2024

NET ZERO TRANSITION PLAN

ENTER

Introduction

Real estate and associated infrastructure are responsible for close to 40% of global carbon dioxide emissions and the global building floor area is expected to double by 2060. Savills recognises the need for urgent action by real estate owners and occupiers to address the climate crisis and rapidly transition to a greener more resilient economy. This Net Zero Transition Plan outlines Savills approach and the steps it will take to minimise its greenhouse gas (GHG) emissions over the next decade.

We believe that reducing our own environmental impact is an essential step to demonstrate leadership and to support real estate owners and occupiers move towards carbon neutrality.

In February 2024, Savills had near-term science-based carbon reduction targets validated by Science Based Targets initiative (SBTi) as follows:

- Savills plc commits to reduce absolute scope 1 and 2 GHG emissions 72% by 2030 from a 2019 base year.
- Savills plc also commits to reduce scope 3 GHG emissions from purchased goods and services 51.6% per million GBP of value added by 2030 from a 2022 base year.
- Savills plc further commits to reduce scope 3 GHG emissions from investments 51.6% per square meter within the same timeframe.

Separately from our SBTi approved targets, Savills Group has a long-term target to achieve net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) greenhouse gas (GHG) emissions by 2040. We have achieved significant reductions in 2023, scope 1 and 2 'market-based' Greenhouse Gas emissions totalled 5,947 tonnes CO_2e a 26.9% reduction against our 2019 base year. This has been driven by a range of energy efficiency, behavioural and procurement initiatives, and our efforts to reduce our footprint continue by taking action across all of the Regions in which we operate.

During 2021, we also started the work to assess our value chain (scope 3) emissions and are now well placed to introduce measurable actions to reduce our scope 3 emissions to net zero.

This is our first global Net Zero Transition Plan, and provides us with the opportunity to map out the key actions we have started and still need to undertake in our journey towards net zero. There are many unknowns in the real estate sector and other industries, as we transition into the green economy. We, therefore, expect that this plan will undergo several iterations between now and 2030. However, this provides a clear direction for each of our Regional businesses relating to each of the three scopes of carbon.

We are excited to embark on the next chapter of our sustainability strategy at a time where there is an even more pressing need for action.

Mark Ridley
Group Chief Executive Officer

About Savills

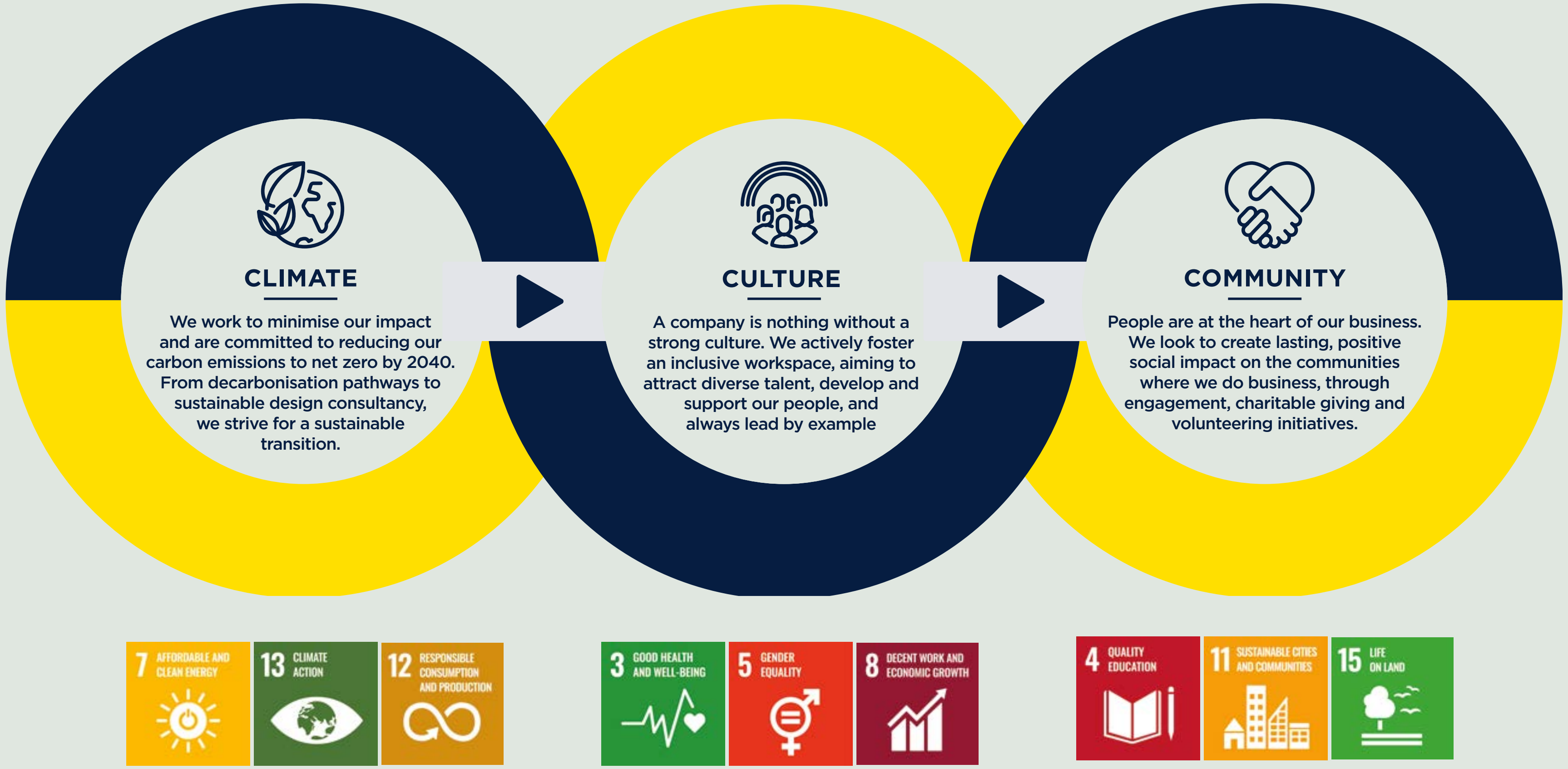
Savills is one of the world's leading real estate advisory groups. For over 160 years, Savills have been helping people thrive through places and spaces. Savills deliver best-in-class insights and advice to help you make better decisions. With over 40,000 professionals working collaboratively across global and local networks, we offer a huge range of services and specialist expertise from the forefront of the real estate industry to ensure you achieve the best results.

Reflecting our key aims, we have aligned our Group business strategy with nine of the 17 UN Sustainable Development Goals (SDGs). Read further details on our objectives **here**.

Two of our chosen SDGs directly underpin our climate action plan:

- **Climate Action**: we aim to work continuously to reduce carbon emissions and remain aligned to **TCFD** (Task Force on Climate-related Financial Disclosures) recommendations
- **Affordable & Clean Energy**: we aim to maximise energy efficiency, minimise carbon emissions and work towards Net Zero carbon targets globally

Whether it's through the way we advise clients or the influence we have directly, we always seek to add value while working to minimise our impact on the environment and engage positively with our local communities.



Our Commitment

Savills is an advocate for responsible, sustainable real estate. We are committed to improving the impacts that our operations have on the environment, managing climate-related risks and working together with our clients, suppliers, and local communities towards delivering a more sustainable future.

What is Net Zero?

Becoming net zero is the process of reducing an organisation's annual carbon emissions to zero. This process will often involve reducing carbon emissions as much as possible through energy efficiency and by working with the supply chain, with any residual GHG emissions that cannot be avoided or reduced being fully offset by removals, or verified carbon units.

Commitment to Net Zero

Separately from Savills SBTi approved near-term targets, Savills Group has a long term target to achieve net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) greenhouse gas (GHG) emissions by 2040.

In recognition of this ambition, we have adopted a hierarchical approach as follows:

ADVOCATE

Influence real estate transformation and wider decarbonisation through core business activities and advisory work.

VERIFY

Improve upon energy consumption and GHG emissions data. **Verify** data with an independent third party.

ACT

Decarbonising our operations, which includes optimising our consumption for areas within our control and procuring renewable energy.

DISCLOSE

Disclose our carbon emissions data and progress against goals and targets within our Annual Report & Accounts.

COMMIT

Savills commits to Net Zero for its own operations by 2030 and across its supply chain by 2040.

We will measure our progress against these commitments and report our performance annually through public disclosures, including the Group's Annual Report and Accounts. We will also continue to submit our data to CDP (formerly the Carbon Disclosure Project or equivalent) to benchmark our progress against sector peers.

Savills Science-Based Targets

In February 2024, the below near-term targets were validated by SBTi:

Scope 1 & 2

- Savills plc commits to reduce absolute scope 1 and 2 GHG emissions 72% by 2030 from a 2019 base year.

Scope 3

- Savills plc also commits to reduce scope 3 GHG emissions from purchased goods and services 51.6% per million GBP of value added by 2030 from a 2022 base year.
- Savills plc further commits to reduce scope 3 GHG emissions from investments 51.6% per square meter within the same timeframe.

Through setting 1.5°C aligned science based interim decarbonisation targets, Savills is officially part of the **Business Ambition for 1.5°C** run by the SBTi, and hence a supporter of the **Race To Zero Campaign**. Race to Zero is a global campaign backed by the United Nations Framework Convention on Climate Change to rally leadership and support from all non-state actors for a healthy, resilient, zero carbon recovery.

SCIENCE BASED TARGETS

BUSINESS AMBITION FOR 1.5°C

Science-Based Targets initiative (SBTi)

The Science-based Targets initiative mobilises the private sector to take urgent climate action through setting science-based targets.

The Transition Plan Taskforce (TPT)

The TPT was launched by the UK Treasury in April 2022 to develop the gold standard for private sector climate transition plans applicable to the UK, but globally transferable. TPT Gold Standard guidance was published on 9th October 2023. Savills next iteration of this Transition Plan will aim to align, to the relevant extent, with TPT guidance, getting ahead of potential future legislative requirements.

Scope of Our Net Zero Commitment

Our scope 1 and 2 Net Zero commitment covers greenhouse gas (GHG) emissions from the operations of Savills plc, where we have decision making authority which allows us to introduce and implement our operating policies. The overall emissions boundary covers all types of scope 1 and 2 GHG emissions, as well as relevant scope 3 GHG emissions following categorisation adopted by the GHG Protocol. For scope 2 emissions, we have adopted the market-based approach, so that it takes into account our efforts to procure certified renewable electricity via energy attribute certificates or direct contracts such as power purchasing agreements. However, we track progress and publicly report our scope 2 emissions using both location-based and market-based methods. Our approach for scope 2 accounting will stay under continuous review to ensure alignment with best practice.

Our GHG commitments covers relevant categories within the GHG Protocol, as listed below:

GHG PROTOCOL SCOPE	GHG PROTOCOL CATEGORY	DEFINITION
Scope 1	-	Direct emissions associated with fuel consumption within our office spaces and by our company vehicles, and fugitive emissions such as use of refrigerants
Scope 2	-	Indirect emissions associated with the consumption of purchased electricity, heat, steam and cooling within our office spaces
Scope 3	Category 1	Purchased goods and services - emissions from the production, delivery of products, services purchased or acquired by the Group
	Category 2	Capital goods - cradle-to-gate emissions of product
	Category 3	Fuel and energy related activities not included in our scope 1 and 2 emissions, such as transport of energy or distribution of electricity
	Category 5	Waste generated in operations
	Category 6	Business travel
	Category 7	Employee commuting
	Category 15	Emissions from our investment activities, which include energy-related landlord and tenant emissions from Savills IM Discretionary Assets Under Management.

In 2022 and 2023 we engaged Grant Thornton UK LLP to provide independent limited assurance over scope 1 and 2 market-based and location-based emissions data using the assurance standards ISAE 3000 (Revised) and ISAE 3410. Grant Thornton issued an unqualified opinion over the selected data and the full assurance report can be found on our website **here**.

Journey So Far

2014-2019

- Measurement of scope 1 and 2 carbon starts in 2014
- Reporting emissions footprint and GHG disclosure via public report
- Long-standing Corporate Responsiblity (CR) Steering Group re-constituted as the Group ESG Committee
- Savills established a dedicated client-facing Sustainability Consultancy team. In subsequent years, this client service developed into a global offering

2020

- New UN SDG aligned strategy adopted
- Built upon our advocacy role with a focus on ESG for our research and thought leadership teams
- Following energy efficency measures and similar, in 2020 our global GHG emissions decreased to 7,169 tonnes of CO_2e (scopes 1 and 2) an 11.9% decrease

2021

- Undertook our first scope 3 Emissions Assessment
- Focused ESG learning and development programmes launced to up-skill on ESG
- Committed to achieving scope 1 and 2 net zero by 2030 and net zero in our value chain (i.e. scope 3) by 2040
- Recognised on Financial Times's inaugural list of European Climate Leaders 2021

2022

- Began to develop our Science-based Targets for submission to SBTi
- Second Task Force on Climate Related Financial Disclosures (TCFD) report published
- Responded to CDP for the first time since the launch of our new strategy
- Expanded the boundaries of our scope 3 emissions assessment to cover Savills Investment Management Discretionary Assets under Management

2023

- Initiatives underway across our office locations globally include:
- Ensuring each Principal Business has costed action plans in place sufficient to deliver the wider Group Net Zero Transition Plan
- Replacement of standard electricity tariffs with certified renewable "green" energy tariffs, where available.
- Ensuring that all future office fit-outs follow sustainability fit-out guidelines or industry equivalents e.g., BREEAM / LEED refurbishment.
- Ensuring that all new leases are consistent with requirements of the Savills Green Lease Guide.
- Transitioning all Company and leased Company cars away from petrol and diesel to low emission vehicles prior to 2028.

2024

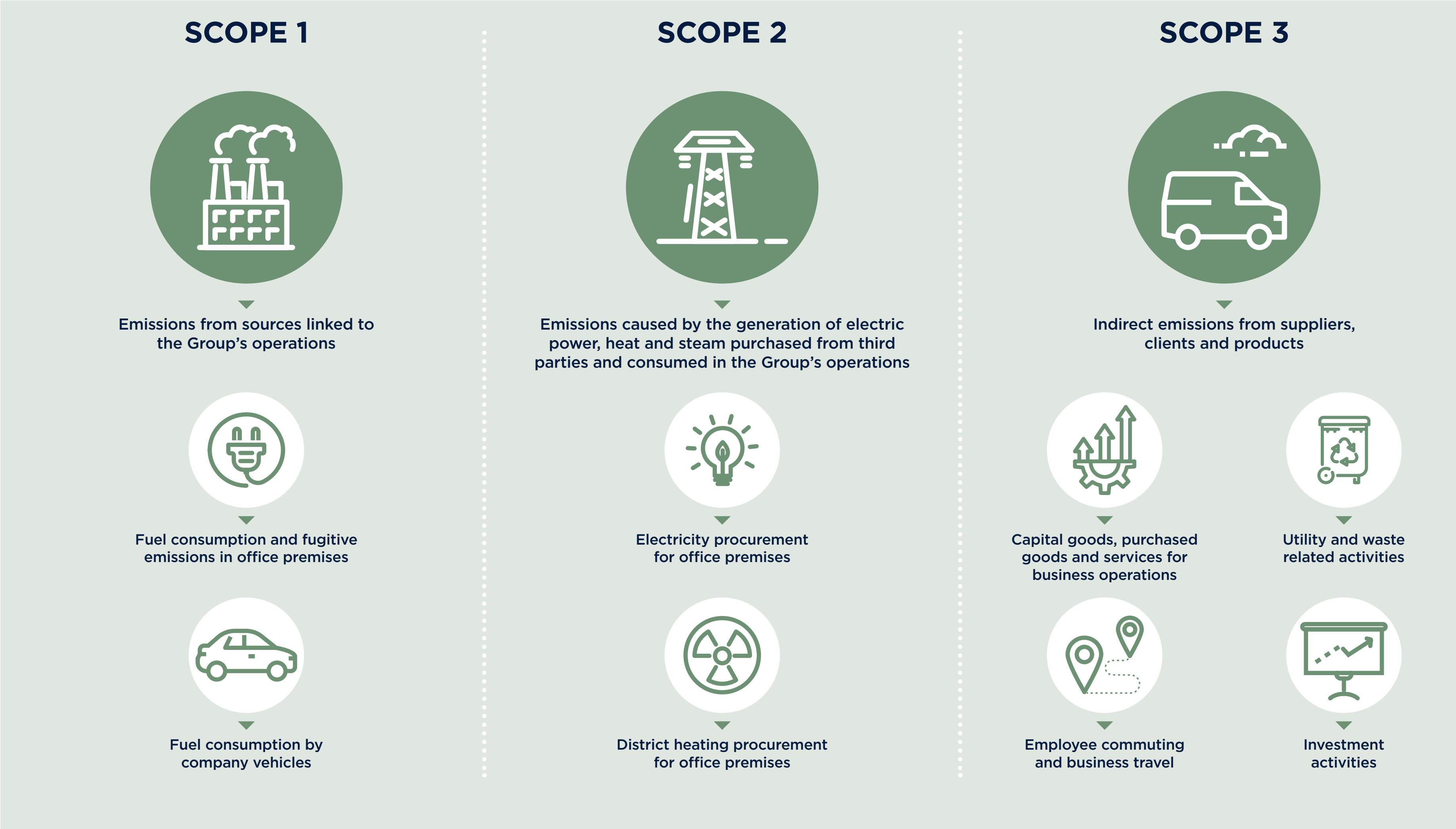
- Savills have near-term carbon reduction targets validated by Science Based Targets initiative (SBTi)

Our Carbon Footprint

To set ourselves on a path for net zero, we first need to recognise our existing carbon footprint. In 2014, we started to measure and report the scope 1 and 2 emissions of our global operations. Our scope 1 and 2 inventory covers the GHG emissions associated with fuel used in our leased offices and registered company-owned vehicles, electricity purchased for heating, cooling, light and power, and fugitive emissions.

In 2021, the Group established its first scope 3 emissions inventory, covering relevant scope 3 “upstream” emissions categories as defined by the GHG Protocol. This includes purchased goods and services, capital goods, water and waste, business travel and employee commuting. For financial year 2022, we were also able to report on some of the scope 3 “downstream” emissions, associated with the client owned Assets Under Management (AUM) managed by Savills Investment Management (Savills IM). Please refer to Appendix 1 for further detail on Savills GHG emissions and see our **Report and Accounts** for our full GHG disclosure.

The figure adjacent illustrates the types of emissions that are relevant to our business operations.

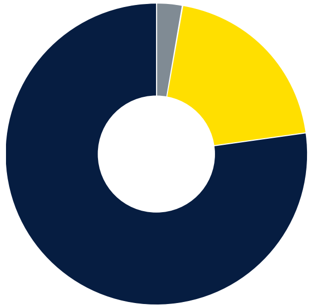


Our GHG Emissions Baseline

Evaluation of the effectiveness of our Net Zero Transition Plan relies upon a robust GHG emissions baseline. For scope 1 and 2 emissions, we have taken the emissions profile of our business operations in 2019 as the baseline. 2019 is considered the most suitable to represent business-as-usual in the absence of the impacts of the COVID-19 pandemic. For scope 3 emissions, we have taken 2022 as the reference point, as this represents the best dataset available as this was the most comprehensive scope 3 emissions assessment we have undertaken to date.

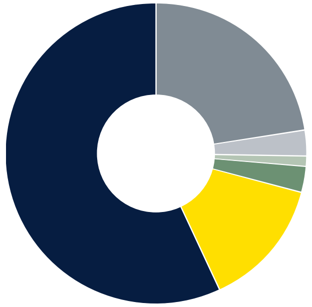
Based on our scope 1 and 2 emissions data from 2019 and our scope 3 emissions data from 2022, our value chain emissions are estimated to account for over 96% of our total carbon footprint.

Given the global operations of Savills, it is also important for us to understand the regional breakdown of our carbon footprint. This allows us to tailor solutions that fit the regional context and business nature.



Scope 1 and 2 Emissions in 2019 Baseline (tCO_2e)

- **3%** Scope 1: Managed Offices & Workspaces
- **20%** Scope 1: Company Owned & Long Term Leased Vehicles
- **77%** Scope 2: Managed Offices & Workspaces



Scope 3 Emissions in 2022 (tCO_2e)

- **24%** Purchased Goods & Services
- **2%** Capital Goods
- **1%** Fuel & Energy Related Activities
- **0.2%** Waste Generated & Water Consumption
- **3%** Business Travel
- **16%** Employee Commuting
- **55%** Discretionary Assets Under Management (AUM) managed by Savills Investment Management (Savills IM)

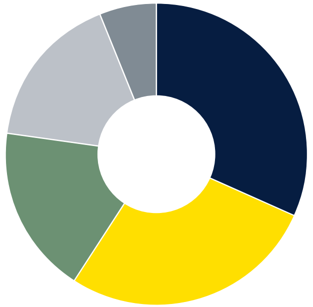
Regional Scope 1, 2 & 3 Emissions Baseline Breakdown (tCO_2e)

Savills vision is to be the real estate advisor of choice in the markets we serve. In seeking to deliver this vision Savills aims to provide best-in-class insights and advice to help individuals, businesses and investors make better property decisions. Within this, each of Savills Principal Businesses has its own geographical locations and policy landscape. We have therefore adopted strategies which best fit each of the Principal Business' operations in order to support and deliver the wider net zero target of the Group.

Our UK operations accounted for approximately 17% of our scope 1 and 2 emissions in 2019, characterised by the high coverage of renewable electricity and more ambitious policy landscape. Our Asia Pacific operations accounted for over 32% of our scope 1 and 2 emissions baseline, reflecting, in Savills terms, more significant scope 2 emissions.

Continental European and MENA operations accounted for approximately 28% of our scope 1 and 2 emissions in our base year, marked, in Savills terms, by higher comparative use of owned and leased company cars. In 2019, our North America operations accounted for approximately 18% of our scope 1 and 2 emissions, with no gas consumption within their leased office premises and no business owned or leased cars.

Our Savills IM operations account for around 6% of our scope 1 and 2 emissions. Office spaces currently occupied by Savills IM are relatively small compared to our other Principal Businesses. Savills IM also has a different business focus as a real estate investment and asset manager, with most of its impact reflected within scope 3 from Assets Under Management where it has discretionary authority.



Scope 1 and 2 GHG Emissions by region in 2019 (tCO2e)

32% Asia Pacific

28% Europe, Middle East & Africa

18% North America

17% UK

6% Savills IM (all regions)

**Based on 2023 BAU scenario*

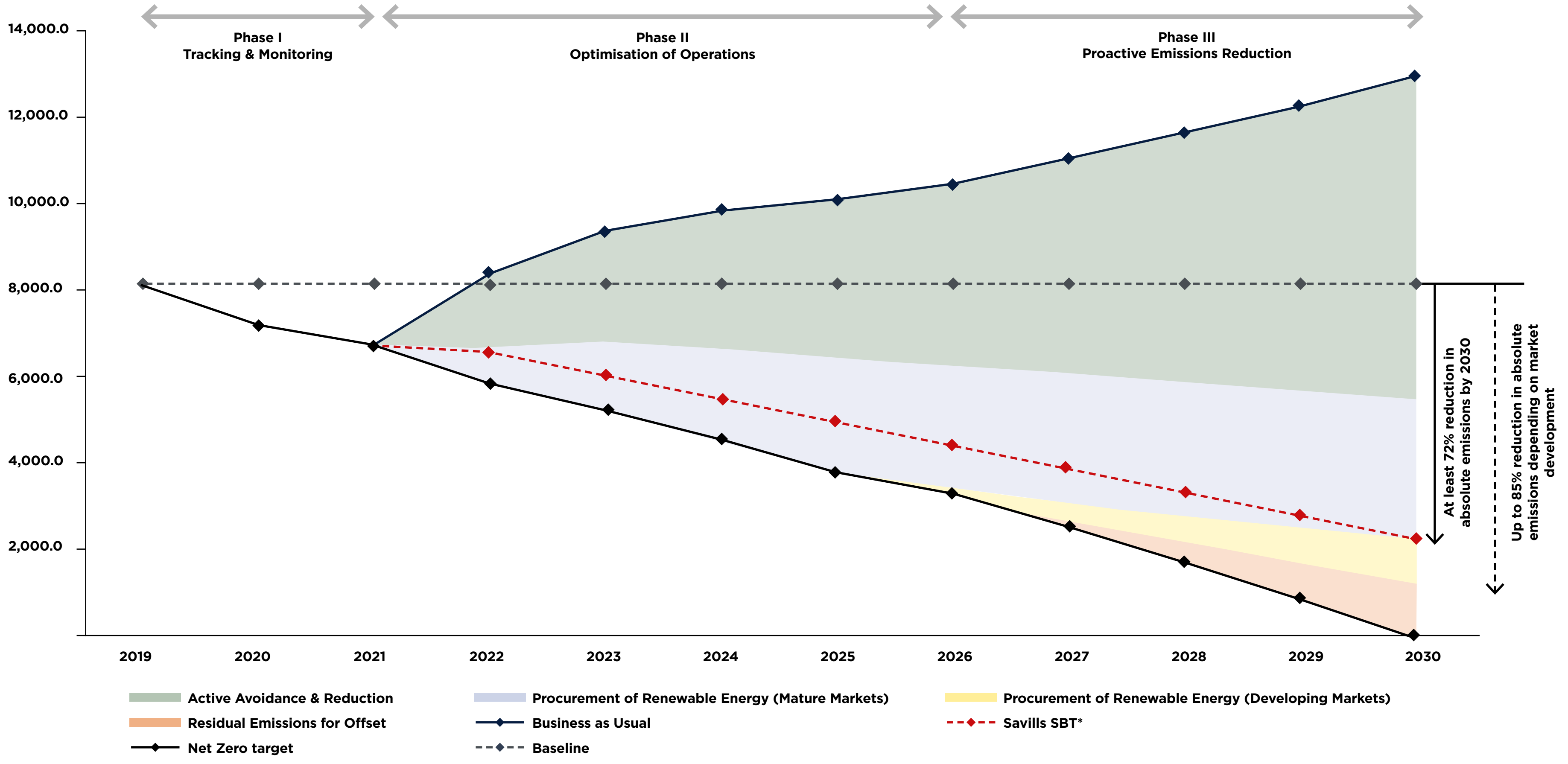
Our Net Zero Pathway

Scope 1 and 2 Emissions

Our Net Zero strategy for operational emissions (scope 1 and 2 emissions) follows the fundamental principle of the carbon management hierarchy, to first track and monitor our consumption, then prioritise the optimisation of our operating efficiency through avoidance and reduction. Following this, the hierarchy then utilises on-site renewable generation and the procurement of renewable energy, and lastly looks to off-set residual emissions. Based on the model that we have developed for our Net Zero pathway, we aim to reduce our absolute scope 1 and 2 operational emissions by at least 72% by 2030.

The graph to the side illustrates how different elements contribute to the Net Zero transition of our operational emissions. Our total scope 1 and 2 emissions could increase by 61% by 2030, compared to our 2019 baseline, under the Business as Usual (BAU) Scenario. The BAU baseline is developed based on our projected business growth and taking into account the anticipated grid decarbonization in the regions in which we operate. We anticipate that over 56% of the scope 1 and 2 emissions under the BAU scenario can be avoided or reduced as a result of office efficiency and company leased or owned vehicles' optimisation. For the remaining emissions, approximately 80% can be actively reduced through the procurement of renewable energy, with the residual emissions being offset. To demonstrate our determination for active reduction, we are likely to only start to look for offset of residual emissions from 2028/9.

Savills Plc Scopes 1 & 2 Net Zero Pathway



Our Targets for Scope 1 and 2

To meet our Net Zero commitment, we are working to improve reporting, reduce GHG emissions (via energy efficiency) and to purchase certified green energy tariffs to provide electricity to the workspaces that we lease.

Key goals that we have in place in the pursuit of net zero include a full phase out of inefficient office lighting and equipment, cloud-based IT infrastructure, 100% electric vehicle (EV) transition where local infrastructure allows, and 100% renewable energy procurement in mature markets. We would look at offsetting residual carbon as the final option, if necessary, prior to 2030.

72%* REDUCTION OF ABSOLUTE SCOPE 1 AND 2 EMISSIONS AGAINST 2019 BASELINE, OF WHICH, AT LEAST 20% IS DRIVEN BY ENERGY EFFICIENCY IMPROVEMENTS AND BEHAVIOURAL CHANGE

100% 100% PHASE OUT OF INEFFICIENT LIGHTING BY 2028

100% 100% PROCUREMENT OF RENEWABLE ELECTRICITY IN MATURE MARKETS BY 2030

100% 100% TRANSITION TOWARDS ELECTRIC VEHICLES BY 2028, WHERE LOCAL INFRASTRUCTURE ALLOWS

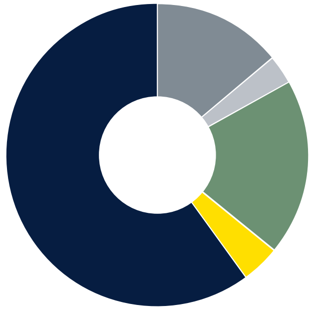
Based on 2023 BAU scenario

Key Factors to Achieve Scope 1 and 2 Net Zero

- **24%** Active Reduction of Scope 1 Emissions
- **33%** Active Reduction of Scope 2 Emissions
- **33%** Procurement of Renewable Energy
- **10%** Offsetting of Residual Emissions

Scope 3 Emissions

While it is still our goal to improve the measurement of our scope 3 emissions, we shall continue to focus on engaging our key stakeholders; employees, suppliers and business partners to ensure that we are making progress towards our interim science-based decarbonisation targets. The chart below summarises the breakdown of our scope 3 emissions by business regions and operations. Savills IM currently accounts for around 60% of our total scope 3 emissions, considering the corresponding indirect emissions from our investment activities.



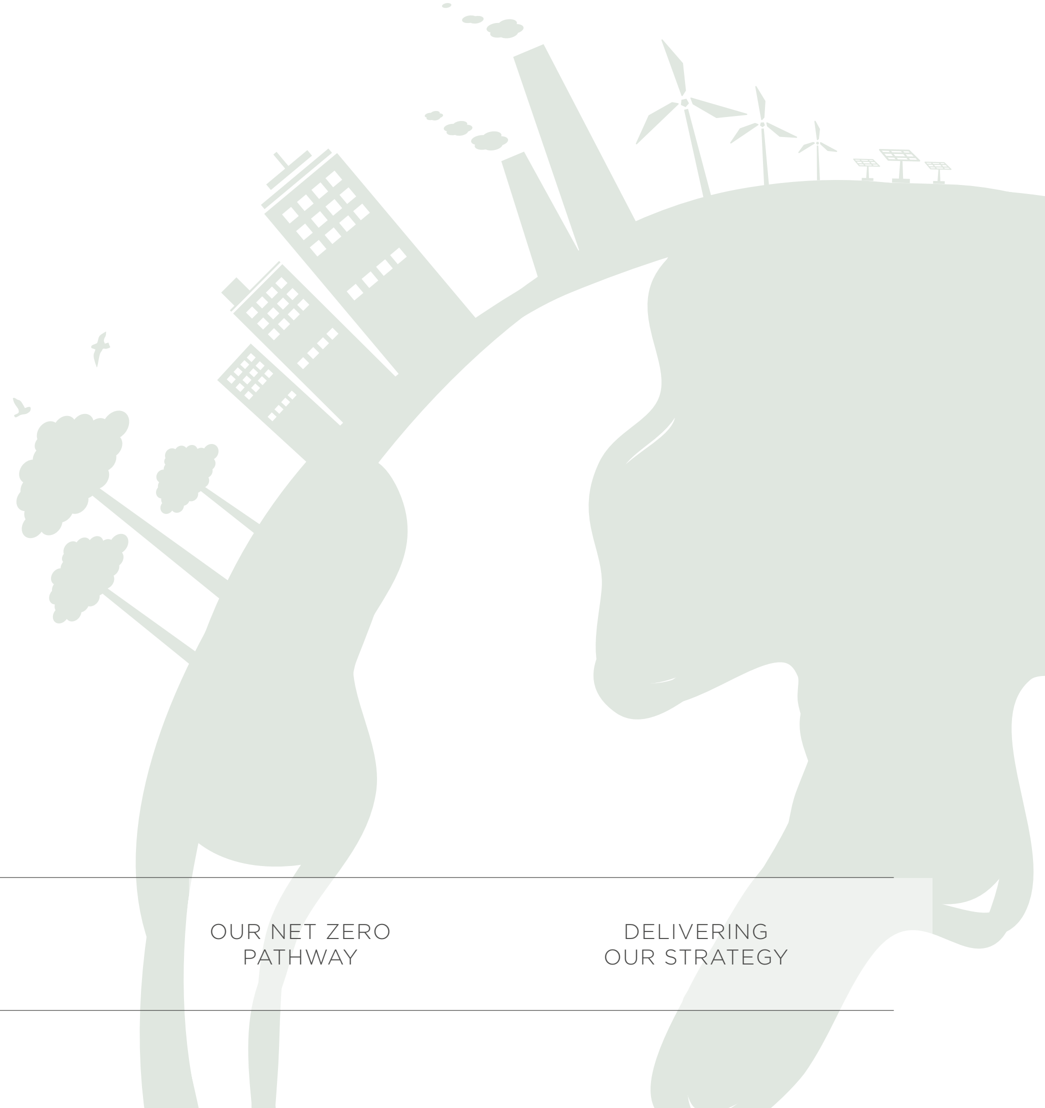
Scope 3 Emissions - Breakdown by Business Regions & Operations

- **13%** United Kingdom
- **6%** Europe, Middle East & Africa
- **20%** Asia Pacific
- **4%** North America
- **56%** Savills Investment Management

Our Targets for Scope 3

The below near-term targets have now been verified by SBTi:

- Savills plc commits to reduce scope 3 GHG emissions from purchased goods and services 51.6% per million GBP of value added by 2030 from a 2022 base year.
- Savills plc further commits to reduce scope 3 GHG emissions from investments 51.6% per square meter within the same timeframe.



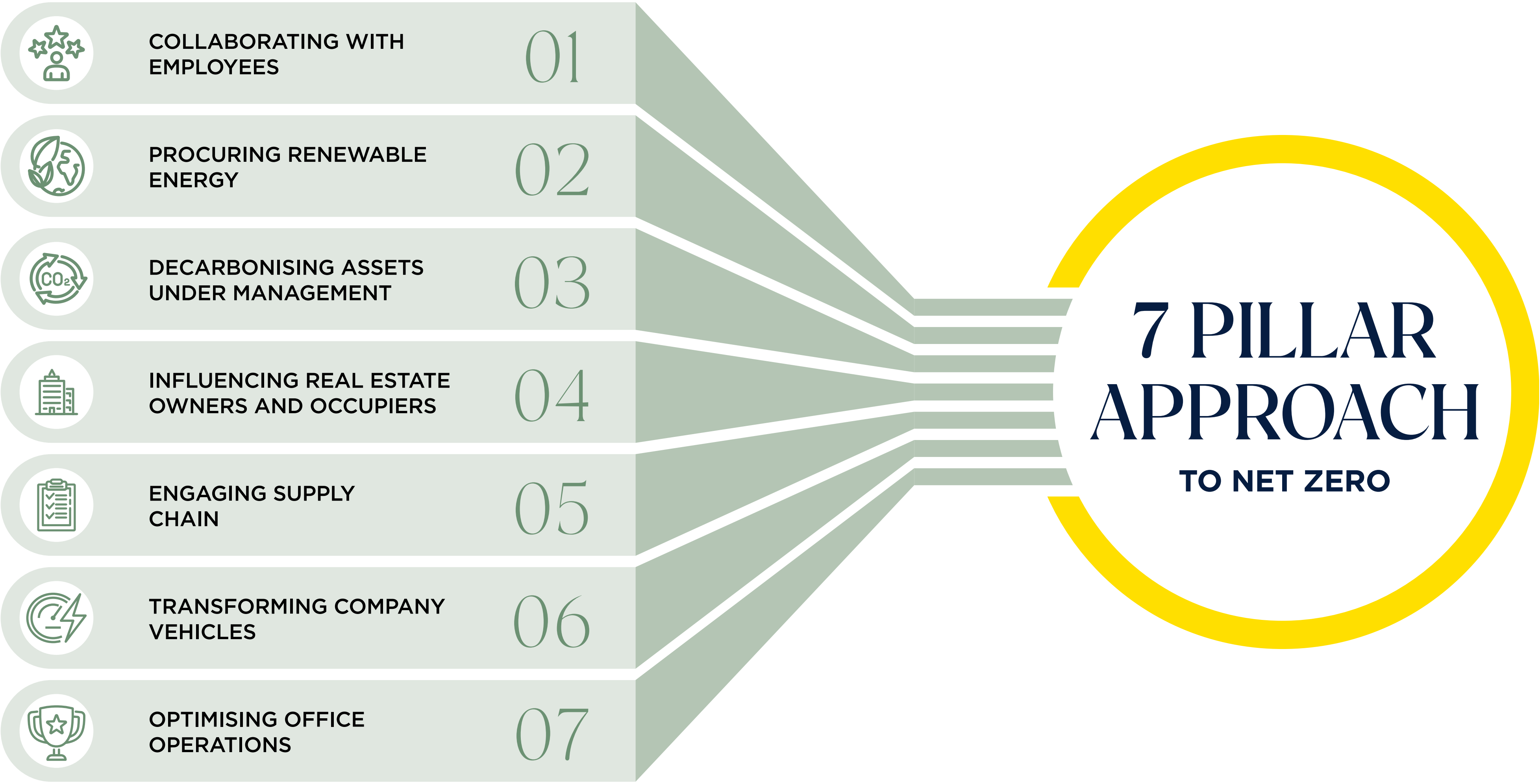
Our Net Zero Roadmap

	OPTIMISING OFFICE OPERATIONS	TRANSFORMING COMPANY VEHICLES	USING RENEWABLE ENERGY	COLLABORATING WITH EMPLOYEES	ENGAGING SUPPLY CHAIN	DECARBONISING ASSETS UNDER DISCRETIONARY MANAGEMENT MANDATES	INFLUENCING THE REAL ESTATE INDUSTRY
2021/ 2025	SET office specific Energy Use Intensity (EUI) targets Progressive phase out of inefficient lighting Conduct energy audits across selected offices, starting with the largest conumers, to identify energy conservation opportunities Undertake energy optimisation initiatives based on audit findings Progressive upgrade of IT equipment with more efficient alternatives Active inception of green leases across new offices and as leases are renewed existing offices across all operations Minimum sustainability fit-out standards applied globally for leasing new/existing offices	Structured phase out of petrol and diesel vehicles Hybrid vehicle transition for countries and jurisdictions where EV is not an option	Expand procurement of renewable electricity in mature markets (UK, Europe, North America, Australia and New Zealand) Active monitoring of renewable electricity procurement in developing markets (Asia, Middle East and Africa) Investigate feasibility of on-site renewable energy generation at selected locations	Implementation of sustainable business travel policies Improve measurement of emissions associated with business travel and employee commuting Active employee engagement through training, internal communication, collaboration and incentives to reduce emissions	Continuously improve measurement of emissions associated with supply chain, including purchased goods and services and capital goods Active implementation of sustainable procurement policy Engagement with supply chain on low carbon practices	Set energy reduction targets across the discretionary managed portfolio 100% standing assets and new assets assessed for climate risks	Advocacy work with clients to influence net zero beyond our scope 3 footprint Research focussing on ESG, including Net Zero and the decarbonisation of real estate Support industry initiatives that drive real estate transition to net zero
2026/ 2030	100% LED in all office operations by 2028 Complete removal of gas by 2030 Complete replacement of refrigerants with low-to-zero GWP alternatives in air conditioning by 2030 Offset residual emissions from office operations (covering scope 1 and 2 emissions) by 2030	100% EV transition in countries AND jurisdictions where available Offset residual emissions from business owned and leased vehicles by 2030	100% procurement of renewable electricity in mature markets Consider procurement of I-REC or equivalent in developing markets where renewable energy procurement is not an option			50% renewable electricity procurement by 2030 50% energy reduction by 2030 against a 2021 baseline for the assets under management	
BEYOND 2030	Work to maintain ultra-low consumption across all office operations as the business grows	100% EV transition with all vehicles run via 100% renewable energy tariffs, when charging at Savills operating locations	100% procurement of renewable electricity	Offset residual emissions from business travel and employee commuting	Offset residual emissions in supply chain	Achieve Net Zero by 2040 Generate 20 GWh of renewable electricity by 2050 to become carbon negative	

Delivering Our Strategy

Using our seven-pillar approach, we have put a programme of activities in place to prioritise absolute reduction of our GHG emissions to the furthest extent, prior to offsetting, if required, to achieve net zero.

While this section aims to outline the specific actions and initiatives we planned to implement or introduce to pursue Net Zero, it is important to note that our approach to Net Zero is dynamic. Hence we will continue to evolve our Net Zero roadmap to ensure that we are in full alignment with real estate best practices. Any update to the approach shall be effectively reflected in relevant corporate publications, so that our stakeholders are well informed about the latest developments of our Net Zero transition journey.



COLLABORATING WITH EMPLOYEES 01

People are at the core of our business activities. It is essential that our employees are fully engaged in supporting the Group's efforts in the pursuit of net zero.

Business Travel & Employee Commuting

Emissions associated with commuting and business travel account for around 20% of our total scope 3 emissions. Therefore, it is essential we reduce our impacts from employee commuting and business travel where possible, without impacting negatively on required business activities.

Where business travel is required, we encourage employees to use less impactful modes of transport wherever possible, such as rail and economy class flights.

In 2022, we conducted our first global employee commuting survey to better understand the commuting behaviours of our employees. We will continue educating our employees on the environmental impact of different forms of transport so that they are aware of the impact as they travel. We will also encourage our colleagues to adopt greener transportation options, such as through the provision of 'cycle to work' schemes to enable sustainable journeys.

Behavioural Change

As part of our Net Zero journey, we shall continue to proactively build internal awareness on sustainability so that our employees have the knowledge required to support us in achieving this common goal. Some of the key actions to drive behavioural changes across our workforce include:

- Promoting energy and water conservation and waste reduction in our offices;
- Delivering sustainability training to inform latest sustainability trends;
- Raising employee awareness of the net zero and climate change considerations in property transactions and property management services;
- Establishing a Sustainability employee network to facilitate knowledge sharing.

PROCURING RENEWABLE ENERGY 02

We aim to achieve 100% electricity purchasing from renewable sources by 2030 for our offices, where available. This would be achieved by choosing official local Renewable Energy Certificates (REC) schemes (such as REGO-backed in the UK) or equivalent, or by procuring electricity through direct power purchase agreements (PPA) with renewable energy suppliers.

However, it is noteworthy that some countries still have not implemented robust renewable electricity procurement policies, with the result that local RECs or direct PPAs are unavailable. We shall focus on achieving 100% electricity from renewable sources in countries where the renewable energy market is more developed, whilst actively monitoring developments in the rest of the regions where we operate. Prior to 2030, we aim to review the use of international renewable energy certificates (I-RECs) as a less desirable alternative until local RECs or direct PPA become available.

Savills aims to remove gas from our operations, noting that currently the renewable gas / heat market is relatively under-developed, we will continue to monitor the latest market developments to stay up to date with best practice.

DECARBONIZING SAVILLS IM ASSETS UNDER MANAGEMENT 03

Savills is the majority (75%) owner of Savills Investment Management (Savills IM), and therefore accounts for scope 3 emissions from Savills IM's Assets under Management, where Savills IM has discretionary management authority (AuM). Energy-related investment emissions from AuM accounts for around 60% of total Group scope 3 emissions and is, therefore, the most significant of the scope 3 emissions categories reported.

Savills IM is committed to achieving Net Zero Carbon emissions across its AuM by 2040. Savills IM is also committed to investing in climate resilience measures to protect AuM from the impacts of climate change, mitigating the risk of its AuM becoming obsolete and 'stranded' from an investment perspective.

To have a clear methodology to work towards meeting its Net Zero Carbon target, Savills IM developed its **Net Zero Carbon Pathway**, which is intended to provide a high-level overview of its approach, targets and progress so far. Since Savills IM operates across many jurisdictions and asset classes, its global framework acts as a minimum standard for its AuM to create a tailored net zero pathway for each asset that aligns with Savills IM's corporate ambitions.

Savills IM has adopted a hierarchical approach to achieve Net Zero:

- Avoiding any unnecessary emissions and reduce embodied carbon where possible;
- Reducing operational emissions through efficiency measures and changing fuel sources;
- Increasing onsite renewables and promote and use renewable energy contracts where available; and
- Offsetting the remainder of emissions as a last resort, initially only focusing on offsetting residual embodied carbon from developments and refurbishments.

INFLUENCING THE REAL ESTATE INDUSTRY 04

We recognise that, as one of the world's leading real estate advisory firms, our sphere of influence is much wider, going beyond the scope 1, 2 and 3 emissions covered in this Pathway. Recognising this, we strive to tackle our impacts further through our advocacy work and influence within the real estate sector. We are commited to demonstrating and facilitating the wider move towards decarbonising through advisory work with clients. We will continue to support the real estate sector on sustainability and energy improvements, seeking to influence stakeholders towards carbon neutrality.

Savills Earth brings together Sustainability skill sets from across the business to help our clients define and deliver comprehensive sustainability and net zero strategies across their real estate portfolios. Our holistic approach allows us to develop sustainable strategies, to provide in-depth advice on all renewable energy sources and grid consultancy, as well as the maximisation of sustainable materials in the supply chain and the minimisation of waste. Savills Earth can assist owners and occupiers in re-positioning existing assets to meet the improved standards required, particularly through refurbishment and re-fitting linking with our Project Management services.

Managing Climate-related Risks and Opportunities

As part of a wider ambition to deliver a more sustainable future, Savills is committed to strengthening our understanding of climate-related risks to our own operations as well as helping our clients to improve the resilience of their portfolios. Our latest report on Task Force on Climate-Related Financial Disclosures ('TCFD') can be found **here**.

DURING 2022 OUR SAVILLS EARTH TEAMS IN THE UK WORKED ON CLIENT PROJECTS WHICH AIMED TO PROVIDE 1.4GW OF ENERGY STORAGE, 1MT OF CARBON STORAGE AND 1.3GAW OF GRID CONNECTIONS.

THEY ALSO ASSISTED CLIENTS ON 20.5GW OF PROPOSED & OPERATIONAL CLEAN ENERGY PROJECTS.

ENGAGING SUPPLY CHAIN 05

As part of our scope 3 journey, we will engage with our landlords and supply chains for their input to support our Net Zero commitment. The current lack of quality data on calculated supply chain emissions remains a key challenge in identifying opportunities for emissions reductions from procurement of goods and services. Improving data quality is therefore a priority action in order to decarbonise our supply chain.

Initial actions that we have adopted to engage our supply chain include creating a Green Leases Guide for use with our leased office space and to assist dialogue with our landlords. We also look to further develop our Sustainable Procurement Policies to provide a guiding framework on the selection of suppliers and their sustainability criteria.

Our Transparent Offsetting Approach

Carbon offset is a way to compensate for emissions by investing in an equivalent CO^2 saving elsewhere. Our immediate priority is the reduction of carbon emissions through efficiency, prior to the consideration of any offsetting, which is to be used for "residual" carbon offsetting only.

As part of our Net Zero Journey, we shall develop our detailed carbon offsetting strategy for any residual emissions that cannot be avoided, so that we can achieve operational Net Zero by 2030 and supply chain Net Zero by 2040.

When off-setting we will aim to ensure any off-sets procured provide a verified and credible carbon off-set provision. This may include nature-based solutions which could be a mix of both avoidance (carbon credits) and removals (carbon offsets).

TRANSFORMING COMPANY VEHICLES 06

On occasion, the Group provides company vehicles to employees who need cars for agency work, those who need to travel frequently or in rural areas, where access to public transport is limited. We also operate a fleet of trucks in Hong Kong for the provision of waste management services. Fuel consumption of our company leased or owned cars currently accounts for close to 20% of our scope 1 and 2 emissions.

Whilst Savills targets 100% transition to electric vehicles across our business fleet by 2028, this might not be feasible in some jurisdictions, given regional variation in local policies and infrastructure. For offices where EVs are currently not available, we will seek to replace existing petrol or diesel vehicles with hybrid alternatives, aiming for company owned and leased cars to meet the carbon cap of 100g CO_2/km in the medium term. In the meantime, we will also require earlier transition to full electrification of our company cars in countries where the EV market is becoming more mature. As part of our EV programme, we aim for EV charging through renewables sources, where charging points are provided by the business.

OPTIMISING OFFICE OPERATIONS 07

Being a real estate advisory and property management firm, our business is primarily office-based. We operate from a range of leased spaces including entire office buildings, units within multi-let office buildings and high street retail units. The GHG emissions associated with the operation of these workspaces account for over 80% of our total scope 1 and 2 emissions. It is, therefore, one of our top priorities to optimise the operating efficiency of our office spaces across all our regions.

Improve Energy Efficiency

We focus on improving the energy efficiency of our office spaces through retrofits, upgrades and replacement of inefficient office equipment. Below are selected initiatives that we look to implement across our offices:

- Setting Energy Use Intensity (EUI) targets for our offices across all regions.
- Phasing-out inefficient lighting aiming to achieve 100% LED lighting with passive infrared motion sensors where suitable by 2028.
- Installing smart meters to improve the tracking and monitoring of energy consumption of our office spaces.
- Conducting energy audits to identify other energy conservation opportunities.
- Rolling-out cost-effective improvements identified by the energy audits.
- Mandating the use of the Savills office fit-out guide or using other local industry recognised schemes e.g. BREEAM refurbishment, LEED or equivalent.
- Optimising IT infrastructure.
- Upgrading inefficient IT equipment, such as migrating from dual screens to single wide screens and phasing out our IT phone system where relevant.

Avoid Unnecessary Emissions

We strive to avoid unnecessary emissions by adopting cleaner options for our office operations. We aim to remove gas consumption for heating across our UK and EME operations where feasible; by relocating offices at the end of lease terms or via up-grades. While currently there is limited gas consumption under our operational control in our North America and Asia Pacific operations, we shall avoid the use of gas as we shall seek to avoid the use of gas as we continue to expand our business. We also aim to transition to 100% low or zero global warming potential (GWP) refrigerants by 2030, to be used within office air conditioning systems, being careful to prevent the release of refrigerant gases during replacement or maintenance works.

Optimise Use of our Offices

We shall optimise the use of our office spaces to improve business efficiency through better allocation of space based on business needs.

APPENDICES

Appendix 1

Performance Data

Energy Consumption and Scope 1 and 2 Emissions

CORPORATE GHG EMISSIONS, TONNES CO_2e	CO_2e EMISSIONS, TONNES				
	2023	2022	2021	2020	2019
Total energy use, MWh	23,861	24,006	22,864	24,568	25,938
Scope 1 (Direct)	1,907	1,691	1,869	1,794	1,775
Scope 2 (Indirect, market-based)	4,040	4,989	4,783	5,386	6,358
TOTAL SCOPE 1 & 2 (MARKET-BASED)	**5,947**	**6,680**	**6,652**	**7,180**	**8,133**

Scope 3 2023 Performance by category

GHG EMISSIONS CATEGORY	tonnes CO2e %	%
Purchased goods and services	51,918	22
Capital goods	3,932	2
Fuel and energy related activities (not included in Scope 1 & 2)	2,181	1
Waste generated in operations	386	0
Business travel	10,127	4
Employee commuting	36,118	15
Savills IM Assets Under Management	133,421	56
Total	**238,083**	100

** This disclosure is partial, as we continue to work to improve our understanding of our Scope 3, our final figures are expected to be higher. With exception of Savills IM AUM, downstream emissions covering carbon relating to client services are excluded.*

Appendix 2

Glossary

TERM	DESCRIPTION
Base year / Baseline	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
Boundaries	GHG accounting and reporting boundaries can have several dimensions, i.e. organizational, operational, geographic, business unit, and target boundaries. The inventory boundary determines which emissions are accounted and reported by the company.
Control	The ability of a company to direct the policies of another operation. More specifically, it is defined as either operational control (the organization or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation) or financial control (the organization has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities).
CO_2 equivalent (CO_2e)	The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.
Direct GHG emissions	Emissions from sources that are owned or controlled by the reporting company.
Emission factor	A factor allowing GHG emissions to be estimated from a unit of available activity data (e.g. tons of fuel consumed, tons of product produced) and absolute GHG emissions.
Fugitive emissions	Emissions that are not physically controlled but result from the intentional or unintentional releases of GHGs. They commonly arise from the production, processing transmission storage and use of fuels and other chemicals, often through joints, seals, packing, gaskets, etc.
Greenhouse gases (GHG)	For the purposes of this standard, GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and Sulphur hexafluoride (SF6).

TERM	DESCRIPTION
Global Warming Potential (GWP)	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO_2.
Indirect GHG emissions	Emissions that are a consequence of the operations of the reporting company, but occur at sources owned or controlled by another company.
Intensity ratios	Ratios that express GHG impact per unit of physical activity or unit of economic value (e.g. metric tons of CO_2 emissions per unit of electricity generated).
Inventory	A quantified list of an organization's GHG emissions and sources.
Location-based method for scope 2 accounting	A method to quantify scope 2 GHG emissions based on average energy generation
Market-based method for scope 2 accounting	A method to quantify scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own.
Net Zero	When a company reduces its emissions following science-based pathways, with any remaining GHG emissions attributable to that company being fully neutralized by like for-like removals (e.g. permanent removals for fossil carbon emissions) exclusively claimed by that company either within the value chain or through purchase of valid offset credits. (Adopted form Race to Zero Lexicon)
Offset	Offsets are discrete GHG reductions used to compensate for (i.e., offset) GHG emissions elsewhere, for example to meet a voluntary or mandatory GHG target or cap. Offsets are calculated relative to a baseline that represents a hypothetical scenario for what emissions would have been in the absence of the mitigation project that generates the offsets. To avoid double counting, the reduction giving rise to the offset must occur at sources or sinks not included in the target or cap for which it is used.

TERM	DESCRIPTION
Renewable energy	Energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy, and biofuels.
Renewable Energy Certificate / Renewable Energy Guarantees of Origin	Renewable Energy Certificate (REC) / Renewable Energy Guarantees of Origin is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.
Scope	Defines the operational boundaries in relation to indirect and direct GHG emissions.
Scope 1 emissions	Direct GHG emissions of an organization associated with fuel consumptions and fugitive emissions.
Scope 2 emissions	Indirect GHG emissions of an organization associated with the generation of electricity, heating/ cooling, or domestic hot water purchased for own consumption.
Scope 3 emissions	Indirect GHG emissions of an organization from activities or assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain.
Value chain emissions	Emissions from the upstream and downstream activities associated with the operations of the reporting company.

Appendix 3

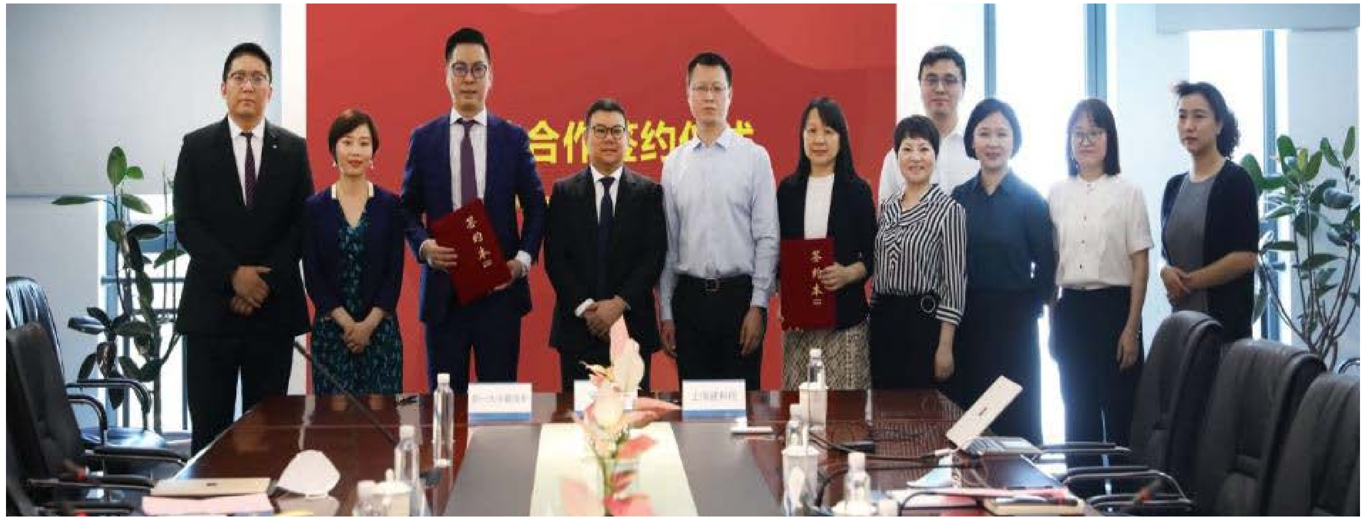
Case Studies

Savills UK continued to focus on improving the energy efficiency of their office locations:

In the UK, during 2022, 112 offices completed desk-based energy audits and 32 shopfront offices had lighting timers installed, with a further 51 offices to follow in 2023, reducing the time display lighting is on during evenings and weekends. Further progress was made transitioning from PCs to laptops and to single screens in offices and plug-in laptops, saving 139.5 watts per device. Computer sleep modes were reduced from 4 to 1 hours on 9,485 devices. Removing 864 hardware phones with reliance instead on Teams Voice and mobiles; saved 22,705kWh. This is equivalent to the energy required to power two homes in a year. In addition, 22 UK offices were fitted with Automatic Meter Readers (AMR) to aid data collection and monitoring.

Energy Audit at our Shanghai Offices Leads to Office Cost and Carbon Savings

As part of Savills China's ESG initiatives, an energy audit was undertaken at our Shanghai offices to clearly understand office energy consumption with the goal of reducing carbon emissions. Savills office is on the 25th floor in a multi-tenanted high-rise building. The audit found the key area of energy saving was the office lighting. The audit recommended that all fluorescent lights are changed to LEDs. At the same time, pantry appliances with an energy efficiency rating of three or below should also be replaced. There was also a recommendation to promote a change in office behaviour, with individuals encouraged to turn off lights and equipment such as PCs when they are not in use. An enhanced computer sleep mode should also be adopted. Following the audit, the team decided to go ahead with improvements which would cost £9,800 but payback within 3.8 years, saving 27,442 kWh per year, which would save the office roughly £2,580 per year or over 72% of their total electricity bill while reducing the carbon associated with operating the office. Peter Chan, Chief Operating Officer, China said: "we are pleased to have moved a few steps closer on the net zero journey for our Shanghai office and look forward to our future energy savings. We are now looking at other offices in China and considering further energy audits.



Savills Hong Kong uses grant for extensive LED up-grades to significantly reduce energy use

A major LED replacement project is underway at one of the Savills Hong Kong offices, 1111 Kings Road office, with the support of a grant which was successfully secured via Hong Kong Electric's scheme. The Kings Road workspace comprises two floors of a larger multi-tenanted managed office block.

the interior of Savills 1111 Kings Road office - booths with lighting aboveThe Savills workspace areas are in the process of having 1,272 lighting lamps replaced with LEDs. Grants were awarded by Hong Kong Electric for projects which can successfully demonstrate they will save carbon and contribute to Hong Kong's wider climate goals. For this project, the grant will cover around 17% of the total investment needed, which helps to shorten the payback time of the project.

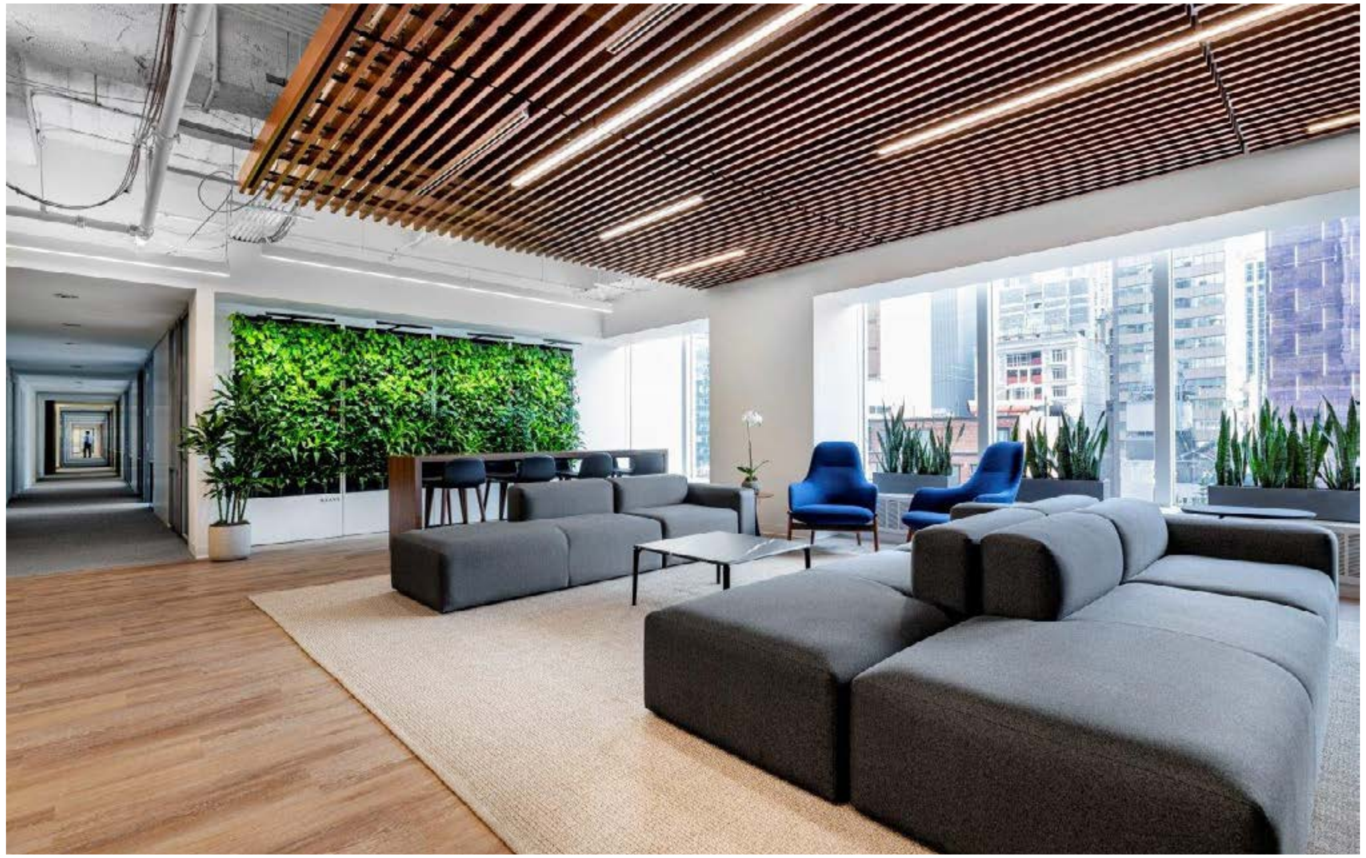
The project has an approximate 19 months until the investment pays back, and will go on to create over £25,000 in savings each year on office electricity bills. It is estimated that approximately 90 tonnes of carbon will be saved from the project per annum, this is equivalent to the annual electricity consumption of 58 homes.

Jonathan Lee, Deputy Managing Director, Work and Safety said: "We are pleased to have this simple LED up-grade project underway, which will save on operational costs as well as helping with the Savills Net Zero commitments, the project should be completed in Q2 2023."

Savills New York Headquarters

Our US business now have 18 LEED or Energy Star certified office spaces. During 2021, Savills New York headquarters, 399 Park Avenue, completed a series of renovations which promoted environmental sustainability.

We consider our carbon footprint in all of our practices. The refurbishment of our Manchester office is a great example, with every effort made to reuse, recycle and donate materials. In total, 99.47% of all materials removed from site were repurposed or recycled in some way. The entire post room reuses tiles, cabinets and storage and 4,484kg of old furniture has been diverted from landfill to be reused or repurposed. This has resulted in a saving of 3,329kg/CO_2e.



Appendix 4

Further Information

Greenhouse Gas Disclosure

Our full Greenhouse Gas Disclosure can be found in **Report and Accounts 2022,** (Page 64)

Climate-Related Financial Disclosures Report

Our Task Force on Climate Related Financial Disclosures (TCFD) Report can be found **here**.

Sustainability Strategy and Policy

Further information on our Sustainability Strategy and Policy can be found **here**.

Savills Earth

Further information on sustainability services from **Savills Earth.**

savills