

AMP CAPITAL ASSET STEWARDSHIP STATEMENT

AMP Capital is committed to making responsible investment decisions on behalf of our clients.

As a 'whole of universe' investor, we recognise we have a stake in the effective operation and sustainability of the economy, the integrity and transparency of markets, good governance and ethical business conduct. We see clear links between an organisation's environmental and social impacts and the quality of its corporate governance, and its long-term financial performance and overall business success.

As stewards of our clients' assets, we believe that responsible investing demands consideration of current and future trends that may affect growth and risk factors within industry sectors or company business models. We believe ignoring such factors results in poorer investment outcomes at the very least.

When AMP Capital considers such trends may pose a risk to our clients' interests we typically engage with investee companies or assets to understand how such risks are being managed. When we believe those measures are inadequate, we seek to improve them. We are committed to exercising proxy voting rights where we are authorised to do so and regularly share our views and investment insights with our clients.

Meaningful integration of Environmental, Social and Governance (ESG) factors

At AMP Capital, ESG factors encompass a broad range of financial and non-financial issues that may of themselves, or in combination, have a material impact on the risk/return characteristics of our investments. These issues may be driven by existing or future regulations, reflect significant societal concern, or pose potential operational, financial, strategic, reputational or systemic risks. Some examples are provided below:

Environmental: Natural resource use and degradation, waste, pollution, greenhouse gas emissions, climate change, clean technology products and services and environmental management practices.

Social: Human capital, workplace health and safety, labour relations and standards, human rights, demographic changes, supply-chain and community impacts.

Governance: Board composition, independence, diversity, executive remuneration and incentive plans, corporate accountability structures, compliance, negligence, bribery and corruption, conflicts of interest and related-party transactions, shareholder rights, accounting and audit quality.

AMP Capital has its own in-house ESG specialists. These investment professionals undertake industry and stock-specific ESG analysis, engage with companies on ESG issues, participate in collaborative initiatives and vote our proxies. Insights from the team directly inform our investment decisions.

AMP Capital's ESG and Responsible Investment Philosophy applies across the business, providing guidance to AMP Capital's investment teams across the diverse asset classes and geographies in which we invest. This includes equities, fixed income, property, infrastructure and our multi-manager funds. The philosophy captures our views on active engagement and other stewardship activities and is reviewed as our approach evolves. This document is approved by the AMP Capital Investment Committee, which has overall responsibility for investment decisions, ESG-related strategy, and initiatives. The AMP Capital Investment Committee reports to the AMP Capital Investors Limited Board via AMP Capital's Chief Executive Officer.

Active Engagement

Our team of analysts, portfolio managers and ESG specialists, monitor and engage with investee companies and assets, to ensure we understand their business. AMP Capital recognises our asset stewardship responsibilities to influence the boards and management teams of investee companies and assets to contribute to better business and societal outcomes.

Through ongoing dialogues with board members and senior management, we aim to build long term productive relationships. Direct engagement is our preferred approach to influence an investment's performance. Where AMP Capital believes a shift in approach may improve performance, we will engage with that company or asset.

Our engagement objectives include increasing the return on funds invested, contributing to improved company performance standards, and helping address potentially systemic risks. We have investment research processes and disciplined methodologies unique to each asset class, which enable our investment analysts to fully understand traditional metrics such as the financial performance, economic outlook and market valuation of our investee companies as well as non-financial metrics such as ESG-related factors and other intangible drivers of value.

Company engagements are prioritised according to the extent we believe:

- > the issue is material to the company,
- > there are issues common to more than one company (e.g. within a particular country or sector),
- > meaningful improvement can be achieved, and
- > an investor's perspective could be particularly constructive to that end.

In leveraging these positions, we have the ability to monitor and influence various aspects of the investee company and ensure the company's capacity to deliver on anticipated returns and long-term value.

If we engage in dialogue with a company or asset on an ESG issue and it does not yield the intended result, we will try a different approach. We will generally escalate matters of concern by requesting additional meetings with the board, as well as by writing to the board to formalise our concerns. We would also seek to collaborate with other investors to exert a greater influence where appropriate.

As detailed further below we use proxy voting as a mechanism to send key messages to the directors of an investee company. Through our engagement with management, coupled with proxy voting, we may discourage corporate policies that risk long-term performance. Conversely, we may also encourage effective management through endorsement and supportive voting.

Finally, we may also choose to increase our collaborative engagement and continue our advocacy on certain thematic, governance and asset stewardship matters through our participation in a range of institutional investor and industry lead associations.

Active engagement in real assets

AMP Capital places a strong emphasis on the active management of our direct infrastructure and real estate investments. ESG issues are considered in the early stages of investment origination and throughout the due diligence and acquisition phase. Post-acquisition, we continue to monitor and manage specific ESG issues to ensure strong risk management and engagement with relevant stakeholders.

Comprehensive reviews are performed on a fund and asset-specific basis, seeking to identify improvements to risk management practices and potential opportunities for improved investment profitability. Our tendency to hold large equity stakes and/or full ownership usually provides a high level of transparency and influence over investee assets and companies through a combination of:

- > board representation;
- > direct access to senior management;
- > direct operation and management of the asset (specifically in Real Estate sector); and
- > strong relationships with third-party operators.

In leveraging these positions, we have the ability to monitor and influence various aspects of the investee company and ensure the company's capacity to deliver on anticipated returns and long-term value.

AMP Capital's Infrastructure ESG Policy Guidelines and Real Estate ESG and Responsible Investment Guidelines are on our website.

Collaborative Engagement

AMP Capital actively collaborates with other stakeholders through a variety of industry initiatives to improve corporate governance standards, improve transparency and disclosure and encourage responsible investment practices through the integration of ESG issues. Collaborative engagement is especially useful where we are engaging with companies outside Australia and New Zealand, where AMP Capital and other international investors can leverage their collective ownership of stock holdings to better access and influence company management.

Collaborative engagements are generally used to supplement and build on our existing proprietary data and investment insights. Our involvement may further inform our own active engagement strategies with companies, assets and policymakers

AMP Capital's ESG Investment Research team also participates in around 100 non-company meetings each year, where we are either actively engaged with other investors or stakeholders or see an opportunity to develop a better overall understanding of a key industry, governance or stewardship issue. These activities reflect our broader objective of improving the ESG performance of all companies and the investment industry generally, not just companies or assets we may have chosen to invest in on behalf of our clients.

Further details of the range of investor collaborations we support are available on our website.

Proxy voting

As owners, shareholders have the right to influence the way companies are run. By voting at company meetings investors can, amongst other things: select directors responsible for governing the company on investors' behalf; influence how directors and senior management are remunerated; and, vote on material transactions.

We believe exercising voting rights is an important aspect of the investment process. Except in special cases where we feel abstention is required, it is our policy to lodge considered votes on all matters on behalf of our clients, using our voting rights to support resolutions we deem to be in our clients' best interests and to reject those we consider to be unfair, unreasonable, or in some way detrimental.

Voting decisions are made on a case-by case basis, with our preference for 'vote-plus-engage' rather than voting alone. Voting decisions take into account information from various sources including publicly disclosed information, company meetings, discussions with our investment analysts, our database of research, records of past engagements and past voting decisions, and research provided by proxy advisors.

Rather than relying solely on the voting mechanism to send messages to directors of companies, we typically communicate our reasons for voting to the board and often take that opportunity to further engage on key issues facing the company.

Our Proxy Voting Policy is reviewed annually and approved by the AMP Capital Investors Limited Board and is available on our website.

Policy advocacy

We believe it is vital that AMP Capital participates in policy and legislative developments that impact our clients, our businesses and our communities. Our goal is to play an active role in policy debates and discussions through forums held by industry bodies and associations, government parties and regulators, in order to influence the right outcomes for our stakeholders.

AMP Capital is currently an active participant and contributor in the following industry groups and associations:

- > Financial Services Council
- > Principles for Responsible Investment
- > International Corporate Governance Network
- > Asia Corporate Governance Association
- > GRESB Real Estate and Infrastructure
- > Responsible Investment Association Australasia
- > Investor Group on Climate Change and associated international investor groups
- > Property Council of Australia

A list of the industry groups with which AMP Capital is involved is on our website.

Client engagement, education and communication

AMP Capital believes in regularly sharing and communicating our insights, ideas, and observations on corporate governance and stewardship matters to our clients and key stakeholders. AMP Capital participates in forums to share investment insights and educate investors regarding our views on asset stewardship. We regularly publish videos and articles, contribute to industry publications and speak at industry conferences, roundtables, and education events.

Our regular Corporate Governance and Engagement reports, and published investment insights inform our clients and the public about our ongoing investment research and engagement efforts, and how these activities influence our overall investment thinking.

Additional information

Additional information regarding AMP Capital's asset stewardship activities can be found on the AMP Capital website, including our Corporate Governance reports, voting disclosure and statistics and engagement insights. Further detail is also provided in AMP Capital's Responsible Investment Transparency Report available via the [Principles for Responsible Investment](#) website.

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