



THE UNIVERSAL VALUES OF CBRE.

2007 Corporate Responsibility Report



CBRE
CB RICHARD ELLIS

DEAR STAKEHOLDER,

At CB Richard Ellis, “leader” is more than just a position in the competitive landscape—it’s an agenda. As the preeminent global commercial real estate services firm, we are positioned to be a catalyst for positive change and set an example for our industry. The 2007 launch of our formal initiative on Corporate Responsibility and the publication of this, our first Corporate Responsibility Report, enables us to share our results and goals with our stakeholders.

Our Corporate Responsibility program is designed to better define and improve our practices in the six areas of deepest concern to our stakeholders: governance; ethics and compliance; environmental stewardship; employee relations and diversity; health and safety; and community involvement and philanthropy. While we have been active in these areas for many years, our Corporate Responsibility program provides a framework for coordinating and building on current initiatives, and setting explicit new goals. We are committed to making our improvements real, measurable and ongoing.

“WE ARE COMMITTED
TO MAKING OUR
IMPROVEMENTS REAL,
MEASURABLE AND
ONGOING.”

For example, on the environmental front, when we heard about studies concluding that buildings account for 30 to 40 percent of greenhouse gas emissions in the U.S.—which are believed to contribute to climate change—we were compelled to take action. We recognize that our prominence and scale in the commercial real estate services industry gives us a unique opportunity to influence how real estate is built, sourced, occupied and sold.

Last year, CB Richard Ellis set the ambitious goal of making our own operations carbon-neutral by 2010, and organized to help our clients by identifying and creating more environmentally sustainable practices. The Natural Resources Defense Council and the U.S. Green Building Council are collaborating with us on this effort. Reflecting our progress with this strategic initiative, the U.S. Environmental Protection Agency named us ENERGY STAR Partner of the Year for 2007 in recognition of our success at lowering energy consumption and curbing greenhouse gas emissions at our managed properties.

Sharing our success with others is also a core value of our firm and its people. *BusinessWeek* recently ranked our firm among the most generous corporate givers in the S&P 500. That accolade came in just the first year of our formal philanthropy program, CBRE Cares, and we are confident in our ability to build on this initial success in future years.

Our people are our most important assets, and we treasure the strength that comes with diversity of backgrounds, opinions and perspectives. In the workplace, our newly created Diversity Board, composed of the company's senior executives, is committed to examining initiatives globally and determining

“THE PROGRAM HELPS US RECRUIT, MOTIVATE AND RETAIN EMPLOYEES WHO SHARE OUR VALUES...”

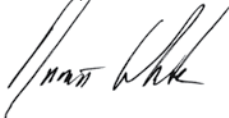
the best recruitment, training, development and mentoring structure to ensure CB Richard Ellis draws from the widest and most diverse pool of available talent.

In 2007, we became the first commercial real estate services company to join the United Nations Global Compact and embrace its 10 universal environmental and social principles. In addition, we were the first in our industry to set a carbon-neutral goal. We believe these and other bold commitments are emblematic of our dedication to being a leader in corporate responsibility.

For these and many other reasons outlined in this report, our focus on Corporate Responsibility is not just about doing good, it's about good business. The program helps us recruit, motivate and retain employees who share our values; shows clients we are a business partner worthy of their trust; and aligns the company with the growing number of institutions and corporations who have made the connection between corporate responsibility, business performance and financial results.

Looking ahead, we are excited about using our leadership position to make constructive, lasting change in our company, our industry and society. In 2007, we laid a solid foundation toward thoughtfully defining the way we conduct our business, and recognize that the improvement process will continue to evolve. We look forward to updating you on our progress.

Sincerely,



Brett White
President and Chief Executive Officer

TABLE OF CONTENTS

CLICK TO GO TO SECTION

ABOUT CB RICHARD ELLIS GROUP, INC.	4
OPERATIONAL STRUCTURE	5
ABOUT THIS REPORT.	6
GOVERNANCE	8
ETHICS AND COMPLIANCE.	11
ENVIRONMENTAL STEWARDSHIP	14
WORKPLACE	22
HEALTH AND SAFETY	29
PHILANTHROPY	34
GLOBAL REPORTING INITIATIVE	38

ABOUT CB RICHARD ELLIS GROUP, INC.

CB Richard Ellis Group, Inc. is the world's largest commercial real estate services firm, based on 2007 revenues. Headquartered in Los Angeles, we operate more than 300 offices, with more than 29,000 employees (excluding affiliate offices and employees) as of December 31, 2007. CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. Our clients include occupiers, owners, lenders and investors in office, retail, industrial, multi-family and other commercial real estate assets.

In 2007, CB Richard Ellis concluded property sales and lease transactions valued at more than \$264 billion. As of December 31, 2007, we managed more than 1.9 billion square feet of commercial properties and corporate facilities around the world (including property managed by our affiliate offices).

CB Richard Ellis is incorporated in Delaware in the United States. The company's Class A common stock is traded on the New York Stock Exchange under the symbol "CBG."

OPERATIONAL STRUCTURE

CB Richard Ellis Group, Inc. is a holding company that conducts all of its operations through its indirect subsidiaries, both wholly owned operations as well as affiliated offices. We report our results of operations through five business segments:

- **The Americas:** Our largest segment of operations includes the United States and the largest metropolitan regions in Canada, Mexico and other parts of Latin America. As of December 31, 2007, the Americas had more than 19,400 employees and accounted for 61% of our 2007 revenue.
- **Europe, Middle East and Africa (EMEA):** Our EMEA segment operates in 33 countries, with its largest operations located in the United Kingdom, France, Germany, Spain, the Netherlands, Ireland and Russia. As of December 31, 2007, EMEA had more than 4,300 employees and accounted for 22% of our 2007 revenue.
- **Asia Pacific:** Our Asia Pacific segment includes Asia, Australia and New Zealand, operating in 12 countries, with the largest presence in China, Hong Kong, India, Japan, Singapore, South Korea and Taiwan. As of December 31, 2007, Asia Pacific had more than 5,300 employees and accounted for 9% of our 2007 revenue.
- **Global Investment Management:** Our indirect wholly owned subsidiary, CB Richard Ellis Investors, L.L.C., and its global affiliates provide investment management services to client/partners that include pension plans, investment funds and other organizations seeking to generate returns and diversification through investment in real estate. As of December 31, 2007, CBRE Investors had more than 300 employees and accounted for 6% of our 2007 revenue.
- **Development Services:** Our indirect wholly owned subsidiary, Trammell Crow Company, and certain of its subsidiaries provide development services primarily in the United States to users of and investors in commercial real estate, as well as for its own account. As of December 31, 2007, Development Services had more 300 employees and accounted for 2% of our 2007 revenue.

ABOUT THIS REPORT

The report provides an overview of the social, economic and environmental impacts of CB Richard Ellis globally in 2007, including an update on the CB Richard Ellis Foundation. CB Richard Ellis embarked on this reporting process through discussions with stakeholders and by conducting a materiality assessment in accordance with the materiality principles of the Global Reporting Initiative (GRI) regarding content. The GRI is the globally accepted independent framework for reporting on sustainability issues. In preparing this report, we were influenced by the G3, the most recent version of the GRI, but as this is our first report we determined that we would not be in full accordance. We have self-declared this report as meeting the criteria for GRI Application Level C. Since we are a U.N. Global Compact (UNGC) participant, we have also communicated our progress toward the 10 UNGC Principles. Our GRI Content Index, which contains references to specific indicators and UNGC principles, can be found on page 38.

CB Richard Ellis is in the process of exploring independent external assurance by an auditing organization to certify that the information provided in future reports is accurate, reliable and objective. Due to the timing of this, our first such publication, we could not undertake a formal external validation process for 2007, but all data included in this report is supported by documentation, internal systems and information from external organizations.

Following our merger with Trammell Crow Company in late 2006, we have been taking steps toward the creation of a single, centralized system that collects all Corporate Responsibility-related data across the company. These systems will eventually be utilized to provide data in a consistent format for the company's entire global operations.

The information covered in this report highlights our corporate responsibility initiatives in fiscal 2007 (January 1, 2007, through December 31, 2007) unless otherwise noted. This report is tar-

HIGHLIGHTS

ENVIRONMENT

As part of the Environmental Stewardship Policy released in May 2007, we have announced a goal to become carbon-neutral by 2010. We are the first major commercial real estate services company to announce a carbon-neutrality goal, which we believe is emblematic of our commitment to being at the forefront of environmental leadership in our industry.

DIVERSITY

The real estate industry has traditionally been a relatively homogeneous group with respect to the gender and ethnicity of its workforce. This is in contrast to the larger labor market, which has become increasingly diverse. While there are some segments of our workforce that are very diverse, there are other segments, including professional and managerial roles, where we face challenges. We know that our total

workforce must be more diverse in order to attract and retain the best available talent. So while we are challenged to change the perception of our industry, we are also presented with an opportunity to lead the transformation.

PHILANTHROPY

A November 2007 BusinessWeek survey placed CB Richard Ellis among the top corporate givers based on 2006 contributions as a percentage of pre-tax profits. The CB Richard Ellis Foundation's 2007 annual fundraising campaign saw individual employee financial contributions and participation increase by 112% and 271%, respectively, compared to 2006, and overall campaign donations increased by 127% over the same period.

geted to our key stakeholders, including shareholders, customers and employees. Moving forward, we plan to report on these initiatives annually. This report and future updates can be accessed online at www.cbre.com/responsibility. For questions regarding the report or its contents, contact responsibility@cbre.com.

CORPORATE RESPONSIBILITY FRAMEWORK AND VISION

CB Richard Ellis is the global leader in commercial real estate services, and perpetuating and capitalizing on that leadership position is top-of-mind in all we do. We believe that with great leadership comes great responsibility: responsibility to lead with integrity; responsibility to respect our people, partners and planet; responsibility to support the communities in which we live and work; and responsibility to share with others the good fortune in each of our lives. This vision is further echoed in our corporate values—Respect, Integrity, Service and Excellence (RISE)—which are timeless, universal and transcend all markets, service lines, languages and business cultures.

Through our work advising the owners and occupiers of billions of square feet and the direct management of over 1.9 billion square feet of property, we see an opportunity to influence how commercial real estate is built, sourced, occupied and sold. According to the U.S. Green Building Council, buildings account for 30 to 40 percent of the earth's greenhouse gas emissions, which are believed to contribute to climate change. By sharing our

expertise in “green” building policies, processes and procedures, we can make a tangible impact on improving energy efficiency, reducing greenhouse gas emissions and slowing climate change. We are working with our clients to make their facilities greener while saving them money, and in doing so, we are contributing to the growing battle against climate change.

The concept of Corporate Responsibility is not new to our company. Indeed, our company was created in 1906 on a foundation of ethics and a felt responsibility to a community—something that was sorely needed in post-earthquake San Francisco, as it is in our industry and world today. Over the years, our people have been some of the largest supporters of philanthropic causes in their communities, and our company has led the industry in raising the bar on governance and ethical practices for some time. We are committed to diversity and seeking new opportunities to expand

industry recruiting practices. Our first Corporate Responsibility Report is a result of formalizing our long-standing focus on Corporate Responsibility; we will continue to incorporate these new findings into refining and improving our systems and measures.

Our stakeholders and partners have played a role in the creation and implementation of these programs, and in the coming year we hope to increase the level of stakeholder engagement throughout our Corporate Responsibility practices.

AWARDS

- FORTUNE list of 100 Fastest-Growing U.S. Companies
- BusinessWeek list of “Best in Class” companies
- #1 Brand in Commercial Real Estate for the 6th year in a row, according to the 2007 Lipsey Company survey
- Forbes Global All-Star
- Property Week's (U.K.) Industrial and Retail Teams of the Year
- European Managing Partners Forum's Exceptional Achievement Award
- International Association of Outsourcing Professionals' Global Outsourcing 100

Our values
drive our
success.

GOVERNANCE

GOVERNANCE

At CB Richard Ellis, we recognize that sound governance and ethical conduct are the keys to sustainable growth. Our governance practices reflect the goals of our mission statement:

- Putting the client first—always
- Collaborating across markets and service lines
- Thinking innovatively, but acting practically
- Providing a rewarding work environment

The governance structure we have established based on this mission creates a foundation of trust with our clients, shareholders and employees. Our clients are increasingly looking to do business with companies that have implemented rigorous ethics and compliance practices and long-term sustainable growth models. We believe this market preference will only grow over time and will help us continue to maintain a clear leadership position in our industry.

The roadmap for ethical behavior in our company is our [Standards of Business Conduct](#). It contains numerous policies and codes related to ethical behavior and good governance. A copy is given to every new employee, and the document is posted electronically to our intranet and public Web site.

GOVERNANCE OVERVIEW

BOARD OF DIRECTORS

Oversight of our company and its business affairs is conducted by a 12-member Board of Directors, nine of whom are deemed independent. The other three are our Chief Executive Officer, our former Chief Executive Officer and our Group President, International and Development Services. Pursuant to our Corporate Governance Guidelines and the listing rules of the New York Stock Exchange, the Board must consist of at least a majority of independent directors. No director qualifies as “independent” unless the Board affirmatively determines that the director has no material relationship with CB Richard Ellis or any of our subsidiaries (either directly or as a partner, stockholder or officer of an organization that has a relationship with us). Our Board Chairperson is independent and presides over meetings of the full Board and executive sessions of the Board when management is not present.

Much of the Board’s work is done through its committees: Audit, Compensation, Corporate Governance and Nominating (“Governance”), Acquisition and Executive. The Audit, Compensation and Governance committees are considered key governance committees, and each member is independent under the standards referenced above. More information on the roles of our Board committees can be found [here](#), and in our annual proxy statements, which can be viewed [here](#).

Our Board retains ultimate authority for the Corporate Responsibility (CR) initiatives outlined in this report. Two key non-Board taskforces have been set up to advance our goals in this area, one for Corporate Responsibility generally, and the other specifically for environmental stewardship. The Corporate Responsibility taskforce is led by a member of executive management, who reports to our Chief Executive Officer and regularly updates the Board on the programs.

As the largest commercial real estate services provider in the world, it is inevitable that CB Richard Ellis is asked to represent clients whose interests may conflict. Our policies, training and monitoring efforts ensure that we manage such conflicts in full accordance with the law and our Standards of Business Conduct. At the Board level, we require our directors to report any potential conflicts of interest with the company. When a potential director conflict of interest arises, it is reviewed, and approved or rejected, by independent members of our Board. For more information on our conflict management system at the employee level, see the “Ethics and Compliance” section of this report.

GOVERNANCE OVERVIEW: EXECUTIVE MANAGEMENT

We seek to hire executives who share our vision of sustainable performance and ethical conduct. Once hired, we seek to align our executives’ short-term goals and long-term vision with those of our shareholders. To that end, we reward our executives for annual and long-term business performance, based on either global or line-of-business financial performance, strategic progress and the creation of stockholder value.

Our compensation programs are more fully described in our annual proxy statements, which can be found [here](#).

RECENT DEVELOPMENTS

Our goal is to be transparent in our public disclosures and to exhibit a strong standard of governance relative to our industry.

From its IPO in 2004 until summer 2007, CB Richard Ellis had received very strong scores for corporate governance from one of the major institutional proxy advisors, Institutional Shareholder Services, or ISS. ISS rates public companies based on its corporate governance quotient, or CGQ score. The CGQ is based on a number of factors and is relative to the index in which ISS places the company.

Prior to late summer 2007, ISS included CB Richard Ellis in the Russell 3000 index, and the company achieved a 79th percentile ranking. After summer 2007, ISS began to include CB Richard Ellis in the S&P 500 index, and as a result, our score fell to approximately an 18th percentile ranking. Consequently, the Board recognized that some of the company's governance practices were not in line with our new peers in the S&P 500.

Since then, the Board has adopted several important policies that will be disclosed on our Web site and in our proxy statement for the 2008 annual stockholders meeting. Among the corporate governance practices recently adopted are:

- Majority voting for directors in uncontested elections: Directors not receiving a majority vote must submit their resignation for the Board's consideration.
- Stock ownership guidelines for directors and executive officers: Individuals will be required to maintain a specific portion of their equity awards, depending on the value of the company's stock at any given time.
- Director resignation policy: Upon a change in employer by any director, he or she must submit a resignation for the Board's consideration.
- Our stock incentive plan includes a prohibition on the repricing of existing options without shareholder consent.


While there can be no assurance, we believe that these and other measures taken by our Board will improve our CGQ relative to our new peer group. The Board continues to regularly review the views of ISS, given its role as a governance-activist advisor to numerous institutional shareholder interests. While monitoring ISS' views, however, the Board does not give undue weight to ISS when formulating governance policies. We are continuing to discuss improved corporate governance policies aimed at addressing our CGQ score.

ENGAGING OUR STAKEHOLDERS

We have not yet implemented a formal process for soliciting the views of outside stakeholders on governance matters. However, informally the company engages in dialogue with current and potential investors, creditors, clients and peer companies to gather feedback regarding its governance practices. In addition, shareholders and other interested stakeholders with concerns are encouraged to contact our Board or any of its committees. Information on how to contact our Board/committees is posted [here](#) and is provided in our annual proxy statement.

We engage our workforce at several levels. A non-executive employee "observer" attends all meetings of our Board of Directors. Our first global employee satisfaction and engagement survey is planned for spring 2009. This survey will not only provide us with an organizational pulse, it will provide normative data and serve as a baseline for future surveys. Except for Works Councils in certain European countries, we do not otherwise have organized employee councils or formal methods of soliciting input from the various employee groups throughout the company. Finally, employees are always encouraged to communicate directly and informally with management and are given multiple avenues to do so without fear of retaliation, including by filing anonymous reports through a third-party provider.

Over more than a century of history, CB Richard Ellis has understood that a business governed by a transactional mindset will realize only short-term and irregular success. We know that long-term growth can only be achieved by manifesting our corporate values—respect, integrity, service and excellence—in our governance practices.



Actions
speak louder
than words.

ETHICS AND COMPLIANCE

ETHICS AND COMPLIANCE

At CB Richard Ellis, success has always been defined as doing business the right way. As the largest commercial real estate services provider with a worldwide footprint spanning 57 countries in the developed and developing world, it is inevitable that ethical issues and conflicts will arise. Through our Ethics and Compliance program, we seek to make our corporate values—Respect, Integrity, Service and Excellence—come alive every day in the workplace. We do this in part by embedding five central ethics and compliance programs in our business processes, operations and ethos, including:

- employee training programs that instruct our professionals on how to identify and resolve conflicts of interest and other ethical issues;
- regular communications and outreach from senior management;
- rigorous policies related to ethical wrong-doing and consistent procedures regarding follow-up and remediation;
- ownership of ethics outcomes in our business units; and
- an aggressive audit and monitoring schedule.

Our ethics programs are designed to meet and, wherever possible, exceed legal requirements. Our goal is to make these programs a model in the industry and a benchmark by which all others will be measured.

THE STARTING POINT

STANDARDS OF BUSINESS CONDUCT

CB Richard Ellis experienced remarkable growth during the decade leading up to its return to the public markets, prompting the Board of Directors to endorse a redesign of our ethics and compliance programs. In September 2004, the Board adopted “as the highest policy of this Corporation” a robust ethics and compliance program to serve a global audience that today totals more than 29,000 employees.

Making an ethics program work on a global scale has its challenges, including the difficulties of learning and respecting the norms, laws, behaviors and languages of numerous diverse

cultures. That is why our Standards of Business Conduct document, available [online](#), is the starting point of our ethics program. It provides a universal set of ethical principles and expectations that every employee, no matter where she or he is doing business on behalf of the company, can refer to as a touchstone to determine if her or his behavior appropriately reflects the highest standards of ethical conduct.

Since 2004, our Standards of Business Conduct document has been translated into approximately 30 languages. We require all employees to regularly review and acknowledge it, and attend training to deeply reinforce its principles.

ETHICS AND COMPLIANCE INFRASTRUCTURE

The global nature of our operations requires that instead of applying a one-size-fits-all type of ethics program, our operation is driven by uniform global standards but implemented with flexibility consistent with varying conditions at the local level. To accomplish this, we have created an ethics and compliance infrastructure that is led by a Chief Compliance Officer who reports directly to the Board of Directors. We are in the process of establishing a network of compliance officers in each region, country and line-of-business who are responsible for implementing the program and reporting on its progress. In this way, ethics and compliance is embedded in the appropriate business units, and ownership of positive outcomes is a business function.

SYSTEMS, TRAINING AND COMMUNICATIONS

Our Ethics and Compliance strategy includes a wide variety of policies, training and communications programs to reinforce the high priority of ethics and compliance in our business operations, including:

- regular electronic publications that set the “tone at the top,” including “Compliance Corner” and The CBRE | Standard circulated to all CB Richard Ellis employees by the Chief Compliance Officer and/or highly visible senior executives in the company;
- a comprehensive conflict-of-interest management system that includes client disclosure policies and procedures and risk awareness guidance to ensure that all required disclosures are made;
- anti-corruption policies, practices, training programs and compliance systems in each of our international regions;
- an all-employee ethics and compliance training and certifi-

cation process, plus additional legal/compliance training modules developed and delivered by our Legal and Human Resources Departments; and

- an Ethics and Compliance Policy manual to describe how the compliance function is organized at the company, explain the roles and responsibilities of key individuals within the compliance infrastructure, and assign ownership of and accountability for important compliance functions.

INTERNAL AUDIT PROGRAMS AND WHISTLEBLOWER HOTLINE

To assist in improving our compliance programs, our Internal Audit group conducts planned and random reviews of many of the company's business units. In the past two years, for example, Internal Audit conducted approximately 40 total audits, including special projects and investigations, and accounting technical reviews. Internal Audit also devotes over 10,000 hours annually to financial internal control and management assessment under Sarbanes-Oxley.

We also offer multiple internal avenues for reporting suspected unethical or illegal activities or simply for raising questions and concerns. This includes a widely promoted worldwide anonymous reporting platform, both online and through a toll-free phone number. And we actively promote our zero-tolerance policy for retaliatory actions in response to the lodging of ethics complaints.

Between 2005 and 2007, approximately 122 reports were lodged through the program, 81 of them (almost 67%) anonymous. Consistent with anecdotal evidence from peer companies, the volume of complaints is significantly lower in regions outside of the United States. As we continue to roll out our global training initiatives and build an ethics and compliance infrastructure in the coming year, we expect the numbers outside of North America to increase.

ETHICS AND COMPLIANCE ENFORCEMENT

No ethics program can ever prevent all misconduct. When incidents do occur, we follow a rigorous incident investigations procedure to ensure that uniform and fair standards are consistently applied to each investigation, no matter who is being investigated or where the investigation takes place. If it is determined that an employee violated a material ethics or compliance policy of the company, disciplinary action covers the range up to and including job termination. We are serious about ethics on

the job, and these policies are another way to make clear that at CB Richard Ellis, treating each other and our clients honestly and with dignity is how we do business.

GOALS FOR THE YEAR AHEAD

In the coming year, CB Richard Ellis will continue to improve our global ethics training and communications outreach, strengthen our ethics infrastructure and develop new methods and strategies to imbed accountability for these activities in our business units. Several of our specific goals include:

- the design and testing of policies and systems to ensure that large contractors with whom we do business are compliant with our ethics standards;
- the continued international roll-out of anti-bribery and corruption training programs;
- improved systems to red-flag and audit transactions with government officials;
- improvements to our global compliance reporting systems;
- outreach into the community to identify and work with stakeholders and peers on these issues; and
- upgrading our compliance risk-assessment capabilities.

We welcome the scrutiny and input of our employees, peers and stakeholders to help us realize the vision of building a market-leading company that embodies the values of Respect, Integrity, Service and Excellence.

Sustainability represents our most ambitious assignment.

ENVIRONMENTAL STEWARDSHIP



ENVIRONMENTAL STEWARDSHIP

A strong position in support of environmental sustainability represents our greatest opportunity for leadership as a corporate citizen, but why? There is nearly universal consensus on the negative impact of greenhouse gas (GHG) emissions on planetary health, and broad recognition of the need to protect our dwindling natural resources.

According to the U.S. Green Building Council (USGBC), a U.S.-based non-profit organization dedicated to sustainable building design and construction, buildings account for 33 percent of the earth's GHGs, 17 percent of fresh water withdrawals, 25 percent of wood harvests and 40 percent of all material and energy use.



"By aggregating and sharing our expertise in green building policies, processes and procedures, we can make a tangible impact on improving energy efficiency, reducing greenhouse gas emissions and slowing

climate change. I believe that this effort is not only the right thing to do as stewards of our global resources, but will yield dividends for our clients, employees and shareholders."

Brett White,
President and Chief Executive Officer
CB Richard Ellis

As the world's largest real estate services firm, CB Richard Ellis directly manages more than 1.9 billion square feet of property and corporate facilities globally, and we advise the owners and occupiers of billions more square feet. Our ability to influence how real estate is built, sourced, occupied and sold is unsurpassed, and accordingly, so is our environmental leadership responsibility.

Among the accomplishments in 2007, CB Richard Ellis:

- solidified our corporate commitment to environmental sustain-

CB RICHARD ELLIS ENVIRONMENTAL STEWARDSHIP POLICY

In 2007, CB Richard Ellis took a solid step forward in our corporate commitment to the environment by establishing a formal Environmental Stewardship Policy. Effective May 31, 2007, that policy can be accessed at www.cbre.com/environment.

- ability by embracing a formal Environmental Stewardship Policy;
- established a goal of carbon-neutrality by 2010 through more efficient energy use, smarter space design and carbon-offset investments;
- appointed a global head of environmental strategy and created a global taskforce to identify best practices and share information on new developments in environmental issues;
- worked to implement environmentally sustainable business operations;
- created employee training programs; and
- worked with clients to introduce energy efficiency initiatives to our global portfolio of CBRE-managed commercial properties and corporate facilities. As a result, the U.S. Environmental Protection Agency naming us ENERGY STAR Partner of the Year.

CB Richard Ellis has established a three-pronged approach to sustainability: First, we are engaging in "greening our own house"—discovering and implementing best practices to lessen the environmental impact of our own operations. Second, we are creating sustainability education for and positive influence on our clients and employees through both our environmental agency partnerships around the globe and client offerings. Third, we are building an aggressive global communication practice through which we are creating proactive and complementary communications tools around this initiative. Together, these three elements create a powerful business protocol that is, in itself, sustainable.

GREENING OUR OWN HOUSE

GLOBAL ENVIRONMENTAL LEADERSHIP

In early 2007, CB Richard Ellis established a global taskforce on environmental sustainability composed of business leaders and experts from around the CB Richard Ellis global business. Its primary



A WORD FROM SALLY WILSON, GLOBAL DIRECTOR OF ENVIRONMENTAL STRATEGY

Upon recommendation by our Environmental Taskforce, CB Richard Ellis appointed Sally Wilson Global Director of Environmental Strategy in August 2007. In this role, she manages the strategy, implementation and communications related to the company's global environmental initiatives. Sally serves as the firm's primary spokesperson and liaison with its environmental partners. She also leads the development of the company's Sustainability Practice Group, and has spearheaded a wide range of initiatives, including the development of service offerings for sustainability; green offices, build-outs and supply chains; green practices in the workplace; the achievement of carbon neutrality; and educational offerings. Sally was the first commercial real estate broker in the U.S. to become a LEED-Accredited Professional.

function is to make recommendations to help the company achieve its sustainability and leadership goals, and provide much-needed employee training.

The global taskforce developed the framework for the May 2007 [policy statement](#) and, upon approval in principle by our Chief Executive Officer, drafted the policy itself, making this a truly global and cross-functional effort.

CARBON NEUTRALITY BY 2010

As a result of our Environmental Stewardship Policy released in May 2007, we have adopted a goal to become carbon-neutral by 2010. CB Richard Ellis initially chose the goal of carbon-neutrality because we believe it is important for us to lead by example. We must adhere to at least the same standards in our own operations that we are helping our most motivated clients to achieve in their facilities. In addition, we believe that by taking a strong position on our own energy use and GHG reductions, we will gain increased knowledge that we can share with our clients.

We have engaged ICF Consulting to help us build a reliable and effective process to establish our GHG inventory. This inventory will be the foundation of our approach to globally integrating energy and carbon issues into the company's management processes. The ICF engagement will also help us:

- identify the potential for internal abatement and set corresponding emission reduction targets;
- understand the operational implications for GHG reporting principles according to corporate best practices;
- build a reliable and effective reporting process for us to autonomously monitor our own GHG emissions globally; and
- build a GHG emissions reporting system around our proprietary corporate client tool, Environmental Insight™.

We expect the global footprint measurement will be quantified in the second quarter of 2008. At that point, we will use the results as a baseline for the global reduction of our energy usage, the purchase of green energy (where economically possible) and ultimately, the implementation of a robust offsetting strategy that is in alignment with CB Richard Ellis' global goals and objectives.

SUSTAINABLE LOCAL OPERATIONS

The goal of carbon neutrality by 2010 represents an ambitious challenge, yet CB Richard Ellis employees consistently discover new ways to achieve it every day. In every region, we are working to increase awareness of and compliance with country-specific environmental designations. This includes following the Kyoto Protocol in our Europe, Middle East and Africa division (EMEA), seeking LEED certification in the U.S. and Europe, or implementing ISO 14001 environmental management standards around the globe. (See *glossary for definition of terms*.)

In the U.K., our London offices have already been awarded the ISO 14001. Qualifying for and maintaining our ISO 14001 certification in our London offices has yielded the following achievements:

- developing site energy-management plans for each office in the U.K. and setting a 5% reduction target for 2008;
- collecting accurate data, and reporting regularly about emissions from our offices including gas, electricity, water and oil;
- undertaking independent energy audits at our offices; and
- installing low-energy lighting throughout most of the offices.

The passion and creativity of our employees often yields unexpected solutions to unanticipated problems, and creates

an environment full of shared knowledge, best practices and genuine innovation. In markets across the globe, CB Richard Ellis employees are making simple changes in daily behavior that can have an immediate impact on resource use and environmental sustainability, such as:

- establishing office recycling programs;
- purchasing energy-efficient office equipment;
- minimizing paper usage via electronic document usage and transmission;
- setting printer defaults to double-sided;
- carpooling or pursuing alternative transportation;
- turning off lights and office equipment when not in use; and
- committing to environmentally friendly purchasing practices.

When considered in aggregate, these simple behavior changes can have a significant impact. For example, by switching our paper products to those with a high post-consumer content and FSC certification, we estimate that we have lessened our annual environmental impact by:

- 1,638 trees,
- 575,936 gallons (or 2.2 million liters) of wastewater,
- 1,953,000,000 BTUs of energy,
- 86,381 pounds (or 39,182 kilograms) of solid waste, and
- 108,338 pounds (or 49,141 kilograms) of GHGs.

Equally as important, these changes reflect in our employees the environmental awareness required by our aggressive sustainability goal.

2007 U.S. OPERATIONS SURVEY

In November 2007, the CB Richard Ellis Americas Operations team surveyed local market operations leaders in the U.S. to establish a baseline for the outset of our coordinated efforts, to identify environmentally proactive markets and to uncover opportunities for improvement. The survey received a 100 percent response rate and included the following highlights:

POSITIVE FINDINGS INCLUDE:

- 97% of our U.S. offices actively encourage employees to read emails instead of printing;
- 89% have some or most of their office equipment reduce power when not in use;
- 86% encourage employees to turn off electric appliances (radio, computer, lights, etc.) when not in use;

CARBON NEUTRALITY IN ACTION: WORLD CONFERENCE 2007

Each year, CB Richard Ellis' clients and key professionals gather for our World Conference, a four-day commercial real estate market symposium. As our single largest event globally, the World Conference presents a unique opportunity for CB Richard Ellis to underscore our commitment to environmentally friendly operations.

World Conference 2007 was run on a carbon-neutral basis. That initiative:

- eliminated approximately 250,000 printed items, saving the equivalent of 30 trees;
- reduced the use of letterhead to 500 sheets, compared with 10,000 at World Conference 2006;
- powered the conference using 100% green electricity donated by Bull Frog Power, which produces energy from a combination of wind and low-impact hydropower—saving 8,000 tons of carbon;
- eliminated about 9,000 plastic bottles by employing drinking water stations instead of bottled water;
- diverted at least 98% of waste away from landfill, which is equivalent to reducing 6,000 green garbage bags to 120;
- donated all unused food items to Second Harvest, the largest domestic hunger-relief organization in the U.S.;
- collected food waste for composting;
- and donated 500 trees to the City of Toronto, ensuring a long-lasting green impact for our 2007 event in Canada.

More than 3,000 attendees voluntarily chose to contribute financially to offset carbon emissions generated through their event participation.

As a result of the carbon-neutral World Conference 2007 operations, in January 2008, the U.S.-based Leonardo Institute awarded CB Richard Ellis its Gold Level Certification for offsetting event emissions under Leonardo Academy's Cleaner and Greener® Certification Program.

- 83% have a procedure in place to ensure office lights are turned off nightly;
- 79% have a recycling program;
- 79% have maintenance personnel check thermostats regularly to ensure they are operating properly and 59% check to ensure they are at energy-conserving levels; and
- 63% have committed to environmentally friendly purchasing practices (including post-consumer recycled content); the biggest impact area is with recycled paper (72%), followed by mailing supplies, kitchen/cleaning supplies and LEED lighting.

2008 STANDARDS OF SUSTAINABILITY

In accordance with our policy to provide our clients with the advice and services they need to adopt or enhance responsible environmental policies and practices, our U.S. Asset Services group has developed its 2008 Standards of Sustainability, which is available [here](#).

IMPROVEMENT OPPORTUNITIES INCLUDE:

- 97% of offices do not yet encourage carpooling to work;
- 88% of offices with an environmentally friendly purchasing plan do not yet include plastic and 60% do not yet include envelopes or mailing supplies; the main deterrent is cost (59%) followed by availability (30%); and
- 76% of offices either do not have or are uncertain if they have ENERGY STAR-rated equipment.

The survey results were communicated internally with our leadership, operations managers and general employees, and plans for repeat sampling are in development. These and other relative results will be shared in an ongoing series of communications and tools that allow local markets to adopt or enhance no- or low-cost changes in our daily U.S. operations.

TECHNOLOGY

Recent studies have shown that computer and office equipment disposal through third-party recycling companies is not always the environmentally friendly solution it appears to be. In some cases, the defunct equipment is sent to developing countries where recycling processes use primitive methods to extract copper, lead, gold and other metals, and thereby expose workers to contaminants.

CB Richard Ellis contracts with TEKsystems to dispose of all our computing equipment. TEKsystems erases all data and resells the majority (90%) of the equipment and recycles the remaining 10% according to accepted environmental standards. All of the equipment remains in the country and complies with a zero-landfill policy. TEKsystems' Asset Retirement Division has successfully completed accreditations in both ISO 14001 and OHSAS 18001. Additionally, TEKsystems recycling partners are held to the same stringent standards that TEKsystems itself employs.

SUSTAINABLE EDUCATION AND INFLUENCE

PARTNERSHIPS



CB RICHARD ELLIS' FIRST LEED-CERTIFIED OFFICE

The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. LEED is the nationally accepted benchmark for the design, construction and operation of high-performance green buildings.

In 2007, CB Richard Ellis established its first LEED-certified office at the Victor Building, 750 9th Street NW in downtown Washington, D.C. We took 60,000 square feet on two floors, and completed a build-out that received a Gold certification for LEED for Commercial Interiors.

CB Richard Ellis recognizes that we cannot achieve our goals alone. Our success depends upon our partnerships, not only with our clients, many of whom lead their respective industries on sustainability issues, but with those organizations that make the preservation of our planet their business. Our advisors and partners include:

- Sustainable Finance Limited: This entity is a leading advisor to the financial community on environmental issues. Its practice is based on the Equator Principles, the financial industry

U.K. CYCLE TO WORK PROGRAM

In the U.K., CB Richard Ellis encourages employees to use alternative forms of transportation, particularly bicycles, which have no negative impact on the environment. As a result, we have developed our Cycle to Work program, which offers savings on new bike and biking equipment costs, as well as purchase loans and savings on sales tax and insurance.

Other initiatives that support alternative transportation include:

- interest-free loans for the purchase of seasonal public transportation passes;
- support for the needs of cyclists, walkers and joggers by providing showers and changing facilities at the office; and
- plans for the addition and improvement of cyclist-friendly facilities.

benchmark for determining, assessing and managing social and environmental risk in project financing.

- ICF Consulting: ICF provides carbon mitigation and adaptation services, including voluntary programs for GHG reduction. ICF has extensive understanding of the technical, economic and policy issues involved in the development of voluntary programs.
- Energy Conservation Systems Proprietary Limited: This entity is Australia's market leader in energy and water management.
- The Carbon Reduction Institute: Our Australia/New Zealand operations work closely with the institute, which seeks to help businesses become carbon-neutral and sponsors NoCO2 and LowCO2 accreditations, certifications for businesses that are deemed fully carbon-neutral or on a path to becoming so.
- Green Building Council of Australia: GBCA's mission is to develop a sustainable property industry for Australia and drive the adoption of green building practices through market-based solutions. GBCA is assisting in establishing training for CB Richard Ellis' professional staff.
- Natural Resources Defense Council: NRDC is one of the strongest and most effective environmental advocacy organizations in the U.S.

- U.S. Environmental Protection Agency: CB Richard Ellis is implementing the EPA's ENERGY STAR program in every U.S. office building in our management portfolio that is larger than 100,000 square feet—an initiative that totals more than 125 million square feet of space nationwide. The program helps us measure performance, set goals and track energy savings. As a result of our efforts, CB Richard Ellis was named ENERGY STAR Partner of the Year for 2007.
- U.S. Green Building Council: The USGBC is developer of the nationally accepted Leadership in Energy and Environmental Design (LEED) building rating system. In November 2007, we announced plans to enroll 100 major U.S. office buildings in the USGBC's Portfolio Program, a partnership program that entails registering and pursuing LEED Existing Building (EB) certification for 100 office buildings; educating staff, vendors and other stakeholders about commitment to green building and LEED; and training and gaining LEED AP accreditation for a minimum of 100 Asset Services employees.



EARTH HOUR SYDNEY 2007

CB Richard Ellis Australia was an integral part of the World Wildlife Fund's first-ever Earth Hour 2007 in Sydney. On Saturday, March 31, 2007, Sydney turned off its lights for a single hour, thereby minimizing the city's collective energy consumption by 10.2% for one hour. Forty-two properties managed by CB Richard Ellis participated in the event, which has become a worldwide example of powerful commitment to GHG reduction.

CLIENT OFFERINGS

CB Richard Ellis' clients are driving toward energy savings and sustainable environmental performance. This creates opportunities to partner with them to improve operational performance, protect the climate and further our business objectives, simultaneously. Their needs, and those of our planet, are pushing us to develop and evolve environmentally sound services. They include:

- **Sustainability Practice Group:** The group is comprised of 15 U.S.-based professionals who will convert green awareness into actionable, measurable and meaningful real estate strategies. They will help clients make real estate decisions that maximize profit, improve human and environmental health and minimize environmental impact.

We expect the sustainability service offering to include client consultation, benchmarking and research services, project management, equity participations, LEED EB Conversion and Financing, leasing and marketing for LEED projects, site selection and acquisition support for sustainable sites, education programs, transaction management and financial analysis.

- **IPD Environment Code:** Our EMEA Global Corporate Services (GCS) Energy and Sustainability Group has worked with the Investment Property Databank (IPD) to develop the IPD Environment Code, the world's first standardized guidelines for corporate occupiers to collect, measure and analyze their real estate environmental data.
- **Asset Services Programs:** Our Asset Services business has set a goal of reducing energy consumption at the office buildings we represent by 10% during 2008. At an average current cost of \$2.50 per square foot, a 10% reduction will save property owners and tenants more than \$30 million on an office portfolio of 125 million square feet. The CB Richard Ellis global management portfolio represents a unique opportunity for education, innovation and impact, making our Asset Services business the natural starting point for sustainability-focused client offerings. They include:
 - **Sensible Sustainability:** This broad-based program for our clients, tenants and employees encompasses resource management, waste stream management, green building materials, education and training and communications.
 - **Green Knights:** In every major market where CB Richard Ellis operates, we are assembling groups of building professionals to become sustainability subject matter experts and lead trainers.

Currently, there are 33 Green Knights in the U.S., and among our international asset management professionals, we are seeing growing adoption of the program as defined by the environmental agency requirements within each of those markets.

- **Greenery:** Greenery uses the ENERGY STAR program and targets commercial buildings of 100,000 square feet or larger. In addition to saving on operating costs and energy usage, the Greenery program adds significant property value to assets. The program goal is to reduce energy consumption by a minimum of 10% at each property.

2007 AWARDS

The following is a partial list of awards and honors across various markets around the globe in 2007:

- 2007 Leonardo Academy's Cleaner and Greener® Gold Certification (Canada and U.S.)
 - 2007 EPA ENERGY STAR Partner Award (U.S.)
 - 2007 EPA ENERGY STAR Award (Honolulu, U.S.)—the first award in Maui
 - Carbon Trust Accreditation for Achievement in Energy Efficiency (1 London Wall, U.K.)
 - Envibe Silver Award for Environmental Excellence (Centrale, Croydon, U.K.)
 - The Green Organisation Green Hero Award (The Boardwalk, Port Solent, U.K.)
 - The Crown Estate Urban Property Manager Award (Allison Connick, U.K.)
- **Client Recycling Program:** In partnership with the U.S. EPA and Harmon Associates—the largest fiber recycler in the world—Asset Services launched a recycling pilot program for the major office buildings we manage. The program was initially introduced in Atlanta in late 2007 and will be rolled out in other U.S. markets, including Los Angeles, Las Vegas, Chicago, Cincinnati, Columbus and Dallas.
 - **Change a Light, Change the World:** This ENERGY STAR campaign is a voluntary competition between businesses and organizations to ask people to take a simple pledge to change a lamp in their home with one that has achieved the ENERGY STAR label.

PROFESSIONAL EDUCATION AND ACCREDITATIONS

In 2007, CB Richard Ellis launched a comprehensive education and accreditation program. Professional accreditations are a primary reflection of a good education program and a significant distinguishing factor in the marketplace. Throughout our global regions, we are encouraging our employees to pursue the accreditations most relevant to their business and their clients' needs. They include:

- In Australia, Green Star Accreditation courses offered by the GBCA; and the Australian Building Greenhouse Rating accreditation course, a highly technical course for energy engineers offered by the Australian Department of Energy and Climate Change;
- USGBC LEED AP indicates an Accredited Professional in one or more of the LEED designations. In the U.S. alone, we have 29 LEED AP professionals, including the first U.S. commercial real estate broker at any firm to achieve the designation, Sally Wilson.

Our Asset Services Group also made major strides in education in 2007, including:

- negotiating with the Building Owners and Managers Association (BOMA) to license a three-year BOMA Energy Efficiency

Program (BEEP) training for overall energy and sustainability, which will be required for most Asset Services employees;

- training a corps of internal trainers who are now teaching the first two classes in the BEEP program;
- conducting Webinars for approximately 500 attendees (with the goal of training 1,000 employees by end of 2008);
- hosting seven training sessions attended by nearly 300 employees preparing to earn LEED AP accreditation. Courses were offered to Asset Services, CBRE Technical Services, Project Management and Global Corporate Services employees, as well as some client representatives; and
- addressing global Asset Services leadership on the environmental topic and meeting directly with more than a dozen key CB Richard Ellis clients.

While CB Richard Ellis has made significant accomplishments in 2007, we still have a long way to go to eliminate the effects of the built environment on climate change. The reality of the problem and its peril to our businesses, our communities, our families and our future is significant. We see these issues not as obstacles but as opportunities to continue our goal of creating a greener tomorrow.

GLOSSARY

BOMA—Building Owners and Managers Association International, a primary source of information on office building development, leasing, building operating costs, energy consumption patterns, local and national building codes, legislation, occupancy statistics and technological developments.


USGBC—U.S. Green Building Council, a U.S.-based non-profit organization committed to expanding sustainable building practices. USGBC is composed of more than 13,500 organizations from across the building industry that are working to advance structures that are environmentally responsible, profitable and healthy places to live and work. Members include building owners and end-users, real estate developers, facility managers, architects, designers, engineers, general contractors, subcontractors, product and building system manufacturers, government agencies and nonprofits.

LEED—The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

BEEP—BOMA's innovative operational excellence program to teach commercial real estate professionals how to reduce energy consumption and costs with proven no- and low-cost strategies for optimizing equipment, people and practices.

ISO 14001—An internationally recognized environmental management system standard that demands significant, measureable action and continuous improvement in the environmental management of buildings.

OHSAS 18001—An Occupation Health and Safety Assessment Series for health and safety management systems.



We are
committed to
developing our
human capital.

WORKPLACE

WORKPLACE

CB Richard Ellis is the largest full-service commercial real estate services company in the world. Our people are our product. Over 29,000 employees around the globe are focused on our clients, our communities and each other.

This year, we were recognized for our focus on our people. On March 20, 2008, CB Richard Ellis was named to the Companies that Care Honor Roll. The Center for Companies that Care is a national, not-for-profit organization founded to enhance the well-being of employees and communities. The Honor Roll recognizes businesses that prize their employees and are committed to ongoing community service.

OUR PEOPLE

The growth in our employee population continues to be largely fueled by business acquisitions. This was evident in 2007 with the December 2006 acquisition of Trammell Crow Company. Employee growth, regardless of reason, creates additional career opportunities for our workforce. At the same time, it poses additional challenges, such as providing a consistent, positive and fulfilling employment experience to our workforce. Our other key challenges include:

- A shortage of qualified talent, which has demanded increased emphasis on retention and recruitment. From 2006 to 2007, our U.S. workforce nearly doubled from 8,000 to 15,000 employees, with an average tenure of three years.
- An industry historically linked to economic cycles. The ability to provide stability in both employment and potential compensation growth is a key factor in employee decisions about whether to join or leave an organization.
- Diversity. The real estate industry has traditionally been a relatively homogeneous group with respect to the gender and ethnicity of its workforce. This is in contrast to the larger labor market, which has become increasingly diverse. While there are some segments of our workforce that are very diverse, there are other segments, including professional and managerial roles, where we face challenges. We know that our total workforce must be more diverse in order to attract and retain the best available talent. So while we are challenged to change the perception of our industry, we are also presented with an opportunity to lead the transformation.

Ongoing efforts to increase diversity and to develop an inclusive culture are incorporated into the majority of our human capital strategies and actions. The company has placed an increased emphasis on talent acquisition and optimization of internal candidate pools. Training and development programs for our current talent base are designed to meet the employees' desire for career development while meeting the company's needs for talent.

CB RICHARD ELLIS AWARDS

CB Richard Ellis was named among the "best places to work" in the following markets:

International:

- France
- Ireland

United States:

- Albuquerque
- Atlanta
- Charlotte
- Denver
- Los Angeles
- Philadelphia
- Phoenix
- South Florida
- Tampa

POLICIES AND PRACTICES

Policies and practices that reflect our commitment to employee choices, growth opportunities, mutual respect and ethical behavior form the foundation of our workplace ethos. CB Richard Ellis develops, implements and communicates organizational policies that provide a foundation for a consistent, positive, ethical and regulatory-compliant work environment.

As noted in the Ethics section of this report, our [Standards of Business Conduct](#) document defines the fundamental principles that govern our ethical and legal obligations. They describe, summarize and supplement policies, some of which have been in place at the company for many years. Each of us at CB Richard Ellis has a personal responsibility to understand these policies and practice them in our daily business lives. The Standards of Business Conduct document has been customized, translated and implemented in each country in which we operate.

Policies are available for employee review via our employee intranet and in printed materials. The regions in which we operate set forth our practices on hiring, employee conduct, termination of employment and severance benefits in compliance with local legal requirements.



XAVIER SANTANA PROFILE

In 1997, Xavier Santana joined CB Richard Ellis as an intern with a top-producing Investment Properties team, while he pursued a degree in Business Administration at California State University, Sacramento. The two-month internship turned into a full-time job in CB Richard Ellis' Sacramento office, where he worked while completing his degree. Following graduation, Xavier was offered a job in Office Leasing in CB Richard Ellis' Stockton, California, office. Later, Xavier took over the Retail Leasing department for California's Central Valley. Having achieved the title of Vice President, Xavier is now part of a successful team handling Investment Property Sales and Retail Leasing for CB Richard Ellis.

In mid-2006, Xavier and two colleagues—James Rodriguez (Commerce, California) and Susana Rosas (Houston, Texas)—formed CB Richard Ellis' Hispanic Network. The group's goal is to build meaningful relationships among CB Richard Ellis' Hispanic employees and the community to leverage entrepreneurial capabilities, increase business development and nurture professional development. Xavier accepted the role of Chair of the network, which started with approximately 20 members and has grown to more than 100.

REGULATORY COMPLIANCE

CB Richard Ellis complies with all regulatory requirements regarding minimum wages and/or living wages. The company also complies with national and local regulations concerning overtime pay, timekeeping requirements, and rest and meal periods.

We only employ individuals age 18 years and older. We are in the process of developing a formal human rights policy which will be implemented in 2008. The policy will be a documentation of our current philosophy and practices.

COLLECTIVE BARGAINING AGREEMENTS

CB Richard Ellis generally maintains a neutral position relative to employees' rights to representation, and the company has maintained a positive working relationship with both represented

employees and their unions. The company adheres to the terms and conditions of all collective bargaining agreements. In 2007, approximately 482 employees were covered by collective bargaining agreements in the U.S.

TOTAL COMPENSATION

CB Richard Ellis believes that any community benefits when its citizens can equally participate in the community's economic opportunities. One way this participation occurs is through an employer's ability to provide citizens with stable employment and appropriate compensation for the work performed.

Our approach to cash compensation is pay for performance. We believe there should be a correlation between the individual's contribution and her or his reward. This is most clearly demonstrated in our approach to compensation with our sales professionals, where compensation is based on actual productivity.

Compensation also includes employee benefits. CB Richard Ellis provides a broad array of benefits to our employees such as:

- health benefits, including medical, dental and vision;
- income continuity benefits such as disability and life insurances and severance/redundancy programs;
- retirement benefits such as savings plans and defined-contribution retirement savings plans; and
- convenience benefits, such as time off with pay.

The company provides some benefits, such as life insurance and short-term disability, at no cost to the employee to provide a level of basic protection to the employee and her or his family in the event a serious health incident prevents an employee from working. However, in our Pacific Region we have not yet implemented paid parental leave. In Greater China, we will complete a market study of our employee benefits this year to assess their overall competitiveness.

Moreover, CB Richard Ellis has developed creative approaches to employee wellness, including the launch of FightCancer.org, a Web site created in partnership with the American Cancer Society and designed to help CB Richard Ellis employees evaluate their health, access good nutrition guidelines and reduce the risk of serious illness.

FLEXIBLE WORKPLACE

Mutual respect includes flexibility, and studies have linked employee satisfaction and decreased turnover to employers

providing a flexible workplace. As a company, we are not yet harmonized in our approach to a flexible workplace. This is due to local business needs and regulatory requirements. In some locations, such as the Pacific Region, we have a formal "Flexible Working" policy. In other locations, such as the U.S., there are some mutually beneficial situations where employees are allowed to telecommute from their homes.

RECOGNITION

CB Richard Ellis recognizes employees in a variety of ways around its global regions, including many formal programs honoring specific accomplishments in a particular service line or department. The following are some examples:

- **The Circle of Excellence Award:** This award recognizes 50 employees in the Pacific Region who have exemplified excellence in their profession and have made a significant contribution to the performance of the company through their talent, energy and work ethic.
- **Ambassador Award:** The Ambassador Award Program for employees in the U.S. and Canada recognizes non-commissioned individuals who demonstrate leadership, initiative and determination to provide superior service.
- **Achievement Recognition Plan:** The Achievement Recognition Plan (ARP) is a one-time cash award of \$150 to \$100,000 that recognizes any employee who has demonstrated exceptional performance or completion of a complex and/or strategic project that is a responsibility above and beyond an employee's normal job duties.

DIVERSITY

CB Richard Ellis views the ongoing development of diversity and the promotion of an inclusive culture as extensions of our values and as a means of better serving our clients. This strategy enables us to succeed in hiring the best talent and to develop innovative solutions to client needs. To oversee internal and external diversity initiatives for the U.S. market, the CB Richard Ellis Diversity Board was formed. The Diversity Board is comprised of eight senior leaders in the company and reports directly to our Chief Executive Officer. In 2007, the company hired a global HR executive, Jennifer Buchholz, formerly a director of HR for a subsidiary of General Electric. Jennifer brings experience with a global approach to diversity to the Board and the company.

The Diversity Board has researched diversity in best-practice organizations to aid in the development of the company's diversity

strategy and goals. The Diversity Board recognizes that there are numerous dimensions of diversity that make each of us unique. First, this Board has chosen to focus on improving diversity in gender and ethnicity, in order to have dimensions that can be impacted and measured. The Board has developed a three-part Action Plan:

- Communication of executive commitment to diversity
- Deliberate recruitment of diverse talent
- Increased inclusion through developing, mentoring and retaining diverse talent

To track the company's progress, the Diversity Board will measure:

- hiring (diverse hires as a percentage of total hires);
- promotions (diverse employee promotions to total employee promotions versus the diverse employee base compared to the total employee base);
- diversity in leadership roles; and
- voluntary separation (diverse employee voluntary resignations to total employee voluntary resignations versus the diverse employee base to the total employee base).

Currently, the Diversity Board is accountable for diversity in the U.S. market and will explore a global approach to diversity in the future.

AFFINITY GROUPS

CB Richard Ellis' affinity groups play a significant role in the recruitment, engagement, retention and development of diverse employees. They include the African-American Network Group, the Hispanic Network and the globally expanding Women's Network. These groups provide members with networking and information exchange opportunities; create opportunities for individual career development and leadership recognition; assist the company in broadening its diversity recruiting efforts; and unite members in community service and outreach.

CREW NETWORK SUPPORT

CB Richard Ellis is among CREW (Commercial Real Estate Women) Network's biggest corporate supporters. A CB Richard Ellis professional was President of CREW Network in 2004. Over the past six years, CB Richard Ellis has been a major sponsor of the organization, including serving as the premier underwriter of CREW's Industry Research Initiative for the past four years.

The research project, "Women in Commercial Real Estate: 2005," investigated the status of women in the commercial real estate industry with the goal of identifying how women are achieving parity in the industry. The research measured women's participation in the industry, compensation levels among disciplines by gender and experience, levels of career success and satisfaction, and disciplines within the industry where women were achieving higher levels of success. The 2005 study may be found [here](#).

CB Richard Ellis was also the primary underwriter of a follow-up study conducted in 2007 titled "Minding the Gap." This study provided companies with information and tools to address issues uncovered in the 2005 study to aid in recruiting, retaining and advancing women in commercial real estate. The 2007 study may be accessed [here](#).

RECENT DEVELOPMENTS

Demonstrating the highest level of integrity and ethical behavior is of the utmost importance to CB Richard Ellis. We continue to learn, raise standards and work to address potential issues in our organization. In 2007, we agreed to settle a proposed class action filed in federal court in Chicago by five former female employees alleging that they and other female employees at CB Richard Ellis were subjected to sexual harassment.

When the suit was first filed in 2002, the company immediately examined the facts of the case, in addition to our policies and procedures related to harassment prevention. We filed an answer with the court denying all of the allegations raised in the case, and ultimately opposed the certification of a class action. At the same time, we took the opportunity to improve the company's policies and practices regarding harassment prevention. For example, since 2002, the company has hired a Chief Compliance Officer, strengthened several related policies, implemented rigorous investigation guidelines and training requirements, and established multiple avenues for employees to report concerns or register complaints, including an anonymous hotline.

As part of the settlement, individuals who believed they had suffered harassment were given the opportunity to have their claims heard by a third party, and the company agreed to further strengthen some of these policies and actions. Developing an inclusive culture that promotes high levels of integrity and ethical behavior is a key organizational priority and an ongoing process. We believe this has enabled us to take a leadership role in the



MICHELLE ESQUIVEL-HART PROFILE

Michelle Esquivel-Hart began working in construction sales immediately after high school. At age 24, she put herself through college at the University of Southern California. After a rigorous selection process, Michelle joined CB Richard Ellis in 1998 as part of the WHEEL Program, a developmental program for newly hired sales professionals. Over two years, she rotated through four different offices on various assignments, including Investment Property Sales and Office Leasing and Sales. She chose to focus on the latter upon completing the program.

Late in 2006, Michelle was named Vice President and joined the High Potential Program. With hard work and strong support from the Leadership Center, coaches and Women's Network, Michelle achieved the title of First Vice President in September 2007. She is focused on moving up to Senior Vice President by the end of 2008. Inspired by her colleagues' philanthropic spirit, Michelle is building a school for 150 children in Haiti with her business partner, Jeff Pion. Michelle is an active member of CB Richard Ellis' Women's Network, and is on the African-American Networking Group's Executive Board.

industry toward creating a collegial, harassment-free workplace in which all employees can develop and succeed.

SNAPSHOT OF OUR PEOPLE

The ability to gather information on our workforce has been limited. There are no common HR information systems outside the U.S. Systems in most countries are solely for the purpose of paying employees. Our U.S. HR information system will be expanded to include Canada in early 2009, with the preparation work occurring in 2008. The implementation is subject to safeguards regarding cross-border communication of personal data. During this year, we will also focus on manual data gathering of key metrics.

SNAPSHOT OF OUR PEOPLE¹

Region	Workforce Totals		Women (%)		Ethnic Minority ¹ (%)	
	2006	2007	2006	2007	2006	2007
Asia Pacific	4,281	5,308	32.3%	32.8%		
EMEA	3,356	4,281	43.7%	43.7%		
The Americas	16,950	19,411	42.2% ²	38.2%	20.4% ³	19.5% ³

1. CB Richard Ellis does not tabulate ethnic minority employment data for countries outside the United States, and did not begin to tabulate women employment data in Latin America until 2007.

2. U.S. and Canada only.

3. U.S. only.

TRAINING AND DEVELOPMENT

CB Richard Ellis offers a range of opportunities for employee development—from supervisors providing ongoing developmental feedback or formal written appraisals as part of the annual performance review process to comprehensive training programs.

To track the number of hours of training employees receive, CB Richard Ellis recently implemented a new learning management system in the U.S. In the future, this system will enable the company to quickly and accurately assess the hours of training individual employees receive. Some examples of training offered in the company's global regions follow.

THE AMERICAS

CB Richard Ellis' Leadership Center offers training in topics ranging from leadership development and mentoring to professional specialty courses (e.g., industrial or office real estate). The Leadership Center offers both formal and informal programs and provides training and development at all levels of the company throughout the U.S. and Canada. Courses encourage participants to build cross-company networks and increase collaboration across the firm. Examples include:

CBRE University: A comprehensive program with introductory and advanced training in areas such as presentation and selling skills, business development, strategic planning and recognizing best practices.

New Manager School: Training emphasizes company heritage, business strategy and planning, leadership principles and business development.

Emerging Leaders Program: Participants in this program study strategic planning, vision and values, leadership principles and best practices, among other topics.

Mentoring Program: The program pairs mentors and protégés, and provides training on how to be successful in a mentoring relationship. The program has focused on women and minorities in partnership with CB Richard Ellis' Women's Network, which pioneered the program, and the African-American Networking Group.

High Potential Program: This two-year program offers a combination of training and coaching with areas of focus that include business plans, financial literacy, relationship building, advanced presentation and business development and marketing skills. Open to all employees, the program started as a partnership between the Leadership Center and the Women's Network in 2006, beginning with 14 women. By the end of 2007, six of the 14 had earned one title-level promotion and two had earned two title level promotions.

Training in the company's Latin America offices is focused on the needs of individual business units and may vary by country. For example, past courses have been offered in Property Management, Accounting, English (in Brazil, Argentina, Chile and Mexico) and Spanish (in Brazil).

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

CB Richard Ellis' Europe, Middle East and Africa (EMEA) region recently launched the EMEA Mobility Programme to encourage movement and development of talent across the region. The program provides cross-regional exposure to a diversity of cultures, experiences and ways of thinking through international job assignments.

Our EMEA region also offers two additional opportunities for employees to develop international business skills. Cross-border service line groups have been formed to provide clients with

cross-Europe services and offer employees multiple on-the-job learning and networking opportunities. Additionally, the region organizes cross-regional training and development programs which not only build skills, but also increase employees' networks and cross-cultural understanding. In 2007, a total of 177 employees in EMEA participated in the courses.

ASIA PACIFIC

Asia Pacific is our largest and most diverse region in terms of cultural variety, languages spoken and stages of economic development. Here are some of the region's training programs:

In Greater China, centralized training and development began formally in 2006 and generally focuses on cross-border and cross-functional needs, such as presentation skills, proposal writing, networking skills, business English, conversational Mandarin and computer skills.

Greater China's Management Development Centre began in May 2006. Through the Centre, participants identify development needs and create and execute action plans to enhance their leadership ability.

SUCCESSION PLANNING

CB Richard Ellis has recognized the importance of planning for the future leadership of our organization for many years. In 2008, the company is building on our past efforts by launching a comprehensive Organization Review process in addition to traditional succession planning.

The new process is designed to address not only planning for the future leaders of our firm, but also to provide an opportunity for senior leaders and Human Resources professionals to discuss the movement of talent, the diversity of our leadership pipeline and ways in which to meet the challenges of ensuring our firm acquires, develops and retains high-performing talent. Succession planning is part of each of our executives' so-called "Strategic Measures" for compensation.

In early 2008, we instituted Organizational Reviews for each significant organization globally.

GLOBAL EMERGING LEADERS

CB Richard Ellis' Global Emerging Leaders Program focuses on the development of top leadership talent at a global level and includes a leadership development course at Harvard University.

"CREW Network's partnership with CB Richard Ellis is a natural fit. Our common goal of advancing the success of women in commercial real estate enables our organizations to create a unique synergy that is necessary to bring about positive change within our industry. CB Richard Ellis attracts some of the most talented women in the industry because of its commitment to creating an environment where men and women have an equal chance to succeed."


Gail Ayers, PhD
Chief Executive Officer
CREW Network

The goal of this program is to groom a generation of leaders with potential to succeed the current senior management team within five to ten years. Participants build global relationships and develop cross-cultural awareness. Participants are selected from among the high potential leaders in each of the company's global regions. Twenty-five leaders are currently participating in the program.

EMPLOYEE SATISFACTION AND ENGAGEMENT SURVEY

Our first global employee satisfaction and engagement survey is planned for spring 2009. This survey will not only provide us with an organizational pulse, it will provide normative data and serve as a baseline for future surveys. CB Richard Ellis conducted a survey of our 4,500 employees in our Global Corporate Services division in the U.S. and Canada in 2007, 85 percent of whom were engaged in actively providing services to our clients. Some 86 percent of our employees were satisfied with the company, their job and their clients. (As this was planned as an interim survey, no external normative data was available for comparison.)

Opportunities identified were in the areas of compensation, recognition, and availability of resources. Efforts are currently underway to further analyze these results and to create improvement action plans.

A photograph of two men in an office setting. One man is wearing a blue hard hat and glasses, and the other is wearing glasses and a light blue shirt. They are both looking at a large set of blueprints they are holding together. In the foreground, there is a desk with a laptop, a notebook, and a pen. A blue office chair is visible to the left. The background shows a window with a view of greenery outside.

A systematic approach is the best way to foster health and safety.

HEALTH AND SAFETY

HEALTH AND SAFETY

At CB Richard Ellis, we highly value the health and safety of our employees. While the importance of these values is not new, the company believes that a more structured and deliberate approach to these issues produces greater value for our employees, clients, contractors and associates, shareholders and the communities in which we operate.

Health and safety (HS) is a significant priority for CB Richard Ellis' senior management. In October 2007, President and Chief Executive Officer Brett White issued a formal HS policy statement. The full text is available [here](#). It applies to all company employees and business operations globally. The key elements include:

- a firm commitment to business integrity and HS compliance;
- creating a safe and healthy working environment for our employees, contractors and neighbors;
- protection of and respect for the environment;
- incorporation of HS policies in employee orientation and training;
- annual reporting on the effectiveness of training and communications programs;
- accountability and an expectation that every employee will meet or exceed HS standards;
- reporting of unsafe acts or conditions or disruptive behavior in the workplace; and
- expectation for high ethical standards of conduct and zero-incident performance.

In 2007, CB Richard Ellis recognized an opportunity to develop a more formal HS process. During the acquisition of Trammell Crow Company, CB Richard Ellis made a decision to fully integrate that company's HS platform and network of professionals with its own programs in these critical areas.

While the first year focused primarily on the transition and program development, CB Richard Ellis realized a variety of positive outcomes through its HS platform. Among the immediate benefits, the company was able to:

- take a proactive approach to prevention;
- develop a more accurate view of health and safety-related performance;

- address technical challenges faster and more effectively;
- and react more quickly to incidents.

Through the addition of more HS-related professionals and an effective network structure to connect them, CB Richard Ellis has more HS-related talent and capability available today than ever before. These resources are already improving safety performance and environmental protection for the company.



"Working incident-free is absolutely possible. Over three quarters of our facilities management accounts in the U.S. did exactly that in 2007. Any effort that we expend that successfully controls or eliminates a hazard provides a direct benefit to those who are protected, and a further benefit to all who care about or have a vested interest in their well-being."

Tim Carter
Vice President
Health, Safety, Security, Environmental

While the commitment and value for HS is global, the initial stages of this more formal approach to HS started within the U.S. and Canada. The near-term strategy is to expand the culture and support structure globally. In the coming year, HS professionals will refine and broadly communicate the HS performance measurement process, and increase the number of individual accounts and operations that will realize "zero-incident" performance.

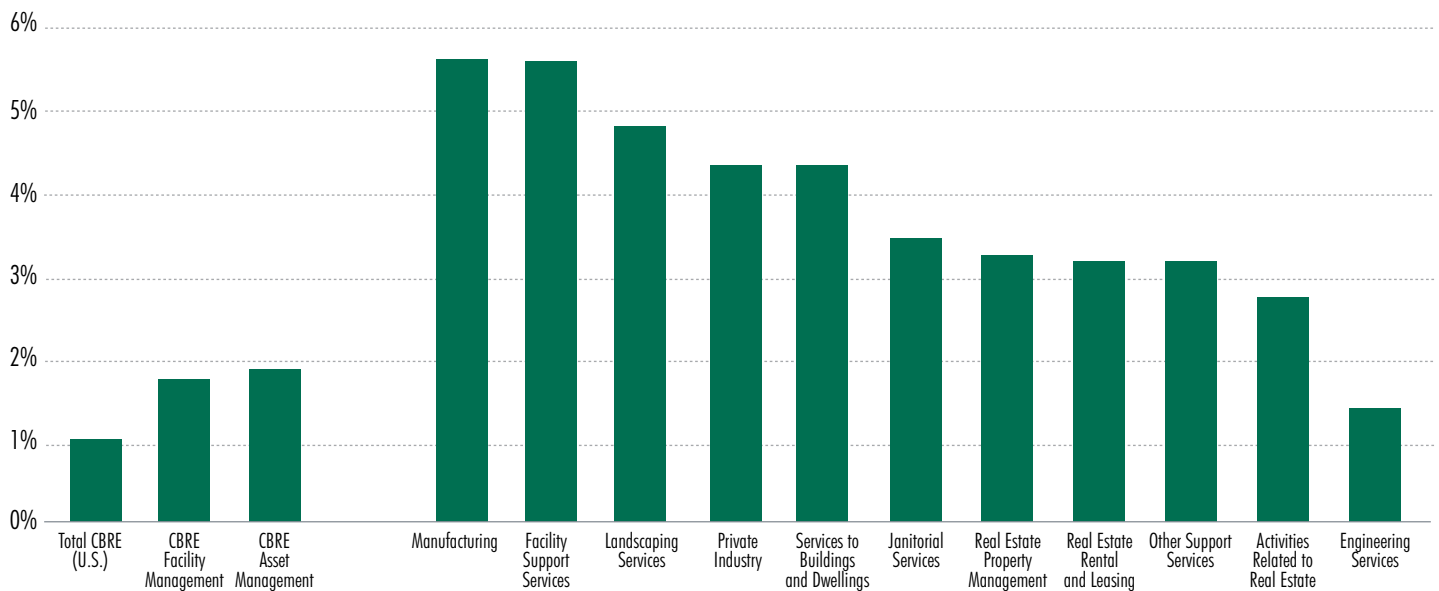
INJURY AND ILLNESS PERFORMANCE

As it is with all companies, there are varying degrees of hazard exposures that must be identified and effectively managed to create and maintain a safe and healthy work environment. For CB Richard Ellis, the hazards we encounter are as diverse as the clients we serve, the specialty service providers we utilize, and the vast array of moving parts found within commercial real estate, asset management and facility management services.

In the U.S., the industry groups commonly associated with commercial real estate and facility management services have an

CBRE INJURY AND ILLNESS RATES IN THE U.S. (2007)

Injury and Illness cases per 200,000 work hours



National Averages—Source U.S. Bureau of Labor Statistics

overall average injury and illness rate of 3.6 injuries per 200,000 work hours (100 workers per year), according the U.S. Bureau of Labor Statistics. CB Richard Ellis views these rates as industry averages and not as acceptable levels of performance. Setting goals and implementing new programs has kept our collective injury rate at 1.0 injuries per 200,000 work hours, which is far lower than the industry averages listed above.

Our HS efforts both in the United Kingdom and within the EMEA region already have many effective programs in place and are led by dedicated and capable managers and HS professionals. As CB Richard Ellis expands its health and safety process globally, inclusion of the best practices and processes in other regions, such as the U.K. and EMEA, will be essential since they are designed to meet local regulatory requirements, and are proven to be effective. While injury and illness metrics in the U.K. and EMEA regions are maintained according to local regulatory requirements, the classification and determination of injury rates currently differs from the metrics CB Richard Ellis employs in North America. In 2008, CB Richard Ellis will begin adopting a uniform process of recording such incidents to provide a more global view of our performance. Even though that standard measure is not yet in place, we are able to note that in the U.K., occupational injuries among CB Richard Ellis employees are significantly low, and none of those reported were of a serious nature.

The incidence rates shown in the chart above are averages across the U.S. CB Richard Ellis has maintained rates significantly below the national average because of responsible conduct, a value for safety, and in some cases, a higher degree of client demand and expectation. Even before we began implementing a more formal, structured HS program, both CB Richard Ellis and legacy Trammell Crow Company have demonstrated a notable degree of responsibility for health and safety.

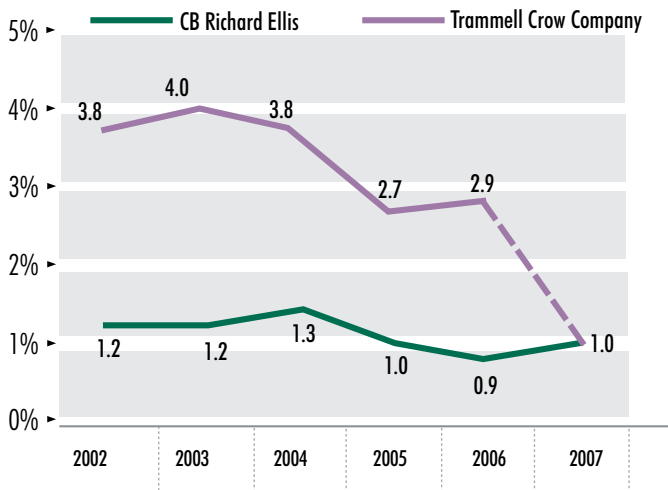
CB Richard Ellis recognizes that while the numbers are relatively low, there still remains a challenge to reduce the rate of injury and improve our performance.

In 2007 a variety of positive results were produced through a combination of committed leadership and employee participation in the HS process. For CB Richard Ellis, facilities management activity typically requires the most program detail, and poses a higher level of hazard exposure. However, the results from 2007 indicate that our level of effort to manage our hazard exposure was effective in most instances:

- 76% of CB Richard Ellis facilities management accounts in the U.S. worked a combined total of 1.7 million work hours without a single injury or illness event.
- 90% of CB Richard Ellis facilities management accounts in the U.S. worked a combined total of over 3.9 million work hours without any injury resulting in time lost from work.

- 80% of CB Richard Ellis facilities management accounts in the U.S. had a total recordable injury rate (TRIR) that was less than the 2007 goal of 1.5 injuries per 200,000 work hours.

TOTAL RECORDABLE INJURY RATES-U.S. | 2002-2007



The chart above shows that, on a pro forma combined basis, we have decreased our injury rates 160% over the past five years. The bulk of CB Richard Ellis’ hazard exposure has been office environments, which are more benign in terms of hazard severity. On the other hand, a greater hazard exposure is presented by our facilities and project management activities by the very nature of the work and the environment in which it is performed. This accounts for the difference between the CB Richard Ellis injury rates and the legacy Trammell Crow Company injury rates.

GOALS FOR THE YEAR AHEAD

CB Richard Ellis’ entire HS discipline and process is changing to become more visible, better defined and more consistent. Connecting our global teams through an expansion of our HS network will be one of the key initiatives that will drive global consistency and give us the ability to leverage our talents and strategies farther and more efficiently.

While our ultimate goal relative to employee injury, environmental incidents and events that have the potential to cause any harm or damage is zero, we will use annual stretch goals to drive our collective HS performance toward zero in all incident reduction categories. In doing so, we will increase the number of individual accounts and operations that will realize “zero-incident” performance each year.

We expect our injury rate in 2008 to decline through a continued drive to prevent incidents and reduce injuries. That overall effort includes: increased performance measurement; greater accountability; better access to and availability of technical experts; improved guidance information (programs and procedures); and a clearer corporate value and expectation for better performance. We are also taking a more direct approach on how injury claims are managed and classified, to make certain that proper care is being provided to our employees and that our record of incidents is complete and accurate.

The primary performance goals are based on injury rates. These are standard metrics across nearly all industries and can be measured/applied on a global basis. What we currently use within the U.S. will be expanded to become global.

THE CBRE (TOTAL) GOALS AND ACTUAL PERFORMANCE RATES FOR EACH INJURY CATEGORY ARE AS FOLLOWS:

Category	Goals 2007	Actual 2007	Goals 2008	Actual 2008
TRIR	1.50	1.00	1.25	0.94 (Q1 2008)
LWIR	0.50	0.20	0.30	0.17 (Q1 2008)
DART	No Goal Established	Not Measured	0.50	0.48 (Q1 2008)

Rates—injuries per 200,000 hours

The metrics are:

Total Recordable Injury Rate (TRIR)

Lost Workday Injury Rate (LWIR)

Injuries with—Days Away, Restriction, Transfer (DART)

In 2007, CB Richard Ellis increased the amount of facilities management activity and an associated higher degree of hazard exposure, with the acquisition of Trammell Crow Company. Later in 2007, the level of hazard exposure CB Richard Ellis had to manage was further increased as a result of the acquisition and integration of CBRE Technical Services, which had previously been owned in a joint venture with an engineering company. By the nature of the services provided, CBRE Technical Services could have a negative impact on the overall injury rate. However, the importance of HS was a key focus during the transition of the CBRE Technical Services group, and the management team, from the beginning, focused on the principles of prevention. In spite of the higher degree of hazard exposure that accompanied these acquisitions, the overall CB Richard Ellis injury rate for 2007 remained low, and the 2008 rates are expected to further decline.

To facilitate a more robust approach to incident prevention and performance improvement, eight newly hired HS professionals were added to the company network during 2007. For our employees engaged in facility management activity alone, more than 5,600 of them now have either direct access to an HS professional at their location, or to any of the 24 HS professionals in the U.S. through the CB Richard Ellis HS Network.

In addition, nearly 1,000 employees completed the OSHA 10-hour training program in accord with our drive to include more HS-related training in the overall HS process. We plan to include more training and a greater variety of training resources in the future.

WHAT LIES AHEAD

A significant effort in 2008 will include the expansion of HS into a global platform. We will improve and connect all of our support resource capabilities, communication, training programs and the performance-measurement processes.

Future performance goals will also include the measurable/scored results of assessments relative to environmental protection and enhancement results, incident prevention efforts (e.g., issue-specific training/employee and supervisor certification) and participation in programs that validate HS-related performance excellence, such as OSHA's Voluntary Protection Program (VPP).



CLIENT EXPECTATIONS

At CB Richard Ellis, many of our clients have deeply rooted, well-defined and challenging HS performance expectations. An increasing number of global clients are elevating their HS-related goals, as evidenced in the level of scrutiny that we face through the course of the proposal process. Being able to deliver the HS results our clients expect requires us to provide more than a program; we are expected to provide leadership, structure and process as well.

Our client, BP, has an uncompromising culture where nothing takes precedence over health, safety and environmental protection. Our client firmly expects that our commitment to health, safety and the environment will align with theirs. From the very beginning of our relationship, our management team knew that it was their responsibility to make certain we were fully integrated into the client's culture, and that we continually performed to BP's HS expectations. As such, we have demonstrated that HS excellence is more than just a program goal; it is an underlying principle driving the performance of our entire team.

Trevor Foster
Executive Managing Director
CB Richard Ellis—Global Facilities Management

For 2008 and the years to follow, the move to create a more unified HS process will improve our culture of prevention and protection. CB Richard Ellis is fully committed to achieving the industry's highest standards of health, safety, security and environmental management and performance in order to safeguard our employees, clients, tenants, contractors and any other persons that may be affected by our actions and activities.



In supporting
our
communities,
we lead with
heart.

PHILANTHROPY

PHILANTHROPY

At CB Richard Ellis, philanthropy begins at home. We could not succeed without the support of our employees, the confidence of our business partners and the trust of the members of the communities we serve. After all, these are the people who provide the infrastructure, talent and resources we need to thrive.

CB Richard Ellis is focused on community engagement and program development through our extensive network of offices, employees and clients. In 2007, CB Richard Ellis helped contribute to the betterment of communities around the world. In addition to raising funds for our charitable partners, local CB Richard Ellis offices collectively contributed millions of dollars to aid many other organizations. Together, CB Richard Ellis employees made a difference at local, national and global levels. Here are a few of 2007's highlights:

- CB Richard Ellis was recognized as one of the most generous companies in the S&P 500 on the BusinessWeek list of Corporate Philanthropy's Biggest Givers. The company was also named a Top Corporate Philanthropist by the Dallas Business Journal. In 2007, the company's total philanthropic investment was more than \$8.4 million, or 1.5% of pre-tax profits, significantly higher than the previous year's \$5.2 million.
- Under the auspices of the CB Richard Ellis Foundation, "CBRE Cares" is the company's corporate giving and volunteerism program. The 2007 annual fundraising campaign saw individual employee financial contributions and participation increase by 112% and 271%, respectively, compared to 2006, and overall campaign donations increased by 127% over the same period.
- Following the Asian Tsunami, CB Richard Ellis employees around the world collectively raised \$500,000 for the CB Richard Ellis South Asia Tsunami Relief Fund (SATRF), generously donating those monies to victims over the past three years and for future years. SATRF has allocated its funds to two regional organizations—Room to Read, which helps educate underprivileged children, and the Buckingham Tsunami Relief Tangalle District Hospital Trust (BTRTDHT), established to raise funds for Tangalle District Hospital in Sri Lanka. In the past three years, CB Richard Ellis donated \$180,000 to

support the core costs of launching and constructing a Room to Read chapter in Sri Lanka with six preschools and ten school libraries, and \$100,000 to help BTRTDHT purchase medical equipment and perform essential renovations and infrastructure maintenance.

- Founded in 1987, the United Kingdom's CB Richard Ellis Charitable Trust supports employee fundraising activities.



MYRA SMITH'S VISION: CBRE'S BIRTHDAY CAKES FOR HOMELESS CHILDREN PROGRAM

In 2001, Myra Smith, Business Development Director, Global Corporate Services, and mother of two young children, began baking and delivering birthday cakes to homeless children living at Bay Area Turning Point, a local shelter in her Houston, Texas, community. Myra saw the joy and hope this small gesture brought to the children and their families. She soon became affectionately known as "Myra the Cake Lady." In a presentation that year to CB Richard Ellis Women's Network, Myra said, "We have an opportunity within the Women's Network to love a child." Moved by her passion, Myra's colleagues began to establish programs in cities across the U.S. Thanks to her vision, CB Richard Ellis offices currently serve 85 shelters in 44 cities.

The Trust is assisted by Charity Champions, a company tasked with encouraging CB Richard Ellis offices and employees to actively engage with their communities. In 2007, the Trust donated over \$221,000 to 103 charities, and U.K. employees participated in nearly 100 events, fundraising over \$469,000 for various organizations.

- After our 2007 World Conference, which was held in Toronto, CB Richard Ellis donated 500 trees to the city of Toronto, which were then planted by 50 employees in local communities.

THE CB RICHARD ELLIS FOUNDATION AND CBRE CARES

In 2006, the CB Richard Ellis Foundation—the company’s primary channel for philanthropic initiatives, established in 2003—introduced the company’s corporate philanthropy program, CBRE Cares. The program provides employees with myriad ways to get involved in their local communities and support our charitable partners.

CBRE Cares serves as an overarching platform to further employees’ philanthropic efforts on many levels, including local community outreach and support; local and global response to disasters (e.g., the September 11th attacks, the Asian Tsunami, Hurricane Katrina and the Southern California Wildfires); and the development of locally driven, nationally sanctioned community programs.

Moreover, the CB Richard Ellis Foundation formalized corporate partnerships with three U.S. charitable organizations—National Kidney Foundation and Starlight Starbright Children’s Foundation in 2006 and American Cancer Society in 2007. These three organizations are dedicated to kidney disease prevention and research, improving the quality of life for chronically and terminally ill children and their families, and the fight against cancer, respectively.

The three charitable partners were chosen based on the opportunity they presented for various forms of volunteerism and giving, as well as their alignment with our company’s goals and objectives. The key determinant was each organization’s ability to mobilize on a national scale, with a physical and operational footprint that mirrored our own. CB Richard Ellis is confident that these partnerships are yielding positive and recognizable gains for each charity, continuing its tradition of generosity.

SIGNATURE CBRE CARES PROGRAMS

With the support of the CB Richard Ellis Foundation, U.S. employees have developed several signature philanthropy programs through CBRE Cares. While implemented on local levels, these unique initiatives have extended their reach—and their impact—from coast to coast.

- **CBRE Cares Annual Campaign:** CBRE Cares’ primary vehicle for financial giving, the annual campaign raises money to support U.S. charitable partners through individual employee donations, organization donations and group fundraising efforts. Since the program’s inception, the annual campaign

has generated more than \$2.3 million in support of our charitable endeavors. CBRE Cares’ 2007 annual campaign raised more than \$680,000, with individual employee donations exceeding \$477,000.

- **Birthday Cakes for Homeless Children Program:** The Birthday Cakes for Homeless Children Program gives homeless children personalized cakes to help them celebrate their birthdays. Since its inception, the program has grown to include 85 shelters in 44 cities.
- **CBRE Scares:** CBRE Scares provides offices with the opportunity to throw Halloween celebrations for children in local hospitals and shelters. Since 2006, 11 offices have hosted festive celebrations for more than 300 children and their families in Atlanta, Columbus, Detroit, Chicago, Phoenix, San Diego and Washington, D.C.
- **Celebrations in a Box:** Celebrations in a Box provides young patients in hospitals and dialysis and transplant facilities with a much-needed escape from the challenges they face every day. Employees create a package filled with the supplies to host a party for patients and their families, and deliver them to local facilities.

WHAT LIES AHEAD

CBRE Cares is a relatively new program championed by a rapidly growing company. In partnership with the CB Richard Ellis Foundation, CB Richard Ellis is undertaking a review of our current philanthropy strategy and programs to capture the company’s commitments, highlight best practices and successfully communicate these efforts across the company.

The Foundation’s Board of Directors and Program Team are collaborating to develop a philanthropy strategy that will consider and champion causes mutually important to our company, our employees and our communities. In addition to providing a more focused strategy, CB Richard Ellis is initiating business processes to communicate program expectations, aggregate philanthropy information and recognize employees’ good works.

CB Richard Ellis will continue to be innovative in our approach and steadfast in our commitment to helping local communities. In addition to mobilizing, recognizing and assisting our employees in their philanthropy efforts, the company will endeavor to develop and replicate those programs that support the areas where we can effect the greatest change.

LOCAL INITIATIVES AROUND THE WORLD

In addition to participating in the signature CBRE Cares programs, our offices around the world found many other ways to serve their communities.

- In Asia, CB Richard Ellis raised more than \$1.5 million and volunteered hundreds of hours through partnerships with Operation Smile in Vietnam, the Singapore Cord Blood Bank, Habitat for Humanity in the Philippines and the Foundation for the Blind in Thailand.
- In Australia, our offices raised \$35,000 for the Starlight Children's Foundation to support seven wishes for hospitalized children. Our offices also donated \$40,000 to the Property Industry Foundation, an organization that assists homeless and disadvantaged children.
- Our Chicago employees participated in community clean-ups and the American Cancer Society's Daffodil Days. They also provided education essentials to children in need through School Supplies for Little Lives.
- In Greater China, CB Richard Ellis launched a three-year pilot program "Save a Child's Life" in conjunction with Operation Blessing China. CB Richard Ellis contributes \$22,000 each year to assist in the provision of free heart surgery for impoverished children.
- In Cincinnati, employees stocked a local food bank; provided homecoming gifts for military men and women; and raised funds to throw a Valentine's Day party at the Cincinnati Children's Hospital.
- In Dallas, 93% of our employees volunteered at least 10 hours or participated in at least one community service program. The office assisted 30 charities, including United Way, Habitat for Humanity and Rise School. The Dallas Heart Walk raised \$78,000 for the American Heart Association, and Chefs' Showcase generated \$140,000 to benefit Camp John Marc, a summer camp for children with chronic illnesses or physical disabilities.
- The CBRE Charitable Trust and employees from the Edinburgh and Glasgow offices sponsored and converted wasteland into a safe patio and landscaped area for Freagarrach, a Barnardo's funded project based in Scotland that helps counsel young people with behavioral difficulties or substance abuse problems.
- In Florida, employees donated more than \$200,000 to organizations across the state, among them Barth Syndrome Foundation, Habitat for Humanity, Juvenile Diabetes Research Foundation International and Miami Lighthouse for the Blind.
- In France, our employees and offices funded the construction of three classrooms in a village in Madagascar and reconfigured and installed 20 computers for two educational centers in schools located on the Islands of Cape Verde. Additionally, 68 athletes at the Shanghai Special Olympics were supported by our France offices.
- In Hong Kong, CB Richard Ellis participated in two fundraising marathons and two urban adventure races in which employees raised more than \$60,000 for charitable organizations including Orbis International, Mindset and DebRA.
- Our New York Tri-State employees contributed nearly \$3 million to regional charitable and cultural institutions, including the Starlight Starbright Children's Foundation and the Metropolitan Museum of Art.
- In San Diego, employees built more than 45 houses to revitalize neighborhoods in Mexico.
- Our Thailand offices have worked with the Rotary Club of Bangkok South since 2002, aiding its Clean Drinking Water for Schools Project. To date, CB Richard Ellis has sponsored the installation of 15 systems, benefiting 6,000 people.
- The U.K. Women's Network partnered with Operation Christmas Child to collect and deliver 107 boxes filled with small toys, school supplies, sweets and other gifts for needy children around the world.
- Over 260 U.K. employees participated in the CB Richard Ellis "Alternative" Marathon Challenge, raising more than \$39,000 for 13 local and national charities. Eight employees raised more than \$33,000 in the London Marathon for their chosen charities.



A close-up photograph of a person's hand holding a small, light blue globe of the Earth. The globe is centered in the lower half of the frame, with the continents of North and South America visible in a darker shade. The hand is positioned palm-up, and the background is a soft, out-of-focus light color.

GLOBAL REPORTING INITIATIVE

G3 CONTENT INDEX

STANDARD DISCLOSURES PART I: PROFILE DESCRIPTION

Profile Disclosure	Description	Reference	UN Global Compact Principle
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization	Stakeholder Letter	
1.2	Description of key impacts, risks, and opportunities.	Stakeholder Letter	
2. Organizational Profile			
2.1	Name of the organization.	About CB Richard Ellis Group, Inc.	
2.2	Primary brands, products, and/or services.	About CB Richard Ellis Group, Inc.	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Operational Structure	
2.4	Location of organization's headquarters.	About CB Richard Ellis Group, Inc.	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Operational Structure	
2.6	Nature of ownership and legal form.	Operational Structure	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Operational Structure	
2.8	Scale of the reporting organization.	Operational Structure	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	About this Report	
2.10	Awards received in the reporting period.	About this Report, Workplace, Environmental Stewardship, Philanthropy	
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About this Report	
3.2	Date of most recent report (if any)	N/A (first report)	
3.3	Reporting cycle (annual, biennial, etc.)	About this Report	
3.4	Contact point for questions regarding the report or its contents.	About this Report	
3.5	Process for defining report content.	About this Report	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	About this Report	
3.7	State any specific limitations on the scope or boundary of the report scope	About this Report	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About this Report	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	About this Report	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	N/A (first report)	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A (first report)	

Profile Disclosure	Description	Reference	UN Global Compact Principle
3.12	Table identifying the location of the Standard Disclosures in the report.	Global Reporting Initiative	
3.13	Policy and current practice with regard to seeking external assurance for the report.	About this Report	
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Governance	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Governance	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Governance	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Governance	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Governance	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Governance	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Ethics, Environmental Stewardship, Workplace, Health and Safety	1,2, 6, 7, 8, 9, 10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Ethics	
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Governance	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	About this Report	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	FOB, Environmental Stewardship	
4.14	List of stakeholder groups engaged by the organization.	About this Report, Environmental Stewardship	
4.15	Basis for identification and selection of stakeholders with whom to engage.	About this Report, Environmental Stewardship	

PERFORMANCE INDICATORS

Performance Indicator	Description	Reference	UN Global Compact Principles
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	About CB Richard Ellis Group, Inc.	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Environmental Stewardship	7
EC3	Coverage of the organization's defined benefit plan obligations.	Workplace	
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Workplace	1
Environmental			
EN5	Energy saved due to conservation and efficiency improvements.	Environmental Stewardship	8
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Stewardship	8, 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Environmental Stewardship	8, 9
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental Stewardship	7, 8, 9
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	Workplace	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Workplace	
LA4	Percentage of employees covered by collective bargaining agreements.	Workplace	1, 3
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Health and Safety	1
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Workplace	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Workplace	1, 6
Social: Human Rights			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Workplace	1, 2, 4, 6
HR4	Total number of incidents of discrimination and actions taken.	Workplace	1, 2, 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Workplace	1, 2, 3
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Workplace	1, 2, 5
Social: Society			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Ethics	10
SO4	Actions taken in response to incidents of corruption.	Ethics	10

