Responsible Investment APG

Report

www.apg.nl/responsibleinvesting

2016

apg
tomorrow is today

Contents

In the event of discrepancies between different versions of the Responsible Investment Report 2016, the Dutch version shall prevail.

Foreword

During 2017 we were awarded a top rank as the asset manager performing best across a range of measures relating to policies and disclosure of the risks of climate change. This was part of a report by the Asset Owner Disclosure Project, which every year since 2014 has been rating 500 pension funds, foundations and other asset owners on this and for the first time this year added to the rankings the world's 50 largest asset managers.

Whilst we were extremely proud of that achievement, it was not entirely unexpected as it reflect years of work spurred by our clients who are leaders in sustainable and responsible investment. Starting in 2013, they were among the first pension funds to measure the CO_2 footprint of their equities portfolios and since then, we have further developed the method we used for this. In 2016 we took a new step by actively focusing on reducing the CO_2 footprint of our portfolios and to achieve this in an efficient way, we developed a data system that provides our in house investment teams up-to-date information on the footprint of their portfolios. The result was that as of the end of 2016, the CO_2 footprint of our equities portfolios was 16% down on the benchmark year of 2014.

In the year under review, we have also made great strides with responsible investment more broadly. Our clients have set us a target that by 2020 we would not own shares or bonds in companies that we class as laggards (unless we engage with them) and only own shares and bonds in companies that lead the way in sustainable and responsible business (leaders) or that can demonstrate clear progress in these areas (what we refer to as 'beloften' or in English: improvement potentials). Based on the themes of the UN Global Compact, we developed in 2016 an model for portfolio inclusion, enabling us to divide companies into leaders and laggards by sector. We focus on how these companies take account of the most relevant sustainability risks in their sector and how they meet our expectations. By the end of 2017, we will have a picture of who are the leaders and laggards in several sectors and the rolling out of this is set to be completed across all portfolios by 2020.

During 2016 we focused a lot of our attention on policy initiatives, both governance and sustainability, aiming to raise standards across markets. We were involved in drafting the new corporate governance codes in the Netherlands and Germany. Our director for sustainability and governance was appointed to the group that is advising the European Commission in 2017 on how EU financial markets can become more sustainable. Within the Sustainable Finance Platform of the Nederlandsche Bank we worked on several projects, some of which had already been completed in the first half of 2017. The training program on sustainability for directors in the financial sector, which we set up together with other financial institutions and Nyenrode Business University, was held in early 2017. Along with pension funds, banks and insurance companies, in June we organized a seminar about how we can better communicate with clients and participants about responsible investment.

During 2016, together with other asset managers we looked at how we could contribute to increasing investments with a view to meeting the United Nations Sustainable Development Goals. We developed a taxonomy to identify products and services we deem Sustainable Development Investment (SDIs) and improved our ability to report on this to our clients. In 2017, we will further expand the collaboration with other investors on the methodologies.

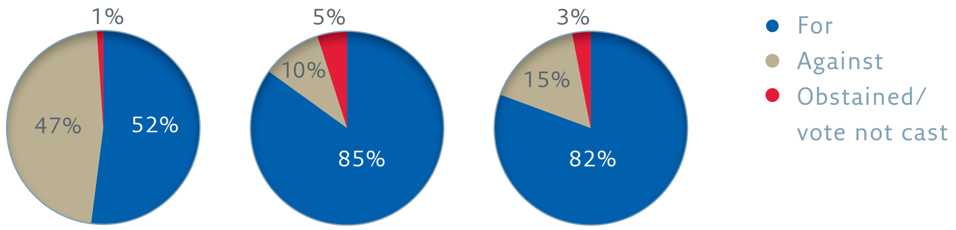
This category of SDI is a successor to our High Sustainability Investments (HSIs). Both combine attractive risk-return profile with a contribution to solving social and environmental problems. This report still refers to our HSI definition, which will be updated to SDI from next year. During 2016, we were able to grow our HSI investments from €38.5 billion to €44.5 billion. This includes our investments in renewable energy, which grew from €2.6 billion to €3.2 billion. Therefore we are well on track to meet the goals our clients have set for 2020, to have €58 billion invested in SDIs, of which at least €5 billion in renewable energy.

In 2017, we brought together a coalition of 23 large investors to tackle the use of children in cobalt mining in the Democratic Republic of Congo. Our responsible investment and governance specialists conducted engagements with companies on other topics, a number of which are mentioned in this report.

Ronald Wuijster
Acting member APG's Board of Directors
and acting CEO of APG Asset Management

2016 in figures

Voting behavior at shareholders' meetings

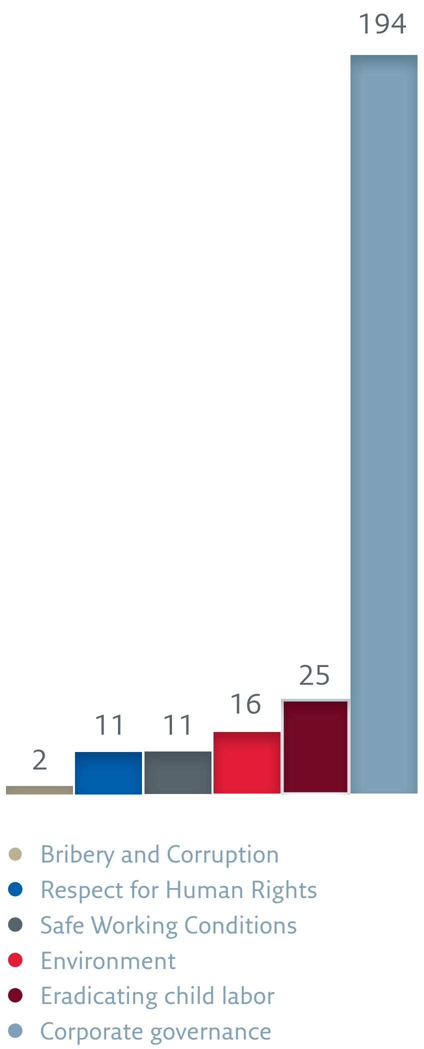


Remuneration policy
1,629

Election of directors
18,794

All resolutions
45,842

Number of dialogues with companies by topic



Total assets invested

443 billion

High-sustainability investments

44.5 billion

Shareholders' meetings at which we were represented

4,245

Number of proposals on which we voted

45,842

Renewable energy investments

3.2 billion

Investments in green bonds

1.9 billion

Listed companies with which we had contact about ESG issues

245

Number of companies on the exclusion list

19

1 Basis of our approach

1.1 Objectives

We invest the pension contributions the participants of our clients and their employers pay in each month in such a way that they earn the best possible returns at an acceptable risk. Investing responsibly helps ensure participants receive a good pension now and in the future.

We have three concrete objectives:
- contributing to the risk-adjusted financial returns;
- demonstrating social responsibility;
- contributing to the integrity of financial markets.

Sound investment requires a clear understanding of the opportunities and risks. Our investment decisions are therefore based not just on financial performance and operating processes. It is also important to us that companies have good environmental and social policies and are well governed. These are the so-called environmental, social and governance (ESG) factors.

In 2016, we started implementing our clients' stricter policy. Concrete, measurable goals to be achieved in 2020 are an important element of this policy. It is also about a significant expansion of the investments in sustainable development, including investments in renewable energy. Furthermore, CO_2 emissions of the companies in the equities portfolio must be reduced by 25%.

1.2 Clear expectations

Our approach to responsible investing is closely aligned with national and international regulations. These are, in the first instance, Dutch law and international treaties and conventions the Netherlands has signed up to.

We also expect companies and funds we invest in to act in line with the United Nations principles for responsible business practice (UN Global Compact). These concern human rights, labor rights, anti-corruption and the environment.

We employ a variety of means to assess whether companies operate in line with these principles. Doubts can give reason to enter into a dialogue with a company (engagement), focusing on specific improvements. This process of engagement generally takes some time and involves several contacts (e-mails, letters, telephone conversations, meetings). We often work with other investors in order to exercise more influence over the company.

If we establish that a company is potentially in breach of UNGC agreements and fails to make improvements and there is no prospect of improvement in the near future, we can decide to exclude it. This involves selling our holding in the company after which we can no longer invest in it. This is a last resort and only used in highly exceptional circumstances, not least because we cannot exercise any further influence over a company once we have sold our stake in it.

Also important to our approach to responsible investing are the guidelines for multinational enterprises and the principles of corporate governance of the Organization for Economic Co-operation and Development (OECD) and the corporate governance principles of the International Corporate Governance Network (ICGN), a network of investors that promotes effective standards of corporate governance.

1.3 Exerting influence

Companies are held to account in various ways if there are concerns about the sustainability of their business or governance. These range from voicing an opinion to a more intensive process aimed at changing behavior. The latter is referred to as 'engagement'.

An engagement can take different forms depending on the company, the nature and size of the investment, and the issue at stake. Examples of these can be found in the chapters 4 and 5. We often engage on several issues at the same time.

Engagements are not just with companies. It is important for pension investors that the authorities and market participants agree on rules that enable the provision of good pensions in the long term. Well-functioning financial markets and a stable climate that does not pose a threat to the investments are essential in this regard. To encourage this, APG engages with various parties.

We also exert influence through voting at shareholders' meetings. With the practical and substantive support of an external provider, we voted in 2016 on more than 45.000 resolutions at some 4,200 meetings of listed companies in which we invest. How we voted on each agenda item is set out in apg.nl.[1]

We have a team of thirteen sustainability and corporate governance specialists. This Global Responsible Investment and Governance team (GRIG) is responsible for areas such as policy development (with clients), supporting portfolio managers with responsible investment, having discussions with companies about doing business responsibly (engagements), reviewing proposals for unlisted investments for sustainability and good governance, implementing voting policy and maintaining contacts with regulators, supervisory authorities and stakeholders. Two of the specialists are based in our office in Hong Kong, and one in our New York office.

1.4 Responsible investment and return

We are convinced that investors make better investment decisions if they pay close attention to sustainability factors and responsible business practices as this gives them a more complete picture of opportunities and risks.

This view is supported by a meta-analysis of over 200 academic studies published in 2015 which concluded that responsible and sustainable business practices need not be at the expense of financial returns.[2]

1.5 Contributing to the integrity of the financial markets

It is important that financial markets function properly and enjoy sufficient public confidence if pension assets are to be invested responsibly for the long term. We must therefore contribute to the discussion on credible and efficient regulation with policymakers and industry organizations. These discussions focus on the development of standards in different areas.

We often work with other investors to strengthen the integrity of financial markets, including collaborative initiatives such as the International Corporate Governance Network (ICGN), the Principles for Responsible Investment (PRI) and the Institutional Investors Group on Climate Change (IIGCC).

1. www.apg.nl/nl/apg-als-asset-manager/verantwoord-beleggen/stemgedrag
2. In *From the stockholder to the stakeholder: how sustainability can drive financial outperformance*. Gordon Clark, Andreas Feiner and Michael Viehs originally examined over 190 different academic studies of sustainable business practices and sustainable investing. An updated version of the 2014 research, covering over 200 studies, was published in March 2015.

2 Active investment in leaders and 'beloften'

2.1 Active in-house management of investments

As an active manager for the majority of our assets, and given that we do so in-house, we can give sustainability and corporate governance a prominent role in investment practice.

Active investing means that around ninety portfolio managers of our investment team make investment decisions using their own knowledge of companies and market insights rather than merely following market developments (passive).

As it is important our portfolio managers have the most relevant, up-to-date information on sustainability and corporate governance available, we have developed various tools in recent years to assist them in this regard.

Additionally, responsible investment and governance specialists assess all proposals for new investments (above a given amount) in unlisted companies and new mandates for external managers. The specialists not only provide a sign-off but are also involved in drawing up terms in the agreements that form the basis for these new investments.

2.2 Investing in leaders and 'beloften'

An important element of the new approach to responsible investment to which our clients signed up in 2015 and 2016 is the inclusion policy. By 2020 we aim to be invested only in equities and bonds of companies that pay sufficient attention to sustainability and responsible business practices. We call these companies leaders. We will generally[3] only continue to invest in companies which are lagging behind if we believe that they can be influenced to improve. We refer to this group of laggards as 'beloften'.

In order to divide companies between leaders and laggards, we developed during 2016 an assessment process that is based on the themes included in the United Nations Global Compact on responsible business practices: human rights, labor rights, anti-corruption and management of the environment. We want companies to be aware of the main risks they run in these areas. We expect them to have in place effective policies on how they deal with these issues and procedures that put their policies into practice. We also look at whether they have been involved in major controversies or incidents such as corruption, work-place accidents or environmental disasters.

We carry out these assessments by industry, focusing on the most relevant risks in about sixty different industry groups. For example, environmental pollution and safety are major themes in the oil and gas sector, while these are less of a risk in the financial world, where we will look more closely at matters involving corporate ethics, such as involvement in bribery and corruption, money laundering and whether there is a proper whistle-blower scheme to raise malpractice issues. We also distinguish between developed and emerging markets in each industry, identifying leaders in these segments. This enables us to invest in different markets. If we did not draw these distinctions, we would be limited to the best regulated markets. Given the size of our invested assets and the need to spread risk, it is important to be able in principle to invest in every market.

Our investment teams will use this classification into leaders and laggards in their investment decisions. Where companies rank equally on expected return/risk, they will opt for the leaders. Once fully implemented, the investment teams will only be able to invest in laggards if there is a credible engagement path for improvement in their sustainability performance, with pre-agreed specific targets.

3. In principle, it will still be possible to invest in a laggard which can only demonstrate sustainability improvements in the longer term if this is attractive in terms of risk and return.

2.3 How does the inclusion approach work?

The diagram below shows how the inclusion approach works. Our exclusion policy will be maintained without a change. More information on it is available on page 8 of this report.

2.4 New knowledge management system provides insight into performance

By 2020, the inclusion policy is expected to be fully implemented into our listed equities and corporate bonds portfolios. By then, we aim to have assessed all those investments on whether they meet our sustainable requirements.

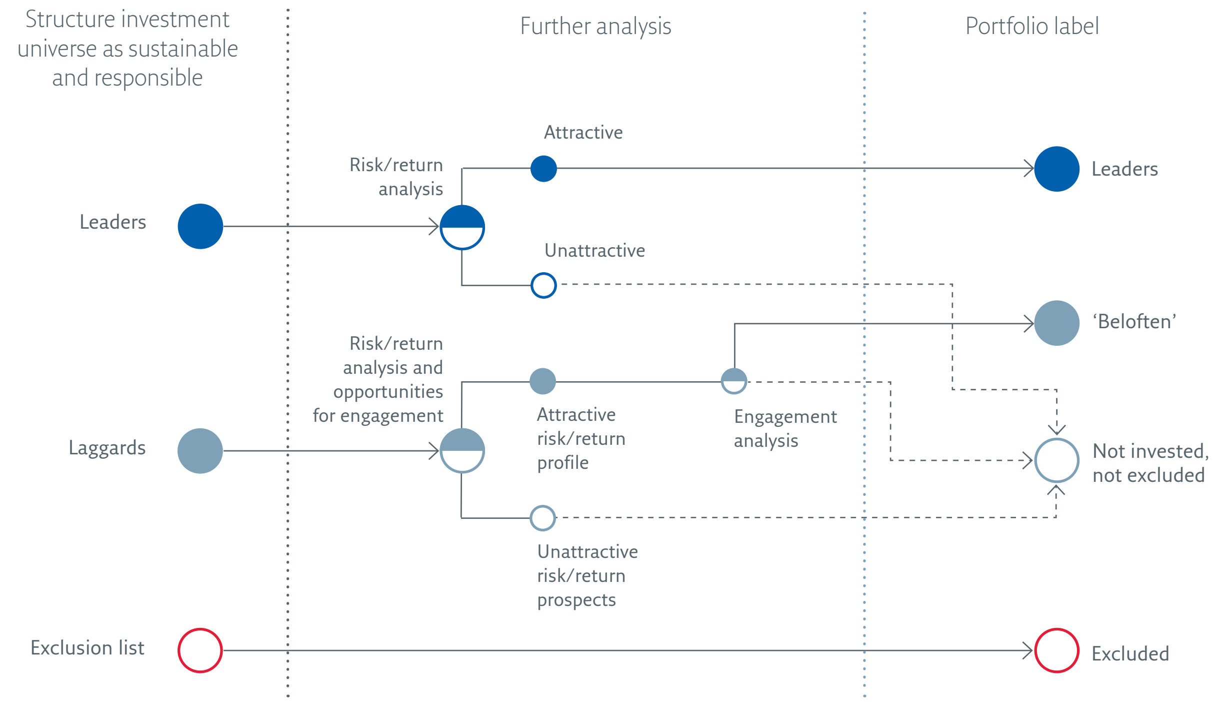
This requires a knowledge management system containing the relevant information we collect on sustainability performance and making it accessible to the teams internally. Such a system was developed during 2016 and it will become operational in 2017.

2.5 Inclusion of alternative investments

The inclusion policy not only applies to our equities and corporate bond portfolios but also to alternative investments (real estate, infrastructure, private equity, hedge funds and commodities) in which we often invest indirectly through funds. Here, in principle we also have a preference for investments that perform better.

To be able to compare their sustainability performance, we are encouraging real estate and infrastructure funds to take part in the annual Global Real Estate Sustainability Benchmark (GRESB) and GRESB Infra sustainability surveys (see page 15). New portfolio investments are required to

The inclusion mechanism



participate. We encourage our infrastructure investments not only to report at fund level but also at the level of the underlying investments.

To get better insight into the sustainability and responsible business practices of our private equity investments, in 2016 we developed a new questionnaire that a manager has to complete before we invest in a new fund. We look at its responsible investment policy and how it goes about its implementation, reporting and monitoring. We also ask how the manager assesses climate change risks and how it approaches management (gender) diversity. In order to exercise greater oversight of the private equity sector, we developed this questionnaire with the Principles for Responsible Investing (PRI), a global organization for responsible investors, and the Institutional Investors Group on Climate Change (IIGCC), a forum for collaborating on climate change for investors.

We also helped develop a due-diligence questionnaire that managers of private equity funds (general partners) can use to gain a better insight into what the companies in their funds do on sustainability and responsible business practices. In addition we contributed to a similar questionnaire created by the PRI for hedge funds. These questionnaires, which can be used industry-wide, give private equity companies and hedge funds a better idea of what is expected of them.

2.6 Exclusion policy remains in place

For some time now it has been our clients' policy not to invest in manufacturers of weapons prohibited under international treaties ratified by the Netherlands. They may also place companies that breach international agreements on responsible business practices on the exclusion list. This lies at the heart of the exclusion policy[4] that we implement and that will also remain part of the new approach.

Specifically, this means that our policy is not to invest in companies involved in the manufacture of cluster bombs, anti-personnel mines and chemical and biological weapons. Companies that produce nuclear weapons are excluded if they contravene the Nuclear Non-proliferation Treaty, the international treaty to prevent the spread of nuclear weapons which has been ratified by the Netherlands. Nuclear weapons may only be produced for and by countries permitted to hold them under the treaty (China, France, Russia, the United Kingdom and the United States).

The ten principles of the UN Global Compact on human rights, labor rights, corruption and the environment are another important part of our clients' exclusion policy. A company can be excluded if it acts in breach of these principles and following an engagement that resulted in insufficient improvements. This is the final stage of an intensive process that can take several years and involves clear requirements and deadlines.

Seven of the companies we engaged with in 2016 were suspected of breaching the UN Global Compact, including breaches of human rights, poor environmental management, bribery and corruption and unethical conduct. We had several engagements with these companies in 2016 (and in earlier years) urging them to make improvements. Four of them were no longer regarded as possibly breaching the Global Compact by the end of 2016. The dialogue continues with three others as there is still insufficient improvement.

2.7 New exclusions

In early 2016, we added to the exclusion list the parent entities of two companies that were already on this list.

L&T Finance Holding of India is the majority shareholder of Larsen & Toubro, which was excluded earlier for possible

4. The exclusion policy applies to the whole portfolio apart from some investment instruments (index investments or ETFs) as this would prevent efficient portfolio management. There is an exception for certain externally-managed investments which were part of the portfolio before the exclusion policy (or parts of it) came into force.

involvement in the production of nuclear weapons for India. S&T Holdings of South Korea is the majority shareholder of S&T Dynamics, which was excluded in 2015 for the manufacture of anti-personnel mines.

Aeroteh SA of Romania, a manufacturer of cluster weapons, was removed from the exclusion list of listed companies and added to the (unpublished) list of private companies in which we do not wish to invest as they act in contravention of our clients' policy.

There were nineteen companies on the published exclusion list at the end of 2016.[5]

Excluded because of UN Global Compact violations

PetroChina	China
TEPCO	Japan
Walmart	United States

Excluded because of involvement in the production of cluster munitions

Aryt Industries Ltd.	Israel
Ashot Ashkelon	Israel
China Aerospace International Holdings	China
China Spacesat	China
Hanwha Corporation	South Korea
Motovilikha Plants JSC	Russia
Norinco International Cooperation Ltd.	China
Orbital ATK	United States
Poongsan Corporation	South Korea
Poongsan Holdings Corporation	South Korea
Textron	United States

Excluded because of involvement in the production of anti-personnel mines

S&T Dynamics Co Ltd	South Korea
S&T Holdings	South Korea

Excluded because of involvement in the production of nuclear weapons in contravention of the Nuclear Non-Proliferation Treaty

Larsen & Toubro	India
L&T Finance Holdings	India
Walchandnagar Industries Ltd	India

Excluded sovereign bonds

We removed Liberia and Ivory Coast from the list of countries whose sovereign bonds we do not wish to hold. Countries are placed on this list if they are subject to an arms embargo imposed by the UN Security Council. The embargos on Liberia and Ivory Coast were lifted in 2016.

At the end of 2016, the following countries were on the list: Central African Republic, Democratic Republic of Congo, Eritrea, Iran, Iraq, Libya, North Korea, Somalia, Sudan, Yemen.

5. The exclusion list only includes listed companies. Contracts with external managers state that they must apply our exclusion policy to unlisted companies. The non-exhaustive list used for this includes a further 50 companies, most of which are involved in the manufacture of cluster munitions.

3 Investing in sustainable development

For several years now we have been actively seeking investments that contribute to solving social and environmental issues as well as generating good returns. Specifically, this relates to activities that contribute to solutions to climate change, water shortages, flooding, air pollution, loss of natural habitats, the extinction of species and the need for microfinancing. This category also includes investments in pharmaceutical companies that contribute to accessible healthcare in countries where average incomes are low.

In 2016, we and our clients decided to focus our investments on the United Nations Sustainable Development Goals. This enables our clients to actively contribute to achieving the UN's Sustainable Development Goals. We will change the name HSIs to SDIs (Sustainable Development Investments).

3.1 UN Sustainable Development Goals

The Sustainable Development Goals were adopted by the General Assembly of the United Nations in 2015. The 17 goals include specific targets and are designed to ensure the world develops in a direction that can meet the needs of the current generation but not at the expense of the opportunities of future generations. The Sustainable Development Goals are the successors to the Millennium Goals that the UN adopted in 2000 to eliminate hunger and extreme poverty by 2015.

In 2016, we examined how far as an investor we could use the sustainable development goals as a guideline for our sustainable investments. The answer was positive. Only targets 16 and 17, clearly government tasks, cannot be directly addressed.

To promote better clarity in the terminology that asset managers and pension funds use as responsible investors, in 2016 we worked with PGGM to develop common definitions for sustainable development investments (SDIs). The detailed lists (or 'taxonomies') developed for this will be published in 2017.

3.2 What are sustainable development investments?

We define SDIs as investments in companies with a positive influence on people and on the environment through their products and services or because they are recognized as leaders in the transition to a more sustainable economy. We are contributing to the United Nations Sustainable Development Goals by making these investments and they also meet our financial risk and return requirements.

To decide whether a company qualifies as a sustainable development investment, we first consider whether it makes a positive contribution to any of the UN goals. For this, we have developed a detailed list ('taxonomy') of sub-goals and corporate activities that contribute to achieving that goal for all 'investable' sustainable development goals.

In addition, SDIs should not have an adverse impact on the policy objectives of our clients. We also consider any involvement in major controversies such as bribery scandals or environmental disasters.

In 2017 we will examine which investments in our portfolio can be defined as SDIs. We expect that almost all HSIs will qualify as SDIs. This report uses the HSI definition. The report for 2017 will use the SDI definition.

3.3 High-sustainability investments grow further

Our HSIs increased in 2016 from €38.5 billion[6] to €44.5 billion. This puts us well on track for the €58 billion we will need to have invested in this category in 2020 on the back of the new policy of our clients.

Most of our HSIs consist of sustainable real estate being those in the highest category in the annual GRESB sustainability survey. The assets that we have invested in these 'green stars' rose from €21 billion to €24.2 billion, mainly due to an improvement in sustainability performance of existing investments. For example, the Dutch real estate fund Vesteda almost doubled its GRESB rating and so can now be described as a green star.

Elsewhere there was also real growth in HSIs in the corporate and other loans portfolio, where the number of green (sustainable) bonds increased considerably and in the equities portfolio (developed markets). Two examples are new investments we made in the Belgian materials technology company Umicore, which is strong in metal recycling and rechargeable car batteries, and the Norwegian company Tomra System, which makes machines for collecting returned deposit bottles in supermarkets. However, we saw a reduction in the value of our HSI investments in private equity, where the clean technology fund is at the end of its life cycle, meaning that the companies in this fund are being sold.

3.4 Increase in renewable energy investments

Our investments in renewable energy grew about 25% in 2016. At the end of 2015, we had invested €2.6 billion in this and by the end of 2016 it was €3.2 billion.

6. We have revised the €38 billion reported in the Responsible Investment Report 2015 slightly upwards as a result of further development of the HSI calculation method.

There was a particularly large increase in our corporate bond portfolio. Most of the green bonds we acquired in 2016 contributed to this. There was also a large increase in the infrastructure portfolio, where we granted loans of €96 million to Essel Green Energy and ACME Cleantech. These two India-based companies, which together can generate over 650 MW of solar energy, will use the funding to install new solar farms in various Indian states. They will use our loan to increase their capacity by about half.[7]

3.5 Green bonds

We are increasing our investments in green bonds. At the end of 2016 we held 59 such instruments with a total value of €1.9 billion, up from a year earlier, when we had 38, totaling about €1.03 billion.

Green bonds are issued by companies and governments to finance sustainable projects, usually relating to the environment. With these investments we are contributing to several UN goals, by far the most impacted are affordable and renewable energy. Through the bonds we added to our portfolio in 2016, we contributed to financing a large wind farm in Kansas (US) and the grid that brings wind energy in the North Sea to shore. We are investing €80 million in a green bond of the Dutch mortgage company Obvion for energy-efficient homes. With a green bond issued by the Starbucks coffee chain, we are contributing to sustainable coffee production with fair rewards to the pickers.

A total of 3% of our bond portfolio is invested in green bonds. The previous year this was 1.7%.

3.6 Working with other financial institutions

In December, we and seventeen other Dutch financial institutions presented a report to Lilianne Ploumen, Minister for Foreign Trade and Development Co-operation, and Frank Elderson, an Executive Director of the Nederlandsche Bank, on how large investors could contribute to making more funding available to sustainable development goals.

It is estimated that achieving the UN goals by 2030 will require an investment of some $5,000 to $7,000 billion globally each year. The eighteen institutions, including ABN AMRO and ING banks and NN, Aegon and Delta Lloyd insurance companies, emphasized that it is important for their shareholders and commercial partners to weigh up the sustainable development goals in their investment decisions.

7. Our subordinated loan allows these companies to attract a further unsubordinated loan that is about twice as large.

4 Sustainability of businesses

Human rights, labor rights, environment and anti-corruption are the themes of the UN Global Compact principles that underpin our policy. We also discuss these themes with the companies we invest in.

We expect our portfolio companies to have a good understanding of the environmental risks they face and an established policy on how to deal with them. Climate change is the most important topic. We have also reached agreements with our clients about what we want to achieve for them on specific themes. Occasionally our involvement is triggered by current events, for example after incidents affecting individual portfolio investments, but our wish is to anticipate issues and themes that can play a major role in entire sectors in good time.

4.1 Voting on climate-related shareholder resolutions

We expect the oil and mining companies we invest in to consider the impact of climate change on their operations. Government measures to restrict CO_2 emissions may mean that the demand for oil falls faster than expected. Companies' investment decisions must reflect the fact that they may soon have reserves that can no longer be recovered profitably.

Along with other shareholders, we have urged the oil company ExxonMobil to report annually on how it proposes to deal with possible government measures for combatting climate change, including the strict measures needed to limit the global increase in temperature to no more than 2° Celsius. A shareholder resolution on this at the 2016 shareholders' meeting failed despite our support (38% of the shareholders were in favor). In contrast, similar resolutions we co-filed at the shareholders' meetings of mining companies Rio Tinto, Glencore and Anglo American attracted large majority support. This was done as part of a shareholder collaboration under the Aiming for A coalition that is trying to encourage the largest international mining companies and utilities listed on the London market to reduce CO_2 emissions.

We voted against a resolution at the Shell shareholders' meeting calling on the company to stop searching for new oil reserves and to move entirely to renewable energy by 2030. We think the Board of Directors and not the shareholders should decide on Shell's transitional strategy. We do, however, welcome the way in which the initiative takers are contributing to awareness of climate change.

4.2 Linking pay to sustainability performance

We have discussed the linking of directors' remuneration to sustainability targets with various oil and gas companies.

As part of our discussions around pay, the Norwegian oil company Statoil gave us better insight into how it rewards its executive directors. At Statoil, remuneration is not only linked to financial performance but also to attempts to be the industry leader on safety and sustainability. Specific targets have been set on reducing CO_2 emissions and the number of serious accidents. Shell directors are now more clearly incentivized to work towards renewable energy since their bonuses depend in part on reducing CO_2 emissions in three business units.

4.3 Significant fall in CO_2 footprint

For the first time, in 2016 our equities investment teams were given targets for total CO_2 emissions by portfolio companies. By continuously reducing this hurdle over the next few years, we will be working towards gradually reducing the CO_2 footprint of our equities portfolios so that it is 25% lower per invested euro by 2020 compared with 2014 (see box page 14).

This reduction not only contributes to combatting climate change but also to ensuring that our investment portfolio faces fewer risks as a result of measures that governments will or could take as part of their climate policies, such as higher levies on emissions of greenhouse gases.

Four years ago we were among the first investors to measure the CO_2 footprint of their equities portfolios. The figures published in our 2013, 2014 and 2015 reports were calculated once a year. During 2016 we developed a data system giving portfolio managers day-to-day insight into their share of CO_2 emissions of the companies they invest in so that they can make ongoing investment decisions being aware of the impact on CO_2 reduction.

In total, at the end of 2016 our share of the emissions of the companies in our equities portfolio was 29.5 million tonnes of CO_2. While there had been an increase in our absolute CO_2 footprint of 5% as of the end of 2015 compared with 2014, our total emissions fell in 2016 by 22% compared with 2015. In absolute terms, our emissions fell by 8.2 million tonnes, which is the equivalent of the CO_2 emitted by 3.3 million cars in the Netherlands in a full year.

There was a fall of 16% in emissions per invested euro by the end of 2016 compared with our reference year 2014. This sharp reduction was in part a response to the unintended increase in 2015. To prevent a repetition, fairly wide margins have been built in, both when allocating the targets to the various portfolios and in the further incorporation in portfolios.

There were clear reductions across the entire portfolio. There was a large decrease following the split of the German energy companies RWE and E.ON into separate fossil fuel generation and sustainable activities. Our investments in the fossil fuel divisions of these companies had been almost completely run down by the end of 2016.

CO2 footprint

2014	100%
2016[8]	84%
Target 2020	75%

How do we calculate our CO_2 footprint?

We define our CO_2 footprint as the total emissions of our listed equity portfolio divided by its invested value. To determine the emissions, we calculate how much of the total CO_2 emissions of each listed company in our portfolio is attributable to us based on the percentage of issued share capital we hold. For each company, the CO_2 emissions include their own emissions in the production process plus the energy they purchase (scope 1 and 2 emissions). For the companies for which our data supplier has no information (about 3% of our portfolio by value), we estimate their emissions based on industry averages and therefore the CO_2 footprint should be seen as a best estimate. This methodology is being continually refined.

Our baseline was calculated using emissions figures available at 30 September 2014 and our equities portfolio holdings as of 31 March 2015 and future years will be measured consistently with that.

We adjust the CO_2 footprint figures to avoid the impact of large changes in market value of the portfolio as well as client allocation decisions on our CO_2 footprint. For example, we correct for client decisions about allocations between portfolios in developed and emerging markets. The result is that reductions we report on relate only to decisions of our investment teams and reductions in the actual CO_2 emissions of the companies we invest in.

4.4 Sustainability of real estate improving

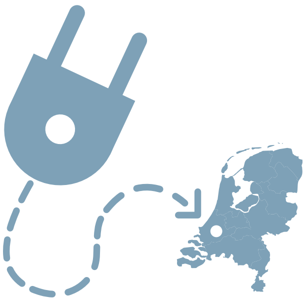
In recent years we have taken major steps towards making our real estate investments more sustainable.

During 2016 we made further progress, although the annual GRESB survey shows that it was less than in 2015 and 2014.

GRESB, which was founded by our investment organization and other investors in 2009 to measure the sustainability

8. In 2015 we did not calculate a relative footprint as the methodology was still being developed. Our absolute footprint was then 37.5 million tonnes of CO_2.

Change in the environmental footprint of the real estate we invest in[9]



-122,000

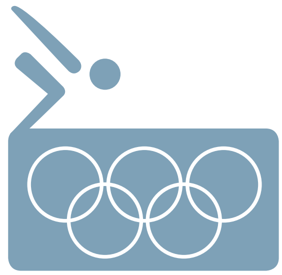
Megawatt-hours
(= annual energy consumption of all households in the city of Schiedam)

2015: -920,000 Megawatt-hours

-128 million

kilo CO_2 (= annual emissions of 54,000 cars)

2015: emissions -140,000 cars



+ 62 million

litres water (= 25 Olympic-sized swimming pools)

2015: - 1,668 Olympic-sized swimming pools

performance of real estate, carries out an annual comparative study looking at environmental factors as well as on subjects such as safety at work, involvement of stakeholders and bribery and corruption. Our investments do well in the GRESB ranking: our real estate portfolio scored 68 on a scale of 0 to 100 against a market average of 60 points.

We use the results of the GRESB survey in discussions with investee companies and with funds investing on our behalf to learn how they can improve their performance. Previous discussions with Vesteda led to the GRESB score of this Dutch residential housing organization rising sharply in 2016.

4.5 Adapting the real estate approach to infrastructure

In 2016, 74% of our infrastructure investments (expressed as invested assets) took part in the first GRESB infrastructure survey. This is a new instrument that we have developed with ten international investors to measure the sustainability performance of infrastructure investments.

We will use the results in discussions on how and where infrastructure funds can improve their performance.

Not all the funds we invest in report yet on the individual assets in their funds (we have this information for 33% of our investments). It is difficult for some funds to report at

9. The published figures relate to savings achieved in the past year compared with the preceding year. These are the total savings reported to GRESB of all real estate companies we invest in. They are not related to the share we hold.

this level, for example if they operate in several areas: wind turbines, roads, ports, water purification plants.

Our aim is that GRESB Infra will become the standard for the sector. We expect all our infrastructure investments to participate and we have made it a contractual requirement for new investments from 2016.

BP ends plans to drill off the Australian coast

The British oil and gas company BP announced it had stopped preparations for deep-sea drilling in the Great Australian Bight. We were made aware that these plans off the coast of South Australia were environmentally controversial (because of the presence of whales and other threatened species) by activists at the BP shareholders' meeting in London. After receiving information from civil-society organizations (Greenpeace and ShareAction) with whom we had worked previously on a similar project, we expressed our concerns to BP with regards to their plans for dealing with oil spillages as well as the economic prospects for the project. As the development of new reserves can take years, we had doubts about the ability of making this project profitable, certainly in view of the Paris Climate Agreement. Shortly after our discussions, BP announced it was stopping the project as it no longer fitted its strategy that had been revised earlier in 2016.

4.6 Child labor in cobalt mining

Partly further to research by Amnesty International, we made enquiries about the use of children in cobalt mining in the Congo (DRC) at a number of companies we invest in. As the response was poor, we formed a coalition of 23 large investors to tackle this problem.

Cobalt is an increasingly important commodity that is essential for rechargeable batteries, for example in mobile phones and electric vehicles. About half of the world's reserves of cobalt are in the Congo. The cobalt is used by large electronics, car and battery manufacturers we invest in, usually through many intermediaries (there could be as many as eight or more links in the supply chain: miners, traders, smelters etc.). Together with the investors' coalition, we approached thirteen of these companies to ask what they are doing to prevent children being used in mining their cobalt.

Computer manufacturer Apple responded by publishing its approach. Two other large companies have announced they will also do this soon. We asked the Electronic Industry Citizenship Coalition to address cobalt in its guidelines for commodities. At the forum that the United Nations organizes each year on the role of businesses in protecting human rights, we underlined the importance of this for large investors. We also called on the Chinese Chamber of Commerce to combat the use of children in cobalt mining; many intermediaries are Chinese-owned.

We will follow up this approach in 2017. We hope that the problem can be tackled effectively, even at intermediaries we cannot ourselves reach directly as they are not investable for us, by applying pressure on large companies.

4.7 Child labour in the cocoa industry

During discussions with large cocoa and chocolate companies such as Nestlé, Mondelez and The Hershey Company, we urged them to adopt a clear approach to eradicating child labor from the entire production chain.

To do this they have to sign up to industry initiatives such as the CocoaAction program in which cocoa and chocolate companies are working to improve sustainability in their industry. Measures to tackle the underlying causes of child labor, such as more accessible education, better labor productivity and higher wages that would make the work more attractive to adults, are all important. With Cocoa-Action, we have urged ambitious targets in this area and transparency on what does and does not work.

Cocoa supplier Barry Callebaut has taken up our recommendation of formulating clear and ambitious targets in its new sustainability strategy, which is designed to eradicate child labor by 2025.

4.8 Human rights policies

Arcadis, a Dutch design, engineering and management consulting company, published human and labor rights policy at the end of 2016. As a large shareholder, we encouraged them to do so during talks with directors, recognizing that they are involved in large infrastructure projects in various countries ranging from the new coastal defenses in Katwijk (Netherlands) to the public transport system in Jeddah (Saudi Arabia). Such projects can have a major impact on the local population and the workers who build them.

At the shareholders' meeting of the American cigarette manufacturer Philip Morris we supported a resolution calling on the company to introduce a human rights policy addressing the right to health and to ensure its lobbying and marketing activities do not undermine efforts of national governments to protect the health of their citizens. Although Philip Morris is a member of the UN Global Compact and has a code for work on tobacco plantations, we believe it is important that the company should have a broader human rights policy. Unfortunately the resolution failed with only 18% of shareholder voting in favor.

The same fate befell a shareholder resolution requesting the US company Amazon.com to report more on its efforts to prevent breaches of human rights, including at suppliers and customers. It referred to the company's dispute with German trade unions about wages supposedly below the statutory minimum. Although the motion was rejected, the 25% support it received was considerably higher than that of a similar resolution in 2015, which was supported by only 5%.

Shareholder resolutions we supported at several US companies on submitting any accusations of involvement in breaches of human rights to the national contact points set up for this by the Organization for Economic Co-operation and Development (OECD) also failed. This would have allowed them to consider breaches of labour rights such as rights of association and collective negotiation on employment conditions, the end of all forms of forced labor and eradication of child labor and workplace discrimination. Support ranged between 5% and 9% at tobacco companies Altria, Philip Morris, Reynolds American and snack company Mondelez.

4.9 Private equity

An American private equity manager in which we had previously deliberately not invested, partly because it does not have a sustainability policy, drew up a policy in 2016 that applies to over fifty companies it invests in.

5 Corporate governance

We attach great value to properly-functioning, diverse boards, with clear segregation of executive and supervisory duties and the safeguarding of interests of minority shareholders such as pension funds.

5.1 Separate executives and supervisors

While companies in Europe often separate the executive capacity of the board from supervision, it is quite normal in the US for the person with the main responsibility for executive functions to also be the chairman of the board.[10] *Just over half of the companies in the Standard & Poor's 500 index combine the functions of CEO and board chairman.*

Analysis by Credit Suisse in 2016[11] showed that the shares of companies that separate these two positions have risen more in value over the past ten years than those of companies where they are combined.

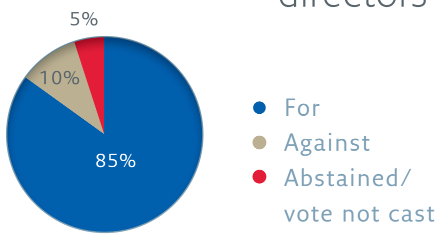
As part of our ongoing effort to clearly set out our expectations to companies we have in our portfolios, we wrote to 22 large American real estate companies to emphasize that we believe it is important that board chairmen exercise independent supervision of the executive directors. Among other matters addressed in our letter, we made clear what we expect of these investments and also announced we would be looking more closely at reductions in energy consumption and CO_2 emissions and addressing bribery and corruption by seeking effective policies on this.

5.2 Voting on directors

Overall, we voted on the election of about 18,000 directors at some 2,500 shareholders' meetings in 2016, supporting almost 85% of the nominations. We voted against 11% of the candidates who, typically due to concerns around their independence or insufficient time commitment due to excessive number of outside directorships.

APG's voting on some

18,000 directors



5.3 Sound remuneration policy

For the first time in many years, we voted more often in favor than against remuneration resolutions. As we have not substantively changed our voting policy, this seems to be a consequence of a better remuneration policy at the companies we invest in.

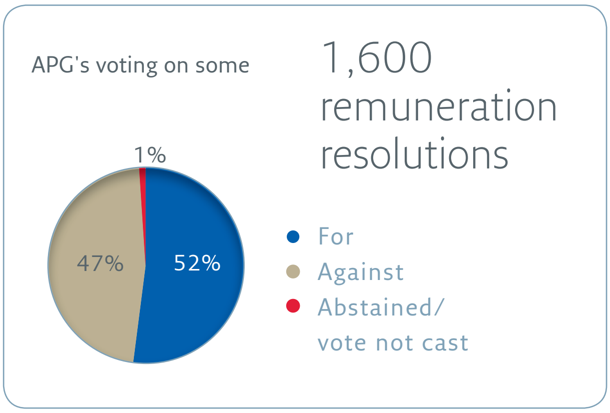
In 2016, we voted on over 1,600 remuneration resolutions at more than 1,500 shareholders' meetings, voting in favor of 52% of the resolutions and against 47%. This was a reversal of the proportions in 2015 when only 45% of the resolutions received our approval and we voted against 52%. There was particularly clear progress in the United States, where we supported less than a quarter of the resolutions (22%) in 2015. In 2016 this had risen to more than a third (35%). In recent years we had engagements on remuneration policy with eight of the 115 companies where we had previously voted against but voted in favor in 2016.

10. In the Netherlands, executive and supervisory directors often sit on separate boards while in Anglo-Saxon countries they sit together on a one-tier board.
11. Credit Suisse, Global Equity Research 5 August 2016: Should S&P 500 Chair and CEO roles be separated?

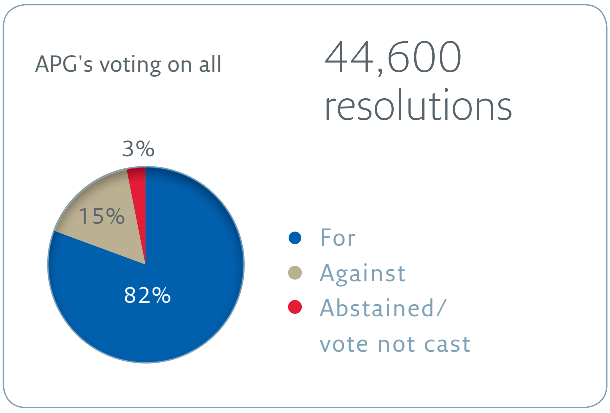
The main reasons for voting against were excessively generous severance packages, inadequate link between pay and performance and opaque schemes. Resolutions linking pay to forthright performance, sufficiently well linked to the strategic long-term targets of a company could generally rely on our support.

Ahold withdrew its proposal to grant directors a special bonus if they made a success of the merger with Belgian supermarket chain Delhaize. We objected to this since in our view, initiating and executing successful mergers and acquisitions are a part of directors' responsibilities and work.

We also engaged with directors at Unilever, Shell and Philips about their remuneration policy.



For comparison:



5.4 New remuneration policy at Volkswagen

In three meetings with the chairman of the Supervisory Board of Volkswagen, we pointed out the need for a more open corporate culture and more independent supervisory directors.

We held these meetings in part further to the 'dieselgate' scandal but also as part of our ongoing engagement with the company. At the meetings, we also pressed for changes to the remuneration policy. Volkswagen now has a new remuneration policy for its directors, under which more value is attached to non-financial performance such as employee and customer satisfaction.

5.5 Tata

Along with twelve other large investors, we urged the Indian company Tata to improve its board structure.

We discussed this with various directors further to the board crisis at Tata Sons at the end of 2016. Tata Sons, an unlisted company, is the largest shareholder in various Tata companies (including Tata Steel and Tata Motors) in which we had invested over €382 million at the end of 2016. We explained that we would like to see increased independence of the Tata directors and the position of minority shareholders enhanced.

5.6 Bribery by Samsung Electronics

We asked the Board of Directors of Samsung Electronics for a thorough investigation into the company's involvement in a bribery scandal that is causing considerable political unrest in South Korea.

The company is accused of giving large sums to foundations managed by a confidante of the president. We want an investigation into the amounts involved and what the company will do to prevent similar practices in the future. This will include working on better supervision and a change in culture. There must also be an end to the custom of appointing former politicians to the board.

6 Sustainability of the financial markets

By sharing our insights and experience with others, we want to contribute to the further sustainability of financial markets.

6.1 Greater attention to sustainability at financial service providers

We play an active role in projects that the Nederlandsche Bank has set up for the further sustainability of the financial sector. We do this through the Sustainable Finance Platform in which pension funds, banks, insurance companies, regulators and the government work together.

We led the working group that developed a plan for the Platform for a training program on sustainability for managers and directors in the financial sector. We were also involved in preparing a meeting for communications experts to help banks, insurance companies and pension funds learn from each other on how to communicate better on responsible investment with clients and participants.[12]

At the end of 2016, our director for sustainability and good governance was appointed to the group that will advise the European Commission in 2017 on how EU financial markets can encourage more sustainable operations.

6.2 Taking climate agreements seriously

The Institutional Investors Group on Climate Change (IIGCC), which we have been a member of for some years, has called on the leaders of the largest economies to take the Paris climate agreements seriously.

Along with ten other Dutch financial institutions (pension administrators and funds and banks) we are working on common methods to measure our effect on climate change, covering both positive effects such as investments in renewable energy and adverse effects through fossil energy investments. We lead a working group of the Platform Carbon Accounting Financials (PCAF), set up at the end of 2015 at the time of the Climate Conference in Paris, which is developing this for listed equities. Other groups are working on project financing, government bonds and mortgages.

6.3 Human rights benchmark

One of our responsible investment and governance specialists was involved in drafting the so-called Corporate Human Rights Benchmark.

This benchmark compares companies on their human rights performance. The first pilot in which a hundred companies in three industries (clothing, commodities and food) were compared was published in 2017. This will give us as an investor more information that we can act on as input for discussions we have with companies on possible improvements in their business practices.

6.4 Report to the PRI

In 2016, APG was awarded the highest or second highest score for responsible investing in each relevant asset class for pension funds and asset managers in the annual report of the PRI.[13]

The PRI has about 1,400 member pension funds and asset managers, jointly managing about $60 trillion. Each year, the PRI assesses their performance against comparable funds based on a questionnaire that they themselves complete. APG has been a member of the PRI since its foundation in 2006.

12. The training program and the meeting took place in the first half of 2017.
13. Assessment Report 2016 APG AM can be found at https://www.unpri.org/signatory-directory/.

6.5 Governance regulations

The ability to reward supervisory directors with shares is not included in the new Dutch Corporate Governance Code published at the end of 2016. We objected to an earlier proposal by the committee that revised the code to include this since in our view supervisory directors who are remunerated with shares would have more difficulty carrying out independent supervision.

Although the committee did not accept our request for stricter independence requirements for audit committees, we still believe this code is much better than the previous version dating from 2008. Of particular benefit we believe the focus on long-term value creation and corporate culture represent good progress.

There were also clear improvements in the proposals by the committee working on a revision of the German Corporate Governance Code. It proposes that board chairmen should be available for discussions with investors to make improvements to communications between shareholders and the Supervisory Board and setting up whistle-blower's schemes to raise malpractice reporting. Our director for sustainability and good governance is a member of this committee. The final code will be published in early 2017.

6.6 Individually accountable directors

Seventeen Swedish companies have heeded our call to nominate directors individually for election at shareholders' meetings.

As we believe it is important that directors can be held accountable individually and support the ending of the Swedish practice of voting on all directors together in a joint shareholders' meeting resolution. At the end of 2015 we asked 40 Swedish companies to have directors stand for election individually. This is something which we intend to follow up in 2017.

6.7 More diversity in senior positions

Together with other investors (Calsters, Opers, Legal & General) we wrote to 63 large US listed companies to explain our position on diversity and discuss with them their approach.

Whilst as investment institutions we each have our own policies and separate voting decisions, we found that we are like minded when it comes to the emphasis we put on board diversity. The companies we approach all have a significant proportion of long-tenured directors (over 40% in office for more than twelve years) and one or no women on their boards. We advised these companies that during the next AGM season, we would be monitoring them to ensure that they did their best to enhance diversity on their boards.

Via the Dutch investor association Eumedion, we sent a similar message to all Dutch listed companies. The letter, which Eumedion is sending to boards of Dutch listed companies each year, also included a request that companies perform and publish an assessment of the risks of climate change and its consequences for operations in 2017.

Jointly with the law firm Ropes & Gray, we organized a meeting at our US office on the position of women in private equity companies. Currently less than 5% of the managers of these funds are women. At a conference on this subject in London, one of our responsible investment and governance specialists explained how we will use our new private equity due-diligence questionnaire to enter into discussions with fund directors (general partners) on the male/female ratio in their businesses. We believe that greater diversity at the top leads to better results.

6.8 Quality of financial reporting

One of our responsible investment and governance specialists has been appointed as a member of the standing advisory group to the Public Company Accounting Oversight Board, the body that supervises the quality of financial reports by listed companies in the United States. It is vital for us as an investor that such information is reliable.

6.9 Responsible investment by hedge funds

One of our responsible investment and governance specialists explained at a PRI congress in New York that failing to meet requirements on sustainability and responsible business practices could be a reason for us not to make hedge fund investments. The congress, organized with the Alternative Investment Management Association (AIMA) took place at our US office.

6.10 OECD agreements for asset managers

Along with civil-society organizations, other investors and representatives of the Organization for Economic Co-operation and Development (OECD), we reached agreement on what the OECD guidelines for multinational companies mean for large investors.

These guidelines set out rules on responsible business practices that OECD member states (or countries that support the OECD) expect companies should follow. These guidelines, which were agreed in the 1970s, have been updated several times, most recently in 2011. The updated guidelines have previously been worked out in detail for the clothing sector, agriculture and mining. This has now been done for investors. The complaints bodies of all OECD countries will now assess complaints about asset managers in a similar way to other businesses, to ensure they take sufficient action against misconduct at companies they invest in. The final draft of Responsible Business Conduct for Institutional Investors is now awaiting approval by the OECD member states.

7 Outlook for 2017 and beyond

During 2017 we will continue to implement the inclusion policy and assessing the sustainability performance of companies against the policy. By the end of the year we expect to have identified the leaders and laggards within a number of industries. This will allow us to select leaders and companies with the potential to improve via engagement(the so-called 'beloften'). We will continue this process in subsequent years so that by 2020 we will have covered all industries.

Our engagement activity extends beyond 'beloften' and covers specific sectors and themes in line with our clients' focus areas, such as safe working conditions in the clothing industry and combating child labor in the cocoa industry. The Corporate Human Rights Benchmark, which we helped to develop in recent years, will play a role in this. This benchmark covers almost a hundred major companies scoring them on several areas to do with human rights policy, providing us with better ability to select candidates for focused engagements. The EU Non-Financial Reporting Directive, which makes it mandatory for European businesses to report on how they focus on the environment, human rights and combatting bribery and corruption, will also improve the data available to us to assess companies' performance in these areas.

In mid-2017 the final recommendations of the Taskforce on Climate Disclosures of the Financial Stability Board were published. Now that the US Government under President Trump has taken a different path on climate policy, we expect Europe to take a leading role in combating climate change. This will give greater weight to the work of some of the bodies in which we are active, such as the expert group that will advise the European Commission on how the EU could encourage financial markets to operate more sustainably.

In mid-2017, one of the members of our Global Responsible Investment and Governance team will take over as chair of Invest Europe, the European Private Equity organization that counts funds and investors among its members. For APG and its clients, private equity is an important asset class and appointing a responsible investment and governance specialist to chair its industry body sends out a positive signal.

Annex

Companies with which we were in contact on sustainability and corporate governance

During 2016, our responsible investment and governance specialists engaged with 245 listed companies on sustainability and governance. The type of subjects discussed are set out below. More than one subject was discussed at some companies. The country abbreviations are shown at the end of the list.

Topics and companies

Bribery and Corruption	Finmeccanica (IT), Novo Nordisk (DK).
Corporate Governance	ASML (NL), ABB (CH), ABN Amro (NL), Acadia Realty Trust (US), ACC (IN), Aditya Birla Nuvo (IN), AGCO Corporation (US), Ahold (NL), Ahold Delhaize (NL), AIG (US), AIMS AMP Capital REIT (SG), Alexandria Real Estate Equities, Inc. (US), American Electric Power (US), Amgen (US), AMMB Holdings (MY), Annaly Capital Management (US), Asahi Holding (JP), Astra Agro Lestari (ID), AvalonBay Communities, Inc. (US), Bajaj Auto (IN), Bank of America Corporation (US), Bank of East Asia (HK), BBA Aviation (UK), BBVA (ES), Best Buy (US), Boston Properties, Inc. (US), BP (UK), BPCL (IN), Britannia Industries (IN), British Land (UK), Britvic plc (UK), Brixmor Property Group Inc. (US), Cairn India (IN), Care Capital Properties, Inc.(US), CBS (US), China Development Financial Holding (TW), China Mobile (CN), China Overseas Land & Investment (CN), China State Construction (CN), Cie Financiere Richemont SA (CH), Citigroup (US), Comcast (US), Conwert (AT), CTBC Financial Holding (TW), Dalian Wanda Commercial Properties (CN), DCT Industrial, Inc. (US), Deutsche Bank (DE), Digital Realty Trust, Inc. (US), Direct Line Group (UK), DSM (NL), DTE Energy (US), Elementis plc (UK), Engie (FR), ENI Spa (IT), Entergy (US), Equity Lifestyle Properties, Inc. (US), Equity One, Inc. (US), Equity Residential (US), Finmeccanica (IT), Foncière des Régions (FR), Fuji Film Holding (JP), G4S (UK), Gemalto (NL), General Electric (US), General Motors Company (US), Golden Agri-Resources (SG), Goldman Sachs (US), Goodman Group (AU), GPT (AU), Grainger PLC (UK), Grasim Industries (IN), Gujarat Pipavav Port (IN), Hammerson (UK), Hana Financial (KR), Heineken (NL), Host Hotels & Resorts, Inc. (US), HPCL (IN), Hyundai Fire & Marine (KR), Hyundai Motor (KR), Iberdrola (ES), ICICI Bank (IN), ING Groep (NL), Intesa SanPaolo SPA (IT), Itau Unibanco (BR), ITC (IN), J C Decaux (FR), John Wood Group plc (UK), JR East (JP), JX Holdings (JP), KB Financial (KR), KDDI (JP), KEPCO (KR), Kia Motor (KR), Kimco Realty Corporation (US), Klépierre (FR), KT (KR), KT&G (KR), LG Chem (KR), LG Display (KR), LG Household & Health Care (KR), Mahindra & Mahindra Ltd (IN), Merlin Properties (ES), MetLife (US), Microsoft Corp (US), MRF (IN), Naver (KR), New York REIT, Inc. (US), Oracle (US), Origin Energy (AU), Panasonic Corp (JP), Pepsico (US), Pernod Ricard (FR), Pfizer (US), Philips (NL), Philips Lighting (NL), Ping An (CN), Posco (KR), Post Properties, Inc.(US), Prologis, Inc. (US), PSP Swiss Property (CH), Public Service Enterprise Group (US), Public Storage (US), Randgold Resources (JE), Regency Centers Corporation (US), Renault (FR), Repsol (ES), RLJ Lodging Trust (US), Rostelecom (RU), Rotork (UK), Royal Dutch Shell (UK), Royal Mail plc (UK), Safestore Holdings (UK), Samsung C&T (KR), Samsung Card (KR), Samsung Electronics (KR), Samsung Engineering (KR), Samsung F&M (KR), Samsung Fire & Marine (KR), Samsung Heavy (KR)

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Topics and companies continuation

Corporate Governance continuation	Samsung Life Insurance (KR), Santander (ES), Scentre Group (AU), Segro (UK), SEMCO (KR), Shanghai Electric (CN), Shinhan Financial (KR), Shinsegae (KR), Showa Shell Sekiyu (JP), Simon Property Group, Inc. (US), Sinopec Shanghai (CN), SK Holdings (KR), SK Hynix (KR), SK Innovation (KR), Spark Infrastructure (AU), Spirax-Sarco (UK), Sponda Oyj (FI), Standard Chartered (UK), Standard Life (UK), Sunac China Holdings (CN), Swedbank (SE), Swedish Match (SE), Swiss Re (CH), Sysco (US), Taishin Financial Holding (TW), Tata Consultancy Services (IN), Tata Motors (IN), Tata Power (IN), Tata Sons (IN), Tata Steel (IN), Taubman Centers (US), Tesla Motors (US), The Hartford Financial Services Group (US), The Travelers Companies (US), Time Warner (US), Tonen General (JP), Toyota Motor (JP), UBM (UK), UBS (CH), UltraTech (IN), Unibail Rodamco (FR), Unilever (NL), The Unite Group plc (UK), Vallourec (FR), Vedanta (IN), Ventas, Inc. (US), Vicinity Centres (AU), Volkswagen AG (DE), Vornado Realty Trust (US), Wells Fargo (US), Western Digital (US), Wolters Kluwer (NL), WPP (UK), WR Berkley (US), Yamana Gold (US), Yuanta Financials (TW).
Eliminate Child labor	Apple Inc. (US), Barry Callebaut (CH), British American Tobacco (UK), BYD (CN), Clariant (CH), Daimler AG (DE), Gudang Garam (ID), Hershey Company (US), HM Sampoerna Agro (ID), HP Inc. (US), Imperial Brands (UK), Japan Tobacco (JP), Lenovo Group (CN), LG Chem (KR), Microsoft Corp (US), Mondelez (US), Nestle (CH), Panasonic Corp (JP), Philip Morris International (US), Reynolds American Inc (US), Samsung Electronics (KR), Samsung SDI (KR), Sony Corp (JP), Volkswagen AG (DE), Zhejiang Huayou Cobalt (CN).
Environment	Anheuser Busch InBev (BE), Astra Agro Lestari (ID), Bunge (US), Darden Restaurants (US), Freeport Mc Moran (US), Generali (IT), Genting Plantations (MY), Indofood Agri Resources (ID), IOI Corp (MY), Kingboard Chemical (HK), Novo Nordisk (DK), Sime Darby Bhd (MY), Telecom de France (FR), Total (FR), Wilmar (SG), Zijin Mining (CN).
Respect for Human Rights	Arcadis (NL), Bunge (US), Deutsche Telekom (DE), Freeport Mc Moran (US), G4S (UK), Gazprom (RU), Marks & Spencer (UK), Microsoft Corp (US), Statoil (NO), Thai Union Group (TH), Zijin Mining (CN).
Safe Working Conditions	Apple Inc. (US), Footlocker (US), Gap (US), Hennes & Mauritz AB (SE), HP Inc. (US), Inditex (ES), JC Penny (US), Kuala Lumpur Kepong Bhd (MY), Li & Fung ltd (HK), Nike (US), Tishman Speyer (US).
Country abbreviations	AT Austria, AU Australia, BE Belgium, BR Brazil, CH Switzerland, CN China, DE Germany, DK Denmark, ES Spain, FI Finland, FR France, HK Hong Kong, ID Indonesia, IN India, IT Italy, JE Jersey, JP Japan, KR South Korea, MY Malaysia, NL Netherlands, NO Norway, RU Russia and, SE Sweden, SG Singapore, TH Thailand, TW Taiwan, UK United Kingdom, US United States.

www.apg.nl/responsibleinvesting