

Press Release

ABP Pension Fund excludes tobacco and nuclear weapons

Amsterdam, January 11, 2018 **ABP takes the next step in its sustainable and responsible investment policy with the decision to exclude the products tobacco and nuclear weapons from its investments. ABP has reached this decision after extensive consultation at board level, based on the insights shared by participants, employers, and various special interest organizations. The pension fund aims to sell within one year all investments (a total of approximately 3.3 billion euros) in tobacco and nuclear weapons manufacturers.**

Erik van Houwelingen, Chairman of the ABP Executive Committee for investment policy: “Investments in tobacco and nuclear weapons have been a dilemma for us for quite some time. Changes in society, also at an international level, were a reason for ABP to put the topic on the agenda again. We felt a need for a broader discussion. On this basis, we developed a new assessment framework for product exclusions as a supplementary instrument in our sustainability policy. This resulted in ABP’s decision that in addition to the existing exclusions, tobacco and nuclear weapons no longer fit in with our sustainable and responsible investment policy.”

New assessment framework

In its sustainable and responsible investment policy, ABP is introducing a new assessment framework. This assessment framework serves as a new instrument for ABP’s Board of Trustees to review its investments, in addition to the instruments we developed previously. As well as existing assessment criteria, this offers the ABP Board of Trustees a further set of criteria that may result in product exclusions in the following cases:

- if the product is by definition harmful to people;
- if our influence as a shareholder cannot change anything about that fact;
- if it has no harmful effect if the product would no longer be there;
- if a worldwide treaty exists for the purpose of eliminating the product.

These four criteria enable uniform and consistent assessment of all products. Also based on this new assessment framework, ABP decided to exclude manufacturers of tobacco and nuclear weapons. This implies that ABP is selling its existing investments in manufacturing companies, associates, and producers elsewhere in the same chain. The fund will also refrain from investing in such products and companies in the future. In the past, healthy returns were achieved on tobacco and nuclear weapons. However, ABP believes that the outlook has changed. Additionally, ABP sees options for excellent returns on other investments. This is why the fund expects that missed profits, if any, due to this decision will be very limited. Together with its pension provider, APG, ABP will implement this new decision in its sustainable and responsible investment policy.

Profile

ABP is the industry-wide pension fund for employers and employees of government and educational institutions in the Netherlands. ABP has 2.9 million participants and 405 billion euros in available assets (as at November 30, 2017).