## Consideration of Principal Adverse Sustainability Impacts ("PASI")

This disclosure sets out the general approach adopted by Clarion Partners Europe Limited ("**Clarion**") towards the consideration of principal adverse sustainability impacts ("**PASI**") for certain of the funds for which they have been engaged to provide investment advisory and property management services in accordance with the relevant Clarion policies. Clarion has chosen to consider PASI in the course of its investment advice for such funds.

Currently, Clarion has in place measurement tools to identify and prioritise the relevant sustainability factors (the "**PASI Indicators**"), including exposure to energy-inefficient real estate assets.

On a periodic basis, Clarion will review the list of PASI Indicators and will consider whether any additional PASI should be considered, having reference to factors such as any changes in the relevant real estate assets, regulatory guidance, market practice and data availability.

Clarion addresses sustainability impacts using several methods including:

    i.     internal policies;

    ii.    due diligence;

    iii.   proactive asset management; and

    iv.   engagement.

Clarion may use investment due diligence as a way of preventing adverse impacts and may further use it to help to screen out potential investments with high adverse impacts on sustainability factors. In particular, technical due diligence includes sustainability criteria, including in relation to energy efficiency.

Furthermore, Clarion engages with the relevant stakeholders such as tenants and property managers to prevent or mitigate adverse impacts.

Clarion has sought to address impacts on sustainability factors by embedding Environmental, Social and Governance ("**ESG**") principles into relevant policies and internal operational practices. Clarion has also established an ESG strategy (available here) that is operated in alignment with good practice sustainability guidelines and, wherever possible, in keeping with the United Nations' Sustainable Development Goals.