



A Franklin Templeton Company

ClearBridge ESG Policy

Amended as of September 2025

I. Firm Overview

ClearBridge Investments is a leading global equity manager. Owned by Franklin Resources, ClearBridge operates with investment autonomy from headquarters in New York and offices in Baltimore, Calgary, Edinburgh, Fort Lauderdale, Leeds, London, Melbourne, and Sydney. We believe authentic active management and high-conviction portfolios provides clients the best opportunities to earn superior investment results over the long term. We offer strategies focused on three primary client objectives in our areas of proven expertise: high active share, income solutions and low volatility. We integrate environmental, social and governance (ESG) considerations into our fundamental research process across industry sectors and in all our investment strategies.

II. ESG Investment Process at ClearBridge

ESG integration has been a key feature of our fundamental research approach and active management process for nearly 40 years. ClearBridge takes a long-term approach, holding companies for five years on average across our portfolios. Our experience demonstrates that ESG integration adds value to our own investment process while helping to mitigate risk and identify new opportunities. ClearBridge remains at the forefront among asset managers in promoting and communicating the benefits of integrating ESG factors into our fundamental analysis and stock selection and assigning proprietary ESG ratings to our investments. We also seek to improve the risk and return profile with our portfolio companies through our engagements and deep expertise on ESG best practices.

ClearBridge integrates ESG factors and materiality weightings into our fundamental research process using a proprietary framework that identifies key ESG considerations for each sector and subsector we invest in. These considerations can be categorized as environmental, social or governance.

- **Environmental:** Topics include climate change, environmental regulation and compliance; environmental impacts of products and services; energy transition risk and opportunities, biodiversity, waste management and financial KPIs related to environmental improvements.
- **Social:** Topics include community impact; access and affordability; product quality and safety; financial inclusion; human capital management (recruitment and retention, diversity and inclusion); and supply chain labor management (human rights, health and safety).
- **Governance:** Topics include board independence and quality; transparency; capital allocation practices; executive compensation; business conduct and ethics; and shareholder rights and controls.

As part of this process, portfolio managers and analysts use proprietary platforms for building and internally sharing ClearBridge ESG assessments and ratings. The platforms allow for an easily accessible common language for ESG assessment that promotes transparency and consistency of methodology in assigning ESG ratings to companies across the firm.

III. Performance on Material ESG Risks and Opportunities is Linked to Value Creation

We believe companies that plan thoughtfully for the future and operate sustainably in relation to their employees, customers, communities and the environment should have a long-term competitive advantage over their peers. Our belief, backed by academic evidence, is that strong management of material ESG risks and opportunities can result in lower costs of capital and better operational performance for companies.

	Example of Strong ESG Performance	Example of Weak ESG Performance
Product Demand	<ul style="list-style-type: none"> ☑ Products made sustainably (e.g., with transparent, lower-impact manufacturing practices) can attract new customers and increase customer loyalty 	<ul style="list-style-type: none"> ☒ Poor product safety or quality, and poor manufacturing practices (e.g., supply chain labor controversies) can damage brand reputation and reduce product demand
Operating Efficiency	<ul style="list-style-type: none"> ☑ Efficient use of resources such as energy, raw materials, and water can reduce operating costs and increase profitability 	<ul style="list-style-type: none"> ☒ Lack of environmental management systems can indicate inefficient use of resources and unnecessary costs
Regulation	<ul style="list-style-type: none"> ☑ Products with positive externalities may receive regulatory support over time (e.g., subsidies, grants, less regulation) 	<ul style="list-style-type: none"> ☒ Products with negative externalities may face increased regulatory scrutiny over time (e.g., taxes, advertising restrictions, bans, fines, legal liabilities)
Human Capital	<ul style="list-style-type: none"> ☑ Companies that treat employees well can have higher employee engagement and lower employee turnover, which can increase productivity, reduce HR costs, and increase customer loyalty 	<ul style="list-style-type: none"> ☒ Companies that treat employees poorly can experience strikes, lower employee engagement, and higher employee turnover, which can reduce productivity, increase HR costs, and decrease customer loyalty
Social License to Operate	<ul style="list-style-type: none"> ☑ Companies with strong track records on ESG can experience better community relations, making it easier to operate and receiving support and incentives to expand 	<ul style="list-style-type: none"> ☒ Companies with poor track records on ESG can experience disruptions to existing operations and expansion plans (e.g., protests, boycotts, blocked M&A)
Capital Allocation	<ul style="list-style-type: none"> ☑ A robust capital allocation framework with well-aligned incentives can enable management to take the right amount of risk in setting strategy and allocating capital 	<ul style="list-style-type: none"> ☒ A poorly defined capital allocation framework with misaligned incentives can result in under- or over-investment in the business and misallocation of capital
Investment	<ul style="list-style-type: none"> ☑ Effective investment in R&D drives product innovation and process innovation, which can increase long-term sales and profitability 	<ul style="list-style-type: none"> ☒ Under-investment in R&D (e.g., to improve short-term profitability) can lead to less competitive products and processes over the long term

IV. ESG Integration and Impact

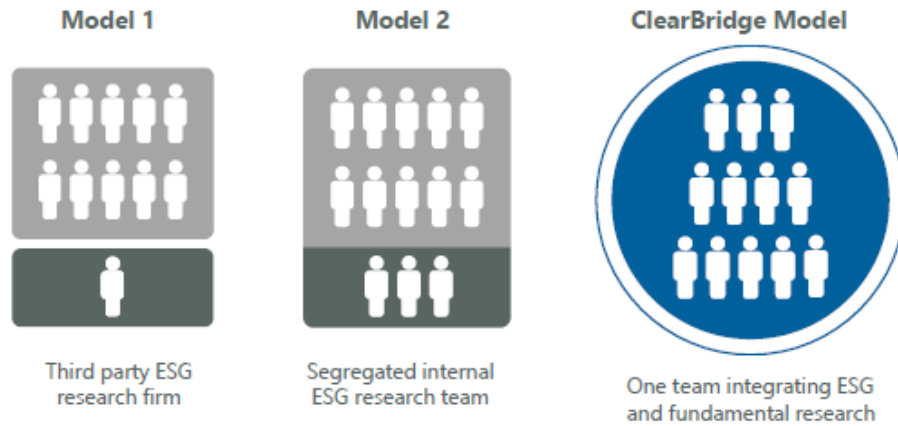
We believe investors in public equities have a crucial role to play in addressing environmental and social challenges faced by society that have a material effect on the risks and returns associated with their investments to ensure the long-term financial success of their portfolios. Large public companies can have a substantial environmental and social impact (both positive and negative) by virtue of their size and complex stakeholder relationships across supply chains, distribution networks and communities where they operate. We can amplify this impact through our allocation of investment capital and direct engagement with company managements. These activities form two overlapping elements of ClearBridge’s ESG approach:

- Integrating ESG analysis into fundamental research and portfolio construction.
- Engaging and proxy voting to communicate with management teams on issues of risks and opportunities.

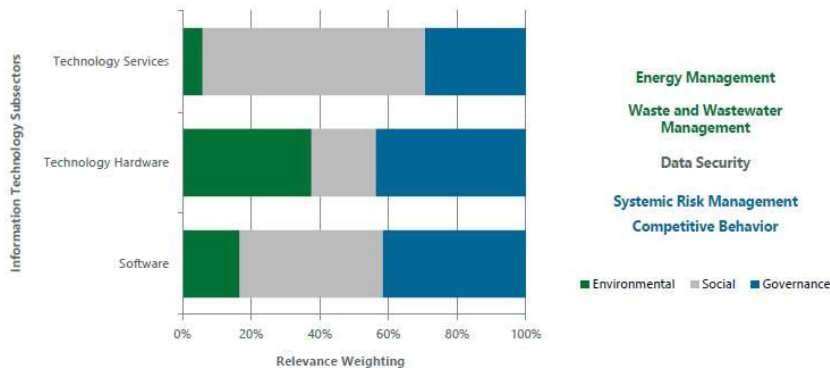
V. Integrating ESG Analysis into Fundamental Research

At ClearBridge, ESG is not merely a screen or an overlay; it is part of how we conduct fundamental research and it defines how we think about all companies considered for investment. We source investment ideas and construct portfolios by integrating ESG analysis into the fundamental research performed by our investment team.

ClearBridge’s analysts and portfolio managers measure and evaluate the impact of ESG factors on both a qualitative and quantitative basis. The factors assessed represent the ESG specific risks or opportunities relevant to a company either due to its business activities or the industry in which it operates. This focused, integrated approach results in a thorough and detailed evaluation of a company’s material ESG factors and ultimately in a proprietary ESG rating. These assessments and ratings can serve to drive meaningful engagements with company management teams and track progress over time.



For example, different industries or subsectors within the information technology sector will have unique ESG weightings and several ESG factors within them that might be relevant in a company’s ESG rating (weightings are subject to change):



To promote transparency and consistency of methodology across the investment teams, we have developed proprietary ESG rating platforms. These enable us to: identify material environmental, social and governance considerations by industry subsector; reflect materiality by assigning company-specific weightings to ESG factors; implement firm policies regarding minimum weightings for Governance and Diversity; and build, store, internally distribute and update ClearBridge proprietary ESG ratings.

ESG analysis forms an integral part of the overall investment process, alongside valuation and the traditional fundamental components of investment recommendations:



VI. Focus on Material ESG Topics

Corporate governance as a starting point

We believe that good corporate governance of the companies in which we invest is an essential part of creating shareholder value and delivering investment performance for our clients. As global investors, we recognize there is no one-size-fits-all approach given the different corporate governance structures and levels of corporate maturity in many parts of the world. Importantly, issues here tend to go hand in hand with issues on the environmental and social front, making it a very useful barometer for the broader sustainability of a business.

For these reasons, we analyze each company and situation on its own merits, within a framework of accepted global corporate governance principles and regarding their local corporate governance requirements.

Environmental and social risks and opportunities

Environmental and Social risks can manifest themselves in different ways, such as, but not limited to inadequate management or mitigation of material risks, changes to regulatory standards or norms, failure to comply with existing regulatory requirements.

ESG analysis can also identify potential opportunities, for example, those created by the transition to more sustainable economic growth or those companies whose products and services can help meet the ambitions of the UN Sustainable Development Goals (SDGs).

There are a number of factors that can have broad application across multiple companies – systemic issues that we consider in our investment process.

Environmental

Climate Change

For ClearBridge, over the short, medium and long term, our main sources of climate-related risk and opportunity relate to:

- Investment performance - Climate change is a global risk and what we consider to be an investment opportunity, as actions to mitigate and adapt to climate change will disrupt many sectors, creating both winners and losers in the process. Disruption will largely play out through a combination of technological innovation and regulation/policy developments supporting decarbonization (transition risk). Additionally, increased frequency of severe weather events can impact businesses and their employees through damage to assets, lost operating days and supply chain disruptions (physical risk).
- Shifts in client preferences - Greater focus on climate change is informing many asset owners (both individuals and institutions) to consider how climate-related risks and opportunities are factored into their investment decisions.

We integrate climate change into our investment analysis to help us understand how the impacts of climate change — physical, technological, social and political — will affect society, the economy and the companies we invest in for our clients. We believe we also contribute to the solution by supporting companies as they address climate change challenges. Engaging with our portfolio companies on material ESG issues such as climate change and providing requested feedback on their strategy and performance help improve our understanding of their businesses and their potential for long-term success.

As part of our efforts in reducing our financed emissions, we set a goal to achieve net zero by 2050. The focus of our approach to net zero to mitigate risk is supportive engagement with portfolio companies on their decarbonization strategies. As long-term investors, we want to ensure that the companies we are investing in are prepared for the changes that a decarbonizing economy and a changing climate will bring to markets around the world. Steps we would generally view as beneficial to reduce portfolio company's climate-risk include:

- Detailed disclosure of climate-related risks, such as the Task Force on Climate-related Financial Disclosures (TCFD);
- "Appropriate" GHG emissions reduction targets (i.e., short-term and medium-term GHG reduction targets or net zero by 2050 GHG reduction targets).

Nature-Related Risks & Opportunities

Nature-related loss and climate change are highly inter-connected issues and one cannot be solved without addressing the other. Nature is declining globally at rates unprecedented in human history and, therefore, it is critical that we understand our investments' impacts and dependencies on nature. In doing so, where material, we integrate nature-related considerations into our investment decision-making processes, including identifying and assessing risks and opportunities associated with these issues.

In an effort to encourage sustainable business practices to manage and monitor nature loss, we engage with our portfolio companies where these issues are most material to their business. Examples include assessment and disclosure of nature-related impacts and dependencies within one's value chain,

development of biodiversity and deforestation policies, responsible waste and water management, transparency into lending practices, and consideration of local communities that may be affected.

Social

Diversity and Inclusion

We invest in a wide variety of companies, across geographies, sectors and market capitalizations and believe each company can benefit from a more diverse and inclusive culture. We address this topic in two ways:

1. **Stewardship:** By integrating diversity and inclusion into our investment analysis holistically to understand the culture of portfolio companies and their human capital management as well as the impacts their products and services have on all stakeholders. Thoughtfully and responsibly addressing these topics can have a positive effect on society, the economy and long-term shareholder value creation.
2. **Impact:** By engaging portfolio companies in support of diversity and inclusion efforts within their own workforces and encouraging them to become more aware of diversity and inclusion in their interactions with all stakeholders.

Human Rights

ClearBridge views human rights as universally relevant to businesses in all areas of the private sector. Human rights are accordingly a key tenet of our approach to integrating ESG factors in the investment process. We also believe that respect for human rights is fundamental to advancing the U.N. Sustainable Development Goals (UN SDGs). We expect companies to observe both the Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We also expect companies to comply with and report on any relevant regulatory obligations that apply in markets in which they are listed or operate.

We can use our voice as shareholders to advance human rights best practices and scale up the implementation of human rights frameworks in corporate business activities. We believe engaging with companies on their human rights practices is an important part of what we do and supports the growing action companies are taking on human rights due diligence. We actively foster dialogue around how portfolio companies monitor and manage human rights issues that are material to their businesses. To facilitate this, we also monitor human rights issues at the company level and promote best practices, which we view as crucial to our role as an active and responsible shareholder.

We also believe that human rights due diligence on our investments is crucial to identifying and preventing current and future violations and controversies. This includes assessing potential investments and their value chain in high-risk sectors like apparel, metals and mining and renewables, for example.

VII. ClearBridge's Approach to 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. As well as being stewards of the investments in our clients' portfolios, investment managers play an important role as guardians of market integrity and in working to minimize related risks. Environmental, social and governance factors are increasingly material to investment decisions and stewardship responsibilities.

As investors in public markets, engagement is a key element of ClearBridge's stewardship activities. We engage with company management teams on a variety of material fundamental and governance and sustainability factors.

We take a partnership approach in our interactions with companies, focusing on providing helpful and insightful guidance and input to their 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 centered around engagement on ESG topics. The frequency with which we engage with a given company can vary as needed.

In many cases, during these engagements we will be seeking information on, or monitoring the evolution of, their business, strategy and long-term value creation. Where we are encouraging specific changes, we set out a clear objective that takes into account positive business outcomes. We monitor the progress of the engagement against objectives, recognizing that engagement takes time and often requires patience and persistence.

For more information on ClearBridge's engagement program, please see our formal Engagement and Stewardship Policy on our website.

VIII. ClearBridge's Approach to Proxy Voting

The proxy voting process is one of the more visible and powerful tools public equity investors may use to advocate for sustainable business impact. It is an important part of our approach to positively communicate to companies through ownership. ClearBridge's votes on management and shareholder proposals are an effective way to signal confidence in the companies we own, or to suggest the need for a change in policies related to potential risks or opportunities, or disclosures to reduce risks in a company's business.

The ClearBridge Proxy Committee oversees the proxy voting process and is responsible for maintaining ClearBridge's Proxy Voting Guidelines. These guidelines set our recommended voting policies across a range of proposals. In cases where the voting recommendation is not explicit, such as, for example, shareholder proposals or in markets where corporate governance differs materially from the U.S., the proposal is referred to the specific portfolio managers who own the shares and who will determine the appropriate way to vote on a case-by-case basis, using their knowledge of the company and in some cases speaking directly to the company about the specific proposal.

In voting proxies, we are guided 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 maximize shareholder value. In the case of a proxy issue for which there is a stated position in our Proxy Voting Guidelines, we generally vote in accordance with the stated position.

IX. Industry Associations

ClearBridge actively participates in industry initiatives and partners with organizations that support the furthering of ESG integration and stewardship, as well as sharing of best practices. Involvement includes our contributions as members and signatories of the U.N.-supported Principles for Responsible

Investment (PRI), Ceres, CDP, US SIF and the Access to Medicine Index (ATMI). A full list of our partnerships can be found on our website.

X. ESG Oversight

The Chief Executive Officer (CEO), Chief Investment Officer (CIO), Head of Investment Risk Management, Co-Directors of Research, and the Head of ESG have direct oversight of the firm's ESG integration efforts. These efforts are directed by the Head of ESG, who, with the collaboration of the ESG Strategy Team, oversees the firm's proprietary process and methodology for integrating ESG and fundamental research in stock selection. The Head of ESG is also an active portfolio manager and reports directly to the CIO, who provides oversight of the firm's overall approach to ESG integration.

ClearBridge's engagement and stewardship program is overseen by the Co-Directors of Research and the Head of ESG.

Senior management, including the CEO, CIO, Chief Compliance Officer, Chief Operating Officer, Co-Directors of Research, Head of ESG and the ESG Team periodically reviews the firmwide ESG integration strategy and implements improvements on an as needed basis.

Sector analysts are assessed on the quality of their work, including the quality of their ESG research and this assessment is factored into analyst's incentive compensation.

To better manage and oversee ESG-related risks across our portfolios, the Head of Investment Risk Management incorporates portfolio level ESG analysis in quarterly risk reviews. Lastly, when analysts issue research notes, the Compliance team reviews the note to ensure that the ESG content contained within matches the ClearBridge ESG rating. If there are discrepancies, Compliance will follow up with the analyst.