

KIC Stewardship Principles

KIC has committed to the following Stewardship Principles:

Principle 1: Establish and publicly disclose our principles on investment stewardship and how we will fulfill our stewardship responsibilities

Guidances

[1.1] This Principles marks our commitment to investment stewardship based on global standards of good practice in the markets in which we invest.

[1.2] Our stewardship activities are designed to support our core investment objective by helping identify and address investment risk – including risks linked to environmental, social and governance (ESG) issues – as well as investment opportunities linked to long-term sustainable trends for global economic growth.

[1.3] We recognize that the materiality of ESG factors, and the ability to execute stewardship activities, will vary across asset classes and investment styles. How we carry out stewardship activities will therefore need to remain flexible and focused on the most appropriate methods for reducing risk and creating long-term value.

Principle 2: Have a robust internal approach for managing conflicts of interest that may arise in our stewardship activities

Guidances

[2.1] We have a policy for managing conflicts of interest and expect our investment managers to consider policies and procedures for handling any that may arise during the course of business. This includes possible conflicts when voting shares in our investment portfolios or engaging with companies.

Principle 3: Regularly monitor portfolio companies to preserve and enhance value over the medium to long-term

Guidances

[3.1] Our investment management staff and third-party investment managers will regularly monitor the portfolio for any factors, including ESG factors, that could affect portfolio value and sustainable long-term growth.

[3.2] Where material ESG factors are identified during the monitoring process, KIC or our investment managers will consider how we might use our stewardship rights, through proxy voting and engagement, to encourage portfolio companies to address these issues.

Principle 4: Develop a process for engaging with investee companies, where necessary, on key matters relevant to the delivery of medium- to long-term value creation and preservation

Guidances

[4.1] Engagement may be around any issue that could impact medium- to long-term value creation, including: strategy, performance, remuneration, risk management, corporate governance, environmental and social matters.

[4.2] Engagement should aim to establish a constructive dialogue with company representatives, focusing on delivering mutually beneficial outcomes aligned with sustainable long-term value creation.

[4.3] Engagement may be undertaken by KIC directly, our appointed investment managers or a dedicated service provider. Engagement may also be pursued collaboratively with other investors or stakeholders with whom KIC's stewardship goals are aligned.

Principle 5: Establish a voting policy and procedures for exercising shareholder rights in a manner aligned with the creation and preservation of investor value

Guidances

[5.1] We consider shareholder ownership rights fundamental to the value of our equity investments, in line with our commitment to the Santiago Principles (GAPP 21).

[5.2] The proxy voting policy will include how voting rights and positions are determined and exercised.

Principle 6: Report periodically on stewardship activities

Guidances

[6.1] We will annually report how we are implementing our commitment to investment stewardship, in line with this Stewardship Principles.

[6.2] This may include a summary of our voting and engagement activities.

[6.3] This reporting may be included in the Annual Report or on the KIC website.

Principle 7: Commit to appropriate training, development, resourcing and collaboration for good investment stewardship

Guidances

[7.1] We are committed to continuous improvement in investment stewardship through internal training and staff development.

[7.2] We will ensure that those responsible for implementing and overseeing stewardship activities have the skills and expertise to effectively implement this Principles and deliver on our fiduciary responsibilities.

[7.3] We may collaborate with other institutional investors, including other sovereign wealth funds, or domestic financial institutions to discuss, debate and share information on and experience with successful stewardship activities.