ABP criteria
for companies

2025

ABP

Building a good
pension together
in a livable world

ABP sets minimum criteria for investments on 4 themes

Climate

Nature and Biodiversity

Human rights

Governance & integrity

Purpose

✓ We no longer invest in every company but instead create a basket of companies that meet our minimum criteria. We do so judiciously and prudently. We took the first step in 2024 and are gradually determining if we need to set stricter criteria when there is better data;

✓ We seek to mitigate ESG risks for ABP's investments;

✓ We wish to limit the negative impact of our investments on the world.

How are the criteria established?

✓ We are aligned with international standards such as the Paris Agreement and the Kunming-Montreal Agreement;

✓ We consider the biggest long-term risks to sectors, and whether companies manage those risks well;

✓ We do not invest in activities that are inherently harmful to people, animals or the environment.

Climate

Standards	ABP-criteria for companies		Expectations 2030

We adhere to the following standards:

- **Paris Agreement**
- **Net Zero Investment Framework**

Yes, provided conditions are met

Sectors and activities with a significant climate impact (building materials, transport, cars, power generators, metals and mining, paper & forest products, packaged foods, meat & meat processing):
- Report on their Scope 1+2 emissions;
- Have a long-term reduction target in line with the Paris Agreement.

Not investable

- Fossil fuel producers;
- Companies that are expanding their coal-based energy production;
- Companies involved in serious climate-related controversies.

We expect all companies to:

- Have a net-zero commitment and operate demonstrably in line with it;
- Reporting on Scope 1, 2 and 3 emissions;
- Have effective policies and tools to prevent involvement in severe controversies.

Nature and Biodiversity

Standards

We sluiten aan bij de volgende standaarden:

- **Kunming-Montreal Global Biodiversity Framework**

- **Taskforce on Nature-related Financial Disclosurs (TNFD)**

ABP-criteria for companies

Yes, provided conditions are met

- **Companies with a high deforestation risk** (meat, cocoa, coffee, palm oil, animal feed, paper and forest products) put in place strong policies to combat deforestation;
- **Companies with a high animal welfare risk** (meat and other animal proteins) have strong policies to ensure animal welfare. And animal research companies have animal testing policies for their (non-)pharmaceutical testing activities;
- **Companies active in metals and mining** have sufficient environmental, biodiversity and (mining) waste programs.

Not investable

- Fur-producing companies;
- Companies that produce non-organic pesticides;
- Companies that produce single-use plastics;
- Companies involved in serious nature-related controversies.

Expectations 2030

We expect companies with higher risk of nature loss to have:

- Demonstrably effective policies to stop loss of nature & biodiversity;
- Demonstrably effective policies to stop deforestation;
- Measures aimed at accelerating the transition in the food chain;
- Strict standards for animal testing;
- Effective policies and tools to prevent involvement in severe controversies.

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Human rights

Standards

We adhere to the following standards:

- **United Nations Guiding Principles on Business & Human Rights (2018)**

- **Universal Declaration of Human Rights (1948)**

ABP-criteria for companies

Yes, provided conditions are met

- Companies whose **business model** puts them at higher risk of human rights violations adopt sufficient measures to prevent such violations;

- Companies that operate in **regions with a high risk** of human rights violations have adequate policies to safeguard human rights.

Not investable

- Companies involved in the production of tobacco, controversial weapons, nuclear weapons, civil fire arms, porn, the operation of casinos, gambling or private prisons;
- Companies involved in severe human rights controversies.

Expectations 2030

We expect companies with higher risk of human rights violations to have:

- Effective measures to prevent human rights violations related to their business model and/or the regions in which they operate;
- ffective policies and tools to prevent involvement in severe controversies.

Governance & integrity

Standards	ABP-criteria for companies	Expectations 2030

We adhere to the following standards:

- **International Corporate Governance Network**

Yes, provided conditions are met

- Financial institutions that provide project financing have included **sustainability criteria in credit and lending standards;**
- Companies have policies to prevent **corruption and bribery;**
- Companies have a **whistleblowing policy**.

Not investable

- Companies that do not comply with our "Evaluation policy for good SFDR corporate governance practices" (in Dutch)";
- Companies involved in serious corporate integrity controversies and/or conflicts with shareholders;
- Companies that violate international norms or standards.

We expect all companies to have:

- Minimum criteria on good governance and remuneration policy;
- Effective policies and measures to prevent involvement in corruption, fraud or breaches of integrity;
- Credit and lending standards that incorporate sustainability criteria;
- Minimum responsible tax policy criteria;
- Effective policies and tools to prevent involvement in severe controversies.

Continuous improvement

✓ We will not yet be able to properly apply all the **criteria** we want until better data becomes available. We aim to gradually tighten the criteria and broaden their application (to more sectors) as reliable data becomes available;

✓ We use data that we consider to be justified, but we continue to look for missing data and **better-quality data**;

✓ We apply the criteria to the equity and investment-grade credit portfolios in developed markets and are gradually expanding the scope;

✓ We align **engagement and voting policies** with our expectations of companies. This is how our investment criteria work together with our active share ownership.