



Sustainability

MCII Compliance Statement

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RHB Asset Management “RHBAM” and its subsidiary, RHB International Islamic Asset Management “RHBIIAM” has been endorsed as a signatory to the Malaysian Code for Institutional Investors (MCII) in August 2020.

As a signatory of MCII, we partake to apply the six MCII principles to deliver long-term value to our investors.

◆ **Principle 1: Institutional investors should disclose their policies on stewardship responsibilities.**

As a responsible investor, RHBAM is committed to being transparent with its responsibilities, authority and governance, which will serve as a guideline for our business activities and conducts. Our investment process is primarily guided by a top-down investment approach, which will be integrated with relevant policies approved by the Board of Directors.

◆ **Principle 2: Institutional investors should monitor their investee companies.**

We actively monitor our investee companies in order to ensure that the best investment value will be provided to our clients. These assessments include background assessments and fundamental analysis – such as industry, business strategies, financial performance, governance and Environmental, Social, and Governance (ESG) considerations.

◆ **Principle 3: Institutional investors should engage with investee companies as appropriate.**

We actively engage with our investee companies, taking into consideration the companies’ fundamentals and overall corporate governance. This plays a big role in all our investment decisions. In terms of sustainability, our engagement includes discussions with investee companies on ESG matter to promote and raise awareness on the matter.

◆ **Principle 4: Institutional investors should adopt robust policy on managing conflicts of interest, which should be publicly disclosed.**

As a direct subsidiary of RHB Banking Group, one of the largest financial institutions in the ASEAN region, RHBAM has the necessary policies in place to manage and avoid conflicts of interest with regards to the following issues:-

- Anti Bribery & Corruption
- RHB Chinese Wall & Insider Trading
- Orderly & Fair Markets
- Conflict of Interest for Capital Markets

◆ **Principle 5: Institutional investors should incorporate corporate governance and sustainability considerations in the investment decision-making process.**

We have collectively implemented a group-wide ESG Framework through the setting up of a dedicated ESG Committee. The aim is to drive the company's ESG vision, pillars and sustainability materiality matters. With the implementation of the ESG Framework, sustainability analysis is incorporated in our investment process.

◆ **Principle 6: Institutional investors should publish a voting policy.**

We believe that it is our duty as an active investor to conduct engagement and proxy voting activities with our investee companies. This is an important component of our ESG framework and we believe that, through our actions, we can improve and encourage ESG adherence and awareness amongst our investee companies.

As part of our proxy voting activity, we will engage and deliberate on matters with regards to environmental risk with our investee companies and RHBAM will enforce its voting rights with respective companies accordingly.

◆ **Principle 7: Collaborative Response on Corporate Governance and Sustainability Issues.**

We are committed to collaborate with fellow institutional investors and other stakeholders in our engagement with investee companies to deliberate on the corporate governance and sustainability concerns including the portfolio of investee companies that poses an impact to the overall business and market as a whole.