



STATEMENT OF COMPLIANCE WITH THE MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS

31 December 2021

PRINCIPLE 1

Disclosing Policies on Stewardship

Institutional investors should disclose the policies on their stewardship responsibilities.

At Eastspring Al-Wara' Investments, responsible investing principles drive our asset management practice. Responsible investment includes the explicit incorporation of relevant ESG issues into every aspect of our activities as an investor – both before we make investment decisions and during the time, we hold an investment. We seek to identify and take account of these issues into our investment decision-making process and in the way we conduct stewardship activities.

Our Stewardship Policy can be found on our corporate website.
<https://www.eastspring.com/myalwarainvestments/about-us/responsible-investment>

PRINCIPLE 2

Monitoring Investee Companies

Institutional investors should monitor their investee companies.

As part of our investment process, we actively research and monitor our investee companies. Our analysts and portfolio managers have significant contact with the management of companies, and cross check with suppliers, clients and competitors. Our focus in all these meetings is on achieving a firm understanding of the true underlying drivers of the company's long-term earnings power and how sustainable they are when assessed through the ESG lens.

We also monitor our investee companies by voting. We generally exercise our voting rights via proxy. However, we may also elect to attend meetings if we want to pose questions to the board.

PRINCIPLE 3

Engaging Investee Companies

Institutional investors should engage with investee companies as appropriate.

Engagement is core to our Stewardship responsibilities. As part of our investment process, we encourage business and management practices that support sustainable financial performance through constructive engagement based on our in-depth knowledge of the companies and their business environment.

Where appropriate, we play an active role by engaging in dialogues with companies to effect changes to maximize shareholder value. We are active members of collaborative organizations. From time to time, we participate in collaborative engagement initiatives where we believe it to be in our client's best interests to do so.

When carrying company research, we conducted a total of 422 engagements with management of investee companies throughout 2021.

In addition, we also engage with investee companies through the exercise of voting rights.

PRINCIPLE 4

Managing Conflicts of Interest

Institutional investors should adopt a robust policy on managing conflicts of interest which should be publicly disclosed.

Our approach to identifying and managing conflicts of interest is part of our Voting Policy as disclosed on our corporate website <https://www.eastspring.com/myalwarainvestments/about-us/responsible-investment>

From time to time, proxy voting proposals may raise conflicts between the interests of our clients and the interests of Eastspring Al-Wara' Investments Berhad and its employees.

Our Voting Policy identifies and manages conflicts of interest to ensure and demonstrate that our decision to vote is based on the clients' best interest and is not the product of those conflicts. Issues raising possible conflicts of interest are referred to Compliance Department for resolution.

We do not become involved in the board or management of our investee companies.

We have robust company policies in place to deal with insider information, anti-bribery, anti-money laundering and establishment of "Chinese Wall". We have the following policies for our employees:

- › *Conflicts of Interest Policy*
- › *Personal Investment Dealing Guidelines*
- › *Anti-Bribery & Corruption Policy*
- › *Anti-Money Laundering and Counter-Terrorism Financing Handbook*
- › *Information Security Policy*

Our Dealing and Trade Management Policy and Soft Commission Policy have been established to ensure best execution and fair dealing conduct.

PRINCIPLE 5

Incorporating Sustainability Consideration

Institutional investors should incorporate corporate governance and sustainability considerations into the investment decision-making process.

In conducting research into the fundamental assumptions that underpin the valuation for a company, we apply a holistic approach to identifying material risks—including ESG issues—to the sustainable earnings of a company. We rely on the robustness of our proprietary fundamental research process and apply our judgment to assess material factors that impact sustainable earnings. To supplement our in-house ESG research, we have access to MSCI ESG Research.

Implicit in our approach is that we do not screen out companies solely on the basis of perceived problematic ESG issues, unless mandated by clients. Although this approach does not prohibit us from purchasing or holding a position due to an ESG issue, consideration of these issues is made part of the investment decision.

Our approach to incorporating ESG considerations into our investment process is reflected in our Front Office Standard Operating Procedures.

PRINCIPLE 6

Publishing Voting Policy

Institutional investors should publish a voting policy.

Our Voting Policy is published on our corporate website at <https://www.eastspring.com/myalwarainvestments/about-us/responsible-investment>

An active and informed voting policy is an integral part of our investment philosophy and forms a core part of our approach to engagement.

However, we may decide to not vote proxies or abstain from voting where the costs are prohibitive and would not serve the shareholders' interest, or in some cases we not allowed to do so under certain regulations. Generally, it is not Eastspring Al-Wara' Investments Berhad's policy to accept client standing instructions.

We leverage on the shared resources of Eastspring Group to undertake proxy voting. Our proxy voting policy governs how we vote each resolution.

We do not participate in securities lending activities.

A summary of our voting activities in 2021 are as below:

Voting Summary 2021	Total
Shareholder meetings at which our clients' shares were voted	99
Percentage of meetings with at least one vote against or abstention	59.0%
Number of resolutions voted	753
Percentage of resolutions voted	99.7%
Number of resolutions voted against	118
Percentage of resolutions voted against	15.7%

as at 31 Dec 2021