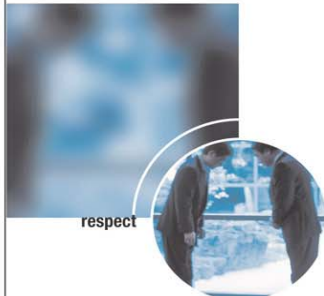


policy statement

risk management



Our objective is:

To enhance Lend Lease stakeholder value through continuous improvement in our management of risk.

Risk is defined as:

“the chance of something occurring which might affect achievement of our business objectives”

Effective risk management facilitates the anticipation of uncertainties that could impact us tomorrow. By recognising risk and managing the control and taking of risk, we are able to make the most out of opportunities to create shareholder value and deliver on our commitments to customers, employees, the environment and the community.

At Lend Lease, formal risk management processes are embedded within day-to-day management of the business. We aim to ensure a common culture throughout the Lend Lease group of companies (**Group**) that promotes awareness of potential exposures and opportunities created by risk.

The Group’s approach to risk management is guided by the Australian/New Zealand Standard on Risk Management, AS/NZ4360 and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management framework. In addition to operational and financial risk, the categories of risk given particular focus are Legal and Compliance Risk and Environment, Health and Safety (**EH&S**) Risk. Our goal in relation to Legal and Compliance Risk is to meet the Australian Standard on Compliance Programs, AS3806. In relation to EH&S Risk, we aim to achieve a workplace free of incidents, injury and fatalities consistent with our Incident & Injury Free philosophy and to be a leader in the development of environmentally responsible property solutions that generate sustainable social and economic returns.

Our policy is to:

- use an Enterprise Risk Management approach to identify, evaluate, treat, monitor, quantify and report significant risks to the Risk Management and Audit Committee;
- embed the management of risk as a central part of planning and management processes;
- provide the training, facilities and motivation necessary for our people to implement and maintain effective risk management practices;
- balance risks and business objectives when developing risk treatments and risk transfer arrangements; and
- encourage the adoption of Lend Lease risk management practices by our associated entities.