



Transition to **net-zero**

July 2022





JLL is a leading professional services firm that specializes in real estate and investment management

Our purpose is to shape the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people, and our communities. As a Fortune 500 company, we help real estate owners, occupiers and investors achieve their business ambitions. In 2020, we had revenue of \$16.6 billion and fee revenue of \$6.1 billion, managed 5.4 billion square feet of space (501 million square meters) and completed 36,200 leasing transactions for landlord and tenant clients, representing 922 million square feet of space (85.6 million square meters). As of June 30, 2021, we had over 380 offices and operations in more than 80 countries, and a global workforce of more than 92,000 people.

We provide services for a broad range of clients who represent a wide variety of industries and are based in markets throughout the world. Our clients vary greatly in size and include for-profit and not-for-profit entities, public-private partnerships and government entities looking to outsource real estate services. Through LaSalle Investment Management we invest for clients on a global basis in both private assets and publicly traded real estate securities.

There is a strong and direct correlation between our environmental, social and governance (ESG) performance and the long-term health and success of our business. We address this by putting into action our sustainability strategy which allows us to deliver transformative change. Our commitment to continuously improve is reflected in our ambitious new sustainability targets. We are committed to the highest standards of corporate governance and transparency and hold ourselves accountable for our performance.



Climate change is the **biggest existential challenge** we have ever faced

With real estate and associated infrastructure responsible for close to 40% of global carbon emissions, and with the net-zero market transformation truly underway, I am proud that JLL is leading the way with our wide-ranging commitments to sustainability.

We have been working with the Science Based Targets initiative (SBTi) to help create Version 1.0 of the Net-Zero Standard, a new framework for net-zero target setting. Without a common science-based definition of what constitutes a “net-zero” target, companies and their stakeholders can’t be sure that their long-term climate targets are credible or ambitious enough. The Net-Zero Standard includes target validation criteria as well as user-friendly guidance for setting net-zero targets.

During this consultation, we applied the methodology of the new Net-Zero Standard, and I am proud the SBTi has certified our commitment to reach net-zero greenhouse gas emissions across our value chain by 2040.

By committing to cut 95% of our carbon footprint by 2040, we are going beyond the requirement of climate science, which demands a 90% reduction by 2050. We accept that there will be some residual emissions in 2040. These are allowed for in our 5% offset calculations.

Our first task has been to collect and refine our emissions data; improving data accuracy remains our priority. Absolute emission reduction pathways are being calculated across all categories in all three scopes to enable us to measure progress against five-yearly milestones.

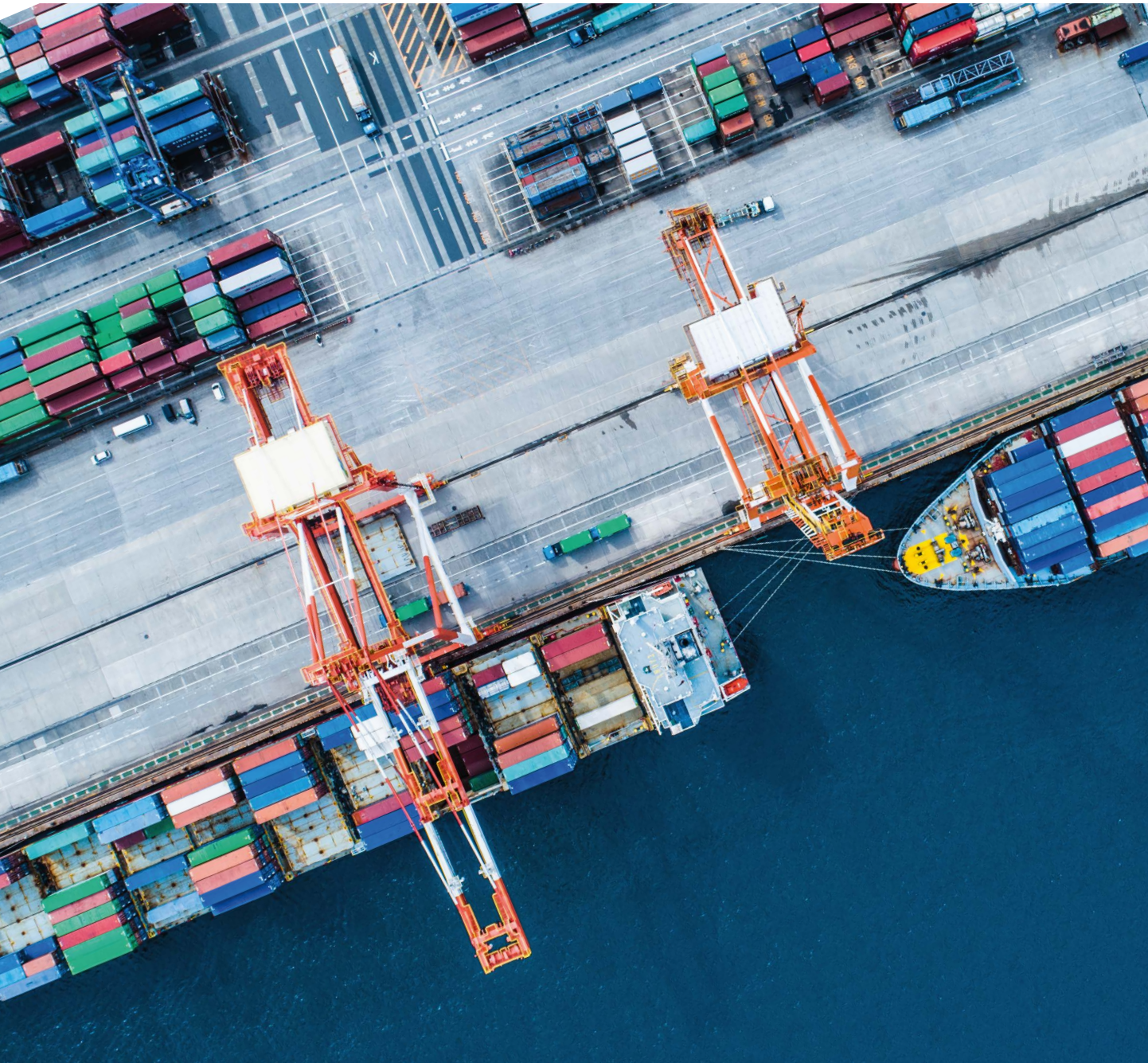
But it is not just about making commitments and creating pathways. There is urgent need for action if we are to secure a 51% reduction by 2030. Our figures in 2021 will give us a better idea of the challenges ahead, but the 19% reduction in our Scopes 1 and 2 emissions in 2020 from our 2018 baseline is a promising start.

Looking ahead, our greatest challenge is our Scope 3 emissions: 96% of our footprint is made up from the properties we manage on behalf of our clients. It is therefore essential that we collaborate with our clients on securing accurate data and motivate them to implement their own mitigation pathways.

Please read more about our commitment to achieving net-zero and engage with us as we do the hard work to make this a reality.



Richard Batten
JLL Chief Sustainability Officer



JLL is taking urgent climate action to accelerate the transition to net-zero, enhance performance, mitigate risks, and shape the future of real estate for a better world



A better world is a net-zero world

JLL commits to reduce absolute scope 1, 2 and 3 emissions by 51% by 2030, and 95% by 2040, from a 2018 base year

A ‘code red for humanity’, issued by the United Nations Intergovernmental Panel on Climate Change in The Sixth Assessment Report, is a call on businesses to reduce their carbon emissions immediately.

JLL has been on a sustainability journey for 15 years, delivering services to help clients with their sustainability agenda. We made our first global commitment to address our carbon footprint in 2011.

In 2018, as part of our purpose to shape the future of real estate for a better world, the firm set a science-based target to cut our Scopes 1 and 2 emissions by 68% by 2034 and to cut Scope 3 emissions by 53% over the same period. This target was aligned to the emissions pathway needed to keep the global temperature rise below 1.5°C. It was formally approved by the SBTi in 2020.

In 2020, JLL also signed the World Green Building Council Net-Zero Carbon Buildings Commitment, pledging to only occupy offices which are net-zero carbon in operation by 2030.

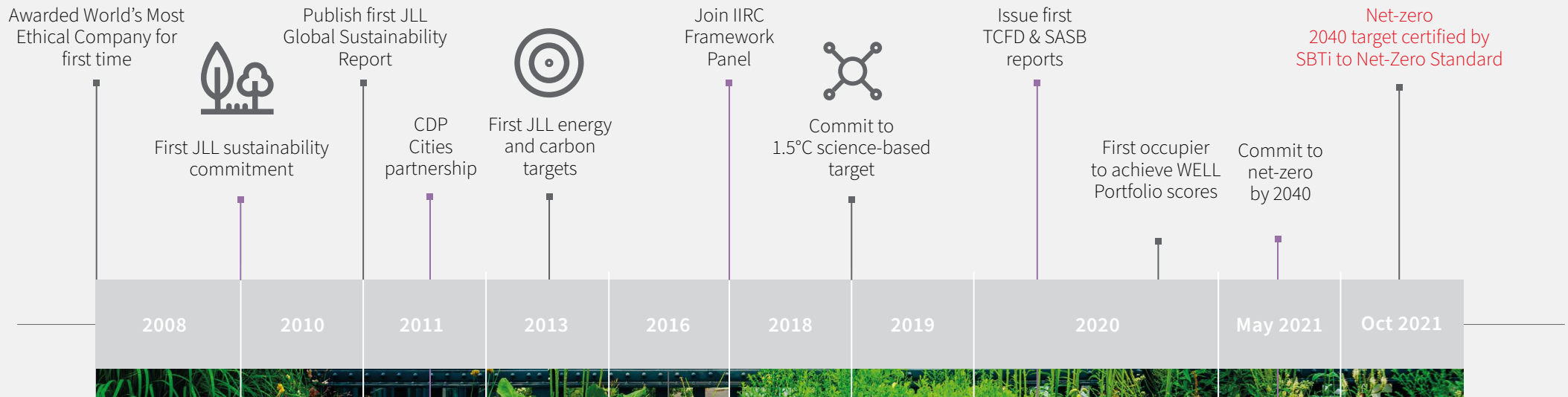
Recognizing that bold and ambitious actions are required, in May 2021 JLL set a target to achieve net-zero emissions by 2040, encompassing our entire Greenhouse Gas (GHG) inventory. In a related move, JLL also signed The Climate Pledge in May 2021, committing JLL to being net-zero by 2040, ten years ahead of the Paris Agreement.

On October 28, 2021, JLL’s net-zero 2040 target was certified by the SBTi to its new Net-Zero Standard. We are among a select group of global companies across all sectors to be recognized for aligning their net-zero commitments with climate science.



JLL's progression globally towards a **net-zero world**

Key milestones along our journey



Glossary

- DJSI:** Dow Jones Sustainability Index
- IIRC:** International Integrated Reporting Council
- SASB:** The Sustainability Accounting Standards Board
- TCFD:** Task Force on Climate-related Financial Disclosures
- WELL Portfolio:** Certification mark of International WELL Building Institute
- WGBC:** World Green Buildings Council

Submit first CDP disclosure

Established first JLL Global Sustainability Team

Inaugural inclusion in DJSI

Joined WGBC's Corporate Advisory Board

1.5°C Science-based target approved

WGBC Net-Zero Carbon Commitment

Signatory of The Climate Pledge

JLL is a Net-Zero Standard Organization

The Science Based Targets initiative has formally approved JLL's net-zero 2040 target as certified to Net-Zero Standard.

JLL commits to making an absolute reduction in its total footprint of 51% by 2030 and 95% by 2040. Our net-zero target covers our entire GHG inventory. Those buildings JLL manages on behalf of clients (reported under “use of sold products”) are JLL’s most significant source of emissions, and account for 96% of JLL’s total emissions footprint.

To achieve the required reductions to meet this target, JLL will be working closely with our clients to support them in delivering their own ambitious climate goals, helping to develop and action sustainability strategies, improving the energy efficiency of their portfolios, and making use of renewable energy wherever possible.

Our strategy is predicated on reducing almost our entire baseline emissions; only then will JLL offset residual emissions. We have committed to offset no more than 5% of our 2018 baseline.

JLL will report company-wide emissions and progress against our targets on an at least annual basis via JLL’s [Global Sustainability Report](#) and other public communications available from our website.



Scope 1
Emissions generated on-site/by fleet



Scope 2
Emissions from sourced energy



Scope 3
Emissions from value chain

Net-Zero Standard, explained

As the urgency around the climate emergency increases, more and more organisations are setting net-zero emissions targets. These targets cover a range of different scopes, timelines and pathways and are often not underpinned by current climate science.

Recognising the need for a consistent and objective approach to net-zero targets, the SBTi began developing a new framework in 2021 to provide business leaders with a common, robust, and science-based understanding of what net-zero means in practice. After inviting experts - including JLL - to form the SBTi Net-Zero Expert Advisory Group, the SBTi formulated the Net-Zero Standard.

The Net-Zero Standard brings the latest climate science to net-zero target setting. It is the first global science-based standard to guide organisations setting net-zero targets and encourage them to follow the principles of the mitigation hierarchy. Effectively this means that companies should set science-based targets to reduce their value chain emissions and implement strategies to achieve these targets before engaging in neutralisation.

The SBTi defines beyond value chain mitigation as action or investments that fall outside of a company's value chain. This includes activities that avoid or reduce greenhouse gas emissions, and those that remove and store greenhouse gases from the atmosphere.



Our Journey to net-zero

JLL is committed to reducing our emissions and doing our part to achieve the 1.5°C target needed to avert the worst outcomes of global warming.

The built environment is estimated to account for close to 40% of energy-related carbon emissions, meaning JLL can have a significant impact through the work we do with our clients and our people as well as in our workplaces and communities.

We recognize that the systemic nature of global warming requires that change be introduced across all levels of our organization. JLL's net-zero target commits us to achieve net-zero emissions by 2040 by eliminating carbon emissions across all areas of business activities.

For JLL to achieve net-zero by 2040, all our clients need to be on a decarbonization journey. Helping our clients achieve their climate goals is a key pillar of our business strategy. We are making significant investments in sustainability services and capabilities using the breadth and strength of our global platform to partner and collaborate with our clients and suppliers on real estate carbon reduction and sustainability.

- **96.4% – 17,547,735 mt CO₂e**
Client emissions
- **2.2% – 409,397 mt CO₂e**
Supply chain
- **0.6% – 100,451 mt CO₂e**
Employee Commuting and Homeworking
- **0.4% – 76,740 mt CO₂e**
Business travel and hotel use
- **0.2% – 31,164 mt CO₂e**
Vehicle fleet
- **0.2% – 30,614 mt CO₂e**
Office space
- **0.1% – 10,654 mt CO₂e**
Other emissions

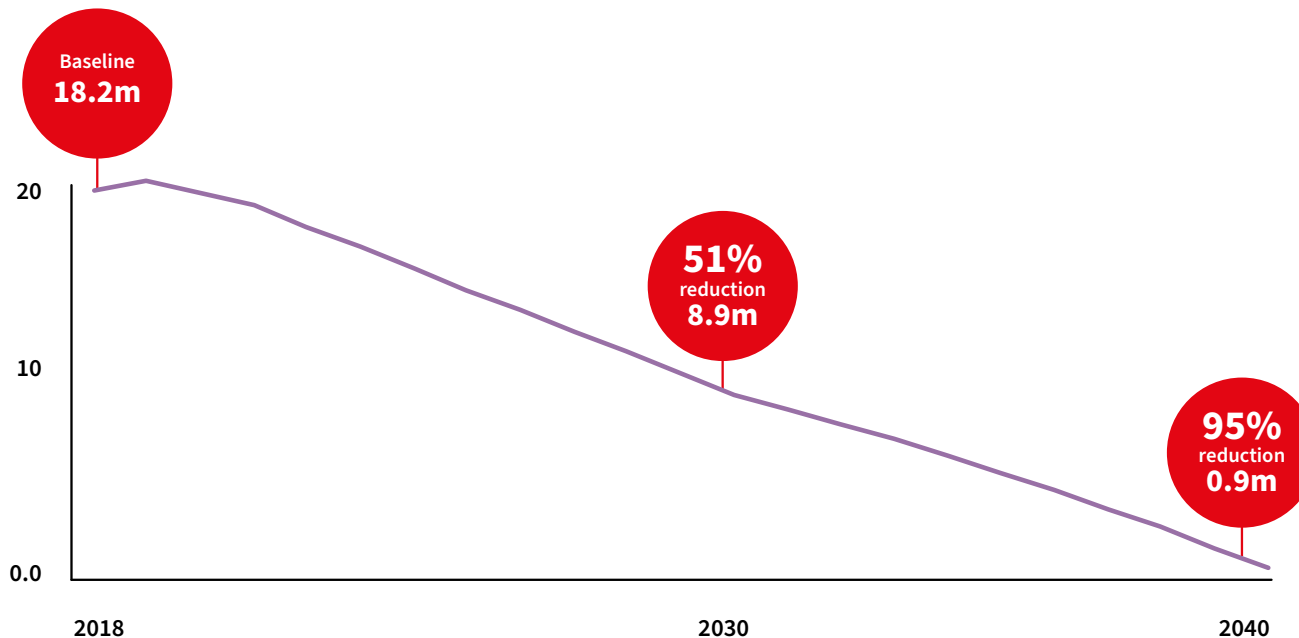


JLL's science-based net-zero target




JLL commits to reach net-zero greenhouse gas emissions across the value chain by 2040.

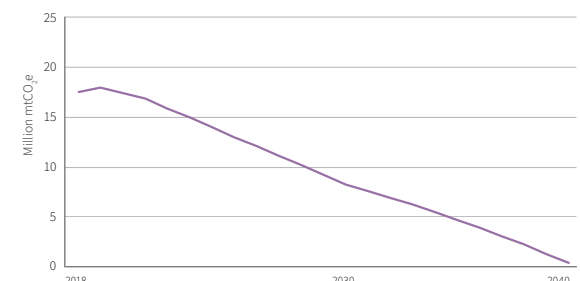
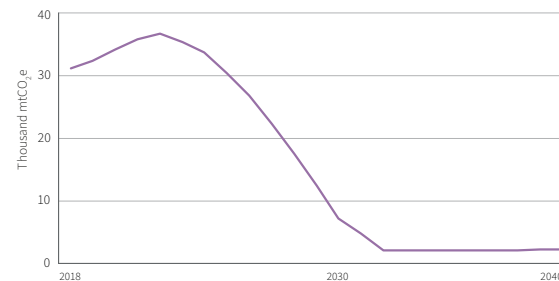
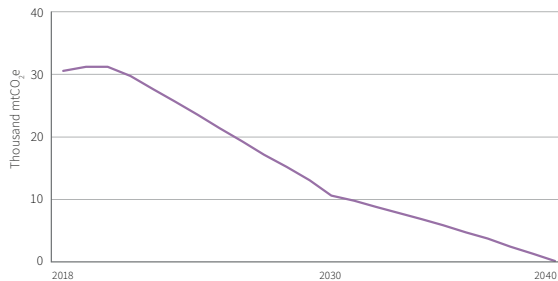
Our near-term target: JLL commits to reduce absolute scope 1, 2 and 3 emissions by 51% by 2030 from a 2018 base year. Our long-term target: JLL commits to reduce absolute scope 1, 2 and 3 emissions by 95% by 2040 from a 2018 base year.

Since the publication of the first draft of Net-Zero Criteria, the SBTi has been going through a process of refining and clarifying the terminology used within the standard. As part of this refinement process, the SBTi has renamed “interim science-based targets” to “near-term science-based targets” and included a more specific term – “long-term science-based targets” – for emission reduction targets in line with net-zero. The chart (left) displays our near-term and long-term science-based target trajectory.



Our headline actions

Activity	Office space 	Vehicle fleet 	Clients 
<p>Emissions scope</p> <p>1, 2, 3</p> <p>2018 baseline emissions (mt CO₂e)</p> <p>30,614</p>	<p>JLL has committed to achieving net-zero carbon emissions from the operation of our offices by 2030.</p> <p>We will achieve this by improving energy efficiency in the buildings we already occupy and by renting offices that meet high-energy efficiency standards, and enhancing further with our fitout specifications. Where possible, we are moving our offices onto renewable energy from credible sources. Where renewable energy is not directly available, we are purchasing Renewable Energy Certificates (RECs) or equivalents.</p> <p>We will address any residual emissions through the purchase of high-quality carbon offsets, although we intend to keep any such purchases to a minimum.</p>	<p>In support of our net-zero target, JLL anticipates achieving 100% EV across our global vehicle fleet by 2032.</p> <p>We have significant vehicle fleets – most of which are used to carry out our engineering services – operating in the United States, Europe, Middle East and Africa (EMEA). We are currently in the process of shifting our fleets away from combustion engines and toward electric vehicles and other low-emissions technologies.</p>	<p>Our partnership with our clients is fundamental to delivering net-zero, as over 96% of our emissions arise from the consumption in those buildings we manage on behalf of our clients. For JLL to be successful in achieving net-zero by 2040, we need to support all clients in their own climate action journeys. These partnerships are a key pillar of our business strategy.</p> <p>Our professionals offer advice on how sustainability considerations can be embedded across our services to maximize value for our clients. Supporting this strategy is our commitment to training and upskilling our teams on sustainability related topics, including climate risk, green building certifications, health and wellbeing, sustainable cities and more. A description of our complete sustainability services can be found on our website.</p>




Our headline actions

Activity

Emissions scope

2018 baseline emissions (mt CO₂e)

Reduction activities

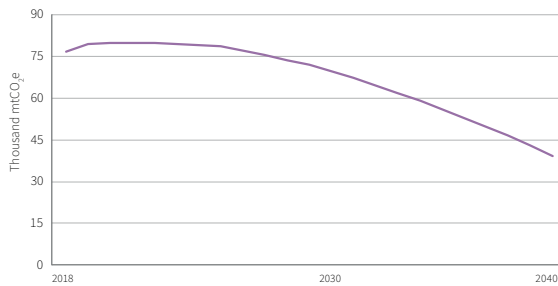


Business travel and hotel use

3

76,740

JLL is working to better understand the reduction pathway for our business travel impacts. We keep evolving our internal policies to eliminate unnecessary business travel. If the travel is unavoidable, we direct employees to use less impactful modes of transport wherever possible. In support of these policies, we continue to invest in technology solutions and provide options to support flexible working practices. As part of our global real estate strategy, we prioritise office locations that are accessible by public transportation to ensure our people can get to work in a way that is both low-cost and sustainable.




Activity

Emissions scope

2018 baseline emissions (mt CO₂e)

Reduction activities



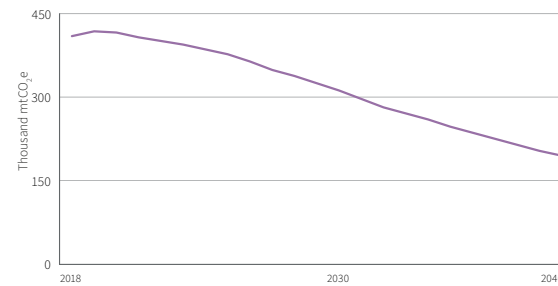
Supply chain

3

409,397

Our Global Sustainable Procurement Framework will continue to be key to embedding sustainability across our extensive supply chain and demanding more from our contractors. We will strengthen our collaboration with suppliers to set shared targets and Key Performance Indicators, gather data to accurately measure emissions reductions, and develop solutions.



Where we are making use of data centres, we will work with suppliers to ensure that they are supplied by renewable energy wherever possible.

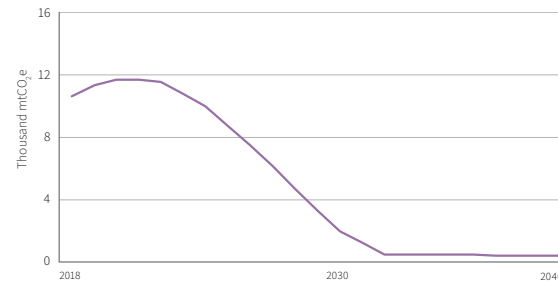
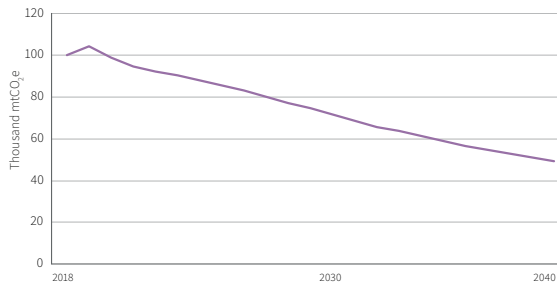


Carbon offsetting

Through our commitment to net-zero, JLL has pledged to limit any offsetting activities to no more than 5% of our 2018 baseline, which equates to approximately 910,000 mt CO₂e. We will seek to minimize our use of offsets as far as is practicable. Within this threshold, and upon the achievement of our long-term target, any unabated emissions will be neutralized. Where we must use offsets to achieve our goal, we will ensure that we are choosing quantifiable, real, permanent, and socially beneficial options in line with best practice at the time of purchase.

Our headline actions

Activity	Employee commuting and homeworking 	Other emissions 
Emissions scope	3	3
2018 baseline emissions (mt CO₂e)	100,451	10,654
Reduction activities	<p>While employee commuting and homeworking activities are difficult to address, JLL will continue incentivizing the use of public transit and other low-carbon transportation options. We expect additional emissions reductions to be achieved from increased renewable energy use and more clean and efficient vehicles.</p>	<p>This category includes all emissions which fall outside our major areas of activity. This includes emissions associated with the transport and distribution of electricity and fuel as well as those associated with JLL's waste footprint. As we implement new procedures into other areas of our business, we expect to see these emissions to decrease as well. Any residual emissions will be addressed through the use of high-quality offsets.</p>



We are using the breadth and strength of our global platform to move the world forward **on real estate carbon reduction and sustainability**





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net-zero world

Our journey
to net-zero

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more**



Learn more about our
**sustainability strategy
and services**

Sustainability Services and ESG

Guy Grainger

Global Head of Sustainability Services and ESG

Guy.Grainger@jll.com

+44 (0)20 7493 4933

Sustainability

Richard Batten

Chief Sustainability Officer

Richard.Batten@jll.com

+44 (0)20 7493 4933