JLL

JLL

Integrating sustainability reporting into strategic decision making

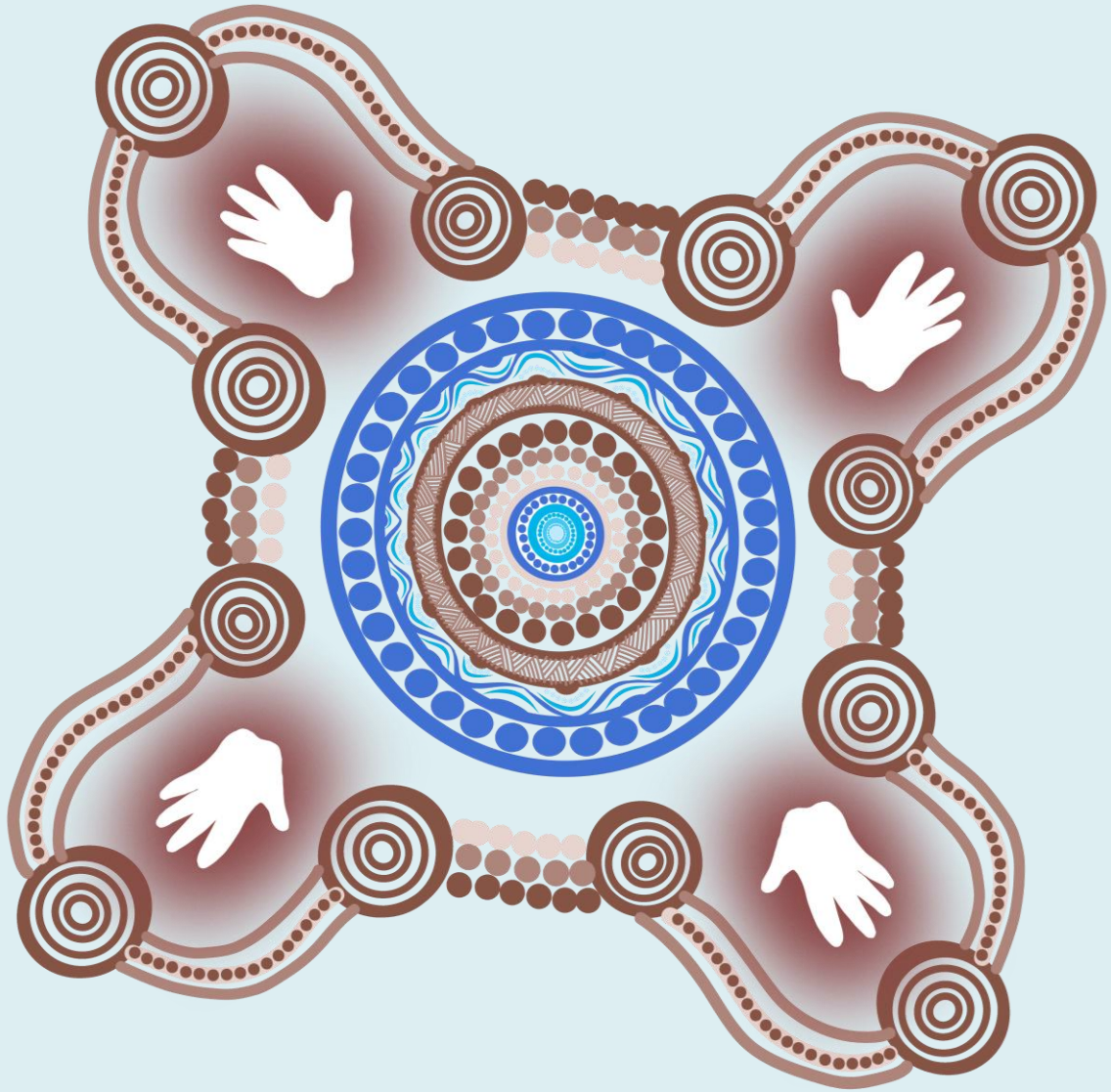
5 March 2026

JLL SEE A BRIGHTER WAY

An Acknowledgement of Country

I'd like to acknowledge the Traditional Owners of the lands on which we meet today, the Gadigal people of the Eora Nation.

I pay my respects to Elders past and present.



JLL Global Scale

US$ 23.4B
Total revenue in 2024

112K
Total global workforce

310+
Corporate offices

80+
Countries with JLL operations

5.3B
Square feet under management

US$ 88.8B
Assets under management

Leasing

Full-service brokerage between tenants and landlords

Capital Markets

Investment sales and advisory, debt advisory, equity advisory, and value and risk advisory

Project & Development Services

Design and management of real estate projects including fit-out services

Property & Facility Management

Management and outsourcing of properties and real estate portfolios

Advisory, Consulting & other

Workplace strategy, digital solutions, valuations, consulting and advisory

LaSalle

Real estate investment management

Americas
48K+ employees

EMEA
16K+ employees

APAC
48K+ employees

ETHISPHERE® WORLD'S MOST ETHICAL COMPANIES® 2008 - 2025

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2025

70th ANNUAL FORTUNE 500 2024

JLL

Sustainability Reporting Metrics & Targets

Our **targets**

96%

of JLL's carbon footprint is **client emissions**

Aligned with the Science Based Targets initiative (SBTi) Net Zero Standard to support its commitment to achieving net zero emissions.
The targets include:

Reducing absolute Scope 1, 2, and 3 emissions by **51% by 2030**, from a 2018 baseline

Reducing absolute Scope 1, 2, and 3 emissions by **95% by 2040**, from a 2018 baseline

Our (local) **progress**

100%

of electricity across JLL's **ANZ** offices supplied by or sourced from **renewable sources** by end of 2024

100%

of JLL Australia offices >500 sqm with a NABERS Energy rating. **Average 5.2 Stars achieved in 2024**

Net Zero Operations

All JLL ANZ operations were fossil fuel free and powered by renewables by end 2024 = **zero Scope 1 and 2 emissions**

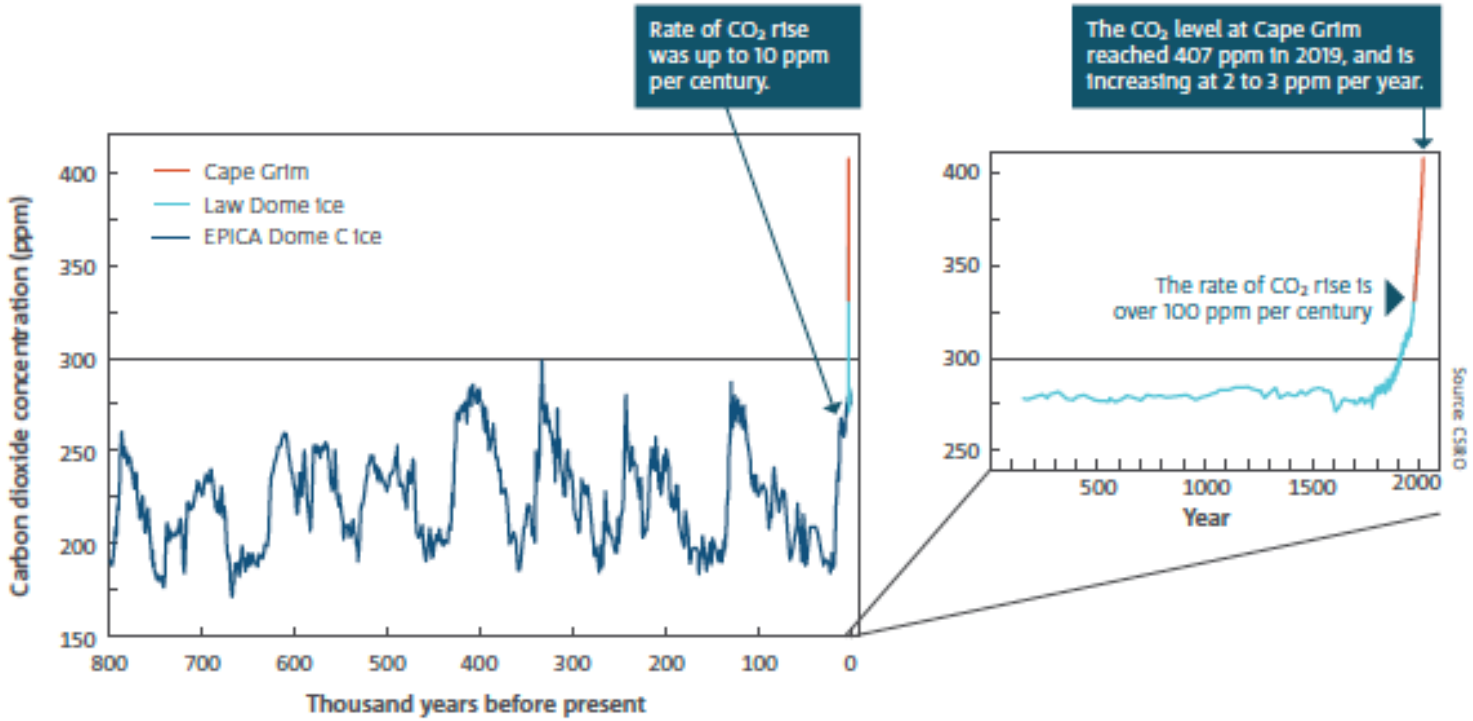
An inflection point: Climate change is here more action is required

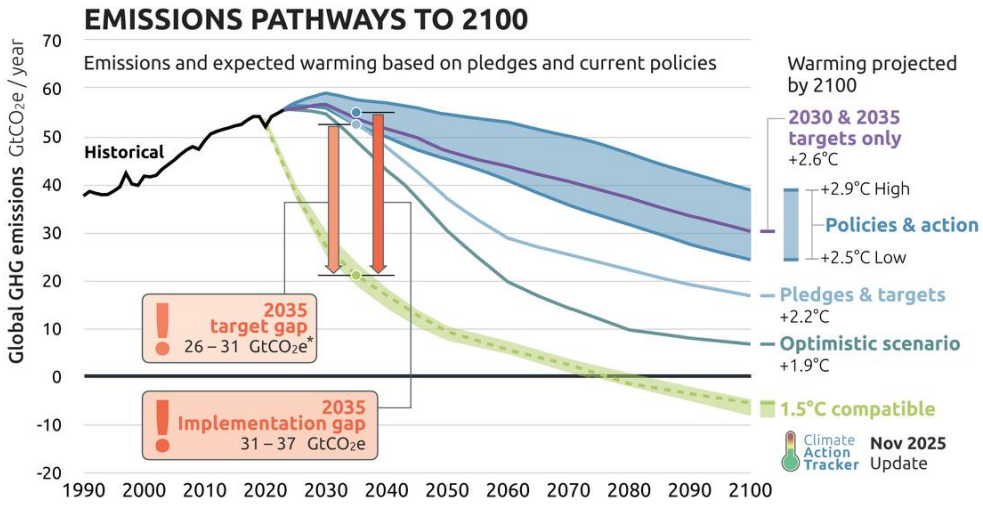
+1.5°C global temperatures above pre-industrial levels for 2023 – above Paris Agreement goal

2024 hottest year on record

+2.5°C at least - rise of global heating above pre-industrial levels this century if radical action is not taken

The rate of change….



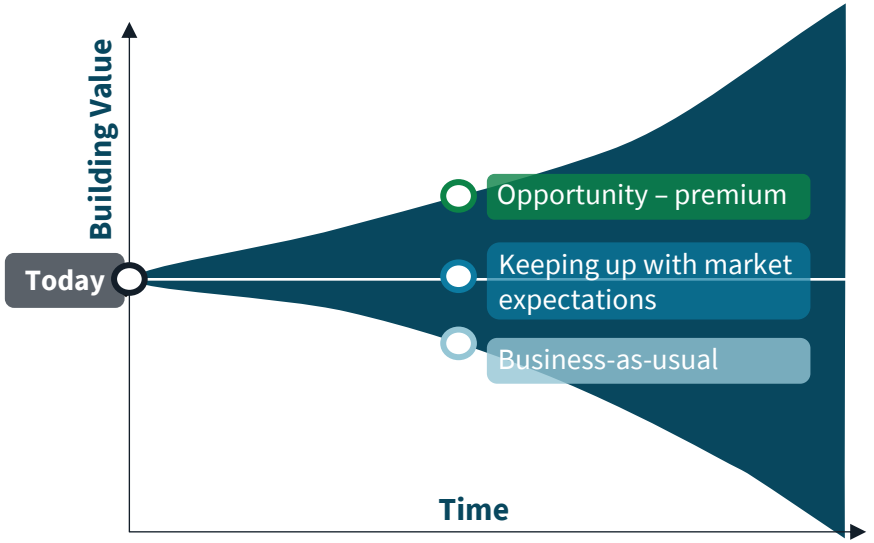


https://climateactiontracker.org/global/emissions-pathways/

The risk of inaction, the opportunity, or value preservation?

Legislation change

Investor targets

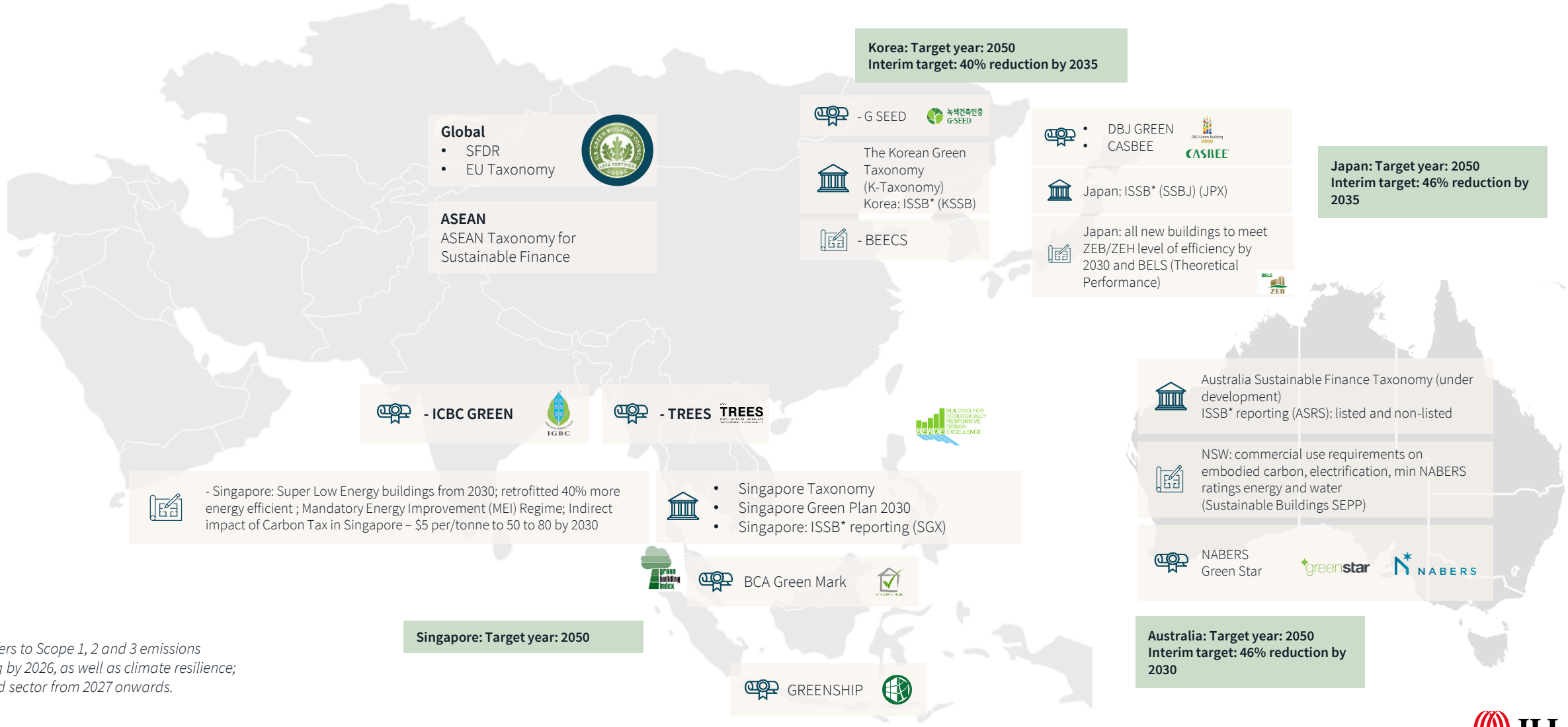


Occupier requirements

Availability of finance

It is only by understanding both the opportunity and the risk to value , that you can make an informed investment decision on decarbonisation, energy efficiency improvements and climate risk mitigation and adaptation.

Regulatory drivers: APAC sustainable regulation, disclosure and certification



Global
- SFDR
- EU Taxonomy

ASEAN
ASEAN Taxonomy for Sustainable Finance

Korea: Target year: 2050
Interim target: 40% reduction by 2035

- G SEED

The Korean Green Taxonomy (K-Taxonomy)
Korea: ISSB* (KSSB)

- BEECS

- DBJ GREEN
- CASBEE

Japan: ISSB* (SSBJ) (JPX)

Japan: all new buildings to meet ZEB/ZEH level of efficiency by 2030 and BELS (Theoretical Performance)

Japan: Target year: 2050
Interim target: 46% reduction by 2035

- ICBC GREEN

- TREES

- Singapore: Super Low Energy buildings from 2030; retrofitted 40% more energy efficient ; Mandatory Energy Improvement (MEI) Regime; Indirect impact of Carbon Tax in Singapore – $5 per/tonne to 50 to 80 by 2030

- Singapore Taxonomy
- Singapore Green Plan 2030
- Singapore: ISSB* reporting (SGX)

BCA Green Mark

Singapore: Target year: 2050

GREENSHIP

Australia Sustainable Finance Taxonomy (under development)
ISSB* reporting (ASRS): listed and non-listed

NSW: commercial use requirements on embodied carbon, electrification, min NABERS ratings energy and water (Sustainable Buildings SEPP)

NABERS
Green Star

Australia: Target year: 2050
Interim target: 46% reduction by 2030

**ISSB refers to Scope 1, 2 and 3 emissions reporting by 2026, as well as climate resilience; non listed sector from 2027 onwards.*

Global economic risks ranked by severity show environmental risks as most critical in the long term (10-year time horizon)

	2 years	10 years
1st	Geoeconomic confrontation	Extreme weather events
2nd	Misinformation & disinformation	Biodiversity loss & ecosystem collapse
3rd	Societal polarization	Critical change to Earth systems
4th	Extreme weather events	Misinformation & disinformation
5th	State-based armed conflict	Adverse outcomes of AI technologies
6th	Cyber insecurity	Natural resource shortages
7th	Inequality	Inequality
8th	Erosion of human rights and/or civic freedoms	Cyber insecurity
9th	Pollution	Societal polarization
10th	Involuntary migration or displacement	Pollution

Environmental	Societal
Geopolitical	Technological

Source: World Economic Forum Global Risks Perception Survey 2025-2026

Extreme weather events are intensifying across the region

THE STRAITS TIMES

ST: Jason Quah 29/12/2024

Singapore had 122 more dangerous heat days in 2024 due to climate change

Singapore – Heat stress (2024)

South Korea “once-in-200-years” rain and flood (2022)

CNN: SeongJoon Cho 10/08/2022

Reuters: Minh Nguyen 10/09/2024

Typhoon Yagi (2024) – largest cyclone to hit Vietnam, also swept across South China and SEA

Japan’s record-breaking snowfall (2025, 2026)

The Guardian: Jiji Press/EPA 7/2/2025

Photograph: Tommy Wang/AFP/24/Sep/26

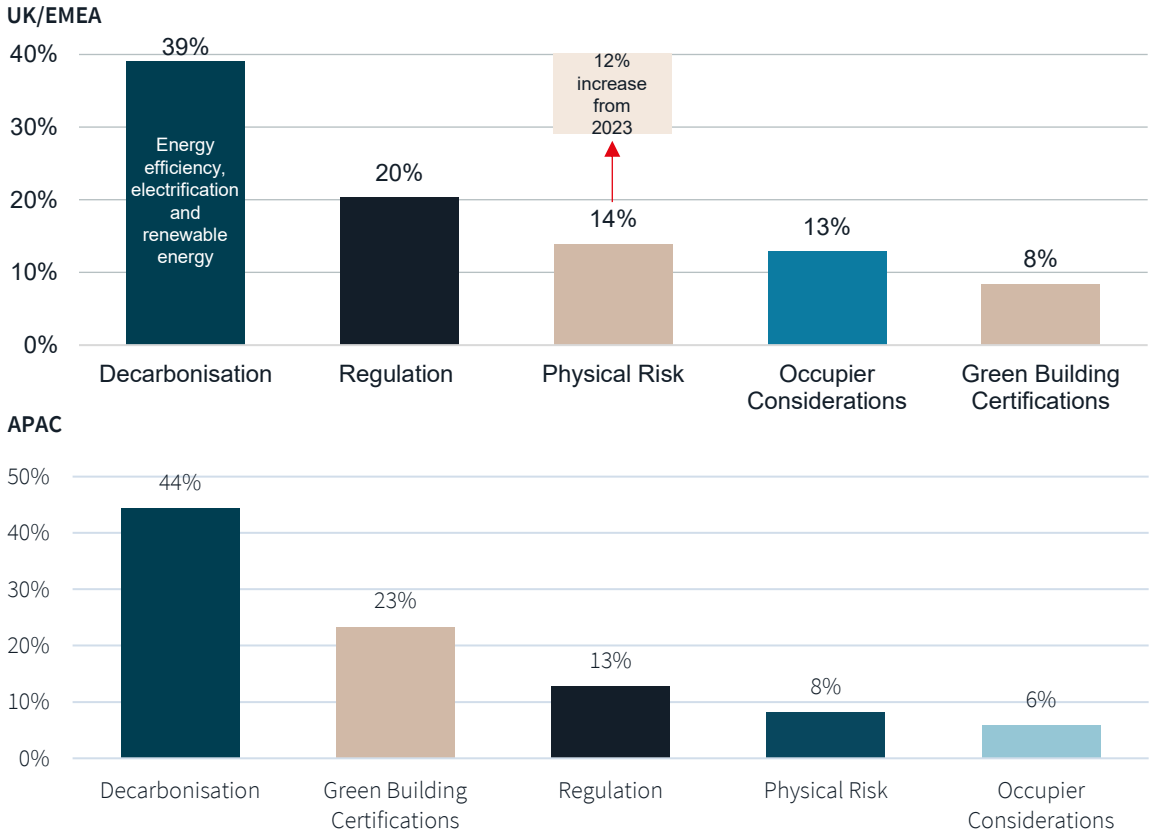
Hong Kong record-breaking number of tropical cyclones in 2025 – including Typhoon Wipha in July and Super Typhoon Ragasa in September with multiple other SE Asian countries affected

Southeast Australia braces for bushfire risk amid heatwave (2025)

State Control Centre via Reuters 04/01/2025

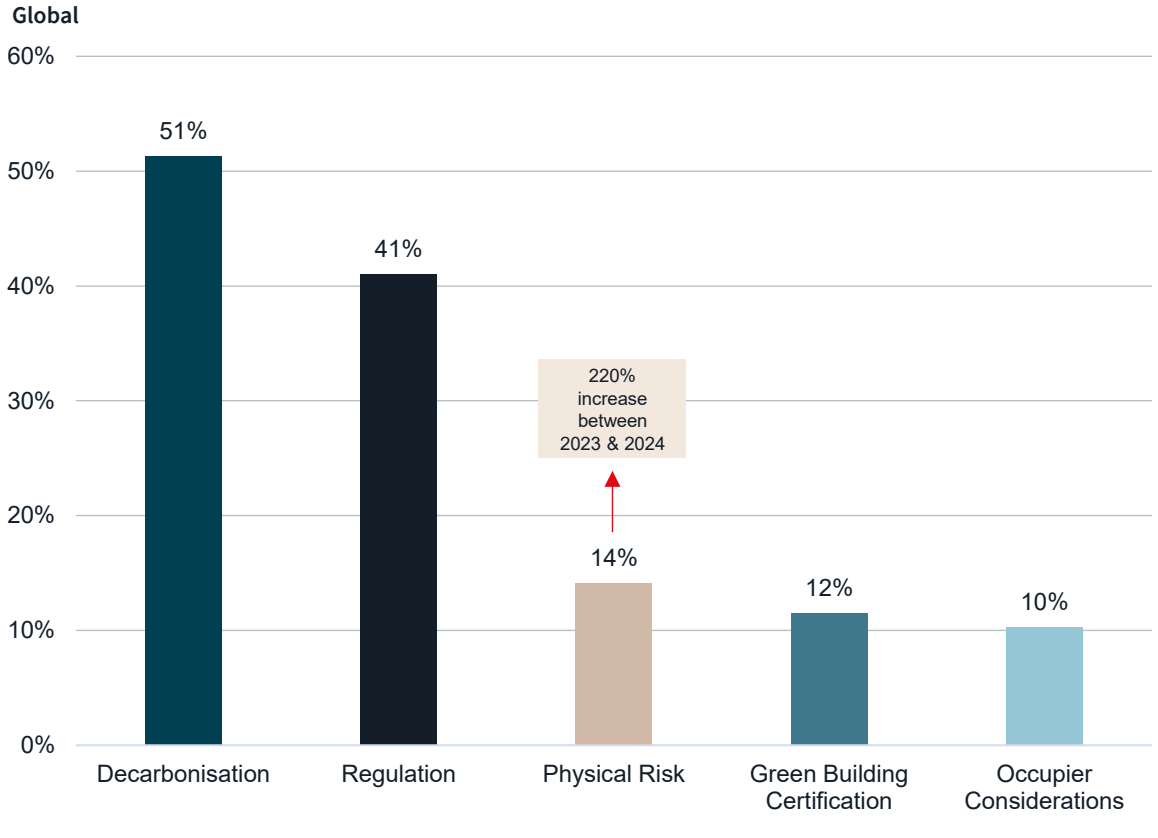
Decarbonisation, regulations and physical risk rises as a top investor priority

Sentiment



JLL Investor Survey results June 2025

Evidence



JLL Capital Markets Transactions Tracker

Occupier Requirements: Climate Risk, Electrification & Energy Efficiency

Tenants' sensitivity to sustainability risks is becoming more mature and, increasingly, sensitive to disruptions in operations and will screen for such risk when evaluation renting opportunities.

By 2030, **74%** of organisations are likely to **only select buildings that are resilient to climate events** (e.g., drought, flooding).

Source: JLL Work Dynamics Pulse Survey, 2025; Future of Work, 2025.

85%

of Sydney CBD office occupiers (>5,000 sqm) by area occupier have net-zero carbon target dates

(up from 74% in 2Q23)

82%

of Melbourne CBD office occupiers (>5,000 sqm) by area occupier have net-zero carbon target dates

(up from 67% in 2Q23)

Source: JLL Decarbonising Australian Cities, 2025; .

JLL

The downside risk of under performance: ***Not meeting*** market expectations

11-15%

Lower net effective rents

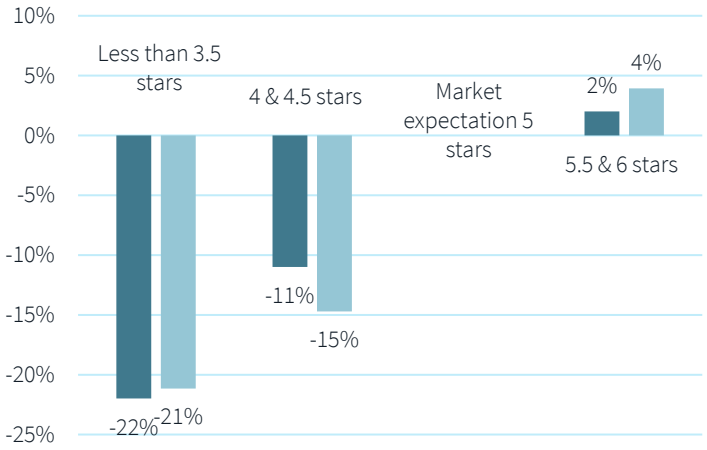
31

Basis points ***higher*** yields

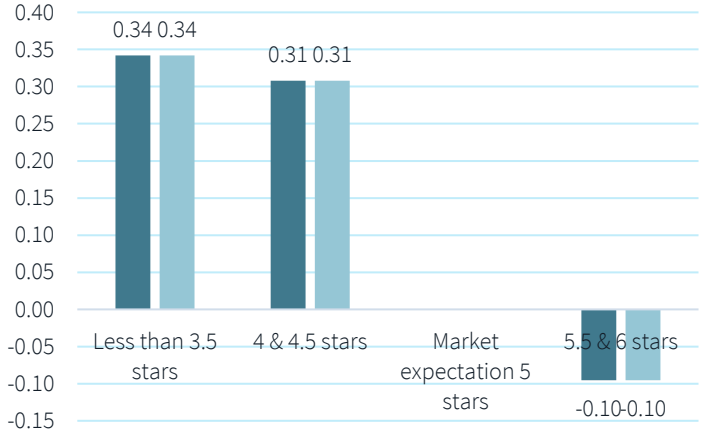
5% - 10%

Increase in vacancy than the wider market

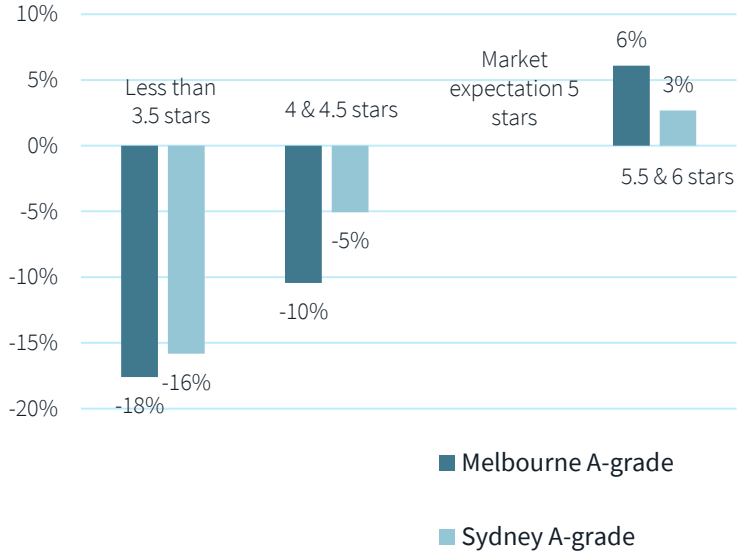
Net Effective Rents



Yield



Vacancy

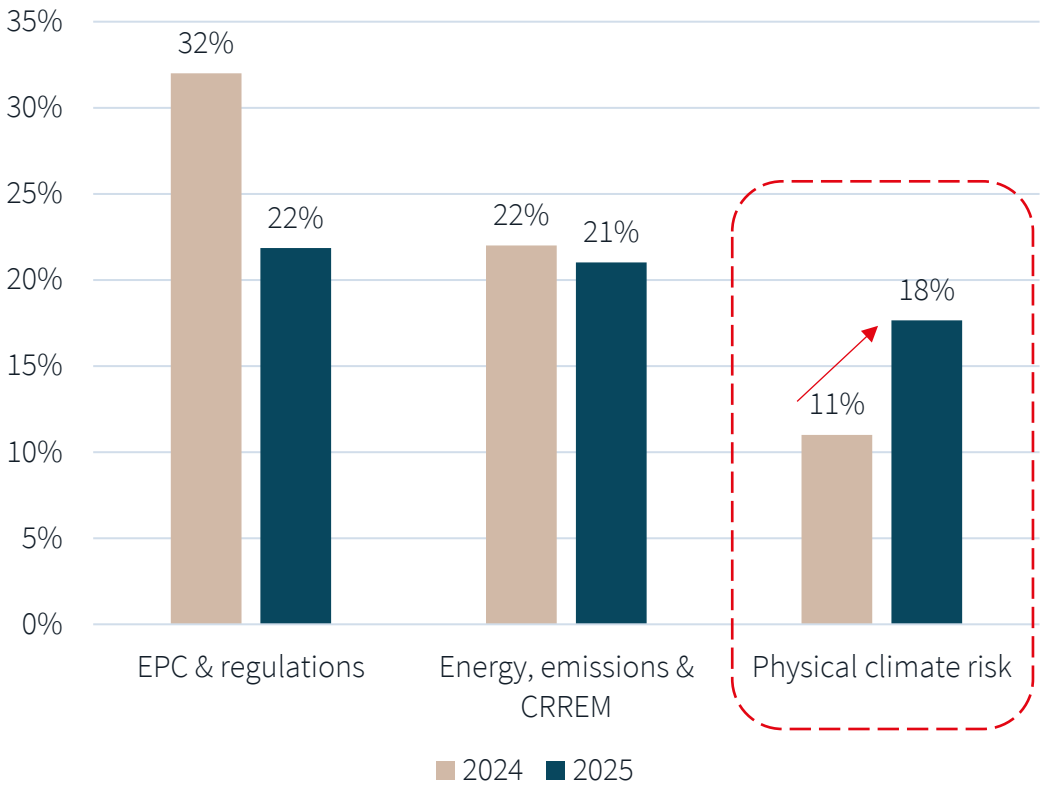


Source: JLL Research Data, JLL Risk Advisory

Climate Risk Moving up the Agenda

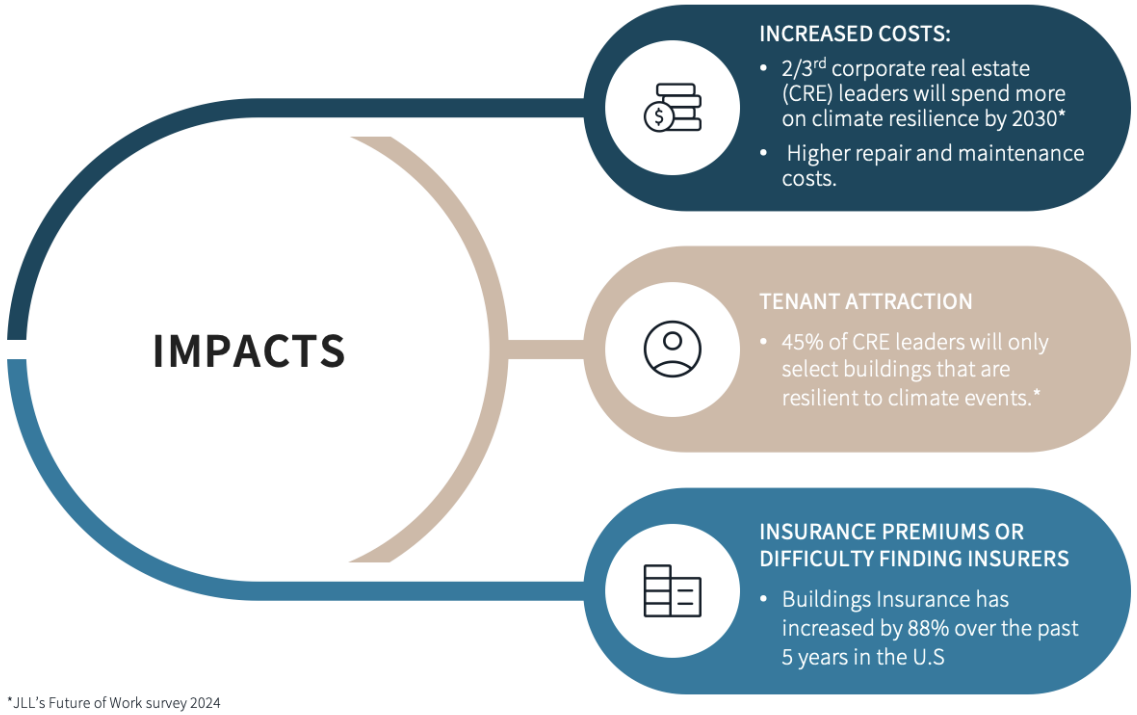
Investors are undertaking more comprehensive climate risk due diligence during transactions.

What considerations have been the biggest drivers of your investment decisions?



Investment managers, institutional, corporate & 'REIT's/listed propcos

Overall investment impact is driven by a change in asset risk profile



*JLL's Future of Work survey 2024

Global investment: Case studies

Majority of current climate risk transaction impacts linked to flood and sea level rise

London - UK

Several target investment managers pulled out of transaction due to the flood risk and sale was withdrawn.

Liquidity

Asset carved out of portfolio deal due to high flood risk and subsequent concerns about exit liquidity.

Pricing impact / Liquidity

Regional UK

Catchment area of retail park deemed within Flood Risk 1 zone which led to a 75bp discount in pricing.

Pricing impact

Regional UK

Block vs individual level insurance.

Liquidity

Flood risk led to reduced buyer pool, final buyer underwrote adaptation measures and acquired at below market level.

Pricing impact / Buyer depth

Germany

Missing climate risk due diligence required by institutional investor led to prolonged transaction times and questions at IC.

DD timings

France

Core office definition in Paris expands to include flood resistant basement requirement.

Liquidity

Spain

Number of lenders pulled out of debt process for asset in Valencia due to flooding events.

Flood damage led to reduced liquidity. An 18-month NOI guarantee was needed to secure the deal.

Liquidity

Switzerland

A Swiss LP raised concerns around physical risk exposure of global fund / redemption risk

Southern Europe

A European public financial institution is changing its investment strategy due to climate change implications.

Australia

Barings (Altis) have turned down several opportunities due to heightened flood risk.

Liquidity / Buyer depth

Sydney - Aus

Institutional buyer selected as preferred bidder after extensive and costly DD process.

Discovered sea level rising risk and pulled the deal as they deemed the risk too high.

Liquidity

Japan

Local investor will not acquire new office with P&E on ground floor.

Liquidity impact

Capex on senior housing to lift floors up by one level due to flood risk.

Cost impact

Thailand

Flood risk raised during exclusivity; flood adaptation report required to proceed with transaction

Singapore

Flood wall required by government to be installed within hold period.

Business plan

Queensland - Aus

15% discount to value due to higher insurance cost (flood risk) and smaller buyer pool.

Pricing impact / Buyer depth

Valuation drivers

INTERNATIONAL VALUATION STANDARDS

EFFECTIVE 31 JANUARY 2025

IVSC

INTERNATIONAL VALUATION STANDARDS COUNCIL

IVS Changes Driving Data Collection Efforts

The Appendix outlines the conceptual framework that valuers should consider as part of a valuation process where the standard states at A10.01, A10.02 and A10.06:

A10.01 - The impact of significant ESG factors should be considered in determining the value of a company, asset or liability.

A10.02 - ESG factors may impact valuations both from a qualitative and quantitative perspective and may pose risks or opportunities that should be considered.

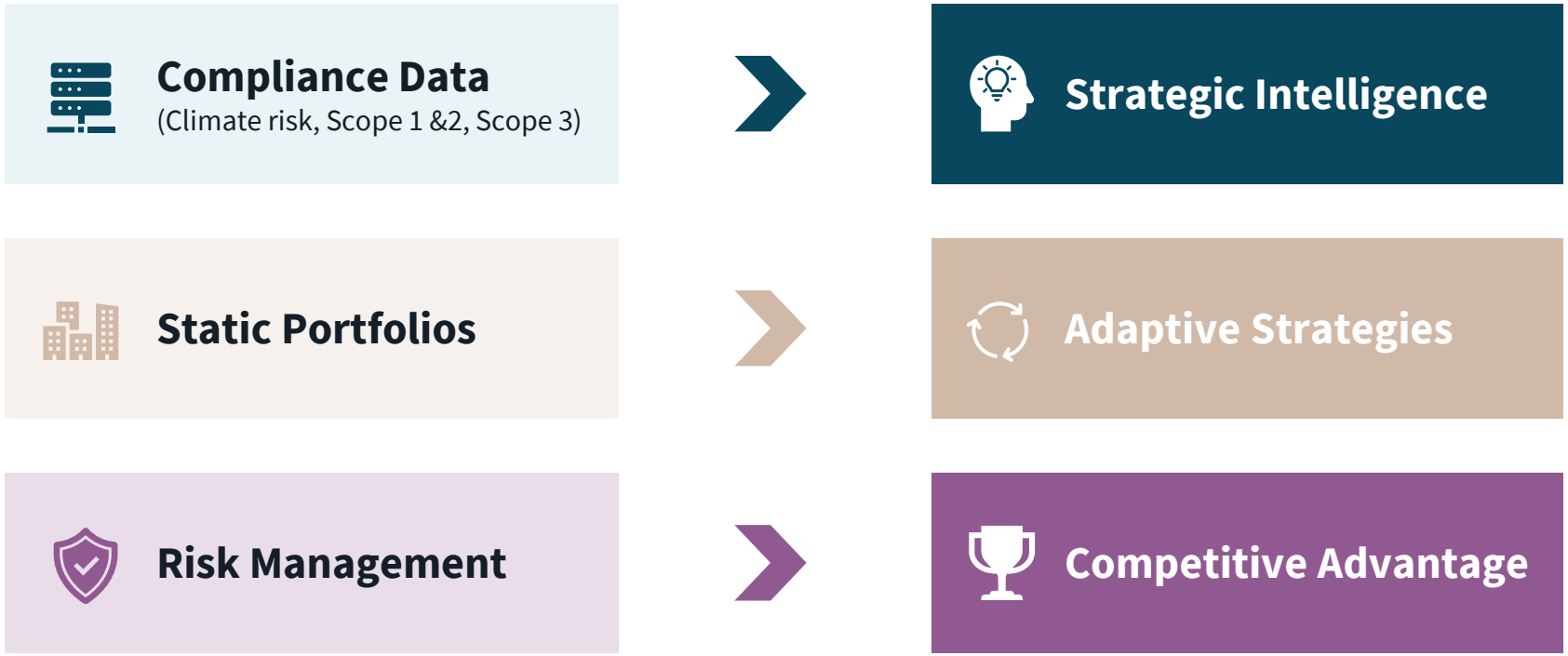
A10.06 - ESG factors and the ESG regulatory environment should be considered in valuations to the extent that they are measurable and would be considered reasonable by the valuer applying professional judgement.

Sections A10.08 and A10.14 state valuers should analyse differences in ESG considerations and make adjustments for any material difference between comparables, and the asset being valued.

JLL

From Risk Data to Adaptive Portfolio Strategy

Having strategic intelligence is only valuable if you can translate it into adaptive portfolio strategies.



The business case for climate resilience

01 Case Study 1: Granular - Electrification and value at risk or opportunity

02 Case Study 2: Portfolio Prioritisation – where to deploy capital

03 Case Study 3: Climate risk for development site – the value implications

04 Case Study 4: Corporate real estate footprint and climate risk strategy

The business case for climate resilience

Why now?

Act Now

Climate change is already happening. We must act now to avoid its most detrimental effects and mitigate costly damages. All buildings will be affected, even in temperate climates.

ASRS requires data collection on climate risks and examination of materiality and financial quantification

Impacting Transactions

Top factors impacting **discounts**

1. Low EPC / Energy Ratings
2. **High Climate Risk**
2. Tenant Risk

Market Opportunity

Opportunity to be ahead of the market with the majority market being in the limited to qualitative understanding phase. A large portion o the market is not climate resilient

What's the return?

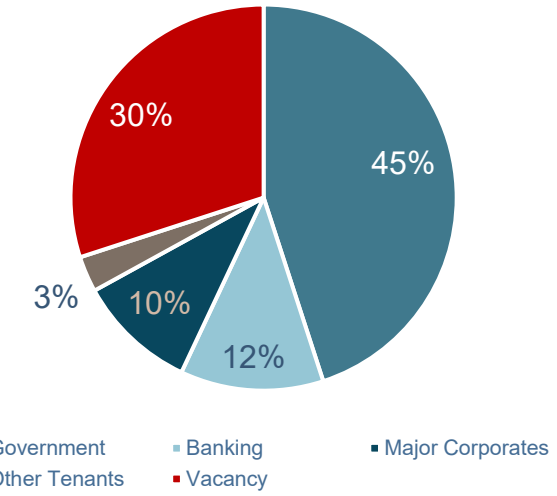
Key Benefits

- **Adaptation and Resilience**
- **Future-proofing Asset Value**
- **Value protection**
- **Operational Savings**

Case Study 1 | Translating market expectations to value drivers for retrofit

Case Study – Melbourne Office

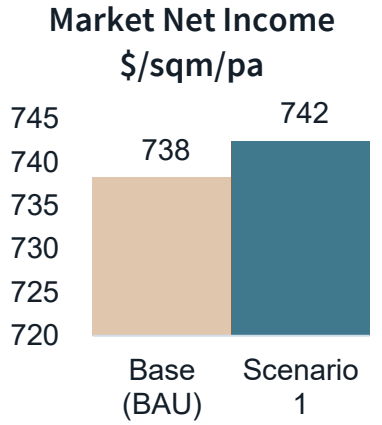
Case Study Asset		
Aspect	**Parameter**	**Details**
Asset Characteristics	Asset class	Office – A grade
	Size (GLA)	40,000sqm
	Date of Constr.	1968s
	Date of Refurb.	Various
Capitalisation Approach	Market Cap Rate	6.75%
	Market Cap Value	$400m
	Market Net Income	$30m
	Vacancy	30%

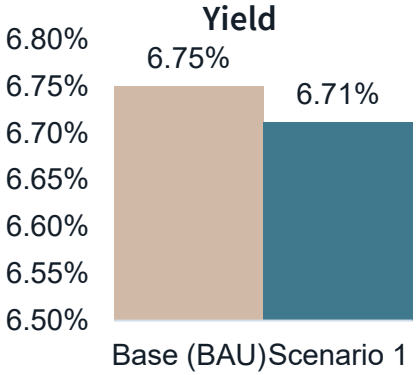


Case Study: Office

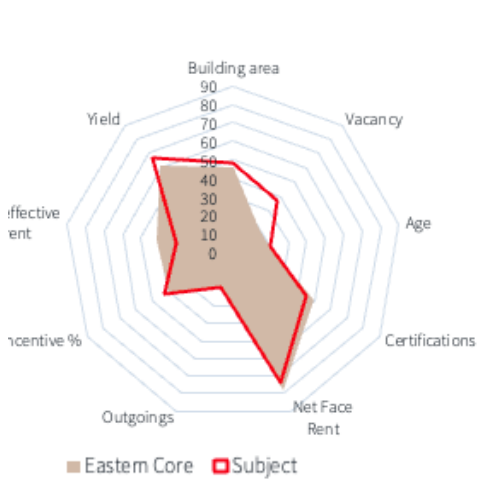
Scenario	Intervention	ESG CAPEX	Outcomes
Base (BAU)	Current Valuation	0	4.0 Stars
Inaction (No ESG)	Current Valuation + no ESG-improvements	0	4.0 Stars (potentially 3.5 stars)
Scenario 1: Electrification	Central HHS, Gas DHW	$4m	4.0 Stars
Scenario 2: Elec & 5 Stars NABERS	S1 + performance improvement	$6m	5.0 Stars
Scenario 3: Elec & 5.5 Stars NABERS	S1+ performance improvement	$8m	5.5 Stars

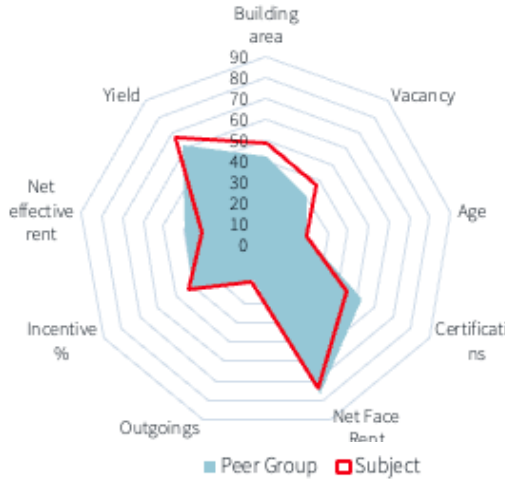
Scenario 1: Electrification





Peer Analysis



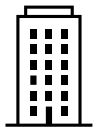


Understanding *Risk* and *Opportunity* drives execution plan

Financial Analysis – 10-year DCF

Parameter	Base	Inaction	%	Scenario 1 Electrification	%	Scenario 2	%	Scenario 3	%
Retrofit CAPEX	-	-	-	$3,900,000	-	$6m	-	$8m	-
Avoided vacancy	-	($7,500,000)	-12%	$2,700,000	5.00%	$4.2m	7.50%	$5m	8%
Rental uplift	-	($21,000,000)	-21%	$14,00,000	14.00%	$15m	15%	$18m	18%
Payback	-	-	-	Year 5	-	Year 6	-	Year 8	
IRR	7.9%	7.2%	-0.70%	8.2%	0.3%	8.3%	0.4%	8.5%	0.5%
NPV	$400,000,000	$376,000,000	-6%	$405,000,000	1.25%	$420m	5%	$430m	7.5%

Decision Drivers



Inaction = major risk

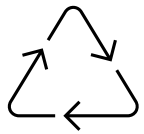
High vacancy market plus aging asset could accelerate rent decline (12%) and tenant loss, especially government tenants requiring 5+ star NABERS.

Short leases = urgent action needed

Short WALE (Weighted Average Lease Expiry) increases vacancy risk, but electrification + higher NABERS rating will improve government tenant renewals, reduce vacancy and may command market premium.

Perfect timing for upgrade

The asset faces an imminent need to replace its 40-year-old boilers anyway; only $1M extra to fully electrify ($4M total) vs. costly boiler replacement with no upside.



Prime location advantage

CBD positioning + limited upgraded supply creates repositioning opportunity to lift rents from below-peer levels to market expectations.

Asset Action Plan

Now

Electrify now
Act while market opportunities are limited and tenant demand is high

Plan strategically
Get precise CAPEX estimates, prioritise quick wins, time major works with refurbishments

Completion in next 1-3 years

Target 5-star NABERS
Meet market expectations (5 stars NABERS) and communicate plans to enhance tenant retention

JLL

Case Study 2: Asset to Portfolio | Portfolio Prioritisation for electrification

Data Driven Portfolio Insights

- **Market**
- **Asset**
- **Building**
- **CAPEX & End of Life**
- **Electrification & Sustainability**
- **RETURN OPTIMISATION**

Capital deployment strategy and prioritisation

Case Study 3: Development Project

Case Study Context

A developer in Victoria, Australia, sought to understand how current and future climate risks affect the feasibility of a major greenfield residential development (over 500 hectares). The assessment was required to inform the land valuation between the landowner and the developer, and to guide development planning, adaptation strategy and cost implications across the project lifecycle. Key to determining the value was the IVS ESG requirements and new legislation about climate change.

Development Feasibility at Risk

Climate hazards, particularly wildfire, drought and heat, directly threaten construction timelines, infrastructure costs, and net developable area (NDA), affecting the residual land value.

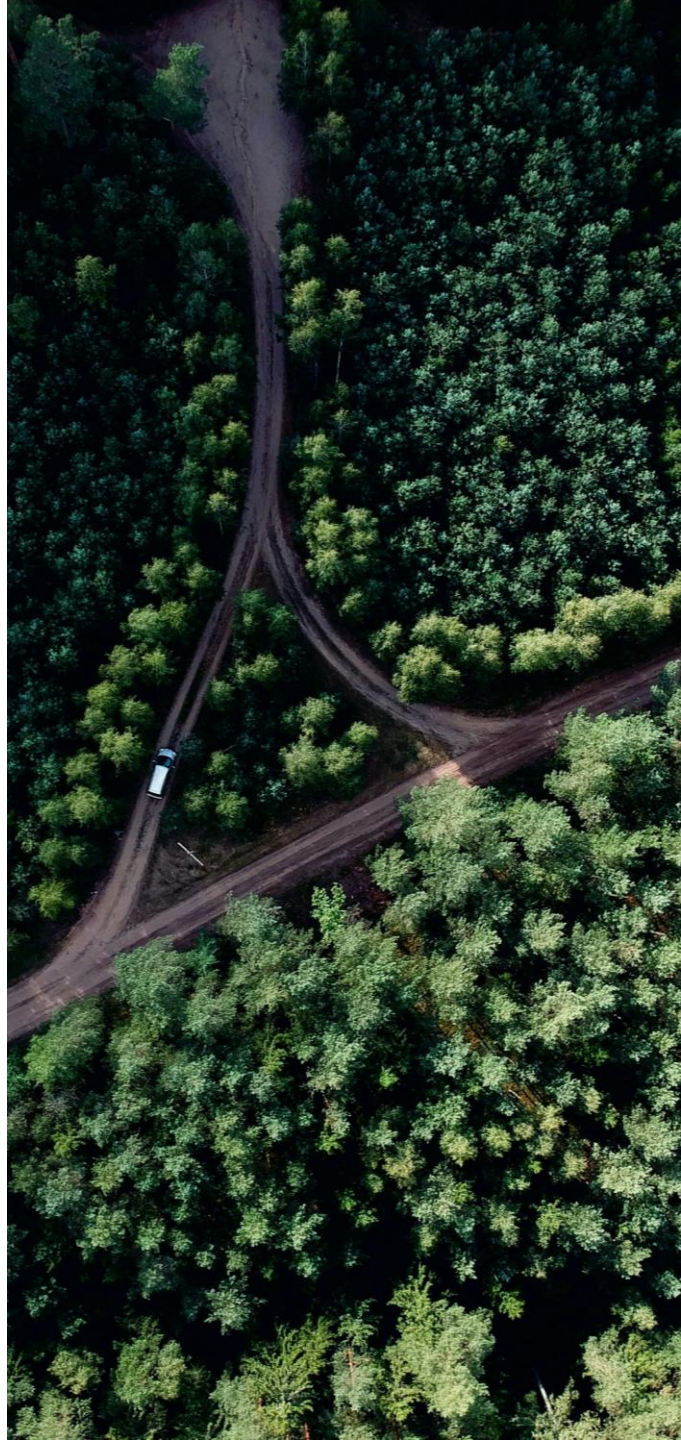
Regulatory & Valuation Obligations

Local planning legislation and International Valuation Standards (IVS 104 & 410) now require climate risk to be integrated into rezoning decisions, design standards and land valuation processes.

Translating Risk to Value

Raw climate data needed to be translated into tangible development implications: what does each hazard mean for construction cost, NDA, insurance, infrastructure sizing and long-term community resilience?

The project site is a large-scale greenfield development within a designated growth corridor. It comprises multiple consolidated lots, with a creek corridor running through the site and the entire area classified as bushfire-prone. The assessment was commissioned to advise the appointed valuer of climate-related requirements affecting the site's residual land value.



Our Approach: Climate Risk, Adaptation & Value Implications

Physical Risk Assessment

Phase 1
Scoping & Site Review

- Review development documentation
- Confirm geographic focus across the site
- Select hazards, scenarios & timeframes
- Review regulatory & valuation obligations

Phase 2
Climate Risk Modelling

- Climate hazard modelling via Jupiter Intelligence, covering 8 hazards × multiple timeframes × multiple IPCC scenarios
- Risk scoring per geo-location point
- Spatial risk mapping across the full site

Adaptation & Value Implications

Phase 3
Risk Implications & Adaptation

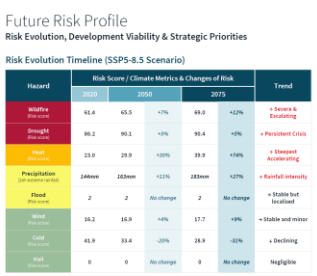
- Risk implications matrix per hazard
- Identify adaptation measures
- Collaborative stakeholder workshops
- Risk register development: inherent → residual risk

Phase 4
Value & Cost Implications

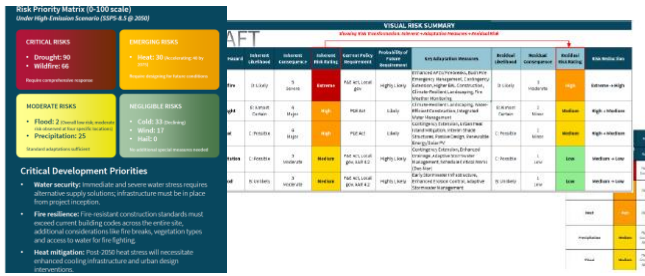
- Financial impact assessment
- NDA effect, timeline & cost implications
- Regulatory compliance analysis
- Letter to Valuer with climate synopsis

Deliverables

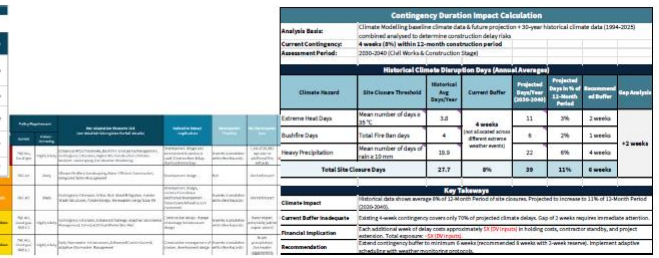
Development site Full Climate Risk Report



Risk Register (Excel)



Valuer impact



Case Study 4: Portfolio to Asset | Climate Risk

Case Study Context

A global logistics and retail operator with 1,500+ owned and leased properties across six asset typologies sought to understand which assets face the greatest climate risk and how to integrate these findings into their property strategy.

Mounting Physical Risk

Increasing frequency and severity of climate hazards threaten asset integrity, operations and safety across distributed portfolios.

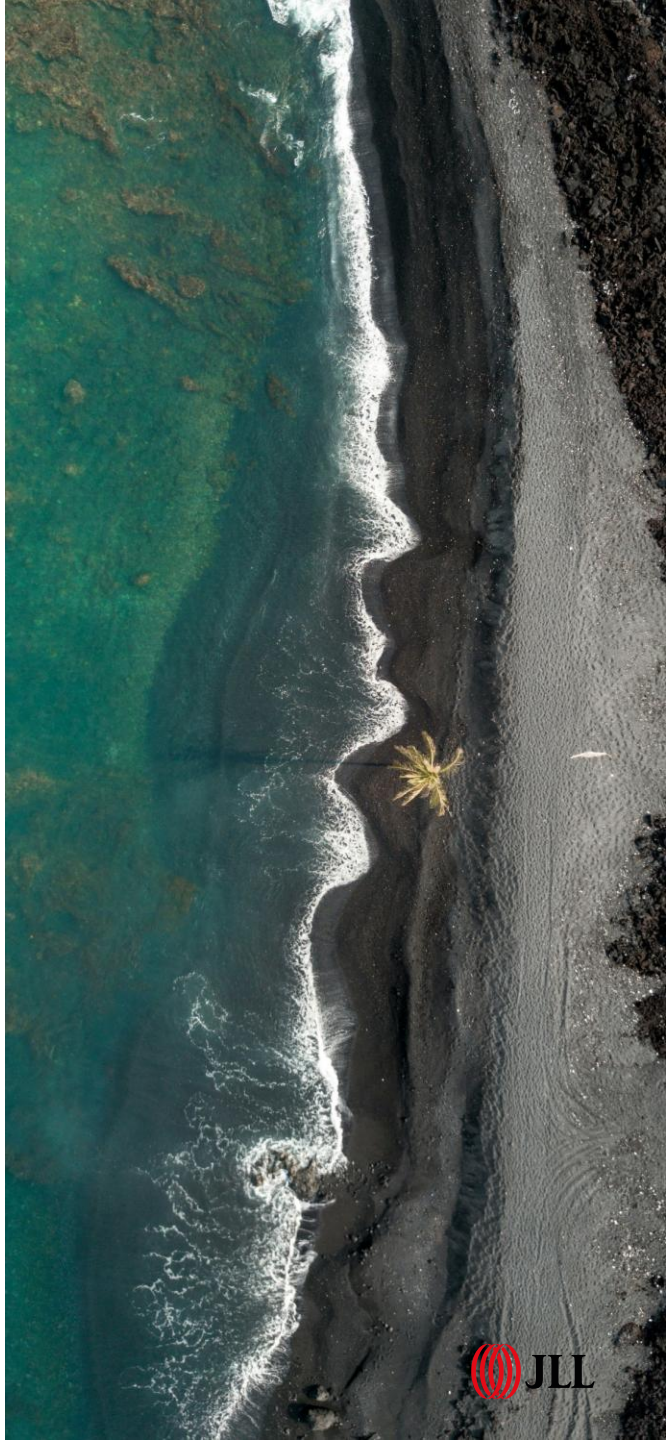
Value at Stake

Climate-exposed assets face rising insurance costs, declining market values and potential stranding without proactive intervention.

Decision Complexity

Portfolio managers need a clear framework to determine which assets to adapt, which to exit and where to reinvest for resilience.

Physical climate risks are reshaping the value landscape for corporate real estate portfolios.
The Client was required to undertake climate risk analysis of their owned and occupied real estate portfolio for reporting purposes. Climate risk data collection and risk analysis was conducted. Yet, without a structured approach to assess, prioritise and act, the organisation faced mounting exposure to operational disruption, asset depreciation and stranded asset risk. They needed to think beyond the data reporting for strategic direction and generating a long-term strategic plan for their real estate portfolio.



 |

Our Approach: Physical Risk + Asset Value Prioritisation

Physical Risk Assessment

Phase 1 Business Inputs

Foundation & Alignment

- Gap Analysis
- Asset Characteristic
- Hazard Lists

Phase 2 Climate Metrics

Climate Data Processing

- Current/ Future Risk
- Variability
- Speed of Change

Phase 3 Risk Ranking

Risk Ranking Matrix

- Assets at high risk
- High Variability Assets
- Rapidly Changing Assets

Value Prioritisation

Phase 4 Financial Impact & Prioritisations

Financial Impact

- Damage Assessment
- Chronic & Acute Events
- Qualitative Framework

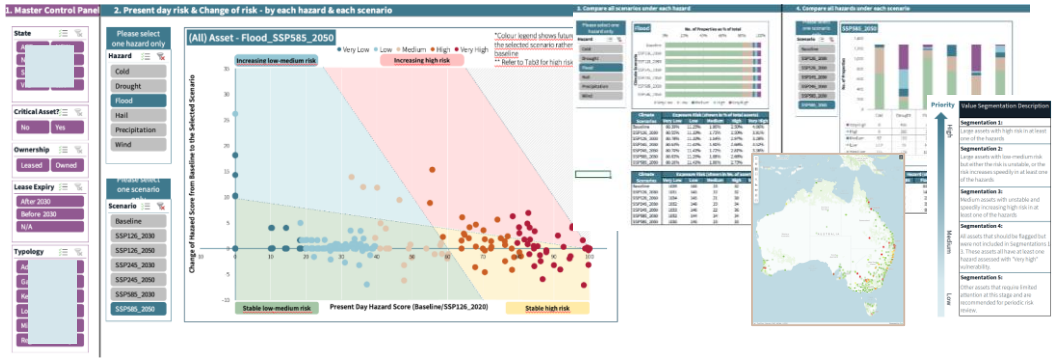
Phase 5 Recommendations

Strategy

- No Change Option
- Asset Investigation
- Preventative Investment
- Business Relocation

Deliverable examples

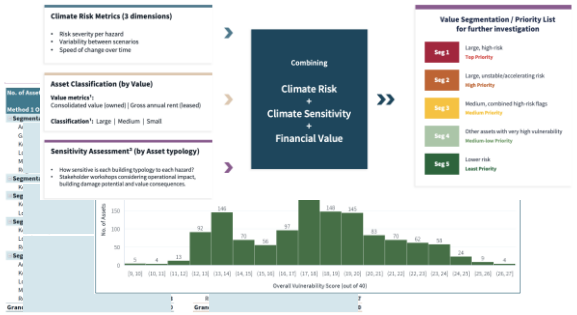
Interactive Dashboard



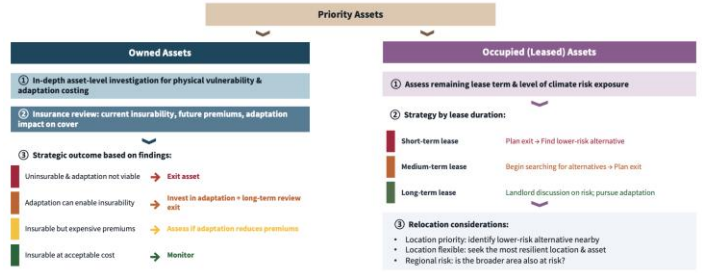
Configurable Control Panel

Geospatial Mapping

Property Strategy Priorities



Decision-making Framework



 |

Thinking beyond: understanding the value benefits

These case studies demonstrate how data collection and mandatory reporting on emissions, climate risk, from an asset and portfolio level can be transformed into a practical, decision-ready frameworks for implementation with a value focus to support implementation for investment owners, investors and corporate real estate portfolio management.

Actionable Intelligence

Raw climate model outputs translated into asset-level risk scores, sensitivity assessments and prioritised asset lists.

Scope 1 and 2 emissions data and reporting transformed into asset and portfolio capital deployment.

Portfolio-Wide Visibility

Complete portfolio view across 1,500+ assets, enabling comparison and strategic resource allocation at scale.

Flexible Framework

Configurable thresholds and control panels allow ongoing recalibration as risk tolerances and portfolio composition evolve.

Decision-Ready Outputs

Clear segmentation into priority tiers with a decision tree framework linking directly to property strategy actions.

Value Preservation

Early identification of at-risk assets enables proactive mitigation and adaptation, protecting asset values and operational continuity. Ensuring prioritisation strategies that examine not just the asset, but its positioning in the market and cashflow considerations.

Integrated Sustainability

Combined climate resilience and net zero planning (next step) ensures holistic asset positioning within the corporate portfolio.

This isn't about predicting the future - it's about positioning your portfolio to protect and benefit from multiple climate futures

- **The climate data in your hands today contains tomorrow's competitive advantages**
- **2030 leaders are defined by today's strategic decisions**

Dr Georgia Warren-Myers

Global Head of Sustainability Strategic Value Advisory

georgia.warren-myers@jll.com

JLL SEE A BRIGHTER WAY

JLL SEE A BRIGHTER WAY

Disclaimer

The information contained in this document is proprietary to Jones Lang LaSalle and shall be used solely for the purposes of evaluating this proposal. All such documentation and information remains the property of Jones Lang LaSalle and shall be kept confidential. Reproduction of any part of this document is authorized only to the extent necessary for its evaluation. It is not to be shown to any third party without the prior written authorization of Jones Lang LaSalle. All information contained herein is from sources deemed reliable; however, no representation or warranty is made as to the accuracy thereof.