

PRESS RELEASE

ABP on course with sustainable investments

Heerlen/Amsterdam May 8, 2017. **ABP is on course to meet concrete objectives which will contribute to reducing the level of climate change. The company is also maintaining its stance in respect of child labor and corporate governance by holding discussions with various companies. In 2016, ABP reduced the level of CO₂ emissions in its equity portfolio by 7 million tonnes (the annual emissions of 2.8 million cars). Investments in renewable energy rose by 25%; and in 2016, the company achieved a total return of 9.5%. ABP is well aware that, to achieve good pension payments, making investments more sustainable must go hand in hand with an optimal return. A fact which is stated in ABP's 2016 Sustainable and Responsible Investment Report published today.**

Objectives

In 2016, ABP launched an ambitious policy to invest sustainably and responsibly. To this end, ABP formulated concrete objectives for 2020. One of these objectives was to reduce the CO₂ footprint in the equity portfolio by 25% compared to the start of 2015. By the end of 2016, a reduction of 16% had been realized. In part this reduction was due to investors starting to work with so-called carbon budgets, which will gradually be reduced each year. A significant reduction also resulted from the disposal of most of the fossil branches of the energy companies RWE and E-on. In addition, the real estate showed a considerable reduction in CO₂ emissions.

Another objective is to have EUR 5 billion invested in renewable energy by 2020. In 2016, these investments grew by 25%, from EUR 2.2 billion to EUR 2.8 billion. Among other things, ABP invested in solar panels in India and the United States, and in wind power in the Netherlands.

ABP has set the objective of doubling the investments which contribute to solving social challenges and environmental problems, from EUR 29 billion (at the start of 2015) to EUR 58 billion by 2020. At the end of 2016, these investments stood at EUR 41 billion. This relates primarily to investments in sustainable real estate and “green” bonds. New investments include mortgages for energy-efficient housing in the Netherlands.

Dialog with companies, participants, and stakeholders

ABP continues to pursue a dialog with companies about climate measures, environmental damage, human rights, and good corporate governance. For example, having being alerted by Amnesty International, ABP took significant steps to tackle the use of child labor in cobalt mining (cobalt is important in the production of rechargeable batteries).

In 2016, ABP held discussions with 245 companies and voted at more than 4,000 stockholders' meetings. In this way, ABP, as a stockholder, exerts influence and encourages companies to become more sustainable. ABP accounts for policies via the annual report, newsletters, and the website. Increasingly, representatives of the funds are talking to participants during meetings and webinars. During these talks, investment dilemmas are discussed—one being whether or not to invest in the tobacco industry. In 2016, for the first time, ABP organized round-table discussions and a key meeting to which employers, as well as social and special interest organizations, were invited.

A good start to the new policy

In 2016, ABP, and APG as its administrator, made a good start to the successful introduction of the new policy. The core of the policy is the complete integration of sustainable/responsible entrepreneurship and return objectives. The results against the objectives were good, and preparations were being made simultaneously to further implement the policy. For example, the “inclusion policy”, whereby ABP consciously chooses the most sustainable companies (frontrunners), needs methods to be developed and data collected so companies can be assessed and selected. And in this first year, APG successfully developed a system so that equity investors can see the precise size of a portfolio's CO₂ footprint. The new policy is being implemented gradually and is expected to be completed in 2020.

For more information:

abp.nl

The 2016 S&R Report is also available online:

<https://www.abp.nl/over-abp/beleggen/verantwoord-beleggen.aspx>

Profile

The General Pension Fund for Public Employees (ABP) is the industry-wide pension fund for employers and employees of government and educational institutions in the Netherlands. ABP has 2.9 million participants and EUR 388 billion in available assets (as at March 31, 2017).