SAVILLS PLC

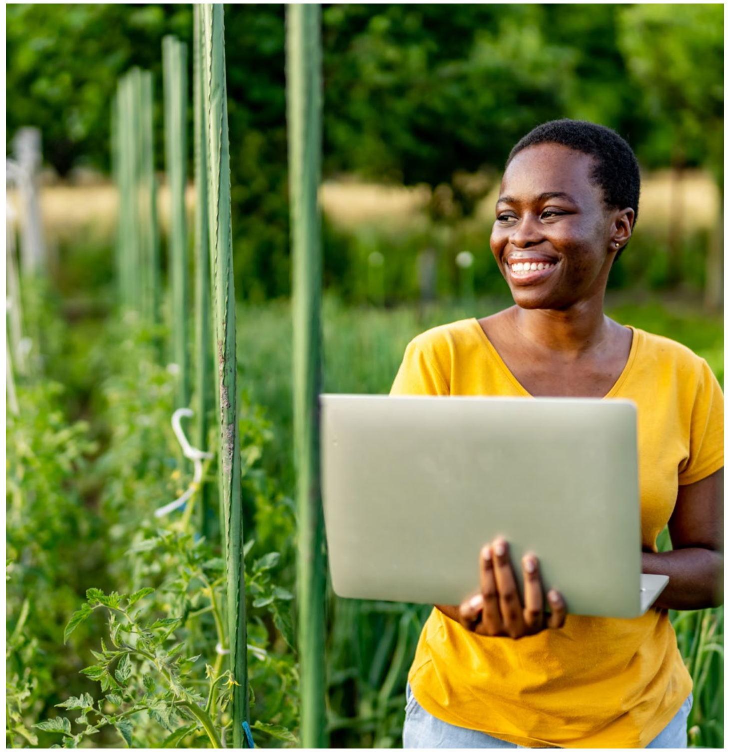
# Task Force on Climate-Related Financial Disclosures

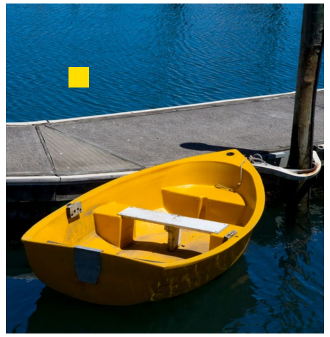
**Report 2024**

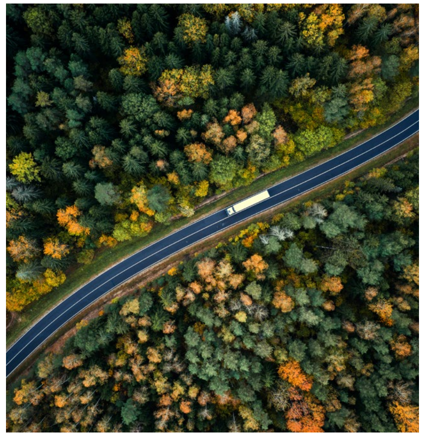
savills

# Contents









# Introduction

**Real estate and associated infrastructure is currently responsible for close to 40% of global carbon dioxide emissions, with energy demand from the building sector expected to grow by 50% by 2050. At Savills, our focus is on climate-related risks and working with our clients, suppliers and the local communities we operate within to deliver a more sustainable future. We recognise the need for urgent action by real estate owners and occupiers to address the climate crisis and rapidly transition to a greener, more resilient economy. This TCFD disclosure outlines the climate-related risks and opportunities that we have identified and the associated actions and budgets in place to respectively mitigate and position ourselves to realise these.**

In this report, we provide climate-related financial disclosures consistent with the UK climate-related financial disclosure regulations. We have referred to associated non-binding guidance and also to the guidance issued by the Task Force on Climate-Related Financial Disclosures, including the 2021 updated guidance. Our formal TCFD report is found within Savills Annual Report and Accounts (ARA) 2024 [ARA Pg 60].

# Governance

The board is responsible overall for managing climate-related risks and realising opportunities, as detailed in the governance section of Savills ARA (pg ref). The board is supported in this respect by the Group Executive Board (GEB), which is responsible for implementing climate-related risk management plans, addressing climate-related threats to our business model and for identifying and realising opportunities. In addition, the Group Risk Committee and Group Environmental Social & Governance (ESG) Committee, supported by the Savills TCFD Working Group, are responsible for overseeing climate risk assessment and other aspects of our corporate sustainability and ESG agenda and reporting into the GEB. The board and GEB both meet at least quarterly. The Group ESG Committee meets at least biannually and the Savills TCFD Working Group meets at least annually. The board is updated on progress against goals and targets regularly, and at least annually considers the progress made against those goals.

The board and board committees are informed about climate-related issues, including both climate risks and opportunities, via written reports, formal presentations and oral updates from the Group Legal Director & Company Secretary and the Group Sustainability Director. Both the Group Legal Director & Company Secretary and the Group Sustainability Director have climate-related actions within their KPIs, as do GEB members and the executive directors, including the Group CEO. Climate-related issues, including associated risks and opportunities, are also considered when the board is reviewing strategy, budgets, major plans of action, proposed investments, capital expenditure and acquisitions. An example of how this is embedded in decision-making at an operational level is that all new office leases or extensions require sign-off from a sustainability perspective, as well as a financial perspective. Sustainability and ESG, specifically climate risks and opportunities, are also discussed within board meetings, and by the Group Risk Committee, as part of the wider risk review process – with timely delivery of the group's net zero targets also included in the risk registers of the principal businesses, consideration of which is a key element of management decision-making.

As above, the Savills TCFD Working Group and Group ESG Committee report into the GEB and through it to the board and, as part of this reporting, highlight climate-related items and associated actions (ARA Pg 30). The process by which the Group ESG Committee and group management are informed about climate-related issues is through the ESG committees in each principal business, which either have TCFD as a key agenda item or their own TCFD working groups. ESG groups in the principal businesses (being Savills UK, Savills CEME, Savills Asia Pacific, Savills North America and Savills Investment Management ("Savills IM") develop and manage programmes in those businesses within our overall TCFD framework. The process adopted by each principal business to manage physical and transition risk is typically for the management teams within the relevant business to oversee any corresponding action or agenda points made within the relevant ESG committee or via designated TCFD action trackers. Key climate-related actions and risks are monitored and managed through these ESG committees, which respectively report to the Group ESG Committee and the Savills TCFD Working Group, with key messages then further disseminated to management across the group as appropriate. The heads of the principal businesses have overall climate-related responsibilities for their businesses; with progress by principal business against agreed targets monitored and overseen by the Group ESG Committee, which reports via the Group Legal Director & Company Secretary, to the GEB and the board.

**Savills TCFD Working Group is supported by Willis Towers Watson (WTW), who assisted each principal business collectively to review climate-related risk during 2024. Following this, each principal business was able to re-confirm the actions required to mitigate the climate risks and realise opportunities specific to it, as well as the financial impacts associated.**

# Strategy and risk management

## Interface between climate-related risks and overall risk management

Our processes for managing climate-related risks are outlined in the governance section above, and are also captured in our wider risk management approach and enterprise risk management system (ERM) (ARA Pg 30). For more information on the material existing and emerging risks, see the principal and emerging risks section (ARA Pg 32).

The materiality assessment for TCFD is based on an integrated view of the impact and likelihood of occurrence for each risk and opportunity. Climate-related risks continue to be evaluated as part of our risk identification, review and assessment process for principal and emerging risks – which is undertaken biannually by the Group Risk Committee (ARA Pg 30). The TCFD materiality process is also integrated within our wider risk management processes; our risk register has high-level summary risks – covering *'environment and sustainability'* and *'corporate ESG incl. diversity & inclusion'* with further details on climate-related issues managed within specific TCFD and ESG risk documentation and through the risk registers of the principal businesses. Climate-related risks and opportunities are integrated into current decision-making and strategy formulation, for example, in creating and reviewing strategies for lower carbon, more energy efficient operations. Further examples of our initiatives to improve the energy efficiency of operations are in the 'Our Strategy in action' section of Savills ARA (Pages 8-11).

Our TCFD Working Group, responsible for overseeing the climate scenario risk assessment, includes the Group Risk Director and the Group Sustainability Director within its membership. **The climate risk assessment adopts other elements used in our broader risk assessment categories, including:**

**Description of the risk and time horizon (identification)**

**Impact likelihood rating (the evaluation enabling prioritisation)**

**Mitigating actions and controls (mitigation)**

**Future action plans and risk owner (monitoring)**

As part of this process, each risk is given an inherent and residual risk score and a 'go-forward mitigation plan' is developed, which is then cascaded down and managed accordingly by the relevant business or teams. The results are integrated into ERM reporting and ongoing identification, assessment and management of climate-related risks.

For the 2024 workshops, physical risk assessment drew on modelling using WTW's Climate Diagnostic tool, whereas transition risk elicited risk ratings from internal subject experts, including representatives from the principal business and members of our TCFD Working Group through the following process:

1. Research and review of assumptions for the scenarios.
2. Research and update of risk articulation to incorporate developments from last assessment.
3. Workshop, involving cross-function set of internal subject experts to agree on impact, likelihood, timeframes and mitigations for risks and opportunities.

The intention is for a full review, similar to this, to be undertaken every three years. In the intervening period the risks and opportunities identified are considered each year by our TCFD Working Group, with any required updates included in the latest annual TCFD report. Following the TCFD review workshop in 2024, the TCFD Working Group revised the overarching group risks and opportunities, as outlined below in the summary of risks and opportunities identified section. (ARA Pg 41).

# Scenario analysis

In order to explore the business risks and opportunities, in 2024 we (with the support of WTW) undertook climate scenario analysis against two scenarios for climate risk. The two scenarios have average temperature rises of 1.5$^{0}$C and 4$^{0}$C respectively and are designed to identify physical and transition risks together with the time horizon in which they are most likely to occur and the potential financial impact on our strategy. Physical risks stem from changes in the natural environment, such as heat stress or windstorms. In contrast, transition risks, which can also bring opportunities, emerge because of the shift towards a low-carbon economy. These transition risks can be further classified into policy and legal, technology, market and reputational risks. Short, medium and long-term time horizons of 2030, 2040 and 2050 were selected, respectively. These were chosen based on strategic planning horizons for the group, as well as the timelines over which climate risks are currently expected to manifest. Transition risks were not assessed past 2040 due to a lack of credible assumptions on which to base analysis. Similarly, physical risk was only assessed on short and long-term time horizons reflecting the availability of supporting data to differentiate these time horizons from a medium-term time horizon. Group materiality incorporates a combined view of the considered impacts across the principal businesses.

For this assessment, climate scenario analysis was utilised, these climate scenarios are based on the IPCC's Representative Concentration Pathways (RCP) from their Fifth Assessment Report (AR5), mapped to the latest IPCC AR6 Report's Shared Socioeconomic Pathways (SSPs). There is a high degree of certainty that some combination of climate risks will materialise, however the exact outcomes are uncertain and dependent on short-term actions by the global community. Scenario analysis provides a flexible 'what if' framework for exploring risks, allowing for economic outcomes and financial risks under a range of different future pathways

## 1.5°C scenario

Emissions follow the IPCC SSP1 – RCP1.9/2.6 scenario, which is associated with 1.5°C temperature rise from pre-industrial times by the end of the century. The scenario assumes stringent carbon taxation, stricter building codes and public and private investment in low emission technologies. The scenario outlines high transition risk in the short term associated with aggressive mitigation actions to reduce emissions. As a result of the transition, physical risks are less severe and somewhat similar to the current climate.

## > 4°C scenario

In this high emissions pathway, emissions follow the IPCC SSP5 - RCP8.5 scenario, which is associated with +4°C temperature rise from pre-industrial times by the end of the century. The scenario assumes low transition risk in the short and long term, as the world fails to transition to a low carbon economy, while physical risks become increasingly frequent and severe in the long term.

All transition risks were assessed under a 1.5°C scenario and physical risks were assessed under a 4°C scenario, as these were the scenarios where there is considered to be greatest exposure for the respective categories.

# Summary of risks and opportunities identified

**Materiality scoring for our TCFD risks and opportunities adopted the below scoring criteria:**

| Likely: >70% | Possible: 20 - 70% | Unlikely: 0 - 20% |
|---|---|---|
| Event will probably occur in most circumstances | Event should occur at some time | Event could occur at some time, but exceptional |

The following financial scales have been used to determine the materiality of the identified climate risks and opportunities, which are in line with our ERM process. Potential to impact % proportion of group underlying profit before tax

| Very low: | Low: | Medium: | Severe: |
|---|---|---|---|
| <2% | 2-5% | 5-10% | >10% |

When the risks and opportunities were identified in 2024 by each principal business, we found commonalities between them all. Group materiality therefore incorporates a consolidated view of the considered impacts across the group. Along with the risk and opportunity identification workshop held in 2024, assessment outcomes were considered by our TCFD Working Group and with the principal businesses in order that climate-related risks or opportunities with a higher relevant risk could be identified and actioned accordingly.

# Risks and opportunities identified

| Risk Type | Risk | Risk description | Impact assessment | Risk score Timeframe most material | |
|---|---|---|---|---|---|
| **Physical risk assessment** | | | | **Short** | **Long** |
| **Acute** | Increased frequency and severity of extreme weather events, such as cyclones, hurricanes, heat waves, wildfires and floods. | The financial impact associated to contents damage and business interruption for acute hazards. | Due to the leasehold tenure of our offices, it is anticipated that there will be minimal financial impact in terms of losses arising out of property damage caused by physical climate risk. However, there may be some increase in costs caused by acute perils leading to damage to contents, equipment or utilities in offices, possible business interruption if employees are temporarily unable to work from impacted offices and increased physical risk insurance costs and/or risk retentions due to the potential non-availability of 'ground-up' insurance. | Low | Low |
| **Chronic** | Longer-term shifts in weather patterns, which may cause increasing frequency of heavy rain and windstorms, rising sea levels and heat stress. | The impact of operational disruption, including possible downtime, due to chronic hazards. | | Low | Low |

# Risks and opportunities identified

| Risk Type | Risk | Risk description | Impact assessment | Risk score<br>Timeframe most material | |
|---|---|---|---|---|---|
| **Physical risk assessment** | | | | **Short** | **Long** |
| **Policy** | Pricing of greenhouse gas emissions. | Higher costs as a result of new policies e.g. carbon taxation. The risk explores regulatorily enforced carbon tax and policy tariffs. | The costs associated with this risk relate to carbon pricing through carbon taxes and other policy tariffs. | **Very Low** | **Very Low** |
| | Enhanced climate-related disclosure requirements and reporting obligations. | Increased compliance costs in response to enhanced regulator and investor climate-related disclosure and reporting requirements. | Our global presence may expose the business to the cost of meeting new environmental reporting obligations (e.g. CSRD from EU). The financial impact of increased climate-related disclosures is not expected to exceed a 'low' level, as we have established processes in place to track and meet regulatory reporting requirements. | **Low** | **Low** |
| | Changes in building efficiency standards (real estate). | Disruption to our operations and services, as well as higher compliance costs, due to stricter building efficiency standards. | Our offices are leased, although we may incur additional costs when renting new spaces or increased costs from landlords transitioning to new standards. The impact is anticipated to be minor for both short and medium-term horizons.<br><br>In relation to assets held in funds managed by Savills IM, ensuring that fund assets meet future minimum standards may result in additional asset management costs at fund level, however, this cost is burdened by investors in the given funds, so the overall risk is deemed to be 'very low'. | **Very Low** | **Very Low** |

# Risks and opportunities identified

| Risk Type | Risk | Risk description | Impact assessment | Risk score Timeframe most material | |
|---|---|---|---|---|---|
| **Physical risk assessment** | | | | **Short** | **Long** |
| **Reputation** | Investment risk. | Increased stakeholder concern or negative stakeholder feedback. | Current investor sentiment suggests a continuing increasing focus on ESG considerations. In Savills terms, the risk is assessed as 'low', reflecting the mitigation plans that we have in place, moving to 'very low' for the medium term. | **Low** | **Very Low** |
| | Employee risk. | Impact of our approach to sustainability on ability to attract and retain the best talent. | Employees may increasingly consider our approach to sustainability and climate change as a significant factor in accepting offers of employment and/or deciding to remain with Savills (in terms of for example job satisfaction). As a result, higher turnover of employees could occur from 2030 if we do not meet its 2030 sustainability targets. Reflecting the plans and mitigations in place, this risk is deemed to be 'low' in the short and long term. | **Low** | **Low** |
| **Market** | Loss of clients. | Failure to adapt to clients' sustainability concerns and values resulting in loss of business. | As more of our clients commit to becoming net zero by 2030 or 2050, they will increasingly demand sustainability expertise to help them achieve these goals. If we fail to respond to these developments in client focus it could see reduced income and lose market share. Mitigation is in place for this risk. | **Low** | **Low** |
| | Specialist skills shortage. | Demand for green skilled workers outpacing availability. | As the global economy shifts to a more sustainability-focused landscape, there is a risk that there will be a shortage of appropriately skilled workers as a result of the rapid increase in demand for 'green' skills outpacing the supply of workers with the necessary expertise. As we already have a strong sustainability offering and continue to invest in expanding its sustainability teams, as well as training across its business, this risk is assessed as being 'low' in the short term and 'very low' in the medium term. | **Low** | **Very Low** |

# Risks and opportunities identified

| Risk Type | Risk | Risk description | Impact assessment | Risk score<br>Timeframe most material | |
|---|---|---|---|---|---|
| **Physical Risk Assessment** | | | | **Short** | **Long** |
| **Technology** | Substitution of existing technologies for lower emission options. | Increased capital expenditure requirements in order to transition to new lower emissions technology to satisfy market expectations and facilitate the meeting of our decarbonisation targets. | Risk relates to the scale and cost of investment associated with decarbonisation, for example, the cost of phasing out inefficient systems (e.g. lighting, HVAC systems, gas heating and other appliances or equipment). Costs are also associated with adoption of smart building solutions, renewable energy tariffs and electric vehicles. In a Savills context, the costs associated with this risk are deemed to be 'low' in short term and 'very low' in the longer term – reflecting the leased nature of our office portfolio.<br>For example, the already established requirement that our offices take advantage of 'green' energy solutions (e.g. 'green electricity tariffs'). | Low | Very Low |
| **Opportunity Assessment** | | | | **2030** | **2040** |
| **Market** | Access to new markets and development and/or expansion of low emission goods and services. | Opportunity for increased revenue and market share due to greater client and regulatory demand for sustainable buildings and services. | Increasing client and regulatory demand for sustainable buildings and services could enable us to increase market shares, building on our well established ESG service provision. We have an opportunity to become a leading provider of real estate sustainability and wider climate transition related consultancy services. This opportunity is deemed to have 'medium' impact in the long term. | Low | Medium |

# Evaluation of resilience

## 1.5 degrees – risks and opportunities

Under the 1.5°C scenario, our strategy is assessed as being resilient to the impacts of both physical and transition risks of a low carbon economy, with most risks assessed as 'very low' or 'low'. We assessed that the opportunity presented was 'medium' in the longer term, in terms of new revenue streams that could be generated. For example, from greater client and regulatory demand for sustainable buildings and the expansion of sustainability consultancy services. **The most material transition risks under this scenario are assessed on average as being 'low' in 2030 and 'low' or 'very low' in 2040 and are as follows:**

**Reputation:** There is a risk of brand/reputational damage and stakeholder concern/negative feedback if sustainability expectations are not met

**Market:** There is a risk of revenue loss if we are unable to meet client requirements for real estate services incorporating sustainability considerations and if service providers should not have the necessary expertise.

**Technology:** There is a risk of existing products and services being substituted with lower emissions options with a consequent reduction in revenues if we are unable to meet evolving client requirements.

In terms of the below 1.5°C scenario for physical risks, there was modelled to be a 'low' risk, for which mitigation is in place.

## 4 Degrees – risks and opportunities

Only physical risks were assessed under the high emission (>4°C) scenario. The increase in frequency and severity of the physical perils assessed increases under this scenario. Our risk for some perils remains the same, while others increased slightly – however overall, both acute and chronic risks were considered to be 'low' in terms of the analysis undertaken. In relation to Savills IM, assets held on behalf of investors in its discretionary managed funds have some exposure to high flood risk and moderate storm risk, and these risks are projected to increase in the long term. To build in resilience, Savills IM is undertaking detailed assessments of higher risk assets currently held within its discretionary managed funds. These assessments include EU taxonomy aligned adaptation plans. Savills IM also published its 'Approach to Climate Resilience', using the Better Buildings Partnership climate resilience guidance; this includes the development of a toolkit to ensure adaptations to individual assets support city-level resilience measures. Where adaptation measures are not able to be implemented, Savills IM will consider divesting from these assets however, this is considered a last resort option.

**We have identified that we will further reduce our exposure to these risks and look to realise potential opportunities through the following actions:**

- Remaining committed to group goals of net zero for our scope 1 and 2 carbon emissions by 2030 and for our scope 3 emissions by 2040. Separately we have near-term decarbonisation targets, validated by Science-Based Targets Initiative (SBTi), with the aim of being consistent with a no greater than 1.5°C temperature increase.
- We will continue to invest further in the development of the group's client sustainability offering across its regional businesses in particular, by building out the Savills Earth offering and our energy and sustainability combined services. This will be complemented by appropriate learning and development programmes to ensure that knowledge of climate-related risks is embedded in all relevant teams to allow our teams to meet client requirements.
- We will continue to invest in technology solutions and strategic partnerships with, or acquisitions of, firms offering climate-change related services and solutions – both to better serve our clients changing demands and to reduce our own carbon footprint.

# TCFD risk mitigation and adaptation budgets

**Our TCFD Working Group used the 2024 workshop findings summarised above to analyse the resilience of our business model and strategy to climate change, taking into consideration different climate-related scenarios.**

In addition, consolidating the estimates provided by the ESG groups in the principal businesses, the TCFD Working Group developed financial costing in relation to risk mitigation for TCFD, which is outlined below (for the avoidance of doubt, excluding costs in relation to assets managed by Savills IM under the terms of its discretionary investment management appointments). The assumptions applied in developing these cost estimates are, in particular, highly sensitive to changes in regulation, energy costs and offset costs.

TCFD is integrated into our wider financial planning processes. Any factors underpinning the risks or opportunities which are interdependent and could impact on our ability to create value over time and deliver our growth plans are considered and addressed accordingly, following the processes outlined in the TCFD governance section above. During 2024, actions relating to TCFD have been undertaken within each of the principal businesses; for example, actions relating to the implementation and delivery of net zero plans and ESG learning and development programmes for employees.

The below figures represent an estimated forecast costing of risk mitigation and adaptation plans included within financial and business plans, set against estimated total cost projections, over the 'medium-term' (i.e. the period from 1 January 2025 to 31 December 2029). As the mitigation and adaptation actions include both physical and transition risk the costs are based on a combined view considering both scenarios outlined above.

# TCFD-related costs for risk mitigation covering period from start of 2025 up to end 2029.

Estimates have also been developed for potential value of the climate-related opportunity which was identified over the ‘short’ and ‘medium’ terms. The financial figures relating to the climate market changes and associated opportunities are subject to continuous review and are, in particular, highly sensitive to market developments and are commercially sensitive and, therefore, have not been reported in detail. However, these provide significant additional revenue opportunity, with the value of the opportunity estimated to significantly outweigh the total costs of mitigating climate change related risks.

| Regional area/ business | Presented as % of total cost base over the ‘short term’ [I] | Presented as % of total cost base over the ‘medium term’ | Explanation of TCFD mitigation and adaptation budgets |
|---|---|---|---|
| | 2024 | 2023 | |
| **UK** | 0.08% | 0.08% | **Example actions budgeted for include:**<br>▪ Annual increase in insurance premiums, attributed to climate change<br>▪ Increased M&E to ensure climate control within offices<br>▪ Actions relating to regional net zero plans, to minimise carbon offsetting<br>▪ ESG training for employees<br>▪ Transitioning company cars to EVs<br>▪ Regional monitoring of emerging regulation<br>▪ Implementation of internal and external communication strategies<br>▪ Support for individual office initiatives<br>▪ Development of in-house talent |
| **APAC** | 0.02% | 0.05% | |
| **North America** | 0.03% | 0.02% | |
| **EME** | 0.31% | 0.26% | |
| **Savills IM** | 0.26% | 0.18% | |
| **Group total** | **0.1%**[II] | **0.1%** | **Total estimated cost is rounded and inclusive of estimated off-set costs.** [III] |

I. For comparison purposes, a total group forecast cost base was estimated covering a 5 year period based on business plans.

II. Underlying budget figures were rounded and are estimated for a 5 year period and are therefore subject to change over time.

III. A shadow internal price on carbon is under consideration by the group; in the interim, for the purposes of this report the assumed cost of carbon off-sets at 2030 was £150 per tonne of $CO_2e$.

# Metrics and targets

The methodology for target setting and progress tracking, including the metrics which are outline below, is that targets are proposed and then progress considered within both the Group ESG Committee and the TCFD Working Group, with the outcomes from these reviews being recommended to the GEB and board for adoption, and then managed, as appropriate. As outlined above, the process to manage physical and transition risk is typically for the teams within each principal business to project manage any corresponding actions agreed by the relevant ESG committees or highlighted through designated TCFD action trackers. Metrics used by us to assess climate-related risks and opportunities, in line with group strategy and the group risk management process.

| Risk type | Target | 2024 progress | Further information |
|---|---|---|---|
| **Policy & legal** | Greenhouse gas (GHG) emissions for absolute scope 1, scope 2. | The scope 1 and 2 target of 72% reduction is on track with a current reduction of 31.6% against the 2019 baseline. | GHG metrics are summarised within the GHG reporting section of Savills ARA (ARA Pg 53). This metric is monitored to check exposure to GHG emissions and, therefore, future carbon prices along with link to success against Savills net zero targets. |
| | SBTi targets: progress made against our three near term targets. | We have made progress against our validated near-term SBTi targets and disclosed our performance. | SBTi target progress is summarised within the GHG reporting section of Savills ARA (ARA Pg 58). |
| **Technology** | Monitor proportion of total energy purchased from renewable sources (%). | The proportion of total energy purchased from renewable sources in 2023 was 42%, in 2024 this changed to 48%. | We continue to work to increase the number of renewable tariffs utilised, where they are available globally. Read more on this within the Responsible Business Section of Savills ARA (ARA Pg 53). |
| **Market** | Expenditure and investment deployed toward climate related risks and opportunities (£). | The scope 1 and 2 target of 72% reduction is on track with a current reduction of 31.6% against the 2019 baseline. | Budgets for mitigation costs 2025 up to end 2029 for risks identified are outlined within the table above (Pg 14). |
| **Reputation** | Our operations with a net zero transition pathway in place: to maintain 100% coverage. | 100% coverage. | We are implementing a group net zero transition plan which covers the global operations (Link), in addition each principal business has its own net zero roadmaps against which progress is formally reviewed by management twice a year. |

Performance on material climate-related issues are linked into remuneration considerations, forming part of the KPIs which are reviewed at annual employee appraisals and, therefore, linked to bonus allocation. This covers key staff responsible for climate-related issues, including, but not limited to the Group Chief Executive Officer, Group Chief Financial Officer, Group Legal Director & Company Secretary and the Group Sustainability Director.

# TCFD 2024 report consistency and improvement points summary

| Topic | Disclosure location | Notes on improvements to report made for 2024 disclosure |
|---|---|---|
| **TCFD process** | | |
| During 2024, our TCFD Working Group was supported by Willis Towers Watson (WTW), who assisted each principal business collectively to review climate-related risk during 2024. | The findings from the 2024 review are reflected throughout the report. | The findings from the 2024 review are reflected throughout the report, in particular with a slightly revised list of risks and opportunities identified. |
| **Governance** | | |
| a) Describe the board's oversight of climate-related risks and opportunities. | Page 4: TCFD governance section. | No significant changes. |
| b) Describe management's role in assessing and managing climate-related risks and opportunities. | Page 4: TCFD governance section. | No significant changes. |
| **Strategy** | | |
| a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. | Pages 8-11: summary of risks and opportunities identified section. | Following the 2024 TCFD workshop done with the principal businesses, TCFD Working Group and with support from WTW:<br><br>Risks and opportunities identified along with their likelihood and impact ratings were reviewed – this has led to slightly altered risks and opportunities identified and updated risk scores.<br><br>The time horizons selected changed for 2024, these are now defined as 'short term' as 2030, 'medium term' as 2040 and 'long term' as 2050. Transition risks were not assessed in the longer term due to the difficulty in building assumptions around the direction of policy out to 2050 or beyond. |

# TCFD 2022 Report Consistency and Improvement Points Summary

| Topic | Disclosure location | Notes on improvements to report made for 2024 disclosure |
|---|---|---|
| b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. | Page 12: evaluation of resilience section and page 14 TCFD risk mitigation and adaptation budgets section. | No significant changes. |
| c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Page 12: evaluation of resilience section. | We have SBTi validated near-term targets, for which a progress update has been provided, within the GHG reporting section of Savills ARA report (ARA Pg 53). |
| **Risk management** | | |
| a) Describe the organisation's processes for identifying and assessing climate-related risks | Page 5: strategy and risk management section. | No significant changes. |
| b) Describe the organisation's processes for managing climate-related risks. | Page 12: evaluation of resilience section. | No significant changes. |
| c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. | Page 5: strategy and risk management section. | No significant changes. |

# TCFD 2022 Report Consistency and Improvement Points Summary

| Topic | Disclosure location | Notes on improvements to report made for 2024 disclosure |
|---|---|---|
| **Metrics and targets** | | |
| a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | Page 15: metrics and targets section. | We built upon the metric and targets identified within the prior year, there are now five metrics against which progress has been outlined. |
| b) Disclose scope 1, scope 2, and if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks. | ARA Page 53: greenhouse gas emissions disclosures and page 15: metrics and targets section. | No significant changes. |
| c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | ARA Page 53: greenhouse gas emissions disclosures. | We have SBTi validated near-term targets, for which a progress update has been provided, within the GHG reporting section of Savills ARA report (ARA Pg 53). |

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