



EASTSPRING INVESTMENTS ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE STANDARDS

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INTRODUCTION

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.

We apply a holistic approach by incorporating material risks, including ESG issues, as part of our investment decision making processes.

Standards inform each investment team response via specific policy development. Investment teams have developed, or are in the process of developing Policies, that formalise their specific approach to ESG issues, and are explicitly integrated into investment 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.

By taking ESG issues into account, we can meet our clients' financial expectations, serve their other long term interests, and meet the expectations of society.

RESPONSIBLE INVESTMENT

At Eastspring 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 processes and in the way we conduct stewardship activities.

In our role as a steward of clients' assets we maintain a dialogue with the entities in which we invest, where this is feasible. In this dialogue, we address relevant ESG issues, to ensure they are understood and managed appropriately. The goal of our proxy voting policy and decisions is to protect our clients' interests and to reflect our belief that sustainability and ESG issues can be material to us as an investor and significant for society as a whole. Our engagement includes encouraging companies to disclose relevant ESG information to investors and other stakeholders.

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 maximise shareholder value. 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.

ESG INTEGRATION

Each of our investment teams has its own approach to integrating ESG matters, which is dependent 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 formalise their specific approach to ESG issues, and are explicitly integrated into investment processes.

All investment professionals are responsible for incorporating all factors deemed to impact the investment decision making process. As part of this, investment teams are responsible for the integration of ESG issues into the investment process, rather than outsourcing this responsibility to dedicated ESG or stewardship specialists.

INTERNATIONAL STANDARDS OF BUSINESS CONDUCT

As a responsible company, Eastspring Investments expects the entities in which we invest to operate according to internationally recognised standards of business conduct, which includes ESG issues.

CLIMATE CHANGE

Climate change is a sustainability challenge facing us all. 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. Accordingly, we seek to consider material risks in our decision making processes – including current and potential regulatory changes, physical impacts, and technology developments relating to climate change.

MARKET WIDE ENGAGEMENT

As an active and responsible market participant, we seek to encourage and influence market-wide standards and regulation in ways that promote high standards of practice on ESG issues by entities in which we invest.

COLLABORATION

We believe that collaboration among investors is an effective way to address ESG issues and maximise investor influence. It helps to ensure consistency in the messages that companies, regulators, and others receive from investors. We therefore take part in relevant collaborative initiatives and lead such activities where appropriate.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

To demonstrate our commitment to responsible investment, Eastspring Investments is a signatory to the PRI. We encourage participants in the investment industry with which we interact to accept and implement the Principles.

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 and other updates.

RESPONSIBLE INVESTMENT FRAMEWORK AND GOVERNANCE STRUCTURE

At Eastspring, we have wide-ranging investment expertise and diverse investment approaches – and so work under the premise that there is not a single, universal approach to Responsible Investment.

All investment teams are informed by our Responsible Investment Standards, including ESG, Stewardship, Proxy Voting, and Best Execution. Each asset class and investment strategy has its own unique characteristics, and investment teams are empowered to own their approach to ESG integration and engagement. All investment professionals are responsible for incorporating all factors deemed to impact the investment decision making process. Portfolio characteristics, including ESG characteristics, are monitored using an online desktop tool.

Supporting each of these approaches is an overarching Responsible Investment Framework and Governance Structure, which informs our Responsible Investment Standards and associated policies.

The Eastspring Executive Management Committee (EMC) drives and oversees the day-to-day operation of the firm globally. Eastspring Investments Sustainability Steering Committee, chaired by the Chief Executive Officer, Eastspring Investments Group, is designated responsibility by the Board of Directors of Eastspring Investments (Singapore) Group Pte Limited to oversee Sustainability and Responsible Investment activities. It oversees four Sustainability workstreams, comprising of cross-functional

representation across our business, that collaborate to build capacity, make progress in priority areas, and facilitate ongoing continuous improvement towards our own Sustainability ambitions.

The Eastspring Responsible Investment Working Group (ERIWG) comprises of representatives across Eastspring Investments Local Business Units (LBUs). It assists in implementing our Responsible Investment Framework. In turn, locally-represented Responsible Investment Committees are formed, as needed, to discuss practical and operational issues encountered in the application of the investment teams' policies.

We are committed to an ongoing and long term process of improving our approach to integrating ESG into our investment processes. Our policies will evolve over time to reflect changes in business practices, structures, technology, and the law.

ALIGNMENT WITH REGULATORY REQUIREMENTS IN JURISDICTIONS THAT WE OPERATE

Eastspring monitors for and actively participates in the ongoing regulatory developments in the jurisdictions we operate. Eastspring has governance structures and frameworks in place that interprets regulatory requirements and informs our operational response to sustainability in our businesses. (See Appendix 1 for our response to regulatory guidelines for Singapore).

APPENDIX 1

Eastspring Investments (Singapore) Ltd response to MAS Environmental Risk Management (ERM) 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, including our asset-owner parent Prudential Group and third-party clients, 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.

Where appropriate, we may take guidance from or leverage on Prudential Group's environmental risk management governance structure, framework, policies, and disclosures. 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.