

**SUBJECT** Dutch Pension Funds Agreement on Responsible Investment

16 June, 2020

**To: Current and potential asset managers and service providers  
of Dutch pension funds**

Dear Sir / Madam,

We, the parties to the Dutch Pension Fund Agreement on Responsible Investment, would like to bring the following to your attention. Currently 81 Dutch pension funds, representing 90% of AUM of Dutch pension assets (approx. 1200 billion EUR), have signed [The Dutch Pension Funds Agreement on Responsible Investment](#) together with the undersigned trade unions, the Dutch government, and undersigned NGOs. One of the clauses of the agreement states that pension funds will stipulate in contracts with asset managers and external providers what due diligence responsibility they have outsourced to these parties in accordance with the OECD Guidelines for Multinational Enterprises (OECD Guidelines)<sup>1</sup> and the UN Guiding Principles on Business and Human Rights (UNGPs)<sup>2</sup>.

**We stress the importance of the role the financial industry plays in the responsible business conduct of companies, and in preventing and mitigating negative impact of business practices on society and the environment.**

Additionally, we believe that taking into account and mapping possible ESG-risks will also enable you to make better investment decisions, and create long-term value creation for us as clients and ultimately, our beneficiaries.

With this letter we inform you that pension fund signatories will, more concretely, expect from their external asset managers to:

**1. Implement a proper due diligence cycle within your investment practices:**

- Implement the OECD guidelines and UNGPs into your business, including, where appropriate for your business, offering proper due diligence steps:
- a. implement ESG in policy and management systems and using long-term value creation as a leading principle;
  - b. identify and prioritise the actual and potential adverse impact of investments, while involving relevant stakeholders in this effort;
  - c. use and, where necessary and possible, increase leverage to ensure that the adverse impact of investments are prevented or mitigated;
  - d. use and, where necessary and possible, increase leverage by imposing time-limited demands to encourage listed investee companies that cause or contribute to an adverse impact to prevent and/or mitigate that adverse impact and/or to provide access to remediation;
  - e. if, under the OECD guidelines, you are found to contribute to adverse impact, set up processes to provide access to remediation;
  - f. if applicable, when (temporarily) reducing an investment position in or divesting from companies that have been prioritised owing to the severity of the adverse impact, also consider the potential adverse impacts on disadvantaged groups.

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<sup>1</sup> United Nations (2011), [Guiding Principles on Business and Human Rights](#).

<sup>2</sup> OECD (2011), [OECD Guidelines for Multinational Enterprises](#).

2. **To make sure Pension Funds can monitor these efforts, we expect you to, where relevant:**
- report on the progress you have made in implementing your own and/or the relevant Participating Pension Fund's ESG policy.
  - report on your ESG risk-identification methodology and on your findings concerning the adverse impact identified in the Asset Classes.
  - report on how you have attempted, on behalf of the Participating Pension Fund, to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to encourage the provision of remediation.
  - provide information on the listed companies that have been prioritized based on the severity of the adverse impact and over which its leverage has not led to sufficient progress within the designated time frame.

### **Femke de Vries, Independent Chair of the Agreement**

The signatories to the Dutch Pension Funds Agreement on Responsible Investment:

- The Federation of the Dutch Pension Funds;
- The Dutch Government (the Dutch Ministry of Finance, the Dutch Ministry for Foreign Trade and Development Cooperation; and the Dutch Ministry for Social Affairs and Employment);
- The Netherlands Trade Union Confederation (FNV), the National Federation of Christian Trade Unions in the Netherlands (CNV), and the Trade union federation for Professionals (VCP);
- Amnesty International Nederland, Natuur & Milieu, Oxfam Novib, Save the Children Nederland, PAX, World Animal Protection Nederland;



- Achmea APF
- Ahold Delhaize Pensioen
- De Nationale Algemeen Pensioenfonds
- Bedrijfspensioenfondsvoor de Agrarische en Voedselvoorzieningshandel
- Bedrijfspensioenfondsvoor het Bakkersbedrijf
- BPF Levensmiddelenbedrijf
- Bedrijfspensioenfondsvoor Mode-, Interieur-, Tapijt- en Textielindustrie
- Bedrijfspensioenfondsvoor het Schilders,- Afwerking- en Glaszetbedrijf
- Het Nederlandse Pensioenfondsvoor MN Pensioenfondsvoor Pensioenfondsvoor Coram
- Pensioenfondsvoor Detailhandel
- Pensioenfondsvoor DSM Nederland
- Pensioenfondsvoor Horeca en Catering
- Pensioenfondsvoor Lloyd's Register Nederland
- Pensioenfondsvoor Metaal & Techniek

- Pensioenfonds Openbare Bibliotheken
- Pensioenfonds PGB
- Pensioenfonds PNO Media
- Pensioenfonds Staples
- Pensioenfonds van de Metalektro
- Pensioenfonds Vervoer
- Pensioenfonds VLEP
- Pensioenfonds voor de Architectenbureaus
- Pensioenfonds voor de Meubelindustrie en Meubileringsbedrijven
- Pensioenfonds Werk en (re)integratie
- Pensioenfonds Zorg en Welzijn
- Pensioenstichting Transport
- Philips Pensioenfonds
- Rabobank Pensioenfonds
- Reiswerk Pensioenen
- SBZ Pensioen
- Scildon Pensioenfonds
- Shell Nederland Pensioenfonds Stichting
- Stichting Algemeen Pensioenfonds KLM
- Stichting BPL Pensioen
- Stichting Bedrijfstakpensioenfonds Schoonmaak- en Glazenwassersbedrijf
- Stichting Bedrijfstakpensioenfonds voor de Betonproductenindustrie
- Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid
- Stichting Bedrijfstakpensioenfonds voor de Particuliere Beveiliging
- Stichting Bedrijfstakpensioenfonds voor de Zoetwarenindustrie
- Stichting Bedrijfstakpensioenfonds voor het Kappersbedrijf
- Stichting Bedrijfstak Pensioenfonds Waterbouw
- Stichting Bedrijfstakpensioenfonds voor de Houthandel
- Stichting Bedrijfspensioenfonds voor de Koopvaardij
- Stichting De Samenwerking, Pensioenfonds voor het Slagersbedrijf
- Stichting Heineken Pensioenfonds
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Achmea
- Stichting Pensioenfonds APF
- Stichting Pensioenfonds Astellas
- Stichting Pensioenfonds Avery Dennison
- Stichting Pensioenfonds Essity
- Stichting Pensioenfonds F. Van Lanschot
- Stichting Pensioenfonds General Electric Nederland
- Stichting Pensioenfonds HaskoningDHV
- Stichting Pensioenfonds Henkel Nederland
- Stichting Pensioenfonds Hoogovens
- Stichting Pensioenfonds ING
- Stichting Pensioenfonds KLM Cabinepersoneel
- Stichting Pensioenfonds KPN
- Stichting Pensioenfonds Medisch Specialisten
- Stichting Pensioenfonds Provisum
- Stichting Pensioenfonds SABIC
- Stichting Pensioenfonds TDV
- Stichting Pensioenfonds TNO
- Stichting Pensioenfonds UWV
- Stichting Pensioenfonds van de ABN AMRO Bank
- Stichting Pensioenfonds VNU
- Stichting Pensioenfonds voor Dierenartsen
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds voor Huisartsen
- Stichting Pensioenfonds voor Roeiers in het Rotterdamse havengebied
- Stichting Pensioenfonds Wolters Kluwer Nederland
- Stichting Pensioenfonds voor de Woningcorporaties
- Stichting Pensioenfonds Wonen
- Stichting Personeelspensioenfonds APG
- Stichting Shell Pensioenfonds
- STIP Stichting IKEA Pensioenfonds
- Telegraafpensioenfonds
- True Blue pensioenen voor de digitale sector
- Unilever APF
- VOLO Pensioen

***For more information or questions, please contact the signatory pension funds that use your services.***

## About the agreement: Dutch Pension Funds Agreement on Responsible Investment

### Participating Parties

Dutch pension funds, the Federation of the Dutch Pension Funds, non-governmental organisations (NGOs), trade unions and the Dutch government have signed the *Dutch Pension Fund Agreement on Responsible Investment*.

### Participating Pension Funds

Virtually all Dutch pension funds already have a responsible investment policy. This is also laid down in the Dutch Pensions Act and the Code of the Dutch Pension Funds. This policy is often drawn up on the basis of the UNPRI or the UN Global Compact, and/or it results from priorities of pension fund members. The Agreement stipulates that pension funds will gain a clear understanding of their investments and will act accordingly, in line with the OECD Guidelines and the UNGPs.

### Shifting the notion of risk

The greatest shift in adopting the OECD Guidelines and UNGPs is that in addition to the financial risks for a pension fund, the risks of an (possible) adverse impacts on society and environment in the investment chain are also considered. Stakeholders in this context are, for example, people who live in the vicinity of a factory or plantation, or employees of these factories or plantations. Applying due diligence to the investment portfolio in accordance with the OECD Guidelines and UNGPs brings these people into focus. Based on this due diligence, pension funds can include in their considerations the interests of potentially disadvantaged individuals in the investment chain. The UNGPs focus on the responsibilities of companies (including financial institutions) in relation to human rights. The UNGPs introduced the idea of human rights due diligence and they have been integrated into the OECD Guidelines. Various materials have been developed on the basis of the UNGPs, which can provide support in implementing due diligence. See, for example:

[www.business-humanrights.org/en/un-guiding-principles](http://www.business-humanrights.org/en/un-guiding-principles)

### Ambitious agreement

The Agreement boils down to incorporating the OECD Guidelines and UNGPs into the policy of pension funds, about outsourcing to External Service Providers such as fiduciary managers and asset managers, and about monitoring and reporting by pension funds. Thanks to this broad approach, the Netherlands' total pension assets – some 1330 billion euros – could soon be invested in compliance with these guidelines. The Parties are convinced that this will lead to asset managers, which have pension funds as (potential) clients, developing products that comply with the OECD Guidelines and UNGPs. This will not only facilitate the implementation of these Guidelines by pension funds, but will also have a positive impact on other branches of the financial sector, both in the Netherlands and elsewhere.

### For more information please refer to:

Secretariat to the Dutch Pension Funds Agreement on Responsible Investment  
Social Economic Council (The Netherlands)

[www.imvoconvenanten.nl/en/pension-funds](http://www.imvoconvenanten.nl/en/pension-funds)