PNB

Stewardship Report 2025



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Foreword


SUSTAINABILITY
STEWARDSHIP
LONG-TERM VALUE
A STRONGER MALAYSIA
PNB

Stewardship: Our Commitment to Long-Term Value Creation

Stewardship, at its core, is the responsible management of an entrusted obligation. For Permodalan Nasional Berhad (PNB), this responsibility is especially significant. As **managers of capital on behalf of millions of Malaysians**, we have a clear duty not only to **preserve and grow long-term value**, but to also ensure that our investments remain purposeful, resilient and governed with integrity.

2025 has reinforced the importance of stewardship in an increasingly complex operating environment. Global markets continued to be shaped by macroeconomic uncertainty, geopolitical tensions, evolving supply chains, climate-related risks and rising stakeholder expectations. Against this backdrop, it is increasingly important that the companies we invest in are fundamentally strong, well-governed and able to withstand periods of market volatility.

At PNB, **stewardship is integral to how we invest, engage and create value**. As a long-term institutional investor, we have both the opportunity and responsibility to influence positive corporate behaviour. Through our Stewardship Framework, we seek to encourage investee companies to uphold high standards of corporate governance, strengthen environmental responsibility and embed social considerations into long-term business decision-making. Our stewardship efforts are delivering results.

In 2025, we achieved Net Zero Enterprise emissions across Scope 1 and Scope 2, a landmark milestone that underscores our commitment to leading by example. Building on this achievement, we remain steadfast in advancing towards our Net Zero Portfolio 2050 ambition, thereby supporting Malaysia's transition to a green economy. Beyond environmental sustainability, strong governance remains fundamental to long-term value creation. As a responsible steward, we will continue to engage in meaningful dialogue and collective action with our stakeholders, including regulators, industry peers and investee companies, to strengthen accountability, foster transparency and support long-term performance across Corporate Malaysia.

These achievements reflect the progress we have made in strengthening our stewardship practices and reaffirm our commitment to responsible investment. In the 2026 Governance, Sustainability and Resilience Scoreboard published by Global SWF, we were **ranked the highest institution in Malaysia and fourth globally** among more than 200 sovereign investors, achieving an **overall score of 88% and a perfect score for sustainability**. We were also recognised with the ICGN Global Stewardship Disclosure Award, in **recognition of the quality and transparency of our stewardship disclosures**. These recognitions reflect the work undertaken in 2025, and we are grateful for them.



Looking ahead, our stewardship approach will continue to evolve with greater discipline and purpose. As one of Malaysia's largest institutional investors, we will continue to play our part in ensuring that our investment base remains resilient, well-governed and positioned for sustainable growth. We remain committed to upholding the trust placed in us as responsible stewards of capital, while contributing meaningfully to Malaysia's economic progress for generations to come.

Dato' Rizal Rickman Ramli
President & Group Chief Executive

Scope And Overview



Scope And Overview



This report outlines PNB's stewardship activities for the period from 1 January to 31 December 2025, highlighting how we have exercised our responsibility as long-term investors to promote good governance, corporate accountability, and sustainable value creation. It presents the outcomes of our voting, board representation, engagement, and collaboration throughout the year, together with the lessons learned and the priorities we carry into 2026.

Stewardship at PNB is anchored in our Sustainability, Stewardship and Engagement Frameworks, Voting Guidelines, and Internal Nomination Policy, which guide how we engage investee companies, vote on shareholder resolutions, nominate directors to investee boards and collaborate with peers and policymakers. 2025 was a year of step-change in how we apply them: with the Enhanced Engagement Framework now operational, our approach became more proactive, structured, and outcome-oriented, following a defined pathway that begins with dialogue and, where dialogue does not produce progress, proceeds to the exercise of our voting rights.

In 2025, we voted on **1,871 resolutions at 213 general meetings of 172 companies across 12 markets, an increase of 14%** from 1,635 resolutions in 2024, driven principally by the continued expansion of our international voting programme. This comprised 1,010 resolutions at 138 general meetings of 112 Malaysian investee companies, representing **full coverage of eligible meetings**, and 861 resolutions at 75 meetings of 60 selected international holdings, up 59% year on year. Guided by our Domestic and International Voting Guidelines, we supported approximately 90% of resolutions, while opposing resolutions where companies fell short on capital discipline, board quality, remuneration, or expectations on sustainability and climate matters. Consistent with our commitment to transparency in voting, we published our voting decisions and rationale ahead of each meeting.

As a long-term anchor shareholder in our investee companies, we also exercise active stewardship through board representation. In 2025, PNB-nominated directors served across **29 investee companies, comprising 26 external and 32 staff nominees,** contributing to the integration of governance and sustainability into board deliberations on strategy, capital allocation, succession, and commercial decision-making. Governed by PNB's Internal Nomination Policy, structured and merit-based appointments are made to ensure nominee directors act in the best interest of the company while maintaining an understanding of the shareholder perspective.

Alongside voting and board representation, we **engaged with 73 domestic investee companies, representing 92.8% of our domestic listed equity Asset Under Management (AUM), or RM149.4 billion of RM160.9 billion**, up from approximately 80% in 2024, through **472 engagements** spanning value creation, sustainability and governance, and the wider market. Through this dialogue, **companies adopted formal net zero ambitions, improved board gender diversity, and committed to a living wage**; and where dialogue did not deliver progress, we escalated to the exercise of our voting rights, including against directors at companies that had not met our climate expectations.

We also collaborated with regulators, peer investors, and global stewardship organisations, contributing to policy dialogue and to the market infrastructure on which effective stewardship depends, from proxy voting systems to disclosure standards, both in Malaysia and globally.

This report aims to give our unitholders, policymakers, and investee companies insight into how PNB's stewardship protects and grows long-term value, and into our role as a catalyst for positive change in corporate responsibility and investment stewardship.

About PNB



About PNB

Permodalan Nasional Berhad (PNB) was established on 17 March 1978 as one of the instruments of the Government's New Economic Policy (NEP). Over the last four decades, PNB has grown to become one of the largest fund management companies in Malaysia.

Our Purpose

To uplift the financial lives of Malaysians across generations

Our Manifesto

At PNB, we exist to uplift the financial lives of Malaysians across generations. We are the bridge between where they are today and their hopes and dreams for tomorrow.

We are the connective thread that ties every Malaysian together, guiding us all in our collective journey towards greater finance, health, wealth and wisdom.

Our Values

B — **Bold**
We strive to push the boundaries of what is possible.

R — **Responsible**
We take ownership and we do what we say we are going to do.

A — **Agile**
In a fast-changing world, we never stop moving.

V — **Visionary**
Our foresight and expertise inspire a better future.

E — **Empowering**
We work together, supporting each other to deliver on our shared goals.

Cultural Beliefs

Transforming how we work, driving us toward collective success

Take Charge
I see it, own it, solve it, do it

Move Faster
I do my job better and efficiently every day

Speak Up
I voice my views and embrace feedback constructively

Deliver Excellence
I go beyond for customers and colleagues





Managing 18 Funds, with clear and well-defined investment objectives

Fixed Price Unit Trust Funds

- ASB
- ASB 2
- ASB 3 Didik
- ASM
- ASM 2 Wawasan
- ASM 3

6 Fixed Price Funds

Generate sustainable returns and preserve Unit Holders' investment capital

Variable Price Unit Trust Funds

- ASN
- ASN Equity 2
- ASN Equity 3
- ASN Equity 5
- ASN Equity Global
- ASN Equity Malaysia
- ASN Imbang 1
- ASN Imbang 2
- ASN Imbang 3 Global
- ASN Sara 1
- ASN Sara 2
- ASN Sukuk



Financial Highlights

Assets Under Management
RM365.3 billion

Income Distributed
RM279.0 billion
since inception

Total Unitholders
13.1 million

Total No. of Accounts
16.8 million

Corporate Sustainability & Stewardship



Definition and Importance of Stewardship

Stewardship embodies the **responsible management and oversight of investments to safeguard and enhance value** for both shareholders and stakeholders. For PNB, it is a fundamental duty as a long-term asset owner and fiduciary manager of unit trust funds (UTFs), entrusted with protecting the interests of millions of Malaysian investors. This responsibility extends beyond the delivery of financial returns; it encompasses the promotion of **sound corporate governance, sustainability, and ethical business conduct** across investee companies. Through effective stewardship, we ensure that companies operate with integrity, accountability, and resilience, thereby securing long-term value creation for the benefit of our unitholders and the wider community.

Our stewardship objectives:

- Promoting **responsible corporate governance.**
- Advocating **sustainable business practices.**
- Strengthening **transparency and accountability** in investee companies.
- Aligning investment decisions with **long-term value creation.**

PNB's Role in Driving Stewardship as an Institutional Investor

As one of Malaysia's largest institutional investors, we promote responsible investment by supporting sustainable practices, transparency and strong governance across investee companies for long-term value creation, while contributing to a more inclusive, resilient and low-carbon economy.

Organisational Structure for Corporate Sustainability and Stewardship

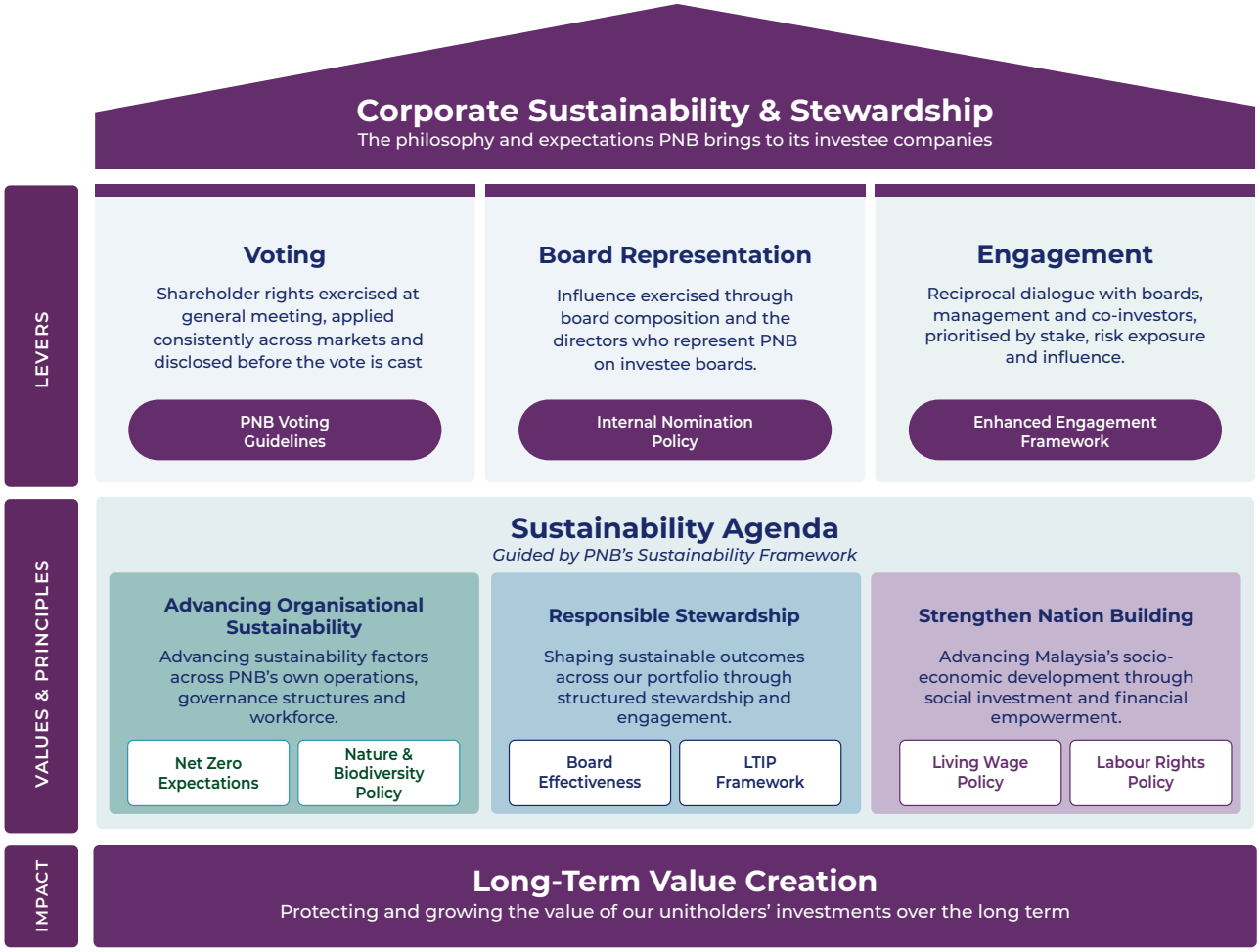
PNB's Corporate Sustainability and Stewardship function comprises three key teams:

Institutional Governance	Sustainability Investments and Enterprise	ESG Stewardship
Strengthens governance across PNB's investee companies by enhancing the **effectiveness of boards and management** through shareholder advocacy and engagement, **board representation, voting policies**, and broader cross-institutional governance initiatives.	Evaluates **sustainability-related risks and opportunities** across the portfolio and group, embedding ESG considerations into investment analysis and business operations decision-making.	Sets expectations and drives **active engagement with key investee companies, regulators, industry affiliations and other stakeholders** to strengthen ESG risk management, unlock sustainability opportunities and advance PNB's responsible investment agenda.

Integration of Stewardship in Decision-Making

Stewardship at PNB is not a standalone activity undertaken alongside investment management. Rather, it is **embedded throughout the investment lifecycle** and **integrated into the decision-making** processes that guide our investment activities. This approach is supported by close collaboration across our investment, risk, compliance and sustainability functions, ensuring that stewardship considerations are applied consistently and aligned with long-term value creation.

The structure below illustrates how stewardship is operationalised in practice. At its core is PNB's Stewardship Framework, which articulates the principles, expectations and outcomes we seek to promote across our investee companies. These expectations are implemented through three primary stewardship levers, namely **voting, board representation and engagement**, each supported by a dedicated policy framework. Underpinning these levers are the values and principles set out in PNB's Sustainability Framework, which guide our stewardship approach and decision-making. Together, they serve a common purpose: **to safeguard and enhance long-term value** for the millions of Malaysians whose savings are entrusted to us.



Established Guidelines, Frameworks and Policies



Domestic and International Voting Guidelines

Domestic and International Voting Guidelines. The responsible exercise of shareholder voting rights is a key component of our stewardship approach. Our Domestic Voting Guidelines, **effective 1 January 2025**, provide a structured framework for assessing and voting on shareholder resolutions involving Malaysian investee companies, promoting consistency, transparency and accountability in our voting decisions. Our International Voting Guidelines, also effective since 1 January 2025, provide a consistent framework for exercising voting rights across our international equity investments. Anchored in recognised global practices including International Corporate Governance Network (ICGN) principles, they are applied with consideration of the regulatory requirements, governance standards and market practices of the relevant jurisdictions. Together, the two sets of guidelines reinforce a **transparent, consistent and principles-based approach** to active ownership. Our voting policies and decisions are published on our website, with **decisions and rationale disclosed five days before each general meeting.**

Enhanced Engagement Framework

Enhanced Engagement Framework. Establishes our structured approach to shareholder escalation. It introduces differentiated engagement pathways according to company classification, a **defined escalation pathway** where responses fall short of our expectations, and constructive support for companies demonstrating credible plans, allowing time for execution and progress.

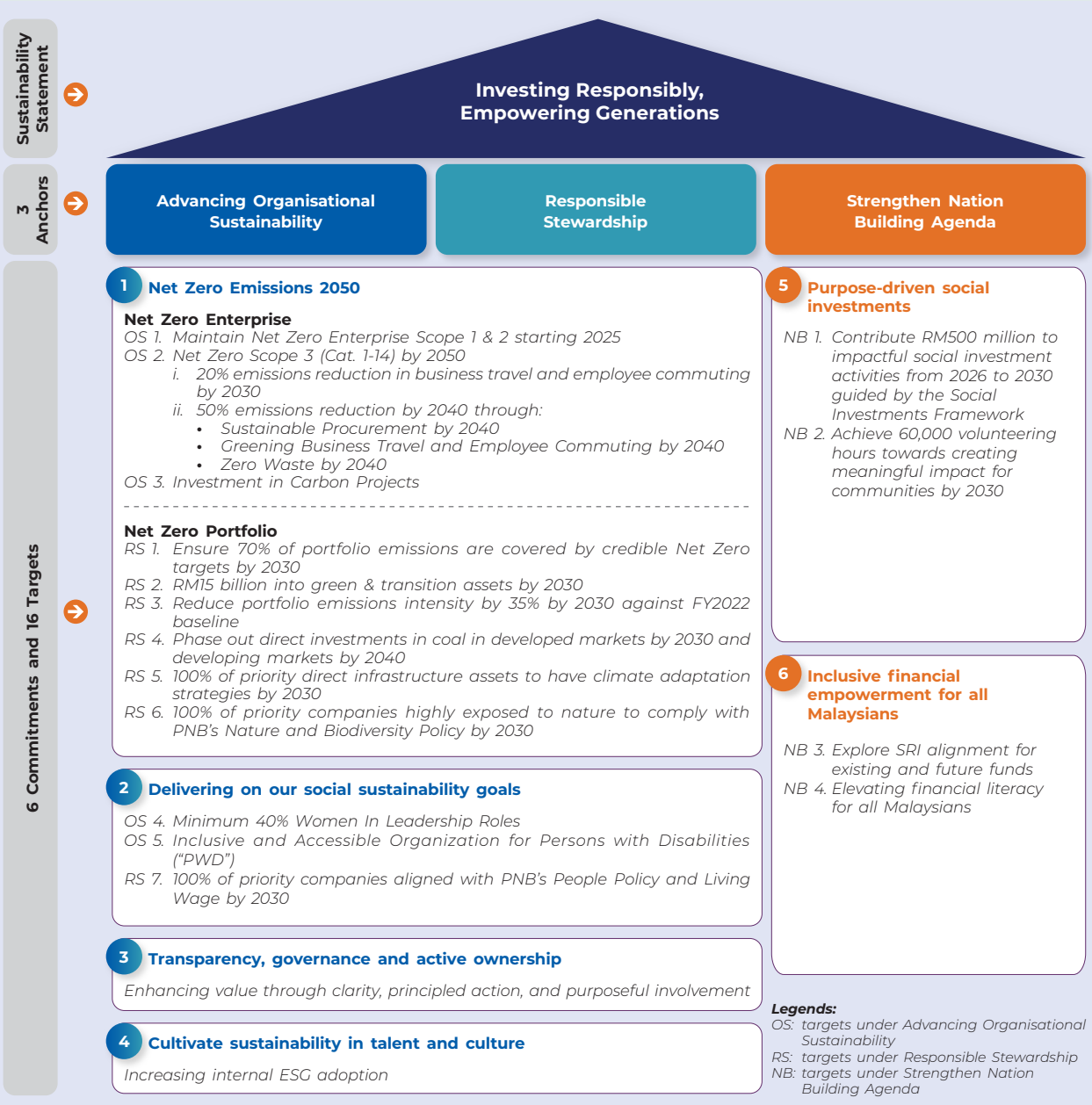


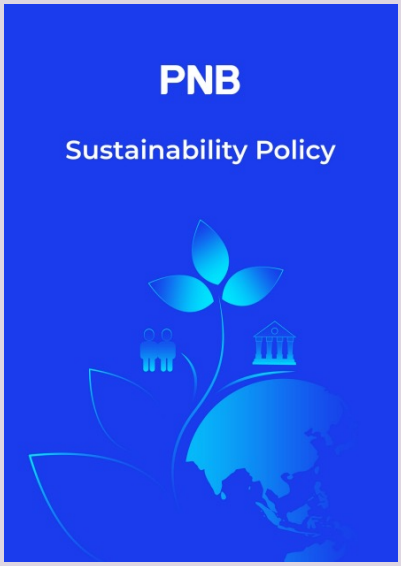
Internal Nomination Policy

Provides the governance framework for the nomination and appointment of PNB representatives to the boards of investee companies where we have a meaningful stake. The policy reinforces the principle that PNB-nominated directors serve the interests of the investee company, exercising **independent judgment and fulfilling their fiduciary obligations**, while constructively reflecting the long-term stewardship expectations of PNB as a significant shareholder.

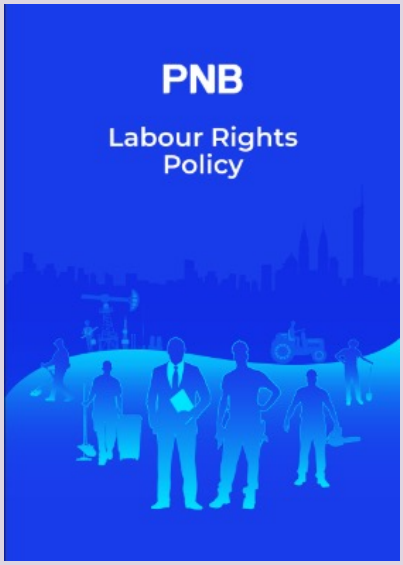
Sustainability Framework and Policy

Sustainability Framework and Policy. Sets our priorities and commitments for advancing organisational sustainability, delivering responsible stewardship and strengthening our nation building agenda. Our net zero expectations, set out within our Voting Guidelines, require a commitment on **clear ambition and target, as well as disclosure of the pathway and defined strategy to achieve Net Zero.**

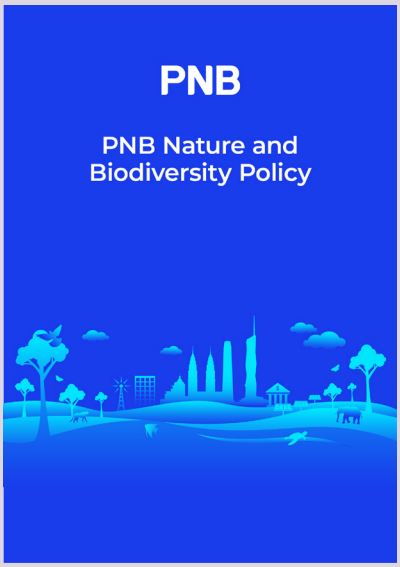




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Labour Rights Policy. Sets out our expectations on key material issues including **forced and child labour, fair wages, diversity and inclusion, freedom of association, health and safety, and upskilling**. It is complemented by our Living Wage Framework, which sets our expectations on wage adequacy.



Nature and Biodiversity Policy. Published in 2025 and aligned with Taskforce on Nature-related Financial Disclosures (TNFD), it sets out our expectations for the management of **nature-related dependencies, impacts, risks and opportunities** at companies where nature is material. These expectations run through every lever rather than sitting within any one of them. Each is pursued first through dialogue and **escalated through the exercise of our voting rights where progress is not demonstrated.**

Our Governance Oversight

PNB's stewardship activities operate within a clearly defined governance and oversight structure. At the management level, the Management Investment Committee and Management Sustainability Committee provide oversight and strategic direction to ensure stewardship priorities remain aligned with PNB's investment objectives and sustainability commitments. Ultimate accountability rests with the PNB Board of Directors and the Board Nomination and Remuneration Committee, which oversee the effectiveness and governance of PNB's stewardship approach.

The day-to-day execution of stewardship activities is undertaken by the Corporate Sustainability and Stewardship function, comprising the Institutional Governance, Sustainability Investments and Enterprise and ESG Stewardship teams. Working closely with investment and corporate functions across PNB, particularly the Strategic Investments and Private Markets team, we ensure that stewardship principles are translated into consistent and effective actions across the portfolio.

Our Affiliations

Effective stewardship extends beyond individual institutions and is reinforced through collective effort. By actively participating in industry associations and stewardship networks, we contribute to the evolution of governance and stewardship practices while leveraging the insights, expertise and collaborative platforms that support responsible long-term ownership.

Institutional Investors Council Malaysia (IIC)

The collective voice of Malaysia's institutional investors and custodian of the Malaysian Code for Institutional Investors, which sets the national standard for stewardship practice.

International Corporate Governance Network (ICGN)

An investor-led global network that sets standards for corporate governance and investor stewardship through its Global Governance Principles and Global Stewardship Principles.

Asia Investor Group on Climate Change (AIGCC)

An investor initiative advancing climate awareness, capacity building and collaborative engagement across Asia.

Principles for Responsible Investment (PRI)

The leading global proponent of responsible investment, supported by the United Nations, whose signatories commit to six principles and report annually on their implementation.



Stewardship Levers

- Proxy Voting
- Board Representation
- Engagement







Proxy Voting



Our Approach To Proxy Voting

In this section, we present an overview of our approach to general meetings in 2025, reflecting our fiduciary duty to unitholders and guided by our Sustainability Framework, built on three anchors, six commitments and 16 targets to create positive impacts and sustainable returns for our stakeholders.

We vote at all general meetings of our Malaysian investee companies, and at the meetings of selected international companies in line with our International Voting Guidelines. In 2025, we voted at **every eligible general meeting** of our Malaysian investee companies, exercising our votes on **all 1,010 resolutions tabled.**

This includes Commitment 3: Transparency, Governance and Active Ownership, demonstrated by publishing our voting policies and decisions online, including details up to five days before each meeting. Publishing our **voting intentions ahead of the meeting** means our investee companies know our position before they enter the room, making each vote a signal for dialogue rather than only a record of dissent. This fosters trust, accountability, and sets a strong governance benchmark in Malaysia.

To reinforce our commitment to efficiency and accountability, we have retained a globally respected independent proxy service provider to support proxy voting. While they provide research and recommendations, we undertake our own evaluations and apply proprietary voting guidelines to ensure decisions reflect our fiduciary responsibilities. In 2025, we **voted contrary to their recommendations on approximately 9% of resolutions**, reflecting the independent judgement and disciplined oversight applied to every voting decision.

In line with our principles of good governance, we apply our Stewardship Framework and Voting Guidelines to align investments with governance, sustainability, and risk management objectives. Our Domestic Voting Guidelines set out our sustainability expectations with clear effective dates: investee companies are expected to have set a **Net Zero ambition from 1 January 2025**, and a clearly defined and actionable Net Zero strategy, alongside demonstrated management of material climate, labour and biodiversity issues. In 2025, we began applying these expectations to **director election decisions for the first time**, reinforcing our role as a responsible long-term asset owner.



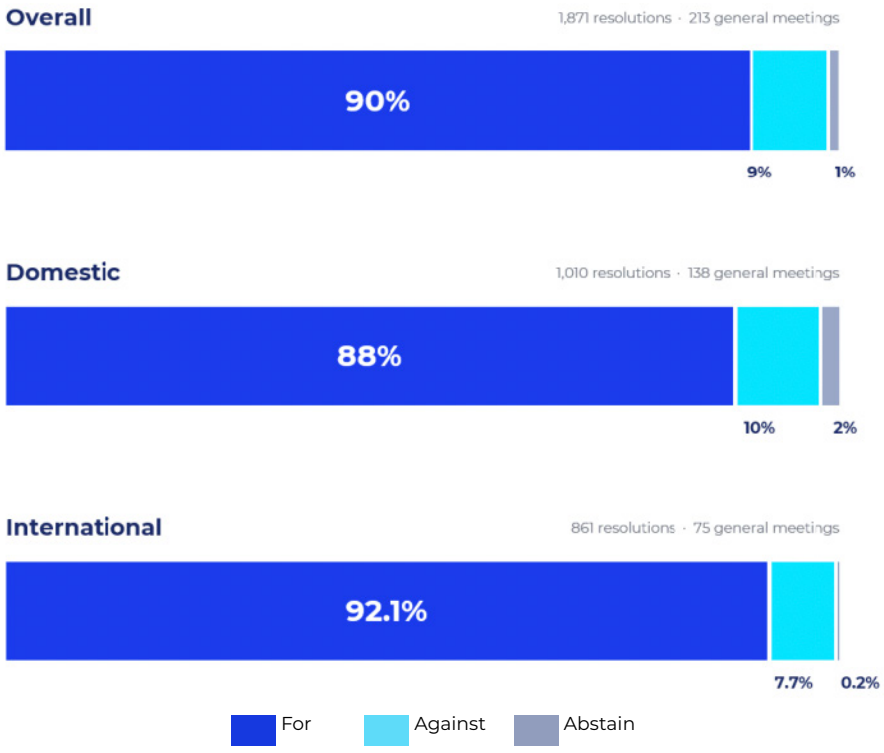
2025 Proxy Voting Overview

2025 was a year of significant expansion and deepening of our proxy voting activities. We voted on **1,871 proposals globally — an increase of 14%** from 1,635 proposals in 2024 — at **213 general meetings of 172 companies across 12 markets**, up from 192 meetings of 153 companies in the previous year. This growth was driven principally by our international voting programme, where **resolutions voted rose by 59%**, from 540 to 861, in the programme's second full year of operation. Throughout this expansion, we maintained **full coverage of our home market**, voting on every resolution at every eligible general meeting of our Malaysian investee companies.

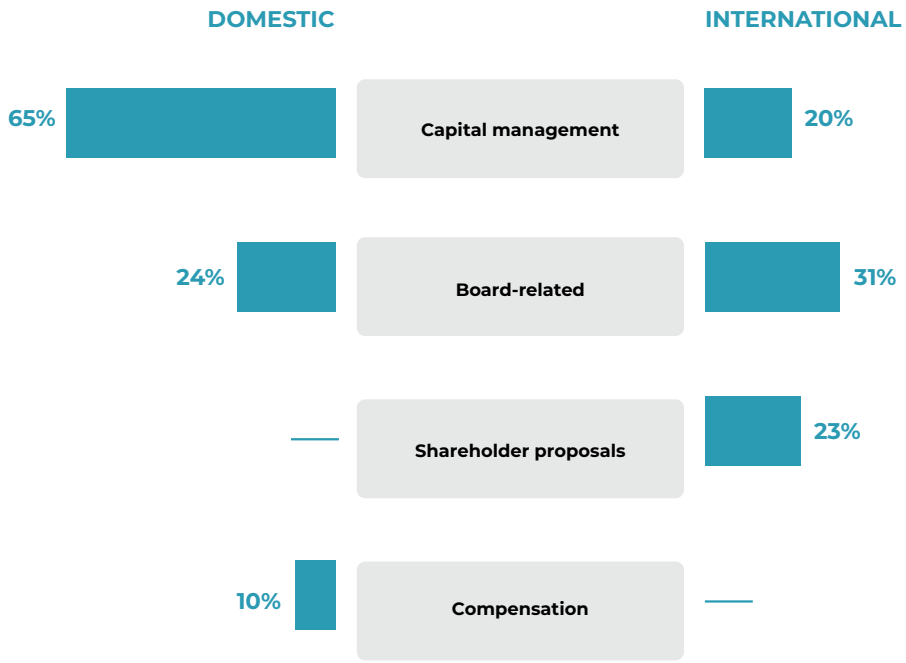
How We Voted



Breakdown of Voting Decisions



Votes Against Management, by Resolution Type



Beyond voting at more meetings, we voted with greater depth and purpose in 2025:

- We cast our **first director election votes on climate governance grounds**, voting against directors at **seven Malaysian companies** that had yet to establish a clearly defined Net Zero ambition — a new escalation tool introduced under our strengthened Voting Guidelines.
- We applied our board gender diversity expectation more firmly, voting against **13 director elections at 11 companies** where boards fell short of 30% women representation without reasonable justification.
- We voted on **23 shareholder proposals, up from two in 2024** — our first year of meaningful shareholder proposal voting — applying the Shareholder Protection principles in our Voting Guidelines.

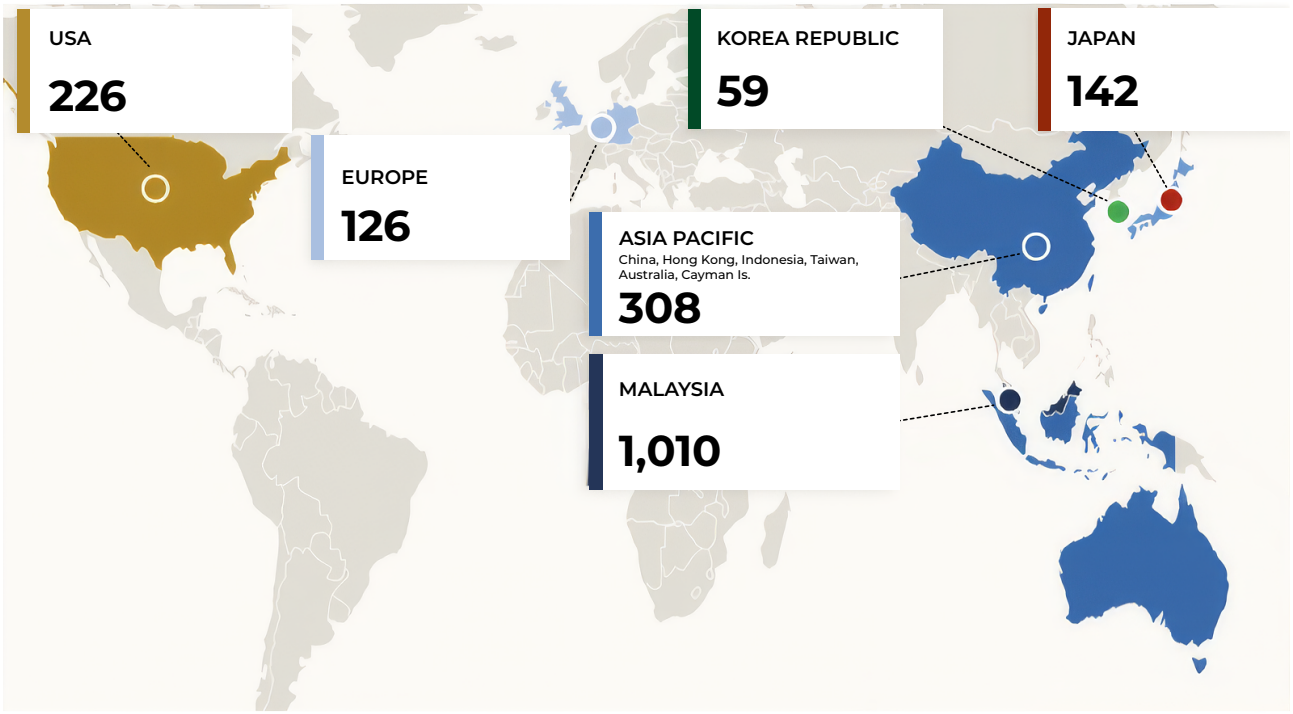
Guided by our voting guidelines, we supported **approximately 90% of proposals**, reflecting alignment with sound corporate governance, responsible investment commitments and sustainable returns. Our dissent, while more selective than in 2024, was more targeted: a greater share of our votes against management addressed the structural governance and sustainability themes — board accountability, climate governance and board diversity — that we have prioritised for long-term value creation.

This considered dissent was exercised throughout the year: **48% of the meetings we voted at included at least one vote against, abstention or withheld vote**. Voting against management is not our first resort — where concerns arise, we seek to engage companies ahead of the meeting — but we will not hesitate to use our votes to protect unitholder value.

Domestic proxy voting: we voted at **138 general meetings of Malaysian listed companies**, representing full coverage of eligible meetings, and voted on all 1,010 resolutions tabled. We **supported 88% of resolutions, voted against 10%, and abstained on 2%**. Of our votes against management in Malaysia, capital management proposals accounted for 65%, board-related proposals for 24%, and compensation for 10%.

International proxy voting: we voted at **75 general meetings of selected international** companies, on **861 resolutions** — an **increase of 59%** from 540 resolutions in 2024, reflecting the continued expansion of our international voting programme established in December 2023. We **supported 92% of international resolutions**. Our international dissent was differently distributed from our domestic voting: board-related proposals accounted for 31% of our votes against, shareholder proposals 23%, and capital management 20%, reflecting the distinct governance concerns and resolution types encountered across these markets.

Our voting activity spanned 12 markets separated into six regions in 2025, as set out below.



Board Governance

Typically, the majority of proposals voted on in general meetings are **board-related proposals**, which generally include director elections, re-elections and retentions. We believe an effective board is essential for every company to exercise objective judgement on all corporate matters. Directors must contribute effectively and be collectively accountable for the company's decisions. **Board-related proposals accounted for 27% of our against votes** in 2025 (43 votes), the second-largest category after capital management.

Based on our Voting Guidelines, we analyse board-related proposals based on, but not limited to:

1. **Board composition**
2. **Board size**
3. **Board independence**
4. **Board commitment and capacity**

Generally, we support board-related proposals if directors meet our guidelines and governance expectations. In 2025, our votes against board-related proposals were most commonly driven by concerns **over board independence** (17 votes at 11 companies), **inadequate board gender diversity** (13 votes at 11 companies), the **absence of a clearly defined Net Zero ambition** (eight votes at seven companies), applied for the first time in 2025, and **independent director tenure** (seven votes at five companies).

Board Diversity

Board gender diversity remained a key engagement and voting priority. Our Voting Guidelines provide for a vote against the chairperson of the Board Nomination Committee where the board does not have **at least 30% women directors** without any reasonable justification. In such situations, we first engage the chair or Nomination Committee to disclose actions and timelines to reach at least 30% representation. In 2025, we voted against **13 director elections at 11 companies** on this basis. Independent director tenure is treated on a similar graduated basis under our Voting Guidelines: where an independent director has served for more than eight years, we abstain on the re-election, and where tenure exceeds nine years, we vote against.

Holding Boards Accountable For Climate Governance

In 2025, we began holding boards accountable for climate governance through our director election votes, in line with the strengthened Sustainability and Climate-Related Matters expectations in our Voting Guidelines. **From 1 January 2025**, we expect investee companies to have set a Net Zero ambition. Where a company has yet to do so, our Voting Guidelines provide for a **vote against the re-election of the Chairman of the company and/or the chairperson of the Board Sustainability Committee or its equivalent.**

Voting against is never our first course of action. When we identify a company without a clearly defined Net Zero ambition, we first arrange an engagement with the company to clarify its position — whether plans are in place, in the process of being developed, or not being pursued. Where the company demonstrates credible plans or progress, we take this into account in our voting decision. However, where no commitment is forthcoming, we exercise our rights to vote against. Following this process, **in 2025 we voted against the re-election of directors at seven Malaysian companies, casting eight votes on this basis, and communicated our rationale to the companies concerned.**

These expectations will continue to rise. **From 1 January 2026**, our Voting Guidelines **require investee companies to have a clearly defined and actionable Net Zero strategy**, and to **adequately demonstrate appropriate actions and disclose relevant strategies on how material climate, labour and biodiversity issues are managed**. Companies that have set an ambition but do not follow through with a credible strategy can expect further escalation through our voting decisions. This staged approach — ambition first, strategy and action next — gives our investee companies a clear and fair runway, while signalling that **credible climate commitments are a board-level responsibility.**



Case Study:
Escalating to a vote against the Chairman where a company did not meet PNB's net zero expectation

Issue

In our 2025 Domestic Voting Guidelines, effective 1 January 2025, we introduced an expectation that investee companies adopt a clearly defined net zero ambition, and provided that the absence of one may weigh against supporting the re-election of the director accountable for it. A Malaysian conglomerate in our portfolio, with significant operations in carbon-intensive sectors, had articulated a carbon-neutral-by-2050 ambition at the operational level but had not established a clearly defined net zero ambition.

Objective

We sought to encourage the board to adopt a clearly defined net zero ambition, consistent with the expectation newly set out in our Voting Guidelines and the distinction we draw between operational carbon-neutrality targets and a group-level net zero commitment. Where a company did not engage on the issue or move toward that commitment, our objective was to exercise our vote to signal that accountability for the gap rested with board leadership.

Approach

We wrote to the company on 13 April 2025, setting out our net zero expectation and inviting the company to a meeting to discuss it. Having received no substantive response, we followed up with a further letter on 22 November 2025, ahead of the company's annual general meeting, reiterating the invitation to engage.

Consistent with Commitment 3 on transparency, governance and active ownership, we published our voting decision and rationale ahead of the meeting, giving the company a final opportunity to respond to our concerns before the vote was cast. No meeting was secured and the company did not move to adopt a clearly defined net zero ambition.

In line with our tiered escalation approach, under which unaddressed concerns are escalated through the exercise of our voting rights, we voted against the re-election of the company's Executive Chairman. As chairman, he carried ultimate accountability for the board's oversight of climate-related risk, and the absence of a clearly defined net zero ambition was the basis for our vote.

Outcome and next steps

We voted against the re-election of the Executive Chairman. The resolution was carried, with approximately 6.9% of voted shares cast against.

As at the date of this report, the company had not adopted a clearly defined net zero ambition. We will continue to engage the company and will maintain our voting position at future meetings until a clear commitment is set out. Where dialogue does not produce progress, we escalate through the exercise of our voting rights; where companies engage constructively, the same expectation is more often met without recourse to a vote.

Remuneration

In deciding whether to approve compensation related AGM resolutions, we take into account the board's past remuneration decisions and their impact on the company's performance. We encourage companies to provide **full and detailed disclosure of remuneration paid to all executive and non-executive directors, on an individual and itemised basis. Remuneration-related proposals accounted for 11% of our votes against management in 2025 (18 of our against-votes).**

We are generally **concerned with remuneration increments that are excessive or unreasonable relative to market benchmarks**, or with pay outcomes that are not commensurate with the board's effectiveness in discharging its duties. To assess reasonableness, we **benchmark each company's total non-executive director remuneration against a set of listed peers in the same domestic industry and identify where it sits on the sector's distribution** — the 25th, 50th, 75th and 90th percentiles (P25, P50, P75 and P90). These percentiles serve as a reference point for where remuneration sits relative to a company's size, performance and complexity, rather than as a threshold applied in isolation. Across our nine strategic companies, two sit below the median (P25–P50), one around the median (P50–P75), one in the upper quartile (P75–P90) and five at or above the 90th percentile (P90+) of their respective sectors. Where our companies sit in the higher percentiles, this reflects their considerably larger scale and complexity relative to domestic sector peers, requiring benchmarking against regional peers to assess the appropriateness of their governance-cost ratios.

Where **management incentive schemes lack disclosed performance targets or minimum vesting periods, or extend eligibility to non-executive directors**, particularly independent directors, whose role is to provide unbiased oversight, **we will vote against the proposal**.

Capital Management

Capital management proposals remained the largest single driver of our votes against management, accounting for **approximately 48% of all against votes in 2025 and 65% of against votes at Malaysian companies**. The **majority of these related to proposals seeking general authority to issue shares without pre-emptive rights**, where the company **had not provided sufficient disclosure on the manner of issuance and the planned utilisation of proceeds.**

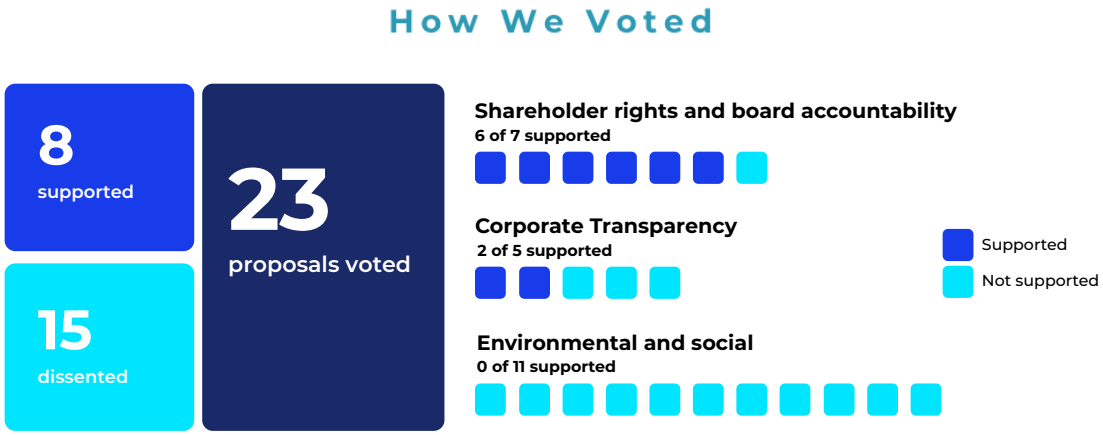
Under the Malaysian Companies Act 2016, companies are permitted to submit proposals requesting general authority to issue shares without pre-emptive rights. However, we strongly discourage blanket approvals for the allotment and issuance of new shares, given the uncertain impact on shareholders' investments. As a best practice, shareholders should be clearly informed about both the **intended use of the proceeds and the method by which funds will be raised.** Our approach to capital allocation, including our engagement with investee companies on capital raising, dividend policies and use of proceeds, is set out in the Engagement section of this report.



Shareholder Proposals

With the expansion of our international voting programme, 2025 was the first year in which we voted on a meaningful number of shareholder proposals. We voted on **23 shareholder proposals** during the year, **up from two in 2024, supporting eight** of them. All were tabled at United States companies, in a proxy season shaped by a changing regulatory environment in that market, including a marked increase in company applications to exclude shareholder proposals from ballots.

Our assessment of shareholder proposals is anchored in the Shareholder Protection principles set out in our Voting Guidelines. Shareholders should have the right to vote on fundamental corporate decisions, with voting rights proportional to their financial interest in the company, and should have the opportunity, in certain circumstances, to address issues of significant importance without having to wait for management to convene a meeting. Where multiple share classes with differential voting rights are adopted, they should be designed to balance control with the protection of minority shareholders.



Our support was strongest for proposals seeking to **strengthen shareholder rights and board accountability**, where these principles apply most directly. The proposals we supported in 2025 included:

- Adopting a simple majority vote standard, where supermajority requirements can impede shareholders' ability to approve items that are in their interests.
- Establishing or improving the right to call special meetings, including reducing the length of share ownership required to do so.
- Appointing an independent board chair.
- Adopting a mandatory director resignation policy to reinforce board accountability
- Requiring shareholder approval of outsized severance arrangements.
- Reporting on tax transparency, and on political contributions and expenditures, where we assessed that additional disclosure could help mitigate regulatory and reputational risks.

We approach shareholder proposals with a case-by-case assessment, guided by long-term shareholder interests rather than automatic support. Each proposal is assessed on its merits against the long-term interests of shareholders, and we did not support proposals where we assessed that the company already provides adequate disclosure or has taken reasonable steps on the issue raised, where the proposal was overly prescriptive, or where no clear incremental benefit to shareholder value was demonstrated. This assessment applies in both directions. At one company, we supported a proposal seeking greater tax transparency while voting against a separate proposal at the same meeting that sought to eliminate diversity considerations from executive compensation, on the basis that the compensation committee is best placed to align pay with the company's strategic priorities. **Judgement, not a fixed position** for or against shareholder proposals as a category, **determines our vote.**

Our expectations of investee companies on climate, labour and biodiversity matters are set out in our Voting Guidelines and are being progressively raised, and we continue to pursue these themes through engagement and through our director election votes, as described above.

Case Study:
Assessing a shareholder proposal against a materiality and disclosure test

Issue

Not every shareholder proposal advances stewardship outcomes. Some request disclosure that duplicates what a company already provides, or address matters already within established board oversight, adding governance complexity without a corresponding benefit to long-term shareholders. We assess each proposal on its merits rather than supporting additional disclosure as a matter of principle. At the 2025 annual meeting of a US-listed payments company in our international portfolio, a proponent requested that the board publish a report assessing potential gaps in the company's employee benefits, together with the associated legal, reputational, operational and financial risks.

Objective

Our objective was to determine whether the proposal identified a clear and financially material governance gap that existing disclosure did not already address, and whether the requested report would improve shareholder understanding or mitigate risk. Absent that, the proposal would impose an additional reporting obligation without commensurate value.

Approach

We reviewed the proposal against the company's existing disclosures and governance arrangements, informed by our own analysis and research from our proxy adviser. We noted that the company already maintained comprehensive disclosure of its employee benefits, pay equity and workforce policies, and that oversight of compensation and employee-related matters sat with the Compensation Committee. On that basis, we concluded the proposal did not demonstrate a financially material risk that existing disclosure failed to capture, and that the requested report would provide limited incremental value. We voted against the proposal. Consistent with our case-by-case approach, this assessment was made on the specific facts and did not reflect a general position for or against shareholder proposals of this type.

Outcome and next steps

The proposal received approximately 0.8% support, among the least supported at the meeting. The outcome reflected broad alignment among the board, proxy advisers and the wider shareholder base that additional reporting was not warranted. This case illustrates a principle we apply across our voting: the value of a shareholder proposal depends on whether it addresses a clear and material governance gap, not on the principle of additional disclosure alone. We evaluate each proposal on its ability to protect and enhance long-term shareholder value.

Board Representation



Board Representation

Appropriate board representation and appointment rights, together with **board effectiveness assessment** are delivered under Commitment 3 of PNB's Sustainability Framework, Transparency, Governance and Active Ownership, and form two of the four elements of best practice governance set out in our Stewardship Framework. As a long-term anchor shareholder in many of the companies we own, we exercise stewardship not only from outside the boardroom but from within it, through the Nominee Directors who represent us on the boards of our investee companies.

Board representation gives us **visibility of, and a voice in, the matters that determine long-term value**: the setting of strategy, the allocation of capital, the appointment and succession of senior leadership, the oversight of risk, and the integration of sustainability considerations into commercial decision-making. It **enables expectations to be raised at the point** of decision and ensures continuous, board-level oversight that cannot be replicated through general meetings or periodic dialogue alone.

Board Representation in 2025



The Basis of Appointment

A Nominee Director appointed by us owes his or her fiduciary duty to the investee company and its shareholders as a whole. The presence of our Nominee Director on a board does not substitute for, or diminish, our engagement and voting activity in respect of that company.

To support effective appointments, our **Institutional Governance team maintains a database of potential board candidates**, assembled on the basis of diverse skillsets, backgrounds, and gender, providing the right pool of board candidates from which appointments can be recommended. Candidates are considered against the specific requirements of each board to ensure effective and appropriate board composition.

This process is informed by our **Board Effectiveness Assessment. In 2025, we reviewed board composition, tenure, and leadership structures across selected investee companies**, taking into account skillset requirements, board dynamics, strategic priorities, and succession timelines. This enabled us to provide targeted recommendations on board succession—particularly for PNB Nominee Directors—**to ensure the right leadership mix at board level to drive sustainable performance.**

Nominee Directors are drawn from two sources. External nominees are experienced professionals identified outside PNB and appointed for the expertise and independent perspective they bring. Staff nominees are our employees appointed to boards where our shareholding and the nature of the business make internal appointments appropriate. Both categories of Nominee Directors are subject to the same fiduciary obligations once appointed.

Case Study:
Appointing a Nominee Director to strengthen board capability during a period of strategic transformation

Issue

As part of PNB's Board Effectiveness Assessment, one of our investee companies was identified as entering a period of significant strategic transition. Following a major acquisition, the company faced the challenge of integrating a large business, improving operational performance in overseas markets, managing a higher gearing profile and preparing for future leadership succession. At the same time, the board had not undergone a nominee director refresh for several years and was approaching a number of planned succession milestones. We therefore assessed whether the board's composition remained aligned with the company's evolving strategic priorities and leadership needs.

Objective

We sought to identify a nominee director whose expertise would complement the board's existing capabilities and support effective oversight of the company's strategic priorities. The objective was to strengthen board capability in areas relevant to the company's next phase of development, while ensuring continuity of representation as board succession plans progressed.

Approach

Institutional Governance undertook a review of the company's strategic priorities, board composition, upcoming succession timelines and capability requirements. The review identified a need for expertise in areas including investments and capital allocation, stakeholder engagement, international business exposure and the automotive industry. Particular focus was given to the successful integration of the acquired business, long-term growth opportunities within that segment and operational challenges in key overseas markets.

Following this assessment, we recommended the appointment of a nominee director with extensive investment management experience and direct exposure to the sector through existing board roles. The candidate's background in investment oversight, risk management, investment research and portfolio management was considered highly relevant to the board's strategic priorities and long-term value creation objectives. The appointment formed part of a broader board refresh and succession planning exercise designed to ensure continuity of oversight while progressively renewing board composition.

Outcome and next steps

The review resulted in the appointment of a nominee director whose experience aligned closely with the company's strategic priorities and future requirements. The appointment strengthened the collective capability in areas critical to the company's transformation while supporting longer-term succession planning and board renewal efforts. Arrangements were also put in place to ensure continuity of institutional knowledge and effective representation during the transition.

This case illustrates how we approach board representation as an active stewardship tool. Rather than viewing board appointments as routine governance exercises, we seek to align nominee director appointments with the specific needs of each investee company, ensuring that boards have access to the expertise, perspectives and leadership required to support sustainable long-term value creation.

Managing Conflicts of Interest

The effectiveness and credibility of board representation depend on the ability of Nominee Directors to exercise **objective judgement** while appropriately managing actual, potential or perceived conflicts of interest.

We recognise that circumstances may arise where the interests of the investee company, its shareholders and us may not be fully aligned. In such situations, our expectation is clear: Nominee Directors must act in accordance with their fiduciary duties to the investee company and exercise their judgement in the **best interests of the company and all shareholders**.

To uphold this principle, we maintain safeguards and governance protocols governing the appointment and conduct of Nominee Directors. This includes ensuring that the board's independence ratio is guided by MCCG's recommendations, and that Board Committee Chairs are appointed among others, based on knowledge, skillset and experience. In addition, Nominee Directors are subject to requirements for **timely disclosure of conflicts, appropriate management of conflicted matters**, and adherence to applicable legal, regulatory and governance obligations.

Where necessary, Nominee Directors are expected to **recuse themselves from deliberations or decisions** in which their objectivity may reasonably be questioned.



Engagement



Our Engagement Approach

At PNB, engagement is a **cornerstone of our stewardship**, enabling us to drive meaningful change and enhance long-term value for our unitholders. We treat engagement as reciprocal dialogue, an exchange of perspectives and expectations that strengthens corporate performance and safeguards investment integrity, guided by our Sustainability Framework, Stewardship Framework, Engagement Framework and Voting Guidelines.

2025 marked a pivotal shift in how we engage. With the Enhanced Engagement Framework now operational, our approach has become more **proactive, structured and outcome-oriented**. Engagements follow a **defined pathway of escalating intensity**, beginning with the Pre-AGM Shareholder Letter and annual engagement, progressing where necessary through shareholder and activist letters, the exercise of our voting rights and, ultimately, divestment.

Our engagements are prioritised based on ownership stake, ESG risk exposure and market influence, and conducted through respectful, fact-based dialogue at the level best placed to effect change, from boards of directors and senior management to working-level teams.



2025 Engagement at a Glance

In 2025, we conducted **472 engagements**. We engaged **73 investee companies**, representing **92.8% of our domestic equity AUM,** up from approximately 80% in 2024. We also engaged regulators, industry bodies, investor peers and market participants on the standards and infrastructure that support effective stewardship.

Our engagements are organised around three areas: **value creation and capital discipline**, through which we work with companies on strategy, performance and the returns delivered to shareholders; **sustainability and governance**, through which we set and pursue expectations on board quality, labour and human rights, climate and nature; and **industry and ecosystem** engagement, through which we work with regulators, peers and industry bodies to strengthen the market on which all investors depend.



280 59.3%

Value creation and capital discipline

Strategy, performance, succession, dividend policy, capital structure and use of proceeds

122 25.8%

Sustainability and governance

Board effectiveness, labour and human rights, climate and net zero, nature and biodiversity

70 14.8%

Industry and ecosystem

Regulators, peer investors, industry bodies and market infrastructure

73
domestic listed investee companies engaged

92.8%
of domestic listed equity AUM engaged, up 12.8 percentage points year on year

Value Creation and Capital Discipline

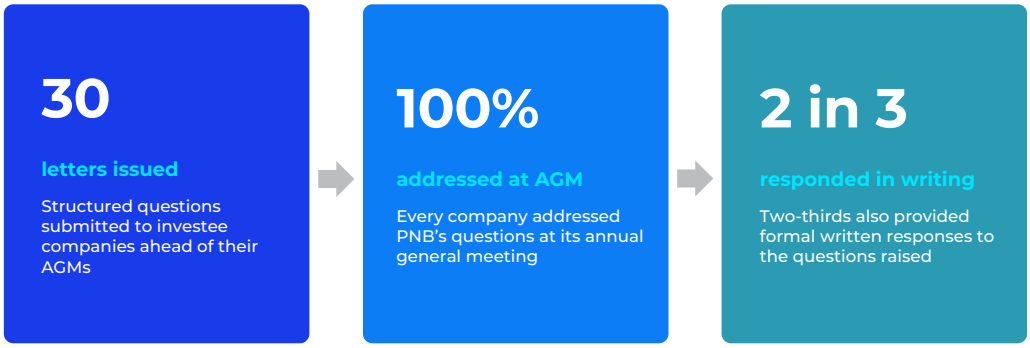
As a long-term anchor shareholder, our stewardship extends into the day-to-day performance, capital decisions and strategic direction of our investee companies. This is how we take care of the companies we own: maintaining continuous involvement in their performance and plans, guiding capital decisions toward long-term value, and holding boards accountable for the returns delivered to shareholders.

In 2025, we conducted **280 engagements** in this area. We engaged boards and management on **strategy, operational delivery and value creation plans**, supported **succession planning** at board and senior management level, and maintained close oversight of performance through results briefings, investor days and operational site visits. On capital matters, our engagements addressed **dividend policies, long-term incentive plans, share issuances and capital structure**, ensuring that financing decisions remain proportionate, justified and aligned with shareholder interests.

At our largest holdings, engagement was **continuous and multi-level**, spanning boards, nominee directors, senior management and co-investors, reflecting our conviction that hands-on stewardship is the most direct path to sustainable returns for our unitholders.

Pre-AGM Shareholder Letters: Board Accountability for Total Shareholder Return

In 2025, we **operationalised the first pillar of our Enhanced Engagement Framework: the Pre-AGM Shareholder Letter**. Aligned with the Government's GEAR-uP agenda, the programme submits structured questions to investee companies ahead of their Annual General Meetings, requesting that their boards disclose the total shareholder return delivered over one, three and five years, articulate the key drivers of that performance, and set out their plans to strengthen those drivers over the next three years.



In its inaugural year, letters were issued to **30 investee companies**. The response was universal: **every company addressed our questions at its AGM**, with **two-thirds also providing formal written responses**. For the first time, TSR, and the board's ownership of it, was placed openly on the agenda of AGM season across a substantial segment of Corporate Malaysia.

The programme's effects extended beyond the companies themselves. At several AGMs, other minority shareholders took up our questions and pressed further, raising follow-up queries on TSR drivers, dividend policy and strategic direction, signalling that structured institutional questioning can catalyse broader shareholder participation.

As a first-year initiative, the programme's primary outcome is the mechanism itself: **TSR accountability** is now an **established, recurring feature of our engagement calendar.** In 2026, we will conduct **follow-up engagements** to assess delivery against the plans articulated, and expand the dialogue to capital allocation, board succession and climate readiness as further drivers of long-term shareholder return.

Governance

Alongside performance and capital, we engage our investee companies on the governance, social and environmental factors that determine whether value endures. In 2025, we conducted 122 engagements across board effectiveness and composition, labour and human rights, climate and net zero, and nature and biodiversity.

Board Effectiveness And Composition

Strong boards are the foundation of durable company performance. During the year we engaged companies on directors' remuneration, auditor appointments and audit fees, board meeting attendance, extended independent director tenure and directors holding multiple board positions, seeking clear justification where practices diverged from good governance and reinforcing the standards set out in our Voting Guidelines.

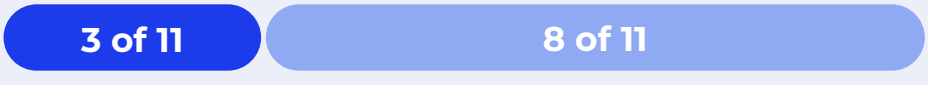
Advancing board gender diversity. In line with the Malaysian Code on Corporate Governance and our expectation of **at least 30% women representation on the boards of our investee companies**, we engaged **11 investee companies that stood below the 30% threshold in 2025**. Each engagement sought the board's assessment of its current composition and its plans and progress toward achieving, or restoring, 30% women representation while still emphasising relevant skillset requirements.

The early results affirm the value of this approach. Subsequent to the reporting period, **as of 3 July 2026, three of the 11 companies engaged have achieved 30% or higher women representation** through new female appointments made following our engagement. **Engagement with the remaining eight companies continues**. Several stand within one appointment of the threshold, and in response to our engagement, several companies indicated that they intend to achieve 30% women representation within approximately two years. We will continue to monitor their progress toward these commitments, and where progress is not demonstrated, we will **vote against the relevant director resolutions in line with our Voting Guidelines**.

Board gender diversity

We engaged eleven investee companies whose boards stood below the 30% women representation threshold, seeking each board's assessment of its composition and its plan to reach the threshold.

Objective: 30% women representation on boards of investee companies



Objective achieved | **Engagement ongoing**

Labour and Human Rights

Our social engagement in 2025 centred on two connected programmes: the continued implementation of PNB's Labour Rights Policy, and the rollout of the Living Wage Framework under the Government's GEAR-uP initiative.

On labour rights, we closed the loop on our priority group of investee companies, confirming that all **identified priority companies** have now met our expectations, including the adoption of standalone Labour or Human Rights policies. With alignment achieved across this group, our focus is shifting from compliance to depth. We are developing a **Business and Human Rights Policy** that broadens our expectations beyond a company's own workforce to encompass its **supply chain, customers and the communities** in which it operates, recognising that human rights risks in these areas are often the least visible and the most material.

100% of identified priority companies have met PNB's labour rights expectations, including the adoption of standalone Labour or Human Rights Policies

On the Living Wage, we engaged investee companies to adopt a Living Wage framework anchored to a **minimum threshold of RM3,100 per month,** guided by the Ministry of Finance and the Belanjawanku expenditure guide. Beyond setting the expectation, we worked alongside companies' human resources teams through workshops and working sessions, assessing cost implications, refining calculation methodologies and addressing implementation for employee segments where wage structures differ. Eight companies have publicly announced their Living Wage pledge, and **seven of our nine Strategic Companies have met the RM3,100 threshold**. We will **continue to monitor and engage the remaining targeted companies**.

This positions us not only as a steward setting expectations, but as a partner supporting companies through implementation.

RM3,100

minimum monthly threshold

Guided by the Ministry of Finance and the Belanjawanku expenditure guide, the threshold sets a common reference point for wage adequacy across our investee companies.

Progress in 2025

8 of 9

companies have publicly announced their Living Wage pledge

A public pledge places the commitment on the record and makes progress against it visible to employees and to the wider market.

7 of 9

of our largest holdings have met the RM3,100 threshold



Climate and Net Zero

Our climate engagement in 2025 focused on aligning investee companies with the Net Zero expectations embedded in PNB's Voting Guidelines, which call on companies to **adopt a formal Net Zero by 2050 ambition**.

Through this outreach, we engaged **22 investee companies** on the adoption of a Net Zero ambition, communicating our expectations ahead of the exercise of our voting rights. During the reporting year, **11 of the 22 companies engaged either adopted their first formal Net Zero ambition or publicly disclosed existing plans for a 2050 target**. Engagement with the remaining companies continues.

Where our expectations were not met, we exercised our voting rights on the relevant resolutions and communicated our decisions directly to the companies concerned, reinforcing that **climate ambition is a matter of board accountability**.

Net Zero ambition

We engaged 22 investee companies on the adoption of a Net Zero ambition, communicating our expectations ahead of the exercise of our voting rights.

Objective: Adoption of formal ambition or disclosure of existing 2050 plans

11 of 22	11 of 22
Objective achieved	Engagements ongoing



Case Study:
Constructive engagement leading to disclosure of a net zero ambition

Issue

Under our 2025 Domestic Voting Guidelines, we expect investee companies to adopt a clearly defined net zero ambition. A Malaysian media and content company in our portfolio held a carbon-neutrality target but had not articulated a clearly defined net zero ambition. We identified the company as a candidate for engagement under our Net Zero campaign, with the objective of encouraging it to close that gap.

Objective

We sought to encourage the company to adopt and disclose a clearly defined net zero ambition, distinct from its existing operational carbon-neutrality target. Rather than treating this as a compliance point, our aim was to help the company understand our expectation and work through how a net zero ambition could be defined and structured within its existing climate roadmap.

Approach

We wrote to the company setting out our net zero expectation and inviting it to discuss the matter, followed by a management meeting in February 2025. The engagement was notably constructive and iterative. Beyond conveying our expectation, PNB and the company exchanged views in some depth on how a net zero ambition could be adopted, discussing how it would sit alongside the company's existing carbon-neutrality target, and the steps involved in moving from a carbon-neutral position toward a net zero commitment. The company was receptive and engaged substantively with the guidance shared.

Outcome and next steps

Following the engagement, the company disclosed in its Integrated Report 2025 an ambition to achieve net zero emissions by 2050, alongside its existing target of carbon neutrality by 2040. This represented meaningful progress against the expectation we had set out, moving the company from an operational carbon-neutrality target to a disclosed net zero ambition.

We regard this as an example of engagement achieving our objective through constructive dialogue rather than escalation. As the company's net zero action plans are still being developed, we will continue to engage on the definition of interim targets and the substance behind the ambition, so that disclosure is followed by a credible pathway.

Nature and Biodiversity

Following the **publication of PNB's Nature and Biodiversity Policy in March 2025**, our **first year of nature-related engagement adopted a deliberately progressive approach**: communicating the Policy and our expectations to priority companies, building awareness of nature-related **dependencies, impacts, risks and opportunities**, and establishing the baseline for deeper engagement as disclosure matures.

During the year, we engaged investee companies across the financial, plantation, energy, industrials, utilities, real estate and consumer sectors to introduce the Policy and its associated expectations, including the nature-related considerations now embedded in our Voting Guidelines. These engagements support our target of achieving **100% alignment with the Nature and Biodiversity Policy among priority companies by 2030**.



Case Study:
Piloting nature-related assessment at a portfolio asset

Issue

Following the publication of PNB's Nature and Biodiversity Policy in March 2025, we sought to put the policy into practice and build our capability to assess nature-related risks in the local context. We selected Villea Port Dickson, a hospitality asset operated by investee company Attana Hotels & Resorts, as a pilot, chosen for its proximity to the Tanjung Tuan Recreational Forest, a recognised Key Biodiversity Area on a major bird migratory route, and for its financial materiality within the portfolio.

Objective

Our objective was to assess the asset's nature-related dependencies, impacts, risks and opportunities, and to translate the findings into practical action, testing the TNFD framework and LEAP approach as tools we could apply more widely across priority companies.

Approach

Working with Attana and Villea PD management and drawing on external expertise from the Malaysian Nature Society, we conducted a full LEAP assessment: locating the asset's interface with nature through geospatial analysis, evaluating dependencies and impacts using the ENCORE tool, and assessing physical, dependency and impact risks with validation from on-site management. A joint site visit assessed the surrounding coastal ecosystem of mangroves and seagrass habitats.

Outcome and next steps

The assessment identified opportunities to strengthen the asset's environmental management, and Villea PD implemented a range of measures aligned with Green Hotel Certification requirements, including improved water and waste management, an on-site hydroponic greenhouse for farm-to-table dining, solar panels and EV charging, and a dedicated bird-watching point. Complemented by community initiatives such as beach and forest clean-ups, these efforts led to Villea PD obtaining Green Hotel Certification from the Ministry of Tourism, Arts and Culture Malaysia in December 2025.

The pilot demonstrated how nature-related assessment can translate into tangible operational and commercial outcomes and informed the assessment frameworks we are rolling out toward our target of 100% alignment with the Nature and Biodiversity Policy among priority companies by 2030.



Industry and Ecosystem Engagement

Meaningful change in capital markets is rarely achieved alone. Beyond our investee companies, we engage the institutions that shape how markets function. In 2025, we conducted **70 engagements.**

We engaged Bursa Malaysia and the Securities Commission Malaysia on market development and the infrastructure that supports effective stewardship, including **proxy voting systems, disclosure standards and sustainable finance, and participated in working sessions under the Government's GEAR-uP programme**. Where we hold investments alongside other major institutional shareholders, we engaged those co-investors to align perspectives on company performance and long-term strategy, while retaining full independence over our own decisions.

Our contribution extends to the platforms on which market practice is debated and shaped. Through the year, members of our stewardship team spoke and served on panels at national and international conferences, roundtables and industry forums, setting out our perspective on responsible investment, climate risk and the exercise of shareholder rights, and drawing on the experience of peers and asset owners operating under different mandates and in different markets.

Event	Date	Focus
RHB ESG Series 2: Sustainable Pathways to Responsible Transition	April 2025	ESG integration in investment
Affin ESG Conference 2025	April 2025	ESG integration in investment
AIGCC Asset Owner Roundtable, Ecosperity Week	May 2025	Asset owner climate action
SIDC-CASI SRI Conference 2025, Securities Commission Malaysia	July 2025	Sustainable and responsible investment
ACIIA Conference: Effective Risk Management in ESG Investments	September 2025	ESG investment risk
Action in Tandem: Science x Business Dialogue on Mitigation and Adaptation	September 2025	Climate mitigation and adaptation
AIGCC Asset Owner Roundtable	October 2025	Asset owner climate action
FIDE Forum Seminar on Navigating Shareholder Activism	October 2025	Shareholder rights and activism
IIF-Maybank Sustainable Finance Forum 2025	November 2025	Sustainable finance
ASEAN Youth Science and Economic Forum	December 2025	Finance and investment

Sharing perspectives.
Advancing stewardship.

We actively participate in industry forums and knowledge platforms to exchange insights, build partnership and advance responsible investment practices for a more sustainable tomorrow.



01

INDUSTRIAL FORUM

Muazzam Mohamad, Head, Corporate Sustainability & Stewardship as a Panel Member at FIDE FORUM Seminar on Navigating Shareholder "Activism"



02

KNOWLEDGE SHARING

Muazzam Mohamad, Head, Corporate Sustainability & Stewardship as a Speaker at C3 Upskilling Sustainability Training Series 1



03

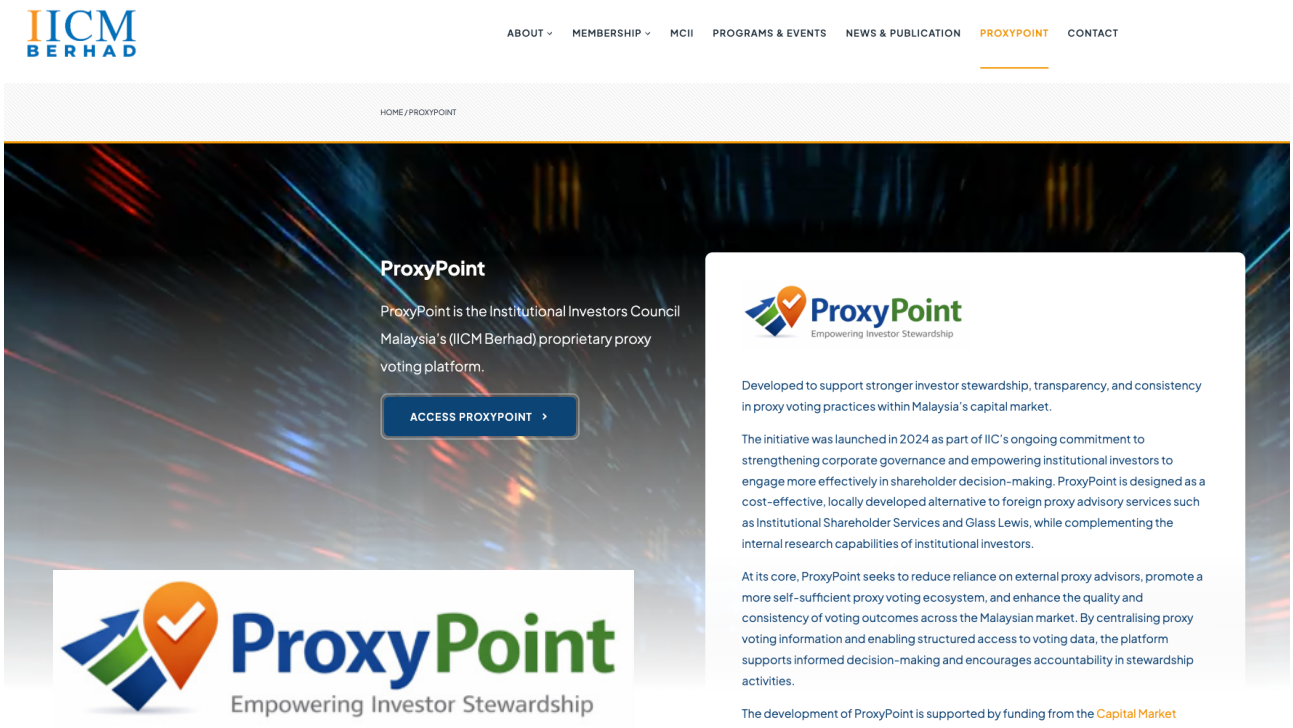
ESG DIALOGUE

Ikhmal Zahim, AVP, Corporate Sustainability & Stewardship as a Panel Member at RHB ESG Series 2: Sustainable Pathways to Responsible Transition

Extending our contribution
beyond our portfolio

These are a selection of the platforms at which we contributed during the year, drawn from the wider programme of conferences, roundtables and industry forums reflected in our 70 industry and ecosystem engagements.

Three initiatives illustrate what this ecosystem work builds in practice. The first strengthens the market's voting infrastructure; the second, its understanding of nature-related risk; the third, the perspective Malaysian experience brings to the global governance debate. In each, our contribution extends beyond our own portfolio.



01

Building Malaysia's proxy voting infrastructure

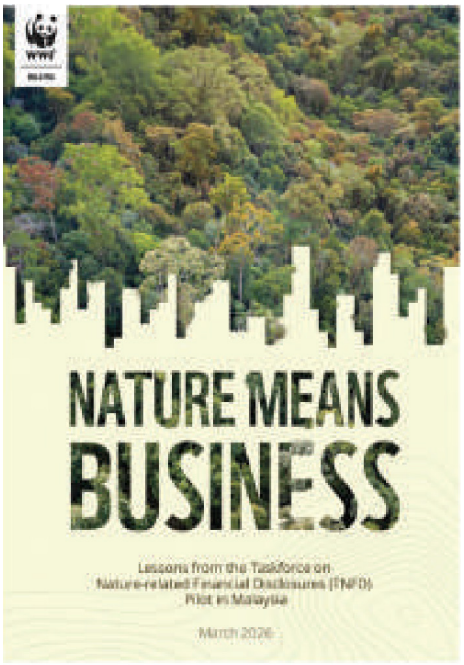
Through the Institutional Investors Council Malaysia, we played a **leading role in the development of ProxyPoint, Malaysia's first home-grown proxy voting platform**, established as a locally developed alternative to foreign proxy advisory services. We contributed to the design and delivery of Phase I, which established a central repository of proxy voting outcomes across Malaysian listed companies, and Phase II, introducing digital proxy voting, is underway. ProxyPoint strengthens the stewardship capacity of Malaysia's entire institutional investment community.

02

Piloting nature assessment with WWF-Malaysia

In 2025, we **participated in a TNFD pilot initiative in collaboration with WWF-Malaysia using the LEAP approach**, deepening our understanding of nature-related dependencies, impacts, risks and opportunities while building internal capability. The findings, published publicly, contribute to the wider market's understanding of nature-related risk in Malaysia.

Link: **here**.

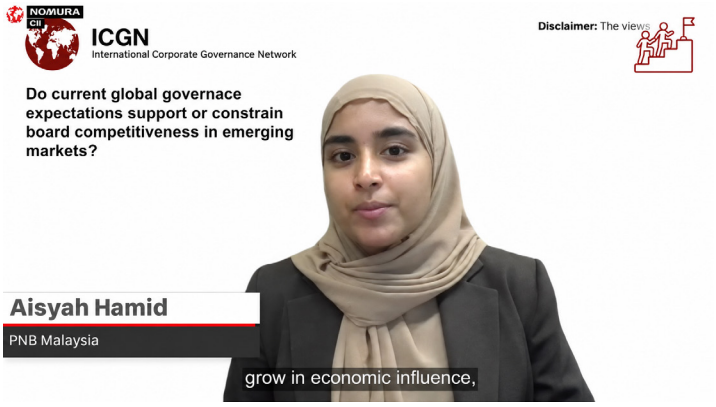




03

Contributing to global governance thinking

In January 2025, a member of **our stewardship team was appointed to the ICGN Future Leaders Committee**, which brings the perspectives of early career professionals into the ICGN's policy work. She **contributed to the Committee's published work** on board effectiveness, examining whether global governance expectations support or constrain board competitiveness in emerging markets. Drawing on Malaysian experience, she argued that concentrated ownership can be a source of competitiveness rather than a governance weakness, and that active stewardship is how that value is realised. The piece placed a Malaysian perspective into a debate shaped largely by markets with dispersed ownership.



Link: **here**.

Recognitions



Recognitions

External assessment provides an independent check on the quality of our stewardship and the transparency with which we report it. In 2025, our work was recognised across three areas: the governance and sustainability of our institution, our performance as a responsible business, and the standard of our stewardship disclosure.

Global SWF Governance, Sustainability and Resilience Scoreboard

We **were recognised in Global SWF's Governance, Sustainability and Resilience (GSR) Scoreboard** as Malaysia's top-ranked sovereign investor in two consecutive assessments. We placed 17th globally in the 2025 Scoreboard and **rose to 4th globally in the 2026 Scoreboard**, which assesses the work covered by this report, **scoring 88% overall and a perfect score for sustainability**, among more than 200 sovereign investors assessed. The improvement reflects our continued efforts to strengthen governance, sustainability integration, transparency and long-term institutional resilience.

4th
globally, 2026 GSR Scoreboard

1st
in Malaysia, two consecutive years

88%
overall score, 2026

100%
perfect score for sustainability





PNB Leads Malaysia, Places 4th Worldwide in 2026 GSR Scoreboard

Achieving our Net Zero Enterprise target for Scope 1 and Scope 2 emissions demonstrates our ability to translate commitments into measurable outcomes. As we move forward, we will continue to strengthen our stewardship practices, deepen climate and sustainability integration across the organisation and investment portfolio, and remain focused on delivering sustainable long-term value for our unitholders.

The Global SWF GSR Scoreboard serves as a key benchmark for sovereign investors worldwide. PNB's strong performance underscores its commitment to responsible stewardship, sustainable value creation and institutional excellence as it fulfils its purpose of uplifting the financial lives of Malaysians across generations.



Recognition across Stewardship and sustainability

Our efforts in advancing responsible investment and sustainability business practices continued to be recognised by leading global and regional organisations.



01 UN Global Compact Network Malaysia & Brunei - ESG Select List 2025

PNB is honoured to be recognised in the UN Global Compact Network Malaysia & Brunei's ESG Select List 2025, earning a **4-Star Lister distinction** across ESG Trailblazer, Future-Fit & Responsible Workforce, Purposeful Partnership, and The North Star ESG Target Setting. This recognition reflects our progress in advancing sustainability and our commitment to responsible business practices that benefit people and the planet.



02 ICGN Global Stewardship Disclosure Award

We are pleased to have **received the International Corporate Governance Network (ICGN) Global Stewardship Disclosure Award** in London under the Asset Owners category for organisations with under £60 billion AUM, in recognition of our 2024 Stewardship Report. The report was recognised for its strong demonstration of **collaborative engagement and responsible investment practices**, particularly in a region where stewardship reporting is still emerging. The ICGN Awards celebrate excellence in stewardship and corporate governance across the global investment community, recognising organisations, teams, and individuals who exemplify these principles. The prestigious recognition underscores our unwavering commitment to transparency, responsible investment, and stewardship excellence.

We are grateful for these recognitions and mindful of what they represent. Stewardship is judged over years rather than seasons, and each of these assessments reflects work that was underway long before it was acknowledged. The priorities that follow set out where we will direct that work in the year ahead.

Looking Ahead:
Our Priorities for 2026



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Stewardship is a discipline, not a destination. The priorities below build on the foundations laid in 2025 and translate our refreshed ambitions into operational practice.

1 Operationalising Sustainability Framework 2.0

Our first Sustainability Framework, launched in 2022, set out three pillars and 10 ESG commitments. We reduced our Scope 1 and 2 emissions by 98% against a 2022 baseline and achieved Net Zero Enterprise status in 2025; we established our Living Wage Framework in 2023; we aligned our reporting with TCFD; and we embedded transparency in voting as standard practice, publishing our decisions and rationale ahead of every general meeting. In 2025, we were recognised as the top Malaysian sovereign investor and ranked 17th globally in the Global SWF GSR Scoreboard, with a perfect score for sustainability.

Sustainability Framework 2.0 — Investing Responsibly, Empowering Generations — carries that work forward with sharper architecture: three anchors, six commitments and 16 dated targets, aligned to our LEAP-6 Strategic Plan.

In 2026, our focus shifts from design to delivery. Under the Responsible Stewardship anchor, we will:

- **Establish baselines and reporting cadence** for each of the seven Responsible Stewardship targets, so progress can be tracked and disclosed year on year
- **Translate the 2030 targets into interim milestones** and stewardship priorities, beginning with the coverage of portfolio emissions by credible net zero targets
- **Extend our thematic engagement programme** to the areas the framework newly emphasises, including climate adaptation for priority infrastructure assets and the coal phase-out pathway
- **Embed Internal Carbon Pricing**, effective 2026, into investment decision-making

2 Expanding our International Voting Guidelines

Our first International Voting Guidelines took effect on 1 January 2025, anchored in ICGN principles and covering board composition, executive compensation, shareholder rights and governance structures. In their first year they guided our voting across 75 international meetings in 11 international markets.

That first edition was, by design, a statement of guiding principles. It set out what we expect of the companies we own overseas, applied uniformly across every market in which we vote. Unlike our Domestic Voting Guidelines, it did not extend to specific voting recommendations, being the resolution-level positions that tell a company, and our unitholders, how a given proposal will be assessed and on what basis a vote against would follow.

As our international holdings and voting activity continue to grow, the next stage is to build on that foundation. The markets in which we vote differ in board structure, in the role of controlling shareholders, in remuneration convention and in disclosure requirements. Recognising those differences allows us to hold companies to our expectations with greater precision, assessing governance on the terms of the market in which a company operates while holding to a consistent global standard of what good governance requires.

In 2026, we will expand the International Voting Guidelines from a principles-based framework into an operational one. The expansion will:

- **Extend the existing guidelines with resolution-level voting recommendations,** bringing our international guidance to the same level of specificity as our domestic guidelines
- **Introduce region-specific considerations,** setting out how our expectations apply within the governance architecture of each major market in which we vote
- **Improve the consistency and explicability of our decisions,** so that investee companies and unitholders alike understand the basis on which each vote is cast

Our principles will not change. What will change is the precision with which we apply them, and the transparency with which we explain them.

3 Advancing our net zero expectations

From 1 January 2026, our Voting Guidelines require investee companies to have disclosed a defined net zero strategy, the second step in the sequence we set out in 2025, when we asked companies to establish a net zero ambition and, for the first time, voted against directors at seven companies where that expectation was not met.

Meeting this commitment credibly requires more than a timeline. In 2026, we will:

- **Apply our Net Zero Credibility Assessment** — covering ambition, governance, emissions disclosure and decarbonisation strategy — as the basis for evaluating disclosed strategies, rather than assessing the existence of a document alone
- **Engage in advance of AGM season with companies yet to disclose**, giving those with credible plans in development the time and support to complete them
- **Escalate consistently and transparently** where disclosure is absent without adequate explanation, in line with our escalation pathway
- **Report on the outcome in our next stewardship report**, including the proportion of engaged companies meeting the standard

4 Extending stewardship disclosure across asset classes

This report covers our stewardship of listed equities, where our holdings are largest and the instruments of ownership are most established. Our portfolio, however, **extends across fixed income, private markets and real assets**, and our responsibilities as a steward extend with it.

In 2026, we will begin disclosing our stewardship activities across these asset classes. This will include:

- Fixed income. How we exercise our rights as a creditor, including in consent solicitations and covenant amendments, and how governance and sustainability considerations inform our credit assessments and our engagement with issuers.
- Private markets. How we exercise influence through the governance rights attaching to our direct investments, including board representation, shareholder agreements and information rights, and how we engage portfolio companies on the same expectations we set for our listed holdings.

Our expectations of the companies and issuers we finance do not change with the instrument through which we hold them. Extending our disclosure accordingly gives our unitholders a fuller account of how their capital is stewarded across different asset classes within the whole portfolio.

5 Supporting the MY Value Up programme

In April 2026, the Securities Commission Malaysia and Bursa Malaysia introduced the MY Value Up programme, a market-wide initiative under the Capital Market Masterplan 2026–2030 encouraging listed companies to articulate and disclose their medium- to long-term value creation strategies. The programme is voluntary and board-led, and in its initial phase engages the 88 largest companies on Bursa Malaysia.

The programme's objectives align closely with priorities we already pursue. Value creation and capital discipline was the largest theme of our engagement in 2025, and our Pre-AGM Shareholder Letter asks boards directly about strategy, capital allocation and total shareholder return.

In 2026, we will **further incorporate the objectives of MY Value Up into our stewardship activities**, supporting the programme as a substantial long-term shareholder in many of the companies within our scope.

MCII Statement of Compliance



Principle 1
Disclosing Policies on Their Stewardship

- We remain fully committed to carrying out our stewardship responsibilities with the objective of ensuring that our investee companies adhere to sound corporate governance practices and generate sustainable, long-term shareholder value. In alignment with the fundamental principles outlined in the Malaysian Code on Corporate Governance (MCCG), we strive to uphold transparency, integrity and accountability in all our investment and governance practices.
- We have also established the following **eight committees** in dealing with specific functions or areas to further govern our business functions, namely:

  a) Investment Committee
  b) Nomination & Remuneration Committee
  c) Technology Committee
  d) Audit Committee
  e) Risk Management Committee
  f) Compliance Committee
  g) Tender Committee
  h) Shariah Advisory Committee

- In 2025, we continued to strengthen our stewardship practices and achieved several key milestones:

  - **Published our inaugural Stewardship Report 2024** on 29 September 2025, enhancing transparency and providing comprehensive disclosure of our stewardship activities, engagements and voting outcomes. This commitment to stewardship excellence was further recognised when we won the ICGN Global Stewardship Disclosure Award on 12 December 2025 for our leadership in stewardship transparency and responsible investment practices.
  - **Further strengthened our engagement framework** through the issuance of annual pre-AGM shareholder letters to selected investee companies, promoting proactive and outcome-oriented dialogue with boards and management.
  - **Continued advancing our Net Zero stewardship agenda** by engaging 22 investee companies on their climate ambitions. Following these engagements, 17 companies responded and 11 companies transitioned from having no Net Zero ambition to formally adopting one.
  - **Continued to enhance our stewardship and voting framework** through the implementation of updated Domestic and International Voting Guidelines, reinforcing expectations on governance, sustainability and long-term value creation.

Principle 2
Monitoring Investee Companies

- We place strong emphasis on the timely and continuous monitoring of our investee companies to safeguard long-term value creation and sustainable returns for our stakeholders. The monitoring process is undertaken by dedicated investment teams and guided by PNB's Sustainable Investment (SI) Framework, which seeks to maximise long-term shareholder value, facilitate the execution of Value Creation Plans and optimise strategic shareholdings.
- As part of our monitoring activities, we conduct regular reviews of our investment portfolios, including analysing annual reports, corporate announcements, financial results and other relevant disclosures of investee companies. We also engage regularly with boards, senior management and key stakeholders of investee companies to better understand their business developments, strategic priorities, operational challenges and emerging risks.
- In monitoring our investee companies, we focus on, among others:

  a) **Financial performance and long-term value creation;**
  b) **Execution of strategic initiatives** and business plans;
  c) **Board effectiveness, leadership succession** and **human capital management;**
  d) **Corporate governance practices** and **risk management;**
  e) **Environmental, Social and Governance (ESG) matters**, including **climate-related risks and opportunities.**

- Any significant concerns or risks identified through the monitoring process are escalated to the relevant internal stakeholders for further assessment and action. Where we believe that a proposed action, decision or governance practice may adversely affect the long-term interests of shareholders, we proactively engage with the company through written correspondence, meetings, and other engagement channels with the management and/or Board of Directors.
- We also **exercise our stewardship responsibilities through active participation at general meetings** and by exercising our voting rights on material resolutions. Where appropriate, concerns raised through engagements are followed up to monitor progress and ensure that appropriate measures are implemented by the company. Should the response or actions taken by the company be deemed unsatisfactory, we may escalate our concerns through further engagement and exercise our shareholder rights through voting at general meetings.
- In addition, we **actively promote better governance and sustainability practices** among our investee companies. In 2025, we submitted pre-AGM Shareholder Letters to selected companies to communicate shareholder expectations on governance, sustainability and long-term value creation. We also engaged with 22 companies on their Net Zero ambitions, resulting in 17 responses and 11 companies formally adopting Net Zero ambitions following engagement efforts.
- Through our structured stewardship framework, active shareholder engagement and stewardship activities, we **continue to drive stronger governance standards, sustainable business practices and long-term value creation across our investee companies.**

Principle 3
Engaging Investee Companies

- As part of our commitment to shareholder engagement, we implement a robust Stewardship Framework centred on disciplined capital management, strong governance, organisational resilience and strategic guidance to support long-term value creation.
- We view engagement as a key stewardship tool to promote constructive dialogue, enhance corporate performance and safeguard investment value. Engagement activities are guided by PNB's Sustainability Framework, Stewardship Framework, Engagement Framework and Voting Guidelines.

  Key 2025 initiatives:

  - ✓ Published our inaugural PNB Stewardship Report 2024 on 29 September 2025, enhancing transparency through comprehensive disclosure of stewardship activities, engagements and voting outcomes. This commitment was further recognised when we won the ICGN Global Stewardship Disclosure Award on 12 December 2025.
  - ✓ Strengthened our engagement approach through the introduction of an Enhanced Engagement Framework and annual pre-AGM Shareholder Letters, providing boards and management with our expectations on climate performance, governance and value creation.
  - ✓ Continued engagement with investee companies on key ESG matters, including Net Zero ambitions, labour rights and biodiversity, to support sustainable business practices and long-term resilience.
  - ✓ Hosted the Asian Corporate Governance Association (ACGA) Closed-Door Roundtable on “Board Effectiveness and the Role of Non-Independent and Independent Directors”, fostering dialogue on governance best practices and board effectiveness.
  - ✓ Maintained periodic engagement sessions across investment teams to share stewardship insights, best practices and alignment of shareholder interests.

- We uphold stringent governance standards and endeavour to actively involve our investee companies and significant stakeholders in the pursuit of sustainable, long-term value creation. We perceive engagements as an opportunity for reciprocal dialogue, facilitating the exchange of diverse perspectives, ideas, and recommendations among shareholders to enhance corporate performance and safeguard investment integrity. This collaborative approach fosters a conducive environment for constructive feedback and proactive measures aimed at fortifying the resilience and prosperity of invested enterprises.

- We have successfully initiated numerous engagements with our investee companies, institutional investors, and regulators, emphasising the oversight of strategy, performance, and diverse environmental, social, and governance (ESG) considerations.

Our engagements throughout 2025 include:

- **472 Total Number of Engagements**
- **73 Investee Companies** Engaged
- **280 Value Creation** and capital discipline
- **122 Engagements** on Sustainability and Governance
- **70 Industry and ecosystem** engagements
- **138 & 75 general meetings** attended domestic and international, respectively.

Principle 4
Managing Conflicts of Interest

- We are committed to maintaining a business environment free from bribery and corruption. To support this commitment, it has implemented a comprehensive set of policies and frameworks, each designed to uphold transparency, integrity, and ethical conduct.
- Further underscoring this commitment, we have been awarded the **ISO 37001:2016 Anti-Bribery Management Systems (ABMS) certification by SIRIM QAS International Sdn Bhd**. This achievement reflects our steadfast dedication to maintaining excellence in ethical business practices and governance across all aspects of our operations.
- To effectively identify, manage and mitigate actual, potential or perceived conflicts of interest, we have established a robust suite of policies and frameworks, including:

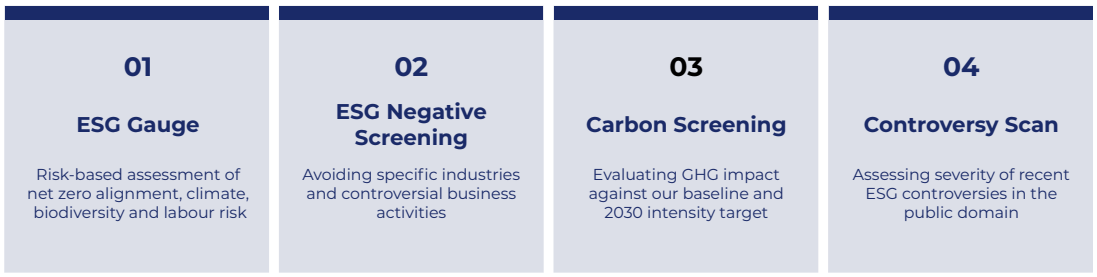
  a) PNB's Code of Business Ethics ("COBE")
  b) PNB Group Anti-Bribery and Anti-Corruption Policy Statement
  c) PNB Group Organisational Anti-Corruption Plan 2025 – 2028 ("OACP")
  d) Conflict of Interest Policy
  e) Integrity Charter & Framework
  f) Chinese Wall Policy
  g) AMLA Policy
  h) No Gift Policy
  i) Whistleblowing Policy
  j) Internal Assurance Policy
  k) PNB Data Protection Framework
  l) Information and Cybersecurity Policy

Principle 5
Incorporating Sustainability Considerations

- In line with our fiduciary duty to preserve and grow the wealth of our Unitholders, we continuously seek to incorporate sustainability considerations across our investments and business operations. This is upheld to **ensure the protection and enhancement of long-term value** including adapting to the impacts of climate change and transition towards a low-carbon economy. We aim to deliver sustainable returns whilst reducing and mitigating harm towards society and the environment.
- Our initial approach is guided by our 10 ESG Commitments and Sustainability Policy. In 2025, we reviewed our progress against these commitments, with the review process later culminating in a **revised Sustainability Framework 2.0 comprising Three Anchors, Six Commitments and 16 Targets** which has been published and made available online via our website **here**.

Net Zero Portfolio By 2050

- We remain committed to achieving a Net Zero Portfolio by 2050, guided by 2030 interim targets to reduce emissions intensity and achieve 70% of financed emissions to be covered by credible net zero targets.
- Our ESG Assessment Framework is applied to all prospective investments as part of pre-investment due diligence, introducing an ESG overlay that facilitates the identification of material ESG issues for more robust risk management and decision-making. It consists of:
- In 2025, we enhanced the integration of ESG Assessments by:



Findings are consolidated into an ESG Tearsheet forming part of the investment proposal.

1. **Introducing 17 sector-specific ESG Scorecards** to assess and track company performance across our investment universe.
2. **Embedding financed emissions calculations** within investment proposals.
3. **Introducing an Internal Carbon Pricing framework**, effective 2026, to strengthen our assessment of transition risk in high-emitting sectors.

- Our Net Zero Credibility Assessment continues to evaluate our Investee Companies' net zero ambition against a defined threshold. The key components of the assessment include:



- The outcomes shape the agenda and priority of our engagements. In 2025, we conducted 74 ESG engagements covering net zero and decarbonisation, Living Wage, nature and biodiversity, and ESG-related controversies.

Key Outcome in 2025:

40% of portfolio emissions covered by credible Net Zero targets, up from 38% in 2024.

RM10b in New Green & Transition Assets by 2030

- We **continue to pursue opportunities to increase our investment in Green & Transition assets** as guided by our Internal Green Taxonomy that focuses on key sectors such as Clean Power, Clean Transport, Green Buildings, and Agriculture, Forestry, and Other Land-Use (AFOLU).
- In 2025, we **commenced an independent assurance review of our deployed capital** to strengthen the credibility and transparency of our climate investing reporting.

> **Key Outcome in 2025:**
> Commitment raised to RM15 billion by 2030 under the revised Sustainability Framework

Nature and Biodiversity

- We recognise that Nature and Biodiversity are essential to the well-being of our planet and the global economy, as strong ecosystems underpin business sustainability and societal prosperity. We are committed to protecting and enhancing biodiversity within our sphere of influence.
- In March 2025, we **published our Nature and Biodiversity Policy**, establishing a structured approach to managing nature-related dependencies, impacts, risks and opportunities. Guided by the TNFD and anchored on six Key Material Issues, it applies to investee companies where nature is material. To support implementation, we developed a Policy Alignment Assessment, nature-related voting considerations and location-based due diligence.

- Our overall approach to Nature and Biodiversity:

    1. Strengthening our **nature and biodiversity risk assessments** in our overall investment analyses using practical approaches.
    2. Driving **specific engagement strategies with high-priority companies** that are exposed to nature and biodiversity loss and encourage them to manage and assess their nature and biodiversity risks and impacts.
    3. Continuously **enhancing our own disclosures on nature and biodiversity** related risks and opportunities while pushing for greater transparency among our companies.
    4. **Actively using our voting rights** to ensure companies integrate responsible practices to minimise impact on nature and biodiversity, where material.
    5. **Engaging policymakers, regulatory bodies and other stakeholders** on nature and biodiversity issues, where necessary.
    6. **Participating in collaborative engagement efforts** and **investor statements** related to nature and biodiversity.

> **Key Outcome in 2025:**
> 44 investee companies engaged on climate and biodiversity (FY2024: 32).

Labour Rights

- As outlined in our Labour Rights Policy and during our one-on-one engagements, we **intend for Investee Companies to publish a standalone Labour or Human Rights Policy** encompassing 6 Key Material Issues:

Forced & Child Labour	**Fair Wages & Benefits**	**Diversity & Inclusion**
Freedom of Association	**Safety & Health**	**Upskilling & Education**

- In 2025, we **engaged the remaining companies within the priority group** and **advanced Human Rights Due Diligence (HRDD) through an independent third-party audit** with our real estate investee company.

> **Key Outcome in 2025:**
> All identified priority companies have adopted a standalone labour or human rights policy and met our expectations.

ESG Considerations in PNB Voting Guidelines

Acknowledging the pivotal role of voting decisions as a key stewardship lever, PNB's Voting Guidelines incorporate sustainability considerations including the following key expectations:

- Companies to **disclose their Net Zero strategy by 1 January 2026,** failing which we will **vote against the chairperson or chair of the Board Sustainability Committee;**
- Companies to **develop a strategy to address material risks and opportunities** related to climate, labour, and biodiversity, with nature-related considerations introduced following our Nature and Biodiversity Policy;
- *Alignment on* **sustainability related disclosure** in accordance with the National Sustainability Reporting Framework (NSRF) and IFRS Sustainability Disclosure Standards;
- Companies to have a **minimum of 30% women directors in** their Board of Directors;
- **Continued application of our policies on gratuity payments and share buy-backs;** and
- Encouraging **investee companies to consider adopting a living wage,** progressively where necessary.

In 2025, we also introduced International Voting Guidelines extending this framework to foreign investee companies, alongside an expansion of coverage to the top 100 international equities across five international regions.

> **Key Outcome in 2025:**
> 138 domestic general meetings covering 1,010 resolutions (88% in favour, 10% against, 2% abstentions) and 75 international meetings covering 861 resolutions (92.1% in favour, 7.7% against, 0.2% abstentions).

Principle 6

Publishing Corporate Governance Policy & Voting Guidelines

- We remain fully committed to fostering effective engagement between corporate management, boards of directors, and shareholders.
- We **publicly disclose our Voting Guidelines, stewardship-related policies and voting decisions through our website**, providing stakeholders with clear insight into our governance expectations and voting approach. To promote transparency, we publish our voting decisions, together with the rationale where necessary, up to five days before the general meetings of our investee companies.
- This proactive disclosure enables investee companies to engage with us and address any concerns prior to the general meeting, supporting informed dialogue and better governance outcomes.
- Click **here** for further information on our voting decisions in the past and upcoming General Meetings.
- The Voting Guidelines of PNB shape the organisation's" voting decisions at the General Meetings of PNB's investee companies and are made available online on our website **here**.

Principle 7

Collaborative Response on Corporate Governance and Sustainability Issues

- We **actively collaborate with institutional investors, regulators, policymakers and other industry stakeholders** to advance corporate governance and sustainability practices within the Malaysian and global capital markets. Through these collaborations, we seek to promote responsible investment practices, strengthen governance standards and advocate for greater corporate accountability and sustainability disclosures among investee companies.

In 2025, we actively participated in numerous initiatives, both domestically and internationally, to:

  - Promote **responsible investment practices** in alignment with global governance standards.
  - Drive improvements in **corporate governance frameworks and best practices**.
  - Advocate for improvement of **sustainability disclosures and climate commitments** among investee companies.

- Through constructive engagement and collaboration with key stakeholders, we remain committed to driving positive change in corporate governance and sustainability, while reinforcing our role as a responsible steward and long-term investor.