



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

LaSalle Investment Management SAS

au 30 Juin 2023



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1 Introduction

French version

LaSalle Investment Management SAS ("LaSalle France" ou la « Société ») est une Société de Gestion de Portefeuille (« SGP ») de droit français agréée pour la gestion de Fonds d'Investissements Alternatifs ("FIAs") et de mandats à prépondérance immobilière. La Société fait partie du Groupe LaSalle Investment Management (Le "Groupe LaSalle") qui constitue, avec ses 24 bureaux (dans 14 pays, dont 6 bureaux pour LaSalle Europe ("LaSalle Europe")) et ses \$79 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.

Le Groupe LaSalle considère que le développement durable est un moteur séculaire à long terme des marchés immobiliers, au même titre que la démographie, la technologie et les changements urbains et régionaux. Les événements climatiques physiques, les changements de marché et de réglementation liés au développement durable peuvent avoir un impact sur les performances ; et lorsque ces facteurs sont correctement pris en compte, ils peuvent aider à préserver et à générer de la valeur ou à gérer le risque dans les performances financières de l'immobilier. L'impact de ces facteurs (c'est-à-dire le type et l'ampleur) dépendra de l'actif spécifique, du fonds et du contexte du marché. Comme pour les autres facteurs de performance des investissements, il nous appartient de nous positionner au mieux en fonction d'un éventail de résultats et de calendriers possibles en ce qui concerne les changements de marché et de réglementation liés au changement climatique, et de faire preuve de discernement pour prendre les meilleures décisions au nom de nos investisseurs.

Le Groupe LaSalle est convaincu que les performances à long terme seront tirées par des thèmes séculaires et sociétaux qui façonneront l'immobilier et les marchés financiers au sens large d'une manière qui supplantera et dépassera les cycles immobiliers à court terme. Nous appelons ces thèmes Démographie, Technologie, Urbanisation et Facteurs Environnementaux ("DTU+E"). Les DTU+E sous-tendent notre stratégie d'investissement et façonnent notre approche de l'investissement à travers les régions et les capacités. Ils sont intégrés dans nos processus d'investissement et soutenus par une gamme d'outils propriétaires qui soutiennent la prise de décision stratégique sur l'allocation à long terme, la gestion et la supervision du capital.

L'approche du Groupe LaSalle en matière de développement durable repose sur trois piliers qui regroupent un sous-ensemble d'aspects ESG. Ceux-ci ont été identifiés sur la base d'un examen des impacts potentiels et réels de notre activité par rapport aux objectifs de développement durable des Nations Unies ("ODD"), recoupés avec les risques, les impacts et les opportunités jugés les plus significatifs pour notre secteur au niveau mondial sur la base d'évaluations périodiques de la matérialité qui comprennent une analyse du contexte du marché, des normes de l'industrie et des attentes des clients. Les trois piliers sur lesquels repose la stratégie de gestion durable sont le "climat", la "communauté" et la "nature et les ressources". Au niveau des portefeuilles régionaux et des actifs, ces piliers sont généralement au centre de nos activités d'intégration ESG (Environnementaux, Sociaux et de Gouvernance), certains aspects étant plus prioritaires en fonction des exigences des clients, du type de produit, du type d'actif, du marché local et des contextes spécifiques à chaque lieu.



Au 31 décembre 2022, la Société gère 4 véhicules réglementés (les “Fonds”) représentant €1,400k de valeur d’actifs et répartis comme suit :

- 2 FIAs classifiés en Art 6. SFDR, représentant 31% des actifs sous gestion réglementée
- 2 FIAs classifiés en Art 8. SFDR, représentant 69% 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 2022 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.

English version

LaSalle Investment Management SAS (“LaSalle France” or the “Firm”) is a French Portfolio Management Company approved for the management of real estate Alternative Investment Funds (“AIFs”). The Company is part of the LaSalle Investment Management Group (“LaSalle Group”) which, with 24 offices around the world (in 14 countries including 6 countries for LaSalle Europe (“LaSalle Europe”)) and \$79 billion under management, is one of the world leaders in real estate asset management. LaSalle Investment Management is part of the Jones Lang LaSalle Inc. Group which, with 300 offices around the world and 90,000 employees, is recognized as one of the major players in the field of real estate services.

LaSalle Group recognizes that sustainability is a long-term secular driver of real estate markets, along with demographics, technology, and urban and regional change. Physical climate events, market and regulatory changes related to sustainability can impact performance; and when these factors are properly considered, they can help preserve and drive value or manage risk in the financial performance of real estate. The impact of these factors (i.e. the type and magnitude) – will depend on the specific asset, fund, and market context. As with other factors in investment performance, it is our job to be best positioned for a range of possible outcomes and timelines in terms of market and regulatory changes related to climate change, and to use our best judgment to make the best decisions on behalf of our investors.

The LaSalle Group believes that long-term performance will be driven by secular, society-wide themes which will shape real estate and wider financial markets in ways that supersede and outlast the shorter-term property cycles. We refer to these themes as Demographics, Technology, Urbanization and Environmental Factors (“DTU+E”). DTU+E underpins our investment strategy and shapes our approach to investing across regions and capabilities. It is embedded in our investment processes and backed by a range of proprietary tools which support strategic decision-making on long-term allocation, management, and oversight of capital.

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.



LaSalle Group's approach to sustainability is based on three pillars which group together a subset of Environmental, Social and Governance ("ESG") aspects. These were identified based on a review of the potential and actual impacts of our business in relation to the United Nations Sustainable Development Goals ("SDGs"), cross-checked against the risks, impacts and opportunities which are deemed most significant for our sector at a global level based on periodic materiality assessments which include analysis of the market context, industry standards and client expectations. These three pillars that underpin its sustainable management strategy are "climate", "community" and "nature & resources". At the regional portfolio and asset levels, these pillars are typically the primary focus of our ESG integration activities, with certain aspects given higher priority in accordance with client requirements; product type, asset type, local market and location-specific contexts.

As of December 31, 2022, the Company managed 4 regulated vehicles (the "Funds") representing €1,400k of asset value and distributed as follows:

- 2 AIFs classified under Art 6. SFDR, representing 31% of assets under management
- 2 AIFs classified under Art 8. SFDR, representing 69% of assets under management, and
- No AIF classified in Art 9. SFDR

It should be noted that none of the regulated vehicles reached the €500m net asset value threshold as of December 31, 2022, so this climate report aims to cover the Firm as a Portfolio Management Company, excluding its regulated vehicles.



2 General ESG approach

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

LaSalle Group strives to ensure that the management of ESG and sustainability aspects is fully integrated into our governance structure, performance management and remuneration, as well as our communications to stakeholders.

LaSalle Europe has developed a framework for integrating sustainability matters into our business. LaSalle Europe's framework involves a long-term approach to business and investment management and focuses on three key areas:

- Sustainable Investment Culture – Ensuring that sustainability is integrated into our governance structure, employee performance management and remuneration, and incorporated into LaSalle communications
- Future Focused Investment Strategies – Aligning our fund strategies with Demographic, Technology, Urbanization 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 aim to deliver resilient investment performance

LaSalle Europe also developed a three-pillar sustainability strategy comprising the following:

- Climate
- Nature and Resources, and
- Communities

As part of the acquisition due diligence process, LaSalle France identifies potential investment opportunities and risks, including sustainability risks (as defined in the SFDR), by completing a sustainability checklist for all potential investments. Additionally, LaSalle's Sustainable Investment Principles (for details see Annex I) serve as guidance in assisting the transaction teams in evaluation of sustainability risks. These principles mainly address:

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

Investments with an average or poor sustainability performance may also be acquired where a possibility for improvement of sustainability characteristics has been identified. After acquisition, the asset management team is responsible for managing sustainability related risks throughout the rest of the hold period for each asset. Costs relating to sustainability initiatives (including carbon audits and capital expenditure aimed at improving energy efficiency of the asset) must be included in the annual asset level business plans. LaSalle Europe's dedicated sustainability team provides



technical support to the asset management team in the form of high-level sustainable development standards, broad sector-level advice, as well as asset specific sustainability enhancement opportunities.

As part of our environmental commitment, LaSalle Europe runs a Sustainability Management Program ("SMP") for our direct investments which monitors and manages energy consumption, carbon emissions, water consumption and waste disposal across our portfolio (excluding development assets). For all French assets, bespoke reduction targets are set, and progress against these targets is monitored on a quarterly basis and reported to our clients.

2b. Extra-financial reporting

LaSalle Group communicates with its stakeholders with respect to the environmental, social and governance initiatives, strategies, and/or performance via:

- Regulatory disclosures where required (for example, pursuant to the disclosure obligations under SFDR) notably on the environmental or social characteristics 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...
- Relevant marketing materials (including prospectus, PPM)
- Fund-level investor reports: In these reports, funds disclose their sustainability activities and inform on environmental indicators such as climate risk, carbon emissions, energy reduction, green building certifications and on-site renewable energy installations
- Website disclosures
- 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 2022, LaSalle France was managing 4 regulated Funds, holding in total twelve Real Estate assets and representing € 1,400M assets under management.

Two of the regulated funds are classified as Article 8 according to the SFDR, representing 69% 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 2022 exceeding €500M.

The two remaining regulated funds are classified as Article 6 according to the SFDR. Those represent € 438,4M of AUM and 31% as a percentage of the outstanding amount managed.

2c. Integration of environmental, social and governance quality criteria in the decision-making

As a fiduciary to our clients, LaSalle's primary responsibility in all of its activities is to meet our clients' investment objectives. We believe that ESG best practices are critical in supporting long-term resilient real estate investment decision making. LaSalle's operating philosophy with respect to ESG is to set policy and strategy at the global level and empower the regional and local teams to develop initiatives and priorities appropriate for each country, client, and asset.

LaSalle's sustainability initiatives are driven primarily through its Global Sustainability Committee ("GSC"), which is an internal committee consisting of select LaSalle real estate professionals from around the globe and across LaSalle's business lines. The GSC is charged with identifying near and long-term strategic ESG initiatives aimed at encouraging continuous, incremental improvements in the performance of LaSalle's assets under management.

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

As of 31 December 2022, LaSalle Group is a member or participant 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
- TCFD supporter

In 2009, LaSalle Group also became a signatory to the United Nations Principles for Responsible Investment ("UNPRI"), which are a series of investment-related statements designed for institutional investment managers. The UNPRI are designed to encompass all investment strategies and asset classes; as LaSalle Group invests solely in real estate, the firm works to adapt these principles to our investment strategies.



Signatories to the UNPRI are committed to integrating sustainability criteria into their investment analysis and ownership practices. The UNPRI require the signatories to:

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

Finally, LaSalle Group and all its employees are subject to the JLL's Code of Business Ethics.



3 Internal resources deployed by the Firm

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

In Europe, sustainability is embedded in all relevant business areas and forms part of the responsibilities of all LaSalle employees. To manage implementation of sustainability topics across the business areas and support operational teams, LaSalle Europe has a dedicated sustainability team that consists of six full time people, led by the European Head of Sustainability, who reports directly to the Chief Operating Officer of LaSalle Europe.

The European Head of Sustainability brings over 15 years' experience in the real estate market of advice on sustainability, innovation strategies and implementation. Coming 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 European Head of Sustainability, he drives forward the development of our sustainability philosophy, policies and practices.

In 2022, across all the teams at LaSalle France, the internal resources relating to ESG initiatives and topics approximated to 3 full-time equivalents ("FTEs").

To increase sustainability knowledge across its organization, trainings are provided to investment teams throughout the business by the sustainability team, including Continuing Professional Development sessions with external speakers on current topics such as the Circular Economy and Social Value. Firm-wide training on net zero carbon and climate risk has been delivered in 2022. In addition, LaSalle Group has driven and funded the development of a real estate sustainability training module through the Better Buildings Partnership that is delivered to select employees across Europe. The goal of LaSalle's ESG training programme is to continue striving to make sustainability integral to our investment processes, and to make our asset and fund teams accountable for the sustainability programmes within their respective funds and client portfolios.

In 2022, two members of the Management Committee of LaSalle France participated in certified trainings on the "Décret Tertiaire" and Sustainable Products and the Circular Economy (totaling 21 hours).

LaSalle's SMP includes all our direct equity European assets (except assets still in development) 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 sustainability quality of our Funds, 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.

LaSalle Europe has engaged external consultants to assist the group in implementing the European Net Zero Carbon ("NZC") Pathways. Together with the consultants, LaSalle Europe rolled out NZC audits across our European portfolio. The NZC audits provide the fund and asset management



teams with information about the measures and capital expenditure required to increase energy efficiency of the asset.

All environmental performance data is collected, stored and reported via a dedicated sustainability technology and consulting platform. The platform allows the fund and asset management teams to quickly access relevant sustainability data, monitor progress on the performance towards the targets, identify potential areas of improvements, and support client reporting.

To better integrate our considerations for climate risk, LaSalle Group undertook a substantial review of climate risk data providers and selected MSCI as our preferred provider (whilst continuing to monitor progress of others). This process enabled LaSalle Group to report climate risk at asset/fund level, in accordance with the recommendations of the TCFD.

Each year, each Fund allocates a budget dedicated to sustainability activities such as data collection, benchmarking, certifications, and implementation of energy conservation measures. 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.

In particular we estimated:

- The cost of the European SMP at € 550k per year, out of which the French assets held by the Funds represent around €25k
- The share of assets managed by the Funds in LaSalle's European GRESB Fund benchmarking programme is estimated at around €6k
- LaSalle Europe's budget for European NZC audits totals around €2 million. The Funds managed by LaSalle France amounts to approximately €50k of these audit fees
- The estimated budget of the Firm for legal fees to meet ESG regulations/legislations (mainly advisory fees for SFDR advice, Décret Tertiaire, general legal review): €10k
- The estimated budget of the Funds for audit/legal fees to meet SFDR regulations/legislations (mainly advisory fees for SFDR advice, Décret Tertiaire, general legal review): €42k
- In addition, the annual budget spent by the Firm on behalf of its Funds for asset-level sustainability certifications on all its French assets is estimated around €74k



4 Approach to take account of environmental, social and governance quality criteria at Firm-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.

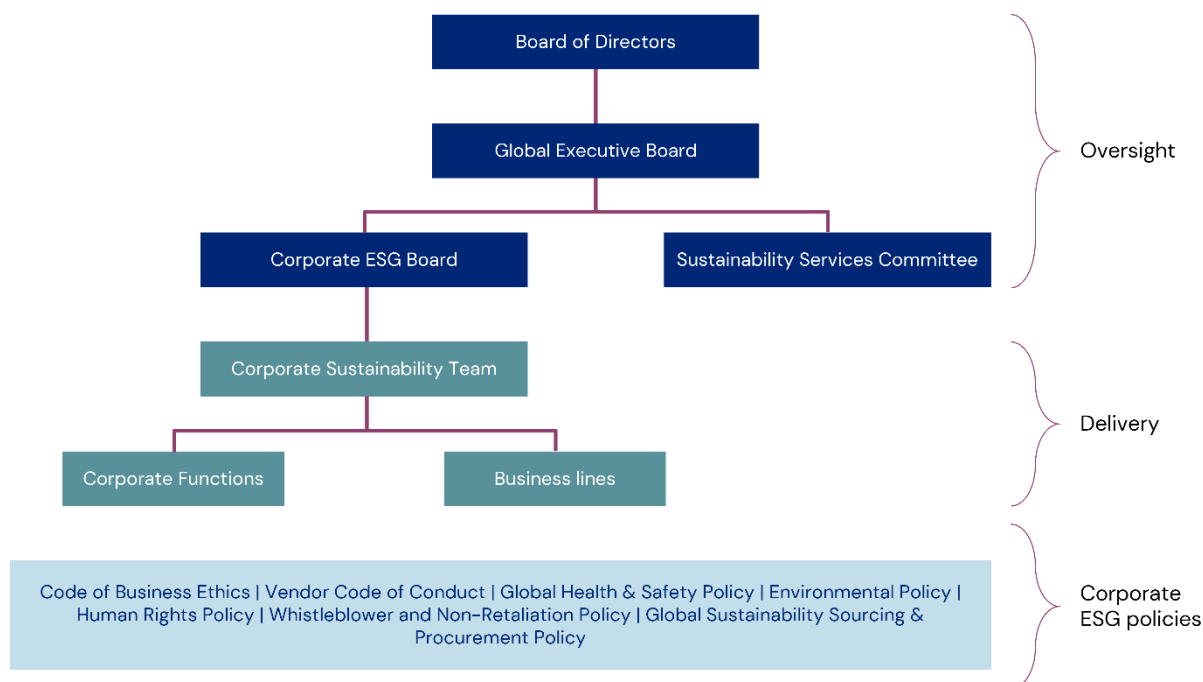
The Committee is assigned the following responsibilities:

- Review, 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 & goals and JLL's progress toward achieving those goals, and
- Review in advance and discuss JLL's voluntary ESG and Sustainability Committee

The charts on next page present how sustainability committees are integrated in the overall governance structure of the JLL Group as well as in the LaSalle Group.



JLL Sustainability Governance Structure:



(Source: JLL 2021 Global Sustainability Report)

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



* Designates full-time employees dedicated to sustainability and ESG

(Internal source)



LaSalle Group constituted various committees and working groups with a view to implementing its ESG global strategy.

The Global Sustainability Committee (“GSC”) consists of LaSalle Group 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 Operating Officer, LaSalle Europe and Global/Regional Sustainability Officers.

The members of the GSC are responsible for setting out and disseminating global ESG policies, procedures and strategies, and together 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 is chaired by the Global Head of Sustainability and the Global Chief Operating Officer and reports to the Global Management Board.

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

The GSC is the main governance board for reporting sustainability issues to the LaSalle Group senior management. Regional Sustainability Officers convene monthly to implement logistics and business strategies to drive sustainability issues aligned with the objectives agreed by the LaSalle Group.

In order to ensure good internal governance around climate risk, LaSalle Group established a Global Climate Risk Committee (GCC). The GCC comprises of members from sustainability, risk management, research & 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. To meet this objective LaSalle Group created the Climate Risk Task Force (CRTF), comprised of more than two dozen members including the Global Head of Research and Strategy, Global Legal Counsel, Regional Heads of Sustainability and representatives from portfolio management, asset management, risk management, due diligence and other functional areas. The CRTF vetted climate risk data providers and initially selected a primary and secondary climate risk data provider, ultimately settling on a single provider. The CRTF’s current objectives are to provide guidance to internal teams and more deeply and more broadly integrate climate risk into our investment decision making and other processes. To build the capacity to address climate risk across the organization, training materials were developed and shared with all LaSalle Group employees.

At a regional level, LaSalle Europe defined a European Strategy focusing around three pillars of sustainability as referenced above. LaSalle Europe also established a European Sustainability Task Force with representatives from the various parts of the business including asset management, fund management, acquisitions and legal & compliance. 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 sustainability platform across the European business.

LaSalle Europe’s real estate sustainability team consists of six dedicated professionals, led by the European Head of Sustainability, reporting directly to the Chief Operating Officer, LaSalle Europe. The European Head of Sustainability sits on the LaSalle European Management Board, the LaSalle Global Sustainability Committee, led by our Global COO, and our Global Head of ESG, and leads the European Sustainability Task Force.

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

LaSalle France is subject to the European Remuneration Policy which notably promotes sound and effective risk management (both at investment and corporate level) including sustainability risks and having regard to sustainability matters promoted by LaSalle Group. The Policy is administered by the European Remuneration Committee which has been entrusted with ensuring that LaSalle Europe's remuneration structure is consistent with the strategies, risk profiles, rules and objectives of LaSalle's mandates, including sustainability linked undertakings and commitments. The compliance function of LaSalle France receives annual confirmations from the European Remuneration Committee in respect of compliance of the remuneration awarded in the previous performance year with the European Remuneration Policy.

Furthermore, LaSalle Europe set out ESG objectives which form part of the performance goals of each employee. Consequently, contribution to these objectives forms an integral part of the year end performance assessment process which is linked to annual remuneration awards.

4c. Integration of environmental, social and governance quality criteria into the internal policies and procedures of the Firm's board of directors or supervisory board

Although the internal rules of the Management Committee of the Firm do not specifically include ESG criteria for its functioning, LaSalle Group has established an ESG Global policy. The purpose of this policy is to define LaSalle's position regarding ESG and provide employees with guidelines related to ESG for decision-making processes.

Moreover, our lease agreement template and also the lease agreement signed by the Firm for using office spaces at Avenue Kléber includes an environmental annexure that specifies that the parties (i.e. the Firm 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

LaSalle Group approach to sustainability encompasses a wide variety of initiatives. In particular, the LaSalle Group Global ESG policy recognizes the pressing requirement for action on mitigating the effects of climate change and the transition to a low-carbon economy.

By signing up to the Better Building Partnership (“BBP”) Climate Change Commitment in 2019, LaSalle Europe committed to deliver NZC buildings for our direct real estate investments, both for operational and embodied carbon, by 2050. In December 2020, we published our first pathway to net zero carbon. Based on this commitment, LaSalle Europe developed whole-building Energy Use Intensity (“EUI”) and carbon reduction targets for each asset tailored to location, asset class and other contextual factors, which allow LaSalle to monitor the progress. These are aligned with CRREM’s (“Carbon Risk Real Estate Monitor”) 1.5-degree pathway for 2030 and 2050, as well as any country-specific regulation if local regulations impose higher requirements.

Progress against these targets is monitored within our bespoke SMP which is implemented by an external provider to LaSalle Group. In addition to energy and carbon reduction targets, the SMP monitors and manages water consumption and waste disposal across our European portfolio with the aim to reduce operational expenditure and help meet environmental targets. Further, the SMP supports property and facilities managers in the daily management of the asset. For all assets within the SMP, quarterly assets level reports are provided to the fund management and asset management teams which include information such as progress against NZC / water / waste targets, data coverages and share of smart meters. Additionally, the teams are provided with information on climate risk and certification / Energy Performance Certificate (“EPC”) levels both on fund and asset level through our LaSalle Group internal data platform.

To support LaSalle Group’s NZC commitment, the group launched a programme of NZC audits which set out the measures and costs required to ensure assets alignment with 2030 CRREM pathway. The audit data also facilitates identification of stranding risks, their timeframes, and provides LaSalle Group with the parameters to determine whether external costs, such as off-setting need to be factored into the asset business plans. This approach aims at helping LaSalle Group in making informed allocation decisions and assists with disposal decisions. To date, LaSalle Group completed approx. 140 audits across our European portfolio, started to integrate the results into the asset business plans, and roll out interventions across the first selection of assets. 4 NZC audits have been conducted by LaSalle France in 2022 in respect of the managed Funds.

On acquired assets, the audits provide information about the measures and capex required to ensure these assets achieve operational net zero carbon benchmarks. In respect of art 8 Funds, the outcome of the audit can also assist the Fund Manager in identifying any steps to progress alignment of the Fund’s assets with the environmental characteristics promoted by the Fund.

Completed audits are reviewed by the asset management and the LaSalle Europe sustainability teams. Initiatives aligning with the Fund’s sustainability strategy and Net Zero Carbon targets are recommended by asset Management to fund Management during the annual budget setting process. Initial recommendations have been included in the 2023 budgets and longer-term five-year capex plans.



6 European taxonomy

As of December 31, 2022, the portion of AUMs of financial products that invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy, as a percentage of the outstanding amounts managed, was nil.

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

As mentioned above, LaSalle Europe has signed the BBP Climate Change Commitment in 2019, which commits us to deliver net zero carbon buildings by 2050. Our corresponding published NZC pathway lays out how NZC should be integrated in all stages of the asset lifecycle to achieve this commitment:

- Acquisition:
 - o Integrate NZC principles into our investment strategy and due diligence
 - o Undertake NZC reviews and seek operational energy data pre-acquisition
- Development:
 - o All new development projects are designed to our Sustainable Development Standards, underpinned by high level building certification
 - o We will undertake Whole Life Carbon Assessments of developments
 - o Target a reduction in embodied carbon intensity by 50% by 2030
 - o Develop an internal carbon price benchmark and use allocation to incentivize retrofit of standing assets
 - o Adopt 'Design for Performance' principles
- Operation:
 - o Expand our SMP across Europe and "whole-building" analytics
 - o Align Energy Use Intensity of our assets with leading net zero carbon benchmarks to target an energy consumption reduction of one third by 2030
 - o Support suppliers to decarbonize asset management services in line with science-based targets
- Refurbishments:
 - o Undertake Whole Life Carbon Assessments of materials and equipment procured for refurbishment and maintenance, we undertake directly
 - o Minimize carbon through low carbon material and equipment choices
- Disposal:
 - o Include carbon stranding risks part of our investment decision-making process
 - o Share operational energy data and NZC Pathway information with buyers

To evaluate NZC risks and opportunities, LaSalle Group has launched a programme of NZC audits that applies to all the French assets in operation of the four Funds. Relevant interventions based on the audit results will be rolled out systematically going forward.

Energy and carbon indicators are further included in the sustainability strategy of LaSalle France Article 8 SFDR products. The environmental characteristics promoted for those products are:

(1) Energy & Carbon: Funds promote the reduction of greenhouse gas ("GHG") emissions and the efficient use of energy (with respect to both operational GHG emissions and, in the case of developments and re-developments, the embodied carbon of such works).

(2) Climate Risk: Funds aim to measure, monitor and when necessary, reduce its exposure to risks which might arise due to the impact of adverse physical climate events (such as floods and hurricanes) through both portfolio composition and asset-level mitigation measures.

For its article 8 managed Funds, LaSalle France has adopted an internal ESG scoring tool to measure on a regular basis alignment with these environmental characteristics.

LaSalle France Art 8. managed Funds may also acquire assets with low environmental characteristics and then improve their environmental performance through active asset management initiatives.

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

The European sustainability strategy is framed around three pillars: Climate, Resources & Nature, and Communities. 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.

Biodiversity has been declining globally, reducing nature's ability to function as a productive, adaptable and resilient force. LaSalle Group is 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 LaSalle Group strategy.

It is LaSalle Group's plan to enhance this base requirement in the next months to gather additional information and metrics from the assets, and to report those metrics in line with the anticipated Taskforce on Nature-related Financial Disclosures and the Principal Adverse Impacts ("PAI") as defined under SFDR.



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

LaSalle France implemented risk management policies and processes covering operation of the Firm as well as the managed Funds, which are reviewed on annual basis. LaSalle France risk management policy for identifying, assessing, prioritizing and managing sustainability risks was integrated into the Firm's risk framework in 2021, by adding a new risk category under the name of "sustainability (ESG) risks". Since then, ESG risks have been expressly considered by the risk function in the pre-deal risk analysis reports provided to the relevant Investment Committee(s). Furthermore, the responsibilities of the Risk Manager include reporting on aggregate risk levels of the managed Funds that are classified as Article 8 according to SFDR for the purposes of drawing up the statements on principal adverse impacts on sustainability factors under 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:

1. Environmental Risk for existing properties – Asset strategies designed 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
2. 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
3. Social Risk:
 - Labor practices, health and safety at contractor level
 - Employee diversity, human rights at contractor level
 - Product quality and safety of managed buildings
4. 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

LaSalle France aims to identify significant sustainability risks at the acquisition stage, especially if the asset requires expensive sustainability initiatives. Thus, all assets held by the Funds are analyzed for climate risks before investment and during the holding period.



Signature:


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Jean-Paul Vignac

Directeur Général de LaSalle Investment Management SAS



ANNEX I – Sustainable Investment Principles at LaSalle Europe

1 Physical Climate Risk
Identification of projected climate risk (incl. risk level) for each risk category (flood risk, extreme heat/cold, droughts, wildfires, storm etc)
Mitigation / Adaptation measures
2 Energy Performance Certificate / Rating
EPC rating and upgrading potentials
Alignment with legal requirements
Availability of smart metering
Age of key plants / renewal options
3 Net Zero Carbon
Alignment with CRREM pathway / costed plan for CRREM alignment (if available at acquisition)
Expected stranding year (if known)
Evaluation of heating system fuel
Renewable energy availability / potential
Availability / potential for EV infrastructure
4 Building Use
Exposure to fossil fuel industry
5 Wellness & Wellbeing (office, residential)
Building certification
Equipment / sensors to monitor indoor environmental quality
Availability of green amenity space
6 Travel, Transport & Accessibility (office, residential)
D&I design
Cycling facilities
EV charging stations
7 Operator
ESG objectives and targets
Sustainability requirements in contracts
8 Occupier
ESG objectives and targets
Green lease clauses that incentivise resource efficiency, sustainability initiatives and collaboration & information sharing
9 Property Manager / Facility Manager
Sustainability objectives in PMA
Dedicated sustainability resources to support data / information requirements and implementation activities
10 Biodiversity
Programmes / opportunities to support and enhance biodiversity
Local planning laws governing biodiversity
11 Waste Management
Adequate space for onsite waste management and segregation
12 Regulation / Municipal laws etc.
Local legislation or city / country initiatives that present a potential risk
SFDR requirements



Amsterdam

Los Angeles

Paris

Sydney

Atlanta

Luxembourg

San Diego

Tokyo

Baltimore

Madrid

San Francisco

Toronto

Chicago

Mexico City

Seoul

Vancouver

Hong Kong

Munich

Shanghai

London

New York

Singapore