



FULLERTON
FUND MANAGEMENT

Fullerton Fund Management
Company Ltd (“Fullerton”)
- Sustainability Policy



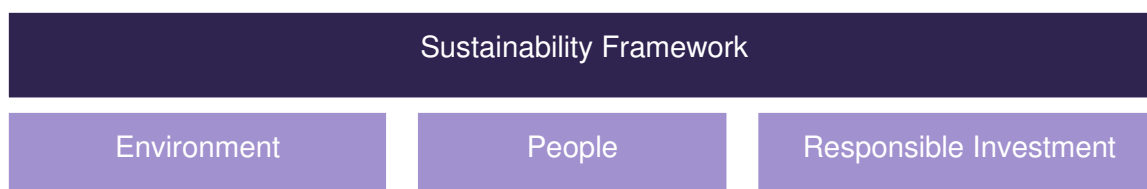
INTRODUCTION

- 1.1 This document outlines our approach to ESG integration across all our portfolios and our approach to corporate social responsibility. It is reviewed every two years or ad-hoc as needed. As a Principles for Responsible Investment (PRI) signatory, we believe that consideration of environmental, social, and governance (ESG) risks and opportunities is in line with our objectives of optimising our clients' investment outcomes and aligning portfolios to broader interests of society. We see sustainability as a long-term force for positive change in markets, countries and companies. We are convinced that considering ESG factors results in better informed investment decisions and better results for our clients.
- 1.2 We are committed to integrating ESG information into our investment processes and have a governance structure to oversee the construction and consistent implementation of these processes. Carrying out stewardship responsibilities is an integral part of Fullerton's Sustainable Investment approach and we support the Singapore Stewardship Principles. By exercising our voting rights and engaging with the companies in which we invest we aim to have a positive impact on both our investment results and on society.
- 1.3 As an organization, we also strive to operate responsibly and to reduce our adverse impact on the environment. Sustainability is a key element in Fullerton's corporate strategy and this top-level commitment is overseen by our Board and Executive Committee and implemented by the Sustainability team with inputs from the Sustainability Committee.
- 1.4 Our core values forge a clear, shared identity for all employees, which helps us execute our strategies in the best interests of our clients. Our Code of Conduct supports a culture of integrity, transparency and accountability.

2 OBJECTIVE / PURPOSE

- 2.1 This policy describes how Fullerton manages Sustainability in its investments and operations. More specifically, this document provides an overview of governance, corporate sustainability strategy, investment ESG integration, and a diverse set of policies on certain salient sustainability topics, including climate change.

KEY PILLARS OF SUSTAINABILITY



3 APPLICABILITY AND SCOPE

- 3.1 This policy applies to Fullerton Fund Management and all staff. The policy applies to all investment funds managed by Fullerton that have direct investments in companies, meaning equity or credit investments, and/or selected sovereign holdings. For segregated accounts with specific investment mandates, the extent and nature of the sustainability integration are bespoke based on the beneficial owner's needs.

Sustainability Policy

4 DEFINITIONS

- 4.1 ESG integration refers to the consideration of environmental, social and governance (ESG) factors in the investment decision process through the implementation of an ESG rating, ESG-based portfolio construction rules, engagements with portfolio companies on ESG issues and an ESG-based screening.
- 4.2. Materiality refers to the nature of an ESG-related information. An ESG information is considered material if its presence or absence in company reporting is likely to influence the decisions made by a reasonable investor. To be considered material, an ESG issue must have a potentially significant impact on the economic value of a company and, hence, on its risk- and return profile from an investment perspective.

5 ROLES AND RESPONSIBILITIES

5.1 Governance of Sustainability

The Board of Directors reviews and approves the Sustainability strategy and the Audit and Risk Committee (ARC) reviews the climate risk scenario analysis. The Executive Committee oversees the Sustainability approaches of both investment and corporate policies and processes. Both approaches are supervised by the most senior level for each scope: corporate sustainability is supervised by the Chief Executive Officer and sustainable investing is supervised by the Chief Investment Officer.

5.2 Implementation of Sustainability

The Sustainability Committee was formed with the purpose of executing Sustainability strategy and risk management and comprises of members from various departments within Fullerton. This committee is chaired by the Head of Sustainability and reports to the Executive Committee.

The Sustainability Team is responsible for Corporate and Investment Sustainability initiatives. The Head of Sustainability has dual reporting lines to CEO & CIO. The Sustainability Team works with various teams across the firm including Human Capital team, Marketing, Communications & RFP team, Operations team and staff volunteers to drive corporate sustainability initiatives. The Sustainability Team, together with the broader Investment Group, develops sustainability thematic approaches for alpha generation, embeds sustainability and climate insights into investments, and conducts ESG Engagements with investee companies on material ESG risks including but not limited to climate issues. The Sustainability Team supports sustainability knowledge sharing and thought leadership through partnerships with press and academia.

5.3 Risk Management of Sustainability

Risk and Compliance teams oversee implementation of sustainability policies by Fullerton and monitor sustainability related regulations. Risk team oversees and monitors ESG related investment risks. Internal audit assesses adequacy and effectiveness of internal controls to improve risk management control and governance.

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6 PEOPLE

6.1 Staff

At Fullerton, our employees' knowledge, engagement and commitment are essential to our work. As part of our Fullerton values, we advocate Excellence, Courage, Openness, Accountability, Integrity and Collaboration. These play a critical role in building a productive and positive work environment. Our Employee Management Framework that sets out guiding principles for recruitment and induction, incentive structures and standards of conduct. At Fullerton, we strive to create a diverse and inclusive workplace. We aim to harness the potential of our employees by developing and empowering them for their career growth in the company.

6.2 Giving back to the Community

We aim to contribute positively to the communities we operate in. Our Fullerton volunteer group polls our staff for causes that resonate with our employees and identifies local projects to sponsor and support through volunteering activities and donations. Through our 'CSR Group, we identify activities aligned to our Corporate Sustainability priorities and support these through volunteering activities, donations and other activities for the broader societal benefit.

We also expect our suppliers to carry out their business in a responsible and sustainable manner and have a Sustainable Procurement Policy to set out and monitor that their operations abide by UN Global Compact Principles.

7 ENVIRONMENT

7.1 Operational Footprint

We aim to limit our negative operational environmental footprint by setting reduction targets and offset our operational carbon footprint on an annual basis by buying carbon credit. We encourage our employees to use digital meeting solutions such as video conferencing so as to reduce the work travel. In addition, we monitor our water usage and strive to minimize and recycle as much waste as possible.

8 RESPONSIBLE INVESTMENT

8.1 Philosophy

We believe that ESG risks are material and can cause a material impact on the value of a Fund's investment. At Fullerton, we believe that ESG integration leads to better informed decision making and better long term risk-adjusted returns. Companies who manage their ESG issues better will be more sustainable businesses and sustainability is a driver of structural change. Sustainability trends such as climate change and biodiversity both affect companies and also provide new opportunities for investment. Active ownership is key to contribute to both investment and societal benefits – for more information, please refer to our Active ownership policy for more details.

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8.2 ESG Integration across Asset Classes

We systematically integrate financially material ESG issues into our investment processes. In our fundamental equity and fixed income strategies, we integrate material ESG issues into our analysis of corporates and sovereigns. In our alternative strategies, we build ESG tools and questionnaires to incorporate ESG factors in our due diligence process for review at investment committee meetings. The focus is both on risks and opportunities. We also perform climate risk scenario analysis to understand the types of holdings are most at risk to climate risk – please refer to our TCFD report for more information.