



LaSalle AIFM Europe S.à r.l.  
– SFDR disclosure

## INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS OF LASALLE AIFM EUROPE S.À R.L.

1. 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.
2. In particular, it 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.
3. LaSalle AIFM Europe S.à r.l., a private limited liability company (*société à responsabilité limitée*) is an alternative investment fund manager (“**LaSalle AIFM**”) authorised by the CSSF in Luxembourg pursuant to Chapter 2 of the law of 12 July 2013 on alternative investment fund managers.
4. LaSalle AIFM recognizes for each fund it manages that various sustainability (environmental, social and governance) risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include greenhouse gas emissions, incidents of environmental pollution, employee diversity and inclusion, human rights, transparency and disclosure.
5. LaSalle AIFM is considering 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 degree to which LaSalle AIFM will take into account sustainability risks may vary from one product to another and depends on the product scoping and concrete structuring of each individual product. Generally, LaSalle AIFM will review the data and information received from portfolio managers or advisors with respect to each financial product to determine the relevant risks levels of each such product.
6. When delegating the portfolio management function or appointing an investment advisor, LaSalle AIFM will prior to entering into a contractual relationship with such third party seek to understand the approach of such third party to the integration of sustainability risk depending on the qualification of the relevant product and, as a consequence thereof, ensure such portfolio manager or investment advisor has the required expertise and the procedures in place to integrate sustainability risks in its investment decision or investment advice respectively if and as required by the relevant product.

### Principal adverse sustainability impacts statement

7. Pursuant to the Disclosure Regulation, financial market participants shall publish on their websites information about whether or not consider principal adverse impacts of investment decisions on sustainability factors.
8. At this stage, LaSalle AIFM, 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.
9. However, LaSalle AIFM 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 AIFM 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 AIFM Europe S.à r.l. and integration of sustainability risks

10. 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.

11. LaSalle AIFM 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.
12. 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.