

# Modern Slavery Statement

For the year ending 30 September 2024



**ClearBridge Investments Limited**

(ABN 84 11 9339 052, AFSL 307 727)

**ClearBridge Investments (North America) Pty Limited**

(ABN 11 138 069 191)

(the above entities are referred to as “ClearBridge” for the purposes of this Statement)

## SECTION 1 - REPORTING ENTITIES IN AUSTRALIA

In accordance with section 16 of the *Modern Slavery Act 2018* (Cth) (the “**Act**”), this voluntary Modern Slavery Statement (“**Statement**”) has been prepared by ClearBridge Investments Limited and its subsidiary<sup>1</sup> (“**ClearBridge**”), as at 30 September 2024.

We note that our affiliate, Franklin Templeton Australia Limited (“**FTAL**”), the Responsible Entity for the ClearBridge managed investment schemes in Australia, also prepares a voluntary Modern Slavery Statement.

ClearBridge is wholly, indirectly owned by Franklin Resources, Inc. (operating as “**Franklin Templeton**”), a publicly traded company listed on the New York Stock Exchange (NYSE:BEN). ClearBridge is also operationally integrated with ClearBridge Investments, LLC. (together “**ClearBridge Investments**”).

ClearBridge’s Statement has not been formally submitted to the Australian Border Force as a voluntary Modern Slavery Statement, as ClearBridge does not meet the regulatory reporting threshold.

## SECTION 2 - OUR BUSINESS AND STRUCTURE

ClearBridge Investments Limited:

- a) is an Australian unlisted public company (ABN 84 119 339 052, AFSL 307727);
- b) employs 42 staff in Australia (as at 30 September 2024); and
- c) does not currently meet the consolidated annual revenue threshold of at least A\$100 million.

ClearBridge was founded in 2006 and its head office is located in Sydney, Australia with satellite offices in Melbourne and Brisbane. ClearBridge provides investment management and advisory services for products and strategies made available to wholesale clients (both via pooled funds and institutional mandates) in Australia, the U.S., Canada (Quebec and Ontario), the U.K., Europe, Kuwait, Philippines, Hong Kong and Taiwan. The firm is primarily focused on global listed infrastructure as an asset class, but in 2024, expanded its focus to other equity strategies. As at 30 September 2024, assets under management (“**AUM**”) were in excess of A\$11.2 billion.

We believe that enhancing investment support to companies with strong sustainability practices not only meets the responsibility we have to our clients in achieving their investment goals. ClearBridge has therefore incorporated consideration of environment, social and governance (“**ESG**”) factors into its processes since inception. Labour standards and ethical factors form an intrinsic part of this focus.

ClearBridge Investments is a signatory to the United Nations Principles for Responsible Investment (“**UNPRI**”) and reports annually on the implementation of those principles. ClearBridge Investments supports the principles of the UN Global Compact (“**UNGC**”) and therefore we do not invest in companies that violate the ten principles in each of the four areas (human rights, labour, environment and anti-corruption) of the UNGC. ClearBridge also supports the Organisation for Economic Cooperation and Development (“**OECD**”) Guidelines for Multinational Enterprises as a comprehensive standard for responsible business conduct. Our Compliance function monitors UNGC and OECD compliance daily. If a violation is identified, any impacted portfolio/fund is required to sell out of the position as soon as reasonably practicable and in the best interests of clients. Our investment process also considers the Sustainable Development Goals (“**SDGs**”) by mapping issuers against each one of the SDGs as a proxy for determining a positive Environmental or Social contribution.

Given the breadth and coverage of our global client base and regulatory licenses, we continue to factor in the rapid development of ESG-related laws, regulations and proposals globally. We will continue to review and assess our approach given the rapid and continuing progression in regulatory focus and oversight on ESG disclosure.

## SECTION 3 – OVERVIEW OF CLEARBRIDGE’S POTENTIAL EXPOSURE TO MODERN SLAVERY RISKS

ClearBridge recognises the potential for modern slavery practices to be present in companies within its underlying investment portfolios and in its own supply chains. ClearBridge is committed to operating its business ethically, from an employment, investment management and supply chain perspective.

---

<sup>1</sup> ClearBridge Investments (North America) Pty Limited.

ClearBridge takes a risk-based approach in identifying potential modern slavery risks in its employment, investment management and supply chain activities. Modern slavery describes situations where coercion, threats or deception is used to exploit individuals and undermine or deprive them of their freedom. This includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

### **3A. Employees - Overview**

ClearBridge employees undertake a variety of professional and administrative roles in Australia. Accordingly, our employees have the benefit of statutory protections, contractual entitlements, as well as various internal policies and procedures, to protect their employment rights. Given this, as a licensed financial service provider within a highly regulated industry in Australia, ClearBridge considers that as an employer, its risk exposure is low.

See *Section 4B – Employees: Reducing Modern Slavery Risk in our Own Workforce* which further discusses our approach to managing modern slavery risks in our employment arrangements.

### **3B. Investment Activities - Overview**

ClearBridge is a global equity manager committed to delivering consistently superior risk-adjusted investment performance to investors. We pursue this goal through a combination of active, research-driven, fundamental investing.

ClearBridge's Infrastructure investment philosophy includes the delivery of infrastructure-like returns to investors while mitigating investment risk wherever possible. Since inception, the inclusion of sustainability and ESG factors has been a core part of our infrastructure investment process, and we have always approached the ownership of equity in listed infrastructure companies from a long-term and sustainability-driven perspective. We do not defer sustainability analysis to a dedicated ESG analyst, rather it is a responsibility of all Investment team members. Our team believes that integrating sustainability into the investment process supports our responsibility to our clients in achieving their investment goals.

Though modern slavery may occur anywhere, certain industries and jurisdictions may present a higher risk and we bring this awareness into our investment process. Risk management, including ESG risk management, is core to our investment approach.

See *Section 4C – Investment Activities: Incorporating Sustainability in the Infrastructure Investment Process* which further discusses our approach to managing modern slavery risks in our investment activities.

### **3C. Suppliers - Overview**

ClearBridge seeks to identify the risk of modern slavery practices in its external third-party supply chain by conducting a risk-based due diligence at the point of initial engagement and thereafter annually.

ClearBridge's external third-party suppliers are all located in lower-risk countries, based on the Global Slavery Index 2023. At a country level, ClearBridge's proportion of total spend for the review period is 80% Australia, 9% United States, 5% United Kingdom, 3% Taiwan, 2% Hong Kong, and 1% for each of the Netherlands, Canada and Singapore. We have long term formal contracts with the majority of our external third-party suppliers. Where appropriate and practicable, we formalise ad hoc arrangements in writing with smaller businesses.

See *Section 4D – Suppliers (Third Party Vendors): Reviewing Our Supply Chain Risks* which further discusses our approach to identifying and managing modern slavery risks in our external third-party supply chain.

## **SECTION 4 – ASSESSING AND ADDRESSING MODERN SLAVERY RISKS: TOOLS**

### **4A. Policies and Procedures**

ClearBridge utilises the following set of policies and values statements in assessing the strategic and operational risks of modern slavery practices. These policies and values statements provide advice and guidance across all of our functions and are at the core of our business operations.

DOCUMENT	PURPOSE
<p><b>Franklin Resources Inc. Code of Ethics and Business Conduct</b></p>	<p>The <b>Franklin Resources Inc. Code of Ethics and Business Conduct</b> (“Code”) summarises the values, principles and business practices that guide the business conduct of Franklin Templeton and also provides a set of basic principles to guide employees regarding the minimum ethical requirements expected of them. Employees are required to read, understand and comply with this Code.</p> <p>The Code is principles based and is intended to promote each employee’s awareness of their responsibilities on a variety of legal and ethical issues and to help them determine the appropriate course of action under a variety of circumstances.</p>
<p><b>ClearBridge Code of Ethics</b></p>	<p>The <b>ClearBridge Code of Ethics</b> (“Code”) governs the standards of business fiduciary duty and conduct applicable to all employees. It is based on the principle that ClearBridge owes a fiduciary duty to clients, and that all persons covered by the Code must, therefore, avoid activities, interests and relationships that might (i) present a conflict of interest or the appearance of a conflict of interest, or (ii) otherwise interfere with ClearBridge’s ability to make decisions in the best interests of any of its clients.</p> <p>All employees who are subject to the Code are required to comply with all financial services, and other pertinent laws in each jurisdiction applicable to ClearBridge’s business. Should an employee become aware of any conduct which may constitute a violation of the Code, the law or regulation, or any ClearBridge policy, the employee must promptly report such conduct to the Head of Legal, Risk &amp; Compliance who provides independent oversight, review and investigation on a confidential basis.</p>
<p><b>ClearBridge Supplier Code of Conduct – Modern Slavery</b></p>	<p>The <b>ClearBridge Supplier Code of Conduct – Modern Slavery</b> confirms our expectations of third-party suppliers to have in place minimum standards of conduct in regard to labour practices. ClearBridge expects that its suppliers will comply with all modern slavery laws and regulations in the countries in which they operate and, where relevant, seek commitments from their own supply chain to also meet these requirements. More broadly, suppliers are expected to pursue ethical and responsible sourcing of all goods and services in their supply chain.</p>
<p><b>ClearBridge Whistleblower Policy</b></p>	<p>ClearBridge’s Australian <b>Whistleblower Policy</b> provides advice and guidance to employees and covered third parties in regard to the escalation of actual or suspected illegal or unethical conduct (including abusive labour practices or modern slavery). Reports can be made on a confidential and anonymous basis. In accordance with Australian law, the policy prohibits any retaliatory action against a reporting person, including discharge, demotion, suspension, threats or harassment.</p> <p>As part of our global focus on whistleblower protections, Franklin Resources, Inc. offers a confidential <b>Compliance and Ethics Hotline</b> (toll-free), available to all staff globally. Employees can report suspected legal or ethical violations (including, suspected instances of abusive labour practices or modern slavery). The hotline may be accessed 24 hours a day, seven days a week and is administered by an independent third-party organisation.</p>

Supplementing the above, is the Responsible Investment Policy, External Service Providers Policy, AML/CTF Program, UNGC and OECD Monitoring Policy and Sanctions Policy.

#### **4B. Employees: Reducing Modern Slavery Risk in our Own Workforce**

At ClearBridge, we recognise that our staff are our greatest asset and that together, we all contribute to the ongoing success of our business and attainment of our goals.

We are strongly committed to compliance with the *Fair Work Act 2009* (Cth) and other statutory and related obligations in performing our role as an employer, including applying all appropriate employee rights and protections within the employment contract and our ongoing relationships with staff.

We have numerous HR policies that set out our approach with regard to the hiring and retention of staff as well as succession planning, promotion, ongoing training and development and additional benefits made available to our employees. As part of our commitment to uphold the highest standards of governance with respect to our operational and strategic objectives, we also demonstrate these standards through our hiring and retention practices, as outlined below.

##### Key Hiring Milestones

ClearBridge recruits the best and the brightest individuals to join our organisation. Recruitment for budgeted positions that are replacement roles are handled locally by the local functional head with HR assistance as required. ClearBridge has written job descriptions for employee positions, which reflect the key requirements for each role and are used as a basis for workforce planning, succession planning and recruitment.

ClearBridge selects appropriately qualified external recruitment agencies to assist with its recruitment needs and also has an in-house referral program. Based on the position description, the company will liaise with these agencies and also advise employees, where appropriate, of any recruitment opportunities. Potential candidates are reviewed and shortlisted based on their CV, as provided.

Depending on the seniority and technical requirements of the role, multiple individuals may be involved in the interview process. Following identification of the preferred candidate, ClearBridge's Global Human Resources department conducts reference and background checks including prior employment, education, criminal background checks, passport and license identification, right to work in Australia as well as a credit check. Human Resources uses a third-party vendor for all background checks. After a contingent offer of employment is extended, a criminal background check (inclusive of an Australian Federal Police check), credit check (when applicable) and national super search are conducted.

##### Remuneration

ClearBridge applies pay equity principles and compensates people based on the work they do and the value they bring to the company, regardless of gender, race, ethnicity, nationality, age, sexual orientation, gender identity, disability or veteran status, or any other type of identifier. Commitment to pay equality is part of our diversity and inclusion strategy. We will continue to promote equality through our total reward and talent management processes.

All employees participate in a competitive compensation program that is designed to attract and retain outstanding personnel and closely align the interests of its investment professionals with those of its clients and overall firm results. The total compensation program includes a competitive base salary and a significant incentive component that rewards high performance standards, integrity, and collaboration consistent with the firm's values. For certain employees, a portion of their annual bonus is deferred into compensation plans that vest over the course of several years after the grant date. Deferrals are tied to portfolio performance, ClearBridge Investments products (as applicable), and Franklin Resources stock. Base salary is fixed and primarily determined based on market factors and the experience and responsibilities of the employee within the firm.

##### Performance

The firm has an annual formal, documented staff performance appraisal process where employee performance is reviewed against standard objectives.

ClearBridge’s performance management process is designed to allow:

- ❖ Staff to formally review their development objectives, including their personal career aspirations.
- ❖ Managers to formally review the performance of their staff.

All permanent and part-time employees participate in periodic reviews.

Time	Event
First 0-6 months of employment	Probation Reviews
September/October	Formal Year-End Performance Review

### Training

ClearBridge invests in its employees’ training, their potential and their futures, and actively works to provide a supportive environment that meets their professional and personal needs.

All new employees are provided with a formal orientation program which includes specific face-to-face compliance training, covering a number of compliance topics. In addition, ClearBridge’s staff receive scheduled formal training on an annual and ad hoc basis in regard to subject matter specific and general compliance subjects. ClearBridge staff are required to complete a number of monthly and annual attestations which serve as reminders in regard to compliance reporting obligations. Policies are reviewed and amended as required e.g., when any changes of a statutory or a regulatory nature arise. Relevant changes are advised to employees.

ClearBridge’s training program includes direct advice and guidance on ESG and sustainability including Modern Slavery awareness.

### Conclusion

Given the above, and our compliance with all statutory and regulatory obligations with regard to hiring and employment practices in Australia, we consider the risk of modern slavery in our workplace to be low.

### **4C. Investment Activities: Incorporating Sustainability in the Infrastructure Investment Process**

ClearBridge aims to deliver infrastructure-like returns to investors while minimising investment risk. Our strategies focus on companies that own and operate essential infrastructure assets, which provide vital services to communities or economies. These companies typically have revenue determination mechanisms, such as regulations or concession contracts, ensuring they are appropriately rewarded for their services.

The Infrastructure Investment team recognises that sustainability factors are crucial to company performance. Since inception, we have integrated these factors into our standard investment appraisal process. By incorporating sustainability considerations and adopting a long-term perspective on equity ownership in listed infrastructure companies, we fulfill our responsibility as investment managers to act in the best interests of our clients. Active engagement is a key component of responsible equity ownership and stewardship of our clients’ capital.

ClearBridge uses a fundamental bottom-up investment process and proprietary screening methodology to measure, analyse and develop an investment universe of global listed infrastructure securities. As part of this process, ClearBridge considers environmental, social, governance, and ethical factors and labour standards (ESG factors) in determining whether to include, retain or exclude securities within the investment universe for each portfolio/strategy.

ESG factors are assessed through a proprietary analytical framework (ESG Ratings Manager or “**ERM**”) that is applied to each potential investment. The ERM platform allows for an easily accessible common language for ESG factors that provides transparency and consistency of methodology in assigning ESG ratings to companies across the firm. The system combines internal analysis and supplementary information and data from third party research providers,

as well as company engagement.

Various screens are also employed in accordance with the investment strategy of the particular sector or subsector. Amongst other screens, ClearBridge will not invest in companies that:

- ❖ directly generate any gross revenue from tobacco production but may invest in companies that indirectly generate 5% or less of their gross revenue from the supply or retail of tobacco;
- ❖ directly generate any gross revenue from the production of adult entertainment but may invest in companies that indirectly generate 5% or less of their gross revenue from the distribution or retailing of adult entertainment;
- ❖ have any direct involvement in the production of cluster munitions, landmines, biological weapons, and chemical weapons;
- ❖ directly generate 10% or more of their gross revenue from the production of conventional weapons; and
- ❖ directly generate any gross revenue from commercial gambling operations but may invest in companies that indirectly generate 5% or less of their gross revenue from the licensing or supporting activities of gambling.

Additional screens may be applicable in accordance with client specific instructions.

In addition to exposure concerns, the infrastructure team also take into account quality concerns, where we assess the company's business model and operating environment, including:

- ❖ Sovereign interests (authoritarian or oppressive regimes);
- ❖ Legal environment; and
- ❖ Regulatory environment.

The Investment team then incorporates sustainability analysis into the investment process and portfolio construction via three main pillars:

- ❖ Valuation (cash flow forecasts)
- ❖ Risk Pricing (required return adjustment)
- ❖ Engagement including through proxy voting and incorporation of controversy data and alerts (active management)

Supporting sustainable infrastructure is a core outcome of our ESG process, where companies are evaluated against various factors. Environmental considerations include energy efficiency and the sustainable use of resources. Monitoring greenhouse gas emissions and prioritising renewable energy are integral to our investment process. Social factors encompass safety and community relations, aiming to protect labour rights and promote safe working environments, as well as ensuring access to basic services. Through our ESG engagement, we encourage companies to adopt sustainable practices and integrate sustainability into their reporting cycles. Governance factors also address gender equality (e.g., board and management diversity) and the safety and well-being of children through evolving Modern Slavery processes.

The ClearBridge infrastructure team's ESG process is continuously evolving, striving to incorporate best practices as new evidence, information, and disclosures become available. Over the past 24 months, our process has evolved due to a number of factors, including changing legal and regulatory obligations for investment managers and advisers (specifically in the U.S., Canada, EU, U.K. and Australia) and also in response to our clients' expectations in the management of new sustainable products and sustainable focused investment guidelines.

In 2023, we incorporated the following process improvements:

- Sustainability process improvements. Weekly monitoring of:
  - SDG mapping
  - ITR monitoring
  - Individual securities' NZAM alignment status
  - Carbon emissions status
  - SI %

There were no major changes to this process in 2024.

#### Modern Slavery Risk

Specific modern slavery risk is assessed through several sources of information including:

- ❖ Sustainalytics and MSCI include Modern Slavery risks in their reports in regard to human rights, supply chain and labour practices
- ❖ Daily screening of human rights and labour violations is primarily undertaken against the MSCI ESG Controversies and Global Norms
- ❖ A review of investee companies' Modern Slavery Statements (where available)
- ❖ Where possible, a geographical review of supply chain to assess exposure to higher risk countries
- ❖ Monitoring of relevant controversies from specialist ESG providers
- ❖ Engagement with management (directly including via proxy voting)

For example, Transurban:

- ❖ has a Modern Slavery Statement
- ❖ ESG risk rating reports do not indicate Modern Slavery as a risk
- ❖ controversy reports do not indicate Modern Slavery risks (albeit other lower level 'Social' controversies have been reported, such as 'Community Relations Incidents & Safety' incidents, which have been reviewed)
- ❖ based on internal and external research reviews, Transurban's supply chain does not indicate exposure to higher risk geographies

Each year, ClearBridge Investments publish an annual ESG Stewardship Report, which highlights salient engagements the firm has had with management teams at various companies on pressing sustainability issues (including labour practices) and details how we are assessing sustainability risks and opportunities such as climate change and diversity, equity and inclusion across the firm.

**Vinci Engagement:** *Call with Social Innovation and Human Rights Manager*

**Key ESG Issue(s):** *Labour management policies mitigating risks of modern slavery*

**Next Steps:** *Monitor for continued tightening of labour policies and practices*

*Vinci operates half of France's toll road network under long-term concession agreements, a growing portfolio of airport concessions and a global contracting business. In June 2021, ClearBridge infrastructure team members proactively reached out to engage Vinci on policies and practices to prevent and manage risks of modern slavery at Vinci and through the supply chain following claims of violations of rights of migrant workers employed to build the infrastructure for the 2022 FIFA World Cup in Qatar. Allegations there concerned workers working more than 12 hours a day and in extreme heat. As a result of our discussion comfort increased regarding Vinci's broader process and policies in place to materially reduce the risk of modern slavery.*

*Our takeaway was that there are multiple layers of risk management practices and policies in place, including on-site auditing and supply chain auditing. As the legal dispute on the Qatar case is ongoing and*



*the outcome uncertain, we will follow up again with the company once a decision has been rendered. We will look to see if Vinci will continue to tighten its policies and practices as a result. This continues to be monitored by the team across 2023 and 2024.*

In addition to the above, we also publish commentaries to share our perspective on market developments and emerging key themes, and regularly host webinars and participate in speaking engagements on these matters.

We also note that ClearBridge is part of a broader global sustainability focus and drive led by our shareholder Franklin Templeton's Stewardship and Sustainability Council as well as our colleagues in ClearBridge Investments, LLC., with whom we are operationally integrated.

#### Internal Oversight – Sustainability Committee

ClearBridge has implemented a Sustainability Committee to oversee and guide its core business of investment management. The Sustainability Committee consists of two Portfolio Managers as well as members of the global ESG strategy team. Part of this oversight deals with labour laws in each of the global jurisdictions in which we invest.

The Committee is responsible for:

- ❖ managing the overall sustainability components of the infrastructure investment process;
- ❖ defining the sustainability factors and weighting for each subsector in ClearBridge's ERM;
- ❖ reviewing and ensuring consistency of company scoring across the investment universe;
- ❖ elevating debate surrounding sustainability and ensuring ad-hoc data points such as company alerts, and key policy announcements are appropriately considered and addressed; and
- ❖ discussing any new initiatives to enhance the ESG process to meet any regulatory or commercial requirements as they arise.

Where the respective investment committees have any concerns with the treatment of labour in entities in which we invest, this becomes a matter of engagement and influence on our behalf.

#### Conclusion

We will continue to evolve our processes in line with the growing focus on increased company reporting apparent in many jurisdictions globally, and enhanced disclosure requirements around ESG and sustainability generally.

#### **4D. Suppliers (Third Party Vendors): Reviewing Our Supply Chain Risks**

Franklin Resources Inc. Code of Ethics and Business Conduct, ClearBridge Code of Ethics, Supplier Code of Conduct – Modern Slavery and the ClearBridge Whistleblower Policy reflect our commitment to acting ethically and with integrity in all our business relationships.

ClearBridge has implemented a process for the management of its external third-party supply chain risk. This has consisted of the following steps:

- 1) Compiled a list of all external third-party suppliers with whom we are directly contracted
- 2) Identified the total spend, geographic location and industry classification of suppliers as between:
  - a. Investment related (e.g., investment related systems)
  - b. Audit (e.g., annual audit of our financial statements and controls related reviews)
  - c. Human Resources (e.g., recruitment firms)
  - d. Data and Research (e.g., external research providers)
  - e. Marketing Activities – low risk (e.g., companies incorporated in low-risk jurisdictions providing contractual services for use such as online media platforms)

- f. Marketing Activities – high risk (e.g., merchandising, conferences and other related ad hoc services)
  - g. Professional Services (e.g., external legal counsel and tax advisers)
  - h. Technology (e.g., third party technology support and hardware which may be reliant upon high risks industries like mineral sourcing, metal refining and electronics manufacturing)
  - i. Office Services (e.g., ad hoc cleaning and other utilities related services)
  - j. Commercial Leasing (e.g., commercial office and car park leasing)
  - k. Commercial Travel (e.g., providers of corporate travel programs)
  - l. Platform Arrangements (e.g., IDPS, IDPS-like and Wrap programs for platform related services)
  - m. Office Refit (Sydney office renovation)
- 3) Ascribed a preliminary risk ranking of Low (1), Medium (2) and High (3) on the basis of the above categories
  - 4) Identified which suppliers have Modern Slavery Statements or similar written positioning around human rights and adverse labour practices
  - 5) Where suppliers have i) no Modern Slavery Statement or similar written standard, ii) were rated as either a Medium or High Risk, iii) where the total annual value of the contract or arrangement was above the materiality threshold (A\$1,000) and iv) it is intended by the business that the supplier will be engaged on an 'ongoing' basis, we will send the ClearBridge Supplier Code of Conduct and Supplier Questionnaire. These documents set out our expectations around the supplier relationship and also provide the opportunity for the third-party supplier to outline its position and process in respect of anti-modern slavery values
  - 6) We would assess the relationship based on the above process. Should responses from these suppliers raise any concerns, we would re-assess the viability of the relationship.

For the review period (i.e., 1 October 2023 to 30 September 2024), ClearBridge spent approximately A\$6.5 million on goods and services across 102 third party suppliers in 8 countries (Australia, U.S., U.K., Taiwan, Hong Kong, Canada, Singapore and Netherlands). Of that spend, approximately 92.5% relates to the provision of goods and services that are from Investment, Audit, Data and Research, Human Resources, Commercial Travel, Commercial Leasing, Platforms Arrangements, Office Outfit and Professional Services as well as low-risk Marketing Activities industries. Such industries are comprised of predominantly a professional workforce within a professional industry, which we consider inherently has a lower risk of exposure to modern slavery.

Facility services, cleaning services, certain promotional and/or merchandising items and IT hardware are examples of goods and services considered as having a potentially high(er) exposure risk to modern slavery. We have categorised these as Office Services, higher risk Marketing Activities, and Technology (non-investment), which make up approximately 2.5%, 4% and 1% respectively of ClearBridge's supplier spend during the review period.

Of these potentially higher risk categories, 20 suppliers have been identified to receive the ClearBridge Supplier Code of Conduct ("**Code**") and Supplier Questionnaire. Answers to this Questionnaire will provide us with a greater understanding of the risk of modern slavery within that supplier's supply chains or operations and enable us to respond accordingly.

Supplier adherence and commitment to this Code forms an integral part of ClearBridge's third-party supplier relationship management and is used along with other relevant due diligence practices when selecting new suppliers or renewing current contractual relationships.

### Conclusion

Should ClearBridge be advised of, or otherwise identify, modern slavery practices in a supplier's business or supply chain, it reserves the right to terminate the business relationship.

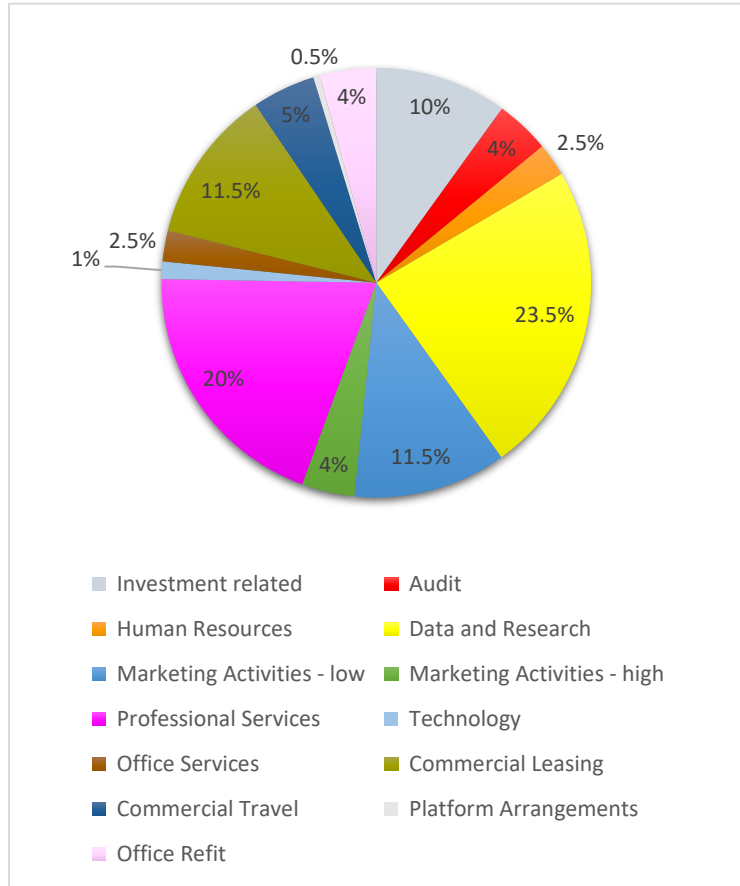
#### 4E. Modern Slavery Incidents: Our Response

To date, on the basis of reviews conducted, our organisation has not identified incidents of modern slavery in its business operations as a result of the tracking and management of its supply chains.

Should any incident arise, these would be reported to senior management (ClearBridge Australia Leadership Team) and the Board in order to assess and determine the most appropriate response (including the avoidance of and transfer to a different supplier) or other remedial or mitigation process that would provide the company with the assurance that such risk did not contravene its principles in relation to ethical supply chains.

#### SECTION 5 - HOW CLEARBRIDGE ASSESSES ITS EFFECTIVENESS

We aim to continuously improve our approach to managing and mitigating modern slavery risks. To facilitate this, we have nominated certain baseline metrics as part of preparing this Modern Slavery Statement.



FOCUS AREA	2022	2023	2024
<b>Employee Awareness and Training</b>			
- Online Code of Ethics attestation completed by all staff	Yes	Yes	Yes
- Quarterly Compliance reminders confirmations conducted	Yes	Yes	Yes
- Modern Slavery Training session completed	Yes	Yes	Yes
- Annual Compliance Training completed	Yes	Yes	Yes
<b>Supply Chain</b>			
- Number of suppliers sent the Supplier Code of Conduct – Modern Slavery	9	16	20
- Number of suppliers acknowledging receipt of the Supplier Code of Conduct – Modern Slavery	1	9	0 <sup>1</sup>
- Number of suppliers with Modern Slavery Statements or equivalent written positions on abusive labour practice	32	46	42
- Number of Modern Slavery Questionnaires sent to suppliers in potentially higher risk categories	9	16	20
- Number of Modern Slavery Questionnaire responses received from suppliers in potentially higher risk categories	1	9	0 <sup>1</sup>

FOCUS AREA	2022	2023	2024
<b>Investment Activities</b>			
- Number of engagements by ClearBridge relating to social issues, including labour practices <sup>2</sup>	88	84	121
- Number of proxies voted by ClearBridge in regard to social issues, including labour practices <sup>3</sup>	14	13	16
<b>Grievance Mechanisms</b>			
- Number of direct reports of actual or suspected modern slavery or related issues in-house	0	0	0
- Number of notifications from the Whistleblower Hotline referred to ClearBridge	0	0	0

<sup>1</sup>In progress for 2024. Awaiting supplier acknowledgements and responses as at the date of writing.

<sup>2</sup>Examples of engagements on social issues are inclusive of employee health & safety, workforce DE&I, and community impact.

<sup>3</sup>Examples of social issues voted on include: Accept/Approve Corporate Social Responsibility Report, Gender Pay Gap, Board Diversity, Political Lobbying Disclosure, Climate Change Lobbying, Human Rights Risk Assessment and Approve Political Donations.

ClearBridge will monitor these metrics on an ongoing basis and report on them in future annual Modern Slavery Statements to reflect our progress. ClearBridge will also review and enhance these metrics, if required, as well as develop other metrics in line with continuous improvement.

#### **SECTION 6 - CONSULTATION AND APPROVAL**

This Statement was prepared by ClearBridge's Legal, Risk & Compliance team in consultation with relevant functions who assisted with information used in compiling supplier and investment data as well as providing guidance regarding certain operational and investment practices.

This Modern Slavery Statement has been reviewed and approved by the ClearBridge Australia Leadership Team and notified to the ClearBridge Boards as part of the quarterly policy update process in place.