Sustainability Disclosures

EU SFDR

TCW's Sustainability Framework & Disclosures

The European Union's Sustainable Finance Disclosure Regulation (SFDR), which came into effect in March 2021, is designed to help standardize sustainability disclosures of investment funds with an aim to improve transparency for investors as they compare, select, and monitor the sustainability characteristics across funds. The disclosures include details on the integration of sustainability risks, consideration of principle adverse impact indicators (PAIIS), promotion of environmental or social factors, and sustainable investment objectives.

TCW values the opportunity to describe to investors the spectrum of approaches we use to deliver sustainable investment solutions coupled with long-term, risk-adjusted returns to our clients. These approaches range from negatively screened portfolios to those that seek to achieve a measurable positive social or environmental impact. In our view, sustainability factors will increasingly affect investments, financial markets, economic development, and communities around the world. The increasing relevance of sustainability factors to the calculation of investment risks and opportunities is not only consistent with our fiduciary duty, but more specifically, supports the fulfillment of our duty to clients.

As a value-driven active manager, TCW relies on a fundamental research-based investment philosophy. Our approach to sustainable investment is no different. Accordingly, we have developed proprietary research frameworks to evaluate and quantify ESG risks and sustainable investments. As is described below, our sustainable investment framework includes quantified scoring across asset classes that disaggregate our evaluation of whether a company is sustainably managed by separately assessing risks emanating from governance quality, environmental and social risk management, and the climate transition. We also evaluate firms and other issuers from a sustainability opportunity perspective, and the extent to which their products, services, and other assets can be positively attributed to a sustainable theme that is related to solving environmental and social challenges.

Our investment approach relies on this sustainable investment framework, along with exclusions, risk scoring, and engagement to ensure the investable universe complies with the significant harm and governance requirements under the European Union's Sustainable

Finance Disclosure Regulation.

This document provides additional information regarding TCW's sustainable investment process across our Article 8 and 9 Sub-Funds of TCW Funds, which is a société d'investissement à capital variable (SICAV) incorporated in Luxembourg.

1. ESG Promotion Sub-Fund Investment Objectives – Article 8 Sub-Funds

TCW's Article 8 Sub-Funds aim to promote positive environmental and social characteristics. These Sub-Funds include:

- TCW Core Plus Bond Fund
- TCW Unconstrained Bond Fund
- TCW Income Fund
- TCW Global Securitized Fund

Our Article 8 Sub-Funds promote positive environmental and social characteristics by investing in companies that are managing ESG and sustainability risks, that meet a minimum standard for sustainable investments, and where we can engage with portfolio companies in order to improve sustainability practices and outcomes.

Additionally, these Sub-funds may also invest in securities such as securitized products, where the collateral supports environmental and social characteristics, such as bonds that represent green collateral or achieve social objectives such as affordable housing.

TCW's Article 8 ESG Promotion Sub-Funds sustainability assessment and investment process is based on adherence to the following criteria: 1) exclusions; 2) proactive engagement with firms and issuers on ESG factors; 3) ESG & Sustainable risk scoring; and 4) meeting a minimum threshold as defined by TCW's sustainability assessment framework. These criteria complement existing due diligence and fundamental research processes across investment teams that integrates environmental, social, and governance factors into the investment process. Specifically:

- **Article 8 Exclusions:** TCW continuously monitors and evaluates issuers as part of its ESG due diligence process. We exclude companies that are exposed to industries, businesses, or sectors that are deemed incompatible with the investment strategy for an ESG Promotion Sub-Fund, and, accordingly, do not invest in firms with the following excluded characteristics:

- Any company whose revenues from production, sales or distribution related to the following areas exceed 5% of its total net revenue: thermal coal mining, tobacco, unconventional oil and gas exploration and drilling (including, but not limited to, arctic drilling, oil sands, fracking, etc.), military-weapons related (including nuclear weapons), and non-military weapons;
- Any company whose revenue related to thermal coal-based power generation exceeds 30% of its total net revenue;
- Any company that has violated one or more of the United Nations Global Compact principles;
- Any company engaged in the production or sale of, or that otherwise received revenues related to, controversial weapons, including, but not limited to, landmines, chemical weapons, and biological weapons;
- Lowest rated issuers/companies according to TCW's ESG scoring scale; and
- MSCI CCC rated issuers/companies.

Implementation: In determining whether a company engages in such business activities or receives revenue from them, TCW may rely on our own research assessment or the research of external firms; information from third-party vendors; responses from the firm or issuer received during our engagements; and/or other publicly available information.

TCW monitors these exclusions pre- and post-trade to ensure compliance with these excluded activities. Upon notification of a change to excluded activities of an issuer resulting in a previously eligible security falling in scope of these exclusions, TCW will seek to sell the security expeditiously under normal market conditions in the best interests of shareholders, typically within 90 days of notification.

In addition, TCW acknowledges that firms may be involved in certain excluded activities and still need support to help them in decarbonizing their business. In that spirit, our ESG Promotion Sub-Funds may invest in green/social/sustainable labeled bonds from issuers involved in energy-related sectors or in industries where labeled bonds assist the company or issuer in the global energy transition.

• **Proactive Engagement:** Investment teams and sustainable investment analysts directly engage companies and sovereigns on a range of issues, such as balance sheet management, corporate strategy, financial performance and risk, promoting the

Sustainable Development Goals (SDGs), climate policy, governance, and sustainability themes. TCW uses our engagement efforts to encourage issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial objectives. Engagement takes multiple forms and often includes meetings or calls with company management or other company representatives, direct contact with policymakers, participation in investor meetings, quarterly earnings calls, and roadshows, along with outreach at industry events. The specific focus and means of engagement is tailored to the asset class, sectors, among other factors.

More information regarding TCW's engagement policy may be found at **www.tcw.com/ESG/ESG-Disclosures**.

• **ESG & Sustainable Risk Scoring:** Our evaluation is both quantitative and qualitative in nature. We separate divergent ESG issues into independent assessments or scores. As such, there are three key pillars of our risk assessment, which translate into separate scores. Specifically, we evaluate whether a company is sustainably managed by: 1) assessing risks from governance quality; 2) assessing environmental and social risk management; and 3) evaluating risks that are due to the climate transition.

Three Pillars of TCW's ESG Risk Scoring for Companies

By segmenting the assessment we can mitigate uncertainty arising from disclosure, data quality, and materiality considerations and identify outliers in the distribution of performance

Governance Quality Score

Scoring quantifies whether a company is prudently run.

- Good corporate governance should lead to more stable business performance to the benefit of shareholders and the company's broader stakeholders
- We assess the presence of 12 indicators of concern with regards to investor rights, management oversight, diversity, and transparency
- Presence of numerous indicators of concern highlights challenges with quality of governance that may impact shareholder value
- Governance should not be weighted against disparate environmental and social risks

Transition Risk Score

How material is climate transition risk to company's prospects?

- Climate transition risk for corporate entities emanates from the process of transitioning away from carbon emissions
- Industry dependence on carbon emissions and relative positioning of a company within an industry on a sum of Scope 1+2+3 emission proxies for transition risk exposure
- Presence of credible transition plans, green capex, and/or diversifying revenue mitigates exposure and reduces risk

Environmental and Social Risk Score

How well is the company managing its non-financial capital and emerging risks?

- In a socially interconnected, environmentally constrained world it is important to evaluate a company's relationship with sources of natural, human, and relationship capital as they affect shareholder value
- Exposure to emerging areas of risks, like physical disasters stemming from climate change and cyber vulnerabilities can similarly affect shareholder value
- Indication of weak management in these areas elevates concerns

Companies and issuers we consider to have average or higher ESG scores and that additionally meet our sustainability assessment are screened into the investment universe. The specific ESG scores, methodologies, and thresholds used will vary by asset classes and strategy and should generally reduce the corporate investment universe by 20%. In making such evaluations, TCW may rely on internal ESG ratings and/or ratings provided by third parties to provide additional quantitative information to evaluate potential and current investments.

These ratings may utilize data from a variety of sources, including third-party providers, as well as data from prospectuses, company filings, calls and meetings with issuers, and other sources. At this time, there are no universally agreed upon objective criteria for assessing ESG factors for investments. Rather, these criteria tend to have many subjective characteristics, can be difficult to analyze, and frequently involve a balancing of numerous factors.

ESG factors can vary over different periods and can evolve over time. They may also be difficult to apply consistently across different types of investments. More information regarding general ESG policies may be found at **https://www.tcw.com/ESG/Investment-Policies**

• **TCW's Sustainability Assessment Framework:** In order to determine whether a company or issuer is sustainably managed, TCW has developed a sustainability assessment framework based on the analysis of how issuers' business activities align with several identified sustainability objectives, which is integrated into the investment process. The goal of this analysis is to provide a minimum threshold by which to assess whether an issuer is making a positive contribution to selected environmental and social objectives, in addition to providing an assessment of governance that is broadly applicable. TCW's sustainability objectives target metrics that specifically measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

In addition, TCW has developed a proprietary sustainability framework that categorizes companies based on the alignment of their products or services to defined sustainability themes. Both the assessment of whether a company or issuer is sustainably managed and/or whether a company or issuer can be classified as contributing to a sustainability theme are key elements of our overall assessment.

Portfolio Metrics: In addition to PAIIS and other issuer level/security level metrics, TCW has [illegible]ted a set of sustainability indicators to evaluate, measure, and monitor the sustainable objectives and environmental and social characteristics at the portfolio level:

- Number of issuers with a neutral or positive TCW ESG score based on an internal ESG scoring framework;
- The portfolio weighted average carbon intensity of companies and estimated financed emissions by property type;
- The number of issuers with a weighted average GHG emissions intensity above 1,000 tCO2e/$ million sales.
- The % of green, social, sustainable and sustainability-linked bonds in the portfolio;
- The % of securitized products that falls into a variety of environmental and social categories (i.e., unlabeled green bonds such as LEED certified commercial buildings, green residential and multifamily housing, affordable housing, renewable energy, bonds that facilitate access to education and healthcare);
- The % of companies that are in violation of the UN Global Compact, ILO Standards, UN Guiding Principles for Human Rights or OECD guidelines for Multinational Enterprises;
- The % of companies with severe or very severe workplace accidents;
- The % of companies with significant tax controversies or other severe controversies;
- The % of companies with at least one independent board member;
- The % of holdings that are compliance with the UN Global Compact Anti-Corruption Principle (10);
- The % contribution of the portfolio to various sustainability themes, including but not limited to: climate change solutions (mitigation and adaptation), water solutions, energy efficiency, pollution prevention, circular economy, biodiversity, health, access to education, and affordable and inclusive housing.

2. Sustainable Investment Objectives – Article 9 Sub-Funds

TCW's Article 9 Sub-Fund's aim to achieve a sustainable investment objective by targeting a lower carbon intensity than the Sub-Fund's respective benchmark. We currently offer the following Article 9 Sub-Funds:

- TCW Emerging Markets Sustainable Income Fund
- TCW Global Artificial Intelligence Sustainable Equity Fund
- TCW Select Sustainable Equities Fund
- TCW Relative Value Sustainable US Equities Fund
- TCW High Yield Sustainable Bond Fund
- TCW Global Premier Sustainable Equities Fund

In addition, these Sub-Funds will invest in issuers that are sustainably managed and that are meeting a minimum standard for sustainable investments, including criteria relating to good governance. In addition, we prioritize investments in a company or issuer that contributes to various sustainability themes, including but not limited to: climate change solutions (mitigation and adaptation), water solutions, energy efficiency, pollution prevention, circular economy, biodiversity, health, access to education, and affordable and inclusive housing. Finally, we will seek to engage proactively with portfolio companies in order to improve sustainability practices and outcomes.

These Sub-Funds may invest in securities where the collateral supports environmental and social characteristics, such as bonds that represent green collateral or achieve social objectives such as affordable housing.

Our Article 9 Sub-Funds adhere to the following criteria, which form the basis of the sustainability assessment in the investment process: 1) exclusions; 2) ESG scoring; 3) proactively engaging with issuers on ESG and sustainability related factors; and 4) meeting a minimum threshold against various sustainability metrics ("TCW's Sustainability Assessment Framework") that are outlined in further detail below. These criteria complement existing due diligence and fundamental research processes across investment teams that currently integrates environmental, social, and governance assessments into the investment and research process.

• **Reducing Carbon Intensity:** The Sub-Fund will reduce the corporate carbon intensity of portfolio relative to its benchmark based on currently available information. TCW will evaluate carbon related metrics on a best-efforts basis dependent on third party and issuer-provider data. Carbon intensity is measured, as per recommendations of the Task Force of Climate Financial Disclosures, as tonnes of $CO2$ per $1 million revenue for each company and summed at the portfolio level as the weighted average.

• **Exclusions:** TCW continuously monitors and evaluates issuers as part of its ESG due diligence process and applies targeted exclusions where companies are exposed to industries, businesses, or sectors deemed incompatible with the investment objective and strategy of the Sub-Fund. The Sub-Fund shall not invest in the following sectors or industries as follows:

- Any company whose revenues from production, sales or distribution are related to the following areas exceeds 5% of its total net revenue: tobacco, unconventional oil and gas exploration and drilling (including, but not limited to, arctic drilling, oil sands, fracking, etc.), military weapons-related (including nuclear weapons), and non-military weapons;

- Any company who derives 10% or more of total net revenue from thermal coal power production, or any company engaged in or intending to receive revenue from activities related to thermal coal extraction;
- Any company that has violated one or more of the United Nations Global Compact principles, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights;
- Any company engaged in the production or sale of, or that otherwise received revenues related to, controversial weapons, including, but not limited to, landmines, chemical weapons, and biological weapons;
- Any company that derives more than 5% of its total net revenue from conventional oil and gas activities, including production, exploration, distribution, or related services for such activities;
- Any company whose revenues exceed 5% from i) the production or distribution of alcohol, ii) the provision or promotion of gambling, or iii) the production, presentation, or distribution of adult entertainment;
- Lowest rated issuers/companies according to TCW's ESG scoring scale; and
- MSCI CCC rated issuers/companies.

Implementation: In determining whether a company engages in such business activities or receives revenue from them, TCW may rely on our own research assessment or the research of external firms; information from third-party vendors; responses from the firm or issuer received during our engagements; and/or other publicly available information.

TCW monitors these exclusions pre- and post-trade to ensure compliance with these excluded activities. Upon notification of a change to excluded activities of an issuer resulting in a previously eligible security falling in scope of these exclusions, TCW will seek to sell the security expeditiously under normal market conditions in the best interests of shareholders; this typically occurs within 90 days of notification.

In addition, TCW acknowledges that firms may be involved in certain excluded activities and still need support to help them in decarbonizing their business. In that spirit, our ESG Promotion Sub-Funds may invest in green/social/sustainable labeled bonds from issuers involved in energy-related sectors or in industries where labeled bonds assist the company or issuer in the global energy transition.

• **Proactive Engagement:** Investment teams and sustainable investment analysts will engage companies and sovereigns on a range of issues, such as balance sheet management, corporate strategy, financial performance and risk, promoting the Sustainable Development Goals (SDGs), climate policy, governance, and sustainability themes. TCW uses our engagement efforts to encourage issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial objectives. Engagement takes multiple forms and often includes meetings or calls with company management or other company representatives, direct contact with policymakers, participation in investor meetings, quarterly earnings calls, and roadshows, along with outreach at industry events. The specific focus and means of engagement is tailored to the asset class, sectors, among other factors.

More information regarding TCW's engagement policy may be found at **www.tcw.com/ESG/ESG-Disclosures**.

• **ESG & Sustainable Risk Scoring:** Our evaluation is both quantitative and qualitative in nature. We separate divergent ESG issues into independent assessments or scores. As such, there are three key pillars of our risk assessment, which translate into separate scores. Specifically, we evaluate whether a company is sustainably managed by: 1) assessing risks from governance quality; 2) assessing environmental and social risk management; and 3) evaluating risks that are due to the climate transition.

Companies and issuers we consider to have average or higher ESG scores and that additionally meet our sustainability assessment are screened into the investment universe. The specific ESG scores, methodologies, and thresholds used will vary by asset classes and strategy and should generally reduce the corporate investment universe by 20%. In making such evaluations, TCW may rely on internal ESG ratings and/or ratings provided by third parties to provide additional quantitative information to evaluate potential and current investments.

These ratings may utilize data from a variety of sources, including third-party providers, as well as data from prospectuses, company filings, calls and meetings with issuers, and other sources. At this time, there are no universally agreed upon objective criteria for assessing ESG factors for investments. Rather, these criteria tend to have many subjective characteristics, can be difficult to analyze, and frequently involve a balancing of numerous factors.

ESG factors can vary over different periods and can evolve over time. They may also be difficult to apply consistently across different types of investments. More information regarding general ESG policies may be found at **https://www.tcw.com/ESG/Investment-Policies**

• **TCW's Sustainability Assessment Framework:** In order to determine whether a company or issuer is sustainably managed, TCW has developed a sustainability assessment framework based on the analysis of how issuers' business activities align with several identified sustainability objectives, which is integrated into the investment process. The goal of this analysis is to provide a minimum threshold by which to assess whether an issuer is making a positive contribution to selected environmental and social objectives, in addition to providing an assessment of governance that is broadly applicable. TCW's sustainability objectives target metrics that specifically measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

In addition, TCW has developed a proprietary sustainability framework that categorizes companies based on the alignment of their products or services to defined sustainability themes. Both the assessment of whether a company or issuer is sustainably managed and/or whether a company or issuer can be classified as contributing to a sustainability theme are key elements of our overall assessment.

Portfolio Metrics: In addition to PAIIS and other issuer level/security level metrics, TCW has selected a set of sustainability indicators to assess, measure and monitor the sustainable objectives and environmental and social characteristics at the portfolio level:

- Number of issuers with a neutral or positive TCW ESG score based on an internal ESG scoring framework;
- The portfolio weighted average carbon intensity of companies and estimated financed emissions by property type;
- The number of issuers with a weighted average GHG emissions intensity above 1,000 tCO2e/$ million sales.
- The % of green, social, sustainable and sustainability-linked bonds in the portfolio;
- The % of securitized products that falls into a variety of environmental and social categories (i.e., unlabeled green bonds such as LEED certified commercial buildings, green residential and multifamily housing, affordable housing, renewable energy, bonds that facilitate access to education and healthcare);
- The % of companies that are in violation of the UN Global Compact, ILO Standards, UN Guiding Principles for Human Rights or OECD guidelines for Multinational Enterprises;
- The % of companies with severe or very severe workplace accidents;
- The % of companies with significant tax controversies or other severe controversies;
- The % of companies with at least one independent board member;
- The % of holdings that are compliance with the UN Global Compact Anti-Corruption Principle (10);
- The % contribution of the portfolio to various sustainability themes, including but not limited to: climate change solutions (mitigation and adaptation), water solutions, energy efficiency, pollution prevention, circular economy, biodiversity, health, access to education, and affordable and inclusive housing.

3. Assessing Sustainability Risks & Additional Sustainability-Related Assessments

TCW has developed a sustainability assessment framework based on the analysis of how issuers' business activities align with several identified sustainability objectives. This sustainability assessment framework is integrated into the investment process across our Article 8 and 9 Sub-Funds. The goal of this assessment is to provide a minimum threshold by h to determine whether an issuer is sustainably managed, outside of the company/issuer . ESG and sustainable risk scores, in addition to providing an assessment of governance that is broadly applicable across equities and fixed income.

This methodology should not be viewed in isolation, and issuers will also be evaluated against our broader evaluation of an issuer's ESG and sustainability related risks. Our sustainability objectives target metrics that specifically measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

Sustainability Indicators	
Environmental Responsibility	The company is compliant with the UN Global Compact Environment Principles (7-9)
Carbon Emissions	The company's GHG Intensity does not exceed 1000 tCO2e/ $ million sales
Labour Relations	The company is compliant with the UN Global Compact Labor Principles (3-6)
Labour Relations	Total Severe/Very Severe Workplace Accidents
Tax Transparency	The company has no significant taxation controversies
Corporate Governance	The Board, if applicable, has at least one independent board member
Bribery and Corruption	The company is compliant with the UN Global Compact Anti-Corruption Principle (10)
Note 1 - Data to assess these indicators comes from third party data providers.	

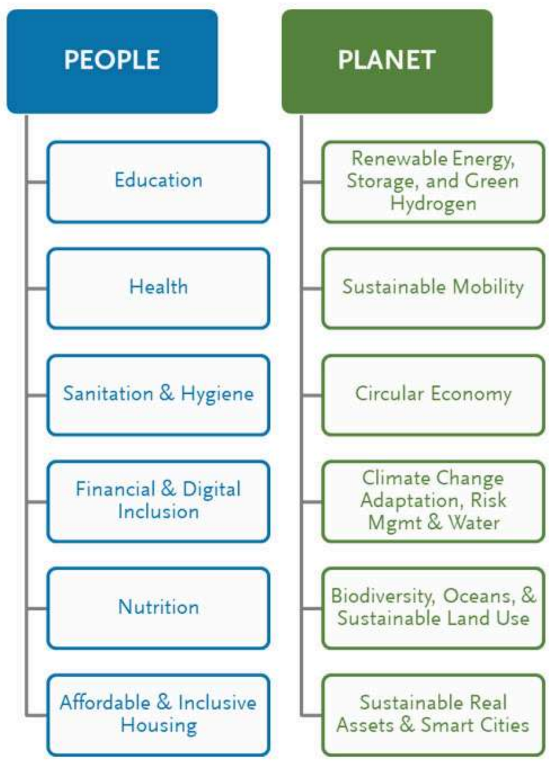
All corporate issuers across Article 8 and 9 Sub-Funds are assessed against these criteria. Assessing issuers against these objectives allows each investment team to address the sustainability profile of issuers in their respective Sub-Funds, as well as to identify candidates for proactive engagement. It is our view that most issuers will exceed these minimum standards, however, should an issuer not meet this minimum, they will be identified as candidates for further engagement by our credit, equity, and ESG research analysts.

Sovereign issuers are assessed against our comprehensive proprietary ESG sovereign scorecard, covering both Emerging Market and Developing Market countries. The scorecard assesses a range of ESG factors linked to the Sustainable Development Goals ("SDGs"). The 17 SDGs, identified in 2015 by the United Nations General Assembly and intended to be achieved by 2030, focus on tackling key global issues such as poverty, climate change, hunger, gender discrimination, and biodiversity. Above all, the SDGs serve as a call for action - providing both developed and developing countries a roadmap to achieve a more sustainable future.

In addition, research analysts across our investment teams consider an array of sustainability factors, including principal adverse impact indicators, to assess issuers for inclusion in Article 8 or Article 9 Sub-Fund. Details about TCW's ESG Integration and research approach for respective asset classes, as well as our engagement and proxy policies can be found at:
s://www.tcw.com/ESG/Investment-Policies

TCW Sustainability Themes

Complementing our sustainability risk analysis is our assessment of a company's revenue, capital expenditures, or other metrics that allows us to evaluate an issuer's contribution (through either products, services, or representative collateral) to the world and society relative to their peer group as part of our research process. To that end, the Sustainable Investment Group has developed a proprietary sustainability assessment framework that categorizes companies based on the alignment of their products or services to defined sustainability themes. Our themes are broken down by those that contribute to social themes (people) or those that contribute to environmental themes (planet).



For corporates, TCW determines thematic alignment primarily by the proportion of revenue derived from the sale of products or services that contribute to global sustainability solutions. Generally, TCW considers a company to be aligned with a sustainability theme if at least 20% of its revenue is aligned to that theme. For example, a publishing company that earns 20% or more revenue from sales of textbooks would qualify for our Education theme. TCW leverages third-party data providers, namely MSCI and ISS, to collect revenue data in service of our sustainability assessments. However, in some instances, a company may qualify for a sustainability theme if it derives less than 20% of its revenue from aligned products or services, leads its industry in developing innovative solutions. This often materializes when evaluating large conglomerates with highly diversified revenue streams. In these instances, TCW analysts assess the company's level of ambition and commitment to its thematically aligned business activities by looking at factors such as capex investments in aligned activities, the growth rate of revenue from such activities, and the potential for a company's innovations to transform its industry.

While the vast majority of thematic alignment can be determined via revenue alignment, some of TCW's sustainability themes may relate to a company's operations and may not necessarily be reflected by revenue. In particular, our Circular Economy theme relates to a company's ability to conduct operations while producing as little waste as possible. This may be achieved through reclamation and reuse of materials or advanced recycling processes. For many companies, such activities are unlikely to be captured by revenue data. In these cases, sustainable investment analysts in partnership with fundamental investment analysts, conduct desk research, peer analysis, and company engagements to assess the degree to which a company's business processes qualify it for this theme.

Portfolio holdings that meet the sustainability criteria are attributed at 100% of their market value to sustainability themes. Securities from non-corporate entities are evaluated on an instrument-by-instrument basis. Securitized products are assessed based on the degree to which their collateral is aligned to TCW's defined sustainability themes. For example, a residential mortgage-backed security that promotes affordable housing may be assessed for the Affordable & Inclusive Housing theme based on the proportion of units at price points accessible to tenants at or below 80% of area median income, in addition to other factors.

The assessment of a company or issuers contribution to a sustainable theme is additional to the assessment of whether a company of issuer meets the do no significant harm and good governance assessment as part of the methodology.

4. Good Governance Assessment

A separate assessment of governance plays a significant role in our overall evaluation of ESG and sustainability related risks. Typically, portfolio managers, fundamental analysts and/or sustainable investment analysts consider several factors to assess a company's governance including:

- **Board Structure & Composition:** Boards that reflect a wide range of perspectives have been shown to create shareholder value. The selection and screening process for identifying qualified candidates for a company's board of directors requires the consideration of many critical factors, including relevant skills, talents, and background experience, in addition to a diversity of candidates and corresponding diversity of the broader Board. We believe strongly that the diversity of skills, abilities, backgrounds, experiences, and points of view can foster the development of a more creative, effective, and dynamic Board, which, in turn, helps support the sustainability of the company going forward.

• **Management Compensation & Incentive Structures:** Our evaluation focuses on the extent to which compensation incentives align with the interests of shareholdings, the transparency of the decision-making process behind compensation plans, and the relationship of compensation to performance targets. In our view, companies should align compensation of key officers and managers with performance, with reference to compensation paid by the company's peers, and compensation programs should be designed to promote sustainable shareholder returns while discouraging excessive risk taking.

• **Ownership & Control:** A firm's ownership structure should be transparent and provide for the alignment of shareholders' interests. TCW analysts also assess whether there are provisions impeding shareholder rights and any other voting restrictions and procedures.

• **Corporate Behavior:** Corporate behavior is of critical importance to the evaluation and includes an assessment of the overall business practices of the issuer (business ethics, anti-competitive practices, corruption, tax or accounting related practices) and any past or ongoing controversies. In addition, companies should have sound employee relations and policies. Companies with good governance as it pertains to labor management will have no high or severe conflict, controversies, or workplace accidents. Additionally, TCW analysts evaluate companies on their overall management of material ESG-related risk factors, such as their management of climate change risk and labor relations.

While governance considerations are a critical factor in our evaluation of securities issued by sovereigns and supranational entities, as well as securitized products, our governance assessment for these assets relies on different qualitative and quantitative data.

In addition to this good governance assessment, fundamental research analysts integrate consideration of material ESG factors, including governance practices, into their overall assessment of a securities value and return potential. Investee companies where there are governance concerns or controversies are candidates for further engagement by our research analysts.

5. Identifying Adverse Impacts

The EU SFDR requires that Sub-Fund managers describe their due diligence policy on how they assess principal adverse impacts and how these factors are considered and mitigated when making investment decisions. The investment and research teams address these factors through several tools, including but not limited to, research and engagement with companies and other issuers that are found to have adverse impacts or potential impacts on sustainability, as well as a variety of investment exclusions targeting companies and other issuers that are engaged in sectors or industries that would be captured by the exclusions.

TCW's Article 8 and 9 Sub-Funds consider at least 14 indicators concerning the principal adverse impacts of investment decisions on sustainability factors. The principal adverse impact indicators considered are:

1. GHG emissions
2. Carbon Footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water.
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

TCW's Article 8 and 9 Sub-Funds consider and mitigate, to the extent reasonably practicable, the adverse impacts of their investments on sustainability factors. The scope of adverse impacts may be wide and varied, and as a result, the data needed to assess these factors comprehensively and accurately is evolving. In addition, regulatory and industry standardization around the methodologies and tools needed for such an assessment is likely to materialize in the coming years. As this data and standardization improves, TCW will continue to make best efforts to assess the adverse impacts of our investments on sustainability factors and engage to address and mitigate these impacts.

6. TCW's Engagement Policy & Opportunities for Engagement

Direct engagement with companies and other issuers cover a range of issues, including balance sheet management, corporate strategy, financial performance and risk, governance, and sustainability themes. This engagement is an essential part of our investment process. Portfolio managers, fundamental research analysts, and sustainable investment analysts collaborate in our ongoing dialogue with companies and other entities, as well as suppliers, customers, and competitors. Maintaining this persistent dialogue is central to how we implement our stewardship responsibilities and informs the investment decisions we make on behalf of our clients.

We believe engagement offers a meaningful lever to drive change, in a way that is likely more meaningful than just exclusions or evaluations alone. In our experience, we have found that our collaborative engagement approach has the potential to result in tangible, positive changes in certain companies and other issuers given the strength and history of our platform.

ESG engagement isn't just about dialoguing with companies and other entities that already demonstrate a comprehensive approach to ESG; it's also about engaging with companies and other entities that have less advanced sustainability practices. By engaging with those early in their sustainability journey, TCW can have a direct influence. Such engagement may benefit all stakeholders, including financial market participants, the global community, environment, and individual constituents.

Direct and consistent dialogue with companies and other entities represents an important part of our deep fundamental research as an organization. TCW Credit, Securitized, Sovereign and Equity Research Analysts engage regularly with many of the companies and other entities that they cover in multiple formats and across differing time periods, as appropriate to the engagement. For example, in corporate credit, analysts may discuss topics related to corporate strategy, leverage, and balance sheet management, as well as sustainability-related topics such as climate change targets and environmental plans, executive compensation, talent management, and board diversity.

…gement is a long-term and dynamic process that evolves over multiple years. While …nge may take years to materialize, sustainable investment analysts reinforce and monitor

ESG engagement objectives as part of interactions with our engagement targets. The persistent lack of response or progress from companies and sovereigns will be reflected in ESG assessments. Insufficient progress on engagement themes and/or reluctance to engage with TCW will be flagged and may result in investment changes.

Engagement Opportunities:
TCW's engagement platform offers a meaningful opportunity to drive change. Our engagement efforts aim to encourage engagement targets to undertake actions that promote better financial, environmental, social, and governance outcomes. Portfolio managers, research analysts, and ESG analysts collaborate in our ongoing dialogue with companies and other entities, as well as with suppliers, clients, civil society organizations, international financial institutions, market participants, and other institutions, as relevant.

Maintaining this continuous dialogue with a diverse set of external parties is central to how we implement our stewardship responsibilities and informs the investment decisions we make on behalf of our clients.
Engagement is a long-term and dynamic process that evolves over time. While change may take years to materialize, analysts reinforce and monitor ESG engagement objectives as part of our regular interactions with engagement targets. Our approach focuses on the following core areas:

- **Proactive engagement along key themes**: We take a proactive approach to ESG research and engagement across asset classes on key ESG themes. Investment teams focus on a variety of materially relevant factors related to the environment, climate, and biodiversity, including carbon intensity and carbon emissions; social issues, including gender and diversity themes; and key governance factors, including transparency and better disclosure. Our engagement on these issues may include instrument-specific approaches where warranted, including when reviewing labelled bonds. Insufficient progress on engagement themes and/or reluctance to engage with TCW may result in investment changes.
- **Tailored to asset class:** The specific focus and means of engagement will vary by asset class and sectors. We directly engage companies and sovereigns as appropriate on a range of issues, such as balance sheet management, corporate strategy and governance, financial performance and risk, promoting progress toward the Sustainable Development Goals (SDGs), and climate impact. For sovereign credit, issuer engagement can take the form of direct dialogue with the executive office and key ministries or departments that guide policy priorities on engagement themes. For corporate credit, we may engage with management, key staff, external experts, and industry experts, as appropriate. For

securitized credit, our engagement with GSEs such as Fannie Mae, Ginnie Mae, and Freddy Mac supports our drive for more tangible data to better assess lending to lower income borrowers or underserved populations. In the equities space, TCW has adopted a Proxy Voting Policy. For additional information on the policy and our voting record, please visit: **https://www.tcw.com/Literature/Proxy-Voting**.

- **Multiple engagement pathways:** Our engagement takes multiple forms and often includes direct contact with company management or other company representatives, contact with policymakers, participation in investor meetings and investor working groups, quarterly earnings calls, and roadshows, along with outreach at industry events.

7. TCW Data Policy

TCW produces its own proprietary research frameworks and ESG ratings for companies and sovereigns, as well as securitized products and specific bonds. Due to the nature of the data and TCW's assessment of critical material factors, TCW often finds instances where TCW research analysis disagrees with third-party ESG scores or methodologies. However, third-party data providers use a range of metrics or underlying raw data points that reflect important factors and TCW utilizes this data, along with other data, TCW's research analysts collect, to construct its proprietary research frameworks and scoring.

In addition to broad macro and markets related research supplied to investment teams, including Haver, Bloomberg, and sell-side research, TCW utilizes third party data for key ESG related metrics, including data from MSCI, Bloomberg, ICE RisQ, IdealRatings, Climate Bonds Initiative, and SASB among others. Information sourced from third parties is only one of the main sources of information that TCW's research analysts use to inform their scores or recommendations related to ESG and sustainability. TCW also utilizes data that credit analysts' source through their review of publicly available information (10Qs, 10Ks, annual reports, sustainability reports, prospectuses, and press releases), research reports, industry data/surveys, and engagement with company management. TCW undertakes regular and due diligence and data quality reviews on third party data providers before any new vendors are on-boarded. TCW may choose to no longer use any data that no longer meets its quality standards.

TCW's research efforts are driven by bottom-up credit analysis driven by multiple proprietary and third party vendor sources. As such, it is not possible to make an accurate determination of the proportion of ESG data from all sources that are estimated and used as part of the …inable investment process. ESG and sustainability data and research are integrated into …s proprietary trading systems and research platform across investment teams. TCW has taken a whole of firm approach to integrating the data wherever a portfolio manager, research analyst, operations specialist, compliance officer, or client service manager needs to see or use ESG data. Given the nature of ESG data and the challenges of integrating this content, TCW has built proprietary analytic tools to support the mapping of ESG issuer data to bonds and other portfolio holdings, tools to enable ESG portfolio construction, compliance, and investment recommendations, as well as an array of customized internal and external reports. TCW recognizes the criticality of data, research, and systems solutions in ESG investing; therefore, TCW will continue to invest in these efforts as an organization.

TCW adheres to the Sub-Fund's guidelines and objectives by establishing rules through its compliance system and pre-trading portfolio systems that screen the purchase of restricted securities. These systems allow TCW to control for the purchase of certain types of issuers, or countries in a specific client portfolio, based on their individual requests. Portfolios are reviewed daily to ensure that no restricted security was inadvertently purchased in a client portfolio. Most importantly, ESG related data is not treated differently than any other financial information that is critical to TCW's ability to invest and manage portfolios on behalf of its clients.

From a governance perspective, the ESG Guideline Implementation Group provides oversight for the implementation guidelines, and covers topics ranging from interpretive questions, data exceptions, and compliance practices and procedures. Representation in this group includes members from Client Service, Portfolio Compliance, Data Management, and other teams as necessary. This group meets on an ad-hoc basis and is chaired by the TCW's Head of Sustainable Research and Engagement.

8. Article 5 – Remuneration and Sustainability Risk

Our remuneration/compensation policies are consistent with the integration of sustainability risks in the following respects:

- For key investment professionals and senior managers, equity in TCW forms a substantial part of these employees' compensation. The equity component serves to align the interest of our key employees with those of the firm and its clients, and to incentivize key employees to manage risks to prevent environmental, social, governance or other events or conditions that could have a negative impact on TCW's business.
- For less senior employees, the annual performance review and compensation-setting process includes consideration of the employee's prudence in risk management, including management of environmental, social, governance or other events or conditions that could have a negative impact on TCW's business.

- All employees are subject to compliance with all of TCW's policies and procedures, including for example TCW's anti-discrimination and anti-harassment policies. TCW employees who violate firm policies may be subject to loss of compensation and other disciplinary action, which may include termination for cause.
- All employees are trained annually on our code of ethics.

9. TCW EU Shareholder Engagement Policy

TCW's Engagement Policy that complies with Shareholder Rights Directive II is as follows:

Definitions
For the purposes of this policy, an "investee company" refers to a company which has its registered office in an EU member state and is traded (i.e., listed) on an EU regulated market.

Where it is noted in the policy that TCW has acquired equity holdings in investee companies, it is to be understood these holdings are for the exclusive benefit of TCW's clients for which it acts as discretionary portfolio manager.

Monitoring of Investee Companies

1. Strategy

Prior to the acquisition of shares of any investee companies, TCW shall endeavor to ensure that the strategy, objectives, and culture of the investee companies are consistent with the strategies and goals of its clients. TCW will conduct investment due diligence on the investee companies it proposes to invest in to understand their strategy. Members of TCW's various portfolio management teams may meet with senior representatives of the prospective investee companies to garner an understanding of the investee company's strategy and its medium to long-term objectives, which may inform their investment decision making process. TCW will endeavor to ensure that the strategies of the investee companies remain consistent with the objectives of its strategies and of its clients through a variety of means, including, but not limited to, the review of investee companies' annual reports and other relevant industry research.

2. Financial, Capital & Non-Financial Performance

Through its initial investment due diligence and ongoing engagement, TCW will assess the financial position of each investee company in which it holds equity ownership. TCW may consider the following to determine the financial performance of investee companies: balance sheets, financial projections, market data providers e.g., Bloomberg, Morningstar, publicly available reports, press releases, regulatory filings, etc. In terms of non-financial factors, TCW endeavors to remain appraised of all considerations of a material nature with respect to investee companies, for example, departures of senior management, significant business continuity events, potential for regulatory sanctions, etc. TCW will consider these material events on an ongoing basis to determine whether the investee company's actives are consistent with its interests and that of its investors.

3. Risk

TCW will evaluate whether there is an experienced and independent risk function within the investee companies to satisfy itself that an appropriate risk framework is in place. TCW may enquire as to what, if any, risk tools and systems are deployed by the investee company to monitor risk on an ongoing basis. TCW may also use its own proprietary risk systems or independent risk systems to independently validate the risk metrics produced by investee companies on an ongoing basis.

4. Social & Environmental Impact

TCW is a signatory to the United Nations–supported PRI initiative—an international network of investors collaborating to put the six Principles for Responsible Investment into practice. Please refer to TCW's ESG Policy for additional information.

5. Corporate Governance

Through its initial investment due diligence and ongoing engagement with investee companies, TCW works to develop a detailed understanding of the way in which each investee company operates and the policies, procedures, and forums it has enacted to monitor effective corporate governance. In selecting investments, TCW's equity portfolio managers consider the extent to which the potential investee companies have leaders who prudently manage their environmental sustainability and social responsibilities with good governance and solid financial resources. Fundamental research is used to identify these companies, and our portfolio managers use both qualitative and quantitative screening criteria to supplement the fundamental research. TCW may also consider the board composition and committee structures which have been enacted in investee companies as an effective way of monitoring investee companies in relation to corporate governance.

g Rights

TCW has adopted a Proxy Voting Policy. Please refer to the policy for additional information.

Co-Operation with Other Shareholders

In acquiring equity holdings in investee companies, TCW understands that it may be appropriate to engage with other shareholders to promote and effect positive change with respect to the operations and governance of these investee companies. TCW, as appropriate, and subject to rules, regulations, and policies regarding safeguarding of confidential or non-public information, is willing to engage and collaborate with other shareholders in the pursuit of promoting positive change in investee companies. This engagement with other shareholders shall be exclusively in the best interests of its clients.

Conflicts of Interest

TCW has implemented controls and procedure into place that are designed to identify and mitigate conflicts related to shareholder engagement. Please refer to TCW's Code of Ethics, Portfolio Management Policy, and Proxy Voting Policy.

Annual Transparency Obligations

On an annual basis, TCW shall publicly disclose on its website how this policy has been implemented which will consider the following:

A general description of voting behavior;
An explanation of the most significant votes taken;
Information on the use, if any, of the services of proxy advisers; and
Information on how it has cast votes in the general meetings of companies in which it holds shares.

DISCLAIMERS

- **ESG Investing Risk:** The risk that the Sub-Fund's ESG strategy may select or exclude securities of certain issuers for non-financial reasons, and that the Sub-Fund's performance will differ from Sub-Fund that do not utilize an ESG investing strategy. For example, the application of this strategy could affect the Sub-Fund's exposure to certain sector or types of investments, which could negatively impact the Sub-Fund's performance. Additionally, an investment's ESG performance or the Adviser's assessment of such performance may change over time, which could cause the Sub-Fund to temporarily hold securities that do not comply with the Sub-Fund's responsible investment criteria. ESG investing is qualitative and subjective by nature, and there is no guarantee that the criteria used by the Adviser or any judgement exercised by the Adviser will reflect the opinions of any particular investor. Sub-Fund with ESG investment strategies are generally suited for long-term rather than short-term investors.

- **Sustainability Risks:** From time-to-time Sub-Fund will be exposed to Sustainability Risks which, if they materialize, can reduce the value of underlying investments held within the and could impact on the performance of the overall Sub-Fund portfolio. In ordinary market conditions, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Sub-Fund. Sustainability Risk is an environmental, social or governance event or condition that if it occurs could cause an actual or potential material negative impact on the value of the investment.
- **ESG and Sustainability Data Risks:** TCW uses best efforts to collect data relevant to the indicators and data collated by third-party providers. In certain instances, data is estimated by TCW. Where TCW relies on third-party data it does so following due diligence of that provider but cannot guarantee the accuracy of third-party data. There are limitations with respect to availability of ESG data in certain sectors. For a number of the indicators there is wide variance amongst the data points provided by third-party data providers, as well as differences between third-party provided data and company disclosure. Additionally, company disclosures for a given indicator may vary in the calculation methodology limiting cross comparability. Market conditions affect certain ratios, calculation methodologies are evolving, and data availability is changing and investor understanding of sustainability risks may be subjective and evolving. Where ESG data is not available, TCW may need to carry out estimations. In addition, there are many instances where TCW analysts disagree with third party ESG research assessments.

  Further, TCW's evaluation of ESG criteria based on this data is subjective and may change over time. As referenced in TCW's Data Policy, evaluation of ESG data is subjective and may change due to market conditions, developments in methodologies, data coverage or as understanding of Sustainability Risks evolves.

- **Investment Instruments not covered:** Our evaluation of sustainability does not currently apply to investments that are made for the purposes of hedging, duration management, or liquidity purposes or instruments that are not issuer specific. These including cash, cash equivalents, currency positions, particular types of derivatives and other non-issuer specific instruments, as presenting ESG or sustainability risks, opportunities and/or issues, and we believe it is not practicable to evaluate such risks.

[1] Sustainability Risk: An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

UK Stewardship Code

Climate Disclosure Report