51.

### 4.3 Key Risk Management Practices

Risk awareness, improvement and governance are key elements of the Lendlease approach, which has evolved with the business and external market. Each region has a directly appointed risk executive who forms part of the Regional Leadership Team or reports to a member of that team. These individuals do not have Profit & Loss accountability and are mandated to challenge the business on matters of strategic, tactical and operational risk.

The Risk Framework at Lendlease involves three lines of defence:

#### First line of defence: Responsibilities

Underlying business units are the first line of defence responsible for identifying, managing, and owning their risks. These business units have the appropriate tools and interaction with the various Group functions to execute business responsibilities effectively.

#### Second line of defence:

##### Assurance measures

Group functions involved in the second line of defence include corporate risk and insurance, operational assurance and performance, safety, legal, information technology, sustainability, people and culture and finance. Assurance specific policies outline the assurance measures to enable each business to identify and manage risks appropriately.

#### Third line of defence:

##### Independent processes

Internal and external audit make up the third line of defence, acting independently from the first and second lines of defence and reporting directly to the Board and Risk and Audit Committees.

#### 4.4 Key Risk Policies

In addition to Board delegated Limits of Authority, a number of key global and business unit specific policies govern the way Lendlease conducts its business and manages material business risks. These policies (including the Risk Management Policy) are available at the corporate governance area of the Lendlease website ([www.lendlease.com](http://www.lendlease.com)).

#### 4.5 Environmental and Social Sustainability Risks

There are a number of risks, both specific to Lendlease and more generally to the sectors and regions the Group operates in, that could have an adverse effect on achieving our objectives. The following outline provides an overview of environmental, social and sustainability governance risks and how the Group seeks to mitigate or manage them.

##### *Strategic Approach to Environmental Risks*

In FY18, Lendlease committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and commenced analysis into the impact of different climate scenarios on our business strategy. Since that time, comprehensive scenario planning sessions have been held with the Board and senior leaders across the Group to consider the risks and opportunities associated with climate change. Reporting on these risks occur at the Sustainability Committee on a quarterly basis. The TCFD framework has helped to transform the way Lendlease is positioning itself to respond to the climate crisis and the way in which we will be communicating and executing on our ambition to be a 1.5°C aligned company. Disclosures in this area can be found on pages 52 to 54 of the Annual Report.

In addition, in FY20 Lendlease embarked on a process to codesign targets with each of our businesses and set an ambitious target of Net Zero Carbon by 2025 and Absolute Zero by 2040. Further information on our progress against these targets can be found on pages 42 to 45 of the Annual Report. Updates on the progress towards these targets are provided at the Sustainability Committee.

Lendlease has always had a powerful social ethos. The concepts of good corporate citizenship and inclusive growth are now a key requirement of project clients and strong focus for investors, across our Investment, Development and Construction segments. To manage the risk associated with not attaining these, we have integrated them into our Sustainability Framework, which was developed after extensive consultation with customers, investors, employees and other stakeholders to address the most critical environmental

and social issues. The Sustainability Framework integrates sustainability into every part of the Lendlease business.

In FY20, Lendlease committed to a new Social Target to create \$250m of social value by 2025. This corporate social value target is intended to demonstrate our corporate commitment to creating social value in the communities in which we operate, above and beyond what we are required to do at a project or asset level.

This target will account for our investment in our corporate led, shared value partnerships. It is based on achieving an average 1:5 social value return on investment, primarily via our Lendlease Foundation, but also through other key business initiatives. Work is underway to deploy new metrics and data collection at an asset and project level to allow us to expand this target to include the social value we create at that level. Further information on our progress against this target can be found on page 46 of the Annual Report.

In terms of Board oversight, the Sustainability team engages with the Board through the Sustainability Committee at least four times a year. The reports received are a subset of management reporting from the internal quarterly business review processes and working committees such as the TCFD steering committee.

#### 5. Internal Control and Integrity in Financial Reporting

##### **Relevant governance documents ([www.lendlease.com](http://www.lendlease.com))**

- Audit Committee Charter

##### **5.1 Integrity in Corporate Reporting**

When the Board considers the statutory half year and full year financial reports for the Group, written certifications regarding the integrity of those financial statements and the Group's risk management and internal control systems are provided by the Global CEO and Group CFO.

For the year ended 30 June 2022, the Global CEO and Acting Group CFO have declared in writing to the Board that in their opinion:

- The financial records of the consolidated entity have been properly maintained
- That the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity
- That this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Since 30 June 2022, nothing has come to the attention of the Global CEO or the Acting Group CFO that would indicate any material change to any of the statements made above.

The Group's senior management has also reported to the Board on the effectiveness of the management of material business risks for the year ended 30 June 2022 and this has been reviewed by the Risk Committee and the Board.

All periodic corporate reports that are not audited or reviewed by KPMG are verified internally prior to release to the ASX. A verification process has been established which allocates material disclosures within the relevant report to a designated person to substantiate the relevant disclosures, so that materials released to market are accurate and provide investors with appropriate information to make informed investment decisions. The source documents are included in a verification file which records the sign off of that person against the statement, so that the accuracy of the disclosures can be attributed.

All material reports released to the ASX are reviewed and approved by the Board, or if not the Board, the Group Disclosure Committee consisting of the Global CEO, the Group CFO, Group General Counsel, Group Head of Corporate Affairs and Marketing, and Group Head of Investor Relations.

##### **5.2 Internal Audit Function**

The Group has an Internal Audit function to provide the Board and senior management with assurance around internal controls through the conduct of advisory audits and business integrity reviews. The function is independent of the external auditor and is structured to manage reviews from a regional and global perspective. The function is led by the Group Head of Internal Audit who reports to the Group CFO and also has a direct reporting line to the Audit Committee. The role of Internal Audit is to provide objective assurance to the Audit Committee and the senior management that operations and functions are efficient and effective, and that processes have a robust control environment. The Group Head of Internal Audit attends and reports to the Audit Committee on audits and reviews conducted during each quarter. The Group Head of Internal Audit meets with the Chair of the Audit Committee on at least a quarterly basis. Time is also included on the Audit Committee agenda for the members to ask questions of the Group Head of Internal Audit without management present at least every six months, or more often if required.

### 5.3 External Auditor

KPMG is the Group's external auditor. In accordance with the Group's Audit Committee Charter, the Audit Committee will be conducting an audit tender process during FY23.

#### Performance Management

The Audit Committee has the responsibility to oversee and appraise the quality and effectiveness of the audits conducted by the external auditor. This occurs annually, in a session of the Audit Committee without the external auditor present.

The external auditor attends each meeting of the Audit Committee and twice a year, time is set aside so that the committee can meet with the external auditor without management present. The Audit Committee Chairman meets with the external auditor at least quarterly, also in the absence of management.

#### Selection, Appointment and Rotation

The Audit Committee is responsible for making recommendations to the Board as to the selection, reappointment or replacement of the auditor and the rotation of the lead audit partner. The lead partner is rotated every five years. Eileen Hoggett was appointed by KPMG as the lead audit partner with effect from 1 July 2021.

#### Provision of Non Audit and Other Services

Lendlease has a comprehensive policy so that services provided by the external auditor do not impact or have the potential to impact upon their independence. All non audit services need to be approved by both the Chairman of the Audit Committee and the KPMG lead partner so that the proposed arrangement does not, or will not be viewed as compromising KPMG's independence.

Under the terms of the policy the auditor should be appointed for other service engagements only where it is best suited to undertake the work. The policy further provides that the auditor should not provide services having the potential to impair the independence of its role. Generally these include the following services:

- Bookkeeping, preparation of, and other services in relation to, accounting records and financial statements
- Design and implementation of financial information systems or financial controls
- Valuation services, appraisals or fairness opinions, where the results are material to the financial statements or where the external auditor would be required to audit those statements or opinions

- Outsourced internal audit services
- Secondments
- Recruitment and other human resources services, including international assignee services
- Actuarial services
- Management functions
- Legal services
- Taxation advice of a strategic or tax planning nature
- Broker dealer, investment advisor or investment banking services
- Work that is remunerated through a 'success fee' structure
- Expert services unrelated to the audit
- Work that involves the auditor acting in an advocacy role for the Group.

The Group Chief Financial Officer and the auditor are each required to provide a statement that the non audit assignment will not impair the auditor's independence. During the year, KPMG, the Company's auditor, performed certain other assurance services in addition to its statutory duties.

The Board has considered the other assurance services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit Committee, was satisfied that the provision of those assurance services during the year by the auditor was compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All other assurance services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee so they do not impact the integrity and objectivity of the auditor
- The other assurance services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards
- Apart from conducting the external audit of the Group and undertaking other assurance services or agreed services, KPMG were not retained to undertake any other assignments of any kind for the Group.

#### Auditor's Independence

The external auditor is required to provide to Lendlease a written declaration that, to the best of the auditor's knowledge and belief, there have been no contraventions of the auditor independence requirements set out in the Corporations Act 2001 or any applicable code of professional conduct in relation to the conduct of the audit.

A copy of the Lead Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 has been included in the Directors' Report at page 106 of the Annual Report.

#### Fees

Fees paid to the auditor during the financial year are detailed in the Financial Statements. Attendance at Annual General Meeting The external auditor is required to attend the AGM and will be available to answer any questions on the conduct of any audits and the preparation and content of the auditor's report. Eileen Hoggett will be in attendance at the 2022 AGM to respond to questions from securityholders on the conduct of the FY22 audit.

## 6. Key Group Governance Policies

#### Relevant governance documents ([www.lendlease.com](http://www.lendlease.com))

- Code of Conduct Group Policy on Conduct Breach Reporting
- Lendlease Supplier Code of Conduct
- External Communications and Continuous Disclosure Policy
- Securities Trading Policy
- Political Donations Policy

#### 6.1 Lendlease Core Values and Code of Conduct

##### Core Values and Guiding Principles

The Core Values of Lendlease underpin how the Group does business, how it interacts with stakeholders, and how its people operate in the workplace. The Core Values are promoted across all of the Group's businesses and underpin our Code of Conduct.

The Lendlease Core Values are: Respect, Integrity, Innovation, Collaboration, Excellence and Trust.

Health & Safety, Sustainability, Diversity & Inclusion and Customer Focus are the four principles that guide our thinking, actions, processes and benchmarks. These principles differentiate Lendlease and are non negotiable across the business.



### Code of Conduct

The Lendlease Code of Conduct, which is endorsed by the Board, sets out the standards of conduct expected of our businesses and people, regardless of location. It applies to all Directors and employees of Lendlease and operates in conjunction with our Core Values, Group Policy on Conduct Breach Reporting and the Employee Conduct Guide. Copies of all our key policies are available on the Lendlease website.

Employees are encouraged to apply the following 'Lendlease Test' when in doubt as to whether any action might breach the Code of Conduct:

'Would I be willing to see what I'm doing or about to do described in detail on the front page of a national newspaper to be read by family and friends?'

Employees must not undertake any action that fails the 'Lendlease Test' even if it is not expressly prohibited by the Code of Conduct.

The Code of Conduct is supported by various global, regional and local business unit policies and procedures. The Employee Conduct Guide summarises what is expected of employees in relation to the Core Values and Code of Conduct, as well as our Group policies and procedures. Completion training via the 'How We Work at Lendlease', is mandatory for all employees. Recertification of this training is required on an annual basis and completion rates are reported to the Lendlease Board on a quarterly basis.

### 6.2 Bribery and Corruption

Lendlease's position on bribery and corruption is explicitly detailed in the Group's Code of Conduct. Lendlease prohibits all forms of bribery and corrupt conduct, including the offering, promising or giving, or requesting, agreeing to receive or accepting, directly or indirectly of bribes or 'facilitation payments' (payments to speed up routine legal actions) to anyone.

Employees must not:

- Engage in any form of bribery or corrupt conduct
- Induce or facilitate someone else to engage in any form of bribery or corrupt conduct
- Permit an agent or representative of Lendlease to engage in any form of bribery or corrupt conduct.

This applies irrespective of whether the conduct involves individuals, incorporated or unincorporated organisations and/or public officials.

Material breaches of the Code of Conduct including bribery and corruption must be reported to the Board through the Risk Committee.

### 6.3 Group Policy on Conduct Breach Reporting

The Group Policy on Conduct Breach Reporting supports the Code of Conduct and provides a mechanism for employees to raise concerns about unethical or illegal business conduct, including behaviour which seems to depart from the Core Values or Code of Conduct. This policy applies to all officers, employees and contractors of the Lendlease Group in all jurisdictions where the Group operates. The action taken to investigate disclosures under this policy depends on the particular circumstances.

The policy also offers protection to anyone who reports concerns in good faith. If an individual's identity is disclosed during the investigation process, the individual will not be disadvantaged in their employment by any Group company.

Reports relevant to Conduct Breach Reporting are reported to the Risk Committee on a quarterly basis.

In the spirit of continuous improvement of our Governance policies, we routinely review existing procedures to determine if any enhancements to processes are necessary so that whistleblower requirements are complied with.

### 6.4 Lendlease Supplier Code of Conduct

The Lendlease Supplier Code of Conduct (Supplier Code), sets out our expectations and seeks to apply Lendlease's Core Values in partnership with our third party suppliers, consultants and contractors (suppliers). It applies to all suppliers across our global operations.

In accordance with contractual arrangements with our suppliers, suppliers are, at a minimum, obliged to comply with the laws and regulations of the country or countries in which they operate, including laws relating to health and safety, sustainability and the environment, labour practices, modern slavery, materials quality, antitrust and anti-corruption and data protection.

Suppliers to Lendlease are also expected to:

- Have read and understood the Supplier Code
- Act consistently with the Supplier Code throughout their operations and apply it in their dealings with Lendlease
- Take reasonable steps to communicate the Supplier Code to all employees, subcontractors, agents, suppliers or other third parties in their own supply chains with whom they engage in the performance of services or the supply of goods to Lendlease
- Use reasonable endeavours so that suppliers' own supply chains also act consistently with the Supplier Code.

Supplier commitment to the principles of the Supplier Code is considered when making procurement decisions and building relationships with Lendlease's suppliers. Suppliers must comply with all obligations in any contract that they may have with Lendlease.

Suppliers are expected to:

- Conduct business with integrity and in a fair, equitable and professional manner
- Declare any interest they have that may conflict or be perceived to conflict with Lendlease.

Specific expectations of suppliers in respect of compliance with anti-corruption and antitrust laws are also included in the Supplier Code. The Supplier Code enables consistency in managing the social, environmental and governance impacts of sourcing choices across Lendlease's global operations. We recognise that doing this successfully involves working in partnership with our suppliers and encouraging continuous improvement.

Material breaches of the Supplier Code are reported to the Risk Committee.

### 6.5 Conflicts of Interest

Lendlease has systems and protocols in place to identify a conflict of interest and a framework for managing conflicts. A variety of measures have been adopted to manage conflicts of interest including Group policies, systems, internal reporting systems and appropriate disclosures. Directors are required upon their appointment to disclose to Lendlease any interests or directorships which they have with other organisations and update this information if it changes during the course of their directorship. Directors and senior executives are also required to identify any conflicts of interest they may have in dealing with the Group's affairs and refrain from participating in any discussion or voting on these matters. Directors are required to raise with the Company Secretary any matters that may give rise to a conflict of interest. Directors who have a conflict will not receive the relevant Board paper and are not present for the part of the Board meeting where the matter is considered.

General guidelines in relation to managing conflicts of interest can be found in the Code of Conduct, and a range of procedures designed to support compliance have been implemented at a Group and business level.

### 6.6 Securityholder Communications and Continuous Disclosure

The Group has an External Communications and Continuous Disclosure Policy designed to ensure Lendlease complies with the continuous disclosure obligations set out in the ASX Listing Rules.

The policy explains the continuous disclosure obligations of Lendlease and the procedure to be followed when information needs to be disclosed to the market. It contains guidance on how to identify information which may fall within the disclosure requirements and the consequences of breaching the policy. The policy sets out the protocols applicable to Directors, executive officers and employees to assess Lendlease complies with these continuous disclosure obligations.

The policy also sets out management accountabilities for ensuring that the market is fully informed, as well as procedures governing analyst briefings and public comment by Group spokespersons. Any new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation so that equality of information amongst securityholders is maintained.

The Corporate Disclosure Manager is responsible for employee education on continuous disclosure obligations, external communications, monitoring of market information in relation to Lendlease, maintaining records of information released to the market and ensuring that information on the Lendlease website is up to date.

Each half year, as part of its review of the half and full year results, the Audit Committee receives a report as to whether there were any material breaches of this policy.

#### *Communications with Securityholders*

Lendlease also recognises that while there is a legal obligation of disclosure, there is also an ethical obligation to securityholders to maintain investor confidence through full and timely communication and disclosure to securityholders and the market.

The External Communications and Continuous Disclosure Policy is designed to facilitate this objective, and promotes effective communication with securityholders by ensuring that information that may otherwise be important to a securityholder, such as information about the Group's activities, is available to investors in a timely and readily accessible manner.

Any announcements made on the ASX are posted on the Lendlease website as soon as practicable following confirmation of receipt by the ASX. Copies of all material announcements are distributed to the Board by the Investor Relations team promptly after they have been made.

The Lendlease website is the key information dissemination point to the broader market and includes information about itself and its governance, all announcements made to the market, copies of current and past annual and half year reports, and other presentations or market briefings made to analysts or institutional investors. The Investor Relations team has enhanced its approach to facilitate more effective communication with investors by:

- Including a webcast format briefing for full and half year results
- Scheduling formal meetings with investors and, if requested, site visits
- Introducing various market briefing sessions.

Lendlease also continues to release an integrated Annual Report to more clearly communicate how we create value for our securityholders.

Throughout the year, Investor Relations engages in domestic and international roadshows to meet with existing and potential securityholders. In FY22, these roadshows occurred through the use of virtual technology. The investor communication program has been put in place to facilitate and encourage effective two way communication with investors. In addition, securityholders are provided with the option to receive communications from, and send communications to, the Investor Relations team and the share registry electronically. Contact details are available on the Group's website and all communications sent to securityholders from the share registry.

#### *Annual General Meeting*

The Annual General Meeting (AGM) is the primary opportunity for securityholders to meet with the Board and senior executives. The meeting provides an update to securityholders on the Group's performance and offers an opportunity for securityholders to ask questions and vote on important matters affecting the business. Lendlease encourages participation at the AGM and securityholders are invited to submit questions ahead of the AGM by completing the relevant form accompanying the Notice of Meeting or submitting questions electronically through the share registry. In 2022, it is planned that the Lendlease AGM will be held via a hybrid format allowing even greater participation with our securityholders. The meeting will be held

face to face, as well as being webcast live to securityholders, with questions being able to be asked in person, online and via telephone. Voting will also occur in person at the AGM and online during the meeting (in addition to votes cast ahead of the meeting). Further information will be available in the Notice of Meetings.

All resolutions at the AGM are voted on by a poll. Since 2013, Lendlease has used electronic voting at its AGM as we believe this is the most secure way to count votes received at the meeting. An archive of previous AGMs are available on the Lendlease website. Presentations made at the AGM are also available on the website for access by interested stakeholders. Copies of the speeches delivered by the Chairman and the Global CEO and the outcome of voting on the items of business are released on the ASX. In addition, representatives of the media are invited to attend the AGM to enable a report of the proceedings to reach as wide an audience as possible.

### 6.7 Trading in Lendlease securities

The Lendlease Securities Trading Policy sets out the circumstances in which Directors and employees may deal in Lendlease securities. The policy complies with the requirements of the ASX Listing Rules in relation to Securities Trading Policies.

The policy restricts all employees from dealing in Lendlease securities between the close of the financial year, or half year, and the next business day after the announcement of Lendlease's results.

The policy includes additional requirements for Directors and Designated Executives who must not deal in Lendlease securities in any period other than:

- The six week period commencing on the business day following the announcement of the annual results
- The six week period commencing on the business day following the announcement of the half year results
- The six week period commencing on the business day following the Annual General Meeting
- A period during which Lendlease has a current prospectus or other form of disclosure document on issue under which persons may subscribe for Lendlease securities
- Any other period determined by the Board, in advance, to be an open window period.

The policy requires Directors to receive the approval of the Chairman prior to any trade, or in the case of the Chairman, the approval of the Audit Committee Chairman. Designated Executives are required to notify the Group General Counsel or Company Secretary prior to any dealings. Directors must also promptly provide details of any trade to the Company Secretary for disclosure to the ASX.

The policy reinforces the insider trading provisions of the Corporations Act 2001. Trading in securities when in the possession of inside information that is not generally available to the public is prohibited at all times including during open trading windows. The policy explicitly states that dealing in securities or procuring or communicating with others in relation to securities at any time is prohibited if it would be in breach of the insider trading rules.

Designated Executives must obtain the consent of the Group General Counsel prior to entering into transactions or arrangements that operate to limit the economic risk of vested entitlements to Lendlease securities, including margin loan arrangements. Transactions or arrangements must not be entered into other than during the prescribed trading periods. Designated Executives must not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to Lendlease securities.

Deferred Long Term Award and Short and Long Term Incentive awards are subject to the Securities Trading Policy which prohibits executives from entering into any type of 'protection arrangements' (including hedging, derivatives and warrants) in respect of those awards before vesting.

Audits of trades by Lendlease employees including Directors and Designated Executives are conducted twice a year and material breaches are reported to the Audit Committee.

## 6.8 Political Donations

Engagement between business and government, when under-pinned by shared values and clear guidelines, is a healthy and important part of our democratic process. As part of that engagement, Lendlease invites politicians to visit our sites and offices, and Lendlease management participates in appropriate policy discussions. It is, however, an area that requires appropriate governance and oversight, to protect Lendlease's reputation as an ethical and responsible organisation and to support employees remaining aware of their responsibilities in this area.

The Lendlease Group Political Donations Policy has been approved by the Board and summarises Lendlease's governance and approval framework around political donations. The policy applies to all people in all Lendlease businesses and in all geographies where Lendlease operates.

In accordance with the Group's Political Donations Policy, Lendlease does not make party or campaign political donations, whether in cash or in kind, to political parties or individuals holding, or standing for, elective office (political entities). This includes:

- No attendance at political fundraisers, including where third parties offer to pay;
- No gifts or commercial benefits (in cash or in kind);
- No hosting of fundraising events (including through the use of Lendlease premises or managed assets at no charge or at discounted rates); and
- No political advertising is accepted inside of any retail or commercial asset owned or managed by Lendlease.

Subject to receiving prior approval, approved senior leaders of Lendlease (provided it is not a breach of law in the relevant jurisdiction) are permitted to:

- Engage with political party aligned policy institutions and think-tanks on a bi-partisan basis and as required basis to work on policy areas of mutual interest; and
- Attend policy conferences, including party conferences, as a paid corporate attendee where policy agendas are being debated.

Breaches of the Political Donations Policy are regarded as serious misconduct. The policy sets out a formal process where all political donations activity is recorded and tabled to the Lendlease Board on an annual basis.

## 6.9 Employee Transactions Policy

The Lendlease Group Employee Transactions Policy, a Board approved policy, has been developed to permit Directors and employees of Lendlease to purchase product developed and sold by Lendlease, while endeavouring to maintain a framework that allows objectively fair access to Lendlease product as between Lendlease customers and employees. There is one policy across the whole Group covering transactions whereby a Lendlease employee acquires Lendlease product anywhere in the world.

The underlying principle of the policy is of no priority of release of product to employees before the public.

Other tenets of the policy are as follows:

- Favourable provisions for employees are reversed if they cease to be an employee: up to 50 per cent of the standard deposit rate; up to an extra one month settlement time; a discount up to the amount of any agent's deposit otherwise payable, on the basis it is tax neutral to Lendlease
- Employee purchases within a particular category of product and within each stage release to be limited to 20 per cent by number
- No more than two purchases by an individual employee in any one calendar year
- Employee to hold any property purchased from Lendlease for 24 months post completion of acquisition.

During the reporting period, changes were made to the formal process applying to employee transactions. The changes continue to manage conflicts appropriately and objectively. Regular reporting of purchase requests, approvals and contracts entered into are provided to internal channels.

## 7. Diversity and Inclusion Governance

### Relevant governance documents ([www.lendlease.com](http://www.lendlease.com))

- Diversity and Inclusion Policy
- Sustainability Committee Charter
- People and Culture Committee Charter
- Nomination Committee Charter

### 7.1 Diversity at Lendlease

Lendlease is committed to providing an inclusive workplace, where all employees can be their true and best selves at work. We encourage and embrace all forms of diversity and believe that people with different backgrounds, experiences and perspectives provide unique points of view and build stronger teams. Over the years, Lendlease has made positive progress towards building a more diverse workforce, particularly in the areas of gender diversity and LGBTQ+, but we acknowledge that we still have work to do. Lendlease is committed to creating a workplace that unites diverse minds, where respect, equal treatment and equal opportunity are the norm.

In previous years, Lendlease focused its global inclusion strategy on gender equality, LGBTQ+, flexibility at work and inclusive leadership. In FY22, to strengthen our culture of inclusion, we also focused on a range of diversity and inclusion actions which are set out in the Annual Report on pages 40 and 41.

*Gender Diversity Reporting  
Required under ASX Corporate  
Governance Principles*

The ASX Corporate Governance Principles and Recommendations require a listed entity to disclose the measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally, and disclose during the reporting period the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive') or, if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.

Lendlease has measurable objectives for gender diversity, shown below:

- Target of 40 per cent female Directors on the Lendlease Board which the Board is working to meet. For the year ended 30 June 2022, 3 out of 9 directors were women.
- At a senior management level, four women are on the Global Leadership Team
- For the year ended 30 June 2022, 31.8 per cent of senior management positions are held by women.

We define senior management to be an employee who holds a position at executive level according to the Lendlease Career Job Framework. This generally includes Regional Business Unit Heads, Regional Function Heads and in some cases, direct reports to Group Function Heads.

In addition, Lendlease is committed to pay equity for comparable roles and uses gender pay analysis as an input to the remuneration review process to address any gaps and unconscious bias.

## 7.2 Diversity and Inclusion Policy

While the ASX Principles requires the reporting against targets related specifically to gender, Lendlease is committed to building a more diverse and inclusive culture in all forms of diversity in addition to gender, including cultural, First Nations, LGBTQ+, religion, disability and age as well as diversity of thought and experience. To encourage greater representation of diversity, Lendlease continues to develop initiatives targeting an improvement in diversity including refinement in recruitment processes, expansion in career and leadership development and mentoring.

The People and Culture and Sustainability Committees collectively assist the Board in discharging its responsibilities on matters relating to organisational culture, diversity and inclusion. Progress in achieving diversity targets are regularly reported on and monitored by the Lendlease Board through the People & Culture Committee and through the Sustainability Committee on RAP initiatives.

The Board endorsed Diversity and Inclusion Policy is available on the Lendlease website. The People and Culture Committee is responsible for overseeing the Group's diversity strategy and its progress towards achieving the Group's measurable objectives. The GLT is also held accountable for embedding diversity and inclusion through performance measures related to leadership, which is reported against an annual scorecard.

## 7.3 Diversity Governance

Diversity & Inclusion councils are comprised of executives from across the Group. Diversity councils facilitate a diverse, collaborative and inclusive culture. They provide the opportunity for discussion on ways to increase diversity and achieve best practice in terms of diversity policies. The diversity councils also oversee the activities of regionally based Employee Resource Groups. These groups have been set up to represent a diverse range of employees with regard to age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.

Level 14, Tower Three  
International Towers Sydney  
Exchange Place  
300 Barangaroo Avenue  
Barangaroo NSW 2000

[www.lendlease.com](http://www.lendlease.com)

 @lendlease

 @lendleasgroup

 @lendlease