



Rapport au titre de l'article 29 de la Loi Energie Climat

LaSalle Investment Management SAS

au 30 Juin 2022

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1 Introduction

LaSalle Investment Management SAS (la « Société ») est une Société de Gestion de Portefeuille de droit français agréée pour la gestion de FIAs et de mandats à prépondérance immobilière. La Société fait partie du Groupe LaSalle Investment Management qui constitue, avec ses 23 bureaux à travers le monde et ses \$82 milliards sous gestion, l'un des leaders mondiaux en matière de gestion d'actifs immobiliers. LaSalle Investment Management fait lui-même partie intégrante du groupe Jones Lang LaSalle Inc. qui, avec ses 300 bureaux à travers le monde et ses 90,000 employés, est reconnu comme l'un des acteurs majeurs en matière de services immobiliers.

Faisant le constat que le secteur immobilier devait jouer un rôle majeur dans la transition vers une économie plus responsable et plus durable énergétiquement, le groupe LaSalle a pris comme engagement de mener à bien des projets innovants en vue d'atteindre ses objectifs de durabilité et minimiser la consommation de ressources naturelles dans les immeubles dont elle a la gestion, tout en créant de la valeur sociale.

La Société applique la politique de durabilité (« ESG ») du groupe LaSalle, dont les éléments clés sont explicités dans ce rapport. Cette politique de durabilité groupe s'articule autour de quatre piliers qui sous-tendent sa stratégie de gestion durable. Il s'agit de l'action pour le climat, la gestion des ressources, la gestion des communautés et enfin la gestion de l'environnement. Chaque pilier met en évidence un domaine d'importance matérielle pour le groupe.

Au 31 décembre 2021 la Société gérait 6 véhicules réglementés représentant € 1,678k de valeur d'actifs et répartis comme suit :

- 4 FIAs classifiés en Art 6. SFDR, représentant 34% des actifs sous gestion réglementée ;
- 2 FIAs classifiés en Art 8. SFDR, représentant 66% des actifs sous gestion réglementée et
- Aucun FIA classifié en Art 9. SFDR.

A noter qu'aucun des véhicules réglementés n'atteignait au 31 décembre 2021 le seuil de €500M de valeur liquidative, de sorte que ce rapport climat s'attache à couvrir la Société en tant que SGP, à l'exclusion de ses véhicules réglementés¹.

¹ Partant du constat que l'approche ESG de la Société s'inscrit dans une politique globale du Groupe, et que par conséquent, la majeure partie des documents ayant servi de base à ce rapport étaient rédigés en anglais, nous avons pris le parti de rédiger ce rapport en langue anglaise. Il nous paraissait toutefois pertinent et important de rédiger cette introduction en langue française.

2 General ESG approach

2a. Overview of the entity's general approach for taking account of environmental, social and governance quality

LaSalle is a leading global Real Estate investment management firm. At LaSalle we believe in investing in our future, and that ESG factors have an impact on investment performance to varying degrees for individual companies, sectors, regions, and asset classes. As such, ESG factors are integrated components when managing real estate assets, related investments, and evaluating real estate securities. This is reflected in our Global ESG Policy (public document available on Lasalle.com website by clicking on this hyperlink). This policy is implemented at the French level with no specific local adaptation.

The European business has developed a European Sustainability Strategy to support us in delivering superior investment returns for clients and generating lasting value for our company and our stakeholders. Our strategy involves a long-term, holistic approach to business and investment management at all levels and focuses on three key areas:

- Sustainable Investment Culture – Ensuring that Sustainability is fully integrated into our governance structure, performance management and remuneration and incorporated into our LaSalle communications.
- Future Focused Investment Strategies – Aligning our fund strategies with Demographic, Technology, Urbanisation and Environmental (DTU+E) investment themes and clients' sustainability objectives whilst demonstrating clear and measurable improvements in performance across all funds.
- Resilient Investment Management – Integrating Sustainability into all stages of the asset lifecycle to ensure we identify, develop, and manage the type of assets that deliver resilient investment performance.

We have also developed four pillars of sustainability around which our sustainability activities are organised. These were launched at the start of 2020 and are:

- Climate Action,
- Resources,
- Nature,
- and Communities.

ESG aspects are taken into consideration throughout the investment process and at all stages of the asset life cycle.

For new acquisitions, we consider environmental issues such as flood risk, energy efficiency and building certification at the following stages: asset selection, investment committee. During these phases, we select assets through our Sustainable Investment Principles and in the due diligence phase through our Due Diligence checklist (whose ESG elements are listed in Annex I).

These principles mainly relate, among other things, to

- 1) Minimizing energy consumption, carbon emissions, carbon footprint, water use and waste generation
- 2) Improving the resilience of investments to climate change, and
- 3) Increasing the use of reusable, recyclable, sustainably certified and locally sourced materials.

ESG factors are then considered throughout the rest of the hold period for each asset and form part of the annual asset level business plans. The ESG team has defined high-level sustainable development standards which are supported by property-type specific sustainability guidance for each asset type which is designed for asset and property managers and aims at highlighting opportunities to consider for their buildings in terms of ESG. The guidance provides quite specific examples of what should be considered at property level and aims at the Sustainable Investment Principles implementation.

Especially, LaSalle France, for its main regulated funds (described in section 1.c), will aim to optimise the selectivity of the real estate assets as well as the quality of management of the properties acquired, and will be implemented, as far as possible, according to a sustainable development logic.

LaSalle France seeks to generate returns on investment in a manner that complies with relevant local and international laws, including adherence to international local and international laws, including adherence to international protocols on prohibited or restricted products, such as hazardous chemicals, civilian weapons and cluster munitions (by not acquiring real estate buildings leased to tenants, and not granting new leases to tenants, that are leases to tenants who are engaged in the production, processing, storage or sale of such products or other products), and takes into account potential negative impacts on society or the environment. For direct investments in real estate, we establish a rigorous approach to the integration of ESG factors throughout the life cycle of a direct investment project. LaSalle France monitors investments on an ongoing basis to ensure that any potential ESG issues are quickly identified.

When considering an investment, LaSalle France identifies potential investment opportunities and risks, including sustainability risks (as defined in the SFDR), by assessing all new investments against LaSalle Investment Management's sustainable investment principles and by completing an ESG due diligence list. One of the first selection criteria for real estate assets is BREEAM or DGNB certification. Investments with clear social or environmental benefits are positively screened. Investments, for which an average or poor ESG performance is expected, may also be acquired for development to improve their ESG characteristics. After the acquisition, the Management Company will ensure that the assets are managed in accordance with the ESG principles and policies it has adopted.

A particular attention is paid to climate change, responsible consumption of resources rewilding and social value.

2b. Extra-financial reporting

LaSalle is informing its stakeholders about the environmental, social and governance quality criteria via, among other documents, the following means:

- Fund marketing materials (prospectus, PPM) used for capital raising;
- Fund-level quarterly investor reports. Especially, in these reports, funds disclose their environmental or social characteristics or their sustainable investment objectives, such as minimizing energy consumption, carbon emissions, carbon footprint, water use and waste generation; improving the resilience of investments to climate change; increasing the use of reusable, recyclable, sustainably certified and locally sourced materials...;
- Quarterly investor forums, where ESG matters constitute a central point.

Financial products mentioned in respect of Articles 8 and 9 of Regulation (EU) 2019/2088

Regulation (EU) 2019/2088 on Sustainable Finance Disclosure Regulation (SFDR) introduces a distinction between two categories of products that integrate extra-financial criteria into their management strategy:

- Products that promote environmental or social characteristics, named art. 8 products,
- And products that have a sustainable investment objective, named art. 9 products.

Article 8 products integrate extra-financial criteria into their management strategy and promote such characteristics or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Article 9 products have sustainable investment as its objective, and sustainable investment is defined as follow: an investment in an economic activity that contributes to an environmental objective, or an

investment in an economic activity that contributes to a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Article 6 products may take into account sustainability risk, but do not promote any environmental or social characteristics, nor have a sustainable investment objective.

As of 31 December 2021, the Company LaSalle France SAS was managing 6 regulated funds, holding in total twelve Real Estate assets and representing € 1,678M assets under management .

Two of the regulated funds are classified as Article 8 according to the SFDR, representing € 1,109M and 66% as a percentage of the outstanding amount managed. These funds are dedicated to professional investors. None of these funds had an NAV as of 31 December 2021 exceeding €500M.

The four remaining regulated funds are classified as Article 6 according to the SFDR. Those represent € 569M of AUM and 34% as a percentage of the outstanding amount managed.

2c. Integration of environmental, social and governance quality criteria in the decision-making process for the allocation of new management mandates

Not applicable to the Company

2d. Adherence of the entity to a charter, code, initiative, or obtaining certification for taking account of environmental, social and governance quality criteria

As of 31 December 2021, LaSalle was a member or participant (directly or via its parent company) of the following environmental or social initiatives (no exhaustive list): .

- GRESB (Global Real Estate Sustainability Benchmark),
- ULI Greenprint, UN Global Compact
- UK Green Building Council
- Net Zero Asset Managers Initiative;
- Better Buildings Partnership;
- UK Stewardship Code;
- TCFD supporter

LaSalle also became a signatory to the United Nations Principles for Responsible Investment (Principles), which are a series of investment-related statements designed for institutional investment managers.

Signatories are committed to integrating ESG criteria into the signatory's investment analysis and ownership practices. The Principles consist of the following six objectives:

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which the firm invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together to enhance the effectiveness in implementing the Principles.
- Report on the activities and progress toward implementing the Principles.

3 Internal resources deployed by the entity

3a. Financial, human and technical resources and Initiatives of the entity to strengthen in-house capabilities with a view to implementing its ESG strategy

In Europe, ESG is embedded in all business areas and forms part of the responsibilities of all LaSalle employees. To ensure implementation of sustainability topics in the different business areas and support operational teams, LaSalle set up a dedicated sustainability team that consists of five dedicated people, led by the head of sustainability – Europe, who is reporting directly to the Head of Europe of LaSalle. In addition to the strategic guidance given by the sustainability team,

The current head of sustainability brings over 15 years' experience in the real estate market advising leading companies on sustainability, innovation strategies and implementation. Joining from JLL, where he served as Director of Innovation, the head of sustainability is an established thought leader in the sustainability sector and sits on several boards where he advises clients on future-proofing portfolios for upcoming market needs. In his new role here with us, the head of sustainability drives forward the development of our ESG philosophy, policies and practices. He also sits on LaSalle's Global Sustainability Committee.

To increase ESG knowledge across its organization, trainings are provided to investment teams throughout the business by the sustainability team, including CPD sessions with external speakers on current topics such as the Circular Economy and Social Value. Firmwide training on net zero carbon was delivered in December 2020. In addition, LaSalle has driven and funded the development of a real estate ESG training module through the Better Buildings Partnership that will be delivered across Europe.

Two members of the Management Committee of LaSalle France participated in 2022 to certified trainings on the "Décret Tertiaire" and Sustainable Products and the Circular Economy totaling 16 hours of trainings.

LaSalle has a Sustainable Management Programme ("SMP") which includes all our European assets and is operated by an external sustainability consultant in collaboration with our property and asset managers. The SMP monitors energy, carbon, water and waste at the asset level. In order to assess the ESG quality of our Fund, our external sustainability consultant presents the results of the SMP on a quarterly basis, including performance data for energy, carbon, water and waste, as well as identifying top and bottom performing assets and also highlighting key initiatives that have driven performance in order to share best practice across our portfolio.

As part of its asset tailored Net Zero Carbon (NZC) pathways, LaSalle has started to roll out NZC audits across our European portfolio together with a group of external consultants. The audits will provide asset and fund managers with the information about the measures and capex required to ensure these assets hit operational net zero carbon benchmarks.

All consumption data is housed on a web-based data management platform called "Deepki". On top of the Deepki platform, LaSalle has further introduced a dashboard ("Tableau"), that provides

with additional ESG information on assets, at fund and group level. The dashboard especially allows the Fund teams and Asset Management teams to quickly access relevant ESG data, monitor progress on the performance towards the targets, monitor progress on the action plans, identify potential areas of improvements and support client reporting.

In collaboration with its external risk management advisor, LaSalle has reviewed and vetted the capabilities of several climate change analytics and modelling firms. As a result of this analysis, LaSalle has opted to work with "The Climonomics" model from "The Climate Service" and in addition use the Climate Value-at-Risk analysis from MSCI to assess the exposure of its managed assets and portfolios to climate risks.

LaSalle is dedicating 5 full time employees to ESG related topics across Europe. However, this is clear that ESG considerations affect most of LaSalle staff in France and Europe. For the 2021, LaSalle France SAS assess the full-time equivalent staff assigned to managing ESG criteria as around 6 FTE.

The Company allocates each year a budget dedicated to ESG data, benchmarking and certification. Any sustainability related costs are approved on an ad-hoc basis, with the majority of asset initiatives incorporated in the business plans of managed vehicles. LaSalle France has adopted a corporate budget to cover its ESG entity-level costs around the order of € 20k in 2021 .

In particular we estimate:

- LaSalle's investment in the European SMP programme at € 550k per year. France represents around 10% of the total
- The share of LaSalle France in LaSalle's global annual budget in the MSCI climate risk programme is around € 3k
- The share of LaSalle France in the LaSalle's European GRESB Fund benchmarking programme is estimated at around € 6k
- The LaSalle's budget on European NZC audits is around € 2million.
- The estimated budget of LaSalle France on legal fees to meet ESG regulations/legislations (mainly advisory fees for SFDR advice, Décret Tertiaire, general legal review): € 50k
- In addition to this, the LaSalle's annual budget spent for asset-level sustainability certifications on all its French assets is estimated around € 10k (assuming that an asset certification costs between € 1,5 to 5k each and is usually valid for 3 years).

4 Approach to take account of environmental, social and governance quality criteria at entity-governance level

4a. Governance structures in place to oversee ESG matters

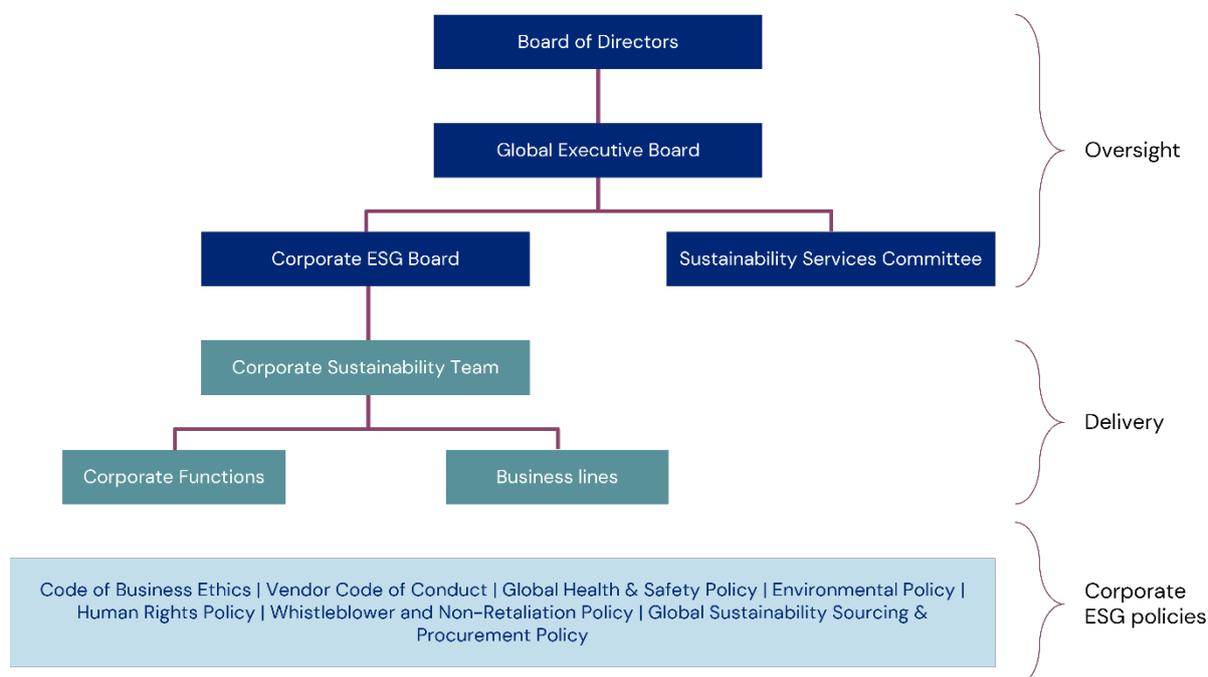
Description of Jones Lang LaSalle (JLL)'s supervisory system in place to implement its ESG global strategy:

The Board of the JLL Group adopted in early 2022 an amended Charter of the Nominating and Governance Committee which added Sustainability as part of the Committee's purpose.

The Committee is assigned the following responsibilities:

- Review and discuss and bring to the attention of the Board current and emerging ESG and sustainability policy trends that could impact JLL's business operations, performance, and reputation;
- Review and discuss JLL's implementation of procedures for identifying, assessing, monitoring and managing ESG and sustainability risks related to JLL's business;
- Review and discuss JLL's integration of ESG and sustainability policies, practices and goals into its business strategy and decision making;
- Review JLL's sustainability program and goals and JLL's progress toward achieving those goals; and
- Review in advance and discuss JLL's voluntary ESG and Sustainability Committee
- The below chart exposes how the sustainability committees are integrated in the overall governance structure of the Group.

Sustainability Governance Structure



Description of LaSalle 's supervisory system in place to implement its ESG global strategy:

LaSalle constituted various committees and working groups with a view to implement its ESG global strategy. Moreover, In Europe, LaSalle's real estate sustainability team consists of five dedicated people, led by the Head of sustainability – Europe reporting directly to the Head of Europe of LaSalle.

The Head of sustainability – Europe brings over 15 years' experience in the real estate market advising leading companies on sustainability, innovation strategies and implementation.

Joining from JLL, where he served as Director of Innovation, he is an established thought leader in the sustainability sector and sits on several boards where he advises clients on future-proofing portfolios for upcoming market needs.

In his role of Head of sustainability – Europe, he drives forward the development of our ESG philosophy, policies and practices. He will also sit on LaSalle's Global Sustainability Committee, led by our Global COO, and our Global Head of ESG, and lead the European Sustainability Task Force.

The Global Head of ESG of LaSalle benefits from an extensive experience in leading worldwide sustainability strategies aiming at having a positive impact on the financial and environmental performance of real estate portfolios. As a leader in ESG, he leads initiatives in building efficiency, renewable energy and climate, promotes health and well-being, resilience, diversity and inclusion, and transparent reporting to stakeholders. He also implemented various renewable energy projects, energy and water efficiency initiatives, created an internal green building certification for emerging markets and assessed their global portfolio for climate and resilience risks. He holds an

MBA, a Bachelor of Environmental Design and a Professional Bachelor of Architecture. In addition, he completed his training in the Executive Sustainability Leadership Program at Harvard University.

The Global Sustainability Committee (“GSC”) consists of LaSalle professionals from around the world and all areas of the business, including senior business leaders from Research and Strategy, Acquisitions, Fund Management, Asset Management and Client Capital Group, as well as LaSalle’s Global General Counsel, Chief Compliance Officer and Global/Regional Sustainability Officers.

The members of the GSC are responsible for disseminating the ESG policies, procedures and strategies developed by the GSC and, with the regional senior management, for developing local initiatives, implementing best practices and integrating sustainability in all investment activities aligned with investment performance and client contractual obligations. The GSC reports to the Global Management Board.

Annually, the GSC sets global ESG goals for the year with LaSalle’s Regional Heads of Sustainability, who are responsible for execution. Semi-annually, our Regional Heads update the GSC with implementation progress of these goals.

The GSC is the main governance board for reporting ESG issues to Senior Managers. Regional Sustainability Officers convene monthly to implement logistics and business strategies to drive ESG issues aligned with the company’s agreed objectives.

At a regional level, LaSalle defined a European Strategy focusing around four pillars of sustainability as referenced above. LaSalle also established a European Sustainability Task Force with representatives from the various parts of the business including asset management, fund management and acquisitions. This task force is supported by working groups focusing on specific sustainability initiatives in the different parts of our business and meets periodically throughout the year with the specific intention of implementing our European sustainability strategy to establish a consistent ESG platform across the European business.

In order to ensure good internal governance around climate risk, LaSalle established in Q1 2020 a global climate risk committee (GCC). The group comprises members from sustainability, risk management, research and strategy and fund management and its main aim is to incorporate climate risk in all investment activities to enhance and protect the value of our clients’ investments.

4b. Inclusion in remuneration policies of information on how those policies are consistent with the integration of sustainability risks ESG matters

LaSalle France adopted in February 2022 its new European Remuneration Policy, which describes the criteria that are used to determine bonuses include, among others, the “Achievement of sustainability objectives within an individual’s performance goals, where such individual is actively involved in sourcing portfolio opportunities and managing the portfolio post-acquisition, in order to achieve alignment with the applicable LaSalle sustainability policies;”.

4c. Integration of environmental, social and governance quality criteria into the by-laws of the entity's board of directors or supervisory board.

In 2021, although the internal rules of the Management Committee do not specifically include ESG criteria for its functioning, the Management Committee was composed of 3 people, including 2 women, one as legal officer and the other female person being the committee chair.

Moreover, our lease agreement template and also the lease agreement signed by the Company for using office spaces at Avenue Kléber includes an environmental annexure that specifies that the parties (i.e. the Company as tenant on one side and the landlord on the other side) commit to perform their best efforts to maintain and, to the extent possible, improve the environmental performance of the spaces, limit the environmental footprint resulting from its occupancy of the building (in the rented spaces but also for the transportation from/to these spaces) in order to ultimately fulfil the recommendations and objectives set in the Grenelle I and II Laws (i.e. respectively the Law n° 2009-967 dated August 3rd, 2009 and the Law n° 2010-788 dated July 12th, 2010) and their amendments.

5 Engagement strategy and its implementation

Taking into account specificities of its asset under management (real estate) and that it invests only through direct holding of real estate assets, the Group JLL, and event more so LaSalle France SAS, does not have a voting policy.

Although it is not formalised, all the Company is committed to supporting the projects in which they invest over the long term, especially regarding their climate impact (see dedicated section). Indeed, as the Company implements a buy and hold investment strategy, the ESG monitoring of assets is crucial.

So, as part of its environmental commitment, LaSalle has implemented bespoke Sustainable Management Programme ("SMP") which monitors and manages energy consumption, carbon emissions, water consumption and waste disposal across our European portfolio. This Programme is also implemented at the funds level. Whole building energy use intensity (EUI) targets for each asset tailored to location, asset class and other contextual factors have been developed. These targets are aligned with CRREM's (Carbon Risk Real Estate Monitor) 1.5 degree pathway for 2030 and 2050, as well as any local country-specific regulation where applicable. Progress against the SMP targets is monitored on a quarterly basis. (see more details in the dedicated section)

LaSalle is not currently applying any formal exclusion strategy. However, in the Sustainable Investment Principles it issued back in September 2020, LaSalle acknowledged that, as time passes, the fundamental standards of buildings, be that environmental or relating to health and wellbeing, will increase. At a certain point, there will be assets that are no longer fit for purpose, and in order to avoid the impact on value this obsolescence has, LaSalle will anticipate that fact and dispose of any assets where it is not financially viable to upgrade them.

6 European taxonomy

Not applicable for the 2022 report.

7 Information on the strategy for alignment with the international climate change limitation objectives of the Paris agreement

As mentioned above, for the acquisition of new assets, environmental factors such as energy efficiency, carbon emissions, building certifications and physical climate risks are considered at stock selection, by the Investment Committee and in the due diligence process. Throughout the hold period of an asset, ESG considerations remain a fundamental element of the business planning process and are a key consideration when undertaking hold/sell analysis.

As part of our environmental commitment, LaSalle has implemented bespoke Sustainable Management Programme (“SMP”) which monitors and manages energy consumption, carbon emissions, water consumption and waste disposal across our European portfolio. This Programme is also implemented at the funds level. Whole building energy use intensity (EUI) targets for each asset tailored to location, asset class and other contextual factors have been developed. These targets are aligned with CRREM’s (Carbon Risk Real Estate Monitor) 1.5 degree pathway for 2030 and 2050, as well as any local country-specific regulation where applicable. Progress against the SMP targets is monitored on a quarterly basis.

Conclusion of our Q4-2021 report:

Achievements:

- Delivered 10 energy optimization audits – identifying 12% savings implementable at low costs
- Data coverage is stable (66%) in Q3-2021.
- Maintained good energy, GHG and water performance
- Q4-2021 – Priorities:
- Smart meters – find the right meter operators/energy provider where we can automate data collection
- Energy Audits – discuss delivered reports and deliver the remaining ones
- Onboarding new Assets – new assets need to be onboarded (incl. consumption) before the next GRESB submission
- Waste – limited data coverage on waste

As part of our asset tailored NZC pathways, we have started to roll out NZC audits across our European portfolio together with a group of consultants. The audits will provide asset and fund managers with the information about the measures and capex required to ensure these assets hit operational net zero carbon benchmarks.

Moreover, one of our funds has started to roll out Energy/Net Zero Carbon (“NZC”) audits across the Fund. The audits will provide information about the measures and capex required to ensure these assets achieve operational net zero carbon benchmarks. The first round of audits on 6 assets has been assigned in September 2021 and the majority of the remaining portfolio will be undertaken in the next 12 to 18 months.

95% of the entity’s assets under management hold either an excellent or very good BREEAM or gold or silver DGNB rating.

At LaSalle, the environmental characteristics promoted by Art 8. managed funds are:

- (1) to minimize energy consumption, carbon emissions, carbon footprint, water use and waste generation;
- (2) to improve the resilience of investments to climate change; and
- (3) to increase the use of reusable, recyclable, sustainably certified and locally sourced material

Our Art 8. managed funds may also acquire assets with low environmental characteristics and then improve their environmental performance through active asset management initiatives. Therefore, there is not a minimum ratio of assets within the managed funds that will be Taxonomy aligned.

In order to ensure good internal governance around climate risk, we established a global climate risk committee (GCC) in Q1 2020. The group comprises members from sustainability, risk management, research and strategy and fund management and its main aim is to incorporate climate risk in all investment activities to enhance and protect the value of our clients' investments.

In collaboration with our risk management advisor Aon, LaSalle has reviewed and vetted the capabilities of several climate change analytics and modelling firms. As a result of this analysis, we have opted to work with The “Climanomics” model from The Climate Service and in addition use the “Climate Value-at-Risk” analysis from MSCI to assess the portfolio’s exposure to climate risk for specific assets and portfolios.

In 2021, we started reviewing our European portfolio against its resilience on physical climate risks in low emission (RCP 4.5) and high emission (RCP 8.5) scenarios.

To address transition climate risk, LaSalle has signed up to the “Better Buildings Partnership (BBP) Climate Change Commitment”, committing us to delivering net zero carbon buildings, for both operational and embodied carbon, by 2050. We published our first European Pathway to Net Zero² Carbon in December 2020. Our strategy is fully integrated into each stage of the asset lifecycle, starting with the investment strategy.

The asset performance on energy, GHG, water and waste is already tracked in our Sustainability Management Program (SMP) and has been expanded to cover new targets from the Pathway to NZC. We have developed whole-building energy use intensity (EUI) targets for each asset tailored to location, asset class and other contextual factors. These are aligned with CRREM’s (Carbon Risk

² https://www.lasalle.com/documents/!20201213_Lasalle_NZC_Pathway.pdf

Real Estate Monitor) 1.5 degree pathway for 2030 and 2050, as well as any local country-specific regulation (such as the “Décret Tertiaire”) where applicable. In detail, the LaSalle targets for the European portfolio are the following:

- Reduce total operational energy use intensity to CRREM aligned 2030 EUI target
- Reduce total carbon intensity to CRREM aligned 2030 GHG intensity target
- Reduce water use intensity across the portfolio by 30% by 2030
- Target 80% recycling rate
- Reduce total waste production by weight by 20% by 2030

Progress against these targets is monitored on a quarterly basis and reported to the fund and asset management teams.

8 Information on the strategy for alignment with long-term biodiversity goals

At the start of 2020, LaSalle launched four framework pillars of sustainability to support its sustainability strategy. These are Climate action, Resources, Communities and Nature. Each pillar highlights an area of material importance for our business and whilst we already have many examples of biodiversity gain across our portfolio, we are currently working on a formal and measurable European biodiversity strategy to support our Nature pillar, although we have not yet joined the Convention on Biological Diversity.

Biodiversity has been declining globally (at the group level), reducing nature’s ability to function as a productive, adaptable and resilient force. We are already working on the integration of the reduction of primary pressures and impacts on biodiversity in the investment policy or on the usage of biodiversity footprint indicator within the framework of our strategy.

As a start, we have mapped our own global office portfolio against the World Database on Protected Areas, a joint project between the UN Environment Program and the International Union for Conservation of Nature (IUCN). This analysis showed that less than 0.3% of our global office portfolio is situated within protected areas and 63% of our offices are situated adjacent to protected areas. These protected areas tend to be made up of historic landmarks, statues, or sites of specific scientific interest (SSSI). These findings will enable us to develop a targeted approach to addressing the biodiversity impacts of our operations, delivered through our global corporate real estate program, targeting locations within protected areas, whilst maintaining monitoring on adjacent sites

9 Accounting for environmental, social and governance quality criteria in risk management

The process for identifying, assessing, prioritizing and managing sustainability risks was integrated into the entity's conventional risk management framework in 2021, in which a new risk category under the name of "sustainability (ESG) risks" was added and will be included in the Pre-deal risk analysis reports provided to the relevant Investment Committee(s) prior to the meeting. Especially, the main duties of the Risk Manager, who is reporting to the Risk Committee, consist in providing input on aggregate risk levels of all Managed AIFs for the purposes of drawing up the statements on principal adverse impacts on sustainability factors pursuant to SFDR.

In order to address the recommendations of the European Supervisory Authorities of the European System of Financial Supervision, the principal environmental, social and governance quality risks that are analyzed on pre-deal risk assessments and portfolio monitoring follow the below segmentation and cover the following metrics:

Environmental Risk- for existing properties: Strategy on asset to improve environmental features or limit adverse impacts on

- Greenhouse gas emissions
- Use of renewable energy
- Water and waste management
- Incidents of environmental pollution
- Use of renewable renovation materials

Environmental Risk- for development projects: technical specifications of the asset development in terms of

- Materials for limiting greenhouse gas emissions
- Use of renewable energy
- Water and waste management
- Prevention of incidents of environmental pollution
- Use of renewable construction materials existing properties:

Social Risk

- Labor practices, health and safety at contractor level
- Employee diversity, human rights at contractor level
- Product quality and safety of managed buildings

Governance Risk

- Adherence of the governing bodies to ESG policy
- Translation of global ESG policy into local investment, business and organizational decisions
- Oversight on operational staff

Significant sustainability risks are expected to be identified at acquisition stage, especially if it requires strong mitigants to be accepted. Thus, all assets under our Funds are analyzed for climate risks before investment and during the holding period.

It has to be noted that the applied risk procedures are heavily adapted to the ESG strategy and SFDR classification of each investment product.

The risk management framework process is revisited on an annual basis, as indicated in the risk management policy.

Jean-Paul Vignac

President of the Management Committee

ANNEX I

APPENDIX E - SUSTAINABILITY REPORT CONTENT CHECKLIST

1 Building Fabric

Ease of recycling building components
Ease of re-use/ refurbishment of building
Airtightness
Flexibility of building for re-use
Ease of installing renewable / sustainable initiatives
Glazing specifications (simple / double / triple)
Thermal insulation performance
Asbestos / hazardous substance report and audit

2 Energy - M&E

Energy audit - electric, gas, oil
Water use audit / meter
Potential for renewables
Low energy lighting
Waste water / rainwater disposal / recycling
Intelligent energy metering systems
Check on commissioning of all plant and systems
Energy Performance Certificate (DPE)
Energy saving devices for plant
BREEAM / LEED / HQE / HPE / THPE..
Water hygiene report / audit
Potential for carbon trading

3 Site

Nuisance - noise, vermin, pests, odors
Flood / sea level rise risk / drain flood risk
Storm severe weather / landslide risk / building vulnerability
Site security / ease of unauthorised access
Waste / rainwater / runoff disposal, Potential for recycling
Previous use / contamination issues
Access to public transport
Health & Safety risk assessment / audit
Disability access audit
Environmental / sustainability policy on display
Sensitivity of site / geology to contamination
Use of chemicals / pesticide for landscape maintenance

4 Transport

Cycle storage facility / cyclist showers
Green travel plan
Car sharing schemes

5 Waste

Adequate waste recycling / handling space
Oil / Hazardous material disposal / storage
Waste stream / hazardous waste documentation / licences



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