

ASX ANNOUNCEMENT

24 October 2022

Lendlease Stakeholder Engagement Presentation

Attached is a presentation to be referred to during engagement meetings in October 2022 between Lendlease Chairman, Michael Ullmer AO, Lendlease Chairman of the People & Culture Committee, Elizabeth Proust AO, and key stakeholders.

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





Stakeholder Engagement

Michael Ullmer, AO
Chairman, Lendlease

Elizabeth Proust, AO
Chairman, People & Culture Committee

October 2022

London
Elephant Park

lendlease

Progress Against our Priorities – Year in Review

Significant resetting of organisation despite challenges presented by the ongoing COVID disruption

Financial Result

- FY22 outcome reflects the challenging global operating environment and the decisions flagged to the market in August 2021 on resetting the Group for future growth
- A recovery in operating momentum is expected to result in improved financial performance over the coming years
- Leaner organisation created; improved expected returns on lower annualised overhead costs

Business Renewal

- Implemented Reset phase of the five year Reset, Create, Thrive roadmap
- Portfolio divestments supported the focus on our core business. More than \$1b of capital recycled including the exit of Services business, reduction of investment in Retirement Living and introduction of a partner into the Military Housing portfolio
- Refreshed management team and simplified operating model

Responding to Real Estate Trends

- Pivoting to be an investment led company; we are scaling up our investment and asset management teams to further grow our product offering, enhance the value of the assets we manage and provide investors with recurring income streams
- Pursuing resilient and sustainable development schemes that leverage our capabilities in placemaking and enhance urban connectivity
- Workplace of the future must adapt to changing employee expectations and employee needs, whilst fostering corporate culture

Safety and Sustainability

- Exceptional outcomes achieved in FY22 against some of our key safety metrics including Critical Incident and Lost Time Injury Frequency Rates
- Saddened by fatality in area under subcontractor control
- Continued leadership position in environmental sustainability. Decarbonisation mandates in place as we work towards our Net Zero scope 1 and 2 emissions target by 2025

Our People and a Culture of Care

- People are the driving force in our business; we have overhauled our approach to leadership, acknowledging, as we have always known, that culture is set from the top
- A range of new programs were implemented including leadership development, accelerating diverse talent and technical training
- We are extending our culture of care to encompass psychological safety to further support employees

Board Program

- Board program was expanded to reflect the broader range of operational and strategic issues
- In 2022, the Board assessed operations in all four geographic regions, Australia, Asia, Europe and Americas. This included a comprehensive program of site visits, project reviews, interactive employee roundtables, leadership discussions and engagement with external stakeholders
- 16 sites visited in 2022

Health and Safety

Our highest priority

- A **strong safety culture** aimed at improving our performance and eliminating incident and injury has been at the forefront of our strategy and operating philosophy.
- Since 2008 we have implemented **Global Minimum Requirements (GMRs)** for health and safety across all our operations with a significant reduction in fatalities.

Metric	FY01-FY10	FY11-FY23YTD
Corporate Reportable Fatalities	69	12

- **Reporting practices beyond industry standards:** working hours, incidents, injuries and fatalities of all contractors, subcontractors, consultants or community members across our operations.

We are deeply saddened to report one fatal incident occurred in FY22:

4 Hudson Yards, New York, Americas

- Based on information provided by an independent investigation report and the conclusions reached by the local regulatory authorities, the Board is satisfied that the incident was not the result of a failure of Lendlease operational control.
- An industrial demarcation limiting Lendlease's ability to access specific work areas inhibited Lendlease supervision to access the activities where the incident occurred.
- The project was established with a range of best practice initiatives and had performed safely prior to the fatal event. The region met all other EHS metrics targets for FY22.

In FY23 there has been a fatal incident involving a subcontractor at the 1 Java project in New York, Americas. An independent investigation is in progress.

We strive for excellence in the underlying drivers of safety outcomes

Reporting Metrics

In FY22 a range of key EH&S metrics were the best outcomes ever recorded. Our key performance metrics demonstrate significant improvements in recent years:

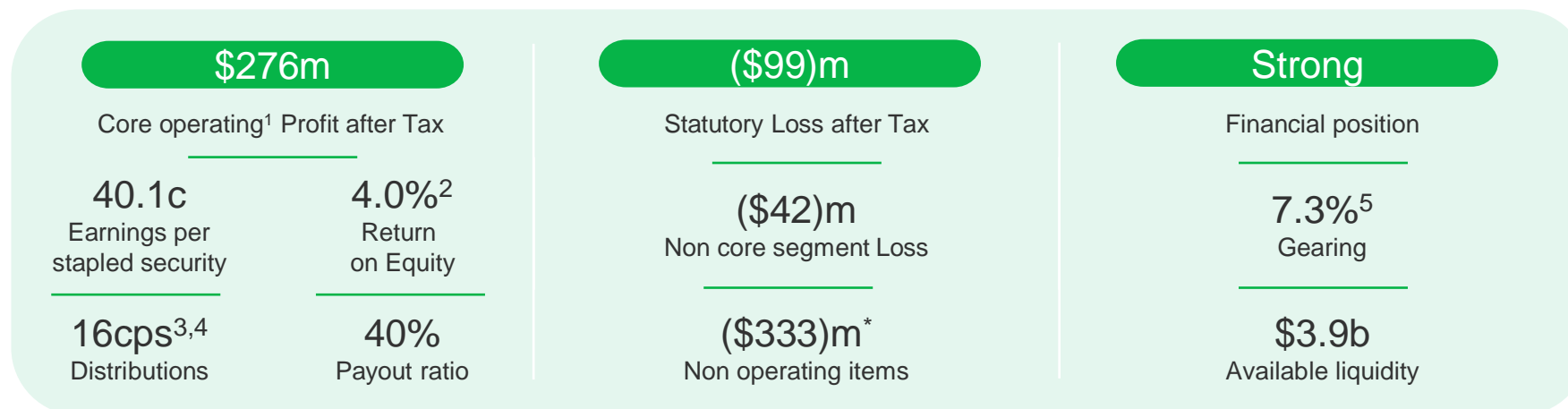
Metric	FY15	FY22
% Operations without a Critical Incident	85%	94%
Critical Incident Frequency Rate (CIFR)	2.41	0.57
Lost Time Incident Frequency Rate (LTIFR)	2.45	1.37
Total Recordable Incident Frequency Rate (TRIFR)	11.41	5.97
Total Hours Worked	113.9M	81.9M

Safety Consequences

- In the 6 years to end of FY22 there have been 8 corporate reportable fatalities (note: there were none in the preceding 3 years)
- 1 was a Lendlease employee, and 7 were employees of subcontractors
- In 4 of the cases, Lendlease was deemed to have operational control of the relevant site. In 1 of these cases Lendlease was prosecuted, in 2 Lendlease was not, and in the remaining 1, the investigation is continuing
- In 3 of these cases there were significant bonus reductions for accountable management and employees, and in the other the matter is pending the outcome of the investigation
- In the 4 cases where Lendlease was deemed not to have operational control, there has been no action against the company by regulatory authorities, and no bonus impacts

FY22 Business Performance and Review

Financial performance: Cyclical low point for activity and profitability impacted by COVID, statutory result impacted by restructuring charges

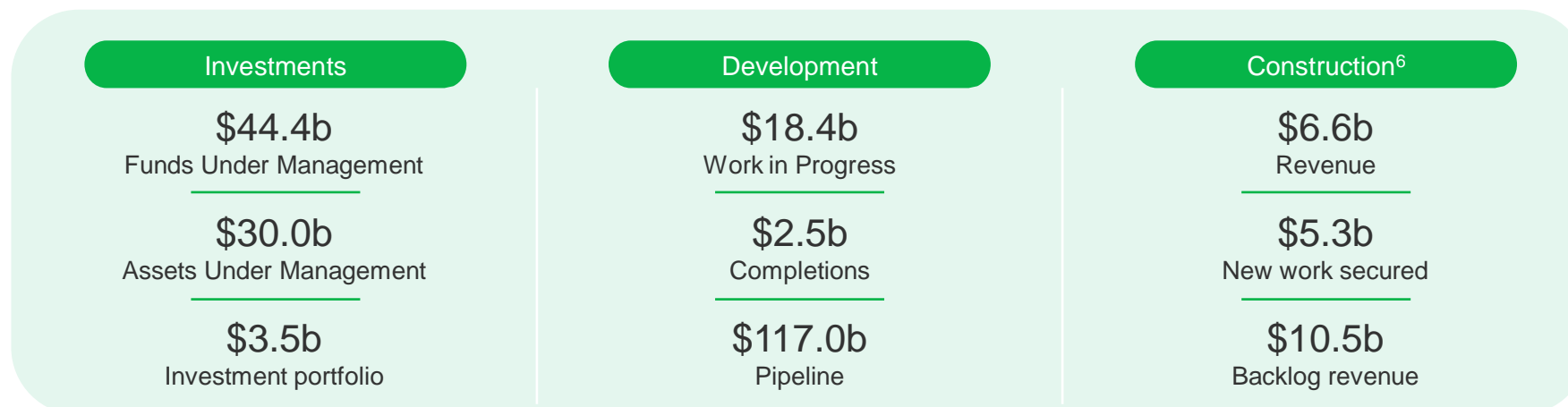


* The charges of (\$333)m against the FY22 Statutory Result related to the strategic reset announced in August 2021, which impacted a small number of development project strategies, and restructuring costs.

In response to this, the directors exercised their discretion at the time in determining the bonuses for KMP in FY21.

Accordingly, the FY22 bonus outcomes have been determined by reference to Operating Profit as measured against the FY22 Plan approved by the Board for the Reset phase of the strategy

Operating performance: Subdued FY22, significant momentum into FY23 with additional investment partnerships and record Work in Progress



1. Statutory profit adjusted for non operating items and the Non core segment. Non operating items are Investments segment property revaluations, restructuring charges and impairment expenses.
 2. Return on Equity is calculated using the Core operating Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity.

3. Includes Trust distribution.

4. Final Distribution of 11cps.

5. Net debt to total tangible assets, less cash.

6. Excludes internal projects.

FY22 Snapshot

Group

- Refreshed leadership and organisation structure
- Recalibrated cost base
- Exit Non core businesses
- Portfolio divestments
- Operating momentum into FY23



Investments

- ROIC above PMF⁴ and FY22 expected range
- Formed c.\$11b¹ of partnerships to grow FUM:
 - Comcentre redevelopment, Singapore – \$3.0b
 - International Quarter London – \$2.8b
 - Real Estate Partners 4 – \$1.5b
 - US Life Sciences partnership – \$1.0b
 - Lendlease Innovation partnership – \$1.0b

Development

- ROIC below PMF⁴ range; within FY22 expected range
- FY22 trough year:
 - Lower completions at \$2.5b
 - Impact on profit timing from change in JV approach
- Significant momentum into FY23:
 - Record Work in Progress of \$18.4b
 - \$5.9b of commencements, \$4.4b in H2
 - Australia Communities sales >3,000, up 61%

Construction

- EBITDA margin within PMF⁴ and FY22 expected range
- Resilient despite disruptions:
 - Productivity impacts from COVID shutdowns
 - Managed supply chain constraints and inflation
 - Backlog revenue >\$10b
 - Substantial social infrastructure projects

1. Total estimated end value (representing 100% of project value). 2. Total estimated end value of partnership with CPP Investments. 3. Artist's impression. 4. Portfolio Management Framework.

People and Culture

Key Areas of Focus for the Board and the Committee during FY22

Learning

We have developed and launched global programs to drive sponsorship of diverse talent by senior leaders while removing barriers to accelerate under-represented talent. These include the Ignite program which focusses on female talent, and Mosaic, a Racial Equity and Sponsorship program.

These programs enhance and align to regional initiatives to drive representation and inclusion throughout our organisation.

Culture

Our Global Engagement Score is well below our expectations. We have developed action plans to improve the experience of our people. This will be a key area of focus in FY23.

Based on the feedback from the employee engagement survey, we remain focused on building leadership capability, providing career growth and developing our people.

Our guiding principles of Safety, Sustainability and Customer Focus remain among our top performing areas.

Leadership

With the internal appointment of a new CEO, we have reset our executive leadership team, with 57 per cent of our succession pools filled by internal talent. We are now focusing on replenishing these talent pools.

We continue to increase the representation of positions filled by women among our leadership cohort, with women now filling 31.8 per cent of leadership positions.

Careers

Retention of key talent remains challenging and is an identified key risk in the current competitive market.

Early career talent is a critical component of our talent pipeline. The refresh of the learning component of our global graduate program has been well received, with a 19 per cent increase in program participants reporting a positive experience over the six month period.

Initiatives

Mental Health First Aid

- Provides mental health awareness skills and knowledge
- c.800 employees became Mental Health First Aiders
- c.400 Leaders completed Mental Health First Aid for Leaders training

Global Roadmap to Wellbeing program

- Helps navigate conversations and connections in a changing world, deal with stress, build resilience and unlock potential through exercise, sleep and nutrition
- c.750 employees completed the Roadmap to Wellbeing Learning

You Can't Ask That

- Raising awareness of mental health as part of World Suicide Prevention Day and R U OK? Day
- c.1100 employees attended

FY22 Remuneration Snapshot

FY22 reward outcomes reflect our performance and environment

Amended FY22 Executive Reward Strategy (ERS) implemented following an extensive program of work to listen to securityholder feedback and to test the effectiveness of our ERS

48% of Maximum STA awarded to Global CEO

Other KMP STA outcomes ranged from 55% to 61% of Maximum STA opportunity

Revised Global CEO package implemented

21% reduction in maximum remuneration
33% reduction in unhurdled remuneration
76% performance based
59% delivered in equity

STA changes

Simplification and reduction of KPIs

Shifted KPI weightings to 65% financial / 35% non financial

50% of STA deferred into equity

Threshold and Maximum performance set in addition to Target

Nil LTA award vested¹

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

Removed the RSA

increasing the proportion of performance based reward

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

LTA changes

Simplified LTA vesting schedules

(straight line vesting between Threshold and Maximum)

Leaver treatment for LTAs granted in FY23 onwards:

LTA forfeited for any resignation
LTA prorated for time served for 'good leavers'

1. 2020 LTA excludes the Restricted Securities Award (RSA – previously referred to as the LTA Minimum)

FY22 Remuneration Outcomes

Global CEO STA Scorecard

The following changes were made to the Global CEO STA scorecard for FY22:

- the introduction of metricated KPIs with threshold and maximum performance set in addition to target
- simplification of KPIs and reduction in the number of KPIs
- shifting the KPI weightings to 65% financial KPIs / 35% non financial KPIs (previously 50% / 50%)
- 50% paid as cash and 50% deferred as Rights to receive Lendlease securities released in two equal tranches after one and two years

In FY22 the CEO and the executive team established an optimised structure and businesses, recalibrated the cost base, completed a portfolio review and implemented a focused business model. This has set the business up in a better position than anticipated, with good momentum going into FY23

The Board in assessing STA outcomes for the CEO and the executive team have given consideration to both financial outcomes and strategic progress. Actual performance of our operating segments achieved or exceeded the return expectations provided for FY22.



Adjusted Global CEO STA outcome

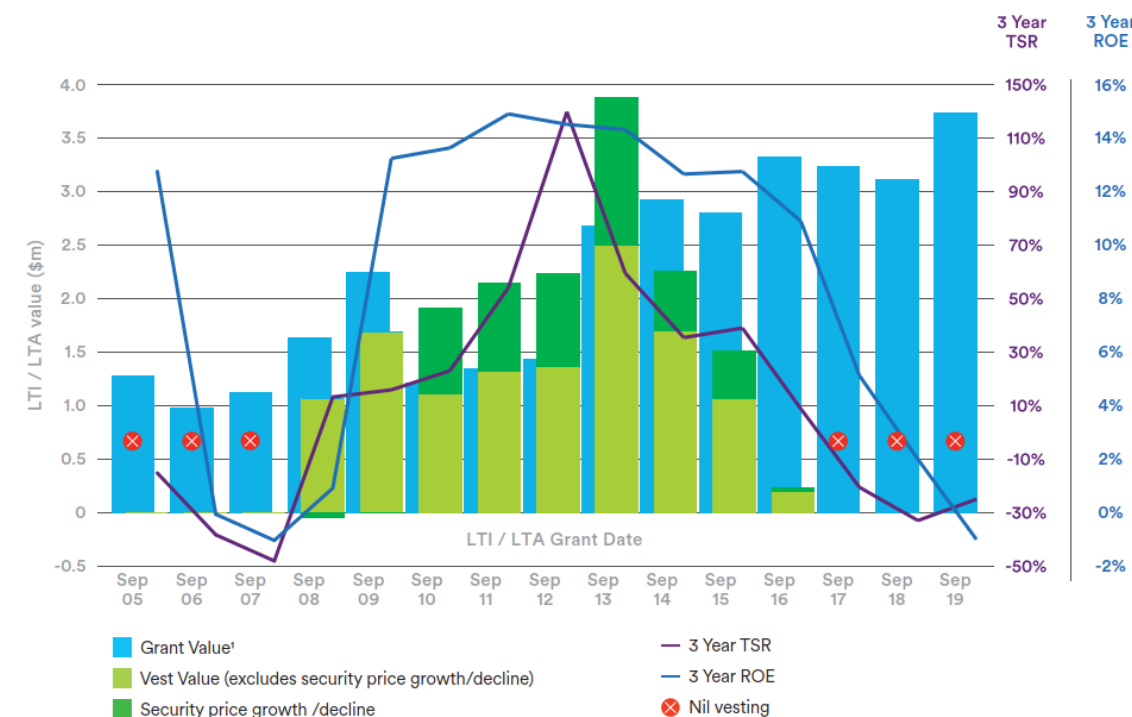
The Board assessed that the Global CEO had performed extremely strongly against his scorecard KPIs. The progress on the strategic reset is ahead of expectation, and strong momentum has been generated in the business in the second half. However, having regard to the overall financial result from the actions taken as part of the reset, in determining the final STA outcome, the Board have exercised discretion to reduce the outcome on both the financial and non-financial KPIs.

- A total downwards adjustment of **33%** has been applied on the metricated scorecard outcome for the Global CEO.
- The final adjusted Global CEO STA outcome is **48%** of maximum opportunity.

LTI / LTA outcomes and securityholder experience

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

- Over the period from Sep-05 to Sep-19, 36% per cent of the aggregate value of LTI / LTA awards vested (outcomes range from 0 per cent to 99 per cent)
- 4 of the 15 LTI / LTA awards were worth more than the grant value due to security price growth (Sep-10, Sep-11, Sep-12 and Sep-13)
- 6 of the 15 LTI / LTA awards were worth nothing when they were tested (Sep-05, Sep-06, Sep-07, Sep-17, Sep-18 and Sep-19).

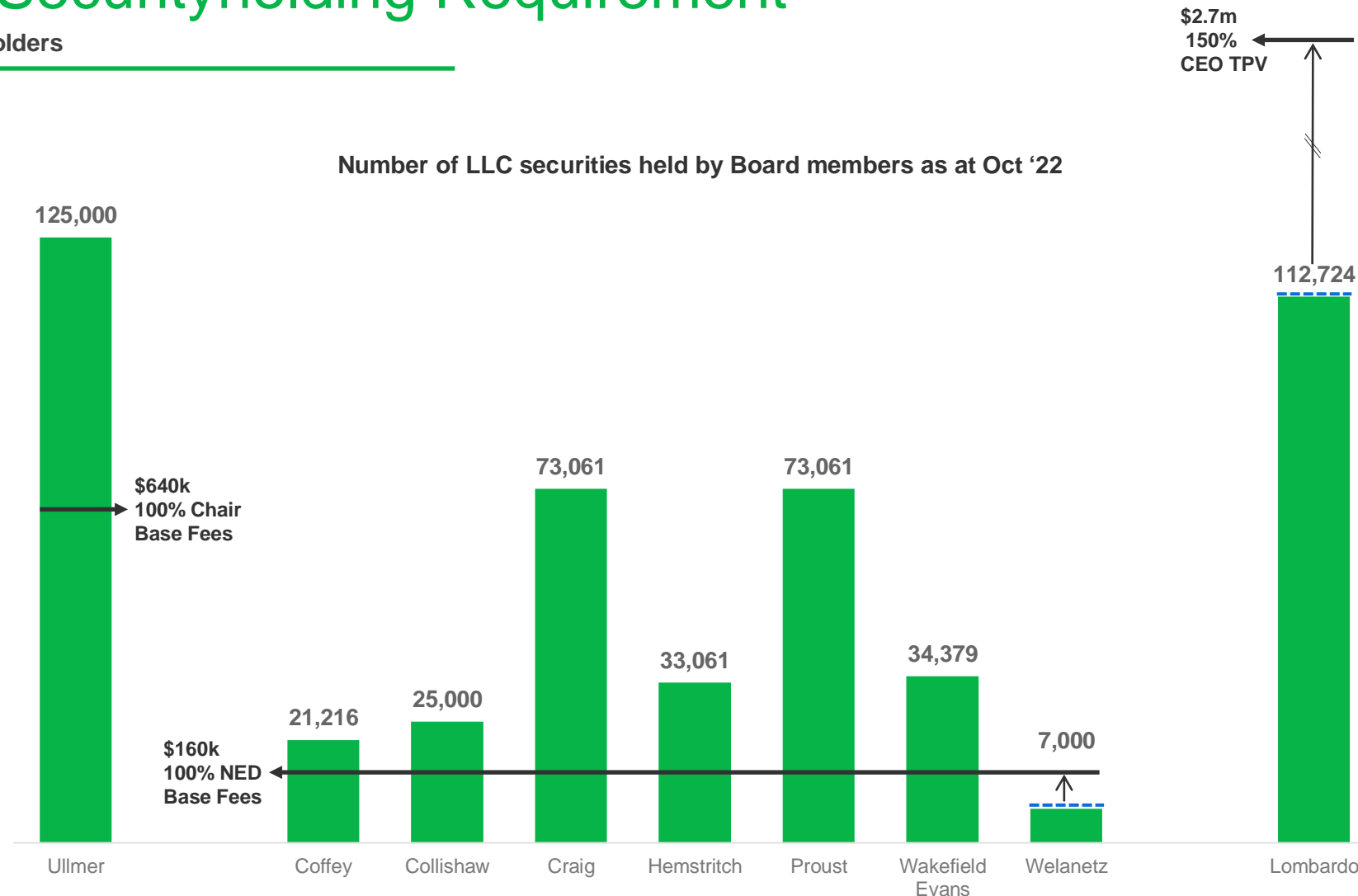


¹ The LTI / LTA grant value is the number of securities granted multiplied by the 1 September opening security price for the LTI / LTA grant year.

Board Mandatory Securityholding Requirement

Enhancing Board alignment with securityholders

- The Company's Constitution requires Directors to hold a minimum number of Lendlease (LLC) securities
- To align more closely the interests of securityholders and Board members, the Board's policy is that Non Executive Directors (NED) move, over a reasonable period, to hold the equivalent of one year's NED base fees in securities (100%). The Board Chair's requirement is to hold the equivalent of 100% of Chair base fees
- Securities must be purchased out of the NED's personal funds
- The CEO and Managing Director is required to accumulate and maintain a minimum holding of 150% of their Total Package Value (TPV) in LLC securities. Awards granted under the Restricted Securities Award (LTA Minimum) count towards this holding requirement.



The black line (→) represents the % ownership of LLC securities compared to the Mandatory Securityholding Requirement (MSR), based on the LLC security price as at 21 Oct 22. For the CEO, rights granted under the Restricted Securities Award (LTA Minimum) count towards the MSR. These are locked until the MSR is reached.

Board Skills Matrix

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

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

Skills / Experience	Comments	Michael Ullmer	Jane Hemstritch ¹	Nicola Wakefield Evans	David Craig	Phil Coffey	Elizabeth Proust	Robert Welanetz (based in US)	Tony Lombardo	Nick Collishaw	Margaret Lui ² (based in SG)	Total
Industry Experience	Experience in one or more of LL's operating segments of Investments, Development and/or Construction	✓ Investments	-	✓ Investments	✓ Investments & Development	✓ Investments	✓ Investments	✓ Investments & Development	✓ Investments & Development	✓ Investments, Development & Construction	✓ Investments	9 of 10
International Operations	Experience working in or managing key clients/teams in LL offshore regions (other than AU)	✓ Asia, Europe, US	✓ Asia, Europe, US	✓ Asia, US	✓ Asia, US	✓ Asia, Europe, US	✓ Europe	✓ Asia, Europe, US	✓ Asia, Europe, US	✓ Asia, US	✓ Asia	10 of 10
Executive Leadership	Skills gained while performing a senior executive role for a considerable time – last executive role shown	✓ Deputy CEO	✓ Managing Director	✓ Managing Partner (CEO)	✓ CFO	✓ Deputy CEO	✓ Managing Director	✓ CEO	✓ CEO (current)	✓ Managing Director	✓ CEO	10 of 10
ESG	Experience in assessment strategy and performance against environmental, social and governance criteria	✓	-	✓	✓	✓	✓	✓	✓	-	-	7 of 10
People & Culture	Experience building workforce capability, promoting workplace culture, diversity and inclusion	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10 of 10
Technology	Experience via direct line accountability for managing significant technology functions or major project implementations	-	✓	✓	✓	✓	-	✓	✓	-	-	6 of 10

1. Jane Hemstritch will retire from the Board on 18 November 2022, following the Annual General Meeting. 2. Margaret Lui, based in Singapore, will join the Board from 1 December 2022

Board Renewal and Succession Planning

The Board has a focused program of renewal and composition is diverse and focused on performance

- Board members seeking election / re-election at 2022 Annual General Meeting



David Craig

Mr Craig joined the Board in March 2016

Skills/Experience relevant to Lendlease

- Deep financial, risk management & strategic experience
- 20+ years of direct Property segment experience including overseeing CBA's property portfolio transformation and as CFO of Australand
- International career in 3 of the 4 Lendlease regions



Nicola Wakefield Evans

Ms Wakefield Evans joined the Board in September 2013

Skills/Experience relevant to Lendlease

- Business leader with international commercial, strategy, M&A and legal experience
- Diverse career as one of Australasia's leading lawyers, in addition to holding several leadership and management roles
- Significant ESG experience gained through business and in the non-profit sector



Nick Collishaw

Mr Collishaw joined the Board in December 2021

Skills/Experience relevant to Lendlease

- 40 years' experience in Investments, Development & Construction
- High profile roles in property and funds management including ex CEO Mirvac and Centuria Capital (Listed Property division)
- Oversaw delivery of significant and ground-breaking projects



Margaret Lui

Ms Margaret Lui will join the Board in December 2022

Skills/Experience relevant to Lendlease

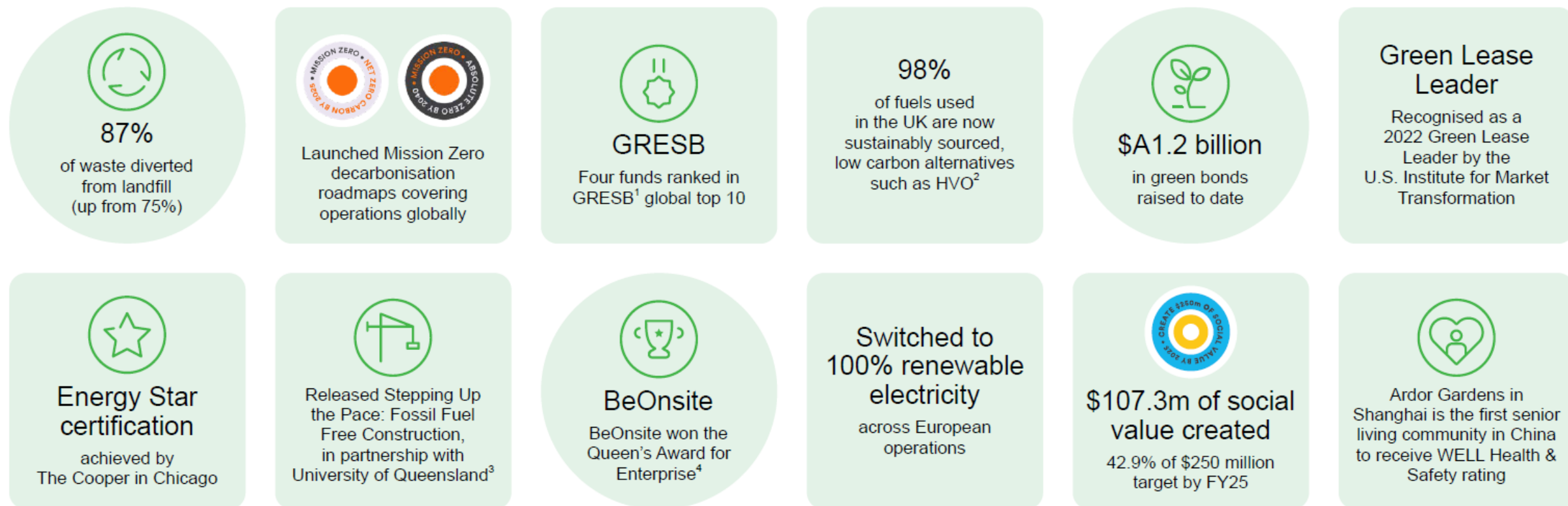
- Current CEO of Azalea Asset Mangement, overseeing a US\$10b portfolio
- Track record in restructuring and transforming Temasek businesses
- Created the first infrastructure business trust listed on the Singapore Exchange
- Will stand for election at the 2023 AGM

Board tenure and renewal in 2022

- Board continued to focus on renewal in 2022

Environmental, Social and Governance

FY22 key achievements



1. 2021 Global Real Estate Sustainability Benchmark. 2. Relates to FY22 only. HVO is Hydrotreated Vegetable Oil and is a paraffinic diesel fuel. 3. Link to the report https://www.lendlease.com/au/-/media/llcom/better-places/2022may/11834_II_building--decarbonisation-report_d10.pdf?la=en&hash=CC4477648140C805ACD4C4A7946709B54FB9E50FB. 4. For outstanding achievement in promoting social mobility through opportunity <https://www.lendlease.com/uk/media-centre/media-releases/lendlease-beonsite-wins-prestigious-queens-award-for-enterprise>

Progress on Sustainability Targets

Our Sustainability targets

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

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

Our bold targets are more than just headlines. We have clear decarbonisation plans in place and we continue to measure the positive impact we are making in communities around the world. An update on our progress towards both our environmental and social targets is included in our FY22 Integrated Report.

Mission Zero

Our FY22 scope 1 and 2 gross emissions continue to track below our 1.5 degree aligned budget of 210 kt CO₂-eq (FY22 target) and we are making important inroads into tackling our scope 3 emissions.

In FY22 we developed and implemented Regional Mission Zero Roadmaps, outlining initiatives to reduce scope 1, 2 and 3 carbon emissions in line with our targets.

To generate momentum for decarbonising the real estate sector we participate in industry working groups, cross sector initiatives and continue to work closely with our partners across the supply chain to reduce the embodied carbon in the materials our sector relies on.

Social Value

Since launching our social value target in 2020, we have created \$107.3m of social value through the work of our shared value partnerships, supported through our Lendlease Foundation. This represents 42.9 per cent of our target of \$250m by 2025.

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

We are a
1.5°C
aligned
company

We aim to tackle
the climate crisis
head on

Net zero carbon
scope 1 and 2 by 2025

Absolute zero carbon
scope 1, 2 & 3, no offsets
by 2040

Create
\$250m of
social value
by 2025

Creating
social
value

Measured by return on
investment from shared
value partnerships

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

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

To view Lendlease's social value campaign, #alittlehelptothrive, please visit: <https://www.lendlease.com/au/social-value/>