



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2017

Lendlease

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	✓	Private							✓
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments	✓	Public							✓
PR 02	Breakdown of assets by management	✓	Public							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 05	Fund placement documents and RI	✓	Public	✓			✓			✓
PR 06	Formal commitments to RI	✓	Private				✓			
PR 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 08	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 09	ESG issues impact in selection process	✓	Public	✓						
PR 10	ESG issues in selection, appointment and monitoring of third-party property managers	⚡	n/a				✓			
PR 11	ESG issues in post-investment activities	✓	Public		✓					
PR 12	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 13	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 14	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 15	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 16	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 17	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 18	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 19	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PR End	Module confirmation page	✓	-							

Lendlease

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Lendlease's Investment Management (LLIM) business manages A\$24.7 billion in assets under management (AUM) comprised of property assets held across unlisted funds, joint ventures and separate mandates in Australia, Asia and Europe.

It invests on behalf of institutional investors including pension funds, sovereign wealth funds, investment managers and insurance companies, giving its investment partners access to quality property assets across the risk/return spectrum.

The investment management business has access to Lendlease's in-house development, asset and property management, research, capital transactions, project management and construction skills. These end-to-end capabilities help it provide property investment opportunities that meet its client's needs.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

100

OO 02.4	Additional information. [Optional]
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Statistics and reporting as at 31/12/2016

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
---------	---

31/12/2016

OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.
---------	---

	trillions	billions	millions	thousands	hundreds
Total AUM		24	700	000	000
Currency	AUD				
Assets in USD		18	408	911	369

OO 06	Mandatory	Public	Descriptive	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1	How you would like to disclose your asset class mix.
---------	--

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0

Private equity	0	0
Property	100	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

The AUM asset class splits can be summarised as follows:

Retail shopping centres and malls: \$8.4 billion AUD (assets located in Australia, New Zealand and United Kingdom)

Commercial office: \$9.6 billion AUD (assets located in Australia)

Mixed use assets (retail and commercial office): \$5.4 billion AUD (assets located in Singapore and Malaysia)

Industrial warehouses and business parks: \$0.9 billion AUD (assets located in Australia)

The AUM splits excludes \$0.4 billion AUD in social infrastructure.

OO 09

Mandatory to Report Voluntary to Disclose

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	100%

OO 09.2 Additional information. [Optional]

AUM are held in developed markets of Australia, New Zealand, Singapore and the United Kingdom. Lendlease Investment Management holds a fund asset in Malaysia (Setia City Mall), an emerging market.

Gateway asset class implementation indicators

OO 11 **Mandatory** **Public** **Gateway** **General**

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Property
- None of the above

Lendlease

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Reporting against Fund & Corporate targets <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

PRI principles

- Other, specify (2)

other (2) description

UNEP Finance Initiative Guidelines

- Other, specify (3)
- None of the above

No

SG 01.6	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
----------------	--

In line with Lendlease Investment Management (LLIM)'s signatory commitment under the United Nations supported Principles for Responsible Investment (PRI), LLIM is committed to creating value for all stakeholders in everything it does by delivering positive economic, environmental and social outcomes whilst operating in an environment that is Incident and Injury Free.

LLIM's Responsible Property Investment (RPI) Policy commits the organisation to the following actions:

1. Formally evaluating the impacts and risks of environmental, social and corporate governance (ESG) issues in its investment and management decision making;
2. Developing and implementing sustainability strategies for each of its funds, globally, that address Lendlease Group's operating principles and key sustainability focus areas;
3. Measuring and reporting on ESG criteria;
4. Using green rating tools and labels, where they exist, to benchmark and disclose the ESG performance of assets and portfolios;
5. Engaging and sharing knowledge with stakeholders on ESG issues related to responsible property investment practices, promoting the PRI;
6. Collaborating with industry bodies, government agencies and like-minded stakeholders on tools, labels and incentives which promote sustainable ESG performance in the property and investment industries.
7. Reporting progress annually against its actions.

The fund specific sustainability strategies described above provide clear ESG guidelines, objectives, commitments and targets for each Lendlease managed property fund.

Lendlease's Supplier Code of Conduct is committed to investing in "people today for their tomorrow" and fostering a culture of diversity and inclusion. This commitment includes support for responsible labour practices that contribute to the development of a fair and inclusive workplace, consistent with international standards such as the OECD Guidelines for multinational enterprises, the Universal Declaration of Human Rights, the ILO Declaration on fundamental principles and rights at work and the UN Guiding principles on business and human rights.

Suppliers are expected (at a minimum) to:

- Comply with all relevant, local and national laws and regulations with regards to employment practices, benefits, health and safety and anti-discrimination.
- Advance an inclusive workplace free of discrimination, harassment, bullying and other unlawful behaviour.
- Not use any form of child, forced or involuntary labour and abide with all international standards and domestic regulations relating to the employment of children, and have policies or procedures in place to prevent the use of suppliers of goods and services who engage in such activities.
- Respect the rights of workers to associate freely with one another and be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

<http://www.lendlease.com/-/media/llcom/sustainability/responsible-property-investment-policy.ashx>

- Attachment (will be made public)

Attachment

[File 1:Responsible Property Investment Policy.pdf](#)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<http://www.lendlease.com/au/company/sustainability/our-progress/>

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<http://www.lendlease.com/au/company/sustainability/our-progress/>

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<http://www.lendlease.com/au/company/sustainability/our-progress/>

- Attachment (will be made public)
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Other, specify (1)

Other, specify (1) description

Reporting performance against Fund & Corporate targets

URL/Attachment

- URL

URL

<http://www.lendlease.com/expertise/what-we-do/investment-management/#/section/anchor-responsibleinvestment?animate=true>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.4 Additional information [Optional].

Lendlease Investment Management (LLIM) Responsible Property Investment (RPI) Policy is underpinned by Lendlease Group's Sustainability Framework. Formalised guidelines on environmental, social and corporate governance considerations is publicly available at:

<http://www.lendlease.com/au/company/sustainability/our-approach/#/section/anchor-sustainabilityframework?animate=true>

Each of the 12 sustainability elements is explained in detail along with progress made at: <http://www.lendlease.com/au/company/sustainability/our-progress/>

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

Lendlease Investment Management (LLIM) implements several policies that contribute to the management of potential conflicts of interest. These policies include but are not limited to the following:

- Arrangements for Managing Conflicts of Interest (Australia) - Allocation of Property Asset Investment Opportunities in Australia - Related Party Transactions Policy - Core Values - Code of Conduct - Employee Conduct Guide - Code of Conduct Breach Reporting Policy

Several of the policies noted above are available on the Lendlease website (under Company Policies) <http://www.lendlease.com/company/governance/>

No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 05.2 Additional information. [Optional]

Lendlease Investment Management (LLIM)'s Australian business undertakes periodic reviews for the funds through sustainability Project Control Group (PCG) meetings (or equivalent) where participants review key achievements, project completions and objectives for each fund's responsible investment activities. LLIM's Asia business reviews asset performance during Quarterly Asset Reviews.

LLIM's performance is also featured (as a material contributor to Lendlease corporate 2020 targets) in Lendlease's Quarterly Business Review (QBR) process. In this instance, the review seeks to examine the performance of LLIM against the twelve aspirations in Lendlease's Sustainability Framework. Detailed drivers of performance are examined to help establish short and medium term objectives to be achieved, demonstrating the continual monitoring and review process.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Fund Managers**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investment analysts
 - Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify (1)
 - Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Lendlease's Responsible Property Investment (RPI) Policy Statement is endorsed on an annual basis by the boards of trustees of LLIM funds. This policy forms the cornerstone for all RPI activities undertaken by Lendlease. Endorsement at the trustee levels ensures that trustees and executives are aware of and accountable for Lendlease's RPI activities.

Further, the RPI Policy Statement calls for RPI strategies to be developed by each Lendlease managed property fund. The aim of these strategies is to clearly define the RPI vision, objectives, commitments and targets. Once in place and endorsed by the trustee board, the RPI strategies are used to define each fund's RPI deliverables.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

11

SG 07.4

Additional information. [Optional]

Lendlease's Investment Management has numerous dedicated sustainability professionals and dedicated corporate governance manager who together assist the business to integrate ESG into every aspect of management and business processes. The LLIM sustainability program is directed and supported by the regional sustainability heads in Australia, Asia and Europe.

Rowan Griffin is the Head of Sustainability for Lendlease's Property Australia business. Jon Collinge and Chewy Chang are the Sustainability Managers for LLIM's Australian business and Anne Heilman-Inglis is the Compliance Manager.

LLIM's environment, health and safety program is supported by the Environment, Health and Safety function which includes eight (8) Environment, Health and Safety (EHS) resources.

Simon Wild is the Head of Sustainability for Lendlease in Asia. Reina Tham is the regional Sustainability Analyst for Lendlease's Asia business. Each retail asset in the LLIM Asia funds or mandates is supported by a compliance manager.

Anita Mitchell is the Head of Sustainability for Lendlease in Europe. Nardia Bowden is the Regional Sustainability Analyst for Lendlease's European business.

Where appropriate, LLIM utilises the corporate sustainability resources of the broader Lendlease Group. This includes the National Environment Manager for Lendlease's Property business, Rhonda Lenardon, Regional Sustainability Manager - Property, Andrew Cole, and sustainability analysts that work on a consultancy basis within Lendlease's Building business.

Promoting responsible investment

SG 09**Mandatory****Public****Core Assessed****PRI 4,5**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

In November 2007, Lendlease's investment management business became one of the first property investment managers to become a signatory to the Principles for Responsible Investment (PRI).

Lendlease participates in regional PRI events and activities, and attended the PRI in Person conference in September 2015. Lendlease employees have also presented at PRI events.

Lendlease Investment Management has responded to the PRI survey every year since 2008.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Lendlease Investment Management (LLIM) has participated in the annual GRESB survey since its inception. The organisation has proactively provided feedback to the administrators both directly and via local peak industry bodies with a view to improving the survey for all participants.

In 2013, LLIM became corporate members of GRESB. Membership has allowed LLIM to participate in the regional Benchmark Committee, which is a formal working group that has a voice in GRESB's development and which contributes to further Survey improvements. In 2016, LLIM also participated in GRESB's Industry Working Groups.

In 2016, LLIM was recognised as a leader in responsible property investment by GRESB with six of its property funds achieving global or regional leadership status.

Lendlease's Josh McHutchison and Simon Wild were keynote speakers at the 2016 GRESB results launches in Australia (Sydney) and Asia (Singapore) respectively.

- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease Investment Management is a member of the Investor Group on Climate Change (IGCC), Australia/New Zealand.

Lendlease's Head of Sustainability, Property Australia (Rowan Griffin) chairs the IGCC's Property Working Group and Lendlease employees participate in the Adaptation Working Group, IGCC presentations, events and other initiatives. Its regional offices are part of other locally-focussed initiatives.

- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify Responsible Investment Association Australasia (RIAA)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease participates in RIAA conferences, events and other activities.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease became formal signatories to United Nations Environment Program Finance Initiative (UNEP FI) in 2010 and have participated in UNEP FI Property Working Group (PWG) activities since 2008. The UNEP FI Property Working Group (PWG) promotes responsible property investment that achieves the best possible environmental, social and financial results.

Participation in the PWG has included contributing to important UNEP FI papers, attendance at face-to-face meetings and roundtables, and participation in regular teleconferences.

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease Group has a formal commitment to the UN Global Compact.

It supports the ten principles of the Global Compact and intends to implement the principles across its operations.

Lendlease has become a Compact Network member in Australia and has already hosted an external stakeholder event on Human Rights in the Construction supply chain. The event was attended by NGOs, clients, project partners and investors.

- Other collaborative organisation/initiative, specify

City of Sydney's Better Buildings Partnership

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In March 2011, Lendlease Investment Management (LLIM)'s Australian business became a founding member of the City of Sydney's Better Buildings Partnership (BBP). Through this program, LLIM will endeavour to support the City of Sydney's target to reduce its greenhouse gas emissions by 70 per cent by the year 2030 (based on 2006 levels). The partnership aims to develop collaborative solutions and initiatives to overcome barriers and achieve substantial improvements in the environmental performance of buildings.

Lendlease employees currently participate in all BBP working groups. As founding members, LLIM is also a member of the BBP's Leadership Panel.

- Other collaborative organisation/initiative, specify

Property Council of Australia, Asia Pacific Real Estate Association (APREA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease actively participates in all Property Council of Australia sustainability related advocacy, committees, roundtables and working groups, and is currently chairing the New South Wales Asset Management & Sustainable Development Committee. Additionally, Lendlease participate in the National Sustainability Roundtable, Industrial, Future Directions, Diversity, Commercial Office and Division Council and Risk Roundtable. These committees incorporate a sustainability agenda at proceedings.

Lendlease is represented by its CEO Property on the Board of Directors of the Property Council of Australia.

Lendlease is also an active participant in the APREA Sustainability and ESG Roundtable.

- Other collaborative organisation/initiative, specify

Regional Green Building Councils and the World Green Building Council

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease contributes significantly to regional Green Building Councils, globally, by providing trustees for corporate boards through to tool development working groups and certification processes.

Lendlease is a founding member of green building councils in the USA, UK, UAE, Argentina, Australia, Malaysia and Singapore.

Lendlease is the Regional Manager for the World Green Building Council (WGBC)'s Asia Pacific Network which aims to facilitate collaboration across Asia Pacific country Green Building Councils leading to knowledge sharing and advancing Green buildings movement in the region. Lendlease's Global Head of Sustainability is also a member of the WGBC's Corporate Advisory Board.

Lendlease has also assisted with establishment of green building councils in Spain, Romania, Netherlands, Poland, Italy, China and Malaysia, New Zealand and South Africa.

The Head of Sustainability, Property Australia chairs the Green Star Steering Committee for the Green Building Council of Australia.

The Head of Sustainability, Asia is a member of the Singapore Green Building Council Better Places for People Committee.

Other collaborative organisation/initiative, specify

ANREV (the Asian association for Investors in Non-listed Real Estate Vehicles)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lendlease actively participates in ANREV's sustainability committee.

Lendlease has contributed to the development of several case studies that have been shared with the ANREV network.

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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Lendlease Investment Management Australia's Managing Director (Josh McHutchison) was the keynote speaker at the GRESB Oceania results launch in September 2016 and also featured in the Private Equity Real Estate (PERE) magazine December 2016 publication.

Lendlease's Head of Sustainability, Asia (Simon Wild) was the keynote speaker at the GRESB Asia results launch in September 2016.

Lendlease launched and hosted the UNEP-FI Sustainable Real Estate Investment: Implementing the Paris Climate Agreement.

Lendlease Investment Management Australia's Jon Collinge has publicly promoted responsible investment at multiple public events including those held by Swiss Re and other client and stakeholder forums.

Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 12.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

- We do the following
 - Allocation between asset classes
 - Determining fixed income duration
 - Allocation of assets between geographic markets
 - Sector weightings
 - Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 13.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change

SG 13.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Lendlease support for net-zero carbon commitments including Take 2 (Government of Victoria, Australia climate change program).

- None of the above

SG 13.3

Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries

SG 13.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

INREV sustainability reporting guidelines.

- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify

other description

Resource (energy, water, waste) usage and emissions monitoring and reporting.
Incorporation of low-carbon and embodied energy materials in property development briefs.

- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 14.2	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

- Clean technology (including renewable energy)
- Green buildings

	Asset class invested
--	----------------------

Property

	% of AUM
--	----------

100

Brief description and measures of investment

Lendlease Investment Management and its internally managed property funds are committed to owning and developing high performing green buildings. Where appropriate and possible, the performance of green buildings will be measured through green building certifications such as NABERS, BREEAM, GBI, Green Mark, Green Star, internally developed tools such as ESG Dashboards and operational procedures and processes intended to be environmentally conscious.

- Sustainable forestry
 - Sustainable agriculture
 - Microfinance
 - SME financing
 - Social enterprise / community investing
 - Affordable housing
 - Education
 - Global health
 - Water
 - Other area, specify
- No

Lendlease

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 01.1 Indicate the level of ownership you typically hold in your property investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

PR 01.2 Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- >50%
- 10 – 50%
- <10%
- 0%

PR 01.3 Additional information. [Optional]

Lendlease managed property funds and direct mandates typically hold a 50% or greater stake in their property asset investments, with a significant minority stake (between 10- 50%) stake held in a minority of cases.

PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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PR 02.1 Provide a breakdown of your organisation's property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> < 10% <input type="radio"/> 0%
Total	100%

PR 02.2

Additional information. [Optional]

Lendlease Investment Management (LLIM) AUM is comprised of a large proportion of assets in shopping malls and offices that are directly managed.

There is a small minority (3 properties by number) of assets managed by other investors and their property managers.

LLIM industrial assets are predominantly managed by tenants with operational control. The higher percentage breakdown in this circumstance reflects the greater physical quantum of industrial assets than offices and shopping centres in LLIM. In cases of assets with common areas and multiple tenants, these areas are managed directly by LLIM. If this was considered by floor area, the quantity of assets managed by tenants with operational control would be significantly reduced relative to the overall floor area of assets under management by LLIM.

PR 03

Voluntary

Public

Descriptive

General

PR 03.1

Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

PR 04	Mandatory	Public	Core Assessed	PRI 1-6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 04.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
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Yes

PR 04.2	Provide a URL or attach the document
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URL

<http://www.lendlease.com/-/media/llcom/sustainability/responsible-property-investment-policy.ashx>

Attach Document

Responsible Property Investment Policy.pdf [87KB]

No

PR 04.3	Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.
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Lendlease Investment Management (LLIM) first released a Responsible Property Investment Policy (RPI Policy) in June 2007. The RPI Policy creates a formal framework for the environment, social governance (ESG) and safety factors for all Lendlease managed funds. The RPI Policy is reviewed and re-endorsed by trustee boards annually.

LLIM's RPI Policy commits it to the following actions:

- Formally evaluating the impacts and risks of ESG issues in its investment and management decision making;
- Developing and implementing sustainability strategies for each of its funds, globally, that address Lendlease's operating principles and key sustainability focus areas. The strategies clearly articulate the sustainability aspirations and performance targets for assets and portfolios, addressing the key ESG factors that will govern how each existing asset and acquisition will contribute to investment value in both sustainable and financial terms;
- Measuring and reporting on ESG criteria;
- Using ESG green rating tools and labels, where they exist, to benchmark and disclose the ESG performance of our assets and portfolios;
- Engaging and sharing knowledge with stakeholders on ESG issues related to responsible property investment practices, promoting the PRI;
- Collaborating with industry bodies, government agencies and like-minded stakeholders on tools, labels and incentives which promote sustainable ESG performance in the property and investment industries;
- Reporting progress annually against its actions.

The fund specific sustainability strategies described above provide clear ESG guidelines, objectives, commitments and targets for each Lendlease managed property fund.

Importantly, within these strategies each fund acknowledges the sustainability aspirations of the broader Lendlease Group and states its alignment with the Group's key sustainability objectives.

Fundraising of property funds

PR 05	Mandatory	Public	Core Assessed	PRI 1,4,6
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PR 05.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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Yes

PR 05.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
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- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

PR 05.3	Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]
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Fund placement documents developed by Lendlease Investment Management (LLIM) include a section that is dedicated to LLIM's approach to responsible property investment. The documents include the following aspects:

- ESG management approach;
- ESG policy and disclosure;
- Identification of risks and opportunities;
- Performance management and benchmarking; and
- Approach to stakeholder engagement.

Where appropriate, LLIM also includes fund specific responsible property investment strategies which outline ESG vision, objectives, commitments and targets.

- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

PR 07	Mandatory	Public	Gateway/Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 07.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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- Yes

PR 07.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.
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Each Lendlease Investment Management (LLIM) fund implements a comprehensive environmental, social and governance (ESG) review process during the acquisition due diligence processes.

The due diligence process involves external specialist consultants. If any issues are raised in the specialist consultant's initial report, further reports or reviews are commissioned.

Once the due diligence process is complete the funds take into consideration the sustainability credentials of the asset and the potential cost of enhancing, upgrading, refurbishing or redeveloping the asset and its ongoing operations to align with Lendlease's requirements and future asset strategy.

- No

PR 07.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.
---------	--

ESG issues

- Environmental

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

Environmental risks: A review of compliance with Lendlease's Global Minimum Requirements ('GMRs') for Environment, Health and Safety is undertaken.

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

Energy efficiency, energy audits, visibility of consumption through sub-metering, certifications such as NABERS Energy, consideration of age of plant and equipment, energy efficiency attributes of energy intensive systems such as HVAC and lighting systems.

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

Sustainable transport options: Efficient vehicle parking, end of trip facilities, public transport.

- Social

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

Safety, Health and Wellbeing risks: A review of compliance with Lendlease's Global Minimum Requirements ('GMRs') for Environment, Health and Safety is undertaken.

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

Community aspects: Demographic research, local/regional economic conditions and community analysis.

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

Elimination and registers of hazardous materials including asbestos, polychlorinated biphenyl (PCB).
Records and registers of hazardous materials.

- Governance

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

Governance issues: Legal, property management, accounting, environmental ratings and certifications.

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

Responsible investment: Ethical usages, cultural heritage and artefacts, indigenous or sensitive communities, exposure to environmental lobby group action.

List up to three typical examples per E, S and G issue
--

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

Climate change and extreme weather risks.

PR 08	Voluntary	Public	Additional Assessed	PRI 1,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 08.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

PR 08.2	Provide a brief description of how this ESG information was incorporated into your investment selection process.
---------	--

Lendlease's internally managed property funds implement a comprehensive ESG review process during property investment selection.

ESG issues were considered during all investment selection processes. As a result of ESG considerations ESG enhancement costs were factored into all acquisition pricing e.g. costs associated with achieving compliance with Lendlease's Global Minimum Requirements for Health, Safety and the Environment.

PR 09	Mandatory	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 09.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
----------------	---

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
 - Access to Clean Building Managed Investment Trusts (Australia)
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.3	Additional information.
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Lendlease's internally managed property funds implement a comprehensive ESG review process during property investment selection.

ESG issues were considered during all investment selection processes. As a result of ESG considerations ESG enhancement costs were factored into all acquisition pricing e.g. costs associated with achieving compliance with Lendlease's Global Minimum Requirements for Health, Safety and the Environment.

Post-investment (monitoring and active ownership)
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Overview

PR 11	Mandatory	Public	Gateway	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 11.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes

PR 11.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 11.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
----------------	---

Our fund specific sustainability strategies and Lendlease's Global Minimum Requirements for Health, Safety and the Environment ('GMRs') provide clear objectives, strategies, and targets for each asset. These tools are used to clearly articulate aspirations and expectations for stakeholders.

On a quarterly basis, sustainability reviews are undertaken and investors are updated on the overall performance of the funds' assets. The investor reports cover several aspects and include ESG issues and performance.

All major developments have a sustainability brief which aims to clearly articulate the sustainability requirements for projects. Minor development projects are governed by Lendlease's GMRs.

Occupier satisfaction surveys are typically undertaken annually, the results of which are used to inform asset strategy and improve occupier satisfaction. In some cases, occupier surveys are undertaken by a third party organisation to enable industry benchmarking.

Post-investment, the following commitments are made:

- Implementation of the following programs:
 - Health and safety; • Environmental management; • Energy and water efficiency; • Waste management; • Indoor environment and air quality monitoring; and • Climate resilience and adaptation.
- Incorporating ESG matters into the following key property management documents:
 - Building house rules; • Tenant fitout guidelines; and • Property management agreements.
- Effective tenant and community engagement including:
 - Green lease clauses incorporated into leases; • Tenant amenities such as end of trip facilities; • Annual satisfaction surveys; and • Sustainability guides, reporting and information sharing.
- Responsible supply chain engagement.
- Investigation and implementation of innovative solutions.
- Risk management and governance practices

No

Property monitoring and management

PR 12	Mandatory	Public	Core Assessed	PRI 2,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 12.1 Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 12.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

Environmental

Target/KPI	Progress Achieved
base building/common area electricity consumption intensity	-11.7% (73.01 kWh at end 2016 vs. 82.64 kWh in FY14 baseline).
Whole building water consumption intensity	0% (0.758 KL at end 2016 vs 0.758 KL in FY14 baseline).
Primary recycling rate	-0.6% (65.3% at end 2016 vs. 64.7% in FY14 baseline).

Social

Target/KPI	Progress Achieved
Tenant satisfaction surveys issued	Surveys are issued to most tenants.
Tenant satisfaction survey response rate	We believe the response rate is in the order of 30-50%.
Number of community engagement activities	Extensive community engagement across retail and commercial assets.

Governance

Target/KPI	Progress Achieved
Green leases executed in 2016 (percentage of leasing activity)	Most tenants
Asset and portfolio level certification targets (GRESB, Green Mark, Green Star, GBI, NABERS, LEED, BREEAM)	- GRESB target (Australia core funds, top 5) - NABERS office (5.1 Star Energy, 4.7 Star Water) - NABERS retail (4.5 Star Energy, 4 Star_Water).
Assets with a Climate resilience and adaptation assessment completed	30 assets (all Australia retail, office).

We do not set and/or monitor against targets

PR 13	Voluntary	Public	Descriptive	PRI 2
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PR 13.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
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Yes

PR 13.2	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.
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Add certification scheme, rating and benchmark 1

Specify	NABERS Energy and Water
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	Green Star (Design & AsBuilt, Performance)
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	Green Mark (Singapore) & GBI (Malaysia)
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets (in terms of number of property assets)

No

PR 13.3	Additional information.
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Tower 1, International Towers Sydney at Lendlease's Barangaroo South development achieved 6 star Green Star certification during the reporting period, and a significant number of NABERS Energy and Water ratings were undertaken across the retail and office portfolios.

Green Star Performance which considers the sustainability operation of buildings were improved for the APPF Commercial Fund (portfolio average of 3 Star) whilst APPF Retail's Green Star Performance remained stable.

NABERS and Green Star certifications are undertaken annually.

Lendlease's focus on Green Mark in Singapore continued with Parkway Parade, 313@Somerset and JEM maintaining its Platinum certification. Setia City Mall in Malaysia maintained its Gold Green Mark certification.

In addition to the local rating schemes noted above, it is important to note that Lendlease's internally managed property funds participate in the Global Real Estate Sustainability Benchmark (GRESB) survey on an annual basis. In 2016, Lendlease's property funds achieved several GRESB global and regional leadership positions including Global developer assessment first (LLITST) and second (LLOITST) place developer assessment, Asia retail first (ARIF2) and second place (ARIF1), Australia retail first (LLSRF) and second (APPF Retail), Australia industrial first (APPF Industrial).

Property developments and major renovations

PR 14	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 14.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 14.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

PR 14.3	Additional information. [Optional]
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Compliance with Lendlease's Construction and Asset Global Minimum Requirements (GMR) for safety and environment is a requirement for all Lendlease projects.

Further, a sustainability brief is always developed for major developments, retrofits and refurbishments, prepared by a collective effort of internal and external specialists.

In line with Lendlease Investment Management's objective to develop high quality green buildings with efficient operating procedures, developments and major renovations are intended to improve ESG performance of that asset's applicable Fund. Further, developments and major renovations with these attributes are also complementary in supporting Lendlease Group's sustainability framework and aspirations (including those that address minimum standards for each of the twelve sustainability elements and best-in-class) and corporate target goals.

Occupier engagement

PR 15	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 15.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 15.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Offer green leases
- Other, specify

PR 15.3	Additional information. [Optional]
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Strong and consistent engagement with tenants provides the Lendlease's Investment Management business with insight into their evolving needs and demands. This allows the Lendlease to be proactive in meeting those changing requirements now and into the future. We believe that effective tenant engagement leads to tenant retention.

All fitout guidelines issued to tenants prior to occupation include environmental and social sustainability requirements and recommendations.

Another key component of the tenant engagement strategy is the completion of an annual survey of existing tenants within the portfolio. The survey is used to understand the occupants view on sustainable initiatives. Results of the survey are collated and presented to the owners. Key issues are addressed in asset plans. Further tenant engagement regarding the survey results is undertaken when required.

Training on waste minimisation is typically provided to tenants, particularly where tenants generate a material quantity of waste. Through this process feedback is provided on waste recycling performance.

Additionally, feedback on energy and water performance is provided via tenant portals and/or asset websites.

PR 16	Voluntary	Public	Additional Assessed	PRI 2
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PR 16.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- >90% of leases or MoUs
- 51-90% of leases or MoUs
- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

PR 16.2	Additional information.
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All standard leases issued by Lendlease Investment Management's commercial, retail and industrial funds include ESG aspects and requirements. Typically, the standard ESG clauses aim to:

- Ensure that each party agrees that ESG matters are an important component of property management and occupation;

- Set out each party's ESG targets, commitments and other requirements; and
- Identify information sharing and legislative requirements.

Whilst every effort is made to ensure that the green lease clauses are included in executed leases, there are occasions where the clauses may be diluted and, in some cases, deleted.

Community engagement

PR 17	Voluntary	Public	Additional Assessed	PRI 2
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PR 17.1	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
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- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 17.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
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- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

PR 17.3	Additional information.
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Lendlease has a commitment for 100% of Lendlease operations will have a Stakeholder and Community Engagement Plan.

Lendlease's investment management business is committed to connecting with and making a positive contribution to the local communities in which our assets are located. Community engagement undertaken by Lendlease is focused in regions and sectors where communities stand to benefit the most from its efforts e.g. shopping centres, retail precincts and associated community facilities.

Several examples include:

Barangaroo South: Lendlease believes there should be a local place that should be loved and owned by all. Lendlease aims to establish Barangaroo South as a exciting and local experience by creating programming and placemaking initiatives that can be enjoyed by all. The asset implements tailored community offerings to ensure the precinct is well activated seven days a week, night and day.

Community day: Lendlease's annual Community Day provides its employees the opportunity to give back to the communities in which they live and work. In line with Lendlease's global focus on sustainability, Community Day projects address social, economic and environmental issues. By matching its employees skills to a community project, Lendlease can contribute in a way that's both meaningful and rewarding. Lendlease employees have volunteered over 500,000 hours across many worthwhile community projects around the world, since 1996.

Tenant engagement: Initiatives and events undertaken by operations in shopping mall assets in Lendlease Investment Management Asia with themed sustainability events such as 313 Green & Gorgeous at

313@Somerset, Go Green at Parkway Parade, Green Discovery events that are focused on waste recycling initiatives and reducing food waste.

Waste recycling in Australian managed commercial and retail assets is an ongoing activity and combined with external and internal staff education and awareness with tenants on waste disposal and recycling practices, it has helped to improve waste recycling performance. Additionally, introducing organics recycling at selected commercial and retail assets has helped to also lift waste recycling performance.

Where required and appropriate, the Lendlease monitors its impact on the community through engagement with local law enforcement agencies, tracking of financial performance of our retail tenants and local competitors, the health and safety of our visitors and the provision and monitoring of important community services.

Outputs and outcomes

PR 18	Voluntary	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 18.1	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.
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We measure whether our approach to ESG issues impacts funds' financial performance

Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PR 18.3	Describe how you are able to determine these outcomes.
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Lendlease's Investment Management business participates in the IPD Green Property Index. The index regularly demonstrates that green certified office buildings outperform uncertified buildings, and that buildings with high ratings outperform buildings with lower ratings.

Through Lendlease's extensive data collection, analysis and reporting processes it is able to ascertain the ESG benefits being derived on an ongoing basis.

Communication

PR 20

Mandatory

Public

Core Assessed

PRI 6

PR 20.1

Indicate if your organisation proactively discloses ESG information on your property investments.

- Disclose publicly

provide URL

<http://www.lendlease.com/expertise/what-we-do/investment-management/#/section/anchor-reportingbenchmarking?animate=true>

provide URL

http://www.lendlease.com/-/media/llcom/investor-relations/media-releases/2016/20160906_lendlease-recognised-as-a-sustainable-real-estate-leader.ashx

PR 20.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
GRESB and DJSI
- No property specific reporting standards are used

PR 20.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes
- No

PR 20.4

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

PR 20.5

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

PR 20.6

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

PR 20.7

Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc/when requested, specify

PR 20.8

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Lendlease Investment Management publicly discloses a summary of its annual GRESB performance together with NABERS Energy and Water ratings for commercial office assets and retail assets (and is updated quarterly). Additionally, where applicable, Green Star Performance, Green Mark and Green Building Index certifications are also disclosed. These apply to the respective fund pages with several URL examples provided:

<http://www.lendlease.com/expertise/what-we-do/investment-management/australian-prime-property-fund-commercial/>

<http://www.lendlease.com/au/expertise/what-we-do/investment-management/australian-prime-property-fund-retail/>

Through Information Memoranda, fund specific ESG strategies and quarterly investor reporting Lendlease Investment Management's clients are advised of ESG processes during pre and post-investment phases, and are regularly updated on ESG initiatives, ratings and performance.

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries