Franklin Technology Fund *

Data as of 31 December 2023

Swiss Climate Scores Report

Introduction

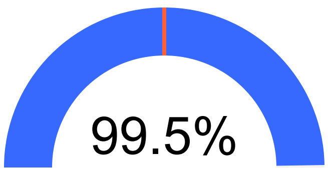
The Federal Council of Switzerland recommends that all financial institutions offering investment products to clients should provide their clients with transparency based on the Swiss Climate Scores framework. The Swiss Climate Scores contained in this report are intended to provide institutional and private investors in Switzerland with comparable and meaningful information on the extent to which their financial investments are compatible with the climate goals of the Paris Climate Agreement, which are to hold the increase in the global average temperature to well below 2°C and to pursue efforts to limit it to 1.5°C. Current science indicates that global warming beyond 1.5°C has potentially catastrophic impacts on the natural world and on human society. The Swiss Climate Scores contain indicators that not only reflect the current situation for financial products or portfolios, but also show where they are currently positioned in relation to the Paris Climate Agreement, in particular the net zero target by 2050. Net zero means that global emissions of greenhouse gases may not exceed the amount that can be absorbed by natural and technical means.

Fund Information

Franklin Technology Fund (the "Fund") is classified as Article 8 under the EU Sustainable Finance Disclosure Regulation (the "SFDR") and aims to increase the value of its investments over the medium to long term. The Fund pursues an actively managed investment strategy and invests mainly in equity securities issued by technology companies of any size located anywhere in the world.

Asset Class:	Equity
AUM:	10295.36 M
Base Currency:	USD
SFDR Categorization:	Article 8 [1]
Inception Date:	03 April 2000
Reference Benchmark:	MSCI World Information Technology Index

Portfolio: eligible assets [2]



Benchmark: eligible assets

(*) A sub-fund of Franklin Templeton Investment Funds, a Luxembourg-registered SICAV ("FTIF").

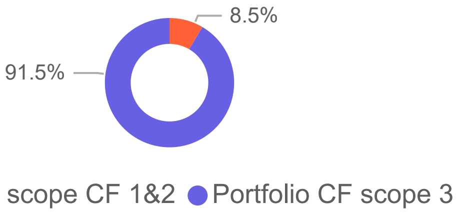
1. This fund meets the requirements under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR); the fund has binding commitments in its investment policy to promote environmental and/or social characteristics and any companies in which it invests should follow good governance practices. Further information in relation to the sustainability-related aspects of the Fund can be found at www.franklintempleton.lu/SFDR. Please review all of the fund's objectives and characteristics before investing.

2. The figure for eligible assets in the portfolio represents the percentage of total assets for which there is established methodology and availability for carbon emissions data and related metrics such as carbon footprint and carbon intensity as well as exposure to coal and other fossils fuels or to renewable energy. At present, such measures are only applicable for securities of corporate issuers such as stocks and bonds. Ineligible assets could include sovereign assets, cash, or derivative instruments where the underlying assets may be foreign currency (i.e. forward currency contracts), interest rates, debt futures or indices. Derivatives related to stocks and bonds are also not included, due to the difficulty of mapping derivatives to underlying issuer data.

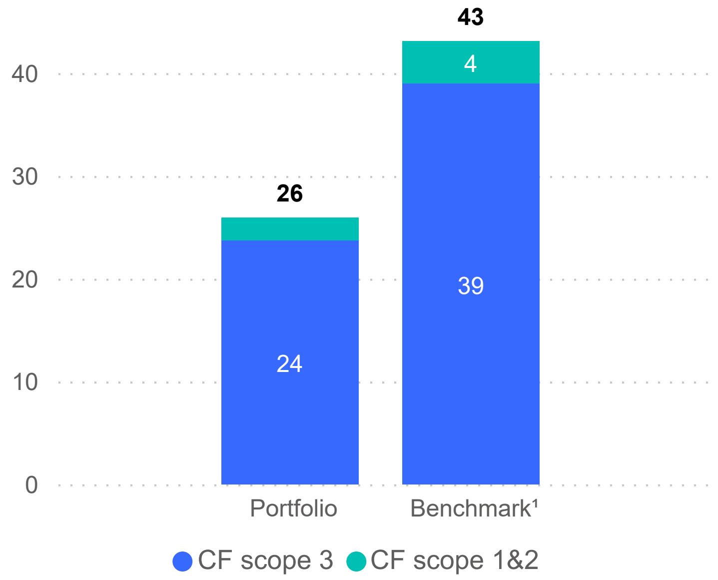
Carbon Footprint

Carbon footprint refers to the entire greenhouse gas (GHG) emissions of a portfolio. It is calculated in tonnes of CO2 equivalents per million USD invested, which allows for comparison between portfolios and benchmarks of varying sizes. It expresses the amount of annual GHG emissions which can be allocated to the investor per million USD invested in a portfolio and is therefore probably the most intuitive carbon metric available at the portfolio level. Carbon emissions can be broken down into 3 categories or "scopes". Scope 1 consists of direct emissions produced by company-owned or -controlled sources. Scope 2 consists of indirect emissions that are produced because of the consumption of purchased electricity, steam, heating, and cooling. Scope 3, which is the most difficult to estimate, consists of indirect emissions that the company does not own or control, but that occur in a company's value chain.

Portfolio Carbon Footprint (CF) scope 1, 2 & 3 Composition



Carbon Footprint (CF):



Medium estimation uncertainty [3]

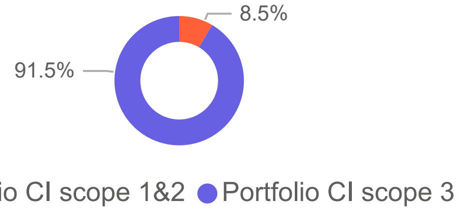
Lower coverage rate of the two metrics (intensity and footprint): [2]

Portfolio scope 1&2 Coverage Ratio	94.77%
Benchmark scope 1&2 Coverage Ratio	100.00%
Portfolio scope 3 Coverage Ratio	94.77%
Benchmark scope 3 Coverage Ratio	100.00%

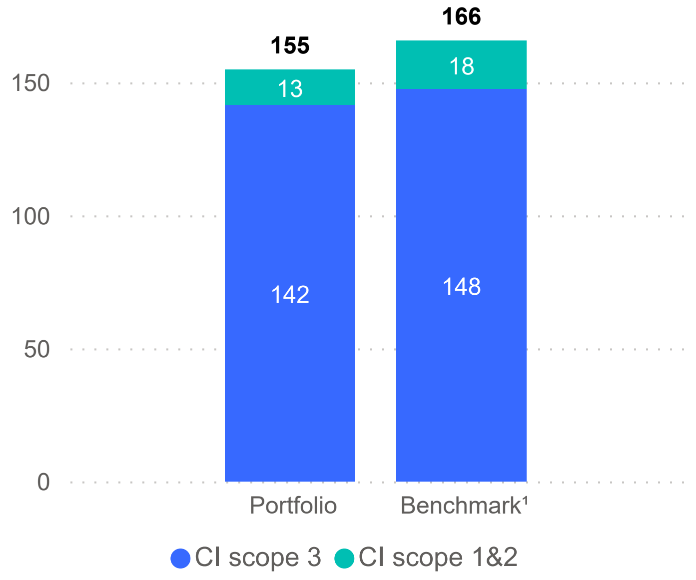
Carbon Intensity

Carbon intensity is another key metric that consists of the volume of carbon emissions per Million USD of revenue (representing the carbon efficiency of a portfolio), expressed in tonnes of CO2 equivalents per Million USD revenue. As for carbon footprint, carbon intensity can be broken down according to Scopes 1, 2 and 3. A portfolio's weighted average carbon intensity (WACI) is calculated by taking the sum of the issuer level carbon intensities weighted by their respective proportions in the portfolio. This allows for comparison of a portfolio with its benchmark as an indicator of relative carbon efficiency.

Portfolio Carbon Intensity (CI) scope 1, 2 & 3 Composition



Carbon Intensity (CI):



Medium estimation uncertainty [3]

Data Provider: MSCI ESG Research LLC. For more information, refer to the Disclaimer.

1. MSCI World Information Technology Index
2. Coverage represents the percentage of eligible assets for the portfolio or the reference benchmark for which carbon emissions data and related metrics as well as exposure to coal and other fossil fuels or to renewable energy are available from the corporate issuers of those assets. The percentage may be less than 100% relative to what is eligible due to the lack of data from the corporate issuers or from the data vendors that Franklin Templeton uses for obtaining such data.
3. Indicates the overall accuracy of the individual scores as per the Swiss Climate Scores Update published by the Swiss State Secretariat for International Finance (SIF).

Exposure to Fossil Fuel Activities and Renewable Energy

For the purposes of the Swiss Climate Scores, thermal coal revenues include revenues generated by companies through activities in thermal coal mining (including lignite, bituminous, anthracite and steam coal) and its sales to external parties, but exclude revenues from metallurgical coal, coal mined for internal power generation, and revenues from coal trading.

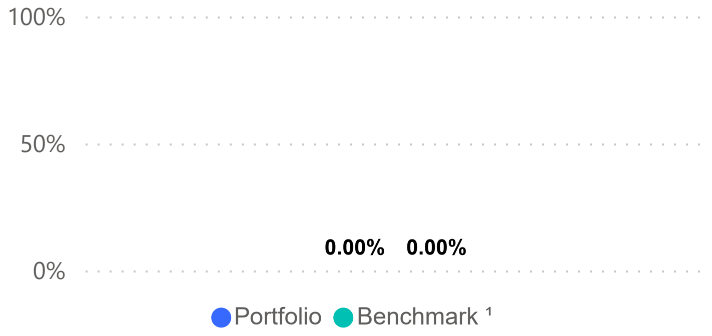
Other fossil fuel-based revenues are revenues generated by oil and gas activities. This includes extraction and production, refining, pipelines and transportation, storage, distribution (including retail gas stations), and trading, but excludes biofuel production. Where a company is part of a group, the assessment of exposure includes the company as well as any subsidiaries and affiliates to the extent possible, where data is available. If a company is found to have exposure to any of these coal or other fossil fuel activities, the full company value in the portfolio is reported.

Renewable energy is a type of energy that comes from natural sources or processes that are constantly replenished, including solar, wind, hydro, wave tidal, geothermal, biomass and waste to energy. The exposure figure presented includes revenues related to the generation of renewable energy as well as revenues derived from products, services, or infrastructure projects supporting the development or delivery of renewable energy.

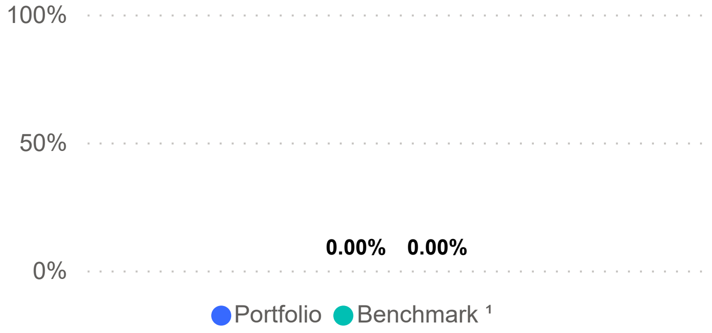
If a company is found to have revenues related to renewable energy in any of these areas, the aggregation methodology applies a market value weighted average of the percentage exposure based on the revenues of the companies in the portfolio that meet the criteria.

Low estimation uncertainty [2]

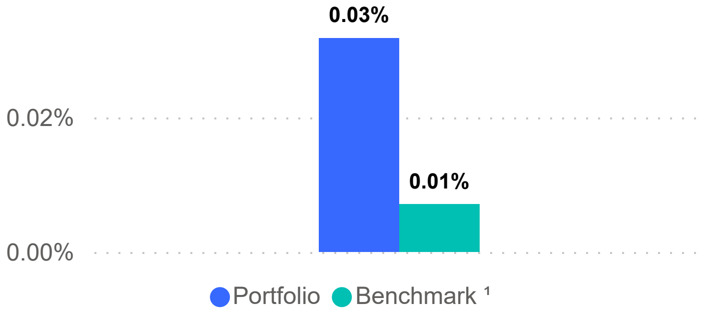
Exposure to Coal:



Exposure to Other Fossil Fuels:



Exposure to Renewable Energy:



Verified Commitments to Net Zero

The Swiss Climate Scores considers those portfolio companies which have a publicly communicated pledge to reach net zero and near-term targets that have been confirmed by the Science Based Targets initiative to have a verified commitment to net zero. The percentages indicate the proportion of the portfolio or the index subject to public commitments to net zero and verified credible interim targets.

Portfolio:	43.2%
Benchmark [1]:	66.3%

Low estimation uncertainty [2]

1. MSCI World Information Technology Index
2. Indicates the overall accuracy of the individual scores as per the Swiss Climate Scores Update published by the Swiss State Secretariat for International Finance (SIF).

Management to Net Zero

Financial institutions can contribute to the transition to net zero by aligning their investment strategy with a consistent 1.5°C decarbonization pathway.

For purposes of the Swiss Climate Scores, for a portfolio to be classed as being part of a third-party commitment to net zero, it should be part of a publicly communicated net zero targets under one of the alliances that fall under the Glasgow Financial Alliance for Net Zero (GFANZ [1]). For asset managers, the appropriate alliance is the Net Zero Asset Managers initiative (NZAM [2]).

Is the portfolio part of a third-party verified commitment to net zero by the financial institution, including credible interim targets?	Yes [4]
Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short (1-3 years) or mid-term (4-7 years) targets?	No
— [If YES:] Average annual reduction path: X% (state if this includes relevant Scope 3 emissions)	

Credible Climate Stewardship

Financial institutions can contribute to the transition to net zero by engaging with invested companies on third–party verified science–based net zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition?	No
— [If YES:] Proportion of portfolio currently under active climate engagement:	
— [If YES:] Share of votes, over the last year, on climate resolutions voted in a manner consistent with the ambition of reaching net zero by 2050 (*Voting decisions include multiple factors beyond the category of the proposal, and so summary statistics may not portray all relevant dimensions of climate alignment.*):	
— [If YES:] Link climate stewardship strategy and report:	
Is the financial institution a member of a climate engagement initiative?	Yes
— Name of initiative	Climate Action 100+ [5]

Medium estimation uncertainty [3]

1. The **Glasgow Financial Alliance for Net Zero (GFANZ)** is the world's largest coalition of financial institutions committed to transitioning the global economy to net zero greenhouse gas emissions.
2. The **Net Zero Asset Managers (NZAM)** initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius, and to supporting investing aligned with aims for net zero emissions by 2050 or sooner.
3. Indicates the overall accuracy of the individual scores as per the Swiss Climate Scores Update published by the Swiss State Secretariat for International Finance (SIF).
4. The Investment Manager, via its parent company, has signed up to the Net Zero Asset Managers initiative (NZAMi) and has reported the methodology which it uses to assess net zero transition readiness, which aligns to the PAII Net Zero Investment Framework - for further details, see the Net Zero Asset Managers initiative website. By 2040, the Fund aims to have a portfolio that comprises companies that have achieved net zero greenhouse gas emissions, are aligned with net zero, or are aligning with net zero and, therefore, the Investment Manager considers the Fund's strategy to be consistent with the Investment Manager's net zero methodology and the Fund's AUM is included in the global figure that Franklin Templeton group reports on the NZAMi website for accounts whose strategies are consistent with its net zero methodology, in the view of Franklin Templeton.
5. **Climate Action 100+** is an investor-led initiative which was founded to engage with the 100 most systemically important greenhouse-gas emitting companies, responsible for two-thirds of annual global industrial emissions.

GLOSSARY:

Company GHG (Greenhouse Gas) Emissions - Emissions linked to a company are split into three categories. Scope 1, 2 and 3 are the categories of different types of carbon emissions that a company produces within its operations, as well as in a wider value chain.

Scope 1 - Direct emissions produced by company owned or controlled sources. There are four categories that Scope 1 can be split into:

1. Stationary combustion: come from combustion of fossil fuels, e.g. boilers to heat the buildings, other industrial application (e.g. gas-fired combined heat and power (CHP) plants). Note: Common fuels that fall under this category: natural gas, liquefied petroleum gas, oil, fuel, propane. 2. Mobile Combustion: greenhouse gas emissions from burning fuel via vehicles that are owned or leased by the company, e.g. cars, trucks, vans that are fuelled with petrol/diesel. Note: fully electric cars (EVs) and plugin hybrids fall under Scope 2 emissions (i.e. indirect). 3. Fugitive Emissions: unintentional greenhouse gasses leaks, e.g. air conditioner gas (e.g. Freon). 4. Process Emissions: produced during the on-site manufacturing and/or industrial processes.

Scope 2 - Indirect emissions that are produced because of the consumption of purchased electricity, steam, heat, and cooling. There are two reporting methods: 1. Location-based method: companies use their local power grid to calculate the emissions. Using this method, companies calculate what they are physically putting into the air. 2. Market-based method: companies rely on the contracts information from their electric utility providers. This method indicates the emissions that the companies are responsible for from their purchasing decisions.

Scope 3 - Indirect emissions that the company does not own or does not directly control, but that occurs in a company's value chain. Scope 3 emissions can be split into two groups: upstream and downstream emissions.

Upstream Emissions - These are indirect emissions concerned with the suppliers of the reporting company. More specifically, this involves emissions from goods or services purchased or acquired by the company.

Downstream Emissions - These are indirect emissions that relate to the usage and/or disposal of the company's products or services. For example, if the company produces cars, then the emissions produced as a result of customers using bought cars would be downstream emissions.

Absolute Emissions - Total GHG emissions of an issuer. Usually expressed in tons of CO2 equivalent (tCO2e), covering scope 1, 2 or 3 emissions, or a combination of these.

Emissions Intensity - Absolute emissions scaled by a proxy for the size/operations of the company, e.g. revenue/sales or enterprise value, to allow for comparability between companies and understand how carbon efficient their operations are.

Financed Emissions - This metric aims to attribute investee emissions to an investor by using an attribution factor. The PCAF Global GHG Standard recommends using the outstanding amount invested divided by the issuer enterprise value including cash (EVIC) as an attribution factor. The absolute emissions of an issuer are multiplied by this attribution factor to give financed emissions.

Carbon Footprint formula:

$$\frac{\sum_{i}^{n}\left(\frac{\text{Current Value Of Investment}_i}{\text{Investee Company's Enterprise Value (EVIC)}_i} * \text{Issuer's GHG Emissions}_i\right)}{\text{Current Portfolio Value}}$$

Carbon Intensity formula:

$$\frac{\sum_{i}^{n}\left(\frac{\text{Current Value Of Investment}_i}{\text{Issuer's Revenue}_i} * \text{Issuer's GHG Emissions}_i\right)}{\text{Current Portfolio Value}}$$

For both intensity and footprint indicators: positions where the Swiss Climate Scores are not applied are excluded from the numerator and denominator, i.e. do not count as zero emissions. Regarding the coverage rate, the lower coverage rate of the two metrics (intensity and footprint) is shown, separately, for a) Scope 1 and 2 emissions, and b) for Scope 3 emissions. Metrics are expressed in the base currency of the portfolio.

DISCLAIMER

The report includes climate change metrics derived from the Swiss Climate Scores framework, as established by the Federal Council of Switzerland.

This material is intended to be of general interest only and should not be construed as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy. It does not constitute legal or tax advice.

The data provider for carbon emissions, exposure to coal and fossil fuels, and exposure to renewables is MSCI ESG Research LLC. Important data provider notices and terms are available at www.franklinresources.com .

This document is issued by Franklin Templeton Switzerland Ltd, Stockerstrasse 38, CH-8002, Zurich and all affirmations in the document are made solely by its affiliate which is the appointed Investment Manager of the Fund. Paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich.

FRANKLIN TEMPLETON

Franklin Templeton Switzerland Ltd
Stockerstrasse 38,
8002 Zurich