

Toolbox for the Dutch Pension Funds Agreement on Responsible Investment



Note: This text has been translated from Dutch to English. Should there at any point be any doubt about its interpretation, parties will refer to the original text in Dutch.

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Introduction

In the Dutch Pension Funds Agreement on Responsible Investment¹ (hereafter: the Agreement), it was agreed that within one year after the Agreement came into force, the Parties concerned² would develop a toolbox containing recommendations for texts³ that Participating Pension Funds⁴ could include in their policy, contracts with External Service Providers⁵, monitoring and reporting. This document is the result of those efforts.

In accordance with the contents of the Agreement, the parties have tried to make the toolbox applicable to all Participating Pension Funds in a meaningful and practical manner. In doing this, we have taken account of the characteristics and the leverage of different pension funds. Characteristics include the size, the investment strategies and the various Asset Classes⁶. In this work, we drew on the expertise of the Parties involved.

The toolbox supplements the Service Document on Responsible Investment of the Federation of the Dutch Pension Funds⁷. The Parties will monitor the use and effectiveness of the toolbox and lessons learned will be used to improve it. Updates to the toolbox will be incorporated into this document.

¹ SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

² For the definition of Parties, see page 29 of the Agreement SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

³ See Article 7 of the Agreement SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

⁴ For the definition of Participating Pension Funds, see page 29 of the Agreement SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

⁵ For the definition of External Service Provider, see page 28 of the Agreement SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

⁶ For the definition of Asset Classes, see page 27 of the Agreement SER (2018), Dutch Pension Funds Agreement on Responsible Investment.

⁷ Federation of the Dutch Pension Funds (2016), Service Document on Responsible Investment.

OECD guidelines, UNGPs and OECD guidance document

Guidelines form the basis of the Agreement

The Agreement is based on the OECD Guidelines for Multinational Enterprises⁸ (OECD guidelines) and the UN Guiding Principles⁹ (UNGPs).

The OECD guidelines and UNGPs can be implemented in various ways. Some countries opt for legislation. In the Netherlands, an approach involving sectoral agreements has been chosen. To determine which sectors should be prioritised in relation to the agreements, the Dutch government commissioned KPMG to conduct a RBC Sector Risk Analysis in 2013.¹⁰ The financial sector was identified as one of the sectors with risks in the investment value chain. In the same year, the government asked the Social and Economic Council of the Netherlands (SER) for advice on 'RBC agreements with business sectors'. The SER¹¹ gave its advice in April 2014, recommending the use of agreements as an instrument for applying the OECD guidelines and the UNGPs¹². According to these guidelines, companies are expected to identify, prevent and mitigate the actual and potential adverse impact of their actions, and to account for the way in which they deal with the risks identified (also known as: due diligence, RBC risk management or due care).

The OECD guidelines and the UNGPs are therefore an important basis for the Agreement and they give direction to the content of the Agreement. At a number of places in the Agreement, issues recur which stem directly from the OECD guidelines, such as carrying out due diligence.

Risk according to the OECD guidelines and UNGPs – the viewpoint of stakeholders
Virtually all Dutch pension funds already have a responsible investment policy. This is also stipulated in the Dutch Pensions Act and the Code of the Dutch Pension Funds. This policy is often drawn up on the basis of the UNPRI or the UN Global Compact, and/or it results from priorities of pension fund beneficiaries. The Agreement stipulates that pension funds will gain a clear understanding of their investments and will act accordingly, in line with the OECD guidelines and the UNGPs. This is called due diligence (RBC risk management or due care).

The greatest shift in adapting the OECD guidelines and UNGPs is that in addition to the financial risks for a pension fund, the risks of an adverse impact on stakeholders in the investment value chain are also considered. Stakeholders in this context are, for example, people who live in the vicinity of a factory or plantation, or work there. Applying due diligence to the investment portfolio in accordance with the OECD guidelines and UNGPs brings these stakeholders into focus. Based on this due diligence, pension funds can include in their considerations the interests of (potentially) affected persons or groups in the investment value chain.

⁸ United Nations (2011), *Guiding Principles on Business and Human Rights*. The UNGPs focus on the responsibilities of companies (including financial institutions) in relation to human rights. The UNGPs introduced the idea of human rights due diligence and they have been integrated into the OECD guidelines. Various materials have been developed on the basis of the UNGPs, which can provide support in implementing due diligence. See, for example: <https://www.business-humanrights.org/en/un-guiding-principles>.

⁹ OECD (2011), *OECD Guidelines for Multinational Enterprises*.

¹⁰ KPMG (2014), *CSR Sector Risk Assessment*.

¹¹ SER (2014), *Advisory report 14/04 IMVO-convenanten*.

¹² On the website of the Federation of the Dutch Pension Funds, there is an [infographic](#) (in Dutch) which shows the relationship between the OECD guidelines and the Agreement.

Current and future European legislation¹³ also makes the distinction between financial sustainability risks and risks (including sustainability risks) for society and the environment, as can be seen in the definitions:

“(t) ‘sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material adverse impact on the value of the investment arising from an adverse sustainability impact.”

“(v) ‘sustainability factors’ mean environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.”

This document gives an explanation below of the OECD guidelines (including the UNGPs) and the OECD guidance for institutional investors,¹⁴ covering the following:

1. Where do they come from?;
2. What do they say?;
3. Who are they intended for?;
4. National Contact Point for the OECD guidelines;
5. Status of the guidelines;
6. Where can I find more information?

The OECD guidelines (including UNGPs)

1. Where do they come from?

De OECD Guidelines for Multinational Enterprises were adopted in 1976 by the Organisation for Economic Cooperation and Development (OECD). They have been endorsed by 48 OECD and non-OECD states, including the Netherlands.

The OECD guidelines are based on various international treaties, such as the International Labour Organisation (ILO) conventions and the Universal Declaration of Human Rights. In 2000 and 2011, they were revised in line with the latest developments in the area of IRBC and supply chain responsibility. For example, the UNGPs were integrated in 2011.

2. What do they say?

The guidelines include principles and standards for international responsible business conduct. The subjects described in the guidelines deal with:

- General corporate policy: companies take account of policy in countries where they are active and take other stakeholders into account;
- Provision of information: companies provide timely and accurate information about all relevant aspects (financial and otherwise) of their activities;
- Human rights;
- Employment and industrial relations;
- Environment;
- Combating bribery, bribe solicitation and extortion;
- Consumer interests, science and technology;
- Competition and taxation.

The most important changes in 2011 were:

- Supply chain responsibility: this concerns the entire supply chain;
- Due diligence: conducting a risk analysis and impact assessment on factors related to RBC;

¹³ Proposal for a regulation European Parliament and of the Council on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341, 27-3-2019 (Provisional Agreement Resulting from Negotiations).

¹⁴ OECD (2017), *Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises*
<https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>.

- Living wage: a breadwinner must be able to support a family;
- Temporary and seasonal workers: they are seen as employees.

In the Netherlands, the 2011 changes led to the approach involving sector agreements.

3. *Who are they intended for?*

The OECD guidelines primarily bind countries. The Dutch government has endorsed the OECD guidelines, as have 47 other countries. By committing itself to the guidelines, the Netherlands has undertaken to work to promote them, among other things. In this case, promoting the guidelines means achieving implementation of the guidelines by multinational enterprises. Although pension funds are foundations, it has been decided that due to the international character of the investments, the pension funds are also subject to the OECD guidelines.

4. *National Contact Point for the OECD guidelines*

All countries that adhere to the OECD guidelines have to set up a National Contact Point (NCP).¹⁵ A NCP has two core tasks:

- Familiarising companies with the OECD guidelines and promoting their application;
- Dealing with reports from individuals or civil-society organisations (NGOs and trade unions) regarding a suspected violation of the guidelines by a multinational enterprise.

In addition to these two core tasks, the Dutch NCP was given a new task in 2014 at the request of the government, which was to carry out cross-company research.

5. *Legal status of the OECD guidelines*

The OECD guidelines contain legally non-binding principles and standards for responsible business conduct, in accordance with applicable legislation and internationally recognised standards. However, the countries that adhere to the OECD guidelines enter into a binding obligation to implement them.¹⁶

6. *Where can I find more information?*

- The OECD guidelines can be found on the NCP website. For each section (labour, taxation, due diligence, etc.), the website also gives further explanatory notes and extra information. See: <https://www.oecdguidelines.nl/oecd-guidelines/all-about-the-oecd-general-information>
- Short video on YouTube in which the OECD guidelines are explained by means of a fictitious case: <https://www.youtube.com/watch?v=x1KWjGO-E8g>.
- About the UNGPs: <https://www.business-humanrights.org/en/un-guiding-principles>.

OECD guidance for institutional investors:

1. *Where does it come from?*

The OECD has developed a number of sector-specific guidance documents. Important for pension funds is the guidance document 'Responsible business conduct for institutional investors' (hereafter: the guidance document), published in 2017. The guidance document supplements the OECD guidelines specifically for asset managers and asset owners. It translates the guidelines for companies, so as to offer tools to institutional investors to help them implement the OECD guidelines in their investments.

¹⁵ <https://www.oesorichtlijnen.nl/ncp> (Dutch NCP) and for more information on NCPs see: <http://www.oecd.org/investment/mne/ncps.htm>.

¹⁶ https://www.oecdguidelines.nl/binaries/oecd-guidelines/documents/leaflet/2015/1/6/oecd-guidelines-for-mnes-official-publication/oecd_guidelines_for_mnes_official_publication_0.pdf, p. 3, foreword, paragraph 1.

2. *What does it say?*

Key terms from the OECD guidelines are explained from the point of view of institutional investors. The due diligence process and supporting measures consist of six steps (see also Figures 1 and 2 below). These deal with:

1. Integrating responsible business conduct (in this case investment) into policy and management systems;
2. Due diligence: identifying and analysing risks (adverse impact) to society and the environment in the investment portfolio and in potential investments;
3. Due diligence: preventing and mitigating potential and actual adverse impact using influence (see Figure 2 below);
4. Due diligence: monitoring implementation and results;
5. Due diligence: communicating (transparency) regarding the approach and results;
6. Access to remedy. Expectations are attached to this, depending on whether the pension fund causes an adverse impact, contributes to it or is directly linked to it¹⁷:
 - When investors cause/contribute to an adverse impact they are "...expected to address the impact through remediation and account for how it is addressed."
 - When directly linked they "...would not be expected to provide remedy, but they should seek to encourage the investee company to do so."

The guidelines address the adverse impact that the company:

- causes;
- contributes to;
- or with which the company is directly linked through its activities, products or services.

Generally, pension funds as investors are only 'directly linked', but in exceptional cases they may also 'contribute'.¹⁸

3. *Who is it intended for?*

Institutional investor, asset owner and asset manager.

4. *National Contact Point for the OECD guidelines*

See the OECD guidelines above.

5. *Status of the guidance document*

The guidance document contains guidelines that give direction but are not binding for the interpretation of the OECD guidelines for institutional investors. It has a certain moral authority, because the guidance document was developed by the OECD in cooperation with the financial sector, civil-society organisations, international organisations and experts. The Agreement states (in Paragraph 1.4 among others) that Parties see the guidance document as a guide for implementing the Agreement.

6. *Where can I find more information?*

The guidance document is available through the following link:

<https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>.

¹⁷ OECD (2017), *Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises*, p. 46.

¹⁸ Pension funds can only be considered to have 'contributed' through their investments in the case of a substantial contribution, such as an action that causes, facilitates or directly initiates an adverse impact by a company. This is possible, for example, in a situation involving an investment with a majority interest or a seat on the board of the entity that causes this effect or substantially contributes to it (e.g. a general partner in private equity). The parties to the Agreement, and thus also the OECD itself, for example, expect that 'cause' and 'contribute' situations will not – or only very rarely – arise in practice in relation to pension funds. Nevertheless, the Agreement looks at such situations in Paragraph 8.3. This follows from the OECD guidelines and is necessary for the exceptional cases in which this situation does arise.

FIGURE 1: THE DUE DILIGENCE CYCLE

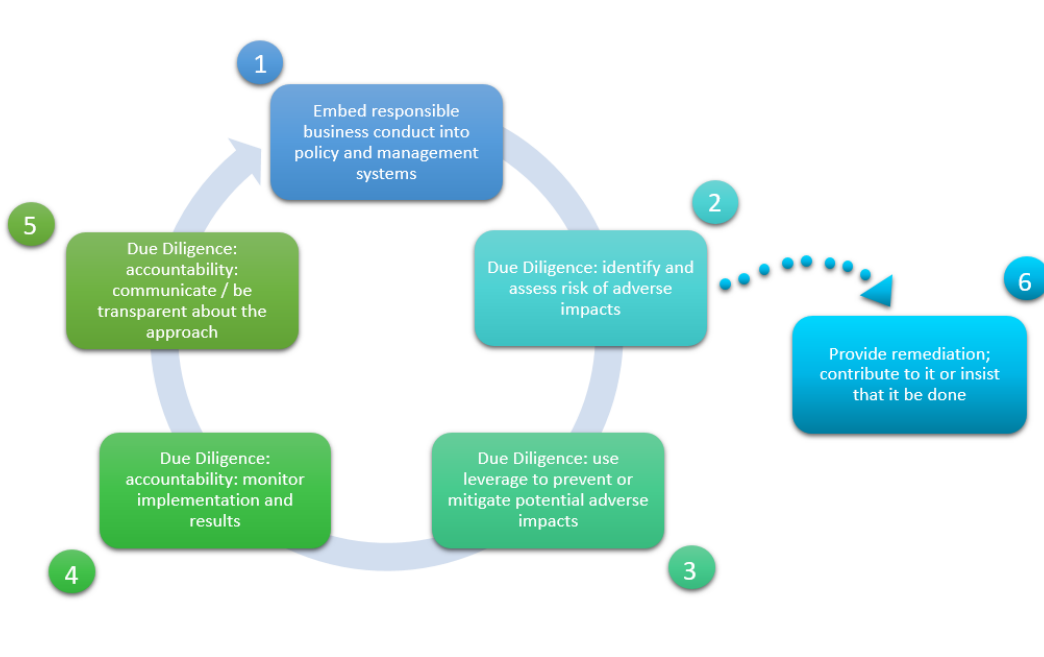
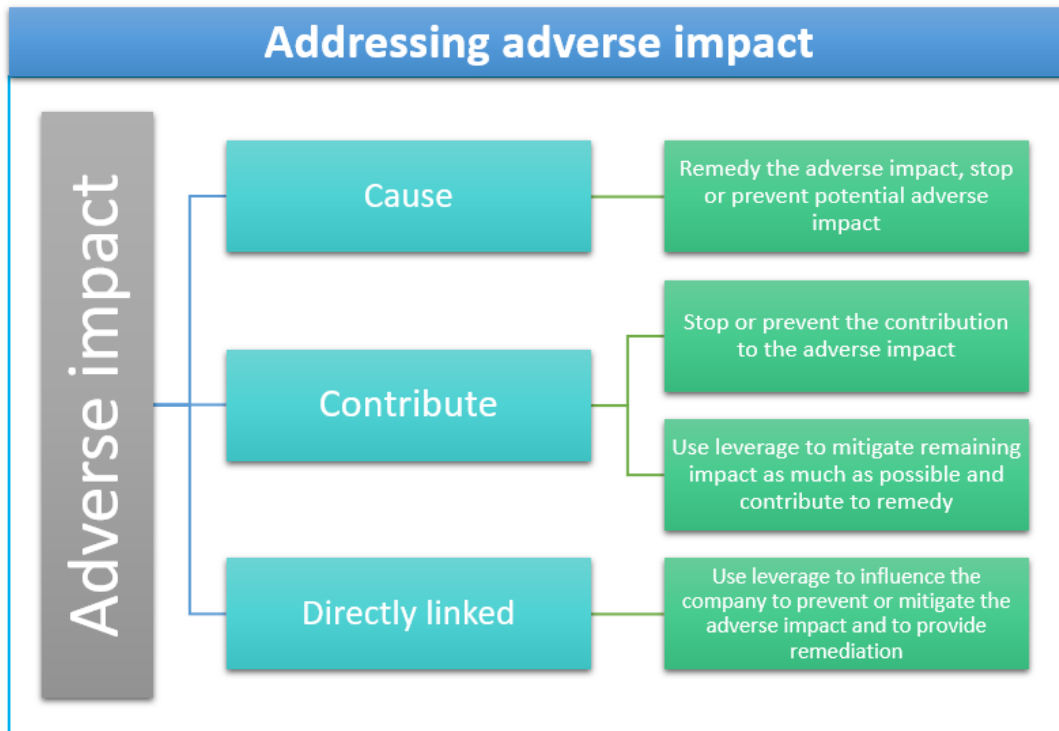


FIGURE 2: EXPECTATIONS RELATING TO ADVERSE IMPACTS IN THE CASE OF CAUSING, CONTRIBUTING TO OR BEING DIRECTLY LINKED TO



Policy

Many pension funds already have a responsible investment policy in place, in which they describe how their investment policy takes account of Environmental, Social and Governance (ESG) factors. In this policy they refer, for example, to the relevant standards, such as the [OECD Guidelines for Multinational Enterprises](#) (OECD guidelines), the [UN Global Compact](#) (UNGC), the [UN Principles for Responsible Investment](#) (UNPRI), the [Sustainable Development Goals](#) (SDGs) or the [G20/OECD Corporate Governance Principles](#). However, not all Participating Pension Funds have policies that comply with the [OECD guidelines](#) and the [UN Guiding Principles on Business and Human Rights](#) (UNGPs). Nor have all Participating Pension Funds taken the OECD Guidelines and UNGPs as a starting point when formulating their ESG policy. The [OECD guidance for institutional investors](#) is the reference document for this. The Participating Pension Funds must bring their ESG policy into line with the OECD guidelines and the UNGPs as soon as possible, but no later than two years after the Agreement takes effect (no later than 1 January 2021). In this article, we provide tools, tips and examples for active implementation.

Paragraph 3.1 of the Agreement describes the requirements that the (responsible) investment policy of Participating Pension Funds has to meet. Table 1 contains:

1. An overview of the relevant paragraphs of the Agreement;
2. An explanation of the criteria in the text of the Agreement;
3. Relevant sample texts, which take account of the characteristics of different pension funds;
4. The document into which you can incorporate the relevant sample text.

TABLE 1: SAMPLE POLICY TEXTS

[THIS POLICY CONTAINS AT LEAST:]

Agreement Paragraph		Explanation	Sample text	Document
3.1a	A <i>commitment</i> to the OECD guidelines and UNGPs.	UNGPs: These are guidelines adopted by the UN which clarify the role of states and the responsibility of the business sector in relation to human rights. The UNGPs supplement the Universal Declaration of Human Rights and other human rights standards. The UNGPs are based on three principles: 'Protect', 'Respect' and 'Remedy'.	"[name of pension fund] subscribes to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We use the OECD guidance for institutional investors to provide direction. We also expect our external fiduciary managers, ESG service providers and/or asset managers, as well as enterprises in which we invest, to act in compliance with these	(Responsible) Investment Policy

Agreement Paragraph		Explanation	Sample text	Document
		<p>OECD guidelines: The OECD guidelines are recommendations that governments make jointly to multinational enterprises. They contain principles and standards for good conduct, in accordance with applicable legislation and internationally recognised standards.</p> <p>OECD guidance for institutional investors: The guidance document contains guidelines that give direction but are not binding for the interpretation of the OECD guidelines. In the Agreement it is agreed (in Paragraph 1.4 among others) that Parties see the guidance as a source of direction for implementing the Agreement. For an extensive explanation, see the article on the OECD guidelines, UNGPs and OECD guidance.</p>	international standards and to disclose this publicly.”	
3.1b	A description of how the Participating Pension Fund interprets and is incorporating the various ESG due diligence steps into the outsourcing, monitoring and reporting of External Service Providers in accordance with the OECD Guidelines and the UNGPs.	<p>1) Embedding ESG in relevant policy and management systems <u>The OECD Due Diligence Guidance for Responsible Business Conduct</u>¹⁹ asks enterprises to do the following: Define, explicitly commit to and publish policy on RBC subjects which demonstrate that the enterprise commits itself to the principles and standards of the OECD Guidelines for Multinational Enterprises.</p> <p>Describe here the enterprise’s plans for the practical application of due diligence</p>	<p>“We believe that [...] and for this reason we have adopted the following international standards and treaties as the guiding principle in developing our ESG policy: [...].”</p> <p>“We subscribe to the ESG due diligence steps in accordance with the OECD guidelines.”</p> <p>“Through our investments, we strive for long-term value creation (for society). In our contracts with External Service Providers, we have therefore [...].”</p>	(Responsible) Investment Policy

¹⁹ OECD 2019, OECD Due Diligence Guidance for Responsible Business Conduct.

Agreement Paragraph	Explanation	Sample text	Document
	<p>that are relevant to its own activities, investment value chain and other business relationships (see point 2).</p> <p>The OECD guidance for institutional investors²⁰ offers a guide to institutional investors such as pension funds for shaping the ESG due diligence procedure.</p>	<p>"The due diligence is carried out by [...]."</p>	
	<p>2) Identifying and assessing actual and potential adverse impact in the investment portfolio and in potential investments</p> <p>Pension funds are responsible for ensuring a good pension and they have a legal fiduciary duty to integrate financially material ESG factors into the investment approach.</p> <p>The OECD guidance for institutional investors states that for the purposes of the OECD guidelines, due diligence is seen as the process by which enterprises can identify, prevent and mitigate their actual and potential adverse impacts, and account for this as an integral part of business decision-making systems and risk-management systems. Due diligence can be included in wider company risk-management systems, on the condition that it goes beyond simply identifying and managing material risks for the enterprise itself, and thus includes the risks of negative effects relating to matters regarded by the guidelines.</p>	<p>"We screen our investment portfolio to identify actual and potential adverse impacts on society and the environment. In this process, we prioritise the most severe adverse impacts on the basis of:</p> <ul style="list-style-type: none"> • Scale • Scope • Irremediable character <p>We also take account of the level of likelihood."</p> <p>"In assessing the actual and potential adverse impacts that we have identified, we involve, where it is relevant, external stakeholders and experts, such as [...].</p> <p>Further details of this procedure are described in: [...]"²²</p>	

²⁰ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

²² This concerns policy of the pension fund itself and not of External Service Providers.

Agreement Paragraph	Explanation	Sample text	Document
	<p>Potential negative effects have to be tackled through prevention or mitigation, while actual negative effects have to be dealt with by enabling remediation. The guidelines relate to the adverse impacts that are caused by the enterprise or to which the enterprise has contributed or with which it is 'directly linked'.</p> <p>Increasingly, failing to consider factors for long-term financial value creation – including ESG factors – in investment practice is seen as failing to meet the fiduciary obligation.</p> <p>According to the UNGPs and OECD guidelines, adverse impacts are prioritised according to their severity. The weight that should be given to an actual or potential adverse impact is determined by a combination of the level of likelihood and the severity. The severity of impacts is assessed on the basis of their scale, scope and irremediable character.</p> <ul style="list-style-type: none"> • Scale refers to the gravity of the adverse impact. • Scope concerns the reach of the impact, for example the number of individuals that are or will be affected or the extent of the environmental damage. • Irremediable character means any limits on the ability to restore the situation of individuals or environment affected equivalent to their situation before the adverse impact. <p>See SHIFT Explanatory Note for further explanation²¹.</p>		

²¹ See: SHIFT 2016, [Explanatory Note on Prioritization for the Dutch Sector Covenant Process](#).

Agreement Paragraph	Explanation	Sample text	Document
	<p>The OECD guidance for institutional investors further states that in setting priorities, it is recommended that institutional investors consult relevant stakeholders, such as their beneficiaries (in the case of pension funds) or clients (in the case of asset managers), as well as trade unions and NGOs that are familiar with ESG issues. This helps them in setting priorities based on the severity of ESG risks that reflect the relevant viewpoints of stakeholders.</p>		
	<p>3) Preventing and/or mitigating adverse impacts Due diligence is aimed at identifying and preventing a potential adverse impact and, if necessary, mitigating an actual impact. In most cases, the pension fund will have only a minority share in such a company and based on that position, it will not contribute actively ('contribute to' in OECD guidelines) to the adverse impacts on the ESG subject concerned. However, when a pension fund has invested in a company that causes an adverse impact, that pension fund is 'directly linked' to the impact, according to the OECD guidelines. In this case, the pension fund is expected to use the leverage that it has over the company in order to provoke it to take appropriate action. See also: <u>Addressing adverse impacts</u> (p. 35 Figure 1) in the OECD guidance for institutional investors.²³</p>	<p>"If enterprises in our investment portfolio cause a potential or actual adverse impact, we will use our leverage to prevent and/or mitigate that impact and to make remediation possible.</p> <p>We do this, among other things, through engagement and/or voting at shareholder meetings."</p> <p>"If enterprises in which we invest have caused an adverse impact or have contributed to it, we expect the enterprise to enable remediation for affected persons or groups or contribute towards it. If enterprises in which we invest are directly linked with the adverse impact, we expect them to use their leverage to enable remediation for affected persons or groups. If we ourselves have caused a severe adverse impact or have contributed to it, we will</p>	

²³ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Paragraph		Explanation	Sample text	Document
			<p>in that case enable remediation to affected persons or groups or contribute to such remediation.”</p> <p>“You can find the details of our engagement and voting policy here [...]”</p> <p>“In an extreme case, we can decide to disinvest. In such a decision, we take into account potential and actual adverse impacts of the disinvestment on society and the environment.”</p>	
		4) Monitoring implementation and results	<p>“We monitor the progress and impact of our ESG policy by receiving a report [period] from [External Service Provider] and discussing it with them. Where necessary, we then make adjustments accordingly.”</p> <p>“Once a year, we render account to our beneficiaries and other stakeholders by [indicate where account is rendered, for example in a public report, stakeholder meeting or statement on the website]”</p>	
3.1c	An explanatory text addressing specific themes, including the use of standards, which the Participating Pension Funds deem to be high-risk based on information resulting from an ESG due diligence procedure, as well as specific themes reflecting the priorities identified by the beneficiaries of the Participating Pension Fund.	For more information on the specific themes, see the Federation of the Dutch Pension Funds website (in Dutch) .		(Responsible) Investment Policy

Agreement Paragraph		Explanation	Sample text	Document
3.1d	Information on the activities in which individual Participating Pension Funds will not invest.	<p>There are a number of ways in which a pension fund can implement this. Three examples are presented below:</p> <ul style="list-style-type: none"> • Exclusions: some pension funds have specific criteria based on which they exclude investments from the investment universe. • Inclusions: in contrast, other funds have criteria on the basis of which they include enterprises in the investment universe. • Index adjustments: some funds have an adjusted investment index. <p>It is possible for more than one of the above options to be applicable to your pension fund.</p> <p>If one or more of the options only applies to specific Asset Classes, you can clarify this.</p>	<p>"We do not invest in [products/activities] because [considerations underlying the exclusion of these products/activities]. In this context, we use the following definition: [qualitative and/or quantitative description, for example a more detailed definition of the products/activities and the percentage limit for the turnover of an enterprise gained from specific products/activities]. This is applicable to the [all investments/the following Asset Classes: relevant categories]."</p> <p>"We only invest in [activities/products / enterprises/public authorities] which meet the following criteria: [criteria]. This is applicable to the [all investments/the following Asset Classes: relevant categories]."</p> <p>"We have compiled our investment index for the Asset Class [relevant category] based on the following criteria: [criteria]."</p>	(Responsible) Investment Policy
3.1e	The voting approach for listed companies and the engagement approach for listed companies and corporate bonds, direct or through outsourcing, aimed at encouraging long-term value creation in companies.	<p>Voting approach</p> <p>You can use the following as sample texts for the voting approach for listed companies:</p> <ul style="list-style-type: none"> • See principle 7 (p. 5) of the <u>Dutch Stewardship Code</u> ^{24 25} 	<p>"We take an informed approach in exercising our voting right and other rights connected with shares in listed companies in which we invest." We do this for [all listed companies in which we invest/description of the selection of listed companies where we vote]."</p>	Voting policy / voting guidelines

²⁴ Eumedion, Federation of the Dutch Pension Funds (2019), *Verantwoord en betrokken aandeelhouderschap*. Retrieved from: <https://www.eumedion.nl/nl/public/kennisbank/best-practices/2018-12-servicedocument-nederlandse-stewardship-code.pdf>. Guidance document in Dutch.

²⁵ Eumedion (2018), Dutch Stewardship Code.

Agreement Paragraph	Explanation	Sample text	Document
	<ul style="list-style-type: none"> For (proxy) voting, see p. 17 of the <u>Principles for Responsible Investment (PRI), 2016</u>²⁶ <p>The sample text in the column on the right is largely based on principle 7 of the Dutch Stewardship Code.</p>	<p>“By means of our voting approach, we supervise the listed companies in which we invest in relation to material matters, including, but not limited to, the company’s business model for creating long-term value, the company’s strategy, performance and risks and opportunities, the capital structure, social and environmental effects, corporate governance and corporate actions such as mergers and takeovers. Material matters are matters that will probably have a significant effect on the company’s ability to create long-term value.”</p> <p>“We publish on our website: a) at least once per year/quarter how we voted at the general meetings of the listed companies in which we have invested, per individual company and per agenda item, and b) at least once per year a general description of our voting behaviour during general meetings of listed companies in which we have invested and an explanation of the most important votes. In the event that we vote against a proposal from the board or abstain from voting on a proposal from the board, we explain the reasons for our voting behaviour to the company’s board on our own initiative or at the request of the listed company.”</p>	

²⁶ PRI 2016, Investment Policy: Process & Practice, a guide for asset owners.

Agreement Paragraph	Explanation	Sample text	Document
	Does your pension fund have its own voting policy or voting guidelines? If so, you can refer to it.	"See our voting policy/our voting guidelines: [link to voting policy/ voting guidelines]."	(Responsible) Investment Policy
	<p>If your pension fund is aligned with the voting policy/voting guidelines of one or more External Service Provider(s), for example a fiduciary manager, specific ESG service provider or asset manager, you can refer to the voting policy/voting guidelines of your External Service Provider(s).</p> <p>When selecting External Service Providers, you can then ask to what extent their voting policy/voting guidelines are in line with the Dutch Stewardship Code.</p>	"We align ourselves with the voting policy/voting guidelines of [name of External Service Provider(s)]: [link(s) to the voting policy/voting guidelines of the External Service Provider(s)]. This applies to [all our investments in listed shares/description of the types of listed shares that this applies to]."	(Responsible) Investment Policy
	<p>Engagement approach In your engagement policy, you can use the sections "<i>Individual engagement</i>" and "<i>Collaborative engagement</i>" (p.17) of the PRI Investment Policy Guide for Asset Owners²⁷. Important sections to look at in relation to individual engagement are:</p> <ul style="list-style-type: none"> • Expectations and goals for engagement; • The process for identifying ESG risks and opportunities on the basis of which priorities are set for the dialogue with enterprises; • ESG interests / concerns on which you wish to engage; • How the success of engagement activities is measured; • Escalation strategies to employ if enterprises do not respond satisfactorily; 	<p>"We will start a dialogue with companies where we have identified potential or actual adverse impacts.</p> <ul style="list-style-type: none"> • For us, engagement based on adverse impact encompasses four objectives: <ul style="list-style-type: none"> ○ The adverse impact must be ended; ○ The company must ensure remediation for affected persons or groups; ○ The company must take sufficient measures to prevent future incidents; ○ The company must be transparent about the measures taken. • We set time-limited targets and monitor progress; 	

²⁷Principles for Responsible Investment (PRI) (2016) *Investment Policy: Process & Practice - A Guide for Asset Owners*.

Agreement Paragraph	Explanation	Sample text	Document
	<ul style="list-style-type: none"> • Transparency – the extent of reporting on these activities. 	<ul style="list-style-type: none"> • If necessary, we involve stakeholders in this, including affected persons or groups: [parties that you consider to be stakeholders]; • In this process, we focus in particular on ESG subjects which: <ul style="list-style-type: none"> ○ Are financially material; ○ Cause the most severe adverse impact to society and the environment; ○ Are of importance to our beneficiaries. • We deem an engagement process to be successful if all time-bound goals have been achieved; • If enterprises do not respond to our engagement efforts satisfactorily by the agreed deadline, we can escalate in the following ways: <ul style="list-style-type: none"> ○ Begin/intensify cooperation with other investors in order to lend more strength to the dialogue; ○ Vote, for example: <ul style="list-style-type: none"> ▪ Against the appointment of relevant board members; ▪ Against the remuneration proposal of relevant board members; ▪ On shareholder proposals; ○ Begin/intensify cooperation with other stakeholders (e.g. market parties, trade unions or civil-society organisations) in order to lend more strength to the dialogue; ○ Make public statements to lend more strength to the dialogue; 	

Agreement Paragraph	Explanation	Sample text	Document	
		<ul style="list-style-type: none"> ○ Submit shareholder proposals, alone or jointly with other shareholders, in line with the goals of the engagement process; ○ Start legal proceedings in line with the goals of the engagement process. ● Once a year, in our annual report on responsible investment, we render account for the engagement processes that we carried out in the previous year. Insofar as it does not impair the effectiveness of completed or ongoing engagement processes, we report on the progress and results of engagement processes.” 		
3.1f	<p>A description of how (social) value creation will be used as a guiding principle in the longer term by the Participating Pension Fund.</p>	<p>Principle 2 (p. 5) of the <u>Dutch Stewardship Code</u>^{28 29} gives a description of long-term (social) value creation for pension funds. This point of the Agreement deals with the pension fund’s total investment strategy. This is in contrast to the previous point, 3.1e, about engagement and the encouragement of long-term value creation in enterprises in which investments are made. You can include the use of long-term value creation as the guiding principle in a pension fund’s policy in the following manner, for example:</p> <ul style="list-style-type: none"> ● Selection of Asset Classes based on real economic activities and underlying value creation; ● Selection of strategies within a specific Asset Class, for example for private 	<p>“Through our investments, we strive for long-term value creation (for society). We incorporate this guiding principle into our policy in the following manner: [EXPLANATION, see explanatory notes for policy elements]</p> <p>We expect our service providers to act in accordance with our policy and objectives, and we strive for long-lasting cooperation in order to achieve our objectives [...] together”</p>	Investment principles, strategic investment policy and/or (responsible) investment policy

²⁸Eumedion, Federation of the Dutch Pension Funds (2019), *Verantwoord en betrokken aandeelhouderschap*. Retrieved from <https://www.eumedion.nl/nl/public/kennisbank/best-practices/2018-12-servicedocument-nederlandse-stewardship-code.pdf>. Guidance document in Dutch.

²⁹ Eumedion (2018), Dutch Stewardship Code.

Agreement Paragraph	Explanation	Sample text	Document
	<p>equity a focus on medium-term growth strategies;</p> <ul style="list-style-type: none"> • Absolute objectives for long-term yield or excess yield (instead of relative objectives in relation to a benchmark); • Selection of asset managers, investment funds or individual investment instruments on the basis of forward-looking strategies for the long term (not based solely on past yields) and taking account of social value creation (also considering ESG information instead of only financial information); • External Service Provider mandates / contracts with a sufficiently long term; • Where remuneration of External Service Providers is linked to financial performance, a link to performance over a sufficiently long period. <p>The sample text in the column on the right is largely based on this.</p> <p>Furthermore, the following explanation is given for principle 2:</p> <ul style="list-style-type: none"> • Every corporate action has to be assessed on its own merits, taking account of the interests of other stakeholders of the Dutch listed company in which investments are made. • When assessing the opportunities for creating long-term value and the risks, strategy and performance of Dutch listed companies, it is essential to consider environmental (including risks and opportunities related to climate change), social and governance information (including the composition of the board 		

Agreement Paragraph	Explanation	Sample text	Document
		<p>and diversity), in addition to financial information.</p> <ul style="list-style-type: none"> • Material matters can include short-, medium- and long-term developments. 	

Outsourcing

The implementation of (responsible) investment policy by pension funds is often outsourced to External Service Providers. In this case, the Participating Pension Funds continue to be responsible for implementing the OECD guidelines and the UNGPs in the Asset Classes. Paragraph 4.1 of the Dutch Pension Funds Agreement on Responsible Investment describes how the responsible investment policy in the Asset Classes of the pension funds, as well as the implementation of that policy, is embedded in contracts with External Service Providers in line with the OECD guidelines and the UNGPs.

External Service Providers are defined in the Agreement as: "A service provider appointed by a Participating Pension Fund that, acting on the basis of a written agreement, assumes the task of implementing relevant provisions of this Agreement on behalf of a Participating Pension Fund."³⁰

This chapter of the toolbox discusses outsourcing to a fiduciary manager or asset managers and how the provisions of the Agreement can be safeguarded in new contracts with these parties. When contracts are entered into with another type of External Service Provider, such as ESG data providers, engagement providers, proxy vote service providers, ESG consultants, or other service- or product-providing organisations, which carry out one or more of the due diligence steps, the pension fund can determine in the contracts which of the due diligence steps will be incorporated and how the External Service Provider should report on this to the pension fund. This is described in 3.1b.

The Agreement distinguishes between the following Asset Classes³¹:

- Listed equities;
- Loans to governments (government bonds);
- Loans to companies (corporate bonds);
- Real estate;
- Private equity;
- Infrastructure.

The characteristics of pension funds and different Asset Classes determine the scope for exercising leverage that a pension fund has on that outsourcing relationship. There is a wide variety of outsourcing relationships, contracts and associated scope for exercising leverage in the pensions sector. In this toolbox, the following types of outsourcing are discussed:

- Segregated mandates;
- Majority share in an investment fund;
- Minority share in an investment fund;

³⁰ See the definition of "External Service Provider" on p. 28 of the Agreement.

³¹ See the definition of "Asset Class" on p. 27 of the Agreement.

In exceptional cases, a pension fund itself invests and is therefore also responsible for implementing the responsible investment policy. In that case, the pension fund does not have to incorporate the provisions of Paragraph 4.1 of the Agreement in contracts with External Service Providers, but instead, the pension fund has to meet those criteria itself.

In the pension fund's policy (or that of the fiduciary manager), it is important to describe properly how the pension fund (or the fiduciary manager) combines these various elements to arrive at a coherent approach, while in contracts with individual service providers, the ESG provisions that the service provider has to meet need to be established.

Pension funds can have different outsourcing relationships for different Asset Classes. Even within Asset Classes, pension funds can have different outsourcing relationships. In general, the following applies regarding the leverage of pension funds:

- A pension fund's leverage is generally **high** when a pension fund (within a specific Asset Class) has a **segregated mandate** or a **majority share in an investment fund**;
- A pension fund's leverage is generally **low** when a pension fund (within a specific Asset Class) has a **minority share in an investment fund**. The pension fund's leverage is then **limited**.

Investment by the pension fund itself

If the pension fund itself invests (possibly within a specific Asset Class), there is no outsourcing relationship; in that case, (responsible) investment policy is directly applicable. The criteria stipulated for outsourcing in Paragraph 4.1 of the Agreement can then best be incorporated into (responsible) investment policy by the pension fund, as with the criteria in 3.1.

Segregated mandates

If the pension fund invests by means of a segregated mandate (possibly within a specific Asset Class), the fund has a broader scope for exercising leverage. For example, the pension fund can include in the mandate that its own (responsible) investment policy is applicable to the mandate in question.

Majority share in an investment fund

If the pension fund has a majority share in an investment fund (within a specific Asset Class), it can initiate a discussion with the Fund Manager to have the content of the (responsible) investment policy of the pension fund concerned integrated into the fund conditions. However, this should be carried out through the unit holders' meetings. Such a request for a change can be submitted through the Manager and the Legal Owner, which has been brought in by one of the Unit Holders (the Fund Conditions should provide information on this). In other cases, the

pension fund has no formal control and it can only make preferences known through participation in client council meetings or other kinds of contact with the Manager.

Minority share in an investment fund

If a pension fund has a minority share in an investment fund, its leverage is limited. In that case, it is best if you include the criteria from 4.1 in the selection criteria for investment funds. The PRI Manager Selection Guide for Asset Owners³² is a useful aid in doing this.

Table 2 contains:

1. An overview of the relevant paragraphs of the Agreement;
2. An explanation of the criteria in the text of the Agreement;
3. Appropriate sample texts, which distinguish between segregated mandates, a majority share in an investment fund and a minority share in an investment fund;
4. The document into which you can incorporate the relevant sample text.

TABLE 2: SAMPLE TEXTS FOR OUTSOURCING

[STATE IN NEW CONTRACTS WITH EXTERNAL SERVICE PROVIDERS THAT THE EXTERNAL SERVICE PROVIDER:]

Agreement Article	Explanation	Sample text	Document
4.1a	Implements ESG in policy and management systems, and uses long-term value creation as a leading principle.	Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to meet the criteria set out in Paragraph 3.1 of the Agreement. This also includes a description of the way in which long-term value creation is used as a leading principle (3.1f). In addition to the criteria from Paragraph 3.1 of the Agreement, you can consult the following sources: <ul style="list-style-type: none"> • The <u>OECD guidance for institutional investors</u> (OESO, 2017), subsection 2.1. • The <u>Service Document on Responsible Investment</u> (Federation of the Dutch Pension 	<i>"[Name of the relevant responsible investment policy] is applicable to this mandate."</i> investment policy (or including responsible investment policy) & contract

³² Principles for Responsible Investment (PRI) (2018), PRI Manager Selection Guide for Asset Owners.

Agreement Article	Explanation	Sample text	Document
	<p>Funds, 2016), subsections 5.1 (view) and 5.2 (policy).</p> <ul style="list-style-type: none"> The <u>PRI Investment Policy Guide for Asset Owners</u>³³. <p>You can then include in the mandate in question that your (responsible) investment policy is applicable to the mandate.</p>		
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders' meeting. If no formal participation has been laid down, you can influence your fund manager informally. In that case, your policy, and the fund conditions, have to meet the criteria relating to policy and management systems as described above.</p>	<p><i>"[Name of the relevant responsible investment policy] is applicable to this mandate."</i></p> <p>See Paragraphs 3.1b and 3.1f.</p>	<p>Mandate</p> <p>Fund conditions of External Service Provider</p>
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can research when selecting the investment fund to what extent the prospectus complies with your (responsible) investment policy. The <u>PRI Manager Selection Guide for Asset Owners</u>³⁴ is a useful aid in doing this. In that case, your policy, as well as the selection criteria for investment funds, have to meet the criteria relating to policy and management systems as described above.</p>	<p><i>"[Name of the relevant responsible investment policy] is applicable to this mandate."</i></p> <p>See Paragraphs 3.1b and 3.1f.</p>	<p>Mandate</p> <p>Selection criteria for investment funds</p>

³³ Principles for Responsible Investment (PRI) (2018), *PRI Manager Selection Guide for Asset Owners*.

³⁴ Idem.

Agreement Article	Explanation	Sample text	Document	
4.1b	<p>Identify and prioritise the actual and potential adverse impact of activities undertaken in the Participating Pension Fund’s Asset Classes, while involving relevant stakeholders in this effort.</p>	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p><i>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</i></p>	Mandate
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders’ meeting. In that case, your policy and the fund conditions have to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement.</p>	<p><i>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</i></p> <p>See Paragraph 3.1b.</p>	Mandate Fund conditions of External Service Provider	
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can research when selecting the investment fund to what extent the prospectus complies with your (responsible) investment policy. The <u>PRI Manager Selection Guide for Asset Owners</u>³⁵ is a useful aid in doing this. You can ask the fund manager to what extent "Investor Actions" from subsection 2.2 (p.26) of the <u>OECD guidance for institutional investors</u>³⁶ are complied with. Table 1 (p.31) lists practices by Asset Category.</p>	<p><i>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</i></p> <p>See Paragraph 3.1b.</p>	Mandate Selection criteria for investment funds	

³⁵ Principles for Responsible Investment (PRI) (2018) *PRI Manager Selection Guide for Asset Owners*.

³⁶ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document	
4.1c	Use and, where necessary and possible, increase leverage to ensure that the adverse impact of activities undertaken in the Asset Classes is prevented or mitigated.	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</p>	Mandate
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders' meeting. In that case, your policy and the fund conditions have to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraphs 3.1b, 3.1d and 3.1e.</p>	Mandate Fund conditions of External Service Provider	
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can investigate when selecting the investment fund to what extent the fund conditions comply with your (responsible) investment policy. The <u>PRI Manager Selection Guide for Asset Owners</u>³⁷ is a useful aid in doing this. You can ask the fund manager to what extent "Investor Actions" from subsection 2.3 (p.32) of the <u>OECD guidance for institutional investors</u>³⁸ are complied with. The guidance document contains recommendations for active and passive investment strategies (Table 2, p. 42) and for different Asset Classes (Table 3, p. 42).</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraphs 3.1b, 3.1d and 3.1e.</p>	Mandate Selection criteria for investment funds	

³⁷ Principles for Responsible Investment (PRI) (2018) *PRI Manager Selection Guide for Asset Owners*.

³⁸ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document	
4.1d	<p>Use and, where necessary and possible, increase leverage by imposing time-limited demands in which it encourages listed investee companies that cause or contribute to an adverse impact to prevent and/or mitigate that adverse impact and/or to provide access to remedy in accordance with Paragraph 8.2.</p>	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</p>	Mandate
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders' meeting. In that case, your policy and the fund conditions have to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraphs 3.1b, 3.1d and 3.1e.</p>	Mandate Fund conditions of External Service Provider	
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can investigate when selecting the investment fund to what extent the fund conditions comply with your (responsible) investment policy. The PRI Manager Selection Guide for Asset Owners³⁹ is a useful aid in doing this. You can ask the fund manager to what extent "Investor Actions" from subsection 2.3 (p.32) of the OECD guidance for institutional investors⁴⁰ are complied with. The guidance document contains recommendations for active and passive investment strategies (Table 2, p. 42) and for different Asset Classes (Table 3, p. 42).</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraphs 3.1b, 3.1d and 3.1e.</p>	Mandate selection criteria for investment funds	

³⁹ Principles for Responsible Investment (PRI) (2018), *PRI Manager Selection Guide for Asset Owners*.

⁴⁰ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document	
4.1e	Where Paragraph 8.3 applies, set up processes to provide access to remedy.	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</p>	Mandate
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders' meeting. Changes in investment policy should be ratified at the unit holders' meeting. In that case, your policy and the fund conditions have to include Paragraphs 3.1b, 3.1d and 3.1e of the Agreement.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraphs 3.1b, 3.1d and 3.1e</p>	<p>Mandate Fund conditions of External Service Provider</p>	
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can investigate when selecting the investment fund to what extent the fund conditions comply with your (responsible) investment policy. The <u>PRI Manager Selection Guide for Asset Owners</u>⁴¹ is a useful aid in doing this. You can ask the fund manager to what extent "Investor Actions" from subsection 2.5 (p. 45) of the <u>OECD guidance for institutional investors</u>⁴² are complied with.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraph 3.1b.</p>	<p>Mandate Selection criteria for investment funds</p>	

⁴¹ Principles for Responsible Investment (PRI) (2018), *PRI Manager Selection Guide for Asset Owners*.

⁴² OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document	
4.1f	<p>When temporarily or permanently reducing an investment position in or divesting from companies that have been prioritised owing to the severity of the adverse impact, also considers the potential adverse impacts on affected persons or groups.</p>	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your policy enshrined in the mandate. In that case, your policy has to include Paragraph 3.1b of the Agreement. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</p>	Mandate
	<p>Majority share in an investment fund If your pension fund has a majority share in an investment fund (within a specific Asset Class), you can initiate a discussion with the Fund Manager to have the content of your investment policy included in the prospectus. Changes to the investment policy should be ratified at the unit holders' meeting. Changes in investment policy should be ratified at the unit holders' meeting. In that case, your policy and the fund conditions have to include Paragraph 3.1b of the Agreement.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraph 3.1b.</p>	Mandate Fund conditions of External Service Provider	
	<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can investigate when selecting the investment fund to what extent the fund conditions comply with your (responsible) investment policy. The PRI Manager Selection Guide for Asset Owners⁴³ is a useful aid in doing this. You can ask the fund manager to what extent this criterion is complied with. For more information, please consult "considering divestment and exclusions" (pp. 39-41) from the OECD guidance for institutional investors⁴⁴.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraph 3.1b.</p>	Mandate Selection criteria for investment funds	

⁴³ Principles for Responsible Investment (PRI) (2018), *PRI Manager Selection Guide for Asset Owners*.

⁴⁴ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document	
4.1g	Render accountability by monitoring results and by reporting to the Participating Pension Fund, with due observance of the reporting requirements as described in Article 5 of this Agreement.	<p>Segregated mandates If your pension fund has a segregated mandate (within a specific Asset Class), you can have your reporting guidelines enshrined in the mandate. In that case, the criteria as described in Paragraph 3.1b of the Agreement have to be stipulated in your mandate. You can then include in the mandate in question the statement that your (responsible) investment policy is applicable to the mandate.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate."</p>	Mandate & Reporting requirements
		<p>Majority share in an investment fund Where the investment policy relating to Responsible Investment has been ratified by the unit holders' meeting, the investment policy of the Fund is changed and the Fund has to report on this through its reporting. In that case, the content of the fund's report will have to comply with your reporting requirements. The reporting requirements will have to contain the criteria as described in Paragraph 3.1b of the Agreement.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraph 3.1b.</p>	Reporting requirements & fund reporting
		<p>Minority share in an investment fund If your pension fund has a minority share in an investment fund (within a specific Asset Class), you can investigate when selecting the investment fund to what extent the fund's reporting complies with your (responsible) investment policy. The PRI Manager Selection Guide for Asset Owners⁴⁵ is a useful aid in doing this. You can ask the fund manager to what extent Paragraph 3.1b of the Agreement is complied with.</p>	<p>"[Name of the relevant (responsible) investment policy] is applicable to this mandate." See Paragraph 3.1b.</p>	Reporting requirements & selection criteria for investment funds

Monitoring outsourcing

⁴⁵ Principles for Responsible Investment (PRI) (2018), *PRI Manager Selection Guide for Asset Owners*.

As observed in Paragraph 4.1 of the Agreement, Participating Pension Funds outsource many activities in the investment value chain to External Service Providers, but they remain responsible for implementing the OECD guidelines and the UNGPs in the Asset Classes. The pension funds must therefore monitor implementation of the policy concerning the OECD Guidelines and UNGPs by External Service Providers. As is noted in Paragraph 4.1 of the Agreement (on 'Outsourcing'), there is a wide variety of outsourcing relationships, contracts and associated opportunities for leverage in the pensions sector. This needs to be taken into account when monitoring the outsourcing, as the monitoring always has to be appropriate to the type of outsourcing relationship. If your pension fund has a majority share in an investment fund (within a specific Asset Class), you (or, if applicable, your fiduciary manager) can enter into discussion with the Fund Manager about reporting in relation to ESG policy. If your pension fund has a minority share in an investment fund (within a specific Asset Class), you (or, if applicable, your fiduciary manager) can consider during the selection of the investment fund the manner in which a fund reports on ESG policy. If the service itself already includes an obligation to report on implementation of ESG policy by an external service provider, such as ESG data suppliers or ESG engagement providers, the outsourcing agreement does not have to be amended on this point.

TABLE 3: SAMPLE TEXTS FOR MONITORING OUTSOURCING

[FOR MONITORING PURPOSES, PARTICIPATING PENSION FUNDS WILL AS A MINIMUM IMPOSE THE FOLLOWING REPORTING REQUIREMENTS ON EXTERNAL SERVICE PROVIDERS, DOING SO AS SOON AS POSSIBLE, BUT NO LATER THAN THREE YEARS AFTER THE AGREEMENT COMES INTO EFFECT:]

Agreement Article		Explanation	Sample text	Document
5.1a	The progress the relevant External Service Provider has made in implementing its own and/or the relevant Participating Pension Fund's ESG policy.	<p>If your own responsible investment policy is implemented by one or more External Service Provider(s), you can stipulate in the reporting obligations of the External Service Provider(s) that it/they have to report on the progress of implementation of your ESG policy.</p> <p>The OECD Due Diligence Guidance for Responsible Business Conduct: see p. 84 of the Due Diligence Guidance.</p> <p>Guiding Principles of the UNGP Reporting Framework If your own reporting is based on the Guiding Principles of the UNGP Reporting Framework, it is logical for External Service Providers also to report on this basis. See https://www.ungpreporting.org/framework-guidance/.</p>	<p>"[name of External Service Provider] must provide quarterly reports on its progress in implementing [name of ESG policy of your fund]".</p> <p>"[name of External Service Provider] must provide quarterly reports on its progress in implementing [name of ESG policy of your External Service Providers]".</p>	<p>Reporting requirements/ SLA</p> <p>Reporting requirements/ SLA</p>

Agreement Article	Explanation	Sample text	Document	
5.1b	<p>The ESG risk-identification methodology of the External Service Provider and findings on the adverse impact that has been identified in the Asset Classes.</p>	<p>This part of the monitoring of outsourcing is applicable to External Service Providers that have the task of identifying ESG risks, such as fiduciary managers, asset managers and ESG data suppliers.</p> <p>Supplementary to Paragraph 5.1a, for these External Service Providers you can include a text in the reporting requirements such as the example in the column on the right.</p> <p>This reporting requirement does not apply to External Service Providers for which ESG risk identification is not part of the service provision, for example some ESG engagement providers that only carry out engagement services for pre-selected companies and ESG risks.</p>	<p>“In relation to the relevant services provided, the party/parties in question should at least report on:</p> <ul style="list-style-type: none"> • The method used to identify potential and actual adverse ESG impacts; • Potential and actual adverse ESG impacts that have been identified in your various investment portfolios” 	Reporting requirements/ SLA
5.1c	<p>Information on how the External Service Provider has attempted, on behalf of the Participating Pension Fund, to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to encourage the provision of remediation.</p>	<p>Supplementary to Paragraph 5.1a, you can include in the reporting requirements the elements included under ‘sample text’.</p>	<ul style="list-style-type: none"> • “Enterprises/ activities that are excluded from the investment universe; • Enterprises/ activities with which engagement is carried out; • The SMART objective(s) of engagement for each enterprise/activity (including the provision of remediation if applicable); • The progress of ongoing engagement processes; • The results of completed engagement processes; • Decisions made and the accompanying justification for any temporary or permanent reduction in 	Reporting requirements/ SLA

Agreement Article		Explanation	Sample text	Document
			investments, or disinvestments, and how potential adverse impacts of these decisions for affected persons or groups were taken into account in this decision-making.”	
5.1d	Information on the listed companies that have been prioritised based on the severity of the adverse impact and over which leverage has not led to sufficient progress within the designated time frame.	See the sample text under 5.1c.	See the sample text under 5.1c.	Reporting requirements/ SLA

Reporting and transparency


Paragraph 6.1 of the Agreement begins as follows: “The Dutch Pensions Act specifies that pension fund boards must explain how their fund’s investment policy takes the environment and climate, human rights and social relationships into account (Article 135(4) of the Dutch Pensions Act). As soon as IORP II is transposed into national legislation and comes into effect, the pension fund’s statement of investment principles must specify how its investment policy takes ESG factors into account. The statement of investment principles will be published.”

As soon as possible, but no later than three-and-a-half years after the Agreement takes effect, Participating Pension Funds will, in accordance with the OECD guidelines and the UNGPs, report and communicate on the results of their ESG policy, while respecting commercial confidentiality and other security concerns (see p. 43 of the OECD guidance for institutional investors). Due diligence as described in the OECD guidelines and the UNGPs requires proactive communication of relevant information regarding due diligence policy and processes, and about the measures taken to identify and address actual or potential adverse impacts (see subsection 2.4 of the [OECD guidance for institutional investors](#)).

TABLE 4: SAMPLE TEXTS FOR REPORTING AND OUTSOURCING

[THIS REPORTING AND TRANSPARENCY CONTAINS AT LEAST:]

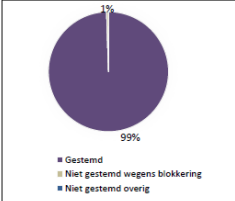
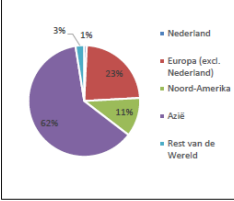
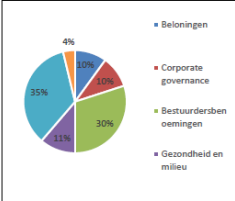
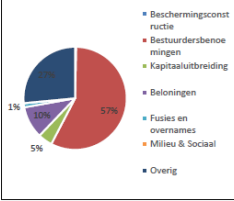
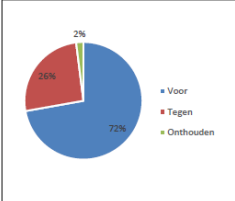
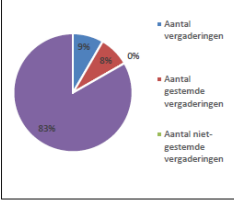
Agreement Article	Explanation	Sample text	Document
6.1a	<p>Subject to the principle of ‘comply or explain’, insofar as legally and practically possible and with due regard for Proportionality, and with a delay of one financial quarter but not more than one year annually</p> <p>, a list of the names of companies and/or investment funds within the listed equity portfolio(s) in which the assets of the Participating Pension Fund were invested over the previous period;</p>	<p>Proportionality refers to the characteristics and leverage of a pension fund and not to the size of individual equity investments (see Appendix 1 to the Agreement).</p> <p>If your pension fund has a majority share in an investment fund containing shares of listed companies, you (or, if applicable, your fiduciary manager) can enter into a dialogue with the Fund Manager about disclosure of the companies in which your pension fund invests.</p> <p>If your pension fund has a minority share in an investment fund containing shares of listed companies, you can, during the selection of the fund, take account of the disclosure of the</p>	Website

Agreement Article		Explanation	Sample text	Document
		<p>companies in which investments are made.</p> <p>In the case of participation in actively managed investment funds, it is possible that a fund manager may not legally permit disclosure or will not cooperate with it in practice. In that case, you have to mention this in your reporting.</p> <p>In the case of participation in passively managed investment funds based on an index, the composition of which is public, possibly combined with an exclusion list or other change to the index of which the composition is also public, you can also report the name of the investment fund (preferably with a reference to the index in question) instead of the names of all the individual enterprises in which investments are made through this fund.</p> <p>In the column on the right you find an example of public reporting on all investments in listed shares of a pension fund. Text in Dutch.</p>	 <p>https://www.pfzw.nl/over-ons/over-ons/pensioenbeleggen/Paginas/Transparantielijst-Aandelen.aspx</p>	
6.1b	The Participating Pension Fund’s approach to due diligence in accordance with the OECD Guidelines and the UNGPs (whether or not pursued through External Service Providers);	This is in line with Paragraph 3.1b of the Agreement, under “Policy”. Participating Pension Funds will report on the results of the ESG policy in accordance with the OECD guidelines and the UNGPs. Furthermore, you can provide an explanation of your current approach and your current reporting.	See 3.1b	Responsible Investment Policy (if publicly available)

Agreement Article	Explanation	Sample text	Document
6.1c	<p>An explanation of how the Participating Pension Fund’s ESG policy has been integrated into the various Asset Classes in which the Participating Pension Fund invests;</p> <p>This paragraph in the Agreement results from a specific recommendation, which is included in the <u>OECD guidance for institutional investors</u> (p. 43)⁴⁶.</p> <p>In the column on the right you find an example of a report by PMT [Annual report PMT, p.30]. Among other things, this text explains how the ESG due diligence steps risk identification (step 2) and mitigation (step 3) are integrated into the asset classes “listed equities of developed markets” and “government bonds”. NB: this is an example for a proportion of the asset classes. The expectation is that this will be reported for all asset classes (in accordance with the definition in the Agreement) in which the pension fund invests.</p>	<p>5 RESPONSIBLE PENSIONS</p> <p>PMT linked the following objectives for 2018 to the goal of responsible investment (relating to the investment policy):</p> <ul style="list-style-type: none"> • PMT has insight into the percentage of the equity portfolio that contributes to the United Nations Sustainable Development Goals (SDGs) • PMT is committed to achieving the terms/objectives set out in the Paris Climate Agreement. <p>INTRODUCTION OF THE PMT STRATEGIC EQUITY PORTFOLIO PMT took a number of key measures related to responsible investment in 2018. A summary of PMT’s responsible investment policy is available on the PMT website. In addition, PMT publishes an annual report on responsible investment once a year. PMT is also committed to investing in the Netherlands: 15% of the overall portfolio consists of Dutch investments.</p> <p>After an extensive (two-year) preparation process, PMT has drafted a number of conditions for the composition of the equity portfolio in developed nations. This also factors in participants’ feedback. Potential companies are assessed based on financial and principle-based (ESG) criteria. PMT has created its own appropriate equity portfolio for this purpose, which will continue to meet PMT’s return requirements.</p> <p>One of the consequences of applying our own principles is that PMT has stopped investing in the tobacco, fur and adult-entertainment industries, as well as in nuclear and controversial arms. The new equity portfolio was launched in early December 2018. The equity portfolio has become highly transparent: PMT is aware of which companies the fund invests in, and its reasons for doing so. PMT is the first pension fund in the Netherlands that applies responsible investment to the equity portfolio on such a large scale. The number one priority remains strong financial returns; no concessions are made for risk and return. Around half of the 1,600 companies in which PMT invested remain in place at this stage.</p> <p>PMT intends to use the same approach in the equity portfolio for emerging markets. Furthermore, PMT also wants to make a careful selection of the titles in which it invests. For the category of government bonds from emerging markets (Emerging Markets Debt), PMT has established its own country framework. All potential countries are measured based on their own financial and ESG criteria, before they become eligible for inclusion in the portfolio. This portfolio has also become more transparent as a result.</p> <p>PMT CONTRIBUTES TO THE ACHIEVEMENT OF SUSTAINABLE DEVELOPMENT GOALS As a global investor, PMT invests in nearly all sectors, industries and countries. In so doing, the fund operates in a wider, national and international context of socioeconomic opportunities and problems. The United Nations (UN) has classified the main socioeconomic issues of the twenty-first century in a set of 17 global sustainability goals: the Sustainable Development Goals (SDGs).</p> <p>Investments in companies that contribute to the SDGs are known as Sustainable Development Investments (SDIs). Investments that promote the SDGs can be made in various investment categories.</p> <p>39 ANNUAL REPORT 2018 Responsible pensions</p> <p>https://www.bpmt.nl/client/bpmt/upload/downloads/192397%20PMT%20JV2018%20ENG%2009.pdf</p>	(annual) report on responsible investment

⁴⁶ OECD (2017), *OECD guidance for institutional investors: Responsible business conduct for institutional investors*.

Agreement Article	Explanation	Sample text	Document									
<p>6.1d</p> <p>To the extent legally possible and without prejudice to the effectiveness of Engagement, a list of the activities undertaken on behalf of the pension fund, consisting of:</p> <p>I. Companies with which a form of engagement has been pursued on behalf of the Participating Pension Fund and to what end;</p> <p>II. The results of Engagement pursued on behalf of the Participating Pension Fund in specific companies;</p> <p>III. Decisions taken by the Participating Pension Fund when Engagement has been unsuccessful.</p>	<p><u>The OECD guidance for institutional investors</u> (pp. 43-44) says the following on this subject:</p> <p>“Investors should strive to account for their due diligence processes to the extent possible while respecting confidentiality concerns.”</p> <p>In the column on the right you find the example from the Pensioenfonds Detailhandel [<i>Pension Fund for the Retail Trade</i>]. (Text in Dutch)</p>	<p>Engagement casestudy</p> <table border="1"> <tr> <td>Onderneming: Royal Dutch Shell PLC</td> <td>Land: Nederland</td> <td>Sector: Energie</td> </tr> <tr> <td>Prioriteitsbedrijf: <input checked="" type="checkbox"/></td> <td>ESG-risicoscore: </td> <td>Reactie op engagement: Goed</td> </tr> <tr> <td>Thema: Klimaatverandering</td> <td>Onderwerp: Klimaatverandering</td> <td></td> </tr> </table> <p>Achtergrond Koninklijke Olie/Shell heeft in 2017 de volgende ambities geschetst: halvering van de netto CO₂-voetafdruk (net carbon footprint - NCF) van de energieproducten in 2050, tussentijds streefdoel 20% minder in 2035. Deze doelstellingen zijn afgestemd op de brede politieke toezeggingen van het Parijse klimaatakkoord (klimaatverandering ruim onder 2°C). De reikwijdte van het operationele uitstootdoel, dat verankerd is in de beleggingszorg, is uitgebreid naar 90% van de bedrijfsactiviteiten. Shell heeft daarnaast officieel toegezegd te zullen rapporteren conform de aanbevelingen van de Task Force on Climate-Related Financial Reporting (TCFD). Ondanks deze voortrekkerrol zag de onderneming zich ook dit jaar weer geconfronteerd met een aandeelhoudersactie van ngo FollowThis. In die motie werd Shell opgevoepen om specifieke reductiebestellingen te formuleren voor de operationele CO₂-uitstoot (scope 1+2), evenals voor de uitstoot die samenhangt met het gebruik van de producten van de onderneming (scope 3). Hoewel de motie in het licht van de door Shell geschetste ambities voor de netto CO₂-voetafdruk algemeen als onnodig werd beschouwd en deze dus maar op 5,5% van de steun van de aandeelhouders kon rekenen, schaaide een aantal grote Nederlandse asset owners zich achter de motie.</p> <p>Actie Wij hebben in diverse gesprekken met het senior management en niet-uitvoerende bestuurders van Shell herhaaldelijk gezegd dat er, ondanks onze positieve inschatting van de NCF-ambitie, op dit gebied nog altijd meer leiderschap van de onderneming wordt verwacht. We hebben daarbij vooraf gewezen op de beperkte mate waarin de onderneming ter verantwoording kan worden geroepen (vanwege de informele aard van ambities). En dus hebben we Shell verzocht de ambities te vertalen naar een streefdoel waarop de onderneming kan worden afgerekend. Daarnaast hebben we om meer duidelijkheid gevraagd over</p> <p>de eventuele middelen die Shell wil gaan inzetten om de productmix te veranderen en in de loop van de tijd de noodzakelijke reductie te realiseren. Ons voortgaande engagement heeft uiteindelijk bijgedragen aan een gezamenlijke verklaring van Shell en de beleggers van Climate Action 100+, waarin de onderneming toezigt operationele kernambities NCF-streefdoelen te zullen formuleren. Die streefdoelen gaan onderdeel vormen van het remuneratiebeleid dat in de jaarvergadering van 2020 ter stemming aan de aandeelhouders wordt voorgelegd. Shell zal daarnaast elk jaar over de gemaakte voortgang rapporteren. En verder heeft de onderneming bevestigd een uitgebreide evaluatie over het lidmaatschap van brancheorganisaties te publiceren.</p> <p>Oordeel Met deze toezegging van meer verantwoording over de NCF-ambitie heeft Shell enigszins de angst uit de publieke discussie over de actieve klimaatverantwoordelijkheid van de onderneming getild. Wat nu nog overblijft, is de eropop in het publieke debat om verder te gaan dan Parijs en toe te zeggen de uitstoot tot ruim onder die 2°C te krijgen. Dat Shell heeft beloofd om ervoor te zorgen dat het lidmaatschap van relevante brancheorganisaties de steun aan de doelstellingen van het akkoord van Parijs niet ondergraaft, helpt ook. Wij volgen de publicatie van de evaluatie van lidmaatschappen op de voet. Shell geeft toe dat de NCF-ambitie (éénsoort de governance die daarmee gepaard gaat) voor een groot deel een kwestie is van 'werk in uitvoering' en dat er de komende maanden nog meer aan moet gebeuren. Om die reden blijven we actief in gesprek met de onderneming en werken we samen aan de formulering van de remuneratiebestellingen. We blijven daarnaast ook de ontwikkeling van de middelen en acties die moeten leiden tot de gewenste CO₂-afbouw van de activiteiten en producten van Shell bewaken en steunen.</p> <p>https://www.pensioenfondsdetailhandel.nl/wp-content/uploads/2019/05/Pensioenfonds-Detailhandel-Managementsamenvatting-4e-kwartaal-2018.pdf</p>	Onderneming: Royal Dutch Shell PLC	Land: Nederland	Sector: Energie	Prioriteitsbedrijf: <input checked="" type="checkbox"/>	ESG-risicoscore: 	Reactie op engagement: Goed	Thema: Klimaatverandering	Onderwerp: Klimaatverandering		<p>(annual) report on responsible investment / engagement reporting</p>
Onderneming: Royal Dutch Shell PLC	Land: Nederland	Sector: Energie										
Prioriteitsbedrijf: <input checked="" type="checkbox"/>	ESG-risicoscore: 	Reactie op engagement: Goed										
Thema: Klimaatverandering	Onderwerp: Klimaatverandering											
<p>6.1e</p> <p>An explanation of how the Participating Pension Fund voted at shareholders' meetings of listed investee companies in accordance with Directive 2007/36/EC on the promotion of long-term shareholder engagement.</p>	<p>Your pension fund should be transparent regarding all the individual votes cast on behalf of your fund, for each shareholders' meeting and for each item (see also Dutch Financial Supervision Act Section 5:87c(3)). To this end, you can refer to websites or reports of the External Service Providers where this information can be found. For example, see the APG web page, where there is a comprehensive report on this at the end: https://www.apg.nl/en/asset-management/responsible-investing.</p>		<p>(annual) report on responsible investment/ reporting on voting</p>									

Agreement Article	Explanation	Sample text	Document
	<p>In addition, your fund has to provide details regarding the most important votes (see also Dutch Financial Supervision Act Section 5:87c(3)). This concerns reporting on the practical implementation of the voting policy, aimed at encouraging long-term value creation in companies, in Paragraph 3.1e of the Agreement, under "Policy". To this end, too, you can refer to websites or reports of the External Service Providers where this information can be found. In the column on the right you find the example the example of BPF Schilders. (Text in Dutch)</p>	<p>Stemmen in cijfers</p> <p>Gestemde aandeelhoudersvergaderingen</p>  <p>Verdeling aandeelhoudersvoorstellen (per regio)</p>  <p>Verdeling aandeelhoudersvoorstellen (per categorie)</p>  <p>Verdeling managementvoorstellen (per categorie)</p>  <p>Verdeling steminstructies</p>  <p>Verdeling stemgedrag naar vergaderpunten</p>  <p>https://www.bpfschilders.nl/over-ons/dit-presteren-we/pensioenbeleggen/we-beleggen-verantwoord/transparantie-en-dialog/</p>	

Agreement Article	Explanation	Sample text	Document
6.1f	Where valuable, future ESG policy and ESG objectives.	<p>11. Vooruitblik 2019 en verder</p> <p>Onze doelstellingen voor duurzaam en verantwoord beleggen richten zich op 2020. Maar het bestuur buigt zich nu al over de vraag hoe het beleid er na die periode uit moet zien. Daarom willen we ook graag weten wat onze deelnemers en andere stakeholders belangrijk vinden.</p> <ul style="list-style-type: none"> ● ABP werkt aan het beleid voor duurzaam en verantwoord beleggen na 2020 ● Door toegankelijke communicatie willen we deelnemers en andere stakeholders betrekken bij onze keuzes ● ABP blijft zich actief inzetten voor duurzaamheid binnen de financiële sector <p>Voor ABP zal 2019 in het teken staan van de ontwikkeling van het nieuwe verantwoord beleggingsbeleid voor de periode vanaf 2020. Centrale vragen daarbij zijn: wat zijn onze doelstellingen, op welke thema's richten we ons in de verbetertrajecten met bedrijven en hoe dragen we met ons beleid bij aan onze ambitie om voor deelnemers nu én in de toekomst een goed pensioen te bieden?</p> <p>Ter voorbereiding op de ontwikkeling van het nieuwe beleid organiseren we een bijeenkomst met stakeholders en inventariseren we wat onze deelnemers belangrijk vinden.</p> <p>Duidelijke communicatie Daarnaast zullen we in 2019 – net als in de afgelopen jaren – veel aandacht besteden aan het aanbieden van toegankelijke communicatie over duurzaam en verantwoord beleggen voor deelnemers en werkgevers, bijvoorbeeld via abp.nl, de website belangrijkekeuzes.nl en aan de hand van factsheets over actuele en controversiële onderwerpen.</p> <p>Ontwikkelingen Klimaatakkoord Naar verwachting wordt in de loop van 2019 het nationale Klimaatakkoord getekend, nadat in december 2018 het conceptakkoord was gesloten. De financiële sector – waaronder ABP – heeft zich vrijwillig aangesloten bij het streven naar 49% minder uitstoot in 2030. Dit betekent onder andere dat in het vernieuwde beleid een doelstelling moet worden opgenomen over vermindering van de CO₂-uitstoot van de gehele portefeuille. De huidige doelstelling heeft alleen betrekking op aandelen.</p> <p>Verdere uitwerking IMVB In 2019 zal bovendien verder invulling worden gegeven aan het in december gesloten convenant voor Internationaal Maatschappelijk Verantwoord Beleggen (IMVB). ABP zal samen met andere grote pensioenfondsen een aantal thema's vaststellen waarop wij met bedrijven tot verbetertrajecten (engagement) willen komen. Daarbij zal ook het gesprek worden aangegaan met organisaties op het gebied van bijvoorbeeld mensenrechten en milieu.</p> <p>https://www.abp.nl/images/ABP%20duurzaam%20beleggen%202018.pdf</p>	(annual) report on responsible investment

Acknowledgements

The toolbox was compiled through intensive cooperation between pension funds, the Federation of the Dutch Pension Funds, NGOs, trade unions and the government in the context of the Dutch Pension Funds Agreement on Responsible Investment. The process was facilitated by the Social and Economic Council of the Netherlands (SER). We should like to thank all the members of the Toolbox working group and all the people who helped in reading and thinking behind the scenes for their input. Special thanks go to Cedric Scholl for his exceptional efforts in bringing this toolbox to fruition.

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Various participants on behalf of	Stichting Shell Pensioenfonds [<i>Shell Pension Fund Foundation</i>]
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For questions and further information

You can find more information on the Dutch Pension Funds Agreement on Responsible Investment here: <https://www.imvoconvenanten.nl/en/pension-funds/convenant>

You can send specific questions on the toolbox and the Agreement to: pensioenfondsenconvenant@ser.nl.

Beneficiaries of the Federation of the Dutch Pension Funds can find the toolbox on: <https://www.pensioenfederatie.nl/website/themas/vermogensbeheer/imvb-convenant/>.

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