

## Climate Change Policy

The impact of climate change is being felt across the world, with overwhelming scientific evidence that greenhouse gasses (GHGs) released as a result of human activity are causing global temperatures to rise, creating complex challenges for businesses, governments and individuals. We believe that climate change presents financial risk to the global economy and recognize that the physical and transition risks associated with climate change, as well as the opportunities that go along with them, will affect the companies in our investible universe in different ways. We consider the material risks and opportunities for climate change as one of many inputs in our bottom-up, fundamental analysis of each individual company.

We closely monitor, engage and report on the carbon footprint of our portfolios. Our baseline measurement is on Scope 1, 2 & 3 GHG emissions. We understand that climate impact is multi-faceted with key drivers and sensitivities that vary by company and industry, and we assess other metrics on a case-by-case basis. We recognize the importance of resource companies that can act as a bridge to cleaner energy, while also factoring in the reality of top-down geopolitical factors in the energy space. We monitor our companies' footprint, reporting transparency, targets and active mitigation measures and seek to understand each company's approach to mitigating climate change. As a first step, we encourage our companies to provide clear, comprehensive reporting, and our longer-term goal is to encourage our companies to set science-based goals in line with the Paris Agreement and/or commit to net zero. We have seen direct improvement as a result of our engagement, with multiple portfolio companies have committed to Scope 1, 2 and 3 reporting, industry standard reporting and/or setting ambitious and measurable reduction goals, including many committing to net zero.

We report on the carbon risk profile of our portfolios, using a number of different metrics, including carbon footprint (total GHG emissions), emissions intensity (GHG emissions per unit of revenue), and scope of reporting by the company. We additionally report on our level of engagement with top portfolio holdings, including our assessment of the company's current positioning and progress over time.

*Further information about Southeastern Asset Management can be found in our ADV Part 2, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Past performance does not guarantee future results.*