



**CLARION PARTNERS**

A Franklin Templeton Company



# Annual ESG Report 2024-2025

138 Logistics Center  
Portland, OR

---

# Table of Contents

Introduction	4
Governance	9
Environmental	14
Social	22
Europe	31
Reporting and Disclosures	36

## About This Report

The Clarion Partners, LLC (Clarion Partners, Clarion, or the Firm) 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 responsible environmental, community, and workplace 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 2024-2025 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 2024 where available and qualitative data through 2024 and 1Q 2025. The last Clarion ESG report was published in December 2024.

The data shown within the Environmental section of this report 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.

# Introduction



Gables Republic Square  
Austin, TX

# Letter From Our CEO



**David Gilbert**  
Chief Executive Officer

Clarion Partners aims to create long-term value for our investors through a research-driven investment approach, the deep expertise of our leadership team, and a culture rooted in transparency, integrity, and entrepreneurial spirit.

Our approach to sustainability is grounded in fiduciary duty. Clients' investment goals and objectives always come first, while we believe that environmental, social, and governance (ESG) factors are integral to effective risk management and long-term value creation.

Over the past year, we've continued to enhance ESG integration across the investment lifecycle. This includes embedding climate-related risk screenings into our due diligence for new acquisitions, as well as assessing our standing portfolio for exposure to physical climate risks and evolving legislation. By identifying these risks early, we position ourselves to be more effective and responsive asset owners.

We have also invested in targeted sustainability projects that can reduce expenses and enhance asset performance. Some examples of these programs are highlighted throughout this report.

We also recognize that our employees are our greatest asset. We are committed to investing internally in our team of professionals, with a focus on learning and development initiatives and industry programs to build the pipeline for future leaders in commercial real estate. For the third consecutive year, we've been named one of Pensions & Investments' Best Places to Work in Money Management — a reflection of our culture and commitment to professional development.

Strong governance and prudent decision-making remain central to our investment philosophy. Our commitment to robust ESG risk management aligns with best practices across the industry. For more than a decade, we have reported our ESG performance through leading industry frameworks such as UNPRI and GRESB, where we consistently deliver competitive results and demonstrate our commitment to transparency.

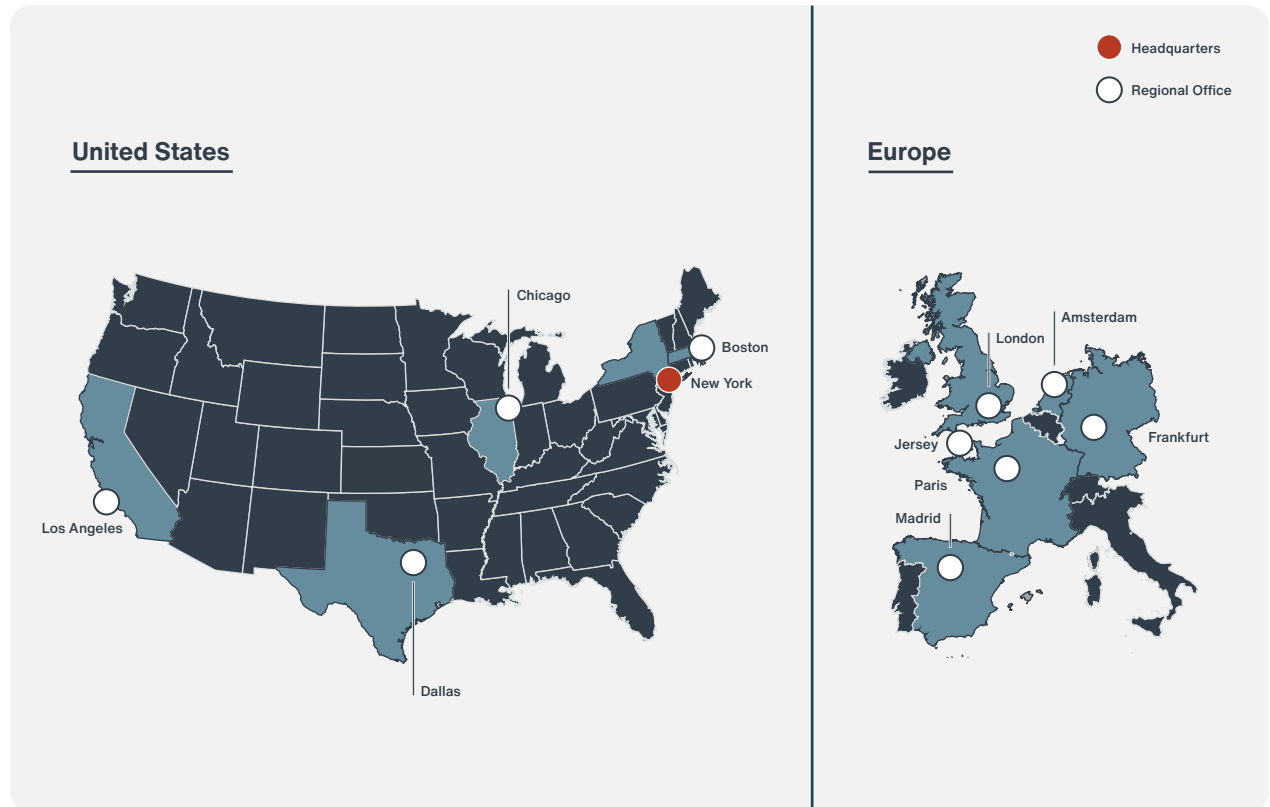
As we monitor the evolving ESG landscape and the potential impact on our assets, we continue to implement strategic initiatives that aim to reduce risk, create value, and position our portfolio for long-term success. We're pleased to share the progress we have made, and we thank you for your continued partnership.

A handwritten signature in black ink, appearing to read "David Gilbert". The signature is fluid and cursive, written on a white background.

# 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.<sup>1</sup> Headquartered in New York, the Firm maintains strategically located offices across the United States and Europe.

With over \$73.1 billion in total assets under management (AUM), Clarion provides a diverse array of real estate strategies spanning the risk/return spectrum to ~500 global institutional 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

43

Years Dedicated  
Real Estate  
Investment  
Manager

\$73.1B

AUM

~500

Global Institutional  
Investors

82

Markets

11

Offices

300+

Employees

~1,500

Properties

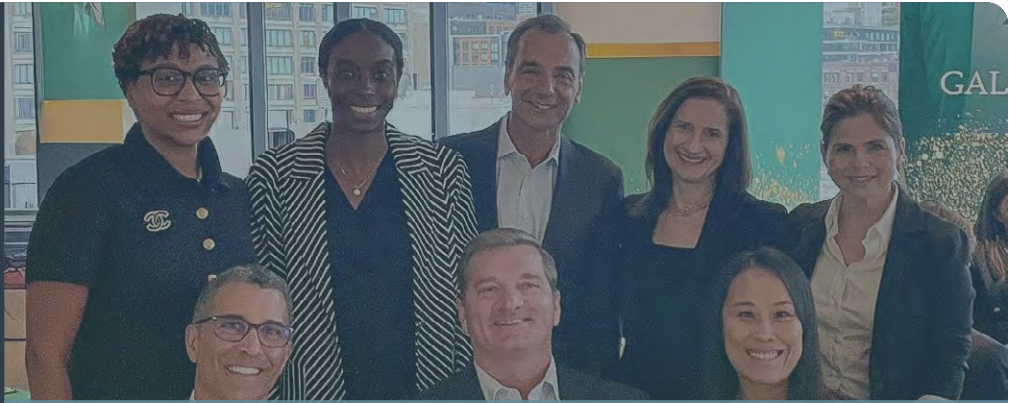
# Our Values

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



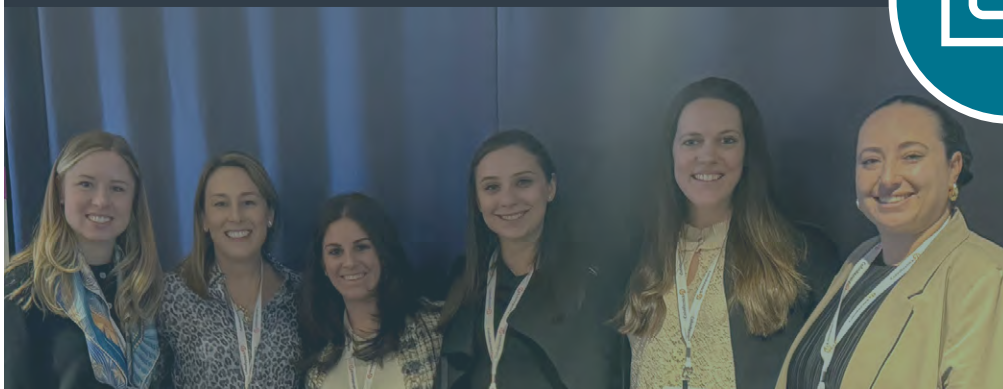
## Integrity

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.

# Clarion Partners' Commitment to ESG

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.

Clarion's ESG Framework is used to narrow our boundary of ESG considerations to those that are most material to our business. We regularly review the framework alongside our business needs and the greater industry landscape.

Within our corporate operations, we integrate specific ESG considerations where we believe their implementation will have the most significant impact on our employees and the industry in which we operate.

Client investment goals and objectives always come first. As stewards of our clients' assets, ESG considerations are included in Clarion's investment process, with the goals of mitigating risk and creating opportunities to increase value.



# Governance

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



75 Binney Street  
Cambridge, MA

# 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.

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.

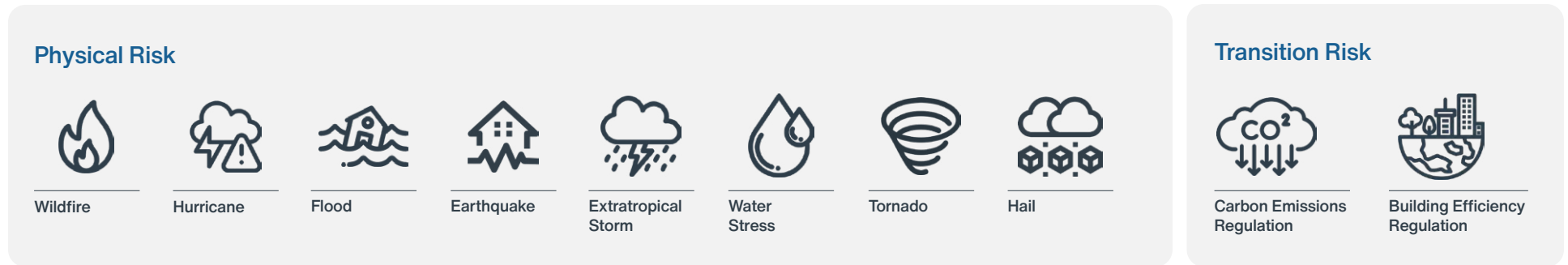


# Climate Risk Management

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

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

We analyze climate-related risk throughout our properties' lifecycles:



## Acquisitions:

- + Physical and transition risks are evaluated during due diligence
- + Third-party evaluations are conducted as needed
- + Key findings are included in the Sustainability Analysis of Investment Memos presented to the Investment Committee

## Development:

- + Physical and transition risks are considered during construction
- + Mitigation features are incorporated as necessary

## Operational Portfolio:

- + Physical and transition risks are evaluated annually
- + As necessary and feasible, further evaluation and mitigation measures are incorporated into asset business plans
- + Assets are insured through a master insurance policy
- + Resilience property surveys are conducted every three years

# Industry Partners

Collaboration with leading frameworks, tools, and organizations strengthens our ability to align with best practices.

## Frameworks



Task Force on Climate-related Financial Disclosures (TCFD)



United Nations Sustainable Development Goals (UNSDGs)



GRESB



UN-Supported Principles for Responsible Investment (UNPRI)®



Global Reporting Initiative (GRI)



Carbon Risk Real Estate Monitor (CRREM)

## Tools



ENERGY STAR



Fitwel



MEASURABL

Measurabl

## Organizations



Urban Land Institute (ULI) and ULI Greenprint



U.S. Green Building Council (USGBC)



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



Institute of Real Estate Management (IREM)®



National Association of Real Estate Investment Managers™ (NAREIM)



Pension Real Estate Association (PREA)



National Council of Real Estate Investment Fiduciaries (NCREIF)

# Awards and Achievements

**ENERGY STAR**  
ENERGY STAR  
Partner of The Year –  
Two Consecutive Years  
2023 & 2024

**GREEN LEASE LEADER**  
GOLD  
Green Lease Leaders –  
Gold-Level  
2023

**Pensions & Investments**  
Best Places to Work – Three  
Consecutive Years  
2022-2024

**KINGSLEY EXCELLENCE**  
Grace Hill | KingsleySurveys  
Kingsley Excellence  
Award Winner – Three  
Consecutive Years  
2023-2025

**G R E S B**  
GRESB  
13-Year Participation  
2024

**U.S. GREEN BUILDING COUNCIL**  
USGBC  
49,352,758 sq. ft.  
LEED Certified  
Floor Area  
2024

**ENERGY STAR**  
ENERGY STAR  
15,058,451 sq. ft.  
ENERGY STAR  
Certified Floor Area  
2024

# Environmental

As part of our environmental initiatives, we aim to improve operational efficiency, leverage renewable energy where appropriate, and monitor and track environmental performance over time across our assets.



# Greenhouse Gas Emissions

Clarion Partners is aligned with the ULI Greenprint Center for Building Performance's Net Zero Goal for Scope 1 and 2 greenhouse gas (GHG) emissions (landlord-controlled) by the year 2050. Our Net Zero Program is organized around a roadmap of seven topical areas which are highlighted in previous ESG Annual Reports.<sup>1</sup>

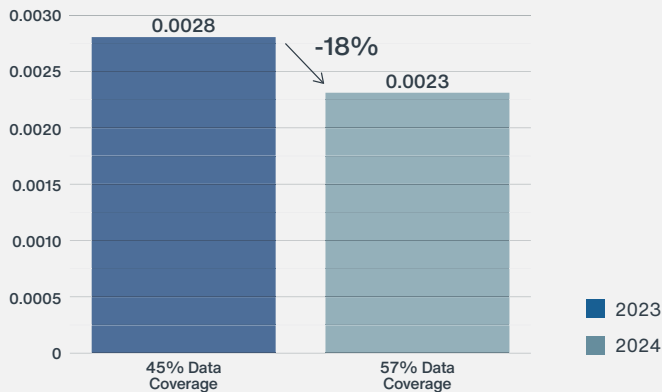
## 2024 Emissions Data<sup>2</sup>

**534,954** 2024 Consumption (MTCO<sub>2</sub>e)<sup>3</sup>

The absolute net total of GHG emissions in 2024, regardless of time completeness. Floor area data coverage 69%.

**0.0023** 2024 Intensity (MTCO<sub>2</sub>e/sq. ft.)<sup>5</sup>

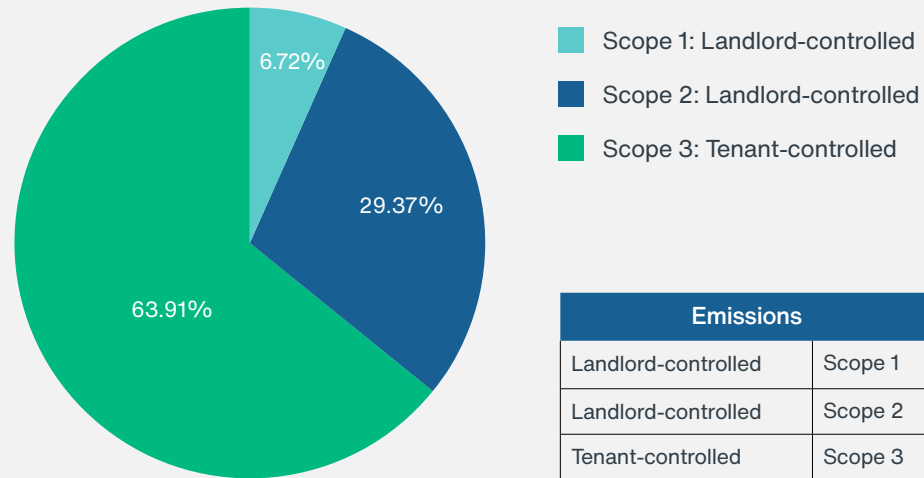
Properties with 12 months of energy data, divided by the respective total tracked floor area.



**-3.36%** 2023-2024 Like-for-Like change<sup>4</sup>

A year-over-year change for properties with a full 24 months of complete GHG emissions data of the same floor area coverage. Floor area data coverage 42%.

## GHG Emissions by Scope



Emissions		2024 MTCO <sub>2</sub> e
Landlord-controlled	Scope 1	35,932
Landlord-controlled	Scope 2	157,118
Tenant-controlled	Scope 3	341,903

# Energy

Energy efficiency can enhance both short- and long-term value by reducing operating costs, maintaining compliance with legislation, and attracting tenants. We continue to identify properties that are suitable for energy efficiency improvements such as LED retrofits, upgrades to building systems, and the use of controls.

## 2024 Energy Data<sup>1</sup>

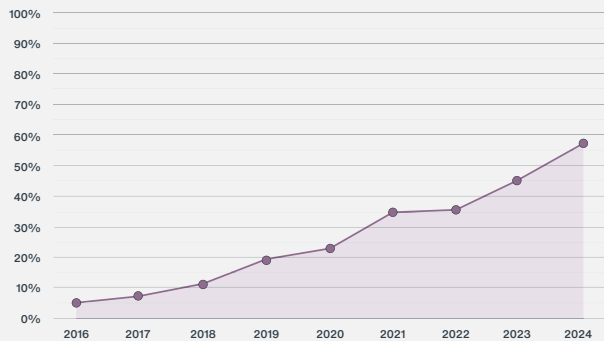
**1,899,220** 2024 Consumption (MWh)<sup>2</sup>

The net absolute total of energy in 2024, regardless of time completeness. Floor area data coverage 69%.

**-0.03%** 2023-2024 Like-for-Like change<sup>3</sup>

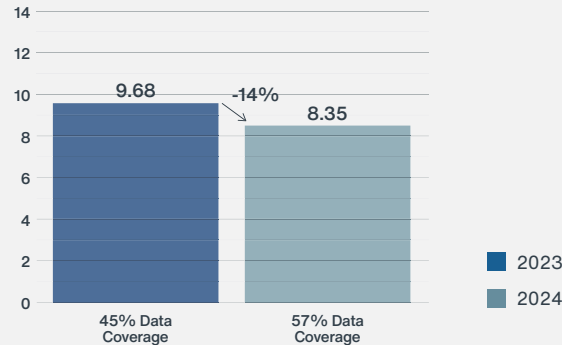
A year-over-year change for properties with a full 24 months of complete energy data for the same floor area coverage. Floor area data coverage 42%.

## Complete Energy Data Coverage (%)<sup>5</sup>



**8.35** 2024 Intensity (kWh/sq. ft.)<sup>4</sup>

Properties with 12 months of energy data in 2024, divided by the respective total tracked floor area.



## Renewable Energy

In 2024, four new solar projects were completed in California, adding to Clarion's growing on-site renewables footprint. We continue to review opportunities to add solar or other renewables across our portfolio where they can add value to the site.

**44.4 MW** of solar arrays installed across our properties

## LED Lighting

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 2024, we completed the lighting retrofit of warehouse interiors, office buildouts, and exteriors across 36 million square feet, with an estimated annual savings of \$3.53 million. We continue to assess properties to determine where energy and cost savings make lighting retrofits attractive and plan to expand our national program to other property types.

187 total sites

Estimated 18.3 million kWh saved, equivalent to the electricity use of 2,562 homes for one year<sup>6</sup>

# Water

 99

water efficiency or conservation projects across 77 sites in 2024

Responsible management of water consumption is part of Clarion Partners' approach to sustainable building operations. We use ENERGY STAR Portfolio Manager and other systems to monitor water usage. Water-saving measures including the installation of low-flow fixtures, smart irrigation, native landscaping, and leak detection have been adopted across various Clarion properties.

## 2024 Water Data<sup>1</sup>

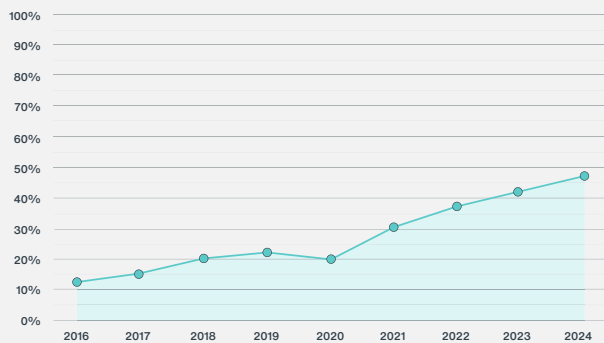
**2,385,221** 2024 Consumption (kilogallons)<sup>2</sup>

The absolute water consumption in 2024, regardless of time completeness. Floor area data coverage 58%.

**+0.06%** 2023-2024 Like-for-Like change<sup>3</sup>

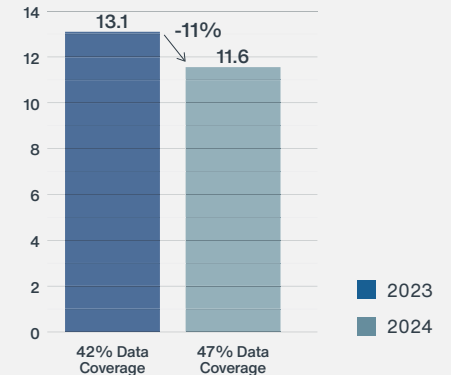
A year-over-year change for properties with a full 24 months of complete water data for the same floor area coverage. Floor area data coverage 37%.

## Complete Water Data Coverage (%)<sup>5</sup>



**11.64** 2024 Intensity (gal/sq. ft.)<sup>4</sup>

Properties with 12 months of water emissions data in 2024, divided by the respective total tracked floor area.



## Leak Detection

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

Real-time leak detection meters have been installed at over 150 assets. Using this technology, our site teams are alerted when there's continuous usage and high hourly usage.

In 2024:

**415** continuous usage alerts were sent to property managers

**\$456,956** estimated cost savings<sup>6</sup>

# Waste

Tracking waste and recycling data continues to be an industry-wide challenge. Clarion Partners continues to work with property managers and tenants to manage this important topic.

## 2024 Waste Data<sup>1</sup>

**61,946** 2024 Consumption (MT)<sup>2</sup>

The absolute net total waste in 2024, regardless of time completeness. Floor area data coverage 22%.

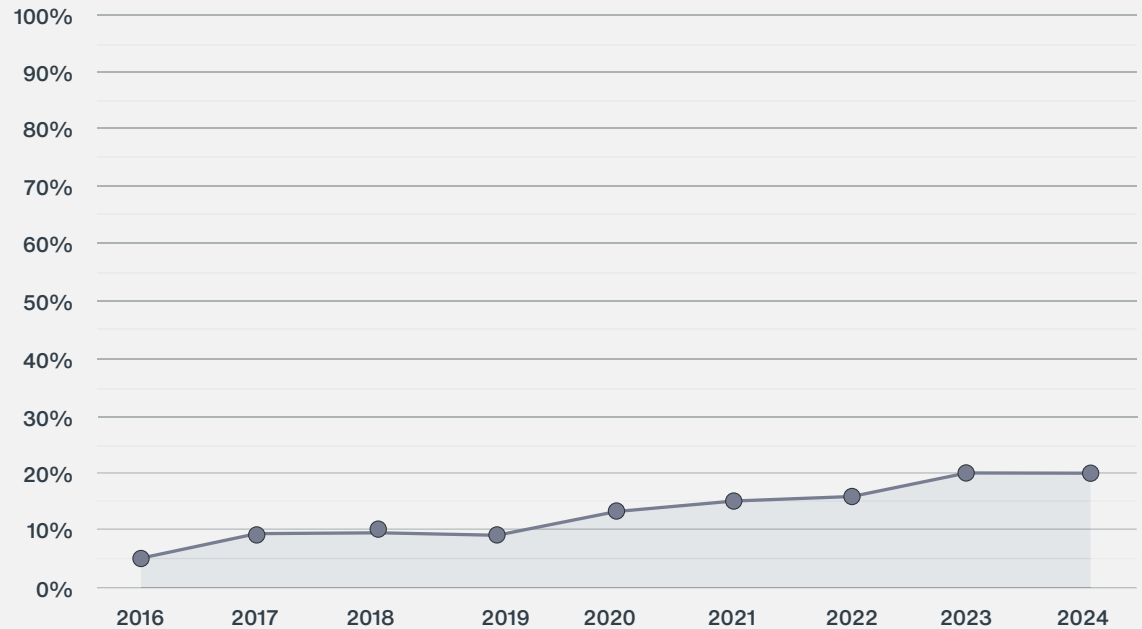
**+0.33%** 2023-2024 Like-for-Like change<sup>3</sup>

A year-over-year change for properties with a full 24 months of complete waste data for the same floor area coverage. Floor area data coverage 13%.

**35%** 2024 Diversion Rate<sup>4</sup>

Percentage of waste materials diverted from landfill, based only on properties with 12 months of data. Floor area data coverage 20%.

## Complete Waste Data Coverage (%)<sup>5</sup>

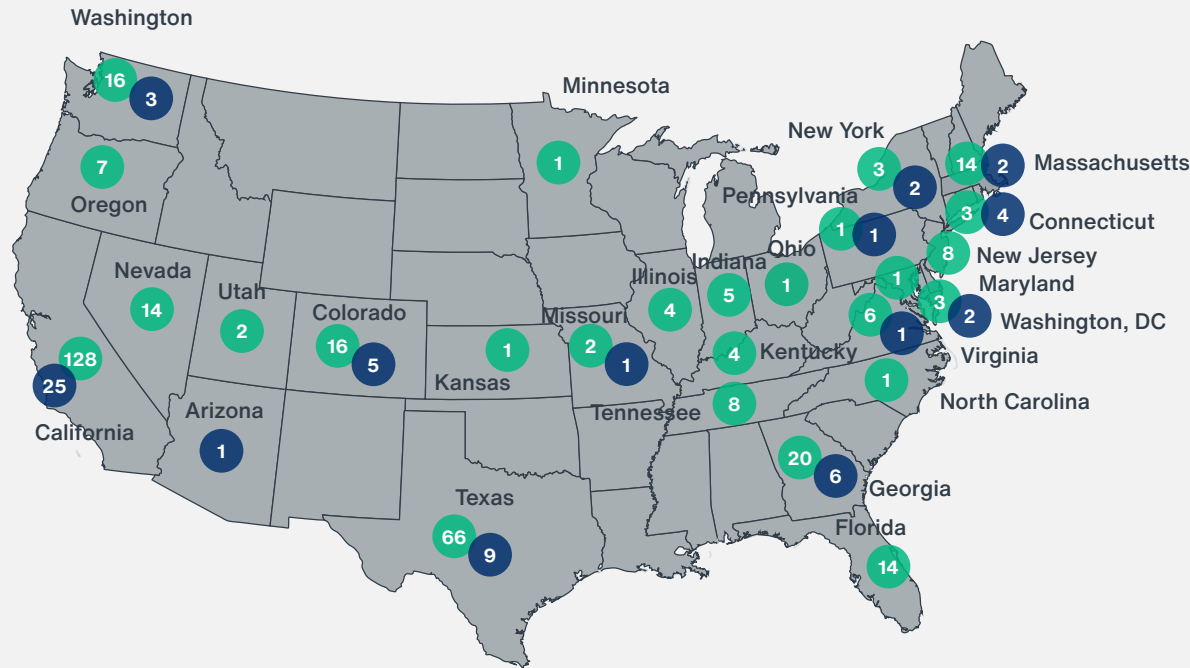


# Green Building Certifications

We believe that green building certifications and energy ratings add value to our buildings and result in operational efficiencies and cost savings. Green building certifications may also meet the needs of our tenants by supporting their sustainability initiatives.

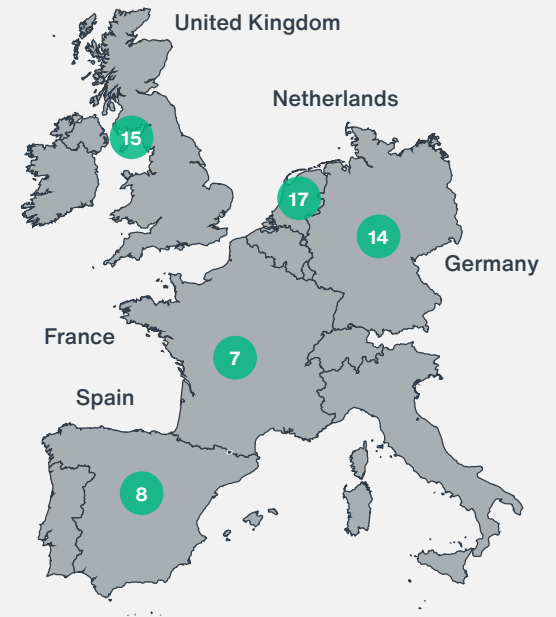
According to our 2024 tenant survey, over half of respondents consider green building certifications to be “Important” or “Very Important” to their company.

## United States



- Properties with Green Building Certifications
- Properties with ENERGY STAR Certifications

## Europe



## Case Study

# Industrial Development at The Center at Needham Ranch

The Center at Needham Ranch (CANR) is a 1.7 million square foot industrial park in Santa Clarita, California. CANR was developed to fill a growing need for a state-of-the-art Class A industrial space in the Los Angeles North industrial submarket. The campus boasts 11 industrial buildings with four parking and outdoor storage lots spanning 250 acres.

In 2022, Needham Ranch was recognized with a Commercial Real Estate Gold Award in the industrial category from the *Los Angeles Business Journal*.<sup>1</sup> Additionally, nine buildings are California Green Building Standards Code (CALGreen)-compliant, three buildings are LEED certified for Building Design and Construction, and one building has been designated as an IREM Certified Sustainable Property. Additional sustainable features of the campus include LED lighting, electric vehicle chargers, drought-tolerant landscaping, UV-resistant window films, and cool caps over roofing membranes.

As one of the largest industrial projects in the Western United States, the development and completion of CANR has attracted prominent businesses from various sectors as tenants and has helped bring high-quality jobs to the Santa Clarita Valley, with approximately 1,000 individuals now employed at the project.



“

The Center at Needham Ranch has delivered on its promise of creating economic growth and high-quality jobs in the Santa Clarita Valley, attracting prominent businesses in the target sectors of advanced manufacturing, logistics, and digital media and entertainment.

**Holly Schroeder**

Former President & CEO  
Santa Clarita Valley Economic  
Development Corporation

## Sustainable Community Improvements:

- + Built over two miles of public hiking and biking trails throughout the business park, connecting to existing trail networks
- + Constructed a new public park dedicated to the City of Santa Clarita named *Pioneer Park* for the Pioneer Oil Refinery, the first in California
- + Restored two stormwater creeks by removing old vegetation and debris and re-excavating clogged channels to prevent flooding
- + Preserved and relocated a 92-year-old historic “Live Oak Manor” rock archway on site with a dedicated plaque



## Site Sustainability Features:

- + Drought-tolerant landscaping, decorative gravel, and drip irrigation, contributing to a **78% savings for outdoor water use** compared to similarly sized projects in the area<sup>1</sup>
- + Low-flow interior water fixtures, contributing to a **27% indoor water savings** compared to similarly sized buildings<sup>1</sup>
- + **46 EV charging stations installed** across the site
- + LED warehouse lighting, motion-controlled lighting, UV-resistant window films, HVAC selection, and building envelope, contributing to a **29% energy savings** compared to a baseline<sup>2</sup>
- + High-albedo roof and concrete hardscaping to reduce the heat island effect
- + Structurally equipped roofs for future solar expansion
- + Installed materials and finishes have gone through volatile organic compound (VOC) emissions testing to help ensure occupant health



# Social

Clarion Partners is committed to promoting a healthy and 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.



**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



**10** REDUCED INEQUALITIES



# 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 and within our communities. For the past three consecutive years, Clarion has been named a “Best Place to Work in Money Management” by Pensions & Investments.

Clarion aims to continue cultivating an enriching employee experience by championing professional development, providing opportunities to work collaboratively through our many committees and business resource groups, and prioritizing the well-being of our employees.

## Industry Engagement

### New York University Schack Institute of Real Estate (Schack)

Clarion hosted NYU Schack students at our headquarters for a Women in Real Estate Panel and Networking Session, where Clarion’s Transactions and Portfolio Management team members shared their journeys, insights, and advice on building successful real estate careers.

### Urban Land Institute (ULI)

- + Analyst Henrique Alvares was appointed to join ULI New York’s Young Leaders Group (YLG) Membership Council in 2024. In this position, Henrique will help strengthen relationships and participation within ULI’s YLG membership base, who aim to become the next generation of leaders in the real estate industry.
- + Senior Associate Mariel Sullivan was selected to receive the 2024 ULI New York Alice Connell Women’s Leadership Initiative Scholarship. As one of four recipients, the scholarship promotes the participation of women within ULI and the greater real estate industry.

## Office Relocation

In 2024, Clarion Partners’ headquarters in New York City moved to One Madison Avenue. The new space features an open floor plan and natural light. All desks in the new space are ergonomically designed to maximize employee comfort with both standing and sitting positions.

Our employees can take advantage of the new collaborative spaces and benefit from access to building amenities including a café and barista bar, on-site restaurant, and 5,000 square foot rooftop terrace and outdoor garden. Clarion employees also have access to a fitness club located in the building at a discounted rate and secure storage area for bicycles and scooters.

As part of the move, the New York City office held a silent art auction to rehouse 148 pieces of artwork from our old office and raise funds for the Los Angeles Regional Food Bank following the wildfires in early 2025.

The building features various sustainability features to promote health and well-being:



**Air Filtration:** HVAC systems equipped with MERV-16 filters that capture over 95% of airborne particles



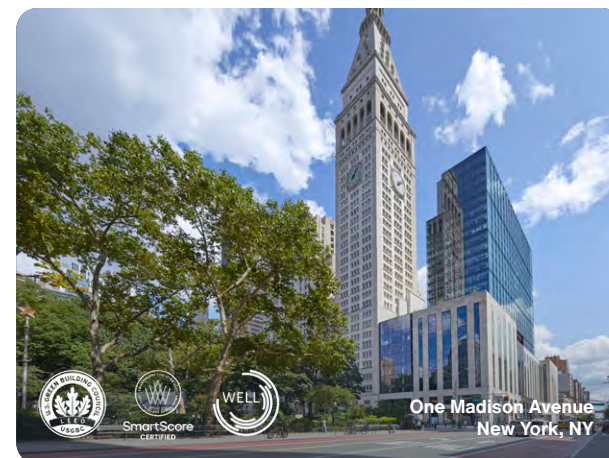
**DOAS (Dedicated Outdoor Air System) – HVAC:** distributes 100% fresh, outside air and reduces exposure to CO2, volatile organic compounds (VOCs), and other contaminants



**Real-time Air Quality Monitoring:** measures CO2, particulates, VOCs, humidity, and more



**Water Contaminant Testing:** all potable water is tested quarterly at the dispensation point for lead, copper, disinfectant byproducts, fertilizers, and other organic pollutants



# Volunteering & Community Impact

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



## In 2024, Clarion teams engaged in several volunteer opportunities:

### New York City

- + Clarion held an educational networking session with StreetWise Partners, a nonprofit that provides adult job seekers with mentorship programs and access to resources to advance their careers.
- + Employees joined Team Franklin Templeton to run the 3.5 mile J.P. Morgan Corporate Challenge race in New York City benefiting the Central Park Conservancy.
- + The office teamed up with Partnership for Parks for our annual summer volunteer event and helped repaint 110 feet of iron fencing at Ruppert Park in Upper Manhattan. The remaining project supplies were donated to the city's Parks Department.



### Dallas

- + The Dallas chapter of the Clarion Partners Women's Leadership Network (CPWLN) took part in a Back-to-School Backpack Drive, filling backpacks with essential school supplies for children in need at the local Genesis Women's Shelter.
- + In honor of Veteran's Day, Clarion participated in the annual Soldiers' Angels stocking drive to spread cheer to service members and veterans during the holiday season.
- + For our Firm's Martin Luther King Jr. Day of Service, volunteers helped prepare and serve lunch to residents at the Dallas LIFE Homeless Recovery Center.



### Los Angeles

- + Team members joined the annual Stair Climb & Urban Hike at the U.S. Bank Tower to raise money for youth and teen programs at the YMCA. Clarion also contributed a financial donation and giveaways for all participants.
- + Volunteers helped sort and pack over 21,000 pounds of produce at the Los Angeles Regional Food Bank to support families and individuals displaced by the wildfires in early 2025.
- + Team members visited the South Central LAMP headquarters to drop off gifts for an annual holiday toy drive to support low-income mothers and their families.



## Earth Week

In celebration of Earth Week, Clarion Partners encouraged team members to connect with nature and help beautify local green spaces. Our Dallas and New York City offices removed invasive weeds and planted new shrubs in community gardens, while our Los Angeles office prepped fields and cleared pathways at a local urban farm. Throughout the Firm, employees were gifted mini planters to take home, filled with the necessary resources to nourish and grow a variety of pollinator plants that contribute to biodiversity.



### Employee Spotlight: Cystic Fibrosis Foundation

Senior Vice Presidents Harris Markowitz and CJ Hardy have worked diligently to raise awareness and funds in support of the Cystic Fibrosis Foundation. Since 2009, Harris has been actively involved with the foundation in a variety of leadership positions and in 2024, he helped the foundation raise over \$30,000 through various events. Inspired by Harris's advocacy, CJ ran in his first New York City Marathon as part of the foundation's Breathe Team, and contributed to the team's fundraising efforts, which collectively raised over \$500,000 to support the organization's mission to find a cure for cystic fibrosis and to improve the quality of life for those with the disease.



Harris Markowitz



CJ Hardy

# Employee Wellness and Benefits

## Summer Wellness Challenge

Clarion Partners held our second annual Summer Wellness Challenge in 2024. The challenge is a four-week company-wide program designed to support wellness goals and strengthen team connections.

50 participants 6,758 miles

670 activity entries including walking, running, biking, swimming, HIIT, yoga, Zumba, golf, and more

## Open Enrollment Wellness Week

In 2024, Clarion Partners hosted our second annual Wellness Week to kick off the benefits open enrollment season and promote mental, physical, and financial well-being. A series of virtual and in-person events and offerings were held across our U.S. offices:

- + Webinars focused on open enrollment, healthy eating, stealth stressors, and retirement planning tools
- + Distribution of Tangle Matrix stress relievers
- + On-site chair massages
- + Educational fruit-of-the-season presentation and raffle by The FruitGuys



# Employee Development

In 2024, we offered a robust learning and development program with over 120 hours of training encompassing 65 unique opportunities tailored for employees at every level within the Firm. This year, we continued our popular programs like the Newly Promoted Leaders Program, Wellness Week, and the highly-rated Managers Series with Dale Carnegie, while also launching an Early Careers Program to support the growing number of recent college graduates joining our team.

# 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:

- + Made a multi-year commitment to Pension Real Estate Association (PREA) to foster talent development within real estate investment management. Since 2018, Clarion has hired several interns to join the Firm full-time after graduation.
- + Partnered with the Cristo Rey Network to provide a supportive multi-year work experience to low-income students who are preparing for college.

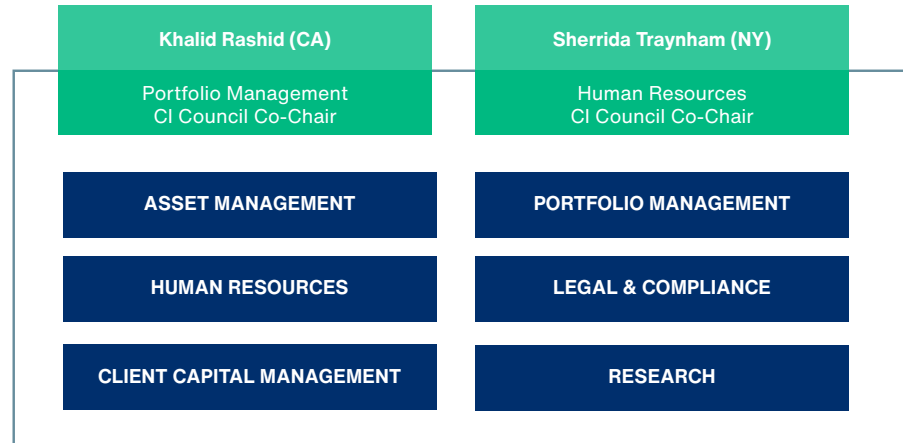
# Culture and Inclusion

Clarion Partners believes in the importance of attracting and retaining top talent and improving employee satisfaction, engagement, and client relations. As such, our Culture and Inclusion Council was established in 2022 and seeks to foster an environment that attracts the best talent, values diversity of life experiences and perspectives, and encourages innovation.

As part of Clarion’s continued efforts to advance our commitment to inclusion and engagement, our programming, trainings, and workshops in 2024 covered a variety of topics including:

- + McKinsey’s Connected Leaders Academy
- + Inclusive Leadership
- + Black History Month
- + Hispanic Heritage Month
- + Women’s History Month
- + Pride Month
- + AAPI Heritage Month

## Culture and Inclusion Council<sup>1</sup>



## Hispanic Heritage Month

Clarion Partners hosted an immersive virtual event which led participants on a live tour through important Hispanic cultural sites in St. Augustine, Florida, blending historical storytelling with interactive trivia questions. During this unique experience, we also raffled off three gift boxes full of products from Hispanic-owned businesses to our participants.

To close out Hispanic Heritage Month, Clarion Partners hosted in-person celebrations across our offices, featuring a variety of food from local vendors to showcase the rich and diverse flavors of Hispanic cuisine.



## Case Study

# Union Commerce Center

Located in East Los Angeles, the Union Commerce Center (UCC) is a state-of-the-art 250,000 square foot industrial building with a large water tower at a main intersection. Since the UCC water tower has high visibility throughout the community, Clarion Partners and our development partner, REDA, saw an opportunity to transform the blank structure into vibrant public art.

The UCC commissioned Daniel Antelo, a local artist with a deep connection to the East LA/Boyle Heights neighborhood, who specializes in producing large-scale oil painted murals and canvases to bring the water tank mural to life. Standing at 35 feet tall and 170 feet wide, the hand-painted UCC Water Tower mural wraps around the 500,000 gallon water tower and is a unique addition to the neighborhood that honors Los Angeles' cityscape and heritage.



Union Commerce Center  
Los Angeles, CA

“

We are absolutely thrilled to have Daniel Antelo bring his creativity and talent to our newest industrial development with REDA. The water tower will stand as a landmark for the community, and Daniel's work will transform it into a stunning symbol of art and innovation. This collaboration truly reflects our commitment to making this development not just functional, but a memorable and vibrant part of the community.



**Charles Menne**  
Vice President  
Clarion Partners

# 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 2024, we surveyed over 850 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
- + Green Building Certifications
- + Renewable and Solar Energy
- + Electric Vehicles
- + Occupant Health and Well-being
- + Water Efficiency
- + Energy Efficiency
- + Recycling Programs

## Key highlights from the 2024 Tenant Satisfaction Survey:

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

**66%** of respondents consider Climate Resilience to be Important or Very Important

**76%** 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:

**8%** increase from 2023 to 2024 in the number of respondents who considered Showers and Changing Facilities to be Important or Very Important (from 54% to 62%)

**7%** increase from 2023 to 2024 in the number of respondents who considered Social Spaces Within Building's Common Area to be Important or Very Important (from 55% to 62%)

## KINGSLEY EXCELLENCE

Grace Hill | KingsleySurveys

- + 132 properties owned by Clarion's separate accounts and commingled funds received an overall satisfaction rate greater than the Kingsley Index, earning them the designation of Kingsley Excellence Award winners.<sup>1</sup>
- + Thirteen of our managed industrial properties were named to the 100% Club, which is awarded to properties that have received a perfect 5.0 overall tenant satisfaction score for two years in a row.



# Highlighting our European Business



# Letter From Clarion Partners Europe's CEO



**Alistair Calvert**

Chief Executive Officer | Clarion Partners Europe (CPE)

At a time when the intersection of sustainability and long-term value creation remains critical, I am pleased to share the progress made within our European platform. Across the continent, legislative initiatives are reshaping expectations for transparency and action. Against this evolving backdrop, we continue to progress and evolve our ESG strategy to meet current and future demands and challenges. We remain committed to the implementation of accretive ESG considerations into our investment process based on the conviction that by doing so, we enhance our growing portfolio.

## Operationalizing Sustainability

Over the past year, we have taken meaningful steps to further embed ESG into the way we manage and scale our business. Over 50% of our portfolio has been fitted with an automated water metering and leak detection solution that seamlessly integrates into our overall ESG data management platform — a key milestone in our effort to enhance data visibility and operational efficiency. This initiative not only helps our tenants to manage their properties more efficiently, but also increases reporting efficiency by automating data availability, contributing to our goal of increasing the scalability of our platform.

We also continued to strengthen our portfolio's environmental credentials:

- + 96% of our floor area has a sustainable building certification or have applied for certification<sup>1</sup>
- + 86% of our floor area has an Energy Performance Certificate (EPC) rating of A or B
- + 46% of our floor area is equipped with or contracted to have solar panels, contributing to the properties' operational efficiency

## Stronger Through Partnership

As owners and managers of tenant-controlled logistics assets, we recognize that collaboration is essential to driving meaningful impact. Over the past year, we continued to engage with our tenants, bringing our overall green lease percentage to 57% of floor area. These provisions provide a foundation for shared

accountability between us and our occupiers, enabling smarter energy use, better environmental performance, and greater alignment on climate goals.

All of our funds report under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), and I'm pleased to confirm that we met our sustainability-related objectives across the board.

## Looking Ahead

As we look to the future, we remain committed to driving continuous improvement in ESG performance and transparency. With the momentum we've built this year, we are well positioned to respond to rising regulatory expectations, align with best-in-class practices, and deliver resilient, sustainable assets for our stakeholders.

We are convinced that this approach not only enhances positive long-term environmental outcomes, but more critically, maximizes economic returns for our investors. With the help of our team, our tenants, and our partners, we are building not only a more efficient and sustainable platform, but ultimately working toward a more profitable one.

A handwritten signature in black ink, appearing to be 'A Calvert', written in a cursive style.

Clarion Partners Europe, an affiliate of Clarion Partners, operates separately from Clarion Partners' U.S. business, and has its own ESG strategy and policies which are available upon request. ESG practices described in this section are attributable to Clarion Partners Europe only. References such as "our", "we", or similar in the Clarion Partners Europe section are references to Clarion Partners Europe (CPE).

<sup>1</sup> 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.

# 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 Partners 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 of providing sufficient data on potential costs of preparing an asset for climate-related risks. This analysis offers 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 Principal Adverse Impact Indicators (PAI) 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 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 aim 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 moves 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 and accretive. Any planned capital measures are considered for sustainability and improvement in resource efficiency in addition to other factors.

## Data Collection & Management

We seek to implement green lease clauses that require our tenants to share utility data wherever possible. Additionally, we continue to explore and implement automated utility data gathering solutions like smart meters and data aggregation platforms. Utility data is managed in a platform that allows us to measure, analyze, validate, and report on key sustainability metrics. Despite most utility consumption data being tenant controlled, we have historically been successful in obtaining it.

In 2024, we achieved:<sup>1</sup>

**96%** Energy Utility Data Coverage

**84%** 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, hosting regular meetings with tenants where key ESG topics are covered, and incorporating green lease clauses into leases which require the tenants to adhere to certain ESG standards and provide consumption data.

## Decarbonization

As of December 2024, 46% of the buildings within our portfolio have rooftops that are either under contract to install or already have installed solar panels. Across our funds, 50% of our properties feature EV charging and 95% are equipped with LED lighting, furthering our contribution to our decarbonization efforts. Notably, 86% of our assets have an energy rating of A or B.<sup>2</sup>

## Case Study

# Smart Water Metering Solutions

In 2024, CPE negotiated an umbrella agreement with Smartvatten, a company providing smart water metering solutions. By the end of 2024, meters were installed across approximately half of the portfolio, and data for all connected properties is now accessible within one platform. We intend to roll this initiative out to our remaining properties in 2025.

In addition to the data monitoring feature, leak alerts go out to property managers and tenants whenever there is a suspected spike in consumption. Shortly after the installation of a smart meter at a vacant 270,209 square foot building in the Netherlands, an alert was sent to the Asset Management team informing them about a spike in water usage. The Property Management team was instructed to investigate and initially, no visible leak could be detected; however, the system continued to show exorbitant water flow. Further investigations revealed that a valve within the fire protection system of the property malfunctioned. As a result, water that continuously circulates within the building, that would usually be drawn from a specific water retention basin, was being drawn from the water main.

Given the lack of visible signs of irregular water flow, this issue could have gone undetected for up to a year, as in some instances water bills are provided annually. Due to the technology, the problem was identified and resolved within a few days, achieving cost reductions for the company.

This case study illustrates the critical benefit of smart water metering solutions in occupied and vacant buildings to ensure real-time monitoring of properties.



# Reporting and Disclosures

Please contact us for more information about this report.

Karen Mahrous  
Head of ESG, Clarion Partners  
[ESG@clarionpartners.com](mailto:ESG@clarionpartners.com)



# GRI Index

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	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; Reporting and 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; Culture and Inclusion
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Oversight; TCFD Disclosure
	2-13 Delegation of responsibility for managing impacts	ESG Oversight; TCFD Disclosure
	2-14 Role of the highest governance body in sustainability reporting	ESG Oversight; TCFD Disclosure
	2-17 Collective knowledge of the highest governance body	ESG Oversight; Culture and Inclusion
	2-22 Statement on sustainable development strategy	Case Study: The Center at Needham Ranch
	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; Culture and Inclusion; Tenant Engagement
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Climate Risk Management
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	Climate Risk Management; TCFD Disclosure
<b>GRI 302: Energy 2016</b>	302-3 Energy intensity	Energy
	302-4 Reduction of energy consumption	Energy
<b>GRI 302: Energy 2016</b>	303-5 Water consumption	Water
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions; TCFD Disclosure
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions; TCFD Disclosure
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions; TCFD Disclosure
	305-4 GHG emissions intensity	Greenhouse Gas Emissions; TCFD Disclosure
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions; TCFD Disclosure
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Waste
	306-4 Waste diverted from disposal	Waste
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development

# 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.<sup>1</sup>

GOVERNANCE		
	Describe the Board's oversight of climate-related 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 ESG Committee are responsible for developing and implementing Clarion's climate risk strategy in partnership with other relevant departments. The ESG Team is led by the Head of ESG who chairs the ESG Committee. The ESG Committee is comprised of senior leaders throughout the Firm with a subcommittee focused on Resilience. The Committee meets monthly and the Head of ESG reports to the Operating Committee regularly.
STRATEGY		Clarion has identified both physical and transition risks of the short, medium, and long term.
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>+ Acute physical risks: Earthquakes, Volcanoes, Tsunamis, Tropical Cyclones, Extratropical Storms, Hail, Tornadoes, Lightning, River Floods, Flash Floods, Storm Surge, Wildfires, Peak Ground Acceleration, Soil &amp; Shaking, Active Faults, Landslides</li> <li>+ Chronic physical risks: Water Stress, Heat Stress, Precipitation Stress, Fire Weather Stress, Drought Stress, and Cold Stress</li> <li>+ Transition risk: exposure to local legislation such as building performance standards</li> </ul> <p>Clarion utilizes a third-party software tool to identify exposure to acute and chronic physical risk and a climate-related ordinance review conducted by third-party consultants.</p>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Identified climate-related issues are shared with relevant stakeholders in the ESG project budget tool each year. Resilience projects for physical climate risks are recommended where appropriate and next steps such as audits or benchmarking to address transition risks are recommended.</p> <p>Climate-related risks are considered among other factors during the due diligence process for acquisitions and developments. New investments are reviewed and approved by Clarion's Investment Committee through a two-stage approval process. Memos presented include a Sustainability section which outlines ESG-related risks and opportunities for consideration by Clarion's Investment Committee.</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 utilizes multiple mechanisms to evaluate climate-related risks and opportunities. An asset-level desktop physical climate hazard assessment is completed annually. This assessment evaluates risks related to Earthquakes, Volcanoes, Tsunamis, Tropical Cyclones, Extratropical Storms, Hail, Tornadoes, Lightning, River Floods, Flash Floods, Storm Surge, Wildfires, Peak Ground Acceleration, Soil &amp; Shaking, Active Faults, Landslides, Water Stress, Heat Stress, Precipitation Stress, Fire Weather Stress, Drought Stress, and Cold Stress. The results of this assessment are included in the ESG project budget tool that is issued to Asset Managers and Portfolio Managers during budget season for standing assets. Asset Managers and Portfolio Managers review the ESG project budget tool for standing assets and budget for ESG projects, including resilience projects, where appropriate.</p> <p>For acquisitions and developments, a desktop physical climate hazards assessment is completed during due diligence, and the results are included in investment memos. Where an elevated risk is flagged as part of the ESG due diligence review, the ESG team coordinates with the development team to identify appropriate risk mitigation features for inclusion in the project. In addition, opportunities like energy efficiency, renewable energy, and green building certifications are assessed. In addition, all industrial developments are built to LEED standards in conjunction with Clarion's program under USGBC's LEED v4 for Warehouse and Distribution Centers.</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>

<sup>1</sup> The TCFD announced in October 2023 that it has fulfilled its remit and disbanded. Moving forward, the International Financial 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.	<p>Clarion's ESG team identifies and assesses climate-related risks for the standing portfolio and acquisitions or developments:</p> <ul style="list-style-type: none"> <li>+ Asset-level desktop regional climate-related risk assessment of owned assets is completed every three years. The assessment includes indicators related to social risk (such as livability index score and social vulnerability to sea level rise) as well as building-level resilience features.</li> <li>+ Clarion's ESG team completes annual assessments on physical climate hazards for standing assets.</li> <li>+ The ESG team completes an annual review of climate-related ordinances to assess the portfolio's exposure to benchmarking ordinances, audit and tune-up ordinances, and building performance standards. This information is communicated to Assets Managers and Portfolio Managers through the ESG project budget tool as well.</li> <li>+ For acquisitions and developments, physical risks associated with climate change as well as climate ordinance compliance requirements are evaluated during the due diligence process. For physical climate hazards, mitigation measures are discussed where applicable. The results of this analysis are incorporated into the investment memo for each project and reviewed by the Investment Committee.</li> </ul>
	Describe the organization's processes for managing climate-related risks.	<p>Climate-related risks are communicated to Fund Managers and Asset Managers through the asset-level ESG project budget tool.</p> <ul style="list-style-type: none"> <li>+ Efficiency projects are recommended based on an asset's environmental data and are budgeted for where feasible and accretive. Sites subject to building performance standards are prioritized. These projects can help mitigate transition risk.</li> <li>+ On-site resilience assessments are recommended for sites with elevated physical risk. The results of these assessments can be implemented to mitigate against physical climate risk.</li> </ul>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>The integration of climate-risk mitigation recommendations into Clarion's 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 climate hazards and climate-related legislation risks into these standard processes, Clarion aims to manage climate-related risks for our portfolio.</p>
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>Key metrics used to assess climate-related risks and opportunities are:</p> <ul style="list-style-type: none"> <li>+ Physical risks: Earthquakes, Volcanoes, Tsunamis, Tropical Cyclones, Extratropical Storms, Hail, Tornadoes, Lightning, River Floods, Flash Floods, Storm Surge, Wildfires, Peak Ground Acceleration, Soil &amp; Shaking, Active Faults, Landslides, Water Stress, Heat Stress, Precipitation Stress, Fire Weather Stress, Drought Stress, and Cold Stress.</li> <li>+ Transition risk: exposure to local legislation such as building performance standards.</li> </ul> <p>In addition, Clarion's ESG team tracks and evaluates performance of standing assets across 15 metrics. The ESG metrics are maintained in ESG data platforms and on a database managed by our ESG consultants.</p>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1: 35,932 MTCO<sub>2</sub>e            Scope 2: 157,118 MTCO<sub>2</sub>e            Scope 3: 341,903 MTCO<sub>2</sub>e</p> <p>Note that this figure only includes tenant emissions (Scope 3 category 13) and not all Scope 3 emissions.</p> <p>2024 Absolute GHG Emissions            Represents 69% absolute energy coverage by floor area</p>
	Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	<p>In October 2021, Clarion signed on to the 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 15.</p>

# Verification Letter



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, 2024 and ending December 31, 2024 ("CY24").

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 (Scope 1, Scope 2 location-based, Scope 3 Category 13)
- Water use
- Waste management

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'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, waste hauler and vendor 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 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 eighty-nine (1,289) operational properties reported within Clarion Partners Annual Report <sup>1</sup> .
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.

<sup>1</sup> The boundary includes fifty-nine (57) assets within Clarion's European funds (GPE IV, CEL V and CLUK) assured by a different provider, Evora and Earthood Services Limited.  
ISOS Group, Inc. | 1000 Elm Street, 17F, Manchester, NH, 03105 | [www.isosgroup.com](http://www.isosgroup.com)

## Independent Assurance Statement Provided by ISOS Group, Inc.

Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

Several smaller scope 1 GHG emission sources (i.e., refrigerant releases, mobile combustion sources, emergency generators) have been excluded from this review. 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. 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,
- 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
    - Madison Ave, New York, NY, USA
    - Gateway Empire, LLC, Riverside, CA, USA
    - Natick Mall, Natick, MA, USA
    - Seaholm Power Plant, Austin, TX, USA
    - 12000 E 56th Avenue, Denver, CO, USA
    - Rojas East Distribution Center, El Paso, TX, USA
    - Sheds on Charlotte, Nashville, TN, USA
    - 3 Brick Plant Road, South River, NJ, USA
    - Airport I-10 Business Park - Bldg A, Phoenix, AZ, USA
    - Gateway Industrial 21, Aurora, CO, USA
    - Troutdale Logistics Center, Troutdale, OR, USA
    - West Hollywood Gateway, West Hollywood, CA, USA
    - 400 Dexter, Seattle, WA, USA
    - The Club (hb57), Antioch, TN, USA
    - Kingsland Ranch Bldg 3, Brookshire, TX, USA
    - Gravel 85 Distrib Ctr - Bldg 100, Buford, GA, USA
    - Speedway 15 Logistics Ctr Phil, N. Las Vegas, NV, USA
    - Gables Columbus Center, Coral Gables, FL, USA
    - Gables Seaport, Boston, MA, USA
    - Gables Villa Rosa, Dallas, TX, USA

#### Findings

Based on the process and procedures conducted, there is no evidence that the Reported Information 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 Standards and reports annually to GRESB's Real Estate Assessment.
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 provided exclusively to the Client under the terms of our engagement, including agreed disclosure arrangements. Our work is intended solely to address the matters outlined in this moderate assurance report and is not intended for any other purpose. This report is not suitable for use or reliance by any party other than the Client. Any third party, accessing or relying on this report, does so at its own risk. To the fullest extent permitted by law, we disclaim any responsibility or liability to any party other than the Client for our work, this report, or the conclusions stated herein.

#### Statement of Competency and Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting and is a provider of external assurance services. ISOS Group is a Global Reporting Initiative Certified Training Partner and a CDP Silver Solutions Partner. 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 sustainability information.

No member of the assurance team has any business relationship with the Client, its directors or managers beyond the scope of this assignment. We conducted this assurance independently and, to our knowledge, without any conflicts of interest. ISOS Group upholds a strong code of ethics, ensuring high professional standards in all business activities. The assurance team has extensive experience in conducting assurance engagements over sustainability-related information, systems and processes.

Further information, including a statement of competencies, can be found at [www.isosgroup.com](http://www.isosgroup.com).

Signed on behalf of ISOS Group: San Diego, California – USA, August 13, 2025.

Brian Novack  
CSAP Practitioner

Lauren Anderson  
CSAP, Sustainability Manager

Kiani Vost  
Sustainability Analyst



# 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 2024-2025 Annual ESG Report.

Data below is as of December 31, 2024.

PROGRAM NAME	NUMBER OF ASSETS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
LEED Building Design + Construction	163	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.	Includes certifications under Building Design + Construction (BD+C), Core & Shell (C+S), Interior Design + Construction (ID+C), and Homes. Properties must pay registration and review fees to pursue LEED certifications.
LEED Building Operations + Maintenance	9	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	25	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.
Fitwel Social Performance	6	The Center for Active Design (CfAD)	Certifications are issued on a rolling basis and are valid for one year. Properties must re-certify to maintain certification standing.	Properties must pay registration and review fees to pursue Fitwel certifications.
WELL Health-Safety Rating	1	International WELL Building Institute™	Certifications are issued on a rolling basis and are valid for one year. Properties must renew annually to maintain certification standing.	Properties must pay registration and certification fees to pursue the WELL™ Health-Safety Rating.
IREM Certified Sustainable Property (CSP)	134	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 to pursue IREM certifications.
National Green Building Standard	11	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	62	U.S. Environmental Protection Agency 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.	-
ENERGY STAR Multifamily New Construction Certification	1	U.S. Environmental Protection Agency 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 Healthy Buildings Certification	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 Healthy Buildings Certification.
CALGreen	72	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 Three 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 and certification fees to pursue Florida Green Building Standard certification.
Energy Performance Certificate (EPC)	53	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 EPC.
BREEAM In-Use	30	BRE Global Ltd.	Certifications are issued on a rolling basis and are valid for three years. Rankings range from Pass to Outstanding for individual properties.	Properties must pay registration and certification fees to pursue BREEAM certifications.
BREEAM New Construction	26	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 Existing Buildings	2	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.
DGNB New Construction Certificate	9	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.

# Rating Programs & Industry Awards Disclosures

## Firm- or Fund-Level Rating Program Disclosures

Data below is as of March 31, 2025

PROGRAM NAME	CLARION PARTICIPATION 2024-2025	GOVERNING BODY	RATING PERIOD	FURTHER DETAILS
GRESB	Nine commingled funds and separate accounts advised by Clarion Partners participated in the 2024 GRESB survey (based on 2023 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 2024 data and surveys covering the 2023 calendar year.	Funds and separate accounts pay a submission fee to participate in the GRESB survey.
UN-supported Principles for 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 (valid until 2026). Designations range from silver to platinum.	Clarion did not pay a fee to apply for this award.

## Firm-Level Industry Award Disclosures

Data below is as of March 31, 2025

AWARD NAME	DATE RECEIVED	GOVERNING BODY	FURTHER DETAILS
Pension & Investments Best Place to Work in Money Management	December 2022, December 2023, and December 2024	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 (DOE)	Clarion did not pay a fee to apply for this award.
Kingsley Excellence Award	February 2023, February 2024, and February 2025	Grace Hill – Kingsley Surveys	All Grace Hill Kingsley Survey clients can be eligible for the award and are not solicited to participate. Clarion Partners pays an annual fee to Grace Hill for participating in the data-gathering process.

---

# 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.



**CLARION PARTNERS**

A Franklin Templeton Company

[www.clarionpartners.com](http://www.clarionpartners.com)