



Investing today. For tomorrow.

People Planet Performance



SUSTAINABILITY
IN FOCUS

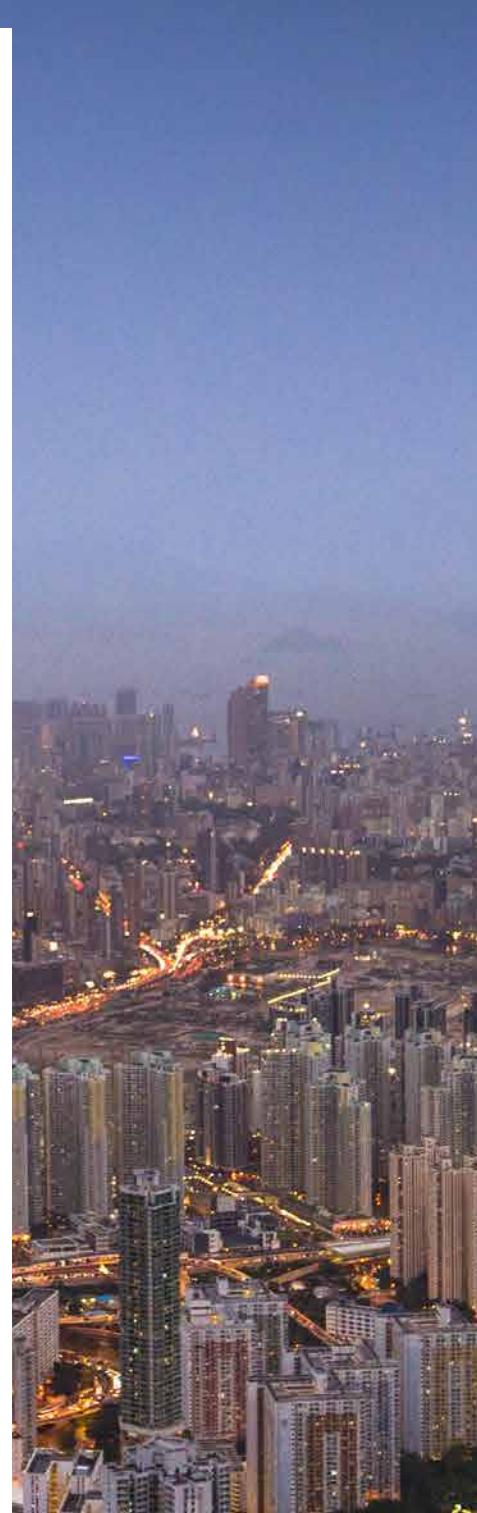
LETTER FROM OUR CEO



Mark Gabbay
Global CEO

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For more than 40 years, LaSalle has been a global leader in real estate investment management.

Our institutional clients manage assets for millions of workers and pensioners; from teachers to firefighters to healthcare workers, creating a better future for people around the world.

During the past few years, our world has experienced significant change. We've seen a global pandemic, social conflict, extreme weather events, new (and pending) regulations, work-from-home, rising interest rates and war. It seems the only constant in our lives is change, and the same holds true for real estate.

Our scaled access to information has provided us with a lens into the impact that real assets have on the environment and the surrounding communities. To help drive real impact, we must be equipped with the right knowledge and tools.

We've increased our sustainability capacity by scaling up each regional sustainability team and adding technical expertise. We've completed 113 energy audits* and developed new resources to skillfully integrate sustainable principles into our business and decision-making processes. We've diversified our supply chain and developed new resources to skillfully integrate sustainable principles into our business and decision-making processes.

We've refined our carbon strategy so that all portfolios and business lines can actively work to reduce our carbon emissions. This work will lead to more efficient operations, shape portfolio construction, increase resiliency and help to future-proof our assets and our business.

Our affiliation with JLL has many synergies that we seek to leverage, given their position as one of the largest providers of real estate services. They have recently issued a Sustainability Report that highlights their capabilities, forward-thinking approach and achievements. I encourage you to read the report [here](#).

Taken together, these factors provide us great optimism that our efforts will make an impact through the lenses of **People, Planet and Performance**. That said, we can't do it alone. Sustainability encompasses an expanding universe of topics requiring wider and deeper expertise, and we're prepared to collaborate across a broader set of stakeholders throughout our supply chain.

We are issuing our sustainability goals, progress, and metrics in two reports: one on climate action, and the other on community impact. This report covers our sustainability programming around the world, and will address our specific work to adapt to and mitigate the effects of climate change. In 2023 we will provide and update on our enterprise efforts to improve the communities where we operate, along with our diversity, equity and inclusion initiatives.

There remains much to do, but all our efforts align with our mission: Investing today. For tomorrow.

Mark Gabbay

Mark Gabbay
Global CEO



Hong Kong

* by 31 December, 2022



Our business at a glance

1,540
PROPERTIES

\$82b*
GLOBAL ASSETS
UNDER MANAGEMENT

24

OFFICES

14
COUNTRIES

900+

EMPLOYEES ACROSS
THE GLOBE

Source: LaSalle Investment Management as of Q3, 2022.

*All assets are in US dollars

**MANAGING CAPITAL FOR INVESTORS
ACROSS THE GLOBE**

500+

Institutional investors in over

30

countries

- Public pension funds
- Corporate pension funds
- Insurance companies
- Family office
- Foundations & endowments
- Sovereign wealth funds
- Fund of funds
- High net worth individuals

At LaSalle, we deliver investment performance for a better tomorrow for all our stakeholders.

Meeting investor objectives with a range of products

\$35.1b

SEPARATE ACCOUNTS

Customized mandates meeting the individual investment objectives of clients around the world.

\$35.3b

COMMINGLED FUNDS

Open and closed-end funds offering investors a strategic focus on attractive regions, styles and sectors.

\$7.9b

LASALLE GLOBAL PARTNER SOLUTIONS

Customized global and regional indirect real estate investments in funds, joint ventures, co-investments and secondaries.

\$3.4b

GLOBAL REAL ESTATE SECURITIES

Actively managed global real estate securities programs offering diverse investment options.

LaSalle offices

On-the-ground presence in the markets where we invest

Atlanta
Baltimore
Beverly Hills
Chicago
Denver
El Segundo

Mexico City
New York
San Diego
San Francisco
Toronto
Vancouver

Americas

Amsterdam
London
Luxembourg
Madrid
Munich
Paris

Europe

Hong Kong
Seoul
Shanghai
Singapore
Sydney
Tokyo

Asia Pacific



To drive a more sustainable tomorrow, we focus on three key areas: people, planet and performance.

INCLUSIVE

We instill a sense of belonging for each other, our investors and our world. We value everyone's whole self, unique perspectives and experiences.

GOVERNANCE

As we work to make a difference in the areas of planet, people, and performance, we consider governance an integral part of all our sustainability goals and actions.

OWNER MINDSET

Our culture is defined by our sense of responsibility and accountability to our shareholders, our investors and to each other.

AUTHENTIC

Transparency and trust are at the heart of who we are; we always act with integrity.

SUSTAINABLE

With a sense of purpose, we pursue consistent and thoughtful action toward sustainable solutions.

PEOPLE

We care about each other, our communities and our world and invest significant time and resources into creating a culture of collective success.

PLANET

We are committed to protecting and preserving the health of our world, through a thoughtful, tailored business approach.

PERFORMANCE

We aim to optimize investment opportunities and create sustainable value for our clients through tailored approaches that simultaneously protect and enhance the wellbeing of our planet.

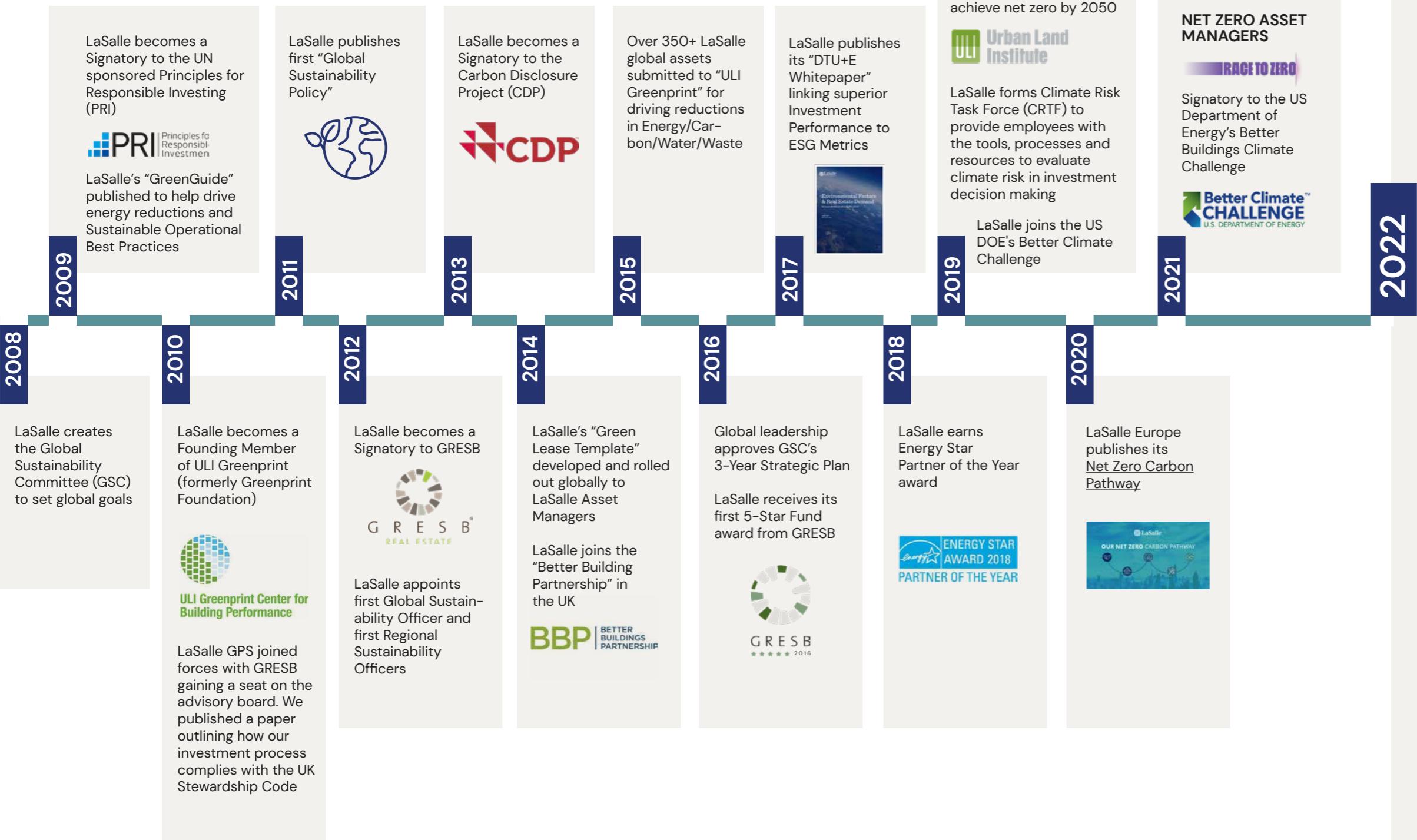
We are One LaSalle

In our work on making a positive difference to people, planet and performance, robust governance is inherent to every stage of our investment activity, to safeguard the successful delivery of sustainable solutions.

TIMELINE AND TRACK RECORD

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

Since then, specialist tools, processes and resources to evaluate and mitigate climate risk have become an integral part of working life across every aspect of our business from due diligence, risk management and operations, to portfolio management.



2022 AWARDS AND ACHIEVEMENTS

95% of LaSalle's employees completed JLL's Sustainability Essentials training

480 global sustainability certifications as of Q3 2022

CERTIFICATIONS

AMERICAS

127 WELL HEALTH AND SAFETY
61 LEED
35 ENERGY STAR
26 BREEAM

ASIA PACIFIC

41 WELL HEALTH AND SAFETY
25 CASBEE
20 BELS
7 DBJ
5 LEED
2 NABERS
1 BCA Greenmark

EUROPE

78 BREEAM
26 DGNB
3 HQE

OUR SUSTAINABILITY STRATEGY AND APPROACH

Our tailored approach to each asset and portfolio is designed to protect and enhance financial returns, today and in the future.

We have made significant progress on our journey towards carbon neutrality and a better tomorrow.

RESOURCE ALLOCATION

In addition to investing in the tools and processes that are important to sustainable outcomes for our clients, we have made a substantial investment in the human capital that is vital to success, with a team of sustainability professionals in each region where we operate. Every function within our organization contributes to our sustainability goals. Dedicated sustainability teams are responsible for supporting our broader organization in setting goals, making investment decisions, and measuring and reporting on progress.

83

EMPLOYEES ACROSS
THE FIRM PARTICIPATE
ON SUSTAINABILITY
COMMITTEES AND
TASKFORCES

40

EMPLOYEES
PARTICIPATE ON
THE GLOBAL
CLIMATE RISK
TASKFORCE

15

LEADERS ACROSS EACH
BUSINESS LINE ON THE
GLOBAL SUSTAINABILITY
COMMITTEE

14

FULL-TIME
ROLES
DEDICATED TO
SUSTAINABILITY

Vancouver



HOW WE ACHIEVE OUR SUSTAINABILITY GOALS



DEDICATED SUSTAINABILITY TEAMS

We have a well-established, highly experienced in-house global sustainability team, concentrated full time on driving sustainability work and goals.



ROBUST GOVERNANCE

We drive ethical, compliant, forward-thinking and transparent policies across all business lines.



ACCOUNTABILITY, EVERY DAY

Every employee at LaSalle has an annual goal which requires that sustainable considerations are incorporated into their roles wherever appropriate.



Every function within our organization contributes to our sustainability goals.

HOW WE ADD VALUE

Our sustainability policy supports an approach that seeks to add value at every opportunity, by enhancing **Accretive Value Drivers** (AVD) and fortifying **Defensive Value Protectors** (DVP).

We aim to add value at every stage of the investment lifecycle, from due diligence through acquisition, development, maintenance and asset management. Sustainability assessment outcomes and any applicable improvement plans are reflected in underwriting and Investment Committee approval documents.

Importantly, asset managers carry out regular sustainability reviews in order to optimize investment and development opportunities and minimize risk.

“

Sustainability is part of everyone's job, whether it's due diligence, risk management, operations or portfolio management.



Chris Wilson
Head of North America Due Diligence



2022 GRESB and ULI Greenprint results

Twenty-one of the firm's funds and separate accounts, domiciled across Europe, North America and Asia-Pacific, have been recognized for meeting the 2022 Global Real Estate Sustainability Benchmark (GRESB), further improving upon impressive results reported in 2021. Across the 21 submissions, LaSalle achieved four 5-Star, nine 4-Star, six 3-Star and two 2-Star GRESB ratings.



[read more](#)

Reinforcing our alignment with GRESB, **Kathleen Jowett**, Fund Manager with LaSalle Global Partner Solutions maintains the following designations:

- GRESB Foundation Board Member (2022–present)
- Chair of the GRESB Advisory Board (2017–2022)
- Chair of the GRESB Foundation Board (2022–present)

COMMINGLED FUND RESULTS SUMMARY



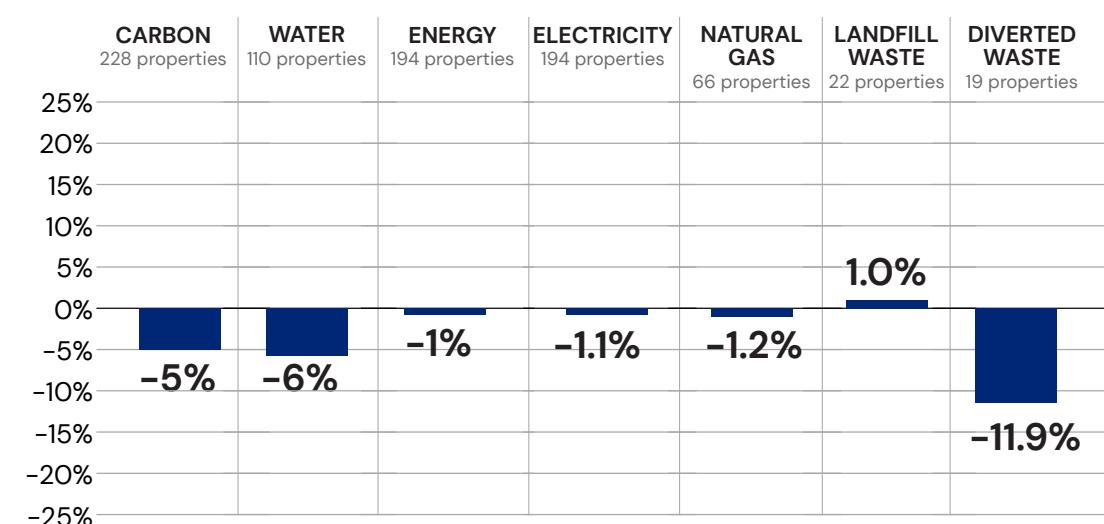
Management and Performance

FUND	2022 MANAGEMENT	2022 PERFORMANCE	2021 MANAGEMENT	2021 PERFORMANCE	
LaSalle Canada Property Fund	30	56	30	57	North America
LaSalle Property Fund	30	50	30	51	
JLL Income Property Trust	30	48	30	49	
LaSalle LOGIPORT REIT	30	63	30	57	
LaSalle Japan Retail Portfolio	30	54	30	54	Asia Pacific
LaSalle Japan Property Fund	30	50	30	44	
LaSalle Asia Venture Trust	30	49	n/a	n/a	
LaSalle Asia Opportunity Fund V	30	49	30	49	
LaSalle China Logistics Venture	30	46	30	40	Europe
LaSalle E-REGI	30	58	30	58	
LaSalle Encore+	30	57	30	59	
LaSalle Global Navigator Fund	28	53	28	56	Global

GRESB Real Estate Assessment issued in Oct 2022 for calendar year 2021 performance by the Global Real Estate Sustainability Benchmark Benefit Corporation. LaSalle pays an annual fee for each fund assessed through GRESB.

LASALLE 2020-2021 GREENPRINT MEMBER REPORT***

PERFORMANCE SNAPSHOT



The data above is a summary of data submitted to GRESB that has been filtered by Greenprint and as a result may not be consistent with future disclosure of similar information disclosed for other reporting purposes.

CARBON REDUCTIONS ARE EQUIVALENT TO:



20,099

Fewer barrels
of oil*



1,088

Fewer homes
consuming energy*



1,863

Fewer vehicles
on the road*



144,040

Tree seedlings grown
for 10 years



58

Fewer Olympic
swimming pools**

* Emissions reductions equivalences calculated using U.S. EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

**This figure based on water like for like portfolio

*** View full 2021 Greenprint member report

2022 PRI results



Miami

In addition, LaSalle received welcome scores in its 2021 United Nations "Principles for Responsible Investment" (PRI) Assessment Report, most notably securing a 5-star rating in the Investment and Stewardship Policy score, the only score that applies across the whole of the firm. 5-star scores are reserved for asset managers that can "demonstrate leading practices within the responsible investment industry."

These results come following changes to the PRI's reporting structure and scoring methodology, which included moving to a star classification system from letter classification.

LASALLE PRI ASSESSMENT REPORT RESULTS INCLUDE:

5★

Investment and
Stewardship Policy

4★

Direct
Real Estate

4★

Indirect
Real Estate

4★

Direct – Listed Equity
Active fundamental
incorporation

2★

Listed Equity
Active fundamental
active voting

Climate action today, for a better tomorrow

Our approach to sustainability is far ranging and encompasses a wide variety of initiatives, which are embedded across all business practices. In particular, our sustainability policy recognizes the pressing requirement for action on mitigating the effects of climate change and the transition to a low-carbon economy.

Recent years have seen LaSalle intensify focus and resources on these efforts. In 2020, we committed to reduce the Scope 1 and 2 landlord-controlled operational carbon emissions of our portfolio of directly managed properties to:

**net zero
by the year
2050,
including a
50%
reduction by
2030.**

In line with this goal, we have committed to the following initiatives:



BBP Climate Commitment
(European assets only)
Deliver net zero buildings by 2050
for Scope 1, 2 and 3 emissions,
including embodied carbon.

**NET ZERO ASSET
MANAGERS
INITIATIVE**



Net Zero Asset Managers initiative
Achieve net zero on our assets by 2050,
with an interim target of "our fair share"
of a 50% reduction of Scope 1, Scope 2
and Scope 3 emissions "to the extent
possible" by 2030.



Better Climate Challenge (BCC)
Through the BCC, organizations
can partner with the US Department
of Energy to reduce portfolio-wide
scope 1 and 2 greenhouse gas (GHG)
emissions by at least 50 percent
within 10 years.



ULI Greenprint commitment
Reduce operational carbon
emissions (Scopes 1 and 2) of
buildings under our operational
control to net zero by 2050.

Resource conservation

How best to conserve precious resources is a continuous process involving physical and transitional climate-related risk assessments and monitoring.

Our global connectivity and local expertise supports a coordinated approach to resource conservation, which is tailored to meet the individual needs of each asset and the regional regulatory requirements where it is located.

RESOURCE CONSERVATION

AMERICAS

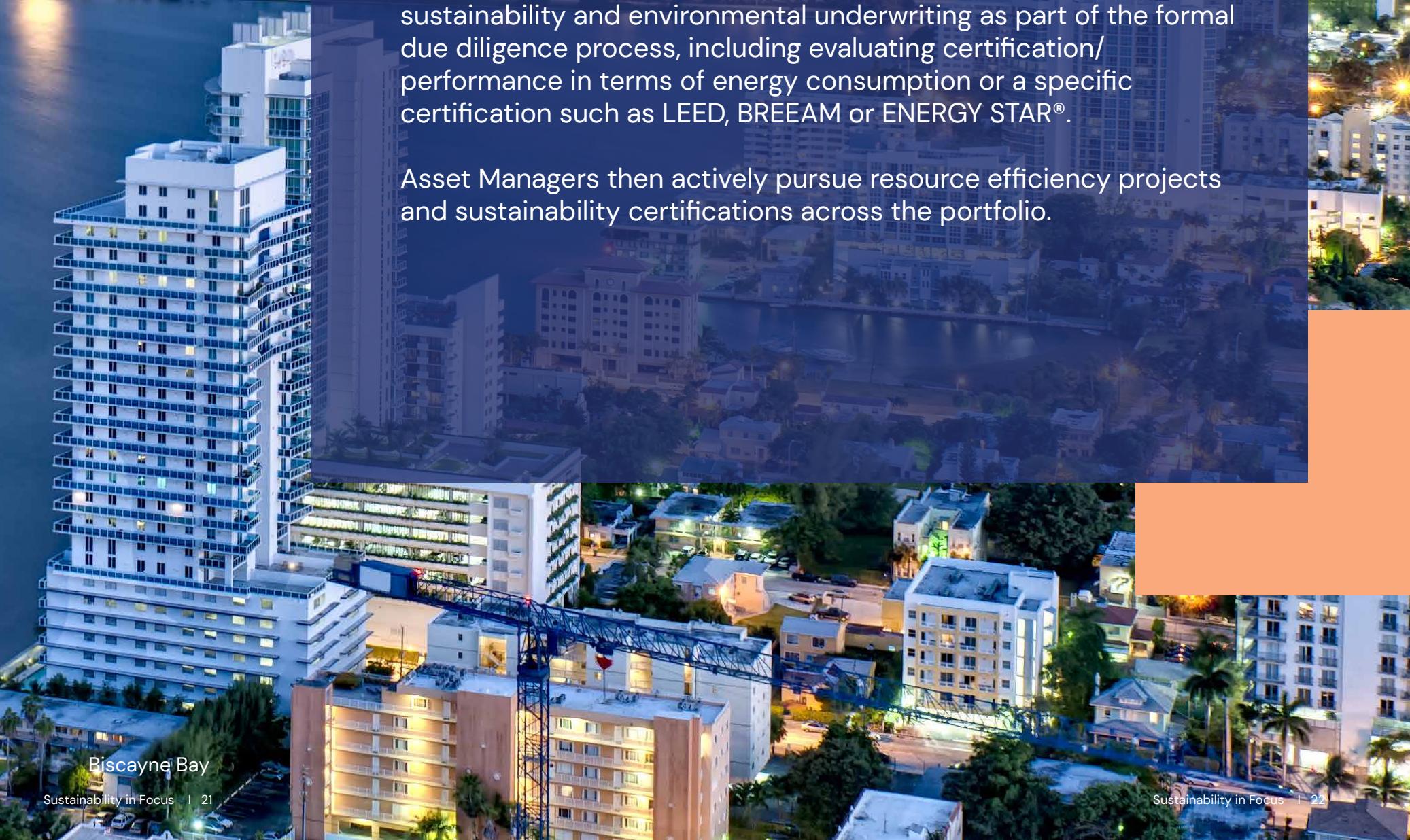
FRAMEWORK:

In the Americas, EPA's Energy Star Portfolio Manager as well as third-party environmental data is used to benchmark energy, GHG, water and waste data coverage and consumption, certifications, technical assessments and completed sustainability projects.

APPROACH:

Sustainability factors are incorporated throughout the investment lifecycle, including acquisitions, asset management and stakeholder engagement. All acquisitions undergo extensive sustainability and environmental underwriting as part of the formal due diligence process, including evaluating certification/ performance in terms of energy consumption or a specific certification such as LEED, BREEAM or ENERGY STAR®.

Asset Managers then actively pursue resource efficiency projects and sustainability certifications across the portfolio.



Biscayne Bay

RESOURCE CONSERVATION

ASIA PACIFIC

FRAMEWORK:

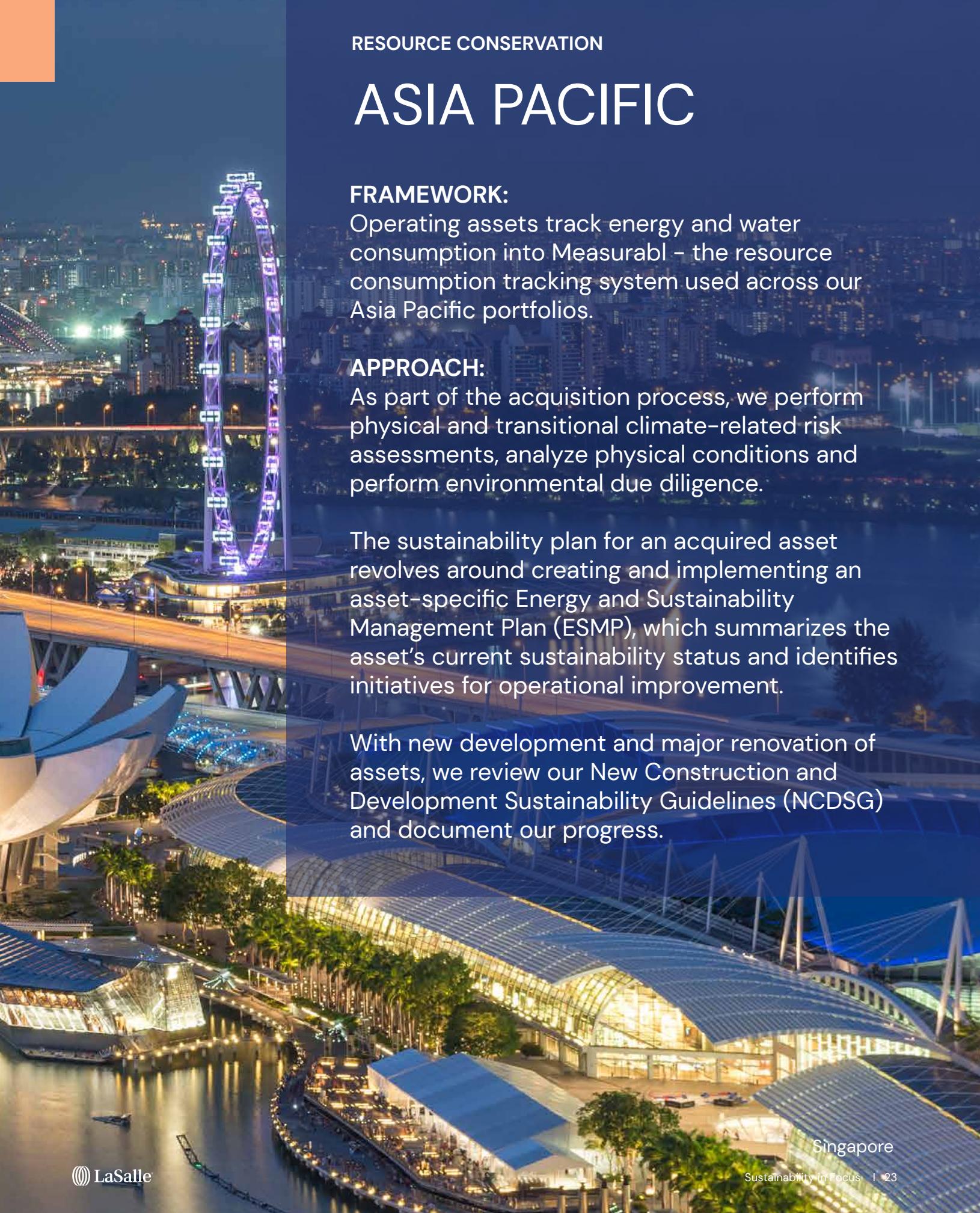
Operating assets track energy and water consumption into Measurabl – the resource consumption tracking system used across our Asia Pacific portfolios.

APPROACH:

As part of the acquisition process, we perform physical and transitional climate-related risk assessments, analyze physical conditions and perform environmental due diligence.

The sustainability plan for an acquired asset revolves around creating and implementing an asset-specific Energy and Sustainability Management Plan (ESMP), which summarizes the asset's current sustainability status and identifies initiatives for operational improvement.

With new development and major renovation of assets, we review our New Construction and Development Sustainability Guidelines (NCDSG) and document our progress.



RESOURCE CONSERVATION

EUROPE

FRAMEWORK:

All assets across Europe for which we have data are monitored for carbon emissions, energy and water consumption and waste management in the Sustainable Management Programme (SMP) using Deepki.

APPROACH:

The purpose of the SMP is to deliver concrete and lasting energy, carbon, water and waste reductions across the assets identified, which reduces operational expenditure and helps meet environmental targets. In addition, the SMP supports property and facilities managers in the daily management of the asset.

Each quarter, net zero carbon, fund-level and asset-level reports are produced to show progress against reduction targets, and to highlight the best-performing assets and areas of risk.



TAKING CLIMATE ACTION

LaSalle is addressing the physical and transition risks associated with the impacts of climate change (adaptation) and the transition to a decarbonized world (mitigation) with action across all areas of our business.

CARBON AND CLIMATE RISK 101 EDUCATION

Firm-wide commitment to education and training:

LaSalle educates employees on carbon and climate risk factors, and the underlying implications on our portfolios.

For example, in 2022 LaSalle provided an all-employee training seminar on both Climate Risk and Carbon 101, which was presented by some of LaSalle's sustainability leaders.

Our global sustainability education and training program is testament to LaSalle's commitment to equip every employee with the knowledge and skills to enable them to proactively champion the transition to net zero.

INTERDISCIPLINARY INTEGRATION



Our climate-focused approach to drive investment performance

- Preserve property value by hardening assets against identified hazards
- Evaluate diversification of hazard exposures
- Factor risks into acquisition strategy
- Factor risks into hold/sell decisions
- Protect tenants, onsite teams and community

CLIMATE ACTION TODAY, FOR A BETTER TOMORROW

Evaluating climate risk

The evaluation of both physical and transitional climate risk includes several chronic and event-driven physical hazards, as well as legislative and regulatory changes across global jurisdictions. This gives us the ability to assess the materiality of the potential financial impact from both types of risks.

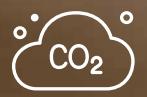
LaSalle incorporates climate risk into investment decisions by:



Evaluating data from climate risk data providers to consider in overall market assessments



Identifying climate risks as we evaluate new acquisitions



Mitigating identified risks in new and standing assets



Incorporating climate risk in our portfolios' strategic planning as a factor we weigh in making buy/hold/sell decisions



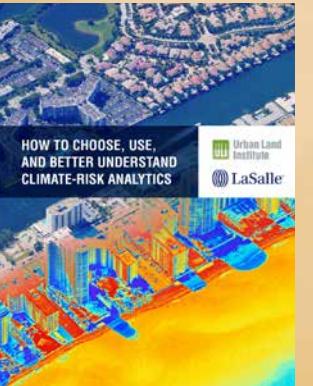
Publishing thought leadership on how LaSalle and the industry at large become intelligent and careful consumers of predictive models



Reporting climate risk to inform clients, fulfill global commitments and promote transparency.

RECENT WHITEPAPERS

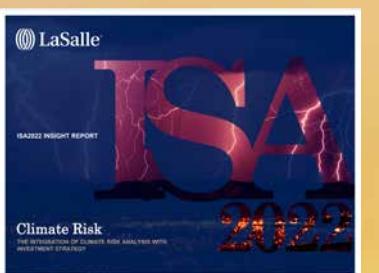
Thought leadership



2022 joint report with Urban Land Institute



ESG themes take center stage



2022 LaSalle ISA climate risk insight report



Decarbonization and the Evolution to Net Zero Carbon (NZC) Real Estate



INDIRECT INVESTMENT APPROACH

LaSalle Global Partner Solutions (GPS) is our platform providing investors with access to customized global and regional indirect real estate investment solutions.

While LaSalle GPS does not directly own and manage properties, the team is focused on ensuring LaSalle's sustainability policy and processes are embedded in their investment lifecycle, including:

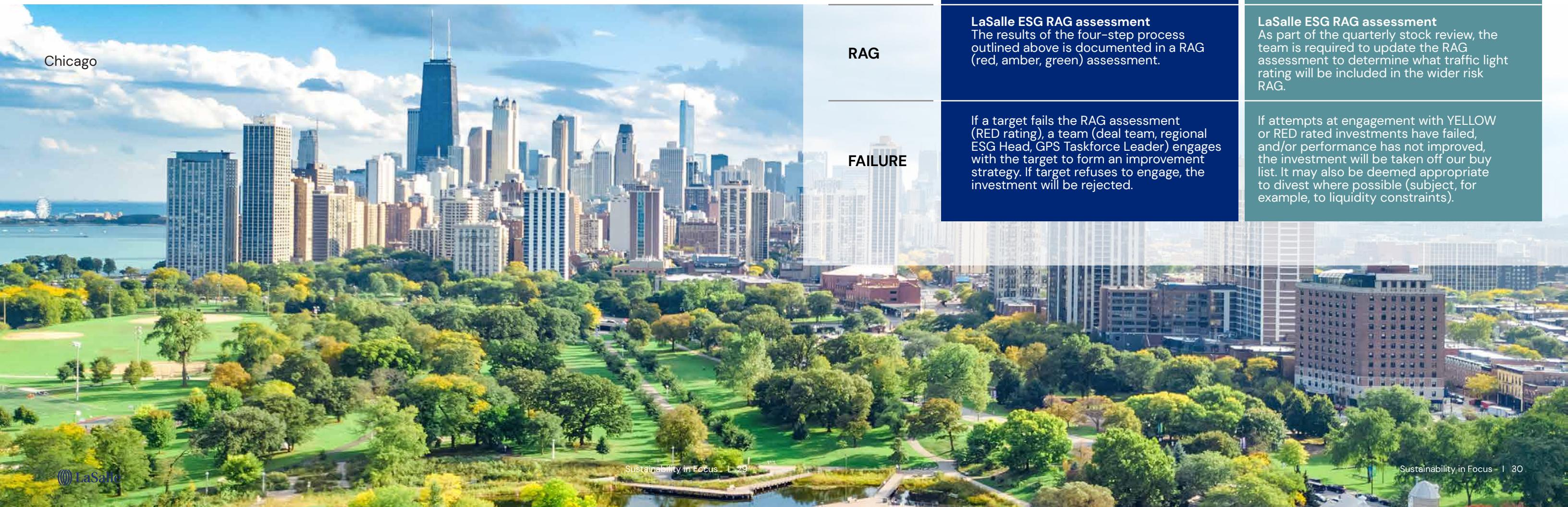
1. 2. 3.

Formulating an annual GP engagement strategy

Representing LaSalle on external industry bodies

Reviewing and signing-off on our pre-investment sustainability due diligence questionnaire: building, investment and GP levels

Chicago



SUSTAINABILITY INTEGRATION

How responsible investment criteria are embedded in our investment process

LEVEL 1

LaSalle GPS due diligence questionnaire
Our Fund Management DDQ contains questions drilling into target's ESG policies, philosophy and measurement of ESG related indicators.

LEVEL 2

GRESB participation
We ensure that every new investment completes the GRESB survey by way of a side letter.

LEVEL 3

Restrictions check
Prior to investment we determine the targets exposure to tenants and countries on the GPS tenant and country exclusion lists.

LEVEL 4

Net zero carbon and climate risk
Prior to investment we conduct a transitional and physical risk assessment on the target investment's holdings.

RAG

LaSalle ESG RAG assessment
The results of the four-step process outlined above is documented in a RAG (red, amber, green) assessment.

FAILURE

If a target fails the RAG assessment (RED rating), a team (deal team, regional ESG Head, GPS Taskforce Leader) engages with the target to form an improvement strategy. If target refuses to engage, the investment will be rejected.

LaSalle GPS future trends survey

We engage with investments annually on GPS focus areas or future trends. Previous examples include climate risk, Diversity, Net Zero Carbon adoption, flood risk and fire risk.

GRESB engagement

Targeted questions agreed annually by the LaSalle GPS Sustainability Taskforce focusing on GRESB results. Previous examples include EMS, DMS, stakeholder engagement, operational improvements.

Specific ESG indicators

Targeted questions focusing on non-GRESB related areas. Previous examples include: MEES legislation and TCFD compliance.

Net zero carbon and climate risk

Annually we will conduct Net Zero Carbon and climate risk audits on our underlying investments to highlight risks and areas for further engagement.

LaSalle ESG RAG assessment

As part of the quarterly stock review, the team is required to update the RAG assessment to determine what traffic light rating will be included in the wider risk RAG.

If attempts at engagement with YELLOW or RED rated investments have failed, and/or performance has not improved, the investment will be taken off our buy list. It may also be deemed appropriate to divest where possible (subject, for example, to liquidity constraints).



LASALLE GPS FUTURE TRENDS SURVEY RESULTS

Transitional and physical risk survey

The annual LaSalle GPS Future Trends Survey focuses on the most significant and pertinent environmental issues affecting our communities.

Findings from this survey enable the LaSalle GPS team to provide clients with information obtained from the underlying invested funds, highlighting key trends and themes as part of the team's ongoing commitment to meeting sustainable investing principles.

As the world transitions to a lower carbon economy, net zero carbon (NZC) adoption and physical risk have emerged as key themes. Sustainability considerations are at the forefront of legislative change globally with far reaching consequences for real estate. Year-on-year analysis enables the team to track the progress of their manager's NZC adoption and physical risk assessment across the underlying portfolios. Through regular engagement with managers, the team is able to identify potential risks and help ensure the futureproofing of portfolios.

Physical risk

The survey also addresses organizations' knowledge, awareness and approach to climate risk, assessing how far along they are on their journey to achieving Taskforce for Climate Related Financial Disclosures (TCFD) recommendations.

Transitional risk

A further engagement theme in 2021 was on each underlying fund's NZC targets, whether or not these have been set, and the extent to which portfolios are futureproofed against potential changes to legislation designed to reach net zero carbon by 2050.

60
funds completed
the survey

80%
of the funds have made a
NZC commitment

56%
have published their
pathway to NZC

NZC scope includes
(% of funds that have made NZC commitment)

73
whole-building
emissions

77
landlord-controlled
emissions

63
embodied
carbon

85
of all investments
in the fund

LASALLE SECURITIES

LaSalle Securities is uniquely positioned to leverage its long experience with listed property companies and integrated research platform to provide superior market insights. Such insights include identifying the potential for improvement across sustainability factors to the benefit of shareholders and broader stakeholders alike.

Sustainability considerations are factored into our projection of a company's earnings, our determination of the risk/return required for a company's real estate, business model, management capabilities and our assessment of the long-term growth potential of the company's earnings. We create a proprietary ESG score for each company, which is factored into each company's franchise or platform value.

In our evaluation of a company's environmental performance we focus on disclosure in the form of policies, reporting and monitoring. We consider energy consumption, greenhouse gas (GHG) emissions, water usage and waste management, and include our expectations for cost saving or revenue generation in our estimates of cash flows. We believe continuous improvement should be considered over solely low per-unit impact.

Through the team's disciplined investment process, sustainability reporting attributes are calculated into a Franchise Value figure, which ultimately determines a portfolio manager's buy/hold/sell decision.

INVESTMENT CRITERIA



Environmental factors

Energy consumption
Measurement and verification
Sustainability of built environment



Social factors

Diversity, equity and inclusion
Health and safety
Community engagement



Governance attributes

Alignment of incentives
Historical conduct
Transparency



DEBT INVESTMENT

Europe

LaSalle's European Debt Investments business focuses on the risks and opportunities presented by sustainability factors at every stage of the investment process. This includes during initial loan screening, collateral assessment, loan approval process and post-close loan monitoring.

INITIAL SCREENING / DUE DILIGENCE

As part of the initial underwriting, asset screening and due diligence, we build a comprehensive assessment of a transaction's sustainability performance to inform our investment decision making. This includes:

ESG questionnaire: We are adopting a customized ESG questionnaire, formulated in conjunction with an external ESG advisor, to screen sponsors and underlying real estate collateral. This screening process focuses on a sponsor's commitments to environmental and sustainability management systems as well as social and governance considerations. Our typical sponsors are sophisticated institutional investors with their own ESG policies, dedicated teams and a clear focus on delivering an ESG agenda within business plans. From an asset perspective, the questionnaire focuses on energy performance and green building certifications as well as biodiversity, green travel and contribution to social factors.

LOAN APPROVALS / INVESTMENT COMMITTEE

Our Investment Committee submission materials have a sustainability-focused section that summarizes and addresses any findings from our underwriting process.

Our loan documentation includes obligations on the borrower ("Green Undertakings") to:

- Maintain energy efficiency ratings for each property which are in compliance with minimum energy efficiency standards in force (in respect of each jurisdiction)
- Provide, wherever available, actual energy consumption data from the assets we finance in

Climate risk: We are adopting the MSCI Climate Risk assessment tool to determine the potential risks associated with climate change on the collateral properties. The outputs of that tool help us to determine potential risk factors arising from climate change and allow us to consider any necessary mitigation.

Technical due diligence: We obtain technical property condition reports relating to the underlying assets which help to identify, amongst other factors, environmental risks (including flood risk assessment), physical property condition and evidence to support any green building certification (such as BREEAM), along with energy performance ratings (EPCs).

As part of our underwriting, we work with sponsors to ensure that their business plans seek to address any risk factors arising from our underwriting / due diligence (such as lower EPC rating) and that any capex required to improve energy performance is contemplated within a business plan as well as adequate funding being available to deliver.

terms of Kwh / M2 / year. This includes whole-building energy consumption as well as landlord-controlled areas (although clearly the availability of tenant energy consumption is contingent on the landlord's ability to extract that data from underlying occupiers)

- Provide updated ratings (e.g. BREEAM) as and when renewal of a rating is required

GREEN LOANS

The LaSalle European Debt Investments Team also has a recent track record in providing "Green Loans" in accordance with the LMA Green Loan Principles framework*. It is envisaged that all development or refurbishment loans to be provided by LaSalle under the programme would be structured as Green Loans, underlining the program's commitment to delivering sustainable finance.

* <https://www.lma.eu.com/documents-guidelines/documents>

DEBT INVESTMENT

Americas

As a lender through LaSalle Debt Investors offering in the US, we are one step removed from direct ownership and control of real estate assets, but wherever possible we seek to support investment in sustainable real estate. Starting with our next US debt fund offering which will begin deployment in 2023, our team will encourage borrowers to select more sustainable business plans and provide incentives such as reduction in cost and increased proceeds.

INITIAL SCREENING / DUE DILIGENCE

SUPPORT

We offer training on the use of tools such as ENERGY STAR to help set up benchmarks that can track energy data. We also provide access to consultants who have the expertise and track record in the path to Green Certification; and guide borrowers on options available from Fannie Mae for reduced financing costs.

INTEGRATION OF SUSTAINABILITY INTO DEBT INVESTMENT PROCESS

Sourcing / selection

MARKET STRATEGY / DEAL SOURCING

Focus on redevelopment and value-add strategy

Target markets with access to transportation and high walk scores

Target essential workforce housing in under-supplied and growth markets

Underwriting / due diligence

DUE DILIGENCE, APPROVALS AND CLOSING

Increased proceeds based on lower spread assumptions

Conduct full environmental and insurance due diligence

Sponsor's background checks (governance)

Collect energy data and setup Energy Star account

INCREASED PROCEEDS

We use the discounted Fannie US Department of Housing and Urban Development / HUD Green Financing spreads for internal exit analysis which may result in a larger loan for loans constrained by takeout DSCR analysis.

Management / take out

LOAN / ASSET MANAGEMENT

Collect energy data on an ongoing basis onto Energy Star

Provide access to consultants to help in achieving Fannie Mae or HUD-recognized Green Buildings Certification

Confirm mitigation of any environmental issues discovered during due diligence



EXIT: INCENTIVES

Increased value of property by reducing utility expense
Reduction of exit fee by 5-10 basis points if Green Certification is received
Qualification for Fannie Mae and HUD Green Financing programs with reduced spreads

CASE STUDIES

Project Edison, London, targeting Passivhaus status

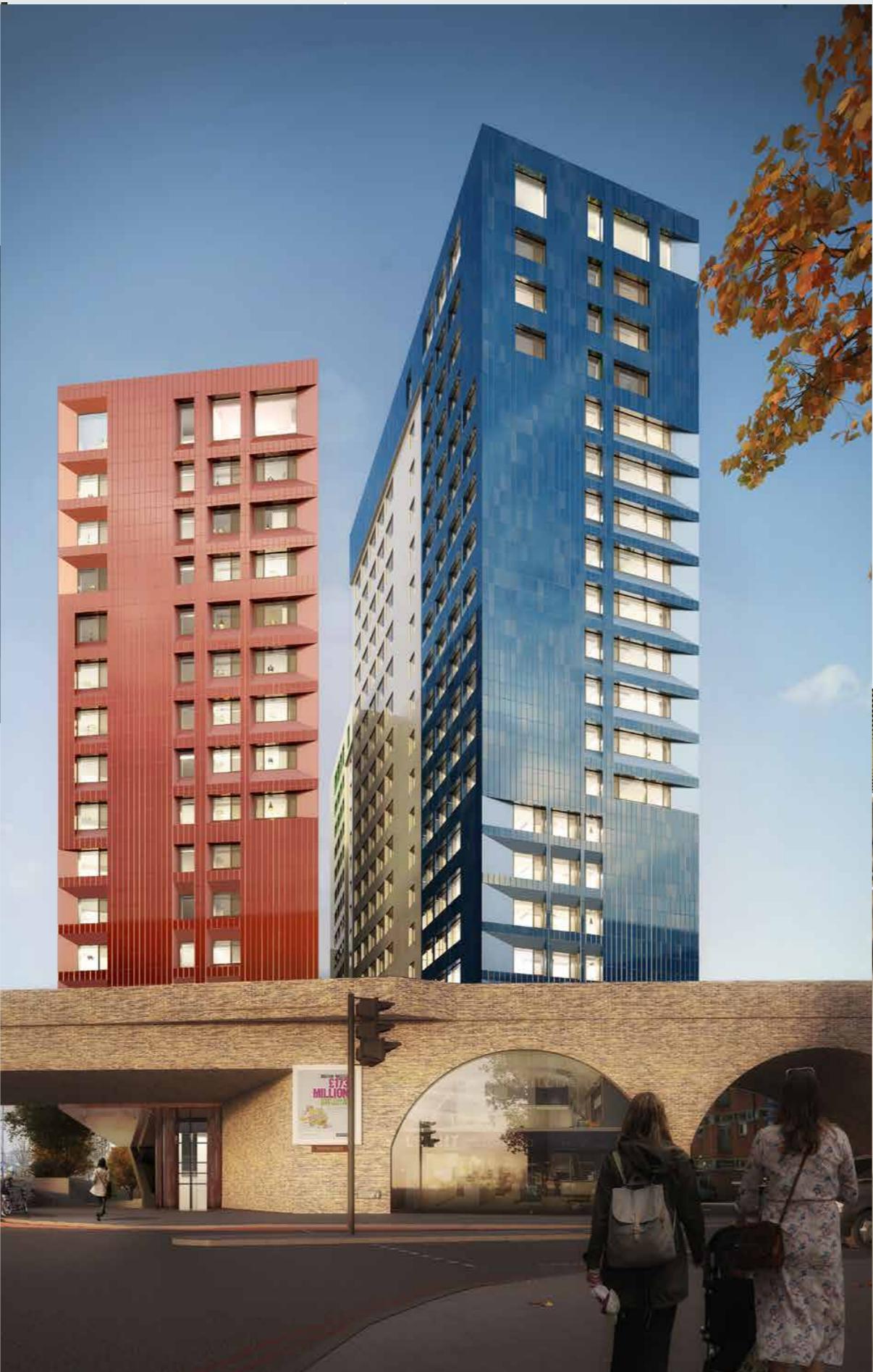
PURPOSE-BUILT STUDENT ACCOMMODATION



The green loan completed by the European Debt team to support the development of this 852-bed, purpose-built student accommodation in Battersea, London was structured to incentivise the sponsor to achieve strong sustainability credentials.

Targeting BREEAM "Outstanding" and Passivhaus design standards, the building features high levels of insulation including tripled-glazed windows and solar PV panels in its ambition to achieve net zero carbon.

- 35% of student beds will be rented at Greater London Authority (GLA) affordable rates
- 20,000 square feet of incubator / enterprise unit offered at below-market rates to provide start-up and community space



Green loan structure

LaSalle worked with the sponsor to develop a green loan framework and green finance committee to evaluate the credibility of the loan, monitor the use of proceeds and govern the green reporting.

The loan complies with the LMA Green Loan Principles and is verified by an independent third party, with the exit fee linked to the actual BREEAM rating achieved at completion.

- The loan is structured to incentivise the sponsor to achieve high sustainability credentials
- Exit fee is linked to the actual BREEAM rating achieved at completion
- Loan is documented as a "Green Loan" in-line with the LMA "Green Loan Principles" and verified by an independent third party
- LaSalle worked with the sponsor to develop a green loan framework and green finance committee to evaluate the credibility of the loan, monitor the use of proceeds and govern the green reporting



CASE STUDIES

Solar potential with Tremont and Huntington, Massachusetts

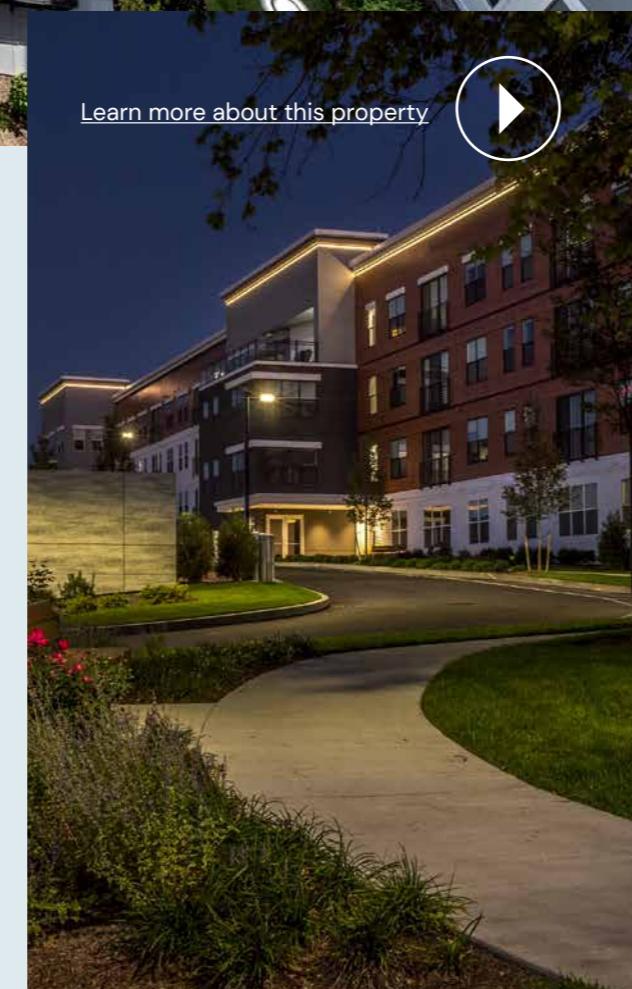
ENERGY / CARBON CONSERVATION



Tremont and Huntington, a multi-family asset in Burlington, Massachusetts, USA is using solar as an opportunity to source renewable energy onsite, offset common area building load and sell energy back to the grid. The property's location was especially desirable due to Massachusetts' progressive solar policies.

A new solar deal was developed for the property, adding onsite solar panels to the roof, and carport solar (ground-mounted solar panels over the outdoor parking lot) along with additional amenity and sustainability features for tenants. Contracting and permit-gathering are completed and construction will begin next year.

This solar project supports LaSalle's commitment to 'Net Zero by 2050' strategy, our broader sustainability policy and is expected to provide additional revenue and increase asset value.



[Learn more about this property](#)

CASE STUDIES

Maison Manuvie, Montreal – journey to net zero

ENERGY / CARBON CONSERVATION



LaSalle and Manulife Investment Management formed a partnership in 2021 to make Maison Manuvie, an office building in Montreal, Canada, less carbon intensive and more sustainable. We worked closely with the building's anchor tenant to meet a greenhouse gas reduction target of 80% by 2050.

Maison Manuvie was the first building in Quebec to achieve Wired Platinum Certification for buildings with the most reliable and secure internet connections; it has achieved Leadership in Energy and Environmental Design (LEED) Platinum, the highest distinction on their rating system.

Maison Manuvie was also recognized by the Canada Green Building Council as a Net Zero Carbon Building (ZCB).

Achieving ZCB-Performance certification means taking responsibility for all carbon emissions associated with building operations and eliminating climate impacts.

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Maison Manuvie is an exceptional example of how active asset management can achieve results, especially in reducing carbon emissions and, ultimately, saving on energy costs.



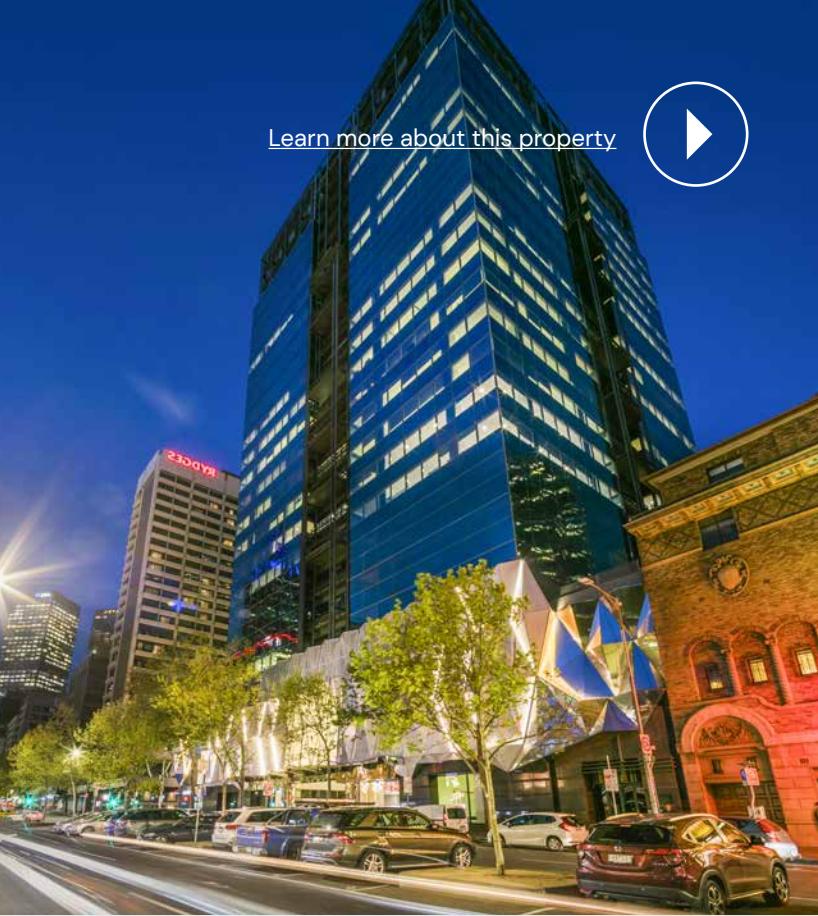
Sam Barbieri
Managing Director,
Portfolio Management and Development

CASE STUDIES

222 Exhibition Street, Melbourne, a sustainable success story

ENERGY / CARBON CONSERVATION /
PREDICTIVE MAINTENANCE

When LaSalle acquired this office building in Melbourne, Australia, a performance assessment and NABERS Improvement Plan was developed to drive more sustainable solutions and energy efficiency in particular.



[Learn more about this property](#)



Upgrades included:

- Optimizing mechanical systems controls and cooling towers
- Improving air-conditioning and ventilation strategies
- Implementing a predictive maintenance program
- Utilizing the Bueno Analytics Platform to meet sustainability goals by improving building systems
- Implementing upgrades for premium aesthetics, improved wellness outcomes
- Creating easy ways to reduce, reuse and recycle onsite

For its predictive maintenance system, unique amongst Australian commercial buildings, LaSalle was awarded the Collaborative Partnerships Award by the Facilities Management Association (FMA) of Australia in 2017.

LaSalle successfully turned this outdated 1980s commercial building into a sustainable success story, while minimizing costs and maximizing efficiency.

CASE STUDIES

"Gold Plus" energy and resources at Tekka Place, Singapore

ENERGY / CARBON CONSERVATION / DEEP RETROFIT

LaSalle's transformation of this outdated hotel and retail building has seen its operations and infrastructure attain gold standards in efficiency and sustainability.



Tekka Place was awarded certifications in Architecture and Environmental Sustainability Design from the Singapore Green Building Council and received the Building and Construction Authority ("BCA") Green Mark Gold Plus rating. The property also received The BCA Green and Gracious Builder Award. Highlights include achieving a 40% improvement in efficient lighting design and offering new sustainable products with higher environmental credentials.

In addition to the new high standards of sustainability, the improved building operations are also supporting the growth of tourism and boosting economic development in the area.

- The green improvements included:
- Adding envelope and roof thermal transfer measures
 - Improving air tightness and leakage prevention
 - Creating green lifestyle options for tenants
 - Implementing bicycle parking, reducing car parking by 20%
 - Improving operational infrastructure
 - Adding efficient lighting
 - Installing water-efficient fittings
 - Implementing sustainable landscaping plans and irrigation systems
 - Creating more green spaces
 - Improving air quality

CASE STUDIES

Sustainable refurbishment at White Hart Works, London

SUSTAINABLE RE-DEVELOPMENT / RENOVATIONS

Following significant fire damage, the White Hart Works industrial unit in London required major rebuild and refurbishment. LaSalle's project management team ensured that the plan maximized the opportunity to achieve a more sustainable solution. The team delivered a sustainable rebuilding process, including demolition, design, and coordination of planning approval, BREEAM and sustainability initiatives and statutory suppliers.

The project is an exemplar of creative, innovative and forward-thinking refurbishment, which included:

- Photovoltaic panels installed to the roof, providing electricity to the premises and any excess back into the network grid
- Electric vehicle charging points
- Airlite decoration on all wall surfaces, developed to improve air quality and eliminate bacteria and mold. It also drastically reduces the amount of solar heat absorbed by buildings, reducing energy costs up to 30%
- Installation of biodiverse landscaping following specialist consultant review and advice
- Sub-metering of all electrical systems
- Secure bicycle parking to encourage employees to cycle to work instead of driving
- CO2 sensors integrated into the MVHR to control fresh air supply
- External amenity areas with timber benching
- Water saving features including rainwater harvesting, leak detection systems and lower water usage

The building has since been awarded an EPC rating of A+ and a BREAM certification of "Excellent." It has also become a haven for natural wildlife in the areas where sustainable landscaping was introduced.

White Hart Works has risen from its ashes to become a beacon for sustainability.



CASE STUDIES

Modern logistics development, Kawasaki Bay

NET ZERO ENERGY / RESILIENCY



Logiport Kawasaki Bay, in Japan, is a five-story, multi-tenant logistics warehouse jointly developed by LaSalle, Mitsubishi Estate Corporation and Nippo Corporation to include the very latest sustainability features.

The plan included:

- LED lighting
32% saving in energy consumption
- Total heat exchanger
75% reclaim of air ventilated
- Water-saving toilets
46% reduction in water usage
- Structural control dampers
20% reduced building structure damage in the event of earthquake
- Emergency generator
Able to supply power operating for 72 hours during power outages or natural disasters
- Rooftop solar
Provides 39% of whole building energy consumption



This asset has achieved a 100% net energy consumption reduction rate and has received a CASBEE A certification, BELS 5-star certification, and the ZEB* certification.

* It is a Net Zero Energy Building, with 100% renewable energy to meet the base building energy requirements (tenant appliances excluded).

CASE STUDIES

In the business of bees

SUPPORTING BIODIVERSITY



In the United States, bees are responsible for pollinating more than a quarter of food sources but are currently dying off at an unsustainable rate, with potentially devastating consequences for the environment and food security.*

As part of our wider sustainability policy, LaSalle is supporting biodiversity by introducing beehives to assets in Europe and the Americas, including North Wacker in Chicago, Illinois and Marina Park in Los Angeles, California, where LaSalle coordinated the purchase, transportation and implementation of beehives from two market-leading bee providers.

In addition to coordinating these services, LaSalle offers tenants guidance and information on how and where to successfully install a beehive.

These efforts will help to sustain bee populations and support asset sustainability by preserving green space, adding value and providing LEED credits.

Beekeeping positively impacts tenants and building owners by creating opportunities for community (or "social") engagement at the asset, creates a sustainable solution for unused space and contributes to biodiversity.

*<https://www.greenpeace.org/usa/sustainable-agriculture/save-the-bees/>

CASE STUDIES

TRI-ing timber in Munich

SUPPORTING A CIRCULAR ECONOMY

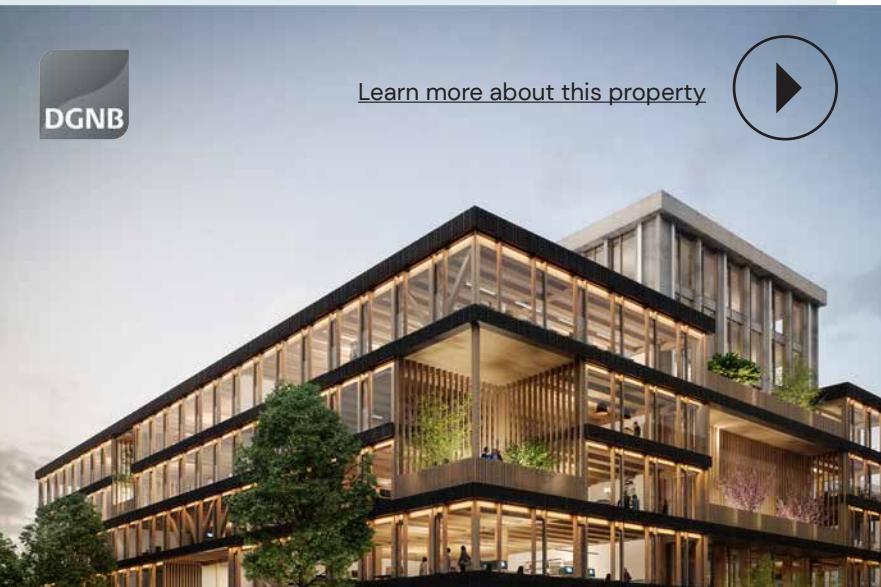


Scheduled for delivery in 2024, LaSalle will be driving an industry-leading opportunity by developing the first hybrid timber office buildings in Munich, Germany, in collaboration with Accumulata, using a hybrid timber-concrete method.

The acquisition of these two office assets represented an opportunity to redevelop the properties in a more sustainable way. The combination of timber and concrete reduces the overall volume of concrete used, reducing CO2 emissions. With the use of timber, a far greater proportion of the building will be manufactured in a controlled factory environment, allowing higher quality control and reduced construction time onsite. About 62% of the concrete in the TRI development, and all concrete in the demolition, will be recycled.

All materials used in construction will be documented in a material passport, showing where and how the various components were sourced and installed, and ensuring they can be repurposed at the end of their service life. These measures are projected to reduce embodied carbon by up to 25%.

This industry-leading asset has received DGNB Platinum recognition, only one of eight buildings in Munich to achieve this.



[Learn more about this property](#)

“

This is an industry-leading and best-in-class project. The first of its kind in Munich, its design, in accordance with circular economy principles, and resource-conserving operation, will serve as a benchmark in sustainable real estate.



David Ironside
Fund Manager



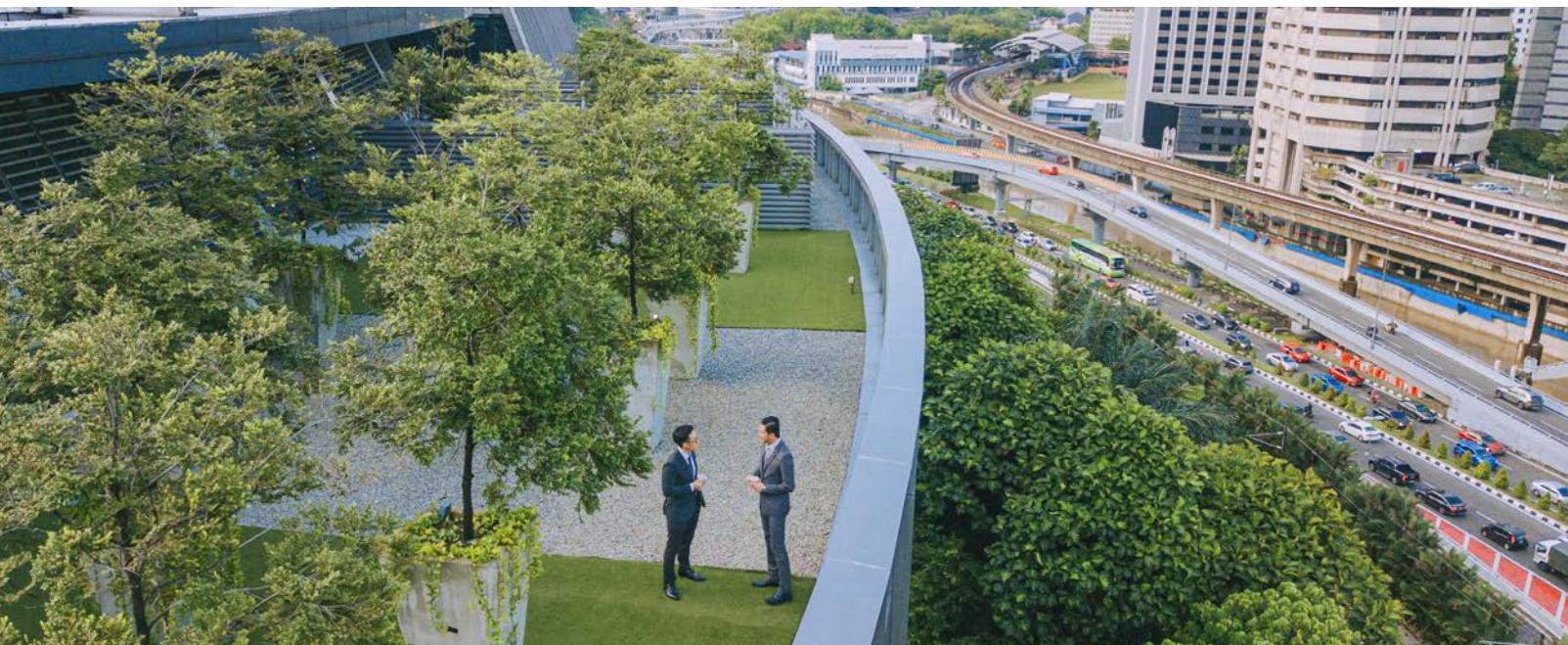
SUMMARY

The transition to a greener economy not only creates new responsibilities for the real estate industry to futureproof assets and portfolios but also brings opportunities to create fresh sources of value.

Far from simply mitigating risk, our sustainability policy runs through every facet of our business, to ensure that we add value at every stage of an asset lifecycle, from due diligence, through acquisition, development, maintenance and investment management, and across the investment process to the extent possible or appropriate for the particular asset.

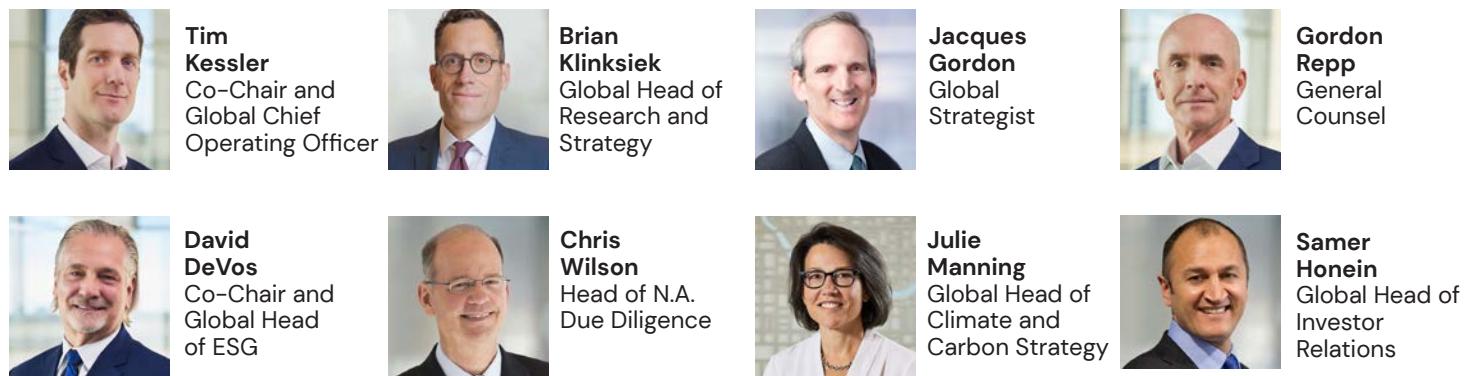
Throughout 2022, LaSalle was – and remains – focused on taking decisive action that will benefit our people, our planet and the performance our clients expect from us. As our track-record of certifications, awards and other “best practice” standards recognize, we have intensified our focus on climate action, delivering customized mandates to meet individual client objectives, global and regional investments in funds, joint ventures and secondary markets, and actively managed global real estate securities programs with sustainability at the top of the agenda in every case.

We believe it is clear from the case studies featured in this report, how a genuinely integrated sustainability policy can result in assets and investments of lasting value, not only to the investment stakeholders, but also employees, the surrounding communities and the local economy. These very different projects around the world share one common thread: LaSalle’s determination to take climate action today, for a better tomorrow.

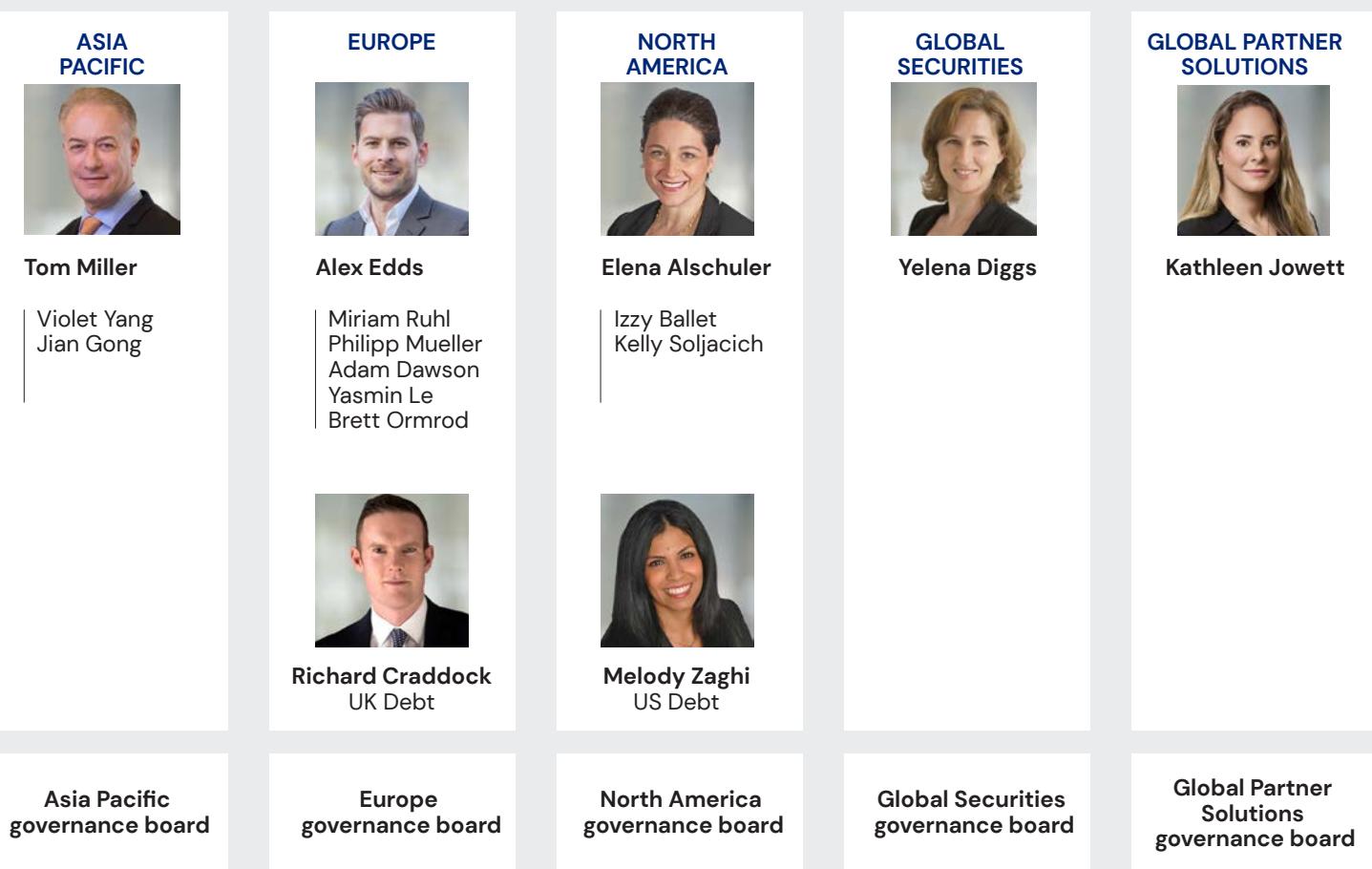


APPENDICES

Global Sustainability Committee



DEDICATED SUSTAINABILITY TEAMS



APPENDIX

Global ESG policy



[Click to read more](#)

Environmental, Social Responsibility and Corporate Governance Policy

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 LaSalle®

APPENDIX

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