

**SECTION 172(1) STATEMENT FOR CBRE Corporate Outsourcing Limited (the “Company”)
To be included within the Strategic Report in the 2019 statutory financial statements**

OUR STAKEHOLDERS

Successful delivery of the CBRE Corporate Outsourcing Limited (the “Company”) strategy depends on effective engagement with stakeholders. Our directors have a duty, under the Act, to act in the way most likely to promote the success of the Company for the benefit of its shareholders. In doing so, directors must pay regard to key stakeholders and to the reputation of CBRE Global Workplace Solutions (GWS) for high standards of business conduct.

Directors consider stakeholder factors when making decisions as a Board and Executive Committee, when setting strategy, developing policies, fostering the corporate culture and guiding and delegating decisions to management and employees. Engagement with stakeholders also involves judgement and actions by managers and employees with whom stakeholders interact directly.

CBRE’s RISE values (Respect, Integrity, Service, and Excellence) reflect the Company’s consideration of the wide community of stakeholders and the focus on creating outcomes that benefit all of them.

The Company’s Board receives a quarterly governance report that takes into consideration all key stakeholders and reports to the COO/CEO on how the Governance team supports the business by aligning its focus with the overall business strategy. The report also highlights risk areas including projects, legal implications and other matters that may impact clients/employees and other stakeholders.

Directors received training in Q1 on Directors’ Duties from an external consultancy. This will be strengthened by a detailed induction/onboarding programme for incoming directors tailored to the UK entities and applicable laws/regulations, to include consideration of Section 172(1) factors.

Reports to the Executive Committee and the Board have been enhanced to more explicitly explain consideration of stakeholder factors in the development of proposals, to better guide decision-making. The Board terms of reference and Director appointment documentation also directly reference directors’ legal obligation to consider stakeholder factors. The Governance team will continue to provide support to the Board to ensure that sufficient consideration is given to stakeholder issues.

The annual GWS-wide Business Unit Leader Conference and similar events address the long-term strategy, issues and goals of the business. The strategy addresses the Company’s stakeholders directly through its overall aim to produce distinct advantages for clients, employees and shareholders by creating real estate solutions that drive value and growth.

The following statement identifies the key stakeholder groups and outlines methods that directors used to engage with them, understand the issues to which they should have regard, and gather feedback.

Employees

CBRE's success depends on its ability to attract and retain qualified and experienced employees. The Company employs around 700 people directly, in addition to staff employed by the wider CBRE UK group who support the business.

- CBRE GWS EMEA participates in the global CBRE engagement survey, with a 71% participation rate in 2019.
- The business carefully analysed the results of the survey and has created focused action plans in three key areas. Each region/line of business/country will implement tailored action plans in these areas and progress made against actions will be tracked quarterly.
- Regions/countries/lines of business also integrate/require targets for improvement in relation to either engagement results and/or participation rates (depending on relevance of the measure) which will be assessed against results in the 2020 survey.
- Employee Experience Champions are appointed, each tasked with a specific area of focus.
- Divisional days focused on employee engagement, following which new employee initiatives were implemented.
- The group holds an annual Global Safety Week, which is committed to developing safe and healthier ways of working for all employees.
- "Harbour" – CBRE's new proprietary Health, Safety & Environment technology platform, helps to create a safe workplace experience for everyone.
- CBRE operates an ongoing succession planning process that evaluates employees for the Executive grades and ensures a consistent pipeline of talent is available with which to recruit internally.
- A weekly round-up newsletter is emailed to all GWS employees, and a print publication posted out quarterly.

Suppliers

The supply chain is fundamental to CBRE's business as a provider of outsourced services.

The Company engaged with suppliers at various events, at which feedback was gathered:

- Top 100 UK & Ireland Suppliers Event hosted by CBRE, to celebrate and thank the highest-performing preferred suppliers.
- Annual supply partner events – inviting employees, clients and suppliers and giving suppliers a chance to meet and interact with the business.
- Annual Quality, Health, Safety & Environment (QHSE) briefing, to raise awareness and share best practice - more than 30 CBRE colleagues and supply partners came together at the GWS office.
- Annual UK & Ireland Technical Network Workshop - over 50 CBRE technical, procurement and QHSE Management employees attended, as well as supply chain partners.

Clients

CBRE is relentlessly focused on client outcomes and satisfaction, and has one of the highest client retention rates in the industry.

- CBRE uses a structured approach and framework to deliver tangible innovation and value-add to client relationships, focused on Technology, People, Energy, Environment, Communication and Asset Management.
- A number of industry-leading publications are distributed to clients annually, such as the EMEA office fit-out cost guide, an invaluable reference source when specifying new office space across all EMEA markets.
- CBRE's Customer Innovation and Improvement Charter deepens client relationships by aligning innovative ideas to client sites. It is embedded within the regular client review process. An Innovation Champion Network ensures best practice is disseminated internally.
 - o An example of client-centred innovation was the partnership with INUTEQ (a world leader in personal cooling technologies) to deliver water-cooled garments that CBRE staff use on Shell sites to maintain a comfortable core body temperature whilst working in 30-degree heat.
- CBRE has a global reach and the flexibility to expand business in response to client need. For example, a new entity was incorporated in Slovenia to support a global deal with Novartis to service all its sites, including a major plant in Slovenia.

Community

At CBRE acting responsibly and being successful commercially go hand-in-hand. A key element of this is creating new opportunities for our local communities.

- The Company contributes to a CBRE Group-wide charitable giving programme which donated \$11.5m in 2019, of which 50% is donated to local charity causes decided within each country.
- The Company carried out a range of local charitable activity through various partnerships, including with Action for Children and Hands on London. These charities enabled UK employees to donate their time to various local community projects and initiatives.
- The Company encourages the creation of networks to foster specific interests, including the Women's Network, Proud network and Multicultural Network.

Environment

CBRE takes a holistic approach to business sustainability, and the team develops strategies to significantly reduce carbon footprints and create long-term benefits and value for clients.

- The CBRE Group reduced Scope 2 greenhouse gas emissions by 28% between 2015 and 2018 and a further reduction of 30% by 2025 is planned.
- The Government's Carbon Reduction Commitment requires CBRE to report on organisational energy consumption of all property entities falling within GWS UK.
- The Company engaged with individual clients on a number of initiatives to reduce carbon footprint. For the Company's Syngenta account single-use plastics were eliminated after it was found that cleaning products were being delivered in individual plastic bottles.
- Reductions of energy consumption at client site using various strategies.
- The Company uses proprietary Building Engineering and Management Systems to control plant on client sites to achieve stringent environmental conditions set during design stages.
- Certain client sites are certified to ISO 14001 (International standard that sets out the criteria for an environmental management system and its implementation).

Standards of Business Conduct

CBRE is firmly committed to conducting business with the highest integrity and in compliance with the law.

- Standards of Business Conduct (SOBC) have been in place since 2004 and were thoroughly updated in 2011, and must be read and adhered to by everyone who represents CBRE.
- The SOBC embody the fundamental principles that govern our ethical and legal obligations.
- The SOBC are at the centrepiece of a global Ethics & Compliance Programme adopted by the CBRE Group in 2004, and designed to reinforce our RISE values and ensure compliance with Company policies, and laws and regulations applicable globally.
- CBRE also expects that all subcontractors comply with applicable laws and legislation, including CBRE's Supplier Code of Conduct.
- Several areas of ethics and compliance training are also provided to all new employees, including SOBC, Harassment Prevention/People and Culture Behavior, with RISE values and in targeted countries, Anti-Corruption Training.

Acting Fairly Between Members

S172 of the Companies Act requires the Company to act fairly between members. The Company is 100% owned by another entity within the CBRE UK Group.