

Modern Slavery Statement

Financial year ended 30 September 2022



Contents

Introduction	1
Our global business	2
Our business in Australia	4
Our operations and supply chain	5
Assessment of modern slavery risk	6
Addressing modern slavery risk	8
Our future plans	10
Measuring effectiveness	12
Notification	12
Consultation process	14
Approval	14
Modern Slavery Act criteria – where to find	15

Introduction

This Modern Slavery Statement (“Statement”) has been prepared by Franklin Templeton Australia Limited (FTAL) (ABN 76 004 835 849; AFSL 240 827) to comply with the Modern Slavery Act 2018 (Cth) for the Financial Year ended 30 September 2022 (Reporting Period). In addition to FTAL, this statement covers the following entity: Franklin Templeton (Australia) Holdings Pty Ltd (ABN 66 118 222 343) (FTAH). FTAH is a proprietary limited company that is the non-operating holding company of FTAL and does not conduct any business activities and has no employees. This Modern Slavery Statement is therefore a consolidated statement of the actions taken to address

modern slavery risks and is issued as a joint statement on that basis.

This Statement sets out the steps we have taken and continue to take to mitigate the risk of modern slavery and human trafficking within our business and our supply chains.

It supersedes the voluntary statement of our position on modern slavery which was issued in 2022.

In this statement, references to “Franklin Templeton” mean Franklin Resources, Inc. and its subsidiaries and references to “we”, “our” or “us” mean the entities making this statement.



Our global business



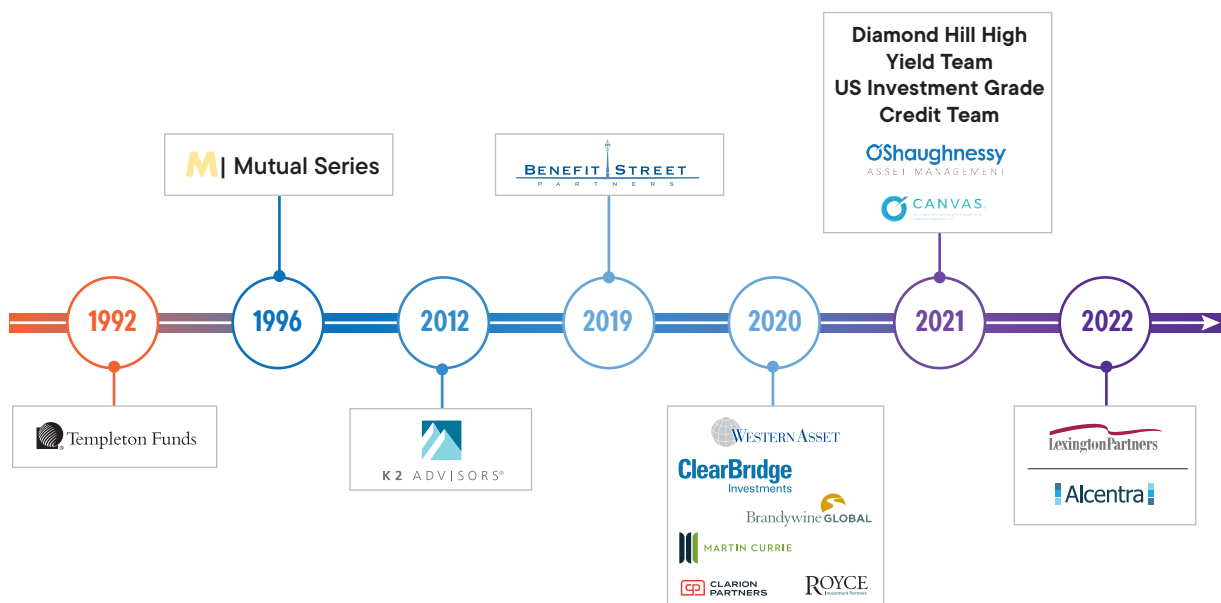
Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers boutique specialization on a global scale, bringing extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based

company has 75 years of investment experience and approximately US\$1.4 trillion in assets under management as of 31 December 2022.

One thing has driven Franklin Templeton's growth and evolution: our focus on delivering better client outcomes. It's why we've built a world-class investment firm that aims to offer the best of both worlds: global strength and boutique specialisation. And it's the reason clients in more than 155 countries have entrusted us with their investments, making us one of the world's largest asset managers.

Becoming Franklin Templeton

Our foundational history



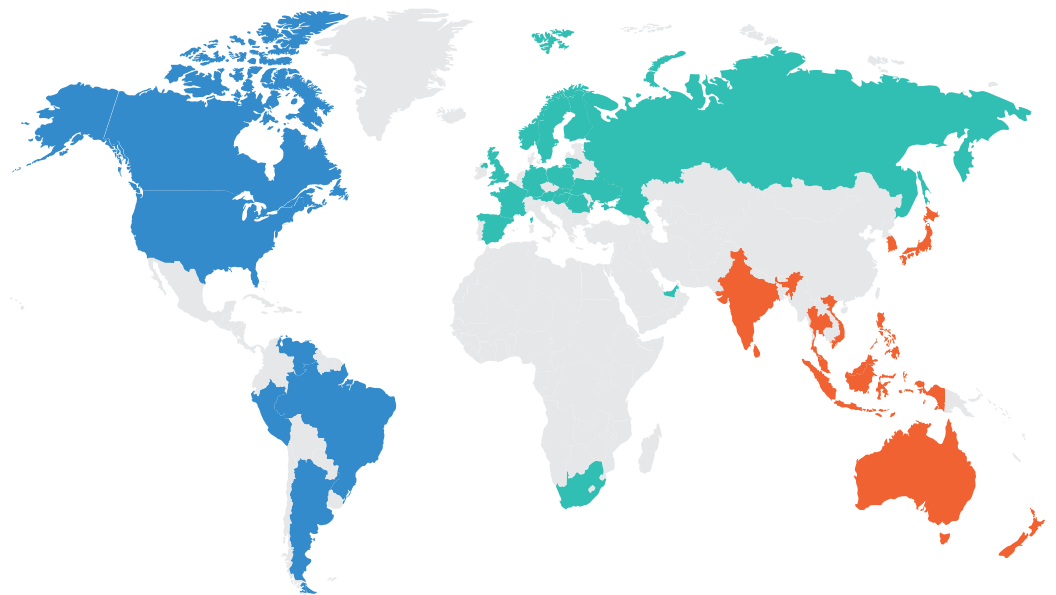
We are truly a global investment manager with operations around the world.

9,000+

Employees Globally

65+

Cities with Offices



US

- Atlanta
- Baltimore
- Boston
- Dallas
- Ft. Lauderdale
- Houston
- Lincoln
- Los Angeles
- Miami Area
- New York
- Pasadena
- Philadelphia Area
- Raleigh
- Rancho Cordova
- Rochester
- Salt Lake City
- San Francisco Bay Area
- Short Hills
- St. Petersburg
- Stamford
- Washington D.C.
- West Palm Beach
- Wilmington

Americas

- Buenos Aires
- Calgary
- Mexico City
- Montreal
- Nassau
- Rio de Janeiro
- Santiago
- Sao Paulo
- Toronto

Europe

- Amsterdam
- Brussels
- Bucharest
- Cape Town
- Douglas
- Dubai
- Dublin
- Edinburgh
- Frankfurt
- Istanbul
- Leeds
- London
- Luxembourg
- Madrid
- Milan
- Paris
- Poznan
- Warsaw
- Zurich

Asia Pacific

- Ahmedabad
- Bangalore
- Chennai
- Hong Kong
- Hyderabad
- Kolkata
- Kuala Lumpur
- Melbourne
- Mumbai
- New Delhi
- Pune
- Seoul
- Shanghai
- Singapore
- Sydney
- Tokyo
- Visakhapatnam

1. All data as of 31 December 2022.

Our business in Australia

Franklin Templeton's business in Australia was established in 1988 as a wholly owned subsidiary of Franklin Resources, Inc. and provides investment management services to the institutional and retail market in Australia.

In July 2020 Franklin Resources Inc. completed the largest and most significant acquisition in its history with the purchase of Legg Mason and its specialist investment managers. As a result of this acquisition, our presence in Australia has multiplied as we increased our presence within Australia's advice networks and institutions alike.

Franklin Templeton Australia employs more than 150 people and provides investment management solutions to its Australian clients from offices located in Melbourne and Sydney. We are regulated by the Australian Securities and Investments Commission and we hold an Australian Financial Services Licence appropriate to our operations.

We provide our Australian clients with access to our full range of investment management capabilities through managed funds and separately managed accounts:

- Equities
- Fixed Income
- Multi-asset
- Alternatives

Clients in Australia can access the investment expertise of the following experienced specialist investment managers in our group:

- Franklin Templeton
- Benefit Street Partners
- Brandywine Global
- ClearBridge Investments
- Clarion Partners
- K2 Advisors
- Martin Currie
- Royce Investment Partners
- Western Asset Management
- Lexington Partners

We believe our culture sets us apart

We don't just seek returns and manage risk. We strive to make connections that matter – with our clients, our communities and with each other.

The foundations of how we make connections that matter



Values

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



Community

We make a positive impact in our communities through employee volunteering and charitable giving



Inclusion

We are committed to the principles of good corporate citizenship and to fostering a more inclusive investment industry

Our operations and supply chain



Composition of our Australian operations

Franklin Templeton is a global investment management organisation operating in a single industry segment, namely “Investment management and related services”.

Our Australian business activities can be categorised into the following main functional areas:

- Investment and Research
- Sales
- Marketing
- Product Strategy
- Investment and Consultant Relations
- Client Service
- Investment Operations
- Human Resources
- Compliance and Risk
- Legal
- Information Technology

Assessment of modern slavery risk

Given the industry segment in which we operate, we have assessed the risk of modern slavery or human trafficking in our Australian business and supply chain as “Low”.

In this section of our Modern Slavery Statement we address:

- The ways in which modern slavery risk could arise in the course of our business:
 - investment activities
 - procurement process and supply chain
- The basis for our overall “Low” risk assessment

Modern slavery risk through our investment activities

Investors could become exposed to Modern Slavery Risk through investing in companies, real assets, corporate or sovereign debt where the issuer, asset owner or sovereign is either directly or indirectly complicit in slavery or human trafficking.

As a part of our investment processes, we include in our assessment ESG (Environmental, Social and Governance) risks which may have the potential to detract from or impair the long term sustainable value of securities in which we invest for our funds and clients. Under the “S” in “ESG”, we are watchful for the key risk indicators for modern slavery which include:

- employment of vulnerable people
- structure of business models
- location of operations
- raw materials used
- support services procured
- acuteness of competitive cost pressures

Our investment activities

Recently, we administered a questionnaire to Franklin Templeton’s investment managers that manage money for Australian investors through different investment vehicles to set a baseline understanding of how risks of modern slavery are assessed and monitored. We note that each of our investment managers may have their own protocols for engagement with companies on ESG issues such as Modern Slavery.

Further, our insights from that questionnaire highlighted that our managers’ approach to assessing human rights and modern slavery risks vary in maturity. Even while we consider investments to be moderate to low risk of exposure to modern slavery, we aim to continually uplift our efforts and ensure standards are being met.

Where risks are identified through our investment activities or as a subject of initial and ongoing ESG reviews, the investment manager may, depending on investment strategy:

- divest or reduce exposure
- engage with the investee company found to be at risk of exposure to modern slavery

As a responsible investment manager, we attempt to mitigate the risk of Modern Slavery by undertaking the following steps (where relevant to the investment strategy):

- integrate Modern Slavery risk assessment into our investment process
- tailor our engagements with relevant investee companies, issuers, government officials and industry bodies to ascertain how Modern Slavery risks are being assessed and addressed
- evaluate the Modern Slavery Statements and ongoing releases of investee companies and issuers and their relevant peers to monitor progress on commitments or achievements
- apply healthy scepticism in our engagements with companies and issuers to ensure in so far as we can that their commitment in this area is meaningful and not just superficial
- advocate strongly for change or for the use of better practices where advocacy is warranted
- use our voting rights to influence behaviour and accountability as appropriate

Modern slavery risk through our procurement process

In our view, the exploitation of its employees or its own suppliers by any business engaged by us to provide services to Franklin Templeton is abhorrent.

The following policies, we believe reflect our commitment to acting ethically and with integrity in all our business relationships:

- Code of Ethics and Business Conduct
- Anti-Money Laundering and Counter Terrorism program
- Sanctions Program (which includes screening)
- Outsourcing Policy
- Whistleblower Policy and Hotline

In addition to our key reliance on our people and on the functional support provided by other entities in our global organisation, our business also procures services from third party suppliers in Australia.

Our local suppliers are typically service providers such as third-party administrators, custodians, unit registry providers, information technology and market data vendors. We also have a reliance on firms providing professional services such as legal, accounting, tax advisory, due diligence and consulting. We typically form long-term relationships with our suppliers due to the criticality of their services to our business and due to the importance of the service providers having a sound understanding of our business.

We believe there is a very low risk of Franklin Templeton being inadvertently complicit in modern slavery or human rights abuses through its procurement processes in Australia.

As an enterprise, we are fully supportive of the objectives of the Modern Slavery Act 2018, the UN Sustainable Development Goals and the Principles of the United Nations Global Compact. It therefore behoves us to fully understand our supply chain risks at a deeper level (“supplier due diligence”) and to work with suppliers and industry bodies in managing and mitigating them.

In the next two sections of this Statement we deal in more detail with our completed and planned activities in the area of supplier due diligence, to ensure we play our part as a responsible corporate citizen in building better futures for all.

1. Please see our website for more details on this in respect to each individual manager and or the relevant PDS and associated reference document. Please be aware that not all investment managers undertake the steps referred to above.

Addressing modern slavery risk

Assessing and addressing Modern Slavery risk as part of investment, employment and procurement activities is an ongoing duty for a responsible corporate citizen – it is not a “once off project”.

What have we achieved so far?

Aspect	Achievements
Risk Governance	<ul style="list-style-type: none">• Formed a Modern Slavery Working Group under the auspices of the Head of Compliance for Australia and New Zealand which reports through to the Australian Risk Management Committee.• Appointed members to the Working Group from Compliance, Client Service, Legal, Risk teams.• Integrated into our governance structure the review and management of Modern Slavery Risk in our Australian business (see page 10).• Developed our Modern Slavery notification process to address all observed, suspected or reported instances of Modern Slavery regardless of source (see page 12 - 14).• Devised a Modern Slavery Risk Register to record, monitor, measure and help us to report on observed risks through the investment, employment and procurement processes.• Agreed on key objectives and assigned responsibilities for key deliverables for FY2022.
Investment Management	<ul style="list-style-type: none">• Reviewed the ESG approaches, policies and processes for each of the Franklin Templeton investment groups supporting our Australian business.• Surveyed the investment groups with questions specifically focused on the assessment of modern slavery risks, namely the manner in which risks are assessed, the tracking, managing and reporting of incidents, and their plans to assess and monitor the effectiveness of their approaches.• Where relevant to the investment strategy, our specialist investment managers incorporate ESG factors into decision-making and issuer engagement. In some cases, the team may meet with company management and seek to understand modern slavery risk both directly and indirectly to evaluate these issues where relevant to the investment strategy.

Supply Chain

- Performed an analysis of procurement spending by the Australian business units with a focus on the materiality, location and industry of each supplier.
- Identified suppliers utilised by the Australian business for further analysis based on an internal methodology.
- Assigned a risk rating to our Australian supplier list based on the location, industry and based on an internal methodology. We used the Global Slavery Index to inform our location and industry risk assessments.
- From our risk assessment we prepared a focus list of suppliers for due diligence purposes. We short-listed suppliers who are material to the continuity/smooth running of our business where the dollar spend exceeded our minimum threshold. Our focus list was further filtered to include those suppliers with operations in countries with elevated modern slavery risk or operating in industries identified as susceptible to poor labour standards.
- We gathered and assessed all publicly available Modern Slavery statements produced by suppliers on the focus list.
- For those suppliers that were assessed as requiring further review not having a published Statement we contacted them to (a) obtain their Statement or (b) complete a questionnaire on Modern Slavery risk in their business.
- The Statements or completed questionnaires did not give us cause for immediate concern and as at the date of this statement no risks have been identified.



Our future plans

We have set targets to further enhance our governance and approach to Modern Slavery risk management for FY2023 and beyond.

What will we do?

Aspect	Plans
<p>Risk Governance</p>	<ul style="list-style-type: none"> • Continue to refine our Modern Slavery Risk Register for reported instances. • Report regularly to the Australian Risk Management Committee on activities, plans, progress and concerns in relation to our assessment and mitigation of Modern Slavery risk in our business. • Continue to work with our colleagues globally to maintain an appropriate level of awareness of Modern Slavery risk throughout the global enterprise and their duty to escalate concerns to the Australian business, principally to our Head of Compliance.
<p>Investment</p>	<ul style="list-style-type: none"> • Request data on how Modern Slavery Risk reviews may be integrated into the investment strategy (if applicable). • Partner with the Franklin Templeton Stewardship and Sustainability Council which brings together ESG leaders from across our investment teams. Ensure we keep Modern Slavery Risk on the global agenda. Share experiences with colleagues in jurisdictions with Modern Slavery risk requirements such as the UK and the state of California in the US. • Leverage any global data analytics available to capture Modern Slavery metrics where possible.
<p>Remediation & governance chart</p>	

Aspect

Plans

Procurement

- Take all appropriate action on risks identified as a result of our assessments.
- Where risks are identified with material suppliers look to implement a supplier code of conduct.
- Where risks are identified determine whether there is the ability to implement a Modern Slavery Clause in contractual agreements.
- Work with our colleagues in the Franklin Templeton Enterprise Vendor Management (“EVM”) team to ensure that where a Modern Slavery Risk has been identified suppliers can work to attest to our Supplier Code of Conduct and Modern Slavery clauses.
- Commence review of the supplier spend analysis to ensure we have determined if there are any high risk categories.
- Leverage any global system developments for procurement practices to embed Modern Slavery considerations where appropriate.



Measuring our effectiveness

We are committed to assessing the effectiveness of our management of Modern Slavery risk on a regular basis. We will do this in a number of ways:

- We will use the regular meetings of our Modern Slavery Risk Working Group to track our progress through FY2023.
- Regular reporting to the Australian Risk Management Committee.
- We continue to collaborate with our industry peers, primarily through industry associations and working groups to ensure we meet or exceed best practices. We will share our knowledge and experiences in the best interests of eradicating Modern Slavery risk.



Notification

Notification process for instances of Modern Slavery

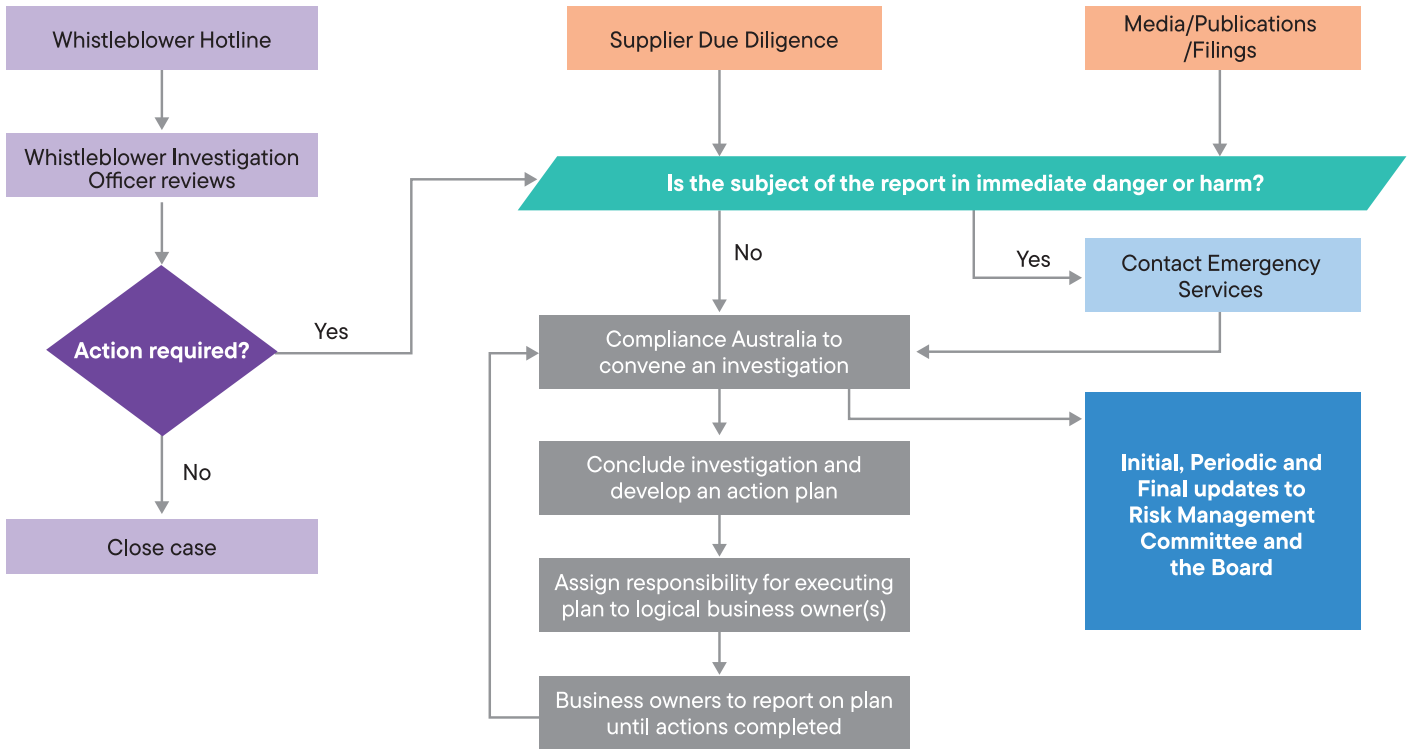
We could become aware of instances of suspected modern slavery or other human rights violations through:

1. reports to our Whistleblower Hotline
2. our supplier due diligence reviews
3. press releases or articles published in the media

In FY2021 we designed our process for assessing and addressing such reported incidents to ensure we remediate the risk of modern slavery in a timely manner. Compliance Australia will maintain a Modern Slavery Risk Register in which it will record all reported instances, details of the investigation undertaken, the action plan we designed as a result of the investigation and the logical business owner assigned responsibility for overseeing the action plan. Compliance Australia will provide progress updates on the action plan and the final date of closure of the action plan as part of quarterly reporting to the Australian Risk Management Committee.



Modern Slavery governance chart



Third party due diligence reviews

Where we identify that we have caused or contributed to adverse impacts such as modern slavery, we will cooperate in the remediation of the impact. Where possible, we will also strive to use our leverage with the third-party service providers that caused the impact to prevent or mitigate the harm and its recurrence. Where this is not successful, we will review and consider ending business relationships with the entity that caused the impact.

Review process

We have in place a robust grievance process (both internally and externally) that addresses a range of adverse human rights impacts, including modern slavery. This sits alongside other internal policies and processes that enable concerns to be identified and/or addressed. We will annually review these grievance processes to ensure they remain effective and assist in identifying issues, better manage risks, ensure strong compliance culture and strengthen the organisation's reputation.

Effectiveness of our actions:

- Establishing a process to regularly review actions we have taken
- Annual reviews of risk assessment processes to ensure they are up to date
- Setting up annual questionnaires to provide regular engagement and feedback from material third party service providers and specialist investment managers
- Conducting internal audits and monitoring of risk processes
- Tracking actions taken and measuring impacts via the Modern Slavery Working Group. The Working Group consists of representatives from across key areas within the business. The Working Group meets regularly to review and monitor modern slavery risk across the business and our material outsourced service providers

Consultation process

Where the content of this Statement relates to our Australian investment activities, the Working Group consulted with, sought information from and discussed observations with the affiliated specialist investment managers that manage money for Australian investors through different investment vehicles.

For all other content, the Working Group drew from policies, procedures and operational practices which are common to and support our Franklin Templeton Australia business. For this reason the Working Group was comprised of representatives of relevant business units or consulted with them as appropriate.

We are therefore confident that our Statement, prepared on a joint basis to encompass multiple legal entities and business activities, is representative of the whole of our Australian business.



Approval

This Modern Slavery Statement was approved by the Board of Franklin Templeton (Australia) Holdings Pty Ltd. and the Board of the Franklin Templeton Australia Limited on 27 March 2023.



Handwritten signature of Matthew Harrison

Matthew Harrison, Director
Board of Franklin Templeton (Australia) Holdings Pty Ltd

Handwritten signature of Matthew Harrison

Matthew Harrison, Director
Board of Franklin Templeton Australia Limited

Modern Slavery Act criteria

– where to find

Mandatory Criteria to be included in our Modern Slavery Statement - Section 16 (1)	Page(s)
a. Identify the reporting entity	4
b. Describe the structure, operations and supply chain of the reporting entity	5
c. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	6 - 7
d. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	8 - 9
e. Describe how the reporting entity assesses the effectiveness of such actions	12
f. Describe the process of consultation (i) with any entities that the reporting entity owns or controls and (ii) in the case of a joint modern slavery statement issued under section 14, the entity giving the statement	14
g. Include any other information considered relevant	N/A

Contact us

If you would like more information on or to discuss our position on modern slavery, please contact: ClientServicesAust@franklintempleton.com.

You may click on the link below if you have reasonable grounds for believing that modern slavery practices have or may be occurring in the course of the conduct of our Australian business.

Link: [Whistleblower | Franklin Templeton](#)

The link will take you to our website where our Whistleblower Policy is set out and where we explain in greater detail the various ways in which you can make a report and remain anonymous if you choose to do so.

IMPORTANT INFORMATION

Issued by Franklin Templeton Australia Limited ABN 76 004 835 849, AFSL 240827 (FTAL).

This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

FTAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by FTAL, its officers, employees or agents. Except where contrary to law, FTAL excludes all liability for this information.

@ Copyright Franklin Templeton Australia Limited. You may only reproduce, circulate and use this document (or any part of it) with the consent of Franklin Templeton Australia Limited.



1800 673 776
franklintempleton.com.au