

Environment

- **Does Lend Lease report its environmental performance?**

Lend Lease has a dedicated Sustainability microsite called “Every Action Adds Up” which can be accessed by clicking here www.lendlease.com/sustainability
The website has been created to provide a comprehensive online performance report including environmental and social performance metrics.

- **Does Lend Lease have an environmental policy?**

Yes.

Lend Lease aspires to be a sustainable organisation that goes beyond sustaining the natural environment on which we depend for our commercial activity, to a long-term goal of restoring the environment in which our projects and operations are placed.

To achieve this aspiration, we will interrogate every opportunity to demonstrate a positive impact on the environment in all our activities and developments, as well as those of our supply chain.

We will always comply with environmental legislation and regulation as a minimum, but sustainability is beyond compliance for Lend Lease — we seek to exhibit leadership in our environmental performance.

In order to drive continual improvement, we will monitor and report our impacts and our environmental performance against global standards.

Follow the link to Lend Lease Corporation’s environmental policy statement
[http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard\(2\).pdf](http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard(2).pdf)

- **Has Lend Lease had any major environmental issues?**

Lend Lease is subject to many environmental regulations, in particular relating to real estate development, project management and asset management. Traditionally these regulations have related to environmental compliance aspects including noise and dust control, solid waste management and discharge into water systems. More recently, Lend Lease is being affected by emerging energy efficiency and greenhouse gas emissions legislation requiring mandatory disclosure and reporting of performance of all activities under our operational and/ or financial control.

To manage such environmental regulatory risks, Lend Lease requires each of its businesses to operate an integrated Environment, Health and Safety Management System. This framework ensures environmental risks associated with our operations or activities are managed via legal registers, risk assessment protocols, environmental management plans, trained environmental managers, routine inspections and audits.

As part of the Environmental Management System, environmental metrics collected from across our operations are integrated into an internal ‘Environment Dashboard’. The Dashboard allows management to

perform real-time monitoring and reporting of our environmental performance for both regulatory compliance and strategic purposes.

The Lend Lease Executive Management Team and Risk Management and Audit Committee receive environment compliance reports on a quarterly basis which include any significant environmental risks and non conformance with Lend Lease's Environment Policy. The Group is not aware of any significant non compliance issues as at the date of this Report.

- **What systems and risk management procedures are in place in order to prevent environmental damage?**

The Corporate Health & Safety, Risk and Insurance team employ an 'Enterprise Risk Management Framework' incorporating a global safety management system which monitors risks centrally through the business risk matrix. The Business risk Matrix is an online tool which monitors and reports operational health and safety performance through the Safety Dashboard.

Lend Lease has a clear risk governance structure, with key roles and responsibilities defined for each group, including: the Lend Lease Board's Risk Management and Audit Committee, the Executive Management Team, the Corporate Health & Safety, Risk and Insurance Team, Audit Team and other functions including technology, finance, legal, treasury, sustainability, strategy and Mergers and Acquisitions as well as within relevant lines of business. The Board's Risk Management and Audit Committee together with the Sustainability Committee have Charters. Policies exist that cover Risk Management and Health & Safety and Environment risk.

1. Lend Lease Corporation Environment Policy -Lend Lease updated its Global Environment Policy in December 2008.

[http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard\(2\).pdf](http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard(2).pdf)

2. United Nations Principles for Responsible Investment and Sustainable Responsible Investment Policy -Lend Lease was the first global real estate and construction company to become a signatory to the UN Principles for Responsible Investment in February 2008 and our Investment Management business released a policy for Sustainable Responsible Investment.

http://www.lendleaseinvestmentmanagement.com.au/llweb/invmgt/main.nsf/all/au_sust_ochal

3. Corporate Risk Register -Lend Lease maintains a Corporate Risk Register and our Corporate Risk Matrix categorises risks as: Critical; major; medium; small or minor. All environmental risks included in our Corporate Risk Register are managed and monitored closely by the Global Head of Risk, in the business, Legal Counsel, Business Unit Executives and the by Corporation.

<http://www.lendlease.com/sustainability/index.html'/environment-detail>

4. Investment Management: Environmental Due Diligence -The Investment Management Business Unit conducts due diligence audits on all of its property acquisitions and divestments, which includes analysis of environmental regulatory compliance, building energy performance and green building rating.

<http://www.lendlease.com/sustainability/index.html'/environment-detail>

5. Investment Pipeline Sustainability Risk Considerations. All investment proposals are subjected to the following environmental and social sustainability considerations: Health and Safety, Biodiversity, Climate Change, Natural Resources, Land Quality, Stakeholder Opposition, Waste & Emissions, Human Rights, Communities, Heritage & Archaeology. Our Construction and Project Management business, Bovis Lend Lease, uses a 'Go/No-Go' decision-making process to identify and assess potential environmental and social risks and opportunities. <http://www.lendlease.com/sustainability/index.html/environment-detail>

6. Managing Environmental Impacts of Our Operations ' Environmental Management System (EMS). All Lend Lease Business Units have integrated Environment, Health and Safety Management Systems which ensures audits, inspections and management reviews are routinely completed. Lend Lease's EMS meets the requirements of ISO 14001.

7. Performance Monitoring & Reporting -Environmental inspections, visits and audits of our projects and procedures are regularly performed by appropriately trained Lend Lease employees as part of our integrated management system which is also subject to external audits. Additionally, our computer interface, 'Environment Dashboard', enables real-time monitoring of environmental performance metrics from the lines of business and projects and this information supports our management reporting. <http://www.lendlease.com/sustainability/index.html/environment-detail>

- **Will the Carbon Pollution Reduction Scheme / carbon trading have any material effect on Lend Lease?**

Lend Lease is currently not required to register under the existing model of the Australian Carbon Pollution Reduction Scheme and therefore will not be directly participating.

Lend Lease will however, be indirectly impacted by the introduction of the Carbon Pollution Reduction Scheme via the downstream impacts associated with energy and fuel costs. Increased energy and fuel costs will financially affect Lend Lease operations and activities in addition to the products, materials and services within our supply chain.

Noting the above, Lend Lease continues to strongly advocate through every available forum the positive role that buildings can play in avoiding dangerous climate change.

The Efficient Building Scheme is a sector specific cap and trade scheme for the non-residential building sector - a simple, equitable, low cost solution that would create an incentive to maximise energy efficiency improvements universally across the non-residential building sector when they come up for re-lease or earlier, balanced by penalties for inaction on inefficient buildings.

We believe it could drive energy efficiency improvements in all non-residential buildings equivalent to a 50 percent cut in carbon emissions in our cities before 2020, as well as protecting existing jobs in the industry and creating thousands of new jobs, deferring or avoiding investment in energy infrastructure, and delivering a raft of other social and economic benefits.

An Efficient Building Scheme will succeed where other measures have failed because of four radical but necessary shifts in approach:

1. It moves the point of obligation to the building owner, so that obligation is aligned with ownership, opportunity and operation, and it can also apply to buildings without a capital investment;
2. It creates a low cost of transaction, allowing for universal application and annual auditing for robustness;
3. It provides reliable benchmarks/ trajectories into the future, providing investment certainty, allowing for assets and liabilities to inform valuations, and providing an ability to balance against deferred infrastructure investment; and
4. It balances abatement credits with an obligation for inaction, which ensures an equitable.

For more information on the Efficient Building Scheme please visit:

<http://www.lendlease.com.au/sustainability/environmentDetail.html?search=life+cycle#/direction-detail>

- **Does Lend Lease engage with suppliers and customers regarding environmental issues?**

One of the many challenges in being a global organisation is making sure our sustainability efforts in one Business Unit or country are consistent with another, interacting with our supply chain is no exception.

To address this, we have established a Global Working Group on Strategic Procurement. This Working Group comprises employees from different roles across the business who are involved in sustainability, design and/or procurement. The common goal of the Working Group is to identify and share strategic procurement initiatives, encourage innovation and knowledge sharing across the business.

The greater network created by the Working Group will then be used as a foundation for Lend Lease to embark on global Supply Chain and Procurement systems and initiatives.

Lend Lease understands the value of working with our suppliers and industry to raise industry standards, including environmental and social sustainability performance.

<http://www.lendlease.com/sustainability/index.html#/our-influence-detail>

- **What are Lend Lease's policies and procedures regarding the use, management and preservation of water?**

Water is a critical resource in the development and construction industry, with buildings accounting for the use of some twelve percent of the world's water.

Lend Lease recognises its dependence on water for a range of activities and purposes associated with our business, including for the manufacturing or use of construction materials, the operation of the asset or facility and the maintenance of built or natural features, as well as for the health of ecosystems on a site.

In responding to the need to conserve this natural resource, Lend Lease aspires to be zero net water in what we design, construct and develop, for the communities we build and influence, for what we manage and for what we own.

In doing this, we aim to:

- . Avoid potable water consumption
- . Improve efficiency of water use
- . Develop solutions to enhance the built environment's mimicry of the earth's hydrological cycle
- . Foster increased access and sustainable use of water in the community and environments in which we operate.

[http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard\(2\).pdf](http://www.lendlease.com/sustainability/pdf/EnvironmentLevel3_1LendLeaseEnvironmentPolicyFINALforboard(2).pdf)

Social

- **Does Lend Lease report its performance regarding occupational health and safety, equal opportunity, community dealings, development and human rights?**

Lend Lease has a dedicated Sustainability microsite called "Every Action Adds Up" which can be accessed by clicking here www.lendlease.com/sustainability
The website has been created to provide a comprehensive online performance report including environmental and social performance metrics.
<http://www.lendlease.com.au/sustainability/directionDetailContinued.html?search=climate+change#/our-people-detail>

- **What are Lend Lease's policies regarding occupational health and safety, equal opportunity, community dealings, development and human rights?**

Lend Lease is committed to operating Incident & Injury Free wherever we have a presence through the effective management of health and safety and engagement with all staff and stakeholders.

View the Health and Safety Policy document (PDF) by clicking here:
<http://www.lendlease.com.au/sustainability/pdf/healthSafetyPolicy.pdf>

The Global Safety Leadership Team has recently defined the values and behaviours which underpin our Incident & Injury Free vision known as the "Lend Lease Way for Safety", setting the baseline for how we do business.

The three core principles are:

I am accountable

Safety first

Every incident is preventable

View the Lend Lease Way for Safety document (PDF) by clicking here:
<http://www.lendlease.com.au/sustainability/pdf/healthSafetyInjury.pdf>

The Lend Lease Code of Conduct applies to every employee across the Group and includes:

- Conflicts of interest;
- Insider trading;
- Bribes and unauthorised payments;
- Proper use of company assets;
- Equal Opportunity for Employees;
- Confidentiality;
- Health & Safety considerations;
- Environmental Considerations;
- Political Donations;
- Limits of authority; and
- Code of Conduct Breach Reporting Policy.

The Code is supported by various global, regional and local business unit policies and procedures such as Continuous Business Disclosure & Fraud and Malpractice. Employees are encouraged to report all instances of actual or potential breaches of the Code of Conduct to their direct management or a representative from human resources, legal or compliance teams.

Implementation of the Code of Conduct is also addressed / described in the Lend Lease Corporation 2008 Annual Report to Shareholders (page 29).

References:

http://www.lendlease.com/LLC_Annualrep/index.shtml

http://www.lendlease.com/llweb/llc/main.nsf/all/all_who_code?opendocument

- **Does Lend Lease have safety performance reporting measures?**

Yes, Lend Lease WebCare (Risk Management and Environment, Health & Safety accident and incident management system). "WebCare" is a Risk Management and Accident/Incident Reporting System that is used across the business to: Ensure that risk is captured, analysed and managed throughout the organisation; and report accidents and incidents. This system is linked to an automatic reporting and notification system for Senior Management responses.

<http://www.lendlease.com/sustainability/index.html#/smarter-systems-detail>

The development of the corporate management reporting tool, called Insight, will provide real time online dashboard reporting for our Environment, Health & Safety, Financial and Human Resources performance. We are interrogating and designing metrics to develop the Insight 'People Dashboard' for HR to ensure meaningful measures of our labour practices and employee engagement that account for the different legislative environments in which we operate.

<http://www.lendlease.com.au/sustainability/directionDetailContinued.html?search=climate+change#/health-and-safety-detail>

Lend Lease continues to refine its job and role definitions as part of our 'People Dashboard' development to identify disparity and apply remedial action. A breakdown of workforce based Women/ Men in Management Positions is measured across Asia, Australia, USA & South America.

- **Does Lend Lease incorporate safety into its remuneration structure?**

Long term incentives apply to Lend Lease Senior Managers and Executives only. Key Performance Indicators (KPIs) are measured by implementation of lines of business plans which include Sustainability Plans and Health and Safety (Incident and Injury Free) Plans. KPIs are agreed by the Executive Management Team and Lend Lease Board. Sustainability Performance KPIs operated for business CEOs across the lines of business and for Lend Lease Corporation Global Function Heads since September 2007. Safety performance has been linked to remuneration for employees in management roles across the organisation for more than four years.

<http://www.lendlease.com.au/sustainability/directionDetailContinued.html?search=climate+change#/health-and-safety-detail>

- **What is Lend Lease's position on political donations?**

Political donations are addressed in Lend Lease's Code of Conduct which is received by all employees.

We must not make political donations on behalf of Lend Lease.

Lend Lease does not make political donations. Attendance at political functions requires the approval of your business stream CEO. If you have any doubts, you should refer to our Political Donations Policy. This does not, of course, restrict your right to participate in the political process in a personal capacity.

[http://www.lendlease.com/llweb/llc/main.nsf/images/pdf_lendlease_codeofconduct.pdf/\\$file/pdf_lendlease_codeofconduct.pdf](http://www.lendlease.com/llweb/llc/main.nsf/images/pdf_lendlease_codeofconduct.pdf/$file/pdf_lendlease_codeofconduct.pdf)

- **Does Lend Lease contribute to local development and social programs?**

Many of Lend Lease's businesses, projects and employees have made significant contributions to the communities in which they live and work. Lend Lease has many best-practice examples of philanthropic activity and activity, which contributes to the long-term development of communities including:

- Community Day
- Community Grants
- Millers Point Youth Employment Partnership
- Building Schools for the Future, Lancashire, UK
- BeOnsite
- Rebuilding Tsunami Communities

<http://www.lendlease.com.au/sustainability/directionDetailContinued.html?search=climate+change#/our-contribution-detail>

- **How does Lend LEase engage its suppliers and customers in meeting with its sustainability policies?**

One of the many challenges in being a global organisation is making sure our sustainability efforts in one Business Unit or country are consistent with another, interacting with our supply chain is no exception.

To address this, we have established a Global Working Group on Strategic Procurement. This Working Group comprises employees from different roles across the business who are involved in sustainability, design and/or procurement. The common goal of the Working Group is to identify and share strategic procurement initiatives, encourage innovation and knowledge sharing across the business.

The greater network created by the Working Group will then be used as a foundation for Lend Lease to embark on global Supply Chain and Procurement systems and initiatives.

Lend Lease understands the value of working with our suppliers and industry to raise industry standards, including environmental and social sustainability performance.

<http://www.lendlease.com/sustainability/index.html#/our-influence-detail>

Corporate Governance

- **Do the board and management have a commitment to sustainable development and is this communicated to shareholders?**

Lend Lease now has a dedicated Sustainability microsite called “Every Action Adds Up” which can be accessed by clicking here www.lendlease.com/sustainability

The website has been created to provide a comprehensive online performance report including environmental and social performance. Additionally, environmental performance and case study examples have been provided in Lend Lease Corporation’s Annual Report to shareholders.

Lend Lease Directors believe that good corporate governance is fundamental to the long-term prosperity of the Lend Lease Group. The Board continually reviews governance practices to ensure that they promote sustainable value for our shareholders and that they meet our responsibilities to all of our stakeholders. As a listed company on the Australian Securities Exchange (ASX), we must comply with ASX Listing Rules, which require us to provide a statement in our Annual Report disclosing the extent to which we have followed and adopted the ASX ‘Corporate Governance Principles & Recommendations’.

The Board established a Sustainability Committee in November 2006. The Sustainability Committee currently includes three Non-Executive Directors: Julie Hill (Chair), Gordon Eddington and Peter Goldmark. The role of the Sustainability Committee is to assist the Board in monitoring the decisions and actions of management in achieving our aspiration to be a sustainable organisation. Lend Lease Governance Structure:

<http://www.lendlease.com/sustainability/index.html'/direction-overview>

- **Is Lend Lease’s Chairman independent?**

Lend Lease Chairman, David Crawford is non-executive and independent.

Refer to the Lend Lease Policy on Independence of Directors, including criteria for independence, in the ‘Corporate Governance’ section of www.lendlease.com.

The Board has a majority of independent Directors. This is in accordance with the Board Charter, which requires the Board to have a majority of Non Executive Directors who are considered by the Board to be independent. The Board considers that all seven Non-Executive Directors are independent.

- **Does Lend Lease have a board with majority independent directors?**

Refer to the Lend Lease Policy on Independence of Directors, including criteria for independence, in the 'Corporate Governance' section of www.lendlease.com. The Board has a majority of independent Directors. This is in accordance with the Board Charter, which requires the Board to have a majority of Non Executive Directors who are considered by the Board to be independent. The Board considers that all seven Non-Executive Directors are independent.

- **Does the board have an audit, remuneration, sustainability, risk and nomination committee?**

The main focus of the Lend Lease Board is the long term health and prosperity of the Group for the benefit of shareholders. The Board places great importance on the governance of the Group and reflecting this commitment, the Board continually reviews its governance practices to ensure these practices promote shareholder value, evaluate the Group's material risks, and address Lend Lease's obligations as a responsible corporate citizen.

Remuneration is the responsibility of the Personnel and Organisation Committee Charter.

Lend Lease's Board Committees include:

- Risk Management and Audit Committee Charter
- Personnel and Organisation Committee Charter
- Nomination Committee Charter
- Sustainability Committee Charter

http://www.lendlease.com/llweb/llc/main.nsf/all/all_corpgov

- **Are directors put up for re election at regular intervals?**

Yes, Lend Lease Directors are put up for re-election in accordance with the Australian Securities Exchange's (ASX) Corporate Governance Principles and Recommendations.

- **Does the board have a risk review process in place?**

Lend Lease has a clear risk governance structure, with key roles and responsibilities defined for each group, including: the Lend Lease Board's Risk Management and Audit Committee, the Executive Management Team, the Corporate Health & Safety, Risk and Insurance Team, Audit Team and other functions including technology, finance, legal, treasury, sustainability, strategy and Mergers & Acquisitions as well as within relevant lines of business.

The Board's Risk Management and Audit Committee together with the Sustainability Committee have Charters. Policies exist that cover Risk Management and Health & Safety and Environment risk.

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- **Are directors shareholders and if so, do they have meaningful shareholdings?**

All Directors are required to hold a minimum of 1,000 shares under the Company's Constitution. In addition, the Board has a policy that the minimum holding for Non-Executive Directors is 2,000 shares. It is intended that Non-Executive Directors move, over a reasonable period, to hold the equivalent of 1 year's Director's fees in shares.

- **Does the Lend Lease remuneration report get passed by shareholders?**

The election and remuneration of directors is voted on at Lend Lease's Annual General Meeting.

- **What is Lend Lease's code of conduct?**

The Lend Lease Code of Conduct applies to every employee across the Group and includes:

- Conflicts of interest;
- Insider trading;
- Bribes and unauthorised payments;
- Proper use of company assets;
- Equal Opportunity for Employees;
- Confidentiality;
- Health & Safety considerations;
- Environmental Considerations;
- Political Donations;
- Limits of authority; and
- Code of Conduct Breach Reporting Policy.

The Code is supported by various global, regional and local business unit policies and procedures such as Continuous Business Disclosure & Fraud and Malpractice. Employees are encouraged to report all instances of actual or potential breaches of the Code of Conduct to their direct management or a representative from human resources, legal or compliance teams.

Implementation of the Code of Conduct is also addressed / described in the Lend Lease Corporation 2008 Annual Report to Shareholders (page 29).

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- **Does Lend Lease have a specific Anti-corruption policy in order to work against corruption in all its forms, including extortion and bribery?**

The Lend Lease Code of Conduct addresses bribes and unauthorized payments. As a general rule, Lend lease employees must not make unauthorised gains or payments nor accept or offer to give gifts, services, discounts, gratuities or other gains from (or to) people who conduct business with any Lend Lease company. This principle has particular application where we are involved in a tender. There are some exceptions – small gifts or invitations to local social or sporting functions are generally acceptable. The offering of bribes to anyone is prohibited outright. Breaking this principle could compromise all concerned and is illegal in most countries in which we operate.

[http://www.lendlease.com/llweb/llc/main.nsf/images/pdf_corpgov_pol_polidonations.pdf/\\$file/pdf_corpgov_pol_polidonations.pdf](http://www.lendlease.com/llweb/llc/main.nsf/images/pdf_corpgov_pol_polidonations.pdf/$file/pdf_corpgov_pol_polidonations.pdf)

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