Summary of Corporate Governance & Voting approach

Approved by APG AM Investment Committee (APG AM IC) on 11 February 2021
Owner APG AM IC
Version 1

apg

Change log			
Version	Date	Author	Change log
1.0	10 March 2021	Project Group SFDR	

Summary of Corporate Governance & Voting approach

As a fiduciary manager for Dutch pension funds whose goal is to allow their beneficiaries to rely on a good income upon retirement and enjoy that income in a sustainable world, all our investment processes are geared towards ensuring they can deliver on this objective. Our fully integrated Responsible Investment Approach encompasses a comprehensive approach towards making a material positive social, economic and environmental contribution in the real economy by investing responsibly for the long-term.

The specific and varying characteristics of the diversified portfolio of assets we invest in on behalf of our clients require a clear overarching as well as customized approach to integrating responsible investing objectives per asset class. Thereby we can ensure that they all contribute to the fullest extent possible to the overall objective of the Responsible Investment Approach.

This document describes APG AM's principles and expectations around corporate governance and how we exercise our voting rights at the annual general shareholders' meetings of the companies that we invest in on behalf of our clients. It should be read in conjunction with the Global Responsible Investment and Stewardship Policy and the Corporate Governance Framework in which we set out our general approach in more detail, and which can be found on the APG AM website. We also publicly disclose all our voting decisions on our website, and share information in our annual responsible investment report about how we exercised our voting rights.

APG AM[1] was a founding member of the internationally recognized Dutch corporate governance platform Eumedion[2] in 1998, and started proxy voting at the annual shareholders' meetings of investee companies in 2006. In 2011, we published our first Corporate Governance Framework in which we described our policy and views on the main corporate governance related topics.

APG AM adheres to the principles of the Dutch Stewardship Code which sets out expectations for asset managers to meet their stewardship responsibilities, and which is closely aligned with Directive 2007/36/EC of the European Parliament and of the Council. In addition, APG AM endorses the ICGN Global Stewardship Principles and is actively involved in organizations which advocate, contribute to, and set corporate governance best practice standards and promote the interests of long-term responsible investors, such as the International Corporate Governance Network, Eumedion, and the Asian Corporate Governance Network, among others. Furthermore, the Managing Director of the Global Responsible Investment & Governance team is a member of the German Corporate Governance Code Commission. To further improve global corporate governance standards and our stewardship rights, APG AM regularly engages with regulators and policymakers in various markets on corporate governance standards, corporate disclosures and other topics relevant to our role as global long-term responsible investor.

Insight into impact on risk and return

To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and

---

[1] Then ABP.
[2] Then *Stichting Corporate Governance Onderzoek voor Pensioenfondsen.*

gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.

--