Net Zero Strategy for Corporate Operations

Updated May 2023
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Our Journey to Net Zero

In 2021, CBRE announced its commitment to achieve net zero carbon emissions by 2040 – 10 years ahead of the goal set by the Paris Agreement. This commitment encompasses carbon emissions from our own operations, the properties we manage for investors and occupiers, and our supply chain. CBRE joined The Climate Pledge, a cross-sector community of companies and organizations working together to address the climate crisis and solve the challenges of decarbonizing our economy.

Interim Milestones and Strategic Initiatives

Our net zero goal is supported by three interim (2035) milestones approved by the Science Based Target initiative (SBTi).

- **68%**
  - reduction in CBRE corporate operations Scope 1 & 2 emissions (absolute)

- **67%**
  - per square foot reduction in owner and landlord clients’ portfolio (intensity)

- **79%**
  - per square foot reduction in occupier clients’ portfolio (intensity)

The Net Zero Strategy outlined in this document focuses on our corporate operations and the spaces we occupy. Reducing Scope 1 and 2 greenhouse gas (GHG) emissions from our global operations by 68% is a milestone on our journey to net zero. The other two science-based milestones relate to the properties we managed on behalf of clients, which are not included in this document.

Two strategic objectives that are critical to reach our science-based milestone and net zero goal:

- **100%**
  - renewable energy in CBRE operations by end of 2025

- **100%**
  - fleet electrification by end of 2035
Understanding Our Impact

Our Net Zero Strategy for Corporate Operations focuses on a subset of our total GHG emissions, addressing impacts most directly influenced by CBRE. Total emissions for our corporate operations by source and scope are highlighted below. The strategy complements our industry-leading market services to accelerate our clients’ own decarbonization goals.

<table>
<thead>
<tr>
<th>Emissions (MT) CO₂e</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle and Machinery Fuel</td>
<td>62,337</td>
<td>63,946</td>
<td>49,818</td>
<td>48,337</td>
</tr>
<tr>
<td><strong>Scope 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location-Based Electricity and Purchased Heating</td>
<td>39,247</td>
<td>40,383</td>
<td>39,501</td>
<td>37,218</td>
</tr>
<tr>
<td>Market-Based Electricity and Purchased Heating</td>
<td>41,170</td>
<td>41,696</td>
<td>42,803</td>
<td>38,449</td>
</tr>
<tr>
<td><strong>Scope 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Purchased Goods &amp; Services (corporate)</td>
<td>293,441</td>
<td>300,220</td>
<td>264,875</td>
<td>300,217</td>
</tr>
<tr>
<td>3.3 T&amp;D Losses and Well-to-Tank Fuels</td>
<td>6,787</td>
<td>12,734</td>
<td>22,522</td>
<td>22,126</td>
</tr>
<tr>
<td>3.6 Business Travel</td>
<td>42,704</td>
<td>14,816</td>
<td>14,544</td>
<td>19,724</td>
</tr>
<tr>
<td>3.7 Employee Commute</td>
<td>180,533</td>
<td>45,538</td>
<td>35,847</td>
<td>57,861</td>
</tr>
</tbody>
</table>

Figure 1: Greenhouse gas emissions for corporate operations

Source: CBRE 2022 Corporate Responsibility Report
Progress Toward Our Commitments

Since 2019 (our baseline year), our Scope 1 and 2 absolute emissions have decreased 16%, driven primarily by improved fleet vehicle fuel efficiency, portfolio optimization and improvements to our corporate space electricity use intensity. As we accelerate our renewable energy strategy and scale our electrification, we anticipate continued progress.

**Goal**
reduce absolute GHG emissions from corporate operations (Scopes 1 + 2) by 68% by 2035.

**16%**
absolute GHG emissions reduction from 2019

**CBRE’s SBT Glidepath**
Decarbonization Pathways

Our strategy to achieve net zero carbon emissions by 2040 is organized around four key pathways: buildings, transport, energy and procurement. Within each pathway, we have developed strategic objectives that will be delivered through clear near-term actions. These efforts are supported by key program-level strategies.
Getting to Zero

Our road to net zero will require simultaneous efforts across all four pathways. Progress will be achieved at varying timelines, influenced by factors beyond our control, such as technology readiness and implementation complexity. For example, CBRE has line of sight to viable solutions to address energy and fleet GHG emissions but relies upon emerging technology in the aviation sector to address business travel. Achieving deep reductions across our supply chain will require collaboration with thousands of business partners.

Decarbonization Glidepath by Source for Corporate Operations

Solid line denotes actual GHG emissions; dotted line illustrates decarbonization glidepath
Buildings are responsible for nearly 40% of carbon emissions globally. The strategic objectives in our buildings pathway encourage us to reimagine the relationship between the built environment and natural world. We aspire to create workplaces across our corporate portfolio that promote sustainable business practices and healthy lifestyles, allowing our people to thrive.

**Strategic Objectives**

- Continuously improve energy efficiency and reduce resource use across our corporate offices
- Support sustainable office site development
- Advance water stewardship
- Adopt a circular economy approach to material use

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**39%**

OF GLOBAL EMISSIONS COME FROM BUILDINGS, INCLUDING 28% FROM OPERATIONS

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**80%**

OF BUILDINGS WHICH WILL BE OCCUPIED IN 2050 ALREADY EXIST

Transport Pathway

Virtually all carbon emissions from transportation sources result from fossil fuel combustion, including the full lifecycle of GHGs generated from well-to-tank. Through a comprehensive sustainable transportation strategy, CBRE is actively working to change this paradigm. The strategic objectives within the transport pathway address all the ways our people move, including serving our clients, traveling for business, and employees getting to and from their place of work.

Strategic Objectives
- Electrify vehicle and equipment fleets
- Minimize the carbon impact of business travel
- Develop a progressive sustainable business travel strategy and embed a global minimum standard into policies
- Encourage employees to reduce the carbon impact of their commute
Transformation of how we source electric power enables decarbonization of other pathways. Within the energy pathway we’re focused on developing a deep understanding of our energy use and implementing a strategic, long-term approach to buying renewable energy.

While each of our decarbonization pathways are interrelated, the ability to achieve net zero carbon emissions hinges on integration of renewable energy.

**Strategic Objectives**

- Improve energy data collection and accuracy across our corporate offices
- Purchase 100% renewable energy for our corporate offices by end of 2025
Procurement Pathway

Over 130,000 suppliers affect the carbon impact of CBRE’s operations through the products and services we buy to manage our business. The strategic objectives within the procurement pathway require deep engagement with our supplier partners to adopt decarbonization strategies across the value chain. CBRE believes we can have a greater impact working together, delivering critical carbon emissions reductions through innovation and new ways of working.

**Strategic Objectives**

- Build capability with suppliers to share reliable primary GHG emissions data
- Prioritize strategic engagement with select suppliers to influence the greatest potential carbon impact to meet net zero commitments
- Integrate net zero elements into procurement standards to influence systemic change
- Expand the reach of impact by developing supplier decarbonization capabilities
Program-Level Strategies

Everyone within CBRE has a role to play driving actions to realize our net zero goal. Our program-level strategies support implementation across all four pathways to enable change.

**Strategic Objectives**

- Explore placing a financial value on carbon to inform decision-making
- Raise awareness of net zero goal to inspire employee action
- Develop long-term offset approach to address residual carbon emissions
Operational Model and Governance

Realizing our net zero goal means working collaboratively across all levels of the organization. At the highest level, our Board of Directors oversees our environmental, social and governance strategic planning and risk management. CBRE's Net Zero Strategy is managed, coordinated and implemented under the leadership of the Chief Sustainability Officer, Senior Vice President of Environmental Sustainability and Director of Net Zero. They engage business segments, lines of business and corporate function leaders to deliver the program. On a regular basis they elevate and discuss key issues with the Board of Directors, Executive Committee, Enterprise Risk Committee and our Global Environmental Sustainability Council.

For more information, contact:
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