



A Franklin Templeton Company

# ClearBridge Engagement and Stewardship Policy

Amended as of September 2025

## How ClearBridge Defines Engagement and Stewardship

As investment managers, we are stewards of our clients' capital — our clients rely on us to responsibly manage their capital to create sustainable long-term value and to minimize related risks. Environmental, social, and governance (ESG) factors are increasingly material to investment decisions and stewardship responsibilities.

Engagement is a key element of ClearBridge's stewardship activities. As long-term investors in public markets, we engage with company management teams on a variety of fundamental and material ESG topics, share our views, and encourage steps toward achieving meaningful progress.

Engagements are interactions between ClearBridge investment teams and senior company representatives — CEOs, CFOs and others. These interactions are primarily one-on-one meetings (in-person or virtual) with companies, but can also include company site visits, phone calls, email exchanges, and in some cases, formal letters to a company's senior management team or board of directors. We also engage with regulators and policymakers through our participation in industry associations to help advance the development of a sustainable financial system.

ClearBridge engagements are inclusive of ESG topics, and discussions are company and industry specific; accordingly, they range in scope and timeframe. Some engagement topics, such as sustainability-related disclosures, diversity and inclusion, capital structure and governance, are generally relevant to all companies and therefore are themes raised frequently in meetings, regardless of industry.

## ClearBridge's Engagement Philosophy

Engagements are an important part of long-term equity ownership and being responsible stewards of our clients' capital. We engage with our portfolio companies to maintain a dialogue on material topics and provide feedback on their strategy and performance, often requested by the senior management. This helps improve our understanding of a business and its potential for long-term success, and it leads to companies' improved performance on financial and ESG topics, which can lead to positive business outcomes and results.

## I. ClearBridge's Approach to Engagement

We engage with companies through direct, one-on-one meetings with senior management teams. Our primary focus is to engage directly with the companies on a one-on-one basis.

Direct engagement aligns strongly with our existing investment process and strengths — ClearBridge’s high-conviction approach, resulting in concentrated portfolios, combined with our large asset base and ESG expertise, position us well to provide constructive, well-informed feedback directly to company management teams.

We take a partnership approach toward driving improvement within corporations, focusing on the impact we can have during our conversations with CEOs, CFOs and corporate sustainability teams over long periods of time. As a firm, ClearBridge conducts over 1,000 company meetings every year, many of which are focused around ESG topics. The frequency with which we engage with a given company can vary as needed.

ESG engagement generally has two overlapping objectives:

1. Research: Gaining a better understanding of the ESG topics at a company that could impact our investment thesis
2. Impact: Encouraging specific improvements at a company that could lead to positive business outcomes and results

## Research

Engagements are an integral part of ClearBridge’s investment process and our approach to stewardship. Engagements contribute to both our understanding of a company’s ESG risks and opportunities — which ClearBridge research analysts express in an internal ESG rating for a company —and our ongoing assessment of a company’s operational and financial strength. In fact, based on our observations, a company’s ESG profile and valuation are often linked. Furthermore, a substantial portion of our company research is informed by direct, ongoing interaction with company management and boards of directors.

Research analysts assign and communicate proprietary ESG ratings on companies they research and engage with as part of their internal research notes, along with any other investment-related comments on valuation, investment thesis, earnings updates and risk/reward expectations. Ratings communicated to portfolio managers reflect research analysts’ confidence in — or expectations for — progress on ESG topics. Companies with lower ESG ratings may reduce the conviction of an analyst or portfolio management team in an investment idea or indicate an elevated risk profile stemming from ESG issues.

While the primary purpose of engagements is information gathering, engagements in the aggregate can create positive business outcomes and results at the companies. As shareowners, initiating conversations — whether about gender equality, energy efficiency, better board governance or disclosure — can result in positive changes in management mindset about the relevance of these ESG topics and eventually lead to improvements in the company’s policies and operations. Additionally, many management teams that are already leading in sustainability initiatives actively seek our insights to further refine and advance their strategic approach to sustainable business practices.

## Impact

Where appropriate, ClearBridge will provide feedback to company management teams on their strategy and performance and discuss potential improvements. Such feedback can serve to promote best practices, advocate for increased disclosure or share our views on a specific ESG topic. In some engagements, for example, we are asked to provide feedback on specific policies and activities such as

disclosures and publishing sustainability reports as well as share best practices as we catalogue them through our engagements across industries.

In many circumstances, this feedback results in material, positive business outcomes and results — instances where our conversations with company management or feedback we provide helps initiate or improve sustainability practices at companies we own. This has strategically positioned us to launch Engage for Impact (EFI), our internal engagement initiative which encourages more focused engagements that have a greater likelihood of creating positive impact. With this program, lead engagers are comprised of both sector and portfolio analysts who work closely with our portfolio managers to develop a list of specific areas for improvement with respect to priority companies. Our typically long holding periods give us the opportunity to measure progress and monitor and report on outcomes over time.

## Engagement Types

Further, we have defined the type of engagement for our research analysts and portfolio managers to help support the prioritization and categorization of the engagement at the outset. Each of the types of engagements below can also lead to positive impact:

1. Routine engagements: Discussions with company management (CEO, CFO, etc.) about all routine business matters — including ESG — as part of our ongoing investment process. This is the most common and most frequent type of engagement we conduct.
2. ESG-specific engagements: Thorough comprehensive discussions with companies on specific ESG issues. This type of engagement is often with subject matter experts at the company, such as managers of sustainability, human capital management, supply chains, etc.
3. Event-driven engagements: Discussions with companies relating to specific events, such as an ESG controversy or the announcement of new company sustainability goals.
4. Proxy-related engagements: Discussions with companies before a proxy vote.
5. Company-initiated engagements: Companies often specifically request our feedback on ESG topics.
6. Engagements with industry groups: While our primary method of engagement is direct interaction with companies, we also participate in initiatives led by industry and investor groups where we want to lend our voice.

## II. Engagements and Proxy Voting

Company engagements, often consisting of long-term dialogues with company management on relevant material issues, provide valuable insights into topics that frequently appear in shareholder proposals. Company engagements and proxy voting are thus linked aspects of ClearBridge's long-term approach to public equity ownership.

Proxy votes are cast by the portfolio managers of each ClearBridge strategy. In voting proxies, we are guided by ClearBridge Proxy Voting Policies and Procedures, which include proxy guidelines for ESG proposals, and by general fiduciary principles. Our goal is to act prudently and solely in the best interest of the beneficial owners of the accounts we manage. We attempt to provide for the consideration of all factors that could affect the value of the investment and will vote proxies in the manner we believe will be consistent with efforts to support shareholder value.

With respect to shareholder social and environmental proposals, in most cases, portfolio managers vote for disclosure reports (e.g., political contributions, safety improvements, diversity, overall sustainability) that seek additional information, particularly when it appears the company has not adequately addressed shareholders' social and environmental concerns. When considering the merits of the proposal, ClearBridge will often speak with the company to understand the company's position and to communicate its feedback on the issues on the ballot, and will also review the research of the proxy advisory firm(s) retained by it.

### **III. Conflicts of Interest**

ClearBridge recognizes that conflicts of interest may occasionally arise between the firm, its clients, employees, and other stakeholders. In accordance with applicable laws, regulations, and internal policies, ClearBridge is committed to identifying, preventing, and managing conflicts of interest proactively and fairly.

A conflict of interest is defined as a situation in which the interests of an individual or entity diverge from those of a client, ClearBridge, or another party to whom a fiduciary duty is owed, potentially leading to an adverse outcome. To address such situations, ClearBridge has established compliance policies and procedures to address various conflicts of interest that may arise. This includes potential conflicts of interest in relation to Stewardship.

Above all, ensuring fair outcomes for our clients remains central to ClearBridge's operations and culture.

### **IV. Oversight**

ClearBridge's engagement and stewardship program is overseen by the Co-Directors of Research and the Head of ESG. The Engagement and Stewardship Policy is reviewed annually, and updated and amended as needed, by the ESG team, the Chief Investment Officer and the Co-Directors of Research, who may consult with the firm's Chief Compliance Officer and/or General Counsel as needed.