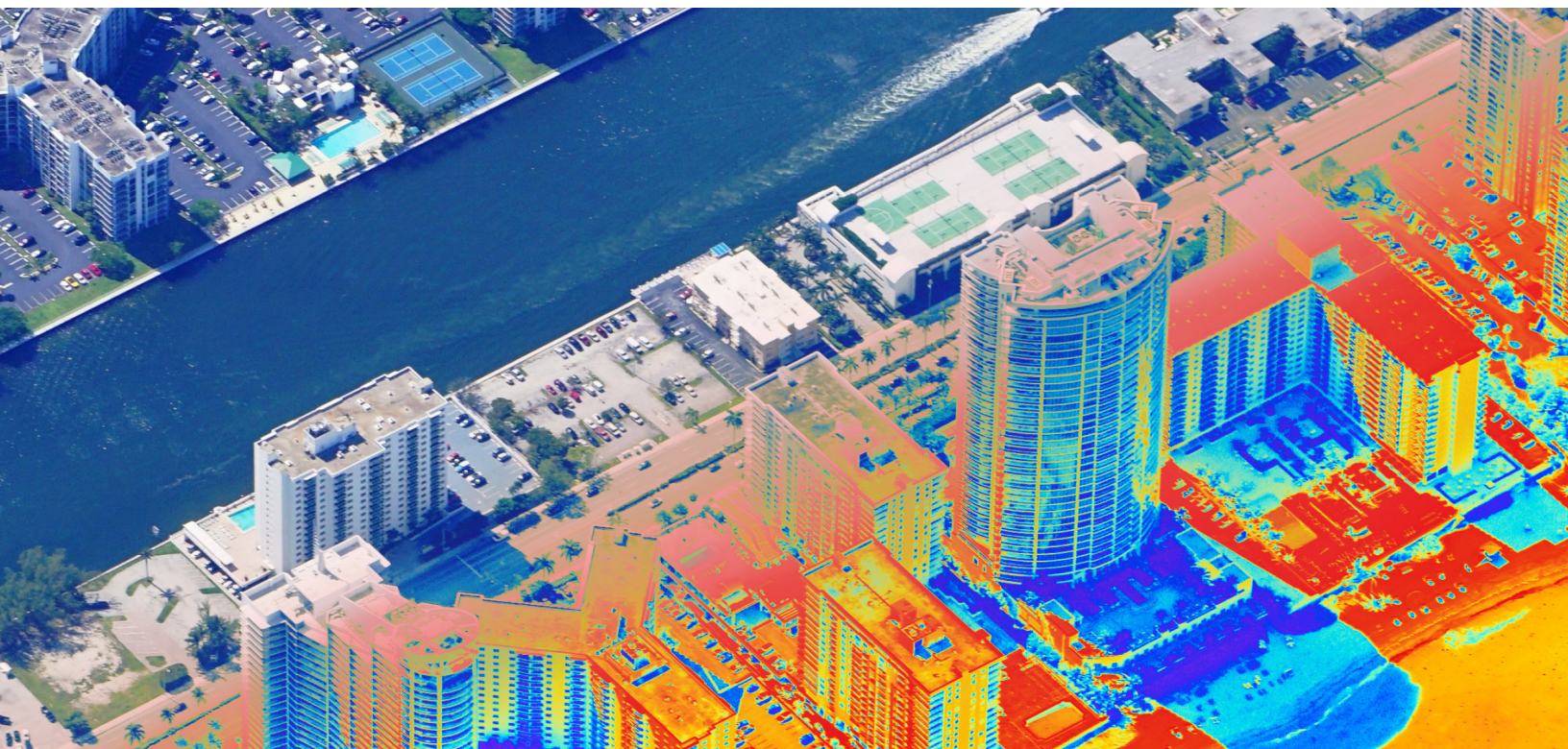


How to Choose, Use, and Better Understand Climate-Risk Analytics:

Supplemental Guidance for Real Estate in Talking to Climate-Risk Analytics Providers

Outputs from climate-risk analytics providers can vary significantly for a variety of reasons including data availability and modeling methodology, which can make it challenging to evaluate physical climate risk across assets and portfolios. To address this issue, LaSalle Investment Management partnered with ULI in 2022 to produce the report, [*How to Choose, Use, and Better Understand Climate-Risk Analytics*](#), which drew from interviews with real estate investment managers and climate-risk analytics providers to understand the emerging landscape of climate-risk analytics platforms and their applications. The report provides descriptions and guidance to help the real estate industry evaluate physical risk data analytics products.



Questions to Ask Providers: See How They Can Meet Your Business Needs

Page 17 of the report, [*How to Choose, Use, and Better Understand Climate-Risk Analytics*](#), includes questions that investment managers may consider as they evaluate climate-risk analytics providers against their business objectives. To complement that list, here are 10 core questions that investment managers can ask providers as they evaluate if a provider meets business needs. This is not intended to list all the questions an investment manager might ask a provider.

- 1 Given our key strategic objectives and investment process priorities, how could the outputs and capabilities of the platform meet our organization's climate-risk assessment needs?
- 2 What regulatory and voluntary reporting requirements does the platform support?
- 3 What hazards are covered by the platform and how are they defined?
Please provide any documentation with more in-depth platform details.
- 4 What Representative Concentration Pathways and timeframes are your projections based on?
- 5 What asset-level and local risk mitigation measures are incorporated into risk insights?
- 6 Does your platform output a level of risk exposure *and* translate that risk exposure into the dollar value of potential damages, or only one of the two?
- 7 Does the platform assess current risk or change in risk?
- 8 Does the platform include a measure of confidence for outputs?
- 9 Does the platform offer recommendations for integrating climate-risk assessment into specific operational areas, or are consulting services available to supplement platform insights?
- 10 Does the platform supply physical risk insights and recommendations for various asset classes and timeframes, across acquisition, underwriting, and disposition processes?

After selecting your provider(s), begin integrating their data into your business practices using the framework provided in [*Physical Climate Risks and Underwriting Practices in Assets and Portfolios*](#)