Clarion Partners is committed to reporting annually on ESG progress and goals, including both quantitative and qualitative information. Clarion discloses ESG information in a number of ways. We have responded annually to the GRESB survey since 2012 and signed on to the United Nations (UN)-supported Principles for Responsible Investment initiative in 2013.

The 2022-2023 ESG Report has been prepared with reference to the Global Reporting Initiative's (GRI) 2021 Standards. Prior to this, the most recent report was published in October 2022 and covered 2021 through Spring 2022. Following that convention, quantitative data in this report covers calendar year 2022, while qualitative data covers calendar year 2022 through Spring of 2023.

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

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

This report is representative of ESG policies of Clarion Partners. Clarion Partners has complete Policy Independence and is not aligned to any Franklin Templeton policy framework. This report is for informational purposes only.
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Letter From Our CEO

For over four decades, innovation has served as a foundation of Clarion Partners’ success, and it is evident in the ongoing growth and evolution of our Environmental, Social, and Governance (ESG) program which we continue to integrate into our business to drive stakeholder value.

In 2022, we engaged in strategies outlined in our Net Zero Roadmap\(^1\), which included exploring renewable energy projects, enhancing sustainability data management, and implementing energy efficiency programs at our assets.

We also continued to expand our diversity, equity, and inclusion (DEI) initiatives both within our Firm and across our industry, most notably with the formation and introduction of our DEI Council. The Council has already made a strong impact across a number of areas including recruitment, education, vendor relationships, and industry partnerships. Highlights of our progress include:

- Four of our recent SEO summer interns joined the Firm as full-time Analysts.
- We renewed our financial commitment to the PREA Foundation to help support the creation and management of high-quality career pathway programs for historically underrepresented communities.
- Clarion relaunched our partnership with Project REAP (Real Estate Associate Program) which creates opportunities for diverse mid-career professionals through advanced learning, thought leadership, and networking.

These initiatives and others like them reflect our Firm culture, which seeks to foster meaningful experiences, growth opportunities, and access to rewarding careers. As a reflection of our efforts to build a healthy, productive work environment, we are honored to have been named a Pensions & Investments (P&I) 2022 Best Place to Work in Money Management and a GlobeSt. Commercial Real Estate’s Best Place to Work 2023.

This recognition is particularly meaningful as both awards incorporate feedback shared by our employees, highlighting a unified experience of engagement and satisfaction that we strive to cultivate within our Firm.

Through our comprehensive ESG program, we are building toward a long-term vision of value for our stakeholders. We are pleased to share our progress with you and look forward to continuing along this journey.

David Gilbert
Chief Executive Officer

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\(^1\) See 2021-2022 ESG Annual Report for more information on our Net Zero Roadmap. Clarion-managed accounts may incorporate aspects of the roadmap but may not necessarily implement each element of the Net Zero Roadmap and do not necessarily have net zero or decarbonization objectives.

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.
Letter From Our CIO

In a year marked by global economic uncertainty, it has become more apparent than ever that the need for responsible and transparent risk management is paramount. Clarion Partners’ ESG program is one of many crucial tools we use to demonstrate our discipline, not only in mitigating risk but also in creating value for our stakeholders. We continue to prioritize transparency and accountability through reporting to GRESB for the twelfth consecutive year and publicly stating our progress toward our net zero goal.

Clarion’s investment approach is informed by ESG considerations, with multiple layers of due diligence and assessment in place to evaluate climate risk and readiness as well as opportunities for increased efficiency. We also look to scale our impact through efforts such as the LEED Volume program, which provides a consistent template of environmental considerations for the development of our industrial properties.

We are thrilled to celebrate the success of our efforts to improve efficiency through ENERGY STAR as an Executive Member of the U.S. Environmental Protection Agency’s 2022 Certification Nation for certifying 78 properties in 2022. This, in tandem with our recognition as a 2023 ENERGY STAR Partner of the Year, highlights our commitment to energy efficiency and decarbonization. A main component of our energy efficiency efforts is our LED lighting retrofit program at our industrial assets. We began this year with a pilot that consisted of 22 properties completed as of March 2023.

We also achieved recognition as a Fitwel 2023 Best in Building Health Award winner for Portfolio Benchmarking. Our goal is to utilize the benchmarking process to strategically support occupant wellness and asset quality across our portfolio.

Throughout the report, we share highlights of these and other measures of ESG progress across our organization. We look forward to continuing this important work and delivering reports that provide useful updates for our stakeholders.

Jeb Belford
Chief Investment Officer
Clarion Partners has been a leading U.S. real estate investment manager for over 40+ years.

Clarion Partners, LLC, was organized in 1982 as an investment adviser to institutional investors, specializing in sourcing, underwriting, and managing real estate investments. Clarion is registered with the Securities and Exchange Commission (SEC) as an investment adviser\(^1\) under the Investment Advisers Act of 1940, with FCA-authorized and FINRA® member subsidiaries. Headquartered in New York City, the Firm has offices in major markets throughout the U.S. as well as a presence in Europe.

With over $81.6 billion in total assets under management\(^2\), Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum to approximately 500 domestic and international institutional investors. We aim to provide investors with long-term real estate solutions to support their investment objectives, while staying mindful of our commitments to accountability, transparency, and integrity. We also aim to provide healthy and productive spaces, develop and operate assets in a manner consistent with Clarion’s tradition of responsible corporate citizenship, and manage buildings to maximize resource efficiency and environmental sustainability.

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\(^1\)Any 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.\(^2\) As of March 31, 2023.
Our Values

Guided by our core values, we operate with a shared commitment to acting prudently as we solve complex problems and aim to create successful outcomes on behalf of our 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 seek and create real estate value for our clients.

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

Teamwork
We value diverse talents, initiative, and leadership.
ESG Strategy

Clarion Partners aims to be a leader in responsible commercial real estate management and investment through a long-standing commitment to environmental, social, and governance principles.

Clarion takes a forward-looking approach in our ESG program to prepare our business for the challenges and opportunities of the future — including climate risk, the clean energy transition, and competition for top talent.

We continue to build upon strong program foundations by enhancing the quality of our data, making progress on our net zero roadmap, and implementing strategies to build the workforce of the future. Guided by a team of ESG experts and knowledgeable professionals from across the business, we take a methodical, informed approach to align us with our goals of tomorrow.

Not all strategies at Clarion Partners have ESG-oriented objectives or utilize these capabilities.
Key Priorities

Clarion Partners uses industry benchmarks to determine the most material ESG topics.

+ Our Firm completes annual GRESB reporting for nine funds and separate accounts, and the results from these assessments help us to better understand both the strengths and the opportunities of our ESG program.

+ We also use other industry frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures and the UN-supported Principles for Responsible Investment (PRI) to help us determine materiality.

+ We will continue to evolve our program to address the most meaningful components of ESG to our business, including climate risk resilience, transition risk through decarbonization, and diversity, equity, and inclusion (DEI).

These priorities highlight the opportunities we have through ESG to uphold our fiduciary responsibilities to our investors by maximizing investment returns while identifying, considering, and mitigating future risks.

Adapt to Evolving Demands

+ Adapt to increasing energy and sustainability regulations and evolving market expectations that affect our buildings.

Evaluate Climate Risk and Resilience

+ Assess climate risk to our assets such as flood, wildfire, hurricane, and others.

+ Evaluate resilience features to protect our buildings and the people within them.

Promote Transparency

+ Track, evaluate, and share quality ESG data.

+ Use building data to drive informed decision making.

Enhance Efficiency

+ Improve energy and water efficiency of our assets to reduce operating expenses and to align with tenant goals.

Champion Diversity, Equity, and Inclusion

+ Create an engaging and collaborative environment to attract and retain diverse talent, external stakeholders, and partners.
ESG Framework

Clarion’s ESG program is broadly guided by mission and vision statements that articulate how the company’s values inform our ESG approach. These were developed, along with our 12 focus areas, with input from a variety of stakeholders to prioritize what is most important to those we serve while also aligning with our business objectives.

We regularly review the framework alongside our business as well as the wider industry ESG landscape.¹

ESG Vision
+ Clarion Partners is committed to being a leader in responsible investment practices, environmental stewardship, and community and workplace enhancement.

ESG Mission
+ Clarion Partners considers ESG to be an integral part of our business. Our ESG initiatives aim to reduce risk and create value. We are committed to making prudent investment decisions that maximize our responsibility to stakeholders.

ESG as Risk Management
+ We incorporate ESG considerations as part of a holistic approach to better manage risk and promote the value of our assets to the extent that such considerations are relevant to maximizing returns for our investors. Pursuing strategies that fortify resilience, reduce operating expenses, provide safe and healthy space for occupants, and lead with ethics and transparency are increasingly regarded as imperative considerations by risk-conscious investors — which further strengthens our integration of ESG principles.²

¹The ESG Framework is applicable to Clarion Partners U.S. only. Clarion Partners Europe ESG strategies and policies are available upon request. ²Investment processes and strategies that consider or incorporate ESG factors involve certain risks. Please see page 63 for a general summary discussing such risks.
Sustainability Guiding Principles

Environmental

Environmental Stewardship
Clarion Partners aims to lessen environmental impacts and mitigate risks while investing in real estate that is prepared for the needs and opportunities of tomorrow.

Social

Thriving Communities
Clarion Partners works to support employees, tenants, and our local communities through thoughtful programs and initiatives around sustainability, wellness, and safety, and by leveraging our resources to help improve diversity, equity, and inclusion.

Governance

Transparent Leadership
Clarion Partners takes a responsible approach to investment practices by proactively addressing sustainability and resilience across our Firm while seeking transparent communication and accountability with employees, stakeholders, and partners.
ESG in Action

We embed our ESG strategies throughout the asset lifecycle, where relevant, with the goal of adding asset value and mitigating risk for our investors. This supports our program goals with an eye toward efficiency, transparency, and progress on our net zero roadmap.

<table>
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<th>Asset Management</th>
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<td>+ Sustainability and climate risk evaluations conducted during due diligence to analyze climate-risk resiliency and other ESG topics at the asset level.¹</td>
<td>+ LEED Volume program established for the development of industrial properties.</td>
<td>+ Sustainability initiatives included in assets’ annual business plans where appropriate.</td>
<td>+ Support programs to expand data coverage.</td>
</tr>
<tr>
<td>+ Third-party specialists engaged for deeper analysis as necessary.</td>
<td>+ Properties designed to be solar-ready where feasible.</td>
<td>+ Transparent reporting to stakeholders through quarterly and annual reports.</td>
<td>+ Facilitate portfolio-wide energy efficiency programs.</td>
</tr>
<tr>
<td>+ Sustainability-related items included in the capital planning budget where applicable.</td>
<td>+ Resilience features incorporated into building design as necessary.</td>
<td>+ Accountability through participation in GRESB and other ESG reporting for certain funds and separate accounts.</td>
<td>+ Pursuit of green building certifications and ENERGY STAR ratings where they add value.</td>
</tr>
</tbody>
</table>

¹Sustainability and climate risk evaluation measures may vary.

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.
Awards & Achievements

GRESB 10-Year Participation
GRESB acknowledged Clarion in 2022 as a 10-year participant and GRESB member, recognizing our commitment to ESG measurement and reporting, and our support for data transparency across our industry.

Green Lease Leaders
Clarion Partners earned recognition as a Gold-level Green Lease Leader from the U.S. Department of Energy’s Better Buildings Alliance and the Institute for Market Transformation. This recognition highlights organizations that demonstrate collaboration with tenants through green lease language that supports data transparency and energy efficiency.

2023 ENERGY STAR Partner of The Year
Clarion was named an ENERGY STAR Partner of the Year, which is the Environmental Protection Agency’s (EPA’s) highest level of recognition for corporate energy management programs. The award demonstrates commitment and progress on energy reduction as well as frequent engagement with employees and tenants to support these efforts.

ENERGY STAR Certification Nation
In 2022, Clarion was named an Executive Member of ENERGY STAR’s Certification Nation, which recognizes organizations that are paving the way to help build a nation of ENERGY STAR-certified buildings. Clarion certified 78 buildings in 2022, signaling a commitment to energy efficiency in our assets.

Fitwel 2023 Best in Building Health
Fitwel’s Best in Building Health (B2H) Awards recognize organizations that demonstrate excellence in their solutions to promote occupant health and wellness in the built environment. In 2023, Clarion was recognized with the B2H’s Industry Leadership Award for Portfolio Benchmarking for our commitment to benchmark a portfolio and use data insights for future decision making.

P&I Best Places to Work in Money Management Award 2022
Clarion was named a 2022 Best Place to Work in Money Management for companies sized 100–499 employees by Pensions & Investments for our strong company culture and commitment to our employees. We were recognized based on an analysis of our policies, practices, philosophies, systems, and demographics, as well as survey results measuring the Clarion employee experience, measurement and reporting, and our support for data transparency across our industry.

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Industry Participation & Recognition

We collaborate with subject matter experts and industry organizations, amplifying our leadership in the ESG space and empowering us with insights to continue growing our program with an informed perspective. In doing so, we are better able to identify and address trends and emerging opportunities.

ULI GREENPRINT
Clarion Partners was one of the first 25 firms to become a signatory to the Urban Land Institute® (ULI®) Greenprint Center for Building Performance’s Net Zero Goal to achieve net zero landlord-controlled greenhouse gas (GHG) emissions by the year 2050. This alignment reflects Clarion’s goal to reduce emissions and increase energy efficiency across our portfolio as part of our overall business strategy.

ENERGY STAR
Clarion Partners is an active ENERGY STAR Partner. Over 1,300 of our properties have profiles on the EPA’s ENERGY STAR Portfolio Manager. We aim to benchmark all U.S. assets on Portfolio Manager as well as utilize the tool’s features to set goals, monitor performance via the ENERGY STAR score, and develop targeted efficiency strategies.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
In January 2022, Clarion Partners signed on as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), joining organizations from around the world in demonstrating our commitment to building a more resilient financial system and safeguarding against climate risk through better disclosures. Clarion’s framework for our climate-related risk disclosures is shaped by the TCFD recommendations.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
The UN SDGs were developed as a blueprint for sustainable development, economic growth, social inclusion, environmental protection, and health for all nations and all humankind. They serve as a powerful framework that can guide responsible investment and ESG strategy. Clarion has aligned with eight SDGs that we believe are most relevant to our business and where we believe we could have an impact as a commercial real estate investment firm.

U.S. GREEN BUILDING COUNCIL
As a member of the U.S. Green Building Council® (USGBC®), Clarion Partners uses the USGBC’s LEED rating system as a guide to inform how we design, build, and operate certain assets for optimal performance. We continue to submit eligible assets for LEED certification and participate in the LEED Volume program to certify newly constructed industrial properties. Clarion has 79 LEED certified properties as of December 31, 2022.

GRESB
Clarion Partners is a GRESB® member and has participated in the annual GRESB assessment since 2012. Nine Clarion-managed funds and separate accounts submitted an assessment in 2022. The GRESB Real Estate Assessment is a leading benchmarking tool that evaluates the ESG performance of real estate portfolios.

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.
Industry Participation & Recognition

**U.S. DEPARTMENT OF ENERGY’S (DOE) BETTER BUILDINGS ALLIANCE**
Clarion is a member of the DOE Better Buildings® Alliance, which brings together commercial building leaders and DOE technical experts to develop and share innovative and cost-effective solutions to advance energy efficiency. The Alliance includes more than 190 organizations, representing over 11 billion square feet across five key market sectors: commercial real estate, retail and food service, hospitality, healthcare, and higher education.

**FITWEL**
Fitwel is a premier health-based certification system committed to building health for all. In 2020, Clarion joined the Fitwel Champion network. Clarion has 23 Fitwel certifications as of December 31, 2022, with more expected in the near future. Clarion’s Head of ESG serves on the Fitwel Leadership Advisory Board.

**CRREM**
The Carbon Risk Real Estate Monitor (CRREM) is an EU-based tool designed to assess risks to asset value based on carbon emissions, that helps with determining the viability of retrofitting and refurbishing buildings to meet future emissions regulations. Clarion pursues CRREM analysis for all new developments in Europe.

**INSTITUTE OF REAL ESTATE MANAGEMENT (IREM)**
The Institute of Real Estate Management Certified Sustainable Property (IREM CSP) program recognizes sustainability efforts in the areas of energy, water, health, recycling, and purchasing. Clarion has pursued the IREM CSP certification for eligible properties across our portfolio. Clarion has 99 IREM CSP certified assets as of December 31, 2022, with more certifications underway.
Governance

Pursuing the solutions of the future requires grounding in integrity-bound leadership, strong judgment, and an openness to sharing our progress. Our Firm is rooted in governance practices that provide accountability and transparency in how we operate and what we hope to achieve for our Firm.
Clarion’s ESG program is firmly embedded in the organization through the efforts of the ESG Committee, which reports to senior leadership and is comprised of key decision-makers and subject matter experts from across the business.

**ESG Leadership**

**Overseeing the Program**
Clarion Partners’ Head of ESG is responsible for overall oversight and management of the Firm’s ESG program and leads the ESG Committee comprising cross-functional business leaders who collaborate to develop and execute the program’s strategy. The Head of ESG reports to the Chief Investment Officer and provides monthly updates to ensure alignment at the highest levels of the organization.

**ESG Committee and Subcommittees**

**Setting the Priorities**
The ESG Committee meets regularly to discuss firmwide initiatives and share updates on ongoing projects. The five subcommittees focus on key priority areas within the ESG program.

**Program Management**

**Implementing the Initiatives**
To ensure initiatives are implemented at the property level, the ESG team collaborates with senior members of the Asset Management and Portfolio Management groups, providing standard processes for incorporating sustainability projects into business plans and budgets.

The ESG team also works closely with Clarion’s third-party property management teams to monitor asset performance by tracking data through ENERGY STAR Portfolio Manager®, Measurabl®, property condition surveys, and other systems. This information helps us comply with regulations, improve performance, and plan for building improvements.

*Committee includes representatives from these business lines as of December 2022.*
Benchmarking our ESG program and reporting on our risks and results are essential actions that underscore our commitment to transparency, which in turn builds trust with our stakeholders and the industry at large.

GRESB
In 2022, Clarion submitted nine GRESB assessments, with two first-time submissions. All funds and separate accounts submitted to GRESB in 2022 that had participated in a prior year maintained or increased scores year over year. Our participation in GRESB is part of our holistic strategy to benchmark performance, assess our program, and advance our ESG efforts. We review the feedback from our GRESB results to inform project planning and new initiatives.

Principles for Responsible Investment
In 2021, Clarion received 4 out of 5 stars on both the Investment and Stewardship Policy module and the Direct - Real Estate module.

Global Reporting Initiative
This report contains material that references the Global Reporting Initiative® (GRI®) 2021 Standards. A table with all referenced indicators is included at the end of this report.

Task Force on Climate-Related Financial Disclosures
TCFD framework disclosures for potential risks and opportunities associated with climate change are used by Clarion as part of our comprehensive climate risk program. A list of these disclosures can be found at the end of this report.
Clarion is aligned to eight UN Sustainable Development Goals (SDGs) where we believe we can deliver the greatest impact. Our 2022 activities that support the SDGs are highlighted below.

### 3 Good Health and Well-Being

- Accelerated PTO accumulation for employees in support of work-life balance.
- Provided healthy food options to our employees at all U.S. Clarion offices.
- Achieved 23 Fitwel certifications in 2022.

### 5 Gender Equality

- Over 43% of the Firm’s investment professionals (inclusive of senior leadership) identify as women or minorities. Overall, approximately 46% of the Firm’s employees identify as women and 30% identify as minorities.¹
- Sponsored several women-focused industry events, including the Women’s Leadership Initiative (WLI) 10th Anniversary Symposium, WX Woman of the Year Gala, and NYU Schack’s National Symposium of Women in Real Estate.
- Clarion’s Women’s Leadership Network (CPWLN) supports and enhances the professional advancement of women within our Firm.

### 7 Affordable and Clean Energy

- Established our Net Zero by 2050 Roadmap for landlord-controlled emissions.
- Completed lighting retrofit projects at 62 industrial properties, with a cumulative anticipated savings of $1.17 million.
- Producing 31.5 megawatts (MW) of solar on our rooftops.
- Achieved 78 ENERGY STAR Certifications at Clarion Properties in 2022.
- Over 348 electric vehicle (EV) charging stations throughout our portfolio.

### 9 Industry Innovation and Infrastructure

- Completed a building-level resilience assessment at 836 U.S. assets and developed our firmwide resilience strategy.
- Investing in opportunity zones to increase access to quality, affordable housing.
- Shared best practices with peers through our involvement in industry groups, presentations at industry events, and our publicly available ESG Report, newsletters, and case studies.
- Established LEED Volume program to streamline certification of industrial developments.

¹U.S. only, data as of December 31, 2022.

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.
**United Nations Sustainable Development Goals**

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<tr>
<th>Goal 10</th>
<th>Reduced Inequalities</th>
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<tbody>
<tr>
<td>Implemented recruitment and talent management efforts that seek to improve diversity across the Firm.</td>
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<tr>
<td>Established DEI Council and developed firmwide DEI Framework.</td>
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<tr>
<td>Continued partnerships with organizations such as Cristo Rey, The Toigo Foundation, and others to support and cultivate diverse talent.</td>
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<tr>
<td>Relaunched partnership with Project REAP to support diverse individuals looking to transition into commercial real estate.</td>
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<td>Implemented Vendor Diversity Questionnaire to obtain and track diversity statistics from vendors.</td>
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<thead>
<tr>
<th>Goal 11</th>
<th>Sustainable Cities and Communities</th>
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<tbody>
<tr>
<td>Incorporated ESG and resilience questions into due diligence screening for acquisitions where relevant.</td>
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<tr>
<td>Coordinated opportunities for employees, property managers and tenants to actively volunteer in the communities in which they work, live, and operate.</td>
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</tr>
<tr>
<td>Pursued green building certifications, including LEED, Fitwel, Green Globes®, BREEAM® In-Use, BOMA 360™, ENERGY STAR, and IREM Certified Sustainable Property.</td>
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<table>
<thead>
<tr>
<th>Goal 12</th>
<th>Responsible Consumption and Production</th>
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</thead>
<tbody>
<tr>
<td>Installed shadow meters at select industrial properties to obtain whole-building data that can improve understanding of performance across our portfolio and inform sustainability project planning.</td>
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<tr>
<td>Worked with asset managers to budget for and complete energy audits at high-priority assets.</td>
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<thead>
<tr>
<th>Goal 15</th>
<th>Life on Land</th>
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<tbody>
<tr>
<td>Incorporated biodiversity into the building-level resilience survey to collect asset-level data related to biodiversity.</td>
<td></td>
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<tr>
<td>Identified water leaks through our metering initiative, which prevented over $1,000/week in water loss combined for certain industrial assets.</td>
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</tbody>
</table>
Enhancing Data Governance

In 2022, we continued to prioritize several initiatives to help enhance the quality and management of our asset-level data. As a result of these efforts, our reporting reflects performance across our portfolio in more detail, and our property managers can more deeply engage in conversations about asset-level strategies for improved efficiency and upgrades. These measures include the following:

**Data Collection**

- Enhanced our ESG survey to collect asset-level performance data.
- Piloted a shadow metering project at approximately 40 industrial sites with historically limited or no access to environmental performance data.
- Continued to utilize green leasing language where feasible.

**Engagement**

- Aligned with the dedicated ESG and Sustainability teams at our property management partner companies to streamline data sharing.
- Added consulting support to more regularly update our ESG performance data.
- Developed an ESG Data Management Guide to support property managers as they navigate our ESG platforms.
With a focus on progressing toward our net zero goal and ensuring portfolio resilience, Clarion is taking a diligent approach in mitigating climate change and positioning our assets to weather future risks.
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. In Spring 2022, Clarion developed a roadmap that details how our Firm will work toward the net zero goal.¹

¹Clarion-managed accounts may incorporate aspects of the roadmap but may not necessarily implement each element of the Net Zero Roadmap and do not necessarily have net zero or decarbonization objectives. The objectives described above are subject to change and there can be no guarantee that all objectives will be achieved.
Net Zero Progress

Data Management
Our capacity for data collection and coverage at our assets continues to grow through multiple efforts, including shadow metering and ESG surveys. We continue to utilize green lease language with data-sharing clauses where feasible to encourage data transparency with our tenants. In addition, we engaged a consultant dedicated to utility data outreach to further increase our reach and coverage.

Shadow Metering
Our shadow metering initiative enables us to capture up-to-date, accurate data at properties with historically limited access to environmental performance data. In doing so, our team can identify the greatest opportunities for energy efficiency programs and prioritize efforts where they will be most effective. As of Q1 2023, Clarion Partners has successfully installed 139 electric meters and 29 water meters across 54 properties, which has resulted in irrigation leak detection, cost savings, and timely replacement of end-of-life equipment in addition to increased data coverage.

Property Surveys
Conducted twice per year, our property-level ESG surveys provide a regular format to gather feedback from and share information with property managers, including data sharing and updates on benchmarking ordinances or other local regulations. In the Fall 2022 survey, property-level sustainability attributes were gathered, and a meter confirmation was conducted. During the Spring 2023 survey, our ESG consultants collected information on efficiency projects, audits, and green building certifications completed in the past year.

In 2022, we converted our ESG survey to a more user-friendly, web-based process, which helped to increase response rates over previous years.

+ GHG EMISSIONS MANAGEMENT

PROPERTY-LEVEL DATA COVERAGE FOR THE 2022 REPORTING YEAR, WHICH IS A 3% IMPROVEMENT FROM 2021.

SURVEY RESPONSE RATE IN SPRING 2023 AND A 74% RESPONSE RATE IN FALL 2022.

54 PROPERTIES WITH WATER OR ELECTRIC METERS INSTALLED AND MORE ARE IN PROGRESS.

1Includes U.S. and Clarion Partners Europe properties. Data coverage as of December 31, 2022.
Net Zero Progress

ENERGY STAR
Through our partnership with ENERGY STAR, we have increased energy efficiency across a large volume of our properties and continue to examine opportunities to do so as feasible. As a result of our initiatives, we have been recognized as a 2023 ENERGY STAR Partner of the Year and an Executive Member of Certification Nation for 2022.

LED Retrofits
We have performed audits at certain properties across our industrial portfolio to identify opportunities to retrofit lighting configurations to better complement the properties’ needs and improve efficiency. This resulted in the installation of indoor and outdoor LED lighting, as well as lighting controls using occupancy sensors or timers. Since this initiative kicked off in 2022, 22 properties, spanning an aggregated 5.9 million square feet have undergone lighting retrofits.

143
MILLION SQUARE FEET
BENCHMARKED IN
ENERGY STAR
PORTFOLIO MANAGER

86.5
AVERAGE ENERGY STAR
SCORE FOR CERTIFIED
PROPERTIES

22
PROPERTIES RETROFITTED
AS OF MARCH 31, 2023

2,270
GWh PROJECTED IN
ANNUAL ENERGY
REDUCTION

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.
Solar Energy
Solar installations are an integral part of our on-site renewable strategy. We currently have approximately 31 megawatts (MW) of solar on rooftops across our portfolio.

Fontana Foothills Commerce Center
The Fontana Foothills Commerce Center industrial complex in Fontana, CA features two solar canopies in its parking lots. Totaling over 6,000 square feet, the arrays represent a combined capacity of more than 121 kilowatts (kW) of renewable energy.

1Asset was selected for case study based on its ESG certifications and features. Not all assets in Clarion’s portfolio include any or all of these ESG elements.
Net Zero Progress

NEW DEVELOPMENTS AND MAJOR RENOVATIONS

Throughout the development process, we aim to integrate principles of efficiency and sustainability into the core design and building systems of development projects.

LEED Volume Program
Clarion Partners developed a prototype for the certification of industrial development assets under the USGBC’s LEED Volume program. The LEED Volume program provides a cost-effective, streamlined process for reviewing and certifying buildings, while offering a consistent template for quality building design that helps us and our tenants meet our respective ESG goals. Through the LEED Volume program, industrial developments incorporate elements that support our net zero target and build a foundation for sustainable operations throughout the building’s life.

Key features and practices include the following:

+ Commissioning to verify all systems are performing as designed.
+ Low-VOC (volatile organic compound) flooring, ceilings, insulation, interior paints, and coatings.
+ Tracking material sourcing for recycled content and procurement location.
+ Use of Life Cycle Assessments and Environmental Product Declarations to understand material impact, including embodied carbon and raw material extraction.

Benefits of our prototype include the following:

+ Energy efficiency measures resulting in an average of 37% energy use savings.
+ Indoor and outdoor water efficiency measures that save an average of 61% on water, with a 68% average savings in drought-prone regions.
+ Addressing air quality considerations such as proper ventilation, smoking regulations, material transparency tracking, and construction management practices.

Mansfield Logistics Park Building
In February 2022, Clarion completed the first LEED Certified industrial development through our LEED Volume program at Mansfield Logistics Park Building 3, an 806,000-square-foot Class A distribution warehouse in New Jersey. As of December 2022, Clarion has certified or is in the process of certifying more than 30 million square feet of industrial space across 54 properties through the LEED Volume program.

+ Asset was selected for case study based on its ESG certifications and features. Not all assets in Clarion’s portfolio include any or all of these ESG elements.
+ 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.
Net Zero Progress

Our internal and external partners play a crucial role in our ESG program. We engage with our tenants on resource efficiency through multiple channels. We incorporate green lease language into tenant leases where feasible, which include clauses to expand our data coverage and gain greater insights into building performance. Additionally, throughout the year, we conduct awareness campaigns at our assets, including tenant-facing posters and other communication touchpoints to increase focus around energy, water, and waste reduction, the benefits of biking to work, and other ESG-related topics. As a result of our partnership with our tenants on shared sustainability goals, we achieved Green Lease Leaders Gold-level recognition for the second consecutive cycle.

Our asset managers are also key partners in advancing sustainability initiatives. Through asset surveys, individual conversations, and the budgeting process, we educate asset managers and empower them to support ESG priorities. In this two-way exchange, we gather their feedback on the feasibility of capital projects suggested by the ESG team.
Climate Risk and Resilience

Readying our portfolio to manage and mitigate risks related to climate change helps us to safeguard the value of our assets and provide assurance to our stakeholders.

In alignment with the TCFD recommendations, we have developed a climate risk management and resilience strategy that enables us to identify and address physical, transition, and social risks across our portfolio as shown on the following page.

In 2022, in partnership with our ESG consultant, Verdani Partners, we completed a desktop assessment for our U.S. portfolio and surveyed properties for existing mitigation features to develop a holistic understanding of the resilience of Clarion properties in relation to climate-related risks.

Highlights of the report include the following:

**Indicators:**
- A total of 50 indicators were included in the assessment:
  - 12 regional risk criteria, including wildfires, flooding, sea level rise, air quality, and livability.
  - 38 resilience measures, such as cool roofing, backup power and water availability, high-quality air filtration, and emergency planning.

**Findings:**
- Of assessed assets, the following key risks were identified:
  - **3%** Assets with elevated wildfire risk.
  - **9%** Assets with elevated sea level rise risk.
  - **5%** Assets with elevated flood risk - of which 98% have identified physical or operational mitigation features.
  - **1%** Assets in locations with elevated air quality risk.
- Over 75% of properties have emergency plans or communication and command systems in place.
- As chronic heat stress accelerates across the U.S., the use of passive mitigation features becomes increasingly important. More than half of the responding properties indicated a cool roofing system in place, such as a white roof, green roof, or solar panels.

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1Percentages are based on at risk asset value as a percentage of total value of assessed assets as of Q1 2022. Includes U.S. data only. Wildfire risk represents assets categorized as high risk by the USDA Forest Service based on spatial estimates of wildfire likelihood and intensity, sea level rise represents assets below water or below water but isolated for Sea Level Rise 10ft | Worst Case 2100+ as determined by Climate Central’s Surging Seas Risk Zone map, flood risk represents assets classified by FEMA as Special Flood Hazard Areas.
Assess Risk and Vulnerability

- Perform risk assessments for physical, social, and transition risks for existing assets and new acquisitions.
- Conduct a portfolio-wide survey to identify property mitigation features and programs.
- Identify high-risk assets based on regional risks and property mitigation features.

Make a Plan

- Engage property teams on building resilience guidance and best practices.
- Identify and plan for building resilience features and operational mitigation strategies.
- Evaluate whether appropriate insurance coverage is maintained.

Implement Resiliency Strategy

- Evaluate risk assessment results.
- Where necessary, perform on-site physical risk assessments.
- Work with insurance providers to maintain appropriate coverage and reduce premiums where resilience features are incorporated.
In addition to our forward-looking strategies around net zero and resilience, we are also focused on our current environmental impacts. We aim to enact programs and practices that reduce energy use, water use, and emissions, and increase our waste diversion.

### Like-for-like Performance¹

<table>
<thead>
<tr>
<th>Metric</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>▼ 1.86%</td>
<td>▼ 6.39%</td>
</tr>
<tr>
<td>kWh</td>
<td>823,455,891</td>
<td>808,162,456</td>
</tr>
<tr>
<td><strong>GHG Emissions</strong></td>
<td>▼ 0.93%</td>
<td>▼ 1.30%</td>
</tr>
<tr>
<td>MTCO2e</td>
<td>228,498</td>
<td>226,373</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td>▼ 5.76%</td>
<td>▼ 2.08%</td>
</tr>
<tr>
<td>m3</td>
<td>6,008,788</td>
<td>5,662,434</td>
</tr>
<tr>
<td><strong>Waste Produced</strong></td>
<td>▲ 2.79%</td>
<td>▲ 3.60%</td>
</tr>
<tr>
<td>MT</td>
<td>40,122</td>
<td>41,240</td>
</tr>
</tbody>
</table>

¹Like-for-like includes a comparison of the performance for properties that were owned and operational for the 24 months ending December 31, 2022 and have 24 months of complete energy, water, or waste data. Data coverage by floor area (sf) as follows: Energy - 25%, GHG Emissions - 25%, Water - 31%, Waste - 10%.

²Intensity performance is derived by taking 12 months of energy, emissions, and water usage and dividing by the applicable floor area the data accounts for. Waste diversion rate is derived by taking the total amount of waste diverted from landfill divided by the total waste generated. Data coverage by floor area (sf) as follows: Energy - 36%, GHG Emissions - 36%, Water - 37%, Waste - 17%.

Performance data shown above is calculated by external consultants and undergoes third-party verification. Clarion is not responsible for any errors or omissions in performance data.
Environmental Performance

Like-for-like (LFL) Energy Consumption by Sector¹
2021 vs. 2022

TOTAL DECREASE IN ENERGY CONSUMPTION (LFL) - 1.86%

GHG Emissions by Scope

2022 Absolute GHG emissions in MTCO2e. Scope 3 data includes tenant emissions only; a comprehensive Scope 3 inventory has not been completed at this time.

Data Coverage (Whole Building)

¹Like-for-like includes a comparison of the performance for properties that were owned and operational for the 24 months ending December 31, 2022 and have 24 months of complete energy data. Data coverage by floor area for Energy Consumption was 25%.

Performance data shown above is calculated by external consultants and undergoes third-party verification. Clarion is not responsible for any errors or omissions in performance data.
Pursuing certifications and energy ratings complements our strategies for reducing our environmental impact, while also providing our stakeholders with validation of the performance of our buildings. Our certifications and ratings, which span a variety of health, well-being, and efficiency-oriented programs, are shown below.

### Total Green Building Certifications (GBCs) As of December 31, 2022

<table>
<thead>
<tr>
<th>Certification</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEED</td>
<td>79</td>
</tr>
<tr>
<td>IREM Certified Sustainable Property</td>
<td>99</td>
</tr>
<tr>
<td>CalGreen</td>
<td>50</td>
</tr>
<tr>
<td>Fitwel</td>
<td>23</td>
</tr>
<tr>
<td>WELL</td>
<td>12</td>
</tr>
<tr>
<td>National Green Building Standard Certified</td>
<td>13</td>
</tr>
<tr>
<td>EarthCraft</td>
<td>5</td>
</tr>
<tr>
<td>Austin Energy Green Building</td>
<td>4</td>
</tr>
<tr>
<td>Florida Green Building Coalition Certified</td>
<td>2</td>
</tr>
<tr>
<td>Green Globes</td>
<td>1</td>
</tr>
<tr>
<td>ENERGY STAR Multifamily NC Certified</td>
<td>1</td>
</tr>
<tr>
<td>UL Verified Healthy Building</td>
<td>1</td>
</tr>
<tr>
<td>BOMA 360</td>
<td>1</td>
</tr>
<tr>
<td>BREEAM</td>
<td>10</td>
</tr>
<tr>
<td>DGNB</td>
<td>2</td>
</tr>
</tbody>
</table>

**Percent of properties with GBCs:** 15%

**Percent of Gross Square Footage with GBCs:** 26%

**ENERGY STAR Certifications:** 78

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.

The data shown under the Green Building Certifications and Energy Rated Properties section includes data derived across all Clarion funds and separate accounts, including those managed by Clarion Partners’ affiliate, Clarion Partners Europe.
## Green Building Certifications and Energy Rated Properties

### Certifications by Location

As of December 31, 2022

<table>
<thead>
<tr>
<th>State</th>
<th># of Certified Properties</th>
<th># of Certifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>80</td>
<td>100</td>
</tr>
<tr>
<td>Colorado</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Connecticut</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Florida</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Georgia</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Illinois</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>New Jersey</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Nevada</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>New York</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>Oregon</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Tennessee</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Texas</td>
<td>45</td>
<td>61</td>
</tr>
<tr>
<td>Utah</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Virginia</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Washington</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td><strong># of Certified Properties</strong></td>
<td><strong># of Certifications</strong></td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>229</strong></td>
<td><strong>303</strong></td>
</tr>
</tbody>
</table>

### Certifications by Property Type

As of December 31, 2022

<table>
<thead>
<tr>
<th>Type</th>
<th># of Certified Properties</th>
<th># of Certifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>52</td>
<td>69</td>
</tr>
<tr>
<td>Industrial</td>
<td>92</td>
<td>105</td>
</tr>
<tr>
<td>Residential</td>
<td>64</td>
<td>104</td>
</tr>
<tr>
<td>Retail</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Laboratory/Life Sciences</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>229</strong></td>
<td><strong>303</strong></td>
</tr>
</tbody>
</table>

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The data shown under the Green Building Certifications and Energy Rated Properties section includes data derived across all Clarion funds and separate accounts, including those managed by Clarion Partners’ affiliate, Clarion Partners Europe.
Highlighting our European Business
Letter from Clarion Partners Europe’s CEO

Over the past few years, ESG has emerged as a focal point for investors and is consequently a key consideration for investment decisions with the aim to mitigate the risk of ESG-related obsolescence of our buildings and the impacts on returns from climate-related regulatory risks. Europe has a strong regulatory landscape, guiding our European business in making significant strides towards decarbonization across its assets. Our proactive strategy considers future risks and opportunities and is informed by robust due diligence process. Our commitment to ESG is reflected in our GRESB ratings. In 2022, we achieved a GRESB score of 86 points for one of Clarion Partners Europe’s managed funds, equaling 4 stars in only its third reporting year.

In Europe, investor demand and government policy are driving an increase in transparency around sustainability impacts and claims. We remain attuned to this evolving landscape and are thorough in our reporting approach to satisfy requirements that relate to our business. All funds managed by Clarion Partners Europe (CPE) have committed to certain environmental or social characteristics, to follow certain good governance practices, and to report under Sustainable Finance Disclosure Regulation (SFDR) Article 8.

As a real estate investor and operator, we are deeply aware of the environmental impact our activities have on the planet, which we seek to minimize wherever we consider to be accretive to returns. We aim to attain industry-leading environmental certifications to better understand the improvement potential of our assets which are designed for efficiency, tenant comfort, and all-around sustainability. At the end of 2022, 100% of assets within one of our funds were on track to receive a BREEAM certification of Very Good or Excellent.1 Across the entire portfolio, the certification ratio at the end of 2022 was 80%.2

Aligned with our net zero goal, CPE pays close attention to the projected net zero pathways of any asset we acquire. We also consider renewable energy and electrification strategies to enhance assets that have been historically reliant on fossil fuels. In our most recent fund, 66% of the buildings have solar panels. An asset currently under construction will be fitted out with 23,000 PV panels, generating an estimated 9,000 megawatt hours (MWh) of electricity per annum which is equivalent to the annual electricity needs of approximately 2,000 households.

The real estate sector has a big part to play in transitioning to a more sustainable future. We are ready for the challenge.

Alistair Calvert
CEO
Clarion Partners Europe

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1 As of December 31, 2022, all buildings in the fund were new developments and will be certified with BREEAM New Construction. Assets have been/are being developed to a BREEAM Very Good or Excellent standard. A typical certification takes approximately two years post-construction to be issued. 2 Inclusive of buildings where the certificate has not yet been issued but were designed to a certain BREEAM standard and will be certified once completed.

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 above are attributable to Clarion Partners Europe only. Certain of the 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.
Acquisitions and developments in Europe undergo a thorough ESG due diligence process and, among other strategies, are considered through the lens of climate resilience and decarbonization, noting that in our view, these strategies reduce portfolio risk and support value creation for our assets.

ESG Due Diligence Report
One of the key decision-making tools CPE uses prior to acquiring an asset is an ESG Due Diligence report produced by specialized external advisors. The assessment highlights the building’s performance against key environmental, social, and governance criteria; seeks to identify any critical issues that may require mitigation measures; and makes recommendations for the property. Additionally, the report’s scope includes highlights of physical climate risks which enables us to assess the long-term risks an asset may pose and includes a projection of an asset’s net zero pathway via a CRREM analysis. This allows us to incorporate potential costs of future-proofing an asset against anticipated risks of climate change and highlights whether an asset that is about to be acquired poses a stranding risk, enabling us to consider appropriate decarbonization measures and to make potentially required capital improvement provisions. The report is then screened against regulatory requirements like SFDR and Principal Adverse Sustainability Impact (PASI) Indicators as well as anticipated ESG-related legislative changes, if applicable, that would trigger CapEx requirements. This comprehensive review allows us to make holistic, well-informed decisions with respect to new acquisitions.

Investment Memorandum
Material findings of the ESG Due Diligence report are presented within the Investment Memorandum, which is discussed and requires approval by the respective fund investment committee prior to each acquisition.

Climate Resilience and Risk Management
For properties already within our portfolio, in 2022, we worked with our ESG consultants to conduct an initial desktop Moody’s ESG Solutions Physical Risk Assessment on all 22 assets within one of the CPE funds. We have expanded on this analysis with an in-depth ESG assessment, including site visits for all properties to facilitate a more tailored climate risk assessment as well as a CRREM analysis and SFDR screening. The reports also investigated the energy efficiency of the properties amongst other environmental characteristics as well as key social criteria, such as amenities, staff facilities, and connection to public transport. Given the fast-changing regulatory landscape around ESG, the assessment contained an overview of current relevant legislative requirements and upcoming changes. The findings are being considered for future asset-specific CapEx plans.

Decarbonization
As of December 2022, 66% of the buildings in our most recent fund were designed with rooftop solar in mind and had, or will shortly after completion of construction, have solar panels installed.1 Across our European funds, 32.5% of our properties feature EV charging. As we look to minimize the environmental impact of our development efforts, we have begun conducting carbon life cycle assessments to better understand and analyze opportunities to reduce our embodied carbon footprint.

*Some of the properties are not yet completed or were subject to roof lease negotiations with solar operators.

ESG practices described above are attributable to Clarion Partners Europe only.
Located near Rotterdam and The Hague, the 242,450 square foot distribution warehouse in Maassluis is a modern, state-of-the-art facility that brings together resilience features, sustainable design, and amenities that support tenant well-being.¹

The acquisition of the property aligns with Clarion Partners Europe's strategy to purchase buildings that are well-thought-out and prepared to address climate change and regulatory needs of the future. The building has a design stage BREEAM Excellent certification for the office tower. We have engaged a BREEAM advisor to expand the BREEAM certification to cover the whole of the property which includes the warehouse portion of the asset.

**Resilience**
The property is built on a significantly higher elevation than the surrounding areas, a strategy taken to mitigate potential flooding from the nearby waterways. The farmlands located below the property are designed to absorb the impacts of any flooding.

**Sustainability**
The site was designed in alignment with a BREEAM Excellent rating and encompasses numerous features that promote sustainability, including solar panels generating 84% of the building's energy needs; the remainder is produced via a green electricity contract. The property also features heat pumps, thermal insulation, rainwater harvesting for irrigation, as well as aerators and low-flow toilets for water efficiency.

**Biodiversity**
The site also includes a number of features that promote and improve biodiversity, including insect hotels, birdhouses, indigenous trees, native landscaping, and fences that incorporate planting.

**Amenities**
The property's design also prioritizes the comfort, well-being, and enjoyment of on-site employees, with natural daylighting and open views. The café's canteen overlooks the nearby river, providing scenic access to nature. Various amenities on site encourage employees to be more active. These include an outdoor padel court, an indoor gym and boxing ring, and a table tennis setup with a view of the river. To encourage sustainable transport, employees can charge their electric vehicles on site.

¹Asset was selected for case study based on its ESG certifications and features. Not all assets in Clarion's portfolio include any or all of these ESG elements. ESG practices described above are attributable to Clarion Partners Europe only.
Throughout the lifecycle of our properties, we gather performance data and examine opportunities for sustainability improvements.

Data Collection and Management
We implement green lease clauses requiring data sharing wherever possible which helps us to monitor performance at the asset level within Evora’s SIERA data management platform. This allows us to measure, analyze, validate, and report on key sustainability metrics. Despite the majority of consumption data being tenant controlled, we have historically been very successful in obtaining consumption data. In 2022, we had 96% data coverage of energy consumption and 89% data coverage of water consumption.1 We are exploring the rollout of automated data collection methods to be less reliant on tenants and allow real-time data access.

Sustainability Audits and Improvement Opportunities
With the support of third-party consultants, we periodically conduct sustainability audits to identify asset-level sustainability improvements, including energy and water efficiency measures and well-being initiatives. We also include ESG obligations in our Property Management Agreements (PMA) to ensure required collaboration from our local property managers.

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1 Data coverage by floor area.

ESG practices described above are attributable to Clarion Partners Europe only.
Guided by our core values of teamwork and entrepreneurialism, we aim to positively shape the futures of our employees, our industry, and our communities through initiatives that drive inclusion and engagement.
Clarion seeks to cultivate a culture of inclusion not only within our Firm, but also throughout our network of suppliers and the next generation of real estate professionals. We have bolstered this commitment through the formation of our DEI Council to oversee and implement programs and projects that advance our multi-year DEI strategy framework, which is shown below.

“Our Firm’s DEI Council was designed to respond quickly and effectively to the needs and expectations of not only our employees, but also the future leaders of our changing industry.”

Khalid Rashid
DEI Council Co-Chair
The DEI Council is co-led by Managing Director Khalid Rashid and Senior Vice President Sherrida Traynham and consists of 11 established and mid-career professionals from various parts of the business who share their unique perspectives on how to best foster DEI within Clarion, both now and in the future.

The Council meets monthly and works closely in partnership with Human Resources and the Executive Board to implement the Council’s objectives and to obtain accountability and engagement from the highest levels of the organization. Executive Board member Susan Boccardi serves as the Council’s executive sponsor, updating the Executive Board on the Council’s strategic plans and activities.

As of June 2023
Diversity in Recruitment and Future Talent

Clarion works to recruit diverse talent by engaging with search firms and agencies that make a good faith effort to present qualified candidates from underrepresented groups. Additionally, we have partnered with several diversity-focused organizations to help build a strong talent pipeline for the future by sponsoring educational forums, mentorship programs, recruiting and internship programs, and networking opportunities.

Among these partnerships is a renewed initiative with Project REAP (Real Estate Associate Program) to provide learning and networking opportunities to diverse mid-career professionals who are looking to transition into commercial real estate. Clarion sponsored and participated in the 2023 REAP Spring Academy, with members of Clarion’s team teaching 140 REAP Fellows foundational knowledge on real estate finance and leading the group through an industrial asset case study over two days.

SEO Summer Internship
Clarion is a founding contributor of the PREA Foundation’s Sponsors for Educational Opportunity (SEO) Career summer internship program which offers hands-on real estate experience to talented students from underrepresented communities. Since the program’s inception in 2017, Clarion has hosted over a dozen college interns in our various offices. In 2022, Clarion hosted six interns across three office locations and made full-time offers to four students, all of whom accepted. This year’s nine-week program incorporated key new features, such as a professional networking workshop, a fireside chat with our Clarion Europe team, and a masterclass on ESG.

NAREIM Jeff Barclay Fellows Program
To help foster future industry talent, our Firm supports NAREIM and its Jeff Barclay Fellows program, named after the late Jeff Barclay, who served as a Managing Director and Head of Acquisitions at Clarion. The award affords five exceptional graduate students with unique learning, mentoring, and networking opportunities within the real estate investment management community.

“I am so grateful for this experience and believe one of the biggest reasons it was so successful was because the entire company emphasized how high of a priority we were to them, and how valuable this program is. Everyone went out of their way to ensure we were getting our questions answered and gaining exposure to different elements of the business.”

Sebastian Richardson, 2022 LA Intern
Ensuring our employees feel welcomed and supported at work is a top priority; we offer training and engagement across DEI-related topics, and we aim to retain diverse talent by providing valuable tools and resources that promote continuous growth.

Education
Since 2021, Clarion has retained consulting firm Be Equitable to provide DEI advisory services and firmwide training. They host mandatory Unconscious Bias training for all employees and provide hiring managers with additional implicit bias training, specifically within talent management and recruitment. Additionally, all Clarion staff participate in numerous diversity and compliance trainings, including workplace harassment prevention and ethics.

In 2023, Clarion promoted allyship as a key component of our DEI strategy both within our Firm and the greater commercial real estate industry. We hosted a virtual Inclusion Through Allyship workshop which guided employees in small groups to explore a common language for inclusion and allyship, as well as practice key allyship skills. In addition, Clarion featured a mainstage discussion on “Strengthening DEI in CRE: Allyship, Advocacy, and Change” with Paradigm Co-Founder and CEO Joelle Emerson and Franklin Templeton Chief Diversity Officer Regina Curry at our 2023 Real Estate Investment Conference. The session, which was attended by 100+ clients and industry colleagues, explored barriers to DEI in the real estate investment and broader financial services industries, and how allyship can help facilitate equitable outcomes.

Throughout 2022 and into 2023, we commemorated important diversity-focused months that celebrate the history and contributions of Black, Hispanic, Asian, and LGBTQ+ individuals and groups.

Development and Retention
Clarion has established a Career Management Committee to focus on skill assessment, career path and trajectory, promotion readiness and development, and succession planning with significant emphasis on diversity representation.

Our Women’s Leadership Network (CPWLN) fosters the professional development of women within the Firm through learning and relationship-building opportunities. In addition to the speaker events and mentoring workshops hosted by the group, CPWLN offers an Industry Insights program featuring notable women in commercial real estate, volunteer community outreach opportunities, and a variety of social events. Clarion employees can also take advantage of Franklin Templeton’s resources, such as their various Business Resource Groups.

Clarion was pleased to sponsor several events in 2022 focused on elevating and educating women in commercial real estate, including:

- Women’s Leadership Initiative (WLI) 10th Anniversary Symposium hosted by Urban Land Institute’s LA Chapter
- WX New York Women Executives in Real Estate’s Woman of the Year Gala
- NYU Schack Institute of Real Estate’s National Symposium of Women in Real Estate

We have continued to experience increases in our Firm diversity as a result of our recruiting, engagement, and training initiatives.
**Internal Diversity Initiatives**

**Benchmark Highlights**

- Total staffing was **46% female**, which tracks higher than NAREIM (42%) and CRE (36.7%), and **30% minority**, which is in line with NAREIM (31%) and CRE (25%).

**Key Data Highlights**

- **43%** of investment professionals are diverse (20% minority; 33% female).
- **40%** of Managing Directors are diverse (22% minority; 24% female).
- **60%** of new hires over the last two years were diverse (31% minority; 44% female).

**Vendor Diversity**

A key aspect of our supplier strategy is to advance diversity within our mix of providers. Nearly 1,000 of our service providers identify as Minority, Women, and Disadvantaged Business Enterprise (MWDBE) businesses. Clarion began a Vendor Diversity Initiative to address the lack of representation across our industry and engage with vendors who proactively employ a diverse workforce. The first phase of this initiative, completed in 2022, included establishing baseline data through our Vendor Diversity Questionnaire. The questionnaire was distributed to many of Clarion’s largest vendors to collect data on the diversity of their organizations. We intend to use this information to strategically enhance and seek out new diverse vendor partnerships.
Health & Wellness

We deeply value the contributions of our employees and aim to provide benefits and programs that help them feel healthy and balanced in the workplace and in their lives outside of Clarion.

**Employee Programs**

We consider the holistic health of our employees through our health and wellness offerings, with the goal of providing them with programs, services, and policies that promote all aspects of wellness.

Our benefits include medical and dental coverage, as well as access to an Employee Assistance Program that offers resources for mental health, legal consultation, identity theft, pet care, and more.

Our parental coverage includes up to 16 weeks of fully paid medical and bonding leave for birth mothers. For other new parents, our program provides eight weeks of fully paid parental bonding leave for the birth, adoption, or fostering of a child. Additionally, Clarion partners with Bright Horizons to offer low-cost backup childcare and eldercare that can take place at childcare centers or in employee homes.

Clarion offers a 401(k) plan, life insurance, disability benefits, pre-tax health and dependent care accounts, and access to an Employee Stock Investment Plan. The Firm also partners with experts to provide educational opportunities for employees on various financial wellness topics to help them meet their financial goals.

**New in 2022**

In 2022, we added new benefits and programs to enhance the employee experience. We increased the rate at which junior/early-tenure employees can reach the maximum paid time off (PTO) accrual and raised the maximum rate from 12 days to 15 days for Analysts and Associates. We also instituted a formal remote work policy to foster community and collaboration in the office while also promoting work-life balance.

Employees can also tap into resources to support their wellness, including our free CARAVAN Wellness partnership, which features videos for yoga, cardio, mindfulness, employee ergonomics, and other physical and mental health activities.
Employee Engagement

One benefit of our connection with Franklin Templeton is the large network of employee resources. Franklin Templeton offers various Business Resource Groups, and leaders at Clarion are involved in a variety of networks.

BEN
(Black Empowerment Network)

PRIDE

ABLE

VETS

HOLA
(Hispanic Organization for Leadership Awareness)

API
(Asian and Pacific Islander)

Women@FT

Ranked one of the Best Places to Work
Our employees’ satisfaction has resulted in Clarion achieving two recent workplace awards: P&I’s 2022 Best Places to Work in Money Management and GlobeSt.’s Best Places to Work in CRE 2023.
Employee Development

Offering employees the tools and resources to develop their skills and knowledge helps drive job satisfaction and retention of top talent while also supporting our growth objectives as a Firm. Our dedicated Training & Development Manager supports career path planning, skills assessment, promotion readiness, and more.

The Firm's professional development opportunities include the following:

+ On-demand online training through Clarion Partners University.
+ Tuition reimbursement for work-related courses.
+ A comprehensive Talent Development plan offered to employees at every level within the Firm in 2023, for both technical and soft skills.
+ Quarterly career and industry webinar series for Analysts and Associates.
+ New Emerging Leaders program and follow-up series for employees promoted to Vice President and Senior Vice President roles.
+ Select employees’ participation in Franklin Templeton-led McKinsey Connected Leadership Academy.
+ Quarterly Managers and Team Lead professional development series.
+ Quarterly firmwide skill development series for topics most widely requested/identified in performance plans.
+ On-demand ESG courses on topics such as energy efficiency, sustainability budgeting, etc.
+ Access to training for LEED Green Associate accreditation.

Analyst and Associate Summit
The Firm’s annual Analyst and Associate Summit offers skill building, professional development, and peer networking opportunities to help participants cultivate a deeper understanding of our industry and explore opportunities to grow their career. We were excited to welcome participants from across all departments and U.S. offices for our Summer 2023 summit.
Community Involvement

We aim to be good partners in the neighborhoods we serve and to add value by participating in efforts that help all community members thrive. As an organization, we prioritize funding and support for key community initiatives.

Our employees also enthusiastically contribute their time, talent, and financial resources in service of their local communities. The Firm’s Volunteer Time Away (VTA) Program provides up to 20 hours of annual paid time off for volunteering.

Clarion Partners’ Donations

In 2022, Clarion continued its commitment to social responsibility and made donations to various organizations, including the following:
Community Involvement

Employees also donated their time and came together to support local initiatives within their communities:

- **40+ Miles Completed**: Earth Day 5K benefiting WE ACT for Environmental Justice in Northern Manhattan. New York Office

- **566 Meals for Neighbors in Need**: North Texas Food Bank. Dallas Office

- **200+ Homeless Fed**: The Midnight Mission. Los Angeles Office

- **100 Stockings Stuffed**: Henry Street Settlement. New York Office

- **45 Toys Donated**: South Central Los Angeles Ministry Project (LAMP). Los Angeles Office
Community Involvement

Clarion’s Executive Leadership Makes a Difference for ALS
Franklin Templeton recognized Managing Director Hugh Macdonnell with the Harmon E. Burns Award, which celebrates employees who make extraordinary contributions to their communities. Supported by his family, friends, and colleagues, Hugh, along with his Tri-State Trek team, raised more than $1 million for ALS research over the past decade. In addition to this award, Hugh was also recognized in 2019 with the Fran Delaney Challenge & Respect Award, which recognizes leadership in organizing and inspiring the broader community to advocate for and accelerate research to end ALS.

9/11 Day of Service
In 2022, Clarion Partners returned to in-person participation for the annual 9/11 Day of Service, with employees from across all five U.S. offices taking time to pack meals for those in need. 9/11 Day of Service has become America’s largest day of charitable activity, and more than 20 million meals have been packed since its inception in 2016.
CASE STUDY

Lehigh Valley Lake Transfer

In September 2022, Clarion Partners, in partnership with global real estate developer Trammell Crow Company (TCC), commenced the vertical development of Lehigh Valley Trade Center III, two Class A industrial buildings totaling 588,319 square feet in Lower Nazareth, Pennsylvania. The project is being developed with plans to be certified under Clarion’s LEED Volume program for industrial developments.

The site includes the former Dutch Springs, a 57.1-acre quarry lake that was previously operated as a scuba diving training facility and an aqua adventure park. After the sale of the land and the closure of the lake was announced, the scuba diving community expressed concern for the future of the lake. In response to the feedback from the local community, Clarion and TCC took an active approach to keep the lake accessible for scuba diving, working with the local municipalities and, eventually, private parties that were interested in keeping the lake operational.

Clarion and TCC donated the parcel of land where the lake was located to D.I.V.E LLC, a Lehigh Valley-based scuba diving company that was selected to operate the lake, which would be renamed Lake Hydra. Clarion and TCC were pleased to work with the local community to create a mutually beneficial solution, allowing for Lake Hydra to be utilized for recreational divers and first responders as a water safety/emergency services training facility, with a soft reopening anticipated in 2024.

“D.I.V.E. LLC would like to commend TCC and Clarion Partners for their forward thinking and generosity in their donation of the lake. Without their team’s support and understanding, scuba diving in our community would have been lost. It was a pleasure to work with developers who invest back into the communities in which they operate”

Ken Kraft and Jim Folk
D.I.V.E. LLC

Asset was selected for case study based on its ESG certifications and features. Not all assets in Clarion’s portfolio include any or all of these ESG elements.
Tenant Engagement

Offering desirable working and living environments while also providing engaging programs is key to earning the satisfaction of our tenants.

We engage our tenants on sustainability initiatives and topics, such as Bike to Work Week and Earth Day. At one of our office properties in New York City, Alveole hosted an educational Hive to Honey workshop, which involved extracting honey from the rooftop beehives on the property for tenants to take home.

Throughout the year, we share email communications and onsite signage encouraging taking action for personal wellbeing and reduction of energy, water, and waste consumption.

Tenant Satisfaction Survey
Each year, we survey tenants at certain properties to collect their feedback about their property, and to assess the amenities and initiatives that are most important to them. Key results of the 2022 Tenant Satisfaction Survey are as follows:

- Top 3 Sustainability Initiatives of Interest as identified by our tenants through the satisfaction survey:
  - ENERGY EFFICIENCY
  - RECYCLING PROGRAM
  - WATER EFFICIENCY

Office Properties Won the 2022 Kingsley Excellence Award
- 22

Industrial Properties Won the 2022 Kingsley Excellence Award
- 96

Retail Properties Won the 2022 Kingsley Excellence Award
- 5
Tenant Engagement

Clarion works to incorporate green leasing language where possible in tenant leases to further educate and engage tenants on sustainability efforts. Tailored to each asset sector, topics in the lease language include utility data sharing, shared consumption targets, environmental standards for tenant improvements, capital improvements, waste management, water management, and more.

Healthy Buildings through Fitwel

We are committed to supporting the health and wellness of our tenants through the design and management of our buildings. In 2023, Clarion was named one of Fitwel’s Best in Building Health Award winners. Clarion was recognized with the Industry Leadership Award for Portfolio Benchmarking. Our efforts to benchmark our diversified, core platform will help serve as a guiding tool to pursue healthy building strategies and further Fitwel certifications. Clarion is pleased to be a part of the Fitwel Champion network and Clarion’s Head of ESG serves on the Fitwel Leadership Advisory Board.
Urban Gardens at Market Station

In Summer 2022, Clarion Partners and Continuum Partners worked with Denver Urban Gardens to start a resident-supported garden at multifamily property The Residences at Market Station in Denver, Colorado.

Denver Urban Gardens operates the country’s largest independent network of food-producing community gardens. The organization provided the necessary knowledge and supplies to kickstart the Market Station program, representing its first and only community garden in an apartment complex in the Denver metro area.

In June, over 100 employees of a popular local restaurant operator, Snooze, helped plant the initial crop of seasonal herbs and vegetables as part of a company-wide team building exercise. The 16 planter beds, located on the mezzanine clubroom level, are maintained by residents of the community, including selected “garden leaders” to coordinate all planting, upkeep, and harvesting activities. Any unclaimed harvest is donated to the Food Bank of the Rockies.

We’re excited to see how the community garden at The Residences at Market Station fosters collaboration among residents, staff, and the broader community.
Reporting and Disclosure

For more information about this report or Clarion’s other ESG activities, please contact:

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

The Task Force on Climate-related Financial Disclosures 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 following index shows how Clarion's company practices align with these disclosures in terms of governance, strategy, risk management, and metrics and targets.

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
</tr>
<tr>
<td>Describe the Board’s oversight of climate related risks and opportunities.</td>
<td>Climate-related risks and opportunities are considered during the acquisition process when new investments are reviewed and approved by Clarion’s Investment Committee through a two-stage approval process. Memorandums presented for new investments include an analysis of climate change risks, which includes a discussion of risk mitigation measures, where applicable. Conformance with ESG criteria is an important consideration in Clarion’s portfolio investment selection process and is considered within the overall context of investment risks and returns. At a Firm-level, Members of the Executive Board and the Firm’s Operating Committee are responsible for approving ESG initiatives, including climate- and resilience-related efforts. The Executive Board is the highest governing body of the Firm.</td>
</tr>
<tr>
<td>Describe management’s role in assessing and managing climate related risks and opportunities.</td>
<td>At the firm level, Clarion’s ESG team 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 standing assets, new developments, and acquisitions. As risks are identified, risk mitigation measures are evaluated and implemented where appropriate. Clarion completes a review of relevant ESG criteria for most potential investments during due diligence, which includes an assessment of the physical impacts of climate change. Deficiencies found during due diligence are vetted and, where feasible, mitigating factors are included in underwriting (additional structural support, flood mitigation etc.).</td>
</tr>
<tr>
<td><strong>STRATEGY</strong></td>
<td></td>
</tr>
<tr>
<td>Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.</td>
<td>In 2022, Clarion’s ESG team completed 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). The results of this assessment were reviewed by appropriate the portfolio management teams, the ESG team, and Resilience Subcommittee members, and high-priority assets are identified for further inquiry. Risk mitigation measures are being identified where appropriate. Clarion’s ESG team uses the results of this risk assessment, as well as other ESG data collected, to support property business planning.</td>
</tr>
<tr>
<td><strong>RISK MANAGEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Describe the organization’s processes for identifying and assessing climate related risks.</td>
<td>Clarion’s ESG team identifies and assesses climate related risks through three main mechanisms. Step One: an asset-level desktop regional climate-related risk assessment of Clarion’s portfolio is completed every three years. 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). Step Two: Clarion’s ESG consultants maintain a database of local and state benchmarking laws and other efficiency ordinances mandated by cities as part of our efforts to monitor transition risks. Step Three: for developments and acquisitions, physical risks associated with climate change can be evaluated during the due diligence process, and mitigation measures are recommended if applicable. The results of this analysis are incorporated where relevant into the investment memo reviewed by the Investment Committee.</td>
</tr>
<tr>
<td>Describe the organization’s processes for managing climate related risks.</td>
<td>Clarion’s approach to managing climate-related risks involves a three step process: (1) assess risk and vulnerability, (2) make a plan, and (3) implement the resilience strategy. An asset-level desktop regional climate-related risk assessment of Clarion’s standing assets was completed in 2022, and will be performed every 3 years to ensure up to date information on the portfolio’s exposure to climate-related risks. For new developments, a review of the physical impacts of climate change may be conducted during due diligence and included in the investment memo. Risk mitigation measures are identified where appropriate. For new developments that are subject to physical climate related risks, risk mitigation measures are discussed and incorporated into the project design where necessary. The final step is to implement the risk mitigation strategy based on the plan developed by the team.</td>
</tr>
<tr>
<td>Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization’s overall risk management.</td>
<td>Clarion’s climate-related risk management process is fully integrated into our business practices through our investment processes and lifecycle. Climate-related risks such as wildfire risk, flood risk, and sea level rise are evaluated during the due diligence process for new acquisitions and development projects where relevant. New investments are reviewed and approved by Clarion’s Investment Committee through a two-stage approval process in which investment committee memos may include a discussion of these risks and potential mitigation measures. For operational assets, key ESG metrics and performance indicators are tracked. In addition, a desktop regional risk analysis of our portfolio is completed every three years and risk mitigation plans are developed as necessary.</td>
</tr>
</tbody>
</table>
## TCFD Disclosures

### METRICS AND TARGETS

<table>
<thead>
<tr>
<th>Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2022, Clarion completed an asset-level desktop regional climate-related risk assessment. 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).</td>
</tr>
<tr>
<td>In addition, Clarion’s ESG team tracks and evaluates asset performance across 18 metrics. The following ESG metrics on climate-related risks and opportunities are maintained in our ESG data platforms and on a database managed by our ESG consultants. These metrics are used by our ESG consultants to make property-level recommendations.</td>
</tr>
<tr>
<td>- Energy use and intensity</td>
</tr>
<tr>
<td>- Water use and intensity</td>
</tr>
<tr>
<td>- Greenhouse gas emissions and intensity</td>
</tr>
<tr>
<td>- Technical assessments and audits</td>
</tr>
<tr>
<td>- Building certifications</td>
</tr>
<tr>
<td>- Property attributes</td>
</tr>
<tr>
<td>- ENERGY STAR scores</td>
</tr>
<tr>
<td>- Data coverage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1: 41,036.87 MTCO2e</td>
</tr>
<tr>
<td>Scope 2: 166,487.54 MTCO2e</td>
</tr>
<tr>
<td>Scope 3: 151,821.86 MTCO2e</td>
</tr>
</tbody>
</table>

2022 Absolute GHG Emissions. All emissions are included regardless of ownership period, development, and data completeness. Represents 45% absolute energy coverage by floor area

<table>
<thead>
<tr>
<th>Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>
The Global Reporting Initiative (GRI) is a not-for-profit international organization that promotes the use of sustainability reporting as a way for organizations to disclose the economic, environmental, and social impacts of their activities. GRI facilitates greater transparency through its Sustainability Reporting Framework, which includes the G2016 Sustainability Reporting Guidelines. The guidelines are developed through a global multi stakeholder process and offer reporting principles, standard disclosures, and an implementation manual for preparation of sustainability reports. The index below displays the referenced GRI Standards disclosure numbers and titles and the location in this report of material that references each GRI disclosure.

### GRI Content Index

<table>
<thead>
<tr>
<th>Statement of Use</th>
<th>Clarion has reported the information cited in this GRI content index for the period January 1, 2022 - December 31, 2022 with reference to the GRI Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 1 used</td>
<td>GRI 1: Foundation 2021</td>
</tr>
</tbody>
</table>

#### GRI 2: General Disclosures 2021

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1 Organizational details</td>
<td>Company Profile, page 6</td>
</tr>
<tr>
<td>2-2 Entities included in the organization’s sustainability reporting</td>
<td>About This Report, page 2</td>
</tr>
<tr>
<td>2-3 Reporting period, frequency and contact point</td>
<td>About This Report, page 2</td>
</tr>
<tr>
<td>2-5 External assurance</td>
<td>Verification Letter, page 60</td>
</tr>
<tr>
<td>2-6 Activities, value chain and other business relationships</td>
<td>Company Profile, page 6</td>
</tr>
<tr>
<td>2-14 Role of the highest governance body in sustainability reporting</td>
<td>ESG Structure, page 17</td>
</tr>
<tr>
<td>2-27 Compliance with laws and regulations</td>
<td>ESG in Action, page 12</td>
</tr>
<tr>
<td>2-28 Membership associations</td>
<td>Industry Participation &amp; Recognition, page 14-15</td>
</tr>
<tr>
<td>2-29 Approach to stakeholder engagement</td>
<td>ESG in Action, page 12, Diversity at Clarion, page 44, Community Involvement, page 49, Tenant Engagement, page 53</td>
</tr>
</tbody>
</table>

#### GRI 3: Material Topics 2021

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1 Process to determine material topics</td>
<td>Key Priorities, page 9</td>
</tr>
</tbody>
</table>

#### GRI 302: Energy 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>302-3 Energy intensity</td>
<td>Environmental Performance, page 31</td>
</tr>
<tr>
<td>302-4 Reduction of energy consumption</td>
<td>Net Zero Progress, page 25, Environmental Performance, page 31</td>
</tr>
</tbody>
</table>

#### GRI 303: Water and Effluents 2018

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>303-5 Water consumption</td>
<td>Environmental Performance, page 31</td>
</tr>
</tbody>
</table>

#### GRI 305: Emissions 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>TCFD Disclosures, page 58</td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>TCFD Disclosures, page 58</td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>TCFD Disclosures, page 58</td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td>Environmental Performance, page 31</td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td>Environmental Performance, page 31</td>
</tr>
</tbody>
</table>

#### GRI 306: Waste 2020

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
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<tbody>
<tr>
<td>306-3 Waste generated</td>
<td>Environmental Performance, page 31</td>
</tr>
<tr>
<td>306-4 Waste diverted from disposal</td>
<td>Environmental Performance, page 31</td>
</tr>
</tbody>
</table>

#### GRI 401: Employment 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>401-3 Parental leave</td>
<td>Health &amp; Wellness, page 46</td>
</tr>
</tbody>
</table>

#### GRI 404: Training and Education 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>Employee Development, page 48</td>
</tr>
</tbody>
</table>

#### GRI 413: Local Communities 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
<td>Case Study, page 52, Case Study, page 55</td>
</tr>
</tbody>
</table>

#### GRI 414: Supplier Social Assessment 2016

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>414-1 New suppliers that were screened using social criteria</td>
<td>Internal Diversity Initiatives, page 45</td>
</tr>
</tbody>
</table>
Verification Letter

Independent Assurance Statement
Provided by ISOS Group, Inc.
On selected environmental metrics included in:
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 to be reported in its Annual ESG Report 2022 – 2023 ["ESG Report"], covering the period beginning January 1, 2022 and ending December 31, 2022.

We have performed our moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 ("AA1000ASv3"). Our review was limited to the data reported in Clarion’s ESG Report comprising of:

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

We have not performed any procedures with respect to other information included Clarion’s ESG Report and, therefore, no conclusion on the ESG Report as a whole is expressed.

Clarion Partners’ responsibilities
The Client’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 context 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 and waste hauler 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,
4. Calculating greenhouse gas emissions, and
5. Disclosing all totals correctly into its ESG Report.

Boundary

<table>
<thead>
<tr>
<th>Boundary</th>
<th>Clarion Partners invests in office, retail, industrial, multifamily residential and hotel properties across funds with a range of investment strategies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance Boundary</td>
<td>The boundary of assurance was limited to the Clarion’s one thousand two hundred ten (1,210) operational properties, across property types which are tenant or landlord controlled.</td>
</tr>
<tr>
<td>GHG Emissions Boundary</td>
<td>The GHG emissions boundary followed the operational control methodology specified in the GHG Protocol.</td>
</tr>
</tbody>
</table>

ISOS Group, Inc. | 1000 Elm Street, 17F, Manchester, NH 03105 | www.isogroup.com
Verification Letter

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.

Several smaller scope 1 GHS emission sources (i.e., refrigerant releases, mobile combustion sources, emergency generators) have been excluded from this review. In instances where annual performance is reported in the aggregate, opportunity for data analysis is limited and it is less likely 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 resolutions,
  3. Selected eleven (11) properties for testing and analysis, including cross-reference to primary source data to uncover variances and address any exclusions and other limitations.

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

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2022 (Absolute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Energy Consumption (MWh)</td>
<td>1,248,656</td>
</tr>
<tr>
<td>Total Location-based GHS Emissions (Tt CO2e)</td>
<td>359,546</td>
</tr>
<tr>
<td>Total Water Consumption (m^3)</td>
<td>7,306,159</td>
</tr>
<tr>
<td>Total Waste Generation (MT)</td>
<td>74,713</td>
</tr>
</tbody>
</table>

Application of the AA1000AP
Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Clarion—or, Informally engages its tenants, property management teams, investors and employees on ESG matters.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materiality</td>
<td>Clarion aligns its practices to reporting standards and frameworks such as GRI, GRESB and TCFD.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Clarion publishes an annual GRI-aligned ESG report.</td>
</tr>
<tr>
<td>Impact</td>
<td>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.</td>
</tr>
</tbody>
</table>
Statement of Competency and Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Reporting Initiative (GRI), CDIIP, 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.

Signed on behalf of ISOS Group: San Diego, California – USA, September 13, 2023.

[Signature]

Brian Noveck
CSAP Practitioner

ISOS Group

AA1000 Licensed Assurance Provider

ISOS Group, Inc. | 1000 Elm Street, 17F, Manchester, NH 03105 | www.isosgroup.com
Clarion Partners seeks to align with goals established by industry groups in pursuing ESG in real estate and recognizes third-party green building certifications as a valuable method to improve our properties’ ESG performance and attain recognition for excellence in operations. Certain rating programs require payment of submission, review, or rating fees. Please see the tables below for more information on programs referenced in the body of the report.

Data below is as of December 31, 2022, while ESG information related to green building certified and energy rated properties on Clarion’s website is updated on a quarterly basis.

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Number of Assets Clarion Portfolio as of Dec 31, 2022</th>
<th>Certifying Body</th>
<th>Certification Period</th>
<th>Further Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEED Building Design + Construction</td>
<td>66</td>
<td>Green Business Certification Inc. (GBCI)</td>
<td>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.</td>
<td>Properties must pay registration and review fees to pursue LEED certifications.</td>
</tr>
<tr>
<td>LEED Building Operations + Maintenance</td>
<td>13</td>
<td>Green Business Certification Inc. (GBCI)</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022. Rankings range from Certified to Platinum level for individual properties.</td>
<td>Properties must pay registration and review fees to pursue LEED certifications.</td>
</tr>
<tr>
<td>Fitwel</td>
<td>23</td>
<td>The Center for Active Design (CFAD)</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022.</td>
<td>Properties must pay registration and review fees to pursue Fitwel certifications.</td>
</tr>
<tr>
<td>IREM Certified Sustainable Property (CSP)</td>
<td>99</td>
<td>Institute of Real Estate Management (IREM)</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022.</td>
<td>Properties must pay certification fees at the time of submission to pursue IREM certifications.</td>
</tr>
<tr>
<td>Austin Energy Green Building Rating</td>
<td>4</td>
<td>Austin Energy Green Building</td>
<td>Certifications are issued on a rolling basis and last in perpetuity. These properties achieved Two Star rankings.</td>
<td></td>
</tr>
<tr>
<td>BREEAM In-Use</td>
<td>6</td>
<td>BRE Global Ltd.</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022. Rankings range from &quot;pass&quot; to &quot;good&quot; for individual properties.</td>
<td>Properties must pay registration and certification fees to pursue BREEAM certifications.</td>
</tr>
<tr>
<td>BREEAM Construction</td>
<td>3</td>
<td>BRE Global Ltd.</td>
<td>Certifications are issued on a rolling basis and are valid in perpetuity. These Clarion properties held a valid certification as of December 31, 2022. Rankings range from &quot;pass&quot; to &quot;good&quot; for individual properties.</td>
<td>Properties must pay registration and certification fees to pursue BREEAM certifications.</td>
</tr>
<tr>
<td>BREEAM Design Stage</td>
<td>1</td>
<td>BRE Global Ltd.</td>
<td>Certifications are issued on a rolling basis and are valid in perpetuity. This Clarion property held a valid certificaiton as of December 31, 2022. Rankings range from &quot;pass&quot; to &quot;good&quot; for individual properties.</td>
<td>Properties must pay registration and certification fees to pursue BREEAM certifications.</td>
</tr>
<tr>
<td>CAL Green</td>
<td>50</td>
<td>California Building Standards Commission (CBSC)</td>
<td>Certifications are issued at the time of building development and last in perpetuity.</td>
<td></td>
</tr>
</tbody>
</table>
## Green Building Certification Disclosures

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Number of Assets</th>
<th>Certifying Body</th>
<th>Certification Period</th>
<th>Further Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGNB New Construction Certificate</td>
<td>2</td>
<td>German Sustainable Building Council (DGNB)</td>
<td>Certifications are issued up to three years following a building’s completion and last in perpetuity. These properties achieved Gold-level rankings.</td>
<td>Properties must pay certification fees to pursue DGNB certification.</td>
</tr>
<tr>
<td>EarthCraft Multifamily</td>
<td>5</td>
<td>Southface Institute</td>
<td>Certifications are issued on a rolling basis and last in perpetuity.</td>
<td>Properties must pay registration and certification fees to pursue EarthCraft Multifamily certification.</td>
</tr>
<tr>
<td>Florida Green Building Standard</td>
<td>2</td>
<td>Florida Green Building Coalition</td>
<td>Certifications are issued on a rolling basis and are valid for the life of the building.</td>
<td>Properties must pay certification fees to pursue a Florida Green Building Standard certification.</td>
</tr>
<tr>
<td>ENERGY STAR Multifamily NC Certified</td>
<td>1</td>
<td>U.S. Environmental Protection Agency</td>
<td>Certifications are issued at the time of building development and last in perpetuity.</td>
<td></td>
</tr>
<tr>
<td>Green Globes Existing Buildings</td>
<td>1</td>
<td>Green Building Initiative (GBI)</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. This Clarion property held a valid certification as of December 31, 2022. The property achieved a Three Globes ranking.</td>
<td>Properties must pay certification fees to pursue a Green Globes certification.</td>
</tr>
<tr>
<td>UL Verified Healthy Building Mark</td>
<td>1</td>
<td>UL Solutions</td>
<td>Certification marks are issued on a rolling basis. Air quality testing is required twice a year to keep mark valid. These Clarion properties held valid certifications as of December 31, 2022.</td>
<td>Properties must pay certification fees to pursue a UL Verified Healthy Building Mark.</td>
</tr>
<tr>
<td>WELL</td>
<td>2</td>
<td>International WELL Building Institute (WBI)</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022.</td>
<td>Properties must pay registration and certification fees to pursue a WELL certification.</td>
</tr>
<tr>
<td>WELL Health-Safety Rating</td>
<td>10</td>
<td>International WELL Building Institute (WBI)</td>
<td>Certifications are issued on a rolling basis and are valid for one year. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022.</td>
<td>Properties must pay registration and certification fees to pursue a WELL certification.</td>
</tr>
<tr>
<td>National Green Building Standard</td>
<td>13</td>
<td>National Association of Home Builders</td>
<td>Certifications are issued on a rolling basis and last in perpetuity for individual properties.</td>
<td>Properties must pay certification fees to pursue a National Green Building Standard certification.</td>
</tr>
<tr>
<td>BOMA 360</td>
<td>1</td>
<td>Building Owners and Managers Association International</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. This Clarion property held a valid certification as of December 31, 2022.</td>
<td>Properties must pay certification fees to pursue a BOMA 360 certification.</td>
</tr>
<tr>
<td>ENERGY STAR</td>
<td>78</td>
<td>U.S. Environmental Protection Agency</td>
<td>Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. This Clarion property held a valid certification as of December 31, 2022.</td>
<td>Clarion Partners was named an Executive Member of ENERGY STAR’s Certification Nation after certifying 78 buildings in 2022.</td>
</tr>
<tr>
<td>Energy Performance Certificate (EPC)</td>
<td>26</td>
<td>The European Union (EU)</td>
<td>Certificates are issued on a rolling basis and are valid for 10 years. Properties must re-certify to maintain certification standing. These Clarion properties held valid certifications as of December 31, 2022. Ratings range from A-C for individual properties.</td>
<td>Properties must pay certification fees to pursue an Energy Performance Certificate (EPC).</td>
</tr>
</tbody>
</table>

Clarion Partners was named an Executive Member of ENERGY STAR’s Certification Nation after certifying 78 buildings in 2022.
Data below is as of April 30, 2023.

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Clarion Participation 2022-2023</th>
<th>Governing Body</th>
<th>Rating Period</th>
<th>Further Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRESB</td>
<td>Nine commingled funds and separate accounts advised by Clarion Partners participated in the 2022 GRESB survey (based on 2021 data)</td>
<td>GRESB BV</td>
<td>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 2022 data and surveys covering the 2021 calendar year.</td>
<td>Funds and separate accounts pay a submission fee to participate in the GRESB survey.</td>
</tr>
<tr>
<td>UN Principles of Responsible Investment (UNPRI)</td>
<td>Clarion Partners corporate participation</td>
<td>PRI Association Board</td>
<td>Rating is conducted during the calendar year and is based on the previous calendar year’s reported data. In 2021, UNPRI experienced a delay in scoring, so all scores referenced in this document are based on 2021 responses as the UNPRI survey did not occur in 2022. The next anticipated reporting period will occur in 2023.</td>
<td>Clarion pays a submission fee to participate in the assessment.</td>
</tr>
<tr>
<td>Green Lease Leaders</td>
<td>Clarion Partners corporate participation</td>
<td>Institute for Market Transformation (IMT)</td>
<td>The Green Lease Leader designation is valid for three years, after which recipients are invited to reapply. Clarion received Gold-level recognition in 2023.</td>
<td>Designations range from silver to platinum.</td>
</tr>
</tbody>
</table>
## Firm Level Industry Award Disclosures

Data below is as of April 30, 2023.

<table>
<thead>
<tr>
<th>Award Name</th>
<th>Date Received</th>
<th>Governing Body</th>
<th>Further Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pension &amp; Investments Best Place to Work in Money Management 2022</strong></td>
<td>December 2022</td>
<td>Pension &amp; Investments</td>
<td>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.</td>
</tr>
<tr>
<td><strong>2023 ENERGY STAR Partner of the Year</strong></td>
<td>March 2023</td>
<td>U.S. Department of Energy and U.S. Environmental Protection Agency</td>
<td>Clarion did not pay a fee to apply for this award.</td>
</tr>
<tr>
<td><strong>2023 Best in Building Health Award</strong></td>
<td>March 2023</td>
<td>The Center for Active Design</td>
<td>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.</td>
</tr>
<tr>
<td><strong>CRE’s Best Places to Work 2023</strong></td>
<td>April 2023</td>
<td>GlobeSt.com</td>
<td>Clarion did not pay any submission fees to apply for this award.</td>
</tr>
<tr>
<td><strong>Kingsley Excellence - 2022 Tenant Satisfaction</strong></td>
<td>September 2022</td>
<td>Grace Hill - Kingsley Surveys</td>
<td>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.</td>
</tr>
</tbody>
</table>
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.

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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 Environmental, Social, And Governance ("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.

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