



LaSalle Investment
Management
Kapitalverwaltungsgesellschaft
Mbh

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS OF LASALLE INVESTMENT MANAGEMENT KAPITALVERWALTUNGSGESELLSCHAFT MBH

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**Disclosure Regulation**”) aims at providing more transparency to investors on sustainability risk integration, on the consideration of adverse sustainability impacts in the investment processes and on the promotion of environmental, social and/or governance (“**ESG**”) factors.

The Disclosure Regulation will be complemented by the EU implementing measures (so-called regulatory and technical standards or “**RTS**”), which at the time hereof are not yet applicable. All sustainability-related disclosures herein are therefore based on the Disclosure Regulation only.

In particular, Article 3 of the Disclosure Regulation requires financial market participants to publish on their websites information concerning their policies on the integration of sustainability risks in their investment decision-making process.

LaSalle Investment Management Kapitalverwaltungsgesellschaft mbH (“**LaSalle KVG**”) is an alternative investment fund manager authorised by the Bundesanstalt für Finanzdienstleistungsaufsicht („**BaFin**“) in Germany pursuant to §§ 20, 22 Kapitalanlagegesetzbuch.

LaSalle KVG will recognize for each fund it manages the various sustainability (environmental, social and governance) risks that can threaten the investments at individual asset level and portfolio level. Pursuant to Article 2 (22) of the Disclosure Regulation sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. These sustainability risks may include for example greenhouse gas emissions, incidents of environmental pollution, employee diversity and inclusion and/or human rights.

LaSalle KVG will consider materially relevant sustainability risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. The LaSalle KVG currently develops a process to identify, to measure and to evaluate sustainability risks. The degree to which LaSalle KVG will take sustainability risks into account may vary from one product to another and depends on the product scoping and concrete structuring of each individual product.

PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

Pursuant to Article 4 of the Disclosure Regulation, financial market participants shall publish on their websites information about whether or not they consider principal adverse impacts of investment decisions on sustainability factors. In accordance to Article 1 (24) of the Disclosure Regulation sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

At this stage LaSalle KVG does not consider the principal adverse impacts of its investment decisions on sustainability factors, because the EU regulatory technical standards required in relation to adverse impact assessment are not yet available in final form.

However, LaSalle KVG continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors. In particular, LaSalle KVG awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “**RTS**”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to the RTS will be made taking into account the deadlines of the SFDR, as required.

REMUNERATION POLICIES AT LASALLE KVG AND INTEGRATION OF SUSTAINABILITY RISKS

Pursuant to the Disclosure Regulation, financial market participants are required to disclose on their websites how their remuneration policy is consistent with the integration of sustainability risks.

LaSalle KVG has decided that the integration of sustainability risks in the remuneration of its staff should be ensured by tying the variable remuneration component of the relevant staff member to ESG performance of a financial product inasmuch as such staff member's performance effectively has an impact on the ESG performance of such product.

Therefore, to the extent staff members are actively involved sourcing portfolio opportunities and managing properties post-acquisition, their variable remuneration will take into account the sustainability risks in exercising such function. Where a staff member is not involved in sourcing portfolio opportunities and managing properties post-acquisition, sustainability risks will not be taken into account when determining the variable component of the remuneration of such staff member.

Insofar as sustainability risks are included for the relevant employees, this is done for the areas of environment, social affairs and corporate governance. The company has defined sustainability criteria for these areas at both corporate and portfolio level, each covering a broad spectrum. Criteria relevant to the environment include ecological aspects to be considered when purchasing real estate, and in the area of corporate governance, high standards are applied to prevent corruption and bribery, among other things. The company's turnover, from which in turn the remuneration is paid, is generated in compliance with these sustainability targets, which is why the remuneration policy is also consistent from this point of view with the inclusion of sustainability risks from the environmental, social and corporate governance areas.