



FRANKLIN TEMPLETON
INVESTMENTS

THE MODERN SLAVERY ACT 2015 – STATEMENT FINANCIAL YEAR ENDING 30 SEPTEMBER 2017

This statement is made on behalf of the UK companies, Franklin Templeton Global Investors Limited ("FTGIL") and Franklin Templeton Investment Management Limited ("FTIML") to address section 54 (1) of the Modern Slavery Act 2015. The statement describes the steps taken to mitigate the risk of slavery and human trafficking taking place in the supply chains of FTGIL and FTIML and in any part of their business.

Organisation structure and business

FTGIL is a UK private limited company which provides support and administration services to Franklin Resources, Inc. and its subsidiaries operating as Franklin Templeton Investments ("FTI"). FTI is a global investment management organisation providing investment management and related services to retail, institutional and high net worth clients.

Services provided by FTGIL to its parent and associated companies include legal, compliance, human resources, accounting, fund administration and IT support.

FTGIL has a number of subsidiaries including the UK Company, FTIML, a UK private limited company which provides investment management and advisory services to various FTI sponsored products and on a discretionary basis to institutional clients.

Supply Chains

FTGIL and FTIML contract with a number of direct and indirect suppliers of goods and services including suppliers of IT, office equipment, cleaning services and professional services from lawyers, accountants and other advisers and consultants. The majority of suppliers in our supply chain are not located in countries or sectors that are considered to be at high risk of exposure to human trafficking or slavery.

Policies in Relation to Slavery and Human Trafficking

FTGIL and FTIML are committed to ensuring that no member of staff and no vendor has any involvement in human trafficking and modern slavery. This commitment reflects our core values to put clients first, build relationships, achieve quality results and work with integrity.

This approach is supported by our Anti-Bribery Policy which outlines the principles that FTI follows to achieve zero-tolerance against bribery and corruption and our Code of Ethics which require staff to uphold the highest level of ethical conduct in their day to day business.

Due Diligence

Employees

Recruitment at Franklin Templeton is conducted through an online application system either direct by the candidate or via a third party supplier such as a Franklin Templeton contracted recruitment business. Applications for all roles (permanent, temporary and contract) are reviewed and appropriately experienced candidates are invited for interview. Reference and background checks are carried out on all prospective

employees, either using a third party specialist company or by the local HR team, and proof of right to work in the country in which they are applying is mandatory before an offer will be made.

Franklin Templeton base salary levels and benefit provision are set with reference to appropriate market benchmarking data (third party industry surveys), which are reviewed regularly. We also take into account any mandated minimum pay levels, fair pay and any other relevant legislation. All salary payments are made directly to each employee's personal bank account.

Vendors

A risk-based approach has been implemented to the assessment of vendors for the supply of goods and services to FTGIL and FTIML to determine what additional due diligence, if any, is required to check for vendor exposure to human trafficking and slavery. A screening exercise of all significant direct and indirect vendors to FTGIL and FTIML has been undertaken by a third party provider for evidence of involvement in human trafficking and modern slavery. This screening included all associated companies connected to each vendor, for example, subsidiaries and parent companies. It provided no results which were a significant cause for concern and all direct vendors were rated as low risk of exposure to human trafficking or slavery.

The company has enhanced onboarding procedures for material new vendors for FTGIL and FTIML and considers any appropriate contract changes for vendor contracts to strengthen compliance with human trafficking and modern slavery legislation.

Training

We will also be providing training as necessary on the requirements of the Modern Slavery Act 2015 for key staff involved in recruiting and vendor sourcing and management to assist in the implementation of our policy not to tolerate modern slavery or human trafficking.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved by the Board of Directors of the company.

Board approval date: 14 December 2017

William Jackson, Director



Franklin Templeton Investment
Management Limited
Cannon Place, 78 Cannon Street,
London, EC4N 6HL
franklintempleton.co.uk