



POLICY PLAN 2024

Impactful on good governance and sustainability

EUMEDION

CONTENTS	P.
BRIEF OVERVIEW OF ACTIVITIES 2024	3
1. INTRODUCTION	5
2. PRIORITIES FOR 2024	7
2.1 POLICY ENGAGEMENT	7
2.2 COMPANY ENGAGEMENT	12
2.3 RESPONSIBILITIES INSTITUTIONAL INVESTORS	14
3. EVENTS	16
4. SERVICES	17
4.1 INFORMING MEMBERS	17
4.2 DIALOGUE	18
4.3 MEMBERS MEETINGS	18
5. COMMITTEES	19
5.1 LEGAL COMMITTEE	19
5.2 REPORTING AND AUDIT COMMITTEE	19
5.3 RESEARCH COMMITTEE	19
5.4 INVESTMENT COMMITTEE	19
5.5 PUBLIC RELATIONS COMMITTEE	20
5.6 EXECUTIVE REMUNERATION WORKING GROUP	20
5.7 DUTCH STEWARDSHIP CODE WORKING GROUP	20
6. INTERNAL ORGANISATION	21
6.1 RECRUITING NEW MEMBERS AND PARTICIPATION IN NATIONAL AND INTERNATIONAL BODIES	21
6.2 PARTICIPATION IN SOCIETAL DEBATE	21
6.3 BOARD	22
6.4 SECRETARIAT	22
7. CONTACT	23

BRIEF OVERVIEW OF ACTIVITIES 2024

1. Policy engagement national

- Permanent legal embedding of the option to hold a virtual-only shareholders' meeting
- Implementation of Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards in Dutch legislation
- Position paper on bringing the stewardship theory into practice.

2. Policy engagement international

- Proposal for a Corporate Sustainability Due Diligence Directive
- Establishment of European and international sustainability reporting standards
- Evaluation of the revised Shareholder Rights Directive

3. Company engagement 2024

- Dialogues with most important Euronext Amsterdam-listed companies
- Application and evaluation of 2024 Focus Letter
- Publication of alerts

4. Events

- Symposium 2024
- Preview 2024 AGM Season

Pursuant to Article 15.8 of Eumedion's Articles of Association, each year, no later than December, the General Board submits an annual policy plan, including the budget for the following financial year, to the Members Meeting for approval. Pursuant to Article 4.3 in conjunction with Article 3.2 of the General and Executive Board Regulations, the Executive Board, under the supervision of the General Board, is charged with implementing the activities announced in the policy plan. The actual implementation, pursuant to Article 1.4 of the Executive Director Regulations, has been delegated to the Executive Director of Eumedion.

1. INTRODUCTION

2024 is the second year to deliver on the Eumedion strategy 2023-2027. We expect it to be a challenging year. We recall that our aim for 2027 is that the largest Dutch listed companies and the Eumedion members are responsible, corporate citizens who contribute to resolving major environmental and societal challenges. Although companies and institutional investors are able to achieve this in a large part, support from the legislator is in some areas also required. Against the background of the results of the Dutch general elections in November this year and the expected results of the upcoming elections for the European Parliament in June next year, the political environment to achieve our 2027 aims has become more challenging.

On a positive note, the 2024 financial year will be the first year that all large European listed companies have to report their sustainability policy and results in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Corporate Sustainability Reporting Directive (CSRD). Consequently, ESG practices, performance and impact will be reported in a more consistent, comparable and reliable manner across European markets. As a result, companies and institutional investors will have higher quality ESG information as input for their decision-making. We hope and expect that the CSRD implementation bill will be expeditiously debated and adopted in Parliament in 2024. We also hope that the legislator will consider our proposal to submit the CSRD sustainability report for an annual vote at the shareholders' meeting. Such a vote will increase the board's accountability regarding the sustainability performance of the company and will give shareholders the opportunity to express their opinion on the 'progressiveness' of the underlying sustainability policy, including the climate policy. It will bring the shareholders' involvement in judging the company's sustainability performance at an equal level with the current shareholders' involvement in judging the company's financial performance. After all, Dutch listed companies are already required to submit their annual accounts to the shareholders' meeting for a vote. We will further continue our efforts to ensure that the external auditor can issue an integrated audit and assurance report on the annual accounts and the CSRD sustainability report, as this is also one of Eumedion's 2027 strategic objectives. We are pleased that the Dutch government has already included this suggestion in the draft CSRD implementation bill and regulations.

Crucial for reaching the 2027 objectives is that the European legislative institutions reach final agreement on the text of the Corporate Sustainability Due Diligence Directive (CSDDD) before the elections for a new European Parliament in June 2024. This Directive will oblige large companies to act as 'societal gatekeepers' when it comes to human rights, the environment, and ethical and decent business practices throughout the entire value chain. If this succeeds, then an important step has been taken to make corporate behaviour more responsible and social, as advocated in the Eumedion strategy 2023-2027. We will push the legislators to reach this final agreement in the first half of 2024.

EUMEDION

2024 will also be the year that a new Corporate Governance Code Monitoring Committee will be established. This is a positive sign that not only the supporting organisations of the Code – including Eumedion – but also the Government still value the Code as an instrument to bring sustainability, governance and accountability of Dutch listed companies and institutional investors at a higher level via the incorporation of best practices. We hope and expect that the Dutch listed companies show a high application level of the new best practices when they have to report on the 2022 revised Code for the first time in their 2023 annual reports that will be published in the beginning of 2024.

As the political environment to achieve our 2027 aims may have become more challenging, even more effort will be put into our engagements with individual Dutch listed companies. Eumedion and its members can use their positive engagement track record to create more impact on the companies. As envisaged in the Eumedion strategy, we will not only focus on supporting companies in maximising positive impact for their shareholders and other stakeholders, including the environment and society, but also on minimising negative impact. In that context, it is significant that we focus our engagement on socially responsible remuneration and tax policies in 2024, as announced in the 2024 Focus Letter. To further increase transparency and impact, Eumedion will – in principle – publish its Alerts in relation to controversial shareholders' meeting voting items as from next AGM season onwards.

All these important issues will, for the most part, no longer be discussed within the Eumedion board in 2024 under the chairmanship of Lars Dijkstra. Indeed, on 25 April 2024, Lars Dijkstra will hand over the chair's gavel, as he will reach the maximum appointment term of six years. The General Board has appointed Carola van Lamoen (Robeco) as its new chair.

We wish Carola every success in the coming years and hope that she can continue to achieve results in both the policy field and at the individual listed companies with equal support and commitment from the Eumedion members.

The Hague, 13 December 2023

Lars Dijkstra
(Chair)

Rients Abma
(Executive Director)

2. PRIORITIES FOR 2024

This chapter provides an outline of the main areas of Eumedion's attention in 2024, covering our anticipated interactions with legislators, standard setters, and engagements with individual listed companies.

2.1 Policy engagement

Eumedion monitors and responds to all relevant regulatory initiatives relating to corporate governance and corporate sustainability. This entails proposals which (potentially) affect the position of the institutional investor in the capacity of a shareholder. Eumedion will also be proactive in these fields by developing and publishing position statements or discussion papers. Eumedion does not respond to proposals which solely affect the institutional investor as an entity. These matters are typically addressed by specific trade industries, such as the Federation of the Dutch Pension Funds (*Pensioenfederatie*), the Dutch Fund and Asset Management Association (DUFAS), and the Dutch Association of Insurers (*Verbond van Verzekeraars*). Eumedion intends to have periodic meetings with the afore-mentioned industry associations to delineate areas of work and to coordinate submissions in response to regulatory consultations which are also relevant to these organisations. This keeps policymakers from receiving conflicting messages. Where appropriate, Eumedion will collaborate with other stakeholders, for example non-governmental organisations, to strengthen Eumedion's policy and regulatory position statements. To reinforce Eumedion's voice in the field of corporate governance and corporate sustainability in Brussels, Eumedion collaborates with members' permanent representation in Brussels. Where appropriate, Eumedion will provide input to them in order to further align the messages they are sending to European policymakers. The main 2024 Eumedion priorities with respect to policy engagement are listed below.

2.1.1 Permanent legal embedding of the option to hold virtual-only shareholders' meetings

On 7 December 2022, the Dutch Government published a draft Bill permanently enabling Dutch listed companies to hold their shareholders' meetings in a virtual-only format. The draft Bill would offer a permanent basis for such virtual shareholders' meetings, replacing the temporary solution provided by the Covid-19 Emergency Act that terminated on 1 February 2023. Listed companies would be able to choose between three meeting formats: fully in person, fully virtual or a hybrid option. Under the draft Bill, requirements for hybrid meetings would be aligned with those of virtual meetings. The draft Bill does not automatically allow for virtual-only shareholders' meetings; this format is only allowed if the company's articles of association provide for the option. Furthermore, two-way audio-visual means of communication must be provided, allowing shareholders to directly take note of and participate in the meeting. Electronic voting shall also be available during the meeting. In its comment letter on the draft Bill, Eumedion indicated to preferring the hybrid format. Eumedion opined that holding a virtual-only shareholders' meeting in 'normal circumstances' (the situation to no pandemic or other calamity occurs) could only be permitted if this option is embedded in the articles of association, that such amendment to the articles of association has the support of at least 75% of the votes cast at the AGM and that the conditions are incorporated in a

protocol or the company's regulations. It is expected that in the beginning of 2024 the final Bill will be introduced in the House of Representatives. Eumedion will repeat its position during the discussion of the Bill in Parliament.

2.1.2 Establishment of a new Corporate Governance Code Monitoring Committee

It is expected that a new Corporate Governance Code Monitoring Committee will be established in the beginning of 2024. Eumedion is supporting organisation of the Dutch Corporate Governance Code and is also supportive of the establishment of a new Committee that will monitor the compliance with the Dutch Corporate Governance Code by Dutch listed companies and important developments in that field in the Netherlands and abroad. During 2023, the year without a Monitoring Committee, the supporting organisations and The Royal Netherlands Institute of Chartered Accountants ('NBA'), have – at the request of the House of Representatives and the Ministry of Finance – developed a joint text for a so-called Statement of Risk Management (*Verklaring Omtrent Risicobeheersing*) that can be included in the next version of the Dutch Corporate Governance Code.

2.1.3 Position paper on bringing the stewardship theory into practice

One of the common threads in this year's published Eumedion Anniversary Book is the continuing trend towards a so-called societalisation of both large companies and institutional investors. Large companies have become more aware of public objectives and societal challenges in recent years for various reasons. They will soon even be required by the new European Sustainability Reporting Standards (ESRS) to report on this in their annual reports. Institutional investors, who now hold a large proportion of shares in listed companies worldwide, are experiencing the same development. For various reasons, they increasingly include sustainability aspects in their investment decisions, in their dialogues with listed companies and in their voting decisions at shareholders' meetings. Several authors then questioned whether this parallel development will lead to a new paradigm. A paradigm that no longer assumes conflicting interests of institutional investors and company boards (which is what the so-called agency theory assumes), but rather collective interests, cooperation (including with other company stakeholders), trust, shared responsibility, commitment and shared values (which is what the so-called stewardship theory assumes). A paradigm that has the potential to effectively and collectively address major global issues and risks. Where one of the authors argued that the magnitude of the challenges the world faces actually offers no other choice but to embrace this paradigm, others still see practical barriers in the behaviour of actors and in legislation and codes. However, the authors agreed that Eumedion can make a fundamental contribution to achieving the paradigm shift, as it is an important influencer on the relevant legislation and codes and can act as a coordinator for bringing together institutional investors and listed companies. Following this call, Eumedion will prepare a position paper on this topic and will investigate – among others – what is needed to bring the stewardship theory into practice, whether legislation and/or the Dutch Corporate Governance Code need amendment to further facilitate this theory and what this

would imply for the dialogues with Dutch listed companies and for Eumedion as an actor in these dialogues.

2.1.4 Implementation of the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards

In 2024, large Dutch listed companies shall report for the first time in compliance with the new Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) over the 2024 financial year. This will mark a major milestone in the corporate sustainability reporting landscape. Eumedion has supported the CSRD as well as the development of the ESRS, not in the least because they intend to further align company reporting with institutional investor disclosure requirements, as laid down in the Sustainable Finance Disclosure Regulation (SFDR), and with the Taxonomy Regulation. Additionally, Eumedion has been advocating further alignment between the ESRS and the standards under development by the IFRS Foundation's International Sustainability Standards Board (ISSB). A significant level of alignment was accomplished between the two first ISSB standards and the corresponding ESRSs. In 2024, Eumedion will monitor preparations made by Dutch listed companies to ready themselves for the new reporting requirements. As set out in the 2024 Focus Letter (see also section 2.2), specific attention will be paid to the way companies engage with stakeholders as part of these preparations, and to the implementation of the recommendations of the Taskforce on Nature Related Financial Disclosures (TNFD) that target a.o. biodiversity related risks and dependencies. Additionally, Eumedion will monitor the transposition of the CSRD into Dutch law, which needs to be completed by 6 July 2024. It is expected that the House of Representatives will discuss the CSRD Implementation Bill in the first months of 2024. Eumedion will work to ensure that the Implementation Bill includes an obligation for Dutch listed companies to submit the annual CSRD sustainability reports to the shareholders' meeting for a vote. Such a vote will increase the board's accountability regarding the execution of the company's sustainability policy. As member of the Dutch Accounting Standards Board (DASB)'s working group on sustainability, Eumedion will also contribute to the discussions with other stakeholders on the development and the implementation of the European and the ISSB sustainability reporting standards, as well as on the additional guidance issued by the respective standard setters.

2.1.4 Recommendations of the Expert Group on Modernising Dutch Company Law

The Minister for Legal Protection shows ambition to take concrete steps to modernise Dutch company law to strengthen the Dutch business climate. He has requested an expert group with academics, lawyers and practitioners (including Eumedion's Executive Director) to examine the modernisation of Dutch company law and to prepare specific proposals for improvement. It is expected that the expert group will publish final recommendations in 2024. Eumedion shares the Minister's view that it is important for the Dutch economy to have a competitive business climate, also in the field of company law. At the same time, Eumedion believes it is of paramount importance that the investment climate is also attractive. Reasons for this are the open Dutch economy and the

fact that almost 90% of the equity capital of the largest Dutch listed companies is provided by foreign shareholders. Eumedion will assess each recommendation on the expected impact on the Dutch business climate and on the Dutch investment climate.

2.1.5 Proposal for a Corporate Sustainability Due Diligence Directive and the Dutch proposal for an International Corporate Social Responsibility Bill

In February 2022, the European Commission published its proposal for a CSDDD. The proposal aims to establish substantive duties for European companies in the area of human rights and environmental due diligence, as well as to clarify the directors' duty of care. European companies will also be required to adopt a plan to ensure that their business models and strategies are compatible with the Paris Climate Agreement. With the European institutions having established a provisional political agreement on the CSDDD text on 14 December 2023, we expect that final agreement can be reached in the first quarter of 2024. Eumedion has welcomed the provisional deal as the CSDDD will contribute to fostering responsible business conduct throughout the whole chain of activities and to integrating various international due diligence standards into European law. The directive aims to underpin the transparency requirements laid down in other pieces of European legislation, most notably the CSRD. In this light, close attention will also be paid to developments on a private members' Bill on international corporate social responsibility (IMVO), introduced to the Dutch House of Representatives back in November 2022 and which shows significant overlap with the CSDDD text. As Eumedion prefers a harmonised European approach, we will monitor developments in this area closely and comment on the Bill taking into account the relevant European developments.

2.1.6 Proposal for a regulation regarding the transparency and integrity of ESG ratings

On 13 June 2023, the European Commission published a proposal for a regulation on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities. Eumedion welcomes intervention in the ratings market, but would have preferred a self-regulation approach. In its consultation response, Eumedion pointed out that while strict registration and authorisation requirements should not hinder innovation, it is also paramount that potential exemptions to requirements for small or medium-sized undertakings should not compromise on the general principles targeting the quality and integrity of ratings. Other issues in the proposal concern the benefits of further alignment within the wider EU sustainable finance framework, suggestions to prevent unintentionally capturing asset managers within the scope of the regulation, strengthening the requirements for engagement with rated entities, and a further specification of the separation of potentially conflicting activities (such as advisory). Lastly, while Eumedion supports excluding from the scope of the proposed regulation the provision of raw ESG data that do not contain an element of rating or scoring, minimum transparency requirements for these ESG data providers is warranted, e.g. focusing on transparency around data sourcing and/or methodologies for estimates. Such a targeted intervention should be based on a self-regulatory approach, such as a code of conduct. In 2024, the European Parliament and Council will start their negotiations to reach a deal on the final

text of the regulation. Eumedion will closely monitor the developments in the interinstitutional negotiations and make its view known when appropriate.

2.1.7 Potential amendments to (the Delegated Regulation of) the Sustainable Finance Disclosure Regulation

Over the course of 2023, both the Joint Committee of the European Supervisory Authorities (ESAs) and the European Commission have initiated a public consultation on respectively the (potential) revision of the Regulatory Technical Standards (RTS) laid down in the Delegated Regulation of the Sustainable Finance Disclosure Regulation (SFDR) and on the implementation and shortcomings of the SFDR itself. In its July response to the ESA Consultation Paper, Eumedion advised against a one-sided revision of SFDR reporting requirements, as there is a strong need for a comprehensive, joint evaluation of the reporting requirements that takes into account the finalised European Sustainability Reporting Standards. Such a joint evaluation could avoid a negative impact on the quality and decision-usefulness of both these disclosure initiatives, caused among others by a difference in reporting principles. As regards the European Commission's request for feedback on the SFDR itself, Eumedion reflects on the need to enhance the current SFDR-requirements from the perspective of decision-usefulness and sustainability impact. The response also draws attention to the need for consistency with other legal frameworks such as the CSRD, and highlights practical implementation issues for Eumedion members. Eumedion will continue to assess any further proposals in 2024 to revise either the RTS or the SFDR itself along these same lines.

2.1.8 Action points stemming from the renewed Capital Markets Union Action Plan and the evaluation of the Shareholder Rights Directive

The European Commission published a renewed Capital Markets Union Action Plan in September 2020 to further integrate the European capital markets, to make them more competitive and to better finance the green transition. One of the action points is to simplify listing rules for SMEs in particular. Another action point is aimed at facilitating investor engagement. As part of that action point, the European Commission committed to assess, among others, if and how the rules governing the interaction between investors, intermediaries and issues as regards the exercise of voting rights and corporate actions' processing can be further clarified and harmonised. On 7 December 2022, the European Commission published a series of proposals to make public markets more attractive to EU companies and to facilitate access to capital for small and medium-sized enterprises. In March of 2023, Eumedion submitted three statements which, in short, indicated that Eumedion generally supports the proposals from the European Listing Act package and believes that these proposals should not go at the expense of investor protection. In the run-up to the European Parliament's vote on the proposals from the European Listing Act package, Eumedion has once again asked attention for the importance of investor protection. It is expected that the European institutions will reach a final agreement on the so called listing act package in Spring 2024. Eumedion will closely monitor the discussions within this so-called trilogue. It is expected that the European Commission will evaluate the implementation of the Shareholder Rights Directive in

2024. For example, Eumedion would welcome steps by the European Commission to facilitate investor engagement by giving more clarity about the definition of 'acting in concert' and to harmonise rules with respect to submitting shareholder resolutions for a vote at a shareholders' meeting. Eumedion will incorporate these points in its comments to the various consultations.

2.1.9 Bill on increasing the quality of the statutory audit

It is expected that in 2024 the House of Representatives will discuss the Bill on increasing the quality of the statutory audit. The Bill grants the NBA the power to appoint an audit firm in cases where a company does not find an audit firm willing to conduct the audit of the financial statements. In the future, if a company can demonstrate with sufficient justification that it has made "reasonable and timely efforts" to find an audit firm willing to conduct the audit of the financial statements and it has not imposed unreasonable conditions (e.g. with regard to price), the NBA may then give a binding instruction to an audit firm that has adequate expertise in the field of the sector to which the company in question belongs, taking into account whether or not the audit firm has sufficient capacity to execute the audit. The Bill further contains a legal basis for the obligation for audit firms to publicly report on the quality of the audits they conduct using various indicators. The Bill also clarifies the co-responsibility of audit firms for the quality of individual audits performed by 'their' external auditors. Eumedion is generally in favour of these proposals and will also communicate this to the House of Representatives during the discussion of the Bill in Parliament.

2.1.10 The 2024-2025 workplan of the International Sustainability Standards Board (ISSB)

By the end of 2023, the ISSB is anticipated to have completed a review of the comments received on its initial agenda consultation. The ISSB's two-year work plan will be shaped by this. In addition to starting work on the selected thematic standards in 2024, the ISSB must decide on a course of action for the continued development of the Integrated Reporting/Management Commentary Practice Statement in collaboration with the IASB. The latter is anticipated in the first half of 2024. The ISSB also needs to decide on the priority given to further developing the industry-specific SASB standards, also in the light that the European Commission decided to deprioritise the development of a European version. Eumedion already expressed its preference for prioritising work on integrated reporting over industry-specific standards.

2.1.11 The workplan of the International Accounting Standards Board (IASB)

Currently, the most prominent project of the IASB is 'Primary Financial Statements' (PFS). It is anticipated that in the first half of 2024, the Board will finalise it as a new standard that will take the place of IAS1 Presentation of Financial Statements. The clarity and usefulness of the Income Statement, the Financial Position and the notes will be significantly enhanced. For the first time, 'operating profit' will become an IFRS-defined subtotal. The new standard will also include a requirement to reconcile any Management Performance Measure to the nearest IFRS-defined subtotal. For example, companies will need to reconcile any EBITDA-like measure to the also newly

EUMEDION

IFRS-defined 'Operating Profit Before Depreciation, Amortisation and specified Impairments' (OPDAI).

Eumedion will persist in its decade-long advocacy for enhancements in IFRS 8 Operating Segments. When the PFS's newly defined subtotals are established, they ought to be incorporated into this specific Standard's requirements as well.

The PFS project rightfully focused on the income statement and the financial position, although there is also a wide-spread variety in practice in how companies construct their cash flow statement. The IASB is well aware of the importance of its research project 'Statement of Cash Flows and Related Matters' as it received consistent feedback that investors have difficulty reconciling the statement of cash flows to the other primary financial statements and that there is the need for greater transparency about non-cash movements. As part of the research phase of the project, the IASB is in the process of defining the scope of the project and consider whether the project should aim to review comprehensively its requirements in IFRS Accounting Standards or opt for less drastic targeted improvements.

2.2 Company engagement

We believe that constructive and high-quality dialogues are to the benefit of institutional investors and the listed companies. Institutional investors are presented with the opportunity to interact with and establish a relationship with company (executive and non-executive) directors and staff, and the companies are presented with the opportunity to articulate the reasons behind proposals and decisions on corporate governance and sustainability-related topics. The existence of an established relationship means a true dialogue can occur. Having relationships with current and prospective investors can especially aid the company boards in the long-term and in difficult situations. Eumedion acts as a trusted facilitator for these dialogues for its members. In accordance with its updated strategy 2023-2027, this includes the following:

- The Eumedion staff and the lead investor will prepare the dialogue by circulating among its delegation an annotated long list of possible discussion topics (including at least the annual focus points) and by organising a preparatory call with the delegation. During the preparatory call the discussion topics are finalised and prioritised and divided among the delegation members. The agenda is shared with the company approximately one week prior to the date of the dialogue.
- To achieve consistency and continuity among the dialogues, the Eumedion staff will kick off and chair the dialogues and will give the floor to the delegation members appointed for the various discussion topics. Other delegation members can add and ask follow-up questions.
- The Eumedion staff informs the members of the Investment Committee in writing about the main outcomes and results of the dialogues on a quarterly basis. This will be done in a standardised way. The overview will be relatively high-level. These overviews will be generated

EUMEDION

in addition to reports on individual meetings, which will only be shared with the members who participated in the dialogue.

- It will be decided on a case-by-case basis whether it is useful that the lead investor will attend the shareholders' meeting of the company in question. This is dependent upon – among others – the responsiveness of the company during the dialogue, the 'significance' of the resolutions and the expected media attention.
- The Eumedion staff will continue monitoring the agendas of shareholders' meetings and the annual reports of the Dutch listed companies and issuing an alert to all members in the event that a controversial item is on the agenda of the shareholders' meeting. To further increase transparency and impact, these alerts will – in principle – be published on the Eumedion website as from 2024 AGM season onwards. Only in exceptional circumstances, on the proposal of the Eumedion staff, the Eumedion Executive Board or the Investment Committee, it can be decided to not publish the alert.
- The Eumedion staff will prepare an evaluation report of the shareholders' meetings and annual reporting season and will send the focus letter to the Dutch listed companies.

On October 11, 2023, Eumedion has sent the Focus Letter for the 2024 AGM season to Dutch listed companies. A separate Audit Firm Letter 2024 was sent to the six largest audit firms on the same date.

As pointed out above (see section 2.1.3), the Focus Letter acknowledges the extensive sustainability reporting requirements that will require the attention of Dutch listed companies in 2024. The 2024 focus letter therefore only covers two topics that are outside of the scope of these requirements. Firstly, a remuneration policy that supports sustainable long-term value creation, and secondly, tax transparency and compliance with the Dutch Tax Governance Code.

Following the implementation of the revised Shareholder Rights Directive, all Dutch listed companies are required to submit their remuneration policy to a binding vote by the shareholders' meeting at least every four years. Since most companies had their remuneration policy adopted at their 2020 AGM, the remuneration policy for the executive and supervisory directors needs to be renewed in 2024. In reviewing and preparing the remuneration policies for the 2024 AGM, Eumedion encourages Dutch listed companies to consider the 2023 Eumedion principles for a sound remuneration policy for members of the management board of Dutch listed companies. In particular, the Focus Letter underlines the recommendation that a substantial portion of the variable remuneration elements shall be based on stretching environmental, social and/or governance goals that are material to the company. These goals should be sufficiently challenging, measurable and auditable. Eumedion also encourages companies to conduct meaningful engagement with all key stakeholders of the company, including shareholders and employees, prior to presenting the final remuneration policy proposal to the shareholders' meeting. For shareholders it is also important that the company discloses its outreach and engagement efforts (e.g. how many shareholders and other

stakeholders were approached?), what the key findings and themes were, and what, if anything, the company did to address those. Such disclosures allow the company to demonstrate its responsiveness to stakeholders' feedback and concerns.

As outlined in the Eumedion 2023 AGM Evaluation Report, the application of the Dutch Tax Governance Code has led to increased disclosures of the tax policy, tax principles, tax governance and the business structure by Dutch listed multinationals. However, it also observed some issues. For example, almost 40% of the Dutch AEX and AMX companies have not signed up to the code (yet) and not all companies that have endorsed the code make a reference to it and its application. Moreover, 44% of the AEX and AMX companies, including companies that have signed the code, do not publish tax payments on a full 'country-by-country' basis. A number of companies published these 'country-by-country' tax details at a later date than the annual report or even after the AGM date. The 2024 Focus Letter requests companies to adopt a responsible and transparent approach to tax, as part of the company's strategy for good corporate citizenship. All Dutch listed multinationals are requested to sign up to the Dutch Tax Governance Code and apply its principles, and thus demonstrate how their tax policy and behaviour contribute to the company's business strategy and to sustainable long-term value creation.

In a separate letter, Eumedion requested the six largest audit firms to make their presentations for AGMs more informative. In this context, they are urged to apply as much as possible the revised Practice Note on the position of the external auditor in the general meeting'. This Practice Note was developed by the NBA in early 2023.

The Focus Letter is a regular part of the dialogues with listed companies leading up to the 2024 AGM season. Eumedion will report in the evaluation report of the 2024 AGM season to what extent the Focus Letter was applied by the companies.

2.3 Responsibilities of institutional investors: the Dutch Stewardship Code and the Dutch corporate governance code

On January 1, 2019, the first version of the Dutch Stewardship Code entered into force. As proposed by Eumedion, the provisions of the Dutch stewardship code that relate to the responsibilities of shareholders have been integrated into the updated Dutch corporate governance code. Therefore, on 19 April 2023, the General Board of Eumedion decided to give the Dutch stewardship code a 'dormant status' existence (and not to withdraw it). The Dutch Stewardship Code Working Group (see also section 5.7) will continue to meet to discuss a.o. developments in (international) investor stewardship, to consider if and how these developments are sufficiently reflected in the current framework of the Dutch Corporate Governance Code and in applicable law (such as the Shareholder Rights Directive), if and how the bar for investor stewardship can and should be raised, or whether there are any implementation issues that warrant further attention. As

EUMEDION

the Stewardship Code will for now have a dormant status and as monitoring of the application of the provisions of the Dutch stewardship code that relate to the responsibilities of shareholders that have been integrated into the updated Dutch corporate governance code will be part of the mandate of the Dutch Corporate Governance Monitoring Committee, Eumedion will not produce a monitoring report in 2024.

3. EVENTS

As in previous years, Eumedion will organise a conference in November on a topical issue related to corporate governance and/or sustainability.

Eumedion will further provide a 2024 AGM season preview during a virtual members' event.

4. SERVICES

Eumedion offers its members various services in relation to corporate governance and sustainability. For example, Eumedion informs them about current developments in these core areas. And if necessary, Eumedion provides additional information in the context of formulating and implementing their own voting policy. In addition to the policy engagement activities mentioned in section 2.1, the following services are offered.

4.1 Informing members

- **Monthly newsletter**

Eumedion's monthly newsletter appears to be much appreciated by members and non-members alike. Eumedion will therefore continue the newsletter in 2024. The newsletter discusses the latest (Dutch and European) developments in corporate governance and sustainability that are of importance to institutional investors. Attention is given to striking cases at listed companies, Eumedion's views, national and European legislative and regulatory initiatives in the field of corporate governance and sustainability and other relevant corporate governance and sustainability topics.

- **Alert service controversial voting items**

In 2024, Eumedion will maintain its alert service regarding (controversial) voting items at AGMs. In the case of an AGM and/or voting item that is widely discussed in society, the members will in any case be informed of the considerations whether or not to issue an alert. The Eumedion members can use the text of the alert or the considerations not to issue an alert in determining their voting behaviour for the AGM. To further increase transparency, Eumedion has decided to make the alerts public as from the 2024 AGM season onwards.

- **Legal alerts**

Members of Eumedion will be informed of important policy issues in 2024 through the issuance of so-called legal alerts, for example with respect to the final CSDDD text.

- **Website**

The website keeps members and other interested parties informed of current events, discussions and Eumedion's views and positions. The website includes information about the organisation, Eumedion's views and positions and an extensive archive.

- **Thought leadership**

Also in 2024, Eumedion will pursue an active media policy to bring Eumedion's views and positions to the attention of the media. In addition, the Eumedion staff proactively contributes to policy

development in the field of corporate governance and sustainability through writing op-eds in newspapers, magazines, books, giving speeches and presentations and participating in working groups and round tables.

- **Social media**

Also in 2024, the latest news from and about Eumedion can be followed via social media 'X' under twitter name @eumedion. Eumedion also has a LinkedIn account that is used to share news from and about Eumedion.

4.2 Dialogue

Also in 2024, Eumedion will facilitate its members' dialogues with the main Dutch listed companies. During these dialogues, which will be prepared jointly with representatives of Eumedion members, Eumedion's Focus Letter will be discussed, among other things. See also above under section 2.2. In addition, Eumedion represents its members during various stakeholder dialogues organised by listed companies.

4.3 Members' Meetings

Eumedion will hold two Members' Meetings in 2024.

- ***Spring Meeting (to be scheduled in June 2024)***

At this meeting, Eumedion's General Board gives account of the previous year's policy. The management report is discussed and the Members' Meeting is requested to approve the financial statements. The General Board also requests the Meeting for discharge. Also discussed is the Eumedion evaluation report of the 2024 AGM season.

- ***Fall Meeting (18 December 2024)***

At this meeting, the 2025 Policy Plan will be discussed and adopted, as well as the 2025 Budget. In addition, a new overview of current and future ESG regulations for institutional investors will be presented.

5. COMMITTEES

Eumedion's policy is prepared in about five committees and two working groups, which include delegates from individual members.

5.1 Legal Committee

In 2024, the Legal Committee will at least deal with the policy issues raised in sections 2.1.1, 2.1.3, 2.1.4, 2.1.5 and 2.1.7. The Legal Committee takes the lead in preparing comments on consultation documents and on Dutch and European legislative and regulatory initiatives. In addition, the Legal Committee's ambition is to prepare position papers on topical corporate governance and sustainability issues.

5.2. Reporting and Audit Committee

The Reporting and Audit Committee deals with policy aspects in the field of financial and sustainability reporting, risk controls and management, and the role and independence of the external auditor, among others. The Reporting and Audit Committee takes the lead in preparing comments on consultation documents from the DASB, the IASB, the ISSB, the EFRAG Sustainability Reporting Board, the NBA and the International Auditing and Assurance Standards Board (IAASB), among others. In 2024, the committee will at least address the policy issues raised in sections 2.1.2 and 2.1.8 to 2.1.11. Furthermore, the committee will function as a sounding board for the Eumedion representatives on the advisory bodies of the DASB, IASB, ISSB, EFRAG and the AFM.

5.3. Research Committee

The Research Committee will review whether certain topics in Eumedion's field of activity lend themselves to fundamental research in 2024. Furthermore, the Research Committee will develop the overarching theme for the 2024 symposium and approach speakers.

5.4. Investment Committee

The Investment Committee discusses current and material corporate governance and sustainability topics affecting individual listed companies. It determines whether a so-called alert should be issued when a listed company puts a proposal on the agenda for an AGM that deviates significantly from the applicable legislation, the Dutch Corporate Governance Code or the Eumedion recommendations included in the Corporate Governance Handbook. In addition, members of the Investment Committee will be closely involved in preparing and participating in regular dialogues with Dutch listed companies. The Investment Committee is further responsible for preparing the evaluation report of the 2024 AGM season and drafting the 2025 Focus Letter. In ad hoc situations, the Investment Committee is also involved in comments on legislative or regulatory proposals and/or consultation documents, which are prepared by the Legal Committee or the Reporting and Audit Committee, such as the topics mentioned in sections 2.1.6 and 2.1.7.

5.5. Public Relations Committee

The PR Committee assesses whether certain Eumedion positions are suitable for generating media attention. The PR Committee aims to have Eumedion regularly in the news with viewpoints and research results. In addition, the PR Committee is actively involved in editing press releases and supports the Executive Director in his contacts with the media.

5.6. Executive Remuneration Working Group

The Executive Remuneration Working Group was established in 2006 to prepare the Eumedion recommendations on executive remuneration. In late 2009, the working group proposed revising the recommendations and transforming them into a set of principles for a responsible remuneration policy. The General Board adopted this set of principles in October 2009 and made a number of amendments in recent years. After the 2024 AGM season, the working group will review the Eumedion recommendations on effectiveness and relevance and assess whether any application bottlenecks have arisen. If necessary, proposals to amend the Eumedion recommendations will be formulated by the working group.

5.7. Dutch Stewardship Code Working Group

The Dutch Stewardship Code Working Group was established in 2017 to update the Eumedion Best Practices for engaged share-ownership and to transform them into a Dutch Stewardship Code. The final edition of the Dutch Stewardship Code was published in July 2018. As highlighted above (see section 2.3), the Stewardship Code has been given a dormant existence given the fact that all principles of the Dutch stewardship code are fully or largely covered by the provisions of the updated corporate governance code or the Dutch Financial Supervision Act. The working group will still meet (at least) once a year to discuss a.o. developments in (international) investor stewardship, to consider if and how these developments are sufficiently reflected in the current framework of the Dutch Corporate Governance Code and in applicable law (such as the Shareholder Rights Directive), if and how the bar for investor stewardship can and should be raised, or whether there are any implementation issues that warrant further attention. As the monitoring of the application of the provisions of the Dutch stewardship code that relate to the responsibilities of shareholders that have been integrated into the updated Dutch corporate governance code will be part of the mandate of the Dutch Corporate Governance Monitoring Committee, the working group will not produce a monitoring report in 2024.

6. INTERNAL ORGANISATION

6.1 Acquisition of new members and participation in national and international organisations

Also in 2024, Eumedion aims to maintain its member base well and expand it where possible. In addition, Eumedion will continue to participate in various national and international organisations in 2024 in order to make the voice of Eumedion's members heard and to be involved at an early stage in the formulation of policy that will (potentially) affect institutional investors. Eumedion participates directly or indirectly in the following organisations, working groups and advisory committees, among others:

- The Dutch Corporate Governance Code Monitoring Committee;
- The International Corporate Governance Network (ICGN);
- The Global Network of Investor Associations (GNIA);
- The Global Stewardship Codes Network;
- The IFRS Advisory Council;
- The EFRAG User Panel;
- The EFRAG Connectivity Advisory Panel
- The European Commission's Expert Group on Technical Aspects of Corporate Governance Processes;
- The Advisory Group to the Investor and Other Stakeholders Working Group of the International Forum of Independent Audit Regulators (IFIAR);
- The Dutch Accounting Standards Board and its governing body;
- The AFM Advisory Panel of Representative Organisations;
- The AFM Capital Market Committee;
- The AFM Committee for Financial Reporting & Accountancy;
- The Ministry of Justice and Security Expert Group on Modernising Dutch Company Law;
- The NBA Stakeholders Forum;
- The Trustees of the Radboud Business Law Institute.

6.2 Participation in societal debate

Eumedion will continue to make an active contribution to the societal debate on corporate governance and sustainability in 2024. Part of this includes airing the Eumedion views in the various media, writing op-eds in newspapers and/or writing articles in journals. Furthermore, the Eumedion staff will propagate Eumedion's views by giving lectures and presentations at seminars and conferences as well as by participating in working groups, stakeholder dialogues and round tables.

6.3 Eumedion Board

In 2024, the Executive Board will meet six times and the General Board four times. In 2024, the maximum term of Lars Dijkstra (25 April) and Annette van der Krogt (20 June) will expire. They can

therefore no longer be reappointed. On 1 October 2024, the second term of Carola van Lamoen (Robeco) will expire. She may be re-elected for a final term of two years.

6.4 Staff

Eumedion holds offices in Spaces De Rode Olifant, Zuid Hollandlaan 7 in The Hague. Eumedion has a one-year rental agreement with Regus, which can be renewed again in April 2024. The rental agreement can, however, be terminated every month.

Eumedion's sustainability policy advisor Ron Gruijters will leave Eumedion on 15 January 2024.

Eumedion has started the process to find a replacement.

7. CONTACT

More information about Eumedion can be found on our website www.eumedion.nl.

CONTACT:

Eumedion

Zuid Hollandlaan 7

2596 AL THE HAGUE

Telephone: +31 70 2040 300

E-mail: info@eumedion.nl

LinkedIn: Stichting Eumedion

X: @eumedion

For more information or questions regarding this Policy Plan, please contact:

Rients Abma (Executive Director)

Martijn Bos (Policy Advisor Reporting & Audit)

Diana van Kleef (Legal Counsel & Policy Advisor Corporate Governance)

Toi van Rijn (Office Manager)