eastspring investments

Eastspring Investments Group

Responsible Investment Policy

October 2026



Contents

1. Introduction 3
1.1 Our firm
1.2 ESG philosophy

2. Policy scope 4

3. Policy governance 5
3.1 Governance structure
3.2 Ownership and revisions
3.3 Conflicts of interest
3.4 Risk management

4. Thematic ESG considerations 6
4.1 Climate change and Just transition
4.2 Biodiversity
4.3 Human rights
4.4 Business ethics

5. ESG integration 9
5.1 Integration guidelines
5.2 Tools and resources

6. Active ownership 11
6.1 Engagement
6.2 Engagement escalation
6.3 Proxy voting policy
6.4 Stewardship codes
6.5 Engagement and voting records

7. Exclusions policy 15
7.1 Scope
7.2 Types of exclusions
7.3 Exemptions

8. Transparency and reporting 18

9. Memberships and affiliations 19

Appendix 20
A1. MAS Environmental risk management response
A2. Japan stewardship code response

1. Introduction

1.1 OUR FIRM

Eastspring Investments Group Private Limited ("Eastspring Investments" or the "Firm"), part of Prudential plc, is a leading Asia-based asset manager that manages over USD 278 billion (as of 31 Dec 2025) of assets on behalf of institutional and retail clients. Operating since 1994, Eastspring Investments has one of the widest footprints across Asia. We provide investment solutions across a broad range of strategies including equities, fixed income, multi asset, quantitative solutions, and alternatives. We are committed to delivering high-quality investment outcomes for our clients over the long term.

1.2 ESG PHILOSOPHY

At Eastspring Investments, responsible investing principles are an integral part of our asset management activities. Responsible Investment includes the explicit incorporation of material Environment, Social, and Governance ("ESG") issues into our investment decisions – both before we make investment decisions and during the period an investment is held. Our investment beliefs as they relate to Responsible Investment are:

1. **Integrating ESG results in better investment decisions.** We believe that incorporating material ESG considerations into the investment process can add value which can result in higher risk-adjusted returns for our clients over the long-term.

2. **Engaging with investee entities can be constructive.** We recognise that responsible investing requires a patient approach and an understanding that improvement in corporate behaviour can support investor value over time. We believe that companies adopting sustainable business practices are more likely to deliver superior value in the long-term.

3. **Active ownership is preferable to exclusion.** We believe that hard exclusions from our investment universe should be utilised as a last resort, where ESG risks are insurmountable or where continued engagement is considered ineffective. Rather, seeking change in corporate behaviour through engagement is more likely to have real-world impacts.

4. **Transparency to our clients is important.** We believe that providing transparency on our ESG activities helps our clients understand our priorities and impact.

2. Policy scope

The Eastspring Investments Group Responsible Investment Policy ("RI Policy") is applicable to all strategies that we directly manage or sub-delegate, and in all markets that our Local Business Units ("LBUs") operate. In the case of third-party client mandates, we agree to meet clients' ESG requirements in consultation with Eastspring.

ALIGNMENT WITH MARKET-SPECIFIC REGULATORY GUIDELINES

We monitor and actively participate in the ongoing regulatory developments in the markets in which we operate. Our interpretation of regulatory guidelines informs our operational response to sustainability in our businesses. We consider, but are not limited to, the following regulatory guidelines:



Singapore:

- Monetary Authority of Singapore ("MAS") Environmental Risk Management Guidelines for Asset Managers ("EnRM")
- MAS CFC 02/2022 Disclosure and Reporting Guidelines for Retail ESG Funds



Malaysia: Securities Commission Malaysia ("SC Malaysia") Guidance Note on Managing Environmental, Social and Governance Risks for Fund Management Companies ("FMCs")



Taiwan: The Securities Investment Trust and Consulting Association ("SITCA") Guidelines for Operational Procedures of ESG Investment and Risk Management and ESG Information Disclosure



European Union:

- European Commission's Sustainable Finance Disclosure Regulation ("SFDR") and respective Regulatory Technical Standards ("RTS")
- European Securities and Markets Authority ("ESMA") Guidelines on funds' names using ESG or sustainability-related terms

3. Policy governance

3.1 GOVERNANCE STRUCTURE



The Eastspring Investments Board of Directors ("Board") oversees senior management represented on the Eastspring Executive Management Committee ("EMC"), which drives the day-to-day operations of the Firm globally, and therefore has ownership and bears ultimate responsibility in the setting of the Firm's Responsible Investment strategy.

The Eastspring Investments Sustainability Committee, chaired by the Head of Sustainability of Eastspring Investments, is a management committee comprising senior management, including EMC members and is delegated responsibility by the Board to oversee the execution of the Firm's Responsible Investment activities. This includes serving as a forum for decision making and as a sponsor of resource allocation to strategic Sustainability and Responsible Investment priorities.

The Sustainability Committee comprises of cross-functional representation across our business, that collaborate to collectively uphold Eastspring's sustainability practices across Eastspring Group. The Sustainability Committee's focus also includes oversight on sustainability capacity building, progress in priority areas, and facilitation of ongoing continuous improvement towards our sustainability ambitions.

3.2 OWNERSHIP AND REVISIONS

Eastspring Investments is committed to an ongoing process of improving its approach to Responsible Investment. As our internal strategies evolve, or where we notice shifts in external expectations in line with industry best practices, or where we observe unexpected investment consequences, we expect that the RI Policy will evolve over time to reflect changes in business practices, structures, technology, and the law.

The Head of Sustainability is the delegated owner of the RI Policy and is responsible for conducting an annual review to ensure that the RI Policy remains updated. All changes will be approved via the Sustainability Committee.

3.3 CONFLICTS OF INTEREST

Eastspring Investments follows the Prudential Group Conflicts of Interest Policy and Standards. Accordingly, all Eastspring Investments LBUs are required to put in place a Conflict of Interest programme to meet the requirements of Prudential Group. This ensures that the interests of clients and beneficiaries are the highest priority and if conflicts of interest arise, they are appropriately managed.

3.4 RISK MANAGEMENT

The management of risk and risk oversight are embedded in the first and second lines respectively, and independent assurance is embedded in the third line of risk defence of the Eastspring Investments' 'Three Lines of Defence' model.

The first line consists of the respective LBU Chief Investment Officers or Head of Investments, who are responsible for ensuring the proper implementation of the RI policy in investment processes and ensuring consistent representations are made to clients. The second line consists of the Risk and Compliance Teams, who are responsible for ESG risk monitoring as well as checking and challenging ESG policies and their implementation. The third line is the Prudential Group-wide Internal Audit ("GwIA"), which provides independent assurance for the Board and shareholders.

4. Thematic ESG considerations

At Eastspring Investments, we have identified ESG themes that are particularly relevant to our responsible investment approach, given our predominant focus on investments in Asia and Emerging Markets, and our global focus in the alternatives space.

The relevance and magnitude of impact of each theme in relation to any holding, indirect or direct, across its investment horizon is assessed as part of an ESG-integrated investment decision making process by investment teams. Please refer to **Section 5** for more information. Directly-held companies within the investment portfolio that are exposed to these themes may be further engaged by using the following strategies:

- **Active Ownership:** We seek to engage with identified companies through our Thematic Engagement programme and encourage improvement towards industry best-practice standards. In parallel with the Thematic Engagement programme, we would also engage where the theme is identified as material to a company's valuation, business model or credit profile, and where the company is assessed as having inadequate mitigants in managing the associated ESG risk. We also utilise other modes of engagements and proxy voting to encourage a company to change its behaviour. The Sustainability team will conduct an annual evaluation of these themes and recommend further actions for approval at the Sustainability Committee. Please refer to **Section 6** for more information.

- **Exclusions:** We consider exclusion as a last resort that may be deployed when engagement has failed or where we believe unaddressed material financial risks are best mitigated through exclusions. Companies are considered for exclusions in accordance with **Section 7**.

The following list details the currently identified thematic considerations and will be expanded as this RI Policy evolves alongside developments in industry standards and in alignment with our parent company's Prudential Group RI Policy.

4.1 CLIMATE CHANGE AND JUST TRANSITION

Climate change is a sustainability challenge facing us all. The transition towards a low carbon economy is a global challenge, requiring global solutions. For investors, climate change and the need for a rapid transition to a low-carbon economy present significant financial risks as well as investment opportunities. Eastspring Investments believes in the need for a just and inclusive transition, in a way that actively places the considerations of emerging and frontier market economies at the forefront of discussions. We are focusing our support on accelerating the clean energy transition through engagement and opportunities for financing, rather than divestment. In addition, we consider environmental risks, including climate risks, and opportunities in the assessment of current and potential investee companies.

Environmental Risk Management

Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. We recognise that environmental risk, and specifically climate risk, has the potential to financially impact the assets we manage through physical and transition risk dimensions. We acknowledge our fiduciary duty to investors to put in place appropriate risk management to ensure that material environmental risks are identified, assessed, monitored, and managed. We utilise internal and third-party frameworks to help inform judgements. In our assessment, we seek to consider material risks, including but not limited to current and potential regulatory changes, physical impacts, and technology developments relating to climate change, into our decision-making processes.

Implementation Strategy

We accept the science of climate change, and we acknowledge the global efforts to limit global warming

to well below two degrees Celsius. We also recognise that thermal coal remains one of the most carbon-intensive elements of the global energy mix, and therefore may face material policy and taxation risks, limitations in relation to access to and cost of debt and equity capital, increased competition, more near-term remediation and closure costs, and other headwinds that increase the risk of asset stranding which may not be fully appreciated by the market.

As such, our approach combines both engagement with carbon intensive companies and exclusions with respect to coal. For engagements, we encourage companies to develop, implement and disclose a credible strategy to transition to a low-carbon future. For exclusions, we apply a revenue threshold on thermal coal mining and/or thermal coal power generation as outlined in **Section 7.2**.

4.2 BIODIVERSITY

Eastspring Investments recognises that safeguarding and restoring biodiversity is fundamental for preserving the ecosystems that allow for long-term sustainability of our natural environment. We acknowledge that human activities drive changes to our natural environment, impacting whole ecosystems and their resilience. As such, it is imperative that we reduce continued loss and degradation of nature to safeguard against climate vulnerabilities.

4.2.1 PALM OIL

Palm oil is the world's most produced, consumed, and traded vegetable oil. Palm oil is a very efficient crop and contributes to rural poverty alleviation and rural development in many regions. The irresponsible production of palm oil, however, has caused widespread rainforest destruction and biodiversity loss, exacerbated climate change, and impacted the human rights of local communities. Notwithstanding, palm oil production does not have to be destructive to the environment and communities and can be produced responsibly.

Implementation Strategy

While we acknowledge the role that local certifications such as the Indonesian Sustainable Palm Oil ("ISPO") and the Malaysian Sustainable Palm Oil ("MSPO") play in encouraging the production of Certified Sustainable Palm Oil ("CSPO"), we will use the degree of Roundtable on Sustainable Palm Oil ("RSPO") certification to identify companies producing unsustainable palm oil in directly-held portfolios.

When properly applied, these criteria can help to minimise the negative impact of palm oil cultivation. We will focus on palm oil producers and engage with the palm oil value chain as all actors have a responsibility to encourage sustainable palm oil. The following table classifies palm oil producers within the portfolio according to the percentage of their palm oil holdings or estates that are certified by the RSPO.

% RSPO Certification	Categorisation
0% – 20%	Worst Performers
20% – 80%	Improvement Needed
80% – 100%	Best in Class

We will conduct engagement with palm oil producers labelled as "Worst Performers" and "Improvement Needed," and with other actors in the value chain such as buyers and standard setters.

4.2.2 TIMBER

Timber is an important source of heat energy and is a valuable natural resource that has seen an increase in global demand. However, unsustainable production of timber can have a catastrophic impact on the world's natural forests, especially in areas with illegal logging activities. The deforestation that comes from timber production results in the loss of biodiversity and wildlife, which may subsequently compromise the stability of global ecosystems that support the supply of food, clean water, and essential medicine.

Implementation Strategy

As there exists a wide variability of practices in this industry relating to responsible forestry, conservation and ethical biodiversity practices, we focus on timber production due to its direct impact on deforestation. We will seek to identify companies in directly-held portfolios that produce, are dependent on, or use commodities that contribute to deforestation, particularly via timber extraction. We conduct engagement with these companies to work towards recognition of biodiversity issues, credible deforestation policy, and a commitment towards responsible timber or paper sourcing with an explicit reference to biodiversity.

4.3 HUMAN RIGHTS

Eastspring Investments recognises the International Bill of Human Rights[1] and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work as cornerstone legal instruments that establish the minimum standards for internationally recognised human rights. In addition to the duty of individual states to protect human rights, we believe that companies have a responsibility to respect human rights and, where applicable, support remediation for communities affected as a result of their activities. We commit to applying these standards and will consider the United Nations Guiding Principles and Human Rights ("UN Guiding Principles") and Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises ("OECD Guidelines") when monitoring the assets that we manage.

Implementation Strategy

The United Nations Global Compact ("UNGC") is a non-binding pact to encourage businesses to adopt sustainable and socially responsible policies, and to report on their implementation. The ten universally accepted principles of the UNGC are derived from international agreements on four topics: human rights, labour, environment, and anti-corruption.

We seek to identify violators of the UNGC within directly-held portfolios to commence engagement to improve their conduct and comply with international agreements brought together in the UNGC. We utilise a third-party data vendor to independently classify companies according to the following table.

Assessment	Definition
Fail	Violating one or more of the ten UNGC principles
Watch List	Close to violating one or more of the ten UNGC principles
Pass	Not violating the ten UNGC principles

Subsequently, we conduct engagement with companies labelled as "Fail" and will continue to monitor companies labelled as "Watch List" when making investment decisions for both existing and new holdings.

4.4 BUSINESS ETHICS & GOVERNANCE

Eastspring Investments acknowledges the importance of business ethics in ensuring that investee companies' operations are conducted with integrity. As such, we expect investee companies to uphold a high level of ethical business conduct in their corporate behaviour, and we expect this to be led from the most senior levels of the organisation. Where controversies in business ethics are identified in companies in directly-held portfolios, investment teams monitor the issue and nominate companies for engagement to support remediation.

Implementation Strategy

We rely on company reports, market intelligence, news agencies, or other third-party research to identify companies that may have outstanding or new controversies in business ethics. Such controversies in business ethics include but are not limited to fraud, executive misconduct, corruption scandals, money laundering, anti-trust violations, or insider trading. Where engagement yields no improvement, we may choose to escalate our active ownership response.

[1] The Universal Declaration of Human Rights sets the international standard on human rights; the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights codify this standard; all three documents constitute the International Bill of Human Rights.

5. ESG integration

At Eastspring Investments, investment professionals are responsible for incorporating all factors deemed to materially impact the investment decision making process. ESG integration is an essential component of our investment analysis process. We recognise that opportunities to integrate material ESG issues into investment decisions may differ across LBUs and asset classes and will adjust for flexibility where market- or asset-class specific considerations impact how a given ESG issue is considered as part of the analysis process. This may include differences in local regulatory developments and data availability. Where there may be deviations, we will adopt a 'comply or explain' approach to be detailed in the respective process documents and approved via the Sustainability Committee. The ESG integration guidelines adopted by Eastspring Investments are outlined below:

5.1 INTEGRATION GUIDELINES

1. **Focus on materiality:** The ESG landscape comprises many issues. The issues that are the subject of focus at the analysis phase are those that are assessed to have a material impact on an investment's valuation, creditworthiness, or license to operate.

   The relevance and magnitude of impact pertaining to each material ESG issue across a given investment horizon may be considered in the context of the market, sector, level of ownership, and track record of operation. Consideration of the potential impact of the issue should incorporate management's willingness and ability to mitigate material ESG risks and exploit profitable ESG opportunities on a forward-looking basis. Assessments should be monitored and periodically reviewed.

2. **Active ownership:** As active investors, assessments of the impact of material ESG issues on a particular direct holding will be monitored and periodically reviewed. Eastspring Investments may play a role in encouraging and motivating changes that improve the material ESG characteristics or mitigating material ESG risks of investments and portfolios. Please refer to **Section 6** for further detail on how we approach Active Ownership.

   In addition, we apply the following asset type specific guidelines.

Listed companies and corporates

We seek to identify, assess, and monitor material ESG risks and opportunities. Investment teams integrate ESG issues with material impact on a company's valuation, creditworthiness, and license to operate within the investment analysis, investment decision, and active monitoring of holdings. This process also considers the impact of a company's readiness to position itself positively to exploit future ESG opportunities in its specific market and sector. Through the ESG integration process, investment teams develop an informed and holistic assessment of a company's exposure to and management of ESG risks and opportunities. This includes incorporation of third party ESG data, materiality metrics, as well as company and market specific data. Notwithstanding, we are mindful of data quality issues and will factor this into our assessment of materiality. Where possible, we will monitor and engage with data providers to address data quality issues.

Quantitative strategies

ESG is incorporated within our research program, where we conduct research on alpha and risk mitigation signals, including those related to material ESG issues, using available current and historical data. We look to identify and validate ESG factors that constitute credible ESG thematic signals, improve the returns of our strategies, and may mitigate risk in our strategies. We aim to continuously enhance our data-driven approaches over time to strengthen our ESG signal research as part of our ongoing research program.

Private assets

ESG factors are assessed during due diligence while considering any prospective investment and at each stage of the investment process, from origination to exit. It is the fiduciary duty of the alternative asset investment team to seek to maximise returns on investments, and ESG factors are intrinsic to that objective. To ensure the integration of ESG issues in the pre-investment phase, an appropriate ESG rating is assigned to each prospective opportunity based on an assessment against certain criteria within a proprietary ESG Risk Assessment process. Where it is determined that a prospective investment has an excessive ESG risk, or where there is no ESG policy or there are limited procedures in place, the opportunity will be declined. The investment team engages with underlying managers to promote ESG best practice and address material ESG issues, to manage and monitor ESG risks in the post-investment phase and until exit.

Sub-delegated Managers

In cases where Eastspring sub-contracts the management of assets to third-party managers, ESG due diligence is performed on the manager's ESG credentials. This includes an assessment of the manager's Responsible Investment Policies, practices, alignment to industry and/or market best practice Responsible Investment standards as well as alignment to Eastspring's RI Policy.

5.2 TOOLS AND RESOURCES

We utilise internal and external resources to assist in the analysis of material ESG issues which are incorporated into decision making and engagement activities. As part of the ongoing evolution of our approach, we continue to assess external sources of information to ensure our approach has the appropriate tools to aid in applying our best judgment. Investment teams may also consider other resources as research including, but not limited to, a company's own data, other sell side research, public databases, and proprietary tools. In addition, LBUs may make use of market-specific data providers that might provide a more comprehensive coverage of local data.

6. Active ownership

Our responsible investment approach is deeply aligned with active ownership activities for risk mitigation and value creation over the long term. As active owners, we leverage on our market expertise to foster long-term, collaborative relationships with directly-held investee companies to deepen collective understanding and tackle material issues including ESG risks and opportunities. As such, we consider engagement and proxy voting as key drivers of active ownership. Integral to the investment process, the responsibility of engagement and proxy voting is often led by our investment teams. Where engagement overlaps with our Thematic ESG Considerations, as detailed in **Section 4**, these may be performed collaboratively or in conjunction with the Thematic Engagement Programme.

6.1 ENGAGEMENT

Company engagements

Engagement with investee companies is core to our active ownership responsibilities. We aim to encourage business and management practices that support positive enhancement of material ESG traits or mitigation of material ESG risks across our holdings through constructive engagement based on our in-depth knowledge of our investments in the context of their business environment.

Our investment teams evaluate material ESG risks, which may differ across companies, sectors, and asset classes. The level of engagement will therefore vary based on materiality, the size of investment, and the nature of the risks themselves. As long-term investors, we adopt a patient timeframe, as we believe that this can improve the probability of achieving value-added outcomes.

Engagement can be for a variety of purposes. These can be a fact-finding exercise or in response to specific ESG controversies. By better understanding an issuer's approach to material ESG risks and opportunities, we can incorporate these insights to create a holistic view of a company's investment profile.

Engagement can also be undertaken to encourage improvements within an issuer itself. Our process incorporates a range of milestones reflecting time-bound expectations regarding acknowledgement of issues, strategy development, implementation, as well as reporting and disclosures. The purpose of these engagements, which are long-term in nature, is to ensure that the issuer understands and manages material ESG risks in a suitable way and to a timeframe that meets our expectations, ultimately improving its valuation. Where appropriate, we will work with issuers to address material ESG risks, acknowledging a company management's speciality knowledge in their field.

Thematic engagement

As active owners, our Thematic Engagement programme serves as a platform to express our expectations on material ESG themes outlined in **Section 4** to targeted investee companies. The programme objectives are based on our judgment on materiality to investment portfolios managed on behalf of clients. For each identified material ESG theme, engagement under the Thematic Engagement Programme follows a six-step process.



An annual assessment of the Thematic Engagement programme is conducted, and findings will be shared in our Annual RI Report.

Collaborative engagement
We believe that collaboration among investors is an effective way to address ESG issues and maximise investor influence. We are active members of collaborative organisations. 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. We collaborate via member organisations including:

- Asia Investor Group on Climate Change ("AIGCC") Asia Utilities Engagement Programme
- Climate Action 100+ Collaborative Engagement Programme
- United Nations-supported Principles for Responsible Investment ("PRI") SPRING stewardship initiative for nature

6.2 ENGAGEMENT ESCALATION

Judgement is applied in all engagements and the strategy for escalation will be determined on a case-by-case basis due to each having unique circumstances. We do not apply a prescriptive or mechanistic approach to engagement escalation. The following are typical engagement escalation measures we may choose to employ for our direct holdings.

- **Direct dialogue with management:** We may highlight our concerns around the company's progress in direct dialogues with appropriate management representatives or non-executive directors. By leveraging on our ongoing communication channels, we seek to foster understanding and collaboration in addressing key concerns.
- **Collaborative engagement:** We may express our concerns to company management collectively with other investors, as part of a collaborative engagement exercise. By harnessing a collective voice with fellow investors, we seek to maximise investor influence to amplify concerns.
- **Proxy voting:** By exercising our votes, we seek both to add value and to protect our interests as shareholders. This may include voting against management-supported resolutions, supporting shareholder resolutions, or voting against or withholding votes in relation to director re-elections. Please refer to **Section 6.3** for guidance on circumstances where we vote against management.
- **Shareholder resolutions:** We may signal our concerns to investee companies by submitting shareholder resolutions on specific issues where we believe engagement has failed, subject to the circumstances of the issue.
- **Divestment as last resort:** We may choose to exit from the investment as a last resort, where there is evidence to suggest that identified material risks sufficiently impact our conviction, and where we believe engagement is likely to fail. By exercising an exit as a last resort, we seek to uphold accountability and protect our clients' interests as investors.

6.3 PROXY VOTING

Exercising our voting rights for all equities for which our clients have given us voting authority, subject to barriers in certain markets is an integral part of our direct equity investment philosophy and forms a core part of our approach to active ownership.

As a starting point, we are supportive of the boards and management of the companies in which we invest. However, when companies consistently fail to achieve our reasonable expectations, we will consider actively promoting changes via proxy voting. By exercising our votes, we seek both to add value and to protect our clients' interests as shareholders. The proxy voting process, including the governance, approvals, and execution of proxy voting, is the responsibility of each equity investment team.

Principles-based approach

Eastspring Investments follows a principles-based approach, where all votes we exercise are considered in the context of the guidelines set out below. We consider the issues, meet with company leadership if necessary and applicable to the investment strategy, and vote accordingly. Where possible, we would seek to discuss any contentious resolutions with investee companies before casting our votes to ensure that our objectives are understood and that our votes are cast in the best interests of our clients. We may decide to not vote proxies or abstain from voting in limited circumstances where the costs are prohibitive or would not serve our clients' interests.

Proxy advisor and guidelines

To aid the process of making proxy voting decisions we have internal processes and may use a proxy advisor. Specific policies and advice from the proxy advisor are not applied mechanically. We will apply our judgment and decide how to vote each resolution on its merits in the context of our guidelines.

- **Director elections:** Directors standing for election and re-election will be considered in conjunction with proxy advice. In general, we will support directors of good standing that are additive to elements of a high-quality board of directors, based on the relevance and calibre of their skills and industry or specialised experience, contribution to group diversity, and independence of both management and external audit functions.

- **Executive remuneration:** The process by which the senior executives of an investee company are motivated to perform is important for investor outcomes. In general, we will support remuneration practices of a quantum we consider reasonable in consideration of a company's operating market, business size, and complexity. We prefer remuneration to be aligned to shareholder outcomes, including financial outcomes, over the short and long term. Provisions that claw back payments in the event of poor behaviours or unsustainable practises are encouraged. In addition, incentives for environmental and social outcomes aligned to company objectives are also encouraged. All other things being equal, we support annual votes on remuneration practices.

- **Other remuneration:** Appropriate levels of non-executive director remuneration will likely be supported on the conditions that it does not affect the independence of these directors from executive management, and it does not unduly entrench the directors on the board. Employee share schemes are generally supported to encourage staff to behave like owners, however shareholder dilution will also be considered.

- **Anti-takeover measures:** Devices such as Pre-emptive Rights and Poison Pills are likely to be voted against, if deemed to be not in the interests of minority shareholders.

- **Corporate Actions:** Votes on events such as capital issuance, mergers and acquisitions, de-mergers, and buy backs will be considered on a case-by-case basis and voted in the best interest of Eastspring's investors.

- **Auditor appointments:** The retention of quality, independent external auditors is an important protection for shareholders. Eastspring Investments will likely support auditors that have the size, geographic, and industry experience commensurate with that of the company, and where independence from management can be demonstrated.

- **Agenda items:** Any item that offers a broad scope of interpretation, including "Other Matters" or "Any Other Business" will be voted against. Administrative items such as acceptance of accounts and changes of name, changes to articles or constitutions, along with all other resolutions, will be considered on their merits and taking the interests of Eastspring's investors into account.

- **Board Diversity:** Board diversity in terms of skills, experience, knowledge, and gender, among others, are important considerations that contribute to sustaining a well-functioning company. We will generally vote in encouragement of a diverse board, in terms of skills and gender representation, given the increased representation of skilled men and women in the workforce globally, with the ultimate lens of bringing long-term value to the company. Our voting will take local market regulations and practices into consideration.

- **Climate change and climate transition:** We recognise the importance of promoting a transition towards mitigating, and adapting to, the impacts of Climate Change in a manner that is practical, inclusive and just. We will generally vote in encouragement of companies making credible, action-based progress towards climate transition. We vote in consideration of market development, the importance of access to energy and recognising that specific sectors will require time and continued access to finance to transition and adapt to a Paris-Aligned and climate changed world. Given the complexity of the climate transition, we evaluate climate-related votes on a case-by-case basis.

Conflicts

From time to time, proxy voting proposals may raise conflicts between the interests of our clients and the interests of Eastspring Investments and its employees. We must take clear steps and demonstrate that those steps resulted in a decision to vote the proxies in the clients' best interest. The following details scenarios where conflicts of interest may arise.

- Proxy votes regarding non-routine matters are solicited by an issuer that has an institutional separate account relationship with the Firm;
- A proponent of a proxy proposal has a meaningful business relationship with the Firm;
- The Firm has business relationships with participants in proxy contests, corporate directors, or director candidates;
- Employee(s) responsible for voting has a personal interest in the outcome of a particular matter before shareholders, e.g., through stock ownership, having a spouse working at the Company, etc.; or
- Employee(s) responsible for voting has a meaningful business or personal relationship with participants in proxy contests, corporate directors, or director candidates.

Application of guidelines or voting in accordance with the proxy advisor recommendation should, in most cases, address any possible conflicts of interest. Where possible conflicts of interest remain, they will be escalated in accordance with the Prudential Group Policy on Conflict of Interest and local conflicts of interest handling procedures for resolution. In certain client arrangements, we may be required to disclose or consult with the client on resolving conflicts arising from the voting of proxies.

6.4 STEWARDSHIP CODES

We support the application of Stewardship Codes in markets where we operate. Where we align with the Stewardship Codes in the markets in which we operate, where applicable, we have developed responses to inform how we fulfil our stewardship responsibilities in respect of a particular Stewardship Code. Our response to the Japan Stewardship Code can be found in Appendix A2 and our Stewardship Statement for the Malaysian Code for Institutional Investors can be found on Eastspring Malaysia's Sustainability webpage.

1. Singapore Stewardship Principles
2. Japan Stewardship Code
3. Malaysian Code for Institutional Investors
4. Taiwan Stewardship Principles
5. Thailand Investment Governance Code for Institutional Investors

6.5 ENGAGEMENT AND VOTING RECORDS

Eastspring's proxy voting records are made public on an annual basis. We may also report select Engagement case studies which demonstrate our process in action and how we execute our fiduciary duty within our Annual RI Report.

7. Exclusions Policy

We acknowledge that certain businesses and their activities are of detriment to the communities and wider society that they operate in. We deem investments into these companies as incompatible with our RI Policy.

7.1 SCOPE

Specific to exclusions, all exclusions outlined in this section will apply to all Prudential non-Investment Linked Policy ("non-ILP") active and passive (beta and enhanced indexing) segregated mandates, Prudential Investment Linked Policy ("ILP") segregated mandates that are classified as Responsible Investment mandates and active fundamental SICAVs registered under Article 8 or Article 9 of the SFDR. For private assets that we manage on behalf of Prudential, all exclusions outlined in this section will apply, in addition to exclusions on direct private investments to companies/ projects that are involved in new coal assets and oil & gas fields.

The exclusions on tobacco and controversial weapons detailed in this section will apply to active fundamental investment vehicles under the direct control of Eastspring Investments, including comingled investment vehicles such as Unit Trusts and SICAVs. The exclusions on tobacco and controversial weapons will also apply to Eastspring sub-delegated investment vehicles.

In addition, this policy does not apply to the following investment vehicles under the direct control of Eastspring Investments:

- Funds that are managed fully by third party managers and that are not managed on Eastspring's platform[2], for example Eastspring third-party "wrapper" funds;
- Passive (Beta) and index enhanced strategies where it is imprudent to diverge from a broad market benchmark;
- Indirect or look-through market exposures, such as external third-party funds, ETFs, Derivative and Money Market funds. In the case where these exposures form a component of a broader mandate where ESG exclusions are eligible for application, only the external third-party funds, ETFs, Derivative and Money Market fund component will be exempt from ESG exclusions;
- Segregated institutional mandates. ESG exclusions to be governed as agreed between the Client and Eastspring;
- Private funds where Eastspring's investment forms an LP agreement where Eastspring is one of many LPs. These funds will apply exclusions in line with their own GP Agreement.

Exclusions detailed in this section are in addition to exclusions required by law and as outlined in the Prudential Group Anti-Money Laundering & Sanctions Policy.

7.2 TYPES OF EXCLUSIONS

Controversial weapons

Eastspring Investments deems companies with a verified involvement in cluster munitions, anti-personnel mines, biological weapons, chemical weapons, and nuclear weapons outside of the UN Treaty on the Non-Proliferation of Nuclear Weapons ("NPT") as companies to be excluded for controversial weapons.

We identify and exclude these companies in accordance with definitions set by international conventions and treaties. To ensure this alignment, we utilise independent third-party data for identifying companies for exclusion.

[2] This exception does not apply to funds where Eastspring has an advisory relationship, such as funds jointly managed and advised between EI LBUs and with EI JV entities like Icici-Pru and Citic-Pru, and third-party funds which are directly managed on Eastspring's platform.

The following details our exclusions and their alignment to international standards and policies:

Category	Conventions / Treaties
Cluster Munitions	The Convention on Cluster Munitions ("Oslo Treaty")
Anti-Personnel Mines	UN Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction 1997 ("Ottawa Convention")
Biological Weapons	UN Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction
Chemical Weapons	UN Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction
Nuclear Weapons Non-NPT	UN Treaty on the Non-Proliferation of Nuclear Weapons ("NPT")

Tobacco

We acknowledge the detrimental effects that tobacco has on the health of consumers. Globally, tobacco use is responsible for over five million deaths each year, making it the largest cause of preventable death in the world. We identify and exclude companies that are classified under the Tobacco Sub-Industry by Global Industry Classification Methodology ("GICS"). This includes manufacturers of cigarettes and other tobacco products. We utilise independent third-party data in combination with GICS classification for identifying companies for exclusions.

Thermal coal

We deem companies that are significantly involved in the production of and energy generation from thermal coal as exhibiting excessive climate risk to our portfolios unless they have credible transition plans. We identify and exclude companies that derive greater than 30% of their revenues from coal mining and/or electricity generated from thermal coal. We utilise independent third-party data on company coal emissions and revenues.

We also recognise the importance of coordinated efforts as we transition towards a net-zero world in a manner that is inclusive and just. A just transition includes consideration of emerging markets and their earlier stage of development, as well as the importance of access to energy for the populations of these regions. Companies and entire industries will require time and financing to transition towards cleaner energy alternatives. Therefore, appeals for exemptions will be considered when an issuer meets or demonstrates credible progress towards meeting the following criteria, with requisite documentation, and presented in accordance with **Section 7.3**.

Criterion		Documentation
Labelled bonds	An investee company issues a debt instrument that finances its decarbonisation targets and is certified by a globally recognised standard. This includes green, sustainability, transition bonds, among other labelled bonds.	Produce documentation that funding provided by the debt instrument solely funds sustainable alternatives.
Progress towards alignment to industry frameworks: **(i) Nationally-Determined Contributions ("NDCs") under the Paris Agreement; or** **(ii) 1.5°C emission pathway under the Intergovernmental Panel on Climate Change ("IPCC"); or** **(iii) Science Based Targets initiative ("SBTi")**	An investee company establishes publicly disclosed commitments that contribute to a transition plan demonstrating that they are making progress toward or are consistent with or better than the issuer country's NDCs, the 1.5°C emission pathway as defined by IPCC, or SBTi.	Produce documentation of the investee company's publicly disclosed commitments that demonstrate that they are making progress towards or are consistent with or better than the issuer country's NDCs, the 1.5°C emission pathway as defined by IPCC, or SBTi.
Alignment to best practice guidelines	An investee company aligns with best practices by demonstrating alignment to transition plan and credibility in enacting transition plan.	Produce documentation that the investee company demonstrates alignment to transition plan and credibility in enacting transition plan.

7.3 EXEMPTIONS

Appeals for exemptions, including those where the independent third-party data can be shown to be inaccurate, will be made to the Sustainability Committee for consideration. Portfolio managers will provide requisite documentation detailed in **Section 7.2** for appeals to be considered. All appeals for exemptions will be documented internally, and successful appeals will be disclosed annually. Reviews on exemptions are conducted on an annual basis.

Engagement plays an essential role in upholding accountability and ensuring policy-aligned behaviour in exempted companies. Where exemptions have been granted, where relevant, engagement with clearly defined goals will be set in agreement with the Sustainability Committee and undertaken by portfolio managers in collaboration with the Sustainability team where required, accordingly. Outcomes will be taken into consideration during reviews on exemptions.

8. Transparency and Reporting

We strive for transparency to clients and other interested stakeholders in our implementation of this policy. In addition to our annual reporting to the PRI, we will publish an annual Responsible Investment report, comprising all other updates. All publicly available information can be found on Eastspring's website.

9. Memberships and Affiliations

Organisations

1. Asia Investor Group on Climate Change
2. Climate Action 100+
3. United Nations-supported Principles for Responsible Investment
4. Institutional Investors Council Malaysia (IICM)[3]

Initiatives

1. AIGCC Utilities collective engagement programme
2. AIGCC Just Transition Working Group
3. Climate Action 100+ Collaborative Engagement programmes for target companies
4. PRI Nature Stewardship Advisory Committee

[3] This membership pertains only to Eastspring Investments Malaysia.

Appendix A1:

Eastspring Investments (Singapore) Ltd response to MAS Environmental Risk Management ("EnRM") Guidelines, applicable to our Eastspring operations in Singapore.

Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. We recognise that environmental risk has the potential to financially impact our funds and mandates through physical and transition risk channels. We acknowledge our fiduciary duty to investors to put in place appropriate risk management to ensure that material environmental risks in discretionary funds or mandates are identified, assessed, monitored, and managed.

We work in tandem with our clients and stakeholders to understand their requirements and ensure that our approach to environmental risk is considered, managed, and disclosed accordingly. This could include product disclosures and customised reporting, in line with regulatory guidelines and client requirements.

We monitor developments in industry best practices, regulatory requirements, and third-party vendor data availability as we commit to an ongoing and long-term process of improving our approach to managing environmental risk.

Consistent with the investment approach, the investment teams monitor financially material Environmental, Social, and Governance ("ESG") factors as part of the research, portfolio construction, and ongoing portfolio risk review processes. Investment teams utilise desktop tools, combining a range of ESG data sources and frameworks, to monitor for changes that may impact the portfolio and apply judgement in assessing the portfolio. Where applicable, company engagement is also used to monitor for progress and to promote sustainable business practices. The investment risk function utilises the same desktop tools and aligns with the investment teams' approach to monitor portfolio and aggregate-level ESG risk exposures.

The investment risk function incorporates qualitative and quantitative measures and approaches in the monitoring of ESG factor exposures in portfolios and has in place risk oversight forums to support dialogues with investment teams on ESG risk exposures and factors, as well as governance processes to periodically report ESG exposures to management forums.

Various desktop tools, third-party vendor data, and frameworks are used, where available and relevant, to identify and monitor material ESG issues and metrics. Third-party vendor data informs our exclusions and proxy voting activities, as described in corresponding policies. Where data is limited, incomplete, or deemed inaccurate, investment teams use their judgment and qualitative knowledge of the company and sector to estimate impact of material environmental risks on the business. We continuously look to monitor and report metrics and targets in line with clients' expectations, and regulatory or industry developments.

Effective Date: June 2022

Appendix A2:

Eastspring Investments (Singapore) Limited accepts the "Principles for Responsible Institutional Investors (Japan's Stewardship Code)" regarding our management of Japanese equities.

A second revision of Japan's Stewardship Code ("the Code") was drafted by the Financial Services Agency in March 2020 as a guide for institutional investors to "promote sustainable growth of investee companies and enhance the medium- and long-term investment return for clients and beneficiaries". The Financial Services Agency explains the Code as follows.

> In this Code, "stewardship responsibilities" refer to the responsibilities of institutional investors to enhance the medium- to long-term investment returns for their clients and beneficiaries (including ultimate beneficiaries; the same shall apply hereafter) by improving and fostering the investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment and consideration of sustainability (medium- to long-term sustainability including ESG factors) consistent with their investment management strategies. This Code defines principles considered to be helpful for institutional investors who behave as responsible institutional investors in fulfilling their stewardship responsibilities with due regard both to their clients and beneficiaries and to investee companies. By fulfilling their stewardship responsibilities properly in line with this Code, institutional investors will also be able to contribute to the growth of the economy as a whole[4].

Eastspring Investments' primary responsibility is to fulfil our fiduciary duty to our clients and beneficiaries and in respect to this, we accept the Code.

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, through voting on resolutions at general meetings, and by maintaining a continuing dialogue with company management.

We adopt a value approach to investment, where all portfolios are managed consistently around a single investment philosophy and a common research platform. Our approach is research intensive. It requires a detailed understanding of the fundamentals of each investee company to determine the sustainable earnings of the business.

Policies on the Stewardship Code

The following are the seven principles of the Code, including our policy on how we fulfil stewardship responsibilities.

1. **Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities and publicly disclose it.**
   We invest significant effort into conducting a thorough qualitative due diligence on each investee company. As part of stewardship activities, we focus on company analysis, ongoing engagement, and exercising of voting rights based on publicly available information.

2. **Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.**
   Eastspring Investments has established appropriate risk management and compliance frameworks to ensure that the interests of clients and beneficiaries are the highest priority and if conflicts of interest arise, they are appropriately managed.

3. **Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.**
   Eastspring Investments invests significant effort into conducting a thorough, qualitative due diligence on each

Source: [4] Financial Services Agency, Japan.

investee company. We conduct meetings with company management in order to understand how companies are using their capital and conducting their business. We may engage company management around matters concerning improving sustainable shareholder returns and matters that present a potential material risk to a company's financial performance, including Environmental, Social, and Governance issues.

4. **Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies. Companies should have as their objective the maximisation of shareholder wealth. Shareholders, as providers of equity capital, are the ultimate owners of companies.**
Eastspring Investments seeks to promote an objective of maximising shareholder wealth for its clients by pursuing an active investment policy through portfolio management decisions, through voting on resolutions at general meetings and by maintaining a continuing dialogue with company management. Integral to our approach is the active engagement of companies to promote shareholder value. Where appropriate, we will play an active role in seeking to effect changes to maximise shareholder value. From time to time, we may participate in collaborative engagement initiatives where we believe it to be in our clients' best interests to do so.

   Upon formal request of investee companies domiciled in Japan, for which we hold equity shares in our portfolio, we are able to provide information on the aggregate number of shares held across Eastspring funds of the requestor-company as at the last day of December of the prior calendar year. This information will be provided no earlier than 30 days after the last day of December of the prior calendar year, upon request. Release of such information is also subject to local regulatory and compliance processes.

5. **Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.**
Eastspring Investments follows a principles-based approach. All votes we exercise are considered in the context of the principles as set out in this policy. 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.
An active and informed voting policy is an integral part of our investment philosophy. Voting should never be divorced from the underlying investment activity. By exercising our votes, we seek both to add value and to protect our interests as shareholders. We consider the issues, meet the management if necessary and vote accordingly. We would always seek to discuss any contentious resolutions before casting our votes in order to ensure that our objectives are understood, and our votes will be cast in the best interests of our clients.

   To aid the process of making proxy voting decisions we use a proxy advisor. We review, from time to time, the policies and guidelines of the proxy advisor to understand the nature of their recommendations and test their compatibility with our requirements. However, specific policies and advice from the proxy advisor are not applied mechanically. We always apply our judgment and decide how to vote each resolution on its merits in the context of the principles of our proxy policy. Proxy voting results are made publicly available. To find out more about our approach, please refer to **Section 6.3** of our Eastspring Investments Group RI Policy.

6. **Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.**
Eastspring Investments considers the exercise of proxy voting rights as well as engagement with investee companies to be an important means of fulfilling our stewardship responsibilities. In meeting our clients' expectations, an ongoing dialogue with our clients builds their understanding of how our investment process is aligned with fulfilling our stewardship responsibilities. Proxy voting results are made publicly available. To find out more about our approach, please refer to **Section 6.5** of our Eastspring Investments Group RI Policy.

7. **To contribute positively to the sustainable growth of investee companies, institutional investors should develop the skills and resources needed to appropriately engage with the companies and to**

make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Our approach is aligned with promoting increased long-term value creation and sustainable business practices by companies. We place a high level of importance on an ongoing dialogue with investee companies, primarily based on what we believe will maximise shareholder value as long-term investors. As a signatory of the PRI, we disclose examples of our stewardship activities, engagement case studies, and proxy voting record through the PRI Transparency Report.

8. Service providers for institutional investors should endeavour to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfil their stewardship responsibilities.

We utilise internal and external resources to assist in the analysis of material issues which are incorporated into decision making and engagement activities. As part of the ongoing evolution of our approach, we continue to assess external sources of information to ensure our approach has the appropriate tools to aid in applying our best judgment.

Effective Date: July 2020