

Background

Franklin Templeton is a responsible investor and is committed to supporting and upholding conventions which seek to ban the production of controversial weapons.

We are therefore committed to not investing in debt and equity securities issued by companies that we believe are confirmed producers of controversial weapons as defined below.

Scope

This policy will apply to all Franklin Templeton Funds domiciled in Europe and distributed internationally and covers both equity and fixed income funds.

Definition

We define controversial weapons as:

- Anti-personnel mines: Those banned by the Ottawa Convention March 1999
- Biological and chemical weapons: Weapons outlawed by the Biological and Toxin Weapons Convention of 1972 and the Chemical Weapons Convention of 1993
- Cluster Munitions: As defined by the Convention on Cluster Munitions (Oslo Convention) adopted in 2008 which prohibits the use, production, stockpiling and transfer of cluster munitions;

Implementation

We use a recognised independent third party to identify companies that are involved in controversial weapons production. This is supplemented with our own internal research and company engagement.

Implementation of this policy is managed by our internal ESG team, in collaboration with legal and compliance functions and is subject to semi-annual review.

Investment in companies identified and verified through this process is restricted through Franklin Templeton Investments' trade compliance system.