Product name: FTGF Martin Currie Improving Society Fund **Legal entity identifier:**254900MZ0K8Z3QFWHN23.

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● [X] **Yes**	●○ [ ] **No**
[X] It will make a minimum of **sustainable investments with an environmental objective:** 0**% [ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy [X] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy [ ] with a social objective
[X] It will make a minimum of **sustainable investments with a social objective:** 70*%	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

**The Fund commits a minimum of 70% of the porfolio to 'sustainable investments' with a social objective.*

***The Fund does not commit to invest a minimum portion of the portfolio in 'sustainable investments' with an objective. However, the Fund may make 'sustainable investments' with an evironmental objective as part of the minimum 90% of the portfolio that will be invested in 'sustainable investments'.*

What is the sustainable investment objective of this financial product?

*The objective of the Fund is to deliver long-term capital growth and to contribute to the narrowing of the equality gap and fairness of social opportunity. It does this by investing in companies whose products and services: (i) contribute to fairness of social opportunity (ii) contribute towards improving wellbeing, inclusion and/or (iii) support a just transition towards a sustainable economy **(each as further detailed in the below bullets)** :*

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- ***Improving Wellbeing:*** *companies positively impacting human health and health outcomes by providing products and services which improve access to care, diagnosis of disease, innovative treatments for both mental and physical conditions, overall wellbeing, and ongoing support for health. This category also includes areas such as nutrition, clean water, and sanitation as they form the very basis of population-level equality of opportunity.*

- ***Improving Inclusion:*** *companies which contribute to the education, improve financial equality, and increase access of individuals to resources regardless of ethnic origin, gender identity, sexual orientation, disability status, and religion or creed in order to advance economic attainment across the population.*

- ***Supporting a Just Transition:*** *this category focuses on supporting populations in a fair and equitable manner as governments and economies move towards a more sustainable framework aimed at combatting climate change and fostering biodiversity. Companies in this category are involved in re-skilling, supporting the advancement of the circular economy, and improving the everydayenvironment in which people live, which is impacted by factors such as the level of pollution, provision of safe and effective transport, access to quality housing, and resilience against natural disasters.*

No index has been designated as a reference benchmark for the purpose of attaining the sustainable investment objective promoted by the Fund.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The sustainability indicators used to measure the attainment of the sustainable investment objective by the Fund are the following:

- *The proportion of the Fund represented by sustainable investments with a social objective.*

- *The proportion of the Fund represented by environmentally sustainable investments that support the Fund's social objective.*

- *The proportion of the Fund meeting, exceeding and lagging specific impact Key Performance Indicators (KPIs) that are set for each company. Note that the KPIs are not the same for each company, a non-exhaustive list of example KPI's is shown below:*

  1) sales growth in diagnostic testing business segment (with preference for volume growth versus increases in pricing) for a medtech company

  2) number of new social housing units completed for a building company

  3) number of new user enrolments to an educational technology platform

  4) revenue growth from the segment focussed on small farms in an agricultural equipment maker

  5) loan growth in priority social lending sectors from an emerging market bank

- *The proportion of the Fund with a structured engagement process in place:*

  - *focused on where the Investmetn Manager is engaging on specific company KPIs,; and*

  - *focused on improving sustainability related behaviour.*

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments of the Fund comprise equity securities issued by companies which contribute, through their products or services, to the social or environmental objectives of a relevant subset of targets underlying the 17 Sustainable Development Goals (SDGs). The Fund does not commit to invest a minimum portion of the portfolio into environmentally sustainable objectives. However, the Fund may make sustainable investments with an environmental objective as part of the minimum 90% of the portfolio that will be invested in "sustainable investments" under SFDR. As noted in the *investment objective the fund commits to a minimum of 70% of the portfolio that will be invested in sustainable investments with a social objective.*

The SDGs provide the Investment Manager with a lens through which to analyse the sustainability attributes of companies in which the Fund invests. While the 17 SDGs set the overall framework for determining the social or environmental objectives to which a company may contribute, it is a subset of the underlying 169 specific targets that have been identified as most relevant to companies and so the Investment Manager's analysis is focused on the extent to which companies are able to contribute to the relevant targets. Each of the underlying targets within the subset are mapped to one of the impact pillars defined above, namely, Improving Wellbeing, Improving Inclusion and Supporting a Just Transition. The pillar each company sits under is thus dictated by the most relevant target the company contributes to, as determined by the Investment Manager based on its judgment regarding the significance of the target activity to the company (determined using percentage revenue) or its judgment regarding the relevance and importance of the company's products to achieving the relevant target.

In addition to contributing to the environmental or social objectives of a relevant subset of targets underlying the SDGs, companies must also pass the Do No Significant Harm (DNSH) assessment as further detailed below. The Investment Manager's assessment of the DNSH principle is conducted in two ways:

1. *an assessment of compliance with global norms, based on the United Nations Global Compact (UNGC) principles, and controversies related to the other environmental aspects of the Principal Adverse Impact (PAI) indicators.*
2. *an assessment of DNSH in relation to climate change-related factors highlighted by the PAI indicators, including areas such as business exposure to fossil fuel extraction and a high and unmanaged carbon footprint in a high-emitting industry.*

When assessing climate change-related DNSH, the Investment Manager also considers the nature of a company's operations as well as the presence of controversies or signals from the PAI indicators. For each grouping of PAI indicators, the Investment Manager assesses the materiality of each PAI indicator and the presence of potential significant harm, which assessment is conducted using proprietary analysis. The findings from the DNSH assessment may influence the Governance and Sustainability risk ratings assigned by the Investment Manager, however the DNSH assessment is designed to operate as a parallel process to the risk ratings in order to meet the commitment to make 'sustainable investments' under the Sustainable Finance Disclosure Regulation (SFDR). The key output of the DNSH assessment is to determine whether any evidence of significant harm exists that would exclude an investment from being considered a sustainable investment.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager takes into account all 14 PAI mandatory indicators and two additional indicators in its management of the Fund. The two additional indicators are:

- *Environmental: Investments in companies without carbon emission reduction initiatives; and*
- *Social: Lack of a human rights policy.*

The Investment Manager's analysis of companies takes these factors into account and where the Investment Manager identifies potential material adverse impacts, it will engage with the companies. Under the specific requirements of SFDR, the Investment Manager also reports on the PAI indicators using company sourced data or looks for proxies where these are not available.

For further information on how the Investment Manager's analysis of companies takes these factors into account, please refer to the section below titled "Does this financial product consider principal adverse impact on sustainability factors?".

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Any potential sustainable investments that are identified are subject to the Investment Manager's broader ESG analysis that looks at management, culture, social and environmental risk. This analysis is framed around the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the Investment Manager has a specific additional focus on social exploitation risk framed around the UN Guiding Principles on Business and Human Rights.

The UNGC (on which the Fund has binding criteria) sets out 10 principles that set out minimum responsibilities in the areas of human rights, labour, environment and anti-corruption as derived from established conventions.

There is a significant overlap between the principles of the UNGC and the OECD Guidelines that are effectively captured by the Investment Manager's UNGC screen. Material other multilateral instruments cited in the guidelines are also building blocks of the OECD guidelines, namely the ILO (International Labour Organisation) Fundamental Principles and the Universal Declaration of Human Rights. These effectively cover potential controversies related to the OECD's key pillars of human rights, labour, environment, anticorruption and consumer protection.

Does this financial product consider principal adverse impacts on sustainability factors?

X Yes *Sustainability factors can have an impact on the companies in which the Fund invests, and the Investment Manager also recognises that companies themselves can have an adverse impact on, for example, the environment, their employees or the communities in which they operate. These adverse impacts include, but are not limited to, the generation of greenhouse gas (GHG) emissions and other forms of pollution or potential violations of the UNGC. The Investment Manager's analysis of companies takes these factors into account and where it identifies potential material adverse impacts, the Investment Manager engages with the companies concerned as set out in more details in the Investment Manager's Stewardship and Engagement Policy. Under the specific requirements of SFDR, the Investment Manager also reports on the PAI indicators using company sourced data or proxies where these are not available.*

Analysis of the PAIs is incorporated in the Investment Manager's due diligence on each company. The assessment of the 14 mandatory PAIs and two additional PAIs are grouped into six key areas for assessing materiality. Not all PAIs will be material for every company. The Investment Manager assesses whether any of the six areas are material for the investee company and, where material, incorporates these areas into its risk ratings, investment thesis and, if relevant, planned engagement activity.

The six key groupings of the PAIs are as follows:

- *Carbon Emissions and Management (PAIs #1 (GHG emissions), #2 (Carbon footprint) & #3 (GHG intensity of investee companies) as well as optional PAI on companies without carbon emissions reduction initiatives);*
- *Exposure to companies in the fossil fuel industry (PAI #4 (Exposure to companies active in the fossil fuel sector));*
- *Energy Efficiency (PAIs #5 (Share of non-renewable energy consumption and production) & #6 (Energy consumption intensity per high impact sector));*
- *Pollution & Biodiversity (PAIs #7 (Activities negatively affecting biodiversity-sensitive areas), #8 (Emissions to water) & #9 (Hazardous waste ratio));*
- *Human Rights and Employee Matters (PAIs #10-13 (Violations of UNGC and OECD Guidelines; Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD Guidelines; Unadjusted pay gap; and Board diversity) as well as an additional PAI focused on companies that lack a human rights policy); and*
- *Exposure to controversial weapons (PAI #14 (Exposure to controversial weapons)).*

In some instances, such as PAI #10 (Violations of UNGC and OECD Guidelines), the Fund has binding criteria and will not invest in companies that are assessed as 'fail' under the UNGC. In line with the Investment Manager's Controversial Weapons Policy, the Fund will not hold companies with exposure to controversial weapons.

Information on PAIs on sustainability factors can be found in the Investment Manager's Responsible Investment Policy. An updated PAI statement for the Fund will be included in the annual report.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The objective of the Fund is to deliver long-term capital growth while contributing to fairness of social opportunity and the narrowing of the equality gap.

The investment process of the Fund is used to identify companies whose products or services have a specific and measurable positive societal impact. The Fund has a long-term, low-turnover investment approach reflecting its fundamental high-conviction research approach and its focus on active engagement to accelerate impact with Fund holdings as further detailed in the following investment process steps:

1) <u>Universe Management</u>

The first step is the application of the Fund's exclusion criteria to the entire available investment universe (MSCI ACWI IMI), as further described below in the section "What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?".

2) <u>Impact Analysis</u>

The Investment Manager utilises a proprietary SDG framework to map a company's products and services to a subset of targets underlying the SDGs that have been identified as relevant to corporates and also makes an initial assessment of the DNSH criteria.

Each of the underlying targets within the subset are mapped to one of the Fund's three impact pillars, namely, Improving Wellbeing, Improving Inclusion and Supporting a Just Transition.

The investment process leverages the expertise of the Investment Manager to identify areas of the market which have the greatest opportunity to generate positive impact and companies on a global basis which, following the Investment Manager's impact assesment described below, significantly contribute to at least one of the the Fund's three impact pillars, as determined by the Investment Manager based on its judgment regarding the significance of the identified target activity to the company (determined using percentage *revenue) or its judgment regarding the relevance and importance of the company's products to achieving the relevant target.*

3) *Assessing Impact*

The Investment Manager conducts detailed impact analysis that focuses on the intentionality, additionality and materiality of the impacts created by companies through their products and services. This framework provides a comprehensive, decision-useful tool for assessing the impact, both positive and negative, of companies, through five areas:

1. ***What:** Leveraging the product and service mapping from its proprietary SDG framework, the Investment Manager identifies the economic activity that generates impact, determines an appropriate output metric and identifies which of the three categories mentioned above the investment is contributing to. In this analysis the Investment Manager identifies: the impact area, the problem the company is solving and the mechanism for contributing to this.*

2. ***Who:** The Investment Manager then defines who is affected by each activity identified, including individual stakeholders such as end consumers or employees, or broader cohorts such as suppliers, communities, or the environment and also narrows down, if appropriate, where the stakeholder is based to ensure that positive impact is being directed to those who will benefit the most.*

3. ***How much:** The Investment Manager measures the real-world impact and identifies company specific impact KPIs linked to aspecific theory of change (i.e. the method that explains how a given intervention is expected to lead to a specific change, drawing on causal analysis based on evidence). Please refer to the non-exhaustive list of KPIs mentioned under thesection headed "What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?". The Investment Manager monitors trends against these company specific KPIs to assess whether a company is exceeding, meeting, or lagging its projected impact. Where data is not readily available the Investment Manager engages with the investee company to understand and estimate projected impact.*

4. ***Contribution:** The Investment Manager assesses the intentionality, additionality and materiality of the impact and assesses the short-, medium- and long-term impact on stakeholders.*

5. ***Risk:** The Risk analysis incorporates an assessment of DNSH including Principal Adverse Impact indicators and the Governance and Sustainability analysis. This helps to identify if companies are not meeting minimum thresholds on corporate behaviour on a range of sustainability issues and areas for initial or ongoing engagement. Once a risk is identified the Investment Manager looks for mitigators against this risk.*

Impact Conclusion

The Investment Manager uses this analysis to inform impact conviction which the team rates on a 1-5 scale, with 1 being high conviction and 5 being low conviction. Once companies which meet impact requirements are identified, a full business analysis is undertaken to determine competitive position, financial strength, and ability to generate returns.

Governance and Sustainability rating

The Governance and Sustainability analysis is focused on understanding how the risks and opportunities created by the practices and behaviours of companies may influence their ability to generate sustainable returns. The proprietary Governance and the proprietary Sustainability risk ratings assign a risk rating to companies from 1 (low risk) to 5 (high risk) following consideration on environment, social affairs and corporate governance factors.

Conviction

Portfolio construction reflects the Investment Manager's conviction on two dimensions: conviction in the likely meaningful impact the company will have on its sustainable investment objective and conviction in the investment case & risk adjusted return opportunity. Based on an in-depth analysis, the Investment Manager expresses conviction on a scale of 1 (high conviction) to 5 (low conviction) for both dimensions.

Engagement

Engagement focuses on working with companies to identify ways to accelerate and scale up impact alongside the work that the Investment Manage continues to do with companies to improve corporate practices. For each investee company, engagement may consists of :

- *Focusing on accelerating and scaling impact*
- *Improving corporate practices*
- *Setting out clear objectives for any engagement*
- *Tracking and reporting on progress of engagements*

Each engagement will be tracked against its stage of completion. This is assessed on a scale from 1 representing initial contact on the engagement topic to 5 being the engagement topic being resolved. Where impact conviction has weakened the Investment Manager engages in the first instance to understand the factors surrounding the change. If materially weakened, the Investment Manager may consider an investment's position size within the Fund, and if there is a consensus reached that impact conviction has deteriorated significantly, the investment may be sold in favour of higher conviction ideas. Typically, the Investment Manager allows six months from the engagement occurrence to monitor improvement. If no improvement has been obseved, the divestment process is completed withing 60 days.

4) Portfolio Construction

Portfolio construction reflects the Investment Manager's conviction from both an impact and return perspective.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund will invest at least 90% of the porfolio in 'sustainable investments' as defined under SFDR, considering that a maximum of 10% of the portfolio may be invested in instruments (i.e. cash and derivatives) not aligned with the sustainable investment objective.

In addition, the Fund commits a minimum of 70% of the porfolio to 'sustainable investments' with a social objective. The Fund does not commit to invest a minimum portion of the portfolio into environmentally sustainable objectives. However, the Fund may make sustainable investments with an evironmental objective as part of the minimum 90% of the portfolio that will be invested in ''sustainable investments'' under SFDR. The Fund will not invest in:

- *Companies assessed as 'fail' under UN Global Compact Principles.*
- *Companies which generate more than 5% of revenue from tobacco production, distribution or wholesale trading.*
- *Companies which generate more than 5% of revenue from the production or distribution of conventional weapons.*
- *Companies which generate more than 5% of revenue from the production or distribution of fossil fuels.*
- *Companies which generate more than 5% revenue from coal-based power generation or the mining or distribution of thermal coal.*
- *Companies which produce or distribute controversial weapons (i.e., anti-personnel mines, nuclear weaponry biological & chemical weaponry and cluster munitions).*
- *Companies which generate more than 10% of revenue from nuclear power generation.*
- *Companies which generate more than 5% of revenue from the production of alcohol.*

- *Companies which generate more than 5% of revenue from ownership or operations of gambling facilities, or licensing of gambling products.*

- *Companies which generate more than 5% of revenue from the production, distribution or retail of adult entertainment.*

The Investment Manager applies its ESG process to 100% of the portfolio of the Fund (excluding a maximum 10% that may be investments in cash and liquidity instruments). Companies that have a sustainability or governance rating of 4 or higher from the proprietary ESG risk assessment will not be included in the Fund.

The Fund will maintain a portfolio MSCI ESG rating higher than that of the Fund's investment universe (MSCI ACWI IMI).

In addition to industry related exclusions and those related to UNGC the Investment Manager does not invest in companies that are in the lowest 20% of ratings (0-10 scale) in the MSCI ACWI IMI index using MSCI's Industry Adjusted Score (IAS).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Corporate governance sits at the heart of the Investment Manager's analysis, as it believes this is a Fundamental determinant of long-term performance and thus the sustainability of a business.

The Investment Manager's assessment of the quality of corporate governance takes into consideration the local context for the company concerned. The Investment Manager believes that good corporate governance of the companies in which the Fund invests is an essential part of creating shareholder value and delivering investment performance for the Fund's clients. Importantly, problems here tend to go hand in hand with issues on the environmental and social front, making it a very useful barometer for the broader sustainability of a business. For these reasons, the Investment Manager analyses each company and situation on its own merits, within a framework of its Global Corporate Governance Principles and regarding their local corporate governance requirements.

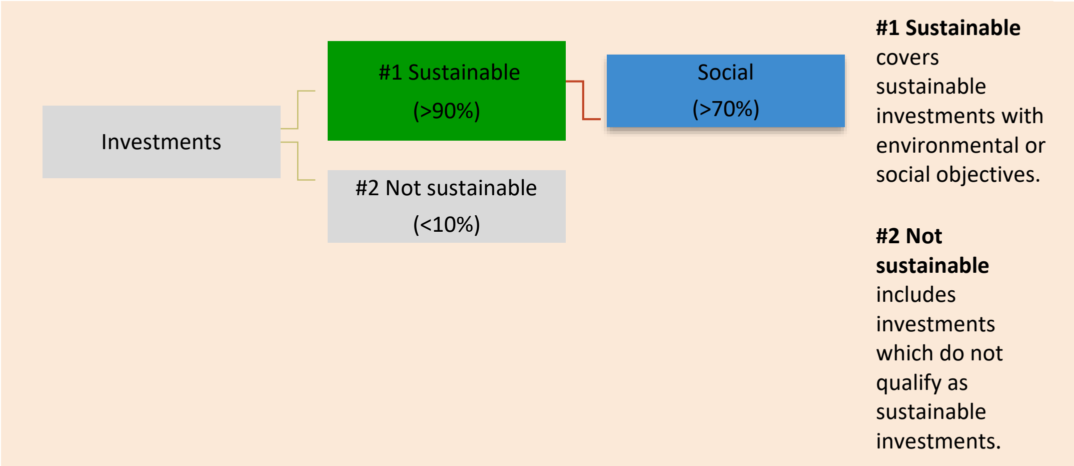
The Investment Manager's proprietary ESG risk assessment encompasses both Governance and Sustainability factors. The Governance factors focus on:

- *Ownership & Governance Structure*
- *Management & Diversity*
- *Capital Allocation & Incentives*
- *Disclosure, Target Setting & Delivery*
- *Externalities*

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The Investment Manager employs a binding proprietary ESG methodology which is applied to at least 90% of the portfolio, which constitutes the sustainable investment portion in the Fund's portfolio. The Fund has a commitment to a minimum of 70% sustainable investments with a social objective. The remaining portion (<10%) of the portfolio is not aligned with the sustainable investment objective of the Fund and it consists in cash and liquidity instruments.



Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

How does the use of derivatives attain the sustainable investment objective?

The Fund does not use derivatives to attain the sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

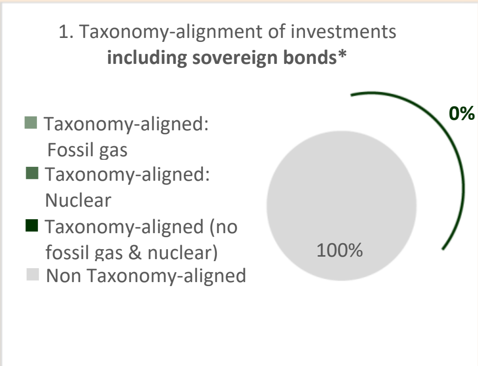
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

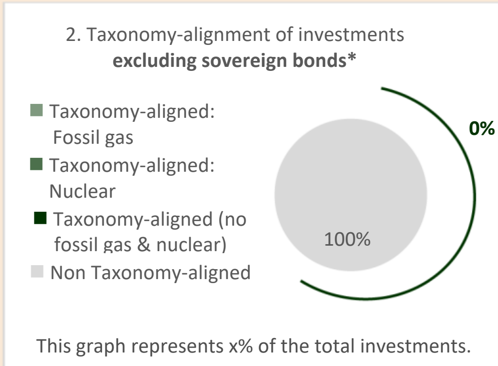
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The Fund does not invest in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%.The Fund does not commit to invest a minimum portion of the portfolio into environmentally sustainable objectives. However, the Fund may make sustainable investments with an evironmental objective as part of the minimum 90% of the portfolio that will be invested in ''sustainable investments'' under SFDR.

What is the minimum share of sustainable investments with a social objective?

70%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

"#2 Not Sustainable" includes cash and other liquidity. For liquid assets, the Investment Manager applies minimum environmental and social safeguards by verifying that the counterparties used for placement of deposits meet the EU Taxonomy Safeguards, as assessed by MSCI. The limited proportion of investments under "#2 Not sustainable" and the applicable minimum safeguards do not affect the delivery of the sustainable investment objectives of the Fund on continuous basis.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index*?**

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:
www.franklintempleton.ie/36605