

Annual ESG Report 2023–2024



Gables Park Plaza & Park
Tower, Austin, TX



About This Report

The Clarion Partners LLC (“Clarion Partners” or “Clarion”) Environmental, Social, and Governance (ESG) program aims to reduce risk and create value for our company and our investors. Clarion is committed to the general principles of responsible investment practices, as well as environmental, community, and workplace responsible practices. Through this report and others, we aim to offer transparent disclosure of our progress with these efforts.

We have responded to the GRESB® assessment for select portfolios annually since 2012 and signed on to the United Nations-supported Principles for Responsible Investment (UNPRI®) initiative in 2013.

This 2023-2024 ESG Report has been prepared with reference to the Global Reporting Initiative’s (GRI®) 2021 Standards. This report will cover quantitative data through calendar year 2023 where available and qualitative data through 2023 and Q1 2024. The last Clarion ESG report was published in October 2023.

Within this report, the data shown within the “Environmental” section includes data derived across all Clarion funds and separate accounts, including those managed by Clarion’s affiliate, Clarion Partners Europe (“CPE”), unless otherwise noted. CPE operates separately from Clarion’s U.S. business and has its own ESG strategy and policies, which are available upon request.

This report discusses ESG capabilities available at Clarion; however, not all strategies at Clarion have ESG-oriented objectives or utilize these capabilities.

This report is representative of ESG policies at Clarion. Clarion has complete Policy Independence and is not aligned to any Franklin Templeton® policy framework. This report is for informational purposes only.



"Through our ESG program, Clarion Partners works toward a vision of sustainable value creation for our company and our investors...In addition to our work at the portfolio level, we continue to invest internally in our team of professionals."

David Gilbert
Chief Executive Officer

[Read a Letter From Our CEO](#)



Clarion's ESG program is guided by our commitment to the general principles of responsible investment.

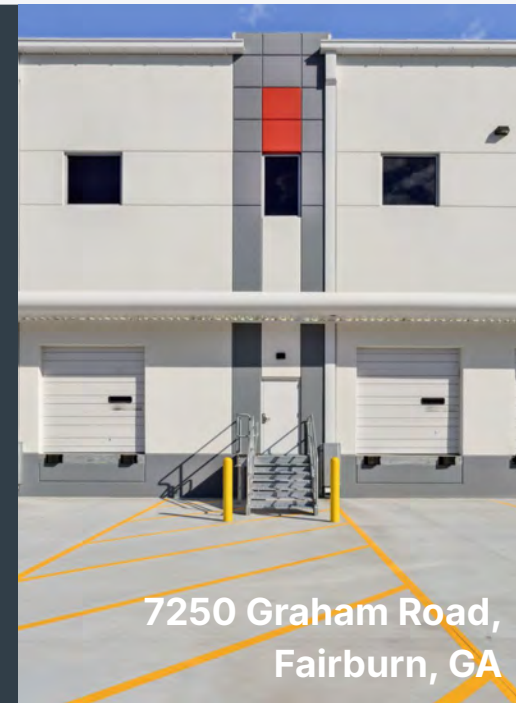
[Read Our ESG Framework](#)



Harbour Pointe,
Mukilteo, WA

Clarion has signed on to a Net Zero by 2050 Goal for landlord-controlled greenhouse gas (GHG) emissions. This initiative signifies our commitment to align with the transition to a greener economy.

[Read Our Net Zero Progress](#)



7250 Graham Road,
Fairburn, GA

"Our employees continue to be our biggest differentiator, and we strive to provide them with meaningful experiences, opportunities for growth, and rewarding careers, so they can in turn deliver world-class solutions to our clients and stakeholders."

Dave Kutayiah
Head of Human Resources

[Read Our Social Initiatives](#)



Contents

Introduction	4
Governance	15
Environmental	22
Social	31
Europe	42
Reporting and Disclosures	47



Introduction



Letter From Our CEO



David Gilbert
Chief Executive Officer

Through our ESG program, Clarion Partners works toward a vision of sustainable value creation for our company and our investors. Amidst evolving market dynamics and heightened tenant expectations, we closely monitor and assess the evolving ESG landscape, recognizing the potential impact on our assets.¹ Our objective remains to evaluate and implement strategic ESG initiatives that will reduce risk and create value across our portfolio.

In addition to our work at the portfolio level, we continue to invest internally in our team of professionals. We are proud to have been recognized for two consecutive years by Pensions & Investments (P&I) as a Best Place to Work in Money Management. This accolade holds significant value as it underscores our dedication to attracting and retaining top talent by cultivating a work environment where employees take pride in their roles.

Since establishing Clarion's Diversity, Equity, and Inclusion (DEI) Council, our Firm has made significant strides in recruitment practices, educational initiatives, and forging partnerships within the industry.

Highlights of our DEI progress this year include:

- + Hosting various educational and cultural heritage events; creating space to celebrate the various cultures and identities represented by our team.
- + Becoming a signatory to the CFA Institute Diversity, Equity, and Inclusion Code for Investment Professionals in the U.S. and Canada.
- + Clarion's Head of Human Resources, Dave Kutayiah, joining Evanta's New York Chief Human Resources Officer Governing Body to collaborate and share insights and best practices with organizations around the world.

These initiatives, among others, embody our Firm's culture, which aims to nurture meaningful experiences, foster growth opportunities, and provide fulfilling careers.

We are proud to share our progress with you and anticipate further achievements as we work to advance sustainability in commercial real estate.

Letter From Our CIO



Jeb Belford
Chief Investment Officer

Clarion Partners considers our ESG program to be an integral part of our business with an aim to reduce risk and create value for our company and our investors. We are committed to the general principles of responsible investment practices in our portfolios, as well as environmental stewardship, and community and workplace enhancement throughout both the Firm's operations and its investment process.

Clarion's ongoing ESG work focuses on responsible investment initiatives that we believe have the potential to impact asset value and property efficiency. These programs also seek to respond to evolving tenant demands, as evidenced by our annual tenant surveys. In 2023, 82% of respondents to our tenant survey indicated that they consider energy efficiency to be Important or Very Important to their organization.

Some examples of our work in this area include:

- + Developing industrial assets through U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED®) program to be responsive to evolving tenant demands.
- + Maintaining a diligent approach to evaluating our standing portfolio and new acquisitions for potential physical climate risks and mitigation opportunities.
- + Completing LED lighting retrofits across 21 million square feet in 2023; this is projected to save over nine million kWh of electricity annually.²
- + Solar arrays throughout our portfolio have an estimated total capacity of 37.997 MW and we continue to explore opportunities to implement on-site solar where we believe it will add value.

We are delighted to celebrate these and other successes of our efficiency initiatives, which have resulted in our recognition as a 2023 and 2024 ENERGY STAR® Partner of the Year® by the U.S. Environmental Protection Agency (EPA) and Department of Energy.

Throughout this report, we have highlighted our progress toward sustainability which aims to benefit our stakeholders and answer the call to environmental and social stewardship in commercial real estate.

Research Insights

Growth in ESG in Investment Management¹

In recent years, the global investment community has rapidly incorporated ESG guidelines into portfolio management practices and the sustainable fund investment universe has continued to grow.

Industry leaders in fund performance benchmarking and ratings, such as Morningstar, MSCI®, and S&P Global, have swiftly expanded their ESG tracking businesses in response to the introduction of federal and financial regulatory policies. Commercial real estate (CRE) fund managers have followed suit and now much of the institutional-quality CRE investable universe is reporting on ESG performance and processes.

GRESB is an industry-led organization providing standardized and validated ESG data for the real estate industry. In 2023, GRESB reported the strongest year yet in participation since its founding in 2009. Over 80% of publicly listed REITs and private real estate funds report to GRESB. GRESB now covers \$7.2 trillion of assets under management (AUM) representing 2,084 property companies, REITs, funds, and developers and nearly 170,000 assets.

ESG evaluation has become a part of CRE investment strategies and has been associated with proven financial benefits. Its many areas of focus capture themes related to demographics, innovation, efficiency, and resilience.

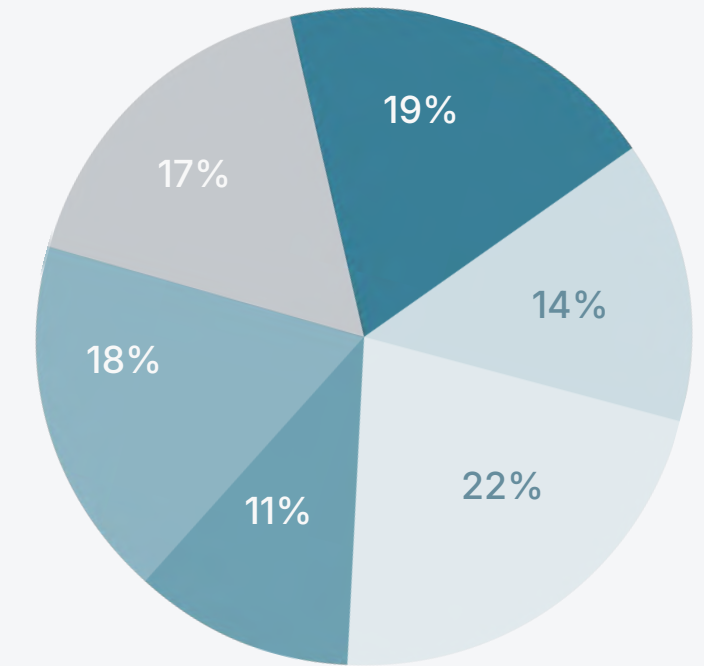
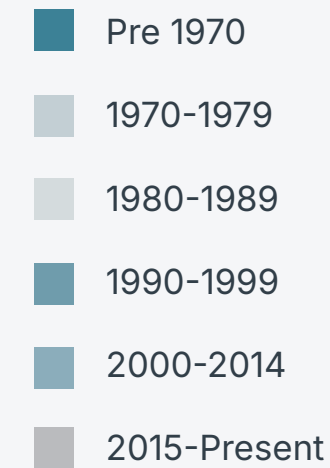
Future of CRE²

Large owners of institutional-quality real estate are increasingly focused on preventing buildings from becoming antiquated amidst a stream of new energy-saving policies for existing buildings. 'Asset stranding' refers to a significant value write-down when a building becomes functionally obsolete. As functional obsolescence mounts across the built environment, occupiers may opt to pay a rent premium for new buildings.

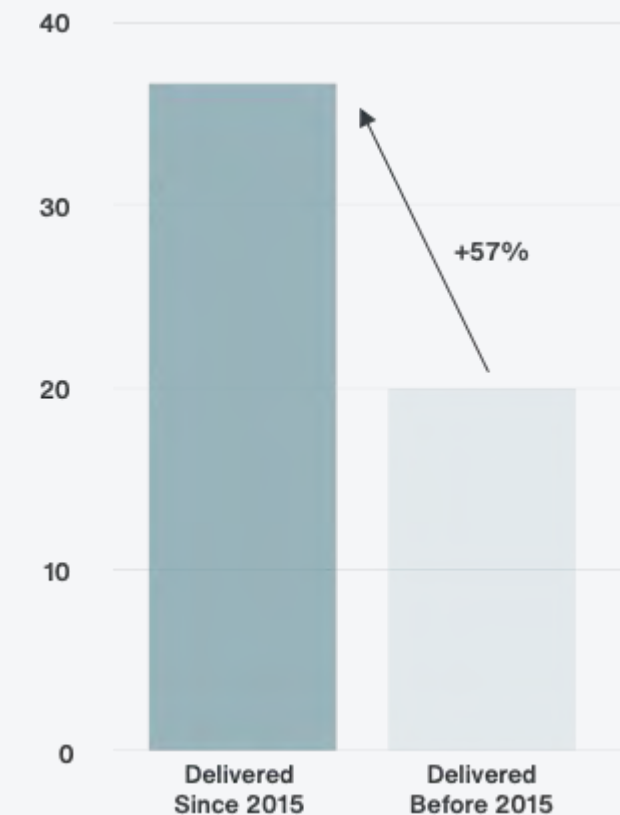
Using building vintage, or year built, as a proxy for functional obsolescence, many buildings will fail to meet the latest green building codes and tenant demands. Over the next decade, widespread updates are expected to be required as 65% of CRE stock was built before 2000.

Functional Obsolescence: A Concern Across CRE Industry

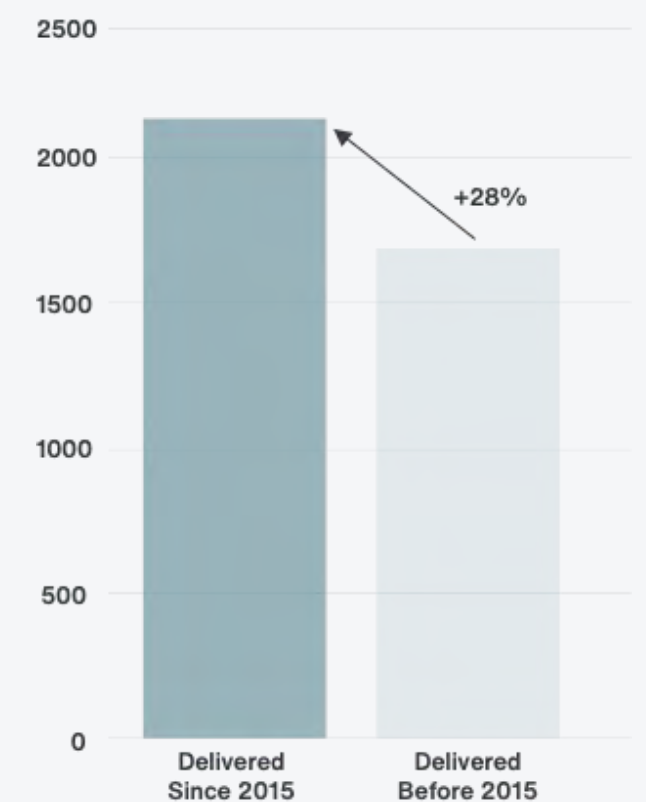
CRE Stock by Building Vintage: All Sector Average



Office Net Asking Rent (\$/SF)



Apartment Average Effective Rent (\$/Month)



Research Insights

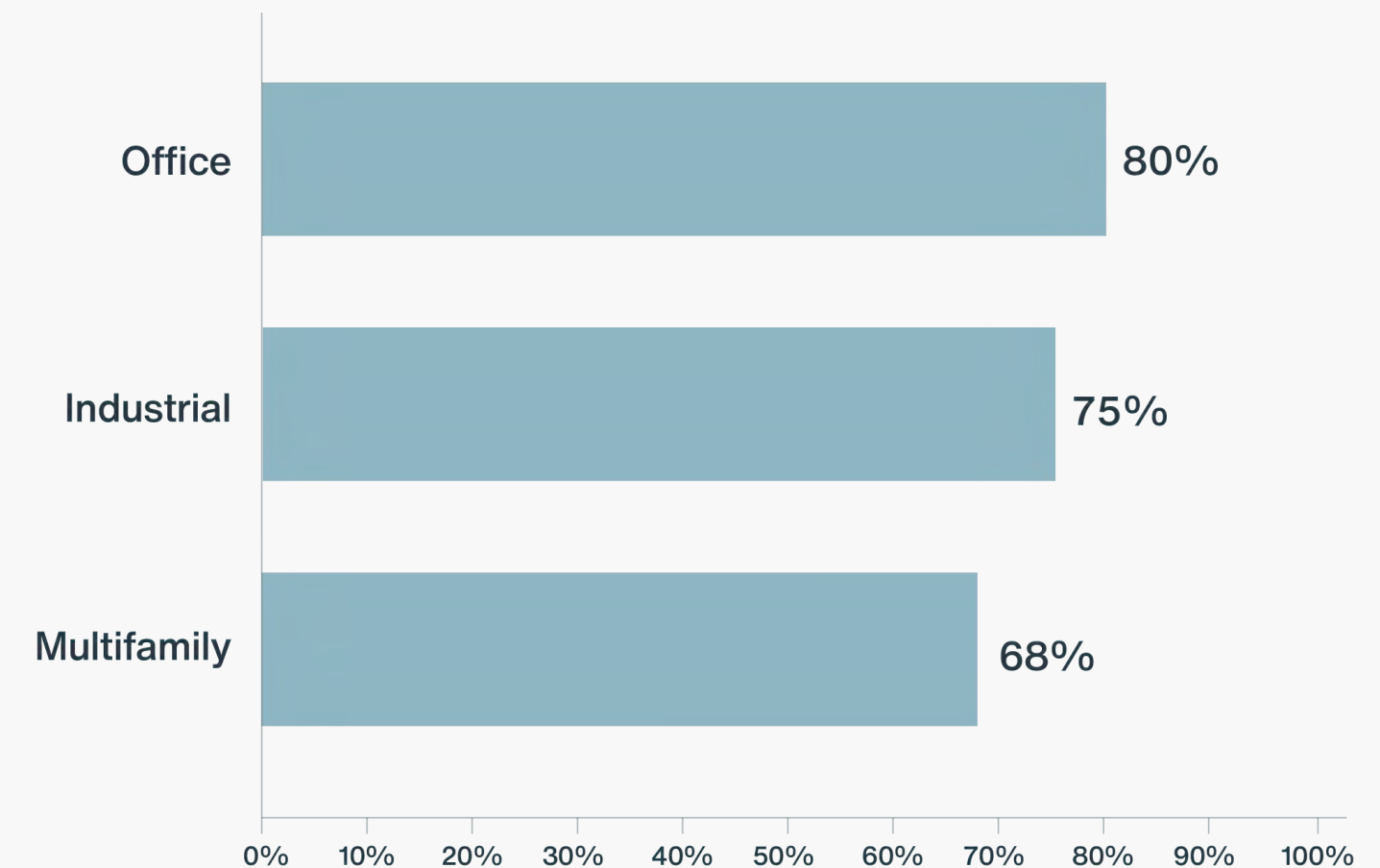
LEED-certified assets tend to be newer construction and command higher property values and rents. According to Real Capital Analytics data, there was a significant premium on LEED-certified buildings sold in 2023. Premiums ranged from 65-80% for industrial, multifamily, and office buildings in the dataset.

There continues to be commentary published from the commercial real estate broker community related to green premiums as well. JLL noted in 2023 that LEED-certified Class A office buildings commanded a 7.1% average rent premium over non-certified Class A office.



Significant Premium on LEED-certified Buildings Sold in 2023¹

LEED-certified Investments Average Sales Price Premium (2023)

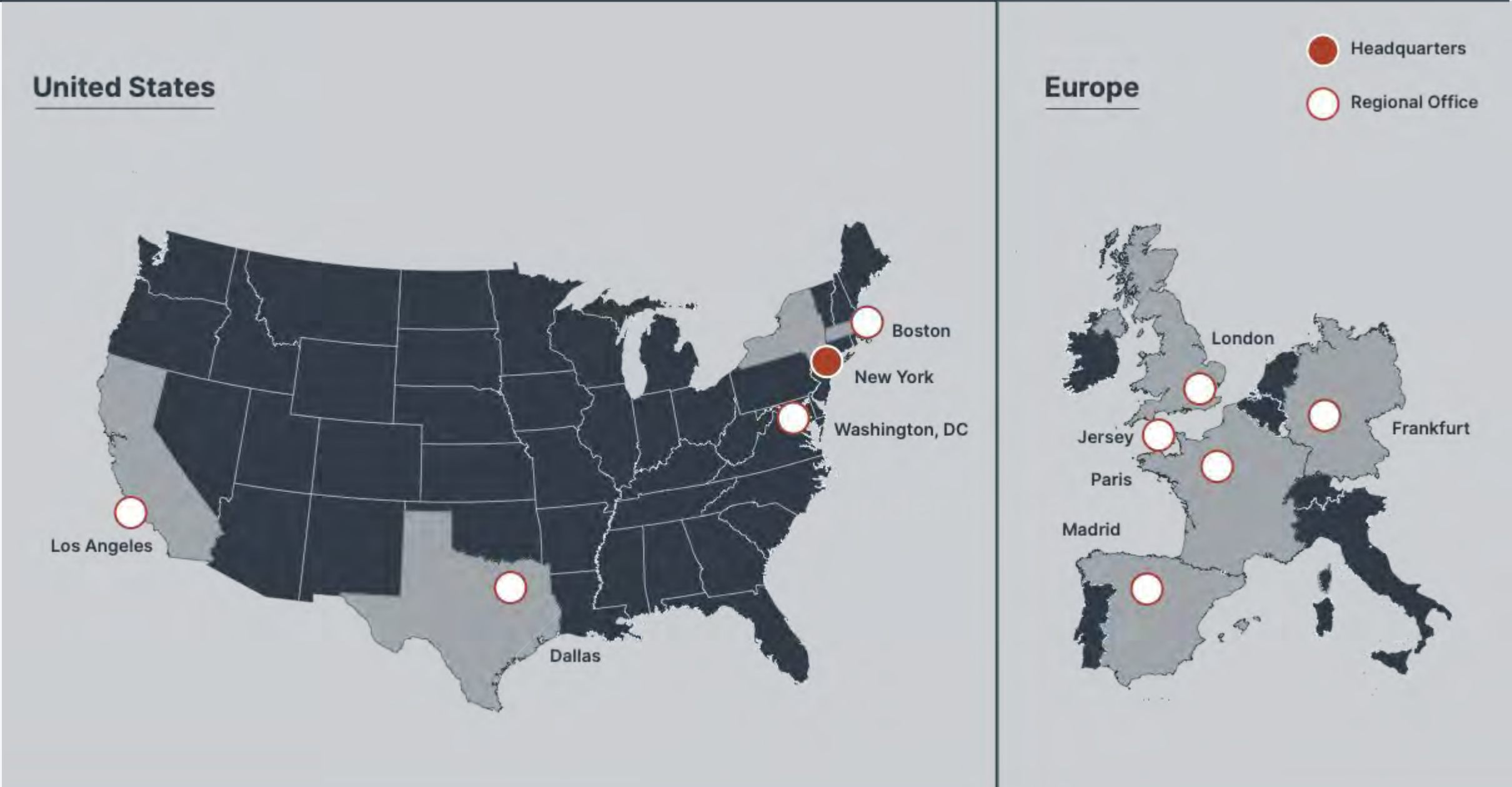




Company Profile

Clarion Partners LLC was established in 1982 as an investment adviser to institutional investors, focusing on sourcing, underwriting, and managing real estate investments. Registered with the Securities and Exchange Commission (SEC®) as an investment adviser under the Investment Advisers Act of 1940, Clarion operates with FCA-authorized and FINRA® member subsidiaries.¹ Headquartered in New York, the Firm maintains strategically located offices across the United States and Europe.

With over \$75.6 billion in total assets under management, Clarion provides a diverse array of real estate strategies spanning the risk/return spectrum to 500+ global investors. Our objective is to furnish investors with enduring real estate solutions that align with their investment goals, all while upholding our principles of accountability, transparency, and integrity.



Our Business At A Glance

42	\$75.6B	500+	80	10	350+	1,500+
Years Dedicated Real Estate Investment Manager	AUM	Global Institutional Investors	Markets	Offices	Employees	Properties

As of March 31, 2024.
¹Any reference to or use of the term “registered” or “registered investment adviser” does not imply that Clarion Partners or any person associated with Clarion Partners has achieved a certain level of skill or training.

Our Values

Our values inform our work, utilizing a proactive and judicious approach when solving challenges and achieving results for our organization and stakeholders.



Integrity

We strive to uphold the highest professional standards, mindful of our obligations of responsibility, transparency, and trust.



Judgment

We rely on exceptional judgment and experience to create real estate value for our clients.



Entrepreneurialism

We embody creativity and innovation as we identify the best solutions for our clients and are continually looking for opportunities to make a greater impact.



Teamwork

We value diverse talents, initiative, and leadership.

ESG Framework¹

Clarion Partners' ESG program aims to reduce risk and create value for our company and our investors. Clarion is committed to the general principles of responsible investment practices, as well as environmental, community, and workplace enhancement.

The landscape of factors that can be considered under the category of ESG are broad. Clarion has attempted to narrow our boundary of ESG considerations to those that are most materially impactful to our business. These ESG attributes may be considered in our corporate operations, the investment process, or both.

We regularly review the framework alongside our business needs as well as the greater industry landscape.





Environmental

Clarion Partners desires to lessen the environmental impacts and mitigate climate-related risks of our business operations and investments.

Key objectives of our Environmental program include:

+ Environmental Initiatives

Implement strategic programs that reduce resource consumption and support local ecosystems throughout corporate and portfolio operations.

+ Decarbonization

Develop and implement a plan based on climate science that aims to decarbonize our portfolio in an effort to align with the changing legislative landscape and market drivers.

+ Sustainable Development

Build and renovate assets to meet the demands of an evolving sustainability-focused economy and marketplace.

+ Climate Resilience

Implement a thoughtful program to assess and address climate risks across our portfolio to reduce risk exposure and improve resiliency at the building, portfolio, and fund levels over time.



Social

Clarion Partners aims to support employees and our local communities through thoughtful programs and initiatives around sustainability, wellness, and safety.

Key objectives of our Social program include:

+ Engagement & Education

Provide relevant ESG education and information to our employees, tenants, and other stakeholders.

+ Health & Well-being

Support employee and tenant health and well-being through intentional programs and initiatives informed by industry best practices.

+ Enhance Local Communities

Measure our effect on the local communities where we operate and work to create meaningful and positive impact.

+ Diversity, Equity & Inclusion

Attract and retain diverse talent internally and among external stakeholders through strategic partnerships and equity initiatives.



Governance

Clarion Partners promotes transparency and accountability through corporate governance.

Key objectives of our Governance program include:

+ ESG Oversight

Maintain a structured and holistic firmwide ESG program that is responsive to industry requirements.

+ Leadership

Cultivate an ESG program that fosters collaboration, drives positive change throughout the supply chain, and maximizes value creation.

+ Transparency & Disclosure

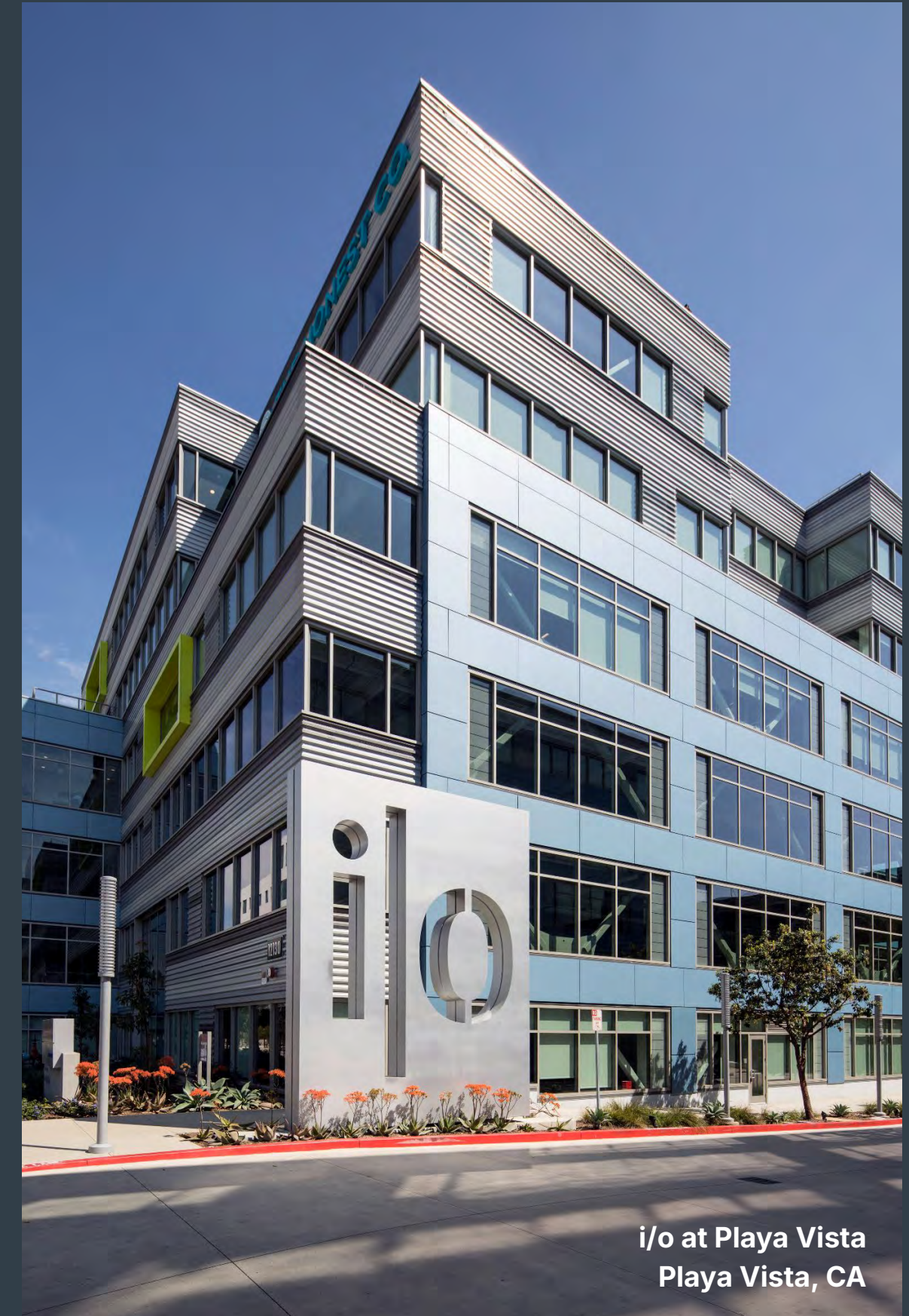
Leverage third-party, external reporting, and certifications to benchmark properties and aim to improve performance on reporting metrics over time.

+ ESG Risk Management

Proactively manage physical and transition risk due to climate change and other risks for our Firm.

Governance

Clarion Partners promotes principles of accountability and transparency, aimed at providing guidance and oversight of our ESG program's operations and objectives.



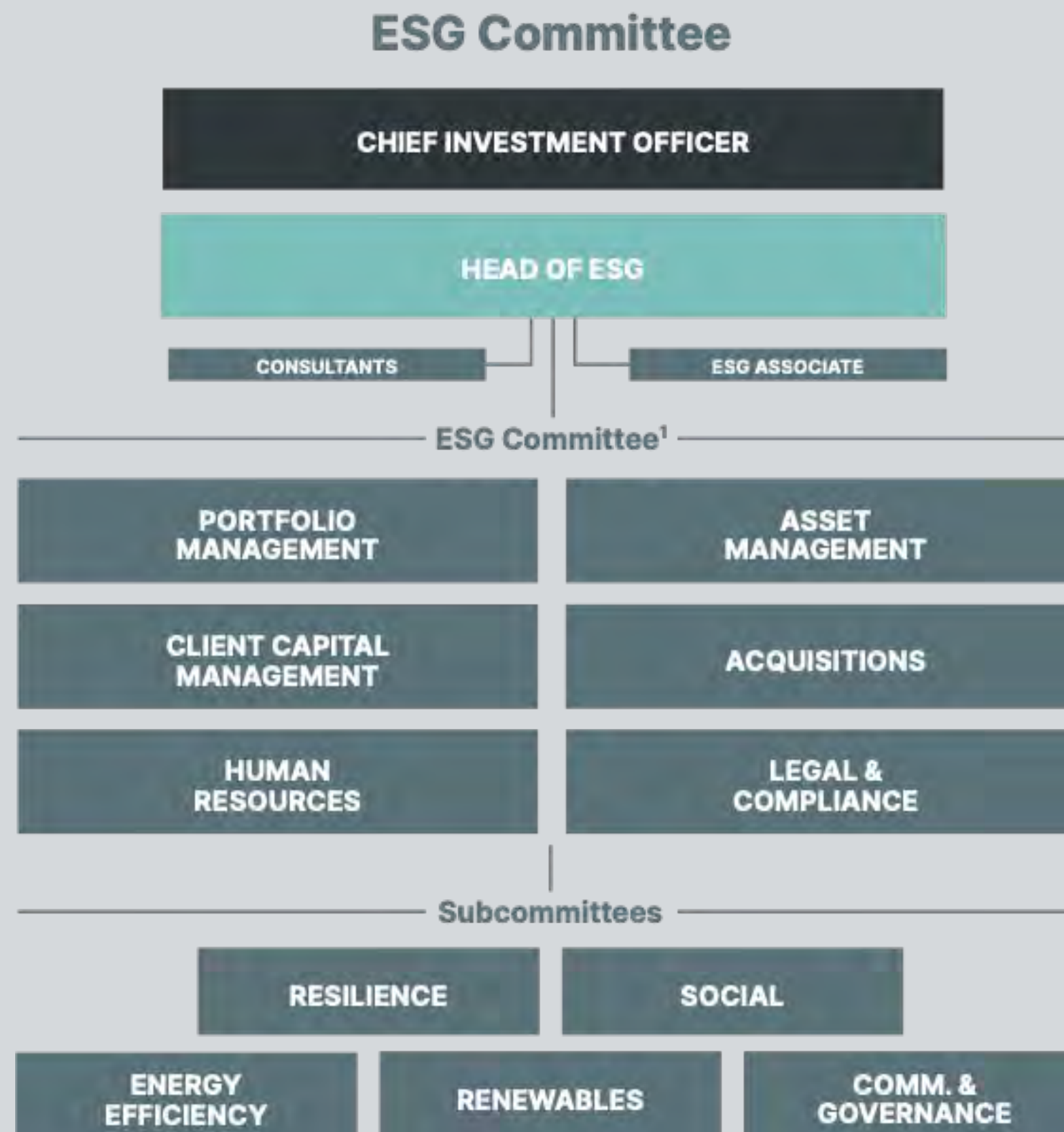
i/o at Playa Vista
Playa Vista, CA

ESG Oversight

Clarion Partners' internal ESG team is responsible for the oversight and management of our corporate-level and investment-level ESG program. The Head of ESG reports to our Chief Investment Officer (CIO) and collaborates with senior leaders to drive the Firm's sustainability programs.

Our CIO is responsible for overseeing the management of our ESG program and approval of any strategies, policies, and goals that involve the ESG team.

Clarion's ESG program is integrated into the organization through the initiatives of the ESG Committee. The Committee consists of key decision-makers and subject matter experts from various departments within the business to provide oversight and support for ESG programs. The Committee operates through five subcommittees, each focusing on different critical areas.



Determining Materiality

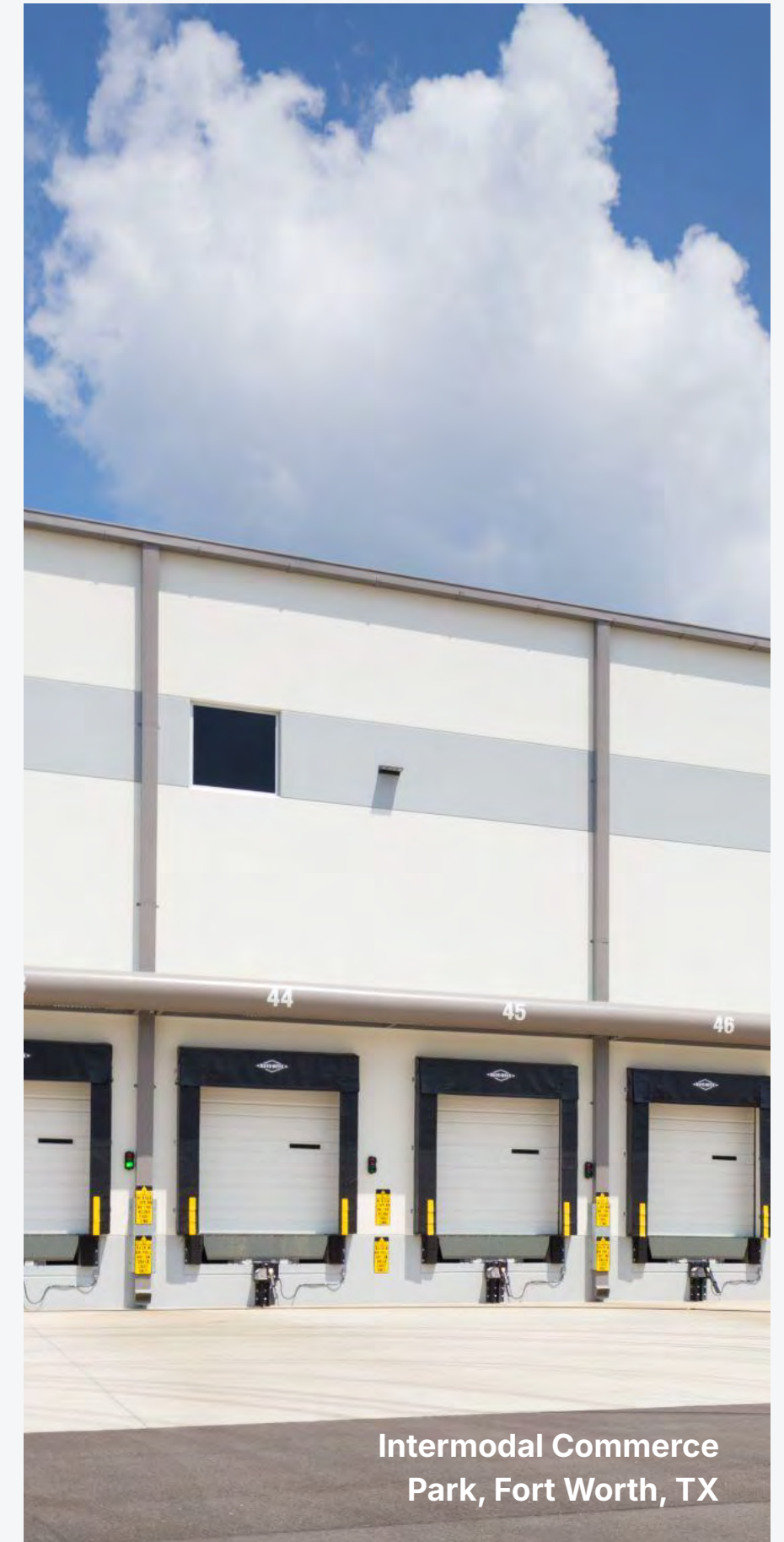
Implementing an effective sustainability program and measuring key performance indicators requires benchmarking to determine milestones met and objectives still in progress. Clarion Partners aligns with industry frameworks to determine the ESG topics that are most critical to our business and operations as well as to guide disclosure of our progress.



Program Management

To execute sustainability initiatives at the property level, the ESG team collaborates with senior members of the Asset Management and Portfolio Management groups. This partnership involves establishing standard processes for incorporating sustainability projects into business plans and budgets.

Additionally, the ESG team partners with third-party property management teams to track data through ENERGY STAR Portfolio Manager, Measurabl®, and property-level sustainability surveys. The data collected is used to track compliance with local legislation requirements, enhance sustainability performance, and plan for building improvements.



Intermodal Commerce
Park, Fort Worth, TX

Climate Risk Management

Climate resilience can help to protect properties and our tenants' business continuity, comply with regulations, meet tenant demand, and maintain long-term value in an increasingly climate-vulnerable world. Clarion Partners believes that incorporating climate resiliency measures into real estate development and management practices is critical to preserving the value of our properties.¹

Clarion uses a data-driven approach to identify and mitigate potential climate-related risks to its properties, encompassing physical and transition risks stemming from policy changes impacting financial and market sectors.

We analyze climate-related risk across our properties using the following strategies, tools, and programs:

Due Diligence

To identify exposure to physical climate-related risks during the acquisition process, Clarion utilizes a third-party physical climate risk intelligence platform. The platform's assessment includes risk indicators based on exposure to hazards such as floods, earthquakes, tropical cyclones, extratropical storms, tornadoes, wildfires, and hail. The findings are included in the Sustainability Analysis section of the Investment Memos presented to the Investment Committee. Known in-place applicable mitigants are noted or in some instances, third-party specialists may be brought in to further analyze specific risks.

As part of the Sustainability Analysis, buildings are also reviewed for their exposure to transition risk. Properties in areas subject to benchmarking laws, building performance standards, or other local ordinances are flagged by our ESG consultants and the diligence team works to understand exposure to those regulations.

Operations

Clarion completes a physical climate risk review of the standing portfolio at least every three years. Properties with elevated risks may be analyzed against previous resilience surveys to determine if there are appropriate mitigation features in place. Included in this portfolio-level review are outputs related to risk associated with climate change beyond current risk exposure, allowing us to better understand any future risks such as heat stress, fire stress, drought stress, and sea level rise.

To assess transition risk, our ESG consultants regularly monitor new and changing regulations and work with our property managers to prepare for compliance. We communicate these ordinances to property managers through our annual property sustainability surveys. Property teams are asked to acknowledge the regulation in the survey and are responsible for maintaining compliance with applicable laws. We are also undergoing a portfolio-wide analysis across our U.S. sites to assess our exposure to building energy and greenhouse gas emission performance standards.

Physical Risk



Wildfire



Hurricane



Flood



Earthquake



Extratropical
Storm



Water
Stress



Tornado



Hail

Transition Risk



Carbon
Emissions
Regulation



Building
Efficiency
Regulation

Industry Partners

We collaborate with ESG subject matter experts and industry organizations to stay informed about new technologies and tools in the market and gain insights that enable us to effectively respond to new opportunities.



ULI Greenprint®



Task Force on Climate-related Financial Disclosures



ENERGY STAR



United Nations Sustainable Development Goals



GRESB



U.S. Green Building Council (USGBC)



UN-Supported PRI®



Fitwel



U.S. Department of Energy's (DOE) Better Buildings® Alliance

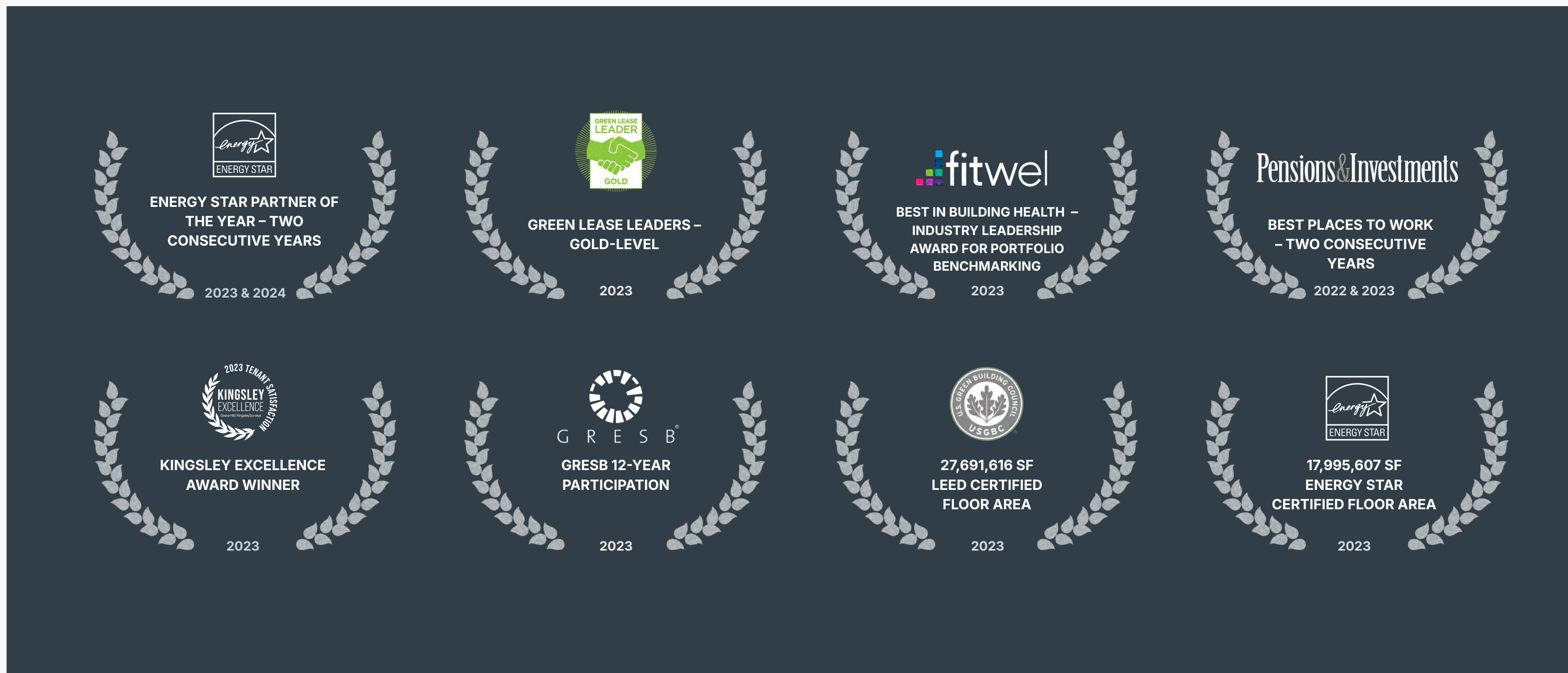


Carbon Risk Real Estate Monitor (CRREM)



Institute of Real Estate Management (IREM)

Awards and Achievements



United Nations Sustainable Development Goals

Clarion Partners has identified eight UN Sustainable Development Goals (SDGs) to incorporate into our ESG program. These relevant SDGs help provide guidance, enhance accountability, and demonstrate how our ESG program can contribute to positive social and environmental outcomes.

To the right are some example initiatives which are aligned with the SDGs. Throughout this report, we will also indicate other areas of our ESG program aligned with these SDGs.

3 GOOD HEALTH AND WELL-BEING 	Awarded 14 Fitwel certifications in 2023.	10 REDUCED INEQUALITIES 	Implemented recruitment and talent management efforts that seek to improve diversity across the Firm.
5 GENDER EQUALITY 	Supported the professional advancement of women within our Firm through Clarion Partners Women's Leadership Network (CPWLN).	11 SUSTAINABLE CITIES AND COMMUNITIES 	Incorporated sustainability and resilience questions into due diligence screening for new acquisitions.
7 AFFORDABLE AND CLEAN ENERGY 	37,997 MW capacity of solar across our properties.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Installed shadow meters at industrial properties for insights into whole building data to allow for improved understanding of how to add value to our sites through efficiency measures.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Shared best practices with peers through our involvement in industry groups, presentations at industry events, our publicly available ESG Report, newsletters, and case studies.	15 LIFE ON LAND 	36% of our U.S. portfolio has native landscaping.

Environmental

As part of our environmental initiatives, we aim to integrate renewable energy, assess properties for their sustainable practices, and establish systems to monitor resource consumption.

7 AFFORDABLE AND
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



15 LIFE
ON LAND



Gables Town Place,
Boca Raton, FL

Greenhouse Gas Emissions

Net Zero Roadmap

Understanding the real estate industry's impact on global emissions and evolving market drivers, Clarion Partners has aligned with the Urban Land Institute (ULI) Greenprint Center for Building Performance's Net Zero Target for scope 1 and 2 emissions (landlord-controlled) by the year 2050. Clarion's net zero program is organized around a roadmap of seven topical areas of focus, which we believe represent our greatest opportunities to make an impact on our scope 1 and 2 emissions. In Spring 2022, Clarion developed a roadmap detailing the seven areas of focus for how our Firm will work toward this goal.¹ Details on these focus areas are found throughout the report.

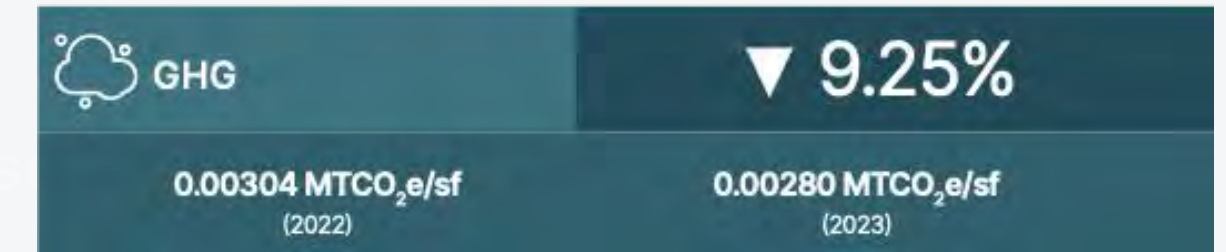
Clarion uses this target and others to analyze risk. In 2023, Clarion conducted a transition risk assessment to help us assess progress on our path to net zero using the Carbon Risk Real Estate Monitor (CRREM). CRREM is a risk assessment tool that uses a science-based decarbonization pathway aligned with the Paris Climate Agreement to understand the GHG emissions risk associated with our portfolio and inform risk mitigation efforts. Based on the CRREM decarbonization pathways, we have established annual energy use intensity and greenhouse gas emissions intensity goals based on asset geography and sector. These targets provide guideposts to inform transition risk mitigation planning efforts.



Like-for-Like Performance²

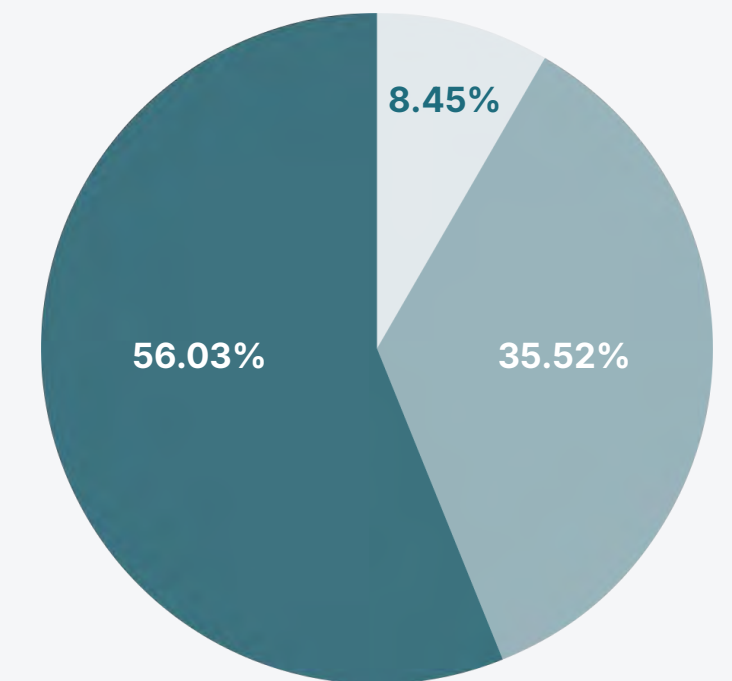


Greenhouse Gas Intensity³



GHG Emissions By Scope⁴

- Scope 1
- Scope 2
- Scope 3



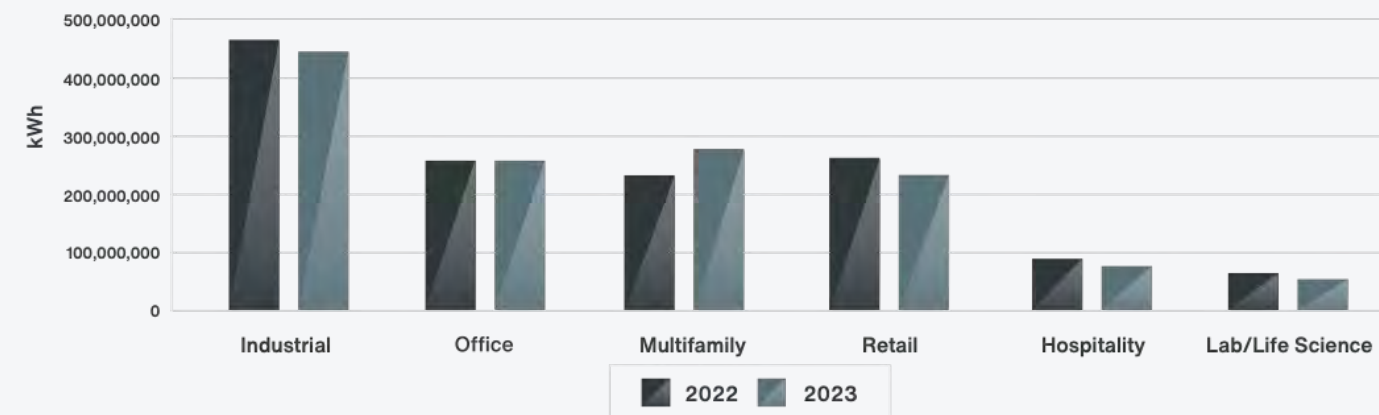
Energy

Energy efficiency can enhance both short- and long-term value by reducing operating costs. Clarion Partners' dedication to energy efficiency at our properties has been recognized once again with the 2024 ENERGY STAR Partner of the Year award. We continue to identify properties that are suitable for energy efficiency improvements such as LED retrofits and the use of renewable energy sources like solar installations.

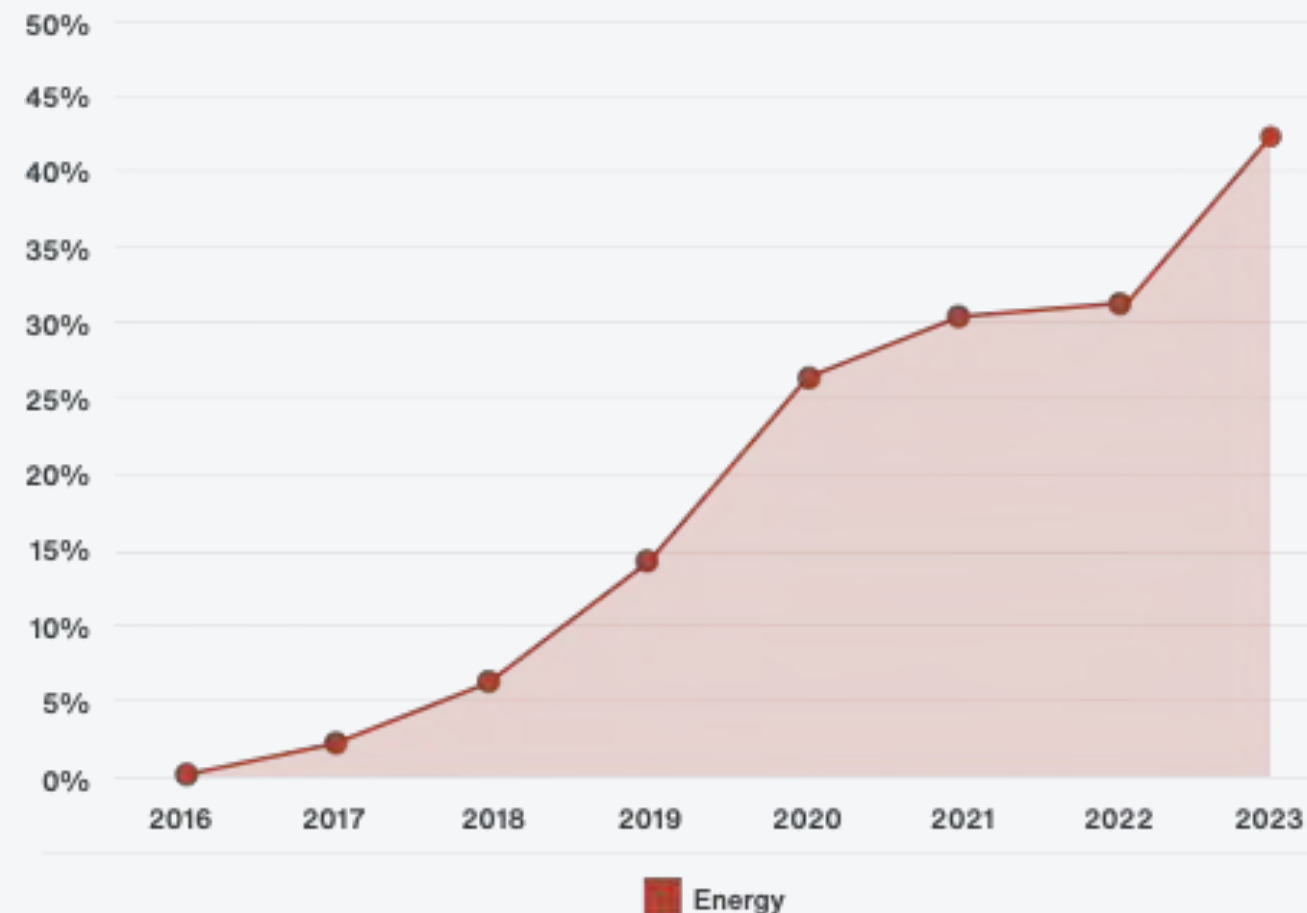
We pursue ENERGY STAR certifications at our sites where feasible and at the end of 2023, we had 74 active ENERGY STAR certifications.



Like-for-Like Energy Consumption by Sector¹ 2022 vs. 2023



Energy Data Coverage²



Like-for-Like Performance³



Energy Use Intensity⁴



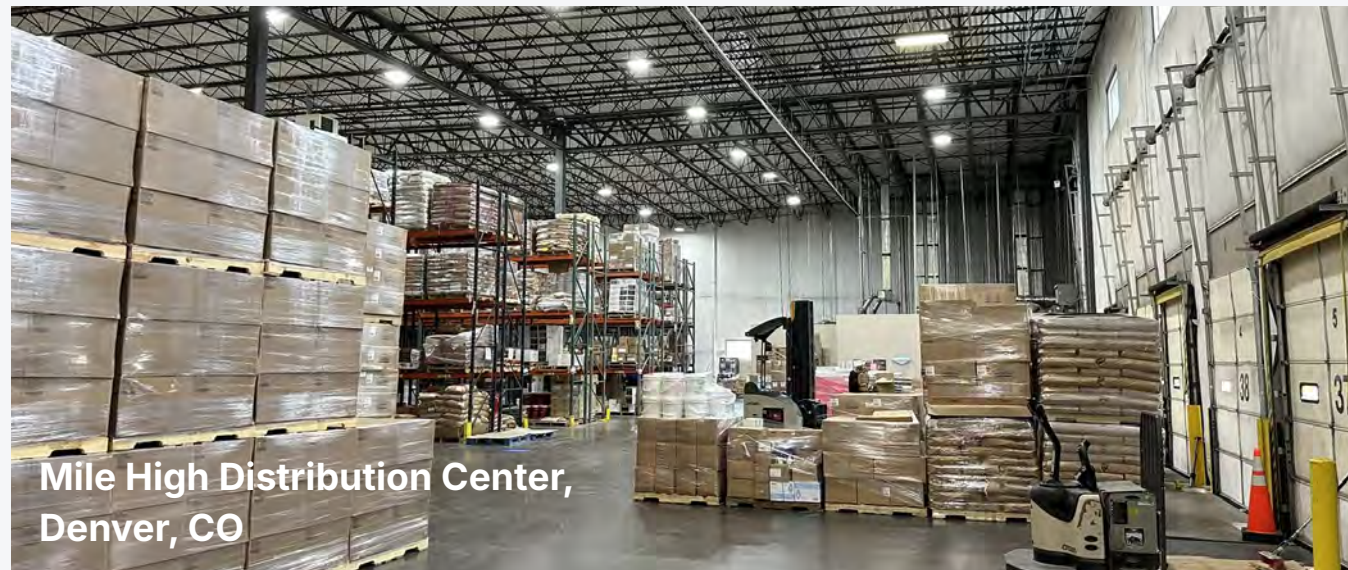
Renewable Energy

Properties across our portfolio feature on-site renewable energy and we are working to identify accretive opportunities to deploy solar energy.

37.997 MW
of solar arrays installed across our properties⁵

LED Lighting

Clarion Partners' nationwide LED retrofit program continues to be a key aspect of our energy efficiency efforts. Starting in 2022, we partnered with a national provider to evaluate our portfolio of industrial warehouse properties and identify locations where LED lighting retrofits can enhance value and tenant experience. By year-end 2023, we completed the lighting retrofit of warehouse interiors, office buildouts, and exteriors across 21 million square feet. We continue to assess properties to determine where energy and cost savings make retrofits attractive and plan to expand our national program to other property types.



Mile High Distribution Center,
Denver, CO

National Program Highlight:

Estimated 9.8 million kWh saved = 1,351 homes electricity use for one year¹



Hialeah Garden Trade
Center, Miami, FL

Technology Spotlight: Gridium

An evolving landscape of new technologies means we need to stay abreast of the new tools available to help execute our ESG program. In 2023, we began a partnership with Gridium, a decarbonization partner that helps building owners like Clarion reduce operating expenses and decarbonize buildings through data-driven energy performance management. Gridium has been implemented at 26 assets. The platform gives our property managers and building engineers insight into property performance as well as advising on rate audits, demand management, budgeting, and bill audits.

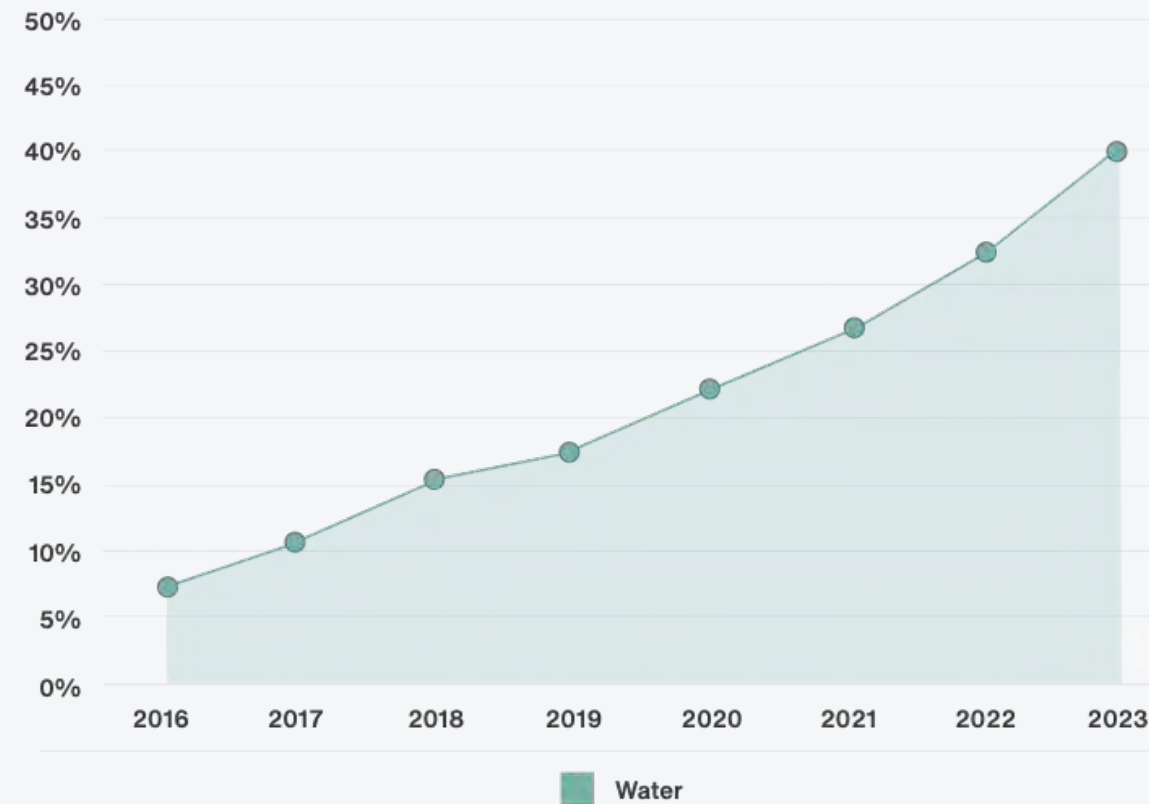
Water

Responsible management of water consumption is an important part of Clarion Partners' approach to sustainable building operations. We use ENERGY STAR Portfolio Manager to monitor water usage and recommend water efficiency upgrades based on performance data through the annual budget process. Various water-saving measures including the installation of low-flow fixtures, the use of native landscaping, and the implementation of greywater systems have been adopted across various Clarion properties.

96

sites completed a water efficiency or conservation project in 2023

Water Data Coverage¹



Like-for-Like Performance²



Water Use Intensity³

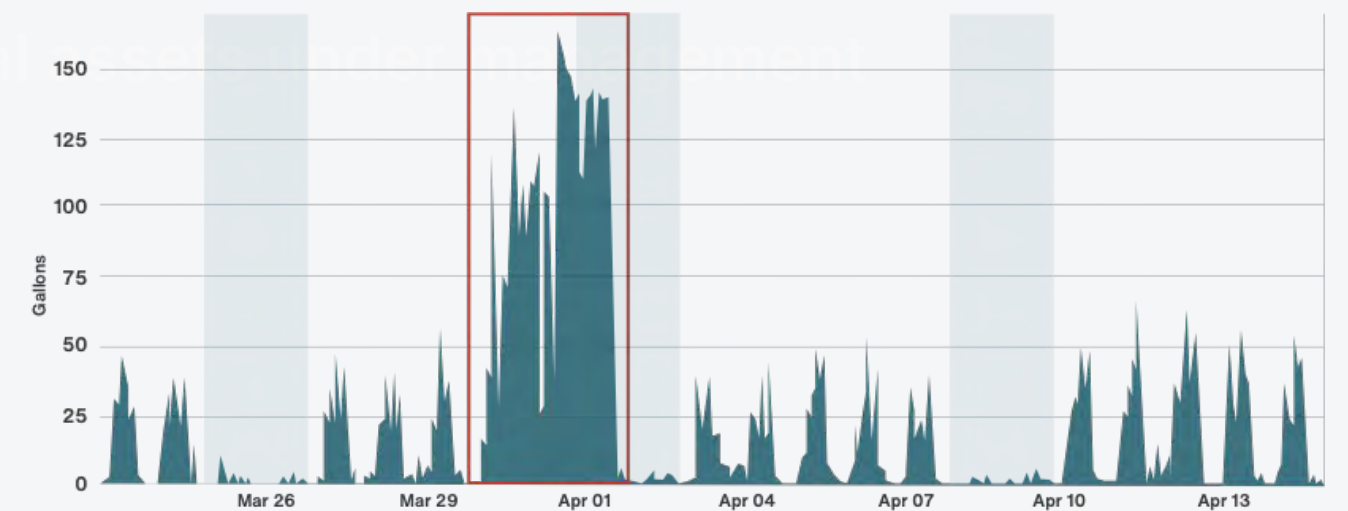


Leak Detection

In 2022, Clarion began a nationwide program to install electricity and water meters across our industrial portfolio. The meters provide the benefit of identifying water use and energy use anomalies as well as improving data coverage.

To date, water meters have been installed on 129 industrial assets. From June 2022 to May 2023, 24 sites where water meters have been installed were flagged for anomalous water use.

Visualization of Detected Leak

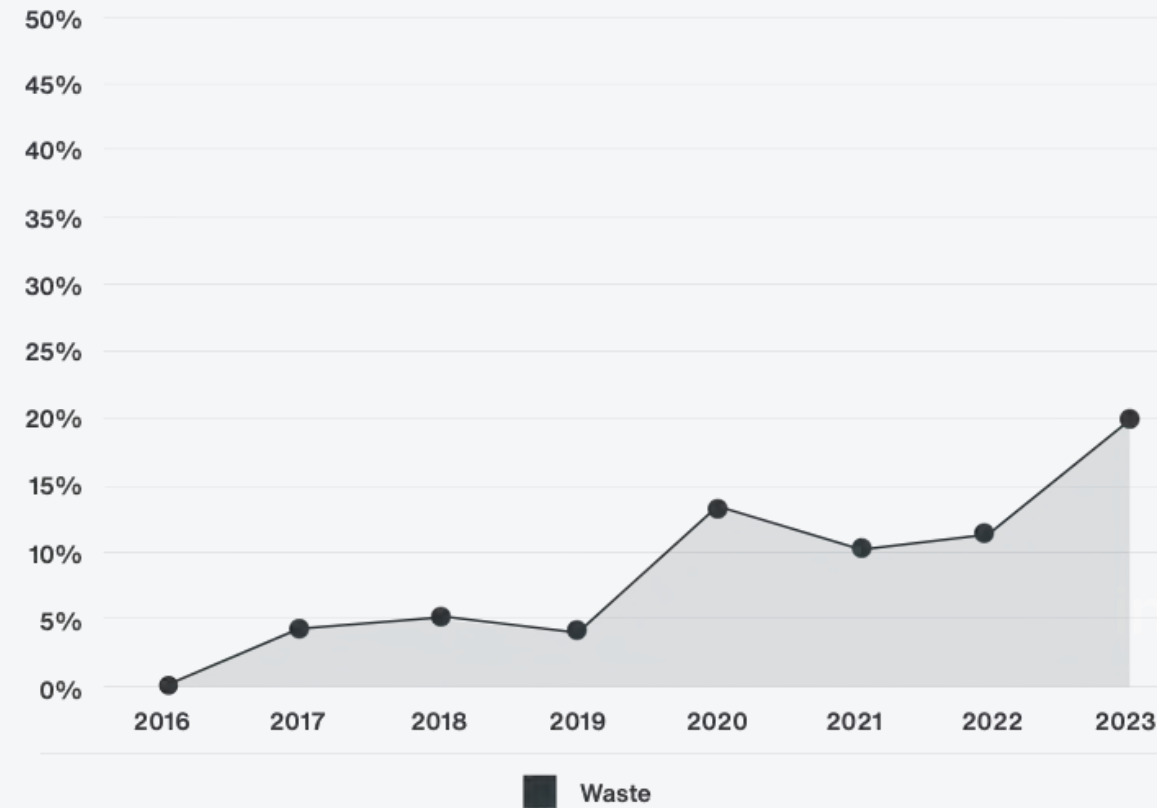


Waste

Tracking waste data continues to be a challenging part of our program. To gather data, Clarion Partners conducts an annual property sustainability survey, and we encourage properties to conduct waste stream audits to assess waste sorting and identify opportunities for improving diversion rates.

Clarion includes waste as one of our monthly campaigns to educate property managers and tenants on best practices for waste management.

Waste Data Coverage¹



Like-for-Like Performance²



Diversion Rate³

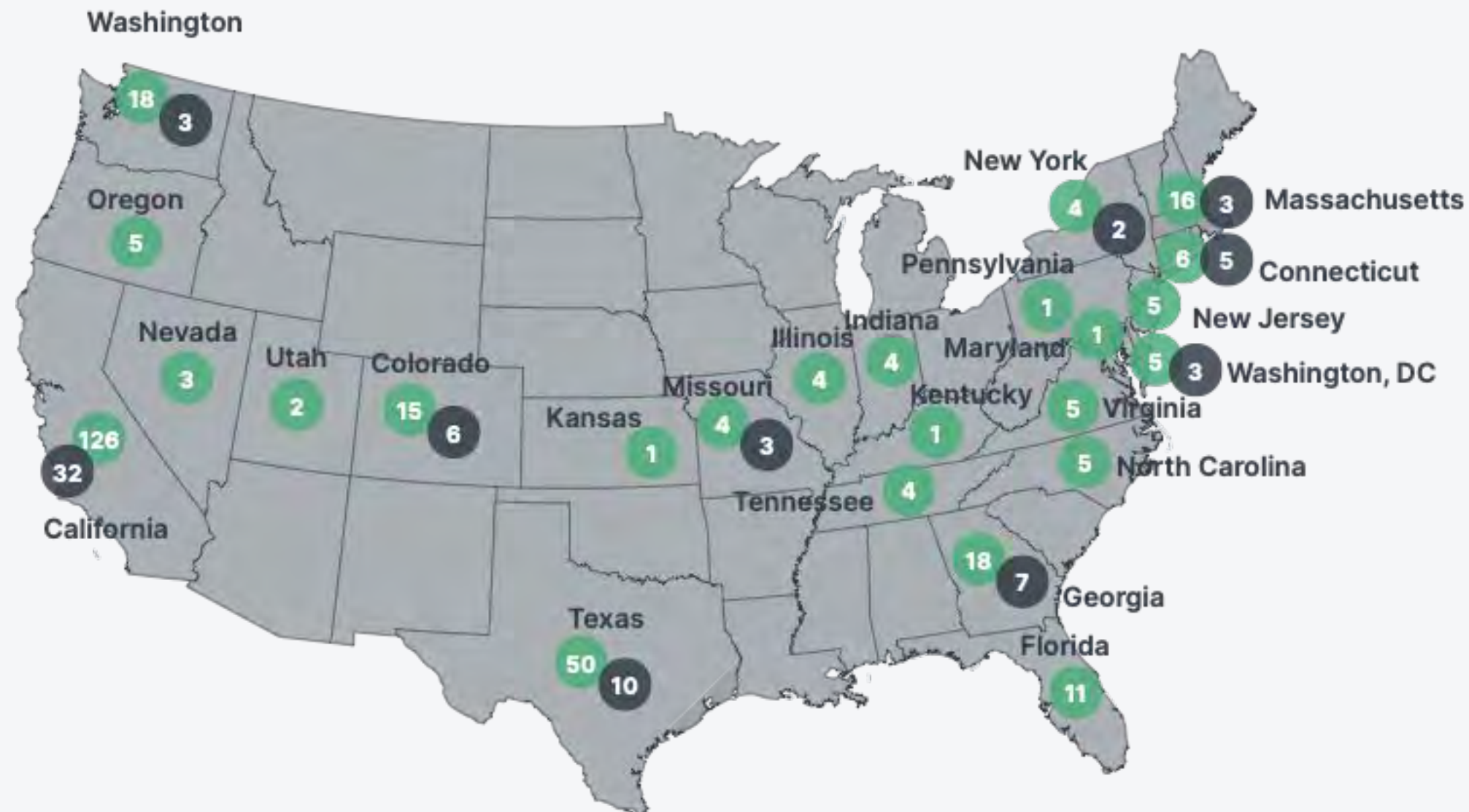


Golden Triangle Industrial Park,
North Las Vegas, NV

Green Building Certifications

We believe that green building certifications and energy ratings can result in operational efficiencies and cost savings. Our certifications and ratings encompass a range of health, well-being, and efficiency-focused programs.

United States



Europe

- Properties with Green Building Certificates
- Properties with Energy Star Certification



Case Study

Sustainability in Industrial Development

Building properties designed for the needs of tomorrow's tenants drives our industrial development program.

In 2021, Clarion Partners' LEED Volume prototype for industrial buildings was approved by the USGBC under the LEED v4 Warehouse and Distribution Centers Volume Program. The program allows Clarion to achieve LEED certifications for development projects at a reduced cost and through a streamlined process relative to the certification of individual buildings.

Clarion conducts a review of all new industrial developments during due diligence to evaluate the feasibility of LEED certification and found that the vast majority can achieve LEED certification with a limited impact on overall project costs. Apart from contributing to positive environmental outcomes, properties with LEED certifications often experience cost savings, attract and retain high-quality tenants, comply with new regulations, and remain competitive in retaining their market value.

As of March 31, 2024:

34

buildings totaling 12M square feet have been certified through our Volume program

72

buildings totaling 24M square feet are under review to be submitted for LEED certification in our Volume program



Silver State Commerce Center, Las Vegas, NV

“

By committing to develop LEED-certified industrial properties, we aim to prepare our portfolio for more stringent sustainability standards, to address the demands of a changing tenant pool, and to remain competitive in a growing sector.



Casey Dillon
Co-Head of Industrial Development

Clarion Partners uses standardized shell construction specifications which include many sustainability best practices. Some or all of these features are included in our industrial developments:

Properties built to Clarion's LEED Volume prototype:¹

Are expected to yield

38%

energy savings compared to a standard industrial building²

Are expected to use approximately

50%

less water compared to a standard industrial building³

Divert an average of

50%

of construction waste from the landfill during construction⁴

Fontana Foothills Commerce Center, Fontana, CA



Certain rating programs and industry awards require payment of submission, review, or rating fees. For more information, please review important disclosures at the end of this report.

^[1] Not all properties in the LEED Volume program achieve these results. ^[2] Properties in this program consume approximately 38% less energy compared to a standard industrial building as determined by ASHRAE baseline based on asset type and asset location. Tool used to determine energy usage for consumption is a modeling software created by the Department of Energy (DOE). ^[3] Properties in this program consume approximately 50% less water compared to a standard industrial building as determined by USGBC based on asset type and asset location. Tool used to determine water usage for comparison is created by the U.S. EPA. ^[4] Based on a percentage of construction waste diverted from landfill out of total waste generated at the property during construction.

Social

Clarion Partners prioritizes fostering a well-balanced workforce while promoting a healthier and more inclusive workplace. By championing professional development and prioritizing the wellness of our employees, we aim to positively impact the individuals within our Firm and throughout our industry.



Employee Engagement

Enriching the employee experience at Clarion Partners is integral to achieving the supportive and rewarding culture we desire. We engage with our employees in different ways throughout the year and encourage collaboration both in the office through development training courses and in the community with varied volunteering opportunities.

For the past two consecutive years, Clarion has been named a "Best Place to Work in Money Management" by Pensions & Investments.



Our employees continue to be our biggest differentiator, and we strive to provide them with meaningful experiences, opportunities for growth, and rewarding careers, so they can in turn deliver world-class solutions to our clients and stakeholders.



Dave Kutayiah
Head of Human Resources

Industry Engagement



Managing Director Christine Kang was honored as a 2023 Bisnow Power Woman at the Southern California Awards Ceremony. At the event, Christine also participated in a panel discussion, offering her advice on mentorship and career advancement in the workplace.



Clarion continues to work with organizations such as WX New York Women Executives in Real Estate and Industrial Women in Real Estate (IWIRE) in Dallas to empower women to build strong professional networks and lead successful careers in real estate.



Members of Clarion's Dallas team joined industry professionals to raise over \$50,000 to benefit The Real Estate Council Community's Investment Project. Over the past few years, the project has collaborated with local organizations to support underserved areas of Dallas through real estate-focused deployment of the funds.

Office Relocation



Our Dallas office moved into One Victory Park which is LEED, Fitwel, and ENERGY STAR certified and features a welcoming dining area, sleek meeting spaces to encourage in-person collaboration, as well as ergonomic standing desks in all offices and workstations. During the transition, the office donated its used office equipment to reduce landfill waste.

Volunteering & Community Impact

Throughout the year, Clarion Partners employees help to raise awareness and money for various causes, including the following organizations:



In 2023, Clarion teams engaged in several volunteer opportunities:

New York City

- + Clarion has worked with Partnerships for Parks for six years. In 2023, volunteers helped beautify Marcus Garvey Park, a 20-acre park with over 75 gardens, in Harlem.
- + Vice President Guilherme Palocci participated in the annual TD Five Boro Bike Tour as part of the Parent Project Muscular Dystrophy (PPMD) team which raised over \$130,000 to go toward improving the lives of those impacted by Duchenne muscular dystrophy.
- + During the holidays, the Clarion Partners Women's Leadership Network (CPWLN) partnered with The Sharing Shelf, a nonprofit that addresses clothing insecurity for low-income newborns in Westchester County.



Los Angeles

- + Employees attended a summer event in support of The Birthday Party Project where they assembled 100 gift bags for homeless children.
- + Team members visited the South Central LAMP headquarters to drop off gifts for the organization's holiday toy drive to support low-income mothers and their families.
- + Volunteers supported the Los Angeles Regional Food Bank, packing 9,775 pounds of potatoes in advance of the Thanksgiving holiday.



Dallas

- + On the 9/11 Day of Service, Clarion employees commemorated the day by helping pack meals for households experiencing food insecurity.
- + Employees fundraised in support of the North Texas Food Bank, raising \$3,025 which is equivalent to over 9,000 meals to help address hunger and food insecurity in the area.
- + The team supported The Family Place in December with the Adopt-A-Family program by providing gifts for those impacted by family violence.



Employee Development



Dedicated Training and Development Manager



Annual goal setting and progress check-ins between employees and their managers



Mandatory training programs focused on DEI and Anti-Harassment



Leadership workshops and educational series for management skills



Quarterly online workshops and on-demand training through Clarion Partners University

+ 150 total learning hours offered in 2023



Quarterly Lunch & Learns with Analysts and Associates



New Emerging Leaders program and follow-up series for new VPs and SVPs



Select employees' participation in the Franklin Templeton-led McKinsey Connected Leadership Academy



Quarterly professional development series for Managers and Team Leads



On-demand ESG course on topics such as energy efficiency and sustainability budgeting



Access to training for LEED Green Associate accreditation



Tuition reimbursement program for employees obtaining advanced degrees, taking additional courses, or pursuing professional certifications

+ In 2023, the program evolved to reduce the eligibility period and increase the reimbursement



In June 2023, 120 Clarion employees from across all departments and U.S. offices convened in Austin for skill building, professional development, and peer networking at our Analyst and Associate Summit. The Summit is a flagship development program that started in 2007 in Philadelphia. Since then, we have hosted summits in New York City, Washington, DC, and in multiple cities across Texas.

The group heard from internal and external leaders who provided insights on Clarion's business strategy, updates on our Firm's products, economic trends, development projects in Austin, and other real estate investment management topics. In addition to a professional development workshop focused on relationship building, there was dedicated time to meet new colleagues and strengthen connections with senior leaders.

120
attendees

90%
average positive
response rate

Investing in Future Talent

Clarion Partners works with various organizations to widen the talent pipeline and educate students about commercial real estate as a potential career option. Over the years, Clarion has:

- + Supported Sponsors for Educational Opportunity (SEO) through the PREA Foundation, providing greater internship opportunities for historically underrepresented students.
- + Partnered with the Cristo Rey Network to provide a supportive multi-year work experience to low-income students who are preparing for college.
- + Hosted diverse high school students for educational site visits as part of the REEX JumpStart Scholars Program by the Real Estate Executive Council (REEC).

Business Resource Groups

The Clarion Partners Women's Leadership Network (CPWLN) invited clients and consultants to join a professional development workshop led by executive leadership coach, communications expert, and bestselling author Peggy Klaus.

Clarion employees benefit from access to an array of employee-led Business Resource Groups (BRGs) hosted by Franklin Templeton that are designed to facilitate connection among colleagues with shared identities and interests. Members of our team hold leadership positions within the Franklin Templeton BRGs, help develop programming, and participate in BRG events.



Diversity, Equity & Inclusion

Clarion Partners is dedicated to fostering an inclusive and diverse workforce, which remains an important focus for our Firm. We are committed to nurturing a culture where every employee feels respected and valued. Our DEI Council was established in 2022 and convenes monthly to drive our diversity objectives and develop accountability and engagement throughout the organization.

As part of Clarion's continued efforts to advance our DEI commitment, our programming, trainings, and workshops in 2023 covered a variety of topics including:

- + Exploring Everyday Bias
- + McKinsey's Connected Leaders Academy
- + Inclusion Through Allyship
- + Black History Month
- + Hispanic Heritage Month
- + Women's History Month
- + Pride Month
- + AAPI Heritage Month

DEI Committee¹



In 2023, Clarion was proud to become a signatory to the CFA Institute Diversity, Equity, and Inclusion Code for Investment Professionals in the U.S. and Canada. The DEI Code provides investment industry organizations with an action-oriented and principles-based framework through which to drive measurable and meaningful change.

As a Signatory, Clarion supports six principles that seek to drive DEI progress as it relates to:

- Talent Pipeline
- Talent Acquisition
- Promotion & Retention
- Leadership
- Influence
- Measurement

Throughout Black History Month, Clarion hosted coffee and tea tastings in partnership with Exubrancy and Shari's Tea, a black female-owned business based in Long Island City.

Founder Shari Linton led our Dallas, New York, and Los Angeles employees on an educational tasting experience, exploring the origins and evolution of coffee and tea while also paying homage to the historical significance of these beverages in black culture. Our Boston and DC offices also received custom kits with 10 tea blends and a detailed instruction booklet to recreate the experience.

Following the live event, attendees had the chance to vote for their favorite flavors and the two winning beverages, Jamaican Blue Mountain Coffee and Moroccan Mint Tea, were made available to enjoy in our Firm's office cafés.



Case Study

Project REAP

Founded in 1998, Project REAP (REAP) is a non-profit organization focused on cultivating diversity and supporting high-achieving, mid-career professionals who are looking to transition into commercial real estate (CRE) or take their existing CRE careers to the next level.

Clarion Partners has a longstanding partnership with Project REAP, actively participating in various educational, coaching, and mentorship programs since 2006. In 2023, Clarion hosted over 140 participants in REAP's first Spring Academy session, which offered foundational knowledge tailored to the needs of mid-level professionals. The main objective of our collaboration with Project REAP is to increase opportunities to underrepresented communities, thereby diversifying the CRE talent pipeline.

Managing Director Khalid Rashid, a graduate of Project REAP in 2006, joined Clarion in 2008 and has since forged a successful career spanning asset management, portfolio management, and acquisitions, while also serving as Co-Chair of the Firm's DEI Council and a member of the Firm's ESG Committee.

Khalid's engagement with REAP has been multifaceted and in May 2022, he was elected to join REAP's Board where he currently serves as Treasurer. Leveraging his personal experience with the program, his extensive network, and industry insights, Khalid actively supports REAP's evolving mission and expanding reach.

Clarion continues to support Project REAP's programming, including the 2024 Spring Academy.

“

We deeply value our tenured partnership with Project REAP and eagerly anticipate furthering our relationship. Together, we aim to broaden Project REAP's endeavors in facilitating the transition of skilled professionals into the commercial real estate sector.

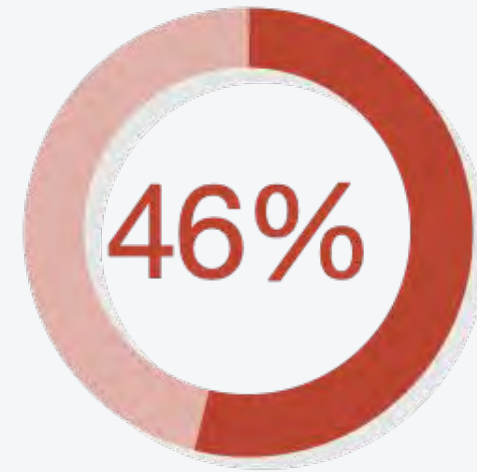


Khalid Rashid
Managing Director

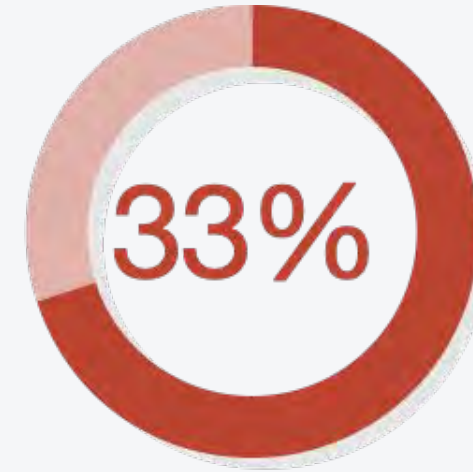


Employee & Vendor Diversity

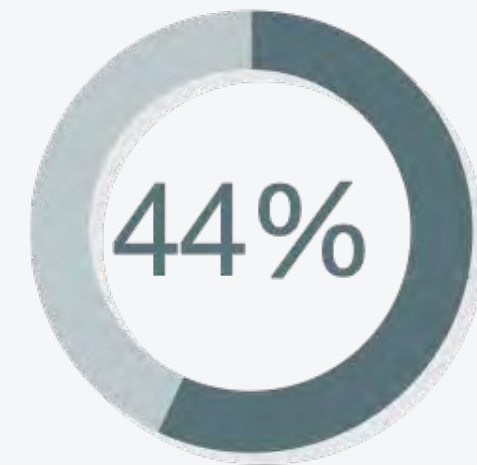
Clarion Partners aims to foster a culture of inclusion, extending beyond our Firm to encompass our network of suppliers and the next generation of real estate professionals.



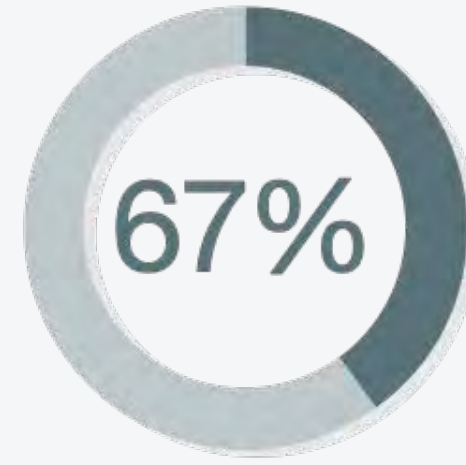
Total staffing was 46% female, which tracks higher than NAREIM (41%)



Total staffing was 33% minority, which also tracks higher than NAREIM (30%)¹



Of investment professionals are diverse (21% minority; 32% female)



Of new hires over the last two years were diverse (43% minority; 43% female)

Vendor Diversity

Over 1,300

of Clarion's service providers are Minority, Women, and Disadvantaged Business Enterprise (MWDBE) businesses. Clarion believes that diversity is valuable and considers diversity profiles when evaluating vendors.

Tenant Engagement

Clarion Partners strives to enhance the well-being of our building residents and tenants by actively seeking their input on the environmental initiatives they prioritize. With detailed insights into our tenants' preferences, we can tailor our efforts to align with their values and preferences. In 2023, we surveyed over 800 organizations in our annual tenant satisfaction survey to assess tenant preferences and market trends. Questions were included to gauge the importance they attribute to various environmental factors, including:

- + Climate Resilience
- + Electric Vehicles
- + Energy Efficiency
- + Green Building Certifications
- + Occupant Health & Well-being
- + Recycling Programs
- + Renewable & Solar Energy
- + Water Efficiency

Key Highlights from the 2023 Tenant Satisfaction Survey:

68% of respondents consider Climate Resilience to be Important or Very Important

82% of respondents consider Energy Efficiency to be Important or Very Important

75% of respondents consider Water Efficiency to be Important or Very Important

In addition, certain issues are increasing in their importance to our tenants. Most notably:

14% increase from 2022 to 2023 in the number of respondents who considered Green Building Certifications to be Important or Very Important (from 43% to 57%)

13% increase from 2022 to 2023 in the number of respondents who considered Solar Energy to be Important or Very Important (from 41% to 54%)



2023 Kingsley Excellence Award Winner

The 2023 Kingsley Excellence Awards recognize commercial real estate organizations that exceed industry benchmarks in tenant or resident satisfaction.¹ More than 115 properties owned by Clarion's separate accounts and commingled funds across 35+ U.S. markets received an overall satisfaction rate greater than the Kingsley Index. This distinction offers an opportunity to showcase our Firm's dedication to customer service to current and future tenants.

7 Retail Properties

21 Office Properties

88 Industrial Properties

Green Leasing

Integrating green lease language into tenant leases enables our Firm to advance and achieve best practices at the property level. Clarion Partners encourages tenants to exchange data and adopt methods to conserve energy and water and reduce waste. This enhances operational efficiencies and encourages tenants to be conscious of their environmental impact.

Green lease language can include the following topics:

- + Design/Development Rating
- + Environmental Initiatives
- + Information Sharing
- + Metering
- + Performance Standards
- + Sustainable Cleaning
- + Sustainability Management
- + Sustainable Procurement
- + Water Management

Clarion achieved gold-level recognition as a 2023 Green Lease Leader from the U.S. Department of Energy's Better Buildings Alliance and the Institute for Market Transformation.¹

Awareness Campaigns

Throughout the year, we provide tools for property managers to conduct awareness campaigns across our properties nationwide to educate and engage with our tenants.

February Health Awareness

Tips for a Healthy 2023

LIGHT UP YOUR LIFE
Sunlight is a natural remedy for improved mood and better sleep. A bountiful source of essential Vitamin D, natural sunlight boosts immunity, supports cognitive and metabolic functions, and helps regulate sleep. Fifteen minutes of direct morning sunlight can have you feeling more energized, happy, and healthy.

REDUCE SCREEN TIME
Limiting exposure to digital media can improve sleep and lower stress. Excessive screen time is associated with higher levels of stress, depression, and insomnia. Putting down devices in the evening can help reduce tension and induce better sleep.

ENGAGE SOCIALLY
Low social interaction can be more harmful than not exercising. Strong social ties are associated with improved physical, mental, and emotional health. Spend quality time engaged with positive social connections to elevate mood and enhance mental health.

HOW MANY BOOKS CAN YOU READ THIS YEAR BY REPLACING EVENING SCREEN EXPOSURE WITH READING TIME?

April Bike to Work Week

Rethink Your Ride

Bike to Work Week starts on Monday, May 15

BENEFITS OF BIKING
The average cyclist produces roughly 47% fewer greenhouse gas emissions per mile traveled than a conventional vehicle. That means cycling can have a positive impact on your personal carbon footprint.

EXPLORE PUBLIC TRANSIT
Using public transportation is one of the most impactful ways to reduce your carbon footprint and decongest your community's roads. Over the course of a year, you can save up to 4,800 pounds of CO2 by commuting to work via public transit.

CARPPOOL WITH COLLEAGUES
Carpooling to events or on regular commutes presents great advantages. You can save time with rideshare lanes, share fuel costs and lower your carbon footprint, all while building stronger relationships with your ride mates.

Whether biking or ride sharing, challenge yourself to reduce your carbon footprint and embrace a healthier lifestyle this Bike to Work Week by choosing more eco-friendly ways to commute and get around town.

October Energy Awareness

Your Energy Matters

October is Energy Awareness Month

PUT YOUR MONEY IN GOOD HANDS
Investing in the green energy transition helps ensure your money positively impacts the planet and your community. Supporting renewable energy companies or eco-friendly banks are two ways your hard-earned money can work toward climate-friendly solutions.

DESIGN FOR EXCELLENCE
Buildings can maximize effectiveness by taking advantage of the natural environment and smart technology. Leveraging natural lighting and tree shading are effective ways to lower energy demand, and incorporating AI tools, such as smart or connected products, can highlight opportunities for greater energy efficiency.

ELECTRIFY YOUR LIFE
Electrifying our lives will help drive decarbonization and improve our air quality. From space and water heaters to induction stoves and electric vehicles, studies show the need for quicker adoption of electric technologies if we are to hit climate goals.

Consuming energy has become so routine that we typically don't think about how we power our lives. For October's energy awareness month, let's aim to be more intentional consumers by incorporating these strategies for healthier living.

LEARN MORE ABOUT OUR CORPORATE SUSTAINABILITY PROGRAM: <https://www.clarionpartners.com/esg/sustainability/energy>

November Waste Awareness

Waste Less Live More

November is Waste Awareness Month

USE ELECTRONICS RESPONSIBLY
Electronic waste is the fastest growing solid waste stream. Help curb this ballooning waste problem by donating or selling old, functional electronics and responsibly recycling the rest through designated e-waste handlers.

REDUCE, REUSE, THEN RECYCLE.
While recycling is important, we must first prioritize reducing consumption and reusing what we already have. Reusable coffee cups, refillable water bottles, and reusable shopping bags are ways to reuse more and waste less.

FOOD SCRAPS CAN GO BACK
There's amazing energy stored in your uneaten food. Instead of throwing out leftovers or old produce, find a way to compost the material or reintegrate it into the food cycle.

The world faces a rising waste problem. By taking accountability, we can adopt smarter consumption habits and advocate for a less wasteful society.

Highlighting our European Business



De Dijk, Maassluis,
Netherlands

Letter From Clarion Partners Europe's CEO



Alistair Calvert
Chief Executive Officer
Clarion Partners Europe

2023 was a year of identifying and building critical ESG infrastructure to support the growing demands of our stakeholders. Working with our ESG consultant, Evora, we onboarded our funds to the sustainability data platform SIERA Plus which will help us monitor performance against our net zero goals at the fund and asset levels.

Across our funds under management:

- + 97% of buildings feature LED lighting
- + 81% hold a green building certification¹
- + 35% are equipped or are in the process of being equipped with solar panels and will have the capacity to generate up to 16,000 MWh per year²

Climate change plays a significant role in how we evaluate risk. An asset's ability to stay in line with a net zero pathway and withstand future climate and regulatory risks is a key consideration in our investment decisions.

Regulatory requirements concerning ESG continue to be a top priority. The demand for greater transparency has created an ever-changing reporting landscape, and we remain vigilant about these changes. Our European funds have robust governance practices, promote environmental characteristics, and report under Sustainable Finance Disclosure Regulation (SFDR) Article 8.

Our business is built on decades of experience in finding and creating value through the careful selection and management of real estate assets. We see ESG not only as a risk framework, but also as an opportunity. We believe assets that demonstrate a strong and lasting commitment to ESG are likely to generate higher returns which is - and will remain - our main driver and measure of success.

ESG in Due Diligence

Acquisitions and developments undergo a comprehensive ESG due diligence process, taking into account climate resilience and decarbonization.

ESG Due Diligence Report

Prior to acquiring an asset, Clarion Partner Europe's standard acquisition process requires an ESG due diligence report to be produced by specialized external advisors. These assessments are designed to highlight a building's performance against key ESG criteria, identify any critical issues that may require mitigation measures, and make recommendations for the property. Additionally, the report highlights regional physical climate risks and includes a projection of an asset's net zero pathway via a CRREM analysis, all with the aim to provide sufficient data on potential costs of preparing an asset for climate-related risks. This analysis provides the opportunity for us to consider appropriate capital expenditures and decarbonization measures to be included in the business plan. The report also addresses transition risk by screening against regulatory requirements like SFDR and Principle Adverse Impact Indicators (PASI) as well as upcoming ESG-related legislative changes, if applicable. This process aims to allow us to make holistic, well-informed decisions with respect to new acquisitions.

Investment Committee

Material findings of the ESG due diligence process are requested to be presented within the Investment Memorandum which requires approval by the Investment Committee and the respective fund board prior to completion of an acquisition.



Climate Resilience and Risk Management

We seek for properties to undergo a physical climate risk assessment, either as part of an ESG due diligence assessment as outlined above or standalone via a desktop physical risk assessment by a third-party software.

Apart from this asset-level assessment, ESG risks are considered and discussed within the CPE Risk Committee which is comprised of senior decision-makers.

ESG in Operations

Throughout our properties' life cycles, Clarion Partners Europe employs various strategies to improve ESG performance.

Upon acquisition, once an asset transitions from the Investment team to the Asset Management team, ESG considerations continue to be incorporated into the management process. ESG opportunities identified during due diligence are included in business plans where feasible. In addition, any planned capital measures are considered for sustainability and resource efficiency in addition to other factors.

Data Collection & Management

We seek to implement green lease clauses requiring data sharing where possible which helps us monitor performance at the asset level within Evora's data management platform. This allows us to measure, analyze, validate, and report on key sustainability metrics. Despite most consumption data being tenant controlled, we have historically been successful in obtaining it. We are exploring the rollout of automated data collection methods to become less reliant on tenant reporting and allow real-time accessibility to data.

In 2023, we achieved:¹

92.9%

Energy Utility Data Coverage

78.2%

Water Utility Data Coverage

Tenant Engagement

At most of our properties, tenants control building operations. Therefore, it is important to utilize tools which help increase engagement and promote cooperation in addressing sustainability risk over time. We do this in a variety of ways including the distribution of tenant ESG guides, regular meetings with tenants where key ESG topics are covered, and green lease clauses which require the tenants to adhere to certain ESG standards and provide consumption data.

Decarbonization

As of December 2023, 35% of the buildings within our portfolio have rooftops that are either under contract to install or already have installed on-site solar panels. Across our European funds, 34% of our properties feature EV charging.²



Case Study

Boisseaux, France P4

Located just one hour outside of Paris, the one million square foot distribution warehouse in Boisseaux is a modern, high standard development which was completed in September 2023. The property is certified BREEAM New Construction with a “Very Good” rating.

The property is currently being fitted with 451,000 square feet of photovoltaic panels which are expected to produce approximately 9,726 MWh of solar energy per year. The property also features motion and light intensity sensors for its LED lighting fixtures.

The property benefits from an automated water leak detection system and rainwater harvesting, designed to make it more resilient to the physical climate risks of heat and water stress. The property also features native, drought-tolerant planting to support biodiversity.



Reporting and Disclosures

Please contact us for more information about this report.

Karen Mahrous
Head of ESG, Clarion Partners
ESG@clarionpartners.com



Gables Revere Upper
Kirby, Houston, TX



GRI Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report and Reporting & Disclosure
	2-5 External assurance	Verification Letter
	2-6 Activities, value chain and other business relationships	Company Profile
	2-9 Governance structure and composition	ESG Oversight and Diversity, Equity & Inclusion
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Oversight and TCFD Disclosure
	2-13 Delegation of responsibility for managing impacts	Program Management and TCFD Disclosure
	2-14 Role of the highest governance body in sustainability reporting	ESG Oversight and TCFD Disclosure
	2-17 Collective knowledge of the highest governance body	ESG Oversight, Employee Development and Diversity and Equity & Inclusion
	2-22 Statement on sustainable development strategy	Letter From Our CEO, Letter From Our CIO and Letter from Clarion Partners Europe's CEO
	2-27 Compliance with laws and regulations	ESG Oversight Climate Risk Management
	2-28 Membership associations	Industry Partners
	2-29 Approach to stakeholder engagement	Employee Engagement Volunteering & Community Impact Diversity and Equity & Inclusion Tenant Engagement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Determining Materiality
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Risk Management and TCFD Disclosure
GRI 302: Energy 2016	302-3 Energy intensity	Energy
	302-4 Reduction of energy consumption	Energy
GRI 303: Water and Effluents 2018	303-5 Water consumption	Water
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance and TCFD Disclosure
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance and TCFD Disclosure
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance and TCFD Disclosure
	305-4 GHG emissions intensity	Environmental Performance and TCFD Disclosure
	305-5 Reduction of GHG emissions	Environmental Performance and TCFD Disclosure
GRI 306: Waste 2020	306-3 Waste generated	Waste
	306-4 Waste diverted from disposal	Waste
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee & Vendor Diversity



TCFD Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) is a set of recommendations developed by the Financial Stability Board (FSB) that advises organizations on the types of information that should be disclosed in support of investors, lenders, and insurance underwriters. This set of recommendations provides guidance on the appropriate methodology for assessing and pricing climate change- related risks and is structured around how companies operate. The below index shows how Clarion Partners’ company practices align with these disclosures in terms of governance, strategy, risk management, and metrics and targets.¹

GOVERNANCE	Describe the Board's oversight of climate-related risks and opportunities.	Clarion's internal ESG Team is responsible for the oversight and management of our ESG program including climate risks and opportunities. The Head of ESG reports to our Chief Investment Officer (CIO) and collaborates with senior leaders to drive the Firm's sustainability programs. Our CIO is a member of the Executive Board and is responsible for overseeing the management of our ESG program and approval of any strategies, policies, and goals that involve the ESG team. At a Firm level, members of the Firm's Operating Committee are responsible for approving ESG initiatives, including climate- and resilience-related efforts.
	Describe management's role in assessing and managing climate-related risks and opportunities.	At the Firm level, Clarion's ESG team, ESG consultants, and the Resilience Subcommittee are responsible for developing and implementing Clarion's climate risk strategy in partnership with other relevant departments. The strategy includes assessing climate-related risks for the majority of standing assets, new developments, and acquisitions regularly.
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Clarion has identified physical and transition climate-related risks and opportunities. Physical risks are identified through an asset-level desktop regional climate-related risk assessment for Clarion's standing assets. This assessment included indicators related to social risk (such as livability index score and social vulnerability to sea level rise) and physical risks (including wildfire risk, water risk, sea level rise, flood risk, and billion-dollar weather and climate disasters). Transition risks including exposure to legislative risk and benchmarking ordinances continue to expand geographically.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Clarion's investment strategy is informed by a recognition of climate-related risks and opportunities throughout the investment process. Climate related risks are considered among other factors for during the new acquisition process and new investments are reviewed and approved by Clarion's Investment Committee through a two-stage approval process. Memos presented may include a Sustainability section which outlines some ESG-related risks and opportunities for consideration by Clarion's Investment Committee. For operational assets, select ESG metrics and performance indicators are tracked on at least an annual basis, with some being tracked more frequently. This information allows the ESG Team and consultants to identify asset-level risks and opportunities that are presented for consideration during the annual budget process.</p> <p>One of the broader initiatives related to climate-related risks and opportunities is the aim to develop industrial warehouses to LEED certification standards in conjunction with Clarion's volume program under USGBC's LEED v4 for Warehouse and Distribution Centers. This initiative allows for most industrial developments to be built to a high standard of energy efficiency and sustainability.</p>
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Clarion's strategy on incorporating resilience evolves as new tools, analyses, and information become available. For example, for standing assets, a desktop assessment is completed every three years to assess regional climate-related risks as well as building-level resilience measures. The results of this assessment are reviewed by appropriate team members and properties flagged for elevated risks may be identified for further review. For the majority of acquisitions and new developments, a review of climate-related risks and opportunities is conducted during due diligence and included in the investment memo for the property. This screening assesses potential exposure to physical climate-related risks and transition risks, as well as opportunities like energy efficiency, renewable energy, green building certifications, and more. Climate-related risks and opportunities (ex. opportunity to improve energy efficiency) are discussed and incorporated into the business plan where feasible.</p> <p>Clarion's ESG consultants keep the ESG Team apprised of industry trends, best practices, and the evolving regulatory landscape related to climate-related risks and opportunities and where feasible, the climate-related strategy will evolve to address potential risks and opportunities and to maintain the resilience over time.</p>

¹ The TCFD announced in October 2023 that it has fulfilled its remit and disbanded. Moving forward, the International Finance Reporting Standards (IFRS) will assume the monitoring of companies' climate-related disclosures. IFRS has indicated that companies may continue to use the TCFD recommendations should they choose to do so, and that the requirements in IFRS S2 are consistent with the TCFD recommendations.

TCFD Disclosures

RISK MANAGEMENT	Describe the organization's processes for identifying and assessing climate-related risks.	Clarion's process for identifying and assessing physical and transition risk is integrated into our overall risk management approach. For standing assets, to identify physical risk, we complete a desktop assessment to assess regional climate-related risks as well as building-level resilience features and to identify transition risks an analysis including exposure to legislative risk like benchmarking ordinances are assessed annually during the budgeting process. For acquisitions and developments, a review of climate-related transition risks and opportunities is conducted during due diligence and may be included in the investment memo for each property.
	Describe the organization's processes for managing climate-related risks.	Climate-related risks are managed throughout the lifecycle of the investment process. For assets with sufficient data, environmental key performance indicators (KPIs)—including Energy Use Intensity, Greenhouse Gas Intensity, Water Use Intensity, metrics related to data coverage, and more are calculated. These KPIs are included in the asset-level ESG budgeting tool that is shared with fund managers and asset managers for review. Efficiency projects are recommended for each asset based on a property's KPIs to be budgeted where feasible. Efficiency projects can reduce a property's reliance on resources (including fossil fuels and water) and can improve a property's ability to comply with local ordinances. Additionally, the results of the physical risk assessment may be reviewed by appropriate team members and assets that are identified as having elevated risk for any of the physical climate-related risks assessed may be flagged. Recommendations for on-site resilience assessments for assets with elevated levels of risk may be incorporated into the asset-level ESG project recommendations that are issued to Asset Managers during the annual budgeting process.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The integration of climate-risk mitigation recommendations into Clarion's asset annual ESG budgeting process for standing assets, and the due diligence process for acquisitions and developments, is part of Clarion's overall risk management approach. By embedding the identification, assessment, and management of physical risks into these standard processes, Clarion aims to manage climate related risks for our portfolio.
METRICS AND TARGETS	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Clarion aims to complete an asset-level regional climate risk assessment of our standing portfolio at least every three years. A recent assessment included indicators related to social risk (such as livability index score and social vulnerability to sea level rise) and physical risks (including wildfire risk, water risk, sea level rise, flood risk, and billion-dollar weather and climate disasters).</p> <p>In addition, Clarion's ESG team tracks and evaluates performance of standing assets across numerous metrics. The following ESG metrics on climate-related risks and opportunities are maintained in ESG data platforms and on a database managed by our ESG consultants.</p> <ul style="list-style-type: none"> • Energy use and intensity • Water use and intensity • Greenhouse gas emissions and intensity • Technical assessments and audits • Building certifications • Property attributes • ENERGY STAR scores • Data coverage <p>Risk evaluation may include vulnerability to physical climate risks, reputational risk, projected operating expenses, regulatory and compliance risk, social risk such as crime index and housing affordability, and opportunities to improve efficiency performance.</p>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1: 41,897 MTCO₂e Scope 2: 184,628 MTCO₂e Scope 3: 266,859 MTCO₂e Note that this figure only includes tenant emissions (Scope 3 category 13) and not all Scope 3 emissions.</p> <p>2023 Absolute GHG Emissions. Represents 64% absolute energy coverage by floor area</p>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	In October 2021, Clarion signed on to the Urban Land Institute (ULI) Greenprint Center for Building Performance's Net Zero Goal to reduce Scope 1 and 2 (landlord-controlled) GHG emissions to net zero by the year 2050. You can learn more about our Net Zero program on page 23.

Verification Letter



Independent Assurance Statement Provided by ISOS Group, Inc.

To the Management Team of Clarion Partners:

ISOS Group, Inc. ["ISOS" or "we"] were engaged by Clarion Partners ["Client" or "Clarion"] to conduct moderate level type 2 assurance of environmental data within Clarion Partners Annual Report ("Reported Information"), covering the period beginning January 1, 2023 and ending December 31, 2023 ("CY23").

We have performed our moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 ("AA1000AS"). Our review was limited to the Reported Information comprising of:

- Energy consumption
- GHG emissions (location-based)
- Water use
- Waste generation

We have not performed any procedures with respect to other sustainability-related information and, therefore, no conclusion on information outside of this scope of work is expressed.

Clarion Partner's responsibilities

The Company's management are responsible for:

- Preparing the data in accordance with generally accepted reporting practices.
- The accuracy and completeness of the information reported.
- The design, implementation and maintenance of internal controls relevant to the preparation of the report to provide reasonable assurance that the report is free from material misstatement, whether due to fraud or error.
- Ensuring the data performance is fairly stated in accordance with the applicable criteria and for the content and statements contained therein.

Criteria

The assurance process was intended to provide an independent opinion confirming that the Client has complied with procedures for data management at the company and minimized degrees of error by adequately:

1. Sourcing utility, vendor and internal data to populate relevant data management systems.
2. Enforcing management and quality controls across the reporting period.
3. Aggregating and converting metrics into the correct unit of measure, and
4. Calculating greenhouse gas emissions.

Boundary

Organizational Boundary	Clarion Partners invests in life science, storage, office, retail, industrial, multifamily residential and hotel properties across funds with a range of investment strategies.
Assurance Boundary	The boundary of assurance included twelve-hundred and sixty-eight (1268) operational properties reported within Clarion Partners Annual Report. ¹
GHG Emissions	The GHG emissions boundary followed the operational control methodology specified in the GHG Protocol.
Consolidation Approach	

Limitations and Exclusions

Greenhouse gas quantification is unavoidably subject to inherent uncertainty because of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

¹ The boundary includes thirty nine (39) assets within Clarion's European funds (GPE IV and CBL V) assured by a different provider, EVOIRA.

Several smaller scope 1 GHG emission sources (i.e., refrigerant releases, mobile combustion sources, emergency generators) have been excluded from this review. Tenant data may be reported using unaudited annualized figures, reducing the opportunity for data analysis to uncover data errors, gaps, or anomalies. Reviews pertaining to the completeness and capture of all utility meters at properties, particularly those attributed to tenant spaces, is limited to what is disclosed in data management systems. No visit to the Client's headquarters or facilities was conducted throughout this engagement. However, a sample set of properties were reviewed in more granularity and tested for data accuracy. It was determined that these limitations and exclusions do not materially impact the performance criteria or assurance engagement.

Methodology

The assurance procedures undertaken were to determine the strength of the systems in place. ISOS Group:

- Engaged a sample of individuals responsible for performance measurement.
- Evaluated current management systems for performance data collection, compilation, calculation, reporting, and validation.
- Determined consistency of assessing materiality, management approach, and application of quality control procedures.
- Reviewed sustainability disclosures, supporting data, and justification for rectifying discrepancies.
- Validated alignment to standard reporting protocols to ensure accurate claims to the quantitative methodology and approach and assurance claims.
- To verify quantitative claims, both at the aggregate level and on a sample basis, and test accuracy, consistency, completeness, and reliability, ISOS Group:
 1. Conducted a portfolio assessment analyzing performance results to uncover any errors, misstatements, gaps, or performance anomalies.
 2. Brought all findings to the Client's attention to address and confirmed resolution.
 3. Selected the following properties for testing and analysis, including cross-reference to source data to uncover variances and address any exclusions and other limitations:

a. 180 Malden Lane, New York, NY, USA	f. Steel City Trade Center Bldg 2, Bethlehem, PA, USA
b. 1045 Ranch Town Center, Chula Vista, CA, USA	g. 2902 Mayfield Road, Grand Prairie, TX, USA
c. 12000 E 56th Avenue, Denver, CO, USA	h. Savoy (sv025), Sunnyvale, CA, USA
d. Knox Building A, Perris, CA, USA	i. 1201 Eastlake Avenue East, Seattle, WA, USA
e. Summit Central, Summit, WA, USA	j. Veritas Office Building, Houston, TX, USA

Findings

Based on the process and procedures conducted, there is no evidence that the Reported is not materially correct and provide a fair representation of the Client's environmental impacts to stakeholders for the stated period and reporting boundary.

Application of the AA1000AP

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles:

Inclusivity	In addition to conducting tenant surveys, Clarion has developed stakeholder engagement policies for tenants, property management teams, investors, employees, vendors, visitors, community members and government authorities. Clarion should consider documenting its approach to stakeholder engagement within a stakeholder engagement map.
Materiality	Clarion aligns its practices to reporting standards and frameworks such as GRI, GRESB and TCFD. To improve efforts, it is recommended that Clarion conduct a stakeholder-informed materiality assessment, including external stakeholders, to uncover a more granular assessment of company-specific sustainability topics and to prioritize those that matter most to its stakeholders.
Responsiveness	Clarion publishes an annual ESG report with reference to GRI. To improve upon its efforts, it is recommended that Clarion pursue a report in accordance with the GRI Standards.
Impact	Clarion clearly outlines performance measurement on its website and within its ESG Report. Clarion has also committed to the Urban Land Institute's Net Zero by 2050 Greenprint program.

Restriction of Use

This assurance report is made solely to the Client in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to the Client those matters we have been engaged to state in this moderate assurance report and for no other purpose. Our moderate assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Client for any purpose or in any context. Any party other than the Client who obtains access to our moderate assurance report or a copy thereof and chooses to rely on our moderate assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Client for our work, for this independent moderate assurance report, or for the conclusions we have reached.

Statement of Competency and Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Resources Initiative (GRI), CDP, and GRESB and is a provider of external assurance services. ISOS Group is a Global Reporting Initiative Certified Training Partner for the United States and a CDP Silver Education and Training Partner in the United States. Our team of experts have the technical expertise and competency to conduct assurance to the AA1000 assurance standard, which meets the criteria for assurance of environmental data.

No member of the assurance team has a business relationship with the Client, its Directors, or Managers beyond that required of this assignment. We conducted this assurance independently and, to our knowledge, there has been no conflict of interest. ISOS Group has a strong code of ethics and maintains high ethical standards among its staff in their day-to-day business activities. The assurance team has extensive experience in conducting assurance engagements over environmental, social, ethical, and health and safety information systems and processes.

Further information, including a statement of competencies, can be found at www.isosgroup.com.

Signature on behalf of ISOS Group: San Diego, California – USA, August 6, 2024.

Brian Noverk
CSAP Practitioner

Lauren Anderson
ACSAP, Sustainability Analyst



AA1000
Licensed Assurance Provider
000-204



Green Building Certification Disclosures

Industry awards, ratings, and certifications described below are provided by third parties, which may receive submission or membership fees or project registration and certification fees in connection with these awards, ratings, and certification programs. Please see the table below for more information on programs referenced in our 2023-2024 Annual ESG Report.

Data below is as of December 31, 2023

PROGRAM NAME	NUMBER OF ASSETS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
LEED Building Design + Construction	85	Green Business Certification Inc. (GBCI)	Certifications are issued at the time of building development or major renovation and last in perpetuity. Rankings range from Certified to Platinum level for individual properties.	Properties must pay registration and review fees to pursue LEED certifications.
LEED Building Operations + Maintenance	14	Green Business Certification Inc. (GBCI)	Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. Rankings range from Certified to Platinum level for individual properties.	Properties must pay registration and review fees to pursue LEED certifications.
Fitwel	32	The Center for Active Design (CFAD)	Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. Rankings range from One to Three Stars for individual properties.	Properties must pay registration and review fees to pursue Fitwel certifications.
IREM Certified Sustainable Property (CSP)	161	Institute of Real Estate Management (IREM)	Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing.	Properties must pay certification fees at the time of submission to pursue IREM certifications.
BOMA 360	1	Building Owners and Managers Association International	Certifications are issued on a rolling basis and are valid for three years. Properties must recertify to maintain certification standing.	Properties must pay certification fees to pursue a BOMA 360 certification.
National Green Building Standard	13	National Association of Home Builders	Certifications are issued on a rolling basis and last in perpetuity for individual properties.	Properties must pay certification fees to pursue a National Green Building Standard certification.
ENERGY STAR	74	U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.	Certifications are issued on a rolling basis and are valid for one year. Properties must re-certify to maintain certification standing.	Clarion Partners was named an Executive Member of ENERGY STAR's Certification Nation in 2023 after certifying 78 buildings in 2022.
ENERGY STAR Multifamily New Construction Certification	1	U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.	Certifications are issued at the time of building development and last in perpetuity.	-
EarthCraft Multifamily	5	Southface Institute	Certifications are issued on a rolling basis and last in perpetuity.	Properties must pay registration and certification fees to pursue EarthCraft Multifamily certification.
UL Verified Healthy Building Mark	1	UL Solutions	Certification marks are issued on a rolling basis. Air quality testing is required twice a year to keep mark valid.	Properties must pay certification fees to pursue a UL Verified Healthy Building Mark.
CALGreen	66	California Building Standards Commission (CBSC)	Certifications are issued at the time of building development and last in perpetuity.	-
Austin Energy Green Building Rating	4	Austin Energy Green Building	Certifications are issued on a rolling basis and last in perpetuity. Rankings range from One to Five Stars for individual properties.	Properties must pay registration fees to pursue Austin Energy Green Building Rating.
Florida Green Building Standard	2	Florida Green Building Coalition	Certifications are issued at the time of building development and last in perpetuity. Rankings range from bronze, silver, gold, to platinum.	Properties must pay registration fees to pursue Austin Energy Green Building Rating.
Energy Performance Certificate (EPC)	34	Country Specific Governing Bodies	Certificates are issued on a rolling basis and are valid for 10 years. Properties must re-certify to maintain certification standing. Ratings range from A-G for individual properties.	Properties must pay certification fees to pursue an Energy Performance Certificate (EPC).
BREEAM In-Use	7	BRE Global Ltd.	Certifications are issued on a rolling basis and are valid in perpetuity. Rankings range from "pass" to "outstanding" for individual properties.	Properties must pay registration and certification fees to pursue BREEAM certifications.
BRREAM Construction	15	BRE Global Ltd.	Certifications are issued on a rolling basis and are valid in perpetuity. Rankings range from "pass" to "outstanding" for individual properties.	Properties must pay registration and certification fees to pursue BREEAM certifications.
DGNB New Construction Certificate	6	German Sustainable Building Council (DGNB)	Certifications are issued up to three years following a building's completion and last in perpetuity. Rankings range from Certified to Platinum level for individual properties.	Properties must pay certification fees to pursue DGNB certification.



Green Building Certification Disclosures

Firm or Fund Level Rating Program Disclosures

Data below is as of March 31, 2024

PROGRAM NAME	CLARION PARTICIPATION 2023-2024	GOVERNING BODY	RATING PERIOD	FURTHER DETAILS
GRESB	Nine commingled funds and separate accounts advised by Clarion Partners participated in the 2023 GRESB survey (based on 2022 data)	GRESB BV	The GRESB rating is conducted during the calendar year and is based on previous calendar year data. All scores referenced in this document relate to 2023 data and surveys covering the 2022 calendar year.	Funds and separate accounts pay a submission fee to participate in the GRESB survey.
UN-supported Principles of Responsible Investment (UNPRI)	Clarion Partners corporate participation	PRI Association Board	Rating is conducted during the calendar year and is based on the previous calendar year's reported data.	Clarion pays a submission fee to participate in the assessment.
Green Lease Leaders	Clarion Partners corporate participation	Institute for Market Transformation (IMT)	The Green Lease Leader designation is valid for three years, after which recipients are invited to reapply. Clarion received Gold-level recognition in 2023. Designations range from silver to platinum.	Clarion did not pay a fee to apply for this award

Firm Level Rating Industry Award Disclosures

Data below is as of March 31, 2024

AWARD NAME	DATE RECEIVED	GOVERNING BODY	FURTHER DETAILS
Pension & Investments Best Place to Work in Money Management	December 2022 and December 2023	Pension & Investments	Awarded for companies sized 100-399 employees. The standard survey covering up to 250 randomly selected employees is free; however, Clarion paid a fee to survey all 300+ of our employees, add custom questions, and receive an analysis of our results.
Energy Star Partner of the Year	March 2023 and March 2024	U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy	Clarion did not pay a fee to apply for this award
2023 Best in Building Health Award	March 2023	The Center for Active Design	Clarion received the Industry Leadership Award for Portfolio Benchmarking; award categories vary annually. Clarion did not apply to pursue this award, but fees were paid in conjunction with the portfolio benchmarking program.
Kingsley Excellence Award	September 2023	Grace Hill – Kingsley Surveys	Properties must exceed Kingsley Index in overall satisfaction. Office and industrial properties must have at least a 30% response rate. Retail properties must have at least a 20% response rate. Clarion did not pay to pursue this award.

Disclaimers

This report is for informational purposes only. This report is not intended to be relied on to make any investment decisions and is neither an offer to sell nor a solicitation of an offer to buy any securities or financial instruments or any investment advisory services from Clarion Partners. Some of the information in this report has been obtained or derived from third-party sources believed by Clarion Partners to be reliable, but Clarion Partners does not represent that such information is accurate or complete and has not independently verified the accuracy or completeness of such information or assumptions on which such information is based. Any opinions or estimates contained in this report represent the judgment of Clarion Partners at the time this report was prepared and are subject to change without notice. Photos used in this report were selected based on visual appearance and are used for illustrative purposes only.

Forward-Looking Statements

This report may contain forward-looking statements within the meaning of federal securities laws. Forward-looking statements are statements that do not represent historical facts and are based on the beliefs, assumptions made by us, and information currently available to us. Forward looking statements in this report are based on the current expectations as of the date of this report, which could change or not materialize as expected. Actual results may differ materially due to a variety of uncertainties and risk factors. Except as required by law, we assume no obligation to update any such forward-looking statements.

Risks Related To ESG Matters

Clarion Partners can choose, in its discretion, whether to take into account ESG considerations in its investment decision making, as and to the extent consistent with its fiduciary obligations, applicable law, and the relevant governing documents and investment management agreements of its clients (as applicable). In certain circumstances, due to ESG considerations, Clarion Partners may not make or not recommend the making of investments when it would otherwise have done so, which could adversely affect the performance of a client's portfolio. On the other hand, Clarion Partners may determine not to take such considerations into account. The extent to which Clarion Partners takes ESG considerations into account varies from client portfolio to client portfolio, based on, among other things, the portfolio's investment objective, investment strategies, and investment restrictions, as outlined in the relevant governing documents and investment management agreements of its clients (as applicable) as well as applicable law.

Clarion Partners is dependent upon ESG information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate, or unavailable, which could cause Clarion Partners to incorrectly assess a potential investment's ESG attributes and/or related risks and opportunities. While ESG is only one of the many factors Clarion Partners might consider in making an investment, there is no guarantee that Clarion Partners will consider such factors at all or that Clarion Partners will successfully implement and make investments that create positive ESG impact while enhancing value and achieving financial returns. ESG initiatives may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Any successful engagement efforts on the part of Clarion Partners will depend, in part, on Clarion Partners' skill in properly identifying and analyzing material ESG data and factors, and their potential impact on value. There can be no assurance that any ESG techniques employed will be successful.

Additional information about other risks associated with Clarion Partners' investment process and investment strategies is available on its current Form ADV Part 2A Brochure, which is available upon request.

Disclaimers

Important Legal Information

The views expressed are those of Clarion Partners and the comments, opinions and analyses are rendered as at publication date and may change without notice. Franklin Templeton accepts no liability whatsoever for any loss arising from use of this information and reliance upon the comments, opinions and analyses in the material is at the sole discretion of the user.

Products, services, and information may not be available in all jurisdictions and are offered outside the U.S. by other Franklin Templeton affiliates and/or their distributors as local laws and regulation permits. Please consult your own financial professional or Franklin Templeton institutional contact for further information on availability of products and services in your jurisdiction.

Issued in the U.S. by Franklin Distributors, LLC, One Franklin Parkway, San Mateo, California 94403-1906, (800) DIAL BEN/342-5236, franklintempleton.com – Franklin Distributors, LLC, member FINRA/SIPC, is the principal distributor of Franklin Templeton U.S. registered products, which are not FDIC insured; may lose value; and are not bank guaranteed and are available only in jurisdictions where an offer or solicitation of such products is permitted under applicable laws and regulation.

Canada: Issued by Franklin Templeton Investments Corp., 200 King Street West, Suite 1500 Toronto, ON, M5H3T4, Fax: (416) 364-1163, (800) 387-0830, www.franklintempleton.ca.

Offshore Americas: In the U.S., this publication is made available only to financial intermediaries by Franklin Distributors, LLC, member FINRA/SIPC, 100 Fountain Parkway, St. Petersburg, Florida 33716. Tel: (800) 239-3894 (USA Toll-Free), (877) 389-0076 (Canada Toll-Free), and Fax: (727) 299-8736. Investments are not FDIC insured; may lose value; and are not bank guaranteed. Distribution outside the U.S. may be made by Franklin Templeton International Services, S.à r.l. (FTIS) or other sub-distributors, intermediaries, dealers or professional investors that have been engaged by FTIS to distribute shares of Franklin Templeton funds in certain jurisdictions. This is not an offer to sell or a solicitation of an offer to purchase securities in any jurisdiction where it would be illegal to do so.

Issued in Europe by: Franklin Templeton International Services S.à r.l. – Supervised by the Commission de Surveillance du Secteur Financier – 8A, rue Albert Borschette, L-1246 Luxembourg. Tel: +352-46 66 67-1. Fax: +352-46 66 76. Poland: Issued by Templeton Asset Management (Poland) TFI S.A.; Rondo ONZ 1; 00-124 Warsaw. South Africa: Issued by Franklin Templeton Investments SA (PTY) Ltd, which is an authorised Financial Services Provider. Tel: +27 (21) 831 7400. Fax: +27 (21) 831 7422. Switzerland: Issued by Franklin Templeton Switzerland Ltd, Stockerstrasse 38, CH-8002 Zurich. United Arab Emirates: Issued by Franklin Templeton Investments (ME) Limited, authorised and regulated by the Dubai Financial Services Authority. Dubai office: Franklin Templeton, The Gate, East Wing, Level 2, Dubai International Financial Centre, P.O. Box 506613, Dubai, U.A.E. Tel: +9714-4284100 Fax: +9714-4284140. United Kingdom: Issued by Franklin Templeton Investment Management Limited (FTIML), registered office: Cannon Place, 78 Cannon Street, London EC4N 6HL. Tel: +44 (0)20 7073 8500. Authorised and regulated in the United Kingdom by the Financial Conduct Authority.

Australia: Issued by Franklin Templeton Australia Limited (ABN 76 004 835 849) (Australian Financial Services License Holder No. 240827), Level 47, 120 Collins Street, Melbourne, Victoria 3000.

Hong Kong: Issued by Franklin Templeton Investments (Asia) Limited, 17/F, Chater House, 8 Connaught Road Central, Hong Kong.

Japan: Issued by Franklin Templeton Investments Japan Limited. Korea: Issued by Franklin Templeton Investment Advisors Korea Co., Ltd., 3rd fl., CCMM Building, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul, Korea 07241.

Malaysia: Issued by Franklin Templeton Asset Management (Malaysia) Sdn. Bhd. & Franklin Templeton GSC Asset Management Sdn. Bhd. This document has not been reviewed by Securities Commission Malaysia.

Singapore: Issued by Templeton Asset Management Ltd. Registration No. (UEN) 199205211E. 7 Temasek Boulevard, #38-03 Suntec Tower One, 038987, Singapore.



www.clarionpartners.com