

Legg Mason, Inc. Issues 2016 Corporate Social Responsibility Report

In our 100+ years of investing, Legg Mason has grown into one of the world's largest asset management firms. Legg Mason's mission is "Investing to Improve Lives," it's our internal compass that guides all of our decisions and everything we do every day. We, along with our family of nine Affiliates, believe that if we're living up to that mission, we will be in a stronger position to serve our constituencies.

As we face an ever-changing industry, we have accepted the challenge to evolve and change as our clients expect. ESG currently captures more than \$1 of every \$6 in U.S. AUM – a 76% increase since 2012.[1] So, we're taking this pledge seriously. Legg Mason is providing global investors with more diversified choices of investment strategies, products, vehicles and access – all while evaluating our commitment to Corporate Social Responsibility (CSR).

Legg Mason Chief Executive Officer, Joseph A. Sullivan, said, "We recognize our commitment to CSR as a competitive requirement – a key driver of success in today's global marketplace. There are competitive advantages to offering ESG investment products and to achieving leadership in CSR reporting. In general, companies that meet high environmental, social and governance standards face less regulatory risk and may be exposed to less reputational risk than those with lower standards."

We are proud to announce that Legg Mason has grown its FY 2016 long-term assets under management invested in Environmental, Social and Governance (ESG) products / investment strategies to 16% – up from 14% in FY 2015. Even more impressive, there has been a 62% increase in combined long-term AUM of Affiliates' ESG / SRI products since FY 2013.

Additional metrics from the report:

- \$7.37 Million in Legg Mason Charitable Foundation giving from FY 2012 – FY 2016
- Two Legg Mason Executives Sponsor Committees that Provide Oversight of CSR Activities
- 17% of Legg Mason's Executive Committee Are Females
- 77% Reduction of Scope 1 & Scope 2 GHG Emissions Against Our 2007 Base Year

Together with our Affiliates, Legg Mason is committed to this important work. And we are excited by what we can do to improve lives – and positively impact the world around us.

[1] http://3blmedia.com/News/5-Myths-About-ESG-Investing-Debunked#_ftn2

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