

Press Release

ABP sets new investment goals in a changing economy

Amsterdam, 4 March 2024 **Dutch pension fund ABP aims to achieve €30 billion in investments by 2030 that yield double returns: financial and societal impacts, especially in areas like climate and biodiversity solutions. The fund plans to allocate €10 billion of these 'impact investments' within the Netherlands, focusing on affordable housing, sustainable energy, and innovation. These objectives are outlined in ABP's new sustainable and responsible investment policy. Additionally, ABP is re-evaluating its selection of companies for investment, aiming to better manage risks in the investment portfolio to provide participants with a secure pension in a livable world.**

Harmen van Wijnen, Chair of the Board of Trustees: "Innovation is a timeless imperative for companies in a dynamic economy. They must actively embrace climate policies and contribute to the preservation of nature and biodiversity. This imperative extends to ABP as well, given the profound impact of a changing world on our investments. Effectively managing risks within our investment portfolio is of paramount importance. Conversely, ABP's investments wield influence on the world, presenting opportunities to make a meaningful societal impact by investing in sustainable and dependable energy solutions and affordable rental housing, including within the Netherlands. This multi-faceted approach ensures that ABP's investments yield dividends for our participants. There is resounding support for this approach among our participants."

New policy

ABP identifies climate and biodiversity as the key themes influencing societal and economic changes, presenting risks and opportunities in the investment portfolio. Respecting human rights and good governance are also crucial themes for the fund. In the new investment policy, ABP sets goals and tightens criteria on these themes in the investment portfolio in line with international agreements, such as the Paris Climate Agreement and the Kunming-Montreal Biodiversity Agreement. ABP achieves this through enhanced engagement and voting policies, impact investing, and sharper choices in the equity portfolio.

Selection of the equity portfolio

In the ABP equity portfolio, the fund will no longer invest in every company but will create a 'basket' of companies that meet ABP's minimum standards. Companies effectively managing the risks of a changing world align with ABP's vision. Companies where climate or biodiversity damage is inherently linked to their business activities, with no realistic prospect of improvement, do not fit within ABP's equity portfolio. ABP expects companies with a significant impact on climate to present concrete plans for reducing emissions in the coming years. For other themes, such as biodiversity, ABP believes companies should also make efforts to manage risks. ABP is implementing the criteria gradually, starting with the equity portfolio in developed markets at €102 billion (as of 31 December 2023), and will later extend it to other parts of the portfolio. ABP aims to implement this carefully and thoughtfully, taking the first step now and then assessing whether it can and should progressively impose stricter criteria based on the experience gained.

€30 billion impact investing

ABP aims to have investments generate double returns more frequently through impact investing. There is a strict definition for these investments, requiring a fitting financial return combined with a measurable contribution to positive social and environmental impact. Examples of impact investments include investments in new affordable housing and projects for affordable and sustainable energy. ABP aims to have a total of €30 billion in impact investments in its portfolio by 2030. Of this, ABP wants to invest a

minimum of €10 billion in climate solutions and at least €1 billion in biodiversity solutions. At least €10 billion of the impact investments should be realized in the Netherlands.

Balanced consideration

To provide its participants with a secure pension in a livable world, ABP must engage in sustainable and responsible investing. ABP seeks a balance between lower and higher risks in its investment mix for a secure pension and the preservation of pension fund value. The fund is convinced that making its investment portfolio more sustainable aligns well with a good risk-return profile. In making choices in the new policy, ABP considered the preferences and input of its participants. Input from affiliated employers, societal organizations, governments, unions, and scientists was also taken into account. ABP will continue to evaluate and adjust its sustainable and responsible investment policy to anticipate new insights, information, and changes influencing its investment portfolio.