




Type of engagement	Reason for interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure <input checked="" type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure <input type="checkbox"/> Other: specify
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or improved ESG disclosure <input type="checkbox"/> Other: specify

# RI TRANSPARENCY REPORT

## 2020

Savills Investment Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Public				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	🔒	n/a							✓
CM1 05	External assurance	✓	Public							✓
CM1 06	Assurance or internal audit	✓	Public							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Savills Investment Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Savills Investment Management (Savills IM) is a real estate investment manager with EUR 20.6 billion of assets under management and c.300 staff in 16 locations across Europe and Asia (as at 31 December 2019). We have provided property investment services for our clients for over 25 years and these comprise the management of segregated pension property mandates, on either an advisory or discretionary basis, and the establishment and management of pooled property funds. In addition to our investment and asset management capability, we also offer comprehensive tax and structuring services as well as sourcing debt and hedging.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom



**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

300

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		7	245	765	469
Currency	EUR				
Assets in USD		7	987	016	676

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

	trillions	billions	millions	thousands	hundreds
Total AUM		13	318	895	257
Currency	EUR				
Assets in USD		14	681	435	520

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06	Mandatory	Public	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	100	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

**OO 09**

**Mandatory**

**Public**

**Peering**

**General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets

90

Emerging Markets

10

Frontier Markets

0

Other Markets

0

Total 100%

100%

**OO 09.2** Additional information. [Optional]

As of Q4 2019, 90% of Savills IM's Direct Property investments were in assets in Developed Markets, and 10% were in Emerging Markets (China, Poland and Malaysia).

## Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Property

Closing module

- Closing module

## Peering questions

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**OO PR 01.1** Indicate the level of ownership you typically hold in your property investments.

- a majority stake (50% and above)
- a significant minority stake (10 and above, and under 50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

**OO PR 01.2**

Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- >50%
- 10 – 50%
- <10%
- 0%

<b>OO PR 02</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO PR 02.1**

Provide a breakdown of your organisation’s property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> < 10% <input checked="" type="radio"/> 0%
Total 100%	

**OO PR 02.2**

Additional information. [Optional]

The majority of property management for our assets is outsourced to third party property managers. This includes rent collection, lease administration and collection of energy, waste and water consumption data. Sustainability consultants (in close collaboration with our property managers) provide ESG strategy and delivery services to our organisation at both corporate and fund-levels. Asset management is carried out in house by Savills IM.

OO PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

# Savills Investment Management

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)



**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The key investment principles which underlie Savills IM's philosophy are:

- Income is a key driver in generating long term property performance, providing a stable and significant proportion of total returns over the long term. Securing and increasing income is therefore vital and we recognise that ESG factors affect building operational performance, vacancy rates and impact income performance.
- An understanding of stakeholder requirements is fundamental to Savills IM. We engage with occupiers, investors, staff and broader stakeholders to understand the materiality of ESG topics to them.
- Property is a real asset that must be actively managed to deliver sustainable returns; we recognise that ESG factors have a real economy impact on the performance of our property assets.

Rigorous investment processes are crucial to successful implementation of our investment philosophy. Our process seeks to:

- Identify risks and opportunities, including specifically ESG factors at each stage of the process, from stock selection to asset management
- Analyse portfolios and assets against each fund or client's risk return profile and investment objectives on a continual basis

This process is overseen by the CIO/ deputy CEO, and the Global Head of Investment Risk, who act as 'guardians' of the investment process.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The elements which comprise the Savills IM's ESG Policy are laid out below. Our full policy is available on our website: [http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf).

**Environmental Sustainability**

We adopt best practice procedures for the promotion of sustainability issues across our business. We seek to engage with and, where possible, provide training for our staff to proactively lessen their impact on the environment. We consider sustainability issues throughout our investment processes, in asset selection, pre-purchase due diligence, our asset management and disposal strategies, recently developing thorough guidance for investment teams on ESG considerations during transaction decision making processes.

**Social Equity**

We recognise that our business has social obligations to our employees and trading partners. We also accept that the operation of our business should include consideration of the communities in which we function. Savills IM invests in the personal development and welfare of employees by offering training opportunities to enhance skills and knowledge and further personal development opportunities are via charity volunteer leave, encouraging staff to make a positive impact in the community. At the beginning of 2020, the company enshrined a spending commitment equating to 0.5% of profits, to spend on the enhancement of corporate responsibility. Savills IM offer an impartial Employee Assistance Programme to all staff, paying attention to personal well-being. We have Conflicts of Interest and ESG policies and also adhere to the Savills plc (our parent company) Group Health and Safety, Anti-Corruption and Environmental policies. Savills IM are also members of the Savills plc CSR committee, ensuring alignment with the CSR approach across the Savills group.

**Responsible Corporate Governance**

We observe a set of fundamental standards of sound management and professional business conduct. We have a robust governance framework to manage and mitigate investment risk (including sustainability), the full details of which can be found in the ESG policy.

**Reporting and Disclosure**

We are committed to transparent monitoring and disclosure of ESG objectives and asset performance for the wider business and investment community. Progress on sustainability matters at an individual portfolio level is included as standard in quarterly investor updates and addressed in annual audited and interim reports. As a

signatory, we fulfil our annual UNPRI reporting requirements at a corporate level and, where appropriate, Savills IM funds participate in the annual GRESB survey. In 2019, 11 Funds and mandates equating to EUR 5.56 billion measured and disclosed to investors on their ESG performance.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
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[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

Formalised guidelines on environmental factors

	URL/Attachment
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URL

	URL
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[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

Formalised guidelines on social factors

	URL/Attachment
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URL

	URL
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[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<http://www.savillsim.com/responsible-investment/>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches

URL/Attachment

- URL
- Attachment

File Attachment

[SIM TAC Paper Template ESG considerations Mar 2020.pdf \[1834KB\]](#)

- Active ownership approaches
- Reporting

URL/Attachment

- URL

URL

<http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-02.pdf><http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-02.pdf>

- Attachment
- Climate change

URL/Attachment

- URL
- Attachment

File Attachment

[SIM TAC Paper Template ESG considerations Mar 19.pdf \[1834KB\]](#)

- Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

- URL
- Attachment

File Attachment

[Investor ESG materiality PRI survey.pdf \[650KB\]](#)

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Our Conflicts of Interest Policy identifies:

- situations where conflicts may arise
- types of conflict
- disclosure
- oversight; and
- record-keeping
- processes for resolution of conflict issues, where they occur.

All employees are expected to be cognisant of potential conflicts and notify the Compliance Officer of risks where necessary. Principal areas at risk of conflict are deal allocation, conflicts between Savills IM and clients (e.g. regarding performance/transaction fees) and the appointment of third party services from a party related to Savills IM.

No

SG 03.3	Additional information. [Optional]
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To mitigate material risk to our clients' interests it is essential that conflicts of interest are identified and managed, where they might arise from services we provide and the regulated activities we perform.

Conflicts between service providers and counter parties are referred to the Board of Savills IM (UK) Ltd by the Compliance Department. The appointment of professional services provided by connected firms will be made on a competitive basis with other parties invited to tender and the final selection made on a "best execution" basis. Savills IM will always endeavour to take all reasonable steps to obtain the best possible result for its clients in the execution of all contracts. The obligation to provide best execution for client funds impacts how we select and collaborate with third parties who work with Savills IM. For example, in hiring professional services consideration would be given to a variety of factors including the experience of the principals both in terms of breadth and appropriateness, their geographic location, their knowledge and professional standing as well as the price of their services.

Savills IM has a governance structure which safeguards the independence of the risk management function, and the management of perceived and actual conflicts of interest. The register of conflicts of interest is reviewed quarterly, and the Conflicts of Interest policy is reviewed annually by our Risk Management Committee.

Where there is an actual or potential conflict of interest, Savills IM endeavours to act fairly, consistently and transparently where possible, subject to previously disclosed rules. This applies to potential or actual conflicts of

interest between Savills IM (or its staff) and one or more clients, and also where there may be a conflict of interest between clients.

<b>SG 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 04.1</b>	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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- Yes
- No

<b>SG 04.2</b>	Describe your process on managing incidents
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ESG portfolio incidents would be picked up via either the Portfolio Advisory Committee (PAC) and the Transaction Advisory Committee (TAC), both delegated committees of the Savills IM Global Executive Committee (GEC), and both of which have the discussion of ESG issue in their remit. The PAC meets on a semi-annual basis, approximately one month after the end of each half year period, with ad hoc meetings held as required. The PAC's role is to review, consider, endorse or reject proposals made by the relevant fund team in relation to the portfolio management activities of each client/fund portfolio. Specific considerations within the PAC's remit where the discussion of ESG issues may arise are as follows: 1. Individual portfolio investment objectives, benchmarks and return targets; 2. Individual portfolio strategies including sustainability, acquisitions, asset management, disposals and financing; 3. Portfolio investment performance and risk management; and 4. Investor relations and issues. The TAC meets on a weekly and on an ad hoc basis to review, consider and endorse or reject the recommendations that fund teams wish to make to their relevant decision-making boards (under Savills IM's various advisory contracts) for investment purchases, sales or material capital expenditure and related debt/treasury issues. It is within the TAC's remit to ensure sufficient consideration has been given to Corporate and fund ESG policies, for each transaction discussed. Decisions presented to and made by the TAC are also logged and reviewed by a separate Risk Committee, which reports into the GEC and Savills plc Boards.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 05.2</b>	Additional information. [Optional]
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The company's sustainability objectives are documented in a roadmap which is reviewed monthly with our sustainability consultant. These objectives are reviewed and agreed by representatives of the GEC at the beginning of each year calendar year, and assessed half yearly and at year end. The inclusion of a specific delivery method and deadline for each objective provides a reliable way of tracking progress and achievements throughout the year, allowing effective reporting of the company's achievements.

<b>SG 06</b>	Voluntary	Public	Descriptive	General
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation

	Key performance indicator
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Organise a staff training day and workshop on sustainability in the built environment

	Progress achieved
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In April 2019, Savills IM organised an offsite for staff at the Crystal, London (<https://www.thecrystal.org/>), one of the world's most sustainable buildings. The morning featured a talk by sustainability expert, practising architect, author and TED talk speaker Michael Pawlyn on 'Mimicking Nature's Genius' in the built environment. Attendees then had a tour of the Siemens Sustainable Cities exhibition. During the afternoon, a working group formed from staff across global offices met to workshop and define the businesses ESG Values and Vision, available on the corporate website (<http://www.savillsim.com/responsible-investment/>). 30 staff attended the seminar in person and the event was filmed and shared globally with all our staff for maximum training and engagement.

- Provide training on ESG engagement

	Key performance indicator
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Engage with global staff by sending annual staff survey to assess materiality of environmental, social and governance topics to staff.

	Progress achieved
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ESG engagement surveys were sent to all staff in 2017, 2019 and January 2020. The results have been analysed, shared with staff and used to inform the companies training and sustainability policies.

- Improved communication of ESG activities within the organisation

	Key performance indicator
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Use the Sustainability, ESG and Corporate Responsibility spaces on Connect (company's intranet) to share updates, events, guidance and news on material sustainability topics

Progress achieved

Intranet sites set up and actively used to communicate updates. The intranet is an internally open-access platform and staff are actively encourage to use these sites to share sustainability updates or training outputs which relate to their specific functions (e.g. risk management, investment, compliance, financial reporting etc.)..

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Year-end report of ESG activities to the Board, and quarterly updates from the Head of ESG to the CIO and deputy CEO.

Progress achieved

In Q4 2019, a presentation of the next steps for 2020 in relation to both corporate responsibility and ESG portfolio strategies was provided to the board by the Head of ESG. Quarterly updates were also provided to the CIO and Deputy CEO on the status of key responsible investment KPIs, which are then communicated to Savills plc (the parents company of Savills IM).

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Head of ESG line management move to report into the Global Head of Investment Risk who has oversight of investment decision making processes

Progress achieved

Line management of Head of ESG changed in July 2019. Since then, the Head of ESG has had sight of investment decisions and discusses updates on material sustainability risks and opportunities to Global Head of Investment Risk.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above



## ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio

### Key performance indicator

Increase the number of funds participating in the Global Real Estate Sustainability Benchmark, and the scores of participating funds

### Progress achieved

In 2019, three new fund participated in the benchmark taking the total number of Savills IM managed mandates to 11 (equating to EUR 5.56 billion AUM). All Savills IM funds submitting to the benchmark in 2019 improved their score. The average overall score increase of Savills IM funds was 12 percentage points, compared to a GRESB average increase of 5 percentage points.

- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

## Other activities

- Joining and/or participation in RI initiatives

### Key performance indicator

Work with industry stakeholders to develop ESG best practice tools and initiatives.

### Progress achieved

In 2019, Savills IM held membership in the Association of Real Estate Funds (AREF) ESG and Impact Investing committee. During 2019, this meant consulting on the Responsible Investment framework produced by the Investment Association. Over the year, Savills IM were also on a working group to develop the Carbon Risk Real Estate Monitoring (CRREM) tool with a working group of investment managers and academics. The CRREM tool facilitates managers to track portfolio and individual asset pathways, to manage impact towards global temperature increases.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

### Key performance indicator

Publish annual ESG report to clients

Progress achieved

The 2018 annual ESG report was made available to clients and broader stakeholders, via our website and promoted via Business Development teams, in Q4 2018. The 2019 annual report was published via the same methods in February 2020.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

**Governance and human resources**

**SG 07**

**Mandatory**

**Public**

**Core Assessed**

**General**

**SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

**Select from the below internal roles**

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
Global Head of Investment Risk

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The Head of ESG is responsible for defining and facilitating the ESG strategy at corporate, country and fund levels. The Head of ESG liaises with the GEC to agree and manage annual ESG targets and reports into the Global Head of Investment Risk.

The Global CIO / Deputy CEO is responsible for integration of ESG considerations into investment and property management decisions throughout the business.

The Global Head of Investment Risk is a member of the European Executive Committee and also Chairman of the ESG Committee, which meets quarterly to develop and ensure the efficacy of Savills IM's ESG policies. His role as Chairman of the ESG Committee entails responsibility for both the oversight and accountability of responsible investment at Savills IM, and the implementation of responsible investment within the funds managed or advised by Savills IM via the TAC.

As a member of the Savills Group, Savills IM subscribes to the Savills Group Environmental, Conflicts of Interest, CSR and Anti-Corruption policies. Two members of the Savills Board are present on the Savills IM Global Executive Committee (GEC) ensuring integration and implementation of Savills policies within the Investment Management business. The GEC meets approximately 6 times a year.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

	Number
--	--------

1

<b>SG 07.4</b>	Additional information. [Optional]
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Lucy Auden is Head of ESG at Savills IM, having joined the company with a focus on ESG issues in 2012. Her role is to develop and embed Savills IM's approach to sustainability, including the company's corporate responsibility and ESG strategies.

Lucy's experience includes driving the company to commit and align to responsible investment frameworks including the PRI (since 2014), the public support of the TCFD framework and managing the reporting of EUR 5.56 billion of AUM to the Global Real Estate Sustainability Benchmark. Lucy is on a working group to develop the EU H2020 Carbon Risk Real Estate Monitor (CRREM) tool, to improve energy efficiency and to decarbonize the building sector by 2050, and is a member of the AREF ESG and Impact Investing Committee in association with the Investment Association (IA). Lucy has an MSc in Environment and Sustainable Development from UCL.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Since signing up to the PRI in October 2014, Savills IM has used the Principles to guide its own responsible investment policies. Specifically, we have identified and improved business processes to better align ourselves with the Principles in areas such as ensuring the inclusion of ESG clauses in Property Manager contracts, and specific ESG statements in our Fund documentation.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have participated in GRESB since 2012. A target in the company's corporate ESG strategy is to increase the number of Funds and mandates reporting to GRESB, and increase the scores of participating funds, year on year. In 2019, 11 Savills IM funds participating in the benchmark, equating to EUR 5.56 billion on AUM. Savills IM Fund managers act as public spokespersons at multiple GRESB results and panel events, and have reported joint statements on the GRESB initiative in publications including 'ESG Data in Pan-European Real Estate: More ESG Data, Challenges and Opportunities' in the 2018 ESG report - <http://www.savillsim.com/documents/esg-report-2018.pdf>.

- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
Carbon Risk Real Estate Monitoring (CRREM) Project

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2019 the Head of ESG, representing Savills IM was part of the European Union's Horizon 2020 funded Carbon Risk Real Estate Monitoring (CRREM) Project working group and the AREF ESG and Impact Investing Committee. This requires attendance and organisation of events and regular meetings and the review, input and feedback on industry papers and guidance in collaboration with Investment Association (IA).

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Supported multiple members of the investment team to attend the 2019 INREV programme: ESG for Non-listed Real Estate Investment (<https://www.inrev.org/training/00797/esg-course>)

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Provided input and/or collaborated with academia on RI related work

Description

The CRREM project (see SG 09.2) has been developed by academics at the Institut für Immobilienökonomie / Institute for Real Estate Economics, Austria. In 2019 the Head of ESG has contributed to the development of the CRREM tool as part of an industry working group.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

#### Description

An Investment Director from London spoke on an Urban Land Institute (ULI) conference in 2019, discussing the impacts of climate change on logistics assets alongside a panel.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

#### Description

Quarterly Corporate Update produced and distributed to clients and market peers, containing Responsible Investment chapter which discussed Savills IM's take up, and promotes adoption of the PRI (report available on request).

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media



	Description
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Press releases written and published in the media during 2019, covering Savills IM's responsible investment performance.

	Frequency of contribution
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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## Outsourcing to fiduciary managers and investment consultants

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants

<b>SG 12.4</b>	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.
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- Custodial services
- Investment policy development

	Describe how responsible investment is incorporated
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Third party sustainability consultants are used to help develop our responsible investment policies.

- Strategic asset allocation
- Investment research

Describe how responsible investment is incorporated

ESG related research data points are provided by third party data providers and incorporated into investment research (see p.14, [http://www.dynamiccities.savillsim.com/resources/documents/Dynamic\\_Cities\\_ResearchPaper\\_2018.pdf](http://www.dynamiccities.savillsim.com/resources/documents/Dynamic_Cities_ResearchPaper_2018.pdf))

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No, we do not use investment consultants.

**SG 12.5**

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- Including responsible investment as a standard agenda item at performance review meetings
- Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- Reviewing the impact of ESG factors on financial performance
- Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- Including responsible investment criteria as a formal component of overall manager performance evaluation
- Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- Reviewing how ESG materiality is defined by the fiduciary manager
- Other general aspects of your monitoring; specify
- We do not consider responsible investment in the monitoring processes for fiduciary managers.

**SG 12.6**

Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach [Optional].

The above answers are provided in the context that Savills IM and its fund / asset managers have a fiduciary duty to manage the assets of our investors. 'Fiduciary managers' have therefore been interpreted in this response as Savills IM's fund and asset managers. It should be noted that Savills IM only invests in property assets, and that fund teams do not employ any external fiduciary managers.

Compliance with our Responsible Investment policy forms part of the agenda of the PAC (which monitors portfolio management processes and financial performance), and TAC (providing advisory review of asset purchase, sale and significant CapEx decisions, in the context of portfolio construction).

ESG reporting is coordinated by the Investor Relations team and all reports are subject to thorough sign off processes by the fund teams and Compliance, ahead of distribution to clients.

Fund and asset managers are encouraged to consider joining responsible investment initiatives / organisations, and to participate in educational or collaborative projects via invitations to ESG industry webinars, ESG training sessions, and ESG training documents which are made available via our intranet.

The overall management of ESG performance is evaluated for those fund and asset managers for whom ESG features in their objectives, which currently comprises our German Fund managers, specifically. The adherence to these objectives are evaluated via mid-year and year-end appraisal meetings.

Savills IM reviewed the ESG materiality as defined by its fund and asset managers, via a staff ESG survey which was sent in 2017, 2019 and January 2020. The survey requires fund and asset managers (as well as all other staff,

segregated by department) to prioritize which environmental, social and governance aspects were of most materiality to them in their role, and the wider business.

The option above, "Does the organization review the fiduciary manager's PRI Transparency or Assessment reports" has been left blank as it is not applicable to Savills IM. Since Savills IM submits our PRI Transparency and Assessment report at an organizational, rather than a fund level, no PRI Transparency or Assessment reports exist for our fiduciary managers (which we have interpreted as our fund and asset managers, as outlined in paragraph 1). ESG information and performance is collected and reported at the fund level for 8 funds via the GRESB survey, on an annual basis.

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3	Additional information. [OPTIONAL]
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Savills IM strategically selects and makes asset purchase decisions in accordance to the ESG criteria of its real estate assets. We acknowledge that assessing asset ESG criteria forms part of the risk and opportunity analysis of asset portfolio construction decisions, therefore ESG issues are assessed as part of assets allocation decisions between sectors or geographic markets.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Assess flood risk as a key risk factor in the asset acquisition processes.

- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.5**

Additional information [Optional]

Our parent company, Savills PLC measures the carbon footprint of all business operations across the group including Savills IM LLP as one of the group's subsidiaries. The latest measurement, which covers the GHG emissions of Savills IM's global operational offices will be included in the 2018 Annual report, to be released in April 2019. The 2017 report is available here, with the GHG and carbon footprint information available on p.34: <http://ir.savills.com/~media/Files/S/Savills-IR-V3/result-centre/2017/savills-ar-17.pdf>.

Where Savills IM Funds are participating in GRESB, fund specific roadmaps are used to set reduction targets for emissions risks within portfolios, and outline process management for doing so. These roadmaps are assessed annually in line with suggested GRESB improvements, in collaboration with our sustainability consultant.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 15.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

## Innovation

<b>SG 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 18.1** Indicate whether any specific features of your approach to responsible investment are particularly innovative.

- Yes
- No

## Communication

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2, 6</b>
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**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Property

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input checked="" type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
<a href="https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/F38BC59F-2ADC-431A-B42C-F5625F6D364C/79894dbc337a40828d895f9402aa63de/html/2/?lang=en &amp;a=1">https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/F38BC59F-2ADC-431A-B42C-F5625F6D364C/79894dbc337a40828d895f9402aa63de/html/2/?lang=en &amp;a=1</a>	
URL	
<a href="http://www.savillsim.com/responsible-investment/">http://www.savillsim.com/responsible-investment/</a>	

**SG 19.2** Additional information [Optional]

Our annually submitted PRI transparency report is publicly available at the first URL above, and we promote the report to our clients, peers and other stakeholders. This report discloses detailed information about how we use ESG criteria to select, manage and monitor our real estate asset investments.

Our ESG performance is also reported throughout the year via press releases, annually via our corporate Annual Sustainability Report (second URL, above) and throughout the year in various research and ESG performance publications (<https://www.savills.com/impacts/natural-forces/the-rise-of-esg-in-real-estate.html>).

The ESG performance of our assets is also reported to investors, beneficiaries, peers and market stakeholders via a dedicated Responsible Investment section in our Quarterly Corporate Update, in quarterly and annual investor reports, and at Fund AGM's.

# Savills Investment Management

## Reported Information

### Public version

#### Direct - Property

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PR 01

Mandatory

Public

Core Assessed

PRI 1-6

PR 01.1

Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 01.2

Provide a URL or attach the document

URL

[http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21\(7\).pdf](http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21(7).pdf)

Attach Document

No

PR 01.3

Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

Savills IM integrates the awareness and consideration of ESG issues throughout our investment decision-making process and believes that doing so is a key part of our primary responsibility towards investors, clients, employees and other stakeholders, as well as those in the wider community.

The built environment contributes an estimated 40% of global greenhouse gas emissions and real estate assets impact the communities in and around the assets we own. Savills IM therefore understands that assessing the ESG risks and opportunities of our assets throughout their life cycle is key to understanding their long-term value and resilience.

### Stock selection

All purchases are reviewed and presented to the TAC. The TAC paper template contains guidance on ESG considerations to be made in stock selection and purchase due diligence such as environmental and climate related risks, opportunities for social impact, regulatory compliance, green building accreditation or value-add innovation.

We identify opportunities for, and the inherent risks of, sustainable practices. Opportunities include sustainability clauses in leases, tenant engagement to help meet sustainability targets, the installation of green technology and infrastructure within an asset or participating in benchmark surveys and reporting at both a fund and corporate level. We evaluate and manage the impact that sustainability has on investment performance; for example, this may include depreciation costs due to additional capital expenditure or the ability to let or sell a property. We seek to manage these elements in a manner appropriate to each fund or mandate's risk and return profile.

### Sustainable Portfolio Management

*Property development, refurbishment or fit-out:* Integrating sustainability and ESG considerations into the earliest stages of design and construction of asset development, refurbishment or fit-out creates an opportunity to add tangible value to asset value, future-proof against obsolescence, improve occupancy appeal and results in improved building performance.

*Property management:* Where we manage the assets in our investment portfolios, we select managing agents who have a strong track record in sustainability and responsible property management and expect that they adhere to our Responsible Investment strategy and incorporate ESG into all aspects of their management mandate. We expect that our managing agent has integrated the Managing Agents Partnership core provisions for integrating sustainability into property management: <http://www.betterbuildingspartnership.co.uk/our-priorities/managing-agents-partnership>.

Our focus on integrated sustainability and ESG into property management practices ensures we can continue to add value, improve and enhance assets in our ownership, reduce operation costs and foster tenant satisfaction and occupancy appeal by engaging with occupiers on ESG issues and our own policy.

Energy and water efficiency programmes, waste management plans and performance monitoring and reduction targets, tailored to each portfolio



## Disposal strategies

The TAC provides guidance at the time of asset disposal on how to consider ESG criteria in disposal decisions.

Considering sustainability measures and programs at the time of sale may enhance an asset's status and maximize value. Such features help differentiate the asset from other offerings in the market and serve as an indicator of overall quality. By bringing high-performing assets to market exposes us to a greater choice of prospective buyers and may lead to a more profitable and efficient exit.

We recognise that attitudes towards sustainability may impact investment risk and return, and both asset and fund level performance. We seek to identify both opportunities for, and the inherent risks of, sustainable practices as part of our investment process. Opportunities may include tenant engagement to help meet sustainability targets, the installation of greener technology and infrastructure within an asset or participating in benchmark surveys and reporting at both a fund and corporate level.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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### PR 02.1

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

### PR 02.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

### PR 02.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

A statement on Responsible Investment, confirming our position on ESG matters and how they are integrated into business and investment decisions, has been added to the fund placement (or equivalent) documents for all new Funds and products launched from 2015.

No

Not applicable as our organisation does not fundraise

PR 03	Voluntary	Public	Additional Assessed	PRI 4
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<b>PR 03.1</b>	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.
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- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

<b>PR 03.2</b>	Additional information.
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As well as including a dedicated Responsible Investment statement in our fund formation documents from 2015, formal commitments are included in the investment strategy for some funds, in particular those which are open ended such as the UK Income and Growth Fund where a statement is available in the Fund Strategy document. This statement confirms that, at acquisition, functionality and sustainability are key considerations which become paramount in generating capital growth through active management.

The Charities Property Fund (open ended and with a similar strategy to purchase diverse sector, UK assets with a focus on income and capital gain) also has a dedicated Responsible Investment statement in the Terms and Conditions of the Fund's application form which is available on the fund's website: (<http://www.cpfund.co.uk/about/how-to-invest>).

## Pre-investment (selection)

<b>PR 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>PRI 1</b>
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<b>PR 04.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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- Yes

<b>PR 04.2</b>	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.
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All assets selected and acquired are subject to due diligence processes and assessment by the Transaction Advisory Committee (TAC). The committee requires that an explanation is provided of how the environmental sustainability objectives from our ESG Policy are reflected in the asset selection and/or asset plan:

- identifying rental growth prospects near an expanding public transport hub;
- identifying that possible improvements in environmental performance can be achieved: renewable energy, insulation, recycling, grey water conservation, occupier health / well-being initiatives, in particular considering the costs/benefits of such initiatives;
- whether any interaction with tenant(s) has taken place to raise awareness of energy consumption; and
- querying whether the property complies with local environmental / energy performance / sustainability legislation, and providing an EPC rating if available.

Where appropriate, green building certification and environmental or health and well-being rating certificates are sought for the assets and Savills IM currently assets have been awarded 68 ESG related certificates and accreditations, across 12 countries. A further 33 certificates are in the pipeline for new developments and refurbishments.

A full copy of our ESG TAC paper can be found in SG 02.2.

**PR 04.3**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

Asset contribution to climate change (mitigation) and resilience requirements (adaptation) are considered in relation to e.g. increased temperatures, flooding (coastal or inland), and extreme weather events. Savills IM have conducted a review of how climate-related risks are assessed in asset acquisition and ownership and are working towards alignment with the TCFD framework over the 3-year period from 2020 - 2023.

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, description

Is there any known ground contamination at the property? (Obtain relevant ground contamination reports e.g. Phase 1 and 2).

Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, description

1. Is there a Green Travel Plan in place for the site for the asset? (Obtain copy).
2. Have Travel Surveys been undertaken with tenants / customers? (Obtain copy).

3. Are there existing electric vehicle charging points? If so, what are the contractual arrangements with the charging point installer?

Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

Are there strong existing community frameworks or groups that might object or have specific engagement requirements during acquisition or future development phases? Explore prospective local community groups, charities or schools within the vicinity for future community engagement opportunities.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

Have occupancy satisfaction and perception surveys been carried out? (Obtain historical tenant surveys).

Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, description [OPTIONAL]

Have convenience factors, such as 'walk-ability' or score or design and access statement been assessed?

- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 1, description

Was there any conflict in asset allocation process? If so, how was this resolved?

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, description

Include a description of the proposed acquisition and ownership structures.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

No

PR 05

Voluntary

Public

Additional Assessed

PRI 1,3

<b>PR 05.1</b>	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

<b>PR 05.2</b>	Provide a brief description of how this ESG information was incorporated into your investment selection process.
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ESG information is incorporated into the investment selection process by the inclusion of guidance on E, S and G factors in the TAC. Approval of any purchase, sale or major capex work from the TAC is required before detailed due diligence is undertaken and before binding commitments are made.

The committee requires that an explanation is provided of how the environmental sustainability objectives from our ESG Policy are reflected in the asset selection and/or asset plan:

- identifying rental growth prospects near an expanding public transport hub;
- identifying that possible improvements in environmental performance can be achieved: renewable energy, insulation, recycling, grey water conservation, occupier health / well-being initiatives, considering the costs/benefits of such initiatives;
- whether any interaction with tenant(s) has taken place to raise awareness of energy consumption; and
- querying whether the property complies with local environmental / energy performance / sustainability legislation and providing an EPC rating if available.

Where appropriate, green building certification and environmental rating certificates are sought, and Savills IM assets have been awarded 68 ESG-related certificates and accreditations across 12 countries. A further 33 certificates are in the pipeline for new developments and refurbishments.

To help ensure the importance of ESG issues is understood in investment selection and portfolio management decisions, Green Asset Management, Development and Fit - Out guidelines are being produced to provide the necessary tools for teams to deliver asset management opportunities with sustainable performance in mind. We have developed an extensive list of ESG criteria for our standard TAC paper template, prompting the analysis, research and understanding of ESG aspects in investment decisions.

Fund Managers may commission independent environmental surveys from technical consultants to identify possible ESG issues ahead of purchase. Green Due Diligence services are provided by our sustainability consultants at the request from the fund's portfolio manager for each proposed transaction. This comprises a thorough assessment of EPC rating, flood risk, energy usage, water, waste, BREEAM rating, materials used, transport links, and air quality.

A full copy of our ESG TAC paper can be found in SG 02.2.

<b>PR 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**PR 06.1**

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

**PR 06.2**

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

### Selection, appointment and monitoring third-party property managers

**PR 07**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4**

**PR 07.1**

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

- Yes

**PR 07.2**

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues

#### Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

#### Coverage

- >75% to 100%
- >50% to 75%
- <50%

Contractual requirements when appointing property managers includes ESG issues

#### Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

#### Coverage

- >75% to 100%
- >50% to 75%
- <50%

Monitoring of property managers covers ESG responsibilities and implementation

#### Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

#### Coverage

- >75% to 100%
- >50% to 75%
- <50%

No

#### PR 07.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

ESG issues are considered in Savills IM's contracting and monitoring of third party property managers.

Third party contracts have been checked for the inclusion of the following clauses (or similar):

Wherever possible, the Property Manager will:

- Monitor, collect and report resource consumption data
- Engage with tenants on ESG to improve sustainability within the portfolio

- Develop and provide training on sustainable practices/ technologies
- Deliver property management best practice in accordance with the Better Building Partnership (BBP) Managing Agent's Core Provisions (<http://www.managingagentspartnership.co.uk/integrating-sustainability-property-management-services-core-provisions>)

Where such ESG clauses already exist, monitoring performance of and adherence to these has been added to the agenda for regular review meetings between our Fund Managers and the third party property managers. Doing so has allowed Savills IM to centralise different ESG considerations taken by our third party property managers. Where no ESG clauses were found in third party contracts, portfolio managers are in discussions with third party property managers to add these.

## Post-investment (monitoring and active ownership)

### Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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☉ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

See 14.3

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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Savills IM considers ESG issues in monitoring and management of property investments by encouraging property managers to collect and report to our sustainability consultant on consumption, waste and water data where possible, and where we have control of energy consumption, allowing us to create improvement targets for our assets and funds.

In the context of development and refurbishments, Savills IM ensures developments are sustainable and typically delegates the implementation for doing so (via compliance with market standards and best practice) to our development partners via Development Management Agreements. In addition, specialist professional consultants are appointed to provide advice and management of the delivery of the requirements for any environmental performance compliance. In this way, all reasonable endeavours are taken to procure that any investments comply, or indeed exceed, the relevant environmental standards and the responsibility for delivering the results lies with the parties most qualified to do so. Construction works are then procured via the most appropriate route with the professional team and contractors then responsible, via building contracts, to deliver the desired completed product.

Where development and refurbishment activities take place in Savills IM funds, sustainability and environmental issues of new residential or commercial developments are managed in line with Savills IM's ESG Policy. However, the drivers for the environmental requirements and sustainable strategies within

building projects may have more physical influences such as end user requirements, economic viability and central and local government strategy.

In 2019 Savills IM added criteria relating to ESG topics to our standard RFP template. These include a requirement to demonstrate and provide evidence of policies on equality and diversity, and sustainability.

No

## Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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**PR 09.1** Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

**PR 09.2** Indicate which ESG targets your organisation and/or property managers typically set and monitor

Environmental

Target/KPI	Progress Achieved
Measure and store resource and energy consumption data for at least 80% of directly managed assets in an ESG data platform. Develop process to identify improvements to asset efficiency via technical energy, water, waste and health and well-being audits. Increase participation in GRESB and improve scores across participating entities.	On track. Towards the end of 2019, asset level information required to collect the data in 2020 has been assimilated. Completed. Process to systematically identify assets for technical audits established and available to global investment teams via company intranet. Completed.

Social

Target/KPI	Progress Achieved
Develop and implement a health and well-being strategy for funds. Up-skill and educate staff by delivering an ESG training program. Develop a global CSR program.	Ongoing. Conducting Health and Well-being audits at the asset level. On track. Sustainability training module was mandatory for all new staff joining Savills IM. During 2019, 220 hours of ESG training was delivered to staff. On track. Savills IM are aligned to our parent company as a fully owned subsidiary and are present on their CSR Committee.

Governance

Target/KPI	Progress Achieved
Review current ESG-related legislation. Define and document Savills IM's core ESG values. Flexible and agile working	Complete. In 2019, Savills IM mandated a sustainability consultant to review current climate-risk related processes, to ensure preparedness for alignment to the TCFD framework. Completed. At a workshop, senior and global Savills IM staff defined core ESG values. These are published under the Responsible Investment section on our website. Towards the end of 2019, Savills IM introduced an Agile Working Policy for flexible working arrangements to enhance employee work-life balance.

We do not set and/or monitor against targets

**PR 09.3** Additional information. [Optional]

We have a corporate annual road maps which allows us to set and track the progress of specific ESG targets. These road maps have been put in place so that we maintain a structured approach to our ESG objectives. The road map objectives target all aspects of ESG: environmental (resources, e.g. water, waste and carbon), social engagement, community matters, governance and legislative compliance. Road map ESG targets are SMART (specific, measurable, achievable, realistic, time-related) even where they are qualitative rather than quantitative, to allow for effective implementation and monitoring. Savills IM reports our progress towards our ESG targets and KPIs, in our annual sustainability report; available on our website.

**PR 10** Voluntary Public Descriptive PRI 2

**PR 10.1** Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

Yes

**PR 10.2** List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

Add certification scheme, rating and benchmark 1

Specify	Global Real Estate Sustainability Benchmark
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	BREEAM New Construction
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	LEED Gold
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets  (in terms of number of property assets)

No

**PR 10.3** Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
- No property specific reporting standards are used

**PR 10.4** Additional information.

In 2019 we measured and benchmarked the ESG performance of 11 mandates and funds, equating to EUR 5.56 billion or 30% of our total owned assets (as a percentage of our total owned assets). In 2018 we became a Real Estate Manager member of GRESB illustrating our ongoing commitment to ESG performance throughout our portfolios.

Since the last PRI reporting period Savills IM has increased the number of ESG-related building certificates on real estate assets from 51 to 68 across ten countries. 46% of these are BREEAM New Construction (Very Good or Excellent) and 19% are LEED Gold.

## Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
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PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

PR 11.3	Additional information. [Optional]
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Where Savills IM carries out development and refurbishment work, the primary drivers for considering ESG issues is to protect value, mitigate ESG related risks and enhance environmental sustainability and climate resilience to avoid future stranded asset risk. Where our funds and mandates meet the criteria for the UK government Energy Savings Opportunity Scheme, portfolios have complied with regulation and carried out necessary audits. Where relevant, end user requirements, economic viability and central government strategy also motivate the consideration of ESG issues.

ESG considerations within developments and refurbishments are monitored and discussed in regular construction meetings between the mandated contractors and health and safety management systems are in place at all sites.

In 2019, a corporate pension fund mandate managed by Savills IM submitted and secured planning consents on over half a million sq ft of commercial space which will target health and wellbeing focused WELL Standard accreditation, incorporating excellent standards of indoor air quality, nourishment, light, fitness, comfort and mind-related criteria.

## Occupier engagement

PR 12	Mandatory	Public	Core Assessed	PRI 2
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**PR 12.1** Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

**PR 12.2** Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

**PR 12.3** Additional information. [Optional]

In relation to 12.1, during 2018 Savills IM engaged with occupiers across our managed and FRI assets held by 4 funds across the UK using newsletters, tenant ESG surveys, and sustainable guides. In line with GRESB reporting requirements, the occupier and tenant engagement survey is valid from 2018-2021 and will be revisited in 2021.

## Community engagement

PR 14	Voluntary	Public	Additional Assessed	PRI 2
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<b>PR 14.1</b>	Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
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- >90% of property assets
- 50-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

<b>PR 14.2</b>	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
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- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

<b>PR 14.3</b>	Additional information.
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In 2019 we continued to improve our focus on community engagement across our Fund management activities and our business operations.

Examples in fund management are demonstrated by a near-perfect Social score in the 2019 GRESB assessment for a corporate pension fund mandate, managed from the UK (93/100 vs. a GRESB average Social score of 79/100). The team were praised for it's a sensitive, conservation led planning approach to a London Office development, in particular their strong community engagement with three local charity partners during the planning process. The same team has organised school trips to development sites for female students, to promote girls pursuing careers in real estate development via educational engagement.

In our business operations, in 2019, Savills IM staff volunteered their time at Spitalfields City Farm, a charity is situated just 0.8 miles from one of Savills IM's Fund's BREEAM excellent assets. The afternoon saw staff working as a team to carry out improvements that would create a more welcoming place for visitors, helping to maintain and improve accessibility to the free-entry community space and provide a positive social impact on the local area. Activities included sweeping fallen fruit and leaves from the walkways that would later be recycled as compost, litter picking, varnishing the pergola and painting the animal enclosures.

## Outputs and outcomes

<b>PR 15</b>	Voluntary	Public	Additional Assessed	PRI 1,2
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<b>PR 15.1</b>	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts funds' financial performance

<b>PR 15.2a</b>	Describe the impact on the following.
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Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts funds' ESG performance

**PR 15.2b** Describe the impact on the following.

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

**PR 15.3** Describe how you are able to determine these outcomes.

We use GRESB reporting metrics, measuring energy, waste, water and greenhouse gas performance determine how considering ESG issues has positively impacted our funds' ESG performance. Score cards are available on request.

We consider a broad spectrum of ESG issues in our asset acquisition and disposal process, in relation to financial criteria such as service change, asset value, payback time of ESG initiatives (such as obtaining ESG related certification, carrying out audits and implementing improvement measures). In 2019 we mandated an independent sustainability consultant to recommend how climate-related risks and opportunities are assessed un asset acquisition and throughout active ownership. The risks and opportunities presented by every asset bought and sold, including those relating to ESG aspects, are thoroughly documented following review by the Transaction Advisory Committee. Consideration of how ESG factors and performance impact asset and portfolio performance, during ongoing management, are assessed periodically by the Portfolio Advisory Committee.

<b>PR 16</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,3</b>
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**PR 16.1** Provide examples of ESG issues that affected your property investments during the reporting year.

Add Example 1

ESG issue	Energy efficiency
Types of properties affected	Retail
Impact (or potential impact) on investment	In 2019, a retail Fund managed by Savills IM successfully put a ESG plan into action for one of its assets, a retail shopping centre, by installing LED lighting systems and electric vehicle charging stations, including "green clauses" in new leases, and by using recycled materials in refurbishment projects.
Activities undertaken to influence the investment and the outcomes	<p>The new LED lighting system will generate an annual energy saving equal to c. 60% with a material impact in terms of CO2 emission of the shopping centre.</p> <p>Savills IM has also signed a contract with an electric vehicle charging station operator to live up to modern standards.</p> <p>Finally, the recent refurbishment of the food court within the shopping centre will improve the image of the shopping centre and has taken the sustainability compliance of all materials used into consideration. In addition, the new children's area installed has used recycled plastic throughout.</p>

Add Example 2

ESG issue	Waste Management
Types of properties affected	Office (retail on ground and gym)
Impact (or potential impact) on investment	In 2019, an office building under Savills IM's management joined the Clean City Awards for the asset's efforts in waste management initiatives to maximise efficiency and reduce landfill.
Activities undertaken to influence the investment and the outcomes	The waste management strategy is based on a separation at source and the occupiers at the asset are actively encouraged to separate their waste into mixed recyclables and residual waste. This message is strongly delivered to occupiers to keep recycling at the forefront of their activities and play their part towards a clearer environment.

Add Example 3

Add Example 4

Add Example 5

# Savills Investment Management

## Reported Information

## Public version

## Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify  
A third party sustainability consultant has reviewed our whole PRI report before submission.
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

**CM1 02.2** Whole report was assured in last year's PRI Transparency Report

Who has conducted the assurance

The independent assurance department at EVORA Global, Savills IM's sustainability consultant.

Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Link to external assurance provider`s report

[https://sgop-my.sharepoint.com/personal/lucy\\_auden\\_savillsim\\_com/\\_layouts/15/onedrive.aspx?id=%2Fpersonal%2Fflucy%5Fauden%5Fsavillsim%5Fcom%2FDocuments%2FESG%2FFund%20Management%2FReporting%20and%20Benchmarks%2FUNPRI%2FReports%2F2019%2FSavills%20IM%20PRI%20Report%20%2D%20Assurance%20Statement%202019%20FV1%2Epdf&parent=%2Fpersonal%2Fflucy%5Fauden%5Fsavillsim%5Fcom%2FDocuments%2FESG%2FFund%20Management%2FReporting%20and%20Benchmarks%2FUNPRI%2FReports%2F2019](https://sgop-my.sharepoint.com/personal/lucy_auden_savillsim_com/_layouts/15/onedrive.aspx?id=%2Fpersonal%2Fflucy%5Fauden%5Fsavillsim%5Fcom%2FDocuments%2FESG%2FFund%20Management%2FReporting%20and%20Benchmarks%2FUNPRI%2FReports%2F2019%2FSavills%20IM%20PRI%20Report%20%2D%20Assurance%20Statement%202019%20FV1%2Epdf&parent=%2Fpersonal%2Fflucy%5Fauden%5Fsavillsim%5Fcom%2FDocuments%2FESG%2FFund%20Management%2FReporting%20and%20Benchmarks%2FUNPRI%2FReports%2F2019)

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme

**CM1 03.2** Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines
- B-corporation
- UK Stewardship code
- GRESB

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %

- Commodity type label (e.g. BCI)
- Social label
- Climate label
- RIAA
- Other

We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

**CM1 03.3** Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the external assurance provider`s report.

Link to sustainability, RI, or integrated report [URL]

<http://www.savillsim.com/documents/annual-sustainability-report-2019-v8.pdf>

Link to external assurance provider`s report [URL]

[https://sgop-my.sharepoint.com/:b:/r/personal/lucy\\_auden\\_savillsim\\_com/Documents/ESG/Fund%20Management/Reporting%20and%20Benchmarks/UNPRI/Reports/2020/3020%20Assurance%20Statement%20FV1.pdf?csf=1&e=e4cQ9B](https://sgop-my.sharepoint.com/:b:/r/personal/lucy_auden_savillsim_com/Documents/ESG/Fund%20Management/Reporting%20and%20Benchmarks/UNPRI/Reports/2020/3020%20Assurance%20Statement%20FV1.pdf?csf=1&e=e4cQ9B)

- ESG audit of holdings
- Other, specify
- None of the above

CM1 05	Mandatory	Public	Descriptive	General
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**CM1 05.1** Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

#### What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

#### Relevant modules

- Organisational Overview
- Strategy and Governance
- Direct - Property

#### Who has conducted the assurance

Third party sustainability consultant, EVORA Global

#### Assurance standard used

- ISAE/ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ISAE/ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

#### Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

#### Please provide:

Link to external assurance provider's report [URL]

<https://evoraglobal.com/>



Attach a file

[File 1:3020 Assurance Statement FV1.pdf](#)

CM1 06	Mandatory	Public	Descriptive	General
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CM1 06.1

Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities
- RI policies

Specify

Conflicts of interest policy

- RI related governance
- Investment selection process in non-listed assets
- Third party property manager SAM process
- Post-investment ESG activities for infrastructure and/or property assets
- Other

Who has conducted the assurance

EVORA Global

When was the process assurance completed(dd/ mm/yy)

25/03/2020

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

Specify

AccountAbility's AA1000 Assurance Standard 2008 with 2018 Addendum (AA1000AS)

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

CM1 07	Mandatory	Public	Descriptive	General
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**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board

Sign-off or review of responses

- Sign-off
- Review of responses
- Investment Committee

Sign-off or review of responses

- Sign-off
- Review of responses
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)