

GLOBAL SUSTAINABILITY FRAMEWORK

FY19 ENVIRONMENTAL DATA (ENERGY,
EMISSIONS, WATER, WASTE & NORMALISATION
DATA) AND SUMMARY BASIS OF PREPARATION



FY19 ENVIRONMENTAL DATA

FY19 Environmental Data

The FY19 Environmental Data (detailed in the table below) has been prepared by Lendlease Corporation Limited Management in accordance with the reporting criteria as described in the Summary Basis of Preparation. Table 1 represents total values aggregated by Region and then Table 2 by Global Business Segements.

Region and Respective Business Breakdown	Sum of FY19 Energy (kWh)	Sum of FY19 Electricity Use (kWh)	Sum of FY19 Natural Gas (MJ)	Sum of FY19 Fuels (Diesel, Gasoline, LPG, Ethanol, Biodiesel) (litres)	Sum of FY19 Renewables Produced (kWh)	Sum of FY19 Renewables Consumed (kWh)	Sum of Renewables Exported (kWh)	Sum of FY19 Total Emissions (TCO2-e)	Sum of FY19 Total Scope 1 Emissions (T CO2-e)	Sum of FY19 Total Scope 2 Emissions (T CO2-e)	Sum of FY19 Total Potable Water (kL)	Sum of FY19 Total Waste (Tonne)	Sum of FY19 Total Waste to Landfill (Tonne)	Sum of FY19 Total Waste Diverted (Tonne)	Sum of Hours FY19	Sum of Area (m2) FY19	Sum of ILU FY19
Americas	163,087,934	83,045,318	33,110,484	2,932,916	19,984,892	17,276,706	2,708,186	60,249	13,728	46,520	2,781,605	65,629	17,880	47,748	14,025,111	926,466	-
Construction	57,815,210	17,367,369	13,969,272	2,626,551	-	-	-	14,549	9,348	5,201	131,792	45,807	8,771	37,035	14,025,111	-	-
Defence	98,891,232	62,585,658	15,852,012	306,365	19,984,892	17,276,706	2,708,186	43,583	3,716	39,867	2,642,156	6,974	3,148	3,826	-	857,200	-
Investment Management	4,777,587	1,488,386	3,289,201	-	-	-	-	1,509	664	845	6,549	11,145	4,510	6,636	-	40,690	-
Lendlease Tenancy	1,603,905	1,603,905	-	-	-	-	-	607	-	607	1,109	1,703	1,451	251	-	28,576	-
Asia	70,773,068	54,055,224	35,285	1,550,629	58,198	58,198	-	34,707	4,157	30,551	429,182	40,426	13,510	26,916	16,474,060	349,909	-
Construction	26,298,279	10,918,593	35,285	1,431,254	-	-	-	12,295	3,837	8,458	165,227	30,953	12,861	18,093	16,474,060	-	-
Investment Management	42,581,397	42,514,712	-	792	58,198	58,198	-	21,723	2	21,721	262,441	9,413	613	8,800	-	339,172	-
Lendlease Tenancy	1,893,392	621,919	-	118,583	-	-	-	689	317	372	1,514	60	36	23	-	10,737	-
Australia Construction	441,857,165	68,052,806	4,606	35,457,629	63,294	63,294	-	150,266	92,687	57,580	850,638	1,202,308	637,645	564,663	41,246,026	70,198	-
Building	73,443,812	11,556,243	4,606	5,799,560	23,208	23,208	-	25,512	15,588	9,924	251,265	723,407	550,075	173,332	18,184,487	-	-
Engineering	353,562,300	50,978,310	-	28,785,855	40,086	40,086	-	117,739	74,731	43,008	569,390	477,343	86,319	391,024	21,458,269	-	-
Lendlease Tenancy	242,610	241,211	-	130	-	-	-	175	0	175	144	29	3	26	-	7,607	-
Services	14,608,443	5,277,042	-	872,084	-	-	-	6,840	2,367	4,473	29,840	1,529	1,248	281	1,603,270	62,591	-
Australia Head Offices	2,039,804	2,039,804	-	-	-	-	-	1,666	-	1,666	580	48	5	43	-	39,766	-
Lendlease Tenancy	2,039,804	2,039,804	-	-	-	-	-	1,666	-	1,666	580	48	5	43	-	39,766	-
Australia Property	158,015,248	121,260,008	32,881,334	213,021	2,077,230	1,700,043	377,187	102,817	6,669	96,148	2,042,440	21,610	11,676	9,934	1,793,792	2,099,869	12,656
Development	3,454,493	3,237,788	-	20,213	167,126	2,009	165,117	2,708	54	2,654	9,196	-	-	-	1,793,792	-	-
Retirement Living Assets	30,929,195	13,462,092	15,014,608	190,329	519,900	519,900	-	15,524	3,267	12,256	495,508	194	67	127	-	-	12,656
Investment Management	122,124,227	103,114,442	17,846,044	2,478	1,349,240	1,137,170	212,070	83,357	3,344	80,013	1,505,209	21,391	11,602	9,790	-	2,082,527	-
Lendlease Tenancy	1,507,333	1,445,686	20,682	-	40,965	40,965	-	1,228	4	1,224	32,526	24	8	17	-	17,342	-
Europe	18,343,793	13,007,261	970,599	407,812	1,015	1,015	-	2,674	1,269	1,405	92,389	57,234	1,192	56,042	9,492,489	109,030	-
Construction	10,570,400	6,246,684	4,077	403,589	-	-	-	1,537	1,079	457	52,806	54,411	1,162	53,250	9,492,489	-	-
Investment Management	5,593,445	4,610,646	937,521	4,223	-	-	-	750	185	566	23,607	2,695	-	2,695	-	104,953	-
Lendlease Tenancy	2,179,948	2,149,932	29,001	-	1,015	1,015	-	387	5	382	15,976	127	30	97	-	4,076	-
Grand Total	854,117,012	341,460,421	67,002,309	40,562,006	22,184,630	19,099,257	3,085,373	352,379	118,509	233,869	6,196,833	1,387,254	681,909	705,345	83,031,478	3,595,236	12,656

Table 1: FY19 Environmental Data arranged by Region

FY19 ENVIRONMENTAL DATA

FY19 Environmental Data Arranged by Global Business Segments

Global Line of Business and Respective Region Breakdown	Sum of FY19 Energy (kWh)	Sum of FY19 Electricity Use (kWh)	Sum of FY19 Natural Gas (MJ)	Sum of FY19 Fuels (Diesel, Gasoline, LPG, Ethanol, Biodiesel) (litres)	Sum of FY19 Renewables Produced (kWh)	Sum of FY19 Renewables Consumed (kWh)	Sum of Renewables Exported (kWh)	Sum of FY19 Total Emissions (TCO2-e)	Sum of FY19 Total Scope 1 Emissions (T CO2-e)	Sum of FY19 Total Scope 2 Emissions (T CO2-e)	Sum of FY19 Total Potable Water (kL)	Sum of FY19 Total Waste (Tonne)	Sum of FY19 Total Waste to Landfill (Tonne)	Sum of FY19 Total Waste Diverted (Tonne)	Sum of Hours FY19	Sum of Area (m2) FY19	Sum of ILU FY19
Construction	537,778,674	103,607,767	14,013,240	39,939,106	65,302	65,302	-	179,562	107,004	72,557	1,209,514	1,333,450	660,436	673,015	83,008,319	62,591	-
Americas	57,815,210	17,367,369	13,969,272	2,626,551	-	-	-	14,549	9,348	5,201	131,792	45,807	8,771	37,035	14,025,111	-	-
Asia	26,298,279	10,918,593	35,285	1,431,254	-	-	-	12,295	3,837	8,458	165,227	30,953	12,861	18,093	16,474,060	-	-
Australia	443,094,785	69,075,121	4,606	35,477,712	65,302	65,302	-	151,181	92,740	58,441	859,690	1,202,279	637,642	564,637	43,016,659	62,591	-
Europe	10,570,400	6,246,684	4,077	403,589	-	-	-	1,537	1,079	457	52,806	54,411	1,162	53,250	9,492,489	-	-
Development	1,974,263	1,974,262	-	-	165,118	1	165,117	1,618	-	1,618	0	-	-	-	23,159	-	-
Australia	1,974,263	1,974,262	-	-	165,118	1	165,117	1,618	-	1,618	0	-	-	-	23,159	-	-
Investments	304,897,083	227,775,936	52,939,386	504,187	21,912,230	18,991,974	2,920,256	166,446	11,178	155,268	4,935,470	51,812	19,940	31,873	-	3,424,541	12,656
Americas	103,668,819	64,074,044	19,141,213	306,365	19,984,892	17,276,706	2,708,186	45,092	4,380	40,712	2,648,705	18,119	7,658	10,461	-	897,889	-
Asia	42,581,397	42,514,712	-	792	58,198	58,198	-	21,723	2	21,721	262,441	9,413	613	8,800	-	339,172	-
Australia	153,053,422	116,576,534	32,860,652	192,808	1,869,140	1,657,070	212,070	98,881	6,611	92,270	2,000,717	21,585	11,668	9,917	-	2,082,527	12,656
Europe	5,593,445	4,610,646	937,521	4,223	-	-	-	750	185	566	23,607	2,695	-	2,695	-	104,953	-
Lendlease Tenancy	9,466,991	8,102,456	49,683	118,713	41,980	41,980	-	4,753	327	4,426	51,848	1,991	1,534	458	-	108,105	-
Americas	1,603,905	1,603,905	-	-	-	-	-	607	-	607	1,109	1,703	1,451	251	-	28,576	-
Asia	1,893,392	621,919	-	118,583	-	-	-	689	317	372	1,514	60	36	23	-	10,737	-
Australia	3,789,746	3,726,701	20,682	130	40,965	40,965	-	3,069	4	3,065	33,250	101	16	85	-	64,715	-
Europe	2,179,948	2,149,932	29,001	-	1,015	1,015	-	387	5	382	15,976	127	97	30	-	4,076	-
Grand Total	854,117,012	341,460,421	67,002,309	40,562,006	22,184,630	19,099,257	3,085,373	352,379	118,509	233,869	6,196,833	1,387,254	681,909	705,345	83,031,478	3,595,236	12,656

Table 2: FY19 Environmental Data arranged by Global Business Segments

FY19 ENVIRONMENTAL DATA

FY19 Performance against the 2020 Targets

The FY19 2020 Performance Data shown in Table 3 is Lendleases progression towards a 20%* reduction in Energy Use, Energy Emissions, Water Use and Waste to Landfill for the year 2020. For FY19, a cumulative target of -15% was set by the business.

Lendlease 2020 Target Performance (FY19)			
Energy Use	Energy Emissions	Water Use	Waste to Landfill
Cumulative Target -15%			
-21.6%	-17.1%	-9.3%	20%
Estimated Savings for FY19			
222,350,927 kWh of Energy Saved	76,936 t CO2-e Emissions Avoided	525,856 kL of Potable Water Saved	119,689 Tonnes of additional Waste sent to Landfills

Table 3: Lendlease Performance against the Energy Emissions, Energy, Water and Waste 2020 targets.

**Targets are set as negatives to measure a reduced impact*

FY19 ENVIRONMENTAL DATA

SUMMARY BASIS OF PREPARATION

Summary Basis of Preparation

This Basis of Preparation summarises the preparation of Lendlease’s energy, emissions, water, waste and normalisation data (“Environmental Data”) for the financial year 2019 ending on 30 June 2019.

Reporting Element	Description														
Corporate Boundaries:															
Corporate Boundary	Lendlease reports Environmental Data for all Operations and all activities that are within its Corporate Boundary. An Operation within Lendlease’s Corporate Boundary is any Project/Office/Asset over which Lendlease has operational control as well as any asset Lendlease partially or fully owns. The Corporate Boundary is summarised in the table below														
	<table border="1"> <thead> <tr> <th>Boundary</th> <th>Lendlease as a: Developer</th> <th>Lendlease as a: Contractor</th> <th>Lendlease as a: Tenant</th> <th>Lendlease as an: Owner or Fund Manager</th> <th>Lendlease as an: Asset Manager</th> </tr> </thead> <tbody> <tr> <td>Corporate Boundary</td> <td>Operational Control</td> <td>Operational Control</td> <td>Operational Control</td> <td>Equity Interest*</td> <td>Equity Interest*</td> </tr> </tbody> </table>	Boundary	Lendlease as a: Developer	Lendlease as a: Contractor	Lendlease as a: Tenant	Lendlease as an: Owner or Fund Manager	Lendlease as an: Asset Manager	Corporate Boundary	Operational Control	Operational Control	Operational Control	Equity Interest*	Equity Interest*		
	Boundary	Lendlease as a: Developer	Lendlease as a: Contractor	Lendlease as a: Tenant	Lendlease as an: Owner or Fund Manager	Lendlease as an: Asset Manager									
	Corporate Boundary	Operational Control	Operational Control	Operational Control	Equity Interest*	Equity Interest*									
	Lendlease reports all Environmental Data for Operations within their respective Start and End date. Start and End dates are defined as:														
	<table border="1"> <thead> <tr> <th>Boundary</th> <th>Development - Asset</th> <th>Construction Building and Engineering</th> <th>Investment Management</th> <th>Corporate Offices</th> </tr> </thead> <tbody> <tr> <td>Start Date</td> <td>Tenancy agreement start date</td> <td>Site Mobilisation by Construction/ Engineering Business</td> <td>Date of acquisition of Asset</td> <td>Tenancy agreement start date</td> </tr> <tr> <td>End Date</td> <td>Tenancy agreement end date</td> <td>Practical Completion</td> <td>Date of divestment of Asset</td> <td>Tenancy agreement end date</td> </tr> </tbody> </table>	Boundary	Development - Asset	Construction Building and Engineering	Investment Management	Corporate Offices	Start Date	Tenancy agreement start date	Site Mobilisation by Construction/ Engineering Business	Date of acquisition of Asset	Tenancy agreement start date	End Date	Tenancy agreement end date	Practical Completion	Date of divestment of Asset
Boundary	Development - Asset	Construction Building and Engineering	Investment Management	Corporate Offices											
Start Date	Tenancy agreement start date	Site Mobilisation by Construction/ Engineering Business	Date of acquisition of Asset	Tenancy agreement start date											
End Date	Tenancy agreement end date	Practical Completion	Date of divestment of Asset	Tenancy agreement end date											
Operational Control & Equity Interest	<p>“Operational Control” of a particular Operation, refers to Lendlease’s authority to introduce managing policies and procedures involving: health, safety, environment and day-to-day activities.</p> <p>Lendlease’s Equity Interest for an asset signifies the percentage of ownership of that asset (combination of fund and direct).</p> <p>Lendlease has included all* assets within its Corporate Boundary (whether directly owned by Lendlease or owned through a Lendlease fund).</p> <p><i>Two exceptions exist:</i></p> <ul style="list-style-type: none"> - <i>*Investment Management assets where the aggregated Equity Interests are less than 10% are not included</i> - <i>Operations within the Waste Management Sector are not included</i> 														

FY19 ENVIRONMENTAL DATA

SUMMARY BASIS OF PREPARATION

Environmental Metrics:	
Energy (kWh)	<p>Lendlease reports stationary and non-stationary energy used by all Operations within its Corporate Boundary. Lendlease's total energy use consists of:</p> <ul style="list-style-type: none"> • Electricity Use: <ul style="list-style-type: none"> ○ grid electricity delivered to an Operation from the public electricity network ○ on-site renewable electricity generation from biomass, wind, solar thermal and solar photovoltaic (PV) systems • Gaseous Fuels: Combustion of natural gas distributed in a pipeline, town gas, unprocessed natural gas and compressed natural gas • Liquid Fuels: Combustion of diesel, petrol/gasoline, liquefied petroleum gas (LPG), E10**, ethanol and biodiesel • Other Energy: Steam use (when not generated on-site) <p><i>** Any reported E10 is assumed to consist of 10% ethanol and 90% petrol/gasoline.</i></p> <p>Note: Operations report all Energy consumed within their respective Corporate Boundaries. (This includes all subcontractor use of fuels on Lendlease Operations).</p>
Emissions (tCO₂e)	<p>Greenhouse gas (GHG) emissions are reported for all activities within Lendlease's Corporate Boundary. Refrigerant emissions are not reported; historic reporting of refrigerant emissions demonstrated that these emissions are not material to Lendlease's overall footprint.</p> <p>Lendlease reports Scope 1 (direct) and Scope 2 (indirect) emissions for all Operations within its Corporate Boundary. Published default emission factors (see below) are used when calculating Lendlease's emission footprint, including:</p> <ul style="list-style-type: none"> • Grid Electricity use: Default emission factors are used for grid electricity use • Renewable Electricity use: An assumed emission factor of zero is used for all renewable electricity generated and used on-site • Gaseous/Liquid Fuel Combustion: Default emission factors are used for the combustion of gaseous and liquid fuels • Steam Emissions: Default emission factors are used based on the underlying fuel source used to generate the steam. <p>Lendlease uses published default emission factors adopting the following emission calculation hierarchy:</p> <ul style="list-style-type: none"> • Mandatory National Emission Reporting Schemes: This includes the National Greenhouse and Energy Reporting (NGER) Scheme in Australia and the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme in the United Kingdom; and • Voluntary Emissions Reporting Schemes: Emissions & Generation Resource Integrated Database (eGRID) for grid electricity emissions in the United States and GHG Protocol publications for all other emission sources in the United States. The GHG Protocol publications for all emission sources for Operations located in all other countries.
Water (kL)	<p>Lendlease reports mains water used by all Operations within its Corporate Boundary. Mains water is defined as quality drinking water provided by a local utility infrastructure with total dissolved solids less than 1,500 mg/L, pH 5-9 and individual dissolved particulate (metals, anions etc.) at concentrations suitable for drinking water based on local/regional/national guidelines, as appropriate.</p>
Waste (tonnes)	<p>Lendlease categorises waste as <u>diverted</u> (recycled/reused) or <u>disposed</u> by all Operations in its Corporate Boundary. The waste metrics are defined as:</p> <ul style="list-style-type: none"> • Waste Diverted: Sum of all waste recycled, waste re-used and any waste used to generate energy (excluding soils) • Waste Disposed: Sum of waste incinerated (not waste-to-energy) and waste-to-landfill including hazardous waste and soils • Total Waste: Sum of Waste Disposed and Waste Diverted • Waste Disposal Rate (%): Waste sent to landfill (expressed as the percentage of Waste Disposed of the Total Waste footprint) <p>A Group-wide waste density rate is applied in Lendlease's sustainability data management system.</p>
Normalisation Factors	<p>Lendlease uses the following normalisation data when calculating intensity:</p> <ul style="list-style-type: none"> • Hours Worked (hours): Lendlease employee and subcontractor working hours for all Construction/Engineering Businesses within the Corporate Boundary • Floor Area (m²): Floor area for all Investment Management assets and Corporate Office tenancies • Independent Living Units (ILUs): The number of ILUs for all Retirement Living assets.

FY19 ENVIRONMENTAL DATA

SUMMARY BASIS OF PREPARATION

2020 Targets & Performance Calculation:																									
2020 Targets	<p>Lendlease has committed to a 20% reduction in Energy, Emission and Water Intensities, as well as a 20% reduction in the rate of Waste Disposed (as a Diversion rate) by 2020. Lendlease measure performance against cumulative reduction targets as per the table below:</p> <table border="1"> <thead> <tr> <th></th> <th>FY14</th> <th>FY15</th> <th>FY16</th> <th>FY17</th> <th>FY18</th> <th>FY19</th> <th>FY20</th> </tr> </thead> <tbody> <tr> <td>Annual Reduction</td> <td>Baseline</td> <td>-2%</td> <td>-2.5%</td> <td>-3.0%</td> <td>-3.5%</td> <td>-4.0%</td> <td>-5.0%</td> </tr> <tr> <td>Cumulative Target</td> <td>Baseline</td> <td>-2.0%</td> <td>-4.5%</td> <td>-7.5%</td> <td>-11%</td> <td>-15%</td> <td>-20%</td> </tr> </tbody> </table> <p>Lendlease has chosen the financial year of 2014 as the baseline year, relative to which all performance shall be measured.</p> <p>Lendlease's performance against these targets is shown in Table 3. Values below the cumulative target indicate Lendlease has met or exceeded the respective year's target.</p>		FY14	FY15	FY16	FY17	FY18	FY19	FY20	Annual Reduction	Baseline	-2%	-2.5%	-3.0%	-3.5%	-4.0%	-5.0%	Cumulative Target	Baseline	-2.0%	-4.5%	-7.5%	-11%	-15%	-20%
	FY14	FY15	FY16	FY17	FY18	FY19	FY20																		
Annual Reduction	Baseline	-2%	-2.5%	-3.0%	-3.5%	-4.0%	-5.0%																		
Cumulative Target	Baseline	-2.0%	-4.5%	-7.5%	-11%	-15%	-20%																		
Theoretical Savings	<p>Lendlease calculate savings (or increases) for Energy (GJ), Emissions (TCO₂-e), Water (kL) and Waste (T) based on the difference between Business BaU Footprints (as described in the "Weighting" Reporting Element below) and actual reported values for any given reporting period. In general savings are the theoretical difference between Lendlease Operations performing to the same capacity in the baseline year (FY 2014) compared to actual performance.</p>																								
Intensity (Energy, Emissions and Water)	<p>Intensities are calculated to measure the performance of Lendlease Operations. Intensity is calculated by dividing Total Consumption of an environmental metric by the relevant normalising factor.</p> <p>Example: Energy as kWh/m² in a Corporate Office tenancy.</p> <p>Intensities are only calculated for Energy, Emissions and Water.</p>																								
Disposal Rate (Waste)	<p>Lendlease measures performance for waste as a reduction in the rate of waste sent to landfill (or incinerated).</p> <p>The Waste Disposal rate is the Waste Disposed as a percentage of the Total Waste footprint.</p>																								
Industry Sectors	<p>To ensure reliable measurement and analysis of Intensity and Disposal rate performance, Lendlease Businesses (e.g. Investment Management) categorise their various Operations into relevant Industry Sectors.</p> <p>For example, the 'Investment Management' Business can be sub-divided into "Commercial", "Industrial", "Retail" and "Office" Industry Sectors. This categorisation allows Lendlease to measure and compare the performance of similar Operations and competing Industry Sectors.</p> <p>Note: Operations which are unable to be classified into existing Industry Sectors are required to be classified into new Sectors. These Sectors require a minimum of 12-months baseline data before they are included for performance reporting.</p>																								
Business Performance (% of change)	<p>Business performance for a given reporting period against the 2020 targets, is calculated via the following methodology:</p> <ul style="list-style-type: none"> - All Operations within a Business are categorised into consistent Industry Sectors - For each Industry Sector: Intensity measures are calculated (Energy, Emissions and Water) by dividing the Total Consumption by the relative Total Normalisation factor - Waste Diversion rate is calculated as Waste Disposed as a percentage of the Total Waste footprint - Sector Intensities (Energy, Emissions and Water) and Disposal rates (Waste) are then compared to their respective equivalent in the Baseline Year (FY14). <p>The percentage (%) change in Sector Intensity levels or Diversion rates are then aggregated to Business level to generate a Business percentage (%) according to the Sector weights (see "Weighting" Reporting Element)</p> <p>Note – Achieving the targets requires an ongoing 'negative' change in intensity performance and Waste Disposed rate, in-line with the forecast described above.</p>																								
Regional Performance (% of change)	<p>The percentage (%) change in Business Intensity levels or Disposal rates are then aggregated to Region level to generate a Region percentage (%) according to the Business weights (see "Weighting" Reporting Element)</p>																								

FY19 ENVIRONMENTAL DATA

SUMMARY BASIS OF PREPARATION

<p>Group (Global) Performance (% of change)</p>	<p>The percentage (%) change in Region Intensity levels or Disposal rates are then aggregated to Group level to generate a Group percentage (%) according to the Region weights (see “Weighting” reporting element). The process for aggregating performance from Industry Sectors to Group is shown in Figure 1.</p> <p>Figure 1: Aggregation of percentages of change to determine Group-wide performance</p> $\frac{\sum (\text{Sector Intensity or Disposal Rate \% change} \times \text{Sector BaU Weighting})}{\sum (\text{Business Intensity or Disposal Rate \% change} \times \text{Business BaU Weighting})} = \text{Business Intensity \ Disposal Rate Performance (\%)}$ $\frac{\sum (\text{Region Intensity or Disposal Rate \% change} \times \text{Region BaU Weighting})}{\sum (\text{Business Intensity or Disposal Rate \% change} \times \text{Business BaU Weighting})} = \text{Region Intensity \ Disposal Rate Performance (\%)}$ $\frac{\sum (\text{Sector Intensity or Disposal Rate \% change} \times \text{Sector BaU Weighting})}{\sum (\text{Region Intensity or Disposal Rate \% change} \times \text{Region BaU Weighting})} = \text{Group Intensity \ Disposal Rate Performance (\%)}$
<p>Weighting (Energy, Emissions, Water and Waste)</p>	<p>When calculating a Business, Regional or Group (%) performance, Lendlease applies a weighting factor to ensure performance (at the Sector, Business and Region level) is aggregated fairly and consistently across the Lendlease Group. For instance, a Region with a relatively small energy, water or waste footprint compared to the Group will receive a proportionally smaller weighting factor based on their contribution to overall Group performance on a particular environmental metric.</p> <p>For Energy and Water, the current year Normalisation Factor multiplied by Baseline Year (FY14) Intensity measure for a particular sector, gives the forecast “Business as Usual” (BaU) representation of that year (as if operating as FY14 had). Emission weightings are the respective Sector, Business or Region weightings used for Energy.</p> $\text{BaU Energy or Water Footprint} = \text{Sector Current Year Normalisation Factor} \times \text{Sector Baseline Year Intensity}$ <p>For a given Sector, the BaU footprint for Waste is the Total Waste (tonnes) multiplied by the baseline Waste Diversion rate (%). An example calculation for a Sector’s BaU Waste Footprint is provided below:</p> $\text{BaU Waste Footprint} = \text{Sector Current Total Waste Volume (T)} \times \text{Sector Baseline Year Disposal Rate}$ <p>The Sector-BaU value as a percentage of the total Business-BaU determines the weighting for that Sector:</p> $\text{Sector BaU weighting} = \frac{\text{Sector BaU Footprint}}{\text{Total Business BaU Footprint}}$ <p>The Business-BaU value as a percentage of Region-BaU determines the weighting for that Business. The same bottom-up aggregation method applies to determine Group level performance from Region data.</p>

FY19 ENVIRONMENTAL DATA

SUMMARY BASIS OF PREPARATION

Data Capture and Reporting:	
Data Sources	<p>The energy, water and waste data captured in Lendlease's sustainability data management system must be classified as one of the following sources:</p> <ul style="list-style-type: none">• Invoiced/PO: Data is evidenced by invoices or purchase orders• Measured/Meter Readings: Data is evidenced by meter readings or other measurement devices• Survey/Contractor Report: Data is evidenced by contractor report or surveys• Estimated: Data is estimated by Region/Business/Operation based on best available information including prior/subsequent period information, similar information from comparable Operations with the same sector, or other industry guidance• Calculated: Data is calculated by Region/Business/Operation• No Usage: Can be used when there is no consumption during the month
Governance and Control Processes:	
Environmental Data Sign-off	<p>Lendlease's sign-off processes for its Environmental Data involves a number of review tiers, including sign-off by the Regional CEOs / Business Managing Directors prior to the sign-off by the Group Head of Sustainability.</p>
External Assurance	<p>KPMG has performed limited assurance over Lendlease's Group aggregated energy, emissions, water, waste and normalisation data for the financial year 2019 ending 30 June 2019 (Environmental Data). The scope of the assurance is described in the KPMG assurance report as attached to this Statement.</p>



Independent Limited Assurance Report to the Directors of Lendlease Corporation Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Lendlease Group Aggregated Environmental Data, which has been prepared in accordance with the Measurement Criteria for the year ended 30 June 2019.

Information subject to assurance

The Lendlease Group Aggregated Environmental Data subject to this limited assurance engagement is shown in the tables below and covers the year ended 30 June 2019. This Lendlease Group Aggregated Environmental Data is presented in the *Global Sustainability Framework – FY19 Environmental Data (Energy, Emissions, Water, Waste & Normalisation Data) and Summary Basis of Preparation* (the “Report”).

Group Aggregated Environmental Data	Value Assured FY19
Total Energy - kWh	854,117,012
Electricity Use - kWh	341,460,421
Natural Gas - MJ	67,002,309
Fuels (Diesel, Gasoline, LPG, Ethanol, Biodiesel) - L	40,562,006
Renewables Produced - GJ	22,184,630
Renewables Consumed - GJ	19,099,257
Total Emissions - tCO ₂ -e	352,379
Total Scope 1 Emissions - tCO ₂ -e	118,509
Total Scope 2 Emissions - tCO ₂ -e	233,869
Total Potable Water – kL	6,196,833
Total Waste - tonnes	1,387,254
Total Waste to Landfill - tonnes	681,909
Total Waste Diverted - tonnes	705,345
Sum of Hours	83,031,478
Sum of Area (m ²)	3,595,236
Sum of Independent Living Unit (#)	12,656

Group Performance against the 2020 Targets	Cumulative Target	Estimated Savings
Energy - kWh	-21.6%	222,350,927
Emissions - tCO ₂ -e	-17.1%	76,936
Water - kL	-9.3%	525,856
Waste Disposed - tonnes	20%	119,689

Measurement Criteria used as the basis of reporting

The Measurement Criteria used for the preparation of the Lendlease Group Aggregated Environmental Data are described in the *Global Sustainability Framework – FY19 Environmental Data (Energy, Emissions, Water, Waste & Normalisation Data) and Summary Basis of Preparation* which is available on Lendlease’s website.

Basis for conclusion

We conducted our work in accordance with International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements* (Standards). In gathering evidence for our conclusions, we undertook the assurance procedures in accordance with the Standards, including:

- used our professional judgement to plan and perform the engagement to obtain assurance that the Group Aggregated Environmental Data is free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

Summary of procedures performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Lendlease personnel to understand the internal controls, governance structure and reporting process for the Group Aggregated Environmental Data;
- reviews of relevant documentation including the Group Aggregated Environmental Data, and determining whether the Group Aggregated Environmental Data has been developed in accordance with the Measurement Criteria;
- agreement of a sample of restatements to underlying documentation;
- site visits to three projects: Northern Connector and One Sydney Harbour Remediation;
- agreement of a sample of the Group Aggregated Environmental Data to source documentation;
- evaluating the appropriateness of the criteria with respect to the Group Aggregated Environmental Data;
- re-performing the calculation of the intensity performance based on the description and the data provided in the Measurement Criteria;
- reviewing the Measurement Criteria in its entirety to ensure it is consistent with our overall understanding from our assurance engagement; and



- analytical procedures over the Group Aggregated Environmental Data.

How the Standards define limited assurance and material misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within the Group Aggregated Environmental Data are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Lendlease.

Use of this Assurance Report

This report has been prepared for the Directors of Lendlease for the purpose of providing an assurance conclusion on the Group Aggregated Environmental Data and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Lendlease, or for any other purpose than that for which it was prepared.

Management responsibility

Management are responsible for:

- determining that the Measurement Criteria are appropriate to meet the needs of the Directors;
- preparing and presenting the Group Aggregated Environmental Data in accordance with the Measurement Criteria;
- establishing internal controls that enable the preparation and presentation of the Group Aggregated Environmental Data that is free from material misstatement, whether due to fraud or error; and
- maintaining integrity of the website.

Our responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Group Aggregated Environmental Data for the year ended 30 June 2019, and to issue an assurance report that includes our conclusion.

Our independence and quality control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

Sydney

18 October 2019