

2017

# SHARING *the* RESPONSIBILITY

CORPORATE  
RESPONSIBILITY  
REPORT

CBRE



**CBRE** creates

**SHARED ADVANTAGE**

through an integrated program of environmental and social actions that generate sustained growth and continuous opportunity for both the company and the communities it serves.



**VIDEO**  
(70 sec.)

Thank you in advance for considering the **environment** by printing only specific pages, if desired.

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## A LETTER FROM BOB SULENTIC

[102-14]

Dear Fellow Stakeholder:

CBRE is increasingly integrating corporate responsibility initiatives into our daily business practices. As a result, our business solutions are creating environmental, social and governance (ESG) benefits for our company and our communities and better outcomes for our clients.

Our approach is called Shared Advantage. Through it, CBRE is helping to strengthen communities while growing our business in socially responsible ways.

In 2017, this was particularly evident in our response to the unprecedented natural disasters that struck the U.S., Mexico and the Caribbean. CBRE and our employees raised more than \$540,000 through CBRE Cares to help our employees who were directly affected and to aid in disaster relief and local rebuilding efforts.

Sustainability is a major, ongoing focus of our Shared Advantage efforts. We are forging environmentally responsible business solutions across the company – from energy-saving measures at the 5.5+ billion square feet of property we manage to the green building financing we arrange to the ESG investment policies that govern our real estate investment management and development services businesses. We also make

sustainability a priority for our own operations, and more than 75 percent of the space we occupy is sustainably certified.

We are also keenly focused on building a Shared Advantage employee community that attracts, develops and celebrates the professional success of every individual. Our efforts have been recognized by both Forbes and Fortune magazines, which included CBRE among the top companies for diversity and inclusion. While we have more work to do in this area, we are particularly proud of our recent progress in adding women to key leadership roles and to our Board of Directors. We also continue to drive the growth of our employee network groups, which play a key role in recruiting and retaining diverse talent.

Shared Advantage depends on our community of employees and the contractors who help us create unmatched client outcomes. Their safety and well-being is our first priority. Our commitment to safety has helped us reduce our Total Recordable Incident Rate and Lost Time Injury Rate for the third year in a row, and we are implementing programs

to further drive safety results while investing in the well-being of the CBRE community.

Finally, reflecting our commitment to Shared Advantage, we have affirmed CBRE’s support for the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor, Environment and Anti-Corruption for the 11th consecutive year.

There are many other ways that CBRE’s more than 80,000 global professionals are creating Shared Advantage for our stakeholders. I invite you to learn more about them by reading our 2017 Corporate Responsibility Report.

Robert E. Sulentic  
President & Chief Executive Officer



OUR COMPANY



## ABOUT CBRE

**CBRE Group, Inc. is a Fortune 500 and S&P 500 company headquartered in Los Angeles. We are the world's largest commercial real estate services and investment firm, with leading global market positions in our leasing, property sales, occupier outsourcing and valuation businesses. [102-1, 102-3]**

Our business is focused on providing services to both occupiers of real estate and investors in real estate. For occupiers, we provide facilities management, project management, transaction (both property sales and tenant leasing) and consulting services, among others. For investors, we provide capital markets (property sales, commercial mortgage brokerage, loan origination and servicing); leasing; investment management; property management; valuation; and development services, among others. We provide commercial real estate services under the "CBRE" brand name, investment management services under the "CBRE Global Investors" brand name and development services under the "Trammell Crow Company" brand name. [102-2]

CBRE Group, Inc. is incorporated in Delaware in the United States. Our Class A common stock is traded on the New York Stock Exchange (NYSE) under the symbol CBRE. [102-5] Please see our Form 10-K for details on the entities included in our financial statements; those same entities are also included in this report. [102-45]

CBRE's position as the world's largest commercial real estate services and investment firm has occurred through organic growth and a series of strategic acquisitions. We executed a highly targeted M&A strategy in 2017, closing 11 acquisitions that enhanced our capabilities, including companies operating in investment management, project management, retail experience advisory services and occupier brokerage focused on major technology companies, as well as two real estate software as a service companies. There were not any significant changes to the organization's size, structure, ownership or supply chain in 2017. [102-10]

## OPERATIONS

[102-4, 102-6, 102-7]

CBRE operates in more than 450 offices and serves clients in more than 100 countries worldwide. In 2017, CBRE advised clients on 85,100 property sales and lease transactions valued at more than \$337.6 billion. As of December 31, 2017, we managed 5.5 billion square feet of property and corporate facilities

around the world (including property managed by our affiliate offices). Commercial mortgage loan originations, including loan sale advisory, totaled \$46.6 billion, and loan servicing totaled \$174.3 billion. We completed 474,300 appraisal and valuation assignments in 2017, including 280,825 residential valuation assignments in Asia Pacific, and our project management contract value was \$74.9 billion. CBRE Global Investors had \$103.2 billion of assets under management as of December 31, 2017, and Trammell Crow Company had \$6.8 billion of development in process.

CBRE revenue in 2017 totaled \$14.2 billion, up 9% from 2016. We report our operations through five business segments.

The Americas is our largest reporting segment, comprised of operations throughout the U.S. and Canada as well as key markets in Latin America. Our Americas segment accounted for 55.3% of our 2017 revenue.

Our Europe, Middle East and Africa (EMEA) reporting segment serves clients in approximately 70 countries. The largest operations are located in France, Germany, Ireland, Italy, the Netherlands, Spain, Switzerland and the United Kingdom. Our EMEA segment accounted for 29.3% of 2017 revenue.

Our Asia Pacific reporting segment serves clients in approximately 20 countries. Our largest operations in Asia are located in greater China, India, Japan, Singapore and Thailand. The Pacific region includes Australia and New Zealand. Our Asia Pacific segment accounted for 12.2% of our 2017 revenue.

Operations in our Global Investment Management reporting segment are conducted through our indirect wholly-owned subsidiary CBRE Global Investors, LLC and its global affiliates, which we also refer to as CBRE Global Investors. CBRE Global Investors provides investment management services to pension funds, insurance companies, sovereign wealth funds, foundations, endowments and other institutional investors seeking to generate returns and diversification through investment in real estate. Our Global Investment Management segment accounted for 2.7% of our 2017 revenue.

Our indirect wholly-owned subsidiary Trammell Crow Company, LLC and certain of its subsidiaries provide development services, primarily in the United States, to users of and investors in commercial real estate, as well as for its own account. Our Development Services segment accounted for 0.5% of our 2017 revenue.

## GOVERNANCE

### Board of Directors

[102-18]

CBRE has a 10-member Board of Directors, nine of whom our Board deems independent, and the tenth who is our President and CEO, Robert E. Sulentic. This level of independence exceeds the majority standard established by our Corporate Governance Guidelines and the listing standards of the New York Stock Exchange (NYSE).

Our Board bylaws require that the Board Chair be an independent director. Ray Wirta served as Independent Chair of our Board from 2014 until our annual meeting in May 2018, at which time Brandon Boze succeeded Mr. Wirta as the Independent Chair of our Board. Our Board Chair position has been non-executive and independent since our IPO in 2004 in recognition of the differences between the two roles. Our CEO is responsible for setting the strategic direction and overseeing the day-to-day leadership and performance of the company while our Board Chair provides leadership to our Board and oversight and guidance to our CEO. [102-23]

Our Board is assisted by its committees: Audit and Finance (Audit), Compensation, Corporate

Governance and Nominating (Governance) and Executive Committees. The Audit, Compensation and Governance Committees are considered key governance committees, and each member is independent under CBRE standards and guidelines, as well as in the case of our Audit Committee, under relevant rules of the U.S. Securities and Exchange Commission (SEC). At least one member of our Board serving on the Audit Committee is required to have the qualifications and skills necessary to be considered an “Audit Committee Financial Expert” under relevant SEC rules, and it has been determined that four of our five current Audit Committee members qualify as “Audit Committee Financial Experts.”

One of our Board directors serves as a Board liaison to management for corporate responsibility matters, providing visibility to our Board in respect to our activities in this area, and we believe that this reflects the value that we and our Board places on corporate responsibility. That Board director sits on our **Global Corporate Responsibility Steering Committee**, a management-level task force that has been established to advance our corporate responsibility goals and periodically updates our Board on the progress being made toward those goals.

### Director Nomination Criteria [102-24]

Our Governance Committee regularly reviews the composition of our Board and determines whether the addition of directors with particular experience, skills or characteristics would make our Board more effective. When a need arises to fill a vacancy, or it is determined that a director possessing particular experiences, skills or characteristics would make our Board more effective, our Governance Committee conducts targeted efforts to identify and recruit individuals who have the identified qualifications.

Our Board seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of our Board’s deliberations and decisions. In nominating candidates, our Board considers a diversified membership in the broadest sense, including persons diverse in experience, gender and ethnicity. Our Board does not discriminate on the basis of race, color, national origin, gender, religion, disability or sexual preference. When evaluating candidates, our Board considers whether potential nominees possess integrity, accountability, informed judgment, financial literacy, mature confidence and high-performance standards.

Our focus on Board refreshment has resulted in the addition of five new directors since October

2015. Of the 10 members currently serving on our Board, two directors, Beth Cobert and Sanjay Yajnik, joined our Board in 2017. As of May 2018, the average tenure of our Board is 5.6 years. Two directors who served throughout 2017, Bradford Freeman and Frederic Malek, did not stand for re-election and retired from our Board at the expiration of their current terms at the Annual Meeting in May 2018. These gentlemen had a combined 32 years of director service to us, and we are grateful for their many years of service to CBRE.

Additional information on our director nomination criteria, including a director skills matrix, may be found beginning on p. 8 of our **2018 Proxy Statement**.



## Risk Management

[102-11]

CBRE’s Board of Directors actively oversees our risk management.

Our Board regularly reviews information regarding our most significant strategic, operational, financial and compliance risks. Our Board maintains direct oversight over our enterprise risk management process rather than delegating this function to a Board or management committee.

We maintain an executive risk committee chaired by our Chief Risk Officer and consisting of several other key senior executives responsible for identifying, assessing and managing our most significant risks. This executive risk committee reports to the CEO. The Board receives multiple presentations on identified significant risks each year. The Audit Committee also receives presentations on significant risks on a regular basis. Certain risks that are determined to be best managed directly by the Board versus management, or that are in areas specific to a particular Board committee expertise, are monitored and overseen at the Board or committee level as appropriate.

Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board

is regularly informed through committee chair reports about such risks. These reports are presented at every regularly scheduled Board meeting.

Additional information on risk management may be found on p. 18 of our **2018 Proxy Statement**.

## CEO Pay Ratio

[102-38]

We believe our executive compensation program must be consistent and internally equitable to motivate our employees to perform in ways that enhance stockholder value. In 2017, the ratio of CEO pay \$8,621,191 to median employee pay \$57,303 was 150:1.

As is permitted under the SEC rules, we identified the median employee by examining the annual base salary for all individuals, excluding our CEO, who were employed by us at the end of 2017. We included all active and on-leave employees, whether employed on a full-time, part-time or seasonal basis. We did not make any adjustments or estimates with respect to annual base salary compensation, and we did not annualize compensation for any full-time employees that were not employed by us for all of 2017. Under the *di minimis* exclusion, we excluded a total of 4.5% of our employee population from the following countries: Argentina, Austria, Bulgaria, Chile, Colombia,

## MATERIAL TOPICS

[102-44, 102-46, 102-47, 102-49]

CBRE conducted its first materiality assessment in early 2015, the results from which can be found in our 2014 and 2015 Corporate Responsibility Reports. In early 2017, CBRE conducted a second materiality assessment to determine the topics that reflect our economic, environmental and social impacts, as well as those that influence the decisions of our stakeholders.

Our corporate responsibility team reviewed topics included in the GRI Standards and a number of ratings and rankings assessments to develop a list of 33 topics that could be considered material to a business such as ours. An online survey tool was used to gather the opinions of internal and external stakeholders on each topic.

Internal stakeholders were asked, with regard to each topic, if CBRE creates a significant impact on the environment, society and/or economy. They were also asked whether they believe CBRE actively manages the topic and, if so, how effectively it is managed. External stakeholders ranked each topic based on the degree to which the issue affects their assessments and decisions about CBRE.

Costa Rica, Czech Republic, Greece, Hungary, Korea, Mexico, Morocco, New Zealand, Oman, Panama, Peru, Portugal, Romania, Saudi Arabia, Slovakia, South Africa, Taiwan, Turkey, Uruguay and Venezuela. We employed statistical sampling to identify a group of employees within 5% of the median based on annual base salary, then selected the median employee from this group. We then calculated 2017 CEO pay, which includes Mr. Sulentic’s base salary, bonus, equity awards, employer-paid insurance premiums and 401(k) match. We used the same methodology in calculating 2017 pay for the median employee.

Additional information may be found on p. 59 of our **2018 Proxy Statement**.

## Learn More

Additional information on our corporate governance practices can be found in our **2018 Proxy Statement**.

This includes:

- Executive compensation details, beginning on p. 32 [102-35]
- Composition of our Board and its committees, found on p. 4 and pp. 10-14 [102-22]
- Board committee details, including number of meetings held in 2017 and committee responsibilities, found on pp. 18-20

All stakeholders were asked where in CBRE’s supply chain was the issue relevant (suppliers/vendors, corporate operations and/or clients). Most topics are material within the boundaries of our operational control, with some topics also being material to our suppliers and/or clients.

The survey was sent to all members of CBRE’s Global Corporate Responsibility Steering Committee, as well as other internal stakeholders who work directly on the topics included in the survey. The survey was also sent to more than 80 external stakeholders, including representatives of key clients, suppliers, governments and nongovernmental associations (NGOs), as well as industry associations, universities and research entities. The survey results were then plotted to a matrix and vetted with key stakeholders. Although some topics shifted within the materiality matrix, there were no significant changes from previous reporting periods in the list of material topics and topic boundaries.

This report includes detailed information on the issues that were determined to be the most material to CBRE and our stakeholders. These include *professional integrity*, *anti-corruption*, *diversity & inclusion* and *occupational health & safety*. We plan to conduct our next materiality assessment in 2018 to ensure our actions and our reporting reflect our significant impacts and stakeholder priorities.

## STAKEHOLDER ENGAGEMENT

[102-40, 102-42, 102-43]

We define our stakeholders to be individuals and organizations who can impact or be impacted by our operations. CBRE’s stakeholders include shareholders, clients, employees, suppliers, industry associations, NGOs and academic institutions, communities, advocacy and activist groups, governmental organizations and regulating bodies, media and competitors.

We interact with stakeholders throughout the year in a number of ways, including quarterly earnings calls, regular customer satisfaction surveys and industry events. As noted earlier, we also engaged directly with several stakeholders in early 2017 through the development of our materiality assessment, the results of which helped define content for this report.

In 2017, we began a Shareholder Governance Outreach program. Twice a year, our General Counsel and Head of Investor Relations contact all of our major shareholders to discuss their views on our governance practices and compensation programs.

## Mechanisms for Engagement

### Investors & Analysts

- Quarterly earnings calls
- Investor presentations, events and one-on-one meetings
- Response to information requests
- Annual Investor Day
- Shareholder Governance Outreach program

### Clients

- Client Care program
- Customer satisfaction surveys
- Localized research resources and insights
- Response to information requests

### Employees

- Global employee intranet and email communications
- Employee engagement survey
- Employee Network Groups
- Performance reviews

### Suppliers

- Supplier Code of Conduct
- Supplier Diversity Program

### Industry Associations, NGOs & Academic Institutions

- Partnership in research studies
- Participation on boards and committees
- Attendance at conferences and events
- Speaking engagements and guest lecturing

## SUSTAINABLE DEVELOPMENT GOALS



In 2015, all 193 Member States of the United Nations adopted a plan to tackle the world’s most pressing social, economic and environmental challenges. This plan includes 17 **Sustainable Development Goals** (SDGs) that apply universally to all nations and seek to end extreme poverty, fight inequality and injustice, and protect our planet. Businesses will play a key role in achieving the SDGs and CBRE is committed to contributing to this effort. As a first step, we have identified above the SDGs that align with our business. Going forward, we plan to develop meaningful goals that align with the SDGs.

## AWARDS & HONORS

- Included in Fortune’s Most Admired Companies for six consecutive years
- Named a World’s Most Ethical Company by Ethisphere Institute for five straight years
- Named to the Dow Jones Sustainability Index North America for four years in a row
- Included in FTSE4Good for four straight years
- Included in the 2018 Barron’s 100 Most Sustainable Companies
- Listed at #27 in the Forbes Just 100 2018: America’s Best Corporate Citizens
- Received a 2018 EPA ENERGY STAR® Partner of the Year – Sustained Excellence Award, marking the 11th consecutive year of ENERGY STAR recognition
- Named to the 2018 America’s Best Employers for Diversity list by Forbes
- Named a 2017 Best Workplace for Diversity in the United States by FORTUNE and Great Place to Work®
- Achieved a perfect score on the Human Rights Campaign’s Corporate Equality Index for five years in a row
- Earned the 2017 Military Friendly® Employer designation; 6th consecutive year of recognition by Victory Media for military friendly practices
- Named to the Companies That Care Honor Roll for 11 straight years

## MEMBERSHIPS AND INITIATIVES

*CBRE is a member of these leading organizations:*

- Building Owners and Managers Association (BOMA)
- Building Owners and Managers Institute (BOMI)
- Business Roundtable
- Boston College Center for Corporate Citizenship (BCCCC) and its Professional Services Sustainability Roundtable (PSSR)
- Business in the Community (BITC)
- Center for Climate and Energy Solutions’ Business Environmental Leadership Council (C2ES BELC)
- Global Real Estate Sustainability Benchmark (GRESB)
- Global Reporting Initiative (GRI) GOLD Community
- Green Rating Alliance
- International Council of Shopping Centers (ICSC)
- NAIOP, the Commercial Real Estate Development Association
- Real Estate Roundtable
- Sustainability Accounting Standards Board (SASB) Alliance
- U.S. Green Building Council (USGBC)

[102-13]

*CBRE subscribes to and/or endorses a number of external initiatives, including:*

- CDP
- Environmental Protection Agency (EPA) ENERGY STAR®
- Greenhouse Gas (GHG) Protocol
- International Organization for Standardization (ISO) 14001
- Leadership in Energy and Environmental Design (LEED)®
- Occupational Health and Safety Assessment Series (OHSAS) 18001
- Principles for Responsible Investment (PRI)
- Sustainability Accounting Standards Board (SASB)
- United Nations Global Compact (UNGC)
- United Nations Guiding Principles on Business and Human Rights
- WELL Building Standard (WELL)

[102-12]





SHARED ADVANTAGE



# SHARED ADVANTAGE

**Shared Advantage** is a strategic commitment to creating measurable benefit for the company, our clients and the communities we serve through socially responsible, market-driven business solutions.

## INFLUENCE

Incorporating target objectives aligned to the United Nations Sustainable Development Goals (SDGs), CBRE’s Shared Advantage establishes an ecosystem of social responsibility that influences the surrounding community – creating a culture of shared interest and collaboration in the development of integrated environmental, health & wellness and social initiatives that drive economic vitality and long-term value.

## OUR COMMITMENTS

### *Improve community health and well-being.*

We pledge to build strong, equitable and sustainable communities including providing access to healthy environments and promoting public safety, diversity and social justice.

### *Reduce the impacts of climate change.*

We pledge to protect the environment, reduce greenhouse gas emissions and ensure human habitats are safe, resilient and sustainable.

## CONNECTIVITY

Through Shared Advantage, CBRE seeks to improve the well-being of *all* communities we serve – from the micro-environment of employees sharing a single office space to occupants of a large commercial building or property complex. This sense of connectivity and collaboration extends beyond the boundaries of the building itself, influencing in a positive way the health and well-being of all our neighbors in the broader community.

### *Build sustainable & economically thriving communities.*

We pledge to build strong, equitable and sustainable communities including providing access to healthy environments and promoting public safety, diversity and social justice.

## LEARN MORE

Visit **Shared Advantage** to discover how CBRE is creating a “win-win” for both the firm and our communities through these commitments.



Scroll through **Shared Advantage** for an animated view of how positive aspects of an office building can expand to influence healthy outcomes in the broader community.

**SHARED ADVANTAGE** begins in the occupied space, promoting a culture of health & wellness that improves productivity through innovative space design and healthy lifestyle programming. The concept grows to embody the built environment, increasing operational and resource efficiencies and influencing human behaviors, further enhancing the property’s value.

The positive effects of Shared Advantage extend to the community itself, which becomes engaged in developing policies and practices that incorporate social, environmental, economic, efficient mobility and healthy living considerations. The result is a collaborative model of partnership that’s born in business but which benefits the entire community.



WHO WE ARE



## PEOPLE & CULTURE

Guided by our RISE values, CBRE is focused on talent attraction, professional development, diversity and inclusion practices – and a healthy culture where all employees feel engaged and excited to come to work for us every day.

### RISE VALUES

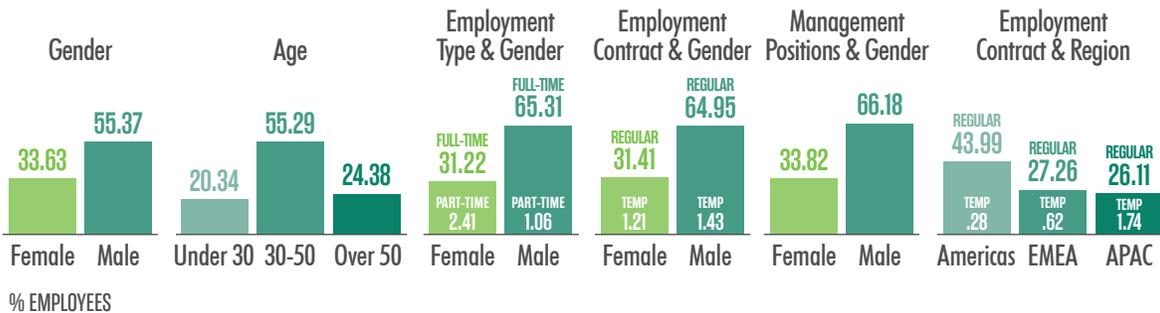
[102-16]

We take great pride in our reputation for upholding the highest standards in the way we do business. Our commitment to our business standards is a major reason why CBRE is the largest commercial real estate company in the world. Our employees don't just work and live by these standards; they are the cornerstone of our RISE corporate values.

### WORKFORCE

[102-8, 405-1]

In 2017, our workforce grew to more than 80,000 employees worldwide. The following provides a demographic profile of CBRE's global workforce, excluding affiliate offices.



## DIVERSITY & INCLUSION

[103-1, 103-2, 103-3]

Diversity and inclusion is material to CBRE because people are at the center of our strategy. We are at our best when people with different backgrounds and experiences come together to produce great results for our clients. The mission of our diversity and inclusion initiative is to provide a work environment that attracts, develops and celebrates the professional success of every individual. Diversity and inclusion is a material topic within our own operations.

CBRE strives for a work environment that reflects the clients we serve, provides everyone with the opportunity to succeed, values the differences of each individual and recognizes their contributions to our firm's success. We have great examples of gender, ethnic and other categories of diversity in our leadership and employee groups. We also recognize that our industry is lagging behind world-class role models in key areas of diversity, and this is an opportunity for continued improvement.

In 2017, we hired a new Vice President of Diversity and Inclusion for the Americas to provide vision, leadership and strategic planning for our diversity and inclusion platform.

## GOC Sponsorship Program

Throughout 2017, each member of CBRE's Global Operating Committee (GOC) sponsored at least one diverse leader, identified through the company's annual talent assessment process, who works outside the GOC member's span of control. This program provided advocates for diverse talent within the company and visibly demonstrated our senior leadership's commitment to diversity. Strong positive results and participant feedback led to the decision to continue the initiative in 2018 and to expand both the number of mentees and the dimensions of diversity on which the initiative is focused.

## IMPACT! Program

To advance our commitment to improving gender balance at more senior levels, CBRE created IMPACT!, an 18-month, global executive development program that identifies, develops, retains and launches key female leaders into senior and executive leadership roles. A second IMPACT! cohort began in 2017 with 20 participants from nine countries. The program focuses on both individual leadership training and group-focused learning. Each participant is paired with an executive sponsor who provides one-on-one coaching, supports their internal exposure and creates opportunities for them to advance.

## Women on Internal Boards

In 2017, our EMEA Executive Committee developed a regional talent development initiative to add more women to EMEA Country and Service Line Boards. Eleven of our EMEA countries and a majority of service lines had women representing at least 30% of their Board members. For countries where female representation was less than 30%, a minimum of one fee-earning woman was invited to join that Board for 12 months starting in January 2017, giving them the opportunity to participate in senior leadership decision making. Fourteen countries participated in the initiative in 2017, resulting in a majority of our EMEA countries and service lines having at least 30% female representation at the Board level. The initiative is being continued in 2018 with the program being relaunched to focus on development and networking opportunities for the participants.

## National Equality Standard

Following a robust assessment process, CBRE U.K. Ltd., was awarded the **National Equality Standard** (NES) in February 2018. CBRE is the first property services provider to achieve this accolade and the 22nd U.K. company overall.

The U.K. National Equality Standard was developed by business for business and sets

clear equality, diversity and inclusion criteria against which companies are independently assessed. The NES assessment reviewed CBRE against 49 individual competencies focused on key topics such as governance, culture, HR policies and processes, business planning, inclusivity, flexible working, leadership commitment and accountability, as well as external relationships with CSR activities and the firm's supply chain.

## U.K. Gender Pay Gap Reports

A new law enacted in the U.K. in 2017 requires all organizations with 250 or more employees to publish and report specific figures about their gender pay gap. The gender pay gap measures the total difference between men and women's average pay (including bonus and reward contributions) across an organization. This is different to equal pay, which refers to men and women receiving equal pay for equal work.

CBRE's Gender Pay Gap for its U.K. businesses (including all employing entities) is 17.35%. Our gap is mainly attributable to the fact that there are currently more men in senior roles within the business. This profile is characteristic of the wider commercial real estate sector, which, while changing, has traditionally attracted fewer women.

Our **CBRE U.K. Gender Pay Gap Report** includes detailed statistics and information on our programs to create more opportunities for women to progress.

## D&I Recruiting

In 2017, CBRE expanded its commitment to hiring more diverse talent throughout the company.

Our Diversity Internship Program partners with three organizations to help us identify diverse talent: **Commercial Real Estate Women (CREW) Network**, which is focused on the advancement of women in commercial real estate; **The Posse Foundation**, which is committed to recruiting and training outstanding students from urban backgrounds; and **Vadis**, which is dedicated to providing services to people with disabilities. The **CBRE Diversity Scholars Program**, a scholarship grant and summer internship program for students of racial or ethnic diversity that we created in 2016, continued in 2017.

CBRE also supports the **Real Estate Association Program** (REAP), an industry-backed, market-driven program that serves as a bridge between talented minority professionals and commercial real estate companies looking for talent.

## Employee Network Groups

A significant way that we advance workplace diversity is through our employee network groups, which have been an important part of our success for more than 17 years. These groups offer career and professional development opportunities, connections and networking possibilities across all business lines and regions, and community involvement opportunities. Groups are open to all employees, and have formed in each of the regions where we operate globally.

### AMERICAS

- African-American Network Group
- Asia Pacific Network
- CBRE Military
- Hispanic and Latin Business Resource Group
- LGBTQ & Allies
- Rising Professionals Organization
- Women's Network

### EMEA

- Women's Network
- LGBT Network
- Multicultural Network
- Wellbeing Network
- Faith at Work Network
- Veterans & Reservists
- Next Generation
- PAs Network

### APAC

- Women's Network
- LGBTI

*Women’s Network*

The Women’s Network exists to promote the success of women, and has more than 3,000 members. Growth, Connection and Mentorship – the three guiding pillars of the Women’s Network – provide a solid foundation to enhance careers and promote an environment that is collaborative and keenly focused on success.

In November 2017, CBRE hosted its first-ever simulcast for members of the Women’s Network. The live-streaming presentation, entitled “A Conversation with Amy Cuddy,” was viewed by more than 3,000 women and men at more than 80 CBRE locations worldwide across the U.S., Canada, Latin America and Australia. The presentation was also recorded for viewing by Women’s Network groups in other regions following the event. Social psychologist and bestselling author Amy Cuddy, the keynote speaker, is an expert on the behavioral science of power, presence and prejudice.

The Women’s Network also hosted the inaugural Power of WE (Women Excelling) Conference in mid-November. This exclusive, two-day event for CBRE’s senior-most women and a select group of their top female clients, delivered a strong blend of content-rich sessions and dynamic networking opportunities that deepened both the personal and professional relationships among these industry leaders.

**TALENT MANAGEMENT**  
**Employee Engagement**

In 2017, we partnered with an external vendor to launch a worldwide employee engagement survey that covered all employees. The survey achieved a 54% response rate globally. Our overall engagement level was in the moderate range compared with other companies. Given our aspirations for CBRE, we know that we need to work hard to improve on this. Our scores varied by geography and business line, and they highlighted some things we are doing well today as well as important areas where we can improve. Overall, 155 actions are now being addressed in 7 categories across the globe. Progress on these actions is being tracked and reported to senior management. We plan to conduct another full survey in Q3 2018 to measure year-over-year progress.

**Performance Management**

Performance management is viewed as a continuous activity at CBRE. We offer a number of career development and performance management training sessions, allowing employees to learn more about their role in the process and how it benefits them in their career growth. In 2017, 79% of Americas employees and 54% of employees globally received a performance review. [\[404-3\]](#)

**LEARNING & DEVELOPMENT**

The Global Talent, Learning and Diversity team, through its Learning and Development teams, focuses on empowering our employees to develop themselves and their teams, providing tools to drive career development and growth. Our professionals are connected across geographies, business lines and shared services leveraging best practices, tools and content. We engage creative and innovative methods to expand beyond traditional classroom offerings and online education, using world-class learning processes and platforms.

At the core of our learning strategy is the view that talent development happens through three key activities:

- 70% ON-THE-JOB** work/doing the job at hand
- 20% COACHING** through direct feedback from a boss, peer or mentor
- 10% FORMAL TRAINING** to improve a skill or increase expertise

This 70-20-10 approach includes webinars, classroom training, self-paced e-learning, coaching, mentoring and on-the-job projects.

Our global Learning Management System (LMS) – called myLearning – is a world-class, cloud-based learning solution available to all

employees globally. myLearning is where employees can seek and find training materials to enhance and develop their skills, connecting them to assigned and self-selected training content, allowing interaction with other learners across the company and providing better management tracking of employee learning. In 2017, 88% of employees accessed training through myLearning. On average, CBRE learners completed 7.9 hours of training in 2017.

We have aligned our training opportunities with four pillars of learning and development:

- 1 Onboarding:** Introducing new hires to CBRE culture, history and the RISE values
- 2 Professional Development:** Teaching skills that are applicable to all lines of business
- 3 Business Acumen:** Developing skills specific to lines of business and job title
- 4 Leadership:** Growing skills specific to leading people and managing a team

These pillars consist of fundamental principles for ongoing professional and personal development. This framework ensures the delivery of valuable content that is relevant, timely and applicable to CBRE professionals who are empowered to choose their own career path. The pillars offer additional guidance in selecting learning opportunities that reach beyond job-specific training and help employees realize their professional goals and aspirations.

## EMPLOYMENT

### Total Rewards

We recognize and appreciate that employee total rewards are an important part of the employment relationship. CBRE provides competitive total rewards in all the markets in which we compete for talent, including fixed and variable pay, and comprehensive benefits that complement country-specific, legislatively prescribed programs. Examples of career rewards can be found on our [U.S. Careers website](#).

Annually, we review market competitiveness of all our total rewards programs and adjust our programs accordingly. Additionally, we actively balance the cost of these programs through manager and employee education, promotion of wellness activities and a “pay for performance” culture, as well as through continuous process improvement.

CBRE focuses on providing equitable opportunities to all our employees. Differentiation in compensation is driven relative to individual performance. However, our benefit programs are, where possible, consistently offered within locations to ensure that employees have the same access to programs as other employees within their location/position.

For individuals not subject to external pay reviews and/or benefit requirements, such as union contracts, CBRE undertakes an annual “pay for performance” review. Employees are assessed based on their performance against established goals and rewarded accordingly.

CBRE remains committed to providing eligible employees with meaningful, compliant and affordable benefits. We aim to support physical health, financial wealth and emotional resiliency with a variety of programs for employees at any stage in their career. In 2017, CBRE added a health care concierge service to assist employees with managing their health care planning.

### Employee Transitions

Treating our people with dignity and respect is a priority. When practical, we provide impacted employees advanced notice of staff reductions and significant operational changes in excess of regulatory requirements. We comply with the notice requirements of relevant labor and employment laws and collective bargaining agreements, as applicable. In instances where we cannot provide advanced notice, employees receive pay in lieu of notice, consistent with our severance plan.

CBRE provides outplacement assistance as part of the company’s transition assistance package to employees who are affected by a reduction in

force, including separation pay, a health care stipend and access to outplacement services. Our severance plan offers benefits to qualified full- and part-time employees.

Total employee turnover for the past three years is as follows. [\[401-1\]](#)

| 2015   | 2016   | 2017   |
|--------|--------|--------|
| 19.94% | 20.93% | 22.56% |

### Anti-Discrimination

CBRE is vigilant in complying with all national regulations in the countries where we operate. We have established policies and practices that support the company’s position on prohibiting discrimination or harassment on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, pregnancy, childbirth (or related medical condition), age, citizenship, marital status, disability, veteran or military status, political belief or any other basis protected by applicable law.

### Collective Bargaining

As of December 31, 2017, approximately 1,900 (2.4%) of our employees were subject to collective bargaining agreements, most of whom work in properties we manage in California, Illinois, New Jersey and New York. [\[102-41\]](#)

# COMMUNITIES & GIVING

CBRE is committed to supporting and adding value to the communities where our employees live and work around the world, as well as in communities where the need is greatest. Each of our three regions – Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC) – operates independent charitable initiatives, leading their own regional programs. One element remains the same worldwide: our employees’ charitable spirit and enthusiasm.

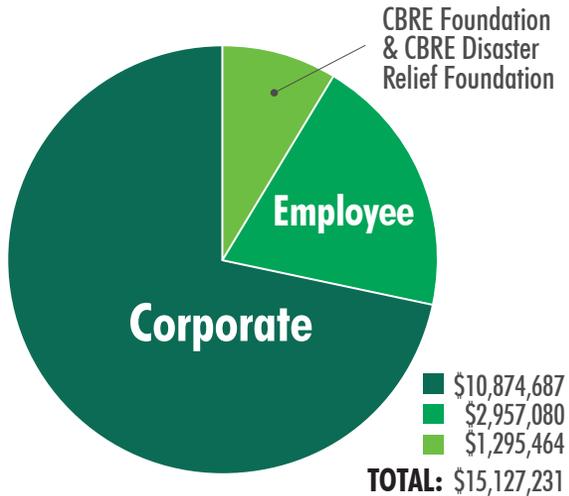
## CONTRIBUTIONS

We began tracking employee volunteer hours globally in 2017. Employees volunteered 14,256 hours during business hours at charitable activities organized by CBRE. Employees also used their expertise to support nonprofit organizations with skills-based volunteering in 2017, donating 844 hours. We believe these numbers represent just a fraction of our employees’ volunteer activities, and we are working to improve our tracking systems in 2018.

### DISASTER RELIEF

Acting in coordination with CBRE, the CBRE Foundation and regional and local disaster relief committees, the CBRE Disaster Relief Foundation enhances employee contributions and distributes funds through a network of pre-approved partner organizations that focus on disaster relief and rebuilding communities in need.

In 2017, CBRE responded to an unprecedented five natural disasters in North America from August to December, including:



- Hurricane Harvey (Texas)
- Hurricane Irma (Florida)
- Hurricane Maria (Puerto Rico & Caribbean)
- Earthquake (Mexico City)
- Wildfires (Northern and Southern California)

In response, the CBRE Disaster Relief Foundation made a one-time contribution of \$250,000 toward relief efforts. CBRE employees generously donated more than \$290,000, the most ever given by our employees to a single fundraising

campaign. The funds were first used to provide direct assistance to 153 CBRE employees impacted by these disasters. Grants to employees totaled nearly \$400,000. The remaining funds were donated to the American Red Cross for relief efforts for the disasters impacting the U.S., the Mexican Red Cross for earthquake relief efforts and Rebuilding Together for relief efforts and a CBRE Build Day activity in Florida. This **video** shows how employees were impacted by the disasters and how grants from by the CBRE Disaster Relief Foundation supported them during this difficult period.

In the EMEA region, EMEA Disaster Relief Funds donated £25,000 to provide aid during the East Africa Food Crisis. In the United Kingdom, after the June 2017 Borough Market terrorist attack, CBRE made a £5,000 donation to the Borough Market Hardship Fund, as well as worked with contractors to repair the damage to the Borough Market area free of charge.

In response to the June 2017 Grenfell Tower fire, our Residential team worked with the Royal Borough of Kensington & Chelsea (RBKC) housing team to help find accommodations for those displaced by the fire. Our Capital Advisors and Building Consultancy lines of business, who are retained by RBKC, also worked with our Hotels team to help identify local hotel owners able to offer rooms for those affected.

In addition, our U.K. charity partner, Shelter, deployed housing advisors and a CBRE-funded resettlement worker to the local area. Finally, CBRE made a corporate donation of £10,000 to the Kensington and Chelsea Foundation to help support the hundreds of people impacted.

## EMEA

Our EMEA charity program, Building a Better Future, engages each country in the region, committing a contribution of at least 0.5% of each country’s annual earnings before interest, taxes, depreciation and adjustments (EBITDA) to charitable causes. The EBITDA contribution is divided into the following three components:

**50%** is donated to local charity causes decided by each country.

**40%** goes toward an EMEA-wide partnership program, which currently supports Plan International.

**10%** is added to our EMEA Disaster Relief Funds to ensure we can respond quickly to major humanitarian or environmental crises.

### Plan International

In 2014, CBRE’s EMEA business entered into a partnership with international children’s charity **Plan International**. In January 2017, we embarked on a new project together called Safer Cities. This ambitious two-year project

will help create a safer living environment for thousands of vulnerable girls in Nairobi, Kenya. Our funds will support fundamental change such as making public transport safer for girls, improving local infrastructure and funding girls and boys support groups. With the help of our CBRE Global Workplace Solutions team in Kenya, we are also exploring a CBRE mentoring program for some young people in the area. In May 2017, six CBRE colleagues **travelled to Nairobi** with Plan International to learn more about the Safer Cities project. They met some of the young people we are aiming to help and saw the shocking reality of living in one of the poorest parts of Kenya.

The Plan International partnership involves CBRE colleagues in more than 100 offices and 30 countries participating in fundraising and other activities. In 2017, CBRE and our employees donated nearly €400,000 to Plan International. Additionally, CBRE provides pro bono support across Plan International’s global real estate portfolio, adding further tangible value to the organisation.

Safer Cities is an extension of the significant work we have been doing with Plan International since 2014 in Sierra Leone. CBRE teams across EMEA raised over £1 million for Sierra Leone from 2014-2016, giving an education to a generation of children, particularly girls.

Although we have completed our fundraising for Sierra Leone, we are continuing to work with 485 of these girls to help them become qualified teachers. More information on CBRE’s partnership with Plan International can be found **here**.

We are honored that in 2017 the CBRE and Plan International partnership won the Managing Partners’ Forum (MPF) Management Excellence Awards: Best Community Engagement award.

### U.K. Partnerships

In February 2015, CBRE U.K. staff chose **Shelter** to be our first U.K. charity partner. By the end of the partnership in December 2017, we had raised £1,028,524 to help people facing poor housing and homelessness. This achievement funded Shelter advisors in nine of their Service Centres and helped more than 5,500 families find a home.

In addition to fundraising and volunteering, CBRE donated 275 hours of pro-bono support to Shelter as part of the company’s aim to make a long-term difference. CBRE’s team used its expertise on a range of projects across Shelter’s portfolio, identifying property savings of more than £3.7 million over five years. As a result of this partnership, CBRE won the Property and Construction category in the Business Charity Awards in 2017. More information on the

partnership can be found on our **U.K. website**, and the impact of the partnership is described in this **Impact Report**.

Following the successful partnership with Shelter, in December 2017, CBRE U.K. staff voted for a new charity partner, **Action for Children** – an organization that helps thousands of disadvantaged children across the U.K. In 2018 and 2019, we aim to raise £500,000 for Action for Children to support more than 700 children in the care system.

### AMERICAS

CBRE continued to make a significant impact across the United States through the efforts of our individual offices supporting meaningful causes in their local communities as well as four initiatives – Shelter Program, Matching Funds Program, Birthday Cakes & More for Homeless Children and National Shoe Collection. CBRE also continues to offer U.S. employees two days paid time off during the year for their participation in certain volunteer opportunities.

Established in 2010 in partnership with national housing nonprofits **Rebuilding Together**, **HomeAid** and **Habitat for Humanity**, the CBRE Shelter Program continued as the flagship program for **CBRE Cares** in the U.S. The program is designed to improve housing options

for people in need and allows our professionals to use their leadership skills to deliver measurable results in their communities. In 2017, 560 U.S. employees volunteered nearly 4,500 hours to rebuild private residences and community centers. More than \$253,000 was donated by the CBRE Foundation to support these projects.

In 2017, the CBRE Foundation gave more than \$340,000 to hundreds of organizations that our employees personally supported financially through our Matching Funds Program.

Since its inception in 2001, the Birthday Cakes & More for Homeless Children program has delivered more than 11,500 cakes, including 1,467 cakes delivered in 2017. Through this grassroots initiative, employees hand-deliver personalized cakes to homeless children to help them celebrate their birthdays.

Over the past seven years, CBRE has provided over 110,000 pairs of shoes to people in need around the world through our National Shoe Collection program. In 2017, 59 CBRE locations collected nearly 9,500 pairs of shoes that were donated to **Soles4Souls**.

Many large and small charitable activities were also organized throughout the region, including in Mexico and Canada, by locally engaged CBRE Cares committees.

## APAC

As the largest philanthropic event in APAC, the 10-kilometer **Walk for a Wish** supports CBRE's commitment to social responsibility by bringing teams of employees, clients and vendors together from each business line in order to raise funds for various charitable causes in each participating country.

In 2017, CBRE combined the annual Walk for a Wish campaign and Wellness Week, which provided an opportunity for employees to participate in activities that support our environment, our communities and each other. Wellness Week activities included fundraising, volunteering, green, health, fitness and educational initiatives, culminating in our eight annual Walk for a Wish – our largest to date. More than 2,500 employees from **22 locations** across APAC took part in more than 150 wellness activities and raised nearly \$300,000 for selected causes.

Countries throughout the APAC region also organized local charitable initiatives throughout the year. CBRE Pacific was involved in 20 volunteer days as part of our CBRE Cares program, with over 200 staff from New South Wales, Victoria, Queensland and Canberra donating their time to several charities.

CBRE Hong Kong proudly served as lead sponsor of the **Barclays MoonTrekker** for the 5th consecutive year, raising HKD 90,000 for The Nature Conservancy. 80 CBRE competitors from Hong Kong, Singapore and the Netherlands participated in overnight charity hikes (30km or 43km) across Lantau Island, Hong Kong, with the help of more than 20 CBRE volunteers who stayed up all night to support their colleagues, both mentally and physically.





# HOW WE OPERATE



## ETHICS & COMPLIANCE

Our Ethics and Compliance program maintains and supports a consistent culture of values that acts as the cornerstone of our global business philosophy and ensures that our success is achieved in the right way. In 2017, CBRE was not subjected to significant fines or sanctions for noncompliance with the law or regulations in any country. No legal actions for anticompetitive or anti-trust behavior were filed against the company in 2017.

[206-1, 419-1]

### MANAGEMENT

#### Standards of Business Conduct

[102-16]

CBRE is firmly committed to conducting business with the highest integrity and in compliance with the letter and spirit of the law. We are operating in a world where the rules that govern business conduct are more complex and demanding than ever. CBRE's **Standards of Business Conduct** (SOBC) is the senior-most policy in the company and guides our everyday operations, brings our RISE values to life and is a roadmap for our continued commitment to excellence in the global real estate industry.

The SOBC outlines expectations of employee conduct relating to each other; our business partners, clients and competitors; our corporate resources; and our communities. It is the focal point of our culture of ethics and compliance and is essential to preserving the valuable trust placed upon us by our clients.

Available in 30 languages and approved by our Board of Directors, all employees are required to read, understand, certify annually and adhere to our SOBC. Through the certification process, each employee reaffirms his or her commitment to the RISE values and our standards, as well as adherence to several specific policies (e.g., harassment prevention, anti-bribery, anti-corruption, confidentiality, data privacy). Employees are also encouraged to report any suspected material wrongdoing of which they might be aware. In 2017, 92% of employees completed the SOBC certification.

#### Ethics Helpline

[102-17]

CBRE continues to focus significant energy and resources on sustaining our internal avenues for inquiries, bringing forth concerns and investigating suspected unethical or illegal activities.

Led by the Chief Ethics & Compliance Officer, this infrastructure includes a worldwide anonymous reporting (as permitted by local

laws) and inquiry system, the Ethics HelpLine, that is available 24 hours a day and accessible in all languages used by CBRE employees. These third-party independent systems are promoted through our corporate communications, office posters and internal training, and are easily accessible through the **Internet and country-specific toll-free phone numbers.**

The Ethics & Compliance department is independent from business operations, so questions can be posed and advice given in a non-attributable, confidential and comfortable manner. Additionally, if an allegation of serious misconduct is logged into the system by an employee or third party, internal investigators are required to conduct a prompt, thorough and unbiased investigation consistent with internal policies.

Uniformity of process and outcomes in an investigation is achieved by requiring our investigators to attend annual training and regular case peer review meetings.

CBRE has a strict non-retaliation policy to encourage employees to raise issues and report concerns of misconduct. Retaliation is not tolerated, and any employee who engages in retaliatory behavior will be subject to disciplinary action, up to and including termination.

### Breaches Against Codes of Conduct

CBRE encourages all of our employees and stakeholders to bring issues forward if there is a concern that someone acting on behalf of CBRE is, or may be, doing something that violates our values, policies or the law. When a report regarding a violation of policy or the law is received, it is investigated and documented in accordance with CBRE's approved investigations procedure.

In 2017, CBRE received more than 900 reports through channels such as the Ethics HelpLine, online systems and speaking with members of the Human Resources, Compliance and Legal Departments. Of the reports that led to an investigation into violations of our policy or the law, more than 50% resulted in some kind of remedial measure taken.

### ANTI-CORRUPTION

[103-1, 103-2, 103-3]

Anti-corruption is material to CBRE because our business is built on trust with our clients and our reputation for fair and ethical business dealings. As our SOBC states: "While this reputation has been built over a century of hard work by thousands of employees, it can be harmed by just one employee offering a bribe or kickback

in any form. Aside from damaging our reputation, corruption allegations can lead to costly and disruptive government investigations, large fines and criminal penalties against CBRE and the individuals involved.”

This topic is material within our own operations, as well as for our suppliers, from whom we purchase products and services. Although we do not directly manage anti-corruption activities for our suppliers and therefore cannot report on it, we work to influence this stakeholder group through our **Supplier Code of Conduct**, which details our expectations that suppliers must compete strictly on the basis of the merits of their products and services.

CBRE is committed to building aggressive policies, controls, audit systems and training programs to prevent anti-corruption violations, and we are improving our monitoring processes to better identify and review potentially questionable transactions. Our **Anti-Corruption Policy**, updated in 2017, is translated into approximately 30 languages and is applicable to all CBRE employees globally. This policy addresses all forms of inappropriate payments to government officials and other entities, including charitable donations and sponsorships intended to disguise bribery. We require mandatory anti-corruption training programs for employees in several targeted high-risk countries of operation, as well

as new employees within the first 60 days of employment. In 2017, 22,466 employees received anti-corruption training. Additionally, all new employees must provide a written sign-off to comply with the company’s ethics and anti-corruption policies. Finally, all employees are required to annually reaffirm their personal commitment to adhering to our Anti-Corruption Policy in their daily activities. CBRE received no fines, penalties or settlements in relation to corruption in 2017. [\[205-3\]](#)

All parts of our business across all regions where we operate are assessed for corruption risk on a yearly basis. The risk assessment determines the relative risk of a violation to the mitigation of the anti-corruption program and what could be done to further improve its effectiveness. We enhanced our anti-corruption program in 2017 by focusing on improved monitoring of transactions, including the use of data analytics to identify “red flags” that may precede suspicious transactions. By the end of the year, nearly all of our businesses in the Asia Pacific region were being monitored for corrupt transactions through data analytics. In 2018, we will further expand the data analytics program to cover countries in the European Union. We have also created a new goal to achieve a 50% increase in data analytic monitoring for corrupt activities by 2020, using a 2017 baseline. [\[205-1\]](#)

Our Anti-Money Laundering Policy establishes the framework for the prevention of money laundering, terrorist financing and other financial crime within our business operations. We are committed to upholding anti-money laundering laws and regulations, and mitigating reputational risk, in all countries where we do business. We support full transparency in all business dealings and transactions, and will not conduct business with customers or business partners in a manner intended to disguise or hide their identity in the transaction or undertaking, or otherwise has such effect.

## PROFESSIONAL INTEGRITY AND CONFLICTS OF INTEREST

[\[103-1, 103-2, 103-3, IF0403-04, IF0403-05\]](#)

Similar to anti-corruption, professional integrity is material to CBRE within our operations because our business is built on our reputation for fair and ethical business dealings. We are committed to conducting our business with the highest ethical standards and complying fully with our legal and regulatory obligations. Inherent in the commercial real estate services industry are situations where the interests of

clients might conflict (or appear to conflict) with the interests of the service provider or other clients. Examples highlighted in the Sustainability Accounting Standard for Real Estate Services include dual agency transactions, or transactions where the firm represents both the buyer and the seller in the same real estate brokerage transaction, and transactions associated with properties for which the firm conducted appraisal services. How we respond to and manage challenging conflicts is not just a set of corporate policies and procedures – it’s a fundamental factor in defining our success.

CBRE was not subjected to any legal or regulatory fines or settlements associated with professional integrity or duty of care in 2017. [\[IF0403-06\]](#)

In addition to the **Standards of Business Conduct** (described earlier in this report) that guide our everyday operations, CBRE has established policies and procedures in each of our operations to identify and manage conflicts of interest. These policies and procedures are the subject of ongoing monitoring and review processes embedded within our lines of businesses. These controls are overseen by our most senior executive officers, who are supported by our Legal and Compliance departments. These personnel play a vital role in the formulation of policies and make judgments

regarding the appropriate resolution of particular conflicts.

We have developed an extensive [whitepaper](#) that describes how and where real and perceived conflicts may arise in our business; acknowledges our responsibilities to our clients and what they can expect from us; summarizes the controls we have implemented to identify and manage conflicts; and sets forth a process by which CBRE responds to requests for information, clarification or resolution of a dispute regarding conflicts. Additionally, we regularly provide conflict of interest training to employees.

We have established avenues for our clients or other third parties to report to us any circumstance in which they believe a conflict of interest was not disclosed or managed in a manner consistent with our own policies or the law. Each report received from a client or prospective client is escalated to the appropriate personnel within CBRE to be addressed. Typically, allegations of this nature are treated as reports of serious misconduct under our Ethics & Compliance Program. This requires that they be promptly, thoroughly and impartially investigated under the supervision of our Chief Ethics & Compliance Officer. If a violation is found, prompt and thorough remedial action is taken. A periodic review of conflicts of interest is included in the CBRE Ethics & Compliance Program’s

monitoring and audit plans, supported by our Global Assurance and Advisory department.

Our Board regularly conducts a review of possible conflicts of interest and related-party transactions through the use of questionnaires, director self-reporting and diligence conducted by management. Our Audit Committee oversees management of potential conflicts of interest between us and our directors and executive officers. Our [Policy Regarding Related Party Transactions and Corporate Opportunities](#) can be found in the Investor Relations section of our website, and related-party and other transactions involving our officers and directors are described on page 79 of our [2018 Proxy Statement](#). [\[102-25\]](#)

## PUBLIC POLICY & POLITICAL PARTICIPATION

[\[415-1\]](#)

CBRE has had a policy of prohibiting the use of Company funds for contributions to political candidates, parties, campaigns or ballot initiatives for many years. We do not make political contributions – and do not reimburse employees who choose to make them.

CBRE recognizes that some laws might have a significant and powerful impact on the quality of services we offer to our clients and the local communities we serve. For these reasons, we continued our public policy initiatives in 2017, including legislative outreach and targeted lobbying activities in several U.S. states. The general goals of our public policy initiatives are to educate policymakers and procurement officers about the commercial real estate industry and to raise awareness of legislative and regulatory developments that affect our industry and local constituencies.

In 2017, we spent \$248,000 on lobbying activities related to two issues in the United States. First, in conjunction with other business groups, we supported an effort in opposition to legislation in California that would have deprived our clients of meaningful choice of service providers in certain real estate transactions. Second, we supported lobbying related to government contracting administrative issues.

Our public policy outreach and educational activities will continue in 2018 through engagement of lawmakers by our employees and others in the commercial real estate business. These efforts will focus on legislative and regulatory issues that have the potential to directly impact our services.

## COMMUNICATIONS & TRAINING

CBRE continues to emphasize the critical nature of ethics & compliance through training and media that are both engaging and educational. Our General Counsel writes “Compliance Corner,” a monthly email that covers topics such as our SOBC, integrity, conflicts of interest and a variety of our corporate policies.

“Compliance Corner” is unique in its approach, as it uses a wide variety of pop culture references and engaging storytelling to drive home that month’s message. It is also linked to an internal social media channel that allows employees to comment and discuss each topic addressed by the periodical. Every edition of “Compliance Corner” references the Ethics Helpline phone number and website and encourages employees to report any concerns, violations of policies or the law and unethical conduct.

In 2017, CBRE continued to offer online training on core elements of our ethics and compliance program to all employees. We facilitated training on a wide range of topics, including anti-corruption, conflicts of interest, harassment, data privacy and global financial fraud prevention. Several areas of ethics and compliance training are also provided to all

new employees and must be completed within 60 days of hire. These include SOBC, harassment prevention, the employee handbook and RISE values. In total, CBRE rolled out over 427,000 seats of online compliance training.

## HUMAN RIGHTS

Consistent with our values and global nature, CBRE is dedicated to complying with the United Nations Universal Declaration of Human Rights.

We have developed and implemented a dedicated global Human Rights Compliance Program. The cornerstone of the program is our **Human Rights Policy**, in which we recognize that we have a responsibility to always respect human rights in our operations, to promote an prejudice and discrimination, provide fair work hours and wages, and respect the rights of employees to associate freely. Additionally, our policy states that CBRE endorses the United Nations Guiding Principles on Business and Human Rights and will work to raise awareness within our employee population of our responsibility to protect human rights.

We continue to include human rights in our annual risk assessment that is conducted in every country in which we do business. [412-1] We commit to embedding human rights practices into our global culture as an ongoing

commitment to our RISE values and to being a responsible business.

## DATA PRIVACY

CBRE is committed to ensuring that all personal or sensitive data within our possession or control, whether that of our employees, vendors or clients, is handled correctly throughout its entire lifecycle. We are committed to respecting and protecting the privacy of individuals and keeping personal information secure by complying with applicable data protection, privacy and information security laws and regulations.

Our Data Privacy Policy describes CBRE’s methods regarding the necessary collection, use, disclosure and safeguarding of personal information for business-related purposes. Our Global Privacy Officer is responsible for the oversight of this policy and the CBRE Global Privacy Program. In 2017, we did not have any substantiated complaints concerning breaches of customer privacy or loss of customer data. [418-1]

CBRE’s Global Data Privacy Program was highly enhanced during 2017. We began our journey to compliance with the European Union General Data Protection Regulation (GDPR), which included increases in resources and personnel, with the expectation that we would have a

defendable GDPR program by the enforcement date of May 25, 2018. We have continued to institute our privacy program across the globe, establishing a consistent privacy and security culture and minimizing risk. This includes developments in a number of components of our privacy program, including:

- Implementation of the seven GDPR Principles through clear policies, consistent procedures and practical guidance;
- Systems and procedures to respect and comply with Data Subject Rights;
- Setting world-class information governance and data security standards, including achieving ISO 27001/27002 certification;
- Global and regional data breach incident response plans;
- Systems and procedures to respect and comply with Data Subject Rights;
- Setting world-class information governance and data security standards, including achieving ISO 27001/27002 certification;
- Vendor security risk assessments and Supplier Code of Conduct;
- Regular communications and outreach from the Global Data Privacy Officer and senior management, focused on practical examples of how employees can implement privacy and security compliance at a grassroots level;

- Proactive training programs that reinforce our culture and commitment to embed Privacy by Design and by Default into our business practices and culture;
- Ownership of privacy and security outcomes within our business units through a Privacy Champion program; and
- Aggressive risk identification, audit and compliance monitoring that includes a proactive country-by-country annual risk assessment process, globalized whistleblower hotline (where permitted), internal investigations program and a strict non-retaliation policy.

# HEALTH & SAFETY

Occupational health and safety is material to CBRE because we believe there is nothing more important than the health and safety of our employees, contractors and those with whom we work. Our clients are increasingly demanding world-class safety performance as a pre-condition to compete for and retain their business. Our health, safety and environment (HSE) vision is to become the safest company in the commercial real estate industry and have our HSE success be a competitive advantage.

## MANAGEMENT

[103-2]

We believe that safety is the entry point to building trust with our employees, contractors, clients, visitors and other stakeholders, and we work diligently to maintain a strong culture of safety to ensure a work environment absent of recognized health and safety hazards.

Our global HSE Policy Statement, in effect since 2015, outlines our commitment to providing a safe and healthy workplace for our employees and others who are affected by our activities; ensuring adequate resources are available to effectively manage HSE; meeting or exceeding regulations, legal requirements and company standards; measuring and communicating our HSE performance; and implementing and maintaining policies, procedures and systems dedicated to continuous improvement.

As a part of our commitment, our Executive Risk Committee provides executive sponsorship, oversight and support for the CBRE HSE function.

We deliver extensive health and safety training to colleagues in our technical workforce, including online and in-person training sessions.

We are in the process of enhancing our enterprise HSE technology solution that we call myHSE. The technology provides a global platform for injury/illness management, audits management, chemical and safety data sheet management, risk assessment management, activity management and performance management.

We recognized HSE as a Shared Advantage. Therefore, our delivery model is evolving to a shared service structure. The evolving service model ensures every CBRE employee has professional HSE support by integrating HSE corporate team members, regional and business line HSE leaders, and client account HSE resources to allow the delivery of a globally consistent approach to managing HSE risk.

## Supplier Code of Conduct

The topic of health, safety and the environment is material within our own operations, as well as for our suppliers from whom we purchase products and services; and with our clients, whose properties we manage every day.

Although we do not directly manage health and safety for our suppliers and therefore cannot report on it, we work to influence this stakeholder

group through our [Supplier Code of Conduct](#), which includes details of our expectations for supplier health and safety performance. And while CBRE does not have access to health and safety data for our clients, we work directly with clients in our Asset Services and Global Workplace Solutions (GWS) business lines to help them get their spaces certified under various health, safety and environmental management systems. [\[103-1\]](#)

## Certifications

Our GWS and Asset Services business lines in multiple regions worldwide are certified to standards such as the ISO 14001 Environmental Management System, ISO 9001 Quality Management System, OHSAS 18001 Occupational Health and Safety Management System, AS 4801 Occupational Health and Safety Management System and PAS 99 Integrated Management System. Additionally, our corporate operations in the U.K. are ISO 9001 certified.

| CERTIFICATIONS            | ISO 14001 | ISO 9001 | OHSAS 18001 | AS 4801 | PAS 99 |
|---------------------------|-----------|----------|-------------|---------|--------|
| GWS U.K.                  | •         | •        | •           |         | •      |
| GWS Ireland               | •         | •        | •           |         |        |
| GWS Italy                 | •         | •        |             |         |        |
| GWS Spain                 | •         | •        |             |         |        |
| GWS Switzerland           | •         | •        | •           |         |        |
| GWS Germany               | •         | •        | •           |         |        |
| GWS Netherlands           | •         | •        |             |         |        |
| GWS Sweden                | •         | •        |             |         |        |
| GWS Denmark               |           | •        |             |         |        |
| GWS Singapore             | •         | •        | •           |         |        |
| GWS Australia             | •         | •        | •           | •       |        |
| GWS New Zealand           | •         | •        | •           | •       |        |
| GWS Beijing               | •         | •        | •           |         |        |
| GWS Shanghai              |           | •        |             |         |        |
| Asset Services India      | •         | •        | •           |         |        |
| Asset Services U.K.       | •         |          | •           |         |        |
| Corporate Operations U.K. |           | •        |             |         |        |

CBRE continues to increase the percentage of the organization that operates according to internationally recognized and independently certified environmental, health and safety management systems. We also work with our clients to get their properties certified to the standards that are meaningful to them. For example, our Asset Services business line in EMEA has a number of client properties that are certified to ISO 14001, OHSAS 18001, PAS 99 and the ISO 50001 Energy Management System.

## PERFORMANCE

[103-2, 103-3, 403-2]

### Near Misses

Approximately 100,000 unsafe acts, unsafe conditions, and near misses were reported by CBRE employees in 2017. These safety reports identified a risk and gave CBRE staff the opportunity to eliminate the hazard, preventing a potential injury.

### Injury Rates

In 2017, our Total Recordable Incident Rate (TRIR) was 0.58, compared to 0.60 in 2016 and 0.72 in 2015. This marked the third year in a row that our performance improved. The 2017 TRIR improved 3% over 2016 and represents a 19% improvement globally in the last two years.

However, we did not achieve our goal of reducing TRIR 10%, or a target of 0.54, from 2016 to 2017. Our new goal is to reduce TRIR by 8% to 0.53 from 2017 to 2018.

In 2017, our Lost Time Injury Rate (LTIR) was 0.28, compared to 0.30 in 2016 and 0.34 in 2015. This also marked the third year in a row of improved performance for this metric. The 2017 LTIR improved 7% over 2016 and represents a 18% improvement in the last two years. However, we also did not achieve our goal of reducing LTIR 10%, or a target of 0.27, from 2016 to 2017. Our new goal is to reduce LTIR by 7% to 0.26 from 2017 to 2018.

Injury rates for our GWS and Asset Services business lines in 2017 are detailed below.

| ASSET SERVICES | TRIR        | LTIR        |
|----------------|-------------|-------------|
| Americas       | 1.45        | 0.51        |
| EMEA           | 0.08        | 0.08        |
| Asia           | 0.42        | 0.40        |
| Pacific        | 0.96        | 0.19        |
| <b>Total:</b>  | <b>0.80</b> | <b>0.39</b> |

| GWS           | TRIR        | LTIR        |
|---------------|-------------|-------------|
| Americas      | 1.01        | 0.29        |
| EMEA          | 0.67        | 0.60        |
| Asia          | 0.15        | 0.09        |
| Pacific       | 0.95        | 0.63        |
| <b>Total:</b> | <b>0.71</b> | <b>0.34</b> |

TRIR = # of OSHA recordable cases multiplied by 200,000 hours (# of hours worked by 100 employees in a year)/actual hours worked

LTIR = # of lost time injuries multiplied by 200,000 hours/actual hours worked

## Fatalities

Work-related employee fatalities are detailed below. Regrettably, in 2016 a CBRE employee who was driving to work was involved in a fatal motor vehicle collision. We did not have any work-related employee fatalities in 2017.

| 2014 | 2015 | 2016 | 2017 |
|------|------|------|------|
| 0    | 0    | 1    | 0    |



## ENVIRONMENTAL SUSTAINABILITY

As the world's largest real estate services firm, we take seriously our role in understanding, addressing and communicating the benefits of resource efficiency in the built environment and the value of innovative design on employee health and productivity.

### MANAGEMENT

CBRE is committed to implementing environmentally sustainable best practices for our own operations and to assist our clients in their efforts to address their environmental concerns. Our **Environmental Sustainability Policy** describes CBRE's practices and programs that work to reduce our environmental impact and drive sustainable real estate practices.

It is our policy to implement environmentally sustainable best practices and to meet both the letter and the spirit of all environmental laws and regulations where we do business. In 2017, we were not issued any fines in violation of environmental regulations or laws, nor have we been responsible for or party to any significant environmental pollution incidents. [307-1]

### Workplace Strategy

In 2012, CBRE began researching the concept that would become Workplace360, our global workplace strategy initiative. The initiative launched in the U.S. in 2013 with the opening of our global corporate headquarters in Los Angeles. By the end of 2017, we had opened 65 Workplace360 offices worldwide, representing

24% of our global occupied square footage. An additional 22 Workplace360 offices are underway in 2018.

Each Workplace360 office is a "free address" and paperless environment, supported by leading-edge technology tools and platforms. Assigned offices and workstations are eliminated; instead, up to 15 different types of workspaces are offered based on carefully calculated employee usage patterns. In these new spaces, we have reduced our footprint significantly – avoiding more than 320,000 square feet globally – while offering greater functionality and flexibility. This has resulted in lower energy use and carbon emissions.

### Occupancy

As our Environmental Sustainability Policy states, we give preference to certified green buildings for our leased corporate facilities and/or pursue interior design and construction certification using recognized green building standards for our relocated or refurbished facilities larger than 20,000 square feet. In total, 118 CBRE offices totaling 3.4 million square feet, or approximately 77% of our global occupied space, are certified under schemes such as LEED, BREEAM and

and WELL. In 2017, we created a new goal to locate 80% (by square footage) of all CBRE offices in spaces certified to a green building standard (such as LEED, BREEAM, etc.) by 2020.

The vast majority of our corporate occupancy occurs as a tenant in multi-tenant office buildings. We do not own any properties where our offices are located. This occupancy strategy allows maximum flexibility in our space decisions; however, it complicates our efforts to measure, manage and mitigate our resource consumption, as most of the leased locations feature full building utility meters. To measure our own use requires the installation of separate utility meters. Globally, 191 offices totaling more than 2 million square feet, or approximately 49% of our occupied space, have submeters. In 2017, we created a new goal to measure utility usage in 60% (by square footage) of CBRE offices by 2020.

### TRAINING

CBRE continues to place a strong focus on equipping building staff with the knowledge, proper tools and best practices they need to successfully manage and reduce energy consumption. In partnership with Building Owners and Managers Association International (BOMA), CBRE licenses BOMA Energy Efficiency Program (BEEP) training and offers

weekly webinars to employees. Using the EPA ENERGY STAR Portfolio Manager as a foundational tool, BEEP educates industry professionals on how to reduce energy consumption and costs with proven no- and low-cost strategies for optimizing equipment, people and practices. While this training program requirement has been in place for many years for all property management staff, during 2016 the training curriculum was expanded as required learning for all national engineering staff. In total, more than 23,000 attendees had participated in the four-part weekly training series by the end of 2017.

While many of our brokers have already made sustainability a consistent and regular aspect of their practice, we believe all CBRE brokers should have a fundamental understanding of this market dynamic. To address this, we developed "The Business of Green for Brokers" in 2015. This concise training video features our clients and brokers describing the various motivations for sustainability and the successful outcomes they've achieved. In 2016, we expanded availability of the training program to all employees globally and incorporated it as a component of the required new hire and onboarding curriculum for all brokerage staff. The brokerage sustainability video module was viewed more than 5,000 times in 2017.

## EMISSIONS & ENERGY

We have calculated our operational carbon footprint annually since 2008. In 2016, we set an absolute goal to reduce Scope 2 greenhouse gas emissions 30% by 2025 and 50% by 2035, using a baseline year of 2015. We have reduced Scope 2 emissions 26.3% from 2015 to 2017, so we are well on our way to achieving our 2025 goal of a 30% reduction. These reductions were primarily achieved through space attrition and efficiencies gained through our Workplace360 initiative.

In 2017, we set a new absolute goal to reduce Scope 1 greenhouse gas emissions 20% by 2026, using a baseline year of 2016. The baseline year for this goal is different than our Scope 2 baseline year because we collected complete Scope 1 emissions data for all regions globally for the first time in 2016. While it appears that we have already achieved this goal, we know that our Scope 1 emissions fluctuate each year due to changes in the number of vehicles we own. In 2017, our fleet count decreased due to a reduction in the number of owned vehicles associated with client-managed accounts. We also saw a decrease in average per-vehicle miles in our EMEA region.

Our 2016 and 2017 Scope 1, Scope 2 and Scope 3 emissions were third-party verified by Bureau Veritas. Additional details on our Scope 1,

Scope 2 and Scope 3 emissions and our energy consumption can be found in our annual CDP climate change disclosure, available on the [CDP website](#).

[\[305-1, 305-2\]](#)

| CARBON FOOTPRINT OF CBRE OPERATIONS <sup>1</sup> |        |        |        |
|--|--------|--------|--------|
|  | 2015   | 2016   | 2017   |
| Scope 1  | 30,928 | 63,414 | 46,057 |
| Scope 2  | 33,949 | 29,678 | 25,010 |
| Scope 3 (bus. travel only)                       | 13,161 | 16,954 | 18,626 |

NOTE: Scope 1 and Scope 3 emissions did not include full global data in 2015.

| PROGRESS TOWARD SCOPE 1 GOAL <sup>1</sup> |        |        |        |
|---|--------|--------|--------|
|   | 2016   | 2017   | 2026   |
| Baseline Emissions                        | 63,414 | 46,057 |        |
| Goal                                      |        |        | 50,731 |

| PROGRESS TOWARD SCOPE 2 GOAL <sup>1</sup> |        |        |        |        |
|---|--------|--------|--------|--------|
|   | 2015   | 2016   | 2025   | 2035   |
| Baseline Emissions                        | 33,949 | 25,010 |        |        |
| Goal                                      |        |        | 23,764 |        |
| Goal                                      |        |        |        | 16,974 |

[\[302-1\]](#)

| ENERGY CONSUMPTION BY CBRE OPERATIONS <sup>2</sup> |         |         |         |
|--|---------|---------|---------|
|  | 2015    | 2016    | 2017    |
| Fuel   | 128,645 | 261,050 | 190,502 |
| Electricity  | 67,814  | 60,329  | 49,685  |
| Heat   | 16,159  | 18,552  | 18,233  |
| TOTAL  | 212,618 | 339,931 | 258,420 |

<sup>1</sup> Metric tons CO<sub>2</sub>e | <sup>2</sup> MWh

## RESEARCH

The Green Building Adoption Index (GBAI), created by CBRE and Maastricht University, was designed to document the growth of green building certifications in the 30 largest U.S. office markets. Tracking the growth of both EPA ENERGY STAR and USGBC LEED certifications, this study was the first ever to accurately and comprehensively measure the rise of these environmental recognitions in the commercial real estate market. The analysis provides both national and individual statistics with supporting narrative examinations of each market, allowing comparisons between marketplaces. The [fourth annual study](#) was published in July 2017.

In April 2018, CBRE and Maastricht University released the inaugural [International Green Building Adoption Index \(IGBAI\)](#), which ranks 10 international office markets according to their share of buildings certified under various green certification programs.

## ENERGY AND SUSTAINABILITY SERVICES

Our [Global Energy & Sustainability](#) team provides comprehensive energy and sustainability services to our clients, focusing on

fact-based outcomes that lessen environmental impact – generating both immediate results and long-term financial benefits through key integrated strategies. Our team includes more than 220 energy and sustainability experts and experienced professionals. Services provided include data management, smart buildings systems integration, energy consulting, energy procurement solutions, certification services and sustainability consulting. In 2017, revenue from energy and sustainability services totaled more than \$65.6 million across our United States and EMEA regions. [\[IF0403-01\]](#) Globally, 6,788 buildings under management totaling 1.895 billion square feet were provided with energy and sustainability services. [\[IF0403-02\]](#)

During 2017, CBRE registered and benchmarked a record-breaking 6,197 buildings, representing more than 370.7 million square feet, in the U.S. Department of Energy’s ENERGY STAR program. [\[IF0403-03\]](#) CBRE’s 349 labeled buildings under management represent 3.5% of all 9,904 U.S. office buildings labeled in ENERGY STAR. We manage another 907 properties with a score of 75 or above that are either currently in the ENERGY STAR application process or are eligible to apply. In 2017, we made a significant improvement in energy efficiency with our core office portfolio, totaling 1,707 buildings. This portfolio has an

average ENERGY STAR score of 80.3 and achieved an average reduction in site energy use of 16.2% compared to prior year. [302-5]

In 2017, we created the CBRE Climate Change Champion Award, which is presented to Asset Services teams for CBRE-managed properties that achieve a 10% or greater year-over-year increase in their ENERGY STAR score. In 2018, this award was presented to teams at 22 CBRE-managed properties. These buildings together resulted in a total greenhouse gas emission reduction of 10,188 metric tons of CO<sub>2</sub>e.

CBRE continues to assist our clients in their efforts to achieve green building certifications around the world. In 2017, our team completed a total of 478 certifications totaling more than 87.6 million square feet. This included 274 LEED certifications (Existing Buildings, New Construction and Commercial Interiors) totaling more than 67 million square feet. Other certifications included WELL, BIU, HQE, BREEAM and NABERS. Since our certification team was formed in 2009, it has completed a total of 1,197 certifications totaling more than 253.5 million square feet.

CBRE’s Energy Procurement Solutions team identifies strategies to manage the risks posed by volatile energy markets in the most

cost-effective manner. We assist in implementing these strategies by using our influence to negotiate favorable pricing and contract terms. In addition, we monitor the market and track strategies through their term. In 2017, this team achieved an annualized cost savings of more than \$6.4 million for our clients.

## CBRE GLOBAL INVESTORS

CBRE Global Investors, a wholly owned subsidiary of CBRE, is one of the world’s largest real estate investment management firms. At CBRE Global Investors, a specific emphasis is placed on improving the environmental footprint of each asset under management.

As standard operating procedure, CBRE Global Investors requires investment teams to evaluate opportunities for green improvements at each asset prior to acquisition, and to track efficiency during the hold period with clear guidelines that we implement across our global investment programs at all stages – starting with the acquisition due diligence process and continuing throughout our asset management activities. Environmental and social factors considered in investment selection in 2017 included opportunities for potential energy savings,

presence of harmful materials or contamination, building interior characteristics and access to public transportation. We routinely engage third-party consultants to evaluate the physical and environmental characteristics of potential investments to identify opportunities for improvements that would reduce a property’s environmental impact. Our investment teams continue to enhance engagement efforts at our properties, resulting in increased tenant satisfaction and occupancy. Our governance structure and committees, including our global and regional Responsible Investment Management Committees (RIMCos), ensure a disciplined investment process and establishment of appropriate risk mitigation measures.

In 2017, the CBRE Global Investors team in EMEA began a process to develop an ESG strategy for each of their funds. These strategies include ESG goals, monitoring activities and reporting commitments. In 2018, this process expanded to CBRE Global Investors funds in the Americas.

CBRE Global Investors achieved excellent results in the 2017 Global Real Estate Sustainability Benchmark (GRESB) assessment, which evaluates the sustainability performance of real estate investment programs. We submitted assessments for 16 of our directly managed funds and separate accounts worldwide, and

12 of them were awarded a Green Star, signifying best practices for sustainability policies and active implementation of initiatives to support those policies. We also increased our average score by 11.3% over our 2016 average score.

### GREEN BUILDING CERTIFICATIONS

|                 |    |
|-----------------|----|
| BREEAM          | 59 |
| USGBC LEED      | 38 |
| EPA ENERGY STAR | 34 |
| BOMA 360        | 3  |

## TRAMMELL CROW COMPANY

Trammell Crow Company (TCC), a wholly owned subsidiary of CBRE, has long recognized that prudent environmental stewardship is a fundamental social and ethical corporate responsibility. As a leader in commercial real estate development, TCC uniquely understands the impact of the built environment on our communities.

TCC is committed to a) the continued expansion of its expertise in environmental sustainability, b) making sustainability an important part of our business, and c) assuring that our clients and financial partners have access to TCC’s best practices in sustainable planning, design and construction for each project. Our goal is to

build value with comprehensive, integrated building solutions that are attentive to the environment, the economic and physical health of the communities and occupants, and the needs of the investors.

TCC currently has 39 LEED and/or WELL APs on staff and more than 50 million square feet of office, industrial, retail, civic and multifamily projects in the pipeline, under construction or completed that are sustainable or in various stages of obtaining LEED certification. Additionally, the TCC Sustainability Task Force works to advance TCC's thought leadership position on matters related to the built environment. This committed group of individuals is dedicated to ensuring TCC remains a market leader in sustainability and to supporting TCC in achieving its sustainability goals.



## PROCUREMENT

With an annual global spend in excess of \$29 billion, CBRE recognizes the opportunity to influence suppliers on a large scale while also mitigating supply chain risks. This includes purchases made on behalf of our clients in our Project Management, Global Workplace Solutions (GWS) and Asset Services lines of business, as well as more than 800 contracts for our corporate supply chain spend. In 2017, CBRE engaged with more than 88,000 suppliers globally.

## SUPPLY CHAIN ORGANIZATION

Given our business model, CBRE's enterprise supply chain is extremely complex. The supply chain organization is responsible for the market evaluation, selection and contracting of suppliers and their ongoing administration and performance management in collaboration with CBRE's business lines and corporate shared services functions. The products and services we purchase for internal consumption include information technology products and services (e.g., hardware, software, telecom, printers, professional services), marketing materials (e.g., artwork, signage, direct mail, promotional items) and facilities products and services (e.g., leasing, furniture, maintenance). We also purchase services such as accounting, benefits, consulting, legal, human resources, security, safety, travel and training. The CBRE Corporate Supply Chain team supports the company's sustainability efforts through solutions that include the responsible recycling and disposal of IT equipment, digital

marketing, managed print, environmentally sustainable office products and furniture, energy-efficient IT equipment and cloud data storage. Many of our contracts are global, multinational or cross-business in scope and leverage CBRE's scale for competitive advantage.

Additionally, we partner with a broad spectrum of facilities management and project management-related suppliers that are an integrated part of how we deliver a comprehensive suite of direct real estate services for our clients. The products and services we purchase to support our clients include office furnishings, fleet vehicles, janitorial products and services, and facility maintenance products and related services. [102-9]

Based on our high levels of green spend compared to others in our industry in 2017, CBRE was selected to receive a Leadership in Greener Purchasing Award for the Real Estate Sector from Office Depot. This award was only given to 19 winners out of Office Depot's 1,000 largest customers. We are proud to be helping to drive the market for eco-conscious products.

## MANAGEMENT

We expect our suppliers to conduct their operations in an environmentally sustainable and socially responsible manner. At the same time, we recognize the opportunity to use our global supply chain to promote sustainable business practices and support local businesses around the world. The magnitude of the impact of our supply chain far exceeds our own sustainability impact as a firm. For these reasons, our global **Supplier Code of Conduct** has been in place since 2016. The Code sets forth fundamental ethical and business conduct requirements for our suppliers and includes guidance on anti-bribery/anti-corruption, unfair business practices, data privacy and information security, conflicts of interest, labor standards, health and safety, supplier-provided gifts and environmental sustainability. We have integrated our Supplier Code of Conduct into our contract templates and master services agreements with strategic and preferred suppliers, and all CBRE businesses and departments have been asked to reasonably monitor their respective suppliers' adherence and take appropriate measures regarding supplier non-compliance.

We have a zero-tolerance approach to modern slavery and are committed to consistently reviewing and strengthening our processes and

systems to minimize the risk of human rights infringements anywhere in our supply chain. Annually, we update our **Slavery and Human Trafficking Statement**, which outlines the specific steps we have taken across our business to ensure that slavery and human trafficking is not taking place and that we meet the requirements upon us in line with relevant legislation. This statement is written in accordance with the requirements of the UK Modern Slavery Act (2015).

Our Human Rights Policy recognizes that we have a responsibility to respect human rights in our operations, to promote an appropriate example and to make a positive global impact. The policy outlines our commitment to combating the exploitation of children and therefore prohibiting any use of child labor with any vendor, supplier or other third-party arrangements. It also states that we will not do business with, tolerate or associate with organizations or entities that condone or are engaged in the practice of coercing or imposing work with little or no freedom of choice. Additional information on our **Human Rights Policy** can be found in the Ethics & Compliance section of this report.

In 2017, we continued to expand the use of a supplier screening program to validate supplier

compliance with core and optional screening criteria. The program allows CBRE to mitigate supplier risk by employing a robust prequalification, supplier selection and ongoing monitoring process to provide more transparency and improve early detection of performance and/or reputational risks. The program segments suppliers by risk profile and supplier classification to allow for some flexibility in the extent of the screening. The full screening covers security, financial, insurance, diversity and other checks to limit, if not eliminate, residual risk we or our clients may face due to non-compliant suppliers and subcontractors. In the past three years, CBRE screened more than 38,000 of the more than 88,000 suppliers that we manage for ourselves and our clients. We have a goal to screen more than 80% of our Tier 1 suppliers globally by 2021.

As part of our supplier RFPs and RFIs, we include a set of environmental, social and governance questions as part of our evaluation and award criteria. Firms that score relatively better than their competitors are considered to have better internal processes and monitoring, and, correspondingly, lower operational and reputational risks. These scores are also reviewed at supplier governance/quarterly business review meetings to discuss how the supplier plans to improve the scores.

## SUPPLIER DIVERSITY

In 2017, CBRE awarded \$462.6 million to certified diverse suppliers for either client or CBRE needs, a 65% increase over 2016. Nearly \$409 million was spent with diverse suppliers on behalf of our clients, including \$264.1 million on behalf of our GWS clients and \$144.6 million on behalf of our Asset Services clients. We purchased nearly \$54 million in goods and services from diverse suppliers for our corporate use, a 49% increase over 2016. As our enterprise supply chain organization continues to transform itself into a centralized function for all goods and services procurement, we expect to be able to report our diverse spend data for our Project Management line of business by the end of 2018.

We are continuing to engage with organizations that can help us identify the most qualified suppliers and improve our supplier diversity. We are a corporate member of the National Minority Supplier Development Council (NMDSC), the Women’s Business Enterprise National Council (WBENC), the National Veterans Business Development Council (NVBDC) and the National Gay and Lesbian Chamber of Commerce (NGLCC). We regularly attend conferences and events organized by these councils annually in an effort to expand our relationships with diverse suppliers.





## ABOUT THIS REPORT



## ABOUT THIS REPORT

## REPORT OVERVIEW

**THIS REPORT** provides an overview of the economic, environmental and social impacts of CBRE globally in 2017. This is our eleventh annual Corporate Responsibility Report, with the most recent report (2016 Corporate Responsibility Report) published in August 2017. [102-51, 102-52]

Except where noted, the information covered in this report highlights our corporate responsibility initiatives in fiscal year 2017 (January 1, 2017, through December 31, 2017). When available and significant, updates through early 2018 are included. [102-50] Since publishing our 2016 report, there have not been any restatements of information given in previous reports. [102-48] This report has not been externally assured. [102-56]

This report has been prepared in accordance with the GRI Standards: Core option. [102-54] Locations of GRI disclosures are included throughout the report using the notation [XXX-XX].

This report contains disclosures recommended in the Real Estate Services Sustainability Accounting Standard (Provisional Standard, March 2016) that was developed by the Sustainability Accounting Standards Board (SASB). These disclosures are located in the SASB Disclosures section within the following pages and throughout the report using the code [IF0403-XX].

This report and future updates can be accessed at [cbre.com/responsibility](https://cbre.com/responsibility). For questions regarding the report or its contents, contact [responsibility@cbre.com](mailto:responsibility@cbre.com). [102-53]

# GRI CONTENT INDEX

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| GRI 403: Occupational Health and Safety 2016  | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | How We Operate: Health and Safety                          | We expect to have data for contractors in the future. We currently do not track absentee rate. We do not feel that occupational disease rate is relevant to our business. We do not feel there is value in breaking out injury rate data by gender. |
| <b>Diversity and Inclusion</b>                |       |   |  |   |
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| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees  | Who We Are: People and Culture;<br>Our Company: Governance | We currently do not report on indicators of diversity other than gender and age group. We are considering reporting on other indicators of diversity in the future.   |
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|   | 103-3 | Evaluation of the management approach   | How We Operate: Ethics and Compliance                      |   |
| <b>ADDITIONAL TOPICS</b>                      |       |   |  |   |
| GRI 206: Anti-Competitive Behavior 2016       | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices   | How We Operate: Ethics and Compliance                      |   |
| GRI 302: Energy 2016                          | 302-1 | Energy consumption within the organization  | How We Operate: Environmental Sustainability               |   |
|   | 302-5 | Reductions in energy requirements of products and services  | How We Operate: Environmental Sustainability               |   |
| GRI 305: Emissions 2016                       | 305-1 | Direct (Scope 1) GHG emissions  | How We Operate: Environmental Sustainability               |   |
|   | 305-2 | Energy indirect (Scope 2) GHG emissions   | How We Operate: Environmental Sustainability               |   |
| GRI 307: Environmental Compliance 2016        | 307-1 | Non-compliance with environmental laws and regulations  | How We Operate: Environmental Sustainability               |   |
| GRI 401: Employment 2016                      | 401-1 | New employee hires and employee turnover  | Who We Are: People and Culture                             | We do not report details on new employee hires and we do not break out employee turnover by employee demographics. We consider this information confidential.   |
| GRI 404: Training and Education 2016          | 404-3 | Percentage of employees receiving regular performance and career development reviews  | Who We Are: People and Culture                             | We currently do not track performance review data by gender or employee category.   |
| GRI 412: Human Rights Assessment 2016         | 412-1 | Operations that have been subject to human rights reviews or impact assessments   | How We Operate: Ethics and Compliance                      |   |
| GRI 415: Public Policy 2016                   | 415-1 | Political contributions   | How We Operate: Ethics and Compliance                      |   |
| GRI 418: Customer Privacy 2016                | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data                                  | How We Operate: Ethics and Compliance                      |   |
| GRI 419: Socioeconomic Compliance 2016        | 419-1 | Non-compliance with laws and regulations in the social and economic area  | How We Operate: Ethics and Compliance                      |   |

# UNGC TEN PRINCIPLES

## UNITED NATIONS GLOBAL COMPACT TEN PRINCIPLES

| PRINCIPLE              |  | LOCATION  |
|------------------------|--|---|
| <b>Human Rights</b>    |  |   |
| PRINCIPLE 1            | Businesses should support and respect the protection of internationally proclaimed human rights; and                     | How We Operate: Ethics & Compliance                               |
| PRINCIPLE 2            | make sure that they are not complicit in human rights abuses.  | How We Operate: Ethics & Compliance                               |
| <b>Labour</b>          |  |   |
| PRINCIPLE 3            | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | How We Operate: Ethics & Compliance; Who We Are: People & Culture |
| PRINCIPLE 4            | the elimination of all forms of forced and compulsory labour;  | How We Operate: Ethics & Compliance                               |
| PRINCIPLE 5            | the effective abolition of child labour; and   | How We Operate: Ethics & Compliance                               |
| PRINCIPLE 6            | the elimination of discrimination in respect of employment and occupation.   | How We Operate: Ethics & Compliance; Who We Are: People & Culture |
| <b>Environment</b>     |  |   |
| PRINCIPLE 7            | Businesses should support a precautionary approach to environmental challenges;  | How We Operate: Environmental Sustainability                      |
| PRINCIPLE 8            | undertake initiatives to promote greater environmental responsibility; and   | How We Operate: Environmental Sustainability                      |
| PRINCIPLE 9            | encourage the development and diffusion of environmentally friendly technologies.  | How We Operate: Environmental Sustainability                      |
| <b>Anti-Corruption</b> |  |   |
| PRINCIPLE 10           | Businesses should work against corruption in all its forms, including extortion and bribery.                             | How We Operate: Ethics & Compliance                               |

## SASB DISCLOSURES

CBRE supports the mission of the **Sustainability Accounting Standards Board (SASB)**, which creates industry-specific sustainability accounting standards that help companies disclose financially material, decision-useful environmental, social and governance (ESG) information to investors. In 2017, CBRE became a founding member of the **SASB Alliance**.

This is the first year that CBRE is disclosing data using the provisional SASB standards. We identified the Real Estate Services standard as applicable to our company. The following table contains our disclosure on the topics included in that standard. Activity metrics that may assist in the accurate evaluation and comparability of disclosure may be found in the CBRE Group, Inc. **2017 Form 10-K** and throughout this report.

| SASB DISCLOSURES  |  |  |
|---|--|--|
| CODE  | ACCOUNTING METRIC  | 2017 DISCLOSURE  |
| <b>Sustainability Services</b>  |  |  |
| IF0403-01   | Revenue from energy and sustainability services  | Revenue from energy and sustainability services totaled more than \$65.6 million across our United States and EMEA regions.<br>[Note that while we also provided energy and sustainability services throughout our APAC region, we do not have data for that region at this time.]   |
| IF0403-02   | (1) Floor area and (2) number of buildings under management provided with energy and sustainability services | Globally, (2) 6,788 buildings under management totaling (1) 1.895 billion square feet were provided with energy and sustainability services.   |
| IF0403-03   | (1) Floor area and (2) number of buildings under management that obtained an energy rating                   | CBRE registered and benchmarked a record-breaking (2) 6,197 buildings, representing (1) more than 370.7 million square feet, in the U.S. Department of Energy’s ENERGY STAR program.<br>[Note that while we also supported clients with obtaining energy ratings in other regions around the world, we do not have data for those regions at this time.]   |
| <b>Transparent Information &amp; Management of Conflict of Interest</b> |  |  |
| IF0403-04   | Brokerage revenue from dual agency transactions  | CBRE received \$92 million in the United States and \$63 million in the Pacific region from brokerage revenue from dual agency transactions. Please see a discussion of how we assure the professional integrity and duty of care of our workforce in avoiding conflicts of interest in the <b>Ethics &amp; Compliance</b> section of this report.<br>[Please see pp. 14-15 of the SASB Real Estate Standard for the definition of “brokerage revenue from dual agency transactions.” Note that while we generated brokerage revenue from dual agency transactions in other regions around the world, we do not have data for those regions at this time.]                                       |
| IF0403-05   | Revenue from transactions associated with appraisal services   | CBRE received \$3 million in the United States and \$16 million in the Pacific region from revenue from transactions associated with appraisal services. Please see a discussion of how we assure the professional integrity and duty of care of our workforce in avoiding conflicts of interest in the <b>Ethics &amp; Compliance</b> section of this report.<br>[Please see pp. 15-16 of the SASB Real Estate Standard for the definition of “revenue from transactions associated with appraisal services.” Note that while we generated revenue from transactions associated with appraisal services in other regions around the world, we do not have data for those regions at this time.] |
| IF0403-06   | Amount of legal and regulatory fines and settlements associated with professional integrity or duty of care  | \$0  |

## FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements, the achievement or success of which involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions proves incorrect, the results of CBRE Group, Inc. could differ materially from the results expressed or implied by the forward-looking statements we make.

Please refer to our most recent quarterly report filed on Form 10-Q, and our most recent annual report filed on Form 10-K, and in particular any discussion of risk factors or forward-looking statements therein, which are available on the SEC's website ([www.sec.gov](http://www.sec.gov)), for a full discussion of the risks and other factors that may impact any forward-looking statements that may be included in this report. Except to the extent required by applicable securities laws, we undertake no obligation to update or publicly revise any of the forward-looking statements that may be included here.



**CBRE** *Build on  
Advantage*

[cbre.com/responsibility](https://cbre.com/responsibility)