

For Immediate Release

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ClearBridge Investments Creates Long-Term Value Through Active Stewardship

Firm uses proxy voting and engagement to address ESG challenges

New York, NY – May 4, 2023 – ClearBridge Investments, a leading global equity manager with \$151 billion in assets under management, released its sixth annual Stewardship Report for the 2022 year, detailing its approach to creating shareholder value through the incorporation of environmental, social and governance (ESG) factors into its investment process. ClearBridge has used ESG integration as a core part of its active management approach for more than 35 years.

“As stewards of client capital, our role is to communicate the fundamental and fiduciary drivers supporting our conviction in ESG integration. We believe in addressing the urgent sustainability challenges faced by investors and global society, seeking progress through improvements to our ESG practices and providing ongoing support to existing industrywide collaborations,” said Terrence Murphy, Chief Executive Officer.

Proxy Voting and Company Engagements

ClearBridge Investments uses its influence as a top 20 shareholder in more than 242 public companies to promote positive change through proxy voting, company engagements and thought leadership. In 2022, ClearBridge voted on 16,830 proposals at its portfolio companies, continuing its track record of casting 100% of its proxy votes.

Over the past year, the firm also conducted more than 1,000 meetings with company decision makers to share expectations on ESG topics, inquire about ESG-related goals and set objectives for the future. ClearBridge’s top engagement theme in 2022 was climate-related issues, followed by disclosures, net zero, and diversity, equity and inclusion. ClearBridge also introduced an enhanced internal engagement initiative, Engage for Impact, aimed at encouraging more targeted engagements that have a greater likelihood of creating positive impact.

“Engagements remain at the heart of our stewardship efforts, as the long-standing relationships we have cultivated with company managements help contribute to meaningful change across sectors and industries,” said Murphy.

Commitment to Net Zero

ClearBridge is a signatory to the Net Zero Asset Managers initiative (NZAM) and has committed to achieving net-zero emissions across all its investment portfolios by 2050. In 2022, the firm

submitted its first net-zero emission reduction targets, which were accepted and published by NZAM, and the firm's net-zero approach was selected as a case study by the United Nations-supported Principles for Responsible Investment (UN PRI).

“Our case study outlines our forward-looking approach to verifying net-zero alignment that corresponds with our goal of identifying companies that will maintain shareholder value and be successful well into the future,” said Mary Jane McQuillen, Head of ESG and Portfolio Manager at ClearBridge Investments. “Assessing how companies will remain competitive and resilient amid a net-zero future is part of our fiduciary duty to our clients.”

In measuring the alignment of the firm's in-scope assets, ClearBridge found that 43% of applicable assets were net-zero aligned, representing a 7% increase from the firm's baseline and 3% over its target net-zero pathway.

The firm continued its practice of publishing a standalone [Climate Report](#) aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework, describing ClearBridge's approach to integrating climate-related risks and opportunities in its investment process. ClearBridge also signed a joint investor statement calling on governments to make advancements on their collective response to the climate crisis, specifically around policy making, net-zero commitments and actions to strengthen national climate plans.

Building a Diverse and Inclusive Culture

ClearBridge believes that diversity, equity and inclusion are essential to its success as an organization, as diversity allows for the exchange of differing perspectives, experience and ideas. The firm continued to increase the number of women and people of color among its workforce in 2022, with women and people of color representing 38% and 32% of its staff, respectively. ClearBridge will continue to promote a diverse and inclusive company culture through its pay equity, total award and talent management processes.

Protecting Human Rights

In 2022, ClearBridge joined Advance, the UN PRI's recently launched stewardship and collaborative engagement initiative for human rights and social issues. Advance is endorsed by over 200 investors with collectively more than \$30 trillion in assets under management. As a collaborating investor, ClearBridge has committed to engaging a focus company within the metals and mining sector and will publish a detailed firmwide human rights policy in 2023.

“Protecting human rights and advancing diversity, equity and inclusion are priorities that have informed much of the work we have done across public advocacy, individual company engagements and in our own recruiting and human development efforts at the firm,” added Murphy.

The entire Stewardship Report can be found [here](#).

About ClearBridge Investments

With \$151 billion in assets under management as of December 31, 2022, ClearBridge Investments is a leading global equity manager committed to delivering long-term results through authentic active management, offering investment solutions that emphasize differentiated, bottom-up stock selection to move clients forward. The firm integrates ESG considerations into its fundamental, bottom-up research and stock selection process across all

strategies. Owned by Franklin Templeton, ClearBridge operates with investment independence from headquarters in New York and offices in Baltimore, Fort Lauderdale, London, San Mateo, and Sydney.

About Franklin Templeton

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