



EASTSPRING INVESTMENTS STEWARDSHIP STANDARDS

June 2018

INTRODUCTION

As a fiduciary to our clients, Eastspring Investments seeks to act in clients' best interests and treat each client fairly at all times. This is interpreted as the best financial interest of the client, and this principle underlies all aspects of our investment process.

We recognise the importance of accountability to our clients for the stewardship of their assets. We aim to generate long-term capital growth on the assets investors entrust to us by pursuing an active investment policy through portfolio management decisions.

We believe that the quality of corporate governance practices, and how companies manage the environmental and social aspects of their operations, can be material to delivering superior longer term shareholder value.

Our stewardship standards provide guidance that enables our investment teams to explain how they incorporate their stewardship commitments into investment processes.

STEWARDSHIP CODES

Eastspring Investments is supportive in the application of Stewardship Codes in markets where we operate.

Where applicable, we have developed policies to inform how we fulfill our stewardship responsibilities in respect of a particular Stewardship Code.

ENGAGEMENT

Engagement is core to our Stewardship responsibilities. We aim to 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 will play an active role in seeking to effect changes to maximize shareholder value. We are active members of collaborative organizations. From time to time, we may participate in collaborative engagement initiatives where we believe it to be in our client's best interests to do so.

PROXY VOTING

An active and informed voting policy is an integral part of our investment philosophy and forms a core part of our approach to engagement. Eastspring Investments follow a principles based approach. All votes are considered in the context of the principles as set out in our investment teams' Proxy Voting Policies.

As a general policy we are supportive of the management of the companies in which we invest. However, when companies consistently fail to achieve our reasonable expectations we will actively promote changes. These changes might range from the formulation of a new strategy to the appointment of new management or non-executive directors.

Voting should never be divorced from the underlying investment activity. By exercising our votes we seek both to add value and to protect our clients' interests as shareholders.

ESG INTEGRATION

ESG considerations are integral to our investment stewardship activities. We apply a holistic approach by incorporating material risks, including ESG issues, as part of our investment decision making processes.

In acknowledging the importance of ESG issues, and given they may not have been a central focus in financial markets historically, we are committed to making the assessment of ESG factors explicit for the benefit of our investment processes. This is an ongoing and long term process of improving our approach to integrating ESG into our investment processes, which we expect will evolve over time.

Each of our investment teams has its own approach to integrating ESG matters, depending on the characteristics of each asset class and each investment strategy. Accordingly, investment teams have developed, or are in the process of developing, Environmental, Social, and Corporate Governance Policies, that formalize their specific approach to ESG issues, and are explicitly integrated into investment processes.