

FY2021 Corporate Social Responsibility Report

Published April 2022



- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Our Commitment to Progress

75 YEARS OF PROGRESS

At Franklin Templeton, we don't settle for how things have been done in the past. We never stop working to improve our ability to help people build a better tomorrow.

Our focus on progress has created a more robust organization, one that combines global strength and boutique specialization. Through our specialist investment managers (SIMs),

our clients can access a full range of investment solutions across asset classes, geographies, vehicles and customization capabilities.

As a responsible corporate citizen, we are committed to building a better future for our clients, our shareholders, our employees and the communities we serve around the world.

Contents

Contents

- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

- 4 About Franklin Templeton
- 5 A Message from CEO Jenny Johnson
- 7 Our Corporate Social Responsibility Reporting
- 8 FY2021 Highlights and FY2022 Commitments

- 11 Stewardship and Sustainable Investing
- 15 Diversity and Inclusion
- 22 Environment/Climate
- 28 Employee Experience
- 33 Community Engagement
- 38 Responsible Corporate Practices

- 42 About This Report
- 43 GRI and SASB Indices

Our Six Dimensions of Corporate Social Responsibility

Franklin Templeton's FY2021 Corporate Social Responsibility Report provides data for fiscal year 2021 (October 1, 2020–September 30, 2021) unless otherwise noted. For additional information about this report, please see [page 42](#).
The publication date of this report is April 2022. Edited on May 2022.

About Franklin Templeton

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

We are a global investment management organization.

Our Mission

To help people all over the world achieve the most important milestones of their lives.

Our Values

- Put clients first
- Build relationships
- Achieve quality results
- Work with integrity

Through our specialist investment managers (SIMs), we bring extensive capabilities in fixed income, equity, multi-asset solutions and alternatives. We offer our services and products under our various distinct brand names, including, but not limited to: Franklin Templeton, Western Asset, ClearBridge Investments, Clarion Partners, Brandywine Global, Lexington Partners, Benefit Street Partners, Martin Currie, Royce Investment Partners, K2 Advisors.

BY THE NUMBERS*



*As of September 30, 2021.

A Message from CEO Jenny Johnson

Contents

Introduction

- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

As we celebrate Franklin Templeton’s 75th anniversary, I am proud to present **our FY2021 Corporate Social Responsibility (CSR) Report** — part of our ongoing commitment to progress. We live in a time of rapid change, with innovation transforming entire industries. At the same time, we face great challenges, including the ongoing COVID-19 pandemic, the tragic war in Ukraine, the accelerating effects of climate change, and uncertain economic conditions. Now, more than ever, we are steadfast in our commitment to CSR for our clients, our global employees, and the communities and world around us.

This report details Franklin Templeton’s approach to our six dimensions of CSR, highlights our achievements in the last year, and demonstrates our belief that every

change creates an opportunity to better meet client needs.

Being a good corporate citizen is essential to our role in building a better world. It’s also good business. Each step we take on our CSR journey helps us better serve our stakeholders and furthers our commitment to sustainability.

In fiscal year 2021, we achieved our full set of CSR goals outlined in last year’s report and executed on key priorities, including the following:

Stewardship and Sustainable Investing

To further connect sustainability leaders from our specialist investment managers (SIMs) and guide the evolution of our sustainable investing practices and infrastructure, we formed our Stewardship and Sustainability Council in March 2021. In July 2021, Franklin Templeton’s

investment groups, along with ClearBridge Investments, Brandywine Global and Martin Currie, joined the industry-leading Net Zero Asset Managers initiative (NZAMI) to support its goal of net-zero emissions. In February 2022, we appointed Anne Simpson as Global Head of Sustainability, a newly created role as one of my direct reports and working in close partnership with Dr. Ben Meng, Franklin Templeton’s executive sponsor of sustainability. Anne brings 35 years of global sustainable investment and academic experience. This hire is a testament to our commitment to upholding environmental, social and governance (ESG) principles and acknowledges that our investment decisions have a profound effect on the world and its future. Building on our existing presence in this area, Anne will advance our sustainable investment strategy



Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

and global engagement with corporations on material sustainable investment issues.

Diversity and Inclusion (D&I)

A strong focus on D&I is fundamental to navigating the dynamic landscape in our industry. Clients are increasingly taking stands on D&I and social issues and seeking partners and investment vehicles with the same values. In fiscal year 2021, we developed a holistic D&I strategic framework that focuses on our People, Practices and Public Commitment. Over the past year, we prioritized inclusive leadership and required every employee to set a diversity goal. We invested in female and Black entrepreneurs, and we have expanded recruitment and development of underrepresented employees in partnerships with the Financial Alliance for Racial Equity (FARE) and the Equity Collective. We were recognized by Fund Intelligence for “Best DEI

Initiative” for our sponsorship of Nex Cubed’s Historically Black Colleges and Universities (HBCUs) Founder’s Program.

Environment/Climate

Over the past year, we further strengthened our efforts to address climate-related issues. We continued to reduce our emissions and expand our Scope 3 reporting. We set an emissions target aligned with the science of climate change and established a firm-level Environmental Committee to help advance our global strategy and initiatives. Franklin Templeton has completed more than a decade of reporting to CDP, the industry leader for climate disclosure. We maintained a B score in 2021, which placed us above average for companies reporting both in North America and globally.¹

For the year ahead, we have established important goals and commitments, including commencing

Task Force on Climate-related Financial Disclosures (TCFD) reporting; advancing progress within our Net Zero Asset Managers initiative (NZAMI) commitments; completing third-party verification of our corporate-level greenhouse gas emissions; and implementing initiatives to provide access and opportunities to underserved entrepreneurs, businesses and suppliers. A full list of fiscal year 2022 goals and commitments can be found later [in the report](#).

Taking Action for the Future

Our commitment to CSR is a journey. We build on our achievements and make progress every day. It’s essential that our clients, shareholders, employees and other stakeholders have confidence in our integrity as a responsible corporate citizen. We will continue to employ the highest standards in the way we operate and invest on behalf of our clients. This commitment is reflected

in the way we treat our employees and serve our communities, and in our efforts toward inclusivity and limiting our impact on the environment. We are always focused on ways we can do even better.

I invite you to read our report including highlights and commitments across our CSR dimensions. We have also included data related to Sustainability Accounting Standards Board (SASB) standards and the newly added Global Reporting Initiative (GRI) index for increased transparency and disclosure. As always, we welcome your feedback to globalcitizenship@franklintempleton.com.

Sincerely,



Jenny Johnson
President and Chief Executive Officer

1. A CDP rating shows how a company is leading on environmental transparency and action. Scores range from A to F, with A being the highest (“Leadership” level).

Our Corporate Social Responsibility Reporting

Contents

- Introduction**
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Stakeholder Engagement and Materiality

As a global investment management organization, we manage and address a broad range of environmental, social and governance issues. In 2019, we conducted a robust process to gather inputs from a variety of internal and external stakeholders to determine the topics that were most important to them as well as to our business. We validated these topics through additional stakeholder engagement, industry benchmarking and review of primary international reporting frameworks. We narrowed down these issues to Franklin Templeton’s six dimensions of CSR, which are outlined below. Going forward, we plan to continue stakeholder engagement to be responsive to stakeholder needs and prepare for future opportunities and risks.

Our Six Dimensions of CSR

CSR is embedded in our corporate values: put clients first, build relationships, achieve quality results and work with integrity. This is an important aspect of how we work to deliver better outcomes. Elements of each dimension are inextricably intertwined and support each other.



FY2021 Highlights and FY2022 Commitments

Contents

Introduction

Stewardship and
Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible
Corporate Practices

GRI/SASB Indices

Stewardship and Sustainable Investing

- Anne Simpson appointed as Global Head of Sustainability.
- Published firm-wide Stewardship Report.
- Launched firm-wide Stewardship and Sustainability Council.
- Established Global Sustainability Strategy Team (GSST) to further support the mission and work of the council.
- Joined Net Zero Asset Managers initiative (NZAMI).
- Accepted into UK Stewardship Code 2020.

Future Commitments

- Commence Task Force on Climate-related Financial Disclosures (TCFD) reporting.
- Advance deliverables within NZAMI commitments.

Diversity and Inclusion

- Established enterprise D&I strategy and supporting infrastructure.
- Increased partnerships and initiatives aimed at attracting, recruiting and developing underrepresented employees.
- Expanded programs to build inclusive leadership capability.
- Published gender and EEO-1¹ ethnicity representation data on our website.
- Launched efforts to invest in female and Black entrepreneurs.

Future Commitments

- Further integration of inclusive hiring practices, including diverse candidate slates for senior levels.
- Implement initiatives to provide access and opportunities to underserved entrepreneurs, businesses and suppliers.
- Cascade enterprise D&I framework to develop regional strategies.

1. EEO-1 is the US Employment Information Report filed annually that provides a demographic breakdown of the employer's work force by race and gender.

Contents

Introduction

Stewardship and
Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible
Corporate Practices

GRI/SASB Indices

Environment/Climate

- Set a corporate-level emissions target to reduce our scope 1 and 2 emissions 50% by 2030 from a 2019 baseline.
- Formed corporate-level Environmental Committee to help advance our global strategy and initiatives.
- Maintained CDP climate score of B, above average for companies reporting both in North America and globally.
- Expanded reporting of scope 3 greenhouse gas (GHG) emissions categories.
- Initiated third-party emissions verification.

Future Commitments

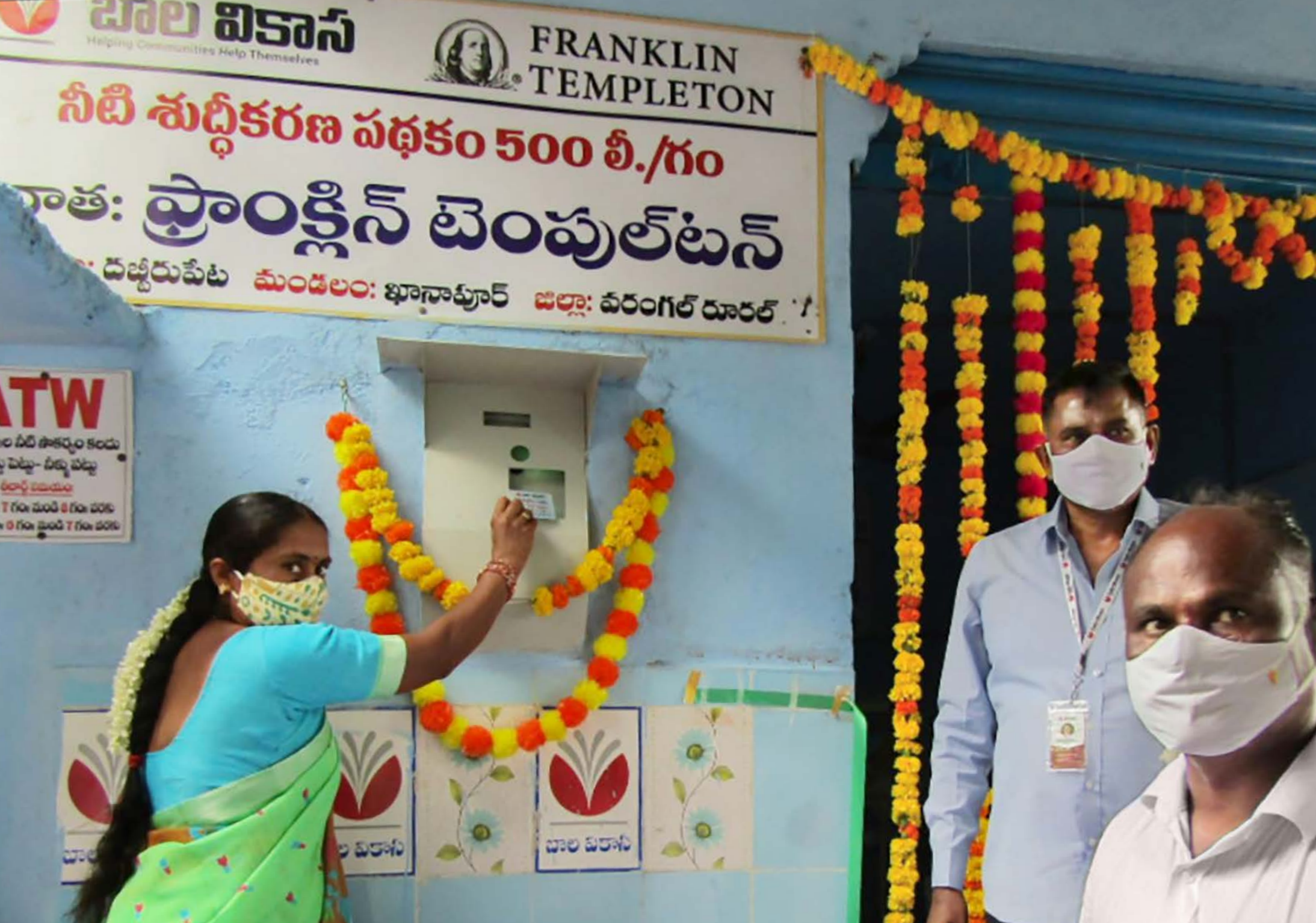
- Complete third-party verification for scope 1 and 2 GHG inventory.
- Update GHG inventory process, including employee training.
- Review building management systems globally for additional efficiency and energy reduction opportunities.
- Develop global standards for sustainable office management.

Employee Experience

- Continued to provide additional resources to employees to support them in the COVID-19 environment.
- Expanded caregiving policies and support, and enhanced our wellness program.

Future Commitment

- Further develop the firm's employee value proposition to reflect the employee experience and Franklin Templeton brand.



We continued charitable water infrastructure programs, including installing 18 water purification plants in the rural areas of Telangana and Andhra Pradesh, India, along with charity partner Bala Vikasa. Our specialist investment manager ClearBridge Investments partners with WaterAid to fund projects that bring safe water, sanitation and hygiene education to villages in Timor-Leste, one of the world's least developed countries, as well as in La Guajira, a mostly arid desert peninsula on Colombia's northern Caribbean coast.

Contents

Introduction

Stewardship and
Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible
Corporate Practices

GRI/SASB Indices

Community Engagement

- Launched the Franklin Templeton Charitable Foundation.
- Recognized extraordinary volunteers through the annual Harmon E. Burns Award program.
- Celebrated our 15th year of Impact Days, our global month of service, in a virtual model.

Future Commitments

- Engage in stakeholder process to review and further refine charitable foundation focus areas.
- Review and refresh *Involved*, our global volunteerism program, following acquisitions and emerging from the pandemic.

Responsible Corporate Practices

- Created a dedicated Financial Crime Compliance team.
- Expanded detective and preventative security by implementing new security tool capabilities.
- Enhanced identity and access management with improved multifactor authentication and zero trust model.
- Continued expansion of incident response playbooks and tabletop exercises.

Future Commitments

- Continue expansion of insider threat and threat intelligence program.
- Continue to scale security operations automation for cyber event rapid response.
- Increase cybersecurity program effectiveness testing.



- Contents
- Introduction
- Stewardship and Sustainable Investing**
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Stewardship and Sustainable Investing

We recognize that our choices as investors have a profound effect on the world and its future. Being a responsible steward of our clients’ capital is crucial to our goal of delivering better client outcomes, and essential to these efforts is consideration of sustainable investment factors.

- Contents
- Introduction
 - Stewardship and Sustainable Investing**
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We recognize an organization of our breadth and scale can have a more powerful influence on issues in this area by coordinating our efforts within a global strategic framework. Our goal is to be a global leader in stewardship and sustainable investing, and to extend that leadership through collaborative participation in key industry initiatives and partnerships.

In 2021, we published our first stewardship report, aligning our firm with the 12 principles of the UK Stewardship Code and putting data behind our commitment to excellence and transparency in the responsible allocation, management and oversight of capital on behalf of our clients. We plan to release our next report in April 2022.

At the board level, according to its [charter](#), the Corporate Governance Committee is formally designated to assist our board of directors in overseeing Franklin Templeton’s corporate responsibility and sustainability programs related to ESG matters.

Global Head of Sustainability

Building upon our decades of focus on sustainability, in February 2022, Anne Simpson became Franklin Templeton’s first Global Head of Sustainability, a newly created role that reports directly to the CEO. Anne works in close partnership with Dr. Ben Meng, Franklin Templeton’s executive sponsor of sustainability. Bringing a deep and wide-ranging international expertise in sustainable investing to the role, Anne will drive the firm’s overall strategic direction on stewardship and sustainable investment strategy.

Stewardship and Sustainability Council

To fully leverage the wealth of expertise across our autonomous investment teams, in March 2021 we established a firm-wide Stewardship and Sustainability Council comprising key investment leaders from each of our specialist investment managers (SIMs).

The council represents the diversity and depth of investment approaches across our SIMs and is responsible for developing the overall philosophy guiding how we work together on common sustainability challenges and priorities.

In addition to the dedicated experts within our SIMs, our Global Sustainability Strategy Team (GSST) plays an integral role on the council. This centralized team of sustainability specialists provides independent analysis, insights, training and education, and acts as internal consultants on material sustainable investment issues, themes and industry best practices.

GSST specialists have extensive experience across the sustainable investment policy and regulation landscape and in areas such as sustainability data science and net-zero portfolio target setting. They engage with our investment teams and risk management professionals to help them recognize and understand the impact and scope of material ESG issues. And they consult on sustainable investment topics in their analysis and use research and tools to ensure that ESG issues are addressed throughout our investment processes.

- Contents
- Introduction
 - Stewardship and Sustainable Investing**
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices



Active Ownership and Engagement

As responsible stewards of our clients’ capital, we have a duty to protect and enhance the economic interest of their assets. To be most effective, stewardship must include engagement with the companies and other issuers of the securities we invest in and the responsible exercise of our fiduciary duties and voting rights as investors. As part of this commitment, we continue to engage directly with hundreds of investee and issuer companies and vote on tens of thousands of resolutions annually.

Industry Partnerships

As advocates for our clients, we work with a wide range of organizations that are establishing and promoting best practices for incorporating sustainability into investment processes. We are signatories to the Principles for Responsible Investment (PRI), the leading global investor network that champions responsible investing. As part of this commitment, we are represented on the Select Advisory Committee to the Assessing Sovereign Climate-related Opportunities and Risk (ASCOR) Initiative.

We are a member of the Ceres Investor Network on Climate Risk and Sustainability, which includes more than 200 institutional investors managing more than \$47 trillion (all figures U.S.) in assets. We are a proud signatory to the Task Force on Climate-related Financial Disclosures (TCFD) and an investor signatory to CDP, a well-known global, environmental disclosure organization formerly known as the Carbon Disclosure Project.

- Contents
- Introduction
 - Stewardship and Sustainable Investing**
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

In 2021 we joined NZAMI and support its goal of addressing climate change through investment practices aligned with reducing carbon emissions to net zero by 2050 or sooner. Our participation reinforces our commitment to addressing climate-related issues through data-driven investment decisions.

We will continue to work toward net zero and other sustainability goals through engagement and partnership with our clients and stakeholders, living our values as good stewards to achieve better client outcomes.

Additional Resources

We invite you to review reports from across our specialist investment managers and investment groups posted to the Stewardship and Sustainable Investing section of our [website](#). These include:

- Franklin Templeton Stewardship Report
- Clarion Partners ESG Report
- ClearBridge Investments Impact Report
- Martin Currie Stewardship Report



- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
 - Environment/Climate
 - Employee Experience
 - Community Engagement
 - Responsible Corporate Practices
 - GRI/SASB Indices

Diversity and Inclusion

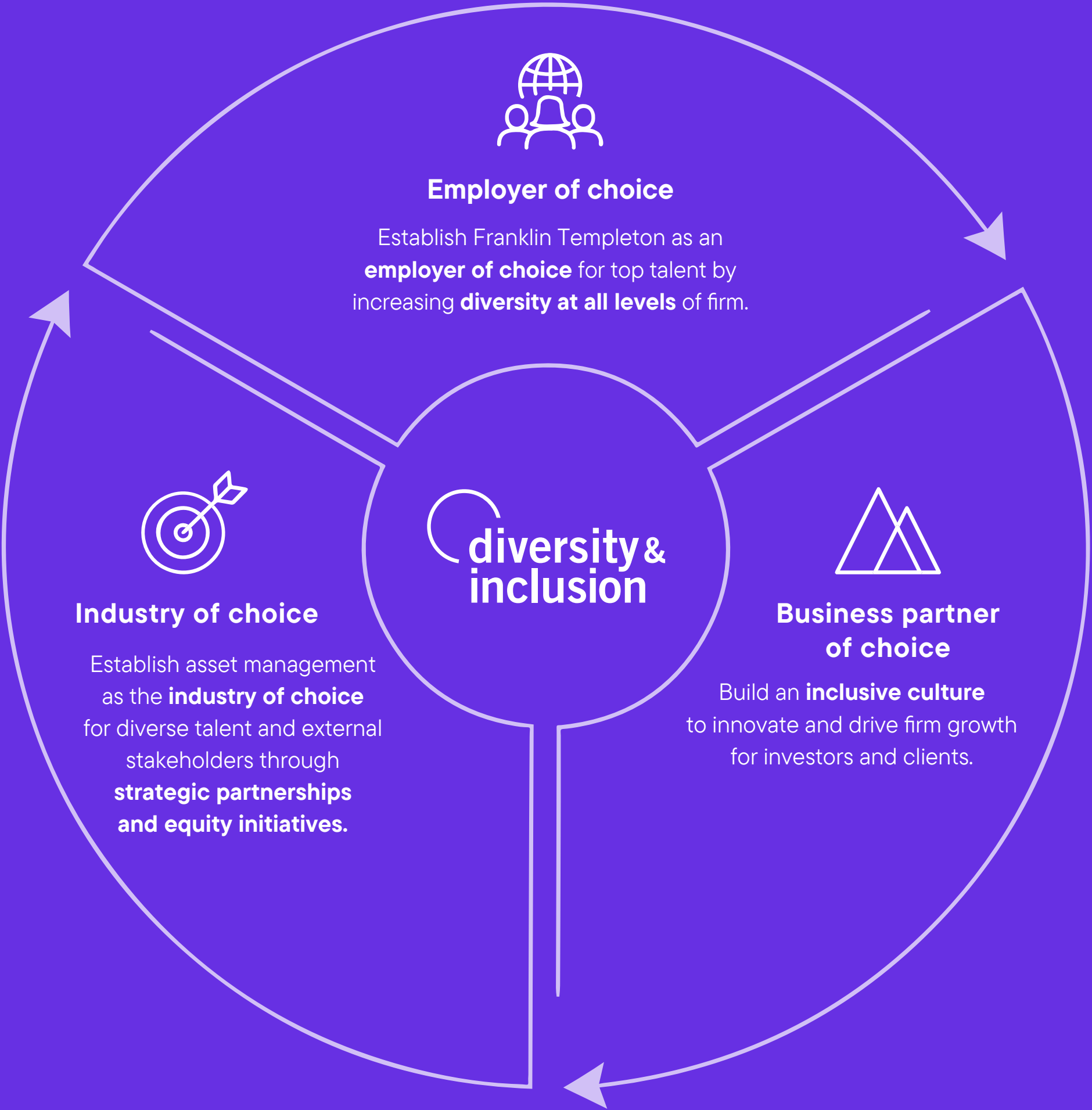
Our commitment to D&I is part of our growth story. Evolving all aspects of diversity makes our company a better place to work and a more resilient business. Integral to strong firm performance, we continue to embed and expand D&I policies and actions in all our practices.

- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Our ability to attract, develop and retain a diverse, highly skilled workforce is critical to our long-term success. We realize the benefits of diversity through an intentional focus on inclusion and aim to consciously eliminate bias to uncover untapped opportunities. A diverse workforce and inclusive culture lead to better decision-making and client outcomes.

We have developed a global D&I strategy with targeted initiatives to diversify talent at all levels of our firm. We partner with key investment organizations and educational institutions to recruit and mentor underrepresented talent.

Franklin Templeton D&I Philosophy and Enterprise Goals











- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Our CEO, Executive Committee and Chief Diversity Officer, along with three Regional Diversity and Inclusion Executive Councils, provide senior leadership accountability, cultural perspectives and alignments. We gain insights from employees and amplify their voices through eight global business resource groups (BRGs).

Our external D&I actions champion equality, influence macro change, maximize our social impact and are vital to our brand and industry reputation, client trust and profitability.

We create strategic partnerships with clients, peers, industry groups and external stakeholders and provide access and opportunities to underserved entrepreneurs, businesses, suppliers and communities.

EIGHT GLOBAL BUSINESS RESOURCE GROUPS

 <p>Uniting and supporting those whose lives are impacted by disabilities. Strives to improve inclusion in the workplace by raising awareness and acceptances of all abilities, ideas and perspectives and by supporting the mental well-being of our diverse workforce.</p>	 <p>Our Black Empowerment Network, or BEN, facilitates the success of all descendants from the African diaspora and allies by enriching their professional lives, creating connections and promoting environments that welcome, value and leverage our diversity and contribution to the success of the firm.</p>	 <p>Providing opportunities for professional development, mentoring, networking and community involvement to our Hispanic and Latino employees and allies while promoting understanding and awareness of Hispanic and Latino culture.</p>	 <p>International community serving Franklin Templeton military veterans, active reservists, families of service members, and allies by increasing awareness and providing opportunities that honor the sacrifice of those who serve(d).</p>
 <div>NEW IN 2021</div> <p>Raising awareness and promoting an understanding of Asian and Pacific Islander (API) backgrounds, experiences and identities, while advocating for the advancement and development of API professionals.</p>	 <p>Creating a stronger sense of inclusion for ethnic minorities within the firm. Ethnicity BRG partners with allies and other BRGs to foster a diverse and welcoming work environment where all voices are counted and heard.</p>	 <p>Promoting an inclusive environment for lesbian, gay, bisexual, transgender and queer employees and allies to build personal and professional networks; develop leadership and professional skills; and promote and advance change that will help people respect and value differences in the communities where we live and work.</p>	 <p>Elevating the visibility of key gender diversity issues, while also serving to encourage, inspire, champion and support women in our organization to reach their full potential.</p>

- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Financial Alliance for Racial Equity and the Equity Collective

We are proud members of Financial Alliance for Racial Equity (FARE), a partnership among leading financial service organizations, associations and Historically Black Colleges and Universities (HBCUs) that seeks to build economic wealth in diverse communities and increase the number of Black financial professionals through expanded research, increased training and mentorship opportunities. As part of our commitment, Franklin Templeton provides Black college students with access to executive mentors, internships and exposure to industry career paths. In 2021, FARE and its member firms established a Certified Financial Planner (CFP®) Board scholarship for aspiring CFP® professionals of color.

We are proud to participate in the Equity Collective, a group of 27 leading wealth management and asset management businesses making a multiyear commitment to educate, empower and develop the next generation of diverse leaders in the finance industry. This diversity-driven collaboration includes exclusive sponsorship connections with the Boys & Girls Clubs of America, HIVE Diversity and Team IMPACT. As part of this commitment, senior leaders at Franklin Templeton and other member organizations participate in related education and awareness events and initiatives.

We maintain numerous charitable partnerships, including Rock the Street, Wall Street, a financial education program designed to spark the interest of high school girls into careers of finance. The partnership provides funding and employee engagement to support mentoring programs in our San Mateo, California, and Short Hills, New Jersey, locations.

Corporate Call to Action

In September 2020, Franklin Templeton joined the Corporate Call to Action: Coalition for Equity & Opportunity (CCA) led by the Connecticut Office of the Treasurer and the Ford Foundation. The group convenes a coalition of CEOs to work toward improving diversity and equality within their companies and, more broadly, to address racial economic disparities in the United States. We joined our coalition partners to help improve economic and racial equity in the financial services industry and the economy at large by committing to:

- Diversify suppliers and business partners.
- Invest in underserved communities.
- Build a diverse talent pipeline.
- Improve workforce equity and transparency.

We work with our coalition partners to develop implementation plans for individual and collective action to promote industry-wide change.

- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Founding Partner for HBCU Entrepreneurship

We partnered with Nex Cubed, a leader in early-stage innovation and startup acceleration, to become the second founding partner in a program that supports entrepreneurs at HBCUs. The program includes industry webinars and virtual ideation sessions led by corporate executives, successful entrepreneurs and top-tier investors across the fintech, ed-tech, digital health and property technology, also known as prop-tech, sectors. As a founding partner, Franklin Templeton has a role beyond monetary support. We help inform the fintech program offerings and provide hands-on support to the new entrepreneurs through employees who serve as mentors and advisors and participate in virtual pitch competitions. In recognition of this partnership, we were honored to receive the Fund Intelligence “Best DEI Initiative of the Year” award.



“We believe the HBCU Founder’s Program plays a critical role in creating equal representation and access to opportunities within the startup ecosystem.”

Regina Curry
Chief Diversity Officer
Franklin Templeton

- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We have implemented several measures that focus on ensuring accountabilities exist for making progress in D&I. Externally, we increased transparency of D&I data, which includes public disclosure of our EEO-1 Report, participation in Bloomberg’s Gender-Equality Index and voluntary submission to the House Services Financial Committee Institutional Investors D&I Self-Assessment.

We also instituted a diverse candidate slate requirement for new hires at director level and above. Inclusive behaviors are integrated into the firm’s values and competency model. All employees have a diversity and inclusion goal in their performance plans.

As of December 31, 2021, approximately 42.5% of our global workforce, including 25% of senior management, 17.1% of investment professionals and 27.3% of the board of directors were women. In the United States, 32.7% of employees, 22.5% of senior management, 28.9% of investment professionals and 27.3% of the board of directors were ethnically or racially diverse. Visit our [website](#) for EEO-1 data.

Additional Resources:
[D&I Is Part of Our Growth Story](#)

Recognitions

KEY ACCOLADES

- Contents
- Introduction
- Stewardship and Sustainable Investing
 - Diversity and Inclusion**
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices








[Best DEI Initiative of the Year](#)


CityWire's Gender Diversity Award


[Jenny Johnson Named FWSF Woman of the Year](#)

[THREE FRANKLIN TEMPLETON LEADERS AMONG BARRON'S 100 MOST INFLUENTIAL WOMEN IN U.S. FINANCE IN 2021](#)



Jenny Johnson
President & Chief Executive Officer,
Franklin Resources



Sonal Desai
Chief Investment Officer,
Franklin Templeton Fixed Income



Margaret Vitrano
Managing Director and Portfolio
Manager, ClearBridge Investments

For more information on Diversity and Inclusion see our [website](#).

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Environment/ Climate

Our future well-being depends on our ability to preserve our environment today. At Franklin Templeton, we recognize the importance of minimizing our corporate footprint and encouraging environmentally responsible behaviors throughout our operations.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

In 2021 we established an enterprise-level Environmental Committee to help advance our global strategy and drive innovation for our green initiatives. The committee has executive sponsorship and includes colleagues from across the organization.

Our [Environmental Policy Statement](#) outlines our core goal of continually improving our environmental impact. Energy reduction initiatives at company-owned facilities, plus remote work policies during the pandemic, have led to total emissions reductions of approximately 57% since 2007, our baseline year, despite the significant expansion of our business due to organic growth and acquisitions.¹

In 2020, scope 1 and scope 2 location-based emissions totaled 6,729 and 23,063 tCO₂e (metric tons of carbon dioxide equivalent), respectively.²

In 2021, in addition to reporting on scope 1 and 2 categories, we expanded our reporting of scope 3 categories in the firm’s annual CDP response. We initiated third-party emissions verification³ to further transparency of our reporting, and we established a science-aligned emissions target. Franklin Templeton commits to reducing our scope 1 and 2 emissions 50% by 2030 from a 2019 baseline. This emissions reduction goal is aligned with the science of climate change, and designed to limit global warming to 1.5°C. We plan to achieve our target through a variety of approaches, including expanded energy reduction programs, office consolidations and renewable energy initiatives.

1. Revised the scope 1 base year figure in 2020 to include mobile emissions associated with two facilities inadvertently excluded in the past as all emissions for these two facilities were previously estimated. Revised the scope 2 base year figure in 2020 to include natural gas, refrigerant and electricity emission estimates for leased facilities less than 10,000 square feet, as well as natural gas and refrigerant emission estimates for other leased facilities for which we were unable to obtain actual data.
2. As defined by the [GHG Protocol](#). Scope 1: Direct GHG emissions from sources that are owned or controlled by the company. Scope 2: Electricity indirect GHG emissions from purchased electricity consumed by the company. Scope 3: Indirect GHG emissions that occur in the value chain.
3. PricewaterhouseCoopers (PwC) is Franklin Templeton’s consultant for this work.



57% ▼

reduction in location-based
scope 1 and 2 emissions
vs. 2007 baseline

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We have implemented environmentally conscious business practices and building features across our global footprint. In addition to minimizing the impact of our business functions, we are striving to continually reduce the environmental footprint of our facilities.

For example, we recycle or reuse natural resources and encourage employees to extend these environmental practices to offices, cafeterias and community activities, and we continually look for new ways to reduce the use of consumable materials in our daily operations.

In two data centers in California, we used a new, more energy-efficient approach to design and invested in building improvements to increase energy efficiency. The buildings, in Rancho Cordova and Stockton, California, feature cool roof technology to reflect warming sunlight and hot and cold air management, which reduces the need for energy-intensive cooling.

Our real estate development projects have a goal of minimizing energy consumption. We monitor the air quality and energy usage in our offices, use environmental management systems where feasible and carefully monitor environmental regulations to ensure we meet or exceed all requirements.

Our recently constructed office building in Poznan, Poland, was designed to LEED Standard (Leadership in Energy and Environmental Design) and certified as LEED Platinum, the highest rating available. The building where we lease office space in Baltimore is certified as LEED Silver and our office within the building is certified as LEED Gold. Newly constructed buildings in San Mateo, California (headquarters) utilize solar panels.

On a broader scale, we seek to minimize energy consumption in our real estate development and renovation projects. As part of our practices, we:

- Employ environmental management systems to monitor air quality and energy use.
- Use sustainable materials and supplies.
- Maximize recycling programs in our facilities.
- Continually look for new ways to reduce the use of water in our daily operations.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Digital Earth Day and Week 2021

For the 51st annual Earth Day, Franklin Templeton employees used a virtual approach to taking positive action for our environment. Throughout the month, the Franklin Templeton Global Green Team provided employees with daily ideas for everyday green actions, and during Earth Week, virtual events included an environmental quiz, carbon footprint calculator and a kid-friendly Earth Day art project. Employees could set personal challenges to use as little energy as possible for a day or weekend or to conserve water.

Franklin Templeton participated in community cleanup events around the globe. Florida employees participated in a local beach cleanup, while Connecticut volunteers joined a coastal cleanup. In Poland, employees and families staged a “clean walk” around their neighborhoods to pick up trash. “It is incredible how kids learn by example. During our clean walk we collected three bags of bottles. It was still not enough for the kids, and they wanted to go again. This might become our weekly habit,” said the volunteer project leader from our Poznan, Poland, office.



- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We encourage initiatives from employees who are passionate about environmental responsibility. Our Global Green Team encourages all employees to conserve resources throughout the year to further awareness and progress. Some examples of employees’ green initiatives include:

- Our long-running oyster gardening initiative, which helps to filter the Chesapeake Bay. See: [Baltimore Employees Preserve Local Oyster Population](#).
- Earth Hour in March, which invited employees to switch off lights at home, on the same day that Franklin Templeton facility managers were encouraged to turn off office signs and lights for one hour.
- The Plastic-Free July awareness campaign, which encourages employees to commit to ways to reduce single-use plastic waste.

In the past year, Franklin Templeton has partnered with environment-focused charitable organizations, including SoundWaters in Stamford, Connecticut, which advances environmental justice and equity by creating access to Long Island Sound for education and stewardship; the Lower East Side Ecology Center, which provides e-waste and composting services, environmental stewardship opportunities and educational programming to New Yorkers; and the Waterfront Partnership of Baltimore Inc., which aims to create a clean, green, safe, sustainable and thriving urban waterfront.



Clarion Partners Brings Solar Energy to Flagship Bronx Property

In August 2021, our specialist investment manager Clarion Partners installed 917 solar panels at their flagship Quality Communities property in Eastchester Heights, a 1,416-unit residential apartment complex spanning five city blocks and 114 individual buildings. Built in 1935 and situated on 14.84 acres, it is among the largest residential communities in the Bronx and greater New York City. The installation will produce over 1.1 million kilowatt hours of clean electricity, equivalent to removing 165 cars from the road for a year or the carbon sequestered by over 12,800 tree seedlings grown over 10 years. The solar panels will decrease emissions in an area that has the highest asthma rates in the country, and help New York make progress toward its goal of 100% carbon-free electricity by 2040.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate**
- Employee Experience
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices



Animated Series on Environmental Literacy with Razer

To help educate an audience of all ages about environmental issues and what they can do to live more sustainably, Franklin Templeton partnered with Razer, the leading global lifestyle brand for gamers, to release a new animated series starring Razer’s fan-favorite sustainability mascot, Sneki Snek.

Franklin Templeton is sponsoring the first season of the show, which consists of six episodes and tackles issues such as deforestation, over-fishing, air pollution, upcycling, slash-and-burn farming and climate change.

With Franklin Templeton’s commitment to saving 50,000 trees through this campaign, the Sneki Snek goal to save one million trees together with the community is drawing even closer.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience**
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

Employee Experience

Our people drive Franklin Templeton’s progress with their innovative ideas and commitment to excellence. We aim to provide an employee experience that is more than just a job, and this includes total rewards, wellness programs, business resource groups and more.

This focus is built into how we hire, develop, engage and keep talented individuals. We support engagement and development opportunities for all employees and encourage everyone to bring their whole self to work.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience**
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We want to hear what our employees have to say. Our enterprise-level listening strategy includes regular employee sentiment surveys, and we strive to act on what we hear.

At the team level, our performance management approach enables dialogue between leaders and employees and ongoing discussion about goals and objectives throughout the year. We host live forums for leaders to engage directly with employees and encourage open feedback.

Experience, Exposure and Education

Continuous learning is critical to each person’s success, and our approach to development focuses on three avenues: experience, exposure and education. Our employees gain experience through everyday activities according to their role. Exposure means providing opportunities to network, acquire or develop mentoring relationships and gain valuable feedback from others. Education includes structured learning solutions for core and specialized competency development through web-based or instructor-led programs.

Through our Learning at FT portal, we offer a wide range of internal and external development options for employees that are relevant to their scope of work, development goals and professional objectives. Additionally, the New Employee Learning Series provides new employees a curated collection of learning resources about our company, culture and industry as they onboard to the organization.



40,000

We delivered specialized training to more than 40,000 individuals in over 30 countries.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience**
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices



Our Franklin Templeton Academy offers training designed for sales-focused employees and our external business partners around the world. In fiscal year 2021, our team of instructional designers and learning consultants developed and delivered specialized training to more than 40,000 individuals in over 30 countries.

Our Mentoring at FT Resource Center supports business units and individual employees with initiating and maintaining successful mentoring relationships. The Women at FT BRG mentoring program supports female colleagues in career and professional development.

Recognizing our Achievements

Showing appreciation and celebrating successes are important ways to reinforce the positive impact our employees have on the community, company and their teams.

Throughout the year we spotlight personal and professional achievements of our team members on Passport, our company’s intranet. Peer recognition occurs through various tools and communications. The *I Am Franklin Templeton* program formally recognizes colleagues for contributing to company success and demonstrating our core values.

We celebrate exceptional employee contributions through annual awards. The Charles B. Johnson Award spotlights employees who live the company’s core values and provide exceptional customer service, and the Harmon E. Burns Award recognizes employees for extraordinary community service. Employee years-of-service milestones are celebrated, with a special award and recognition ceremony for 20 years of service.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

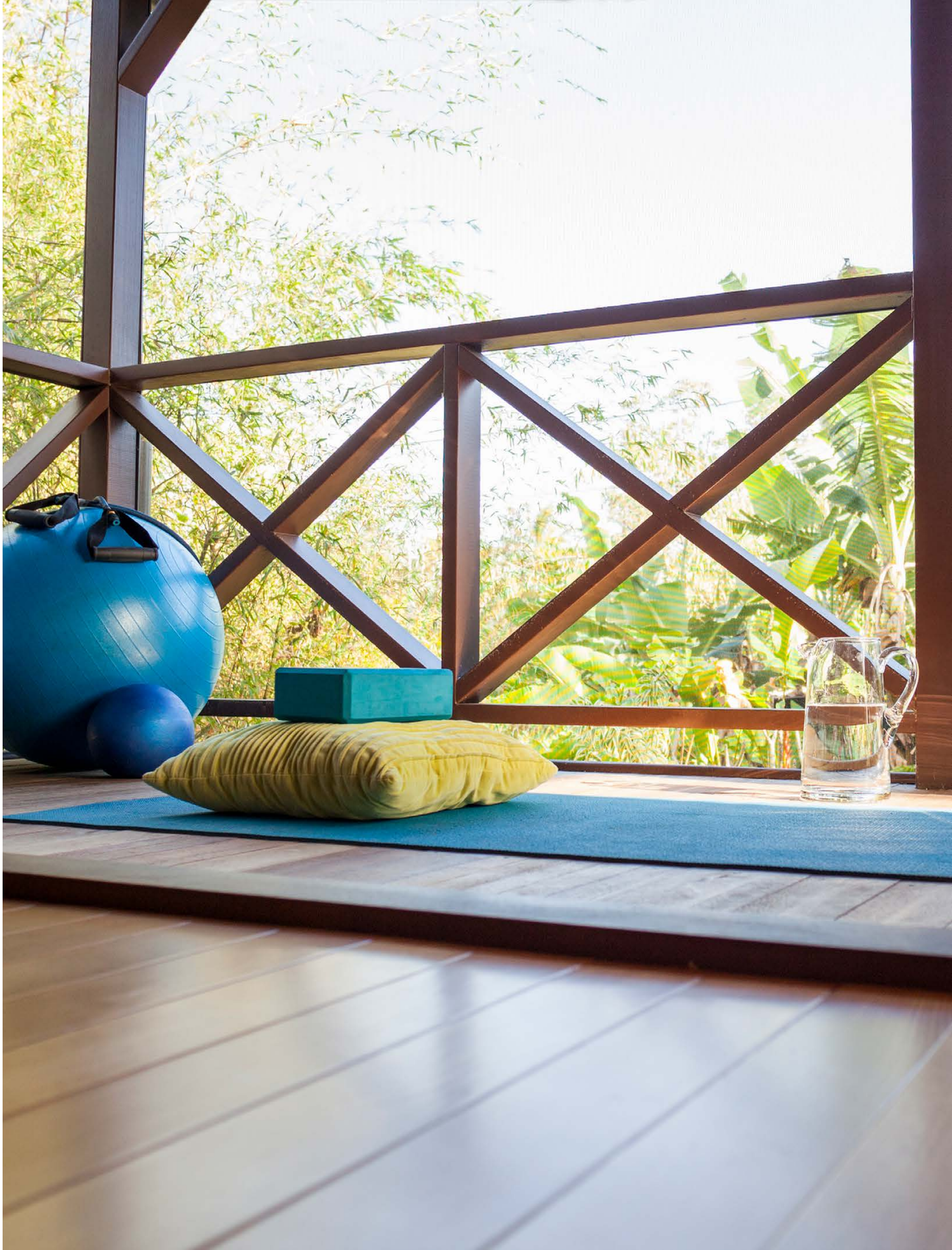
GRI/SASB Indices

Total Rewards and Wellness

We support the whole person. Our employees have access to a competitive and valuable set of total rewards — a mix of monetary and nonmonetary rewards designed to recognize their time, talents and results. These benefits and offerings include:

- Flexible work environment and inclusive culture.
- Fair, equitable and competitive compensation that rewards employees at all levels of the organization for performance and contributions to the company’s success.
- Health, wellness and risk benefits to protect and restore health and wellness for employees and their families.
- Retirement savings, stock purchase and other incentive programs to help employees plan for the future.
- Holiday and time off family-friendly benefits, employee programs that support work-life integration, paid caregiver leave and a minimum of 12 paid weeks of family parental leave (birth/adoption/surrogacy).
- Ways to get involved in, and give back to, our communities through the *Involved* global volunteer program and the volunteer paid time off benefit.
- [Business resource groups](#) that promote inclusion, foster networking and collaboration and support new employees.
- Support for pursuing certifications, external education and a tuition assistance program available to full-time employees.

We acknowledge the value of well-being and the need to invest in ourselves. At Franklin Templeton, well-being is not just about being healthy. It’s seen as the blending of many aspects — a combination of physical, emotional, financial, purpose and social well-being. It’s all interrelated.



- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience**
- Community Engagement
- Responsible Corporate Practices
- GRI/SASB Indices

We continue to prioritize health and wellness for all employees. At the height of the pandemic, over 97% of our employees worked from home. In addition to providing online tools for collaboration and enabling a flexible work environment, we focused on the importance of self-care, mental health awareness and wellness. In 2022 we are offering additional wellness support that focuses on helping employees with mindfulness, meditation, managing stress and anxiety, parenting and building emotional intelligence.

We bolstered our existing support programs with new resources to address five specific wellness pillars (physical, emotional, financial, social and purpose), additional Employee Assistance Program (EAP) counseling coverage, a new wellness program (via Virgin Pulse), virtual fitness classes and a new paid global parental and family caregiver leave program.

Other enhancements include:

- Self-care and life stages support — menopause education, body image, heart health, stress relief.
- Expansion of virtual health care/telehealth options.
- Enhancement of mental/emotional health support through mindfulness tools, leader and employee education and activity challenges.



- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement**
- Responsible Corporate Practices
- GRI/SASB Indices

Community Engagement

At Franklin Templeton, we’re proud of our commitment to partnering with our communities. We support hundreds of organizations around the world through employee volunteerism and charitable giving.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
 - Community Engagement**
- Responsible Corporate Practices
- GRI/SASB Indices

We encourage employees to use their talents to make a positive impact where they live and work, and we offer every Franklin Templeton employee one paid day off each year for volunteerism. We have a long-standing global volunteer program called *Involved* to harness the power of our employees in offices throughout the world, and our employee volunteers collectively take part in hundreds of community service projects and opportunities each year. With a network of more than 30 active employee volunteer chapters at our offices around the world, *Involved* helps build a culture of civic engagement while inspiring and enabling colleagues to make a positive difference in the lives of others.

The Franklin Templeton Charitable Foundation

We were excited to launch the Franklin Templeton Charitable Foundation in 2021, formalizing decades of charitable giving. With a primary focus on youth and education, and a secondary focus on health and human services, the foundation provides grants, funding for special campaigns and disaster relief and supports our employee giving programs.

Franklin Templeton supports communities with a matching gifts program, which enables employees to direct matching funds of up to \$1,000 per year. Donations for Doers provides grants to charitable organizations that are personally supported by employees through their volunteer time. For every 20 volunteer hours logged, employees receive \$250 to redeem to an eligible charity of their choice.

GLOBAL INVOLVED IMPACT DAYS EACH JUNE — CELEBRATING OUR 15TH YEAR

>100
EVENTS

85
CHARITY PARTNERS

EMPLOYEE VOLUNTEERS FROM

30
OFFICES WORLDWIDE

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement**
- Responsible Corporate Practices
- GRI/SASB Indices

March Madness and Girls Who Invest

Our CEO Jenny Johnson participated in the Bloomberg March Madness Brackets for a Cause charity competition, adding her pledge of \$10,000 to a substantial pool of commitments from other participants. She identified Franklin Templeton’s charitable partner Girls Who Invest as her preferred charity in honor of Women’s History Month and to support the charity’s dedication to increasing the number of women in portfolio management and executive leadership in the asset management industry. When Jenny won the competition among a distinguished pool of 52 CEOs and business leaders, Girls Who Invest received \$260,000 and joined a virtual celebration that offered scholars an opportunity to connect with Jenny and other colleagues from our firm. Franklin Templeton hosts summer interns from Girls Who Invest annually. The largest of our specialist investment managers (SIMs), Western Asset Management, also offers an annual summer internship on its investment team.



Make an Impact Wherever You Are: 15th Year of Impact Days

Each year in June, Franklin Templeton employees all over the world use their time and skills to make an impact in local communities during the firm’s global month of service, known as Impact Days.

In 2021 we celebrated 15 years of this service tradition, which included colleagues from our Legg Mason acquisition and other specialist investment managers for the first time. Despite the challenges of the pandemic, we continued to support our charity partners and communities. Employees created a “worldwide web of impact” and participated in virtual volunteering efforts in their local communities, as well as two global projects: a map-a-thon, which is an online activity to virtually map areas to assist humanitarian organizations with disaster relief, and a global food drive and competition.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement**
- Responsible Corporate Practices
- GRI/SASB Indices

Annual Harmon E. Burns Volunteerism Award

In 2007, we began to formally honor employees who demonstrated a commitment to their communities through the Harmon E. Burns Award, named after a long-time Franklin Templeton executive who was known for his generous spirit and contributions to our culture of service. Each year, a panel of internal judges selects honorees from many nominations. In recent years, we have honored an employee who is committed to helping the homeless community in Poznan, Poland, and an employee from New Delhi, India, who showed his continued commitment to helping the less fortunate, especially during the pandemic. Winners are celebrated at an annual all-employee meeting, serving as inspiration for the entire organization.

India COVID-19 Relief

In India, a charitable campaign set up by local Franklin Templeton leaders and the Franklin Templeton Global Citizenship team raised more than \$130,000 to support COVID-19 relief efforts in the country. Franklin Templeton seeded the drive with \$50,000, and employees throughout the world were encouraged to donate and request matching gifts to an organization in India to facilitate and fund distribution of oxygen equipment at local hospitals and support a widespread vaccine initiative. Employees of our specialist investment manager Western Asset Management donated nearly \$70,000 through contributions and matching gifts to support the effort.



- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement**
- Responsible Corporate Practices
- GRI/SASB Indices

JA (Junior Achievement) Worldwide

Franklin Templeton supports JA Worldwide and its “Youth Empowerment through Financial Literacy and Entrepreneurship” initiative, which teaches young people responsible money management and inspires future entrepreneurs. We support JA in several locations across the globe with program funding, mentoring, online fundraising activities and serving on local JA chapter boards.

Jumpstart for Young Children

We are proud to support Jumpstart for Young Children Inc. and its vision of helping to ensure that every child in the United States enters kindergarten prepared to succeed. The nonprofit delivers high-quality learning programs to children in underserved communities while seeking to drive systems change through teaching, advocacy and leadership.

Franklin Templeton provides funding for Jumpstart’s annual Read for the Record campaign, which brings together millions of children and adults to read the same book on the same day. For the 2021 event, employees from seven offices read to more than 1,900 students in virtual environments, and Franklin Templeton donated 2,000 books to students and classrooms.

LifeMoves

Franklin Templeton supports LifeMoves and its work to provide interim housing and supportive services to unhoused families, couples and individuals in Silicon Valley near our headquarters. Their proven approach helps clients break the cycle of homelessness, return to stable housing and achieve long-term self-sufficiency.

In addition to a community grant and fundraising support, Franklin Templeton employees provide volunteer assistance in a variety of roles, including crucial résumé and job skills training for LifeMoves clients, a program that Franklin Templeton Involved helped create. Leaders from our firm have served on the LifeMoves board of directors for decades.

Remembering 9/11

September 11 will always be especially meaningful for Franklin Templeton, as we remember and honor the 97 Fiduciary Trust and Franklin Templeton colleagues who were lost in the attacks that day. In 2021, we donated \$20,000 to charities connected to 9/11 in recognition of the 20-year mark and created opportunities for employees to engage in their communities, including Stars of Hope and an acts of kindness campaign for our National Day of Service.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices**
- GRI/SASB Indices

Responsible Corporate Practices

Our culture of integrity is the bedrock of our business. For 75 years, Franklin Templeton has been a trusted partner to our clients and our stakeholders. We reinforce that trust through our firm-wide commitment to accountability, honesty, integrity and ethics.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices**
- GRI/SASB Indices

Risk Management

Risk management is an essential part of our daily activities as responsible stewards of our clients’ assets. Our clients trust us to maintain appropriate protective measures globally. All the company’s enterprise risk management functions report to our Chief Risk and Transformation Officer.

Investment risk is a fundamental aspect of our business, and we have developed a large and highly experienced investment risk management team, with over 100 professionals in 19 locations around the world. Our local risk managers work alongside the chief investment officers and portfolio managers to ensure effective portfolio oversight. Our central investment risk team manages our firm-wide governance structure, supports a consistent risk framework and standards, challenges and reviews our local teams and gathers risk intelligence across the organization. Collectively, both the local and central teams are responsible for the ongoing development of our investment risk program.

The enterprise risk management function is responsible for identifying risks at the enterprise level, administering monitoring programs and assessing industry trends. Our Chief Risk and Transformation Officer meets, at a minimum, four times annually with the Audit Committee or Board of Directors, providing consistent and transparent communication and ongoing reporting on enterprise risk management processes, findings and trends.

Global Compliance

Our Global Compliance team has grown over time, mirroring the company’s growth in countries around the world to ensure we meet the varying local regulatory requirements in countries where we operate. In some still-evolving markets our team has had the opportunity to work with local regulators and share global best practices in the development of effective regulation.

Accountability starts with our executive leadership and extends throughout our organization to all employees. Our Board of Directors affirms governance practices and policies that cultivate an environment of compliance. With support from senior management, our Head of Global Regulatory Compliance provides oversight of compliance policies and programs, and our Regulatory Compliance Group ensures that we have appropriate processes and procedures in place to comply with evolving rules and requirements globally. We also conduct regular internal audits and reviews.

Our [Code of Ethics and Business Conduct](#) is the foundation of our culture of trust and respect. Our employees align with these values and comply with applicable laws in their work, and our Regulatory Compliance Monitoring team reviews related policies and controls on a scheduled basis.

We provide regular training to ensure that our employees are aware of and in compliance with up-to-date local laws and regulations. Our Compliance Education team is a cross-functional group of experts who ensure that employees meet all annual educational requirements.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices**
- GRI/SASB Indices

We provide a corporate ombudsman and a confidential Compliance and Ethics Hotline, which is operated by a third party to ensure confidentiality, for employees to report potential legal or ethical violations or communicate concerns. The firm has a policy in place to protect those who report any misconduct, commonly known as “whistleblower protection.”

In 2021 we created a centralized Financial Crime Compliance team within Global Compliance to meet the increased global regulatory focus on financial crime. The 15-member team has overall responsibility for financial controls such as anti-money laundering (AML), anticorruption, antiterrorism financing and sanctions.

We support international AML and antiterrorist financing laws, rules and standards in the jurisdictions in which we do business. Our AML statement can be found [here](#), and our sanctions program statement can be found [here](#). The AML program’s policies and procedures were established to prevent and detect money laundering and the financing of terrorist activities. The five pillars of the program include: establishing and implementing policies and procedures; independent testing; designation of an AML Compliance Officer; ongoing training; and understanding the nature and purpose of customer relationships, developing a risk profile on the customer and performing ongoing monitoring and updates on customers. There have been no confirmed incidents of money laundering.

Regarding promoting corporate governance in our portfolios, our analysts have a number of research tools at their disposal that allow them to examine the ethics of senior executives and alert them to potential governance and conflict-of-interest situations. Our culture demands the highest principles of accountability, honesty, integrity and ethics, plus a commitment to strong internal practices and policies.

Cybersecurity and Data Privacy

Maintaining the confidentiality, integrity and availability of our services and protecting our customers’ data is a top priority for the firm. Information security and data privacy has been identified as one of Franklin Templeton’s key enterprise risks, which receive significant dedicated resources and are continuously monitored. Our Chief Security Officer and our Chief Risk and Transformation Officer oversee our information security program and report to the Board of Directors on at least an annual basis.

Our cybersecurity program continuously adapts to rapidly evolving threat landscapes, regulatory requirements and technology innovation, guided by a framework of governance, program management, operations and program effectiveness. Our security operations teams leverage robust capabilities to identify, assess, detect and respond to cybersecurity risks and recover from potential incidents. We employ sophisticated protective, preventative and detective measures to protect our systems, testing the effectiveness of these controls through regular internal and independent external assessments,

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices**
- GRI/SASB Indices

audits and reviews. We actively engage with forums and associations representing financial institutions to collaborate and stay abreast of cybersecurity and data privacy developments.

All employees have a role in mitigating risk and preventing cyber-related issues. Our Corporate Information Security Policy and Program includes ongoing training for employees and contractors to preserve, improve and account for the confidentiality and integrity of the firm’s information. In addition to ongoing security awareness training, we leverage the opportunity of Cybersecurity Awareness Month to increase security education and communications for employees, contractors and clients.

Our approach to safeguarding our shareholders’ confidential information, including how our transfer agent manages “nonpublic personal” information and our disclosure policy and employee confidentiality and system security, is outlined in our privacy notice, which is provided to new shareholders and annually to existing shareholders. And, we have enhanced our vendor management oversight process to address additional outsourcing arrangements.

Please visit the [Global Citizenship page](#) of our website for additional information.

About This Report

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices**
- GRI/SASB Indices

This Corporate Social Responsibility (“CSR”) report covers certain activities of Franklin Resources, Inc. and its consolidated subsidiaries (the “Company”) for fiscal year 2021 (October 1, 2020 through September 30, 2021), unless otherwise noted.

This report does not address the performance or operations of our suppliers, contractors or partners. The information contained in this report has not been subject to external assurance from third parties. Many of the targets, goals, impacts and programs described in this report are aspirational, and as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.

In this report we may use certain terms that the Global Reporting Initiative, Sustainability Accounting Standards Board or others refer to as “material” to reflect the issues or priorities of Franklin Resources, Inc. and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by, or construed in accordance with, securities or other laws and regulations. Accordingly, issues or priorities considered material for purposes of this report may not be considered material in the context of our financial statements, reporting with the U.S. Securities and Exchange Commission (“SEC”), or our other public statements.

This report includes certain non-financial data and information that may be collected and measured using a variety of acceptable methods. The use of alternative acceptable measurement techniques to those used by the Company could result in materially different measurements of the non-financial data and information presented in this report.

This report contains forward-looking statements that are provided under the “safe harbor” protection of the Private Securities Litigation Reform Act of 1995, including statements regarding our targets, goals, impacts, programs, and other business plans, initiatives and objectives. Forward-looking statements include all statements that do not relate solely to historical or current facts and involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, without limitation, the degree of support of our stakeholders for our CSR initiatives or other challenges to the success of our CSR initiatives, and those described in our recent filings with the SEC, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. If a circumstance occurs after the date of the applicable report that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations, or to make any revision to our forward-looking statements, to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.

GRI and SASB Indices

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices

GRI/SASB Indices

This report was developed in accordance with the Core Level of the Global Reporting Initiative (GRI) Sustainability Reporting Standards as well as the Sustainability Accounting Standards Board (SASB) Standards for the Asset Management and Custody Activities sector. The following indices provide data for fiscal year 2021 (October 1, 2020–September 30, 2021) unless otherwise noted.

Global Reporting Initiative (GRI) Index

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

General Disclosures (GRI 102 Series)

Organizational Profile		
Disclosure #	Description	Answer
GRI 102-1	Name of the organization	Franklin Resources, Inc.
GRI 102-2	Activities, brands, products, and services	For a description of our activities, brands, products, and services, see: About Franklin Templeton p. 4; About Us . Financial services products are regulated by governmental entities in each jurisdiction in which our products are offered and are subject to various regulatory requirements.
GRI 102-3	Location of headquarters	One Franklin Parkway, San Mateo, CA 94403
GRI 102-4	Location of operations	We operate in 32 countries — Argentina, Australia, Austria, Bahamas, Belgium, Brazil, Canada, Chile, China, France, Germany, India, Ireland, Israel, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, Poland, Romania, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States. Our top five markets include: United States, Japan, Australia, United Kingdom and Germany.
GRI 102-5	Ownership and legal form	Franklin Resources, Inc. is a publicly traded corporation formed in California. Franklin Templeton is publicly traded on the New York Stock Exchange. For a description of our ownership, see: 2022 Proxy Statement , p. 23.
GRI 102-6	Markets served	For a description of the markets we serve, see: 2021 10-K , Business, Our Business Structure pp. 5–9.
GRI 102-7	Scale of the organization	Total number of employees: 10,219. See GRI 102-8 for breakdown. For our total number of operations, see: 2021 10-K , Properties p. 28. For our net revenues, see: 2021 10-K , Results of Operations p. 33. For a breakdown of our AUM by asset class and product, see: 2021 10-K , Business p. 6.

General Disclosures (GRI 102 Series) (continued)

Organizational Profile (continued)

Disclosure #	Description	Answer	
GRI 102-8	Information on employees and other workers	Total number of employees by region:	
		Region	Employees as of Dec 31, 2021
		Asia	413
		Canada	323
		EMEA (Excluding Poland)	764
		India	2,382
		Latin America	76
		Poland	882
		U.S. (Including U.S. Offshore)	3,608
		Specialist Investment Managers (SIMs)*	1,771
		Overall	10,219
		Total number of employees by employment type (full-time and part-time), by gender:	

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

General Disclosures (GRI 102 Series) (continued)

Organizational Profile (continued)

Disclosure #	Description	Answer
GRI 102-9	Supply chain	We principally source electronic equipment, software, and facility services for our offices. We have programs in place to ensure a diverse, sustainable supply chain and safeguard confidential information shared with our suppliers. For more information, see: Diversity and Inclusion pp. 15–17, Environment/Climate p. 22.
GRI 102-10	Significant changes to the organization and its supply chain	For information on changes in our operations during 2021, including facility openings, closings, and expansions, see: 2021 10-K , Business p. 4. For information on changes in our share capital structure, see: 2021 Annual Report , Conversation with Chief Financial Officer p. 6. There have been no changes in our supply chain.
GRI 102-11	Precautionary Principle or approach	For information on our approach to developing investment products in an environmentally responsible way, see: Stewardship and Sustainable Investing pp. 11–14. For information on our approach to avoiding negative impacts on the environment through our operations, see: Environment/Climate pp. 22–27.
GRI 102-12	External initiatives	Franklin Templeton participates in the following externally developed economic, environmental and social charters, principles, or other initiatives: <ul style="list-style-type: none">• CDP (Investor signatory and reporter for climate change disclosure)• Global Impact Investing Network• Grow Impact Investing Taskforce (Implementation Taskforce)• Japan Stewardship Code (signatory)• Net Zero Asset Managers initiative (NZAMI, signatory)• Principles for Responsible Investment (PRI, signatory)• Singapore Stewardship Principles (signatory)• Task Force on Climate-related Financial Disclosures (TCFD, supporter)• UK Stewardship Code (signatory)

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

General Disclosures (GRI 102 Series) (continued)

Organizational Profile (continued)

Disclosure #	Description	Answer
GRI 102-12 (continued)	External initiatives (continued)	<ul style="list-style-type: none">• Diversity and Inclusion initiatives:<ul style="list-style-type: none">– 10,000 Black Interns– Charte de le Diversité Letzebuerg– The Diversity Project– UK Gender Pay Gap Reporting– Nex Cubed Historically Black Colleges & Universities Founder’s Program (Founding Partner)– Women in Finance Charter– US House Financial Services Committee Institutional Investors D&I Self-Assessment– Bloomberg Gender Equality Index– Stonewall Workplace Equality Index– Human Rights Campaign Corporate Equality Index– Disability Equality Index– Investment 20/20
GRI 102-13	Membership of associations	<p>We actively engage with forums and associations representing financial institutions to collaborate and stay abreast of cybersecurity and data privacy developments.</p> <p>Other memberships include:</p> <ul style="list-style-type: none">• Boston College Center for Corporate Citizenship• Canadian Coalition for Good Governance (CCGG)• Chief Executives for Corporate Purpose (CECP)• Ceres Investor Network• Council for Inclusive Capitalism• European Fund and Asset Management Association (EFAMA)• European Sustainable Investment Forum (Eurosif)• Foro de Inversión Sostenible de España (Spainsif)• Forum per la Finanza Sostenibile (ItaSIF)• Greater Baltimore Committee (and the Baltimore Women’s Advisory Board)• Green Building Certification Institute (GRESB)

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

General Disclosures (GRI 102 Series) (continued)

Organizational Profile (continued)

Disclosure #	Description	Answer
GRI 102-13 (continued)	Membership of associations (continued)	<ul style="list-style-type: none">• The Harvard Law School Corporate Governance Roundtable• International Corporate Governance Network (ICGN)• Institutional Investors Group on Climate Change (IIGCC)• Pensions for Purpose• Principles for Responsible Investment (PRI) — Advisory Group for Assessing Climate Risk and Opportunities (ASCOR)• Responsible Investment Association (RIA)• UK Investor Association (Sustainability and Responsible Investment Committee, SFDR Implementation Forum)• UK Sustainable Investment and Finance Association (UKSIF)• Value Reporting Foundation• Waterfront Partnership• Diversity and Inclusion memberships:<ul style="list-style-type: none">— Catalyst: Workplaces that work for women (supporter)— CEO Action for Diversity and Inclusion (signatory)— Corporate Call to Action: Coalition for Equity & Opportunity (member)— Diversity Best Practices (member)— The Equity Collective (member)— FARE — Financial Alliance for Racial Equity (member)

Strategy

Disclosure #	Description	Answer
GRI 102-14	Statement from senior decision-maker	CEO Letter pp. 5–6; 2021 Annual Report pp. 2–5.
GRI 102-15	Key impacts, risks, and opportunities	Please see the management approaches in our 200, 300, and 400 Series disclosures for information about key impacts, risks, and opportunities. For more information, see: 2021 10-K , Risk Factors pp. 16–27.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

General Disclosures (GRI 102 Series) (continued)

Ethics and Integrity		
Disclosure #	Description	Answer
GRI 102-16	Values, principles, standards, and norms of behavior	Our Code of Ethics and Business Conduct describes our values and standards of behavior for all employees.
GRI 102-17	Mechanisms for advice and concerns about ethics	For a description of our mechanisms for reporting and seeking advice about ethics concerns, see: Responsible Corporate Practices p. 38; 2022 Proxy Statement , Corporate Governance p. 12; Code of Ethics and Business Conduct , Item 16 pp. 14–15.
Governance		
Disclosure #	Description	Answer
GRI 102-18	Governance structure	For a description of our governance structure, see: Corporate Governance ; 2022 Proxy Statement , Information About the Board and Its Committees pp. 14–19.
Stakeholder Engagement		
Disclosure #	Description	Answer
GRI 102-40	List of stakeholder groups	We engage with a broad spectrum of stakeholders, including clients, investors and philanthropic partners. We engage with employees through company-wide surveys and other methods.
GRI 102-41	Collective bargaining agreements	Less than 1% of our global population, all outside of the US, are represented by government unions.
GRI 102-42	Identifying and selecting stakeholders	The Global Citizenship office identified a list of key stakeholders who impact and/or are impacted by Franklin Templeton’s business and communities. For more information, see: Our Corporate Social Responsibility Reporting, Stakeholder Engagement and Materiality p. 7.
GRI 102-43	Approach to stakeholder engagement	For information about our approach to stakeholder engagement, see: Our Corporate Social Responsibility Reporting, Stakeholder Engagement and Materiality p. 7.
GRI 102-44	Key topics and concerns raised	For information about key topics that have been raised through stakeholder engagement, including the stakeholders that raised them and how Franklin Templeton has responded to those key topics, see: Our Corporate Social Responsibility Reporting p. 7, FY2021 Highlights and FY2022 Commitments pp. 8–11; 2021 10-K , Risk Factors pp. 16–27.

General Disclosures (GRI 102 Series) (continued)

Reporting Practice		
Disclosure #	Description	Answer
GRI 102-45	Entities included in the consolidated financial statements	For a list of our significant subsidiaries, see: About Franklin Templeton p. 4; About Us ; 2021 10-K , Exhibit 21 p. 145.
GRI 102-46	Defining report content and topic boundaries	For a definition of report content, see: Our Corporate Social Responsibility Reporting p. 7, About this Report p. 42.
GRI 102-47	List of material topics	For a list of our material topics, see: Our Corporate Social Responsibility Reporting, Stakeholder Engagement and Materiality p. 7.
GRI 102-48	Restatements of information	There have been no restatements of our previously reported financial statements.
GRI 102-49	Changes in reporting	In the past year, we have renamed two of our material topics: ESG Investing has been changed to Stewardship and Sustainable Investing, and Environment has been changed to Environment/Climate. For additional changes in reporting, including the acquisition of Lexington Partners and O’Shaughnessy Asset Management, see: 2021 10-K , Business, Recent Developments p. 4.
GRI 102-50	Reporting period	October 1, 2020 through September 30, 2021
GRI 102-51	Date of most recent report	April 2021
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	GlobalCitizenship@FranklinTempleton.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
GRI 102-55	GRI content index	p. 43
GRI 102-56	External assurance	The GHG emissions data in this report is not currently assured but is expected to be for the next CSR reporting period.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Economic (GRI 200 Series)

GRI 201: Economic Performance		
Disclosure #	Description	Answer
GRI 201	Management approach	For information on our management approach for this topic, see: 2021 Annual Report , CEO Letter pp. 2–5; 2021 10-K , Business pp. 3–16, Risk Factors pp. 16–27, Management’s Discussion and Analysis of Financial Condition and Results of Operations pp. 31–52, Quantitative and Qualitative Disclosures About Market Risk pp. 57–58; 2022 Proxy Statement , Information About the Board and Its Committees p. 16.
GRI 201-1	Direct economic value generated and distributed	Direct economic value generated: Revenues, \$8,425.5 million. Economic value distributed: <ul style="list-style-type: none">• Operating costs: \$6,550.5 million.• Employee wages and benefits: \$2,971.3 million.• Payments to providers of capital: Interest expense \$85.4 million; dividends \$573.7 million.• Payments to government by country: Not available.• Community investments: We do not report on community investments at this time.
GRI 201-2	Financial implications and other risks and opportunities due to climate change	For information on our risks and opportunities from climate change, see: CDP 2021 Climate Change Response , C3 (Risks and opportunities) pp. 5–13.
GRI 201-3	Defined benefit plan obligations and other retirement plans	U.S. employees receive an \$.85 match for every dollar they contribute up to IRS limits. We continuously refine our retirement plans globally to be competitive in the local markets.
GRI 203: Indirect Economic Impacts		
Disclosure #	Description	Answer
GRI 203	Management approach	For information about our management approach for this topic, see: Community Engagement pp. 33–37.
GRI 203-1	Infrastructure investments and services supported	For information on our infrastructure investments and the services we support, see: Franklin Real Asset Advisors .
GRI 205: Anti-corruption		
Disclosure #	Description	Answer
GRI 205	Management approach	For information about our management approach for this topic, see: Responsible Corporate Practices pp. 38–41; Code of Ethics and Business Conduct , 6(b) p. 6.

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices

GRI/SASB Indices

Economic (GRI 200 Series) (continued)

GRI 205: Anti-corruption (continued)

Disclosure #	Description	Answer
GRI 205-2	Communication and training about anti-corruption policies and procedures	A link to Franklin Templeton’s Anti-Corruption policy, which was amended effective July 1, 2021, is available to employees on our Regulatory Compliance SharePoint site and in the Resources section of the Anti-Corruption web-based training. Anti-Corruption training for our Board took place in October 2020. 100% of Franklin Templeton and SIMs employees have completed Anti-Corruption training.
GRI 205-3	Confirmed incidents of corruption and actions taken	Franklin Templeton had no reported incidents of corruption in 2021.

GRI 206: Anti-competitive Behavior

Disclosure #	Description	Answer
GRI 206	Management approach	For information about our management approach for this topic, see: Responsible Corporate Practices pp. 38–41; Code of Ethics and Business Conduct .
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions pending or completed during the reporting period regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in 2021.

GRI 207: Tax

Disclosure #	Description	Answer
GRI 207	Management approach	For information about our management approach for this topic, see: 2021 10-K , Regulation p. 10, Legal and Regulatory Risks pp. 25–27, Note 14 pp. 90–92; 2022 Proxy Statement , Compensation Discussion & Analysis p. 26.
GRI 207-2	Tax governance, control, and risk management	Tax risks are assessed as part of our quarterly tax provision cycles. Tax strategies and plans are developed in partnership with the relevant business teams or stakeholders. We hold discussions with stakeholders prior to execution of any plans. Our Tax team operates based on the established control process. The internal audit and risk teams test the control process periodically. Concerns about tax behavior may be reported to our Ethics Hotline, whose contact information is located on the company intranet available to all employees. For more information about tax and assurance, see: 2021 10-K , Report of Independent Registered Public Accounting Firm pp. 61–62, Note 14 pp. 90–92.
GRI 207-4	Country-by-country reporting	The entities included in our audited consolidated financial statements are generally resident in their local jurisdictions for tax purposes, with a few exceptions due to regulatory or operational reasons. Details are included with our tax returns filings. For material jurisdiction information, see: 2021 10-K , Note 14 p. 92. The covered period in question is for each fiscal year.

Environmental (GRI 300 Series)

***Note on GRI 300 Series Environmental Disclosures:** Our Environmental (Energy and Emissions) data is from calendar year 2020. Data for calendar year 2021 can be found in Franklin Templeton’s forthcoming CDP 2022 Climate Change Response, at <https://www.cdp.net/en/>.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

GRI 302: Energy

Disclosure #	Description	Answer																
GRI 302	Management approach	For information about our management approach for this topic, see: Environment/Climate pp. 22–27; CDP 2021 Climate Change Response , C0.3 p. 1, C2 (Risks and opportunities) pp. 5–13, C3 (Business strategy) pp. 13–15, C4 (Targets and performance) pp. 16–19; Environmental Policy Statement .																
GRI 302-1	Energy consumption within the organization	<table><tr><th>Type of Energy Consumption</th><th>MWh</th></tr><tr><td>Onsite fuel (non-renewable)</td><td>40,762</td></tr><tr><td>Electricity</td><td>56,005</td></tr><tr><td>Purchased heating</td><td>91</td></tr><tr><td>Purchased cooling</td><td>1,538</td></tr><tr><td>Purchased steam</td><td>3,216</td></tr><tr><td>Energy sold</td><td>0</td></tr><tr><td>Total Energy Consumption</td><td>101,611</td></tr></table> <p>This data was calculated using the Greenhouse Gas Protocol Corporate Standard and conversion factors from EGrid, the IEA, and the CBECS.</p>	Type of Energy Consumption	MWh	Onsite fuel (non-renewable)	40,762	Electricity	56,005	Purchased heating	91	Purchased cooling	1,538	Purchased steam	3,216	Energy sold	0	Total Energy Consumption	101,611
Type of Energy Consumption	MWh																	
Onsite fuel (non-renewable)	40,762																	
Electricity	56,005																	
Purchased heating	91																	
Purchased cooling	1,538																	
Purchased steam	3,216																	
Energy sold	0																	
Total Energy Consumption	101,611																	
GRI 302-3	Energy intensity	Our energy intensity ratio (including fuel, electricity, heating, cooling, and steam consumed within Franklin Templeton) was 0.00001825 MWh/\$ revenue, based on the revenue figure of \$5.57 billion.																
GRI 302-4	Reduction of energy consumption	We achieved 256 MWh of reductions in electricity use from a 2019 baseline as a direct result of conservation and efficiency initiatives (not including reductions caused by other factors such as working from home due to COVID-19).																

Environmental (GRI 300 Series) (continued)

GRI 305: Emissions

Note on GRI 305 disclosures: We calculate emissions using the GHG Protocol Corporate Standard and emission factors and global warming potential (GWP) rates from the IPCC AR5, and we consolidate emissions using operational control. Included in our emissions calculations are all of the following: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. Our base year is 2019, the year of our merger with Legg Mason, which significantly changed our organizational scope.

Disclosure #	Description	Answer
GRI 305	Management approach	For information about our management approach for this topic, see: Stewardship and Sustainable Investing pp. 11–14; Environment/Climate pp. 22–27; CDP 2021 Climate Change Response , C0.3 p. 1, C2 (Risks and opportunities) pp. 5–13, C3 (Business strategy) pp. 13–15, C4 (Targets and performance) pp. 16–19; Environmental Policy Statement ; Sustainable Investing .
GRI 305-1	Direct (Scope 1) GHG emissions	6,729.67 MT CO ₂ e (100% biogenic) Base year emissions: 9,319.21 MT CO ₂ e
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Location-based: 23,063.37 MT CO ₂ e Market-based: 23,798.24 MT CO ₂ e Base year emissions: 29,926.98 MT CO ₂ e (location-based)
GRI 305-3	Other indirect (Scope 3) GHG emissions	14,330.31 MT CO ₂ e GHG emissions categories and activities included: Fuel and Energy-Related Activities, Waste, Business Travel, Employee Commute, Downstream Leased Assets
GRI 305-4	GHG emissions intensity	Our GHG emissions intensity ratio (including Scope 1 and location-based Scope 2 emissions of all of the following: O ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃) was 0.00000535 metric tons CO ₂ e per unit total revenue.
GRI 305-5	Reduction of GHG emissions	We have reduced our Scope 1 and 2 emissions by 57% since 2007 (based on the GHG Protocol Corporate Standard).

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices

GRI/SASB Indices

Social (GRI 400 Series)

GRI 401: Employment		
Disclosure #	Description	Answer
GRI 401	Management approach	For information about our management approach for this topic, see: Employee Experience pp. 28–32; 2021 10-K , Risk Factors, Human Capital Risks p. 24. For information about the Compensation Committee's role in oversight of employee compensation, see: 2022 Proxy Statement , Information About the Board and Its Committees, Compensation Committee pp. 16, 19.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	At Franklin Templeton, in the United States, part-time employees are eligible to receive the same job benefits as full-time employees. Employees classified as temporary, are not eligible for those benefits. The only exception is our 401(k) Retirement Plan. Temporary employees are eligible. For more information, see: Franklin Templeton Rewards ; Employee Experience .
GRI 404: Training and Education		
Disclosure #	Description	Answer
GRI 404	Management approach	For information about our management approach for this topic, see: Employee Experience, Experience, Exposure and Education pp. 29–30; 2021 10-K , Risk Factors, Human Capital Risks p. 24.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	For information about our employee training programs, see: Employee Experience, Experience, Exposure and Education pp. 29–30.
GRI 405: Diversity and Equal Opportunity		
Disclosure #	Description	Answer
GRI 405	Management approach	For information about our management approach for this topic, see: Diversity and Inclusion pp. 15–21; Diversity and Inclusion is part of our growth story .
GRI 405-1	Diversity of governance bodies and employees	For gender and racial diversity statistics, see SASB disclosure FN-AC-330a.1. We do not collect data on age demographics at this time.
GRI 407: Freedom of Association and Collective Bargaining		
Disclosure #	Description	Answer
GRI 407	Management approach	Less than 1% of FT employees are represented by unions, in various countries outside of the U.S.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Social (GRI 400 Series) (continued)

GRI 407: Freedom of Association and Collective Bargaining (continued)

Disclosure #	Description	Answer
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None.

GRI 414: Supplier Social Assessment

Disclosure #	Description	Answer
GRI 414	Management approach	For information about our management approach for this topic, see: Responsible Corporate Practices p. 38; 2021 10-K , Risk Factors p. 23.
GRI 414-2	Negative social impacts in the supply chain and actions taken	We do not currently track negative social impacts in the supply chain.

GRI 415: Public Policy

Disclosure #	Description	Answer
GRI 415	Management approach	For information about our management approach for this topic, see: Political Activities Statement ; Code of Ethics and Business Conduct , 6(c) pp. 6–7.

GRI 417: Marketing & Labeling

Disclosure #	Description	Answer
GRI 417	Management approach	Franklin Templeton public marketing is customarily reviewed by relevant business unit personnel, compliance, and a registered principal or supervisory person, depending on the product, in accordance with applicable regulatory requirements and our internal policy. Franklin Templeton has review procedures in place to ensure that all marketing materials comply with the legislation applicable. Franklin Templeton confirms that it has adopted a compliance program to meet regulatory requirements. Franklin Templeton further certifies that the compliance program is, and continues to be, reasonably designed to prevent violations of the federal securities laws and is tested on a periodic basis.
GRI 417-1	Requirements for product and service information and labeling	Franklin Templeton has policies and procedures regarding marketing its products and services.

Social (GRI 400 Series) (continued)

GRI 418: Customer Privacy

Disclosure #	Description	Answer
GRI 418	Management approach	<p>Franklin Templeton has a Global Privacy Office to ensure a corporate governance structure to address applicable privacy legislation globally, including compliance to the United Kingdom’s Data Protection Act 2018 (DPA), the European Union’s General Data Protection Regulation (GDPR), and the California Privacy Rights Act (CPRA). The Global Privacy Office’s remit is to implement any necessary enhancements to its existing comprehensive privacy and data protection efforts. FT’s Global Privacy Office is headed by a Chief Privacy Officer based in Luxembourg who is supported by Regional Data Protection Officers (DPO) in EMEA (Europe, Middle East & Africa), the Americas, and APAC (Asia, Pacific). The Global Privacy Office oversees all aspects of DPA, GDPR, CPRA, and other privacy law compliance in various countries or states.</p> <p>Franklin Templeton is committed to ensuring that all data is protected, and that it has the appropriate security controls in place to protect the confidentiality, integrity, and availability of shareholder and business information from anticipated or unanticipated threats.</p> <p>For more information, see: Responsible Corporate Practices p. 38; Code of Ethics and Business Conduct.</p>
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>Franklin Templeton did not receive any substantiated complaints regarding breaches of privacy for the reporting period. Franklin Templeton had four minor customer data exposures during the period of October 1, 2020–September 30, 2021. These four individual events were of limited impact, such as lost mail or a broker being incorrectly assigned or receiving limited information to an individual investor account, and were thoroughly investigated and resolved. The residual risk remaining after mitigation efforts was low.</p>

GRI 419: Socioeconomic Compliance

Disclosure #	Description	Answer
GRI 419	Management approach	<p>Franklin Templeton public marketing is customarily reviewed by relevant business unit personnel, compliance, and a registered principal or supervisory person, depending on the product, in accordance with applicable regulatory requirements and our internal policy. Franklin Templeton has review procedures in place to ensure that all marketing materials comply with the legislation applicable. Franklin Templeton confirms that it has adopted a compliance program to meet regulatory requirements. Franklin Templeton further certifies that the compliance program is, and continues to be, reasonably designed to prevent violations of the federal securities laws and is tested on a periodic basis.</p> <p>For more information, see: Responsible Corporate Practices pp. 38–41; 2021 10-K, Risk Factors pp. 16–27; 2022 Proxy Statement, Information About the Board and Its Committees p. 19; Code of Ethics and Business Conduct.</p>
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	<p>For more information, see: 2021 10-K, Legal Proceedings pp. 94–95.</p>

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Sustainability Accounting Standards Board (SASB) Index

- Contents
- Introduction
- Stewardship and Sustainable Investing
- Diversity and Inclusion
- Environment/Climate
- Employee Experience
- Community Engagement
- Responsible Corporate Practices

GRI/SASB Indices

Asset Management and Custody Activities

Transparent Information & Fair Advice for Customers

Disclosure #	Description	Answer
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Franklin Templeton discloses any material legal proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. For access to these resources, see: Financial Information .
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Franklin Templeton discloses any material legal proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. For access to these resources, see: Financial Information .
FN-AC-270a.3	Description of approach to informing customers about products and services	For information about our approach to informing customers about our products and services, see: Investments .

Asset Management and Custody Activities (continued)

Employee Diversity and Inclusion

Disclosure #	Description	Answer			
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	(As of 12/31/2021)	Global Female Ratio	Global Male Ratio	U.S. Minority Ratio
		Board of Directors	27.3%	72.7%	27.3%
		All Employees	42.5%	57.5%	32.7%
		Senior Management	25.0%	75.0%	22.0%
		Management	40.8%	59.2%	30.0%
		Professionals	39.4%	60.6%	31.5%
		Support	59.3%	40.7%	47.1%
		Investment Professionals**	17.1%	82.9%	29.0%
		Notes:			
		Ethnic diversity data represents U.S. employees only, as we do not collect or report on ethnicity outside of the U.S.			
Metrics are as of 12/31/2021. Excludes Legg Mason Specialist Investment Manager employees (Brandywine Global, Clarion Partners, ClearBridge Investments, Martin Currie, Royce Investment Partners, and Western Asset) due to the ongoing consolidation of data after the Legg Mason acquisition.					
**Investment professionals are double counted. They fall within the three job level categories (Senior Management, Management and Professionals), but are also classified under the additional “investment” job category.					

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

Disclosure #	Description	Answer
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Reporting is underway for Franklin Templeton’s ESG AUM data for FY2021. When the aggregate number is available, it will be posted on our website’s Global Citizenship page on the Stewardship and Sustainable Investing tab.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Asset Management and Custody Activities (continued)

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory (continued)

Disclosure #	Description	Answer
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	For information about our approach to incorporation of ESG factors into our investment practices, see: Stewardship and Sustainable Investing pp. 11–14; 2020 Stewardship Report ; Sustainable Investing .
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>Our investment groups understand their fiduciary duty to vote and that voting decisions may affect the value of investments. Franklin Templeton and each investment group has adopted guidelines for exercising voting rights in accordance with applicable fiduciary duties and clients' best interests.</p> <p>The voting guidelines reflect what the investment groups believe to be good corporate governance and behavior on several issues pertaining to boards of directors, the ratification of auditors, management and director compensation, anti-takeover mechanisms and related issues, changes to capital structure, mergers and corporate restructuring, environmental and social issues, governance matters, proxy access, and global corporate governance. As a global investor, Franklin Templeton recognizes that governance practices may vary by country, given local legal constraints and accepted market practices. With decades of investment experience and global research coverage, our analysts are skilled in understanding the complexities of the regions in which they specialize and are trained to analyze proxy issues germane to their regions.</p> <p>For more information, see our Proxy Voting Policy.</p>
Business Ethics		
Disclosure #	Description	Answer
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Franklin Templeton discloses any material legal proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. For access to these resources, see: Financial Information .
FN-AC-510a.2	Description of whistleblower policies and procedures	Employees are able to report violations of compliance policies and procedures on an anonymous basis. We have adopted policies that prohibit retaliation in response to any good faith report, either to management or to a regulator, of conduct that an employee reasonably believes constitutes a violation of the law or of the Franklin Templeton Code of Ethics and Business Conduct or is otherwise illegal or unethical.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Asset Management and Custody Activities (continued)

Systemic Risk Management		
Disclosure #	Description	Answer
FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification	We omit a response to this metric due to the SEC Rule 22e-4 amendment rescinding the requirement that open-end mutual funds disclose aggregate liquidity as it may pose a significant risk of confusing and misleading investors.
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	<p>The Investment Risk Management group partners with each portfolio team on an ongoing basis to provide robust analytics and critical, independent insight on each portfolio’s risk profile, including liquidity risk.</p> <p>The funds have implemented liquidity risk management programs (LRMP) in accordance with the regulatory requirements and/or guidance, as applicable. The Investment Risk Management group is responsible for the LRMPs.</p> <p>The Risk group runs the Investment Liquidity Committee (ILC), a cross-functional committee to provide oversight and administration of the policies and procedures governing liquidity risk management programs across FT products and entities. The ILC reviews and approves liquidity reports and escalates issues, in accordance with its escalation procedures, and within the regulatory framework applicable to the relevant entity. The ILC will also meet on an ad-hoc basis when necessary to review potential significant liquidity events or stressed conditions and take appropriate steps to manage the risks, including implementing liquidity tools.</p>
FN-AC-550a.3	Total exposure to securities financing transactions	<p>Franklin Resources, Inc. does not engage in securities financing transactions as a principal but may be considered an agent. Our contractual obligations may subject us to indemnification costs and liability to third parties.</p> <p>In the ordinary course of business, we enter into contracts with third parties, including, without limitation, clients, vendors, and other service providers, that contain a variety of representations and warranties and that provide for indemnifications by us in certain circumstances. Pursuant to such contractual arrangements, we may be subject to indemnification costs and liability to third parties if, for example, we breach any material obligations under the agreements or agreed standards of care, or in the event such third parties have certain legal claims asserted against them. The terms of these indemnities vary from contract to contract, and future indemnification claims against us could negatively impact our financial condition.</p> <p>For more information, see: 2021 10-K, Risk Factors p. 27.</p>
FN-AC-550a.4	Net exposure to written credit derivatives	Zero, which refers to the exposures of Franklin Templeton and its subsidiaries and does not refer to transactions conducted on behalf of Franklin’s clients’ portfolios.

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

Activity Metrics

Disclosure #	Description	Answer
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	We do not currently track and report which of our products are registered vs. nonregistered.
FN-AC-000.B	Total assets under custody and supervision	As of September 30, 2021, our total AUM was \$1,530.1 million.

Key ESG Ratings

- Franklin Templeton has received the following scores:
- CDP — Received a B on an industry-relative scale of A to F, with A being the best possible score
 - MSCI ESG Ratings Assessment — Rated as BBB on a scale of AAA-CCC
 - Sustainalytics — Rated as low risk of experiencing material financial impacts from ESG factors

Contents

Introduction

Stewardship and Sustainable Investing

Diversity and Inclusion

Environment/Climate

Employee Experience

Community Engagement

Responsible Corporate Practices

GRI/SASB Indices

FY2021 Corporate Social Responsibility Report

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