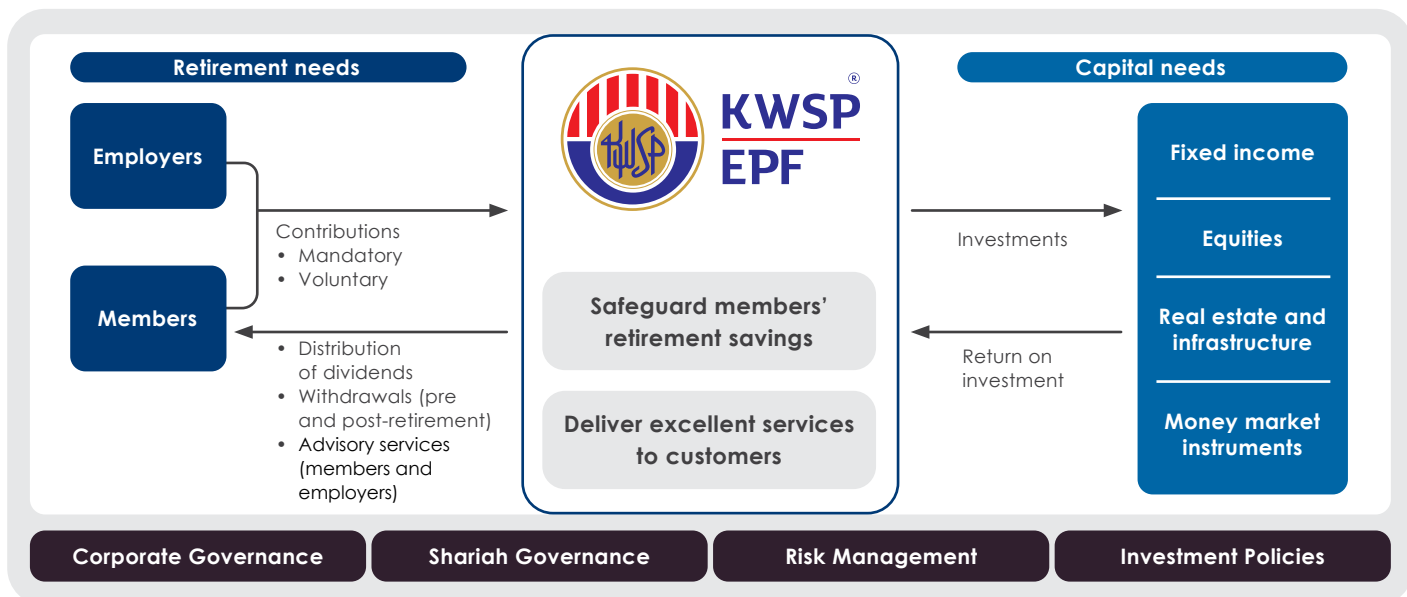


LONG-TERM VALUE CREATION

As a social protection organisation mandated to deliver the retirement savings and old-age income replacement, the EPF is committed towards facilitating its members in achieving a dignified retirement. To the EPF, a better future and dignified retirement refer to a holistic retirement where it envisions its members to be able to have income security at old age, good health through preventative measures, and a purposeful and meaningful retirement life.

HOW THE EPF CREATES VALUE

The EPF plays a critical role in nation-building – by safeguarding members' savings to meet their retirement needs and providing financial capital to support economic development. We manage our members' contributions responsibly through good corporate governance and sound investment policies. As the largest investor in the Malaysian capital market, we believe we have a responsibility to ensure that the investments we make create a positive impact on the society and environment while generating sustainable financial returns.



LONG-TERM VALUE CREATION

3

The EPF creates value for members, employers, employees, and for other stakeholders through our business and strategies based on a multi-capital approach. In our business plan, the Management has identified initiatives or key strategies mapped to the strategic thrusts, in order to deliver long-term value for our stakeholders. We transform various inputs or capitals (as below) through our business activities to produce outputs and outcomes that create value over the short, medium, and long-term for our stakeholders.

 <p>Financial capital Funds available to the EPF</p>	 <p>Manufactured capital Our branches, buildings, and infrastructure</p>	 <p>Human capital Our people</p>	 <p>Intellectual capital Our intangible assets, systems, and processes</p>	 <p>Social and relationship capital Our relationship with our members and other stakeholders, partnerships, and networks</p>	 <p>Natural capital All renewable and non-renewable environmental resources</p>
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OUR VALUE CREATION MODEL



KEY INPUT *Resources Used*

Financial Capital

- **RM78.41 billion** total members' and employers' contributions
- Investment returns and income

Manufactured Capital

- **68** offices and branches across Malaysia
- **5,429** EPF Smart Kiosks and Handheld Terminals
- Contact Management Centre (CMC)

Human Capital

- **5,811** total employees
- **112** interns and protégé
- **290,043** total learning hours
- **RM5.29 million** invested in employees' learning and development
- Competitive **benefits**

Intellectual Capital

- **3-Year Rolling Plan**
- Digital platforms: **i-Akaun (Member), i-Akaun (Employer), i-Akaun app, e-Caruman app**
- **Digitise EPF 2025** roadmap

Social & Relationship Capital

- **14,887,988** total number of members
- **7,591,053** total number of active members
- **534,398** total number of employers

Natural Capital

- United Nations Principles for Responsible Investment (**UNPRI**) signatory
- **Sustainability review** for all new investment proposals
- **Digitalisation** initiatives to reduce environmental footprint

OUR VISION Helping members achieve a better future

OUR MISSION Safeguard members' savings and deliver excellent services

Delivered through Our Strategic Thrusts

- Customer centricity
- Resilient investments
- Digital enablement
- People development

Supported by Our Shared Values

- Customer focused
- Integrity
- Continuous improvement
- Teamwork

Considering The Six Factors That Will Shape The Next Normal

- 1 Sustainability** is our generation's biggest imperative
- 2 Global Supply Chain Disruption** the need to transform traditional supply chain models
- 3 Low-Yield Environment** unlikely to improve in the next five years
- 4 Voice of Customers** amplified, empowered by digital channels
- 5 Accelerating Digital Transformation** in a low-touch, high-distance economy
- 6 Future of Work, Worker and Workplace** has arrived



BUSINESS ACTIVITIES

LONG-TERM VALUE CREATION

3

OUR VALUE CREATION MODEL



OUTPUT Value Created



- **RM55.74 billion** total gross investment income
- **RM42.87 billion** net profit attributable to members
- **RM1,003.37 billion** total assets (60% conventional, 40% shariah)
- **RM0.27** cost per asset under management (per RM100)
- **2.77%** total expenditures over total income
- **6.13%** return on investment (ROI)
- **RM58.29 billion** amount of withdrawals and refunds



- **1.70 million** interactions through EPF counters
- **6.40 million** interactions through EPF Smart Kiosks and Handheld Terminals
- **2.89 million** number of phone calls received by EPF Contact Management Centre (up 158.83%)



- **92** new hires (44% digital and investment skill sets)
- **RM1.11 billion** total employee expenses
- **14.18%** women representation at Board level
- **20.00%** women representation at Senior Management level
- Diverse workforce with **58.00%** women employees
- **82** Retirement Advisory Services (RAS) officers trained and qualified in financial and retirement planning



- **12th Largest** sovereign pension fund in the world
- **143.01 million** i-Akaun transactions (up 116.91%)
- **8.90 million (59.79%)** registered members on i-Akaun
- **531,343 (99.43%)** registered employers on i-Akaun
- **98.06%** of employers using e-Payment
- **99.99%** of employers using e-Form



- **1.2:1** male-to-female members ratio
- **19.47%** active members meeting basic savings
- **83,224** total members receiving financial advice from qualified Retirement Advisory Service officers
- **95.21%** customer satisfaction index
- **41.00%** members financial literacy rate (as of 2019)



- Over **70** sustainability reviews conducted
- **82.00%** of internally managed domestic equity falls within the FTSE4Good Bursa Malaysia
- **47.52%** externally-managed equity and bonds exposure falls within various ESG Benchmark Indices



OUTCOME Value Shared



Members

- **RM42.88 billion** dividend payout (Simpanan Konvensional)
- **RM4.76 billion** dividend payout (Simpanan Syariah)
- **5.20%** dividend rate (Simpanan Konvensional)
- **4.90%** dividend rate (Simpanan Syariah)
- **RM24.79 billion** withdrawal for retirement
- **RM14.55 billion** withdrawal for COVID-19 assistance (i-Lestari)
- **RM4.50 billion** withdrawal for housing
- **RM679.76 million** withdrawal for education
- **RM79.31 million** withdrawal for health
- Allow members to diversify EPF investment at a lower cost via **i-Invest**
- **47.47%** Malaysia labour force covered by the EPF
- Introduction of initiatives (i-Lestari, contribution reduction) to ease members' financial challenges



Government and Regulators

- Providing policy recommendations and inputs to government and regulators
- Complied with regulations and standards
- Supporting nation-building in developing talents



Employees

- **18 years** average number of years of service
- **2.10%** employee attrition rate
- **50 hours** average learning hours provided to employees
- **93.00%** employee engagement level (as of 2019)



Investee Companies

- Attended and voted actively in **99** annual general meetings (AGM) and **16** extraordinary general meetings (EGM) of its investee companies
- Provided source of funding and capital



Employers

- **Enhanced i-Akaun (Employer)** - provided a convenient platform with better access and seamless user experience
- **Employer Advisory Services** - engaged employers to educate on self-compliance and self-service in fulfilling their obligations to EPF
- **13,090** approved applications amounting to RM84.95 million for e-CAP, an employer assistance programme to ease financial strain