



LaSalle Investment Management Global Policy No. 6

Environmental, Social and Governance Policy



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LaSalle documents referred to in and linked to this Policy

2.3(b), 5.3	LaSalle Climate Action Plan	https://www.lasalle.com/wp-content/uploads/2023/09/lasalle-climate-action-report.pdf
3.9	Privacy statement	https://www.lasalle.com/legal/privacy-statement/
4, 4.2	JLL Global Sustainability Report	https://www.us.jll.com/content/dam/jll-com/documents/pdf/other/global/jll-esg-performance-report-2023.pdf
4.2, 4.3	JLL Code of Ethics	www.us.jll.com/images/company-information/JLL-Code-of-Ethics.pdf
4.3	Whistleblower and Non-Retaliation Policy	https://www.us.jll.com/content/dam/jll-com/images/company-information/jll-whistleblower-and-non-retaliation-policy-final.pdf
4.3	JLL Anti-Corruption Compliance Program	https://www.us.jll.com/content/dam/jll-com/images/company-information/jll-anti-corruption-compliance-program.pdf
4.4, 5.1	JLL Human Rights Policy	https://www.us.jll.com/content/dam/jll-com/documents/pdf/other/human-rights-policy-2022.pdf
4.4, 5.1	JLL Modern Slavery Statement	https://www.lasalle.com/wp-content/uploads/2022/06/jll_modern_slavery_statement.pdf
4.5, 4.6, 5.1	JLL Vendor Code of Conduct	www.us.jll.com/content/dam/jll-com/images/company-information/JLL-Vendor-Code-of-Conduct.pdf
5.2	UN PRI	https://www.unpri.org/signatory-directory/lasalle-investment-management/1407.article
5.3	NZAM	https://www.netzeroassetmanagers.org/signatories/lasalle-investment-management/

1. INTRODUCTION

1.1 About LaSalle Investment Management

LaSalle Investment Management is the name used to identify a group of affiliated companies doing business globally and which are referred to collectively as “LaSalle”. LaSalle is a wholly owned, operationally independent division of Jones Lang LaSalle Incorporated (“JLL”, one of the world’s leading real estate services firms and listed on the NYSE). LaSalle was founded in 1968.

LaSalle has a diverse client base, which includes public and private pension funds, insurance companies, governments, corporations, endowments and private individuals from across the globe. Our institutional clients manage assets for millions of workers and pensioners, from teachers to firefighters, and healthcare workers. LaSalle considers its custom accounts, commingled funds and any other entity it has an advisory or management agreement with via one or more of its business lines as its “clients”.

Through its structured business lines LaSalle offers a range of investment products designed to provide clients with differing means of obtaining exposure to real estate. These can be broadly characterized as investments made via commingled funds or custom account arrangements and the objective of each such fund or account is to generate returns pursuant to a specific strategy based on:

- (a) **Direct Investments:** the acquisition of an ownership interest in one or more real estate assets (each a “Direct Investment”) which are managed on behalf of clients by our “Private Equity” business;
- (b) **Indirect Investments:** the acquisition of an ownership interest via a club, co-investment or fund vehicle (i.e. “Indirect Investment”) in one or more real estate assets managed by a third party, but in respect of which LaSalle represents the client’s interests via our “Global Solutions” business;
- (c) **Public Securities Investments:** the acquisition of an ownership interest (i.e. via interests listed on a recognized stock exchange) in one or more real estate operating businesses (referred to as a “Public Securities Investment”) pursuant to mandates given to our “Public Equity” business; and
- (d) **Private Debt Investments:** the provision of loans to third parties secured against real estate owned or otherwise controlled by that third party (“Private Debt Investment”) on behalf of clients by our “Private Debt” business.

Our Private Equity business and our Private Debt business, together with certain support and oversight related roles are managed on a regional basis by reference to three regions designated for our purposes as “the Americas”, “Asia Pacific” and “Europe” (each region having its own management structure, though at this date, LaSalle’s Private Debt business is only operating in the Americas and Europe). Our Public Equity business and our Global Solutions business are managed together on a global basis (though they are respectively provided services by the regional support related teams as needed).

The head of each business line, together with our Global CEO and other senior employees with global ownership of certain support and oversight responsibilities are members of our Global Management Committee (the “GMC”). The GMC is supported by appropriate governing bodies and committees (each of which are governed by their respective charters), together with necessary and appropriate policies and procedures. Policies and procedures are adopted and applied globally where possible and locally where necessary (in particular having regard to the fact that a number of entities within LaSalle’s business are regulated by financial services supervisory authorities). This framework is discussed in greater detail below with specific reference to environmental, social and governance matters.

Across the spectrum of products and services offered by our four distinct business lines, our underlying objective is to meet the differing requirements of our clients with respect to their exposure to real estate (whether these requirements relate to their strategic allocation, risk/return profile, income, sustainability related expectations, liquidity needs, etc). Our overarching duty is to act as a fiduciary and accordingly our primary responsibility is to always act in our clients' best interests – which means maximizing investment returns having regard to the broad strategic objectives, risk tolerance, investment constraints, applicable laws and other parameters upon which our clients have chosen to mandate LaSalle as their trusted advisor.

1.2 Our mission

Our mission is “Investing today. For tomorrow”.

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 of investment capital. In striving to meet performance related expectations we believe it is becoming increasingly important to have regard to both:

- (a) sustainability as it relates to the investment lifecycle of real estate assets (which includes considering specific jurisdictional requirements and our client's investment objectives); and
- (b) matters which concern the sustainability and viability of LaSalle as an ongoing business.

In each case, the management of short, medium and longer-term risks and opportunities such as sustainability factors incorporating (amongst others) those generically referred to as “environmental, social, and governance” (“ESG”) related matters need to be taken into account to the extent these are relevant to the interests of our stakeholders and/or we have a regulatory obligation to do so.

Collectively and individually, for the purpose of this Policy, reference to “our stakeholders” means and includes our clients, employees, shareholders, regulators and certain counterparties that we carry on business with, either directly or on behalf of clients. If the interests of any stakeholders are not aligned, then LaSalle will determine which prevails and how to manage such obligation having regard (as applicable) to its conflict policies, statutory duties and contractual obligations.

1.3 The purpose of this Policy

The purpose of this document (this “Policy”) is to describe LaSalle's framework and relevant policies with respect to three key matters, being as follows.

- (i) **(Sustainability and investment decisions)** First, this Policy provides a summary to our stakeholders (in particular, to our clients and regulators) with respect to how LaSalle considers relevant sustainability related risks and opportunities so far as they concern our investment decision making processes. This is discussed in detail in **Part 2**, below.
- (ii) **(Sustainability and LaSalle's business)** Second, this Policy also sets out a summary of LaSalle's position with respect to certain sustainability risks and opportunities as they impact our business today and which might be expected to do so in the future. We identify these as being comprised of two thematic parts, being:
 - (A) governance related arrangements we believe are prudent to manage and safeguard LaSalle (as discussed in greater detail in **Part 3**); and
 - (B) our social responsibilities, which we address through certain programs and policies applied across LaSalle's business lines (including our “Culture of Care” framework,

together with our Code of Ethics, and our vendor, whistleblower and remuneration policies (these are discussed in **Part 4**)).

- (iii) **(Engagement with global industry frameworks and initiatives)** Third, to memorialize industry initiatives or schemes to which LaSalle is a signatory or has otherwise made a commitment on a global basis. We set out in **Part 5** (below) those initiatives and schemes LaSalle takes into account (each to differing degrees) based on the specific application, relevance and the extent to which LaSalle has committed to such initiative or scheme as they concern:
- (A) *“Sustainability and investment decisions”* (as referred to in paragraph (i)); and
 - (B) *“Sustainability and LaSalle’s business”* (as referred to in paragraph (ii)).

The GMC believes that commitments related to sustainability are only meaningful if progress against those are measured and transparent. Accordingly, LaSalle is committed to the transparent disclosure of its ESG related performance and Part 5 also provides links to documents and reports LaSalle will make available via our website or other avenues.

Taken together, the matters addressed in respect of (i) to (iii) above constitute LaSalle’s “Sustainability Framework”.

1.4 Application and ownership of this Policy

This Policy applies to LaSalle’s business globally.

Ultimate responsibility for this Policy lies with the GMC. LaSalle’s Global Head of Climate and Carbon reviews this Policy annually and may recommend updates as necessary to reflect the ongoing evolution of LaSalle’s Sustainability Framework (though it may be subject to more frequent reviews as considered necessary). The Global Head of Climate and Carbon, in consultation with the GMC, shall have the authority to make any interpretations regarding the operation of this Policy.

2. OUR APPROACH TO RESPONSIBLE INVESTMENT AND SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

Our fiduciary obligations are paramount when undertaking investment activities pursuant to our client mandates. It follows that we strive to maximize the investment returns to our clients having regard to the strategic objectives, risk tolerance, investment constraints, applicable laws and other matters which have been agreed with our clients. When sustainability related risks and opportunities (including relevant ESG related factors) are considered in connection with material investment decisions (whether as a function of a specific strategy, as a matter of prudent asset management, or as may be required pursuant to applicable laws), the relevant fund or portfolio manager which is the sponsor of such transaction is required to demonstrate (with the support of our internal teams, including transactions, asset management, sustainability and research and strategy teams) how such matters are expected to contribute positively to short, medium and/or long-term investment performance. This detail must be set out in papers presented to the applicable Investment Committee, and also in annual strategy plans and client reports (the role of Investment Committees is discussed in Part 3, below).

Against the foregoing context, LaSalle’s relevant employees are expected to approach sustainability related risks and opportunities as part of the investment decision process having regard to three guiding principles, these being by reference to our:

- “future-focused investment strategies” (see paragraph 2.1 below);
- focus on building “asset resilience” into the decision-making process (see paragraph 2.2); and
- consistent and considered approach to the “drivers” and “protectors” of sustainability risks and opportunities (see paragraph 2.3).

2.1 Future-focused investment strategies

LaSalle broadly subscribes to the thesis that medium and long-term investment performance of real estate related investments will be driven by secular, society-wide themes which will shape real estate investment strategies and wider financial markets in ways that supersede and outlast the shorter-term property cycles. The on-going development and ownership of these themes are led by LaSalle’s in-house research and strategy team.

Discussed in Part 2.3 (below) in greater detail, these investment themes include a specific focus on climate change risk management. We take a considered and consistent approach to climate change as part of the investment decision-making process that includes:

- (a) development of a globally consistent approach to identification of risks arising in connection with potentially adverse climate change;
- (b) the integration of this climate risk approach into material investment decisions; and
- (c) the development of systems and tools for assisting fund and portfolio managers identify and manage risks and opportunities which arise in connection with climate change throughout the investment lifecycle (on a broad basis, and also with respect to identification of such matters on a specific locational basis).

2.2 Building “asset resilience” into the decision-making process

Although leadership relating to investment decisions is overseen by the relevant investment committees, the day-to-day responsibility for each client mandate and long-term performance rests with the relevant fund or portfolio manager. Each fund and portfolio manager is supported by a team of experts dedicated to the provision of associated services that LaSalle provides depending on whether the relevant client mandate makes Direct Investments, Indirect Investments, Public Securities Investments or Private Debt Investments. In this context, LaSalle requires that its relevant employees (whether they are fund or portfolio managers, transaction officers, asset managers, members of our research and strategy team, development managers, or members of our dedicated sustainability teams) identify, cost and plan for the management of reasonably foreseeable sustainability related risks and opportunities at all stages of the investment lifecycle with a view to building longer term “asset resilience” into investment related decisions.

In our view, the incorporation of sustainability related risks and opportunities into material investment related decisions constitutes prudent investment management and would be consistent with the expectations of our clients (regardless of whether such matters are of a primary or secondary matter to them). In doing so, not only are we taking account of matters which may impact investment returns (which determination may be negative or positive), we believe that in doing so we also mitigate the investment related risk that our clients’ investments might (in the worst case) become “stranded”, or in some other way be less financially attractive than they might otherwise have been to potential counterparties in the future (such as a purchaser, lender or occupier). It follows that where financially justifiable and prudent to do so, consideration of and initiatives to address such matters (and where within our control and consistent with the requirements of our clients, the incurring of capital expenditure) is likely to provide long-term benefits for our clients and other stakeholders. These decisions are made using our professional judgment based on the best available information. It follows that we believe consideration of matters concerning “asset resilience” in relevant circumstances is consistent with our fiduciary duties.

Further to the above, we highlight that our Sustainability Framework is supported by an approach to investment management that seeks to protect, and where applicable, add value through a focus on “Sustainability Performance Indicators” for each investment including, but not limited to, those listed in *Table 1* below.

Table 1: “Sustainability Performance Indicators”

ACCRETIVE VALUE DRIVERS (AVD)	Decreased...
More desirable spaces	Carbon pricing risk
Rent premiums	Climate impact risk
Increased occupancy	Resilience risk
Increased tenant retention	Regulatory disclosure risk
Faster lease-up	Insurance premium risk
Lower operating expenses	Valuation risk
Higher net operating incomes	Functional obsolescence risk
Greater investor appeal	Reputational risk
Lower cap rates	DEFENSIVE VALUE PROTECTORS (DVP)

2.3 Sustainability related risks and opportunities considered throughout the investment lifecycle

As an extension of the discussion above with respect to “Sustainability Performance Indicators”, it is our policy that fund and portfolio managers, together with all other investment professionals, should be incentivized at all relevant stages of an asset’s lifecycle to manage material sustainability related decisions in a manner which promotes consistency and careful consideration of the accretive or defensive elements that arise in connection with both sustainability risks and opportunities.

Accordingly, this Policy sets out below how we embed certain sustainability factors into each stage of the investment lifecycle (i.e. from acquisition, through to active asset management and disposition).

2.3(a) Policy with respect to assessing and managing greenhouse gas emissions

As governments around the world accelerate actions to regulate emissions and steer capital towards investments which promote sustainability, many clients have taken the decision to reduce their exposure to carbon-intensive sectors and /or support investment strategies which reduce carbon.

In this context, for both regulatory reasons and client demands, the GMC requires that each business line within LaSalle recognizes the importance of understanding operational carbon emissions associated with material investment decisions we take on behalf of our clients. LaSalle acknowledges that:

- (a) some clients do not mandate a reduction in carbon emissions from their investments (as either as a primary or secondary investment objective); and
- (b) each investment will have its own unique sustainability profile and issues with respect to its carbon emissions and equally there will be a range of differing initiatives that will be available to mitigate carbon emission risks associated with each asset individually.

In addition to the matters discussed below in paragraph 2.3(b), LaSalle is of the view that an understanding and management of carbon emission issues is consistent with our obligations as a prudent asset manager – as such it is appropriate to consider the financial risks and opportunities, together with any relevant legal requirements on behalf of our clients that arise in connection with their investments and carbon emissions.

2.3(b) Climate change adaptation and resilience

We recognize the potential negative impact of risks associated with climate change on our client’s assets. Accordingly, in respect of Direct Investments LaSalle has adopted a [Climate Action Plan](#) pursuant to which we are targeting a reduction in scope 1 and scope 2, and to the extent possible, scope 3 GHG emissions on an “intensity basis” (i.e. by floor area) of: (i) 50% by 2030 (as against a 2019 baseline)¹; and (ii) 100% by 2050.

LaSalle’s fund and portfolio managers are required to consider steps to assess, adapt to, and understand these risks. In this regard, we note the following.

- (a) **Climate risk at an acquisition or funding level:** Our fund and portfolio managers are required to evaluate data from climate risk data providers for consideration with a view to identifying location-specific climate risks as part of the due diligence process for new acquisitions of Direct Investments, Indirect Investments, or where LaSalle’s Private Debt business might be considering the provision of credit to owners of real estate assets. When considering the foregoing investments, our fund and portfolio managers are required to consider:
 - (1) modelling data to assist with: (i) investment decisions and (ii) whether appropriate limits of insurance are currently available to protect client interests should a natural hazard event occur; and
 - (2) measures (and associated capital expenditure) which might be implemented in order to prevent and/or mitigate loss for identified climate related risks.
- (b) **Climate risk and existing assets:** Fund and portfolio managers responsible for Direct Investments and Indirect Investments are required to periodically carry out climate risk assessments for client portfolios to evaluate the impact of climate change risks and any resulting recommendations with respect to disposal and / or capital expenditures that might be required to mitigate such risks.

Notably, Public Securities Investments do not necessarily allow for specific property level assessments in the nature of those described above and as such do not consider the above in the same way.

¹ Our 2019 Portfolio decarbonization reference baseline is 45 kgCO₂e/m², including scope 3 (representing over 14 million m² across the globe)

2.3(c) Energy consumption

There is a growing recognition that buildings contribute a large portion of GHG emissions and that energy inefficient buildings face greater regulatory and obsolescence risk due to sub-standard energy efficiency. Accordingly, in order to protect our clients' interests and mitigate the risk of financial loss to our clients, in respect of acquisitions (and existing assets intended to be held for the long term) of Direct Investments and Indirect Investments, LaSalle requires that its fund and portfolio managers consider (via a baseline energy audit, or NZC carbon audit) building energy use intensity ("EUI") targets (in some cases this is for landlord controlled use and in others, whole building). With respect to EUI, our approach varies depending on whether an asset is an existing standing asset, or one which is subject to material development, refurbishment or near-term disposition (across this spectrum, the key drivers are the ability to directly implement initiatives through full control and access rights in respect of the investment and access to accurately metered data).

The foregoing does not apply in respect of our Public Securities business nor is our Private Debt business obliged to consider EUI on an asset-by-asset basis (other than if a client mandate stipulates such requirement).

2.3(d) Renewable energy

Our fund and portfolio managers responsible for Direct Investments and Indirect Investments are required to consider the technical and financial viability of installing on-site renewable energy generating equipment as part of any acquisition and periodically under asset strategy plans for operational assets. For energy demand that cannot be met via on-site generation, the relevant fund and portfolio managers are required to evaluate renewable energy power purchase agreements ("PPAs") where available and the economics of doing so.

The foregoing does not apply in respect of our Public Securities business nor is our Private Debt business obliged to mandate on site renewable energy be adopted by borrowers (other than if a client mandate stipulates such requirement).

2.3(e) Water consumption

LaSalle recognizes that water consumption is an important aspect of sustainability, however given differing global approaches and legislation, LaSalle does not currently mandate universal application of water consumption measurement and reduction. Notwithstanding this, each fund and portfolio manager is encouraged in respect of Direct Investments to consider (if an opportunity arises) asset specific water management issues and related improvements.

2.3(f) Circular economy and waste management

When our Direct Investment business is considering a major development or refurbishment project, LaSalle requires that our development and project team consider material "circular economy" opportunities with respect to such projects.

2.3(g) Considering social factors relevant to investments

Social factors in real estate are complex and are typically unique to each property and each client. At LaSalle, we encourage our teams to consider the social factors that might directly impact investments they are responsible for and also how those investments impact the immediate communities. This can take various forms such as investing in buildings with high walk scores, preparing buildings for health and wellness certifications, etc.

3. GOVERNANCE AND LASALLE'S BUSINESS

As discussed above with respect to LaSalle's mission statement, we view our investments through the lens of "people, planet and performance". Embedded within our philosophy is the belief that good governance can have a positive influence on each of these. This Part 3 sets out a summary of LaSalle's governance framework with respect to certain sustainability risks and opportunities related to matters generally considered under the "Social" and "Governance" limbs of the acronym "ESG" as they impact our business today and which might be reasonably foreseeable to do so in the future.

As an "umbrella" comment, responsibility for global corporate governance starts with senior management and is then owned and executed throughout the organization. As noted in Part 1.1 (above), we operate four business lines, both regional and global, with responsible functional heads who are supported by directors and officers of entities that are regulated by and subject to examination by their respective regulators.

3.1 LaSalle's governance framework related to ESG

LaSalle generally defines "governance" as the set of processes, controls, customs, policies, laws and institutions affecting the way an organization: (a) is directed, administered or controlled; and (b) carries on relationships with third parties. LaSalle considers "governance" in the following three aspects of its operations: (i) how LaSalle itself is governed; (ii) how the funds that it sponsors and manages are governed; and (iii) how the publicly traded or private companies in which LaSalle invests on behalf of clients are governed.

To maintain consistency with respect to our culture, policies and high standards, LaSalle operates globally as "One LaSalle" and we structure our governance programs to take into account both corporate and client perspectives, overlaying sustainability on both. LaSalle's Global CEO bears ultimate responsibility and is supported by the Global Management Committee (the "GMC"), consisting of senior leaders from around the globe representing the business lines and functional teams that oversee implementation of our global strategy and corporate and client governance framework, including those related to material sustainability related risks and opportunities. As described below, the GMC is supported by LaSalle's Global Head of Climate and Carbon as it relates to sustainability-related risks and opportunities.

3.2 Global Management Committee

LaSalle's GMC oversees all aspects of LaSalle's global businesses in accordance with the terms of its charter. The responsibilities of the GMC and its members are to determine and direct LaSalle's mission and execution of its overall business strategy. This includes responsibility for overseeing:

- (a) **(Sustainability and investment decisions)**: the framework adopted by LaSalle (i.e. the requirement that each business line put in place investment committees and charters providing frameworks for the operation of such committees) for ensuring that material investment related decisions give due regard to sustainability related risks and opportunities; and
- (b) **(Sustainability and LaSalle's business)**: the business functions responsible for implementation of LaSalle's:
 - (i) governance framework that we believe are prudent to manage and safeguard our business (including oversight of the sustainability team); and
 - (ii) programmatic "Culture of Care" and associated policies and values we promote.

3.3 Sustainability Committee (“GSC”)

LaSalle established its Global Sustainability Committee (“GSC”) in 2008 to develop and govern sustainability related risks and opportunities as they relate to LaSalle’s investment management business. Since then, this work has matured into a well-resourced, formalized function with a team of fully dedicated professionals across the globe, led by the Global Head of Climate and Carbon (GHCC), thus eliminating the need for the GSC which was formally dissolved in 2024. Additionally, our former Global Climate Risk Committee, established in 2019, has been integrated into the responsibilities of the sustainability team, and thus dissolved in 2024.

The GHCC formally reports to the Global Chief Operating Officer and reports to the GMC at least annually for oversight and approval on overall strategy and any new sustainability-related public commitments. The GHCC is responsible for managing the sustainability function across the business, including oversight of regional and business Heads of Sustainability for each of LaSalle’s four main business lines, and their respective teams. Further, the GHCC oversees the integration of global initiatives across all business lines, such as climate risk, thought leadership, research & strategy cross-collaborations and global business processes.

3.4 Sustainability related governance framework (business lines)

As noted in Part 1.1 (above), our Direct Investment and Private Debt Investment business lines, together with oversight and support functions are organized and managed on a regional basis by reference to “the Americas”, “Asia Pacific” and “Europe”. Each of our Public Equity business and Indirect Investment business are managed on a global basis (though are provided services by the regional support related teams as needed).

Consistent with the above framework, LaSalle has appointed a “Head of Sustainability” for each business line respectively in Americas, Europe, Asia Pacific and Global Solutions. Each Head of Sustainability is charged with overseeing the development and implementation of policies in respect of the consideration of sustainability related risks and opportunities in connection with material investment related decisions. This includes delivering support to regional fund and portfolio managers, and also to asset management teams, who in turn are directly responsible for integrating the consideration of sustainability risks and opportunities that are identified, approved and committed to in connection with material investment related decisions, legal requirements, or otherwise which LaSalle’s investment professionals consider prudent as a steward of capital having regard to our client’s strategy and objectives. Each Head of Sustainability reports to both their respective business line CEO (or COO) and the Global Head of Climate and Carbon to help align management, communication and consistency of relevant policies and practices.

3.5 Material investment decisions

From a governance perspective, sustainability related risks and opportunities as they relate to material investment decisions are bifurcated between those with responsibility for the investment performance of each client mandate (i.e. each fund and portfolio manager) and that group which provides oversight of material investment decisions (being the relevant investment committee of each business line). Within the foregoing construct, and having regard to the obligations of LaSalle as a fiduciary and any mandate specific matters, LaSalle requires that:

- (a) **Fund and portfolio managers:** each fund and portfolio manager and asset manager incorporate into their management of investment decisions (whether risks or opportunities) the effective implementation of our sustainability related policies and procedures; and
- (b) **Investment Committees:** each business line set out in a written charter a threshold level at which decisions relating to investments (which should include acquisitions, disposals, asset initiatives or financing for example) constitute a level of materiality such that the relevant fund and portfolio managers are required to present the proposed transaction to an “Investment Committee” (“IC”) for approval of that transaction before giving effect to it. Amongst other matters, each IC is required to have regard to whether the fund or portfolio manager has taken

account of sustainability related risks and opportunities in a manner commensurate with LaSalle’s fiduciary duties, the client mandate and any applicable legal requirements.

Having regard to the above, the GMC requires that each business line adopts a standard investment committee memo format that covers the fundamental underwriting and diligence of the investment, including its catastrophic events, and climate risk exposure, that can be addressed at both the asset and portfolio level. Our sustainability teams have been mandated to develop detailed due diligence and underwriting protocols that include physical, financial and climate-related risks, as well as catastrophic events, in an effort to manage sustainability risks and opportunities identified in respect of potential investments.

3.6 Integration of ESG goals in performance management and remuneration

The GMC has mandated that at least one “sustainability related” goal is required for each member of the GMC, the sustainability team members, each director of a LaSalle operating business, all investment professionals and all support team members (which goal can be customized by their manager to fit their specific role and performance expectations).

Furthermore, our remuneration policies are designed to be consistent with the strategies, risk profiles, rules and investment objectives of LaSalle’s mandates.

3.7 Managing conflicts of interest

Whilst our goal is to operate as “One LaSalle”, we recognize that the structure of our business lines creates potential internal conflicts. We address these issues by establishing functional physical and virtual separation, together with conflict walls (also known as “information barriers”) between the business lines as appropriate.

In addition, given the breadth of our real estate investment activities, a wide range of conflicts of interest may occur, including conflicts of interest relating to sustainability matters. We have a set of company-level policies and systems for common potential conflicts plus policies that relate to specific investment activities, that are designed to manage conflicts. We deliver conflict of interest training to all investment professionals on an annual basis.

3.8 Business continuity and cybersecurity

The continuity and sustainability of LaSalle as a business cannot be considered in isolation from cybersecurity and business continuity plans. The GMC has determined that LaSalle’s continuity plans and cybersecurity protocols are best supported by leveraging JLL’s global technology platform and infrastructure. LaSalle’s global and country-level business continuity plans, together with the issues arising from a flexible work environment are required to be periodically tested.

3.9 Data protection and privacy

We are committed to meeting our obligations with respect to the privacy of information relating to all that provide their data to us, in particular how we treat sensitive personal data (additional information can be found in [LaSalle’s Privacy Statement](#)). Linked to this issue, as a member of JLL we are committed to designing and using new technology ethically and protecting data with appropriate security measures.

3.10 Training

We are committed to empowering our employees to act in ways that align with our values and support our management of sustainability risks and opportunities. We provide a comprehensive package of training solutions to support investment professionals with respect to many issues included in this document (including ethics, cybersecurity, and ESG topics).

4. LASALLE'S SOCIAL RESPONSIBILITIES

LaSalle defines "social responsibility" generally as the obligation of a company to make decisions and take actions that will enhance the welfare of its own employees and to act in the interests of society as a whole. Socially responsible initiatives that relate to human rights, workplace, community and societal issues are embodied in [JLL's annual Global Sustainability Reports](#) and reflect what LaSalle believes to be sound social standards for a global business.

As an organization, LaSalle is committed to being a responsible member of the community and supports a range of programs and activities that enhance local communities. We will continue to pursue actions that support this commitment across the business.

4.1 Real estate investing and exclusions

Investments and tenants that:

- (i) generate revenue from illegal activities, such as child labor, slave labor, illegal gambling, and illegal substances, or
- (ii) violate governmental sanctions or legal and regulatory restrictions governing financial involvement with specified individuals, companies, sectors, and countries, including anti-social forces,

are not in keeping with our stance on social responsibility and will not be knowingly pursued.

Outside of the above, LaSalle does not have sustainability-related exclusions. In all instances, we will abide by our clients' stances on avoiding or accepting exposure to capital sources, companies, sectors, and countries that are or are not contrary to their social responsibility, religious, or governance values; provided we can legally do so.

4.2 Our Culture of Care

LaSalle's Culture of Care is an internal program sponsored by the GMC which promotes our diversity, inclusion and equity framework. The Policy rationale behind this program is driven by the GMC recognizing that the sustainability of LaSalle as a business is aligned with achieving a culture of diversity and empowerment. The components of the Culture of Care are brought to life through a wide range of benefits, programs, and active learning. These include the following.

- (a) **Positive and open work environment:** LaSalle believes in providing a positive and open work environment and culture that supports the physical and mental wellbeing of our employees. Through this approach, we aim to enhance employee satisfaction, productivity, and overall engagement by providing opportunities for professional development and growth, recognizing and rewarding contributions, and fostering a sense of belonging amongst our workers.
- (b) **Diversity, Equity, and Inclusion (DEI) programs:** Our DEI programs are central to our Culture of Care and employee wellbeing. They are supported at global and local levels and encompass a range of initiatives designed to promote awareness, support gender balance, racial and ethnic diversity, careers in real estate for people from disadvantaged social communities, LGBTQIA2S+ employees and the mental health of our employees. We are committed to eliminating discrimination, removing employment barriers and promoting equitable opportunity for all. This Policy is memorialized via the [JLL Code of Ethics](#).

- (c) **Accessibility:** Across our investment portfolios, we strive to ensure that our corporate space and managed assets have appeal to a diverse community. This includes considering accessibly and welcoming to people with different accessibility needs.
- (d) **External facing:** This may include organizing charity fund raising and/or collecting in-kind donations on site; placemaking through investment in the public realm and providing community services.

We monitor performance in relation to staff training, health and safety, and diversity, equity and inclusion, and report these data to our parent company JLL, which publishes consolidated data on these topics. A copy of the most recent data (as at the date of this document) as published by JLL can be found in [JLL's Global Sustainability Report](#).

4.3 Ethical conduct

We believe that we uphold the highest standards of corporate governance and business ethics within our organization. These matters are governed by a series of policies, procedures, best practices and guidelines, including our parent company's [Code of Ethics](#). The Code of Ethics includes policy statements on diversity, equity and inclusion, employee health and safety, human rights, bribery and corruption, accurate books and financial records, fair competition and data protection and privacy and information security, among other aspects.

We operate under an anti-bribery and anti-corruption policy which includes the explicit prohibition of corporate contributions to political parties, candidates or causes and restrictions on lobbying activities. Our parent company maintains an "Ethics Helpline" for reporting potential misconduct, which is supported by a [Whistleblower and Non-Retaliation Policy](#) and provides guidance and regular training on bribery and corruption issues for all employees, as part of its [Anti-Corruption Compliance Program](#).

4.4 Human rights

We operate under a [Global Human Rights Policy](#) which outlines our principles in relation to forced labor, child labor, unacceptable working conditions, safety risk, discrimination and freedom of association. It includes a summary of our human rights due diligence approach, which is also contained within our parent company's [Modern Slavery Statement](#).

Within LaSalle's corporate procurement and investment decision-making, the identification of a potential human rights violation associated with a potential supplier or investment partner prompts an escalation that must be investigated prior to formal engagement.

4.5 Vendor Code of Conduct

We expect our joint venture partners, investee companies and suppliers to adhere to best practice standards of ethics and governance. We conduct risk-based due diligence on material third parties through the application of our global minimum standards for client due diligence, anti-money laundering and sanctions screening. We strive to monitor the performance of our business partners and routinely update risk assessments to identify areas of potential exposure.

Our parent company's [Vendor Code of Conduct](#) sets out our requirements in relation to responsible business practices, health and safety, labor standards and working conditions and human rights, including requirements for vendors to ensure that appropriate governance, training and monitoring procedures are in place to ensure compliance with the Code.

4.6 Health and safety

We are committed to ensuring that the spaces we manage mitigate safe and healthy risks for their occupants. We depend on the support of our business partners to achieve this. Our expectation of our vendors is detailed in JLL's [Vendor Code of Conduct](#). To instil confidence in the quality of our buildings, where appropriate we seek to obtain third-party verified health and safety certifications at an asset level, including the WELL Health-Safety rating and/or green building certifications which include a health and wellbeing component. Achieving these certifications demonstrate our commitment to improved air and water quality management, health service resources, emergency preparedness programs, enhanced cleaning, sanitation procedures and increased stakeholder engagement and communication.

4.7 The environmental impact of LaSalle's business

Our corporate environmental impact is centred on our occupied offices and conduct of business. Our parent company has implemented an environmental sustainability program across its corporate offices which LaSalle supports and contributes to. Amongst other matters, this includes improving energy efficiency in the buildings we already occupy, renting office space that meets high energy-efficiency standards and procuring energy from certified renewable sources where possible.

4.8 Political contributions and activities

We respect political processes and do not, as a business, favor any party or political group. We also recognize everyone's right to participate as an individual in political activities and to support and contribute to political causes, candidates and campaigns – however as a business we do not make political contributions or donations in LaSalle's name or use LaSalle corporate funds or other resources for political activities and in certain parts of our business prohibit certain political contributions.

5. LASALLE'S ENGAGEMENT WITH GLOBAL INDUSTRY FRAMEWORKS AND INITIATIVES

The GMC has determined that LaSalle should adopt certain industry frameworks and initiatives which provide guidance with respect to our approach to certain sustainability related issues (whether by each business line, and at a global, regional or country basis). This section addresses those global frameworks and schemes which LaSalle currently aligns to, has committed to, or has otherwise resolved to adopt as a set of goals or objectives (certain regional or country, or business line specific initiatives have also been adopted and these are referenced summarily in this part for completion only).

As noted in Part 1.2 (above) our view is that delivery of investment performance and a sustainable future for our stakeholders are not mutually exclusive when acting as a steward of investment capital. As such, on a case-by-case basis LaSalle considers (on its own behalf, and where appropriate on behalf of clients) credible and widely adopted industry frameworks and initiatives that help guide investment managers and their clients with respect to certain sustainability objectives, metrics and outcomes.

This part also provides links to reports and disclosures which LaSalle makes publicly available (such disclosures being consistent with our approach to quantifying initiatives and transparency of these).

5.1 United Nations Sustainable Development Goals (“SDGs”)

With respect to frameworks that impact LaSalle’s Sustainability Framework and the ongoing evolution of our approach to risks and opportunities arising in connection with sustainability and this Policy, the United Nations 2030 Agenda as set out in its Sustainable Development Goals (“SDGs”)² have been influential (in particular with respect Direct Investments and Indirect Investments given our control and ability to give effect to SDG related initiatives and objectives, and where applicable with respect to our own business operations).

Broadly, the SDGs are structured by reference to five “pillars” being: People, Planet, Prosperity, Peace, and Partnership. The SDGs are a collection of 17 interlinked objectives (and 169 associated targets) that were formulated in 2015 which to create a future global development framework. They were formally adopted in a UN resolution called the “2030 Agenda” designed to serve as a “shared blueprint for peace and prosperity for people and the planet, now and into the future”. The SDGs emphasize the interconnected environmental, social and economic aspects of sustainable development by putting sustainability at their centre. Although voluntary and not legally binding, as a set of “goals”, they are expected to play a crucial part in the progressive shift in the economic system towards sustainable investment.

Having regard to the nature of our business and real estate as an asset class, the GMC has determined that LaSalle will align with six objectives of the SDGs. These are listed in the diagram below (and the following table provides a summary of policies LaSalle will adopt to align to with these within certain business lines at an asset level or within LaSalle’s business).



² More information about the UN Sustainable Development Goals (as at the date of this document) can be found here: <https://sdgs.un.org/goals>

LaSalle's approach to alignment			
UN SDG	Description	Summary of policy to align*	Business alignment
Climate SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all	LaSalle will endeavour to measure and report: <ul style="list-style-type: none"> - annually the MW usage of energy sourced from renewables (in aggregate and as a percentage of total energy usage) - improvements in "energy use intensity" measurement 	Direct Investments Indirect Investments LaSalle's business
Climate SDG 13	Take urgent action to combat climate change and its impacts*	Per section 2 (above), LaSalle integrates climate risk assessments into each step of the investment lifecycle and investment decision making processes. In addition, LaSalle will implement climate change training and measure the percentage of employees receiving climate/ carbon training.	Direct Investments Indirect Investments
Nature and Resources SDG 12	Ensure sustainable consumption and production patterns	LaSalle will endeavour to develop processes to measure water consumption for each Direct Investment and embodied carbon in materials with respect to new developments in each region. Promote sustainable practices through employee and tenant engagement	Direct Investments Indirect Investments LaSalle's business
Communities SDG 3	Ensure healthy lives and promote wellbeing for all at all ages	Via our Culture of Care program, LaSalle will aim to provide health benefits to employees that exceed statutory minimum	LaSalle's business
Communities SDG 5	Achieve gender equality and empower all women and girls	LaSalle will monitor and disclose: <ol style="list-style-type: none"> 1. Employee gender balance. 2. Female representation in senior leadership positions 	LaSalle's business
Communities SDG 8	Promote sustained, inclusive and sustainable economic growth, full, productive employment and decent work for all	LaSalle applies its <u>Modern Slavery Statement</u> . We impose anti-modern slavery obligations on our material suppliers, including a commitment to abide by our global <u>Human Rights Policy</u> and our <u>Vendor Code of Conduct</u> .	LaSalle's business

*Note that certain exclusions will apply from this Policy. In the case of SDGs 7, 12 and 13, this will exclude assets which are subject to a disposal strategy which targets completion prior to the end of 2024 and (as may be applicable) assets which LaSalle does not have control of or access to meters (either because the tenant controls these and /or does not share the relevant data.

5.2 The UN Principles for Responsible Investment (“PRI”)

The Principles for Responsible Investment (PRI)³ is a United Nations–supported global network of financial institutions launched in 2006 that collaborate to implement its six aspirational principles (the “Principles”) Its goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision–making and ownership practices.

The PRI requires its signatories to implement the Principles within their policies and procedures. The Principles are centered about integration of ESG issues in a signatory’s policies and procedures, reporting to investors and promoting the implementation of such principles within the industry.

As a signatory to the Principles, LaSalle has (amongst other matters) publicly committed to adopt and implement the Principles where consistent with our fiduciary responsibilities. The six Principles are as follows.

The PRI Principles	
1.	We will incorporate ESG issues into investment analysis and decision–making processes.
2.	We will be active owners and incorporate ESG issues into ownership policies and practices.
3.	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4.	We will promote acceptance and implementation of the Principles within the industry.
5.	We will work together to enhance our effectiveness in implementing the Principles.
6.	We will each report on our activities and progress towards implementing the Principles

5.3 Net Zero Asset Managers Initiative

The Net Zero Asset Managers initiative (“NZAM”)⁴ was launched in December 2020. NZAM is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner (in line with global efforts to limit warming to 1.5 degrees Celsius).

LaSalle is a signatory to NZAM. An important feature of NZAM is that the commitment requires LaSalle to publicly disclose the proportion of assets to be managed in line with net zero and the interim targets set. Further, LaSalle will report annually in line with TCFD recommendations, including information in the [Climate Action Plan](#), and progress towards the target we have committed to as a signatory to NZAM.

We also acknowledge that the scope for asset managers to invest for net zero and to meet the commitments set forth above depends on the mandates agreed with clients and applicable laws.

5.4 ULI Greenprint Center for Building Performance

The ULI Greenprint Center for Building Performance⁵ is a research organization focused on climate mitigation and makes the business case for green buildings by tying carbon reductions to increased asset value. Through measurement, benchmarking, knowledge sharing, and implementation of best practices, ULI Greenprint and its members strive to:

³ More information regarding the Principle for Responsible Investment (as at the date of this document) can be found here: <https://www.unpri.org/>

⁴ More information regarding the Net Zero Asset Managers Initiative (as at the date of this document) can be found here: <https://www.netzeroassetmanagers.org/>

⁵ More information regarding the ULI Greenprint Goals (as at the date of this document) can be found here: <https://americas.uli.org/research/centers-initiatives/uligreenprint/membership/uli-greenprint-goals/>

- (a) reduce greenhouse gas emissions by 50 percent by 2030; and
- (b) reduce the carbon emissions of its members' collective buildings under operational control to net zero by the year 2050.

The goals of the ULI Greenprint are in line with the Paris Agreement and findings from the Intergovernmental Panel on Climate Change report to limit global warming to 1.5⁰ C.

LaSalle has committed to the ULI Greenprint goal to reduce landlord-controlled operational carbon emissions of LaSalle's global portfolio of managed assets to net zero by 2050. It follows that only those assets within LaSalle's global portfolio of Direct Investments and Indirect Investments which can be categorized by LaSalle as "landlord controlled" will be in scope for assessment against the ULI Greenprint Center for Building Performance goal.

Consistent with the above, LaSalle will submit a report (using the tool issued by the center to assess our relative progress in reducing emissions) to the ULI Greenprint Center for publication in its annual Greenprint Performance Report. The report uses the Greenprint Carbon Index, and is intended to provide a verifiable, transparency tool for building owners to use in benchmarking their portfolios.

5.5 Regional frameworks

UK Stewardship Code ⁶

LaSalle's UK business is a signatory to the UK Stewardship Code (the "Code"). The Code is a voluntary code for asset managers (investment managers), asset owners, and service providers. Its aim is to encourage active and engaged monitoring of corporate governance in the interests of beneficiaries. Specifically, the Code aims to promote the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, and society.

A copy of the latest Code report for LaSalle UK can be found on our website.

5.6 Publication of ESG related reports

LaSalle is wholly owned by JLL, whose [online reporting and disclosures](#) are inclusive of LaSalle's business.

AMENDMENT AND MODIFICATION HISTORY

Date	General description of updates / amendments
September 2024	Updated to reflect dissolution of GSC and other minor updates
October 2023	Updated to reflect title change for Global Head of Climate and Carbon
September 2023	Policy refresh to provide additional detail
December 2022	Updated to reflect expanded scope of LaSalle's approach to climate change adaption and net zero carbon.
June 2010	Initial policy

⁶ More information regarding the UK Stewardship Code (as at the date of this document) can be found here: <https://www.frc.org.uk/investors/uk-stewardship-code>



Amsterdam	El Segundo	New York	Singapore
Atlanta	Hong Kong	Paris	Sydney
Baltimore	London	San Diego	Tokyo
Beverly Hills	Luxembourg	San Francisco	Toronto
Chicago	Madrid	Seoul	Vancouver
Denver	Munich	Shanghai	

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