



ESG Investment Proxy Voting Guidelines

These Proxy Voting Guidelines summarize how ClearBridge Investments' Environmental, Social and Governance Investment (ESG) managers¹ will vote on social & environmental issues.

These guidelines do not cover all types of resolutions, nor do they cover the full range of social & environmental resolutions proposed each year. In voting proxies, ESG Investment will primarily focus on the core basket of societal issues that are common across all portfolios under management, as articulated in our various program materials and publications, such as:²

- ▶ Environmental Drivers & Shareholder Value
- ▶ The Role of "Best of Class" in ESG Integration
- ▶ Mission-Consistent Investing: Aligning Goals and Assets
- ▶ Workplace Drivers & Shareholder Value

Societal Issues

- ▶ Animal Welfare & Experimentation
- ▶ Community
- ▶ Corporate Governance
- ▶ Environment, Health and Safety
- ▶ Human Rights
- ▶ Pornography
- ▶ Standards of Conduct
- ▶ Workplace and Workforce Diversity

Resolutions relating to issues arising from client-specific screens will be examined and acted upon on a case-by-case basis, with a goal of reflecting client views to the extent possible. As managers of ESG portfolios, we have an obligation to vote proxies in the best interest of our clients, considering both their financial interests as well as their values and beliefs. When making a decision, we examine each resolution offered and the context in which it applies. For this reason, there may be certain instances in which shares may not be voted in strict adherence to these guidelines.

The vast majority of our portfolios do not have exposure to certain industries, such as tobacco and gaming, at this time. Thus, resolutions covering these issue areas are not addressed in this document. Should a client's portfolio include such holdings, we will vote proxies on a case-by-case basis.

Our guidelines are updated each year to reflect emerging issues that our clients, or the social investment community at large, are raising as concerns. These guidelines are subject to change without notice. The Environmental, Social and Governance (ESG) Investment Proxy Voting Guidelines are a supplement to ClearBridge Investments' Proxy Voting Policies and Procedures. In the event of a conflict, the ESG policy will take precedence. In some cases, after much deliberation, we may vote an Abstention for certain proposals.

Animal Welfare & Experimentation

ClearBridge will support resolutions that ask corporations, where appropriate, to:

- Adopt animal welfare standards for their operations worldwide.
- Require that suppliers meet basic standards for the humane treatment, transportation and slaughter of farm animals.
- Expand the use of animal testing alternatives in their operations worldwide.

ClearBridge will consider resolutions on other animal welfare and experimentation issues on a case-by-case basis.

Community

ClearBridge will support resolutions that ask corporations, where appropriate, to:

- Adopt policies to ensure equal access to credit and insurance, particularly for major disadvantaged groups.
- Promote community reinvestment and development, particularly in historically underserved and low-income areas.
- Conduct a transparent assessment of the impact of corporate plans on culturally, environmentally and/or archaeologically significant sites.
- Appraise lending and insurance practices and develop policies to prevent predatory lending or redlining practices.
- Report on the impact of operations on the rights of indigenous peoples.
- Report on standards for television program production and mechanisms for monitoring violent programming.
- Report on the quality of patient care at health care institutions owned or operated by the company.
- Appraise and report on price restraint policies for pharmaceutical products.
- Create mechanisms for engagement with community and other stakeholder groups on issues relating to products and services, manufacturing processes, and other operational issues.

ClearBridge will vote against new shareholder proposals and any proposals to eliminate, direct or otherwise restrict, charitable contributions.

Corporate Governance

The ESG Investment program's guidelines for corporate governance proposals are the same as those in ClearBridge Investments' Proxy Voting Policies and Procedures.

Environment, Health and Safety

ClearBridge will support resolutions that ask a company to:

- Adopt an environmental, health and safety policy and to issue reports on its policies, practices, and performance.
- Examine the impact of climate change policy-making on current positions and future strategic position, and report to shareholders on steps to manage climate-related risks.

- Participate in public policy dialogues on strategic environmental, health and safety issues in their operating arena.
- Incorporate life-cycle design in their business processes, addressing issues such as energy efficiency, renewable fuels, pollution prevention, waste minimization, and recycling and reuse.
- Reduce their environmental "footprint" by reducing greenhouse gas and other toxic emissions, increasing recycling efforts, and expanding the use of recycled materials in products and packaging.
- Adopt environmentally friendly purchasing practices (e.g., pulp or lumber from sustainably managed forests).
- Increase transparency on sustainability reporting from the firm's own operations. Disclose more information about environmental liabilities.

ClearBridge will vote on resolutions on industry-specific issues such as genetically engineered products, chlorine bleaching, PVCs, and mercury-containing devices on a case-by-case basis.

Human Rights

ClearBridge will support resolutions that ask corporations to:

- Adopt a formal corporate-wide human rights policy.
- Issue periodic reports on its human rights policies, practices, and performance.
- Participate in public policy dialogue on critical human rights issues with grass-roots and other human rights groups, government, and other stakeholders, as appropriate.
- Develop guidelines for their operations in countries associated with repressive regimes and report on those operations and their relationship with the governments in those countries.
- Develop policies to ensure that they, as well as their vendors and other subcontractors, are not using forced or child labor.
- Adhere to policies that conform to the International Labor Organization's Core Conventions and the United Nations Universal Declaration on Human Rights.

ClearBridge will review on a case-by-case basis resolutions pertaining to a company's operations in specific countries associated with repressive regimes.

Pornography

ClearBridge will support resolutions that ask corporations to:

- Report on their involvement in the pornography industry and to assess its potential financial, legal and public relations liabilities.

ClearBridge will review other resolutions pertaining to pornography on a case-by-case basis.

Standards of Conduct

ClearBridge will support resolutions that ask corporations to:

- Consider social, environmental, and human rights factors in site selection and other business decisions.
- Develop codes of conduct to guide company policies, programs and operations across all their regions.
- Develop standards for their vendors, suppliers and other business partners, with a particular focus on sweatshop labor, child labor, penal labor, and working conditions.
- Engage independent parties to monitor company and vendor compliance with established codes and policies.
- Publicly report on their progress towards implementing established codes and monitoring results.
- ClearBridge will consider resolutions that ask companies to endorse specific external codes of conduct on a case-by-case basis.

Workplace and Workforce Diversity

ClearBridge will support resolutions that ask corporations to:

- Expand their efforts to search for qualified women, minority, and disabled candidates for nomination to the board of directors.
- Disclose diversity policies, practices and progress, including statistical data filed with the Equal Employment Commission.
- Include the terms "sexual orientation," "gender identity," and/or "gender expression" to their written nondiscrimination policies.
- Adopt policies to support the increase in number of employees with disabilities.
- Create and fund employee stock ownership plans, and report on employee ownership.
- Establish a 401(k) savings plan for employees.
- Link executive compensation to both financial and social performance.

ClearBridge will vote against shareholder proposals that request the explicit exclusion of any particular employee group from the company's non-discrimination policy or currently offered benefits.

ClearBridge Investments

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1 ClearBridge Investments' Environmental, Social and Governance Investment is offered as a separate account in the following strategies: All Cap Value, Appreciation, Dividend Strategy, International Growth ADR, International Value ADR, Large Cap Growth, Large Cap Value, Multi Cap Growth and Sustainability Leaders.

2 These materials are available upon request. Please contact us at Institutional@ClearBridge.com.

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