

Putnam’s materiality map

Our sustainability research is guided by our internally developed materiality map, which shows the degree of relevance of environmental, social, and governance issues across industry sectors. We believe that certain ESG issues are relevant and material to long-term business fundamentals, and for that reason, important to all investors. Investment-relevant issues vary by sector, geography, asset class, and company context. Therefore, fundamental research that is tailored to different settings has potential to add meaningful value. Putnam’s internally developed materiality map is inspired by the work of the Sustainability Accounting Standards Board (SASB), which is now part of the International Sustainability Standards Board (ISSB).

The materiality map shows that in equity research we focus on context-relevant issues for different types of businesses. We believe that this kind of tailored and forward-looking research focus has the potential to mitigate risk and to generate alpha, and be a key contributor to long-term investment results.

	Consumer	Health Care	Financials	Tech (hardware)	Comm and Tech (software)	Industrials	Materials and Energy	Utilities	Real Estate
GOVERNANCE	Board structure and composition	■	■	■	■	■	■	■	■
	Management incentives, ownership and compensation alignment	■	■	■	■	■	■	■	■
	Leadership and risk management	■	■	■	■	■	■	■	■
	Corporate purpose, culture and mission alignment	■	■	■	■	■	■	■	■
SOCIAL	Workforce engagement, diversity and inclusion	■	■	■	■	■	■	■	■
	Employee well-being, development and opportunity	■	■	■	■	■	■	■	■
	Product impact, customer and community well-being	■	■	■	■	■	■	■	■
	Supply and distribution network management	■	■	■	■	■	■	■	■
	System and infrastructure resilience	■	■	■	■	■	■	■	■
	Data procurement, privacy, security and use	■	■	■	■	■	■	■	■
	Marketing and selling practices	■	■	■	■	■	■	■	■
ENVIRONMENTAL	Pricing philosophy and access	■	■	■	■	■	■	■	■
	Climate change mitigation and adaptation	■	■	■	■	■	■	■	■
	Physical climate change risk	■	■	■	■	■	■	■	■
	Greenhouse gas (GHG) emissions	■	■	■	■	■	■	■	■
	Energy sourcing and intensity	■	■	■	■	■	■	■	■
	Materials sourcing, intensity and lifecycle management	■	■	■	■	■	■	■	■
	Water sourcing, intensity and lifecycle management	■	■	■	■	■	■	■	■
Biodiversity and ecosystems risk	■	■	■	■	■	■	■	■	

Source: Putnam Investments, adapted from SASB Materiality Map, as of 12/31/25.

■ Most relevant ■ Often relevant ■ Less relevant

Engagement themes selected are determined by the sustainable investing team based on certain environmental, social, and governance factors and were selected without regard to whether such themes were profitable and are intended to help illustrate the investment process. A company may be selected for a portfolio based on factors other than the environmental, social, or governance (“ESG”) themes highlighted herein, and the analysis should not be considered a recommendation to purchase or sell any security. We do not require that portfolios limit their universe or their investments in any company, industry, or country based on ESG criteria (except as stated in a product’s offering documents or as mutually agreed upon with a client). Rather, we expect sustainability-related insights to be a component of the research processes that are used to arrive at investment decisions.

As part of our investment analysis, depending on the strategy in question, we may integrate ESG issues or considerations into our research and/or investment decision-making. In our view, analysis of ESG issues is part of good investing, as these issues, like other, more traditional areas of investment analysis, such as market position, growth prospects, and business strategy, have the potential to impact risk and returns. For example, in the governance area, evaluation of the strength of a company’s management has always been a critical consideration in our investment process. The relevance and materiality of other ESG issues in our process will differ from strategy to strategy from sector to sector, and from portfolio manager to portfolio manager, and for some strategies, including those where we lack relevant ESG data, ESG considerations are not a material part of our process.

Franklin Templeton and our Specialist Investment Managers have certain environmental, social and governance (ESG) goals or capabilities; however, not all strategies are managed to “ESG” oriented objectives. 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.

This material may not be reproduced, distributed or published without prior written permission from Franklin Templeton.

The views expressed are those of the investment manager and the comments, opinions and analyses are rendered as at publication date and may change without notice. The underlying assumptions and these views are subject to change based on market and other conditions and may differ from other portfolio managers or of the firm as a whole. The information provided in this material is not intended as a complete analysis of every material fact regarding any country, region or market. There is no assurance that any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets will be realized. All investments involve risks, including possible loss of principal.

©2026 Franklin Templeton. All rights reserved.
Putnam Investments is a Franklin Templeton Company