



CLIMATE TRANSPARENCY REPORT 2019

Savills Investment Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-F38BC59F-2ADC-431A-B42C-F5625F6D364C/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	-	Public				
SG 01.7 CC	-	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	-	Public				
SG 01.10 CC	-	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	-	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	-	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Savills Investment Management
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Property Internally Managed
Signed PRI Initiative	2014
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	64% from 38 Voluntary indicators

Savills Investment Management

Reported Information

Public version

Strategy and Governance

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.

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 tenants, investors other stakeholders to understand their ESG materiality.
- 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 and acting 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 Investment Management 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.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 Investment Management 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, an initiative of the Charitable Giving Committee (CGC), encouraging staff to make a positive impact in the community. At the beginning of each year, the CGC agrees on a fundraising calendar outlining specific initiatives to maximise and govern staff fundraising opportunities over the 12 month period. Savills Investment Management 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.

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 Investment Management funds participate in the annual GRESB survey. We review GRESB participation annually to ensure we participate in the benchmark survey for the most relevant of our funds.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

{hyperlink:<http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-21.pdf>}

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

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

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

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

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

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

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

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

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{[hyperlink: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 (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

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

- 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

{[hyperlink:SIM TAC Paper Template_ESG considerations_Mar 19.pdf \[1834KB\]](#)}

- Active ownership approaches
- Reporting

URL/Attachment

- URL

URL

{[hyperlink: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)<http://www.savillsim.com/documents/sim-responsible-investment-policy-2018-03-02.pdf>}

- Attachment
- Climate change

URL/Attachment

- URL
- Attachment

File Attachment

{[hyperlink:SIM TAC Paper Template_ESG considerations_Mar 19.pdf \[1834KB\]](#)}

- Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

- URL
- Attachment

File Attachment

{[hyperlink:Investor ESG materiality_PRI survey.pdf \[650KB\]](#)}

We do not publicly disclose any investment policy components

Governance and human resources

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
 Yes, to assess future climate-related risks and opportunities

Describe

ESG factors including the impact of climate-related risks are considered as part of the asset purchase and development risk and opportunity analysis, monitored by the TAC.

No, not to assess future ESG/climate-related issues

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
 Determining fixed income duration
 Allocation of assets between geographic markets
 Sector weightings
 Other, specify
 We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

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.

- 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

Asses 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]
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Our parent company, Savills PLC measures the carbon footprint of all business operations across the group including Savills Investment Management LLP as one of the group's subsidiaries. The latest measurement, which covers the GHG emissions of Savills Investment Management'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.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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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.
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- Yes
- No