ClearBridge
A Franklin Templeton Company

Statement on Adherence to Japan's Stewardship Code

December 2025

Introduction

ClearBridge Investments, a subsidiary of Franklin Resources, Inc., is a leading global equity manager with a long history of active management and ESG integration. As stewards of our clients' capital, we are committed to promoting the sustainable growth of investee companies and enhancing long-term shareholder value.

ClearBridge hereby declares its adoption of the Japan Stewardship Code (June 2025 revision) and commits to fulfilling its principles. This statement outlines how ClearBridge implements each principle through our existing policies and practices.

I. Stewardship Responsibilities

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it.

ClearBridge defines stewardship as the responsible management of capital to create sustainable long-term value for clients and beneficiaries. We believe our responsibilities as long-term investors extend beyond financial analysis to include promoting sustainable growth at investee companies for the purpose of creating sustainable long-term value and minimizing related risks.

Our **Engagement & Stewardship Policy** sets out our approach and specifies stewardship as a core responsibility of our investment teams.

Our **ESG Policy** details how environmental, social and governance (ESG) considerations are systematically incorporated into our research and portfolio construction process. This includes the use of our proprietary ESG Ratings Manager, which enables analysts to assign ratings, track progress and share insights across the firm, ensuring consistency and transparency in evaluating ESG performance.

With a focus on engagement, ClearBridge conducts over 1,000 meetings annually with company executives, including CEOs, CFOs and sustainability officers, to discuss all factors that could materially affect value creation, including ESG topics such as climate change, human capital management, board diversity and governance practices. Engaging with our portfolio companies on those material issues and providing requested feedback on their strategy and performance helps improve our understanding of their businesses and their potential for long-term success.

ClearBridge tends to be a long-term shareholder, cultivating strong and lasting relationships with company management teams. We have an internal engagement initiative, Engage for Impact (EFI), to measure and communicate the progress and outcomes of key engagements. The initiative encourages focused engagements, focused on specific "asks," that we believe have a strong likelihood of creating positive impact, which we define as the creation of long-term positive outcomes for the benefit of all stakeholders in public companies: their investors — our clients — and their employees, customers, suppliers and communities.

Our **Proxy Voting Policy** sets out how we exercise voting rights on behalf of our clients, guided by fiduciary principles. These policies ensure that our voting decisions align with long-term shareholder value and sustainable growth.

Together, these policies outline how ClearBridge fulfills its stewardship responsibilities. The policies are publicly available on our website.

II. Conflicts of Interest

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

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.

III. Monitoring of Investee Companies

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation toward the sustainable growth of the companies.

ClearBridge's investment process includes close monitoring of the companies we invest in: we integrate ESG analysis into our fundamental research process, developing a holistic view of each company's risks and opportunities, assigning proprietary ESG ratings to each company and periodically assessing each company to track progress over time and drive engagement with managements.

ESG factors that we may monitor at investee companies include:

- **Environmental:** Climate change, environmental regulation and compliance; environmental impacts of products and services; renewable energy investments; stranded asset risk; and water management.

- **Social:** Affordability and access to medicines; financial inclusion and access; human capital management (recruitment and retention, diversity and inclusion); and supply chain labor management (human rights, health and safety).
- **Governance:** Board effectiveness; capital structure and allocation; executive compensation; integrity and independence of financial credit ratings; and shareholder rights and controls.

During engagements, we share our philosophy and expectations on relevant and fundamental ESG topics, inquire about ESG-related goals, check on progress from prior discussions and identify best practices that may guide our engagements with and recommendations to other holdings. The frequency with which we engage with a given company will vary as needed.

Monitoring investee companies improves our understanding of their businesses and potential for long-term success and thus informs our investment decisions, engagement strategies and proxy voting outcomes. Such monitoring can also lead to companies' improved performance on financial and ESG topics and positive business outcomes and results.

Monitoring investee companies is therefore an important part of long-term equity ownership and stewardship.

IV. Constructive Engagement

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

ClearBridge views engagement as one of the most powerful tools available to promote sustainable corporate growth. ClearBridge pursues a partnership approach to active ownership, with the knowledge that shareowners are part business owners that can provide valuable input contributing to the ultimate success of a company. Company engagements are a key stewardship tool: we engage in a constructive manner with CEOs, CFOs and other company leaders regularly about all factors that could materially affect value creation. ESG issues are frequent among these.

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: routine engagements, ESG-specific engagements, event-driven engagements, proxy-related engagements, company-initiated engagements and engagements with industry groups.

Through these interactions, we seek to arrive at a common understanding with company management, share global best practices, and support actions that strengthen governance, risk management and sustainability practices. For example, we often provide feedback on draft sustainability reports, board composition and climate transition strategies.

Upon request from investee companies and during one-on-one meetings only, ClearBridge will disclose ownership in the form of value of shares owned, number of shares owned or rank within total shareholders.

ClearBridge maintains a robust policy on handling material nonpublic information and aims to conduct constructive dialogue without handling undisclosed material facts.

V. Voting and Disclosure

***Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not comprise only a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies*.**

Proxy votes are cast by the portfolio managers of each ClearBridge strategy. In voting proxies, we are guided by the ClearBridge Proxy Voting Policy 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 consider 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.

Along with direct and ongoing company engagement, proxy voting is an important part of our stewardship approach. ClearBridge's votes on proposals filed by shareholders or by management are an effective way to signal confidence in the companies we own or to suggest the need for a change in policies, disclosures or related aspects of a company's business.

Of the tools public equity investors may use to advocate for sustainable business practices, proxy voting is one of the more visible and powerful. ClearBridge aims to vote each proxy for which it has investment discretion.

We use an external service provider, ISS, to provide us with proxy vote information and/or a recommendation in accordance with our voting policy, but we are not required to follow any such recommendations. The use of an external service provider does not discharge our responsibility for the proxy vote, and we retain full responsibility for voting decisions.

Our Proxy Committee periodically reviews these advisors' conflict management policies and ensures their recommendations are not followed mechanically. This oversight safeguards the independence of ClearBridge's stewardship practices and ensures that third-party services support, rather than substitute, our responsibilities.

Recordkeeping and oversight procedures ensure that voting decisions are transparent and well-documented. We disclose our voting records for each investee company on an individual agenda item basis as required by regulation and to clients regarding their portfolio upon request.

Certain ClearBridge clients, such as an institutional client or a mutual fund for which ClearBridge acts as a sub-adviser, may engage in securities lending with respect to the securities in their accounts. ClearBridge typically does not direct or oversee such securities lending activities. As far as it is feasible and practical, ClearBridge will request that the client recall shares on loan so that they can be voted if ClearBridge believes that the expected benefit to the client of voting them outweighs the detriment to the client of recalling them (e.g., foregone income).

VI. Reporting to Clients and Beneficiaries

Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

ClearBridge reports stewardship activities to clients through portfolio reviews, engagement updates and proxy voting disclosures.

Our engagements are tracked, monitored and shared internally and externally as appropriate. Tailored vote reporting is available to clients upon request, and aggregate reporting is disclosed publicly where required by regulation.

Our Stewardship Report, published annually and publicly available, provides insight into our stewardship philosophy and the evolution of our approach throughout the year. This is bolstered with case studies exemplifying how our stewardship responsibilities have been fulfilled.

VII. Skills and Resources

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

ClearBridge dedicates significant resources to ensure effective stewardship:

- Stewardship is a core responsibility of our investment teams. Oversight of stewardship and ESG integration is provided by the CEO, CIO, Co-Directors of Research, Head of Investment Risk Management and Head of ESG.
- ClearBridge's Head of ESG, along with the ESG Team, oversees the firm's proprietary process and methodology for integrating ESG and fundamental research in stock selection.
- Analysts are trained to integrate ESG into research and are formally assessed on their engagement quality.

This governance structure and allocation of resources ensure that ClearBridge has the capacity to make informed judgments and engage constructively with companies.