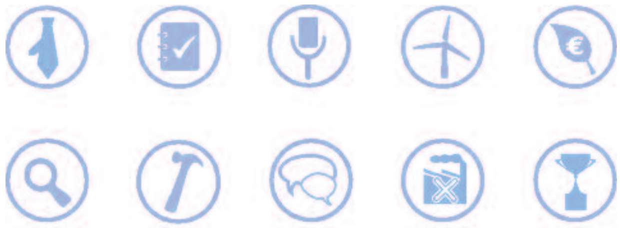
Benchmark **Responsible Investment by Pension Funds** in the Netherlands 2014



Benchmark **Responsible Investment by Pension Funds** in the Netherlands 2014

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Foreword

For the eighth year in a row the VBDO presents its extensive benchmark study 'Sustainable Investing by Pension Funds in The Netherlands'. As was the case last year, all of the 49 largest pension funds in the Netherlands participated in this survey; for those who are keeping track, the apparent absence of number 50 is explained by a merger which left us with one less independent pension fund. The objective of this benchmark is to give pension funds and their participants insight into the level of responsible investment by examining their governance, policies, implementation and accountability.

This year we focused specifically on the participants. An ongoing dialogue between a pension fund and its participants is of increasing importance. Participants want to have more information about and input on the way their money is invested. Therefore, participants should become aware of the choices a pension fund makes on their behalf, of the long-term impact of the investments and of the consequences for risk and return. At the same time pension funds could consult their participants regarding their preferences for investments.

The VBDO seeks to stimulate this dialogue by informing participants in a very practical way. As an example, we are publishing the results of this survey on a website (www.meerdoenmetjepensioen.nl) that we developed in cooperation with Accenture.

Together with the Pensioenfederatie we are also investigating how the dialogue between pension funds and board members can be further improved.

The overall results show a continuous improvement in the scores of the participating pension funds. This demonstrates their commitment to investing responsibly and sustainably. We compliment the funds with these results and thank them for their participation.

At the same time, improvements can still be made in setting long term objectives, in the leadership of the board, in engaging with companies on social and environmental issues and in including positive impact investments in the portfolio.

The first copy of this report will be presented to Ms Joanne Kellermann, executive director at De Nederlandsche Bank. On this occasion we will also discuss the above challenges with the frontrunners from our benchmark.

Without the support of Oxfam Novib this report would not have been possible. I thank them for their dedication to this project, and wish all readers wisdom when assessing the consequences of this report for their organisations.

Giuseppe van der Helm
Executive Director VBDO

Executive Summary

This is the eighth annual edition of the VBDO Benchmark Responsible Investment by Pension Funds in the Netherlands. This report, published by the Dutch Association of Investors for Sustainable Development (VBDO), provides a detailed overview of the current status and trends of Dutch pension funds regarding responsible investment. Research consultancy firm Profundo has provided the topical issues presented in chapter two and performed an external consistency check on the results.

A research on the responsible investment policies of pension funds is of great importance because of the large sums invested, more than € 1 trillion in total. We believe it is necessary that all stakeholders of Dutch pension funds can know if their money is invested in a sustainable and responsible way.

Are the investments made in accordance with the values of the participants? Are investments screened on environmental and social criteria so that (financial) risks can be minimised? And last but not least, are the investments contributing positively to sustainable economic development? Both participants and other stakeholders are looking for answers to these questions.

Participants

This year's report highlights the participants of the pension funds. As the beneficiaries of the pension funds, participants ought to have insight into the responsible investment policy of their pension fund. That is why the VBDO, in cooperation with consulting organization Accenture, publishes the results of the benchmark on a specially developed website: www.meerdoenmetjepensioen.nl.

Methodology

This benchmark focuses on the 49 biggest pension funds in the Netherlands. As in the previous editions the pension funds were sent a questionnaire and the replies have been analysed and checked by the VBDO. When needed the pension funds were asked to provide additional evidence. Just like in the previous versions questions were asked on the themes of governance, policy, implementation and accountability. For this eighth benchmark also a question on 'green bonds' was added, together with new questions relating to strategic asset allocation. No fundamental changes were made to the methodology compared to last year, thereby allowing for comparison in the analysis. The analysis also pays attention to best practices and explains trends in the scores.

Overall conclusions

This year's top 10

RANKING 2014	2013	NAME OF PENSION FUND	OVERALL SCORE
1	2	Bedrijfspensioenfonds voor de Landbouw	4,3
1	1	Pensioenfonds Zorg en Welzijn	4,3
3	4	Algemeen Burgerlijk Pensioenfonds	4,1
4	3	Bedrijfstakpensioenfonds voor de Media	3,8
5	13	Pensioenfonds Unilever Nederland "Progress"	3,7
6	7	Bedrijfstakpensioenfonds voor de bouwnijverheid (bpfBOUW)	3,6
7	16	Pensioenfonds SNS REAAL	3,6
8	5	Pensioenfonds van de Metalektro (PME)	3,5
9	20	Spoorweg Pensioenfonds	3,5
10	12	Pensioenfonds Metaal en Techniek	3,4

- Responsible investment has established a position for itself on the agenda of pension fund boards. This materializes in an average score improvement by more than 10%.
- More pension funds are taking responsible investment seriously. We are glad to see that the group of frontrunners is increasing rapidly. This stimulates the VBDO to look for ways to develop our scoring method further.
- Unfortunately, at the low end of the benchmark spectrum we do not see any progress over last year.
- Pension funds in general still can raise their ambitions when it comes to responsible investment. In the following themes we will do some suggestions.
- The 100% response rate for the second time indicates that the benchmark report is highly valued by the pension fund and asset management industry in the Netherlands.

The following section summarizes the 4 responsible investment themes that were investigated.

Governance

- Topical issues and research show that most participants care about how responsibly their money is being invested. Although a third of the pension funds directly consult their participants on the responsible investment policy, the depth and quality of these consultations can, however, still be improved.
- The continuing low level of diversity within the pension fund boards raises such questions as whether the participants are properly represented, and whether sufficient attention is being paid to stimulating diversity in background, expertise and opinions in board discussions.
- The challenge for pension funds is to find out what the preferences of their participants are, and how to integrate these in their investment policy. Some pension funds are leading the way and have best practices that can also be implemented by other pension funds.
- Pension fund boards regularly leave the policy decisions regarding responsible investment up to the fiduciary manager. However, the principal role of the pension fund board requires that it have a steering role for responsible investment instead of merely following the advice of the fiduciary manager.

Policy

- Complying with international guidelines is becoming an industry standard. Almost all pension funds' policies cover themes included in the UN Global Compact and many of them have signed on to PRI.
- Often the fiduciary manager, instead of the pension fund board, determines to a large extent the responsible investment policy. This situation can easily result in a "one size fits all policy". Although the development of responsible investment policies is a positive trend, the next step would be to tailor these policies to the individual pension funds and their participants.
- Policy performance indicators are for the most part still directed at only measuring output, as for example the number of engagements. Few are trying to also measure their actual impact on society. Although this is a quite new and elaborate process, the VBDO expects that in the future more pension funds will define their responsible policy and determine its successfulness in terms of the social and environmental impact they have.

Implementation

- This year's benchmark revealed a slight increase in the implementation scores. In general we can say that some risk awareness of societal issues is emerging in the financial markets. Responsible investment strategies such as exclusion and ESG-integration for equities are being used on an increasing level. Investment strategies like positive selection and impact investing, however, are lagging behind.
- Virtually all pension funds exert influence by voting at annual shareholder meetings. We must note here, however, that most of them vote for governance issues, while issues related to environment and society are hardly addressed in the voting.
- New responsible investment strategies, such as green and social bonds are entering the market. Although a s ubstantial number of pension funds are investing in green- and social bonds, these investments still form a relatively small part of the investment portfolio. We expect that the use of this financial instrument will increase, as it is a good example of sustainable investments that offer an attractive return.
- Another new development is taking ESG-integration into account in strategic sector allocation. For example, information and trends on food security or related to renewable or fossil fuels can be integrated in the investment process. Several funds are investigating how they can take this new step in responsible investment, and few are already integrating sustainability in their strategic investment decisions.

Accountability

- The financial crisis has led to an unprecedented rise in transparency. All pension funds now report on their responsible investment policy. The quality and quantity of the reporting varies, however. Sometimes the reporting is limited to a few lines. Also the information regarding responsible investment policies is sometimes difficult to find for participants and other stakeholders. On the positive side, we did see more pension funds providing a list of investments this year than last.
- As regards the different responsible investment strategies, the methodology for exclusion, ESG-integration and engagement are most often explained. For these strategies, policies as well as further details are often available. There is considerably less information available on less commonly used strategies, however, such as positive selection and impact investing.
- There is still little verification of the responsible investments reports or responsible investment chapters in annual reports. Only few pension funds have their report on responsible investment, whether it be as part of the annual report or as a specially dedicated report, audited externally.

Recommendations

An active board

Although a number of things have improved, pension fund boards should remain ambitious in what they want to accomplish with regard to responsible investments. There is for example room for improvement when it comes to attention being paid to environmental and social topics in the voting policy.

The board should involve participants in moral and societal aspects of the responsible investment decisions and embed the preferences of participants in these decisions. This ought to result in a clear mandate for the fiduciary asset manager and a steering role for the board in the responsible investment policy.

A facilitating fiduciary manager

The fiduciary manager and asset managers should invest according to the mandate of the pension fund. With regard to responsible investment it is important that the pension fund determines its own policy. The fiduciary manager can facilitate the board in determining what the policy should look like and how the preferences of participants can be made a part of the policy.

Fiduciary managers can also investigate more possibilities for responsible investment.

One example is ESG-integration for sovereign bonds. Less than half of the pension funds systematically integrate ESG-information in the government bond selection process. Most funds don't take ESG-information into account or simply require their asset managers to be PRI signatories.

Another example is impact investing. Currently the main focus is on the prevention of negative impacts of investments. Responsible investment is, however, also about strategies that focus on achieving social and environmental improvements, such as impact investments. Impact investing is directed at achieving such improvements and could become a larger part of the investment portfolio.

Involved participants

If participants care about how their money is invested, they should inquire about their pension fund's policy and about how the pension fund is investing on their behalf. Participants can, for example, use the site www.meerdoenmetjepensioen.nl to easily gain access to the scores their fund achieved in this benchmark.

Samenvatting

Dit is de achtste jaarlijkse editie van de VBDO Benchmark Duurzaam Beleggen door Pensioenfondsen in Nederland. Dit rapport is een uitgave van de Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO). Onderzoeksbureau Profundo heeft enkele actuele thema's belicht in hoofdstuk 2 en voerde een externe controle uit op de door de pensioenfondsen aangeleverde informatie.

Een onderzoek naar het duurzaam beleggingsbeleid van pensioenfondsen is van groot belang vanwege de grote bedragen die worden geïnvesteerd, in totaal meer dan €1 biljoen (€ 1.000 miljard) euro. Alle belanghebbenden bij de Nederlandse pensioenfondsen moeten inzicht kunnen krijgen of en hoe het geld wordt geïnvesteerd op een duurzame manier.

Worden de beleggingen gedaan in lijn met de principes en voorkeuren van de deelnemers, zijn de investeringen beoordeeld op milieu- en sociale criteria zodat (financiële) risico's kunnen worden geminimaliseerd en, niet in de laatste plaats, leveren de investeringen een positieve bijdrage aan een duurzame economische ontwikkeling? Op al deze vragen verdienen de deelnemers van deze pensioenfondsen, en andere belanghebbenden een antwoord.

Deelnemers

Het rapport van dit jaar stelt de deelnemer centraal. Als de begunstigden van de pensioengelden, hebben deelnemers recht op inzicht in het duurzame investeringsbeleid van hun pensioenfonds. In dat licht publiceert de VBDO, in samenwerking met adviesbureau Accenture, de resultaten van de benchmark 2014 op de speciaal ontwikkelde website: www.meerdoenmetjepensioen.nl.

Methodologie

Dit onderzoek richt zich op de 49 grootste pensioenfondsen in Nederland. Net als bij de vorige edities kregen de pensioenfondsen een vragenlijst toegestuurd en controleerde en analyseerde de VBDO vervolgens de antwoorden. Waar nodig werd de pensioenfondsen gevraagd om extra bewijs aan te leveren. Evenals in de voorgaande editie werden er vragen gesteld over de thema's bestuur, beleid, implementatie en verantwoording. In dit achtste onderzoek zijn twee vragen toegevoegd over groene obligaties en het meenemen van duurzaamheid bij strategische asset allocatie. Er zijn verder geen fundamentele wijzigingen in de methodologie ten opzicht van vorige jaar. In de analyse kunnen de cijfers derhalve goed worden vergeleken met die van vorig jaar en kunnen bepaalde trends worden gesignaleerd. Tenslotte komen naast de analyse diverse best practices aan bod.

Belangrijke conclusies

De top 10 van dit jaar

RANKING 2014		2013	NAME OF PENSION FUND	OVERALL SCORE
1	▲	2	Bedrijfspensioenfonds voor de Landbouw	4,3
1	=	1	Pensioenfonds Zorg en Welzijn	4,3
3	▲	4	Algemeen Burgerlijk Pensioenfonds	4,1
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5	▲	13	Pensioenfonds Unilever Nederland "Progress"	3,7
6	▲	7	Bedrijfstakpensioenfonds voor de bouwnijverheid (bpfBOUW)	3,6
7	▲	16	Pensioenfonds SNS REAAL	3,6
8	▼	5	Pensioenfonds van de Metalektro (PME)	3,5
9	✳	20	Spoorweg Pensioenfonds	3,5
10	▲	12	Pensioenfonds Metaal en Techniek	3,4

- Duurzaam beleggen is verankerd op de agenda van pensioenfondsen. Dit vertaalt zich in een verbetering van de gemiddelde score van meer dan 10%.
- Meer pensioenfondsen nemen duurzaam beleggen serieus. We zijn blij te kunnen constateren, dat de groep van koplopers snel groeit. Dit stimuleert de VBDO om de scoring methodiek te blijven ontwikkelen.
- Helaas zien we weinig vooruitgang in de onderste regionen van de benchmark.
- Pensioenfondsen kunnen een nog grotere ambitie aan de dag leggen wat betreft duurzaam beleggen. Hierna worden daar per thema suggesties voor gedaan.
- Uit de 100% respons, voor de tweede keer op rij, kunnen we afleiden dat de pensioenfonds- en vermogensbeheersector in Nederland waarde hecht aan het in kaart brengen van hun prestaties op het gebied van duurzaam beleggen, en daarmee dit onderzoek.

Hierna worden de resultaten van de vier onderzochte thema's samengevat:

Bestuur

- Diverse actuele thema's en overig onderzoeken laten zien dat de meeste deelnemers waarde hechten aan hoe hun geld wordt geïnvesteerd. Een derde van de pensioenfondsen consulteert haar deelnemers rechtstreeks over duurzaam beleggen. Diepgang en kwaliteit van dergelijke consultaties kunnen nog worden verbeterd.
- Het blijvend lage niveau van diversiteit bij besturen van pensioenfondsen is verontrustend te noemen. Het doet de vragen rijzen of deelnemers goed worden vertegenwoordigd in het bestuur en of er voldoende aandacht wordt besteed aan het waarborgen van diverse achtergronden, expertise en meningen in de discussies die het bestuur voert.
- Het wordt de uitdaging voor pensioenfondsen om de voorkeuren van deelnemers te achterhalen en deze te integreren in het duurzaam beleggingsbeleid. Enkele pensioenfondsen lopen voorop en bieden best practices die ook andere pensioenfondsen kunnen implementeren.
- Pensioenfondsbesturen laten beleidsbeslissingen ten aanzien van duurzaam beleggen regelmatig over aan de fiduciair manager. Echter, de primaire rol van het pensioenfonds vereist dat het bestuur een sturende rol heeft ten aanzien van duurzaam beleggen en niet alleen het beleid van de fiduciair manager volgt.

Beleid

- Het voldoen aan internationale richtlijnen ten aanzien van duurzaam beleggen lijkt de norm te worden in de pensioensector. Vrijwel alle pensioenfondsen hebben beleid ten aanzien van de thema's van UN Global Compact en veel pensioenfondsen onderschrijven de PRI.
- Het duurzaam beleggingsbeleid wordt vaak in hoge mate bepaald door de fiduciair manager in plaats van door het pensioenfonds bestuur. Dit kan makkelijk resulteren in een gestandaardiseerd duurzaam beleggingsbeleid. Het feit dat er duurzaam beleggingsbeleid wordt ontwikkeld is een positieve ontwikkeling. Zoals onder het voorgaande thema Bestuur reeds aangegeven, zou de volgende stap moeten zijn het duurzaam beleggingsbeleid toe te snijden op de visie van individuele pensioenfondsen en de voorkeuren van hun deelnemers.
- Het duurzaam beleggingsbeleid wordt in veel gevallen niet geëvalueerd en veel fondsen gebruiken geen prestatie indicatoren om te meten of het beleid nog voldoet en succesvol is. Wanneer prestatie indicatoren worden gebruikt, gaat het in veel gevallen over output criteria zoals het aantal te voeren engagement-gesprekken. Enkele pensioenfondsen pogen om ook het maatschappelijk effect van hun beleggingen in kaart te brengen en te meten. Hoewel dit een relatief nieuw en ingewikkeld proces is, verwachtte de VBDO dat in de toekomst meer pensioenfondsen het succes van hun beleid zullen definiëren in termen van maatschappelijke (lees: sociale en milieu-) effectiviteit.

Implementatie

- Implementatie scoort lichtelijk beter dit jaar. In het algemeen kan gezegd worden dat financiële markten risico-bewuster worden ten aanzien van maatschappelijke onderwerpen. Duurzame beleggingsstrategieën zoals uitsluiting en ESG-integratie voor aandelen, worden in toenemende mate gebruikt. Impact investeren en postieve selectie blijven echter nog achter.
- Vrijwel alle pensioenfondsen oefenen invloed uit door te stemmen op jaarlijkse aandeelhoudersvergaderingen. Hierbij moeten we opmerken, dat de meeste stemmen betrekking hebben op governance, en dat environmental en social onderwerpen veel minder vaak onderwerp van discussie zijn.

- Er verschijnen nieuwe beleggingsstrategieën op de markt, zoals groene obligaties. Deze maken nog slechts een klein deel uit van de beleggingsportefeuille. Door de groei van het aantal producten op dit vlak, verwachten we dat het gebruik van dergelijke instrumenten zal toenemen. Per slot van rekening zijn het duurzame investeringen met een aantrekkelijk risico-rendementsprofiel.
- Een andere nieuwe ontwikkeling is het betrekken van ESG-integratie in de strategische vermogens allocatie. Denk daarbij bijvoorbeeld aan hoe ontwikkelingen ten aanzien van voedselzekerheid of fossiele brandstoffen kunnen worden meegenomen in het beleggingsproces. Verschillende pensioenfondsen onderzoeken hoe zij deze volgende stap in duurzaam beleggen kunnen zetten. Sommige zijn er al mee bezig.

Verantwoording

- De financiële crisis heeft onder meer geleid tot een grote toename van transparantie. Alle pensioenfondsen doen verslag van hun duurzaam beleggingsbeleid. De kwaliteit en de kwantiteit van de verslaglegging verschilt nogal. Soms beperkt de rapportage zich tot een aantal regels en soms is de rapportage lastig te vinden. Een positieve ontwikkeling is dat steeds meer pensioenfondsen een lijst van hun investeringen publiceren.
- Over de duurzaam beleggingsstrategieën uitsluiting, ESG-integratie en het voeren van een dialoog worden het meest verantwoording afgelegd. Veelal verstrekken pensioenfondsen informatie over het beleid en geven zij een toelichting ten aanzien van de implementatie van deze beleggingsstrategieën. Er is echter beduidend minder informatie beschikbaar over de andere duurzame beleggingsstrategieën zoals positieve selectie en impact investeren.
- Duurzame beleggingsrapportages worden nog beperkt gecontroleerd. Deze rapportage kan onderdeel uitmaken van het jaarverslag, maar ook een separaat rapport zijn. Er zijn nog maar weinig rapporten die worden gecontroleerd door een onafhankelijke externe partij.

Aanbevelingen

Een actief bestuur

Hoewel er veel zaken zijn verbeterd ten opzichte van vorig jaar, dienen pensioenfonds besturen actief aandacht te besteden aan hun ambities op het gebied van duurzaam beleggen. Zo is er onder andere ruimte voor verbetering met betrekking tot de aandacht die wordt besteed aan milieu en sociale thema's in het stembeleid.

Het bestuur dient tevens deelnemers te betrekken in de morele en maatschappelijke aspecten van duurzame beleggingsbeslissingen. De voorkeuren van de deelnemers zouden onderdeel moeten zijn van deze beslissingen. Een en ander zou moeten resulteren in een duidelijk investeringsmandaat voor de fiduciair manager en een sturende rol voor het bestuur ten aanzien van het duurzaam beleggingsbeleid.

Een faciliterend fiduciair manager

De fiduciair manager, de vermogens- en de fondsmanagers geven uitvoering aan het beleggingsmandaat van het pensioenfonds. Het is belangrijk dat het pensioenfonds haar eigen verantwoordbeleggingsbeleid en mandaat bepaalt. De fiduciair manager kan het bestuur ondersteunen bij het vormgeven van het duurzaam beleggingsbeleid en bij het integreren van de voorkeuren van deelnemers in dit beleid.

Fiduciair managers kunnen ook actiever worden bij het integreren van andere duurzaam beleggingsstrategieën in hun beleggingen. Een voorbeeld is ESG-integratie voor staatsobligaties. De meeste pensioenfondsen laten ESG-informatie buiten beschouwing bij het selecteren van staatsobligaties, of zij volstaan met het feit dat hun asset manager de PRI onderschrijft. Een minderheid integreert ESG-informatie in het selectieproces voor staatsobligaties.

Een ander voorbeeld is impact investeren. Duurzaam beleggen richt zich voornamelijk op het voorkomen van negatieve impact. Duurzaam beleggen gaat echter ook over strategieën die zich richten op het realiseren van positieve maatschappelijk en milieu- resultaten. Impact beleggen richt zich daar bij uitstek op en zou een groter onderdeel kunnen uitmaken van de beleggingsportefeuille.

Betrokken deelnemers
Als het deelnemers werkelijk uitmaakt hoe hun geld wordt belegd, dan moeten zij hun pensioenfonds vragen naar het investeringsbeleid en hoe het pensioenfonds het geld namens hen belegt. Het aangaan van de dialoog als deelnemer met het pensioenfonds is een belangrijk startpunt om inzicht te verkrijgen en het eigen pensioenfonds te stimuleren om stappen te zetten op het gebied van duurzaam beleggen. De website www.meerdoenmetjepensioen.nl laat geïnteresseerde deelnemers alvast zien hoe hun pensioenfonds presteert op de benchmark van dit jaar.

Table of content

Chapter 1
Introduction

1.1 Background

This is the eighth annual edition of the VBDO Benchmark Responsible Investment by Pension Funds in the Netherlands. It is published by the Dutch Association of Investors for Sustainable Development (VBDO). Profundo, a research consultancy, provided the topical issues presented in chapter two of the report and performed an external consistency check on the results. The benchmark study presents developments on the way the Dutch pension funds formulate, implement and report on their responsible investment policy.

1.2 Objectives

The objective of this report is to provide pension funds and their participants insight into the current status of re-sponsible investment among the 49 largest Dutch pension funds. This comparative study offers pension funds an impartial instrument to assess the extent to which their responsible investment policy adequately reflects their social responsibilities and how their policies compare to those of their peers.

An investigation into the responsible investment policies of pension funds remains of great importance with a view to the large sums invested, totalling more than € 1 trillion. The present study gives all stakeholders insight into the Dutch pension funds as to whether and how the money is invested in a sustainable way.

1.3 Participants

This year's report highlights a special group of stakeholders: the participants of the pension funds. As the owners beneficiaries of the pension funds, participants ought to have insight into the responsible investment policy of their pension fund. That is why the VBDO, in cooperation with consulting organization Accenture, publishes the results of the benchmark on a specially developed website: www.meerdoenmetjepensioen.nl.

1.4 Approach

Consolidation means that this year's study focuses on the 49 biggest pension funds in the Netherlands (compared to 50 in 2013). With a response rate that once again came in at 100%, we are proud to offer this assessment and to provide both a general and a detailed overview of the current status and trends in Dutch pension funds regarding responsible investment.

In this eighth benchmark a question on 'green bonds' was added to the questionnaire as an extra category, together with new questions relating to strategic asset allocation. No fundamental changes were made to the methodology compared to last year, thereby allowing for comparison. The methodology applied in this study has been described in appendix 1.

1.5 Content

Chapter 2 describes the relevance of responsible investment for pension funds, as well as the possible challenges it may involve for them. A number of cases illustrate some of the dilemmas pension funds face. Chapter 3 highlights the overall results of the benchmark. It also provides an overall analysis of the average scores. The final chapter presents concluding remarks and recommendations based on this year's findings.

Background information on the different asset classes and methods used in responsible investment can be found in appendix 1.

Chapter 2

Pension funds and responsible investment

2.1 Motivations for responsible investments

In order to cover future pension obligations, pension funds invest the premiums of their participants.

Total investments of Dutch pension funds slightly exceeded € 1 trillion at the end of the first quarter of 2014.[1] Financial market forces have for long been the main drivers behind the investment decisions taken by pension funds. Although these remain important drivers, we now see a gradual but fundamental shift in this approach.

Several developments are pushing pension funds to take into account also moral judgement and societal impact, and so to make more responsible investment decisions. Some of these developments are:

Public accountability

Pension funds are increasingly being held accountable for the societal impact of their investments. For example, stakeholders and civil society organisations use the media to identify investments of a controversial nature. Social media allow the public (including participants of pension funds) to quickly form and spread their opinion on a large scale. Pension funds now have to be ready to explain the rationale for their investment choices at any given time. Paragraph 2.2 highlights some issues that have recently been the subject of controversy.

Responsible investment and risk-adjusted returns

There is a growing recognition in the financial community that integration of Environmental, Social and Governance (ESG) issues is a fundamental part of assessing the value and performance of an investment. ESG issues potentially have a material impact on the valuation of investments over the longer term.

Moreover, we find robust evidence that ESG issues affect shareholder value in the short and long term, and the impact on share price can be valued and quantified. Material ESG issues are becoming more apparent, and yet their impact seems to vary from sector to sector. [2]

There have been many studies which explored the relationship between sustainability and its potential impact on financial returns. Recently one such study conducted at the Duisenberg School of Finance in 2014 investigated the relationship between a change in the Responsible Investment score of funds in the VBDO Pension Funds Benchmark (2013) and the financial returns of those funds.

A change in score from one year to the next (usually an increase) might be perceived as improvement of the SRI policy of a pension fund and might therefore also be presumed to have some impact on the financial returns of that fund as a result. However, the Duisenberg study found that a higher score and rank for responsible investment policies, especially in regard to the implementation of negative screening, is of no significance for the returns of Dutch pension fund portfolios.

Additionally, as previous studies have also indicated, pension funds that use various responsible investment strategies simultaneously such as engagement and positive screening, in conjunction with negative screening appear to gain slightly higher financial returns.

Fiduciary duty

The Dutch Pension Law (Pension Act - Article 135) demands from pension funds that they follow an investment policy that is in accordance with the ‘prudent person’ principle. The ‘prudent person’ principle implies that pension funds are to invest their capital with due regard for the interests of entitled and pensionable persons. No pension fund may pursue interests that are not related to the pension rights and claims of participants.

Participants entrust their money to pension funds to ensure themselves of a certain quality of life in due time. This, in part, entails receiving a stable and sufficient pension. However, the investments made by pension funds also impact the quality of life in the long term. Namely, by investing the money of their participants, pension funds form an important actor in determining what kind of society these participants will live in when they retire. Thus, a responsible investment policy can be regarded as part of the fiduciary duty of pension funds.

Pension funds additionally have a legal obligation to state what their guidelines are on responsible investment, and to what extent social, environmental or ethical considerations are taken into account [3]. Investment management agreements must clarify the expectations of the parties (i.e. institutional investors and asset managers) and make it clear that ESG is regarded as a mainstream consideration.

Institutional investment consultants and asset managers have their own professional duty of care to proactively raise ESG considerations with their clients. Failure to do so may have serious consequences, given the risk that they may be sued for negligence.[4] As the UNEPFI puts it: "…integrating ESG considerations into an investment analysis so as to more reliably predict financial performance is clearly permissible and is arguably required in all jurisdictions." [5]

International agreements

International soft law agreements play an important role for institutional investors. Asset managers are increasingly expected to comply with such agreements. Furthermore, they must be able to demonstrate how they apply the implications of such agreements in their daily investment decisions. Important soft law agreements are:

UNPRI

Launched in 2006 by the UN Global Compact and UNEP Finance initiative, the Principles for Responsible Investment (PRI) Initiative is a partnership between the United Nations and global investors. It is built as an international network of investors working together to increase the level of responsible investment. By implementing the six responsible investment principles, signatories intend to contribute to the development of a more sustainable global financial system.[6]

The six principles of the PRI are:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.[7]

A total of 1,287 asset owners and asset managers worldwide have signed onto the PRI, and of this total there are 84 (including pensions funds and their fiduciary managers) in the Netherlands. Of the pension funds that are part of the benchmark, 19 have signed on to PRI. [8]

The principles are voluntary and aspirational but the goal of the PRI is to increase the interest of institutional investors in environmental, social and corporate governance (ESG) issues.[10]

UN Global Compact

Launched in 2004, the UN Global Compact is a United Nations initiative for businesses to encourage them to adopt sustainable and socially responsible policies laid down in ten principles on human rights, labour, the environment and anti-corruption. To date, over 10,000 companies and organisations from more than 130 countries have subscribed to the Global Compact.

The ten principles of the Global Compact are:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9:encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.[11]

UN Sustainable Development Goals

On a global scale, long-term investments are required to meet the United Nations (UN) Sustainable Development Goals (SDG). The UN Member States have committed to promoting the (not yet defined) goals that address the world's most important development issues, including but not limited to: poverty, hunger, education, health, climate change, economic growth and energy supply. Institutional investors can contribute to the SDGs. Although the SDGs are of particular interest for developing countries, they are also of importance for investments in developed countries. Some goals call for action in global commodity chains controlled by multinational companies: forestry, agriculture and fisheries.

OECD guidelines

The G20/OECD *High-Level Principles of Long-Term Investment by Institutional Investors*, published in September 2013, contains eight principles to which governments and institutional investors are to adhere. The G20 and OECD call for governments to design a policy and regulatory framework "which encourages institutional investors to act in line with their investment horizon and risk-return objectives, enhancing their capacity to provide a stable source of capital for the economy and facilitating the flow of capital into long-term investments".[12] OECD principles state that governments should remove impediments for institutional investors to invest in long-term assets.

National developments

Dutch pension funds take various social issues into account in their investment policies. This is often directed at minimizing harm, using such strategies as exclusion and ESG-integration. This year the following themes were part of the investment policies.

Table: 2.1 Themes mentioned in investment policies

Investment theme	Number of points	/ percentage
Controversial weapons	49	100
Labour rights	46	94
Human rights	44	90
Environment	43	88
Corruption	40	82
Climate change	28	57
Equal opportunities	28	57
Nuclear power	14	29
Tobacco	8	16
Animal testing	7	14
Alcohol	6	12
Intensive farming	6	12
Pornography	5	10
Genetic engineering	4	8
Fur	3	6
Gambling	1	2

Pension funds also engage more actively in societal issues by entering partnerships and through direct investments. Two recent examples are:

Nederlandse Investeringsinstelling

About 15 institutional investors have the intention to found a Dutch Investment Institution (Nederlandse Investeringsinstelling or NII) for SME companies that have little access to funding. NII looks to foster economic activity at this level of entrepreneurship, while realizing sufficient returns.

Energy agreement for Sustainable Growth

A broad coalition, including the government, financial institutions, NGOs, employers' organizations and labour unions, committed to the 2013 *Energy Agreement for Sustainable Growth* (Energieakkoord voor Duurzame Groei). The agreement is meant to provide a solution to the uncertain and incoherent public policy on sustainable energy and aims to achieve a wholly sustainable energy supply system by 2050. Financial institutions support the agreement. The Dutch Banking Association, the Dutch Association of Insurers, the Federation of the Dutch Pension Funds and central government have agreed to seek possibilities for transforming bank financing of large-scale projects into capital-market financing by Dutch and foreign institutional investors.[13] The 2014 first annual progress report of the *Energy Agreement for Sustainable Growth* presents the first steps to the approach to finance off-shore wind energy projects requiring approximately € 11 billion in investments.

2.2 Responsible investment and topical issues

Responsible investment by pension funds can easily be perceived as abstract and not directly relevant to society. However, in the last two years there have been numerous incidents that illustrate this relevance of responsible investment to society and, subsequently, to the participants on whose behalf the money is invested.

The following sections highlight some of these issues. The issues exemplify the impact pension funds' investments can have on societal issues and the resulting public opinion. We expect that in the future it will become even more important to take into account this opinion, and particularly that of participants.

Investments in controversial activities

Nuclear weapons producers (January 2014)

In January 2014, Eén Vandaag, a prime-time opinion programme on Dutch national television, highlighted the investments of pension funds ABP and PFZW and insurance groups Aegon and ING in nuclear weapons companies. In 2013, the pension fund ABP had investments of almost € 1 billion in companies involved in the production, development or maintenance of nuclear weapons. PFZW similarly had € 31 million in such investment, ING € 880 million and Aegon € 742 million.[14] An opinion survey by *Eén Vandaag* revealed that 64% of the ABP beneficiaries disapproved of the investments made by ABP in nuclear weapons companies. Almost four out of five (78%) of the beneficiaries were unaware of these investments by ABP.

PAX campaigners as well as parliamentarian Joël Voordewind argue that pension funds have a special responsibility to invest responsibly, as employees do not have a free choice in the selection of a pension fund.[15] In its response, ABP stated that it does apply a responsible investment policy to its investments. Wherever it encounters moral dilemmas in investing, its decisions rely on Dutch law and on international treaties that the Dutch government has signed. The Dutch government has signed the Treaty on the Non-Proliferation of Nuclear Weapons, allowing five states to possess nuclear weapons. ABP therefore does not exclude investing in companies that produce nuclear weapons for these five states.[16]

The United Nations Treaty on the Non-Proliferation of Nuclear Weapons selected five nuclear states that can still produce nuclear weapons, but urges them to gradually decrease their nuclear arsenal. The Treaty aims at "achieving nuclear disarmament and general and complete disarmament".[17] Nonetheless, companies from both internationally accepted and non-accepted nuclear states keep producing and developing new nuclear weapons and launching systems specifically designed for nuclear weapons.[18]

(Un)sustainability and financial risks

Carbon bubble investments (February 2014)

The carbon assets of four Dutch pension funds were assessed in the study „the Price of Doing Too Little Too Late: The impact of the carbon bubble on the EU financial system". ABP, PFZW, bpfBOUW and Shell Pension Fund have a 5-8% share of high-carbon assets in their total assets.[19] These pension funds risk losing around 3% of their total assets, decreasing their buffer, if the carbon bubble bursts.[20]

At the same time the public calls for clean and renewable energy. This also provides investment opportunities, as APG proved when it decided to invest €500 million in hydropower.[i] APG expects a return on investment of 6-15%.[21]

The carbon bubble is a risk to the long-term value of investments. In a 2014 report, two Members of the European parliament addressed the issue: [22] "Public and private financial institutions continue to pour millions into fossil fuel companies, inflating their share prices, as if their fossil reserves will always sell on the market. This is a wrong assumption. Instead, if we are serious about limiting global warming to 2 degrees Celsius, these reserves must be kept firmly in the ground, which would turn them into stranded financial assets. McKinsey and the Carbon Trust have calculated that this could endanger more than 30-40% of company value. Popping this bubble could therefore create a carbon shock with severe consequences for our financial system."

[i] For other case studies on institutional investors and green infrastructure investments, see: Kaminker, C. et al. (2013), "Institutional Investors and Green Infrastructure Investments: Selected Case Studies", OECD Working Papers on Finance, Insurance and Private Pensions, No. 35, OECD Publishing.

Corporate social responsibility by public companies

Land grabbing

(throughout 2013-2014)

Campaigning organisations like Milieudefensie [23] (Friends of the Earth Netherlands) and Oxfam Novib [24] gained national media coverage for this issue by identifying the financiers of companies involved in land grabbing. In June 2013 investments of PFZW and ABP in palm oil company Sime Darby were highlighted by national newspapers Trouw and de Volkskrant. The newspapers mentioned the risk of deforestation, degrading biodiversity and food insecurity.[25]

Likewise, in October 2013 *Nieuwsuur* broadcast a land grabbing news report on national television. It reported that insurers ING and Aegon and pension funds PFZW and ABP were investing in food producer Bunge. Bunge supplies food and beverage companies like Coca-Cola and Pepsi with sugar. In Brazil, Bunge is involved in a violent land rights issue, as indigenous people are forcibly evicted from their native lands. [26]

PFZW has reacted on this case by stating that they are practicing engagement with Bunge with the goal to stop the land grabbing activities.[27]

Land acquisition by palm oil, sugar and soy companies is a continuing source of controversy given the high risk of 'land grabbing' involved. Land grabbing occurs when foreign companies, countries or investors buy or rent land for large-scale industrial and/or commercial agriculture production oriented to the export market infringing the land rights of the local communities concerned. The lack of consultation and transparency for the allocation of land is a problem mainly in developing countries. [28]

The role of pension funds as shareholders

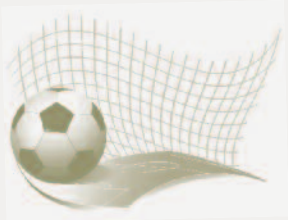
Investments related to settlement in occupied Palestine (January 2014)

Israeli banks finance the construction of illegal settlements in occupied Palestine. In January 2014 pension manager PGGM announced its decision to exclude five Israeli banks from investment. Following years of unsuccessful engagement, PGGM decided to disinvest from the banks.[29]

Even though PGGM's disinvestment is guided by international law [30], its decision to exclude the Israeli banks has led to international controversy. The Israeli Ministry of Foreign Affairs expressed its disappointment over the PGGM disinvestment [31] and the Israeli ambassador to the Netherlands called for interference in the PGGM policy by the Dutch government.[32] The Dutch government refused and argued that PGGM made a private decision. [33] Protestors also rallied at the PGGM head office. [34]

At the same time, PGGM is engaging other investee companies active in the occupied Palestinian territories. The ongoing dialogue with these companies may prove fruitful, so PGGM claims. For that reason it at the moment is not considering exclusion of these companies.[35]

In August 2013 the United Nations Human Rights Council summed up the United Nations resolutions and International Court of Justice advisory opinion (2004) declaring the illegality of the Israeli occupation. The United Nations Human Rights Council affirmed, among others, "that the Israeli settlement activities in the Occupied Palestinian Territory, including in East Jerusalem, are illegal under international law and constitute very serious violations of international humanitarian law and of the human rights of the Palestinian people therein." [36]



Labour conditions in Qatar (June 2014)

In June 2014, Dutch labour union federation FNV published a report revealing the involvement of Dutch investors in companies operating in Qatar.[37] Dutch pension funds and insurers were linked to construction companies building infrastructure in Qatar, where labour regulations do not meet international standards. *De Telegraaf* published a news report on the issue [38] and other national media took over its coverage.[39] In the wake of this investigation, pension funds PFZW, PMT and Metalektro stated that they will investigate the possible human rights violations of their investees.[40]

Mega sporting events like the football World Cup and the Olympic Games gain massive media attention. Any controversy relating to the organisation of these events is likely to harm the reputation of the companies (directly or indirectly) associated with it. Because mega sporting events are increasingly being staged in emerging market countries (football World Cup: 2010 South Africa, 2014 Brazil, 2018 Russia, 2022 Qatar - Olympic Games: 2008 China, 2014 Russia, 2016 Brazil) where human rights are not always being respected, investing companies are more likely to become involved in labour rights violations. Investors should be aware of this reputation risk and integrate principles regarding emerging markets labour standards into their investment practice. [41]

The selection of Qatar to host the 2022 FIFA World Cup functioned as a starting signal for the Gulf-state to start planning the construction of multiple football stadiums and related infrastructure. However, the labour regulations in the Gulf-state do not meet international standards according to the United Nations Special Rapporteur on the rights of migrant workers. [42] Labour rights violations were addressed in 2013 by the International Trade Union Confederation (ITUC)[43] and NGOs like Amnesty International [44] and Human Rights Watch. [45]

Human rights and extractive companies (December 2013)

Multinational extractive companies are often involved in controversies regarding human rights violations in resource dependent countries.[46] In challenging circumstances, extractive companies have to deal successfully with the rights of the local population. Issues that often cause controversy include security issues, cooperation with repressive regimes and the pollution of natural resources.[47]

Financial institutions, such as pension funds, have a business relationship with their investees. This relationship is echoed in media publications. The media does not hesitate to relate financial institutions to the human rights violations of their investees. Following the Fair Insurance Guide *Case Study Human Rights and Extractives*, published in December 2013, national media copied the ANP press release, heading “Human rights the stepchild of financial world” (Mensenrechten stiefkind financiële wereld) [48] and arguing that “large banks and insurers invest too easily in extractive companies that violate human rights.” [49] Even though some insurance groups assessed in the case study were given high scores (for insurance investments they on average scored 5.7 points out of 10), media coverage was mainly aimed at the low scoring financial institutions.

2.3 Who is responsible for responsible investment?

Delegation of responsibilities

Pension funds take decisions that have far-reaching consequences and directly affect the lives of millions of people.[50] But what is the responsibility of the different agents that act on behalf of individual participants? Our pension system is characterized by extensive delegation.

The pension fund board is accountable to a board of participants that represent the individual participants. With regard to responsible investment, the board is responsible for:

- Governance of responsible investment
- Policy development: determining what the pension fund stands for
- Acting as principal to the fiduciary manager: determining goals and targets
  This entails formulating a clear, responsible investment mandate in line with the interests and preferences of the board of participants and individual participants.
  It furthermore entails verification of the implementation of policy.

The fiduciary manager is accountable to the pension fund board. The fiduciary manager is responsible for:

- Implementation of the mandate by investing and by deploying other asset- and fund-managers
- Informing and advising the pension fund board

Influence of participants

The investments are made on behalf of individual participants. Formally, participants can only exert influence on the development of (responsible) investment policy through the board of participants. This is rather limited, considering that participants carry the risk of the investments (since the 2010 Pension Agreement).

All pension fund boards do communicate with their participants. They inform stakeholders through their website and newsletters and sometimes hold surveys (as was the case for 70% of the pension funds analysed in this year's benchmark). The remaining 30% consult participants *directly* about the responsible investment policy. About half of these consult with NGOs and other public interest organisations as well.

However, individual pension fund owners still have little influence on policy, let alone on investment decisions. And, as opposed to regular shareholders, they often are not able to change their position (e.g. by choosing a different pension fund).

The aforementioned issues illustrate that individual participants may have outspoken opinions on matters that relate to (responsible) investment decisions. Pension fund boards need to find a way to take these opinions into account.

The consultation of participants by pension funds is currently limited, and in only a few cases does it lead to adjustments in the investment policy. We expect that consultation of participants and taking into account their preferences will become more important in the future. This development is bound to have a large impact on the way pension funds operate. For this reason the VBDO has developed guidelines on how pension funds can consult their participants with respect to responsible investment.

Chapter 3
Results

This chapter presents the overall results of the study, together with the ranking and scores of all the pension funds examined. For 2014 we analysed the results for the four themes of governance, policy, implementation and accountability over the course of a longer period of time, and identified a number of trends. We also looked in greater detail at the results for the implementation of the various responsible investment strategies. A further breakdown of the results per pension fund is available from the VBDO upon request.

Table 3.1 Scores and ranking per pension fund

RANKING 2014		2013	NAME OF PENSION FUND	OVERALL SCORE	GOVERNANCE	POLICY	IMPLEMENTATION	ACCOUNTABILITY
					SCORES PER CATEGORY			
1	▲	2	Bedrijfspensioenfonds voor de Landbouw	4,3	4,7	5,0	3,8	5,0
1	=	1	Pensioenfonds Zorg en Welzijn	4,3	5,0	5,0	3,7	4,7
3	▲	4	Algemeen Burgerlijk Pensioenfonds	4,1	4,7	4,4	3,7	4,5
4	▼	3	Bedrijfstakpensioenfonds voor de Media	3,8	4,7	4,4	3,0	4,8
5	▲	13	Pensioenfonds Unilever Nederland "Progress"	3,7	4,2	4,4	3,4	3,4
6	▲	7	Bedrijfstakpensioenfonds voor de bouwnijverheid (bpfBOUW)	3,6	3,3	4,4	3,5	3,7
7	▲	16	Pensioenfonds SNS REAAL	3,6	3,7	4,4	3,5	3,3
8	▼	5	Pensioenfonds van de Metalektro (PME)	3,5	4,5	4,4	2,8	3,8
9	✳	20	Spoorweg Pensioenfonds	3,5	3,7	3,9	3,1	4,1
10	▲	12	Pensioenfonds Metaal en Techniek	3,4	3,9	4,4	2,8	3,8
11	=	11	Pensioenfonds voor de Woningcorporaties	3,4	2,5	3,3	3,6	3,7
12	▼	10	Pensioenfonds Architechtenbureaus	3,3	2,1	3,9	3,2	4,3
13	✳	25	Ahold Pensioenfonds	3,3	4,4	4,4	2,5	3,4
14	▲	22	Pensioenfonds Openbaar Vervoer	3,3	3,2	3,9	2,8	4,1
15	▼	8	Bedrijfstakpensioenfonds Koopvaardij	3,3	3,4	4,4	2,6	3,8
16	✴	6	Stichting Bedrijfstakpensioenfonds Zorgverzekeraars	3,3	3,7	4,4	2,5	3,8
17	▼	14	Philips Pensioenfonds	3,1	3,4	4,4	2,8	2,4
18	▼	15	Pensioenfonds Werk en (re)Integratie	3,1	4,1	4,4	2,3	3,3
19	▲	24	Bedrijfstakpensioenfonds voor het Levensmiddelenbedrijf	3,1	2,9	3,9	2,7	3,4
20	▼	17	Pensioenfonds Medisch Specialisten	2,9	3,7	4,0	2,3	3,2
21	=	21	Rabobank Pensioenfonds	2,8	3,2	3,9	2,4	2,8
22	✳	33	Pensioenfonds Detailhandel	2,6	3,6	3,9	1,7	2,7
23	=	23	Pensioenfonds Wonen	2,6	2,3	3,9	2,2	2,7
24	✳	40	Pensioenfonds Achmea	2,6	3,4	3,9	2,0	2,2
25	▲	34	BPF Schilders	2,5	2,3	2,9	2,1	3,3
26	✳	41	Delta Lloyd Pensionfund	2,5	3,6	3,6	1,5	3,2
27	▲	30	Pensioenfonds DSM Nederland	2,5	2,3	4,4	1,5	3,5
28	▲	29	Bpf. voor het Schoonmaak- en Glazenwassersbedrijf	2,4	2,3	2,8	2,3	2,7
29	▲	36	Pensioenfonds APF	2,3	2,8	3,3	1,9	1,8
30	▼	27	Pensioenfonds voor Huisartsen	2,2	1,9	3,3	1,8	2,5
31	✳	46	Pensioenfonds voor Fysiotherapeuten	2,1	1,3	2,3	2,3	2,4
32	=	32	Pensioenfonds KPN	2,1	1,6	2,8	2,0	2,3
33	▼	28	Pensioenfonds voor de Grafische Bedrijven	2,1	1,5	2,8	1,7	3,1
34	▼	31	Pensioenfonds Vervoer	2,0	1,3	3,3	1,3	3,4
35	▲	39	Bedrijfstakpensioendfonds Meubelind./Meubileringsbedrijven	1,9	2,8	1,8	1,3	3,0
36	▲	37	Pensioenfonds UWV	1,9	1,8	3,3	1,4	2,1
37	▼	35	Pensioenfonds PostNL	1,9	1,6	2,8	1,6	2,3
38	✴	19	Shell Pension Fund	1,9	2,1	3,3	1,4	1,6
39	✴	26	Pensioenfonds TNO	1,8	2,3	2,3	1,2	2,6
40	▲	44	Pensioenfonds Gasunie	1,6	1,8	1,9	1,4	2,1
41	▲	50	Heineken Pensioenfonds	1,6	2,9	2,2	0,9	1,7
42	▼	38	Pensioenfonds Horeca & Catering	1,6	2,5	2,9	0,6	2,1
43	▼	42	Pensioenfonds Medewerkers Apotheken	1,5	1,5	2,2	1,2	1,8
44	▼	43	Pensioenfonds ING	1,4	1,5	1,9	0,8	2,5
45	=	45	Pensioenfonds IBM Nederland	1,4	2,1	1,9	0,9	1,8
46	▲	47	ABN AMRO Pensioenfonds	1,1	1,5	1,8	0,6	1,5
47	NIEUW	N/A	Pensioenfonds KLM Cabine	0,8	1,3	1,0	0,5	1,0
48	=	48	Pensioenfonds KLM Algemeen	0,8	1,3	1,0	0,4	1,0
49	=	49	Pensioenfonds KLM Vliegend Personeel	0,7	1,3	1,0	0,4	1,0
			Average Score	**2,6**	**2,8**	**3,3**	**2,1**	**2,9**

✳ 10 of meer plaatsen gestegen
✴ 10 of meer plaatsen gezakt

This year we have the unique situation of 2 pension funds obtaining the highest score. Bedrijfspensioenfonds voor de Landbouw and Pensioenfonds Zorg en Welzijn emerged together at the top of the benchmark with a respectable overall score of 4.3 out of 5 points.

Both pension funds continue to build new policies and carry out new initiatives to improve their responsible investment activities. Although the differences between them are minimal, Pensioenfonds Zorg en Welzijn can be said to be very strong in governance and policy, while Bedrijfspensioenfonds voor de Landbouw leads the way in implementation.

These leading pension funds are not the only ones whose results show improvement. We are glad to see an overall increase in total scores over last year (2.6 this year compared to 2.3 last year). Many pension funds have taken large steps forward compared to 2013 and achieved better results. Spoorweg Pensioenfonds, AHOLD Pensioenfonds and Pensioenfonds Openbaar Vervoer showed the greatest improvement, with an increase of more than 1 point in their overall scores.

A clear trend is that more pension funds are achieving a high overall score, and that less pension funds are lagging behind. There are now 19 pension funds with an overall score of more than 3 points (compared to 13 in 2013). There is little if any change at the bottom of the rankings; only 16 pension funds scored less than 2 points, compared to 17 in 2013. To obtain better insight into the underlying factors that determine the overall result, we will break down the results further in the following paragraphs.

3.2 Types of pension funds

Table 3.2 presents the results for the various types of pension funds and the different responsible investment themes examined in the benchmark.

Table 3.2 Type of fund

		2013	2014
	OVERALL AVERAGE SCORE	**2,3**	**2,6**
	CORPORATE FUNDS	**1,8**	**2,1**
	INDUSTRY WIDE FUNDS	**2,8**	**3,0**
	OCCUPATIONAL FUNDS	**2,1**	**2,4**
GOVERNANCE	**GOVERANCE**		
	Overall average score	**2,2**	**2,8**
	CORPORATE FUNDS	**1,9**	**2,4**
	INDUSTRY WIDE FUNDS	**2,5**	**3,2**
	OCCUPATIONAL FUNDS	**2,3**	**2,3**
POLICY	**POLICY**		
	Overall average score	**3,3**	**3,3**
	CORPORATE FUNDS	**2,7**	**2,9**
	INDUSTRY WIDE FUNDS	**3,8**	**3,8**
	OCCUPATIONAL FUNDS	**3,3**	**3,1**
IMPLEMENTATION	**IMPLEMENTATION**		
	Overall average score	**1,9**	**2,1**
	CORPORATE FUNDS	**1,4**	**1,6**
	INDUSTRY WIDE FUNDS	**2,4**	**2,5**
	OCCUPATIONAL FUNDS	**1,6**	**2,2**
ACCOUNTABILITY	**ACCOUNTABILITY**		
	Overall average score	**2,7**	**2,9**
	CORPORATE FUNDS	**2,1**	**2,2**
	INDUSTRY WIDE FUNDS	**3,3**	**3,6**
	OCCUPATIONAL FUNDS	**2,2**	**2,7**

This year we see that industry wide funds score best on most themes. Occupational funds have taken a good step forward on implementation. However, they dropped off slightly in the area of policy. Last year industry wide funds also obtained a significantly higher score on all four themes, compared to corporate and occupational funds. Corporate pension funds lagged behind on implementation and governance.

In section 3.3 the results for different responsible investment themes are examined in greater detail.

3.3 Results per responsible investment theme

GOVERNANCE

3.3.1 Governance

Governance refers to the role and responsibility of the board with regard to the responsible investment policy. It was added as a responsible investment theme to the benchmark last year. Important indicators for good governance of responsible investment policy are the frequency of discussions at the board level, sufficient knowledge, clear guidance of the asset manager and insight into the preferences of participants.

The overall score of 2.2 from 2013 increased substantially to 2.8 in 2014. Some individual pension funds improved greatly: Spoorweg Pensioenfonds was up from 1.3 (2013) to 3.7 (2014), and Delta Lloyd similarly climbed from 1.3 (2013) to 3.6 (2014). Both pension funds made improvements on all of the indicators mentioned. With a score of 4.7 ABP and PNO Media ranked third and fourth in the area of governance. When we break down the average score of 2.8, what emerges is that things are going very well on some fronts, while others leave significant room for improvement. The following sections will highlight several striking developments.

Assuming principal responsibility

The benchmark results indicate that a lot more pension funds (42% in total, compared to 6% in 2013) now set quantitative sustainability targets for their asset managers. A total of 2% of the pension funds indicated in 2014 that they measure the actual impact of responsible investment policies. This percentage is slighty lower than in2013.

Preferences of participants

Compared to last year there was a slight improvement in communication with and insight into the responsible investment preferences of participants. This year 28% (2013: 22%) of the pension funds consulted and surveyed their participants' councils regarding responsible investment, and 16% of this group (2013: 10%) also consulted other stakeholders like NGOs. The quality and depth of these consultations, however, remained quite low. Several pension funds consulted their participants on responsible investment with no more than one or two general questions on the subject.

The VBDO believes that insight into the preferences of participants will remain an import issue for the future. The next challenge will be to consider how these preferences can be taken into account in the investment decisions. There is no easy answer, but various trends in society and in the pension market suggest that sooner or later this challenge will have to be met. In order to stimulate reflection on this topic, VBDO has published a separate guideline entitled: 'Deelnemers participatie pensioenfondsen 2014'.

Best Practice
Communication with participants

The boards of pension funds are responsible for gaining insight into the preferences of their participants and of society as a whole. Consultation with participants is therefore an important step. A positive emerging trend is that pension funds are increasingly consulting participants on their responsible investment policy. These consultations, however, are sometimes limited to a few broad questions that make it hard to gain in-depth insight into the participant preferences.

A best practice is Pensioenfonds Horeca & Catering which, in co-operation with TNS-Nipo, carried out an extensive survey on the preferences of its participants on responsible investments. The topics ranged from exclusion, to themes on which participants wanted their pension fund to provide a positive contribution, to the information provided by the pension fund on responsible investment.

Another positive example is ABP, which organised meetings throughout the Netherlands to discuss its policy with participants, also as it relates to responsible investment.

Diversity

The pension funds have 15% female board members (2013: 14%). This percentage is slightly higher than the national average in 2013 of 9% female board members, and 11% female members in supervisory boards (from the 2014 study carried out by the commission Monitoring Talent to the Top). The results for diversity were not taken into account for the scoring of the benchmark. However, the VBDO is considering including diversity in the scoring for the 2015 benchmark.

Best Practice **Diversity**

Stichting Pensioenfonds voor Verloskundigen (Pension fund for Midwives) is a relatively small occupational fund. That is why the fund is not included in the benchmark. Its board is composed of 6 members, of which 5 (83%) are female. This is a big difference compared to the average of 15% in the pension funds that make up this year's benchmark. It also far exceeds the 30% minimum legal target quotum.

Most of the participants (about 95%) of SPV are female and as such well represented in the board. The average percentage of female participants in the benchmark is 42% and they are therefore less well represented in the boards of their pension funds.

POLICY

3.3.2 Policy

The effectiveness of a responsible investment policy requires first and foremost that pension funds have defined a clear policy. This policy should be available for the participants, state the policy objectives, and also refer to the basic principles of the pension fund together with the international treaty standards that the pension fund complies with.

The overall average score for policy in 2014 was 3.3 out of 5. The score remained the same from the year before, yet policy is again the best scoring theme. If we look back in time, we see that the scoring on policy has gradually improved over the years.

Table 3.3 Average policy score

YEAR	OVERALL AVERAGE SCORE
2010	**2.4**
2011	**3.1**
2012	**3.2**
2013	**3.3**
2014	**3.3**

Bedrijfspensioenfonds voor de Landbouw and Pensioenfonds Zorg en Welzijn both obtained the maximum score of 5 points. A total of 13 pension funds were the runners-up, all scoring 4.4 points.

The extent of policy

For most pension funds (71%) their policy applies to at least 75% of the total investment portfolio. Almost all (84%) pension funds' policies cover all four themes in the UN Global Compact and 47% of the funds also explain how they deal with the ten principles in the investment practice.

Best Practice Policy **Development**

The statute/constitution of SPV demands that board members be members of the professional body, which in this case are usually women. Although it is not always easy to find board members who comply with all demands, SPV proves that it can be done successfully.

It is important to keep the responsible investment policy up-to-date and to evaluate its implementation. During the analysis it became clear that many pension funds do not evaluate their policies and that these remained static over a long period of time-this while societal changes are taking place and methods for responsible investments are changing rapidly.

However, several pension funds provide good examples of how performance indicators can be used in the responsible investment policy. This ranges from measuring the implementation of the responsible investment policy over all asset classes to even measuring the societal impact of their investments. An example is the measurement of the impact of engagement by monitoring the changes in corporate policies due to engagement.

One powerful example is the new step PFZW has taken in developing a methodology to measure the societal impact of its investments. PFZW developed this methodology in 2011 and 2012, and is now rolling it out over all asset-classes.[1]

The VBDO sees the measurement of the societal impact of investments as a new and necessary step in responsible investment to make the impact visible and to enable the pension fund to improve its policy and implementation accordingly.

Evaluating policy performance

The board of a pension fund is responsible for formulating a sound responsible investment policy. Such a policy should contain goals and performance indicators in order to evaluate the execution of the policy, often done by third-party asset managers. About 43% of the pension funds use quantitative performance indicators. Currently only 2 pension funds also measure actual impact.

3.3.3 Implementation

The implementation score demonstrates how well the responsible investment strategy is actually implemented. Implementation of the responsible investment strategy makes up 50% of the total score in the benchmark.[2] Implementation can be analysed by looking at asset classes and by looking at responsible investment strategies. This year's report focuses on responsible investment strategies.

Appendix 1 describes how the VBDO defines asset classes and responsible investment strategies for the benchmark. This section of the benchmark will first analyse the overall implementation results and then zoom in on a breakdown of these results per responsible investment strategy. Finally, it will provide an overall breakdown of the results per asset class.

Overall implementation results

The overall implementation score went up to 2.1 from 1.9 in 2013. Although some improvement was made, the 2.1 score indicates that of the four themes, there is most room for improvement in implementation. With 3.7 points ABP shares second place in implementation with Pensioenfonds Zorg en Welzijn. The frontrunner is Bedrijfspensioenfonds voor de Landbouw. Of the individual pension funds Ahold Pensioenfonds went up from 1.5 (2013) to 2.5 (2014), and Pensioenfonds Fysiotherapeuten also showed a substantial increase in score from 1.3 (2013) to 2.3 (2014).

Results for the responsible investment strategies

At this point we zoom in on a breakdown of the implementation results per responsible investment strategy. The VBDO distinguishes 6 different responsible investment strategies.

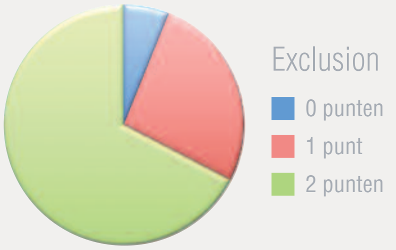
The benchmark analyses the scoring results of the responsible investment strategies over the last 2 years. It focuses mainly on how these strategies are applied for equity.

1 Reference: http://www.pfzw.nl/Documents/Over-ons/verantwoord-beleggen/Verantwoord%20Beleggen%20Jaarverslag%202013.pdf
2 Appendix 2 further explains the methodology used.

Exclusion

Since the legal ban on investments in cluster munitions came into force in 2013, all pension funds exclude investments involving such munitions. This year 33 pension funds (67%) excluded companies based on multiple criteria aside from cluster munitions. This score is almost the same as last year (2013: 64%).

Exclusion is a relatively basic responsible investment strategy. It makes clear what kind of investments pension funds choose not to make. It does not tell anything about the actual investment choices the pension fund does make. Although exclusion is a relatively basic strategy, it does require a vision on some controversial issues in our society. Ideally this vision reflects the opinions of participants.

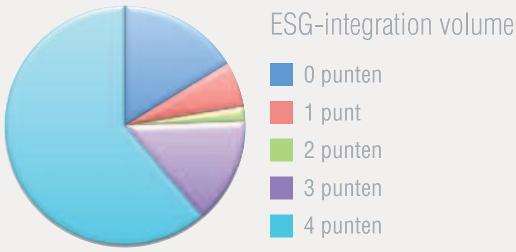


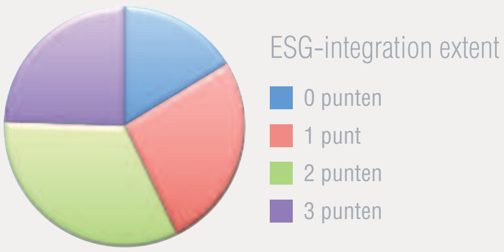
ESG-integration

ESG-integration refers to the process by which ESG criteria are incorporated in the investment decision. Research for European investment strategies shows that in 6 years' time the amount of assets under management for which ESG-integration was used increased five-fold to € 3,2 trillion in 2011 (Eurosif, 2014).

Asset managers use ESG-integration because it improves their investment decision process and because clients ask for it. Some asset managers state that ESG-integration alone is insufficient to realise enough social return.

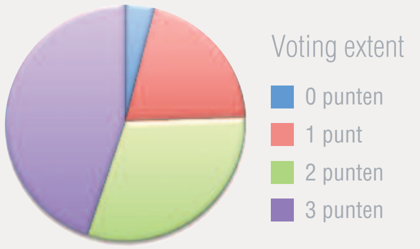
Almost all the pension funds (84%) use ESG-integration in some form in the evaluation of equity investment decisions. The implementation is, however, sometimes still at a basic level, such as when a fund manager is a signatory of the PRI. Of the pension funds that use ESG-integration, 28 funds (57%) have done so in a systematic manner, for example by systematically using ESG-information in the investment process. A total of 12 pension funds (24%) have implemented a systematic ESG-integration, which accounts for a demonstrable and verifiable impact on individual holdings. More than half (55%) of the pension funds implement their ESG-integration strategy for at least 75% of the equity portfolio. Compared to last year, these figures show a slight increase.

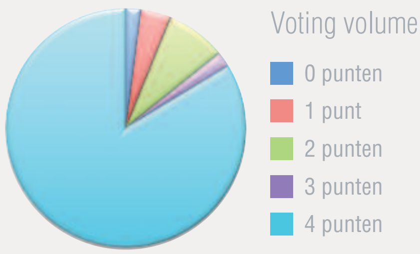




Voting

Voting is another strategy for exerting influence on the companies pension funds invest in. To be effective a clearly defined voting policy is required, explicitly emphasising social and environmental issues. There are 47 pension funds (96%) that demonstrably vote on (a part of) their public equity holdings. Out of this total, 37 do so while paying explicit attention to ESG-issues, and 22 publicly initiate and/or support shareholder resolutions promoting CSR. This is a remarkable improvement compared to last year, when no pension fund publicly initiated and/or supported shareholder resolutions promoting CSR. The majority of the pension funds (84%) voted on 75%-100% of their equity portfolio. This is slightly more than last year (78%).





Best Practice
Voting - Shareholder Resolutions

Pension funds together hold a strong position in the companies in which they invest. By voting [3] they can influence and steer corporate policies. Therefore, incorporating sustainability in their voting policies can stimulate corporate sustainability, and also give a voice to the preferences of pension funds and their participants.

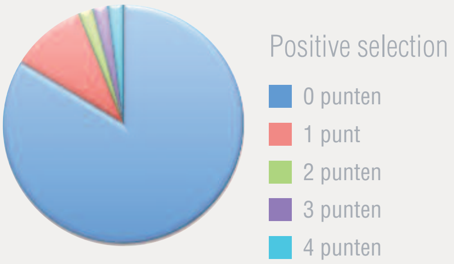
There are a number of examples where pension funds used their influence in a positive way. For example, through APG and F&C, pension funds ABP, PWRI and Pensioenfonds Detailhandel have put bonuses (both in terms of amount, and the criteria for awarding them) on the agenda of public companies. Another positive example is Rabobank Pensioenfonds, which through Robeco has supported a shareholder resolution with the goal of pushing Google to adapt a more responsible tax policy.

Although the scores on this issue have improved among pension funds, progress is still needed. Governance may be increasingly placed on the agenda of pension funds, yet social and environmental issues still often fail to reach the shareholder meetings, let alone that resolutions are taken on these matters. This is unfortunate as pension funds have an important role in holding companies accountable on these matters and in nudging them to work for improvement on behalf of their participants.

[3] References: http://rabobankpensioenfonds.nl/Images/Rabobank-Pensioenfonds-Samenvattende-Engagement-Rapportage-2014-Q2-(stemverslag).pdf

Positive Selection

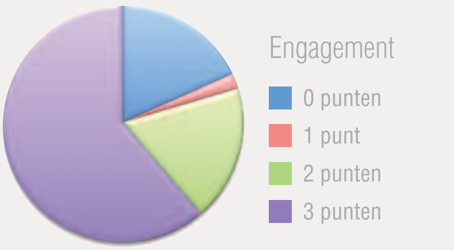
Positive selection is about choosing the best performing organisation out of a group of corresponding organisations, based on ESG-criteria. Of the pension funds examined, 41 (84%) do not make use of positive selection. Another 5 pension funds use positive selection for less than 10% of their total public equity portfolio. There was 1 pension fund that reported investing between 25% and 50% of its public equity portfolio using positive selection, and 1 over 50%.



Engagement

As owners of the companies they invest in, pension funds can actively influence the policies of these companies. A total of 40 pension funds (82%) are actively engaging with companies on the basis of ESG-criteria, and 30 of them show demonstrable results and provide specific details. This is about the same as last year.

Effective engagement requires thorough preparation. Engagement is often outsourced to specialised parties. It is important to monitor and increase the effectiveness of engagement and to prevent it from becoming a box-ticking exercise. Therefore the VBDO has released the report "Good Engagement" [4].



Impact investing

Impact investing investors choose a specific societal issue and search for investments in companies or projects that contribute to improvements to this issue and thus create value for society. A well-balanced investment mix should allow between 2% and 5% of its investments portfolio for impact investing. Only 8 pension funds are engaged in impact investing within public equity; 6 of them allocated more than 2% of their equity investments to impact investing.

Green and social bonds are bonds whose proceeds are specifically used to achieve positive societal results. They are a fairly new type of impact investments. This year the VBDO included investments in green and social bonds in the questionnaire for the first time. We find that 13 (27%) pension funds are active in impact investing. However, for most of them (10) this covers less than 1% of the portfolio.

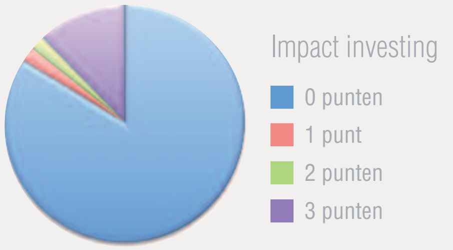
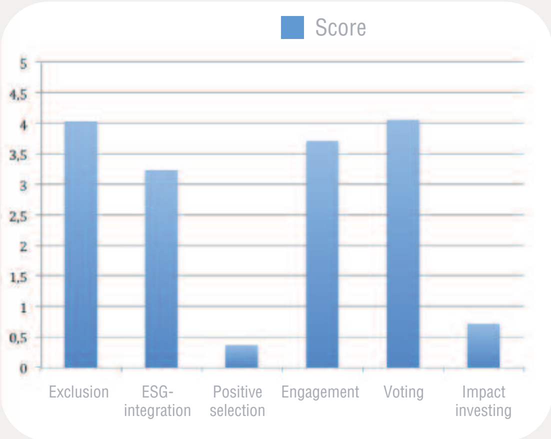


Table 3.4: Overall use of investment strategies for equities



[4] http://www.vbdo.nl/nl/research/duurzaam-beleggen/1432/rapport-over-engagement%3A-ondernemingen-vinden-duurzaamheid-steeds-relevanter

Results per asset class

This section gives a general breakdown of the implementation results for the various asset classes. For public equity, all of the aforementioned responsible investment strategies are comprised in the score. For bonds, voting is not applicable,just as engagement is not for sovereign bonds. For real estate, we considered ESG-integration and engagement. For alternative investments, ESG-integration and impact investing were taken into account.

Table 3.5 Score per asset class

Score per asset class	2013	2014
PUBLIC EQUITY	2,3	2,5
CORPORATE BONDS	2,3	2,1
SOVEREIGN BONDS	1,4	1,4
REAL ESTATE	2,2	3,2
ALTERNATIVE INVESTMENTS	1,9	2,3

Real estate

This year 25 funds considered ESG-issues in the selection/ development of new real estate objects (27 in 2013). Moreover, 35 pension funds incorporated ESG-criteria into the selection of real estate managers or publicly listed real estate companies. Of these 35 pension funds, 16 pension funds selected the most sustainable ones. This is double the amount from last year.

Alternative investments

Alternative investments comprise different types of investing strategies including private equity, hedge funds and commodities.

- Private equity: 26 of the pension funds have some form of responsible investment policy in place regarding private equity (26 in 2013)
- Hedge Funds: 10 pension funds have some form of responsible investment policy and implementation regarding their investments in hedge funds (8 in 2013).
- Commodities: 16 pension funds have some form of responsible investment policy and implementation regarding their investments in commodities (15 in 2013).

The results for alternative investments are about the same as they were in 2013.

Strategic asset allocation

ESG-information can be taken into account at the level of individual shares or corporate bonds. However, it can also be taken into account in strategic sector allocation. For example, information and trends on food security or related to renewable or fossil fuels (as in the discussion on the "Carbon Bubble", for instance) can be integrated into the investment process and lead to a larger or smaller exposure to the food or fossil fuel sector as a whole.

The present benchmark study revealed that 7 funds are investigating how to take ESG-information into account on a more strategic level. There are 4 funds that are taking ESG-information into account for decisions related to sector allocation. We expect that market developments and further professionalization of investors will lead to increased use of ESG-information on a more strategic level in the coming years.

Best Practice
Strategic asset allocation

Although the use of ESG-information on a more strategic level is still in its infancy, several pioneers are emerging internationally that are developing and integrating this information in investment decision related to sector allocation.

One interesting example is the report “Climate Change Scenarios - implications for strategic asset allocation” [5] by Mercer. The report states that risks such as climate change are not taken into account in the traditional portfolio management process, although climate policy can contribute 10% to overall portfolio risk. The report also provides several recommendations on how the risk can be reduced, for example by diversification, better research and hedging.

In the Netherlands ABP has started a research project to gain insight in the effect of climate change on its portfolio. This represents an important step for taking sustainability into account in strategic and long-term investment decisions.

[5] Reference: http://www.ifc.org/wps/wcm/connect/6b85a6804885569fba64fa6a6515bb18/ClimateChangeSurvey_Report.pdf?MOD=AJPERES

3.3.4 Accountability

Accountable pension funds are transparent about their responsible investment policy and about the investments they make on behalf of their participants. They also report on the various responsible strategies and on the respective results. Usually pension funds produce responsible investment reports or a separate chapter in the general annual report on an annual basis. Ideally, an external auditor verifies the report.

The overall score in accountability increased slightly from 2.7 in 2013 to 2.9 in 2014. Remarkable improvements were made by Stichting Heineken Pensioenfonds, increasing from 0.2 (2013) to 1.7 (2014), and by Stichting Pensioenfonds Fysiotherapeuten, increasing from 1.2 (2013) to 2.4 (2014). Pensioenfonds voor de Landbouw scored 100% on governance. PNO Media came in second with a score of 4.8 out of 5 points.

Over the last 10 years there has been a great increase in the reporting on responsible investment. This year 39 pension funds published such a report. This may be attributed in part to the financial crisis, which has led to calls for greater transparency in general. Furthermore, such accountability for responsible investments seems to be an irreversible trend.

In this year's benchmark most points were scored on reporting engagement: 22 pension funds report on engagement policy, activities and results. There were 13 pension funds that publish a list of investments covering at least 75% of the investment. This is the same as last year. We did see a small increase in reporting a list of investments that covers up to 25% of the investment portfolio.

An independent auditor seldom verifies the responsible investment report (only 5 pension funds have the report verified).The topics mentioned in chapter 2 illustrate some of these responsible investment issues that pension funds need to address explicitly nowadays. We expect that in the future pension funds will need to find ways to embed the points of view of their participants in their responsible investment choices. Participants already have a lot more insight into the responsible investment policy and results than they did 10 years ago.

Best Practice **Accountability**

Although pension funds report on their responsible investment policy and implementation, the information they provide is still limited, difficult to find and hard to grasp for non-professionals.

As participants it is even harder to gain insight into the investments their pension funds make on their behalf. The use of funds of funds often even makes it unclear for the pension fund whether it is investing in a controversial company. Positive examples in this respect are funds such as Ahold Pensioenfonds, BPF Koopvaardij and DSM Pensioen fonds which publish a list of the companies, countries and funds in which they invest. This is an important step in transparency and enabling fund accountability.

The VBDO too has taken up the challenge to explain the results of this benchmark to participants in a clear way. The result is the website www.meerdoenmetjepensioen.nl, where participants can see how well their pension fund is doing in the field of responsible investment. On this website also the ins-and-outs of responsible investments are explained in easy to grasp text and graphics.

Chapter 4
Conclusions and recommendations

4.1 Overall conclusions

- RESPONSIBLE INVESTMENT HAS ESTABLISHED A POSITION FOR ITSELF ON THE AGENDA OF PENSION FUND BOARDS
  Our research shows that all pension fund boards are currently discussing responsible investment. This also materialises in the benchmark scores when they are compared to last year's scores. The total average score improved by more than 10%.

- MORE PENSION FUNDS ARE TAKING RESPONSIBLE INVESTMENT SERIOUSLY
  The group of frontrunners is increasing rapidly. This year 33% of the pension funds achieved a score higher than 3.2 points (2013: 16%). We are glad to see such a substantial number of pension funds that are scoring well. It also stimulates VBDO to look for ways to develop our scoring method further.

- NO CHANGES WITH LOW SCORING PENSION FUNDS
  Unfortunately, at the low end of the benchmark spectrum we do not see any progress over last year. The 16 lowest scoring pension funds have hardly shown any progress, with 33% of funds scoring under 2 points (2013: 27%)

- RESPONSE RATE OF 100%
  The VBDO is proud to have achieved a response rate of 100% for the second time. This serves to indicate that our benchmark report is highly valued by the pension - fund and asset management industry in the Netherlands

At the same time, there is reason to believe that pension funds in general still could raise their ambitions when it comes to responsible investment. In the following section we will elaborate on this for the 4 themes that were investigated in the report.

4.2 Governance

- GETTING STARTED WITH DIVERSITY
  For the diversity of pension fund boards, only gender was investigated. For the 49 largest pension funds, 85% of the board members are male. This percentage has not shown any increase over the last years. The low level of diversity within the pension fund boards raises such questions as whether the participants are properly represented, and whether sufficient attention is being paid to stimulating diversity in background, expertise and opinions in board discussions.

- EMBEDDING WHAT PARTICIPANTS WANT
  It is a positive development that 28% of the pension funds boards directly consult their participants and other stakeholders on the responsible investment policy (2013: 22%). The depth and quality of these consultations can, however, still be improved.

  Topical issues and research show that most participants care about how responsibly their money is being invested. For example, recent research from the University of Tilburg demonstrates that over 70% of the participants find it important that the money in their pension funds is being invested in a responsible manner.

  The challenge is for pension funds to find out what the preferences of their participants are, and how to integrate this in their investment policy. Some pension funds are leading the way and have best practices that can also be implemented by other pension funds, such as the organisation of meetings country-wide to discuss the responsible investment policy with participants

- ASSUMING PRINCIPAL RESPONSIBILITY
  Responsible investment is currently being discussed in all pension fund boards. However, there are great differences in the frequency and depth of the discussions held. Our findings show that pension fund boards regularly leave the policy decisions regarding responsible investment up to the fiduciary manager. However, the principal role of the pension fund board requires that it have a steering role for responsible

investment instead of merely following the advice of the fiduciary manager. Only 33% of the pension funds use external advice in addition to their fiduciary manager for their responsible investment practices.

4.3 Policy

- GUIDELINES BECOMING AN INDUSTRY STANDARD
  Complying with international guidelines is becoming an industry standard. Almost all pension funds' policies cover themes included in the UN Global Compact. In most cases (for 71% of the pension funds), the policies apply to more than 75% of the total investment portfolio.

- TAKING POLICY OWNERSHIP
  Overall policy results have remained at the same level as they were at in 2013. As was the case last year, almost all pension funds have a responsible investment policy. We often see that the fiduciary manager instead of the board is the one who to a large extent determines the responsible investment policy.

  This can easily result in a "one size fits all policy". Although the development of responsible investment policies is a positive trend, the next step would be to tailor these policies to the individual pension funds and their participants. In order to achieve this, a more active role is required for the board, and a more facilitating one for the fiduciary manager.

- MONITORING POLICY PERFORMANCE
  65% of the pension funds have included some sort of targets in their responsible investment policy by which this policy can be continuously improved and monitored. At present the performance indicators are for the most part still directed only at measuring output (e.g. number of engagements). We see few (2) pension funds that are trying to measure also their actual impact on society. Although this is a quite new and elaborate process, we expect that more pension funds will define their responsible policy and determine its successfulness in terms of the social and environmental impact they have.

4.4 Implementation

- RESPONSIBLE INVESTMENT IS NOT YET A PART OF REGULAR BUSINESS
  This year's benchmark revealed a slight increase in the implementation scores. In general we can say that some risk awareness of societal issues is emerging in the financial markets. Responsible investment strategies such as exclusion and ESG-integration for equities are being used on an increasing level. Investment strategies like positive selection and impact investing, however, are lagging behind.

  There is room for improvement when it comes to ESG-integration for sovereign bonds. A little more than half of the pension funds do not incorporate ESG-information at all, or else simply require their asset managers to be PRI signatories. Yet some pension funds, like Bedrijfs-pensioenfonds voor de Landbouw, are setting good examples for the way ESG-integration can be successfully put into practice for sovereign bonds.

- VOTING
  Virtually all pension funds now exert influence by voting at annual shareholder meetings. We must note here, however, that most of them vote for governance issues, while issues related to environment and society are hardly addressed in the voting.

- GREEN AND SOCIAL BONDS
  New responsible investment strategies, such as green and social bonds as well as strategic asset allocation, are entering the market. Some 27% of the pension funds are already investing in green and social bonds. However, these investments still form a relatively small part of the investment portfolio, in most cases less than 1% of the total corporate bond portfolio. We expect that the use of this financial instrument will increase, as it is a good example of sustainable investments that offer an attractive return. A recent example is the green bond that Bank Nederlandse Gemeenten recently issued. The emission of euro 500 mln. was 3 times overwritten.[6]

[6] Financieele Dagblad, 9 oktober 2014.

- SUSTAINABILITY AND STRATEGIC ASSET ALLOCATION
  ESG-information can be taken into account at the level of individual shares or corporate bonds. It can, however, also be taken into account in strategic sector allocation. For example, information and trends on food security or related to renewable or fossil fuels (as in the discussion on the "Carbon Bubble", for instance) can be integrated in the investment process. In this way risks and opportunities can be better assessed and ultimately lead to a larger or smaller exposure to the food or fossil fuel sector as a whole.

  Out of all the funds surveyed in the present study, 14% are investigating how they can take this new step in responsible investment, and 8% of funds are already integrating sustainability in their strategic investment decisions.

4.5 Accountability

- TRANSPARENCY OF POLICY IS ANCHORED
  The financial crisis has led to an unprecedented rise in transparency. All pension funds now report on their responsible investment policy. The quality and quantity of the reporting varies, however. Sometimes the reporting is limited to a few lines. Also the information regarding responsible investment policies is sometimes difficult to find for participants and other stakeholders. On the positive side, we did see more pension funds (55%) providing a list of investments this year than last (46%).
- IMPLEMENTATION OF RESPONSIBLE INVESTMENT STRATEGIES
  As regards the different responsible investment strategies, the methodology for exclusion, ESG-integration and engagement are most often explained. For these strategies, policies as well as further details are often available. A total 59% of the pension funds explain their methodology of ESG-integration (52%: 2013).

  There is considerably less information available on less commonly used strategies, however, such as positive selection and impact investing. Only 14% of the funds explain their methodology for positive selection.
- VERIFICATION LAGS BEHIND
  There is little verification of the responsible investments reports or responsible investment chapters in annual reports. Only 10% of the pension funds have their report on responsible investment, whether it be as part of the annual report or as a specially dedicated report, audited externally.

4.6 Recommendations

Board
Although a number of things have improved, pension fund boards must remain ambitious in what they want to accomplish with regard to responsible investments. They should involve participants in moral and societal aspects of the responsible investment decisions and embed the preferences of participants in these decisions. This ought to result in a clear mandate for the fiduciary asset manager and a steering role for the board in the responsible investment policy.

Fiduciary manager
The fiduciary manager and asset managers should invest according to the mandate of the pension fund. With regard to responsible investment it is important that the pension fund determines its own policy. The fiduciary manager can facilitate the board in determining what the policy should look like and how the preferences of participants can be made a part of the policy.

Fiduciary managers can also investigate more possibilities for responsible investment.
Currently the main focus is on the prevention of negative impacts of investments. Responsible investment is, however, also about strategies that focus on achieving social and environmental improvements, such as impact investments.

Participants
If participants care about how their money is invested, they should inquire about their pension fund's policy and about how the pension fund is investing on their behalf. Participants can, for example, use the site www.meerdoenmetjepensioen.nl to easily gain access to the scores their fund achieved in this benchmark.

Appendix 1
Responsible investment strategies & asset classes

Responsible investment strategies

Based on reviews of implementation practices by investors worldwide and its own vision on responsible investment, the VBDO has identified a range of instruments or strategies, applicable to one or more asset classes:

• Exclusion

Some products and processes or behaviour of some companies are at such odds with international agreements and treaties that they should be excluded from the investment portfolio. Merely taking general issues such as human rights violations into consideration offers insufficient means of judgment for the exclusion of specific companies. It is important to specify these issues and use well defined Environment, Social and Governance (ESG) criteria or international guidelines.

While some investors do take more than one criterion into account for the exclusion of companies from their investment portfolio, their list of excluded companies only shows (controversial) weapon producers which raises questions about the use of ESG-criteria. Especially because of January 2013 the legal ban of investments in cluster munitions came into force in the Netherlands. In the opinion of the VBDO responsible investments should be a practice which goes beyond only following legal obligation. Therefore the standards on exclusion is raised accordingly in this 2014 benchmark of. From this year on, only using more than two criteria for exclusion will lead to a score on the related questions.

An exclusion policy can at least be applied to publicly listed equity, corporate bonds and government bonds.

• ESG-integration

Even when the excluded companies are left out, large differences in terms of corporate responsibility sometimes remain between companies in which pension funds or insurance companies invest. Where one company may only abide by the current environmental and social laws of the country in which it operates, the other may pursue high social and environmental standards in every country in which it is active. Pension funds should consider this in developing their investment policy and should give preference to companies that perform well in relation to corporate responsibility.

The VBDO defines ESG-integration as the process by which ESG-criteria are incorporated into the investment process. This involves more than screening the portfolios against exclusion criteria but does not necessarily mean that an investor selects the best-in-class companies. ESG-integration can go one step further by identifying and weighing ESG-criteria, which may have a significant impact on the risk-return profile of a portfolio. Therefore, the VBDO distinguishes between investors making ESG-information available to the portfolio manager on the one hand and investors systematically incorporating ESG-criteria into each investment decision on the other hand. The latter is rated higher because this truly meets the idea behind ESG-integration.

Integration of ESG-criteria in the investment selection can be applied to all the selected asset classes in this research. Regarding publicly listed equity and bonds, the assessment in this benchmark takes into account both the extent and the volume of ESG-integration.

• Positive selection

A number of investors also explain responsible investment as best-in-class or -sector selection, stock picking, or investments in SRI funds. In this case, ESG-criteria do not guide the investment decision process, but form the basis for selecting companies that perform above average on ESG issues. Positive selection can be a result of ESG-integration but can also be an instrument on its own. Therefore, VBDO identified this as a separate instrument within the range of responsible investment possibilities. Positive selection is defined as choosing the best performing organisation out of a group of corresponding organisations (sector, industry, class) with the use of ESG-criteria.

Positive selection is examined at the asset classes publicly listed equity, corporate and government bonds.

• Voting

Pension funds and insurance companies can actively exert influence on companies in which they invest by voting during shareholder meetings. Many pension funds have been voting at shareholder meetings, but their voting policy is limited to subjects regarding corporate governance. This might push companies towards a better sustainability policy, but that is in itself not enough. A clearly defined voting policy is required, one that explicitly emphasizes social and environmental issues. By pro-actively introducing or supporting resolutions about sustainable development and corporate social responsibility, companies can be pushed towards improvement and corrective action.

Obviously, voting is examined only at the asset class publicly listed equity.

• Engagement

Pension funds can actively exert influence on companies in which investments are made by entering into dialogue with them. If the policy and behaviour of a company are at odds with responsible investment policy, they should to some extent use their influence to alter the conduct of companies in which investments are made. Institutional investors that have formulated an engagement policy, actively seek dialogue with companies outside shareholder meeting, monitor and report positive changes in corporate social and environmental management receive higher scores.

Engagement can be used to publicly listed equity as well as corporate bonds.

• Impact investing

Impact investing implies active investments that are made in companies or projects which are leaders in the field in terms of sustainability or clearly offer added value for sustainable development. Examples are investments in sustainable energy sources, innovative clean technology, cheap medicine against tropical diseases, microcredit and sustainable forestry. Although such initiatives can yield considerable profits, they are not considered for regular financing because investment return time horizon is considered by banks to be too long. Institutional investors, with their longer time horizons, are very well equipped to make such investments, enabling them at the same time to fulfil their social responsibility.

Impact investing might look like positive selection, because it may be using the same positive ESG-criteria and can be done by investing in specially constructed funds, but it is not a best in class approach. Rather, investors choose a specific theme or development and searches for companies or projects that contribute to this development and thus create added value for society in a way that can hardly be compared with mainstream industry or solutions.

A well-balanced investment mix should allow between 2 and 5% of their equity and/or alternative investments portfolio to be used for financing sustainable projects and companies. The instrument is applicable to publicly listed equity and private equity. The latter is assessed in this research' asset class category 'alternative investments'.

Asset Classes

• Publicly listed equity

The public equities market consists of the publicly traded stocks of large corporations. The risks and opportunities connected to ESG issues are important for the analysis and adjustments of an equity portfolio. Both exclusion and selection of companies within the portfolio, as well as voting and engagement gives the investor many ways to integrate ESG issues into its investment decisions.

Emerging markets deserve special attention from investors, since these are increasingly reported as interesting opportunities because of their economic growth. Due to the growing demographic and resource challenges, and the potential dangers for the environment, a more sustainable approach to economic development is crucially for emerging markets. In many sectors economic development show that these countries are already responding to the above mentioned challenges (think of, for example, the leading role in solar power of China). Nevertheless, extracting the relevant ESG data on emerging market companies can require a large amount of research[1].

It is also possible to take ESG criteria into account with passive investments, by following a sustainable index or by using an engagement overlay.

• Corporate (including covered) bonds

For corporate bonds responsible investment activities can be much the same as for equities, with the difference those corporate bonds do not have voting rights and bring a fixed return. This reduces the financial risk, but also offers fewer opportunities to take advantage of high returns and to influence the policies of a company.

Because bondholders lack the voting power shareholders have, most ESG integration activity has been in equities. But with growing client demand, bond managers are working to integrate ESG factors in fixed-income portfolios. Still, according to some pension funds "it will be months, even years, before responsible investment in bonds reaches the level it has in equities", but it does not mean it is not possible at all. This also counts for engagement, which can be done at the time of issuance. [2]

• Government / sovereign bonds

Like corporate bonds, government bonds (together often referred to as fixed-income) are generally regarded as one of the safer, more conservative investment opportunities. They are issued to fund public services, goods or infrastructure.

The first association about responsible investment and this asset class may often be exclusion of countries with dictatorial regimes, because of their human rights violations. This is a clear example of the results of an ESG risk analysis. ESG rating agencies increasingly offer products to screen bonds portfolios on corporate governance regulatory practices, environmental policies, respect for human rights and international accords and there are sustainable government bond funds. Investors can also seek those government bonds that support the creation of public goods, such as needed infrastructural improvements, support for schools, or the development of sustainable energy sources and purchase government debt targeted to a specific activity. ESG-analysis for sovereign bonds, let alone positive selection, is not practiced often. This also means that by using ESG-analysis investors can use information which is not yet totally integrated in the market prices.

• Real estate

Real estate investments encompass a wide range of products, including home ownership for individuals, direct investments in rental properties and office and commercial space for institutional investors, publicly traded equities of real estate investment trusts, and fixed-income securities based on home-loans or other mortgages. This assessment is limited to direct investments in buildings and indirect investments via real estate funds.

Investors could screen their portfolio by developing ESG-criteria for the construction of new buildings, their locations and the maintenance of existing buildings, machines and other facilities within buildings, such as environmental efficiency, sustainable construction and materials and fair labour practices. For real estate (investment) that is managed externally, selection of fund managers based on experience with and implementation of ESG is an important tool. Additionally the managers of real estate funds can be engaged to improve their social and environmental performance.

• Alternative investments

Depending on the asset allocation and definitions of an investor, alternative investments can include many kinds of assets, while at the same time experiences with and strategies for responsible investments are in their infancy. Also because the investments are a small part of total investments, this research limits this asset class to private equity, hedge funds, commodities and the category "other alternative invest-

[1] Ness, A., "ESG progress in emerging markets", Investments & Pensions Europe, February 2010.

[2] Carter, D., "ESG factors make inroads in fixed-income portfolios. As bond assets grow so does the demand for ESG-related product", Responsible Investor, 10 September 2010.

ments". Information provided on other asset classes will not be taken into account. The following opportunities were derived from literature: [3]

- With regard to private equity an institutional investor can stimulate innovative and sustainable companies because it can directly influence management, encourage entrepreneurs to focus on developing business with high-impact social and/or environmental missions, especially in regions and communities that are underserved, and promote creation of local business and jobs. Also integrating the responsible investment policies in the selection process can be an important tool for institutional investors.
- Although hedge funds are often handled as a separate asset class, the underlying assets are generally publicly listed securities (stocks and bonds) and their derivative products. Thus, investors could consider an ESG analysis of underlying assets and theoretically use the same tool for ESG management as for public equity and fixed income. Also integrating the responsible investment policies in the selection process can be an important tool.
- Regarding commodities investors could direct capital to commodities with better ESG profiles and consider the source (region) of the commodity. As there are few ways to foster positive ESG changes, investors may advocate change on a broader level within commodities exchanges. Also integrating the responsible investment policies in the selection process of commodity investments or asset managers can be an important tool for this category.

[3] Wood, D., "Handbook on Responsible Investment across Asset Classes", *Boston College Center for Corporate Citizenship*, November 2007.

Appendix 2
Methodology

This appendix elaborates on the used methodology. In the first part of the appendix the research objectives, the research process and some adaptions to last year's questionnaire are described. The second part of the appendix gives a clarification of the scoring model.

1.1 Research

Research objectives

The objective of this benchmark study is to provide pension funds and their participants an insight into the current status of responsible investment among the largest Dutch pension funds.

Research period

The period to which this research applies is 2013. The different general figures of the pension funds, such as the asset allocation, cover the period up to the end of 2013. The information about the implementation of responsible investment instruments was related to the first half of 2014, the latest.

Research group

For this edition of the benchmark, the 49 largest pension funds in assets were surveyed. This is one less than in 2013, because Pensioenfonds Productschappen and Bedrijfstakpensioenfonds voor de Groente- en Fruitverwerkende Industrie were in a process of consolidation. Pensioenfonds KLM Cabine was added to the list The remaining list of researched pension funds is the same as in the 2013 study.

Research process

The research process has only undergone minor changes in comparison with previous years. A questionnaire was integrated in excel and sent to the pension funds. After completion, the excel automatically provides a profile and score. Like in 2012 and 2013 the profile of last year's benchmark was sent to selected pension funds to facilitate filling in the questionnaire.

After receiving the completed questionnaires of the pension funds and matching publicly available information (which consists of annual reports and websites), the VBDO reviewed the profile and sent the reviewed profile back with potential additional questions. On the basis of the reply the VBDO assigned the final scores to the pension funds for all assessment issues and criteria.

Finally, research consultancy Profundo provided the VBDO with an independent review of the scores of a sample of pension funds, to enhance the integrity of the results.

Research sources

- Questionnaire (send out in June 2014)
- Annual report 2013
- Company websites
- Newspapers and other media

Advisory panel

Every year we discuss the process and the methodology used with a group of pension funds, asset-managers and experts. We also did so this year and several points were raised on how to make improvements. Although the individual members did not agree on all topics, the main issues and opinions are described here:

- More focus on targets for responsible investment rather than on bonuses. The VBDO has adapted the question accordingly
- For some questions materiality should be taken into account to a larger extent
- Adding green bonds as a separate category is good idea . The VBDO has added this question in this edition.
- Strategic asset allocation is interesting to add to the questionnaire. It will be more relevant in the future and the scores should not be part of the scoring this year. The VBDO has added a question on strategic asset allocation.
- Some suggestions for improving the readability of the template. The VBDO has made some changes, such as changing the colour scheme.
- The deadline for the questionnaire should take the summer holidays into account. The planning is changed accordingly.

The VBDO would like to thank the participants for their efforts to improve the benchmark.

Adaptations to the methodology

In this eight edition of the benchmark the methodology is the same as last year. The VBDO plans to maintain this methodology for the coming year in order to be able to compare the results over a period of several years.

We did add two questions:

- Are green- and social bonds as part of the total corporate bond portfolio?
- Is ESG-information taken into account related to strategic sector allocation?
  The anwser tot hhis question provides an idea of the use of ESG-information on a more strategic level. The results of this question are not taking into account in the score.

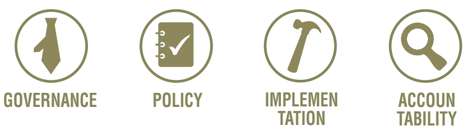
And one question was altered:

- Question 1.3 on sustainability targets for asset-managers was altered so that also pension funds and asset managers that did not use variable remuneration could score point.

1.2 General scoring model

To compare the policy and the implementation practices of institutional investors, a number of assessment issues were defined based on literature, former benchmark studies on responsible investments by Dutch pension funds and insurers and on conversations with institutional investors.

The assessment issues were been divided into four categories:



Governance

This category focuses on the governance of the pension funds and the role the board and participant's councils proactively play in shaping and monitoring the responsible investment policy.

Policy

Policy focuses on the responsible investment policy in place. Its reach, depth and quality are surveyed. Does the policy, for example, cover all the asset classes and are indicators mentioned on which the policy can be evaluated?

Implementation

Implementation considers the actual implementation of the responsible investment policy. What are the methods used and are they effective and thoroughly implemented throughout all asset-classes? The included asset classes are: public listed equity; corporate bonds; government bonds; real estate and alternative investments.

Accountability

This category investigates how communication on tresponsible investment takes place. Do pension funds describe their investment policy and do they report the results on all asset classes? Do all stakeholder have access to this information?

For an overview of all the questions asked and possible answers per category, we refer to appendix 3

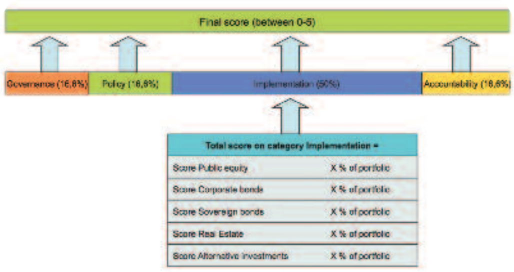
The overall score is calculated on the basis of the score in each category and their weighing factors. The overall score of each pension fund lies between 0 and 5 points. To reach an overall score for all pension funds, the scores of all categories are added up using weighting percentages,

The individual weighting percentages of categories add up to a total of 100%. The weighing percentage for implementation is 50% because especially this category defines the final output and quality of the responsible investment practices of a pension fund. The other 50% was equally divided over governance, policy and accountability.

For Implementation (and for one question in the category Policy) the calculation of the score depends on the asset allocation of the specific pension fund. In short this means that the score of a pension fund that has a large share of public equity in its portfolio, weighs more heavy on its score on public equity.

The following figure gives a general overview of the scoring model.

Figure 1 General overview of the scoring model



Appendix 3: Questionnaire

Category 1: **Governance (16,6%)**

Besides the role of the asset manager, there is an important responsibility for the board regarding the responsible investment policy. Does the board for example evaluate responsible investment performance, discuss RI issues and evaluate the mandate the asset manager has on this issue?

Board responsibility: Frequency
How frequent has the responsible investment policy been discussed I last year?

- Responsible investment has not been discussed in the board. (0/2)
- The responsible investment policy has been discussed at least yearly in the board. (1/2)
- Responsible investment has been a regular agenda item at each board meeting. (2/2)

Board responsibility: Information
The board has a key role in evaluating the responsible investment policy and the role of the asset managers in the implementation. It is important that the board has sufficient and also independent information to carry out this role. From which source does the board use information to shape and evaluate the responsible investment policy and its implementation?

- Responsible investment has not been discussed in board. (0/2)
- The board uses solely the information provided by the asset manager. (1/2)
- The board also uses external information and advice (such as consultants and NGO's) to verify and evaluate responsible investment policy and implementation, besides the information provided by the asset manager. (2/2)

Sustainability targets for asset managers
Setting targets on responsible investment enables the board to succesfully improve, evaluate and shape the responsible investment policy. Is the asset/fiduciary manager as an organisation given sustainability targets to improve the responsible investment policy and implementation? Choose the most appropriate option:

- No. (0/3)
- Yes, these sustainability targets are qualitative. (1/3)
- Yes, these sustainability targets are quantitative (eg. improvement of number of engagement meetings or percentage of portfolio screened). (2/3)
- Yes, these targets are quantitative and also measure actual impact corporate social and environmental policies. (3/3)

Sustainable targets used in the evaluation of individual employees or sub-departments
To actively steer and evaluate the responsible investment policy and implementation it is important that this topic and therefore sustainability targets are translated to individual employees or sub-departments. Do sustainabilty targets have a place in evaluating employees or do they have a place in the variable remuneration (if applicable) ? Choose the most appropriate option:

- No. (0/1)
- Yes, sustainability targets are used in the evaluation or variable remuneration of employees or sub-departments. (1/1)

Communication with participants
Responsible investment is based on acknowledging the responsibility an institutional investor has to decrease negative, and improve positive effects on society. Therefore an institutional investor not only has to be aware of economic developments, but also has to be aware of the preferences of their stakeholders, such as participants, and developments regarding sustainability in general. Seeking constructive dialogue with for example participants or NGOs on how the pension fund can assume its responsibilities is therefore viewed positively. How does the pension fund communicate with their participants, pensioners and society in general?

- No communication. (0/4)
- Pension fund informs participants about responsible investment policy using the website, newsletters and/or information packages. (1/4)
- Pension fund consults the participants' council in the formulation and adaptation of the responsible investment policy. (2/4)
- Pension fund surveys and/or consults the participants (directly) about the responsible investment policy. (3/4)
- Besides with participants, the pension fund also consults with society in general (such as NGO's) about the formulation and/or adaption of the responsible investment policy. (4/4)

Best Practices governance
Are there any best-practices regarding the governance of RI in your fund you would like to mention (no points, but processed in report)?

Category 2:
Policy (16,6%)

The implementation of a socially responsible investment policy requires in the first place that it is defined as clearly as possible in a publicly available document. In doing so, it is important to provide a clear description of the policy objectives and basic principles by referring to recognized legislation and international treaty standards, such as the UN Declaration on Human Rights and ILO conventions.

Policy content

VBDO selected the widely accepted themes from the UN Global Compact (human rights, labour standards, the environment and anti-corruption), as a basis for assessing the content of the policies. This means that the policy should explain which themes are important to the investor and form the basis for its investment decisions, but does not necessarily have to refer to the Global Compact itself.

- No policy. (0/3)
- The responsible investment policy is mentioned on website and/or annual report AND/OR covers at least two of the themes included in the UN Global Compact. (1/3)
- The responsible investment policy covers all four themes included in the UN Global Compact. (2/3)
- The responsible investment policy covers at least all four themes in the UN Global Compact and details how it deals with (some of the) ten principles in the investment practice. (3/3)

Policy: volume

As pension funds spread out their investment capital over various asset classes, a responsible investment policy should relate to all these asset classes, and specific criteria and instruments per category should be defined. Practical experience shows that pension funds more often have a policy for equity investment than for other categories, and does not cover the whole investment portfolio. VBDO appreciates a policy that can and will be applied to the whole portfolio.

- No policy (0/4)
- Policy covers 0-25% of total investment portfolio (1/4)
- Policy covers 25-50% of total investment portfolio (2/4)
- Policy covers 50-75% of total investment portfolio (3/4)
- Policy covers 75-100% of total investment portfolio (4/4)

Policy performance indicators

The responsible investment policy should not be a static policy document and therefore indicators should be included which enable the evaluation and improvement of the responsible investment policy. Clear key performance indicators should be part of the responsible investment policy.

- No goals mentioned. (0/3)
- Yes, qualitative key performance indicators have been mentioned concerning the output of the responsible investment policy. (1/3)
- Yes, quantitative key performance indicators have been mentioned concerning the output of the responsible investment policy. (2/3)
- Yes, these key performance indicators are quantitative and also measure actual impact corporate social and environmental policies. (3/3)

Themes that have been included in the responsible investment policy

Indicate which themes have been included in the responsible investment policy. If yes, please mention if this theme is excluded from investments. No points can be received for this question, but aggregated results will be used in the research report.

	Is the theme included in the responsible investment policy?	Is this theme excluded from investments?
Alcohol	**Yes / No**	**Yes / No**
Animal testing	**Yes / No**	**Yes / No**
Climate change	**Yes / No**	**Yes / No**
Controversial weapons	**Yes / No**	**Yes / No**
Corruption	**Yes / No**	**Yes / No**
Environment	**Yes / No**	**Yes / No**
Equal opportunities	**Yes / No**	**Yes / No**
Fur	**Yes / No**	**Yes / No**
Gambling	**Yes / No**	**Yes / No**
Genetic engineering	**Yes / No**	**Yes / No**
Human rights	**Yes / No**	**Yes / No**
Intensive farming	**Yes / No**	**Yes / No**
Labour rights		
(ILO conventions)	**Yes / No**	**Yes / No**
Nuclear power	**Yes / No**	**Yes / No**
Pornography	**Yes / No**	**Yes / No**
Tobacco	**Yes / No**	**Yes / No**
Other, please specify	**Yes / No**	**Yes / No**

Best practices 'Responsible Investment Policy'

Are there any best-practices regarding the responsible investment policy in your fund you would like to mention (no points, but processed in report)

Category 3: **Implementation (50%)**

The past years have shown major developments in implementing a responsible investment policy. More different types of instruments have been developed and they have been applied to a broader range of asset classes, despite the limitations of some of these asset classes. Because the instruments are complementary to each and investors tend to find different solutions for each asset class, the implementation practices between asset classes may vary a lot. It is also difficult to single out one best solution.

For each asset class a number of assessment issues, based on the instruments, is identified. If an investor does not invest in a particular asset class, it is not necessary to have detailed policies and implementation procedures, and as a result, these scores will not be taken into account in the final score.

The final score for the category implementation is determined by multiplying the score of each asset class by asset allocation, and contributes for 50% to the overall score.

Asset class: **Publicly listed equities**

The score of this asset class is multiplied by asset allocation to create a final score for the category implementation.

Exclusion policy

Exclusion is identifying specific, preferably multiple, ESG-criteria for exclusion of companies from the investment universe. Investors can demonstrate their use of exclusion by providing a list of excluded companies, preferably based on multiple criteria. How is exclusion practiced in your fund? It is important to note that exclusions due to legal obligations (such as cluster munition) are not taken into account and do not results in points awarded. Choose the most appropriate option:

- No. (0/2)
- Yes, companies are demonstrably excluded based on 1 criterion. (1/2)
- Yes, companies are demonstrably excluded based on multiple criteria. (2/2)

Note: *a criterion is defined by the VBDO as a specific theme such as controversial weapons, human rights or exclusion due to failed engagement.*

ESG integration

ESG integration (extent)

ESG-integration is the process by which ESG- criteria are incorporated into the investment process. In practice this ranges from making ESG-information available for fund managers to systematically incorporating ESG-criteria into each investment decision (being passive or active), which is rated highest in this methodology.

- No. (0/3)
- ESG-information is used in evaluation of investments in equity (eg. asset managers required to be PRI signatory). (1/3)
- ESG-information is systematically and demonstrably part of the equity selection process (eg. by using onepagers) (or in the composition of the ESG-index). (2/3)
- ESG-information is systematically and demonstrably part of the equity investment selection process and has a systematic, ongoing and verifiable impact on individual holdings. (3/3)

ESG integration (volume)

As this strategy may be applied to part of the portfolio, the volume of implementation is also taken into account. Please take your active as well as your passive investments into account when choosing your answer. The two scores for ESG-integration are multiplied and end up as one score.

- No. (0/4)
- Yes, ESG-integration is implemented for 0-25% of the equity portfolio. (1/4)
- Yes, ESG-integration is implemented for 25-50% of the equity portfolio. (2/4)
- Yes, ESG-integration is implemented for 50-75% of the equity portfolio. (3/4)
- Yes, ESG-integration is implemented for 75-100% of the equity portfolio. (4/4)

Positive selection

Positive selection is choosing the best performing organisation out of a group of corresponding organisations (sector, industry, or class) with the use of ESG-criteria. The extent to which positive selection is implemented in a portfolio differs amongst investors and is generally low (not more than 15%). This assessment issue is therefore corrected after data collection to ensure it distinguishes innovators from laggards. Please consider your passive as well as your active investments in public equities in calculating your percentage.

- No. (0/4)
- Yes, positive selection is

- implemented for 0-10% of the equity portfolio. (1/4)
- Yes, positive selection is implemented for 10-25% of the equity portfolio. (2/4)
- Yes, positive selection is implemented for 25-50% of the equity portfolio. (3/4)
- Yes, positive selection is implemented for more than 50% of the equity portfolio. (4/4)

Engagement

Engagement is exerting influence on companies by entering into dialogue, preferably besides shareholder meetings. Reporting the results will stimulate companies to respond to this dialogue and the requested actions, which is therefore rated higher.

- No. (0/3)
- Yes, engages or participates in engagement activities on ESG-criteria issues. (1/3)
- Yes, demonstrably engages or participates in engagement activities on ESG-criteria and reports on activities (vague reporting, no names named). (2/3)
- Yes, demonstrably engages or participates in engagement activities on ESG-criteria and shows demonstrable results over 2012 (evidence of positive changes in corporate policies regarding ESG-topics/company excluded). (3/3)

Voting

Voting (extent)

Voting is exerting influence on companies by voting during shareholder meetings and by introducing or supporting resolutions about sustainability and corporate social responsibility (CSR). Both the extent and volume of the voting policy are taken in to account. Highest points are accredited to investors that also publicly initiate and/ or support shareholder resolutions on CSR.

- No. (0/3)
- Yes, demonstrably votes at annual shareholder meetings of companies in portfolio. (1/3)
- Yes, demonstrably votes at annual shareholder meetings of companies in portfolio, paying explicit positive attention to ESG issues. (2/3)
- Yes, demonstrably votes at annual shareholder meetings of companies in portfolio, paying explicit attention to ESG issues and publicly initiates and/or supports shareholder resolutions promoting CSR. (3/3)

Voting (volume)

As this strategy may be applied to part of the portfolio, the volume of implementation is also taken into account. The two scores for volume and extent are multiplied and end up as one score. Please consider your active as well as your passive public equity portfolio in calculating the percentage.

- No. (0/4)
- Yes, voting is implemented for 0-25% of the equity portfolio. (1/4)
- Yes, voting is implemented for 25-50% of the equity portfolio. (2/4)
- Yes, voting is implemented for 50-75% of the equity portfolio. (3/4)
- Yes, voting is implemented for 75-100% of the equity portfolio. (4/4)

Impact investing

Impact investing can be defined as active investments in companies or projects that contribute to innovative technological development and create added value for society that can hardly be compared with mainstream solutions. Within public equity the selection of publicly traded sustainable companies is assessed based on the volume of investments.

- No. (0/3)
- Yes, investments are demonstrably made in publicly traded companies to promote sustainable development (eg. microfinance institutions, renewable energy, etc.), <1% of the total equity portfolio. (1/3)
- Yes, investments are demonstrably made in publicly traded companies to promote sustainable development (eg. microfinance institutions, renewable energy, etc.), <2% of the total equity portfolio. (2/3)
- Yes, investments are demonstrably made in publicly traded companies to promote sustainable development (eg. microfinance institutions, renewable energy, etc.), >2% of the total equity portfolio. (3/3)

Asset class: **Corporate (including covered) bonds**

Exclusion

Exclusion is identifying specific, preferably multiple, ESG-criteria for exclusion of companies from the investment universe. Investors can demonstrate their use of exclusion by providing a list of excluded companies, preferably based on multiple criteria. How is exclusion practiced in your fund? It is important to note that exclusions due to legal obligations (such as cluster munition) are not taken into account and do not results in points awarded. Choose the most appropriate option:

- No. (0/2)
- Yes, companies are demonstrably excluded based on 1 criterion. (1/2)
- Yes, companies are demonstrably excluded based on multiple criteria. (2/2)

ESG-integration

The following two scores for ESG-integration are multiplied and end up as one score:

ESG integration (extent)

ESG-integration is the process by which ESG- criteria are incorporated into the investment process. In practice this ranges from making ESG-information available for fund managers to systematically incorporating ESG-criteria into each investment decision (being passive or active), which is rated highest in this methodology.

- No. (0/3)
- ESG-information is used in evaluation of investments in corporate bonds (eg. asset managers required to be PRI signatory). (1/3)
- ESG-information is systematically and demonstrably part of the corporate bond selection process (eg. by using onepagers) (or in the composition of the ESG-index). (2/3)
- ESG-information is systematically and demonstrably part of the corporate bond investment selection process and has a systematic, ongoing and verifiable impact on individual holdings. (3/3)

ESG integration (volume)

As this strategy may be applied to part of the portfolio, the volume of implementation is also taken into account. The two scores for ESG-integration are multiplied and end up as one score. Please consider your passive as well as your active investments in calculating your percentage.

- No. (0/4)
- Yes, ESG-integration is implemented for 0-25% of the corporate bond portfolio. (1/4)
- Yes, ESG-integration is implemented for 25-50% of the corporate bond portfolio. (2/4)
- Yes, ESG-integration is implemented for 50-75% of the corporate bond portfolio. (3/4)
- Yes, ESG-integration is implemented for 75-100% of the corporate bond portfolio. (4/4)

Positive selection

Positive selection is choosing the best performing organisation out of a group of corresponding organisations (sector, industry, or class) with the use of ESG-criteria. The extent to which positive selection is implemented in a portfolio differs amongst investors and is generally low (not more than 15%). This assessment issue is therefore corrected after data collection to ensure it distinguishes innovators from laggards. Please consider your passive as well as your active investments in corporate bonds in calculating your percentage.

- No. (0/4)
- Yes, positive selection is implemented for 0-10% of the corporate bond portfolio. (1/4)
- Yes, positive selection is implemented for 10-25% of the corporate bond portfolio. (2/4)
- Yes, positive selection is implemented for 25-50% of the corporate bond portfolio. (3/4)
- Yes, positive selection is implemented for more than 50% of the corporate bond portfolio. (4/4)

Engagement

Engagement is exerting influence on companies by entering into dialogue, preferably besides shareholder meetings. Reporting the results will stimulate companies to respond to this dialogue and the requested actions, which is therefore rated higher.

- No. (0/3)
- Yes, engages or participates in engagement activities on ESG-criteria issues. (1/3)
- Yes, demonstrably engages or participates in engagement activities on ESG-criteria and reports on activities (vague reporting, no names named). (2/3)
- Yes, demonstrably engages or participates in engagement activities on ESG-criteria and shows demonstrable results over 2012 (evidence of positive changes in corporate policies regarding ESG-topics/company excluded). (3/3)

Green- and Social Bonds

Green and social bonds are bonds of which the proceeds are specifically used to achieve positive societal results. For example in reducing greenhouse gas emissions or raising employment opportunities in developing countries. Another important feature of these investments is that also screening and monitoring of their societal impact takes place. These bonds can be issued by companies, as well as organisations such as the World Bank, Unilever, EIB or FMO. Choose the most appropriate option:

- No. (0/3)
- Yes, investments in green or social bonds are demonstrably made, <1% of the total corporate bond portfolio. (1/3)
- Yes, investments in green or social bonds are demonstrably made, <2% of the total corporate bond portfolio. (2/3)
- Yes, investments in green or social bonds are demonstrably made, >2% of the total corporate bond portfolio. (3/3)

Asset class: **Government bonds / Sovereign bonds**

Exclusion policy

Exclusion is identifying specific ESG-criteria for exclusion of countries from the investable universe. Investors can demonstrate their use of exclusion by providing a list of excluded countries.

- No. (0/2)
- Yes, countries are demonstrably excluded, but it is unlikely that it is commonly traded. (1/2)
- Yes, countries are demonstrably excluded, including readily available government bonds. (2/2)

ESG-integration

The following two scores for ESG-integration are multiplied and end up as one score:

- ESG-integration (extent) ESG-integration is the process by which ESG-criteria are incorporated into the investment process. In practice this ranges from making ESG-information available for fund managers to systematically incorporating ESG-criteria into each investment decision (being passive or active), which is rated highest in this methodology.
- No. (0/3)
- ESG-information is used in evaluation of investments in government bonds (eg. asset managers required to be PRI signatory). (1/3)
- ESG-information is systematically and demonstrably part of the government bond selection process (eg. by using onepagers) (or in the composition of the ESG-index). (2/3)
- ESG-information is systematically and demonstrably part of the government bond investment selection process and has a systematic, ongoing and verifiable impact on individual holdings. (3/3)

ESG-integration (volume)

As this strategy may be applied to part of the portfolio, the volume of implementation is also taken into account. The two scores for ESG-integration are multiplied and end up as one score. Please consider your passive as well as your active investments in calculating your percentage.

- No (0/4)
- Yes, ESG-integration is implemented for 0-25% of the government bond portfolio. (1/4)
- Yes, ESG-integration is implemented for 25-50% of the government bond portfolio. (2/4)
- Yes, ESG-integration is implemented for 50-75% of the government bond portfolio. (3/4)
- Yes, ESG-integration is implemented for 75-100% of the government bond portfolio. (4/4)

Positive selection

Positive selection is choosing the best performing organisation out of a group of corresponding organisations (sector, industry, or class) with the use of ESG-criteria. The extent to which positive selection is implemented in a portfolio differs amongst investors and is generally low (not more than 15%). This assessment issue is therefore corrected after data collection to ensure it distinguishes innovators from laggards. Please consider your passive as well as your active investments in government bonds in calculating your percentage.

- No. (0/4)
- Yes, positive selection is implemented for 0-10% of the government bond portfolio. (1/4)
- Yes, positive selection is implemented for 10-25% of the government bond portfolio. (2/4)
- Yes, positive selection is implemented for 25-50% of the government bond portfolio. (3/4)
- Yes, positive selection is implemented for more than 50% of the government bond portfolio. (4/4)

Asset class: **Real estate**

Direct real estate ES(G)-criteria

The use of ESG-criteria ranges from making ESG-information available for fund managers to systematically incorporating ESG-criteria into each investment decision for the selection of real estate objects. Additionally, ESG-criteria could be used for the maintenance of real estate objects by taking active steps to reduce CO2 emissions, energy usage and waste production.

- Not applicable. (N/A)
- No. (0/2)
- Yes, investor demonstrably considers ES(G) issues in selection/development of new real estate objects or in the maintenance of real estate objects. (1/2)
- Yes, investor demonstrably considers ES(G) issues in selection/development of new real estate objects and in the maintenance of real estate objects. (2/2)

Indirect real estate - selection & evaluation

For indirect real estate investments an investor could consider ES(G) issues during its selection and evaluation of fund managers.

- Not applicable. (N/A)
- No. (0/2)
- Yes, the pension fund demonstrably considers ES(G) issues in selection and evaluation of real estate fund managers/ publicly listed real estate companies. (1/2)
- Yes, the pension fund demonstrably considers ES(G) issues in selection and evaluation of real estate fund managers/ publicly listed real estate companies and selects only most sustainable real estate funds/ publicly listed real estate companies. (2/2)

Indirect real estate – engagement

The investor enters into dialogue with the real estate fund manager to improve its ESG-performance.

- No. (0/2)
- Yes, the pension fund demonstrably engages with real estate fund managers on ESG-criteria. (1/2)
- Yes, the pension fund demonstrably engages with real estate fund managers on ESG-criteria and shows demonstrable results over 2012. (2/2)

Asset class: **Alternative investments**

Private equity

Despite private equity's controversial reputation, the VBDO believes that the private equity business model is perfectly suited to act as an enabler in the transition towards a more sustainable society. Does the pension fund use ESG-criteria and/or international standards in this field in the selection and evaluation of the private equity house? Impact investments are not included in this question.

- Not applicable. (N/A)
- No. (0/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of some of the private equity investments. (1/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of all of the private equity investments. (2/2)

Hedge funds

Does the pension fund use ESG-criteria and/or international standards in this field in the selection and evaluation of the hedge funds? Impact investments are not included in this question.

- Not applicable. (N/A)
- No. (0/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of some of the investments in hedge funds. (1/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of all of the investments in hedge funds. (2/2)

Commodities

Does the pension fund use ESG-criteria and/or international standards in the selection and evaluation of their commodities investments? Impact investments are not included in this question.

- Not applicable. (N/A)
- No. (0/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of some of the investments in commodities. (1/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of all of the investments in commodities. (2/2)

Other alternative investments

Does the pension fund use ESG-criteria and/or international standards in this field in the selection and evaluation of other alternative investments? Impact investments are not included in this question.

- Not applicable. (N/A)
- No. (0/2)
- Yes, investor demonstrably considers ES(G) issues in

selection/evaluation of some of the investments in other alternative investments. (1/2)
- Yes, investor demonstrably considers ES(G) issues in selection/evaluation of all of the investments in other alternative investments. (2/2)

Sustainability and strategic sector allocation (not taking into account in the score)

ESG-information can be taken into account at individual shares or corporate bond level. It can, however, also be taken into account in strategic sector allocation. For example, information and trends on food security or related to renewable or fossil fuels (for example related to the discussion on the "Carbon Bubble") can be integrated in the investment process and lead to a larger or smaller exposure to the food or fossil fuel sector as a whole. Although the use of ESG-information on a more strategic level is still in its infancy, several pioneers are emerging internationally who are developing and integrating this information in investment decision related to sector allocation. Could you indicate if the use of ESG-information and ESG-trends are taking into account in investment decision related to sector allocation? And can you explain why this is, or isn't the case. Your answer is not taken into account in the score, in the benchmark report a general overview of the results and present practices will be given. Choose the most appropriate option:

- No. This is not taking into account at the moment
- No, but we are investigating to do so in the future
- Yes, we are already taking this information into account into decisions related to our sector allocation.

Category 4: **Accountability (16,6%)**

Consumers and citizens have a right to information on companies' and organizations' involvement in society so that it can be taken into account when making decisions. Institutional investors such as pension funds must offer insight into the basis and criteria of their responsible investment policy as well as the applied instruments and results.

Responsible investment policy

The responsible investment policy, or at least a summary of it, should be publicly available, for example on the website.

- No. (0/1)
- Yes, website provides information on responsible investment policy. (1/1)

List of investments

There should be a publicly available overview of the investments made.

- No list. (0/4)
- List covers 0-25% of total investment portfolio. (1/4)
- List covers 25-50% of total investment portfolio. (2/4)
- List covers 50-75% of total investment portfolio. (3/4)
- List covers 75-100% of total investment portfolio. (4/4)

Exclusion

How does the pension fund report on exclusion policy and excluded companies and/or countries?

- No information concerning exclusion policy. (0/2)
- Exclusion policy is explained. (1/2)
- Exclusion policy is explained and list with excluded countries and companies and reason for exclusion is available. (2/2)

ESG-integration

How does the pension fund report on ESG-integration?

- Methodology for ESG-integration is not explained. (0/1)
- Methodology for ESG-integration is explained. (1/1)

Positive selection

How does the pension fund report on positive selection.

- Methodology for positive selection is not explained. (0/1)
- Methodology for positive selection is explained. (1/1)

Engagement

How does the pension fund report on engagement?

- No reporting on engagement. (0/3)
- Engagement policy has been published. (1/3)
- Engagement policy is explained, general overview of activities is available. (2/3)
- The engagement policy, the undertaken engagement activities and concrete results are reported. (3/3)

Voting

How does the pension fund report on the voting policy and implementation?

- No policy can be found. (0/2)
- Voting activity overview report can be found. (1/2)
- Detailed voting activity report is available. (2/2)

Impact investing

How does the pension fund report on impact investing?

- No reporting on impact investing. (0/2)
- Impact investment strategy is explained. (1/2)
- Impact investment strategy is explained, an overview of impact investments is given. (2/2)

Publication

Stakeholders need to be kept informed on the progress of the pension fund on the development of their responsible investment policy and of the implementation of this policy. Therefore pension funds should yearly publish a report to inform participants and other stakeholders. Does the pension fund publish a yearly responsible investment report?

- No. (0/1)
- Yes, in 2012 a report has been published. (1/1)

Note: *the VBDO has also awarded points on this question when the general annual report clearly and extensively explained the responsible investment policy and the progress made regarding implementation.*

(External) verification

When a responsible investment report has been verified by a, preferably independent, auditor, the information within the responsible investment report becomes more reliable for the different stakeholders. Has the responsible investment report been verified by an (independent and external) auditor?

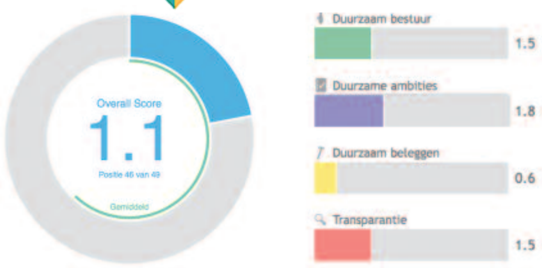
- No. (0/0)
- Yes, the report has been audited, by an internal auditor. (1/3)
- Yes, parts of the responsible investment report have been audited by an external auditor. (2/3)
- Yes, the entire responsible investment report has been audited by an external auditor. (3/3)

Best practices 'Accountability Responsible Investment'

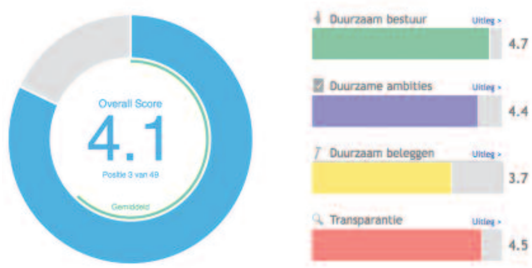
Are there any best-practices regarding the accountability of the responsible investment policy in your fund you would like to mention (no points, but processed in report)

Appendix 4
Results per pension fund

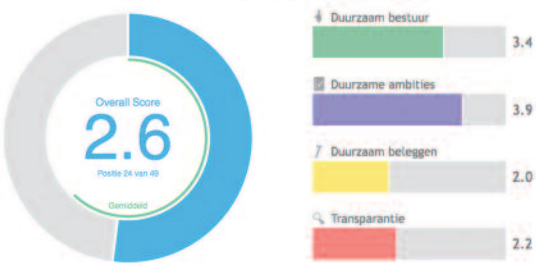
ABN·AMRO Pensioenfonds



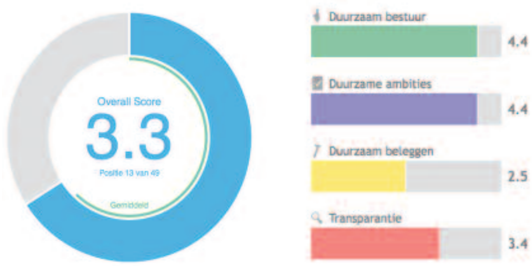
ABP



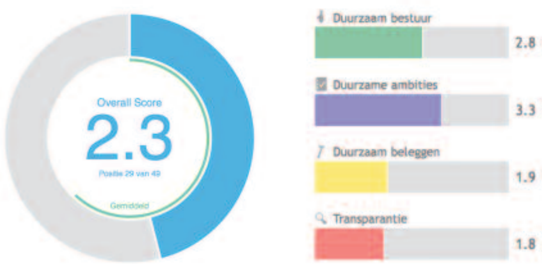
achmea
STICHTING PENSIOENFONDS ACHMEA



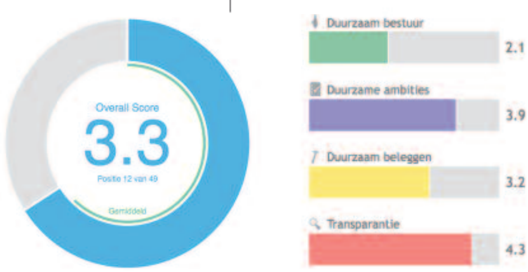
Ahold Pensioenfonds



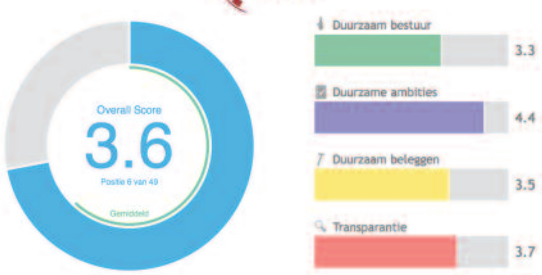
Stichting Pensioenfonds APF



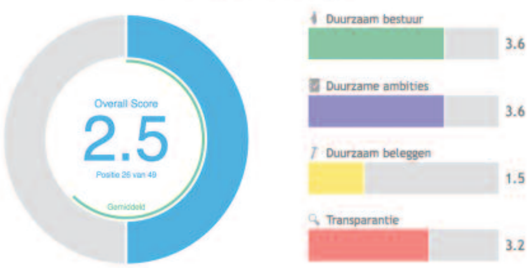
Pensioenfonds Architectenbureaus



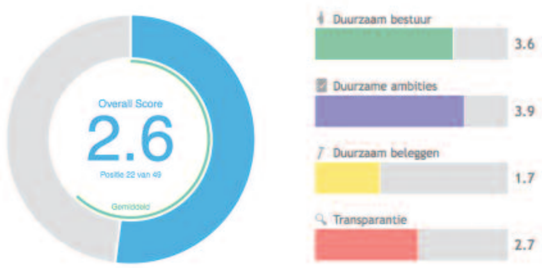
bpfBOUW



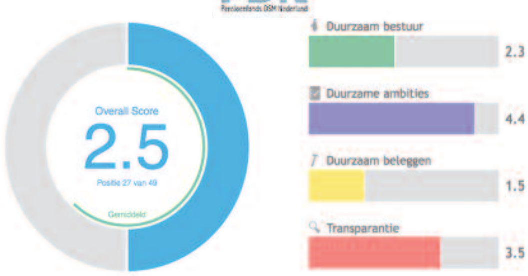
delta lloyd



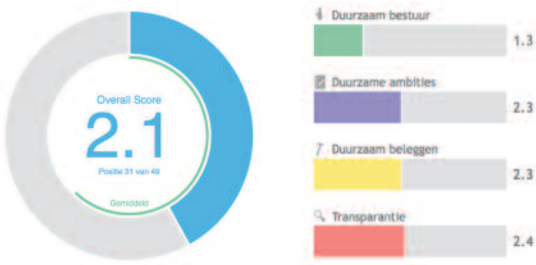
Pensioenfonds Detailhandel



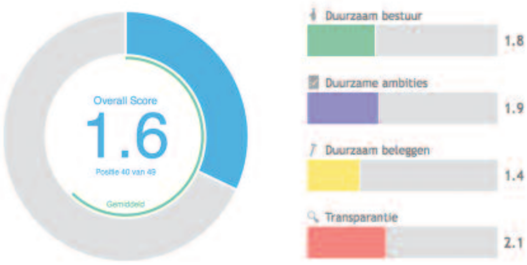
PDN



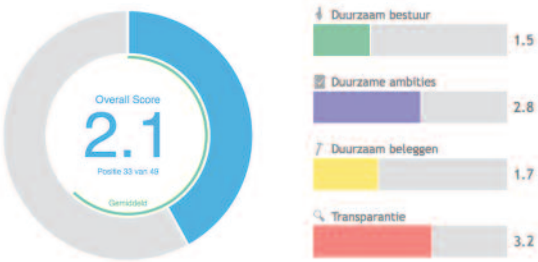
Stichting Pensioenfonds spf voor Fysiotherapeuten



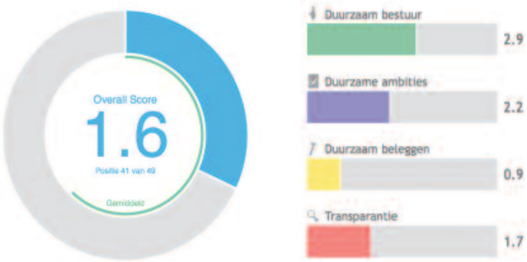
Stichting Pensioenfonds Gasunie



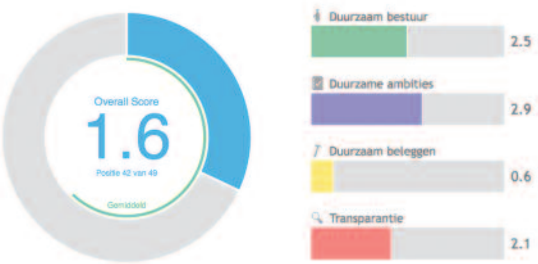
PGB



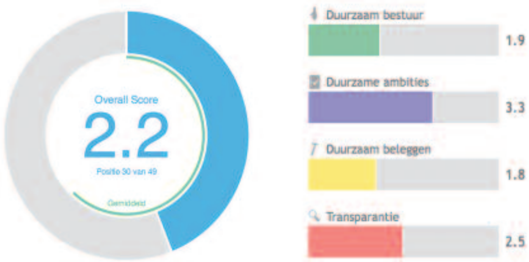
Stichting Heineken Pensioenfonds



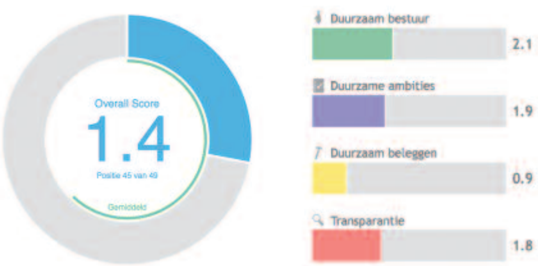
Pensioenfonds Horeca & Catering



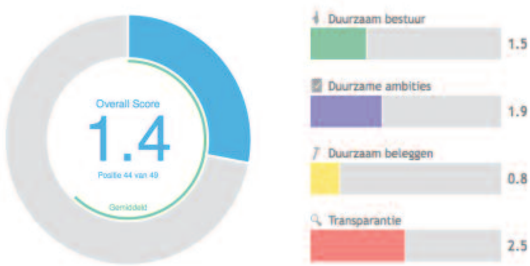
SPH



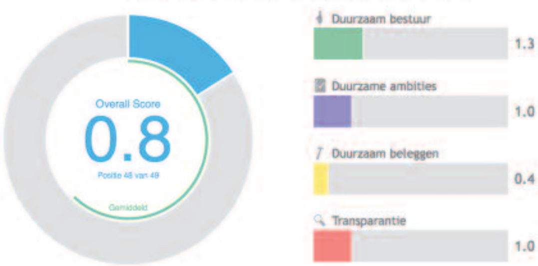
Stichting Pensioenfonds IBM Nederland



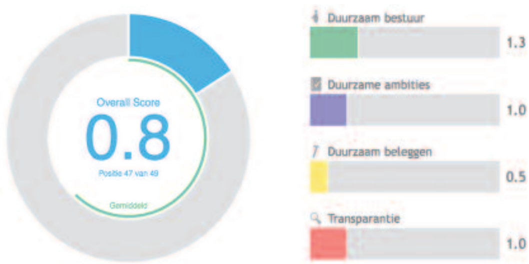
Stichting pensioenfonds ING

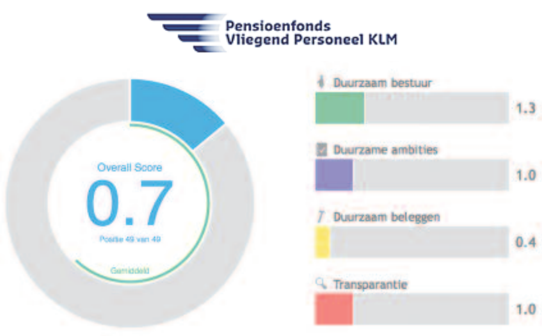


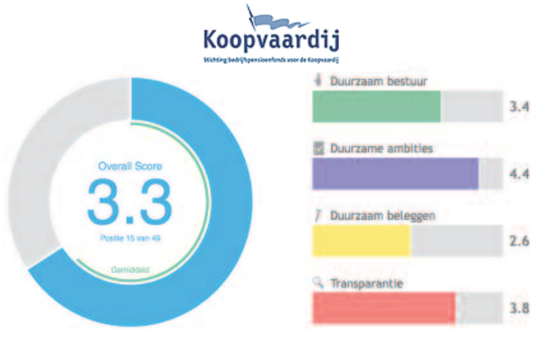
Algemeen Pensioenfonds KLM

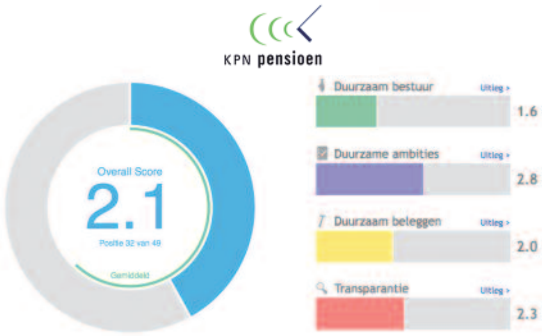


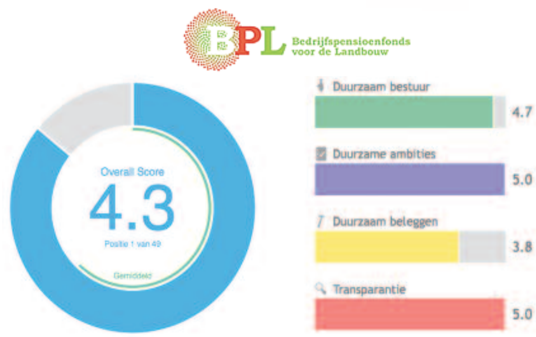
Pensioenfonds KLM Cabinepersoneel

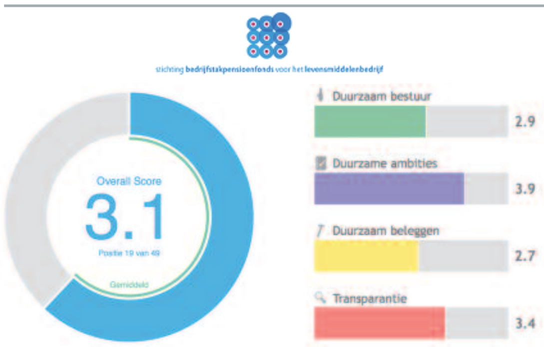



Pensioenfonds Vliegend Personeel KLM
Overall Score
0.7
Gemiddeld
Duurzaam bestuur 1.3
Duurzame ambities 1.0
Duurzaam beleggen 0.4
Transparantie 1.0

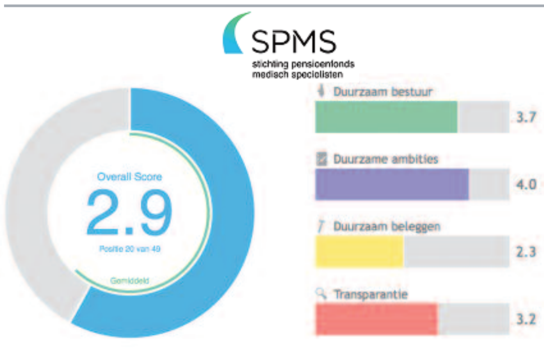

Koopvaardij
Overall Score
3.3
Gemiddeld
Duurzaam bestuur 3.4
Duurzame ambities 4.4
Duurzaam beleggen 2.6
Transparantie 3.8


KPN pensioen
Overall Score
2.1
Gemiddeld
Duurzaam bestuur Uitleg › 1.6
Duurzame ambities Uitleg › 2.8
Duurzaam beleggen Uitleg › 2.0
Transparantie Uitleg › 2.3


BPL Bedrijfspensioenfonds voor de Landbouw
Overall Score
4.3
Gemiddeld
Duurzaam bestuur 4.7
Duurzame ambities 5.0
Duurzaam beleggen 3.8
Transparantie 5.0


stichting bedrijfstakpensioenfonds voor het levensmiddelenbedrijf
Overall Score
3.1
Gemiddeld
Duurzaam bestuur 2.9
Duurzame ambities 3.9
Duurzaam beleggen 2.7
Transparantie 3.4


pma pensioenfonds medewerkers apotheken
Overall Score
1.5
Gemiddeld
Duurzaam bestuur 1.5
Duurzame ambities 2.2
Duurzaam beleggen 1.2
Transparantie 1.8


SPMS stichting pensioenfonds medisch specialisten
Overall Score
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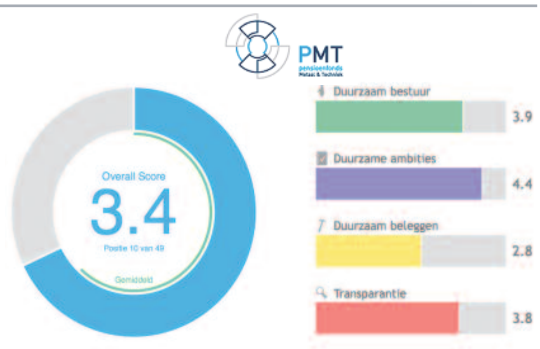
Gemiddeld
Duurzaam bestuur 3.7
Duurzame ambities 4.0
Duurzaam beleggen 2.3
Transparantie 3.2


PMT
Overall Score
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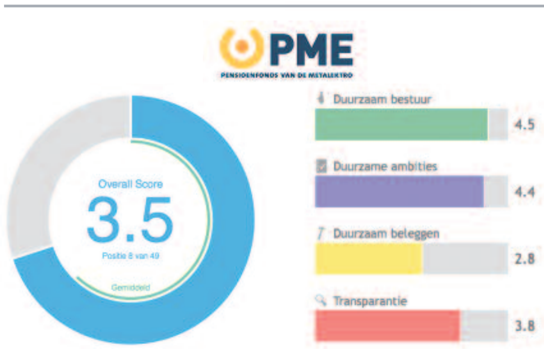
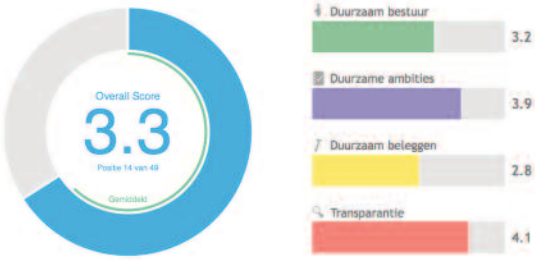
Gemiddeld
Duurzaam bestuur 3.9
Duurzame ambities 4.4
Duurzaam beleggen 2.8
Transparantie 3.8

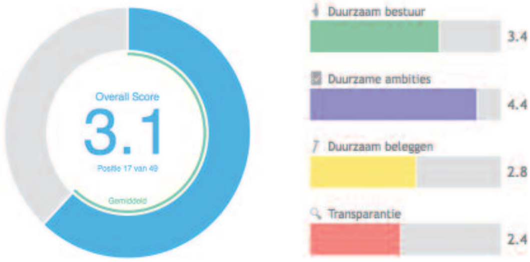

PME PENSIOENFONDS VAN DE METALEKTRO
Overall Score
3.5
Gemiddeld
Duurzaam bestuur 4.5
Duurzame ambities 4.4
Duurzaam beleggen 2.8
Transparantie 3.8


BEDRIJFSTAKPENSIOENFONDS voor de meubelindustrie en meubileringsbedrijven
Overall Score
1.9
Gemiddeld
Duurzaam bestuur 2.8
Duurzame ambities 1.8
Duurzaam beleggen 1.3
Transparantie 3.0

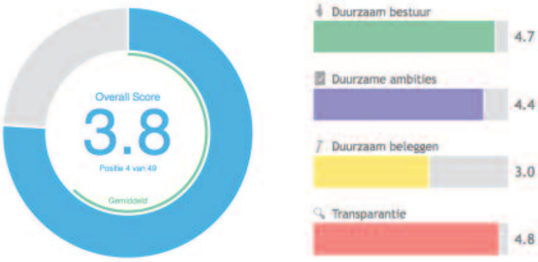
SPOV



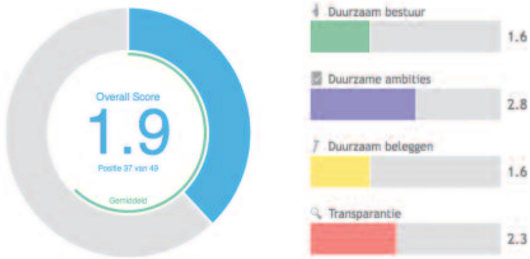
Philips Pensioenfonds



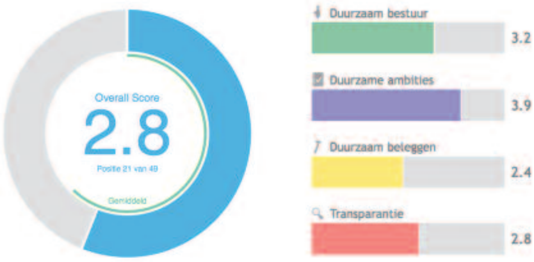
PNO



Pensioen



Rabobank Pensioenfonds



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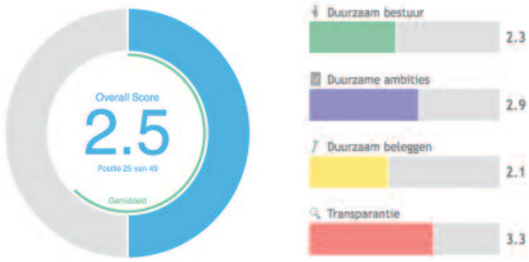
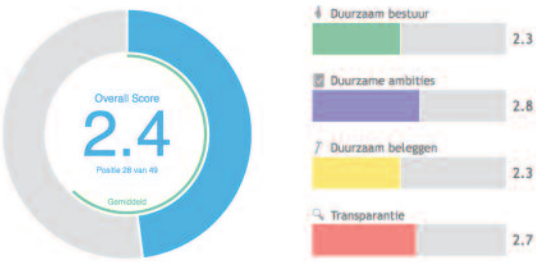
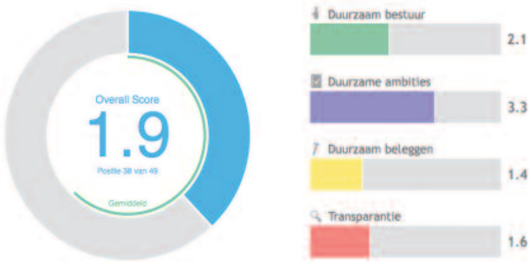


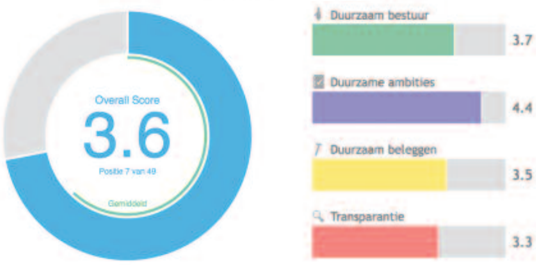
bedrijfstakpensioenfonds schoonmaak- en glazenwassersbedrijf



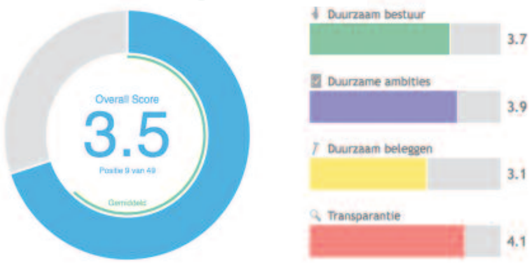
SNPS
Shell Nederland Pensioenfonds Stichting



SNS REAAL Pensioenfonds

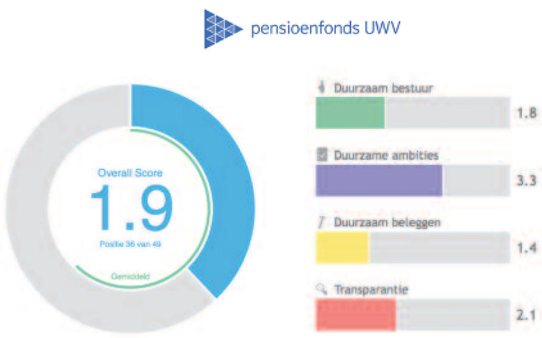


Spoorweg Pensioenfonds



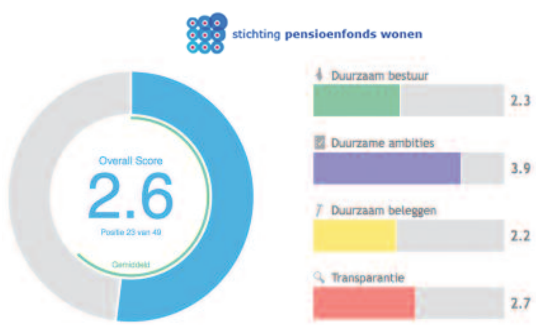

Stichting Pensioenfonds TNO
Overall Score
1.8
Gemiddeld
Duurzaam bestuur 2.3
Duurzame ambities 2.3
Duurzaam beleggen 1.2
Transparantie 2.6

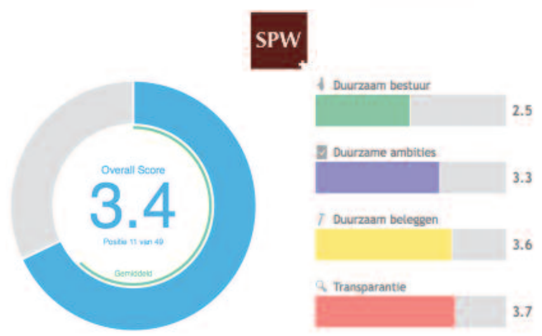

PROGRESS
Overall Score
3.7
Gemiddeld
Duurzaam bestuur 4.2
Duurzame ambities 4.4
Duurzaam beleggen 3.4
Transparantie 3.4


pensioenfonds UWV
Overall Score
1.9
Gemiddeld
Duurzaam bestuur 1.8
Duurzame ambities 3.3
Duurzaam beleggen 1.4
Transparantie 2.1

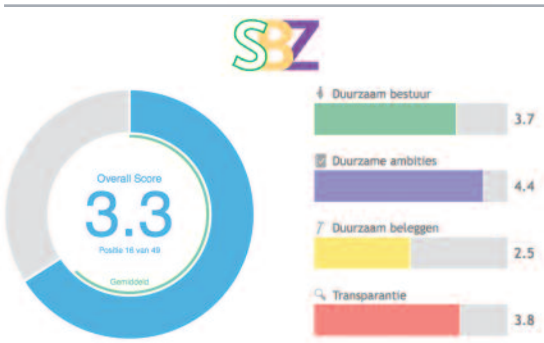

Pensioenfonds Vervoer
Overall Score
2.0
Gemiddeld
Duurzaam bestuur 1.3
Duurzame ambities 3.3
Duurzaam beleggen 1.3
Transparantie 3.4


pwri
Pensioenfonds Werk en (re)integratie
Overall Score
3.1
Gemiddeld
Duurzaam bestuur 4.1
Duurzame ambities 4.4
Duurzaam beleggen 2.3
Transparantie 3.3


stichting pensioenfonds wonen
Overall Score
2.6
Gemiddeld
Duurzaam bestuur 2.3
Duurzame ambities 3.9
Duurzaam beleggen 2.2
Transparantie 2.7


SPW
Overall Score
3.4
Gemiddeld
Duurzaam bestuur 2.5
Duurzame ambities 3.3
Duurzaam beleggen 3.6
Transparantie 3.7


PENSIOENFONDS
ZORG & WELZIJN
Overall Score
4.3
Gemiddeld
Duurzaam bestuur 5.0
Duurzame ambities 5.0
Duurzaam beleggen 3.7
Transparantie 4.7


SBZ
Overall Score
3.3
Gemiddeld
Duurzaam bestuur 3.7
Duurzame ambities 4.4
Duurzaam beleggen 2.5
Transparantie 3.8

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