

2013 Sustainability Report (published in September 2014) Jones Lang LaSalle Incorporated

We are JLL.
We take
responsibility.



## Who we are

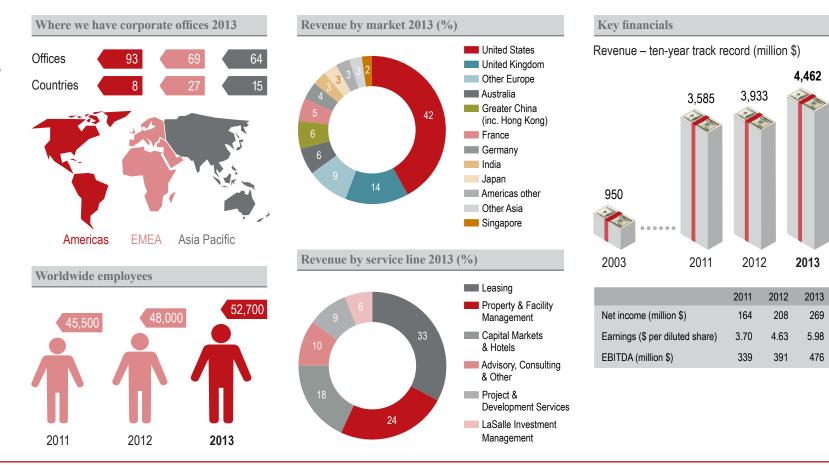
JLL is a leading financial and professional services firm specializing in real estate. We offer comprehensive, integrated real estate and investment management expertise on a local, regional and global level to owner, occupier, developer and investor clients in over 75 countries and from more than 200 corporate offices.

Across our three geographic business segments – the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific – we deliver a complete array of real estate services and manage a portfolio of approximately 3 billion square feet (278 million m²) worldwide. We completed 28,900 transactions for landlord and tenant clients, representing 658 million square feet (61 million m²) of space, and provided capital markets services for \$98.7 billion of client transactions.

Our fourth business segment – LaSalle Investment Management – is a wholly owned member of the Jones Lang LaSalle group and one of the world's largest and most diversified real estate investment management firms with \$47.6 billion of assets under management.

We are a publicly-owned company that is incorporated in the state of Maryland. Shares of Jones Lang LaSalle Incorporated are traded on the New York Stock Exchange (NYSE:JLL) and our global headquarters is in Chicago, Illinois.

Report title: At JLL, sustainability means recognizing the responsibility we have within the global community to act as a good corporate citizen that addresses our environmental, social and governance impacts.













## About this report

Welcome to our 2013 Sustainability Report. It presents a summary of our performance against the most important sustainability issues our organization faced during the 2013 calendar year.

The sustainability issues we report on across our five focus areas were refined through a materiality review we conducted in early 2014. We aimed to reduce the number of metrics, thereby simplifying the message we convey to our stakeholders. Publishing this document earlier in the year also reflects our objective to more closely align our sustainability reporting with our Annual (financial) Report that is published in April.

This report covers the three geographical business segments that comprise our real estate services: the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific. It also covers the activities of LaSalle Investment Management, which is a global business and represents our fourth business segment. More detailed information on LaSalle's sustainability approach and performance can be found on its website. Unless otherwise stated, the data in this report covers 85% of our corporate offices, all activities related to our Energy and Sustainability Services, and some activity from sustainability advice embedded into other services.

More detailed performance and analysis regarding all of our sustainability goals and issues, including full data qualifying notes, details of the materiality review and our compliance with the Global Reporting Initiative's G4 guidelines, the International Integrated Reporting Council's (IIRC) <IR> Framework and the United Nations Global Compact, will be available on our website from Q4 2014 at www.jll.com/sustainability.

Cover image: JLL acts as both office agent and property & asset managers for Atria One, a BREEAM 'Excellent' Grade A Office developed by the City of Edinburgh Council, JLL helped to deliver an award winning BREEAM 'Excellent' fit out for building tenants: the UK Green Investment Bank (see case study on page 11).

#### Navigating this report This is a table of contents that also provides a description **SERVICES OPERATIONS** of how we address sustainability across each of JLL's five focus areas for our clients and for ourselves. Sustainability for our clients. Sustainability for our firm. Working with clients to reduce Managing our own energy and greenhouse gas environmental footprint. **Energy and resources** emissions. **▶** page 12 ▶ page 8 Providing green building expertise Implementing green building to achieve our clients' cost and practices in our corporate Green buildings environmental goals. offices. **▶** page 10 **▶** page 12 Delivering excellent client services through our focus on ethics, transparency and technology. Enhancing client capabilities with our commitment to sustainability Client service excellence thought leadership and external involvement. **▶** page 14 Making a positive impact through Serving as a responsible corporate our procurement decisions and citizen in our communities and Community and supply chain supply chain influence. supply chain. **▶** page 16 **▶** page 16 Striving to be an employer of choice that attracts, rewards and develops diverse talent so that we can better serve our clients. Prioritizing health and safety for Workplace, well-being and diversity ourselves and our clients. **▶** page 18











## An introduction from our CEO

Five areas of focus – energy and resources, green buildings, client service excellence, community and supply chain, and workplace well-being and diversity - combine to define sustainability for JLL.



Colin Dver President and Chief Executive Officer Executive Sustainability Sponsor

Our ability to thrive for more than 250 years indicates that we know what it takes to sustain a company over time. To maintain and extend our position, we hold ourselves accountable for the social, environmental and economic impacts of our business.

At its heart, sustainability at JLL is about maintaining and expanding our role as a good corporate citizen. We are proud of our reputation for acting with integrity and for the ways our people contribute to the communities in which they live and work. Our influence also extends more broadly: We develop real estate services that anticipate and address our clients' needs while creating positive change in our industry. Together, these will ensure that JLL remains a sustainable enterprise that clients, employees, investors and other stakeholders can rely on for the long term.

We believe climate change creates major environmental and economic risks and opportunities for our clients and our firm. In April 2014 I testified before the U.S. Congress Bicameral Task Force on Climate Change.

My message was simple: Since commercial buildings account for about 40 percent of all greenhouse gas (GHG) emissions in the developed world, our industry has a key role to play in tackling climate change.

Since we manage 3 billion square feet of space globally for our clients, we can contribute by developing industry-leading strategies, tools and technologies that help clients improve energy efficiency and control associated costs. Cumulatively, we have helped U.S. clients reduce GHG emissions by an estimated 11.9 million metric tons since 2007, saving them more than \$2.5 billion in energy costs. This has also created a significant business opportunity: Our Energy and Sustainability Services revenues increased by 16% in 2013.

Sustainability experts in Project and Development Services work on green building certifications, for example, and we are embedding energy and sustainability services in the advice we provide to clients. We now have nearly 1,500 LEED and other sustainability accredited professionals worldwide, a powerful measure of our commitment to a sustainable future.

Within JLL, we have cut greenhouse gas emissions from our corporate offices by 7% since 2012 due to energy reduction initiatives such as occupying more efficient buildings. In 2013 we set three targets that will guide our actions to 2017: reduce GHG emissions per employee by 10%, reduce energy use per employee by 10%, and reduce rented area per employee by 8%.

Our focus on energy, resources and green buildings represents one aspect of our sustainability activities. But we also remain committed to delivering the highest ethical practices, supporting the communities in which we operate and making JLL a welcoming and motivating place for our employees. A sustainable company is a diverse and inclusive











organization, and we want our employees to mirror the world of our clients and communities. Many of the awards we received in 2013 illustrate the importance we place on promoting workplace diversity.

Any discussion of sustainability at JLL should single out the contributions of our employees. Together, they invested more than 2,800 days in 2013 to support thousands of causes around the world. Coupled with charitable contributions of \$4.4 million from corporate and employee donations. these activities confirm JLL's reputation as a good corporate citizen.

Finally, earlier this year I announced my executive sponsorship of both our Energy and Sustainability Services business line and our Corporate Sustainability activities. This will allow me to be more closely involved in both by representing all our sustainability activities through our Global Executive Board and Board of Directors.

Looking to the future, we will continue to work to maintain our reputation as a sustainable enterprise, a company that is trusted and relied upon by all our stakeholders.

Thank you for your continued interest in JLL.

#### Colin Dver

President and Chief Executive Officer Executive Sustainability Sponsor

## Sustainability awards

We are regularly recognized for our sustainability efforts through high-profile awards such as those received in 2013 and in the first half of 2014.

We received the ENERGY STAR Sustained Excellence Award for the third consecutive year for our dedication to driving energy efficiency in both our corporate and client portfolios. We were also recognized as one of the World's Most Ethical Companies for the seventh consecutive year by the Ethisphere Institute in 2014.

Additionally, Fortune Magazine named us as one of America's 100 Most Trustworthy Companies in 2013 and JLL was named one of the 100 Best Corporate Citizens by the Corporate Responsibility Magazine. In total, we received 31 local, national and global sustainability awards in 2013.

A full list of international, regional and local awards is available on our website.

















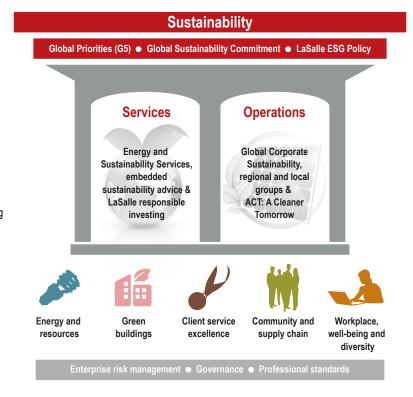


## Our sustainability strategy and governance

JLL aims to lead the transformation of the real estate industry by making a positive impact both within and beyond our business.

Our Global Sustainability Commitment defines our sustainability objectives relating to five focus areas:

- Energy and resources: Significantly reduce the environmental impact from real estate
- Green buildings: Integrate sustainability within all real estate decisions
- Client service excellence: Deliver the highest standards to our clients worldwide
- Community and supply chain: Extend our sustainability values to enable widespread change
- Workplace, well-being and diversity: Foster a growing and inspiring place for our employees to work



## Two pillars for delivering our commitment

The five focus areas of our sustainability strategy cut across two pillars: **Services** and **Operations**. The first pillar includes the services we provide to clients through our Energy and Sustainability Services business and our LaSalle Responsible Investing activities. We are also increasingly focused on integrating sustainability principles across all of our real estate services, thereby providing embedded sustainability advice. The second pillar focuses on operational efforts related to our own people and offices that ensure we 'walk the talk' as a sustainable corporation.

Although we view both pillars as critical to our sustainability strategy. we are aware that the potential positive impact through our energy and sustainability services to clients can be substantially greater than the environmental impact of our own operations. However, we also deem our wider corporate sustainability efforts such as governance and diversity to be important in ensuring we exist as a prosperous business over the long term for our stakeholders.

## Sustainability governance

Our CEO's newly-established role as executive sponsor across the two pillars of our sustainability strategy provides a strong link to JLL's Board of Directors. Our CEO and the Board of Directors take an active role in overseeing the company's sustainability efforts, drawing on updates from the following bodies:

Services: The Global Energy and Sustainability Services (ESS) Board is the main body responsible for developing and implementing a consistent global ESS offering. This Board is made up of regional heads of ESS and is led by the global Chairman of ESS.











## Our sustainability strategy and governance

Complementary to the Board, LaSalle governs its activities through the Global Sustainability Committee in accordance with the LaSalle Investment Management Policy on Sustainability and Responsible Investing. Chaired by LaSalle's non-executive Chairman, the Committee consists of senior leaders from all businesses worldwide, ensuring that LaSalle remains up-to-date on sustainability topics and that we share our practices company-wide.

**Operations:** Our internal programs are governed by the Global Corporate Sustainability (GCS) Board that we recently established to oversee our internal sustainability goals, performance, strategy and reporting, while also ensuring a coordinated and consistent approach around the world. It includes corporate function leaders from Finance. Human Resources, Legal Services and Corporate Sustainability. In addition, members also represent Communications, Public Relations, LaSalle and ESS leadership. This cross-functional group reports into the Global Operating Board, which includes a wider representation of corporate function leaders including our Chief Financial Officer (who also sits on the GCS Board) and regional and business segment Chief Operating Officers among others.

## Corporate governance and executive remuneration

We conduct our corporate governance according to the listing standards of the NYSE. Our Board of Directors has ultimate responsibility for overseeing our business. The Board elects our Chairman, Chief Executive Officer and Chief Financial Officer, as well as other senior officers. The management team, with the Board's oversight, is responsible for conducting the company's business to enhance its long-term value.

We have implemented additional measures designed to provide shareholders with the highest level of governance: annual voting for Directors; majority voting for Directors; enhanced abilities to call for special meetings; and annual advisory voting on executive compensation.

At the most recent annual meeting of our shareholders, who are primarily institutional investors, over 99% of the votes for each Director were in favor and over 98% of the votes were in favor of our executive compensation.

Additional information about our corporate governance may be found in our Transparency Report and in the 2014 Annual Meeting of Shareholders and Proxy Statement, all of which are available on our website.

### Roles and responsibilities

Reporting into the GCS Board, the newly established Corporate Sustainability Committee meets quarterly to share good practices and learning from our various activities locally and regionally. This group consists of employees with some functional responsibility for internal sustainability who work in collaboration with voluntary champions in each country. Over 39% of countries have chosen to adopt their own formal sustainability programs in a sign of the growing commitment around corporate sustainability across JLL.

At a global level, a team of three dedicated resources oversees our firm-wide approach alongside 58 regional and local roles. These figures do not include volunteer or champions networks; executive sustainability sponsors; our 24 global ethics officers; or other committees that may spend some of their time on sustainability. In addition to these formal roles, we consider sustainability to be a part of every employee's role in one way or another.

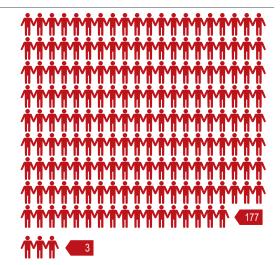
The largest group of dedicated roles are our 177 sustainability professionals, the majority of which are from our Energy and Sustainability Services group. This number grew by 13% from 2012-2013 and is consistent with the growth in ESS revenue from \$21.8 million to \$25.4 million in the same period, and the 323 sustainability clients we worked with in 2013.



#### **Sustainability roles**

#### Services

Sustainability professionals



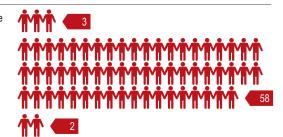
Responsible Investing

LaSalle

#### Operations

Global Corporate Sustainability

Regional and local roles



U.S. Diversity & Inclusion

Services and operations

Sustainability University



Data note: Regional and local roles include part-time functions.







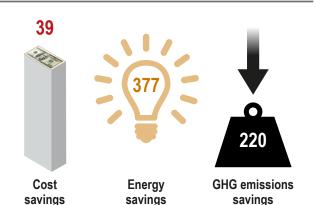




## Addressing energy and resources through our services

The complexity of the climate change challenge means that government action alone cannot provide the urgent solutions required; proactive solutions from business are key.

## U.S. client energy savings 2013 (estimated)



Annual U.S. client energy savings (estimated)							
	2007	2008	2009	2010	2011	2012	2013
Cost savings (million \$)	38	95	100	128	105	176	39
Energy savings (million kWh)	210	790	836	912	963	1,663	377
GHG emissions savings (thousand metric tons CO <sub>2</sub> )	133	438	465	563	587	913	220

(million kWh)

(thousand metric

tons CO<sub>2</sub>)

All figures relate to our U.S. managed portfolio and are based on extrapolated data from ENERGY STAR. See our website for how cumulative savings are calculated.

The greatest contribution we can make to mitigate climate change is to help our clients reduce their energy use and GHG emissions. Our efforts also serve to cut costs and to improve operational efficiency. For this reason, we invest significant resources into developing energy and carbon management services for clients alongside efforts to manage our own footprint.

### Energy management for our clients

An integral part of our Energy and Sustainability Services offering is to help clients develop energy management programs that provide measurable savings and results. This approach considers not just how facilities are built, operated and maintained, but also their location and occupiers' behaviors.

In 2013 our advice helped deliver energy savings of 377 million kWh for clients. These reductions saved clients the equivalent of \$39 million, and the impact in terms of reduced GHG emissions was equivalent to removing roughly 46,300 cars annually from the road.

The decrease from previous years reflects the fact that a number of projects reached completion in 2012, and the results of projects that were initiated in 2013 have not yet been captured. This is supported by a 33% increase in the number of buildings our sustainability teams worked on in 2013 compared to 2012. Lastly, as we continue to engage in longterm relationships with our clients, we also believe new energy efficiency measures yield fewer additional savings after a certain efficiency level is achieved through prior measures.

Cumulatively, we have helped our U.S. clients reduce greenhouse gas (GHG) emissions by an estimated 11.9 million metric tons and saved them an estimated \$2.5 billion in energy costs since 2007.



## Am I spending too much on energy, water and waste?

These are frequent questions our clients ask, including property owners, occupiers and managers. In the UK, JLL and the Better Buildings Partnership have teamed up to provide a fresh set of data for comparing the environmental performance of commercial properties. The database is the largest of its kind in the UK and comprises more than 700 retail and office properties totaling 11 million square feet (1 million m²) and accounting for around 400,000 metric tons of GHG emissions. The Real Estate Environmental Benchmark also includes information on buildings' water and waste impacts, and can be used to understand where cost savings can be made, inform meaningful target setting and demonstrate good environmental management.



(million \$)

## Addressing energy and resources through our services

Responsible management of energy remains one of the most costeffective climate change mitigation strategies.

As more clients (as well as our own people) see economic and environmental value in measuring and improving energy usage, we expect that the savings will continue to rise. This also presents a growing opportunity for our business to deliver long-term value for our employees and shareholders.

## Energy management at LaSalle Investment Management

With \$47.6 billion of assets under management by the end of 2013, there is also significant potential for LaSalle Investment Management to embed sustainable best practices in the assets that it acquires and manages for clients. One of LaSalle Investment Management's five Guiding Principles is to reduce the environmental impact of clients' properties and monitor the effects of climate change on those properties.

Accurate measurement and benchmarking are fundamental to achieving this goal and in 2013 more than 300 assets were submitted to the Greenprint Foundation Carbon Index for benchmarking and tracking (exceeding the goal of 275). LaSalle Investment Management is committed to reducing energy and has focused on setting targets for core funds in which it controls the environmental metrics at the assets. During 2013 LaSalle Investment Management also finalized environmental, social and governance (ESG) portfolio guidance to complement its performance monitoring and further integrate ESG issues into internal investment decisions, as well as with business partners.

## Renewable energy for our clients

We advise clients on a range of renewable technologies including photovoltaic (largely in the U.S. but increasingly in Europe), wind and biomass (both largely in the UK). Our capabilities in renewable energy allow us to provide local as well as worldwide solutions designed to meet each client's unique objectives. For example, our specialist Renewable Energy Capital Group helps to raise development capital, identify

Client renewable energy 2013 (estimated)				
Туре	Planning and feasibility (metric tons CO2e)	Installed or consented (metric tons CO2e)		
Wind	2,763,705	614		
Solar	39,013	17,424		
Total averted GHG emissions	2,802,718 (potential)	18,038		
Total MW capacity	1,861	28		

investment opportunities and provide commercial and financial advice to clients across every major renewable energy technology type.

In 2013, total GHG emissions averted from installed or consented renewable projects that we advised on was more than 18,000 metric tons CO2e. A further 2.8 million metric tons could be averted, assuming all remaining wind, solar and biomass projects that we advised on last year achieve planning consent or successful development.

Year-on-year comparisons are not always meaningful, but the drop from 596,000 and 5.8 million metric tons CO2e from installed or consented and planning and feasibility emissions respectively in 2012 is explained by a number of factors. On the one hand, 2012 saw a number of large-scale projects either installed or granted consent that did not occur again in 2013; additionally, a number of projects did not pass the feasibility and planning stage. The trend also reflects a broader challenge facing renewable energy in the U.S. and Europe where, despite technological advances and falling prices leading to a growth in renewable energy capacity worldwide, declining policy support and other incentives has increased the threshold at which projects become financially viable.

#### Find out more

You can visit the sustainability section of our website for more information around what we are doing to deliver energy and resources savings for clients.



## JLL expertise boosts solar generation

Solar power is an increasingly viable alternative energy source, thanks in part to technological advances that have improved performance and reduced start-up costs. As real estate owners and occupiers look to increase their investment in solar power generation, JLL is helping clients develop strategies that navigate the often complex challenges to meet their energy and sustainability goals. In 2013 JLL's Alternative Energy Solutions team began supporting one of California's largest real estate owners with ambitious plans to scale-up its onsite solar generation capabilities. JLL is providing advice including site selection and vendor screening for between 100 and 150 locations with the potential to generate as much as 80 MW (enough to power approximately 19,000 homes).



## Expert advice on green buildings

Green buildings are more than just energy efficient. They are sensitive to local habitats, protect the health and well-being of occupiers, and use sustainably sourced materials.

## Client green building certifications 2013

**LEED** 

**BRFFAM** 

Green Globes

Green Mark

Green Star





















Our services address the complete lifecycle of a building – from design and planning through to construction, occupation and management, refurbishment, and sale.

### Leading the way through better performing buildings

We are improving the performance of our clients' buildings, and this impact is growing. In 2013 our sustainability teams worked on a total of 1,852 buildings, which represents a 33% increase compared to 2012. This growth was primarily driven by a number of new client mandates in Asia Pacific.

An aspect of this is our strong track record in helping owners and occupiers achieve targeted LEED and other green building certifications: in several cases, our teams have helped clients attain levels beyond

their original goals. During 2013, JLL's advice helped our clients achieve 76 green building certifications (up from 59 in 2012) covering 5.2 million square feet (481,200 m<sup>2</sup>), including 75% to LEED, 12% to BREEAM, and 11% to Green Globes standards.

## Green buildings skills and accreditations

Our commitment to the professional development of our employees ensures we have the skills and capacity to deliver expert green building advice to our clients. In 2013, our ambition to deliver the highest standards to clients worldwide through our sustainability expertise was demonstrated when we became the world's top employer of LEED Accredited Professionals and Green Associates according to the LEED Professional Directory. By the end of 2013, we had 1,417 energy and sustainability accredited professionals.



## JLL helps international software company achieve LEED Gold

With JLL's support, software company Intuit achieved LEED Gold certification following a 54,000 square foot  $(5,000 \text{ m}^2)$  project at its corporate headquarters in Mountain View, California. JLL's Project and Development Services team worked closely with our construction and architectural partners to support the client's broader energy and sustainability goals. Features included the use of low-flow plumbing fixtures that reduced potable water use by 35%. All new equipment purchased was ENERGY STAR rated and 93% of on-site construction waste was diverted from landfill. Furthermore, 28% of all building material was manufactured using recycled material and 50% of the total building material was manufactured within 500 miles of the site.

LEED®, and its related logo, is a trademark owned by the U.S. Green Building Council® and is used with permission. BREEAM is a registered trademark owned by BRE and is used with permission. All rights reserved.



## Expert advice on green buildings

## Experts in green leasing

Our network of leasing and sustainability experts, along with tools such as our Green Facilities Assessment Tenant Module, OneView Lease Administration and LaSalle Investment Management's Green Lease Guidelines, help our clients to maximize environmental and financial savings in their leased portfolios.

We are helping a growing number of clients to achieve their carbon reduction and wider sustainability ambitions through our transaction management role. This ranges from pre-acquisition sustainability audits of buildings, to determining energy and cost savings that might be achieved through integrating sustainability factors into lease administration, green leasing, and workplace innovation standards.

For example, we have worked with several international clients to define and to plan global green leasing strategies that deliver cost savings and support their broader environmental objectives. The JLL team analyzes clients' existing leases, provides cost savings recommendations, and provides guidance on clauses to include in new leases.

## Enhancing workplace productivity through sustainability

For office-based organizations, personnel costs can be up to 90% of operational costs. With this focus on top-line revenues, even small increases in worker productivity can result in considerable savings. There is a growing body of research that demonstrates how green design features can positively enhance the health, well-being and productivity of employees through improvements to the physical environment such as light, air quality, indoor temperature, noise and space. The issue is a growing concern for our clients. Our most recent survey of global commercial real estate executives on the issue (conducted in 2010) found that an increasing number of executives recognized the value of enhancing workplace strategies that promote employee health, well-being and productivity.

Energy and sustainability accreditations				
Accreditation type	2011	2012	2013	
LEED (U.S. and world)	906	1,257	1,332	
Green Star (Australia)	94	87	23	
Association of Energy Engineers: Certified Energy Manager (global)	31	26	29	
Association of Energy Engineers: Other AEE accreditations (global)	20	19	21	
Other accreditations	89	82	67	
NABERS Energy (Australia)	12	10	9	
BREEAM (UK and Europe)	10	9	11	
AIEMA (UK)	9	6	5	
Total	1,171	1,496	1,497	

Data note: The total accreditations exceeds the number of accredited professionals because some professionals have multiple credentials.

JLL is taking an active role in a new global research project led by the World Green Building Council to better understand the link between employee health, well-being and productivity and sustainable workplaces. JLL experts sit on the project's Steering Committee and are involved with its technical working groups that are looking to develop common metrics that measure productivity and well-being, as well as providing guidance on the type of features that will improve performance in these areas.

#### Find out more

You can visit the sustainability section of our website for more information around what we are doing to deliver expert advice on green building for our clients.



## A sustainable workplace

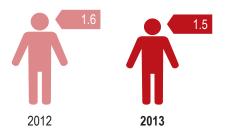
A sustainable fit out led by JLL has helped the world's first green bank create a workplace that puts employee well-being at the forefront. JLL UK's Buildings and Construction team were chosen by the UK Green Investment Bank to deliver the BREEAM 'Excellent' fit out of their new headquarters building at Atria One in Edinburgh. JLL helped to create a flexible and inspirational workplace using environmentally-friendly construction materials to maximize employee well-being and deliver benefits such as increased productivity and reduced absenteeism. The project was one of only two office fit out projects in the UK chosen to participate in the BREEAM Non-Domestic Refurbishment 2014 Pilot Scheme, and was recognized as a Regional Winner in the annual British Council for Offices Awards.

# Addressing energy, resources and green buildings in our own operations

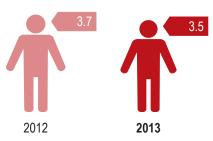
GHG emissions from energy use in our corporate offices and from business travel represent our most significant direct environmental impacts.

## JLL building GHG emissions and energy use

JLL building GHG emissions per corporate office employee (metric tons CO<sub>2</sub>e)



JLL building energy use per corporate office employee (MWh)



We remain focused on reducing our footprint through best in class workplace strategies. To this end, JLL has committed to reduce GHG emissions and energy from our offices by 10% per employee by 2017 (against a 2012 baseline). Additionally, we have set a target to reduce rented area in our offices by 8% per employee by 2017.

#### Reducing our carbon footprint

In 2013 JLL's total GHG emissions were approximately 52,880 metric tons of CO2e, up 7% compared with 2012. While our total emissions increased, our business also grew. Our global revenue increased by 13% and the number of corporate office based employees by 8%. Consequently, our emissions per employee decreased by 7% to 1.5 metric tons in JLL's offices.

ACT: A Cleaner Tomorrow is our internal program that seeks to reduce the environmental impact of our offices and travel primarily through employee engagement and communications. In 2013 approximately 66% of our corporate offices had an energy and GHG reduction initiative, many of which tied closely with the ACT program. To reduce our impact from travel, 58% of offices have video conferencing facilities.

Much like the advice we give to clients, we take advantage of opportunities to green our energy supply. By the end of 2013, 12% of our offices procured renewable energy.



## JLL in China set new standards

JLL's Wuhan office in China set a new standard when it became the first LEED Commercial Interiors Gold building in the city. *The interior fit out sought to build a healthy and productive* workplace for employees that is both cost effective and has a reduced environmental impact. Our Project and Development Services and Energy and Sustainability Services teams worked closely to select suitable materials and furniture such as ENERGY STAR and China Energy Label class one equipment to reduce energy consumption. Other solutions included LED lighting and occupant control system to reduce lighting power consumption.



## Addressing energy, resources and green buildings in our own operations

## Our own occupation of green buildings

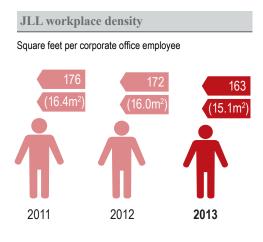
We implement green building practices where possible. 23 of our offices had a green building or fit out certification such as LEED. BREEAM or RICS Ska as of 2013. A further 102 offices incorporated green building or fit out principles, but did not obtain a certification. This number is growing (from 15 and 89 respectively in 2012) as we increase our occupation of green certified new offices at a higher rate than total offices.

## Waste management in our offices

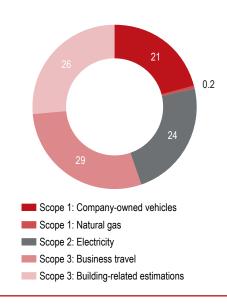
As a tenant, JLL has little control over waste practices in the majority of our offices. We only manage the waste contract in 5% of our offices, and in these locations we have recycling programs. Despite this, 52% of offices reported at least one waste initiative in 2013.

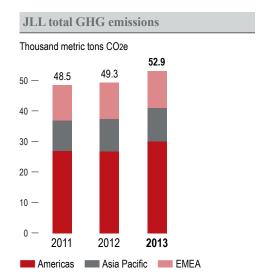
#### Find out more

You can visit the sustainability section of our website for more information on how we are reducing the environmental impact of our operations.

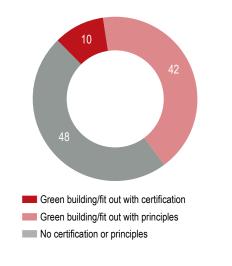








JLL offices with green building practices 2013 (%)





## WorkSmart model improves productivity and team spirit

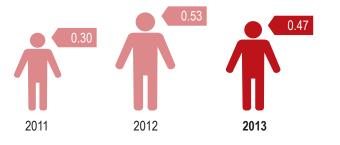
We are constantly looking at ways to enhance the performance of our people and offices. Much of this is channeled through our alternative workplace strategies that are in place at 54% of JLL offices. 71% of employees at our Sydney office said they were more productive following the introduction of JLL's proprietary WorkSmart model that uses non-assigned desks to create multiple work settings. These include focus desks, quiet rooms, discussion pods and 'touch and go' areas for employees who go into the office for short periods. Feedback at our Stockholm office in Sweden (above), which introduced similar features in 2013 has also been positive, with employees reporting a better team spirit.

## A strong focus on client service excellence

Our mission is to deliver fully integrated, innovative solutions for real estate owners, occupiers, developers and investors worldwide.

## Number of ethics investigations conducted

% of total employees



<b>Ethics investigations</b>			
(% of total investigations)	2011	2012	2013
Specific actions taken as a result of ethics violations, including terminations	77%	77%	73%

Ethics, HR and anti-corruption training				
	2011	2012	2013	
JLL employees who received training	3,753	3,858	4,095	

A relentless focus on the highest ethical standards, technology and thought leadership are fundamental to ensuring we can provide exceptional services in the long term. Our culture of connectivity and integrity enables us to deliver consistently high levels of service to all of our clients wherever they are.

#### Ethics

Our Code of Business Ethics outlines our commitment to maintaining the highest standard of ethics and integrity throughout our business. We are determined to enhance the global reputation that we have established for ethical conduct. This is a reputation recognized by the Ethisphere Institute's 'World's Most Ethical Companies' list, which included JLL for the seventh year in a row during 2014.

We also take pride in how our employees perceive our commitment. According to our 2012 Global Employee Engagement Survey (which is conducted every two years), 95% of employees said they fully understood their obligations under our Code of Ethics, and 87% agreed that JLL shows a commitment to ethical business decisions and conduct.

We place a strong emphasis on ethics training and education. In 2013 we gave in-person training to approximately 4,100 employees on ethics, HR and anti-corruption, which is in addition to other online training and communications efforts that comprise our Ethics Everywhere program.

## Transparency in everything we do

Our clients are increasingly looking for confirmation that critical business partners such as JLL are well managed. Clients want to know that their supply chain will be there for the long term, and that their service providers are interacting with them fairly and openly. JLL's new Transparency Report is designed to give our clients this confidence. It details our governance and internal controls, approach to risk management and the interconnected activities that sustain our organization. The report highlights policies and procedures that drive responsibility and accountability throughout our organization and our clients', giving us a level of transparency we believe is unmatched in our industry.





## A strong focus on client service excellence



## Achieving sustainability goals through technology

A relatively small-scale initiative to increase operating efficiency for Procter & Gamble (P&G) has turned into a global smart building management strategy. P&G experienced average annual energy cost savings of 10% after deploying JLL's IntelliCommand technology in a test group of laboratories, offices and technical facilities. The initial investment was returned within the first three months, and P&G is expanding IntelliCommand to additional facilities around the world. While the immediate goal of the pilot was to reduce energy costs, the program has also improved systems reliability, supported corporate sustainability initiatives and increased employee productivity for P&G.

### Using technology to advance our sustainability services offer

Our in-house energy and sustainability platforms such as OneView Energy and Sustainability Analytics help us to manage an ever-increasing volume of sustainability data on behalf of our clients around the globe. This, along with other platforms such as Portfolio Energy and Environmental Reporting System and the Environmental Sustainability Platform, demonstrate our global expertise in the provision of technology solutions. More than 126,100 buildings are on our proprietary sustainability platforms, which help our clients and ourselves measure and improve environmental performance.

#### Sustainability thought leadership and external involvement

We invest heavily in research to guide our clients' real estate investment and occupation strategies. Sustainability is a key focus area and in 2013 we produced 35 sustainability thought leadership publications, including our Global Sustainability Perspective and Green Blog. These cover issues such as employee engagement, smart building technology and resilient cities. In addition to our client-focused sustainability thought leadership, we play an active role in broader corporate sustainability thinking around governance, reporting, strategy, and enterprise risk management.

During 2013 we took part in 47 sustainability organizations and initiatives, such as the CDP (formerly the Carbon Disclosure Project), the Global Real Estate Sustainability Benchmark, and the World Green Building Council. Regarding our corporate sustainability efforts, we are also an active participant in efforts seeking to improve integrity and transparency

in global markets, including the Ethisphere Institute, the World Economic Forum Partnering Against Corruption Initiative, the International Integrated Reporting Council, and the Boston College Center for Corporate Citizenship. Complementary to JLL's involvement in the United Nations Global Compact, LaSalle Investment Management has been a signatory to the United Nations Principles for Responsible Investment (PRI) initiative since 2009. As part of this, it has made a commitment to report on progress towards the PRI's six principles of responsible investing.

#### Find out more

You can visit the sustainability section of our website for more information on what we are doing to deliver client service excellence.



# Our contribution to the community and our supply chain influence

We place great value on the wider reputation of our business as a responsible contributor to the community, and as a positive influence on our supply chain.

#### **Total charitable contributions**



### Community support

Our community strategy addresses the local needs of our communities, capitalizing on the talents and interests of our diverse workforce. An important measure of this impact comes in the form of our voluntary donations in funds and time, as well as other in-kind contributions.

In 2013 we recorded total charitable contributions of at least \$4.4 million, which include both corporate and employee donations. Our corporate donations of \$3.9 million account for 1.2% of pre-tax profits. In addition, JLL employees volunteered more than 2,821 days to support charitable causes, a 61% increase compared to 2012. Although we have continued to improve our monitoring systems for community activities in 2013, we still feel these figures underestimate our actual total charitable contributions and volunteer days.

## Home grown in the city



Urban farms are a growing phenomenon in cities worldwide. In Hong Kong, over 20 volunteers from JLL worked with social enterprises Time to Grow and Sowers Exchange to create a unique urban farm. Located on the roof of the Bank of America Tower in the Central district, the 3,000 square foot (280 m²) farm offers uninterrupted views across the Hong Kong skyline. But it also has an important social and environmental message. As well as providing a supply of fresh vegetables for the local food bank Feeding Hong Kong, it aims to raise awareness about how food is grown and sourced while bringing together the local community to create a more sustainable city.

## **Education** in Mexico



Education is a powerful tool for change. In Mexico, employees from JLL's Project and Development Services team worked with suppliers and Proeducación to bring about change by building a library at José Antonio Alzate public elementary school in Chalco, near Mexico City. Proeducación is a non-profit organization committed to improving the quality of elementary education in Mexican public schools and the library is the first of 23 planned for schools across the country. The initiative is part of JLL Mexico's 'Put your Skills to Work' program that aims to harness the expertise of our employees, suppliers and clients to support and strengthen the work of non-profit organizations in meeting community needs.

## JLL Property Triathlon



In the UK, more than 2,000 property professionals gathered at Dorney Lake near London for the seventh annual JLL Property *Triathlon in 2013. The event is firmly established as one of the UK's* largest triathlons and has raised over £1.1 million to date for charity. The 2013 event raised money for the Samaritans who provide support for people in emotional distress. Our two-year partnership with the Samaritans is the charity's largest partnership in history. During the first 12 months, JLL and LaSalle Investment Management employees raised more than £226,000 (enough to answer 59,000 calls) through a range of corporate, team and individual challenges.



## Our contribution to the community and our supply chain influence

## Supply chain influence

We have a significant opportunity to influence suppliers on a large scale, and are committed to improving the sustainability of our procurement practices and those of our suppliers. All suppliers, meaning any firm or individual providing a product or service to JLL or indirectly to our clients as a contractor or subcontractor, is expected to adhere to the JLL Vendor Code of Conduct.

We have worked with the Ethisphere Institute to develop a survey that gathers information on programs and policies covering ethics, compliance and environmental impacts, including targets and objectives related to the performance of our own and our clients' suppliers. We also participate in Ethisphere's Supplier Risk Index, which is an online tool designed to help organizations identify and manage potential risks in their supply chain by providing information on ethics and sustainability practices.

We do not have specific policies that require local sourcing, nor do we always stipulate preferred vendors, but many are locally based small and medium-sized enterprises. A dedicated supplier diversity manager in the U.S. manages our \$150 million annual spend with minority suppliers and contractors, as well as our Suppliers of Distinction award that recognizes suppliers who play an integral role in helping us deliver exceptional service to our clients.

## Responsible procurement for clients

In 2012 we were responsible for more than \$1.5 billion in annual client expenditures for the properties we managed. This covers items such as ianitorial and food services, as well as products ranging from light bulbs to carpeting.

Responsible procurement is a growing issue for our clients. Many have set, or are looking to integrate responsible procurement objectives into their operations, and this represents an opportunity for us to anticipate and align with clients' goals. We offer a range of services from ratings of products and services across different environmental criteria, to providing ongoing client and vendor education on best practices in real estate procurement.

In the U.S., we include a number of general and industry specific sustainability criteria in supplier proposals and questionnaires for multi-client contracts that we manage centrally. In 2013, we surveyed 53 preferred suppliers to better understand how they manage sustainability issues. The survey gathered information on general issues such as suppliers' environmental and ethical practices and performance. as well as industry specific questions around their services. The findings will ultimately help us to identify further opportunities to support clients in selecting and procuring sustainable products and services.

### Managing our procurement decisions

We also apply sustainability criteria to our procurement practices, focusing on the top items by spend: office and kitchen supplies. Additionally, our IT procurement policies specify the selection of energy efficient PCs and printing equipment where possible.

#### Find out more

You can visit the sustainability section of our website for more information on our community activities and our approach to addressing sustainability in the supply chain.



## A shining light

JLL is one of the world's biggest purchasers of light bulbs. In Asia Pacific alone we manage more than 70 million light points for over 150 corporate clients, and we estimate that our Facilities Management team sources more light bulbs than any other company. We have partnered with Philips globally to deliver innovative lighting solutions that achieve both energy and cost savings without compromising quality. For example, replacing fluorescent lamps with LED alternatives at the regional headquarters of an international finance company improved lighting levels while reducing associated energy consumption by up to 50%. The new lamps last up to 40,000 hours longer and have delivered wider benefits including a healthier and more comfortable work environment. JLL and our clients also benefit from the partnership by gaining early access to Philips new technology.



## Workplace, well-being, and diversity in our business

We strive to be the employer of choice in our industry. We promote a work environment that attracts, welcomes and retains highly talented and diverse individuals. We encourage and enable our people to succeed, while treating them fairly and rewarding their contributions.

## Diversity in the workplace Female employees (% of total employees) 2011 2012 2013 Female Directors (% of Directors) 2011 2013

## Diversity and inclusion

Diversity is a part of our value system and a strategic imperative for our business. Having the best talent with different experiences, backgrounds and perspectives means we can deliver and create the best services and solutions for our clients. To achieve this, we have created a workplace culture that empowers all employees to meet their fullest potential.

We have made substantial progress to date: most of our country operations are now led by local leaders and in 2013, 44% of countries had at least one diversity and inclusion initiative. In the U.S. these efforts are supported by an active network of employee resource groups that aim to inspire, support and mentor employees from diverse backgrounds. However, in many aspects the composition of our workforce reflects that lack of diversity in the real estate industry generally. We make every effort to counter this through our participation in organizations such as Diversity Best Practices in the U.S. and our leadership of the Changing the Face of Property campaign in the UK.

Globally, women comprise 34% of total employees and 26% of Directors. In 2013, three out of ten members of the Board were female including our Chairman. Eight members of the Board are either non-U.S. based and/or are diverse in terms of cultural or ethnic backgrounds. JLL is a three-time winner of the 2020 Women on Boards 'W' Company Award that aims to recognize companies for their commitment to Board-level gender diversity.



## Inclusive workplace culture

In December 2013, JLL's commitment to embracing an inclusive workplace culture was recognized by the Human Rights Campaign that included us in their Corporate Equality Index. JLL scored 90 out of 100 points (nine points above the FORTUNE 500 average) for policies and practices relating to lesbian, gay, bisexual and transgender workplace equality. The recognition capped off a successful year that also saw JLL honored by the Black Equal Opportunity Employment Journal in its annual 'Best of the Best' lists, both as a 'Top Diverse Employer' as well as 'Top Diverse Supplier Program'.



## Workplace, well-being and diversity in our own business

### Training and development

We support the development needs of all employees and increased our training and development spend from \$225 per employee in 2012 to \$235 per employee in 2013. This is in addition to substantial training expenditures on a local basis that we are unable to quantify.

The JLL Sustainability University educates our people in technical aspects of sustainability, focusing primarily on the delivery of green building services to our clients such as LEED certification projects. In addition to these activities, the University offers a training platform for those who want a broad understanding of sustainability. These sessions cover a range of topics from energy management to our internal programs.

In EMEA, we have designed a sustainability training course that aims to embed sustainability into all our services and to increase awareness of the environmental and social impacts associated with the built environment. We plan to roll it out across the region in 2014.

In total, we delivered more than 11,800 hours of sustainability-related training across all JLL operations in 2013 (including around 4,600 hours delivered through the Sustainability University alone).

## Engagement and compensation

We conduct regular surveys to understand how our employees view the company and their jobs. According to the results of our 2013 interim Global Employee Engagement Survey, 81% of employees either agree or strongly agree with the statement that they are extremely satisfied with JLL as a place to work. This is up from 75% in our last full survey (conducted in 2012), and is ten percentage points above the global norm measured by Kenexa, our survey administrator.

Total Reward is a concept we use to attract and retain the best talent. maintaining our position as an employer of choice. It represents a variety of financial and non-financial programs and plans which are designed to reward, recognize and motivate employees.

We have identified employee recognition and rewards as a challenge in past surveys. Positively, the results of our 2012 Global Employee Engagement Survey (the last year data is available) show that the percentage of employees who are extremely satisfied that compensation plans reward outstanding performance increased to 51% (from 47% in 2010).

### Health, safety and well-being initiatives

JLL considers safety a top priority. Our goal is 'no harm to people or property' and all employees are responsible for contributing to this goal. JLL's Global Health and Safety Policy covers all activities undertaken by our Integrated Facilities Management and Property and Asset Management businesses. The policy sets out minimum standards expected of employees who work in client facilities.

Our recordable incident rate (RIR), a measure of recordable injuries and illnesses per 100 full-time employees per year, remained stable at 0.6 in 2013. Days away, restricted duty and transfer (DART), a measure of recordable injuries and illnesses per 100 full-time employees per year that resulted in days away from work, decreased by 28%. These compare to industry averages of 3.7 and 1.9 respectively for Facilities Support Services and 3.3 and 1.4 for Real Estate Property Managers.

Our efforts also extend to support for work-life balance and improvements such as desk side ergonomic assessments. In 2013, 63% of countries reported at least one health, safety and well-being initiative.

#### Find out more

You can visit the sustainability section of our website for more information on our approach to employee issues.

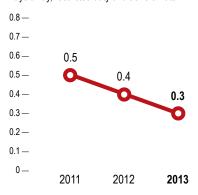
#### Health and safety: RIR

Recordable case incidence rate



#### Health and safety: DART

Days away, restricted duty and transfer rate



Data note: The health and safety data above represent the Integrated Facilities Management business globally and all employees in the U.S.



## **Contacts**



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http://www.jll.com/sustainability

## Other publications



2013 Annual Report



**Vendor Code of Conduct** 



2014 Annual Meeting of **Shareholders and Proxy** Statement



2013 Transparency Report



2014 Corporate Facts



**Code of Business Ethics** 



2013 Ethics Everywhere









