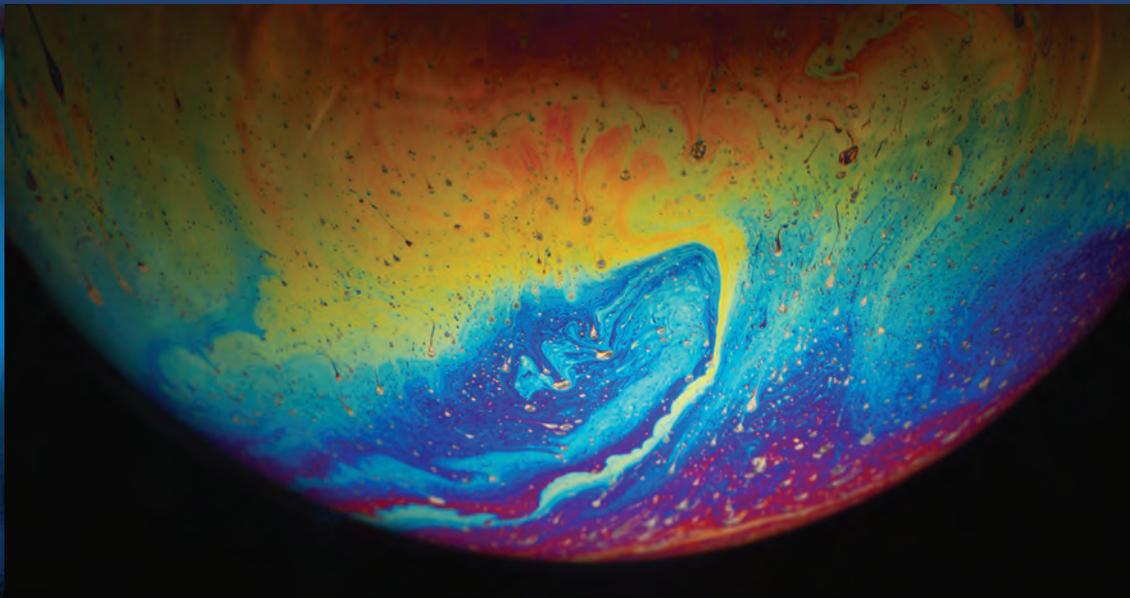




# Putnam Corporate Sustainability Report 2022

**WHAT**  
**MATTERS**  
**MOST**



## A MESSAGE FROM OUR HEAD OF CORPORATE SUSTAINABILITY

Our approach to sustainability at Putnam begins by identifying what matters most to our mission, our people, and our connections to the community.

Putnam was founded on principles of prudent investing, client service, and thoughtful asset stewardship. Our efforts to define what matters are anchored by our aim to help people secure their financial well-being and sharpen our focus on sustainability and impact on the community.

To further this vision, we continue our work in the following areas:

- Strengthening our forward-thinking investment process
- Being diverse and inclusive
- Adhering to high ethical standards
- Supporting our community and stakeholders
- Being good stewards of the environment

We take an active approach in all of our work — from managing client assets to analyzing our sustainability impact. We are constantly refining our view of what matters most as a sustainable firm. We regularly engage with stakeholders to ensure we are asking the most relevant questions.

Progress characterizes this past year. In this report, we share our core sustainability commitments along with highlights of our journey in 2022. While individuals may be noted, our efforts toward a more sustainable company are seen across the firm. Everyone at Putnam plays a role in advancing our work. We look forward to continued opportunities to strengthen our sustainability efforts.



*Catherine A. Saunders*

**CATHERINE A. SAUNDERS**

Head of Corporate Sustainability and Public Policy



**1999**

Transportation-related emission reduction initiatives launched

**2002**

Digital statement options introduced

**2005**

Office of Diversity and Inclusion established

**2008**

Stephen Denny appointed Head of Diversity and Inclusion

**2011**

United Nations Principles for Responsible Investment signatory

**2013**

Enterprise Risk Committee established

Original signatory of the Boston 100% Talent Compact

**2017**

Katherine Collins, CFA, MTS, joined as Head of Sustainable Investing

Sustainable Equity team established

Formalized corporate credit ESG research effort

# SUSTAINABILITY MILESTONES

**2018**

First sustainable equity products launched

Headquarters moved to a LEED Silver certified building in Boston

Joined Sustainability Accounting Standards Board

**2019**

First sustainability and impact report published for sustainable equity products

**2020**

Supplier diversity initiative launched

Formalized structured credit and sovereign credit ESG research efforts

**2021**

Cathy Saunders appointed Head of Corporate Sustainability and Public Policy

First corporate credit client conversion to carbon budgeting strategy

Putnam Corporate Sustainability Report first published

**2022**

Boston headquarters received LEED Platinum certification

Jo Anne Ferullo, CFA, appointed Director of Sustainable Investing for the Fixed Income team

Jackie VanderBrug joined in new role, Head of Sustainability Strategy





**90%**

of Equities research associates are female and/or racially or ethnically diverse (as of 9/30/22)

**20%**

of associates are racially/ethnically diverse (as of 11/30/22)

**29%**



of new hires are racially/ethnically diverse (YTD as of 11/30/22)

**44%**

of associates are women (as of 11/30/22)

**40%**



of new hires are women (YTD as of 11/30/22)

The decline in the ratio of women as new hires is a focus for us as we move beyond Covid-19 and navigate the impacts of market volatility. While this statistic varies by year, we aim to improve the ratio of women as new hires in 2023.

# 2022 BY THE NUMBERS

**100%**

of companies held in sustainable equity portfolios were sent a CEO letter (as of 11/30/22)



**31%**

of associates participated in elective learning and development programs (YTD as of 10/31/22)

**31%**

of Putnam senior management identify as female and/or racially or ethnically diverse (as of 12/31/22)

**630**

trees planted through Putnam's participation in the Xerox Reforestation Service powered by PrintRelease (8/11/21 through 9/30/22)



**1.9M**



pages of paper saved by offering e-delivery options to shareholders



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from Cathy Saunders

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# WHAT MATTERS MOST



# 01

## Sustainable investing

ESG integration  
and materiality

Research-driven  
investing capabilities

Sustainable equity

Fixed income ESG

Sustainability in action —  
Research matters



Our commitment to clients has been steadfast since our founding over 85 years ago. We are constantly evaluating and strengthening our investment processes. As an asset manager dedicated to helping people achieve their financial goals, Putnam's active management strategies are grounded in fundamental research, aiming to optimize financial outcomes and mitigate risks.

### **ESG integration and materiality**

As active managers, our investing strategies aim to provide long-term value through investment analysis and portfolio construction. We believe that certain ESG issues are relevant and material to long-term business fundamentals and security values, and important to all investors. We integrate ESG considerations in our research across asset classes, noting that investment-relevant issues vary by sector, geography, asset class, and issuer context. Research that is tailored to these different settings has potential to add meaningful value.

Because our goal is to focus research in areas that are most investment relevant, our approaches are guided by mapping financially material ESG issues. Our efforts were inspired by the work of the Sustainability Accounting Standards Board (SASB), whose standards are now part of the IFRS Foundation and governed by its International Sustainability Standards Board (ISSB). We have internally developed materiality maps to help structure our ESG-related research priorities, with a goal of adding investment-relevant insights. These tools are customized

by asset class. Our [Equities](#), [Corporate Credit](#), Structured Credit, and Sovereign Debt teams have each developed materiality maps that are tailored to their particular investment settings.

### **Research-driven investing capabilities**

Our sustainable investing and ESG-focused products build upon this foundation of tailored ESG research integration, making sustainability considerations a central part of the investment process.

Putnam has responded to specific client requirements in this area for many years, and we launched our first dedicated sustainable investment products in 2018, [Putnam Sustainable Leaders](#) and [Putnam Sustainable Future](#) strategies. More recently, following the development of materiality-focused research frameworks across our Fixed Income team, Putnam has announced ESG-focused exchange-traded funds (ETFs) in the core bond, high-yield, and ultrashort markets. One potential use for these offerings is within multi-asset target-date products, which are especially relevant for retirement savings clients.





Our forward-looking thematic research focuses on the conditions that allow people, systems, society, and the planet to thrive. ”

**KATHERINE COLLINS, CFA, MTS**

Head of Sustainable Investing

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## Sustainable equity

Putnam’s approach to ESG integration is tailored to each asset class. Within equities, in addition to analyzing relevant ESG issues for individual companies and sectors, it is possible to identify companies where long-term fundamental prospects are enhanced by sustainability excellence. In particular, our sustainable equity process focuses on finding companies whose financial prospects are enhanced by sustainability leadership or solutions development. This link between sustainability, long-term business fundamentals, and security valuation is at the heart of the investment process for Putnam’s sustainable equity portfolios, which are managed by Putnam’s Head of Sustainable Investing, Katherine Collins, CFA, MTS, and Portfolio Manager Stephanie Dobson.

For Putnam Sustainable Leaders, the team has developed a framework for identifying leadership that goes “beyond compliance” on investment-relevant sustainability issues. Assessing materiality, creativity, transparency, and impact, we analyze the potential for sustainability leadership to enhance a company’s long-term fundamentals.

For Putnam Sustainable Future, the team has developed a forward-looking thematic map, “[Investing for a thriving world.](#)” This tool helps to identify areas where development of effective solutions might lead to attractive business opportunities. The map is structured around three overarching categories — Thriving People™, Thriving Planet™, and Thriving Public™ — with specific themes that evolve as our research unlocks new ideas.



## Fixed income ESG

The Fixed Income team uses materiality maps similar to those of the Equities team for our corporate, structured credit, and sovereign debt research processes. Each asset class has its own unique characteristics that influence the materiality criteria as well as their degree of relevance. The corporate credit materiality factors are most closely aligned with those of equity; the primary difference is the addition of a governance criteria focused on covenants and bondholder rights. For structured credit, there are a wide variety of subsectors; the relevance of any materiality factor may be quite different by subsector. For example, greenhouse gas emissions are more relevant for commercial mortgage-backed securities than those backed by residential mortgages. Sovereign credit has its own particular criteria, such as political freedom and property rights.

ESG is embedded within our fundamental corporate credit research effort and paired with our quantitatively oriented loan-level structured and sovereign credit analysis processes. We seek to apply forward-looking ESG insights above and beyond the data. In the same way our credit analysis is forward looking, our evaluation of relevant ESG considerations must also be forward looking. This has applications in sector and security selection as well as portfolio construction. ESG considerations help build a more nuanced credit profile assessment, which may potentially limit ratings volatility and, more importantly, tail risk in a portfolio.

## Sustainability in action — Research matters

Putnam’s investment teams generate independent, in-depth research on specific sustainability themes and issues. Our analysts have deep fundamental understanding that helps us utilize ESG data within the relevant context of each company and industry, and they share insights across Putnam’s global research platform.

**100B tons**  
of resources enter the economy  
every year; only 8.6% is recycled



### Toward a circular economy

An example of recent research includes “[Toward a circular economy: Investments for a Thriving Planet™](#).” The global economy currently demands more of the earth’s resources than the planet can sustain. Among potential new solutions, the concept of the circular economy has emerged to inform business leaders and investors about maximizing the effective use of resources and minimizing waste. The circular economy is relevant across multiple sectors and business types, and offers potential for new business models to emerge that improve the natural resource intensity of the global economy.





# WHAT MATTERS MOST



# 02

## Sustainability strategy, engagement, and stewardship

Sustainability framework

Engagement  
and stewardship

Philosophy

Our approach

Engagement through  
our investment process

Advocacy for improved  
ESG disclosure

Proxy voting

Partnerships  
and collaborations



Putnam advanced its commitment to sustainability this year by further strengthening its capabilities. In particular, the firm focused on creating a cohesive approach to sustainability strategy that encompasses a number of business functions including stewardship, engagement, partnerships, and the company-wide integration of ESG strategy.



Our long-standing commitment to sustainability is a dynamic driver behind our operations. At a time when ESG-related questions are rising in complexity and intensity, we are further focused on building our team and capabilities.



**ROBERT L. REYNOLDS**  
President and  
Chief Executive Officer

### Sustainability framework

For more than two decades, we have worked to build a strong foundation in many areas related to sustainability. In the past five years, we sharpened our focus on developing dedicated sustainable investing products; integrating ESG analysis into our processes; expanding communication, education, and business development; and making progress in our corporate sustainability priorities.

In 2022, we added resources, including naming 30-year industry veteran and author Jackie VanderBrug as Head of Sustainability Strategy. Jackie chairs Putnam's ESG Leadership Committee, oversees publication of Putnam's Engagement and Stewardship Report, and represents our approach to ESG integration, engagement, and stewardship to clients and partners. She also collaborates with our parent companies and other affiliates to develop engagement and stewardship strategies.



## Engagement and stewardship

Our investment stewardship aims to provide long-term value through active ownership, sustainability and ESG-related monitoring, and engagement with the issuers of the securities we hold in our mutual funds and client portfolios.

## Philosophy

We believe that effective governance practices and appropriate transparency regarding material business issues, including relevant ESG issues, benefit all investors. As active managers, we are committed to conducting thorough research and to incorporating fundamental insight into all our activities and decisions, including corporate engagement.



At Putnam, we are driven by our commitment to active investing and its potential to create valuable products, generate strong performance, and steward long-term investments with care.



**JACKIE VANDERBRUG**

Head of Sustainability Strategy

## Our approach

As detailed in Putnam's [Engagement and Stewardship Report](#), our engagement takes several forms, including activity that is part of our investment process, proxy voting, and collaboration with other organizations. All engagement activity is undertaken with the goal of benefiting our clients and shareholders through long-term financial performance.

## Engagement through our investment process

We believe that active managers have a particular role to play in engaging with company management teams. Our fundamental research process involves regular dialogue regarding corporate strategy and execution. As part of our investment process, engagement with companies and issuers spans a wide range of topics, including long-term strategy, capital allocation, and financially material ESG issues.

## Advocacy for improved ESG disclosure

Though ESG-related corporate disclosures have been improving quickly in scope and quality, in many instances information is not yet easily accessible, comparable, complete, or verifiable. Putnam's focus in this area is on disclosure of investment-relevant data, particularly through SASB Standards and the TCFD (Task Force on Climate-Related Financial Disclosures) framework. This topic was noted in 100% of the outreach we conducted through our CEO letters in 2022, which is further detailed in the Engagement and Stewardship Report.



## Proxy voting

Proxy voting is a cornerstone of strong governance and effective engagement. At Putnam, the proxy policy and voting process for our mutual funds is led and controlled by the independent Trustees of The Putnam Funds, while the same functions for our institutional investment management clients and actively managed exchange-traded funds are managed by our internal Proxy Committee and Legal and Compliance division.

These functions are undertaken with the consistent goal of promoting strong corporate governance, acting in the best interests of our shareholders and clients.

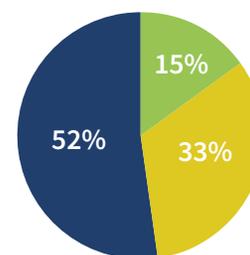
Highlights of our proxy-voting activity are shown here; more information is available in our Engagement and Stewardship Report.

## Partnerships and collaborations

We partner with numerous organizations to support areas of critical importance to our clients, the industry, and the broader community. These organizations include the Santa Fe Institute and the Boston Association of Institutional Investors. Putnam is a signatory of the SASB Standards, the United Nations Principles for Responsible Investment (UN PRI), the TCFD, Ceres Investor Network, and the CDP non-disclosure initiative.

Putnam is committed to engaging with stakeholders including policymakers, investors, shareholders, and industry partners.

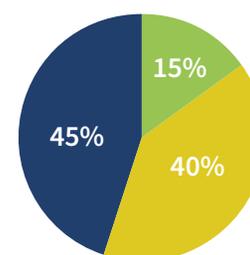
## Shareholder proposal votes by The Putnam Funds



	For	Against	Abstain
● Environmental	23%	77%	0%
● Social	21%	79%	0%
● Governance	40%	60%	0%

Source: Putnam. Represents global proxy-voting activity for The Putnam Funds for the period July 1, 2021–June 30, 2022.

## Institutional account management and ETF shareholder proposal votes



	For	Against	Abstain
● Environmental	19%	80%	1%
● Social	21%	79%	0%
● Governance	31%	68%	1%

Source: Putnam. Represents global proxy-voting activity for Putnam's institutional investment management accounts and actively managed exchange-traded funds (ETFs) for the period July 1, 2021–June 30, 2022.





# WHAT MATTERS MOST



# 03

## Culture and associate well-being

The advantages of a diverse workforce

An established diversity and inclusion program

Diversity Advisory Council

Sustainability in action —  
Workforce diversity matters

Benefits program

Sustainability in action —  
Building a family matters



Our people are Putnam’s greatest asset. At all of our work locations — from offices around the world to remote work settings — we are focused on the growth and well-being of our associates. We recognize the value that a diverse workforce brings to the success of our business. Our goal is to create an environment where all associates are respected, included, encouraged to participate and achieve, and can realize their full potential.

### The advantages of a diverse workforce

We recognize the value that a diverse workforce brings to our corporate culture, the service we provide our clients, and the success of our business. Numerous studies have shown that teams with diverse perspectives and experiences have stronger decision-making and problem-solving abilities. Diversity in companies can have a positive impact on performance and can result in better outcomes for stakeholders.

We are engaged in a long-term effort to increase the diversity of our associates, and we carefully track our efforts through an extensive internal dashboard available to all associates on the Putnam intranet. We partner with a range of professional associations to improve connections with historically underrepresented candidates and have built strong recruitment networks.

Evolving composition of our workforce	2018	2019	2020	2021	2022*
Men	56.7%	56.6%	56.2%	55.8%	55.9%
Women	43.3	43.4	43.8	44.1	44.1
Nonbinary or not reported	–	–	–	0.1	–
Racially or ethnically diverse†	16.4	16.3	18.0	18.9	19.8

\* Putnam internal data as of 11/30/22.

† Self-reported information.



## An established diversity and inclusion program

Putnam continues to commit leadership and resources toward building a diverse workforce. For more than 20 years, we have actively engaged in diversity and inclusion initiatives across the firm. In 2008, we established the role of a Head of Diversity and Inclusion. As of 2020, this position reports directly to Putnam's CEO.

We organize our diversity and inclusion objectives around five key areas: accountability, communication, culture, talent management, and measurement.



Putnam's commitment to diversity and inclusion is a strategic imperative and crucial to capture the opportunities that matter most to our associates, our clients, and our communities.



**STEPHEN R. DENNY**

Head of Human Resources,  
Diversity and Inclusion

## Diversity Advisory Council

Established in 2004, the Diversity Advisory Council is responsible for implementing initiatives that help Putnam achieve company-wide goals for diversity and inclusion.

- Members represent all levels of associates, and the council is overseen by the Office of Diversity and Inclusion
- Our [annual diversity and inclusion report](#) outlines our progress and provides reporting on areas of focus
- We celebrate and recognize individual associates for their contributions and leadership in our annual diversity and inclusion awards

**For the second year, Putnam was recognized with the Textio Leadership Award for job posts written to meet quality and inclusion standards.**



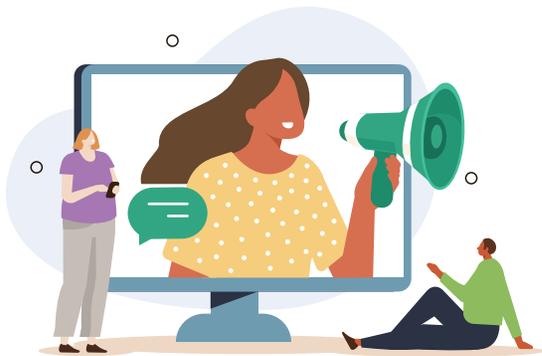
The Textio Leadership Award recognizes organizations with the highest-average Textio score for job posts. The Textio score measures how engaging and inclusive job posts are based on the predicted impact of the language used.



**Some highlights of our progress in 2022 include:**

- The Pride Alliance hosted an educational webinar on the use of pronouns
- We offered nonbinary associates the option to use gender-neutral identifiers in the Putnam census
- Our updated Editorial Style Guide provided guidance on how to reduce the potential for conveying bias, offense, or insensitivity in the words we use
- We initiated an annual engagement survey to examine the associate experience and created cross-disciplinary teams to develop action plans to address feedback

**Our business impact groups hosted over 50 associate forums, panels, fireside chats, learning sessions, and social events with high levels of engagement.**



**Sustainability in action —  
Workforce diversity matters**

In 2021, Putnam launched a pilot sponsorship program targeting the development and advancement of women through one-on-one relationships between executive sponsors and participants. The program confronts a historical bias within businesses to overlook the contributions and underinvest in the development of women and underrepresented associates. Specific goals of this initiative are to help participants identify and make strategic contributions to the organization, more readily gain recognition for their achievements, and grow as leaders.

“

*The sponsorship program has been a great opportunity. I've been able to build a relationship with one of the senior leaders at the firm. I can count on her guidance overall and gain the more nuanced tips that only come from a one-on-one relationship with someone who is committed to helping me realize my full potential. I look forward to contributing ideas and feedback as the program evolves.*”

**WENDY HOPEWELL**

Director of RFP Services



## Benefits program

We have a decades-long tradition of supporting the well-being of our associates through a generous benefits program, one that evolves with emerging needs.

### Work-life balance

- Support for every kind of family
- Flexible work arrangements
- Family-building subsidies
- Child and elder care support
- Paid volunteer time

### Career growth

- Education and career development
- Mentoring and sponsorship programs

### Health care

- Medical and dental care
- Mental health services

### Financial future

- 401(k) plan with employer contributions
- Retirement planning
- Investing privileges

Over 85% of Putnam associates believe our new hybrid work model is successful and promotes flexibility in the workplace.

Source: New Work Model internal survey conducted fall 2022.



## Sustainability in action — Building a family matters

A few years into their marriage, Putnam's Greg Gore and his husband, Ray, decided they wanted to expand their family. After a long, involved process working with an adoption agency, their dreams came true when they adopted their daughter Grace soon after she was born in 2017. With the help of Putnam's family-building benefits, they received financial assistance to defer some of the significant costs. A few years later, they were able to add to their family again with the adoption of Carter, who was just under two at the time. Today, Grace and Carter are enrolled in kindergarten, growing up like twins in a happy family.

Greg and Ray remain grateful for the adoption benefits received through Putnam. The adoption process can be extremely challenging in many ways; the cost alone is formidable.

“

*Putnam's benefits really opened the door for us to be able to build our family with the adoption of these two wonderful children.*”

**GREG GORE**

Senior Engineer, Cloud Services





# WHAT MATTERS MOST



# 04

## Sustainability in our workplace

Supplier diversity

Sustainability in action —  
Supplier diversity matters

Environmental efficiency

Energy efficiency in building  
services and lighting

Paper products

Reducing waste

Sustainability in action —  
Resources matter



Recognizing the importance of protecting the world’s natural resources, we continue our efforts to reduce consumption and limit waste in our operations around the world. We have also infused a focus on sustainability in our procurement process.

### Supplier diversity

Several years ago, Putnam launched collaborations and engaged in a study of sustainability and diversity in its procurement processes. Currently, diverse suppliers make up 3% of our total supplier spend, and we are on target to reach our goal of 5% by 2025. Our progress in supplier diversity is tracked and reported in an internal dashboard.

In 2022, the Corporate Procurement team deepened relationships with diverse groups such as the Securities Industry and Financial Markets Association (SIFMA) and Greater New England Minority Supplier Development Council (GNEMSDC).

Under the guidance of our Corporate Procurement team, Putnam participated in a value chain diversity study with the Massachusetts Competitive Partnership and Deloitte. Putnam performed well. The report cited Putnam as “advancing” in governance and standards, processes, and systems and reporting categories, and as “achieving goals” in people and culture.

Next, we are looking to focus on reporting on Tier 2 or 4th-party spend to discover how our suppliers are working with diverse and sustainable suppliers themselves. We are also examining our sustainable supplier community and working to expand those relationships.

### Sustainability in action — Supplier diversity matters

Inspired by our membership with the GNEMSDC, Putnam launched a mentor relationship and business partnership with [Elegant Stitches](#), a certified Minority Business Enterprise. This family-owned custom embroidery and screen-printing company is based in Pittsfield, Massachusetts. Putnam worked with Elegant Stitches to produce a monogrammed sweatshirt made of sustainably sourced fabric as a gift for associates. The relationship with Elegant Stitches is an example of Putnam's commitment to diversifying our supplier mix, supporting our associates, and advancing our corporate sustainability practices. Elegant Stitches was recently recognized as supplier of the year by GNEMSDC.





## Environmental efficiency

Putnam's Boston office, located at 100 Federal Street, received a Platinum rating for existing building certification (March 2022) and Platinum in LEED certification by the U.S. Green Building Council. To achieve this certification, the property had to meet certain benchmarks in several categories including sustainable site, water efficiency, energy and atmosphere, materials and resources, and indoor air quality. The building received its first LEED Silver certification in 2011.

The site is also ENERGY STAR labeled, a government-backed designation. The label is based on Environmental Protection Agency energy performance standards and indicates a performance score of 75% or higher when compared with similar buildings nationwide.

Putnam is in the midst of a migration to Amazon Web Services (AWS) that, among other benefits, will contribute to our energy efficiency and reduction of our carbon footprint. We anticipate the migration will have a meaningful positive impact toward our overall sustainability efforts and aim to report on this by the end of 2023.



## Energy efficiency in building services and lighting

Putnam actively advocates for improving energy efficiency in building operations and water conservation in the office locations it leases in Massachusetts. Initiatives include replacement of lighting fixtures to improve energy efficiency; optimized heating, ventilation, and air-conditioning systems; environmentally friendly cleaning products; and improved air filtration systems.

## Paper products

We purchase earth-friendly paper from sources certified by the Forest Stewardship Council (FSC). The FSC label represents paper that produces less pollution and is manufactured using sustainable forestry practices.

The inks we use are soy and vegetable based rather than petroleum based, which reduces toxicity in the production process. Working with our print service provider Xerox, we are continually exploring new green technologies for paper, equipment recycling programs, and consumables such as toner.





## Reducing waste

Since 2002, our investors have had the option to receive electronic communications, including quarterly and year-end statements as well as other reports.

Implementing electronic delivery — the Internet Availability Initiative — resulted in a significant decrease in printing and paper requirements for this material. Studies around this industry-wide initiative show an estimated 95% reduction overall in paper usage for these types of reports.

Paper savings are further achieved by offering shareholders the option of electronic delivery of confirmations, statements, tax forms, and summary prospectuses. In 2022, internal tracking points to 22% of shareholders opting for paper suppression, with an estimated 1.9 million pages saved.

We will watch our paper savings carefully over the next several years. Recent regulatory changes will require a significant increase in shareholder communication as printed material. Every effort will be made to achieve efficiencies within the parameters of these new regulations.

## Sustainability in action — Resources matter

This year Putnam partnered with a new supplier for water in our conference facilities. Everybody Water, certified as a women-owned business, supports clean water initiatives around the world enabling women and girls to attend school and earn an income instead of spending their time collecting water. The boxed water now offered in Putnam meeting rooms is packaged in a 100% recyclable carton sourced from responsibly managed forests certified by the Forest Stewardship Council. The water is a visible reminder of our commitment to sustainability for guests and associates.

Another source of carbon-reducing efficiencies realized by Everybody Water is the unfilled paperboard in the cartons, which is shipped in rolls versus filled bottles or cans. This reduces the number of trucks on the road needed to deliver the cartons to filling locations and the associated CO2 emissions.

*everybody* WATER.™





**WHAT  
MATTERS  
MOST**



# 05

## Partnerships and community

Local industry and  
civic partnerships

Community  
partnerships



Our focus on sustainability also influences the role we seek to play in the community. We support a range of programs for economic and workforce development, innovation, and diversity and inclusion. Our firm encourages participation by employees as nonprofit and civic board members, volunteers, and donors.

### Local industry and civic partnerships

- Associated Industries of Massachusetts
- Greater Boston Chamber of Commerce
- Greater New England Minority Supplier Development Council
- Massachusetts Competitive Partnership
- Massachusetts High Technology Council
- The New England Council

### Community partnerships

We partner with numerous nonprofit organizations dedicated to improving education, opportunity, and the quality of life in our communities. In 2022, we added a range of new corporate sponsorships including the two shown on this page.



Runway for Recovery provides breast cancer patients and their families with a continuum of support. To create community, Runway hosts events and provides services that inspire joy and hope. They celebrate survivors, honor legacies, and fund families who have experienced loss.

[runwayforrecovery.org](https://runwayforrecovery.org)



MentorWorks is a workforce development company with a mission to provide people with access to affordable education, career support, and employment opportunities. The company's proprietary platform connects students, schools, and employers.

[mentorworks.com](https://mentorworks.com)



Putnam works with many different nonprofit organizations with worthwhile missions. This list highlights a small subset of the groups we work with:



We have been a partner with the American Red Cross for many years. In 2021, Putnam CEO Bob Reynolds chaired the first-ever American Red Cross Boston Heroes Breakfast, bringing together local businesses and the community to recognize the heroes among us. The event honored individuals who have exhibited extraordinary acts of courage, kindness, and service — especially during the pandemic.

[redcross.org](https://www.redcross.org)



BLK Capital is a black-owned and student-run nonprofit that educates its members about the field of active investment management. Putnam renewed a partnership with BLK Capital in 2020. We have participated in BLK Capital conferences with associates serving as speakers and stock pitch judges, have presented in the Sunday meetings about career paths, and volunteered as mentors.

[blkcapitalmanagement.org](https://www.blkcapitalmanagement.org)



Founded in 1862, this was the first hospital in New England opened and operated by women, for women. Today, the Dimock Center is recognized as a national model for the delivery of comprehensive health and human services for adults and children in an urban community.

[dimock.org](https://www.dimock.org)



Our associates volunteer with Heading Home's Up and Out program. The firm's volunteer group has been paired with a local homeless family transitioning from a shelter to permanent housing. The volunteers donated items to furnish and decorate the new apartment and were on-site to welcome the family home for the first time.

[headinghomeinc.org](https://www.headinghomeinc.org)





## Invest in Girls

Putnam formed a partnership with IIG in 2020. Our associates teach core financial literacy classes to high school girls. Courses include education about credit cards and the basics of stocks and bonds. Our associates also participate in role model exchange sessions where students can learn about careers in financial services.

[investgirls.org](https://investgirls.org)



The Greater Boston Food Bank (GBFB) is the largest hunger-relief organization in New England and among the largest in the country. Putnam has partnered with GBFB for years to provide healthy meals for families in need, making GBFB the focal point of an annual holiday giving campaign.

[gbfb.org](https://gbfb.org)



This foundation works with colleges, universities, and high schools to expand the recruitment of young leaders with diverse backgrounds. The Posse Scholars program helps students achieve their goals. The program includes internships, career development and coaching, graduate and fellowship programs, and an alumni network. Putnam has been a partner with the Posse Foundation for many years.

[possefoundation.org](https://possefoundation.org)



Each year Putnam supports the United Way's annual campaign by educating associates about the United Way, encouraging their involvement, and holding a variety of fundraising events.

[unitedwaymassbay.org](https://unitedwaymassbay.org)





**WHAT  
MATTERS  
MOST**



# 06 →

## Advocacy and education

Policy advocacy

Diversity advocacy

Advocacy partnerships

Sustainability in action —  
The next generation matters

Research-based education

Wealth and practice  
management education



Putnam believes it is important to advocate for a regulatory landscape that supports investors and those who serve them. We engage with policymakers on various issues that impact our mission. We also provide education to help consultants and financial professionals serve their clients.

### Policy advocacy

We advocate for relevant industry policy including retirement policy, financial education, tax reform, and issues related to sustainability. We have contributed to conversations with the Department of Labor and other regulators as well as congressional leadership on issues of transparency and compliance, retirement income, tax policy, and expanding access to workplace savings plans.

### Diversity advocacy

Putnam is an advocate for diversity in the workplace, focusing on issues such as recruitment and leadership development. We are a founding member of the Boston 100% Talent Compact of the [Boston Women's Workforce Council](#) (2013), a first-in-the-nation employer network committed to closing the gender pay gap. We are also active members of diversity initiatives organized by the National Investment Company Services Association and Massachusetts High Tech Council.

### Advocacy partnerships

Our advocacy partners include the American Enterprise Institute, Council of Institutional Investors, and the Investment Company Institute.

## Sustainability in action — The next generation matters

The Equity Collective is a collaboration between Morgan Stanley and select asset management firms focused on educating, empowering, and developing the next generation of leaders in the asset management and finance industry. The Collective's goals are to make connections and develop leadership among diverse groups and build awareness of financial services career opportunities. Putnam is proud to participate and provide ongoing support for Collective initiatives, including First Tee. Consistent with the Collective's goals, the First Tee event helped deconstruct inaccurate perceptions about careers in financial services and helped to build social and leadership skills for youth participants.

**Left to right:** Elijah Ngbokoli, Raul Ramos, Abdulai Barry, and Asad Elmi

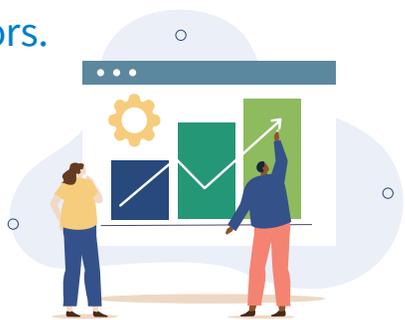
Morgan Stanley



## Research-based education

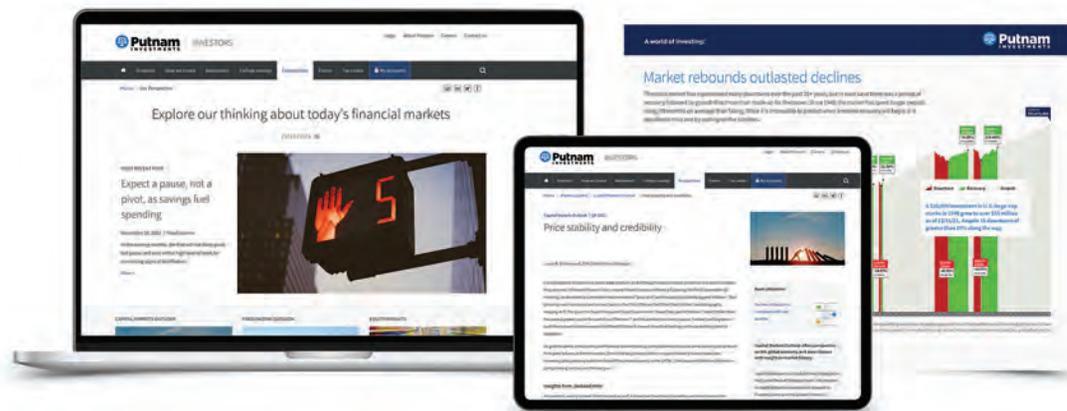
Knowledge is power for shareholders, advisors, consultants, and individuals working to achieve their financial goals. Putnam demonstrates its commitment to these key stakeholders by sharing knowledge and creating opportunities for education. Investment and strategy teams at Putnam produce research-driven insights on a daily basis. Our offerings include investor education, strategy-related outlooks, global market insights, macro-themed thought leadership, and much more.

Our Sustainable Investing team's research offers an educational benefit for consultants, advisors, and investors.



## Examples of our investment-related research and education materials include:

- [Market rebounds outlasted declines](#)
- [Investing in companies improving our world](#)
- [ESG: Hearing the signal above the noise](#)
- [Capital Markets Outlook](#)
- [Fixed Income Outlook](#)
- [Equity Insights](#)
- [Macro Report](#)
- [Toward racial justice: Markers of corporate leadership in the United States](#)
- [Sustainability and impact report: A dialogue with investors](#)
- [Active Insights](#)



## Wealth and practice management education

Putnam's wealth and practice management teams engage with financial advisors throughout the year to provide education and business-building ideas using live presentations, webinars, videos, investor education pieces, and blog articles. Topics include tax-planning strategies, retirement planning, saving for college, gifting and estate planning, policy updates that impact financial planning, and ways advisors can connect with underserved populations, including women.

### Examples of materials developed for advisors and their clients include:

- Growing your value to women investors (advisor-only presentation)
- Empower, achieve, elevate: Financial guidebook for women
- Early college planning for a growing family
- Developing a tax-smart retirement income strategy
- Five things you need to know about optimizing Social Security
- Understanding charitable giving strategies
- Estimating your tax bracket can guide tax planning
- Finance Fundamentals





# WHAT MATTERS MOST



# 07

## Ethics, compliance, and data security

Code of Ethics

Global distribution  
compliance

Investment  
compliance

Enterprise risk

Data security



Integral to our operation as an asset management firm is ensuring the highest ethical standards for associates, strict adherence to the rules and regulations of our industry, and security of all data. These foundational elements of the trusted relationship we hold with investors are core pillars of what matters for corporate sustainability.



### Code of Ethics

Putnam's Code of Ethics is an integral part of our role as a fiduciary. The Code is designed to strengthen the trust and confidence our clients place in us, and to demonstrate that our clients' interests come first. It ensures that our associates comply with all applicable laws and avoid any conflict of interest. Among many provisions, the Code addresses associates' trading procedures for all investments and funds, including personal securities transactions by investment professionals. All associates are required to train annually in the Code and attest adherence. Adherence to the Code is a condition of employment.



### Global distribution compliance

Putnam's Global Distribution Compliance unit focuses on non-investment-related compliance matters covering both U.S. and non-U.S. institutional business as well as retail distribution. The Global Distribution Compliance group provides greater coverage for regulatory matters, including Investment Advisers Act compliance and private fund compliance as well as Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), and Municipal Securities Rulemaking Board (MSRB) requirements applicable to the principal underwriter and distributor of Putnam's retail products. The non-U.S. compliance function is designed to address the requirements of the many jurisdictions where we conduct business.



Throughout Putnam, we take our fiduciary responsibility seriously. We have a firm commitment to those we serve, obeying all laws and rules, and reducing risk to the firm which, by extension, can help produce better outcomes for our clients. ”

#### **JAMES F. CLARK**

Chief Risk Officer and Chief Compliance Officer





## Investment compliance

Putnam's Investment Compliance department monitors day-to-day compliance with investment guidelines and restrictions applicable by law, regulations, or contracts with clients. The results of monitoring are reported to management regularly. To ensure portfolios are managed in a manner consistent with formal investment guidelines, we employ a combination of automated pre- and post-trade compliance testing systems. We also have manual processes for the occasional times when a client guideline cannot be monitored solely through the automated system. Putnam's Compliance department is independent of the Investment Management division and reports to the General Counsel.



## Enterprise risk

Putnam has a robust approach to monitoring and seeking to manage financial, operational, and reputational risk. Each business unit is responsible for managing identified operational risks. In 2013, Putnam established an Enterprise Risk Committee (ERC) that includes senior representatives from all primary business units. The ERC provides a platform as well as tools and guidelines for collecting data about identified risks, analyzing the data to identify the highest enterprise-wide risks, and facilitating the sharing of information with the Operating Committee and the Audit Committee of the Board of Trustees.

The ERC periodically conducts operational risk assessments. James Clark chairs the ERC. As Chief Risk Officer, he is responsible for overseeing the development and implementation of the operational risk management program. Separately, investment risk is overseen by the Risk team. In addition, Putnam is subject to a series of reviews from external auditors, regulators, and self-regulatory organizations.



## Data security

Data security is of the utmost importance to Putnam. Our Digital Technology division has primary responsibility for cybersecurity, with the Compliance division having oversight of privacy. Chief Information Security Officer Gregory Wilson works closely with Mark Trenchard, Chief Privacy Officer and Director of Operational Compliance, to protect the confidentiality of our clients from every angle. They strive to ensure the security of the data and systems our business depends on. We have safeguards in place designed to help prevent unauthorized access to our computer systems and procedures to help protect personal information. Our Information Security team shapes an ongoing development process and conducts an internal audit each year. Our approach to data and cybersecurity emphasizes people, process, policy, and technology. All associates and contractors are required to complete annual training on our information security and data privacy policies.



Reporting on this year's sustainability work inspires all of us at Putnam. Anchored by our aim to help people secure their financial well-being, associates across the firm are working together to focus on what matters most. The active engagement across our organization propels the work we have ahead with more intention and intensity than ever. While we take pride in the sustainability work we have accomplished, we look forward to the contributions to come.

**We'd like to hear what you think about our corporate sustainability work and this report. Please take a few minutes to provide your feedback with this [brief survey](#).**



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