



investment  
management

# Investing in a better future

ANNUAL SUSTAINABILITY REPORT 2020



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## Introductory statement

In 2020 the world's agenda was sadly dominated by addressing the devastating effects of the COVID-19 pandemic. At the same time, building a sustainable world took on ever-increasing importance not only to address issues such as the climate crisis but also as a mitigant for the prevention of future pandemics.

Resource scarcity, a changing climate and rising levels of inequality pose increasingly material and urgent global concerns to real estate investment managers as custodians of assets managed on behalf of clients. With environmental concerns leading to increased regulation, the rise of civic action and multiple national governments declaring net zero carbon commitments, we understand that integrating environmental and social criteria into our business models is essential to fulfilling our fiduciary duty to clients and our public duty to our stakeholders.

In this report we have sought to be transparent in both our positive impacts and areas of improvement, illustrating how we embed Environmental, Social impact and Governance ('ESG') through our investment and corporate activities. As we seek to deliver against more ambitious ESG targets, we aim to understand

how to better translate ESG benefits to demonstrate resilient financial return for our investors.

Despite the challenges faced by our business in 2020, we are really proud of the progress made and I personally thank each and every Savills Investment Management (Savills IM) team member for having played a role in helping us achieve the results detailed in this report. We know that operating our business in an environmentally and socially responsible way enables us to give back to our local communities, attract and retain the best talent and helps our teams work more inclusively together.

This is also the first year we have sought to publish our global environmental footprint and whilst we recognise it is work in progress, the analysis will enable us to better support our clients and occupiers with their sustainability objectives. We understand the complexity and challenging nature of integrating stretching ESG goals, but we believe doing so is fundamental to the long term success of our business.

**Alex Jeffrey** Global Chief Executive

**“Resource scarcity, a changing climate and rising levels of inequality pose increasingly material and urgent global concerns to real estate investment managers as custodians of assets managed on behalf of clients.”**



# About Savills IM

Savills IM is an international real estate investment manager with offices in Australia, France, Germany, Italy, Japan, Luxembourg, Malaysia, the Netherlands, Sweden, Poland, Singapore, Spain and the UK.

Savills IM manages real estate worth circa EUR 21.12 billion worldwide (as of Q4 2020). Savills IM offers comprehensive real estate asset and Fund management services in the form of individual mandates and Fund

solutions for a broad spectrum of investors, including insurance companies, pension funds, foundations and family offices. The investment styles employed range from core to opportunistic.

Savills IM is part of the Savills group, whose parent company, Savills plc, is a London-listed global real estate services company.

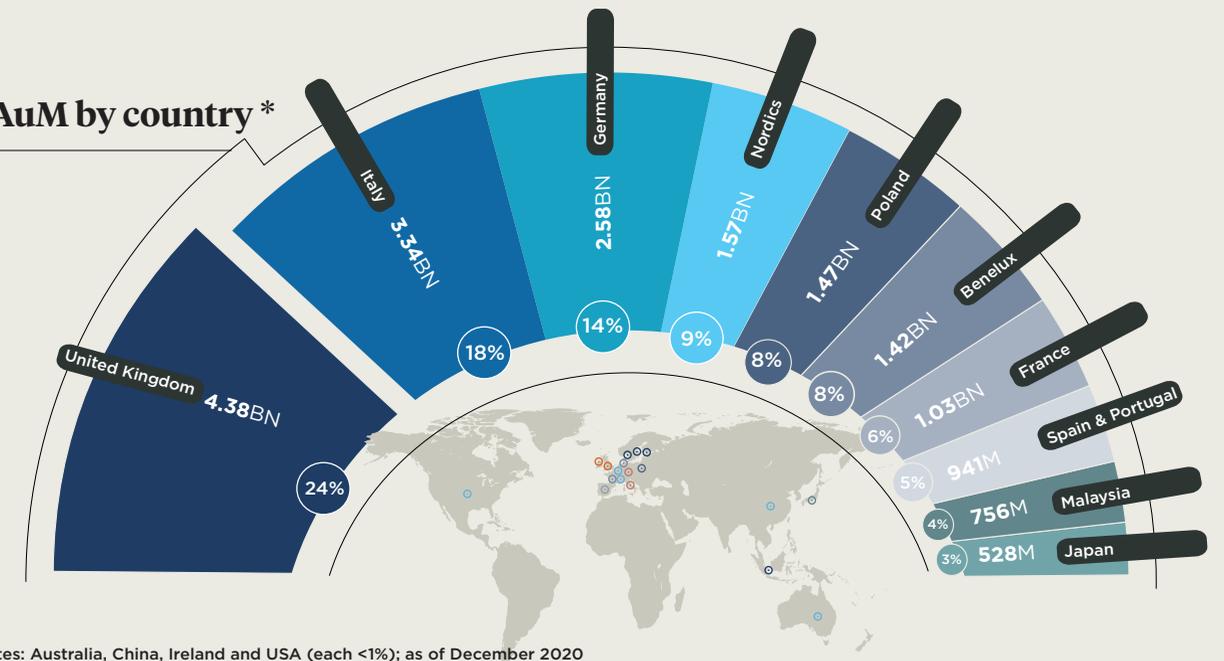
## PARTNERSHIPS & MEMBERSHIPS



Circa EUR 21.12bn AuM worldwide

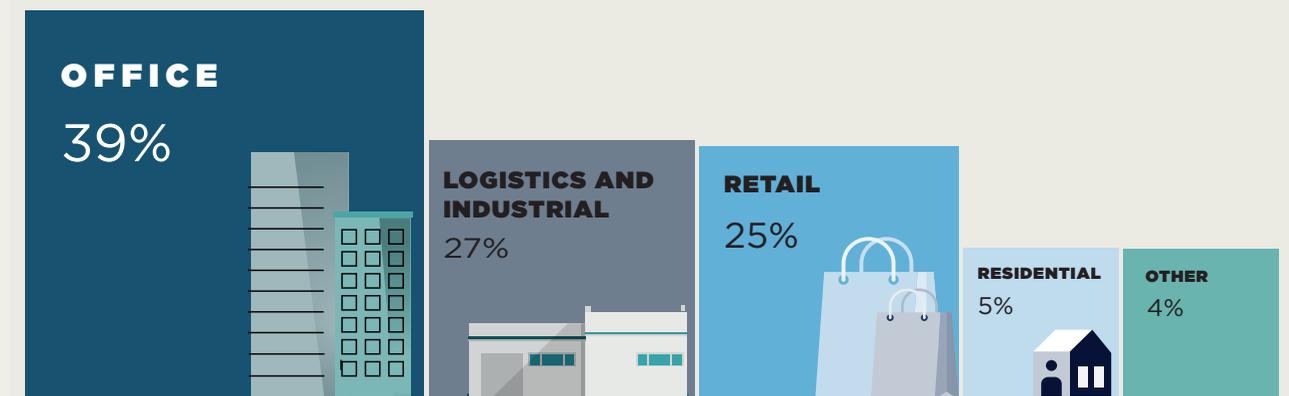
Investments in 19 countries

### AuM by country \*



Over 700 assets across multiple real estate sectors

### AuM by sector \*



Source: Savills Investment Management, 2020  
\*Assets including cash are excluded.

# UN Sustainable Development Goals

The 2030 agenda for sustainable development, adopted by all United Nations member states in 2015, provides a shared blueprint, recognised globally. At its heart are 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries.

The SDGs have been chosen as the framework as they give a common language for sustainability reporting to our key stakeholders. At Savills IM we have looked at them and aligned ourselves to six key SDGs, where we feel we could make the largest impact. These are 7, 10, 11, 12, 13, 17.

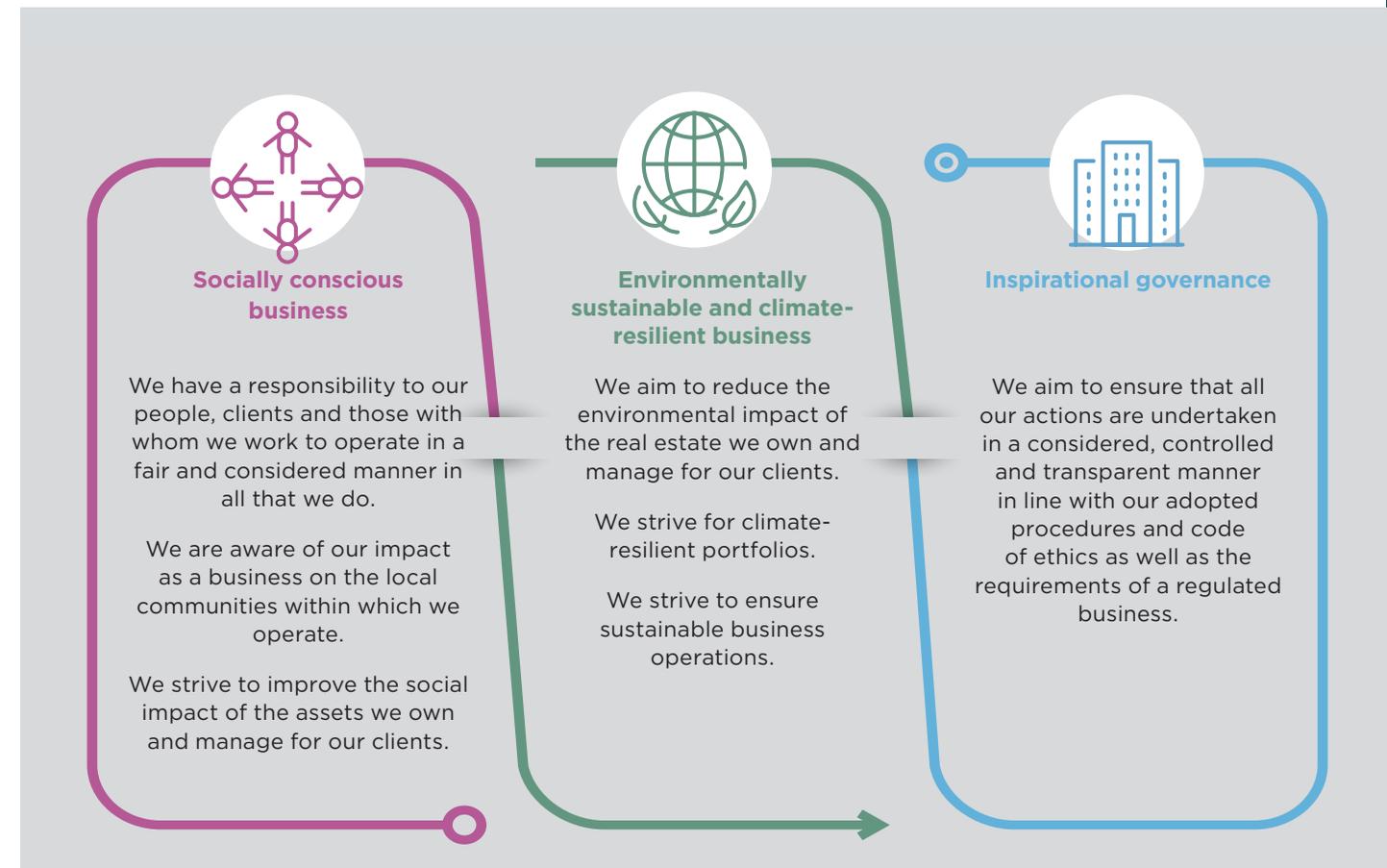


# Our ESG Values

**At the core of a robust sustainability approach is knowing our ESG values: guiding principles by which we operate as a business and reflecting them into our investment decisions.**

In recognition of this, we significantly increased our sustainable focus during 2020 by restructuring and enhancing the reach of our

ESG Committee and extending its membership to senior leaders across our entire platform. We also appointed a new Head of ESG who has been working closely with global teams and sustainability specialists to further develop tools, upskill our people and embed our ESG goals and ambitions.



# Reporting our 2020 sustainability performance

## SCOPE AND PURPOSE OF THIS REPORT

This section of our report details our progress against our sustainability goals, alignment with the UN Sustainable Development Goals and the 2016 INREV Sustainability Reporting Guidelines. The progress reported against our ESG targets covers the 12-month period ending 31 December 2020, unless specified otherwise.

As a signatory of the UN-aligned Principles for Responsible Investment (PRI), since 2014 we have also reported transparently against the PRI reporting framework.

 Savills IM's 2020 Transparency report is available [here](#).

 It may be read in conjunction with the PRI assessment methodology, available [here](#).

This year we are proud to have achieved the maximum score grade A+ for Strategy and Governance, and maintained an A for the Property module in the latest PRI Assessment report.

Our 2020 Assessment report is available on request.

## BEST PRACTICE REPORTING: INREV SR GUIDELINES

This ESG report is aligned with the 2016 INREV Sustainability Reporting Guidelines (the "INREV SR Guidelines") and includes elements to comply with the mandatory reporting requirements as well as elements representing best practice recommendations of the INREV Guidelines. This report specifies compliance against the mandatory requirements and best practice elements of the INREV SR Guidelines framework, however, the INREV SR Guidelines include references to other industry standards which are implemented in the non-listed real estate industry; PRI, GRESB, GRI and EPRA. Full details of how the 2016 INREV SR Guidelines align to other industry standards can be found in section 8.4 Alignment with Industry Standards, of the full guidelines [here](#).

## EU SUSTAINABILITY-RELATED DISCLOSURES

During 2020, we initiated a project to address the implementation of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector which lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.

# Impacts

## POSITIVE IMPACTS

REPORTED OUR GLOBAL CARBON FOOTPRINT FOR SCOPE 1, 2 AND 3



RESTRUCTURE OF ESG COMMITTEE WITH GLOBAL COVERAGE



67% WASTE RECYCLED GLOBALLY



80+

ENVIRONMENTAL AND HEALTH AND WELL-BEING RELATED BUILDING CERTIFICATES



47%

OF AUM REPORTED EXTERNALLY TO GRESB



1.4 MILLION KWH

ONSITE-RENEWABLES



CREATION OF D&I STEERING COMMITTEE AND SUB-GROUPS



32 DIFFERENT CHARITIES SUPPORTED



## AREAS OF IMPROVEMENT

TARGET NET ZERO CARBON EMISSIONS



INCREASE CONTRIBUTIONS TO SOCIAL IMPACT INITIATIVES



100% OF STAFF TO UNDERTAKE ESG TARGETED TRAINING



100% RENEWABLE ENERGY PROCURED BY LANDLORD



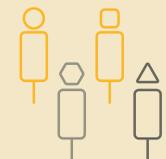
REDUCE WASTE CREATED



MEASURABLE ESG OBJECTIVES AND REMUNERATION



CONTINUED EMBEDDING OF D&I



IMPROVE ESG DATA COLLECTION AND OCCUPIER ENGAGEMENT



# Spotlight on assets



## IMPROVING ENVIRONMENTAL CREDENTIALS

### DIDCOT QUARTER, DIDCOT

In 2020, we completed a speculative development of Didcot Quarter, a strategic 300,000 sq ft warehouse/logistics site in Oxfordshire, developed directly for one of our UK pension Fund clients.

The scheme was designed to achieve a BREEAM 'Excellent' ratings and an energy performance certificate (EPC) rating of 'A'. WELL Building principles were incorporated into the base-build design to achieve 25% carbon savings, compared to original building standards.

Other sustainability initiatives include a rainwater harvesting system, 10% solar panel coverage on the roofs and the installation of a new bus stop and cycle path to serve the development. Across the site, defibrillators were also installed with positive engagement from tenants.

In addition, within this portfolio, the team has been focused on engaging occupiers to share environmental data to better understand the carbon and environmental performance of the assets.



**BREEAM RATING 'EXCELLENT' | EPC RATING OF 'A'**

CGI photo: Didcot Quarter



## INCREASING BIODIVERSITY FENCHURCH COURT, OXFORD

At the Fenchurch Court site, consisting of a dozen assets, both environmental and social criteria have been factored in to transform the overall aesthetics of the site entrance, whilst also increasing the biodiversity of the area.

Forgotten spaces were transformed using Victorian-era stumpery design to create a multifunctional pocket of green space with a diverse mix of predominately native, drought-tolerant plants, including tree stumps for insects to thrive. An outdoor seating area was also installed for tenants to enjoy.

As we are focused on supporting local communities and charities, two volunteers were involved in the project, gaining valuable work experience.



**OUTDOOR SEATING AREA | GREEN SPACE**



## BUYING SUSTAINABLE BUILDINGS BURY ST EDMUNDS, SUFFOLK

The Bury St Edmunds industrial unit was built to a BREEAM rating of 'Excellent' and an EPC rating of 'A'. The property is newly constructed and various measures have been introduced in order to enhance the sustainability of the unit.

Features include high efficiency heating and cooling systems, low air infiltration rate, LED lighting with the maximum use of natural daylight and sensor light controls, rainwater harvesting, solar shading and automatic energy metering.



**BREEAM RATING 'EXCELLENT' | EPC RATING OF 'A'**



### ACHIEVING A NEARLY ZERO ENERGY BUILDING VIALE SARCA, MILAN

An all-electric office building within one of our value-add portfolios has been designed to achieve the nearly zero energy buildings requirements, which means the building has very high energy performance. The embodied carbon of the development is 739 kg CO2/sqm and activities are underway to reduce this through the purchase of green energy and reforestation.



### FEATURES

Green roofs and terraces

Solar electricity panels

Use of recycled materials

100% electric power

Electrical recharging parking units



CGI

CGI



**SUSTAINABLE REFURBISHMENT  
IL GIALDO SHOPPING CENTRE, CHIERI**

The Il Gialdo Shopping Centre in Italy has undergone a substantial refurbishment over the past few years, with a focus on improving sustainability credentials. Key initiatives include the use of recycled materials for refurbishment, internal and external LED lighting systems and e-charging stations for electric vehicles. Further improvements are foreseen in the coming year with the installation of canopy solar panels and a new air conditioning system, with expected savings of up to 30%.

All new leases will include green clauses to increase data collection and allow for a better analysis of future sustainability initiatives.



RECYCLED MATERIALS | LED LIGHTING | E-CHARGING STATIONS



**PROMOTING A SUSTAINABLE COMMUTE  
ESSEN GLÜCKAUFHAUS**

A great way to drive sustainability into an office is to promote an eco-friendly commute by installing e-charging stations for electric vehicles. This approach has been adopted at one of our assets in Essen Glückaufhaus, where 53 electric car and bicycle e-charging stations were installed, with future stations planned.



53 ELECTRIC CAR AND BICYCLE E-CHARGING STATIONS



**GREEN AUDITS / LOGISTICS FUND  
MALAYSIA**

We are undertaking comprehensive Green Audits across all industrial assets to identify each asset's potential for Green Building Index (GBI) NREB (Non-Residential Existing Building) certification, including scoring and action plans to meet minimum 'GBI certified building' ratings. In preparation, the following activities are undertaken: GBI GAP analysis, green profiling, property management interviews and the collection of utilities data by an in-house ESG asset manager.



GREEN AUDITS ACROSS ALL INDUSTRIAL ASSETS



**SPOTLIGHT ON A EUROPEAN  
LOGISTICS FUND**

A number of sustainable considerations were undertaken in 2020 across one of our European logistics portfolios. Initiatives include:

- Installation of LED lighting in two French assets.
- Construction of a bus stop outside a Swedish asset to promote eco-friendly commuting.
- Beehives introduced to the roof of a Polish asset to support natural pollination and produce honey for the tenants.
- 4,556 solar panels were fitted to the roof of a Dutch distribution-centre generating c. 1.4 million kWh/annum, equivalent to the annual consumption of 406 average Dutch households. This initiative will lead to an avoidance of annual CO2 emissions of c. 650 tonnes and the tenant is the first in the industry to have been awarded the CO2 Neutral® company label for its climate neutral production methods.
- Green audits performed by our third-party sustainability consultant to assess the potential to reduce energy, water and waste consumption across the portfolio.



BEEHIVES ON THE ROOF | LED LIGHTING



### ADAPTING TO SOCIAL NEEDS GALERIA KATOWICKA SHOPPING CENTRE, KATOWICE

Galeria Katowicka is a shopping centre in Poland with 50,000 sqm and 200 tenants. The centre is visited annually by over 16 million customers and has made active environmental, social and governance considerations throughout, most pointedly socially.

The social needs of customers are a primary consideration of the operations of Galeria Katowicka, and it is the first shopping centre in Europe to introduce a comprehensive programme for autistic visitors.

The World Health Organization revealed there are 5 million people with ASD in Europe alone, who are socially excluded due to their disorder. Shopping centres were identified as the most inaccessible place due to an excess of visual and auditory stimuli.



Energy savings have been made by replacing all lighting with LEDs and adding motion sensors to all escalators.



Advanced heating and cooling systems were installed to manage heat consumption, with a 42% heat energy saving per year.

Bicycle stands, repair stations and e-charging stations for electrical vehicles are available in the shopping centre car park.

Galeria Katowicka aims to provide a safe environment for autistic visitors' by creating soundproofed silent spaces, soft lighting and limiting music played inside stores to help create a calm environment.



'Silent Hours' have been introduced during opening hours to aid autistic visitors shopping experience and to raise awareness. The facade of the shopping centre is also illuminated in blue on international autism awareness day.



Tenant engagement and involvement was crucial for the implementation of the autism programme, and over 100 tenants have adopted the autism stimuli amendments within their stores and undergone specialised training.

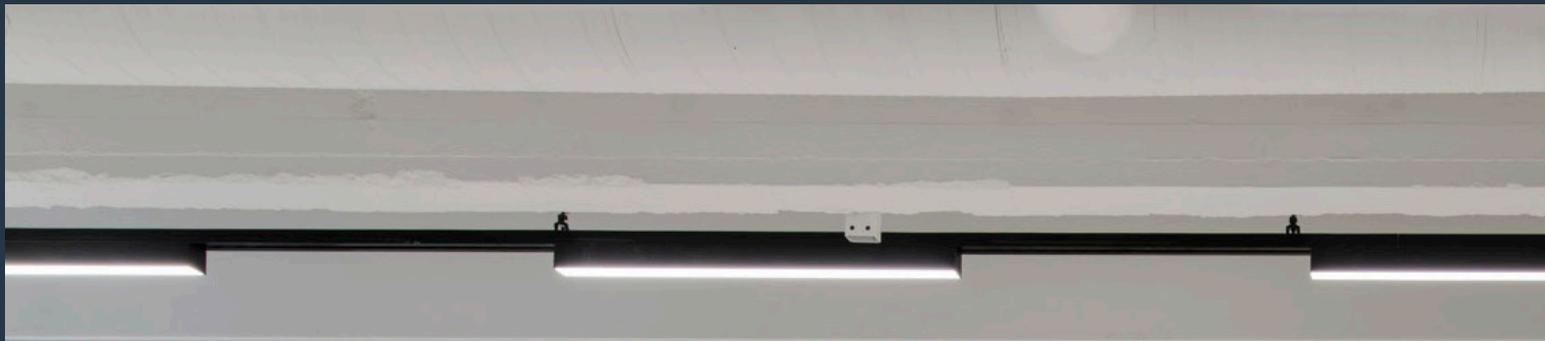
Noise and waste management standards implemented across the site.



A mandatory waste management procedure for all tenants has resulted in a greater collection of recyclable waste and the centre aims to minimise the cost of waste collection.



Autism awareness event.



FEATURES



185 bicycle spaces



LED lights



Automatic water sensors



Low flow rate showers/WCs

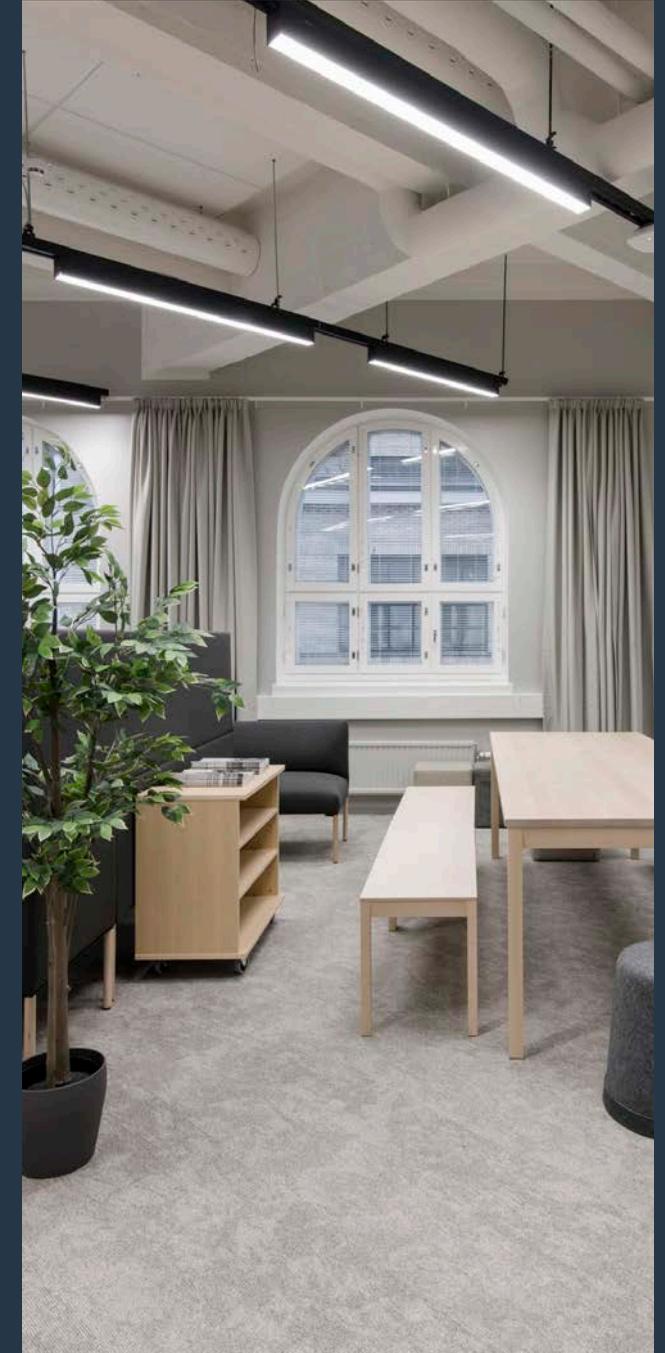


Use of sustainable materials



OFFICE CONVERSION  
RUOHOLADENKATU 23, HELSINKI

A lease was entered into with the City of Helsinki in Finland to convert an office building into a school, with clear sustainability requirements regarding the re-construction of the asset to better serve the community. Sustainable features included the installation of LED lights and automatic water sensors, low flow rate showers and WCs, efficient heat recovery systems and the use of sustainable materials (low-emitting products) in the fit-out works. Furthermore, 185 bicycle spaces were created in the vicinity of the building. The asset is LEED Gold Shell and Core certified and will be awarded LEED Gold Interior Design and Construction version 4 in September 2021.





**Throughout our global operations we strive to limit our environmental impact whenever possible including purchasing renewable energy.**

**Many of our offices are working to eliminate plastic bottles and have installed still and sparkling water filter fountains to replace the purchase of bottled water.**



**Paper consumption has been significantly reduced through the use of an electronic signature platform across the entire business.**

### **SIMply Delicious**

In 2020, we published the first Savills IM cookbook – SIMply Delicious, filled with recipes submitted by employees from our offices across the globe.

The cookbook was a huge success and all proceeds raised through the sale of the book were donated to charity and to date over GBP 12,000 has been raised for [Trees for Cities](#), an independent charity set up in 1993 that works at an international scale to improve lives by creating greener cities with tree planting projects.

Trees for Cities, will help plant fruit trees in Africa where they will bring a multitude of benefits to local communities.



# Highlights

For the 2020 reporting year we sought to baseline our full global environmental footprint including our operational carbon emissions but due to COVID-19 we had to use 2019 as the baseline to get the most accurate representation. Working with our sustainability consultant, [EVORA](#), we have benchmarked the energy, greenhouse gas emissions (GHG), water and waste performance for the 2019 calendar year across the global portfolio of 775 assets in more than 60 funds or mandates. Where data is available we have provided this for 2020 as well.

We will be focusing efforts first on reducing our environmental footprint from these assets. The full results of this benchmarking exercise are shown in the table on page 25 and highlights are below.

Our Scope 2 operational emissions are higher than Scope 3 emission because at this point in time we are still working out the split in purchased electricity between landlord and occupier, so where this split is unknown we have placed the emissions under Scope 2. In the short term, we expect our Scope 2 emissions to decrease and Scope 3 emissions to increase once this exercise is complete.



## CARBON AND ENERGY

- Energy intensity of our assets reduced by 4% between 2019 and 2020.
- Green house gas emissions intensity reduced by 32% between 2019 and 2020, although principally due to available data.
- 76% of global operational GHG emissions are generated by two Funds.
- Both Poland and Malaysia have carbon intensive energy grid systems. For example, emissions intensity (tonne CO2 per sqm floor area) of a retail asset is 3.5 times higher in Malaysia and 3.1 times higher in Poland compared to the UK.



## WASTE

- Waste collected for 86 assets in 2020 compared to 43 in 2019.
- 67% of waste recycled in 2020.



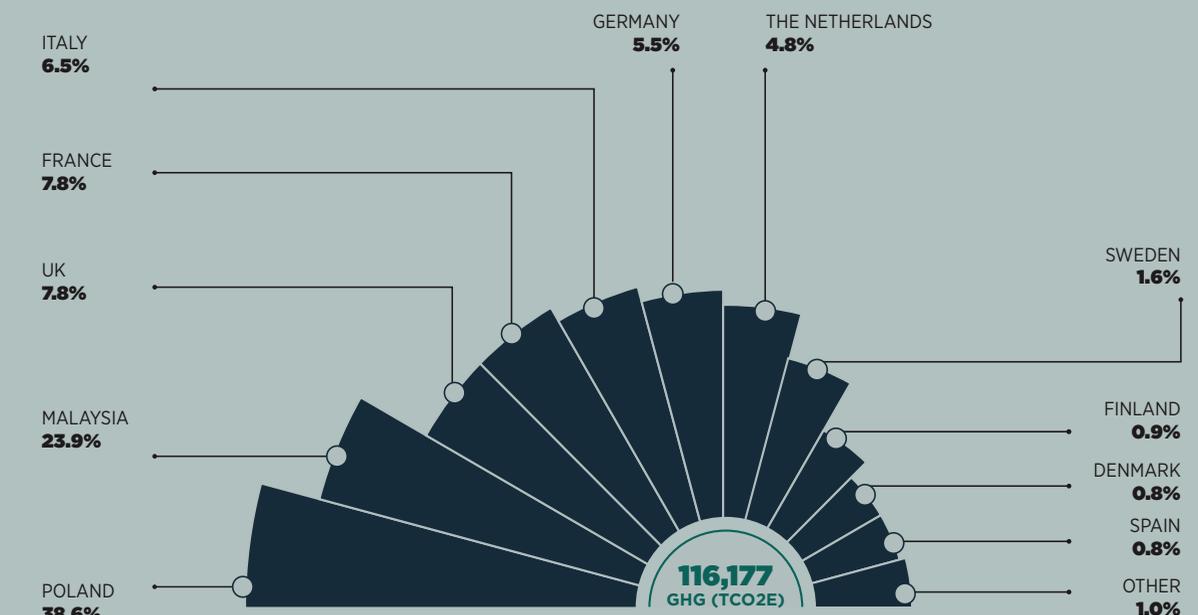
## WATER

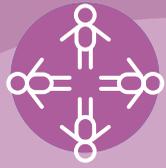
- Like for Like water consumption decreased by 15%.
- Water consumption is equivalent to 1,068 Olympic swimming pools. This is largely benchmark data rather than estimated data.
- Water consumption in a retail asset in Malaysia is over 7 times higher than in a retail asset in UK.

The next steps will be to undertake a global assessment of our embodied carbon footprint and supply chain.

## CARBON EMISSIONS SPLIT BY COUNTRY

| Country         | GHG (tCO2e)    | % tCO2e     |
|-----------------|----------------|-------------|
| POLAND          | 44,789         | 38.6%       |
| MALAYSIA        | 27,770         | 23.9%       |
| UK              | 9,089          | 7.8%        |
| FRANCE          | 9,008          | 7.8%        |
| ITALY           | 7,578          | 6.5%        |
| GERMANY         | 6,443          | 5.5%        |
| THE NETHERLANDS | 5,546          | 4.8%        |
| SWEDEN          | 1,814          | 1.6%        |
| FINLAND         | 1,094          | 0.9%        |
| SPAIN           | 927            | 0.8%        |
| DENMARK         | 922            | 0.8%        |
| OTHER*          | 1,197          | 1.0%        |
| <b>Total</b>    | <b>116,177</b> | <b>100%</b> |





## Corporate Responsibility

We understand that it is our role as a responsible business to do what we can to positively impact the environment, our people and the local communities in which we operate. In addition to our Responsible Investment Policy, which focuses on the ESG performance of the portfolios we manage on behalf of our clients, we have implemented a Corporate Responsibility operating framework that furthers our ESG ambitions.

This framework seeks to encourage and support staff to give their time for charitable fundraising or volunteering activities. In 2020, a global Corporate Responsibility champions network was created to support local community and charitable activities in each country where we operate.

Our full RI Policy is available [here](#), and associated guidance notes are available [here](#).

BELOW IS A SNAPSHOT OF SOME OF THE PHILANTHROPIC INITIATIVES SUPPORTED BY SAVILLS IM OVER THIS TIME.

Savills IM funded the installation of a high bar in a family playground in Frankfurt, which the local office has been supporting since 2019.



In Madrid, the team donated 150kg of food to the Food Bank of Madrid, by individually contributing basic food products or making a donation.

For Christmas, the UK office held its annual Christmas raffle for Crisis, the UK's national charity for homeless people. All raffle prizes were generously donated by local businesses and over GBP 2,500 was raised from raffle ticket sales and to help the charity to continue to offer education, employment, housing and well-being opportunities to homeless people.



# DIVERSITY AND INCLUSION

Savills IM embraces diversity and inclusion and seeks to provide a platform and a supportive environment to allow everyone to achieve their potential, free from discrimination or prejudice. Savills IM respects all of its staff, clients, stakeholders and counterparties, challenges stereotypes and celebrates the value of having a diverse range of people throughout the organisation, providing a rich variety of viewpoints. As such we are aligned with the Savills Group Equality and Diversity Policy and in 2020 established a Diversity and Inclusion Steering Group with associated focus sub-groups focusing on specific areas.

## Our people

During the year we hosted several internal events around International Day of Persons with Disabilities, Black History Month, International Men's Day, International Women's Day, Global Mental Health Day, Pride as well as other events and actions to raise awareness in these specific areas.

Despite good progress made in this area, we recognise that the property industry is one of the least diverse industries and we must continue to take an active role in addressing this. We will continue to work on improving our diversified and inclusive platform by providing space for our people to have open and honest discussions.

We strive to create a working environment which facilitates agile working and offers flexible work opportunities allowing our staff to better balance work and outside-work commitments in particular for staff with care responsibilities. We have been especially mindful of engaging with our employees during lockdown periods and have hosted a number of interactive sessions virtually during the past period to boost morale. These events included virtual exercises classes, team competitions and quizzes and online lunch & learn sessions with specialised external speakers.

We also recognised the challenges and effects of the pandemic on our employees' well-being and implemented a global well-being benefit package through a network of professional practitioners providing one-to-one video sessions for therapy; counselling; life and career coaching; mindfulness and meditation.

Training and communication are an important component of how Savills IM fulfils its role as a responsible business and we continue to support our people with their training and learning needs.

## Diversity and inclusion sub-groups

### AGE



Support our employees through every stage of their career with relevant development, training, policies and benefits at each stage.

### DISABILITY, MENTAL HEALTH AND WELL-BEING



Provide non-clinical, well-being peer support to employees and helps raise awareness of mental health.

### GENDER



Working towards gender equality in our workplace.

### LGBTQ+



Provide an environment and culture which encourages everyone to be comfortable and confident to disclose their sexuality.

### REACH



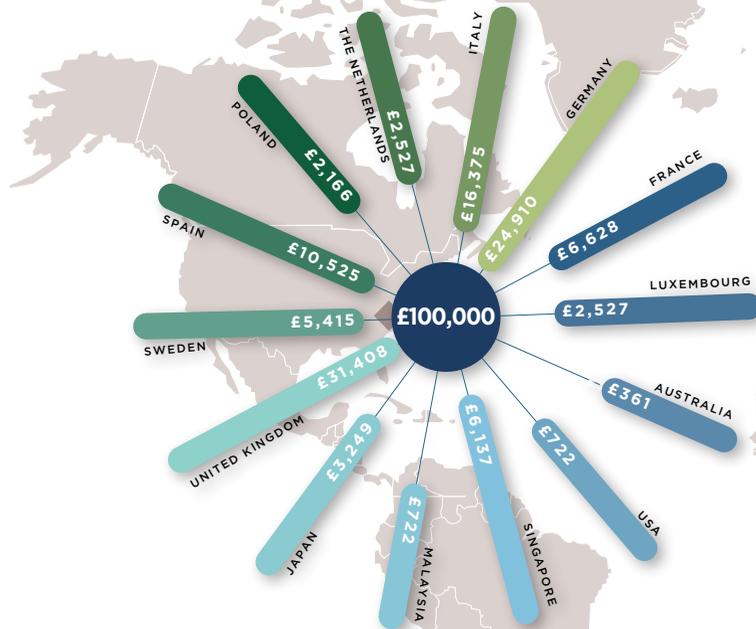
Work to address racial inequality and seek to ensure everyone at Savills IM feels included and has equal opportunities.

# Local community

## COVID-19 RELIEF

Given the far-reaching and dramatic impact of the coronavirus, Savills IM moved quickly to support local communities and allocated its entire 2020 Charity Commitment budget of GBP 100,000 to support causes that alleviate the effects of the COVID-19 pandemic. Charities supported included those with a focus on the elderly, homeless and children in need as well as sourcing critical medical supplies for hospitals.

In addition to this, our employees raised an additional GBP 32,800 for charitable causes.



### UNITED KINGDOM



#### NHS Charities Together

The NHS Charities together National COVID-19 Urgent Appeal aims to support NHS staff, volunteers and patients impacted by the pandemic across the UK by funding grants to help NHS charities in a number of ways, such as providing well-being packs, recuperation rooms and electronic tablets for isolated patients. Donations will also resource vital care partnerships and longer term mental health recovery of NHS staff and families.

[www.nhscharitiestogether.co.uk](http://www.nhscharitiestogether.co.uk)



#### Age UK £10,469

This is a time of great anxiety for everyone, but especially for older people and their loved ones. Age UK are working hard to ensure that vital information, advice and befriending services can continue to safely help older people who need them most during these worrying times.

[www.ageuk.org.uk](http://www.ageuk.org.uk)



#### Shelter £10,469

Shelter's helpline has already seen a sharp rise in calls for help from people worried about losing their jobs, homes and keeping their family safe in these unprecedented times. Shelter also must continuously support those who are currently homeless during this pandemic. Donations can help as many people as possible keep their homes.

[www.shelter.org.uk](http://www.shelter.org.uk)

### THE NETHERLANDS



#### Stichting het Vergeten Kind

More than 100,000 children living in the Netherlands grow up in families with problems at home, and of these, 55,000 can no longer live safely and happily at home. As a result of COVID-19, many more children are in unsafe and stressful home situations. The 'Foundation of the Forgotten Child' helps support these children through organising activities and events that have a direct positive impact on their lives.

[www.hetvergetenkind.nl](http://www.hetvergetenkind.nl)

### SWEDEN



#### UNICEF

As the number of COVID-19 cases soars, so do the needs of children and their families. From delivering life-saving health supplies, to building water and hygiene facilities, to keeping girls and boys connected to education and protection, UNICEF is working to slow the spread of COVID-19 and minimise its impact on children worldwide.

[www.unicef.org/coronavirus/covid-19#how-unicef-helping](http://www.unicef.org/coronavirus/covid-19#how-unicef-helping)

### POLAND



#### Property4Heroes

This initiative has been backed by industry heavyweights such as SKANSKA, Ghelamco, HB Reavis, Invesco and Griffin and aims to support medical staff in 11 Polish hospitals by funding and delivering almost 1,000 daily meals to them. Meals are mostly prepared by tenants in buildings participant companies manage, so there is an element of tenant support too.

### USA



#### Catholic Charities of Brooklyn in Queens

More than 60% of the New Yorkers struggling with COVID-19 live in Brooklyn and Queens. Many of them are struggling and in need of food, financial assistance and other support as they try to cope with the impact of the pandemic. Donations can help Catholic Charities continue to provide vital services to the communities of Brooklyn and Queens.

[www.ccbq.org](http://www.ccbq.org)

### GERMANY



#### Frankfurter Tafel e.V. Münchner Tafel e.V. Hamburger Tafel e.V.

The German offices have donated to a group of local food banks aimed at relieving food poverty and reducing food waste in Frankfurt, Munich and Hamburg. The food banks do this by rescuing good quality surplus food that would otherwise have gone to waste, and sending it to community groups who need it most.

[www.frankfurter-tafel.de](http://www.frankfurter-tafel.de)  
[www.muenchner-tafel.de](http://www.muenchner-tafel.de)  
[www.hamburger-tafel.de](http://www.hamburger-tafel.de)

### SINGAPORE



#### Fei Yue

The term Fei Yue connotes the transformation process of a person when he or she overcomes old ways of living, and assumes the qualities of a new person. Fei Yue serves vulnerable groups including low-income families, children of special needs, prison inmates and their families, the elderly and children who face domestic abuse. The charity also promotes family and community cohesion and bonding through inter-generational programmes, transnational programmes and active ageing.

[www.fyco.org](http://www.fyco.org)

### SPAIN



#### Albergue San Juan de Dios Madrid €2,949

The shelter of Albergue San Juan de Dios works to provide a home and meals for homeless people in the centre of Madrid. This service is especially crucial during COVID-19 because no one should be out on the streets, and it will be even more important during the economic crisis we may face.

[alberguesanjuanediosmadrid.org](http://alberguesanjuanediosmadrid.org)



#### Caritas €2,949

The Caritas ante el Coronavirus emergency response to COVID-19 aims to ensure that the most vulnerable continue to receive support. The programme is addressed to families, elderly people and the homeless. It provides medication, PPE and food.

[www.caritas.org](http://www.caritas.org)



#### Save the Children €2,949

Save the Children is working to help keep children safe and alive, protected and learning. They aim to make communities prepared and resilient so they can get through this difficult time. Donations help to provide PPE, medical supplies and training for local health workers in areas where cases are already high. They are also helping children learn remotely by providing parents with guidance on home educating.

[www.savethechildren.es](http://www.savethechildren.es)



#### San Juan de Dios Málaga €2,949

The emergency appeal is aimed to support a homeless shelter and an elderly rest home. The charity needs urgent assistance to provide food and to protect their volunteers and residents to avoid the virus spreading.

[www.sjd.es](http://www.sjd.es)

### ITALY & AUSTRALIA



#### Fondo Savills IM Emergenza COVID-19

The Fund is aimed at procuring and transporting healthcare material (ventilators, gloves, masks protective clothing) to ensure the urgent supply of medical and health equipment to be delivered primarily to the Civil Protection and the Italian Red Cross. The Fund was created to contribute to the costs of cargo flights between Beijing and Malpens at the request of the Cariplo Foundation and in collaboration with the Embassy of Italy in Beijing and the China-Italy Philanthropy Forum.

[www.fondazionecomunitamilano.org/fondi/fondo-savills-im](http://www.fondazionecomunitamilano.org/fondi/fondo-savills-im)

### JAPAN



#### Tokai University

The Japan office has not yet selected a charity, but have confirmed they will be donating to one of the medical organisations handling COVID-19 in Tokyo.

### LUXEMBOURG



#### Medecin Sans Frontieres

Also known as Doctors without Borders, the charity's COVID-19 response focuses on three main priorities: 1) supporting authorities to provide care for COVID-19 patients, 2) protecting people who are vulnerable and at risk and 3) working to keep essential medical services running.

[www.msf.org.uk](http://www.msf.org.uk)

### FRANCE



#### Les Petits Frères des Pauvres Association

The charity offers long-term support for people living in isolation and precariousness in Paris and in remote rural areas. Areas of intervention are the home, shared accommodation, hospitals, prisons and on the street. Through their actions, they create and strengthen links allowing elderly people suffering from isolation to rediscover life.

[www.petitsfreresdespauvres.fr](http://www.petitsfreresdespauvres.fr)

### MALAYSIA



#### PERTIWI

PERTIWI is a project-orientated charity addressing the welfare and needs of women and children. Projects include lobbying for women's rights in Malaysia; educating, nurturing and empowering women; increasing literacy skills in children; providing medical aid to remote villages; and creating a mobile soup kitchen to provide free meals to those in extreme poverty and homeless people.

[www.pertiwi.org.my](http://www.pertiwi.org.my)



**The ESG Committee has been established as a sub-committee of the Savills IM Global Executive Committee (the “GEC”). The purpose of the ESG Committee is to ensure oversight, review and development of the Group’s ESG policies (including the implementation of those policies) and initiatives.**

The Committee meets at a minimum on a quarterly basis and is comprised of Heads of Countries and Investment from across our global business and is chaired by the Global Head of Investment Risk with the Head of ESG as deputy. The ESG Committee is responsible for ensuring Savills IM continues to make progress against yearly sustainability objectives. These objectives are compiled and added to an overarching Savills IM ESG Roadmap which is maintained by the Head of ESG.

Our Responsible Investment policy (the “RI Policy”) and ESG initiatives are embedded in our investment process, and we are working to improve the consistency of their application. They ensure that investment and asset management teams are both

considering and implementing measures that are aligned with our ESG values. Our full RI Policy is available [here](#), and associated guidance notes are available [here](#).

The Investment Advisory Committee (the “IAC”) is responsible for considering and reviewing all investment and asset management proposals above a defined threshold made by dedicated investment teams. At the early stages of the pre-acquisition, the IAC ensures sustainability risks and opportunities are highlighted to include climate risk screening process. Further due diligence is then undertaken using specialised consultants to establish potential shortfalls and enhancements.

GOVERNANCE

SAVILLS IM – GOVERNANCE STRUCTURE

GLOBAL STRATEGY COMMITTEE

Sets strategy, risk framework, values and behaviours. Acts as link with Savills plc, oversees business as a whole. Endorses fundamental decisions.

Members

**Savills plc:** Simon Shaw, Chris Lee  
**Savills IM:** Nick Cooper (Chair), Alex Jeffrey, Kiran Patel, Richard James.  
**Standing attendees:** Mark Ridley, Lindsey Elliott

*NB: GSC appointed by Savills plc Group Executive Board*

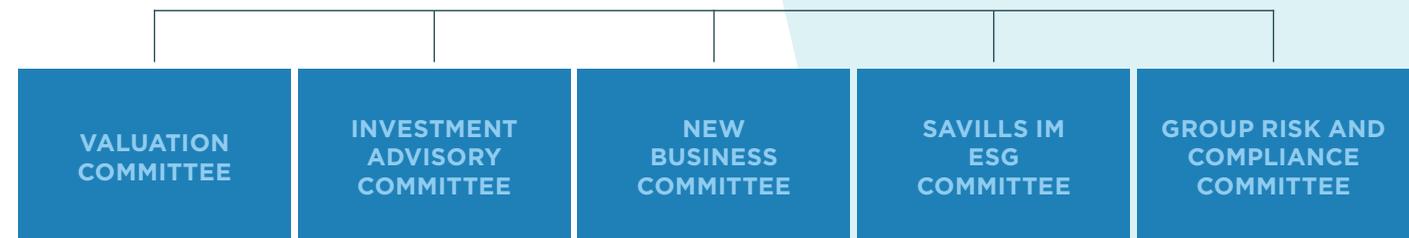
GLOBAL EXECUTIVE COMMITTEE

Regular oversight of the global business, deals with country or regional issues where escalated. Acts as the internal Savills IM operational and management committee.

Members

Nick Cooper (Chair), Alex Jeffrey, Kiran Patel, Richard James, Richard Lake, James Bury, Giuseppe Oriani, Michael Flynn, Lindsey Elliott, Laurence Greenblatt, Jon Crossfield, Andrew Allen, Amy Shah, Dale Lattanzio

**Standing attendee:** Bramwel Kibara



Oversight of pricing and valuation policy and decisions.

Portfolio monitoring and review of transaction recommendations and reporting to local and Fund boards.

Oversight of new products / product strategy.

ESG Committee provides oversight to activities to integrate ESG into the business both for corporate activities and AuM.

The purpose of the Group Risk and Compliance Committee (GRCC) is the oversight, review and reporting of Savills IM Group’s risk management and compliance activities.

*NB: will also report to each local board to ensure consistent risk monitoring and management.*

ESG IS CONSIDERED BY ALL COMMITTEES IN THE GOVERNANCE STRUCTURE

## SAVILLS IM'S RESPONSE TO TASK FORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

Savills IM is a public supporter of TCFD. On this page we set out our response to TCFD which is continually evolving and enhancing. The ESG Committee is responsible for the ongoing monitoring and management of climate-related risk.

### GOVERNANCE

Climate related matters are overseen by Savills IM's Global Executive Committee (GEC) which discusses climate issues regularly.

The GEC have delegated responsibility to the Global Head of Investment Risk supported by the Head of ESG and ESG Committee. The Global Head of Investment Risk and Head of ESG update the GEC on a quarterly basis on ESG matters, including climate risk.

Our investment process also incorporates climate risk screening for new acquisitions, and we are working with external sustainability consultants to help us identify, assess and manage climate-related risks for existing assets. We continue to undertake work to fully understand the risks.

### STRATEGY

Climate action is a key pillar of Savills IM's approach. To support the implementation of the TCFD recommendations, Savills IM has produced a TCFD roadmap which we use to monitor and report our progress.

In the 2020 financial reporting year we started preparing to conduct a global climate risk scenario analysis for all assets and this work will continue into the 2021 financial reporting year.

Our Enterprise Risk Management process includes climate risk as part of the tracker as well as wider ESG actions. We are in the process of establishing metrics and targets for these.

### RISK MANAGEMENT

Climate risk is in the process of being integrated into our risk management processes. Climate risk issues are also discussed at each Investment Advisory Committee and Group Risk and Compliance Committee meeting.

As part of the due diligence process for pre-acquisition, checks are carried out including site environmental risks such as flooding as well as legislative risks in relation to building standards and codes. For the post-acquisition stage, we are developing a template to support asset managers to incorporate sustainability KPIs and are working with property managers to implement these initiatives. This ensures there is responsibility for managing climate risks and opportunities at the asset level.

We are currently updating our processes to ensure all climate risks are systematically addressed throughout the property lifecycle and will continue to monitor and inform management of relevant legislation and regulations that could affect our business.

### METRICS & TARGETS

As this is our first report with environmental data, we have included 2019 and 2020 data. We have reported our Scope 1 and 2 carbon emissions as well as an estimate of our overall footprint for the assets we manage and our organisational carbon footprint, using 2019 as the baseline. This analysis will help inform an overall carbon emissions reduction strategy as well as identifying opportunities for reduction and improvement in environmental performance across our managed assets.

Understanding our footprint will allow us to prioritise the funds and mandates we tackle first working with investors and clients. Reporting our Scope 1, 2 and 3 emissions, on both an absolute and intensity basis will provide comparable carbon metrics for our clients, occupiers and other stakeholders to review and use.

In 2020 we started to implement a global environmental data collection system which once fully implemented will help us rapidly improve our disclosure of sustainability data and analysis of property improvement opportunities for assets.

# Outlook for 2021

## PREPARING THE BUSINESS FOR THE IMPACTS OF THE CLIMATE CRISIS AND EVOLVING SUSTAINABILITY LEGISLATION

For 2021 our key priorities are preparing the business for the impacts of the climate crisis and evolving sustainability legislation. This involves setting a global emissions carbon reduction target and starting to implement the requirements of the European Union's Sustainable Financial Disclosure Regulations which seek to improve the transparency of sustainability disclosure and rapidly channel investment into sustainable products.

We recognise that to achieve this, training on ESG and the net zero carbon agenda as well as providing more user-friendly guidance to investment teams are key priorities, whilst also updating Savills IM's overall sustainability ambitions to respond to the growing linked socio-economic and environmental challenges.

**We will seek to improve our corporate responsibility efforts through increased volunteering and charitable donations as well as the diversity and inclusion activities.**

To support the implementation of Savills IM's TCFD roadmap, in 2021 we will undertake a global climate risk assessment. Research indicates that projected global average temperature trends are largely driven by the cumulative effects of greenhouse gas (GHG) emissions in the atmosphere. In response, a set of future scenarios known as the Representative Concentration Pathways (RCPs) were developed by the Intergovernmental Panel on Climate Change.

Each scenario is linked with potential long-term changes in global temperature and climate, and consequently define the shifts in climate risks such as precipitation, floods, droughts, hurricanes, windstorms and rising sea levels. The best possible and most stringent scenario analysed in terms of reducing harmful emissions is RCP 2.6 which aims to keep global warming below 2°C (at +1.5°C) above pre-industrial temperatures. This requires prompt and significant reduction of GHG emissions. The worst-case scenario is defined in RCP 8.5 which assumes minimal abatement of GHG and associated global warming of 4°C over the longer term.

We will complete the first stage of a global climate risk scenario analysis for all assets as well as our corporate operations, using the well below 2°C scenario (RCP2.6) and the plus 4°C (RCP8.5) emissions scenario working with external advisors. The primary objective of this work is to identify and assess the physical and transition impacts of climate change on Savills IM's property portfolio and our corporate operations to help inform the setting of climate action targets.

We also recognise that our supply chain has an important role in helping us reduce our emissions both for the AuM we manage but also our corporate business. We will seek to measure our supply chain impact and then set appropriate targets to reduce this impact.

Finally we will seek to improve our corporate responsibility efforts through increased volunteering and charitable donations as well as the diversity and inclusion activities. We will also seek to increase engagement with our occupiers to identify social initiatives that can be implemented at the assets we manage on behalf of investors.

## ESG GOALS AND OUR PROGRESS TOWARDS THEM

|               | GOAL  | SDG ALIGNMENT | 2020 PROGRESS   | NEXT STEPS  |
|---------------|---|---------------|---|---|
| ENVIRONMENTAL | Identify improvements to asset efficiency via technical, energy, water, waste and health and well-being audits.   | 11   12       | ✓ Undertaken 50+ sustainability audits on assets.   | Incorporate audit results into Fund or mandate ESG strategies.  |
|               | Measure and store resource and energy consumption data for at least 80% of directly managed assets (within designated measurement parameters) in an ESG data platform.  | 7   13        | ✓ Global environmental data platform established with all 100% of directly managed assets on-boarded. Work underway to on board indirectly managed assets.  | Continue to improve the accuracy of Scope 3 operational data through occupier collaboration.  |
|               | Publish a net zero carbon pathway, outlining Savills IM's trajectory towards net zero carbon for new and existing buildings; set initial like-for-like reduction targets that support this commitment and report on progress annually.                      | 13            | ✓ Mapped Savills IM's global carbon footprint and updating existing guidance.   | Sign up to the Net Zero Asset Managers Initiative and Race to Zero Campaign. Publish Savills IM's Net Zero Carbon Pathway by the end of 2021.               |
|               | Develop a process to systematically identify buildings for certification at asset level.  | 12   13       | ✓ Process implemented. Savills IM-managed assets have been awarded 80+ environmental and health and well-being certificates.  | Continue to undertake sustainability certifications where appropriate.  |
|               | Increase participation in Global Real Estate Sustainability Benchmark (GRESB) and improve scores across participating entities.   | 13   17       | ✓ Complete. 47% of AuM submitted to GRESB for benchmarking compared to 37% in 2019.   | Continue to increase GRESB scores for Funds and mandates which are participating.   |
|               | Enhance tenant engagement and understanding by conducting tenant engagement surveys to understand sustainability materiality and identify opportunities for collaboration.  | 13   17       | ✓ On track. In 2020, engagement surveys and tenant sustainability guides were sent to tenants in portfolios.  | Increase coverage of engagement surveys to work towards 100% coverage of occupiers.   |
|               | Develop and implement a health and well-being strategy for Funds, applicable at asset level.  | 11   13       | ✓ On track. A recommendation report and detailed TCFD roadmap has been delivered to management. As a PRI signatory, we have reported our alignment against the TCFD framework in the Annual Transparency Report.  | Undertake a global risk assessment for transition and physical risk and integrate results into operation and risk management processes.                     |
| SOCIAL        | Develop and implement a health and well-being strategy for Funds, applicable at asset level.  | 11            | ✓ Technical audit identification process in objective 1.1 includes conducting health and well-being audits at the asset level.  | Update Fund or mandate ESG strategies to include action plan for health and well-being findings.  |
|               | Upskill and educate staff by delivering an ESG training program.  | 11            | ✓ On track. In 2018, engagement surveys and tenant sustainability guides were sent to tenants in portfolios equating to 50% of AuM managed on behalf of Savills IM clients, in the UK.  | Develop ESG training pathways and ensure sufficient budget is allocated.  |
|               | Develop a global Corporate Responsibility (CR) programme to scale up the positive social and environmental impact of Savills IM's corporate operations.   | 11   10   12  | ✓ On track. Savills IM has developed a CR Operating framework which is championed by representatives from each jurisdiction in which Savills IM operates.   | Engage each country in CR activities through the CR Champions Group and continue to improve reporting on CR activities.                                     |
| GOVERNANCE    | Senior management to have ESG related KPIs.   | 17            | ✓ From the start of 2019, all members of the Global Executive Committee (GEC) have had an objective to embed ESG into the culture and fabric of Savills IM's business.  | Continue to ensure all GEC members have relevant sustainability objectives and extend this process to all staff.  |
|               | Disclose corporate ESG strategy, targets and progress in annual ESG report, broadly aligned with best-practice industry sustainability reporting guidelines.  | 17            | ✓ This annual ESG report, broadly aligned to 2016 INREV Sustainable Reporting Guidelines, demonstrates fulfillment of objective 3.2.  | Continue to provide honest and accurate reporting on Savills IM's ESG performance.  |
|               | Implement and continue to manage Savills IM's corporate ESG policy, including tracking goals and progress towards them, via an Environmental Management System.   | 17            | ✓ Savills IM's corporate ESG roadmap, as detailed in this section of the report, demonstrates fulfillment of objective 3.3.   | Continue to implement Savills IM's ESG roadmap.   |
|               | Review ESG policies and processes to ensure they reflect current best-practice in relation to ESG integration in acquisition, procurement, tenant fit-out, refurbishment, tenant sustainability guidance and stakeholder engagement policies and processes. | 11   12       | ✓ In 2019 and 2020 a suite of ESG policies and processes relating to acquisition, procurement, tenant fit-out, refurbishment, tenant sustainability guidance and stakeholder engagement were updated in collaboration with our independent sustainability consultant. The feedback of relevant global staff has been integrated into the policies following workshops, reflecting the participatory stakeholder engagement integral to Savills IM's ESG policy development.   | Annual review and continued development of ESG policies to ensure they remain fit for purpose as well as identifying new guidance documents where required. |
|               | Define and document Savills IM's core ESG values.   | 17            | ✓ These are available in the first section of this report and on our website: <a href="http://www.savillsim.com/responsible-investment/#">http://www.savillsim.com/responsible-investment/#</a> . The values are supported by SMART ESG objectives, targeted for integration into staff appraisal management from 2020.   | Review Savills IM's Core ESG Values in 2021 to ensure they remain relevant and fit for purpose.   |
|               | Conduct a review of current ESG-related legislation to scope possible business risk and preparedness for any future legislation over next 12 months.  | 11            | ✓ In 2019, Savills IM's internal Risk and Compliance function completed a review of the materiality of ESG-related regulatory risks in the UK and Continental Europe, such as the impacts of the EU SFDR. As a result in 2020 Savills IM initiated a project for SFDR implementation to ensure Level One implementation by March 2021. As a PRI signatory required to report our alignment to the TCFD framework in March 2020, we mandated a sustainability consultant to conduct a review of current climate-risk related processes, to ensure preparedness for alignment to the framework. | Continue to implement SFDR requirements and monitor emerging ESG regulation.  |
|               | Complete disclosure of responsible investment policies and performance against the PRI reporting framework; aim to maintain annual Assessment Report score.   | 17            | ✓ As a signatory of the UN PRI since 2014, Savills IM transparently disclosed its responsible investment policies and practices for the fifth year running. We maintained our score of A in the Direct: Property module and improved to A+ in Strategy and Governance.  | Continue to report to UN PRI and maintain annual assessment score. We are awaiting our 2021 UN PRI Assessment Score.  |

## OUR ENVIRONMENTAL PERFORMANCE DATA

The table shows the carbon emissions for the Savills IM's AuM. This was split by Scope 1, Scope 2 and Scope 3 as well as by sector. The data analysis was prepared by EVORA global. The analysis looked at energy, Greenhouse Gas emissions (GHG), water and waste performance for the 2019 calendar year across the global portfolio of 737 assets in 67 funds or mandates and compared this to 2020 data where available.

To achieve this we adopted a two stage approach:

- Utilised sustainability data collected for 'mobilised' funds and mandates where annual data was already collected for GRESB reporting purposes. Where only partial data was available, a set of rules were applied to extrapolate the available data set to a 'whole building' position.
- Where no data was available ('non-mobilised funds'), energy, GHG and water benchmarks were applied to the asset floor area to obtain an estimated 'whole building' position. The benchmark used was a 2019 intensity (consumption per square metre floor area) benchmark sourced from GRESB.

### PORTFOLIO UNDER MANAGEMENT

| Scope            |  | Total portfolio |                | Offices     |            | Retail      |            | Industrial  |             | Healthcare |            | Other       |            |
|------------------|--|-----------------|----------------|-------------|------------|-------------|------------|-------------|-------------|------------|------------|-------------|------------|
| Indicator        | Boundaries   | 2019            | 2020           | 2019        | 2020       | 2019        | 2020       | 2019        | 2020        | 2019       | 2020       | 2019        | 2020       |
| Energy           | Total energy consumption (kWh)   | 949,985,710     | -              | 159,581,097 | -          | 348,071,693 | -          | 192,953,093 | -           | 17,883,521 | -          | 231,496,306 | -          |
|                  | Coverage   | 755 out of 775  | -              | 151         | -          | 250         | -          | 124         | -           | 26         | -          | 204         | -          |
|                  | Total like for like energy consumption (kWh)   | 342,149,038     | 338,077,951    | 93,404,734  | 94,155,894 | 110,739,561 | 92,367,118 | 112,936,913 | 120,035,805 | 13,229,948 | 13,083,966 | 11,837,883  | 18,435,168 |
|                  | Coverage   | 136 out of 140  | 137 out of 141 | 38          | 38         | 39          | 39         | 42          | 42          | 10         | 10         | 7           | 8          |
| Energy intensity | Like for like energy intensity (kWh/m <sup>2</sup> )   | 114,70          | 110,48         | 104,14      | 62,89      | 170,55      | 144,78     | 34,89       | 82,15       | 110,80     | 106,65     | 35,73       | 36,81      |
|                  | Scope 1 emissions from landlord obtained consumption of fuels (tCO <sub>2</sub> e)                           | 10,979          | 11,079         | 347         | 338        | 271         | 212        | 8,133       | 7,972       | 2,214      | 2,481      | 14          | 77         |
|                  | Scope 2 emissions from landlord obtained consumption of electricity (tCO <sub>2</sub> e)                     | 63,119          | 40,876         | 13,100      | 3,512      | 26,592      | 19,009     | 21,760      | 16,843      | 1,309      | 1,282      | 358         | 231        |
|                  | Scope 3 tenant emissions and benchmarked emissions (estimated) from assets where utility data is unavailable | 48,918          | -              | 10,043      | -          | 26,470      | -          | 4,411       | -           | 141        | -          | 7,854       | -          |
|                  | GHG like for like emissions intensity (tCO <sub>2</sub> e/m <sup>2</sup> )                                   | 5,22            | 3,55           | 1,48        | 0,59       | 2,05        | 1,62       | 0,79        | 0,58        | 0,74       | 0,73       | 0,16        | 0,04       |
| Water            | Total water consumption (m <sup>3</sup> )  | 2,722,252       | -              | 603,729     | -          | 1,049,410   | -          | 228,144     | -           | 81,921     | -          | 759,048     | -          |
|                  | Coverage   | 686             | -              | 149         | -          | 223         | -          | 109         | -           | 11         | -          | 194         | -          |
|                  | Total like for like water consumption (m <sup>3</sup> )  | 446,359         | 379,347        | 103,372     | 61,913     | 165,631     | 133,954    | 107,990     | 116,809     | 69,367     | 66,671     | 0           | 0          |
| Waste            | Total waste generated (tonnes)   | 11,006          | 22,268         | -           | -          | -           | -          | -           | -           | -          | -          | -           | -          |
|                  | Total waste recycled (%)   | 77,34%          | 69,71%         | -           | -          | -           | -          | -           | -           | -          | -          | -           | -          |
|                  | Coverage   | 43 out of 931   | 86 out of 931  | -           | -          | -           | -          | -           | -           | -          | -          | -           | -          |

#### The methodology to calculate GHG emissions followed a two stage approach:

- Actual consumption data was used where data collection processes were already established for funds / mandates. Where only partial data was available, data was extrapolate to a 'whole building' position using the following methodology:
  - Where whole building meter data had more than 6 months of missing data, actual data was replaced by benchmark data (see point 2)
  - Where whole building meter data had 6 months or less of missing data, actual data was extrapolated to full year data
  - Where shared services and tenant meter data was missing, the rules in A and B were applied
  - Where only share services electricity was available, consumption was doubled to provide an estimate of whole building electricity consumption
  - Where tenant meter data was available only, the rules in A and B were applied. The value was then divided by meter area served and multiplied by the asset NLA to create whole building consumption
- Where no data was available, energy, GHG and water benchmarks were applied to the asset floor area to obtain an estimated 'whole building' position. The benchmark used was a 2019 intensity (consumption per square metre floor area) benchmark sourced from GRESB. A benchmark specific to the property type (eg. Industrial Distribution Centre) and country location was used, where available. Where unavailable, the asset class (eg. Industrial) benchmark was used. Where a benchmark value for asset class and / or geography was not available, a benchmark in a neighbouring country was used.

#### With respect to the disclosure of greenhouse gas emissions:

- Scope 1 emissions were derived from actual and extrapolated data relating to natural gas combustion from whole building, common area and shared services
- Scope 2 emissions were derived from actual and extrapolated data relating to electricity and district heating / cooling from whole building, common area and shared services
- Scope 3 emissions were derived from actual and extrapolated data relating to natural gas, electricity and district heating / cooling from tenant areas, and all benchmark data (see point 2 above)



## SAVILLS IM'S CORPORATE EMISSIONS

This table includes emissions from natural gas and fuel oil (scope 1) used for heating, and electricity including renewable energy (scope 2) used for building services such as lighting. Where Savills IM occupy a proportion of the building, emissions have been estimated based of floor area. Emissions from refrigerants used in chillers, employee commuting and company cars are excluded due to data availability challenges. Emissions have been calculated using the latest available country specific emission factors sourced from the IEA.

| Country             | Region    | 2020 start | 2020 end   | Floor area (weighted average) | Total Energy (MWh) | tCO2e   |         | Total tCO2e |
|---------------------|-----------|------------|------------|-------------------------------|--------------------|---------|---------|-------------|
|                     |           |            |            |                               |                    | Scope 1 | Scope 2 |             |
| Japan               | Asia      | 01/01/2020 | 31/12/2020 | 175.4                         | 25.3               | 175.4   | 25.3    | 12.6        |
| Singapore           | Asia      | 01/01/2020 | 31/12/2020 | 260.0                         | 23.4               | 260.0   | 23.4    | 8.9         |
| Australia           | Australia | 01/01/2020 | 31/12/2020 | 79.6                          | 0.5                | 79.6    | 0.5     | 0.4         |
| Sweden              | Europe    | 01/01/2020 | 31/12/2020 | 356.0                         | 13.8               | 356.0   | 13.8    | 0.1         |
| France              | Europe    | 01/01/2020 | 31/12/2020 | 139.0                         | 5.8                | 139.0   | 5.8     | 0.3         |
| Spain               | Europe    | 01/01/2020 | 31/12/2020 | 178.0                         | 9.4                | 178.0   | 9.4     | 2.5         |
| Poland              | Europe    | 01/01/2020 | 31/12/2020 | 183.7                         | 5.5                | 183.7   | 5.5     | 3.9         |
| Italy               | Europe    | 01/01/2020 | 31/12/2020 | 400.0                         | 27.8               | 400.0   | 27.8    | 8.6         |
| Germany (Frankfurt) | Europe    | 01/01/2020 | 31/12/2020 | 2076.0                        | 342.2              | 2076.0  | 342.2   | 24.0        |
| Germany (Hamburg)   | Europe    | 01/01/2020 | 31/12/2020 | 170.0                         | 22.7               | 170.0   | 22.7    | 4.8         |
| Germany (Munich)    | Europe    | 01/01/2020 | 30/04/2020 | 600.0                         | 16.7               | 600.0   | 16.7    | 1.2         |
| Netherlands         | Europe    | 01/01/2020 | 31/08/2020 | 251.5                         | 5.8                | 251.5   | 5.8     | 2.5         |
| Luxembourg          | Europe    | 01/01/2020 | 31/12/2020 | 300.0                         | 32.8               | 300.0   | 32.8    | 15.7        |
| United Kingdom      | Europe    | 01/01/2020 | 31/12/2020 | 570.0                         | 205.1              | 570.0   | 205.1   | 41.9        |

## GLOSSARY

### BREEAM

Building Research Establishment's Environmental Assessment Method. An international scheme that provides independent third party certification of the assessment of the sustainability performance of individual buildings, communities and infrastructure projects.

The total amount of greenhouse gas released in the production and consumption of all the goods and services used.

### Embodied Carbon

The carbon that comes from extraction, transportation and manufacturing of raw building materials is a significant part of a building's life cycle.

### EPC

Energy Performance Certificate. A European rating scheme to summarise the energy efficiency of buildings.

### GBI

Green Building Index. Malaysia's recognized green rating system to promote sustainability in the built environment and raise awareness about environmental issues and responsibility to the future generations. The tool provides an opportunity for project developers and owners to improve green design and construction.

### GHG

Green House Gas. A gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect.

### Green Audits

An official examination of the effects a company has on the environment. It is also widely known as Environmental Audit.

### IPCC

Intergovernmental Panel on Climate Change. An intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change.

### KPIs

Key Performance Indicators. A type of performance measurement and evaluate the success of an organisation or a particular activity in which it engages.

### LEED

Leadership in Energy and Environmental Design. The most widely used green building rating system in the world and provides a framework for healthy, highly efficient, and cost-saving green buildings.

### Net zero emissions

Achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance, or net zero, will happen when the amount of carbon we add to the atmosphere is no more than the amount removed. For real estate it is especially important that buildings are built and managed to have very low carbon emissions before any offsetting takes place.

### NREB

Non-Residential Existing Building Certification.

### NZEB

Nearly zero energy buildings. A building with very high energy performance, where the nearly zero or very low amount of energy required should be extensively covered by renewable sources produced on-site or nearby.

### RCPs

Representative Concentration Pathways. Four greenhouse gas concentration (not emissions) trajectories.

### Scope 1

Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

### Scope 2

Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

### Scope 3

All other indirect emissions that occur in a company's value chain and often represent the majority of an organization's total GHG emissions

### SFDR

The EU Sustainable Finance Disclosure Regulation. Imposes mandatory ESG disclosure obligations for asset managers and other financial markets participants with substantive provisions of the regulation.

### TCFD

Task Force on Climate-Related Financial Disclosures. An organization that was established in December 2015 with the goal of developing a set of voluntary climate-related financial risk disclosures which is now widely adopted.

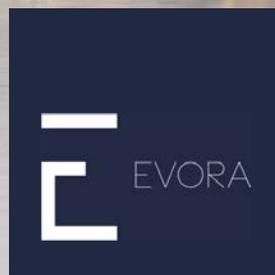
### UN PRI

United Nation Principles for Responsible Investment. A United Nations-supported international network of investors working together to implement six aspirational principles.

### WELL Building Standard

A performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through air, water, nourishment, light, fitness, comfort, and mind.

## THIRD PARTY ASSURANCE STATEMENT



**EVORA Global Ltd. (“EVORA”)** was engaged by Savills Investment Management LLP (“Savills IM”) to provide Type 2 Moderate Assurance of Savills IM’s 2020 ESG report for the reporting period of 1 January 2020 to 31 December 2020 in accordance with AccountAbility’s AA1000 Assurance Standard V3 (AA1000AS) and the 2016 INREV Sustainability Reporting Guidelines.

### EVORA’S SCOPE OF ASSURANCE COVERED A SERIES OF INDICATORS AND ASSERTIONS CONTAINED IN THE REPORT INCLUDING:

- Energy Consumption of Savills IM’s corporate Offices (includes electricity and fuel consumption)
- GHG emissions associated with the energy consumed in Savills IM’s corporate offices – absolute and intensities
- Progress against Savills IM Sustainability Goals
- Charitable Leave Policy
- Percentage of profits dedicated to philanthropic goals
- PRI Grade (2020)
- Reported case studies
- Qualitative Savills IM’s Response To Task Force For Climate Related Financial Disclosures (TCFD)
- Waste generated and recycled from the Savills IM’s global portfolio of Assets under management (only where data was available)
- Alignment with INREV Sustainability Reporting Guidelines

Our scope also included validation of the below indicators pertaining to Savills IM’s global assets under management, which were calculated based on global benchmarks where the actual data was not available:

- Energy and energy intensity reported for the Savills IM’s Portfolio of Assets under Management (for 2019 base year, and like for like for 2019 vs. 2020)
- GHG emissions (Scope 1, 2 and 3) and intensity reported for the Savills IM’s Portfolio of Assets under Management (for 2019 base year, and like for like for 2019 vs. 2020)
- Water consumption reported for the Savills IM’s Portfolio of Assets under Management (for 2019 base year, and like for like for 2019 vs. 2020)

EVORA’s full assurance statement includes certain limitations, findings and recommendations for improvement, adherence to AA1000 Accountability Principles, and a detailed assurance methodology and scope of work.

The full assurance statement with EVORA’s independent opinion can be found [here](#).

A copy of EVORA’s assurance statement is available upon request.

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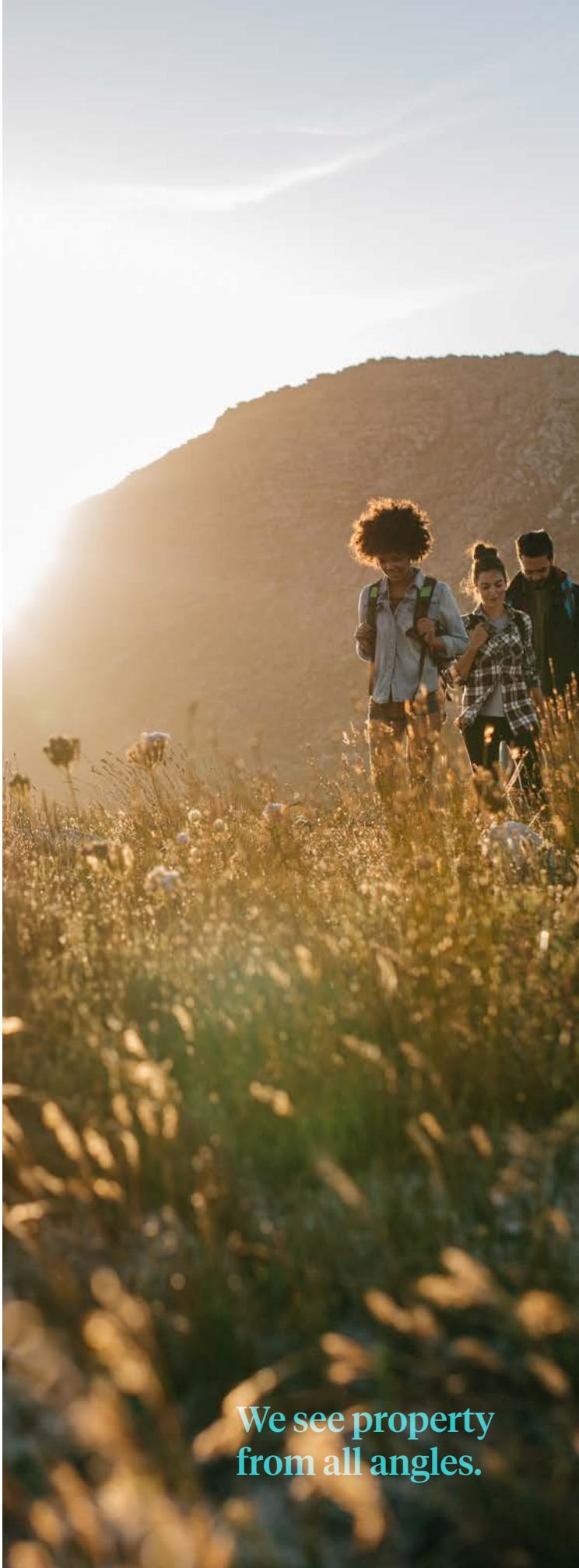
Certain statements included in this document are forward looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. Consequently, the actual performance and results could differ materially from the plans, goals and expectations set out in our forward-looking statements. Accordingly, no assurance can be given that any particular expectation will be met, and readers are cautioned not to place undue reliance on forward-looking statements that speak only at their respective dates.

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from all angles.**