

Mainstreaming of responsible investing by asset owners : Dutch perspective

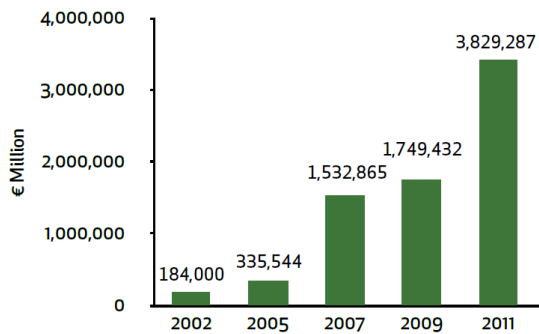
Marcel Jeucken



Responsible Investment is a growing trend in Europe

Growth in responsible investment strategies in Europe

FIGURE 4: Growth of Exclusion Investments in Europe



Source: Eurosif

Most new PRI signatories are from Europe

New 2013:

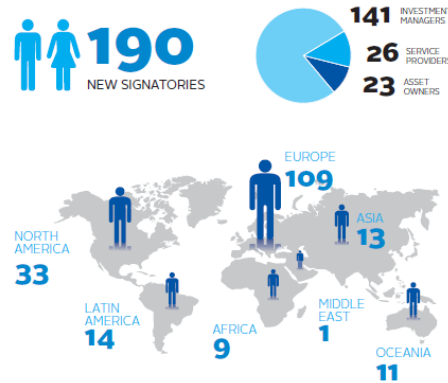
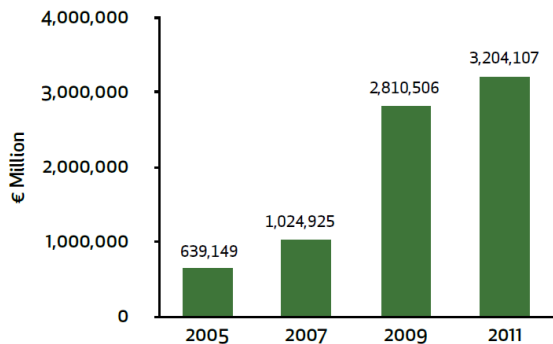
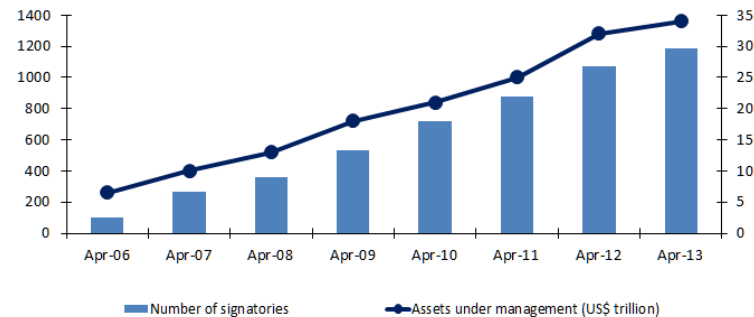


FIGURE 5: Growth of ESG Integration in Europe



Source: Eurosif

Growth in signatories PRI 2006- 2013



Responsible Investment in the Netherlands

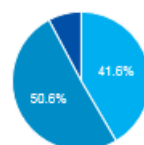
Netherlands is leading within Europe

Many Dutch asset owners are PRI signatory

TABLE 1: Growth of Sustainability Themed Investments by Country

€Mn	Sustainability themed		CAGR
Country	2009	2011	2009-11
Austria	€ 129	€ 56	-33.9%
Belgium	€ 595	€ 367	-21.5%
Denmark	€ 0	€ 43	nc
Finland	€ 0	€ 322	nc
France	€ 3,279	€ 623	-56.4%
Germany	€ 2,995	€ 4,523	22.9%
Italy	€ 987	€ 1,051	3.2%
Netherlands	€ 3,324	€ 19,914	144.8%
Norway	€ 0	€ 676	nc
Poland	€ 0	€ 0	nc
Spain	€ 0	€ 107	nc
Sweden	€ 0	€ 396	nc
Switzerland	€ 9,508	€ 11,079	7.9%
UK	€ 4,544	€ 8,932	40.2%
Europe	€ 25,361	€ 48,090	37.7%

The Netherlands (42% Asset owners)



ASSET OWNERS

32

INVESTMENT MANAGERS

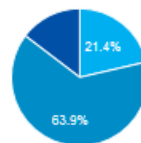
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PROFESSIONAL SERVICE PARTNER

6

ASSET OWNER SIGNATORIES 32

Worldwide (22% Asset owners)



ASSET OWNERS

267

INVESTMENT MANAGERS

798

PROFESSIONAL SERVICE PARTNER

183

ASSET OWNER SIGNATORIES 267

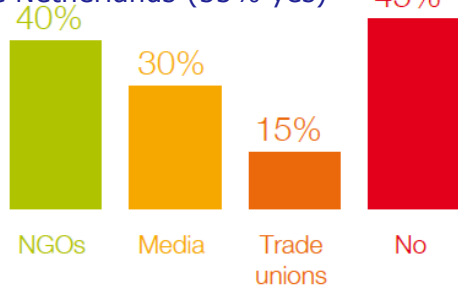
Why are asset owners so involved in NL?

High level of stakeholder engagement in NL

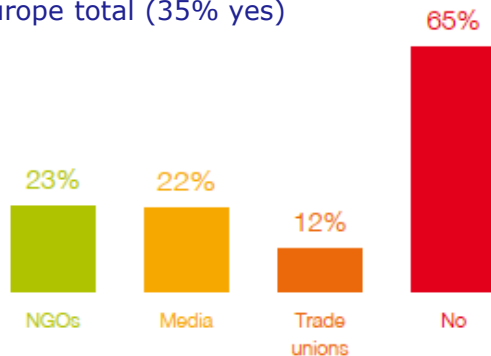
Have you been subject of are stakeholder campaign?

(Novethic Research)

The Netherlands (55% yes)



Europe total (35% yes)



Example: VBDO (The Dutch Association of Investors for Sustainable Development)

The VBDO benchmarks pension funds on their RI policy and implementation.

“The increase in accountability and transparency concerning the responsible investment policy of pension funds is one of the most interesting developments. Of the 50 pension funds, 49 report on their responsible investment policy (VBDO Benchmark 2013).”

- 1969 -2008: Pension fund PGGM
- 2008: Separation
 - Foundation Pensioenfonds Zorg en Welzijn
 - PGGM
- 2014: PGGM multi-client asset manager:
 - Zorg en Welzijn
 - Architectenbureaus
 - Particuliere Beveiliging
 - Huisartsen
 - Schilders

Negative campaigns:

- 2007: Television broadcast investing in cluster munition
- 2007-2014:
 - Food commodity investing
 - Windmill park Mexico
 - Palm oil
 - Nuclear weapons
 - Climate change

Positive Campaigns:

- PFZW ranked # 1 in VBDO benchmark 7 years in a row
- Awards:
 - ESG implementation, Financial News
 - RI reporting, Responsible Investor
 - Responsible investing, TBLI

- Sustainability is explicitly part of the Investment Framework
 - Responsible investment is the way to implement this
- Responsible investment = Taking responsibility to contribute to a more sustainable world in which the participants receive their pensions by benefiting from the driving force of the pension capital.
- PFZW is making conscious choices regarding investments as a pension fund and as an asset owner at the beginning of the financial chain.

- We have a responsibility to take care for a good and lasting pension for our participants, now and in the future. We feel it a broad societal responsibility to contribute to a more sustainable world.
- We are convinced that a sustainable world is a prerequisite for sufficient returns on the long term.
- Responsible investment contributes to more sustainable, stable and at minimum comparable investment results.
- It is about a good and responsible return

Focus areas Responsible Investment



Climate change + reduction of emissions en pollution



Water scarcity



Health



Food security



Stable financial sector supporting the real economy



Corporate governance



Safeguarding human rights

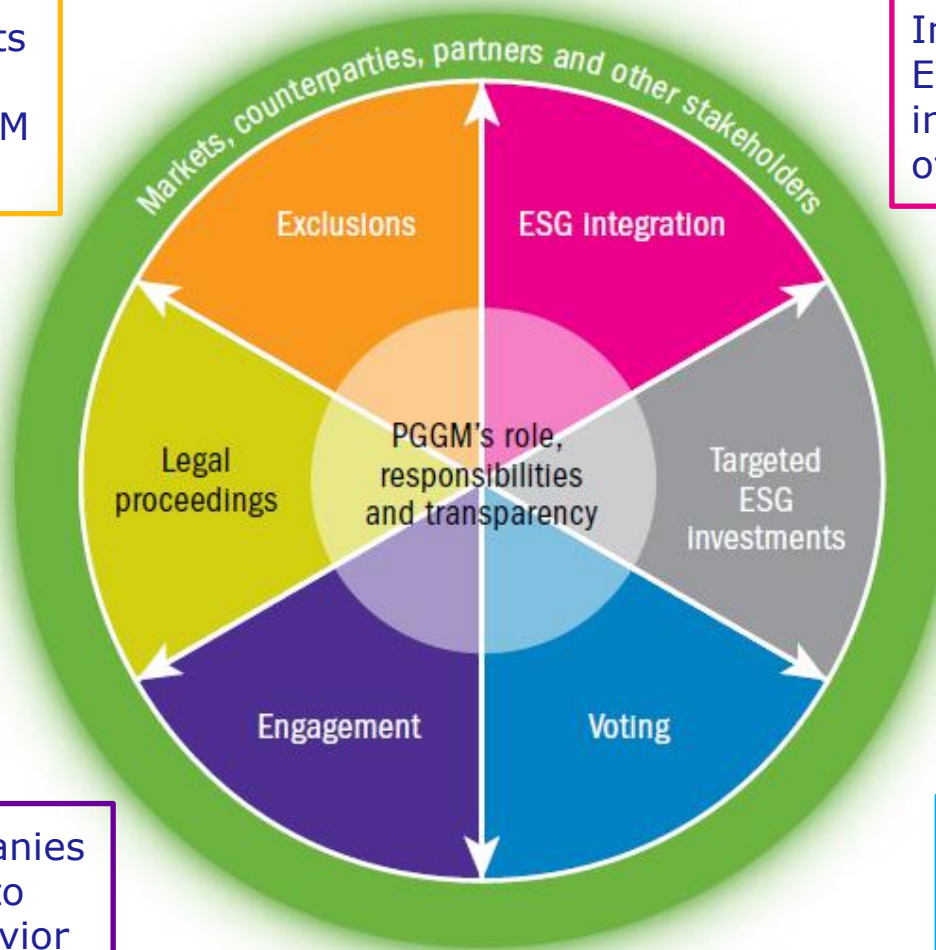


PGGM Responsible Investment activities

Prevent investments that do not match the identity of PGGM and its clients

Claim damages and impose good corporate governance

Engage with companies and organizations to improve their behavior and realize change



Integration of material ESG factors in the investments processes of investment teams

Investments with both a financial and a societal return

Take full advantage of shareholders voting rights

'Responsible investment activities circle'

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- Responsible investing is a trend
 - PRI signatories are increasing
 - RI investment activities are growing
- Stakeholders increasingly address asset owners
- In the Netherlands responsible investment by asset owners is becoming more mainstream