

Sustainability Operating Standards

Introduction

CBRE is working to create a more sustainable future for all, and that starts with the impact of the workspaces and buildings we occupy and manage for clients. With nearly 500 corporate offices and more than 7 billion square feet of managed property globally, CBRE has an outsized opportunity to help reduce greenhouse gas (GHG) emissions through our own operations, services provided to our clients and throughout our value chain.

This work is overseen by our Board of Directors, our CEO and Chief Sustainability Officer. CBRE's [Commitment to Sustainability](#) and [Environmental Sustainability Policy](#) guide our approach, and our Sustainability Operating Standards and [Climate Transition Strategy](#) outline expectations and actions for implementing sustainable real estate practices.

CBRE's Sustainability Operating Standards address the following topics:

1. Renewable energy
2. Embodied carbon
3. Biodiversity
4. Social value

The standards apply to all CBRE global business segments, including but not limited to all corporate office locations and all operations in Advisory Services, Global Workplace Solutions, Real Estate Investments and Corporate Functions, excluding Turner & Townsend. CBRE's Chief Sustainability Officer and SVP of Corporate Sustainability and Reporting oversee these standards in collaboration with sustainability and business leaders across the company.

1. Renewable Energy

A. Approach

- a. Renewable energy procurement is a critical step in achieving our science-based GHG emission reduction targets. CBRE's global approach to renewable energy for our corporate operations addresses electricity consumed in CBRE's corporate offices and vehicles.
- b. CBRE will purchase renewable energy to cover 100% of electricity use in our corporate operations by the end of 2025.
 - i. CBRE will consider additionality, emissionality and alignment with leading industry standards and frameworks to increase the positive impact of our renewable energy procurement strategy.
 - ii. CBRE renewable energy procurement will evolve with market feasibility.
 - iii. Markets which have negligible loads or where it is not technically feasible to procure renewable electricity

may be excluded from our commitment.

B. Criteria

- a. Energy Attribute Certificates (EACs) may be acquired through any renewable energy contract instrument that:
 - i. has been certified by a credible third-party for assurance of GHG emissions and renewable energy claims, and
 - ii. meets quality criteria defined by the GHG Protocol's Scope 2 Guidance.

C. Compliance, Transparency and Reporting

- a. CBRE is committed to compliance with applicable renewable energy regulations across our global portfolio.
 - b. CBRE will publicly report progress toward our renewable energy target on an annual basis.
 - i. To support the credibility of claims, CBRE will obtain assurance of renewable energy data through an independent validation process.
 - ii. Scope 2 emissions will be reported consistent with the GHG Protocol Scope 2 Guidance, including disclosure of both location- and market-based methods.
 - iii. Additional disclosures for subsidiaries or business segments may also be reported where required by regulation.
 - iv. Details of market exclusions will be reported transparently.
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2. Embodied Carbon

A. Approach

- a. Measuring and reducing direct and indirect embodied carbon emissions of construction materials and capital goods is critical to deliver progress toward our science-based GHG emission reduction targets.
- b. Low-carbon real estate development creates resilient, future-proof assets and supports CBRE's fiduciary responsibility to act in the best interests of our clients.

B. Measurement

- a. Real Estate Development
 - i. Trammell Crow Company measures embodied carbon for all real estate development projects where design has commenced on or after November 1, 2024.
 - ii. EN 15978 or ISO 14040 are CBRE's preferred methodologies to calculate embodied carbon emissions to promote consistent reporting.
 - iii. As a minimum, embodied carbon assessments will cover cradle to practical completion (modules A1-A5 as defined by ISO's Life Cycle Assessment), referred to as upfront embodied carbon.
 - iv. Assessments should be undertaken prior to the completion of design development or equivalent to capture design-related carbon reduction opportunities.
 - v. To improve the accuracy of GHG emissions reporting, send demand signals to industry and inform decision-making, CBRE requests real estate development suppliers to provide product- or regional-level Environmental Product Declarations (EPDs) for major building elements and key materials, where possible.
- b. Supply Chain
 - i. Embodied carbon associated with other purchased goods and materials will also be measured and

reported.

- ii. CBRE intends to transition away from spend-based GHG emissions calculation methodology toward supplier provided data.
- iii. Beginning January 1, 2025, CBRE will require select suppliers to provide GHG emissions data annually. Supplier requirements will be informed by total purchasing spend and sector GHG emissions intensity.

C. Compliance, Transparency and Reporting

- a. CBRE is committed to compliance with applicable embodied carbon regulations across our global portfolio.
- b. Purchased Goods and Services GHG emissions (Scope 3.1) will be reported consistent with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- c. CBRE will publicly report embodied carbon emissions for real estate development projects completed within the reporting year on an annual basis within Scope 3.1 Purchased Goods and Services.
- d. Additional disclosures for subsidiaries or business segments may also be reported where required by regulation.

D. Industry Engagement

- a. To influence change across the building sector, where supported by capital partners, CBRE will integrate decarbonization strategies, such as but not limited to:
 - i. integrate use of alternate, low-carbon building materials;
 - ii. consider circular economy principles in the full lifecycle of development; and
 - iii. pilot emerging low-carbon technologies.
- b. For select materials and building elements with the greatest potential for embodied carbon reduction in real estate development, CBRE will participate in cross-sector initiatives focused on decarbonization of carbon-intensive materials.

3. Biodiversity

A. Approach

- a. Climate change has altered marine, terrestrial and freshwater ecosystems all around the world. CBRE recognizes the real estate industry's potential impacts and dependencies on biodiversity and nature, such as the loss of natural habitats and availability of raw materials across our global supply chain.
- b. Understanding our nature-related risks and opportunities is foundational for accounting for nature in risk management and business strategy.
- c. We will consider nature-related impacts and dependencies within our global climate change risk and opportunity assessment, which is integrated into CBRE's Enterprise Risk Management process.

B. Compliance, Transparency and Reporting

- a. CBRE is committed to compliance with applicable nature and biodiversity regulations across our global portfolio.
- b. CBRE will gradually align public disclosures in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) for relevant business activities.
- c. Initial reporting will focus on identifying nature-related impacts and dependencies, moving to measurement and mitigating actions over time.
- d. Additional disclosures for subsidiaries or business segments may also be reported where required by regulation.

C. Beyond Regulations and Reporting

CBRE may act directly in our own corporate operations and in partnership with our clients and suppliers to reduce adverse impacts and restore natural systems, such as:

- a. assessing and reducing the biodiversity impact of new real estate developments,
 - b. applying circular economy principles to business activities to reduce dependency on raw materials,
 - c. developing sustainable sourcing strategy for materials identified as high biodiversity risk,
 - d. adopting best practice for the ecological management of green and natural space for buildings under management,
 - e. suitably managing environmental risks that arise from waste and other potential sources of pollution, and
 - f. implementing solutions for buildings under management that result in biodiversity gain.
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4. Social Value

A. Approach

- a. CBRE recognizes the potential for the built environment to create social value by supporting environmental, economic and social wellbeing.
- b. CBRE can improve environmental and social outcomes through its business activities and understands that benefits to our employees, business partners, local communities and wider society also supports the financial success of our business.
- c. Social value has the opportunity to benefit CBRE's employees; building users; the natural environment around development, investments, and buildings managed for clients; communities where CBRE operates; and across our supply chain.

B. Principles and Dimensions of Social Value

- a. CBRE adheres to the following Principles of Enhancing Social Value:
 - i. Recognize the positive and negative changes in the built and natural environment that result from CBRE's operations and business activities.
 - ii. Use stakeholder preferences and an understanding of local needs to focus on material social value issues for that business activity and location.
 - iii. Improve social value in a manner that is relevant to our industry, leverages the expertise of our people and aligns with CBRE's strategic focus areas: scaling a low carbon future, creating opportunities so all people thrive and leading with integrity to build trust.
 - iv. Only measure the additional value that can be directly attributed to CBRE's activities so as not to overclaim any intended and unintended benefits and consequences.
- b. CBRE recognizes the following Dimensions for Enhancing Social Value:
 - i. Our Business: Lead with the highest standards of ethics and integrity in everything we do to build trust in our business.
 - ii. Our People: Create opportunities for all of our employees to thrive by building a workforce that reflects the communities where we live and work, enhancing workforce diversity, and helping our employees stay safe and well through workplace benefits.
 - iii. Advisory Services and GWS: Enhance the social value of our client's real estate assets through management of client buildings, project management and consulting services.

- iv. Real Estate Investments: Generate value to communities through the implications of the acquisition, management and development of real estate and infrastructure investments, including current and potential occupiers.
- v. Supply Chain: Drive social value through our supply chain, both from the goods and services procured on behalf of our clients and for corporate operations.
- vi. Our Communities: Support the communities where CBRE operates through community outreach and volunteering, disaster response initiatives and locally-driven, regionally-sanctioned programs.

C. Stakeholder and Community Engagement

- a. CBRE will involve stakeholders across its value chain through an engagement approach built on transparency and collaboration to positively impact social value outcomes.
- b. Key stakeholders include, but are not limited to: business stakeholders include clients, suppliers and industry stakeholders; and local stakeholders include government and municipal agencies, community development entities, neighborhood associations, local trade groups and non-governmental organizations.
- c. CBRE understands the importance of identifying affected communities and creating opportunities to directly engage vulnerable stakeholder groups to address their needs and concerns.
- d. To enhance social value, corporate function and business leaders shall ensure effective stakeholder engagement initiatives, such as:
 - i. participating in local community organizations and associations;
 - ii. facilitating meetings or surveys with affected communities and vulnerable stakeholder groups to identify concerns and understand perceptions related to business activities; and
 - iii. understanding concerns and interests of the local community with respect to real estate development.

D. Compliance, Transparency and Reporting

- a. CBRE is committed to compliance with social value regulations.
- b. CBRE will publicly report on the company's social value efforts in our annual global Corporate Responsibility Report.
- c. To support the credibility of claims, social value data related to material topics will be assured through an independent validation process.
- d. Additional disclosures for subsidiaries or business segments may also be reported where required by regulation.