

# 2022 European Net Zero Carbon annual progress report





LaSalle Investment Management is a founding signatory of the Better Buildings Partnership's (BBP) Climate Commitment, which acknowledges the transformation that is required across the real estate sector to deliver net zero buildings by 2050. The scope of the commitment makes it one of the most ambitious that property owners can adopt.



Enabling market transformation through sustainability **leadership and collaboration**.\*



Improving professional understanding through **knowledge sharing**.



**Developing common approaches** with our members, stimulating the property industry to deliver buildings that perform better.

\*These are the aims of the Better Building Partnership, as listed on their website:  
<https://www.betterbuildingspartnership.co.uk/member-climate-commitment>

There is no doubt that commercial real estate is entering a period of transition, one in which sustainability will be as important as commercial performance.

The sustainability credentials of assets and funds will be subject to greater scrutiny by regulators, investors and occupiers. Those slow off the mark will find it difficult to protect and create value.

At LaSalle, delivering investment performance today is all about ensuring a better tomorrow for our stakeholders. We undertake our responsibility to the planet, our clients and our people with the highest degree of sincerity and integrity. The thematic lens adopted by our Global Management Committee to drive this is centred around the phrase "People, Planet, Performance." Our view is that delivery of investment performance and a sustainable future for our stakeholders are not mutually exclusive when acting as a steward and fiduciary of investment capital.

Sustainability considerations are firmly integrated into our investment process. Our net zero carbon pathway is the result of a collaborative effort across the business, detailed technical modelling of our European portfolio and a review of what net zero really means for the industry today. While the economic effects of Covid-19 quite rightly sit at the forefront of our minds in the short-term, we must not forget that the long-term drivers for decarbonisation are not going away.

As a global business, we must be sensitive to differences in the pace of net zero regulation across our regions and the objectives of our clients. However, the lowest common denominator should not drive our overall position. We expect positions on net zero to converge in the long-term – the Paris Agreement gives the clearest possible mandate – and we must be well-placed for this transition.

So where to start? There are clear first steps. Data is an immediate priority – we need to better understand where our carbon impact is concentrated and what is the most cost-effective way of affecting change while fulfilling our fiduciary duty. Enhancing our zero carbon implementation skills through training and education will be important. With the industry's position on net zero ever evolving, we will take an active role in industry discussions. Finally, the role of innovation will be critical, and we will continue to monitor emerging technologies and how they might support us in our pathway.



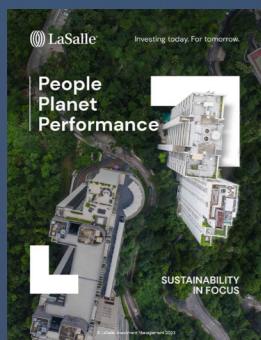
**Alex Edds**  
 Head of Sustainability, Europe

# 2022

The formation of the Global Sustainability Committee (GSC) in 2008 marked the beginning of LaSalle’s formal process for integrating sustainability initiatives across portfolios.

Since then, specialist tools, processes and resources to evaluate risks and opportunities related to our client’s sustainability objectives have become an integral part of working life across many aspects of our business from due diligence, risk management and operations, to portfolio management.

External LaSalle publications:



## 70%

Reduction in Scope 1<sup>1</sup>

## 69%

Reduction in Scope 2<sup>1</sup>

## 138

Net Zero Carbon Audits (NZC) completed

## 110

LaSalle colleagues participated in bespoke NZC training programme<sup>2</sup>



Progress in Pan-European onsite renewable energy deployment<sup>3</sup>



PERE Award for ESG Firm of Year, Europe 2022<sup>4</sup>

1. This reduction has been calculated between 2019 and 2021, using a combination of actual and estimated data. For our direct real estate portfolio, which represent 90.3% of assets by number (excluding assets in disposal process. As of December 31, 2021. It represents an absolute reduction, not a relative one. For more details see section '[Understanding the results of our carbon footprint](#)'.  
 2. LaSalle currently employs 60 investment professionals across Europe.  
 3. As of December 2022, LaSalle has over 12MW of installed capacity deployed on asset rooftops with 2.6MW coming online in 2022.  
 4. PERE ESG Firm of the Year award is for firms 'that have made a key achievement in environmental, social and governance investing in the 12-month period'. LaSalle do not pay PERE, or anyone else, to be considered for this award.

# Scope of our strategy

The scope of this report remains on our direct real estate investment in Europe totalling £14.6 billion in AUM.

We exclude the following investment activity from the scope of this commitment, but we strive to achieve NZC for all assets under management, by 2050 and are actively developing a strategy for all investment vehicles globally.

- Non-European real estate assets. We are developing our global net zero strategy, which captures all of our direct real estate investments across the world. These vehicles will be included in our global Net Zero Strategy. We already regularly engage underlying managers through the LaSalle Global Solutions platform to encourage dialogue and ensure that they continue to develop and expand ESG protocols and align with NZC principles.
- Private debt investments and Value Add Investments. We have launched a “green loans” product within our Debt business and are actively engaging with industry partners to develop best practice guidance for real estate debt decarbonisation.
- Corporate emissions. These fall under the remit of our parent company JLL, which has committed to achieve net zero carbon emissions across all JLL-occupied buildings, including those occupied by LaSalle, by 2030.

## OUT OF SCOPE

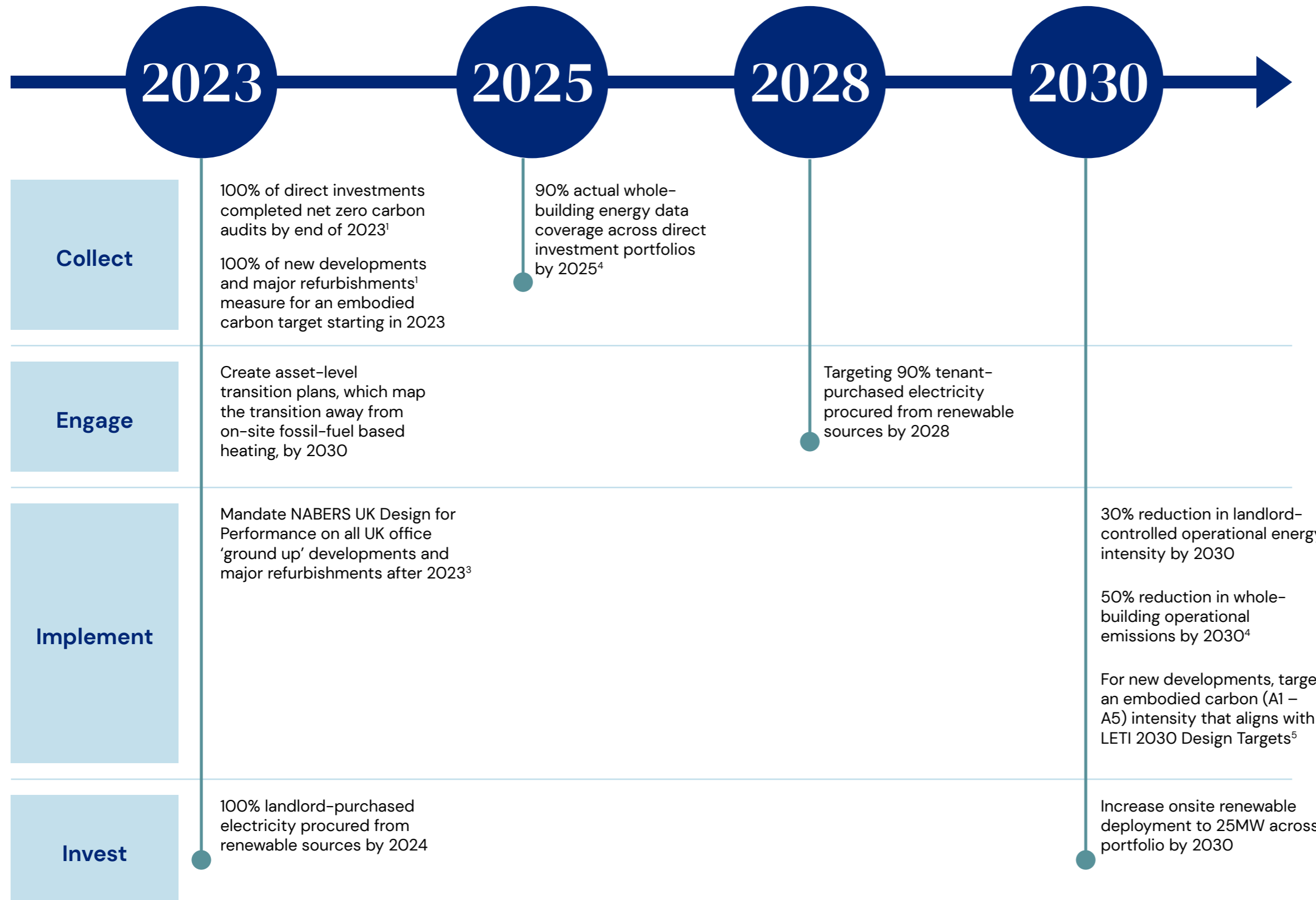
Non-European, Private Debt, Value-Add, Indirect and Public Securities investments

## IN SCOPE

Direct investments in Europe

1. Our business lines are more fully described in our Global Climate Action Plan, please see: [lasalle.com/climate-action-report](https://lasalle.com/climate-action-report)

# Roadmap of our NZC ambitions



## Scope 1

Direct emissions from buildings, linked to landlord and/or owner controlled energy consumption, for example fuel and gas, and refrigerant leakage (fugitive emissions).

## Scope 2

Indirect emissions from landlord/owner energy consumption, for example electricity, district heating and cooling networks.

## Scope 3

Emissions that occur due to LaSalle's activities, but which we have no direct ownership or control over. These include emissions arising from our tenants' energy consumption, LaSalle's purchased good and services, including the manufacturing and production of construction materials for development projects, and other emissions associated with water consumption, waste management and refrigerant leakage.

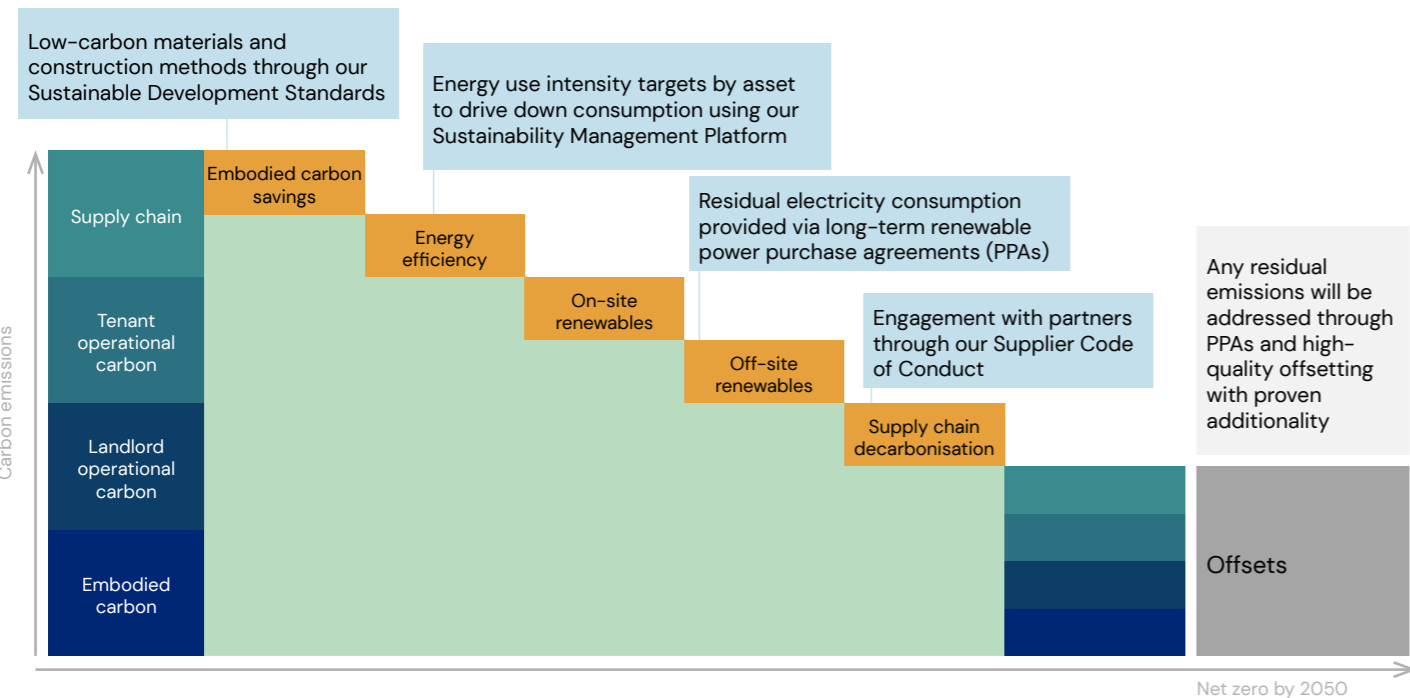
- This roadmap sets out a selection of milestones and targets for all Direct Investments, excluding those in sell down portfolios, which form part of our European Net Zero Carbon Strategy.
- This is highly dependent on the willingness of our tenants to share energy consumption data with LaSalle. We endeavor to request and collect this data.
- NABERS UK Design for performance modelling must commence in RIBA Stage 1, therefore projects past RIBA Stage 1 in 2023 are exempt.
- Where an asset has been held for longer than 18 months and the tenant has demonstrated a willingness to share consumption data and actively engage in energy efficiency measures with LaSalle.
- Low Energy Transformation Initiative (LETI) is a voluntary network of over 1,000 built environment professionals, working together to put the UK and the planet on the path to a zero carbon future. LETI has established a set of targets which are aligned with assets transitioning towards net zero.

# Developing our strategy for direct investments

Our strategy<sup>1</sup> is data-driven and has been built through a business-wide collaborative process.



- 1** We undertook interviews across regions and business functions to gather views on 'net zero'
- 2** We reviewed all relevant net zero definitions in the markets in which we operate
- 3** We undertook technical modelling of the cost and performance impacts of achieving net zero across our entire portfolio
- 4** We engaged with senior business stakeholders to test and refine the strategy and ensure it aligned with strategic objectives



1. This strategy is for our direct investments managed by our Private Equity business and excludes assets proposed to be sold in 2023 and 2024  
 2. The principles of additionality apply, as defined by the UK Green Building Council (UKGBC), when an organisation / consumer self-generates renewable energy from their own facilities, or chooses an electricity purchasing contract that contributes to the construction of new renewable energy facilities.

# European carbon footprint

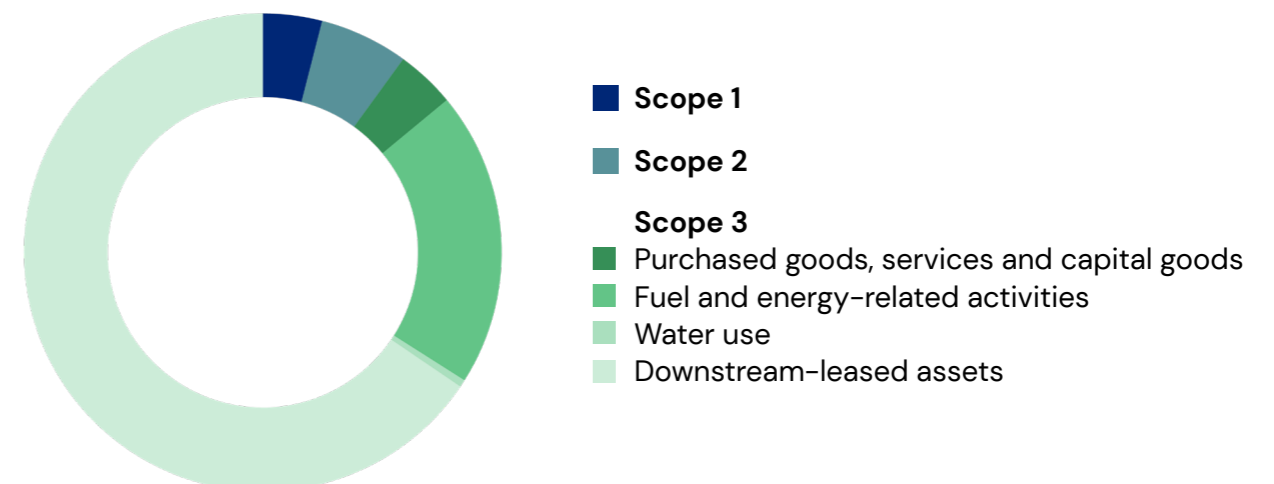
In order to deliver our net zero pathway, we need to first measure and understand the carbon footprint of our portfolio of direct investments managed by our Private Equity business (excluding those proposed to be sold in 2023 or 2024 and those which are in development phase or subject to material redevelopment or repositioning) and the associated management activities. As this is the first Progress Report since our initial BBP Climate Commitment Report, we are publishing our 2019 European carbon footprint, as our baseline year, and our 2021 European carbon footprint, as our first reported year. The year 2019 was chosen as our baseline year because it avoids the disruptions caused by the Covid-19 pandemic and aligns with our NZAM commitment.

In line with the Better Buildings Partnership's Climate Commitment, we have published operational emissions data for our core direct real estate investments, where we have a higher degree of confidence than our debt and value-add investments. It must be noted that this process involved a high degree of estimation, for which we utilised Verco Advisory Service's Aim for Zero (A4Z) tool for best practice energy benchmark figures. The A4Z tool established asset and location-specific energy benchmarks based on an extensive audit programme that Verco completed on behalf of the UK Government for the Building Energy Efficiency Survey (BEES).

We will continue to refine our approach to estimation, leveraging the data from the LaSalle Net Zero Carbon Audit Programme initiated in late 2021, and replace estimated data with actual data as this becomes available.

Our 2019 baseline and 2021 carbon footprint includes Greenhouse Gas Protocol Scopes 1, 2 and 3 emissions from energy consumption and refrigerants. These include tenant emissions, using reported data where available, or best practice benchmarks mentioned above. Both our baseline footprint and first reporting year currently excludes embodied carbon from our development projects; however, this will be included in our next progress report. Please see Appendix A for detailed information on our commitment scope.

The chart below demonstrates the breakdown between our Scope 1, 2 and 3 emissions for 2021. As is typical of a real estate investment manager, our Scope 3 emissions represent nearly 90% of the total, with the emissions from downstream-leased assets representing nearly 65% of the total. We are clear that in order to decarbonise our portfolio we need to focus on addressing our Scope 3 emissions, namely through working with our tenants to reduce their energy consumption and transition to low-carbon energy sources.



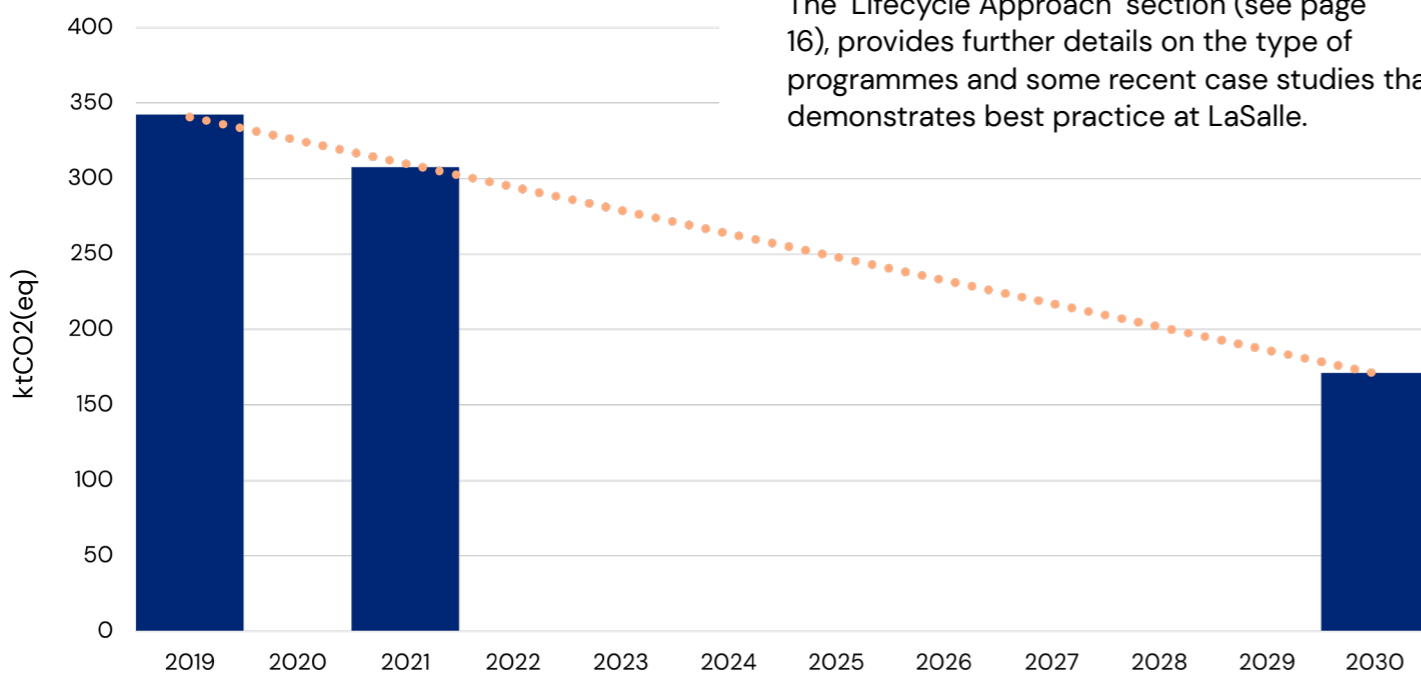
# Understanding the results of our direct investments carbon footprint

Our total emissions for the baseline year (2019) and first reporting year (2021) were 342,500 and 308,000 tons of carbon equivalent (tCO<sub>2</sub>eq) respectively. We reduced our total for direct real estate carbon footprint by 10% between 2019 and 2021, a reduction of 34,500 tCO<sub>2</sub>eq. Whilst this reduction aligns with our portfolio's net zero trajectory, it should be noted that over the same period the portfolio's net lettable area decreased by 10%. Therefore, in absolute terms we saw a meaningful reduction in emissions, but in relative intensity terms (kgCO<sub>2</sub>eq/sqm) our carbon footprint decreased by 2%. There are a number of plausible reasons for this, with the most pertinent being that the amount of net lettable area within our long-income portfolios (classified as "downstream leased assets") increased by 24% between 2019 and 2021. Classified under Scope 3, emissions associated with downstream leased assets are those where LaSalle has no operational control, only limited influence, in that our clients are either the freeholder or long-lease holder. Therefore, the only way to reduce tenant emissions is through active tenant engagement, a process we started in 2021 and have ramped up subsequently.

Secondly, the composition of the portfolio has changed significantly. Over the reporting period, our funds disposed of direct property assets with lower average relative energy use intensity, such as a large private rented sector scheme as part of a UK pension fund's direct benefit sell-down. Conversely, we acquired assets with a higher relative energy use intensity, such as four UK hotels and one leisure centre in Q4 2021, resulting in a 6% increase in energy use intensity, averaged across the portfolio.

We will continue to initiate and deliver programmes that decrease our portfolio's overall carbon emissions, with the aim of reducing emissions by 50% by 2030,<sup>1</sup> which, as shown in the graph below, we are currently on track to achieve. It must be noted that the emissions data associated with the year 2020 was excluded from our analysis due to the impact of the Covid-19 pandemic on occupancy levels. An initial analysis of the 2020 emissions data showed their inclusion would misrepresent our performance, furthermore, this dataset was incomplete relative to 2019 and 2021.

The 'Lifecycle Approach' section (see page 16), provides further details on the type of programmes and some recent case studies that demonstrates best practice at LaSalle.



1. Where an asset has been held for longer than 18 months  
 2. Location-based emissions computed using the 2021 national grid emissions factors, depending on where the asset is located  
 3. Market-based emissions computed for landlord areas where LaSalle purchased Renewable Energy Guarantees of Origin (REGO) certificates, and where our tenants have confirmed their renewable tariff (backed by REGOs or Power Purchase Agreements)

# Location-based versus Market-based results for European direct investments

## Location-based:

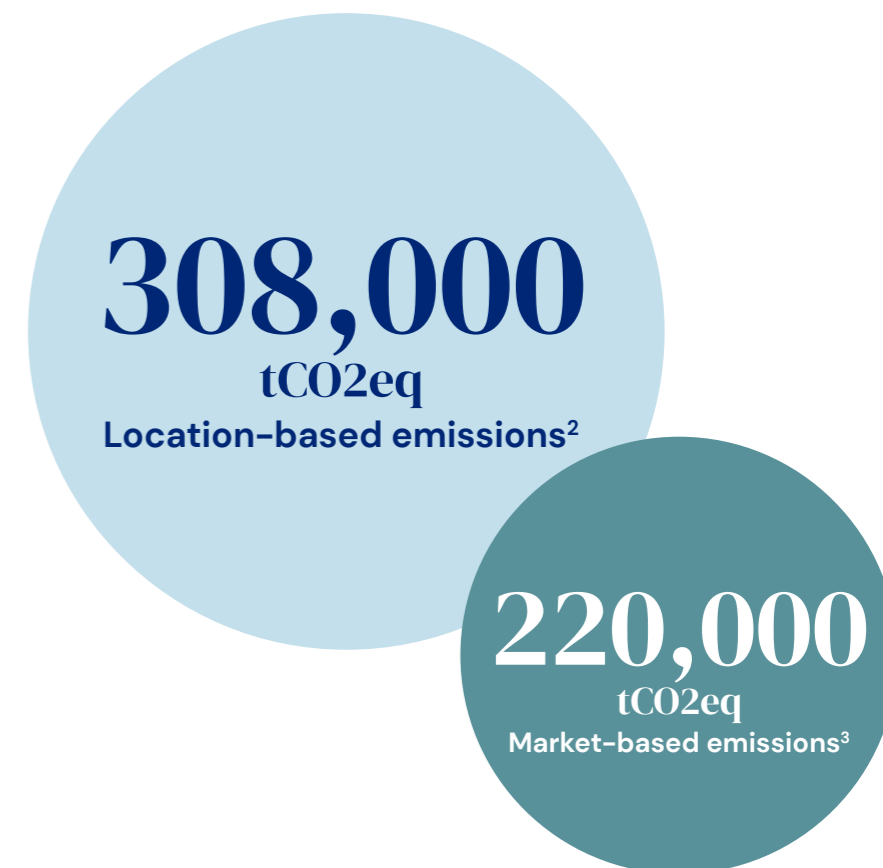
Location-based method calculates emissions based on the average emissions intensity of the local or national grid where that electricity consumption occurs (i.e., where the asset is located).

## Market-based:

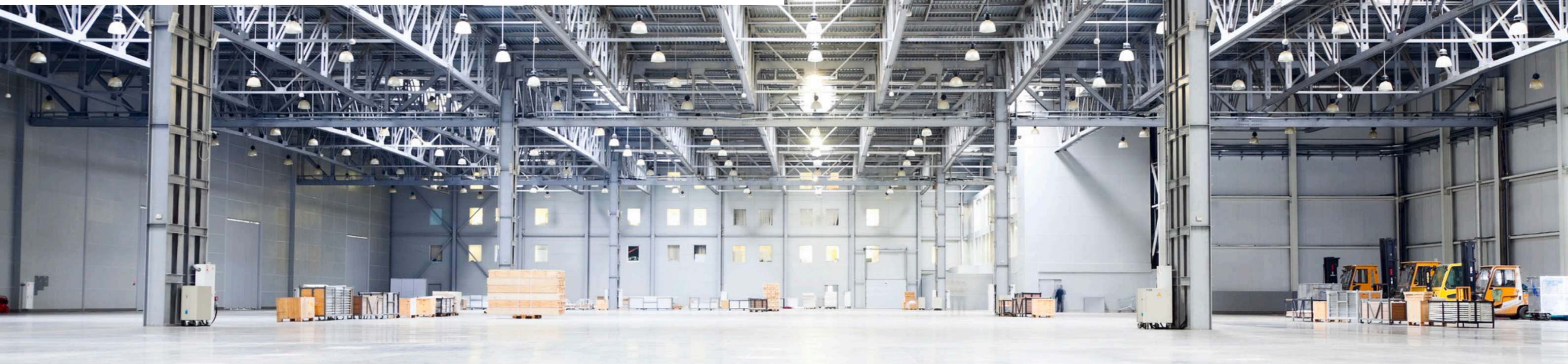
Market-based method calculates emissions based on the electricity that LaSalle has purchased through various contracts with suppliers across Europe for landlord areas. Where our tenants have confirmed the type of electricity contract they purchase (e.g., 100% renewable and backed with REGOs or GOs), this was included into our calculation. We have not yet asked all our tenants what type of electricity contract they procure, only some of our largest.

For 2021, we have computed our emissions based on both location- and market-based methodologies. We saw a 29% reduction in emissions when comparing market- to location-based emissions, with nearly 90% of our landlord areas in continental Europe, and 100% of landlord areas in the UK, supplied with 100% renewably sourced energy tariffs. We have, to the best of our ability, ensured that these are backed by high quality Renewable Energy Guarantees of Origin (REGOs) in the UK, and Guarantees of Origin (GOs) in continental Europe.

Moving forward, we will explore options to purchase back-to-back or virtual corporate power purchase agreements (PPAs), bundled with REGOs or GOs, and located within the same country as the asset consuming the electricity. These PPAs will be additional and at least 70% time-matched as per the latest UK Green Building Council's Renewable Energy Procurement Guidance.



# Focus on energy use intensity



Energy use intensity for LaSalle's European Direct Real Estate Portfolio (kWh/sqm/year)<sup>1</sup>

	Nordics	Central Continental Europe	France	Germany	Netherlands	Spain	United Kingdom
<b>Healthcare / Senior living</b>							382
<b>Hotel</b>	272*			215*		231*	298
<b>Industrial / Logistics</b>		92	71	97	117	131	132
<b>Office</b>	307*	162*	194	137	152	186*	190
<b>Residential</b>				110*	120	124	121
<b>Student housing</b>			245				176
<b>Retail high street</b>			278	287	172*		230
<b>Retail shopping centre</b>		279*		199		242	229
<b>Retail warehouse</b>	356*			199		302	389

\*datapoint represents one asset, therefore may not be representative.

1. 2021 energy consumption data reflects a combination of actual and estimated data, using Verco's A4Z tool to both gap-fill and provide country and asset specific benchmarks.

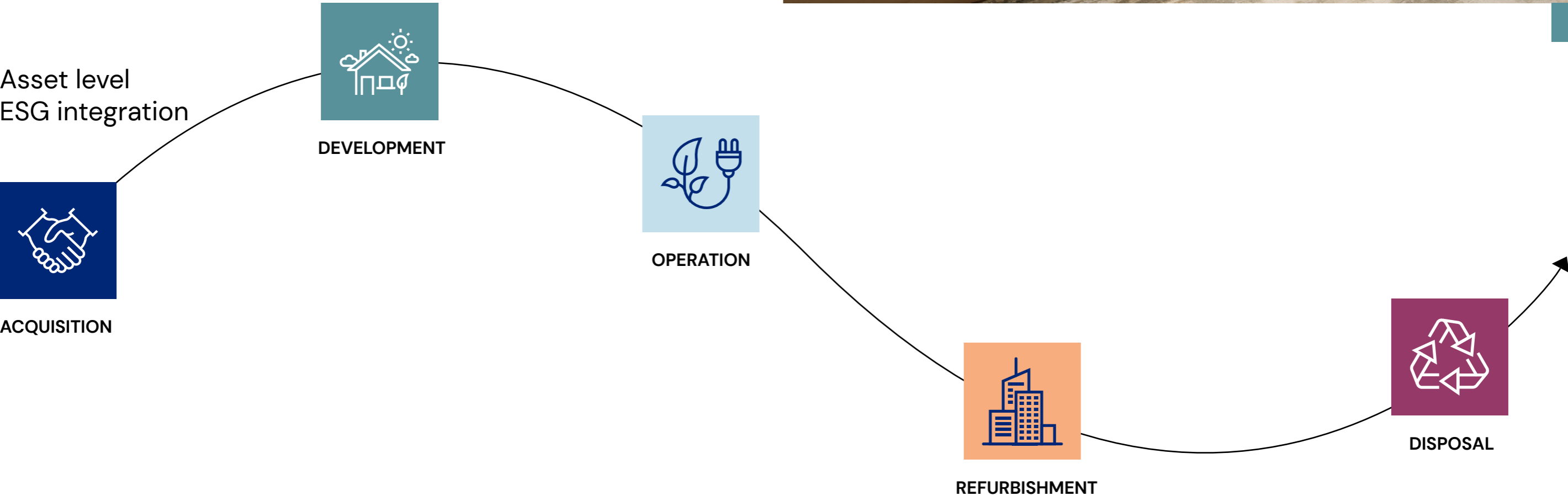


# Lifecycle approach

A comprehensive NZC strategy cannot consider only isolated stages of the asset lifecycle. As a fiduciary with responsibility for providing an investment return to our clients, we have an ability – and a responsibility – to influence sustainability at each stage of the asset life cycle.

Carbon emissions arise at all stages of an asset’s lifecycle, from the operational carbon associated with energy use in buildings, to the corporate emissions of third parties providing asset management services, to the embodied carbon emissions of refurbishments and developments.

When assessing the investments we manage on behalf of our clients, our strategy is to take a holistic view of our activities from purchase through to sale. It consists of a range of measures to better measure, monitor, influence and – by 2050 – minimise emissions from our operations. The measures will be integrated into the LaSalle approach to assessing sustainability-related risks and opportunities for the benefit our client’s and their mandated investment strategy.



# Progress on our delivery strategy

## Acquisitions of direct real estate in Europe

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
Net zero audits will be included in the due diligence process for new acquisitions. These will identify any technical barriers to net zero performance.	Net zero audits have been integrated into the technical due diligence process, with consultants across Europe reporting on Carbon Risk Real Estate Monitor (CRREM) stranding risk. Prior to exclusivity, we are currently testing various external tools, and leveraging our NZC audit database to infer stranding risk dates and necessary NZC underwriting.	◐	We plan to further refine our internal tools and databases to improve the granularity and accuracy of our energy and capex estimations.
We will seek to obtain from the vendor energy usage data for at least the 12 months directly preceding the acquisition date or the last point in time when occupancy was stabilised so that a baseline energy use intensity can be measured. This data will be used as a basis for preparing a costed plan to meet our agreed 2030 energy use intensity performance benchmarks as minimum, with all required measures built into asset plans.	Whilst a handful of vendors have been willing to share previous energy usage data, there is still a hesitancy to do so. As a seller, LaSalle is committed to sharing energy usage data. As part of our wider industry engagement, Brett Ormrod, European Net Zero Carbon Lead, is co-chairing the Better Building Partnership's Investor Engagement Working Group. The focus of the working group is to update the BBP's Acquisition Sustainability Investment Checklist, and work together with the BBP's Managing Agent Partnership to encourage data sharing amongst BBP members transacting with one another.	◐	We will continue to work with our peers to standardise ESG data transfer during the acquisition process, via BBP's Investor Engagement Working Group. Where data from a vendor is not forthcoming, we will leverage our internal database to estimate the energy use intensity of target assets.
We will prioritise assets with all-electric heating and hot water as part of our investment strategy. If we acquire assets with fossil fuel heating and hot water systems, we will include plans to electrify or otherwise decarbonise within the asset business plan.	Assets with all-electric heating systems will be prioritised where commercially feasible and LaSalle has acquired a number of assets with all-electric heating systems across our funds since 2020, including Verona Logistics from SEGRO.	◐	Through our NZC audit programme, we now have a detailed database of capex costs associated with heating electrification for different asset types across a range of jurisdictions. We will leverage this database to inform the underwriting of electrification for assets acquired with fossil-fuel based heating systems.

1. Site audits will be completed where feasible, otherwise desk-top audits will need to be performed.



### CASE STUDY 1

## Verona logistics

Logistics | Verona region, Italy | 128,000 sqm  
Single tenant

LaSalle acquired Verona Logistics in February 2022, a fulfillment center located in Verona, Italy, a center of strategic importance connecting northern and southern Europe. The state-of-the-art e-commerce distribution hub was built in 2019 by Vailog (a SEGRO Group Company) and comprises a lettable area of 128,000 sqm split across a ground floor area, mezzanine spaces and office and service areas.

Built to the highest environmental and technology standards, the hub achieved a DGNB Platinum level certification, which recognises the environmental, economic, sociocultural, functional and technical quality of assets. Solar PV on the roof currently significantly contributes to the tenant's existing energy demand, however the tenant has shown an interest in utilising more onsite-generated electricity as they electrify their vehicle fleet. As a result, LaSalle is currently investigating deploying additional solar PV onto the roof and adjacent car parking to meet our tenant's anticipated higher electricity consumption.

# Progress on our delivery strategy

## Development – Embodied carbon and European direct real estate developments

● Not yet started    ● In progress    ● Complete

Goal	Progress since 2020	Progress	Future work
We will undertake a whole-life carbon assessment of new developments at the pre-design stage, seeking to integrate circular economy principles as much as possible.	On all of our major development projects that initiated construction work in 2021, we have completed whole-life carbon assessments. Principles of circular economy have been integrated into each, with LaSalle's commitment to a "refurbishment first" approach. On One Exchange Square, 90% of the existing structure has been retained, saving approximately 6,800 cubic metres of concrete, avoiding 1,100 truck trips to site. 48% of the existing façade granite and associated supporting steelwork is also to be retained which, in addition to the steel saved in the existing structure, results in an equivalent amount of steelwork saved to build half the Eiffel Tower. This translates to a 50% reduction in the building's embodied carbon footprint compared to an industry benchmark for a new building, targeting LETI's Upfront Embodied Target of "A."	●	Whole-life carbon assessments, whilst completed on every major development and refurbishment project, do vary in methodology and scope. This is due to methodological variations in local building codes/certification standards resulting significant challenges when comparing both targets and results. We will seek to develop a "LaSalle Whole-Life Carbon Scope of Work," clearly outlining our preferred standard and reporting protocol for all consultants to use across Europe. Furthermore, using our knowledge and experience gained on Trí, One Exchange Square, Maison Bayard, and others, we will embed circular economy principles into development and construction briefs and delivery contracts.
We will engage with suppliers to provide more granular data on the materials used in development to support whole-life carbon assessments.	We have been actively engaging with suppliers, via our development managers, to glean more granular embodied carbon data of construction materials. On our project Trí (see case study), we instituted building material passports in order to track building material information across the project's life, including many of the materials reused from the demolished building.	●	We will not only continue to increase the percentage of construction materials procured with environmental product declarations, but also aim to build on the success of project Trí with building material passports. These ensure that materials can be easily identified and reused/up-cycled at some point in the future, reducing the demand for virgin materials.
We will set embodied carbon intensity stretch targets in line with the most ambitious recommendations in the market (50% reduction in kgCO <sub>2</sub> e/m <sup>2</sup> against typical practice for developments from 2030).	All of our major development projects now have upfront embodied carbon intensity stretch targets, including One Exchange Square, Greycoat Place, Silk Street, Trí, and a number of upcoming projects across Europe.	●	We will continue to build on our previous successes, striving for further intensity reductions in embodied carbon on future projects. Where possible, we will investigate the use of hybrid timber (CLT) structures, as we have on Trí, and modern methods of construction, including design for manufacture and assembly (DfMA).
We will better measure the proportion of materials from reused sources and increase it to 50% target by 2030.	The proportion of materials from reused sources has increased substantially since making this commitment, as is evident from projects such as One Exchange Square and Trí. Exceeding the target of 50% by 2030 seems achievable; however, accurately measuring the reused proportion of materials of internal elements and building services is an industry-wide challenge.	●	One major challenge for the industry is to reuse mechanical, electrical and plumbing (MEP) equipment as the end of its service life.
From 2030 buildings will be designed to target 80% of materials to be reused at their end of life.	No change to this target. Trí is currently targeting this goal.	●	There is a considerable amount of work ahead of us to achieve this ambitious goal for all building materials for all development projects. Principles of circularity will be embedded into the design process during the early stages, and we will leverage the lessons learnt on Trí and One Exchange Square.
In the UK, we will develop an internal carbon price on new developments and create ring-fenced capital <sup>1</sup> for a retrofit fund for the standing portfolio.	We are in the process of testing a shadow carbon price across a number of funds within the portfolio. The development of an internal carbon price will follow the successful use and implementation of the shadow carbon price.	●	Following the shadow carbon price pilot, we will aim to rollout this instrument across the European portfolio all mandates with full discretion, and work with our clients on non-discretionary mandates.

1. Ring-fenced capital for a retrofit fund will be mandate specific, and will need client approval.



### CASE STUDY 2

## Trí

Office | Munich, Germany | 15,000 sqm  
Multi-tenant

LaSalle and Accumulata Real Estate Group are developing Munich's first hybrid timber office building, Trí.

Extensive use of timber includes external façades, supporting columns, flooring and all beams. The use of timber in the load-bearing structure is intended to ensure over 1,100 tonnes of carbon remain stored in the building fabric, rather than being emitted into the atmosphere. Where concrete is needed, such as in the basement and central core, 35% is planned to be from recycled sources. 100% of the concrete from the former building is intended to be recycled, including within the new structure.

The result is 22% lower embodied carbon than other sustainable buildings in Germany, at 366kg CO<sub>2</sub>e/sqm, against the DGNB benchmark of 470kg CO<sub>2</sub>e/sqm. This includes recycling materials during deconstruction.

### Material passports:

All construction materials are being documented in a material passport, showing where and how components were sourced and installed, so they can be repurposed at the end of their service life.

#### Step 1

Material information is included in the BIM (Building Information Modelling) file, collaboratively built by the design team

An initial embodied carbon estimate can be calculated based on this design information

#### Step 2

BIM data uploaded to the online platform: Madaster  
Building contractor uploads a material datasheet of each component when the specification and quantity is confirmed

#### Step 3

Actual quantities are recording in "as-built" information and during site visits

#### Step 4

Material information is logged, allowing the value of future re-use and recycling opportunities to be documented and assessed

# Progress on our delivery strategy

## Development – Operational carbon and European direct real estate developments

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
We will ensure new developments are built to our agreed 2030 EUI performance benchmarks or equivalent DEC/NABERS rating in operation.	New development projects all have ambitious energy use intensity targets which are aligned either with NABERS in the UK, or local equivalent targets (such as Décret Tertiaire in France). These are generally consistent with CRREM v2 energy pathways.	●	Ensure that the “as designed” energy use intensity targets are reflected “in use” for both landlord and tenanted areas.
We will use a Design for Performance (DfP) approach for developments above a threshold size. This will involve setting an ambitious ‘base building’ energy performance target at pre-design stage, working across the supply chain to deliver this performance and transparently verifying performance post-occupancy.	NABERS UK Design for Performance is being utilised on two existing UK office developments projects, One Exchange Square and 76 Upper Ground, with a third project to commence shortly. One Exchange Square is targeting an operational energy intensity of 70 kWh/sqm/year(NLA) base building energy leading to 5-Stars NABERS UK DfP rating.	◐	We are in the process of identifying office assets within the portfolio to pursue the NABERS for Office certification. We will ensure that all future LaSalle development briefs specify at least 5-star NABERS UK DfP.
On-site renewable technologies will be “designed-in” to new developments where viable.	Where commercially viable, all new development projects have renewable technologies incorporated into the design. Unit 2 at White Hart Lane has 48kW of installed rooftop photovoltaics, with 100% of electricity generated used onsite by the tenants.	◐	Maximise the installation of on-site renewable technologies, and include, where commercially viable, solutions for energy storage (e.g., batteries, hydrogen, etc.)
We will ensure heating and hot water generation is fossil fuel free in all new developments before 2030.	Most major development projects will utilise fully electric heating systems, with a few European projects required to connect to the local district heat network via local planning commitments. On the 100 Yards Na Prikope project in Prague, a late decision was made to switch from a full gas boiler heating solution to a hybrid air source heat pump with “top-up” gas boiler. This had both programmatic and commercial implications; however, through liaising with our client, we agreed the best approach to proceed with given the ambition to transition away from fossil-fuel based to fully electric heating.	◐	Ensure that all future LaSalle development briefs specify 100% electric heating solutions.



### CASE STUDY 3

## One Exchange Square

Office | London, UK | 59,000 sqm  
Multi-tenant

In June 2022, LaSalle and development manager M3 Consulting received a resolution to grant planning permission for the redevelopment of One Exchange Square in the City of London. The proposed scheme transforms an existing 1980s commercial building into a vibrant new occupier-focused Office and Retail destination.

The 13-storey scheme will deliver 39,000 square metres of high-quality workspace and 1,400 square metres of retail, fronting both Bishopsgate and the newly re-landscaped park at Exchange Square. With over 3,100 square metres of external accessible space the building offers biodiverse terrace environments accessible from every floor.

One Exchange Square is targeting exemplary ESG credentials including BREEAM Outstanding, NABERS 5\* and WELL Building Standard Platinum. By retaining 90% of the existing structure, the building will have 50% lower embodied carbon than a typical office building of comparable size. The project is 100% electric and Net Zero Carbon in operation, using intelligent façade design and mechanical services twinned with building management systems to manage operational energy use.

# Progress on our delivery strategy

## Operational – Landlord areas in respect of European direct real estate

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
We will use our digital transformation programme to improve the coverage of real metered energy data.	LaSalle has initiated a programme for collecting real metered energy data for our landlord areas across Europe. We have identified a number of suppliers across continental Europe and the UK and deployed hundreds of meters already.	◐	There is significant work needed to ensure that real metered data coverage is 100% across both the UK and Europe. The installed meters must all be compatible for automatic meter readings (AMRs), and ideally smart meters, allowing data to be sent to our ESG data platform in near real-time. This is a significant challenge for assets that recharge energy back to tenants (i.e., one "head" meter) in multi-tenanted properties. Our goal is to have smart electricity meters installed across 100% of landlord areas by the end of 2023 for Europe and the middle of 2024 for the UK.
We will seek to align assets with a CRREM 1.5°C Pathway for 2030, as well as any local country-specific regulation where applicable. We will aim to operationalise these energy use intensity (EUI) targets for every asset.	<p>Following the conclusion of the NZC Audit Programme in December 2023, we will be in a position to identify the % of the portfolio that:</p> <ol style="list-style-type: none"> <li>cannot meet the CRREM 1.5°C Energy Pathway by 2030 in a financially viable way that fits within the holding fund's investment strategy,</li> <li>percentage of the assets in the portfolio that can meet the CRREM 1.5°C Energy Pathway by 2030 but will not only need significant capex, but also for the orchestration of an "intervention event" where LaSalle can take partial or full vacant possession of the asset to complete the necessary energy efficiency refurbishment works,</li> <li>assets that can meet the CRREM 1.5°C Energy Pathway through better energy management and optimisation of the existing building systems, and</li> <li>assets that already meet the CRREM 1.5°C Energy Pathway and no interventions are required until 2030.</li> </ol> <p>As of 2022, asset managers have operationalised EUI targets at the asset level.</p>	◐	For assets in category 1, we need to ensure that these assets can be either repositioned to change their use type, ensuring their energy performance can meet the CRREM 1.5°C Energy pathway post redevelopment, or be responsibly disposed of to a buyer who understands the climate-related risks of ownership and, as part of their investment strategy, is willing to spend the necessary capex to reposition the asset to meet a CRREM 1.5°C Energy pathway in the future. For the assets in categories 2 and 3, LaSalle's fund and asset management teams will need to implement the necessary energy efficiency upgrades to ensure these assets align with a CRREM 1.5°C Energy pathway. All undertakings mentioned above require due consideration and careful examination, they will directly impact fund performance and returns. Therefore, some of the planned refurbishment works may be completed after 2030.
We are developing water and waste targets by asset, which will align with our net zero carbon goals.	<p>We have developed the following targets:</p> <ul style="list-style-type: none"> <li>Reduce water use intensity across the portfolio by 30% by 2030</li> <li>Target 80% recycling rate</li> <li>Reduce total waste production by weight by 20% by 2030</li> </ul>	●	
We will integrate energy, water and waste measures in landlord-controlled spaces into asset management plans.	Energy measures are in the process of being integrated into landlord-controlled spaces in the asset management plans, whilst smart water meters will be rolled-out throughout continental Europe in 2023.	◐	Having included the necessary costs for these measures into the asset business plans, these works then need to be delivered when it is the appropriate time to do so. In many cases this will involve scoping the works, running a competitive tender process and then selecting a suitable contractor for delivery.
Following the NZC audit programme, we will determine the high-level retrofitting costs associated with transitioning away from gas to electric heating. These costs will be integrated into asset business plans.	For a number of assets that have already been audited, we are completing detailed feasibility studies into heat electrification, including on NH Calerdon in Barcelona and Palac Andel in Prague.	◐	Following the conclusion of the NZC Audit Programme in December 2023, we will be in a position to determine the high-level retrofitting costs associated with electrification.
We will continue to procure 100% green tariff backed electricity for landlord areas, and prioritise, where feasible 10-15-year renewable energy power purchase agreements (PPA).	Landlord areas continue to be supplied with 100% green tariff backed electricity; however, we are in the process of negotiating renewable energy power purchase agreements for landlord areas across Germany and The Netherlands. These contracts expire in early 2024, and we intend to enter into PPAs with electricity generators that provide unsubsidised, additional, renewable electricity from either wind or solar sources.	◐	We will explore opportunities to setup power purchase agreements between LaSalle/ Fund SPVs where entities generate excess renewable electricity onsite and this electricity can be sold to entities that would otherwise purchase renewable electricity from a third-party provider.



## LaSalle NZC audit programme

In September 2021, we launched the pilot phase of LaSalle's Net Zero Carbon Audit Programme. The objective of this programme was to provide a common understanding of the probable NZC interventions and costs required for a NZC retrofit on every direct equity asset within our European portfolio. This required a common and consistent NZC baseline standard across Europe, and our preferred standard is the CRREM methodology, as it allows us to identify transitional "stranding risk" events across different asset types and geographies.

With several consultancies helping to deliver these audits across several countries, we felt it necessary to standardize the methodology and assumptions that our consultant teams were to use. The technical and structural brief that LaSalle developed allowed for the aggregation of findings and the planning of next steps following these reports to be as repeatable as possible.

After finalising the pilot phase in early 2022, which consisted of 41 assets, we concluded the second phase consisting of a further 100 assets in December 2022. The final phase of NZC auditing will commence at the beginning of 2023.

# Progress on our delivery strategy

## Operational – Tenant areas

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
<p>We will promote green lease clauses that foster a collaborative occupier-landlord relationship, supporting better access to energy data, smart metering, the procurement of 100% renewable electricity for occupiers, improved waste and delivery services and knowledge sharing and training on sustainability. These must promote mutually supportive relationships. We will consider whether green lease clauses are an appropriate mechanism to capture and manage tenant embodied carbon impacts from fit-outs.</p>	<p>Since 2020 we have developed a set of “standard” LaSalle green lease clauses and been successful including green lease clauses into the majority of new leases signed.</p>	<span style="color: teal;">◐</span>	<p>Aim to ensure that every lease signed incorporates a majority of the minimum requirement clauses with the LaSalle Standard green lease, which include a data sharing provision.</p>
<p>We will tighten occupier fit out requirements by updating fit out guides. These will provide guidance on low-carbon heating, cooling, lighting systems and sustainable materials.</p>	<p>We have not made any progress on this goal.</p>	<span style="color: orange;">●</span>	<p>Update our tenant fit-out guides, and work with our tenants to ensure these are not only understood, but can be implemented in a cost-effective manner.</p>
<p>We will aim to install sub-metering for the majority of tenant consumption by 2030.</p>	<p>We have spoken with a number of tenants on their smart/sub-metering rollout programme, with many agreeing to share data with us. We have also identified a number of vendors within different countries which we hope to partner with, as a means to provide economies of scale of smaller and medium-sized tenants who wish to install smart/sub-metering themselves.</p>	<span style="color: teal;">◐</span>	<p>Installing sub-meters for the majority of tenant consumption by 2030 will be a challenge, however we will continue to engage with our largest 30 tenants by estimated rental value and prioritise their rollout programme.</p>



CASE STUDY 4

### White Hart Lane

Logistics | London, UK | 11,800 sqm  
Multi-tenant

LaSalle partnered with Volta Trucks, the leading full-electric commercial vehicle manufacturer and services provider, to launch the first Volta Trucks Hub in the UK at White Hart Lane, London. The Hub will serve the battery electric Volta Zero vehicles that are set to operate on the streets of London this year.

With sustainability at the heart of the Volta Trucks brand, the new Volta Trucks Hub in London is at the cutting edge of building design. LaSalle has managed the refurbishment of the facility to create a net zero carbon property in operation, with a photovoltaic panel system on its roof, generating onsite electricity, and optimisation of the heating and ventilation of the building. It is also designed with a charging infrastructure to support 50kW fast charging of Volta Zero vehicles while they are being maintained. Overall, the facility has an A+ EPC rating and has been designed to achieve the BREEAM “Very Good” rating.

# Progress on our delivery strategy

## Supply chain

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
We will baseline our emissions from our supply chain activities to understand our starting point, including our third-party procured services.	We have baselined our supply chain activity emissions for FY2021 using asset-level spend data. This information was challenging to collect via our property managers, and some of it had to be estimated depending on the lease type and location.	◐	We will improve the data collection process by standardising the relevant forms, by country, for our property managers to complete on our behalf. We will increase the proportion of actual spend data versus estimate spend.
We will revise our Supplier Code of Conduct to incentivise suppliers to measure the greenhouse gas (GHG) footprint of their operations, verified via third-party standards, or make it a selection requirement in procurement exercises. We will also encourage suppliers to provide Environmental Product Declarations (EPDs) for materials, plant and equipment or a product carbon footprint certified by a third party.	We have globally identified the top 25 suppliers, which represent 62% of our global spend. Whilst we have yet to revise our Supplier Code of Conduct, we have successfully managed to source EPDs for many products within our development projects. One such example is for roof insulation for a hotel refurbishment project in Spain. The contractor provided a range of insulation options, all costed and with respective EPDs, and the project team was then able to make the most informed decision on which product to choose, taking into account other factors such as warranty and fire safety.	◐	We will revise our Supplier Code of Conduct with support from our parent company's (JLL) Corporate Sustainability Team, who regularly review documents of this type. We will establish a protocol for collecting EPDs for materials procured above a spend threshold and embed this into our contract with our contractors and other suppliers.
We will initiate a process to incentivise suppliers to evidence year-on-year improvements in carbon intensity or to have carbon neutrality certification/science-based targets.	Through our revised Property Management agreement with JLL, our largest supplier by spend, will we incentivise year-on-year improvements.	◐	We will target our remaining property managers in the UK and continental Europe, leveraging the findings and outcomes of the programme in the UK with JLL.



CASE STUDY 5

## The Glades

Shopping Center | Bromley, UK | 45,000 sqm  
Multi-tenant

The Glades is a modern, high-quality shopping centre that dominates Bromley's retail provision. The centre provides approximately 45,000 sqm of retail and leisure accommodation across 140 units. The centre includes a 1,500 space parking garage.

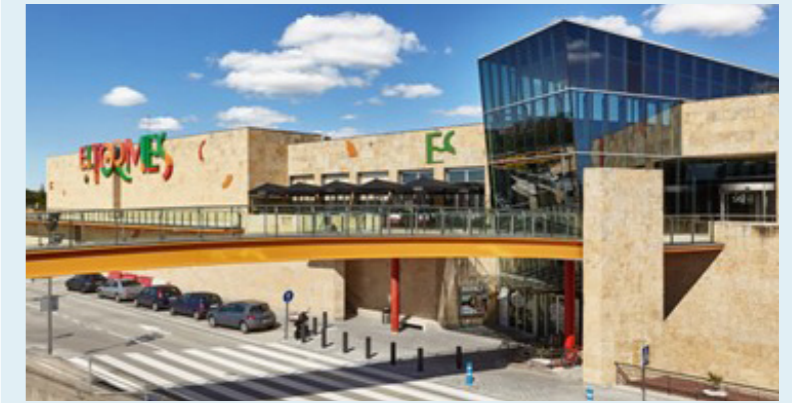
Over the past year, The Glades has been looking to create a longer-term sustainable environment. As part of this project, the LaSalle Asset Management team, by liaising with the Centre's Management Team renewed all the diesel-powered equipment onsite and replaced these with electric and automated alternatives. These alternative machines do not only remove diesel from the Centre but also allow for autonomous cleaning to be carried out. This time saving and environmentally friendly way of working has meant that the cleaning team can focus on more detailed tasks to improve the experience of customers visiting The Glades. The changes now mean, that not only are our tenants no longer using these fossil fuelled machines within our Centre, but these updated machines also contain more energy efficient rechargeable batteries.

# Progress on our delivery strategy

## Development – Refurbishment of assets in our European direct real estate portfolio

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
We will undertake a whole-life carbon assessment of major refurbishment projects, seeking to integrate circular economy principles as much as possible. Where commercially viable, we will undertake a whole-life carbon assessment for minor refurbishment projects.	For major refurbishment projects, we have completed – or are in the process of completing – whole-life carbon assessments. As we operate across Europe, most assessments have been completed using the local carbon assessment methodology/guidance, such as RICS in the UK. As a result, it has been challenging to make comparisons between projects.	◐	We will continue to commission these studies for major refurbishment, and where viable minor refurbishment, particularly where replacing any parts of building fabric. Where not viable, we will endeavour to select products with the lowest embodied carbon where it is a suitable replacement. In order to consistently measure and report whole-life carbon across our portfolio, we will mandate the use of the RICS v2 Professional Standard alongside the local methodology for calculating whole-life carbon.
We will work with suppliers to gain access to more detailed breakdowns of material used in refurbishments and maintenance.	On a number of projects we have worked with our consultants and contractors to obtain a breakdown of materials used, recycled and diverted to landfill. Through liaising directly with our suppliers we have costed and selected materials with a lower embodied carbon than what would have otherwise been selected, where possible.	◐	We will revise our Supplier Code of Conduct with support from our parent company's (JLL) Corporate Sustainability Team, who regularly review documents of this type. We will establish a protocol for collecting EPDs for materials procured above a spend threshold and embed this into our contract with our contractors and other suppliers.
We will initiate a process to incentivise suppliers to evidence year-on-year improvements in carbon intensity or to have carbon neutrality certification/a science-based target.	No progress has been made to date on this.	●	We will initiate this process shortly.
We will model an internal (shadow) carbon price on embodied carbon from major refurbishments and understand the implications of ringfencing capital for a retrofit fund for the standing portfolio.	We have completed this retrospectively for some major refurbishment projects; however, we are yet to fully understand the implications of ringfencing capital for a fund-specific retrofit fund. There are only a handful of funds where this type of instrument would be able to practically inform decision making, given the risk profile of our direct funds (within scope).	◐	We will investigate this approach on our European flagship core fund.



CASE STUDY 6

## El Tormes Shopping Centre

Shopping Center | Salamanca, Spain | 22,500 sqm  
Multi-tenant

El Tormes is the dominant shopping centre within Salamanca city, Castile and León Community, in north-western Spain. The asset recently under went a minor refurbishment which included improvements to its energy performance. The building management system (BMS), and associated controls were upgraded, as was the domestic hot water system, where the gas boilers were replaced with electric immersion heaters. Air conditioners were fitted with CO2 sensors to monitor the fresh air introduced and reduce the energy consumed. Management of the systems was also improved with a revised operating protocol which set air-conditioning setpoint temperatures according to outdoor conditions, days of the week and opening and closing times. The result was an improvement in the EPC from a "C" to a "B" rating. In addition, a 420 kWp photovoltaic panel array has been installed on the roof which can provide up to 40% of the electricity demand for the common areas, optimising the tenant service charges.



# Progress on our delivery strategy

## Disposal of direct real estate in Europe

● Not yet started
 ◐ In progress
 ● Complete

Goal	Progress since 2020	Progress	Future work
We will investigate ways to include carbon stranding risk in investment hold/sell criteria in line with industry best practice.	We have built an internal tool to aid our fund teams when making climate-related hold or sell decisions. Carbon-stranding risk is one aspect of many considered when making these decisions.	◐	As CRREM and other industry bodies update their respective targets and pathways, we will update our tool to reflect these changes. We will include asset CRREM curves as part of our sales process.
We will provide at least 12 months of operational energy data to buyers and share as much information as possible on each asset's net zero carbon pathway to ensure a smooth transition of energy management responsibilities.	We have provided operational energy data, including NZC audits, to buyers.	●	We will continue to be transparent with sharing energy consumption data with potential buyers.



### CASE STUDY 7

## LAIM 290 Office

Office | Munich, Germany | 9,700 sqm  
Multi-tenant

A recent sale of this office building in Munich included a “seller’s DD data pack.” Within this data pack, we provided operational energy data, a NZC audit, and other ESG-related information concerning the building to potential buyers during the sales process.

# Challenges and solutions

## Access to data

Aspects of our carbon footprint are currently estimated using a benchmark approach if real energy consumption data is not available. We are increasing the coverage and quality of data to ensure that carbon impacts can be more robustly assessed.

## Engagement of key stakeholders

The buy-in of key stakeholders to the strategy – most notably occupiers and investors – will be critical. Engagement with tenants and suppliers is therefore a key feature within the strategy.

## Embodied carbon

Historically, our understanding of our embodied carbon impact has been limited compared to operational carbon. However, we initiated a baselining process for our office development projects and developed a consistent brief with which to assess construction-related carbon impacts. There is more work to be done on other asset classes and for lower capex refurbishment projects.

## Changing market

The definition of net zero carbon in commercial real estate is undergoing continual evolution. We continue to actively engage in industry conversations around this topic, such as our engagement with GRESB and the UK Net Zero Carbon Building Standard.

## Costs to deliver

Our Net Zero Carbon Audit Programme of the European direct portfolio has identified some asset classes for which the costs of delivering net zero carbon performance may be commercially challenging. This will feed into our investment strategy.

## Lack of design control

We often forward fund new developments and, in these cases, have limited control over the projected carbon performance of the end product. We are exploring how we can best influence the embodied and operational carbon when following this model.

**We recognise that delivering on this strategy will be a challenge and require us to refine our approach to investment asset management and development.**

**In developing the strategy we have considered our approach in response to mitigate risk.**

# Appendix A: BBP climate commitment scope table

Business area	Sub-area	GHG protocol reporting category	Carbon scope	BBP inclusion	LaSalle inclusion
Corporate*	Head office energy use	Company facilities	1 & 2	•	
	Company vehicles	Company vehicles	1	•	
	Business travel (excluding commuting)	Business travel	3	•	
	Purchased goods and services	Purchased goods and services	3	•	
	Operational waste generated	Waste generated in operations	3	•	
	Operational water use	Purchased goods and services	3	•	
	Employee commuting	Employee commuting	3	•	
Direct real estate holdings (including JVs with management control)	Landlord-purchased energy (electricity and fuels)	Purchased electricity, heat and steam	1, 2 & 3	✓	✓
	Tenant-purchased energy (electricity and fuels)	Downstream leased assets	3	✓	✓
	Landlord refrigerants	Purchased goods and services	3	✓	✓
	Tenant refrigerants	Tenant scope 3	3		
	Landlord-purchased water	Purchased goods and services	3	✓	✓
	Tenant-purchased water	Tenant scope 3	3		
	Landlord-managed operational waste	Waste generated in operations	3	✓	✓
	Tenant managed operational waste	Tenant scope 3	3		
	Tenant transport emissions	Tenant scope 3	3		
	Tenant supply chain emissions	Tenant scope 3	3		
	Landlord-purchased capital goods and services (M&E and property management services)*	Purchased goods and services	3	✓	✓

\*We have not included corporate emissions because these are captured carbon reduction strategy of JLL, our parent company

# Appendix A: BBP climate commitment scope table

Business area	Sub-area	GHG protocol reporting category	Carbon scope	BBP inclusion	LaSalle inclusion
<b>Investments</b> (Indirect Real Estate Holdings, e.g., where investments are managed by a third party such as JVs with no management control or investments in other real estate investment vehicles)*	Landlord-purchased energy (electricity and fuels)	Investments (proportional to the investment)	3	✓	✓
	Tenant-purchased energy (electricity and fuels)	Investments (proportional to the investment)	3	✓	✓
	Landlord refrigerants	Investments (proportional to the investment)	3	✓	✓
	Tenant refrigerants	Tenant scope 3	3		
	Landlord-purchased water	Investments (proportional to the investment)	3	✓	✓
	Tenant-purchased water	Tenant scope 3	3		
	Landlord-managed operational waste	Investments (proportional to the investment)	3	✓	✓
<b>Development</b>	Tenant managed operational waste	Tenant scope 3	3		
	Visitors transport emissions	Tenant scope 3	3		
	Tenant supply chain emissions	Tenant scope 3	3		
	Landlord-purchased capital goods & services (M&E and property management services)	Tenant scope 3	3	✓	✓
	New development (including those where funding is being provided)	Purchased goods and services	3	✓	✓
	Refurbishments	Purchased goods and services	3	✓	✓
	Fit-out (landlord controlled)	Purchased goods and services	3	✓	✓
	Fit-out (tenant controlled)	Tenant scope 3	3		
	End of life	Tenant scope 3	3		

# Appendix B: Key terms

**Net Zero Carbon (NZC):** Definitions for Net Zero Carbon can be generic or relate to specific industries or activities. The World Green Building Council definition of a net zero carbon building is one that is highly energy efficient and fully powered from on-site and/or off-site renewable energy sources.

**Energy Use Intensity (EUI):** A building's energy use per unit size, typically expressed as energy consumption in kWh per square metre per year. The measurement of floor area can be expressed in terms of Net Lettable Area (NLA) or Gross Internal Area (GIA).

**Operational carbon:** The term used to describe the emissions of carbon dioxide and other greenhouse gases during the in-use operation of a building, most materially from energy use and refrigerants.

**Embodied carbon:** Carbon emissions associated with energy consumption and chemical processes during the extraction, manufacture, transportation, assembly, replacement and deconstruction of construction materials or products.

**Offsets:** An action or activity to reduce emissions of CO<sub>2</sub> or other greenhouse gases (GHG) made in order to compensate for emissions made elsewhere. A company can buy carbon credits equivalent to their carbon impact.

**Better Buildings Partnership (BBP):** The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of the existing commercial building stock.

**Submetering:** A system that allows a landlord, property management firm, or other multi-tenant property etc. to bill tenants for individual measured utility usage. The approach makes use of individual water meters, gas meters, or electricity meters. It enables building and facility managers to have visibility into the energy use and performance of the equipment, creating opportunities for energy and capital expenditure savings.

**Carbon dioxide equivalent (CO<sub>2</sub>e):** CO<sub>2</sub>e is a unit for measuring carbon footprints. It allows for the expression of the impact of different greenhouse gases in terms of the amount of CO<sub>2</sub> that would lead to an equivalent amount of global warming impact. As a result, the total impact of all these gases can be expressed as a single number in a same unit.

**Design for Performance (DfP):** Developed by the Building Better Partnership, this is an industry backed project established to tackle the performance gap and provide an approach, based on measurable performance outcomes, to ensure new developments deliver on their design intent.

**Greenhouse Gas (GHG) Protocol Corporate Accounting Standard:** Provides standards and guidance for companies and other types of organisations to prepare a GHG inventory. The standard and guidance were designed to help companies prepare a GHG inventory that represents a true and fair account of their emissions, through the use of standardized approaches and principles. This provides a company with the information that can be used to build a strategy to reduce GHG emissions.

**The Science Based Targets Initiative (SBTi):** is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses and approves companies' targets.

**Scope 1 emissions:** Direct emissions from the organisation's building, vehicles, plant, including the combustion of fuel etc.

**Scope 2 emissions:** Indirect emissions from electricity consumption or other energy generated by third parties.

**Scope 3 emissions:** All other indirect emissions, e.g. energy use by tenants, embodied carbon of materials used in developments and refurbishments, third-party procured goods and services.

**NABERS:** The National Australian Built Environment Rating System, is an initiative by the government of Australia to measure and compare the environmental performance of Australian buildings and tenancies and its approach is the basis of Design for Performance.

**DEC:** Display Energy Certificates are records of the actual energy usage of public buildings.

**Power Purchase Agreements (PPAs):** A contract for the purchase of electricity from one or more generation projects, typically between 5 and 20 years in length.

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