2025

Climate Report

Aligned with the Task Force on
Climate-related Financial Disclosures (TCFD)

As of June 30, 2025

Dodge & Cox®

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Introduction

Dodge & Cox continues to operate on the same belief that guided our founding in 1930: our most important responsibility is to our clients and fund shareholders. Our independence, collaborative culture, and commitment to active, value-oriented investing drive our ability to deliver investment returns to our clients over the long term. From our beginnings in San Francisco, we are now one of the largest independently owned investment firms in the world. We manage money for individuals and institutions globally with a single investment philosophy across offerings for equity and fixed income investments. As of June 30, 2025, we managed $435 billion in assets and had 368 full-time employees across our offices.

Our active investment approach centers on individual security selection grounded in the relationship between fundamentals and valuation. As persistent and patient investors, we carefully construct portfolios with a long-term horizon and a rigorous price discipline. We conduct our own research and make investment decisions based on individual security analysis by our team of investment professionals. Our Investment Committees build conviction for our decisions by stress testing our thinking and making selections collectively.

As stewards of our clients' capital, we seek to evaluate a range of factors that could impact the durability of a company or bond issuer's business franchise. We evaluate financially material environmental, social, and governance (ESG) factors to help us better understand the fundamentals of a company. We seek to understand how a company or issuer makes decisions, balances the interests of stakeholders, and manages key risks. In doing so, we pay particular attention to governance structure and practices. We also assess how a company is managing key risks and opportunities related to environmental and social topics, such as climate change, human capital management, and customer satisfaction and safety. We maintain ongoing dialogue with company management teams and boards, and we engage with them when it is important to our understanding of a company and the actions it is taking.

We recognize the importance of companies' disclosures of their carbon emissions and how they are managing their climate-related risks and opportunities. We prepared this report in alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). This report addresses material climate-related risks and opportunities from our perspective as an investment manager and corporate entity. Additional information on our firm and approach can also be found on our website and in our Investment Stewardship & ESG Integration Report.

For the purposes of this report, we use the term "client(s)" as a general term intended in most instances to refer to both separate account clients and shareholders in our Funds, except where noted.

Report Summary

Summary of disclosures aligned to TCFD.

TCFD Recommended Disclosure	Our Response (where disclosed)	Sections/Pages
Governance		
a) Describe the board's oversight of climate-related risks and opportunities.	The Dodge & Cox Board of Directors has ultimate oversight of all key aspects of our business, including long-term strategic planning and oversight and monitoring of firm-related risk. Three committees support the Board's oversight of climate-related issues: the Research Policy Council (RPC), Business Strategy Committee (BSC), and Risk Management Committee (RMC).	Board Oversight (p.5)
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Five groups provide strategic input on climate-related risks and opportunities and manage how these are addressed: the ESG Research Steering Committee (conducts research on climate-related topics, reviews climate datasets, and develops frameworks to assess climate-related risks and opportunities), the ESG Integration Committee (oversees client-related ESG efforts taking into account the evolving climate-related landscape), the Proxy Policy Committee (oversees proxy policy, including climate-related matters), the Sustainability Committee (oversees corporate sustainability initiatives), and the Strategic Incident Response Team (maintains and executes the Enterprise Business Continuity Plan). These committees are supported by functional teams across investment research, stewardship, ESG integration, sustainability, legal, compliance, facilities, and technology.	Management Oversight (p.6) Functional Groups (p.7)
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**Investment management:** Dodge & Cox evaluates physical and transition risks and opportunities that may affect companies and sectors over our long-term investment horizon of three to five years. Our analysts assess how companies could be affected by climate-related risks—such as rising costs from greenhouse gas emission pricing, litigation exposure, investments needed for cleaner technologies, shifts in consumer preferences, and physical threats from climate events—as well as climate-related opportunities, including switching to cleaner energy sources, using supportive policy incentives, creating low-emission products and services, and participating in renewable energy and energy-efficiency programs. **Corporate entity:** We have identified climate-related transition risks (policy/legal; market; reputation), physical risks (acute physical risks from extreme weather events), and opportunities (product and service innovation; resource efficiency; operational resilience) that may have the potential to impact our business.	Integrating Climate-related Risks and Opportunities into Our Investment Process (p.9-11) Corporate Climate-related Risks and Opportunities (p.17)
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.*	**Investment management:** Climate-related risks and opportunities are evaluated through our fundamental, bottom-up research process. Analysts assess how climate change and the transition to a low-carbon economy may affect a company's long-term value using our Company ESG Risk Framework and Carbon Risk Assessment, which help identify financially material climate transition and physical risks. We also use the Sovereign ESG Framework to assess country-level risks and opportunities. Climate-related market dynamics—such as renewables growth, battery development, electric-vehicle penetration, and implications for oil and natural gas demand—are reviewed annually by our Global Industry Analysts. These insights, along with macroeconomic assessments of the energy transition and decarbonization, inform company analysis, sector committee reviews, and Investment Committee decisions. **Corporate entity:** We actively monitor climate-related risks and opportunities but anticipate their impact on our business to be limited, as we manage assets on behalf of clients, operate from leased office space, and maintain a lean organizational structure. Our Sustainability Committee, Sustainability Action Group, and Strategic Incident Response Team lead efforts to assess and manage corporate climate-related risks and opportunities, supported by additional groups described in the Governance and Risk Management sections.	Evaluating the Impact of Climate-related Risks and Opportunities (p.10-16) Corporate Climate-related Risks and Opportunities (p.17)
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have not conducted formal scenario analysis to quantify climate-related impacts on our corporate entity at this time.	

TCFD Recommended Disclosure	Our Response (where disclosed)	Sections/Pages
Risk Management		
a) Describe the organization's processes for identifying and assessing climate-related risks.*	**Investment management:** We identify and assess climate-related risks through our Company ESG Risk Framework and Carbon Risk Assessment, which use reported and modeled emissions, earnings-at-risk, and temperature alignment, as well as our Sovereign ESG Framework for country-level ESG analysis. These assessments are informed by the due diligence conducted by our analysts and are integrated into our broader investment risk-management approach, which includes intensive bottom-up research, risk analytics using proprietary and third-party tools, macro analysis, and quantitative methods.	Managing Investment Risk (p.19-20)
	Corporate entity: Our Risk Management Committee oversees firm-wide risk management practices, while the Sustainability Committee oversees our corporate sustainability efforts in collaboration with our Sustainability Action Group, and the Strategic Incident Response Team administers our Operational Resilience Program, including our Enterprise Business Continuity and Disaster Recovery Plans for incidents such as acute weather events.	Managing Corporate Risk (p.20-22)
b) Describe the organization's processes for managing climate-related risks.*	**Investment management:** Risk mitigation is embedded in research and portfolio construction through valuation discipline, analysis of aggregate portfolio risk exposures, long-term horizon, macro overlays, portfolio risk models, and quantitative analysis. Engagement and proxy voting may address financially material climate topics, consistent with our long-term value-oriented philosophy.	Managing Investment Risk (p.19-20)
	Corporate entity: We manage operational risks from climate events through our Operational Resilience Program (Enterprise Business Continuity and Disaster Recovery Plans). In addition, our Sustainability Committee, Sustainability Action Group, ESG Integration team, and other relevant groups support corporate efforts to reduce our environmental footprint, monitor climate-related developments, and oversee sustainability initiatives to manage climate-related risks and opportunities.	Managing Corporate Risk (p.20-22)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate considerations are integrated into our broader investment risk oversight through committee-driven research, decision-making processes, and portfolio risk analytics. At the corporate level, our Risk Management Committee oversees firm-wide risk management practices. Climate-related risks are incorporated into our corporate risk management through our Sustainability Committee, Sustainability Action Group, and Strategic Incident Response Team.	Managing Investment Risk (p.19-20) Managing Corporate Risk (p.20-22)
Metrics & Targets		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities, in line with its strategy and risk management process.*	We monitor a range of portfolio-level greenhouse gas (GHG) metrics to assess climate-related risks and opportunities across our equity and corporate bond holdings. These include absolute and relative emissions measures, including total financed emissions, financed emissions per USD million invested, and weighted average carbon intensity (WACI) for Scope 1+2 and Scope 1+2+3 emissions. We also evaluate forward-looking metrics, such as the proportion of portfolio companies with GHG reduction or Science Based Targets initiative (SBTi)-approved goals, as well as Implied Temperature Rise (ITR).	Evaluating Carbon Emissions Across Our Investments (p.24-28)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.*	**Investment management:** We disclose Scope 1+2 and Scope 1+2+3 portfolio metrics for equity and corporate bond holdings.	Carbon Emissions Metrics for Equity and Corporate Bond Holdings (p.26-27)
	Corporate entity: For our operations, 2024 is our baseline year. Our 2024 GHG inventory (prepared in collaboration with a third-party consultant) includes Scope 1, Scope 2, and Scope 3 categories 1, 2, 3, 5, 6, 7, and 8. We also purchased carbon allowances through Climate Vault to offset our Scope 1, market-based Scope 2, and Scope 3 categories 6 (business travel) and 7 (employee commute) emissions.	Evaluating Carbon Emissions Across Our Operations (p.28-29)
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	We have not established a corporate-level GHG reduction target. However, we disclose the proportion of equity and corporate bond holdings with issuer-level GHG reduction or SBTi-approved targets and provide ITR metrics.	Incorporating Forward-Looking Metrics (p.27-28)

* Reflects recommendations that are included in the Supplemental Guidance for Asset Managers, which incorporates updates to the guidance for the financial sector released by the TCFD in 2021.

Governance

The organization's governance around climate-related risks and opportunities.

Strong governance underpins our ability to deliver long-term value for our clients.

Strong governance underpins our ability to deliver long-term value for our clients. Our firm leadership is responsible for firm management, investment strategy, and client service. We manage our firm the same way we make investment decisions: by collaborating closely, grounding our approach in thoughtful research, focusing on the long term, and staying aligned with our clients. This consistency promotes stability, drives continuous improvement, and supports succession planning. Our policies, committees, and operations are designed to put clients' long-term interests ahead of commercial or short-term considerations.

Board Oversight

Our Board of Directors has ultimate oversight of all key aspects of our business, including long-term strategic planning, establishment of strategic priorities, resource allocation, and oversight and monitoring of firm-related risks. Three committees support the Board's oversight of climate-related considerations: the Research Policy Council (RPC), Business Strategy Committee (BSC), and Risk Management Committee (RMC).

All members of the Dodge & Cox Board currently serve on the BSC, which receives updates at least annually on our environmental, social, and governance (ESG) priorities and initiatives. RPC and RMC are also composed of Board members and senior business leaders.

Oversight Structure

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Management Oversight

Five groups provide strategic input on climate-related risks and opportunities and manage how we address them. These groups report directly or indirectly to the committees and groups described on the previous page.

Five groups provide strategic input on climate-related risks and opportunities and manage how we address them.

Groups	Area of Focus
ESG Research Steering Committee	Formalizes and further develops the ways in which we integrate financially material ESG factors into our investment process. Its members conduct research, evaluate new data sources, build analytical tools (such as our ESG Risk Framework, Carbon Risk Assessment, and Net Zero Tracker), and suggest process improvements to help our Investment Team evaluate relevant ESG factors, including climate-related risks and opportunities. This Committee is Chaired by our Director of Research and reports to the Research Policy Council.
ESG Integration Committee	Monitors the ESG landscape, taking into consideration our clients' evolving expectations, trends in the asset management industry, and regulatory developments. The ESG Integration Committee helps oversee client communications and the reporting of climate-related information, including portfolio carbon emissions metrics and fossil fuels exposure. This Committee is Chaired by our Head of ESG Integration and reports to the Joint Client Service Committee.
Proxy Policy Committee	Oversees the proxy voting process and policy, including climate-related proposals. This Committee reviews the Proxy Voting Policy annually and approves updates as appropriate. This Committee is chaired by our Head of Investment Stewardship, who is also our Proxy Officer, and reports to the Research Policy Council.
Sustainability Committee	Oversees Dodge & Cox's corporate sustainability efforts, including initiatives to reduce energy use, greenhouse gas emissions, paper consumption, and waste, as well as to enhance employee education and client communications on sustainability. The Sustainability Committee also reviews and approves our carbon offsetting strategy. This Committee is chaired by our Head of ESG Integration and reports to the Operations Committee.
Strategic Incident Response Team	Maintains and executes Dodge & Cox's Enterprise Business Continuity Plan, which provides guidance on the appropriate actions to take in the event of various crisis situations, including climate and severe weather events. This team is led by our Director of Human Capital & Administration and reports to the Operations Committee.

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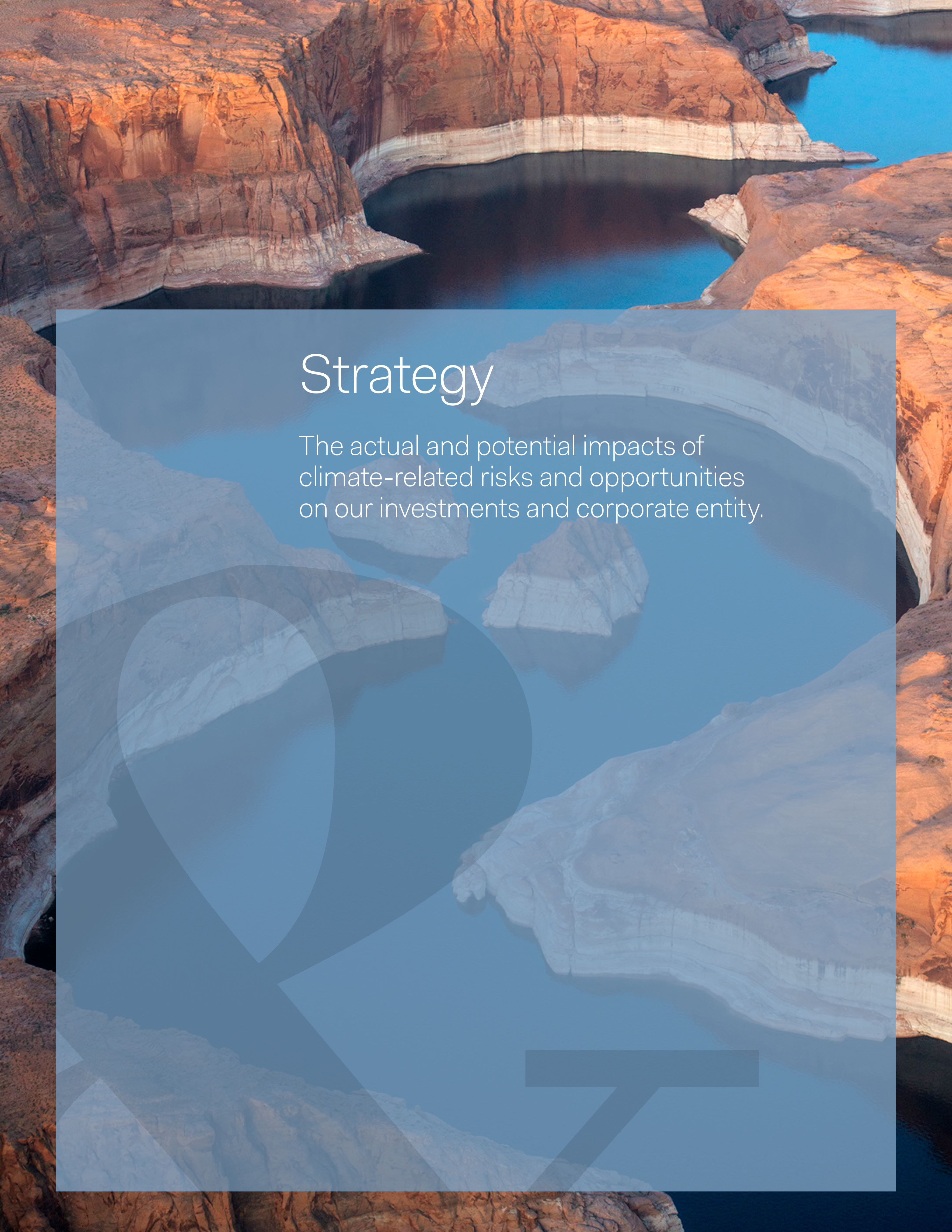
Functional Groups

Different teams and individuals across the firm share responsibilities for assessing and managing climate-related risks and opportunities.

Different teams and individuals across the firm share responsibilities for assessing and managing climate-related risks and opportunities.

Teams	Area of Focus
Investment Team	▪ Integrates financially material ESG factors, including climate risks and opportunities, into ongoing research and analysis (see examples in the Strategy section of this report); and ▪ Completes our ESG Risk Framework, Carbon Risk Assessment and Sovereign ESG Framework.
Investment Stewardship Team	▪ Leads our investment stewardship program, executing proxy votes, and supporting governance analyses across our holdings; ▪ Provides governance expertise, escalates issues, and works to align stewardship activities with our policies for long-term sustainable value; and ▪ Collaborates with our Investment Team to lead issuer engagements and to monitor and track the progress of those interactions.
ESG Integration Team	▪ Partners with our Investment Team to integrate financially material ESG factors, including climate-related risks and opportunities, into research and portfolio decision making; ▪ Leads firm-wide ESG integration initiatives and helps the firm create ESG-relevant disclosures, client communications, and external reporting that are clear, accurate, and aligned with applicable standards and frameworks; and ▪ Monitors ESG-related industry developments, client preferences, and regulatory changes.
Sustainability Action Group	▪ Proposes and executes firm-wide sustainability priorities and initiatives approved by the Sustainability Committee; ▪ Participates in the calculation of our corporate carbon emissions; and ▪ Collaborates with our Charitable Giving and Volunteering Committees to support organizations focused on environmental education and awareness.
Legal & Compliance Teams	▪ Oversees regulatory and legal risks, which may include monitoring climate-related industry developments; and ▪ Conducts periodic audits and sample testing of the firm's ESG integration and investment stewardship processes to check for consistency with internal policies and public disclosures.
Facilities Team	▪ Manages our facilities and partners with our Sustainability Action Group and Committee to implement initiatives that reduce energy consumption and waste across locations.
Technology Response Team	▪ Executes our Disaster Recovery Plan by restoring information systems, validating and testing third-party vendors' recovery capabilities, and supporting alternative work sites when primary offices are unavailable.

Our committee- and team-based governance model promotes ongoing evaluation and enhancement of our approach to climate-related governance, as well as assessment of risks and opportunities. We periodically review our policies and processes, solicit feedback from key stakeholders, and benchmark against industry best practices to maintain governance and management processes that are robust and effective in a rapidly evolving regulatory and market environment.



Strategy

The actual and potential impacts of climate-related risks and opportunities on our investments and corporate entity.

We analyze sectors and companies to evaluate how climate change and the transition to a low-carbon economy could impact our existing and potential investments.

We employ a disciplined value-investing approach to selecting investments, grounded in intensive bottom-up research, strict price discipline, and team decision making. As an investment management firm, climate-related risks and opportunities primarily affect us through their potential impact on our investment portfolios. We analyze sectors and companies to evaluate how climate change and the transition to a low-carbon economy could impact our existing and potential investments. We also seek to manage the climate-related risks and opportunities that we have identified within our own business.

Integrating Climate-related Risks and Opportunities into Our Investment Process

As part of our investment process, we consider ESG factors, including climate-related risks and opportunities, to determine whether they are likely to have a financially material impact on a company's or bond issuer's risks and opportunities. We view ESG factors as financially material when they are likely to affect the long-term value of a company or an issuer's ability to fulfill its debt obligations. We refer to this approach as ESG integration, which we outline in our ESG Policy Statement available on our website.

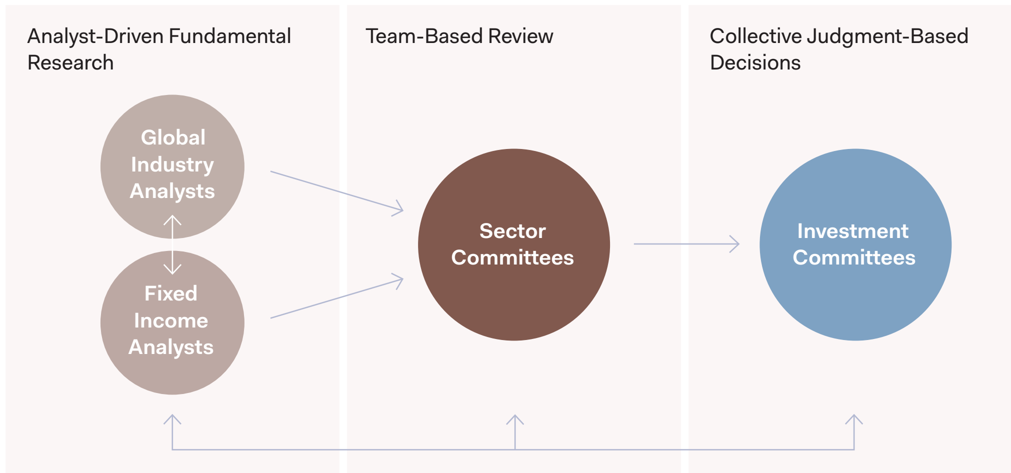
Examples of climate-related risks and opportunities we consider for our investments:

Risks	Opportunities
Rising costs due to greenhouse gas emission pricing	Switching to cleaner energy sources
Increased costs or reduced demand related to litigation	Ability to diversify business activities
Investments needed for cleaner technologies	Use of supportive policy incentives
Shifts in consumer preferences	Creating low-emission products and services
Physical threats from climate events	Participation in renewable energy and energy-efficiency programs
Costs related to projects to achieve carbon emission reduction goals	Potential competitive positioning advantage for achieving carbon reduction targets

Team-Based Approach to Building Investment Conviction

We build investment conviction through deep fundamental research and the wide-ranging perspectives of our experienced Investment Team members, many of whom have worked together for decades using a shared investment philosophy. Our approach to assessing investments starts with our integrated equity and fixed income teams.

Building Investment Conviction



Our Global Industry and Fixed Income Analysts are the engine behind idea generation and risk analysis for our strategies. After an analyst has analyzed a company or issuer, our Sector Committees, comprising analysts who cover related industries, rigorously stress test the recommendation. The group may identify areas for additional research and advises our Investment Committees on intra-sector relative value. Our Investment Committees evaluate and approve new portfolio investments—as well as adds, trims, and sales—to construct a diversified portfolio on a bottom-up basis. Investment Committees also monitor portfolio-level risk with a focus on avoiding permanent loss of capital.

Our analysts evaluate how the companies or issuers in which we invest could be affected by the risks and opportunities associated with climate change.

Evaluating the Impact of Climate-related Risks and Opportunities

Our analysts evaluate how the companies or issuers in which we invest could be affected by the risks and opportunities associated with climate change.

We evaluate our investments using a long-term investment horizon of three to five years. Our long-term investment focus enables us to identify how companies are positioned today and critically analyze how they are adjusting their strategies to address changes in the external environment, including regulatory developments and societal expectations.

Climate-related risks and opportunities can impact holdings differently across short-, medium-, and long-term time horizons. If we view those risks and opportunities as material to a company's long-term value, we assess how management is adapting its business to mitigate climate-related risks and take advantage of potential opportunities in the global energy transition. Where relevant to the nature of its operations, this analysis typically includes evaluating a company's corporate governance and strategy for reducing its carbon intensity over time.

A group of our analysts who cover companies within the Industrials and Energy sectors have led an annual review of and discussion on the global energy transition.

Since 2021, a group of our analysts who cover companies within the Industrials and Energy sectors has led an annual review of and discussion on the global energy transition. They analyze the growth and cost of renewables, the outlook for battery development and electric vehicle (EV) penetration, and the resulting impact on our expectations for oil and natural gas demand. These discussions are intended to spark debate regarding whether certain economic shifts around the energy transition are cyclical or secular, how these trends may affect our current holdings, and whether there are parts of the market we should further explore for potential investment ideas.

Our ESG Integration team periodically conducts analyses to evaluate the impact of climate-related risks and opportunities on our investment portfolios, including assessments of the impact that physical climate risks, biodiversity, and carbon markets could have on our holdings. The team also maintains our company Net Zero Tracker, which logs the carbon emissions reduction goals and net-zero commitments of the companies we invest in. At the company level, our analysts use our proprietary ESG frameworks as part of their ongoing due diligence. We provide more details about these frameworks below.

Company ESG Risk Framework

Our analysts use our Company ESG Risk Framework as a guide to assess whether ESG considerations may pose a financially material risk for a given company over our three- to five-year investment time horizon, as well as to determine if there are any financially material ESG opportunities for the company. They complete this assessment during the initial purchase phase for companies and corporate issuers we hold widely across our funds and separate accounts[1] and update it each calendar year.

We formally launched this more standardized assessment of ESG risks in 2017. Our ESG Research Steering Committee revised the framework in 2021, adding more explicit considerations about climate change risks. Since then, we have continued to refine the framework and made it available online within our Research Portal, further integrating this information with our other internal company research, which has improved accessibility and tracking.

Examples of ESG Factors We Consider

Our analysts consider financially material ESG factors within the context of a company's specific business lines, industry, and regions of operation. Not all factors will be relevant to each company.

Environmental	Social	Governance
Climate Change	Human Capital	Capital Allocation
Pollution or Environmental Damage	Human Rights & Community Relations	Ownership Structure
Raw Material Sourcing	Customer Satisfaction & Safety	Management & Board

[1] Excluding smaller positions in our emerging market strategy and certain holdings in separately managed accounts.

Environmental Factors We Consider

Climate Change

Q: Are there material risks from the energy transition (e.g., carbon emissions and decarbonization strategy, policy/regulatory changes, shifts in consumer behavior and market sentiment, technology disruption)?

Q: Are there material risks from physical climate change or other environmental impacts (e.g., destruction from wildfires, hurricanes, or other natural disasters, productivity loss from extreme heat, long-term effects of sea level rise)?

Pollution or Environmental Damage

Q: Are there material risks of other types of environmental damage or pollution, not including carbon emissions (e.g., toxic releases/spills, contribution to biodiversity loss, waste generation)?

Raw Material Sourcing

Q: Are there material risks of operational disruption caused by lack of access to natural resources or dependency on scarce resources (e.g., water intensive activities in a water-scarce region)?

The following example demonstrates how our analysts evaluated financially material climate risks and opportunities when conducting due diligence on Occidental Petroleum.

Occidental Petroleum

Occidental Petroleum (OXY) is one of the largest oil and gas producers in the United States. We invested in OXY because of its diversified business, strong operating capabilities, and attractive valuation. In addition to its free cash flow generative business, including its upstream and midstream oil and gas units, we view the OXY Low Carbon Ventures (OLCV) business as a source of future value.

OXY has committed to achieving net-zero emissions from operations by 2040 and for the entire value chain by 2050. OXY set several short- and medium-term targets to support these goals in its 2025 Climate Report. Central to achieving these goals is OLCV, which was established in 2018 to build a portfolio of low-carbon investments that will accelerate its pathway to net zero. In addition to reducing OXY's exposure to long-term climate-related transition risks—such as increased costs related to carbon pricing regulations and shifts in customer preferences—OLCV positions the company to capture emerging climate-related opportunities. These include developing new products and services that support decarbonization and strengthening the climate resilience of OXY's broader business model through technologies designed to deliver durable, measurable emissions reductions. OLCV will also play an important role in helping its customers achieve their net zero goals.

In 2023, OXY expanded its low-carbon investments by acquiring Carbon Engineering, a direct air capture (DAC) technology innovator. Since then, OXY has invested over $1 billion to develop the world's largest DAC facility with 500,000 metric tons of CO_2 capture capacity, which is expected to be fully operational in 2026.

In January 2025, our Global Industry Analyst covering OXY participated in an onsite two-day meeting with the OXY and Carbon Engineering team to better understand the cost trajectory for their DAC technology. Based on our analysis, we are optimistic about the ability for OLCV to deliver differentiated returns relative to peers over five to seven years.

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Carbon Risk Assessment

As part of our Carbon Risk Assessment, our analysts assess climate transition risks, such as regulatory and market risks related to carbon pricing, by analyzing a company's carbon intensity, as well as its competitive positioning and decarbonization targets, when we deem those to be financially material to a company's long-term outlook. Our ESG Research Steering Committee launched this assessment in 2022, and our analysts update the assessment each calendar year for companies and corporate issuers we hold widely across our client and fund accounts.[2]

How We Assess a Company's Carbon Risk

1 Carbon Intensity

Does the company have a high carbon intensity based on its Scope 1 and 2 emissions?

2 Competitive Positioning

How does the company's carbon intensity compare to industry peers'?

3 Decarbonization Targets

What is the company's decarbonization strategy and is it a leader, in line with, or a laggard versus industry peers?

Carbon Risk Assessment

Analyst determination of whether the company has Very High, High, Medium, or Low risk.

Our Investment Team can review our carbon risk dashboard to compare how a company's carbon intensity ranks versus those of its industry peers, as well as those of other companies in our portfolios and their relevant benchmarks.

To complete this analysis, our Investment Team can review our carbon risk dashboard to compare how a company's carbon intensity ranks versus those of its industry peers, as well as those of other companies in our portfolios and their relevant benchmarks. The dashboard has data on carbon emissions, both absolute and relative emissions, as well as temperature alignment with the Paris Agreement goals.[3] Our analysts may also review research and data from other sources, which may include third-party ESG data providers, company Corporate Sustainability Reports, company Climate Disclosure Project reports, and sell-side research.

As outlined in the above figure, our analysts ultimately use the dashboard and their own research to assign a company's risk level—Very High, High, Medium, or Low—based on its carbon intensity and decarbonization goals. We record this analysis in the dashboard so our Investment Team can view the individual company risk levels and compare across portfolios. We view the Carbon Risk Assessment as one tool in our investor toolkit to evaluate a company's fundamentals. We do not screen a company in or out of our portfolio based on its carbon risk. Rather, our analysts can use the carbon risk level as an indicator to conduct further research on a company.

[2] Excluding smaller positions in our emerging market strategy and certain holdings in separately managed accounts.
[3] The Paris Agreement commits participating countries to limit global temperature rise to well-below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C.

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Our macroeconomic analysts conduct in-depth research and form views on over 30 countries to help inform our investment decision making on companies and sovereigns, as well as currency hedges.

Sovereign ESG Framework

Our macroeconomic analysts conduct in-depth research and form views on over 30 countries to help inform our investment decision making on companies and sovereigns, as well as currency hedges. They use a variety of resources, including proprietary monitors and models evaluating economic, currency, interest rate, and systemic risk trends for each country. Analysts also consider a variety of financially material climate-related factors as part of their country analysis. They leverage our Sovereign ESG Framework to provide a quantitative and qualitative assessment of ESG-related risks and opportunities for the countries we cover. This framework includes close to 40 ESG indicators that are aggregated into a quantitative ESG overall score, as well as specific E, S, and G scores, for each country. These indicators fall into three categories:

- **Environmental:** Natural resources, environmental exposure, and environmental/climate policy
- **Social:** Economic framework and empowerment
- **Governance:** Political institutions and security

Analysts also draw on their country-specific expertise to outline any notable opportunities or risks due to developments in policy, regulation, or international agreements as part of our qualitative assessment. They highlight the extent to which the top three to five investment opportunities or risks for the country are related to ESG factors.

Analysts first completed the Sovereign ESG Framework at the end of 2021 for sovereign markets in which we have exposure through our global fixed income strategy, as well as for other countries we cover. We update the framework annually.

Below we outline an example of how we considered financially material ESG factors in our investment analysis and decision-making for Norwegian sovereign bonds.

Norway

Our decision to add to Norwegian sovereign bonds in 2023 was driven by our view that the currency was undervalued.

Norway generally scores well on several ESG factors such as governance and social stability. However, it has a mixed track record on environmental issues because of its role as a major oil and gas exporter. Our Macro Committee discussed how some of these risks are mitigated by a steep discount in the Norwegian krone relative to oil prices and Norway's role in European energy markets during Europe's transition away from Russian energy. Additionally, Norway has made strides internally on a longer-term transition toward renewables and is a leader in green initiatives. Nearly all of the country's power comes from hydroelectric sources, and the country leads the world in EV adoption (89% of new vehicles were electric in 2024), helping reduce its carbon footprint and limiting risks related to future carbon pricing. We increased exposure to Norwegian sovereign bonds based on our assessment of the aforementioned factors and our view that sovereign credit risks were likely to be fairly minimal.

How We Approach Engagement and Proxy Voting

Maintaining a dialogue with company management teams and boards helps us build our understanding of their priorities and strategies over time. When we view an issue as significant to our investment thesis, we may look for opportunities to engage directly with the issuer. With respect to ESG, we generally engage on governance factors, but if we view an environmental or social issue as financially material, we may choose to engage and share our views on those issues as well.

Maintaining a dialogue with company management teams and boards helps us build our understanding of their priorities and strategies over time.

We recognize that many companies face risks related to climate change and the energy transition, especially companies that emit high levels of greenhouse gases. These risks may include transition risks (such as those related to policy and legal changes), technology substitutions, shifting consumer preferences, and reputational impacts, as well as physical risks like rising sea levels, wildfires, and increasing extreme weather events. As with any transition, there are opportunities for certain companies, particularly through the development of new technology.

When we determine that a company faces financially material climate-related risks or opportunities, we expect that company to have a climate strategy and will typically vote in favor of well-considered management proposals related to climate. We may consider supporting shareholder proposals requesting information or data on a company's carbon emissions and/or its climate risks and opportunities that enables us to better assess the financial materiality of those factors; however, we will typically vote against shareholder climate-related proposals that we deem are overly prescriptive, in situations where we deem the current level of disclosure sufficient, or when we view the proposal as dictating a company's strategy rather than leaving it up to management and the board. We may also take sector, location, and company strategy into consideration when deciding how to vote on these types of shareholder proposals.

We seek to build constructive, long-term relationships with company management teams and boards. We prefer to have ongoing conversations and do not typically file shareholder resolutions or join public campaigns. We may also express our views through our proxy votes, which are guided by our Proxy Voting Policy. We view our ongoing discussions with the company and proxy voting efforts as important parts of our investment stewardship activities.

Please see below a case study that illustrates our ESG integration and investment stewardship approach with Glencore in 2024.

Glencore

Glencore is a Switzerland-based natural resources company and a leading integrated producer and marketer of mineral, energy, and agricultural products. We invested in Glencore because of our constructive view on long-term copper and coking coal prices and the company's stable earnings, counter-cyclical cash flows of the marketing business, shareholder-aligned management team, and attractive valuation.

As society shifts to a lower carbon economy, we expect demand for copper, nickel, zinc, aluminum, and cobalt to increase. These metals are required for many clean energy and low-carbon technologies, ranging from solar panels to grid infrastructure and EV batteries. By supplying these metals, Glencore plays a key role in enabling the energy transition across multiple sectors, supporting the development of new products that drive decarbonization, and potentially benefiting from the secular demand tailwind.

Glencore also has both metallurgical and thermal coal businesses. Glencore's metallurgical coal business, which was acquired through a 77% interest in Teck Resources Limited's steelmaking coal unit in 2024, is used for steelmaking and other industrial processes that support infrastructure, including for the energy transition. In contrast, Glencore's thermal coal business continues to face demand risk as power generation shifts to less carbon-intensive sources, such as natural gas and renewables, as well as transition risks stemming from policy and regulation. Glencore has committed to manage the decline of its thermal coal assets responsibly over time; however, it still faces market scrutiny and valuation pressure due to its thermal coal business line.

Our Global Industry Analyst covering Glencore has conducted due diligence on the different climate-related risks and opportunities for Glencore due to its barbell commodity mix and has incorporated these risks and opportunities into his analysis of the company's long-term outlook. He also periodically reviews Glencore's decarbonization targets both as part of our annual company Carbon Risk Assessment process, and as relevant in Glencore's proxy voting process.

In 2024, our Head of Investment Stewardship engaged with Glencore about its "Say on Climate" proposal on the company's ballot. In this meeting, Glencore shared updates on its progress toward carbon emissions targets. We probed how the company's board oversees the climate transition plan and stays apprised and educated on relevant climate topics. We supported the proposal, which passed with 90% support, indicating shareholder support for Glencore's 2024-2026 Climate Action Transition Plan.

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We believe climate change, along with the energy transition, is one of the major challenges the global economy and society will face over the coming decades.

Corporate Climate-related Risks and Opportunities

We manage our firm with the same approach we use to manage our investment strategies: we take a collaborative approach based on thoughtful research, a long-term horizon, and alignment with our clients' expectations. We believe climate change, along with the energy transition, is one of the major challenges the global economy and society will face over the coming decades. As such, we take its associated risks and opportunities seriously. We outline below the main climate-related risks and opportunities that we believe have the potential to impact our business.

Risks

Climate-related Transition Risks

Policy and Legal: Risks from evolving climate-related regulations, such as increased emissions-reporting obligations, litigation risk, and mandates for investment strategies can increase compliance costs or limit our investment universe.

Market: Our revenue may be impacted by the re-pricing of asset values from climate-related risks for our investment holdings as well as increased client preference for climate-focused investment strategies.

Reputation: Reputational risks stem from different client concerns and preferences on climate-related issues. This can affect client retention, fund flows, and overall brand value.

Climate-related Physical Risks

Acute physical risks from extreme weather events (e.g., wildfires and floods) can have an impact on our operations, offices, and employees, leading to increased costs and business interruptions.

Opportunities

Climate-related Opportunities

Product and Service Innovation: Investment in climate risk data and scenario tools supports better risk management and client reporting needs.

Resource Efficiency: Operational improvements, such as energy efficiency, renewable energy procurement, and waste reduction can reduce costs and improve our operational resilience.

Operational Resilience: Our business continuity plan and leased office structure limit the financial impact of physical climate risks. It also increases our clients' confidence in our ability to operate amid various climate events.

Evaluating the Impact of Corporate Climate-related Risks and Opportunities

While we actively monitor these risks and opportunities, we anticipate their impact on our business to be limited. We manage assets owned by our clients, operate from leased office spaces, and maintain a lean organizational structure, which help limit potential exposure. In line with our standard practice at Dodge & Cox, we take a team-based approach to identify, assess, and manage climate-related corporate risks and opportunities.

Risk Management

How the organization identifies, assesses and manages climate-related risks.

We recognize that understanding and managing a broad range of risks is essential to delivering long-term value for our clients and ensuring the resilience of our firm. Our risk management approach is informed by our commitment to our clients, regulatory expectations, and industry best practices.

Risk mitigation plays a major role in each phase of our investment process.

Managing Investment Risk

Risk mitigation plays a major role in each phase of our investment process, extending from fundamental research, quantitative analysis, and risk management by our Investment Committees to the controls in our portfolio management and trading systems.

Our principal goals are to find investments with attractive risk-adjusted returns and to build portfolios that provide long-term value for our clients. This involves recognizing the potential for long-term loss of capital and the return premium for taking that risk, as well as the possibility of erosion of future purchasing power.

By developing substantial knowledge about each holding and analyzing overall portfolio risk exposures, we seek to manage risk effectively and help our clients achieve their long-term investment objectives. As part of this process, we consider the investment implications of ESG risks and opportunities within our portfolio management and investment decision-making processes where appropriate and consistent with our fiduciary duty.

Our Approach to Investment Risk Management

Investment risk management begins at the individual security level and extends to a comprehensive view of the portfolio. Our approach to mitigating investment risk is characterized by the following three attributes:

- **Intensive bottom-up research with a focus on valuation.** Individual security selection drives our investment process. We undertake extensive research on individual companies and securities to find solid investments whose potential long-term value has not yet been recognized by the market. This often means we need to wait for our perceived value to be recognized.
- **Analysis of overall portfolio risk exposures.** Our Investment Committees carefully consider risk at the portfolio level. We analyze the combination of independent risk exposures to determine whether they are likely to diversify or magnify the portfolio's overall risk profile.
- **Focus on the long-term investment horizon.** A long-term horizon enables us to focus our research efforts on the factors—such as franchise strength, competitive dynamics, and management quality—we believe ultimately determine the durability and resilience of a company or corporate issuer. In addition, our analysts' ongoing dialogue with company management teams and boards helps inform our views on company leadership effectiveness at managing the underlying risks facing their businesses.

As part of our bottom-up, fundamental analysis, we have ongoing dialogue and selectively engage with companies. These conversations can be important to our assessment of management's priorities and strategies and help us build a full picture of a company's risks and opportunities. We want to understand a company's views on key issues that we view as important to its business, including climate change when financially material.

Please see the Strategy section of this report for additional information on the processes and tools used to identify, assess, and manage climate-related investment risks and opportunities. We detail our proprietary Company ESG Risk Framework, Carbon Risk Assessment (using reported and modeled emissions, earnings-at-risk, and temperature alignment), and Sovereign ESG Framework, which include climate-related considerations. The appropriate framework(s) for a strategy is dependent on the asset class and security type.

We complement our rigorous, bottom-up company and issuer research with in-depth analysis of macroeconomic market drivers.

Combining Fundamental Analysis with Assessment of Macroeconomic Factors and Quantitative Risks

We complement our rigorous, bottom-up company and issuer research with in-depth analysis of macroeconomic market drivers. We take a probabilistic view of the world and assess how a range of macro outcomes could affect valuations of individual securities over a multi-year time horizon. We evaluate a range of macroeconomic factors, including central bank decision making, recession risks, geopolitical risks, commodity prices (including implications of the energy transition and decarbonization), demographic and other structural issues, and technological change and digitalization (including potential impacts of artificial intelligence).

We believe that both a company's strategic positioning and its operating environment drive its long-term profitability. Therefore, in addition to our thorough analysis of a company's fundamentals, we evaluate its exposure to a range of market risks. Our Investment Committees utilize proprietary and third-party risk models to analyze market risk exposures at the issuer and portfolio levels.

Managing Corporate Climate-related Risks

A disciplined approach to risk management is central to our business philosophy. Our Risk Management Committee oversees firm-wide risk management practices and related control procedures across our operations. This Committee reports to our Board of Directors and includes Dodge & Cox Board members, alongside senior leaders from our Investment, Operations, Legal, Compliance, and Information Technology teams. Its primary role is to assess and recommend approaches for mitigating a broad spectrum of risks including but not limited to business, reputational, implementation, operational, insurance coverage, compliance, legal, regulatory, technology, and cybersecurity risk.

Our Sustainability Committee, composed of senior leaders across the firm, oversees our corporate sustainability efforts in collaboration with the Sustainability Action Group. Together, these groups develop ideas and implement measures aimed at managing our corporate climate transition risks and opportunities by reducing our environmental and carbon footprint.

Our ESG Integration team monitors and conducts reviews of the sustainability landscape to help identify and assess potential corporate climate-related transition risks and opportunities.

Our ESG Integration team monitors and conducts reviews of the sustainability landscape to help identify and assess potential corporate climate-related transition risks and opportunities. This team has considered transition risks stemming from policy and legal changes, market shifts, and reputational considerations, as well as opportunities to support our research and client service efforts. Our Legal and ESG teams work together to monitor and consider existing and emerging regulatory requirements related to climate change that may affect our business and operations. Information on the sustainability landscape and regulatory environment is then shared, as relevant, with the Committees and groups outlined in the Governance section of this report.

The Strategic Incident Response Team (SIRT), comprising members of the Risk Management Committee as well as other department leaders, manages our Operational Resilience Program, which we describe in more detail on the next page. The team also regularly reviews and certifies individual department Business Continuity Plans to support organizational readiness in the event of a crisis or emergency. Relevant groups—including our Human Capital, Facilities, Legal, ESG, and Sustainability teams—help monitor climate-related market dynamics and regulatory developments that may affect our physical facilities.

Corporate Sustainability

As part of our efforts to manage climate transition risks and opportunities, the Sustainability Action Group leads the calculation of our corporate carbon emissions. The Sustainability Committee reviews these figures and approves our carbon offsetting strategy. More details about our 2024 corporate emissions can be found in the Metrics & Targets section of this report.

We have also taken advantage of resource efficiency and operational resilience opportunities. We work from leased office spaces in LEED[4] Gold buildings in the United States, a LEED Platinum building in Shanghai, and a BREEAM[5] certified building in London. Over the last few years, we have implemented initiatives designed to reduce our office waste, including replacing plastic water bottles with non-plastic alternatives, using compostable or reusable utensils, cups, and dishware in our office kitchens, and participating in electronic waste recycling programs in some of our office locations. We have also adapted our office practices to reduce our paper usage.

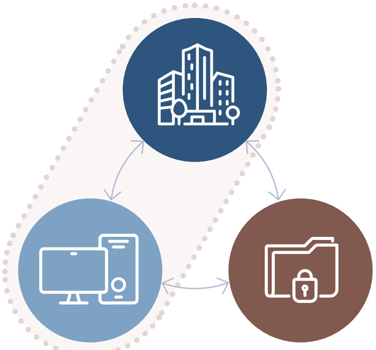
We seek to engage our employees on sustainability topics. We periodically host sustainability lunch & learns for employees to learn about our firm-wide greenhouse gas emissions, recycling best practices, and other sustainability-related topics. The Sustainability Committee and Sustainability Action Group also partner with other groups at the firm to advance our corporate philanthropy initiatives and provide volunteering opportunities for employees, such as planting trees and maintaining gardens.

[4] LEED (Leadership in Energy and Environmental Design).
[5] BREEAM (Building Research Establishment and Environmental Assessment Method).

Operational Resilience

We have developed an Operational Resilience Program composed of three interconnected incident response plans designed to guide the firm's ability to navigate a range of potential operational incidents, including power disruptions, health and safety issues, cyberattacks, earthquakes, and acute weather events such as wildfires and floods. The two plans related to climate risks are the:

- **Enterprise Business Continuity Plan,** which provides guidance on the appropriate actions and processes to support ongoing business operations and limit impact to our firm and clients.
- **Disaster Recovery Plan,** which contains processes and instructions to restore information systems when primary systems are unavailable, validate/test third-party vendors' disaster recovery plans, and support alternative work sites when primary offices are unavailable.



The Strategic Incident Response Team (SIRT) is informed when any incident in scope of our Operational Resilience Program occurs. Critical employees have access via their smart phones to Business Continuity and Disaster Recovery Plans. If our San Francisco offices are unavailable, employees can report to our Business Recovery Site (BRS) or connect to our systems remotely. We also use an emergency notification system to support communication efforts in the event of a disaster.

The firm's experience in identifying, assessing, and managing potential and actual environmental incidents has helped avoid or minimize disruption to our business activities and the clients we serve. In the case study below, we provide more detail of our response to the California wildfires that affected our San Francisco/Bay Area offices a few years ago.

Our Response to California Wildfires

Our Enterprise Business Continuity Plan is designed to enable us to meet our obligations to our clients and fund shareholders and to address a wide range of emergency situations, including those related to severe weather events.

In 2018, California faced its most destructive wildfire season on record at the time. In response to the wildfires, members of the Strategic Incident Response Team (SIRT) met to gauge potential impact on our employees and operations. Our California offices were not in the direct path of the wildfires, but our employees, along with the broader Bay Area population, were affected by severe poor air quality from the smoke and ash. Members of SIRT monitored the situation, provided communications, and coordinated actions—such as flexible working arrangements and solutions to enhance office air quality—to help mitigate the effects on our employees. In recent years, California has continued to experience record-breaking wildfires. With each event, we look to reflect on our response and adjust as needed.

Metrics & Targets

Climate-related metrics and targets associated with our investment portfolios and corporate emissions.

This section discloses the metrics used to assess and manage relevant climate-related risks and opportunities associated with our investment portfolios. Additionally, it includes information on our corporate greenhouse gas emissions.

Our Investment Team uses a range of metrics at the security and portfolio levels to help inform our view of climate-related risks and opportunities.

Evaluating Carbon Emissions Across Our Investments

Carbon emissions refer to the total annual release of greenhouse gases (GHG) by a company, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases. These are expressed in terms of carbon dioxide equivalents (CO_2e), which standardize their global warming potential by converting each gas to the warming impact of one metric ton of CO_2. Our Investment Team uses a range of metrics at the security and portfolio levels to help inform our view of climate-related risks and opportunities, including both traditional and forward-looking measures. Traditional GHG metrics represent past emissions and provide a historical snapshot—companies typically report emissions a few months after fiscal year end; vendors then take additional time to collect and clean the data. These metrics are useful for understanding historical impact and setting targets.

Traditional metrics we monitor include:

- **Absolute emissions:** total financed carbon emissions (metric tons CO_2e) and financed carbon emissions (metric tons CO_2e/$M invested),
- **Relative emissions:** carbon intensity (metric tons CO_2e/$M revenue)

Absolute emissions metrics capture the total amount of GHGs released into the atmosphere over a defined period. As society aims to reduce global carbon emissions overall, the largest absolute emitters are more likely to face pressure from regulators and investors to reduce and/or offset their carbon emissions. Accordingly, we use two absolute emissions metrics: total financed carbon emissions—the share of a company's emissions attributable to our investment exposure, calculated based on the proportionate ownership of a company's equity and fixed income securities held by accounts under Dodge & Cox's management—and financed carbon emissions, which normalize those total financed carbon emissions by USD millions invested. In this context, financing refers to the capital we provide through our investment activity (measured by assets under management invested in the issuer).

Carbon intensity measures carbon efficiency. It is calculated by dividing total yearly GHG emissions (in metric tons of CO_2e) by annual revenue (in USD millions). Therefore, it is a relative measure that makes it easier to compare companies of different sizes and across industries and avoids penalizing growth since absolute carbon emissions typically increase as a firm's operations grow. When comparing emissions across companies, we usually use carbon intensity for this reason. Weighted average carbon intensity (WACI) extends this to the portfolio level, providing a standardized way to capture both comparability and each company's proportional contribution to overall portfolio emissions.

While we base our Carbon Risk Assessment on carbon intensity, we also consider absolute emissions.

Metric	Definition
Total Financed Carbon Emissions	Allocates emissions to all financiers. Measures the share of a company's emissions attributable to an investor's exposure, calculated based on proportionate ownership of a company's equity and fixed income securities. $$=\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{issuer's\ EVIC_i} \times issuer's\ Scope\ 1,2,3\ GHG\ emissions_i\right)$$ i: indicates investment positions in fund *EVIC*: Enterprise Value Including Cash
Financed Carbon Emissions	Allocates emissions to all financiers normalized by USD millions ($M) invested. Measures the share of a company's emissions attributable to an investor's exposure, calculated based on proportionate ownership of a company's equity and fixed income securities, normalized by USD millions invested. $$=\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ portfolio\ value} \times \frac{issuers\ Scope\ 1,2,3\ GHG\ emissions_i}{issuer's\ EVIC_i}\right)$$ i: indicates investment positions in fund *EVIC*: Enterprise Value Including Cash
Weighted Average Carbon Intensity (WACI)	Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' carbon intensity (emissions/revenue). $$=\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ portfolio\ value} \times \frac{issuers\ Scope\ 1,2,3\ GHG\ emissions_i}{issuer's\ \$M\ revenue_i}\right)$$ i: indicates investment positions in fund

Source: MSCI definitions, aligned with the GHG Protocol methodology.

Scopes Under Consideration

GHG emissions are classified into three scopes by the GHG Protocol[6] to reflect their source and the degree of an organization's control over them. Scope 1 and 2 emissions are more directly under a company's control and generally follow more well-established measurement methods. Scope 1 covers direct emissions from sources owned or controlled by the company (e.g., burning fossil fuels in boilers and industrial processes). Scope 2 covers indirect emissions from the consumption of purchased electricity, heat, or steam consumed by the company. Scope 3 emissions are indirect upstream and downstream emissions. Generally, limited data availability and the absence of consistent emission inventory methodologies make Scope 3 emissions difficult to calculate and report. As a result, data providers estimate these figures using proprietary approaches, which leads to different estimates depending on the methodology used. For this reason, we typically focus on Scope 1 and 2 emissions. However, we provide climate metrics covering Scopes 1, 2, and 3 in this report to offer a more comprehensive view of emissions across our holdings.

[6] The GHG Protocol, a partnership between the World Resources Initiative (WRI) and the World Business Council for Sustainable Development (WBSCD), sets the global standard for corporate accounting and reporting of greenhouse gas emissions.

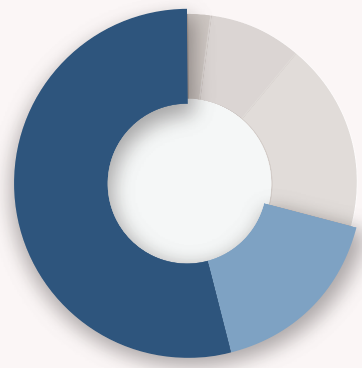
Asset Classes Under Consideration

We provide metrics for our public equity and corporate bond investments across our funds and separately managed accounts, representing approximately 70% of our total firm assets under management (AUM). Asset classes that are not covered include non-corporate bonds (securitized, treasury, and government-related bonds), as well as cash equivalents and derivatives. As data becomes more widely available for non-corporate fixed income instruments, we may adjust our in-scope assets. Fund-level metrics are available upon request.

Assets Under Management

As of June 30, 2025

Asset Class	AUM ($ billions)	% of AUM
Equity	$235.4	54%
Corporate Bonds	71.0	16%
Securitized Bonds	78.4	18%
Treasury & Government-Related Bonds	40.9	9%
Cash & Other	9.1	2%
Total	**$434.8**	



Carbon Emissions Metrics for Equity and Corporate Bond Holdings

Total financed carbon emissions, financed carbon emissions, and WACI as of June 30, 2025, are shown in Tables 1 and 2 for equity and corporate bond investments held in portfolios managed by Dodge & Cox, respectively. Total financed carbon emissions and financed carbon emissions are apportioned using enterprise value including cash (EVIC), as recommended by the Partnership for Carbon Accounting Financials (PCAF) standard.[7]

Table 1: Carbon Emissions Metrics for Dodge & Cox Equity Holdings

	Scope 1 + 2	Scope 1 + 2 + 3
Total Financed Carbon Emissions (metric tons CO_2e)	10,823,500	83,057,230
Financed Carbon Emissions (metric tons CO_2e per $M invested)	46	353
WACI (metric tons CO_2e per $M revenue)	120	782

Source: MSCI. Portfolio as of June 30, 2025, data downloaded November 14, 2025.
Data coverage: Equity (98.8%). Asset coverage based on 54% of Dodge & Cox's AUM.

[7] The PCAF standard is a globally recognized methodology for financial institutions to measure and disclose the GHG emissions associated with their investments.

Table 2: Carbon Emissions Metrics for Dodge & Cox Corporate Bond Holdings

	Scope 1 + 2	Scope 1 + 2 + 3
Total Financed Carbon Emissions (metric tons CO_2e)	6,610,549	19,662,043
Financed Carbon Emissions (metric tons CO_2e per $M invested)	94	278
WACI (metric tons CO_2e per $M revenue)	347	753

Source: MSCI. Portfolio as of June 30, 2025, data downloaded November 14, 2025.
Data coverage: Corporate bond (96.8%). Asset coverage based on 16% of Dodge & Cox's AUM.

Incorporating Forward-Looking Metrics

Alongside traditional GHG emission metrics, we may use forward-looking metrics to better assess climate risks and opportunities. Forward-looking metrics look beyond historical emissions to consider a company's plans, targets, and investments in green technologies, helping to capture transition dynamics. However, calculations of forward-looking metrics are complex and depend on many assumptions related to future emissions, socioeconomic developments, technological advancements, and climate models. This inherent ambiguity can lead to wide variations in projections, but we see value in the directional insights they may offer.

Our analysts may assess company decarbonization targets and temperature alignment with the Paris Agreement goals when we deem those financially material to a company's long-term outlook. Many of the companies we invest in have their own established targets. As of June 30, 2025, companies with GHG emission reduction targets comprise 90% and 94% of our public equity and corporate bond holdings, respectively. Companies with Science Based Targets initiative (SBTi)[8] approved targets compose approximately 38% and 34% of the public equity and corporate bond investments held by the portfolios we manage, as of June 30, 2025, respectively.

Table 3: Transition Plans for Dodge & Cox Equity and Corporate Bond Holdings

	Equity	Corporate Bond
Companies with GHG Emission Reduction Targets	90.4%	94.2%
Companies with SBTi Approved Targets	38.4%	33.6%

Source: MSCI. Portfolio as of June 30, 2025, data downloaded November 14, 2025.

[8] The SBTi is a global partnership that provides a framework for companies to set GHG emission reduction targets aligned with the Paris Agreement goals by using the latest climate science.

Temperature alignment metrics translate a company's or portfolio's GHG emissions targets into a global temperature increase, effectively assessing how well those targets align with global decarbonization goals like those outlined in the Paris Agreement. Due to the significant differences in methodologies and underlying assumptions, temperature alignment metrics can vary widely across data providers. Because of this, we may look at metrics from multiple data providers to gain additional perspectives on temperature alignment.

In the following section, we provide the temperature rise of our public equity and corporate bond AUM using MSCI's Implied Temperature Rise (ITR) metric. To calculate ITR, MSCI assesses the companies' carbon budget by determining what the emissions budgets of publicly listed companies need to be to align with global temperature goals, based on their GHG emissions as a share of the global carbon budget. Next, it projects company carbon emissions (including Scope 1, 2, and 3) through 2050 based on the company's reported and estimated emissions, as well as its stated reduction targets. Finally, it calculates whether companies exceed or fall short of their carbon budget and converts this variance into an ITR. To calculate portfolio ITR, the projected GHG emissions and carbon budgets of all underlying companies in the portfolio are summed and the surplus or deficit is converted to a temperature rise.

Table 4: Implied Temperature Rise Metrics for Dodge & Cox Equity & Corporate Bond Holdings

	Equity	Corporate Bond
Scope 1 + 2 + 3	2.4˚C	2.2˚C

Source: MSCI. Portfolio as of June 30, 2025, data downloaded November 14, 2025.
Data coverage: Equity (98.8%) and Corporate bond (96.8%). Asset coverage based on 70% of Dodge & Cox's AUM.

Evaluating Carbon Emissions Across Our Operations

The following section covers emissions from our operational activities (excluding investments), which are reported in line with the methodology set forth by the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.*

Corporate Carbon Emissions by Scope

While we previously estimated corporate GHG emissions for the 2022 and 2023 calendar years, 2024 marked the first year for which we are publicly publishing this information. Our 2022 and 2023 GHG inventories covered Scope 1 and Scope 2 emissions, as well as Scope 3 categories 6 and 8 (business air travel and upstream leased assets), reflecting the data and resources available at the time.

We partnered with a third-party consultant to calculate our calendar year 2024 GHG emissions.

We partnered with a third-party consultant to calculate our calendar year 2024 GHG emissions, including conducting a materiality and applicability assessment to determine which Scope 3 categories are relevant to our business. As a result of this process, our 2024 GHG inventory includes emissions from Scope 1, Scope 2, and Scope 3 categories 1, 2, 3, 5, 6, 7, and 8.[9] While Scope 3 category 15 (investments)—which captures financed emissions associated with Dodge & Cox's investment portfolios—is relevant to our business, it was not included within the scope of the 2024 inventory. These financed emissions were disclosed separately for our equity and corporate bond holdings in Tables 1 and 2 earlier in this report.

[9] Scope 3 Category 1: Purchased goods and services; Category 2: Capital goods; Category 3: Fuel and energy-related activities; Category 5: Waste generated in operations; Category 6: Business travel; Category 7: Employee commuting; and Category 8: Upstream leased assets. Any spend on deliveries and transport activities (Category 4: Upstream transmission and distribution) is included under purchased goods and services.

We have established 2024 as the baseline year for future reporting cycles. The table below covers emissions from Dodge & Cox's activities for 2024.

Table 5: Dodge & Cox 2024 Emissions

		Emissions ($MTCO_2e$)
Scope 1		2
Scope 2	Location-based	799
	Market-based	375
Scope 3	Category 1: Purchased goods and services	14,685
	Category 2: Capital goods	628
	Category 3: Fuel- and energy-related activities	269
	Category 5: Waste generated in operations	13
	Category 6: Business travel	812
	Category 7: Employee commute	332
	Category 8: Upstream leased assets	17
Total Emissions*	Location-based	17,557
	Market-based	17,134

*Total emissions excludes emissions from Scope 3 category 15 (investments)

To mitigate the impact of our 2022, 2023, and 2024 emissions, we made donations to Climate Vault, an organization that purchases and vaults carbon emission allowances from government regulated compliance carbon markets. For the 2024 calendar year, we purchased carbon allowances to address our Scope 1, market-based Scope 2, and Scope 3 categories 6 (business travel) and 7 (employee commute) emissions, totaling 1,522 metric tons CO_2e. These efforts reflect our ongoing commitment to addressing our environmental footprint. More information on our use of carbon allowances can be found in the AB 1305 disclosure available on our website.

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