

# Engagement report

Philips  
Pensioenfonds



Stichting Philips Pensioenfond - Engagement Summary Report - Apr 01, 2024 to Jun 30, 2024		
<b>Total companies in portfolio (as of 06-30-2024)</b>	<b>5.032</b>	
	<b>Number</b>	<b>%</b>
<b>Total company engagements</b>	739	
<b>Number of individual companies engaged</b>	652	13%
<b>Number of companies with multiple engagements</b>	73	11%
(of individual companies where we held multiple engagements over the course of the reporting period)		
<b>Engagements by region*</b>		
Americas	367	50%
EMEA	149	20%
APAC	223	30%
<b>Engagement themes*</b>		
Governance	706	96%
Social	211	29%
Environmental	166	22%
<b>Engagement topics*</b>		
E-Biodiversity	22	3%
E-Climate Risk Management	146	20%
E-Land Use/Deforestation	7	1%
E-Environmental Impact Management	0	0%
E-Operational Sustainability	0	0%
E-Other company impacts on the environment	21	3%
E-Water and Waste	18	2%
G-Board Composition and Effectiveness	329	45%
G-Board Gender Diversity	46	6%
G-Business Oversight/Risk Management	178	24%
G-Corporate Strategy	284	38%
G-Executive Management	133	18%
G-Governance Structure	169	23%
G-Other	82	11%
G-Remuneration	284	38%
G-Sustainability Reporting	66	9%
S-Business Ethics and Integrity	14	2%
S-Community relations	14	2%
S-Diversity and Inclusion	41	6%
S-Health and Safety	29	4%
S-Human Capital Management	119	16%
S-Indigenous Peoples Rights	5	1%
S-Other Human Capital Management issues	8	1%
S-Other company impacts on people/human rights	21	3%
S-Privacy and Data Security	16	2%
S-Social Risks and Opportunities	51	7%
S-Supply Chain Labour Management	22	3%

\*Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on our vote guidelines and our engagement priorities found here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities>

On August 5th, 2022, BIS increased the level of detail reported on certain engagement topics captured while discontinuing other sub-topics that were seldom used. This provides more relevant information and further transparency to our clients. The report now reflects the improved transparency in any engagement post August 5, 2022.



















## Blackrock Investment Stewardship Engagement Priorities

Each year we prioritize our work around engagement themes to encourage sound governance practices and deliver sustainable long-term financial performance for clients. Our approach emphasizes direct dialogue with companies.

Board Quality and Effectiveness - Quality leadership is essential to performance. Board composition, effectiveness, diversity and accountability remain top priorities

Strategy Purpose and Financial Resilience - A purpose driven long-term strategy, underpinned by sound capital management, supports financial resilience

Incentives Aligned with Value Creation - Appropriate incentives reward executives for delivering sustainable long-term value creation

Climate and Natural Capital - Climate action plans with targets advance the transition to a low carbon economy. Managing natural capital dependencies and impacts through sustainable business practices

Company Impacts on People - Sustainable business practices create enduring value for all key stakeholders

Read more about our engagement priorities and key performance indicators here: <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities>

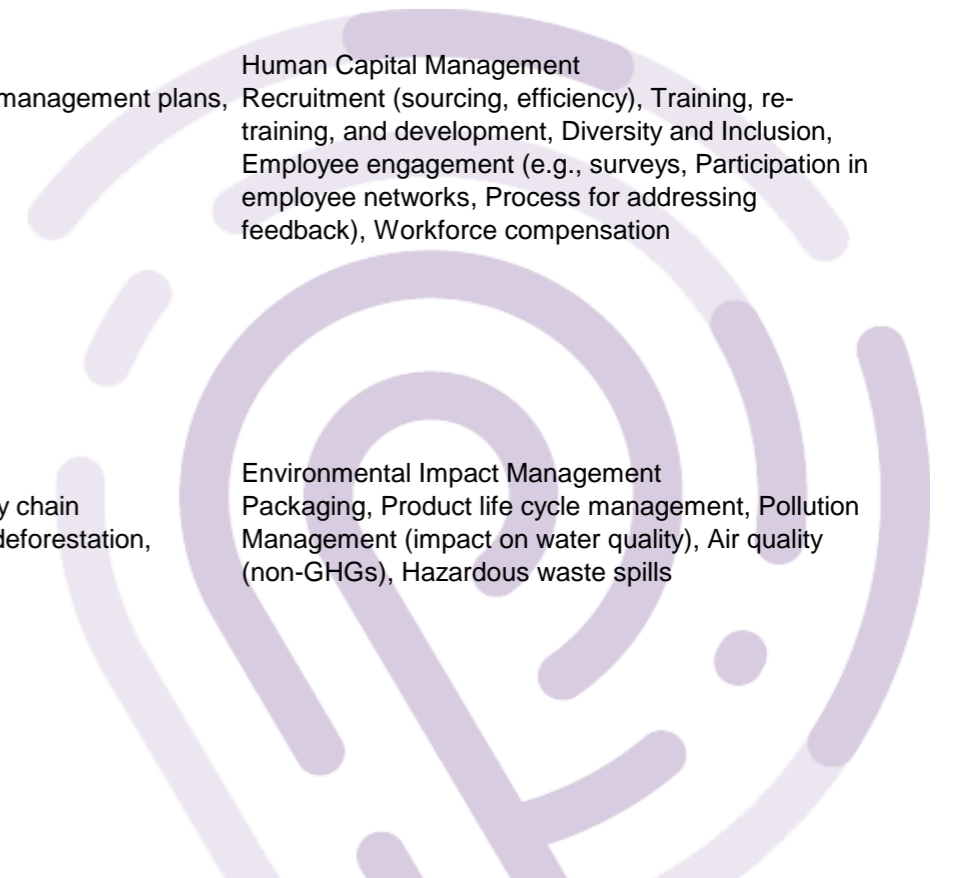
Read more about our engagements in our annual stewardship report and our voting spotlight report: <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history>

## Blackrock Investment Stewardship Engagement Topic Overview

On August 5th, 2022, BIS increased the level of detail reported on certain engagement topics captured while discontinuing other sub-topics that were seldom used.

This provides more relevant information and further transparency to our clients. The report now reflects the improved transparency in any engagement post August 5, 2022.

<b>Governance</b>	Board Composition & Effectiveness Skills, Diversity, Independence, Mix of tenures/ Refreshment strategy, Presence of appropriate committees, Attendance, Over-commitment, External evaluation and Board dynamics	Board Gender Diversity Gender diversity, gender diversity targets, recruitment, board diversity succession planning	Business Oversight/Risk Management Process for identifying, monitoring, disclosing, managing key risks, Responsiveness to shareholders on material risks to the business Handling of past and current controversies (business track record). Process for assessing robustness of risk disclosure	Corporate Strategy Board and Management attention to, and oversight of, strategic direction, Capital Management (how company ensures proper capital issuance and allocation), Articulation of purpose-driven strategy and plan to achieve it, Culture/ employee connection to purpose, Articulation of M&A opportunities
<b>Social</b>	Community Relations Community Relations, Social License to Operate	Diversity and Inclusion Recruit, retain, and develop diverse talent, Inclusive workplace environment for all workers, Pay equity, Executive training for all underrepresented groups	Health and Safety Worker health and Safety, Safety management plans, Workplace wellness programs	Human Capital Management Recruitment (sourcing, efficiency), Training, re- training, and development, Diversity and Inclusion, Employee engagement (e.g., surveys, Participation in employee networks, Process for addressing feedback), Workforce compensation
<b>Environment</b>	Biodiversity Company impact on native species, their environment, and migratory patterns	Climate Risk Management Robustness and Materiality of Disclosure (alignment with TCFD), Transition risk (e.g. pace of change to low carbon economy), Physical Risk Assessment (vulnerability of the business), Capex Spend/R&D in clean energy, GHG/Methane Reduction Targets	Land Use/Deforestation Palm Oil, Deforestation-free supply chain management, Commodity-driven deforestation, Deforestation exposure, Loss to disputed land use	Environmental Impact Management Packaging, Product life cycle management, Pollution Management (impact on water quality), Air quality (non-GHGs), Hazardous waste spills



**Governance**

Executive Management  
CEO and C-Suite succession  
planning, Management  
turnover/sudden departures,  
Management track record &  
oversight of strategy, Quality of  
management (right people in terms  
of skill sets and experience to  
execute the strategy)

Governance Structure  
Major or majority  
ownership/shareholder structure,  
M&A, Capital issuances

Other Governance Related Issues  
Bribery and Corruption Prevention,  
Disclosure Anti-Bribery Policy,  
Issues relating to global norms  
controversies

Remuneration  
Alignment of Pay and  
Performance, Stock ownership  
plans and requirements (how paid  
out), Sound compensation  
structure in Industry/ and relative to  
peers, Director compensation and  
stock ownership requirements,  
Alignment of pay across employee  
levels (working towards same  
goals)  
Median pay/Gender Parity

Sustainability Reporting  
Publish Sustainability Report,  
Disclose TCFD report

**Social**

Indigenous Peoples Rights  
Human Rights, Protection of  
cultural heritage sites and local  
communities, Access to resources  
and/or compensation in the event  
of displacement or destruction

Other Company Impacts on  
People/Human Rights  
Issues relating to global norms  
controversies, Impact on local  
communities, Stakeholder health  
and wellbeing; AMR

Other Human Capital Management  
Issues  
Human Capital Management  
issues relating to global norms  
controversies

Privacy and Data Security  
Risk management and oversight,  
Data privacy management, Policy  
development and disclosure,  
Employee training and incident  
response planning, Crisis  
preparedness (i.e. activism  
defense, cyber war games)

Social Risks and Opportunities  
Human Rights (i.e. preventing  
human trafficking)  
Access to Products, Geopolitical  
Risk/Relations with  
States/Countries/Regulatory  
bodies, Product Safety/Supply  
Chain oversight

Supply Chain Labour Management  
Supplier due diligence, policy  
management, risk oversight,  
reputational risk assessment

**Environment**

Operational Sustainability  
Company efforts to diminish  
environmental impact and improve  
resource efficiency in their ongoing  
operations

Other Company Impacts on the  
Environment  
Energy efficiency, Product  
offerings (opportunities), issues  
related to global norms  
controversies, company efforts to  
diminish environmental impact and  
improve resource efficiency in their  
ongoing operations, air quality (non-

Water and Waste  
Waste management, Water  
management, Packaging, Product  
life cycle management, Pollution  
Management, hazardous waste  
spills

