



STATEMENT OF COMPLIANCE MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS

As a responsible investment manager, both Maybank Asset Management Sdn Bhd (MAM) and Maybank Islamic Asset Management Sdn Bhd (MIAM) place Environmental, Social, and Governance (ESG) principles and sustainable investing at the core of our operations. Our dedication to these principles is underscored by our status as signatories to the Malaysian Code for Institutional Investors (MCII).

By committing to the MCII, we demonstrate our adherence to best practices in institutional investing, which includes a focus on long-term sustainability and the integration of ESG factors into our investment strategies. This commitment is reflected in our rigorous approach to evaluating and selecting investments, aimed at achieving both superior financial returns and positive social and environmental outcomes.

PRINCIPLE 1: DISCLOSING POLICIES ON STEWARDSHIP

Institutional investors should disclose the policies on their stewardship responsibilities

We are mindful of the importance of stewardship in carrying out fiduciary duties. Exercising our stewardship responsibilities is an integral part of Maybank Asset Management Group (MAMG) investment policy. The policy which is reviewed annually alongside with our internal Standard Operating Procedure for investments, sets out approaches to be adopted on activities amongst others, proxy voting, engagement with investee companies (direct & collaborative engagements) & collaboration with other investment managers and institutional investors.

PRINCIPLE 2: MONITORING INVESTEE COMPANIES

Institutional investors should monitor their investee companies.

We monitor investee companies to ensure that they act in the best interest of shareholders. We utilise a number of resources to form bases of our monitoring process which include company disclosures such as annual and interim reports, brokers' reports – when concerns are raised in their analysis, collaborative engagements with other institutional shareholders via the Institutional Investors Council (IIC), external corporate governance network, and market updates. Qualitative as well as quantitative analysis based on our proprietary screening methodology is carried out by our analysts. The outcomes of these and supported by our engagement efforts, are communicated to portfolio managers, enabling them to incorporate this information into their investment decisions. The followings are, but not confined to, included in the analysts' reports:

- a) Financial performance
- b) Companies' strategies
- c) Use of Capital
- d) Risk management issues and challenges
- e) Industry specific drivers
- f) Sustainability strategy
- g) Issue structures (for Bonds/Sukuks)
- h) Governance i.e. Related party transactions
- i) Leadership i.e. key management and the Board of Directors

PRINCIPLE 3: ENGAGING INVESTEE COMPANIES

Institutional investors should engage with investee companies as appropriate and collaborate with other investors to enhance engagement outcomes.

We approach engagements with investee companies either directly or through collaboration with other institutional shareholders and/or consortium. We believe that an open dialogue with the senior management and board members is more constructive, effective and helpful, with the eventual outcome learning more about investee companies. Our engagement with the investee companies would be wide-ranging but more importantly on sustainability initiatives, such as raising awareness in the areas of ESG/Sustainability such as environmental, worker welfare issues, social contributions and encourage them to strengthen disclosures on corporate sustainability initiatives i.e. GHG emissions protocol, DEI principles, CSR programs.

PRINCIPLE 4: MANAGING CONFLICTS OF INTEREST

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

As part of a larger financial group in ASEAN, Malayan Banking Berhad (Maybank Group), we adhere to a cogent and robust structure where potential conflicts of interests are appropriately managed. We have in place policies to manage and deter conflict of interests. Additionally, we prescribe to a process for dealing with complaints from clients as well as allegations, issues or problems related to any improprieties. Complaints' channel is handled by our clients' services department and accessible on our website.

List of related policies which have been adopted including but not limited to, are as follows:

- a) Anti-Bribery & Corruption Policy
- b) Fit and Proper Policy for Appointment of Directors
- c) Code of Ethics and Conduct Policy
- d) Policy of Conflict of Interest
- e) Related Party Transaction Policy
- f) Reserved Matters Policy
- g) Policy on Managing Sensitive Information and Material Non-Public Information
- h) Policy on Fair Allocation and Best Execution
- i) Outsourcing Policy
- j) Whistleblowing Policy
- k) Policy on Personal Trading

PRINCIPLE 5: INCORPORATING SUSTAINABILITY CONSIDERATIONS

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

Our approach towards incorporating ESG considerations in the investment process is stipulated in MAMG investment policy and ESG risk framework. ESG approach has been elaborated to be aligned with the Maybank Group ESG and sustainable initiatives, and to adhere to the our ESG risk management framework. We recognise the importance of integrating sustainability considerations into our investment decisions. Our decisions are premised on information disclosure by investee companies to our analysts and fund

managers, and not only those connected to overall business, financial performance but also data on sustainability initiatives. Outcomes of our engagement efforts are communicated to the investment team, enabling them to incorporate this information into their investment decisions. We utilise internal and external resources to assist in the ESG analysis. We also subscribe to third-party data service providers i.e. *Sustainalytics* for information and corporate screening

PRINCIPLE 6: Publishing Corporate Governance Policy and Voting Guidelines

Institutional investors should publicly disclose their corporate governance policy and voting guidelines

We are cognizant of our fiduciary duty to act in the best interest of our clients. As a general principle, we abstain from voting except for situations that are significant where the decisions may affect minority interests materially. MAMG investment policy provides the list of voting situations which are deemed material. The list is not exhaustive and those situations arising out of those stated in the policy will be evaluated on a case by case basis. There may be specific circumstances where the proxy voting is directed by our clients and therefore the voting will be made at the instruction of the clients.

Material agenda deemed as resolutions which are tabled at annual general meetings, extraordinary general meetings and/or other shareholders' meetings of the investee companies which affect minority shareholders' value. It also includes material ESG issues such as (i) manage environmental issues responsibly (ii) manage social issues effectively (iii) handle corporate governance issues diligently. Records of our voting decisions are kept and stored internally.

PRINCIPLE 7: Collaborative Response On Corporate Governance and Sustainability Issues

Institutional investors should collaborate where appropriate to respond to corporate governance and sustainability concerns or risks.

We have participated in collaborative engagement initiatives along with other asset managers and institutional shareholders, stakeholders and regulators. The effectiveness of any collaborative engagements with other institutional investors towards ensuring and promoting good corporate governance and sustainability practices of investee companies is the key to influence change at investee companies. We believe that an open dialogue with the senior management and board members is more constructive, effective and helpful, with the eventual outcome of clear shared understanding of the issues and addressing any concerns and risks more constructively.

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