



## Assurance Statement: AA1000

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

### *Responsibilities*

Savills IM are solely responsible for the preparation and presentation of their ESG report and corresponding data in accordance with the 2016 INREV Sustainability Reporting Guidelines.

EVORA (‘We’ / ‘Our’) have responsibility to express a conclusion on Savills IM’s alignment with the 2016 INREV Sustainability Reporting Guidelines for the reporting period of 1 January 2020 to 31 December 2020, in all material respects. The procedures selected depend on our judgment, including an assessment of the risks of material misstatement or material non-compliance of the matter being audited. We conducted our engagement in accordance with the AA1000AS.

### *Intended users*

The intended users of this assurance statement are the Management of Savills IM and its stakeholders.

### *Assurance standard and criteria*

The assurance was conducted in accordance with AccountAbility’s AA1000 Assurance Standard 2020 v3 (AA1000AS), Type 2 at a moderate level of assurance.

2020 ESG report has been prepared by Savills IM in accordance with the 2016 INREV Sustainability Reporting Guidelines (the “Criteria”).

### *Assurance scope*

The scope of assurance covered the indicators and assertions outlined below for the reporting period of 1 Jan 2020 to 31 Dec 2020 (collectively the ‘Subject Matter’):

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

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

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



### *Disclosures covered*

This assurance report covers the 2020 ESG report produced by Savills IM.

### *Methodology*

The procedures conducted in performing our moderate assurance included:

- Performing a risk assessment, including considering internal controls relevant to Savills IM preparation of the ESG report and associated data to inform further procedures
- Making enquiries, primarily of persons responsible for the preparation of the ESG Report
- Understanding Savills IM activities covered within the scope of the ESG Report
- Applying analytical and other review procedures including assessing relationships between energy and emissions data and other information under our scope
- Examination of source evidence including invoices, meter records, third party reports for a select sample of data
- Analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the ESG Report.

### *Use of our assurance statement*

This report has been prepared for Savills IM and their stakeholders for the sole purpose for reporting on the matters being assured under our scope. We understand that this report will be included in the Savills IM's ESG report. We agree that copy of this report may be provided to Savills IM's stakeholders.

We disclaim any assumption of responsibility for any reliance on this report to any person or users other than Savills IM, or for any purpose other than that for which it was prepared.

### *Limitations*

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance with the established Criteria, as an assurance engagement is not performed continuously throughout the year and the procedures performed are undertaken on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

A moderate or limited level assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than undertaken for a high level or reasonable assurance engagement. As such the level of assurance is lower than would be the case for a reasonable assurance engagement.

### *Independence and Competence*

In conducting the assurance engagement, we have complied with the independence requirements of the International Federation of Accountant's (IFAC) Code of Ethics for Professional Accountants through the implementation of internal controls to maintain independence, including:

- The EVORA Assurance Team are independent and geographically separate from the Advisory Services conducted by the EVORA Consultancy Team.
- Assessing the significance of independence threats according to the IFAC Code and confirmed that threats are clearly insignificant.
- Independence declarations were received from each of the assurance team members, confirming no financial, commercial, governance, ownership or other relationships exist that may impair our independence.



Our multi-disciplinary assurance team is highly competent and experienced on sustainability matters covering environmental, social and economic aspects. Our Managing Director is a Chartered Accountant with experience of working at a professional audit firm and extensive experience in real estate and asset management. The assurance team is led by an experienced sustainability professional who is Lead Assuror for various sustainability and GHG standards and has been part of the AA1000 V3 assurance standard technical working group.



*Findings conclusions and recommendations*

AA1000 Accountability Principles

Principle	Observations, Findings & Recommendations
<p><b>Inclusivity:</b> actively identifying stakeholders and enabling their participation in establishing an organisation’s material sustainability topics and developing a strategic response to them.</p> <p>An inclusive organisation accepts its accountability to those on whom it has an impact and to those who have an impact on it.</p>	<p>Key stakeholder groups have been identified and are regularly engaged with. These include investors, tenants and employees via various means including annual surveys of employees, tenant surveys, workshops, issuance of internal reports (quarterly) and external reports (annually), attendance at industry events and the AGM.</p> <p>The results of surveys and workshops are analysed by the Global Head of ESG, who utilises the results to feed into the ESG Roadmap which outlines the strategic direction of Savills IM with respect to sustainability.</p> <p>In 2020, engagement surveys and tenant sustainability guides were sent to tenants across portfolios. A lot of engagement was done for joint initiatives like implementation of mandatory waste management procedure for all tenants.</p> <p>Savills IM has developed a responsible investment policy, commitments include:</p> <ul style="list-style-type: none"> <li>• Committed to engaging with internal and external parties including employees, clients, tenants, project partners and service providers</li> <li>• Encourage stakeholders to proactively lessen their impact on the environment</li> <li>• With respect to social issues, Savills IM aim to not only meet legislative obligations but, where possible, exceed these requirements by proactively engaging and promoting the importance of ESG issues</li> <li>• ESG criteria are incorporated into all stages of the property lifecycle, from acquisition and development through to management and disposal.</li> <li>• ESG considerations form part of the agenda for both the Portfolio Management Committee and the Transaction Advisory Committee.</li> </ul>
<p><b>Materiality:</b> identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders.</p> <p>A material topic is a topic that will substantively influence and impact</p>	<p>In 2019, Savills IM’s internal Risk and Compliance function completed a review of the materiality of ESG related regulatory risks in the UK and Continental Europe. As a result, in 2020 Savills IM has initiated actions to comply with SFDR and TCFD reporting requirements. Further, Savills IM is conducting a comprehensive materiality assessment in 2021 to establish and refresh their sustainability material topics.</p> <p>Materiality is determined through a combination of other approaches:</p>



<p>the assessments, decisions, actions and performance of an organisation and/or its stakeholders in the short, medium and/or long term</p>	<ul style="list-style-type: none"> <li>• The nature of Savills IM business is that it is driven by real estate. Therefore, the knowledge and experience that Savills IM has acquired from working within this industry for more than 30 years with over 20 billion of euros in assets under management, confirms key material factors including energy, water and waste.</li> <li>• GRESB is a key driver – aspects raised in the GRESB survey feeds into the materiality process</li> <li>• Savills IM receive various request for proposals / tenders / pre-qualification questionnaires – these provide important information / indicators as to the key material factors of the clients which Savills IM are looking to work with</li> <li>• The Savills IM in-house research team and internal experts monitor the real estate ESG sector to keep abreast of the industry, this is to help to ensure that material factors are not overlooked. Input is gathered from external expert consultants in the ESG real estate sector in order to help direct the ESG strategy. The consultants provide key advice of what the material topics are within the industry and potential upcoming topics which need to be addressed.</li> </ul>
<p><b>Responsiveness:</b> an organisation’s timely and relevant reaction to material sustainability topics and their related impacts.</p> <p>Responsiveness is realised through decisions, actions and performance, as well as communication with stakeholders</p>	<p>The process of responding to stakeholders depends on which stakeholder group has voiced their concern and by which means. For example, if a specific investor in a specific fund has a concern, this is directed to the fund manager (unless this was a concern applicable across all funds). The fund manager is responsible for addressing the concern (with the Head of ESG supporting if required from a corporate level).</p> <p>If a concern was identified within the various surveys issued (tenants, investors, staff) then these are addressed via the follow up process. TCFD is a good example of an investor concern being identified and acted upon in order to ensure Savills IM are appropriately positioned to manage the issue. Savills IM commissioned a gap analysis (via their external sustainability consultant) of their current position and the requirements of TCFD. From the gap analysis a roadmap was developed in order to outline how Savills IM will align with TCFD recommendations with a three-year action plan developed in order to address the current gaps.</p> <p>Reporting mechanisms are in place to help to demonstrates that Savills IM is responsive and communicates through various means including:</p> <ul style="list-style-type: none"> <li>• GRESB reporting</li> <li>• PRI reporting (a PRI signatory since 2014)</li> <li>• ESG annual report</li> <li>• Regular fund reporting</li> </ul> <p>Employee survey results are used to inform improvement plans, for example the results from the 2020 employee survey (results pending) are scheduled to feed into a learning and development plan for staff in 2021.</p>



	<p>Tenant survey / engagement exercises are responded to / addressed on a local level as tenants have specific concerns with their asset, rather than the overarching strategy of Savills IM. However, where fund managers identify a potential issue from the tenant surveys, this is communicated to the Head of ESG to review and respond to via the ESG strategy.</p>
<p><b>Impact:</b> the effect of behaviour, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders or the organisation itself.</p> <p>Material topics have potential direct and indirect impacts — which may be positive or negative, intended or unintended, expected or realised, and short, medium or long term</p>	<p>The Sustainability Goals of Savills IM are mapped against the Sustainable Development Goals (SDG's) and includes a mix of quantitative and qualitative targets – over a range of timeframes, in some instances the target is short term (i.e. 12 months) in other instances there is a 3 year target.</p> <p>2020 has been a transition year, where Savills IM is working on their new ESG strategy and Net zero commitment because of which they have not published any refreshed goals. They are looking to publish their new targets in 2021.</p> <p>To manage their impacts, Savills IM undertook 50+ sustainability audits on assets in 2020.</p> <p>Savills IM also mapped carbon footprint of their global assets using reliable benchmarks and plans to reduce the energy and emissions from the high contributors.</p> <p>GRESB is a key way of monitoring, measuring and evaluating impact, not only does it capture the data and performance of individual funds, but benchmarks the funds which Savills IM manages against similar organisations to track progress and evaluate the impact of the ESG roadmap on the GRESB score (scoring increased across all funds reporting to GRESB in 2019 in comparison to 2018).</p> <p>The 2020 ESG report includes the reporting of quantitative data, including absolute electricity consumption of the corporate portfolio and intensity performance (kWh / m2). Objectives are defined which allows for year-on-year comparisons to be made which will enable the future evidencing of improvement / progress of Savills IM with respect to their ESG strategy.</p> <p>Savills IM monitor and report their progress against objectives to ensure they are aligned to regulatory and market requirements. Performance is disclosed and fed back to stakeholders through a variety of methods including:</p> <ul style="list-style-type: none"> <li>• Quarterly investor reporting</li> <li>• Reporting progress against the ESG roadmap to the board</li> <li>• Quarterly reporting to the CIO and CEO</li> <li>• Communication of GRESB and PRI results</li> <li>• Annual reporting via the ESG report</li> </ul>

*Reliability of Specified Sustainability Performance Information*



Finding	Description & Recommendations
<p><b>Finding 1:</b> Process and accuracy of Savills IM own corporate offices' environmental data</p>	<p>The data collection process as well as accuracy of Savills IM's own offices' data should be improved:</p> <ul style="list-style-type: none"> <li>• The actual process for energy and GHG data collection from their offices was not very clear and followed ad-hoc requests to be reported</li> <li>• Savills IM was not able to collect and report water and waste data for their offices</li> <li>• There were errors seen across the sampled offices which were corrected before the report publication</li> <li>• There were errors seen in the initial reported areas for the intensity calculation for some of the sampled offices. These were corrected before publication.</li> </ul> <p>It is understood that there were some organisational changes that happened in 2020 in Savills IM as well as COVID related closures which were primary reasons for the items above.</p> <p>It is recommended that the data collection process is formally documented, so that it is consistently adopted across their offices.</p> <p>Savills IM should consider the adoption of a semi-automated approach to data collation using a sustainability platform. The learnings of the assurance exercise with respect to analysis calculations / good practice approaches should be adopted into the 2021 data analysis approach.</p>
<p><b>Finding 2:</b> Savills IM's Germany offices' data not assured</p>	<p>The energy and emissions data for Savills IM's Germany offices could not be assured because of unavailability of evidences within the assurance timelines. We recommend Savills IM to establish an internal procedure on internal data validation as well as train their local offices for record-keeping on these data sets.</p>
<p><b>Finding 3:</b> Goals, targets and long term strategy</p>	<p>We recommend Savills IM to publish their long term strategy as well as duration defined goals and targets in more details to demonstrate best practice against INREV guidelines. It is understood that Savills IM is undergoing development of a new strategy, and should be able to publish this for 2021 reporting.</p>



*Our qualified opinion*

Nothing has come to our attention that causes us to believe that:

- Savills IM does not adhere to the principles of inclusivity, materiality, responsiveness and impact as per the AA1000 Accountability Principles (2018).
- the Subject matter is not prepared in accordance with the 2016 INREV Sustainability Reporting Guidelines by Savills IM in all material respects, for the reporting period 1 January 2020 to 31 December 2020 except for:
  - o Reported energy and emissions data for Savills IM's Germany offices

This was because of unavailability of evidences from Germany operations within the assurance timelines.

EVORA Global Limited – London, UK

Date: 13 October 2021



Assurance Statement Reference:



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