

ASX ANNOUNCEMENT

12 November 2021

2021 Annual General Meetings – Chairman and Global Chief Executive Officer & Managing Director Addresses

In accordance with ASX Listing Rule 3.13, attached are the addresses to be given at the 2021 Annual General Meeting of shareholders of Lendlease Corporation Limited and General Meeting of Unitholders of Lendlease Trust (together Lendlease Group).

The meeting will be held online today at 10.00am (AEDT). The addresses will be given by the Chairman and Global Chief Executive Officer and Managing Director.

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Authorised for lodgement by the Lendlease Group Disclosure Committee

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ADDRESS BY THE LENDLEASE CHAIRMAN TO THE LENDLEASE ANNUAL GENERAL MEETING

Friday 12 November 2021

Good morning everyone and a warm welcome to the Lendlease 2021 Annual General Meeting.

My name is Michael Ullmer and I am Chairman of the Lendlease Group.

Due to the ongoing risks of the COVID-19 pandemic, this meeting is being held for the second year in a virtual only format. We hope to return to a physical meeting next year.

I would like to assure all security holders that you will have the same opportunity to participate today as would be the case at an in-person meeting.

I am participating in this meeting from Lendlease's Sydney office at Barangaroo, which is located on the land of the Gadigal people of the Eora Nation. The Gadigal people are the traditional custodians of this land and I extend my respect to their Elders past and present. I also acknowledge and pay my respects to any other First Nations peoples who are participating in this meeting.

It now gives me pleasure to introduce your Board of Directors.

Joining me in Sydney is Nicola Wakefield Evans, Chair of our Sustainability Committee. David Craig, Chair of our Audit Committee. Elizabeth Proust, Chair of the People and Culture Committee and, like myself, is standing for re-election today. We also have Phil Coffey, Chair of our Risk Committee.

Joining from Melbourne is Non Executive Director Jane Hemstrich, who chairs our Nominations Committee. Bob Welanetz is joining from his home in Atlanta in the United States.

We also have our Global CEO and Managing Director Tony Lombardo in our Barangaroo office and our Company Secretary Wendy Lee.

Various members of Lendlease's Global Leadership Team are joining the meeting virtually.

Duncan McLennan from KPMG, the Group's Auditor, is also here and is available to answer any questions relating to the audit of the Group's financial statements.



Barry Azzopardi from our share registry Computershare is in attendance and will act as returning officer.

I now confirm that a quorum is present and formally declare the meeting open.

Before we begin, our Company Secretary, Wendy Lee, will outline the procedure for asking questions and voting.

I now declare voting open on all items of business.

The voting icon will soon appear, so please submit your votes at any time.

Turning to my address.

Reflections on first term as Chair

My first three year term as Chairman has coincided with a difficult period for securityholders, initially driven by the underperformance of the Engineering business and subsequently by the COVID pandemic.

However, I am confident the decisions and actions we have taken, place the Group in a position to deliver strong securityholder returns as the gateway cities in which we operate recover post pandemic.

Strategic review of Engineering and Services

An immediate priority when I took the Chair in October 2018 was to lead the Board in a comprehensive strategic review of the Engineering and Services businesses.

We advised the Market in February 2019 that the Board had determined that the risk profile of Engineering was incompatible with our core operating segments of Development, Construction and Investments, and accordingly it was non core.

The sale of the Engineering business was announced in December 2019 and completed in September 2020.

In late FY21, claims emerged relating to historical projects completed prior to the sale of the Engineering business.

While these claims are subject to dispute proceedings which will take time to conclude, a provision of \$168m after tax was taken.

This most recent disappointing outcome reinforces the Board's decision to exit the engineering sector and for the Group to focus on areas of competitive advantage.



On a more positive note, the sale of the Services business completed last week.

While this business has been a consistent performer, it is non core to the Group and its divestment will facilitate further simplification and focus.

Governance

At the start of my term, the Board also undertook a comprehensive review of its governance practices. A range of opportunities were identified to enhance the effectiveness of our Board processes and the responsibilities specifically reserved for the Board and its committees.

We established a separate Risk Committee, of which all Directors are members, where the full spectrum of risk is discussed. This includes risk appetite, business integrity and conduct, risk frameworks and policies, and major transaction approvals.

This change allowed the Audit Committee to focus on financial reporting, key accounting, treasury and taxation matters, and internal and external audit. These changes freed up the Board agenda to increase our focus on strategy, culture, purpose, our people and customers.

COVID

It is impossible to reflect on my first term without acknowledging the impact COVID has had on the regions in which we operate, including our people, securityholders, customers and other stakeholders.

The Board moved decisively to address COVID related risks, including the health and safety of our people, our customers and the communities in which we operate, as well as our operations and our balance sheet.

A Board subcommittee, which was formed in March 2020, had primary oversight of the Group's response. The Board is proud of the way the organisation mobilised and responded to the various risks.

While the adverse financial impacts were significant and will linger into FY22, the Group has displayed resilience.

Purpose and Strategy

From its inception Lendlease has been purpose led, with our founder Dick Dusseldorp articulating the broader social and environmental outcomes that underpin everything we do.

His vision for the company was guided by two simple principles: doing the right thing and leaving a legacy for future generations.



At our 1973 Annual General Meeting he said that companies must start justifying their worth to society, with greater emphasis placed on their environmental and social impact rather than just straight economics.

Given the integration of ESG factors into the investment decision making process today, his philosophy was decades ahead of its time.

This legacy endures at Lendlease today.

In August 2020, following extensive consultation with employees, customers and the leadership team, the company's purpose statement was refreshed and simply stated as – Together we create value through places where communities thrive.

This acknowledges our rich history and leadership in placemaking, but also more broadly encompasses the value we create in partnership with others.

The refreshed purpose anchored the Group's revised strategy which was announced concurrently. And this has been reaffirmed by our new CEO in August this year.

The strategy brings our purpose to life, by employing our placemaking expertise and integrated business model in global gateway cities, to deliver urban projects and investments that generate social, environmental and economic value.

Our focus on gateway cities is at the core of our strategy.

Through the Ages, the value to society of people interacting with each other in close proximity has cemented the dominant role that cities play in the global economy.

Think of London and New York's finance sectors, Milan's high end manufacturing and fashion scene, Silicon Valley's technology focus and Singapore's global trading hub. The extensive social infrastructure and amenities that cities offer make them compelling.

The past year has reinforced the need, desire and benefits of social interaction, collaboration and knowledge sharing.

The Group has unique insights into the likely evolution of the urban landscape given our global reach and capabilities. We intend to lead reinvigoration, renewal and reinvention across urban precincts.

Through the places we design, build and curate, we aim to create destinations where people want to be.



Our approach is underpinned by leading safety and climate policies, a significant investment in technology, and a desire to help solve urban challenges.

We believe our strategy and capability will be even better placed once the pandemic passes as our mixed use capability comes to the fore.

CEO transition

CEO transition was another priority during my first term.

Following an extensive internal and external search, the Board appointed Tony Lombardo as Global Chief Executive Officer, effective 1 June 2021.

Tony has more than 25 years' global experience working across real estate development, investment management, finance and mergers and acquisitions, including 14 years at Lendlease.

Tony succeeded Steve McCann who had a 16 year career with the Group, including more than 12 years as CEO. I'd like to take this opportunity to acknowledge Steve's contribution.

We are now recognised as a global leader in transforming major precincts, and his unwavering commitment to operating in a safe and sustainable way has left a powerful legacy.

The Board also had oversight of other executive leadership changes following Tony's appointment, including new members to our Global Leadership Team, which will add fresh ideas and new perspectives.

The Board is confident these appointments, along with a revised organisational structure, have set Lendlease up for future success.

FY21 Performance

Health and Safety

Health and Safety remains our number one priority. Keeping people safe takes precedence over everything else.

As reported at last year's Annual General Meeting, we had two subcontractor fatalities occur on our sites in FY21, one at Setia City Mall in Malaysia and another at Curtin University in Perth.

We again extend our sincerest condolences to the family and colleagues of both men.



This provides a strong reminder of why we have such an unrelenting focus on health and safety.

We treat the lives of subcontractors and community members no differently to employees and include all fatalities across our operations in our reporting.

The findings from the external investigation conducted by the Malaysian authorities confirmed that Lendlease is not a party of interest at the Setia Mall fatality.

The investigation into the Curtin University fatality remains ongoing, although the Board is satisfied that, based on material from internal and external sources currently available, our standards as set out in the Global Minimum Requirements, or GMRs, were met.

In the early part of FY22 there was a fatal incident involving a subcontractor on a project in New York. We extend our sincerest condolences to his family and colleagues. An independent investigation is currently in progress.

During the year, the Board oversaw the review and subsequent refinement to the Group's GMRs. The fourth edition of our GMRs was launched in March 2021 and included a specific focus on the health and wellbeing of our people. Each member of the Board undertook Lendlease's mandatory EH&S Passport training in order to understand first hand the application of the new GMRs, and the role that our people play in safety.

The Board also established a formal framework to assess management accountability in the event of a fatality.

The introduction of the GMRs in 2008 and their ongoing refinement has underpinned a significant improvement in our overall safety performance over an extended period. This is reflected in the critical incident frequency rate, being the number of incidents per million hours worked, falling to a record low of 0.66 in FY21, just over a quarter of the level first reported in FY14. And this is in the context of the Group delivering over 100 million man hours of work on our construction sites every year.

Unfortunately, this provides little consolation when a life is lost.

Eliminating incidents and injury remains at the forefront of our strategy and operating philosophy, and we will continue to strive for improvement.



Financials

Lendlease reported a Statutory Profit after Tax of \$222 million in FY21. This included a loss of \$181 million for the Non core segment, driven by additional provisioning relating to claims on historical engineering projects.

Core operating profit of \$377 million was up substantially from \$206 million in FY20.

Full year distributions of 27 cents per security reflects a pay out ratio of 49 per cent, which is within the Board's stated target range of 40 to 60 per cent of core operating earnings.

The Group entered FY22 in a strong financial position with a healthy pipeline of work, cash and cash equivalents of \$1.7 billion, and gearing of 5.0 per cent. The strength of our balance sheet positions Lendlease strongly, as we continue to navigate the COVID impacted operating environment.

Sustainability

Consistent with our heritage, we made a conscious decision to be a leader in driving industry transformation to limit global warming and to create lasting social value.

Our commitment to be a 1.5 degree aligned company is being actioned through our targets of net zero carbon emissions for scope 1 and 2 by 2025 and absolute zero for scope 1,2 and 3 by 2040. We intend to be a leader in the decarbonisation effort across the Real Estate sector. To increase awareness of our targets, we launched our Mission Zero campaign in FY21, highlighted in the video that was played at the commencement of this AGM.

We also committed to the creation of \$250 million of social value over 5 years by 2025. We have 'shared value' partnerships across all regions, which are focused on creating measurable social value by addressing the needs of communities, and have made meaningful progress towards our target.

The recent commencement of the Milan Innovation District (MIND) project exemplifies how the Group incorporates environmental and social sustainability into key decision making. Created on the 100 hectare site of the Milan Expo, MIND will bring together university facilities, a teaching hospital and commercial research facilities to form an innovation district. The project is targeting to be zero carbon, including 100 per cent renewable energy and 95 per cent onsite recycling. The project is also designed to generate social value for the community, exemplified by training and job opportunities for previously incarcerated individuals.



The Board also endorsed the Group's Reconciliation Action Plan which achieved 'Elevate' status, and our 2020 Modern Slavery Statement.

We aim to release our 2021 Modern Slavery Statement in the coming weeks, which includes a new risk mitigation effectiveness, progress scorecard.

Executive Reward Strategy

In response to investor feedback on our FY20 Executive Reward Strategy (ERS), our planned review of remuneration arrangements was significantly expanded. The focus was to continue to evolve our ERS with the business, so that it supports the future success of Lendlease while also meeting the expectations of our investors.

Immediately following last year's AGM, the Board established a working group to thoroughly assess and examine the views of our securityholders and other external stakeholders. The review also considered market practice, internal perspectives as well as the strategic priorities of the Group. The revisions to our ERS were implemented from 1 July 2021 and incorporated these considerations, including increased transparency of Board decision making.

The remuneration package for the new CEO has been reduced by 33 per cent for unhurdled remuneration, and 21 per cent for total maximum remuneration opportunity compared to the former CEO. Other key amendments include rebalancing the remuneration mix, with a higher proportion of remuneration subject to performance hurdles. Features that reflect the long dated nature of the business, by delivering a significant proportion of remuneration in equity that vests over an extended period, have been retained.

Notwithstanding the solid operational and financial results across our Core business, the Board recognises the need for accountability in FY21 for the further provisions relating to the legacy Engineering business and the expected development impairment in FY22 of a small number of projects arising from the business review conducted by our new CEO. Accordingly, there were appropriate reductions in the FY21 bonus outcomes for accountable Executives, including nil short term award to the former Group CEO. Further, on behalf of the Board, I have taken a 20 per cent reduction in my Chairman's fee for the current year.

Board Renewal

I am confident that the continual evolution of the Board composition is delivering the right mix of skills, experience and diversity to govern Lendlease in the best interests of all our stakeholders.

During the year, we announced the appointment of Nicholas Collishaw to the Board as an independent Non Executive Director. Nick will join the Board on 1



December 2021. Based in Sydney, Nick is an experienced property executive and non executive director with more than 40 years' experience across Lendlease's core segments of Development, Construction and Investments.

During his career he has overseen the development and delivery of a number of significant and ground-breaking projects across the commercial, industrial and retail sectors. Nick's executive career comprised a number of high-profile roles including eight years at Mirvac Group, where he served as the Chief Executive Officer and Managing Director between 2008 and 2012.

I am delighted that Nick is joining the Lendlease Board. His appointment is consistent with our focus in recent appointments on identifying Non Executive Directors with significant skills in our core operating segments to complement the composition of the Board.

Non Executive Director Elizabeth Proust and myself are standing for re-election today.

We both have the unanimous support of the Board, and bring a range of diverse skills and experiences which add to the quality of Board deliberations.

The Future

I am optimistic as to the prospects of the organisation over my next term as Chairman of this great company.

While we expect FY22 to be another challenging year for all stakeholders as real estate markets continue to be impacted by COVID, we are seeing evidence that positive momentum is beginning to build. Activity across our Northern Hemisphere gateway cities following their emergence from COVID restrictions is recovering strongly.

This has been most evident in the residential sector, in particular in rental product. We expect a more broad based recovery into the new calendar year.

We remain confident in our strategy and believe the underlying strength of our business will become apparent as global cities recover further. The Group's end to end capability across real estate and a proven track record is reflected in our \$114 billion development pipeline. The size and diversity of the pipeline is expected to support the acceleration of production to more than \$8 billion per annum by FY24. This will underpin continued strong growth of our investment platform.

Finally, I would like to thank my Board colleagues and the entire Lendlease team for their continued dedication in navigating the challenges of the global pandemic.



Throughout much uncertainty, the team has achieved significant milestones and made strategic decisions that position us to create long term value for securityholders.

Thank you.

I will now hand over to Tony Lombardo.



ADDRESS BY THE LENDLEASE GLOBAL CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR TO THE LENDLEASE ANNUAL GENERAL MEETING

Friday 12 November 2021

Thank you, Michael, and good morning everyone.

Standing here at Barangaroo in Sydney, I acknowledge the Gadigal people of the Eora nation and pay my respects to their elders past and present.

It is a great privilege to lead Lendlease.

In my first six months in the role, I've spent a considerable time listening to our stakeholders, customers, and our people. These discussions only reinforced my belief in Lendlease – the type of company it is today and what it could be tomorrow.

To reach that potential, we have a plan underway to simplify the business, adopt a more consistent approach and provide greater transparency.

Our goal is simple - to restore securityholder value without compromising our 'safety first' approach and our ethos of environmental and social sustainability.

As you heard from the Chairman, we pride ourselves on our sustainability credentials and our environmental targets have set a global benchmark for our sector.

It is not only the right thing to do, but it is a competitive edge given the rapid increase in investor and client demand for sustainable assets.

At Lendlease, eliminating incident and injury is at the forefront of our operating philosophy.

Our updated Global Minimum Requirements provide a consistent standard and operating discipline that defines how Lendlease manages health and safety.

However, the improvements made in our safety performance provide no comfort when a human life is lost or is impacted by serious injury.

Injuries and fatalities have devastating impacts on the families affected.



During FY21, two workers lost their lives on our projects. Sadly, since then, another subcontractor lost his life on one of our construction projects in New York.

I add my sincere condolences to the family and friends of these three men.

I am determined that we'll learn from these tragic events and work to find better ways to prevent them in the future.

Let me turn to our financial results for FY21.

As Michael noted, the Group recorded Core operating profit after tax of \$377 million, up 83 per cent on the prior year. Core operating earnings per security was 54.8 cents with a return on equity of 5.4 per cent, below our target range of 8 to 11 per cent.

The enforced shutdowns and lockdowns from a once in a century pandemic have had significant ramifications for the way societies live, work and play.

So unsurprisingly, many of our projects were significantly impacted during FY21 including Elephant Park, International Quarter London, and One Sydney Harbour, Barangaroo.

Construction revenue also declined, and our investment portfolio and asset management platform were impacted by retail centre shutdowns.

Notwithstanding these COVID headwinds, the Group's Core operating metrics were solid across each of the segments.

Strong origination contributed to the \$114 billion development pipeline, while Work in Progress, the lead indicator for future development production, rose by more than \$2b to \$14.5 billion.

Six geographically diverse urban projects with an end value of \$7.4 billion were added to the pipeline, including two major urban projects.

In Construction, \$8.8 billion in new work was secured on the back of increased public sector activity.

Investment partnerships worth \$5.1 billion were formed across five projects with four different partners, including exposure to the rapidly growing sectors of Life Sciences and Data Centres.

And finally funds under management grew ten per cent to \$40 billion.



Since our full year results and strategy update in August, we are seeing recovery occurring in many of our targeted gateway cities.

Our San Francisco Bay Area project is made up of four distinct precincts. The masterplan for the first precinct in San Jose - the Downtown West district - has received unanimous approval from authorities. Masterplans have also been submitted for the North Bayshore and the Middlefield Park districts, which are undergoing review. We are targeting commencement prior to the end of FY23.

At our High Road West project in London, a majority of the current residents voted in favour of the regeneration proposal. The project will see the creation of approximately 2,500 new homes, a new library, community hub, cultural buildings, public spaces, shops, cafes and workplaces, all sitting alongside the new Tottenham Football Club stadium.

We are increasingly confident of a pathway back to improved profitability across our Australian Communities portfolio. Three projects are releasing product to market for the first time, that we expect to settle by the end of FY23.

In London, leasing on our apartments for rent at Elephant Park is tracking ahead of our revised forecasts. In the US, occupancy and rents in our residential for rent product is back to pre-COVID levels.

Finally, as noted by the Chairman, we recently completed the sale of the Services business.

In addition to engaging with stakeholders - since assuming the role, my focus has been on implementing greater discipline to how we operate.

A five-year roadmap to deliver sustainable performance was outlined at the briefing held in late August. This is made up of three distinct phases – RESET, CREATE and THRIVE.

As outlined at the FY21 results, Statutory profit in FY22 will be impacted by a restructuring charge in the range of \$130 million to \$170 million and an impairment expense in the range of \$230m to \$290m – both are pre tax and expected to be accounted for in the first half.

Core operating earnings are likely to be heavily skewed towards the second half of FY22, excluding the impact of the restructuring charge and development impairment, with segment return expectations unchanged from those provided at the FY21 results.

This forms part of what we have termed the RESET year for FY22. Our management structure and our operating platforms are being consolidated and



our cost base is being re-sized against the backdrop of near term challenges. As a result, we remain confident of achieving our targeted savings of greater than \$160 million on an annualised basis.

Despite lingering COVID impacts, we remain very optimistic on the medium to long term outlook.

The Group is well positioned to achieve improved returns as operating conditions recover, with our Return on Equity target range expected to be met by FY24, along with reaching our \$8 billion + production target in the Development segment.

During the CREATE phase, FY23-24, we expect to make significant progress on our strategic objectives – with execution being a particular focus.

Strong growth in development commencements, work in progress and production should result in improved financial performance.

We also expect to upscale the investments platform via the launch of new funds and mandates. Our overriding objective during this phase is to achieve the Group's Return on Equity target.

By FY26, the organisation should be THRIVING with sustained financial performance along with development production consistently exceeding \$8b, funds under management of more than \$70b and best practice delivery in construction.

Achieving our key sustainability targets will also be a priority.

Finally, I want to end by thanking you, our securityholders, for your support and to my team for their dedication through a difficult period.

And I want to restate my commitment - and that of my management team - to restore securityholder value and establish Lendlease as a global leader in product quality, innovation, and safety.

With that, I'll hand back to the Chairman.



RESPONSES BY LENDLEASE CHAIRMAN TO ISSUES RAISED PRIOR TO THE LENDLEASE ANNUAL GENERAL MEETING

Friday 12 November 2021

Before I commence the formal business, I'd like to provide an update on a project of interest to some of our stakeholders.

Figtree Hill

The Figtree Hill project, in south-west Sydney, will play an important role in providing new homes, with approximately 1,700 in Phase 1, and thereby help to take some of the stress out of Sydney's housing market.

The map on screen is an aerial image of the Phase 1 program.

Located on cleared farmland used for grazing since the 1880s, the site also borders the Campbelltown koala population – one of the few populations expanding in New South Wales.

We recognise the inherent tension between urban development and biodiversity.

This is why we have put in place a \$35 million conservation plan – the only fully-funded plan that can help support the growth of this koala population.

By following recommendations identified by the NSW Chief Scientist and Engineer, our project can double the koala carrying capacity of the site.

This is key to further growing Campbelltown's koala colony, but it's only possible with a real plan for immediate action.

I'm pleased to say the project now has environmental approvals in place from the Local, State and Commonwealth Governments.

Environmental works are well underway: we've already fenced and registered 20 hectares of new bio-banks.

The bushland rehabilitation process has begun with the planting of thousands of new trees – future habitat preferred by local koalas.

We're looking forward to delivering this new community for the Campbelltown region.



TIMING OF ANNUAL TAX STATEMENTS

The second matter is in relation to the timing of tax statements as some securityholders have asked if these can be sent earlier in the year, after the close of the 30 June year end.

The Board appreciates the issues faced by our securityholders. However, we are a stapled structure that usually pays the majority of its distributions as corporate dividends. Our reporting and distribution timetable therefore follows our corporate calendar.

This means that the Annual Tax Statements cannot be issued until after Lendlease reports its full year financial results to the market in August each year.

In response to securityholder feedback, we have provided a Tax Estimator on our website to assist securityholders with the calculation of the taxable components.

The calculator is available the day the results are released so that securityholders can use this to assist in the preparation of their tax returns before the Annual Tax Statements are issued.