

Press release

ABP stops investing in fossil fuel producers

Heerlen/Amsterdam, October 26, 2021 – **Pension fund ABP will stop investing in producers of fossil fuels (oil, gas and coal). Reasons for this decision are recently published reports by the International Energy Agency (IEA) and the UN Climate Panel (IPCC). Groups of ABP pension participants and employers have shown broad support for this decision. ABP will divest from the fossil fuel producers in phases; the majority of which is expected to be sold by the first quarter of 2023. This concerns more than 15 billion euros in assets, almost 3% of ABP's total assets . The fund does not expect this decision to have a negative impact on long-term returns.**

Since 2015, ABP has based its climate policy on the insights of the UN Climate Panel (IPCC). The recent IPCC report shows that all over the world people are already experiencing the physical effects of climate change, and that without stronger action global warming will reach an unacceptable level. To combat global warming, CO2 emissions must be reduced quickly and drastically.

ABP Chairman of the Board Corien Wortmann: “We want to contribute to minimizing global warming to 1.5 degrees Celsius. Large groups of pension participants and employers indicate how important this is to them. The ABP Board sees the need and urgency for a change of course. We part with our investments in fossil fuel producers because we see insufficient opportunity for us as a shareholder to push for the necessary, significant acceleration of the energy transition at these companies. From now on we will focus on bulk users of fossil energy such as electricity companies, the car industry and aviation. Using our influence as a shareholder, ABP will encourage companies that use fossil fuels to become more sustainable. We will further tighten the criteria for these investments in 2022. We will also continue to advocate for governments to move towards further CO2 pricing in the industry. And we will continue to push for an end to subsidizing fossil fuels.”

Before the summer of this year, ABP announced that it intended to tighten its sustainable and responsible investment policy. Today's announcement is an important and concrete step in that process. Corien Wortmann: “As soon as we have completed the sale of these fossil investments, we will make this known. Where possible, we intend to increase our investments in renewable energy, already more than 4 billion euros, and our involvement in smart solutions for the energy transition. Naturally, our criteria for return, risk, costs and sustainability also apply here. Our goal is and always will be to realize a good pension for our participants in a livable world.”

In 2022, ABP will set a new CO2 reduction target. ABP will also draw up a plan for investments in fossil fuel producers that are less easy to trade. The pension fund will also tighten its sustainable and responsible investment policy in other areas, such as conservation of natural resources, digitalization and human rights. ABP will disclose more information about this in 2022.