



4 December 2019

Mr António Guterres
Secretary-General
United Nations
New York, NY 10017
United States of America

Dear Secretary-General

UN Global Compact - Communication on Progress

I am pleased to reaffirm Lendlease's continued support of the Ten Principles of the United Nations' Global Compact ('UNGC') on environment, anti-corruption, human rights and labour.

This year, Lendlease continued its direct support of the UNGC through maintaining representation on the [Global Compact Network Australia's \(GCNA\) Board](#), with the recent appointment of Michael Vavakis, Lendlease's Chief People Officer, in April 2019.

We have continued to make great progress throughout 2019 in our efforts to implement and uphold the 10 Principles across the regions in which we operate. This included receiving the highest accolade at the UK mental health charity [Mind's annual Workplace Wellbeing Awards 2018-2019](#), it also included the launch of our refreshed [Springboard Program](#) on the Capricorn Coast in Queensland, Australia, aligned to our sustainability agenda and long term partnership with the Great Barrier Reef Foundation. Leveraging our partnership with Surprise Ventures in Kuala Lumpur, Lendlease was able to help create learning, skilling and community connection opportunities for children living in one of the 'B40' – the forty poorest communities in KL, the [Perumahan Awam Neighbourhood](#), a program we are now looking to expand to additional B40 communities. Whilst in America, we continued to work with the Chicago Cook Workforce Partnership to assist with the creation of a 'barrier reduction fund' to help qualified applicants with overcoming the barriers associated with childcare, transportation and tool costs that come when entering the construction industry.

In June, we were pleased to launch our refreshed Sustainability Framework, which is intended to provide a simple and compelling methodology to focus our efforts on what matters and makes a difference. To go beyond, to raise the bar and to rise to new challenges. Its purpose is to help identify the opportunities for Lendlease to add value; differentiate ourselves not just by what we do but how we do it, without limiting our thinking or stifling innovation. The framework is centred around three imperatives, [Sustainable Economic Growth](#), [Vibrant and Resilient Communities and Cities](#), and [Healthy Planet and People](#). A sample of initiatives carried out under the guidance of our new framework and in alignment with the UN Global Compacts Ten Principles are highlighted here.



Human Rights (Principles 1 -2)

- Audit and review of our impact on Modern Slavery through our supply chain expanded beyond our commitments in the UK. Wider industry participation to generate awareness on Modern Slavery, with partnerships with Supply Chain School in the UK and Australia, the Property Council of Australia's Modern Slavery Working Group and the UN Global Compact Australian Network Community of Practice on Modern Slavery
- In December 2018, we launched [Lendlease FutureSteps](#) in Australia – a philanthropic initiative to boost community programs that support vulnerable people and families. The initiative received \$500,000 seed funding from the Lendlease Foundation and is set to receive 0.1 per cent of future residential revenue from our Australian business
- During National Reconciliation Week 2019, [Lendlease](#) joined some of Australia's largest companies to support the [Uluru Statement from the Heart](#) and its call to establish a First Nations voice in the Australian Constitution
- In FY19 \$45.3M (AUD) was spent on Indigenous businesses, 5,200 of our employees had undertaken cultural awareness training and 112 interns were hosted through our partnership with career trackers

Labour (Principles 3-6)

- To attract more females to our industry, Lendlease has introduced a range of benefits and policies, and mentoring and networking programs. We also partner with universities, schools, and industry and peer companies to champion STEM subjects. In our global graduate program, we achieved a 50/50 gender balance, which is building a pipeline of talented women for future leadership roles. We will continue to focus on improving gender representation in our industry
- Lendlease was one of only eight employers awarded Platinum status in the [Australian Workplace Equality Index](#) for LGBTI inclusion and LGBTI Employee Network of the year
- We have collaborated with partners in the Australian Property & Construction sector to set up [InterBuild](#), a network that drives LGBTI inclusion across the whole industry

Environmental (Principles 7-9)

- Our Australian Construction business took bold steps to address construction-related emissions. Site sustainability standards were used to reduce emissions including the use of efficient appliances, solar hybrid generators and electric cranes. The business will now tackle emissions from liquid fuels such as diesel. All remaining emissions in FY19 have been offset, making Lendlease's Australian Construction business a carbon neutral construction service provider



- This year we increased our level of disclosure under the Task Force on Climate Related Financial Disclosure, announcing our [four climate scenarios](#). Under these scenarios we have enacted a shadow price on carbon integrated into Investment Committee investment decisions – \$20USD/Tonne in 2020, rising to \$100USD/Tonne in 2030 and \$140USD/Tonne by 2040

Anti-Corruption (Principle 10)

- Lendlease' Board Risk Committee has defined Risk Appetite Statements that set clear boundaries for the organisation and its employees. The Risk Appetite Statements are reviewed annually and an overview of the Risk Appetite Framework may be found on page 59 of our [Annual Report](#). Policies, procedures and standards prohibiting all forms of corruption form part of the overarching governance procedures for the organisation. A [public policy](#) is maintained and sets strict conditions for how Lendlease and its employees conduct business.
- A [Code of Conduct Breach Reporting](#) policy is also maintain by the Group to allow employees and stakeholders affiliated with Lendlease to raise concerns, including those relating to bribery and corruption

The examples outlined in this letter provide a sample of Lendlease's ongoing work in support of the UNGC principles, but do not extensively list all efforts made in the last year. Details on additional efforts taken can be found in our 2019 Annual Report [here](#) and continue to be updated to our [Lendlease.com](#) website.

Yours sincerely

A handwritten signature in black ink, appearing to read "SMcCann", is positioned below the "Yours sincerely" text.

Steve McCann
Managing Director and Chief Executive Officer
Lendlease

cc: Cate Harris, Group Head of Sustainability and Global Head of Foundation, Lendlease
Michael Vavakis, Chief People Officer, Lendlease and Board Member, Global Compact Network Australia (GCNA)