BASELINE MEASUREMENT | November 2019

Baseline Assessment Report by the Monitoring Committee for the Dutch Pension Funds Agreement on Responsible Investment

SOCIAL AND ECONOMIC COUNCIL OF THE NETHERLANDS

Contents

1 Summary for the Steering Committee

This report by the Monitoring Committee of the Dutch Pension Funds Agreement on Responsible Investment (*Convenant Internationaal Maatschappelijk Verantwoord Beleggen Pensioenfondsen*) shows the results of the Baseline Measurement. The purpose of this Baseline Measurement is to determine the extent to which the Participating Pension Funds are complying with the Wide Track agreements at that point. The Monitoring Committee will report its findings to the Steering Committee confidentially, via the SER Secretariat, by means of an annual monitoring report. The Steering Committee uses the monitoring report to inform the Delegations about the implementation of the Agreement and, if necessary, to make recommendations for improvement.

1.1 Observations

In the context of the Baseline Measurement, the Monitoring Committee has made observations regarding the following elements:

Observations on Baseline Policy

1. Most Participating Pension Funds have formulated and apply an international responsible investment policy. This is a positive development. However, the level of specification varies significantly from one fund to another.
2. The policy usually refers to principles and guidelines such as the United Nations Global Compact (UNGC) or the United Nations Principles for Responsible Investment (UN PRI), but the changes that are needed to implement the OECD Guidelines and United Nations Guiding Principles on Business and Human Rights (UNGPs) have not yet been explained in many cases. This does not yet seem clear to external pension fund service providers such as administrators or fiduciary managers and asset managers.[1]
3. Various Participating Pension Funds report that they have signed the Agreement. However, they have yet to report on how they will implement it.
4. The interpretation of key terms and definitions in the Agreement still varies. There is some confusion about, for example, the meaning of important terms such as long-term value creation and due diligence.

[1] The Agreement defines an external service providers as “A service provider appointed by a Participating Pension Fund that, acting on the basis of a written agreement, assumes the task of implementing relevant provisions of this Agreement on behalf of a Participating Pension Fund.”

5. Statements on due diligence show that the OECD definition of the due diligence process has not fully sunk in, with confusion seeming to exist with the generic due diligence process in the case of outsourcing, as used by a pension fund.

Observations on Execution, Outsourcing, Monitoring and Transparency

6. Many Participating Pension Funds do not have their own explicit policy for the application of their ESG policy by the administrators. Ideally, pension funds formulate a policy and instruct the administrators to implement and to account for it. At present, reference is often made to the generic existing policy of the administrator.
7. The extent to which outsourcing aims to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to stimulate the provision of remediation is not yet clear in many cases. The impression is that mitigation/remediation is not yet applied.
8. The degree of transparency in terms of completeness of, access to and timeliness of information varies significantly between Participating Pension Funds. This requires catching up before members can be expected to be actively involved in formulating responsible investment priorities.
9. In response to the question of how the selection of focus areas in sustainability policy was made (due diligence and/or priorities of participants), there was no substantiation with regard to due diligence that the required due diligence process had been followed (as referred to in the OECD's six-step plan).

1.2 Recommendations

On the basis of the observations, the Monitoring Committee has made 13 recommendations for the Steering Committee.

As regards policy

1. In the first year of a complex process such as the Dutch Pension Funds Agreement on Responsible Investment ("the Agreement"), it is logical that it is not yet fully clear to all Participating Pension Funds how they should proceed. The Monitoring Committee therefore recommends that the Parties to the Agreement (where possible in cooperation) include Participating Pension Funds, the administrative offices, administrators, participants and other stakeholders in the Agreement process, and offer suitable information and training. It is advisable to start with those subjects where the Monitoring Committee believes that there is confusion/lack of clarity (e.g. differences in codes and guidelines such as UNGC, UNGPs, UNPRI, OECD guidelines, who develops the Toolbox,). It is likely that differences between the self-assessments and those of

the Monitoring Committee will decrease in the future as clarity is created among Participating Pension Funds.

2. At an early stage in the development of the Toolbox it is advisable to clarify that due diligence in accordance with OECD Guidelines is a different matter from that described in DNB's generic outsourcing guidelines. In addition, the idea seems to exist that the SER develops the Toolbox for pension funds; it should be made clear that these are being developed by the working group. Due diligence according to the OECD Guidelines requires the identification of potential or actual adverse impacts of investments on stakeholders, such as employees or local communities. This seems new for investors, who up until now have focused their ESG policy on the possible adverse impact on the financial value of investments. This also seems new for the majority of the Participating Pension Funds and their external pension providers. Nor has a method yet been developed to mitigate or remediate the identified adverse impacts of investments; the Agreement provides for this by means of innovation and learning.
3. It is advisable to develop conclusive definitions for important concepts such as long-term value creation and due diligence in order to clarify them – with the involvement of the participating Parties such as NGOs and trade unions. So far, the Eumedion definition has been used in the analysis and attention has focused on whether the interests of third parties and relevant stakeholders have been taken into account. The process of arriving at a conclusive definition can also be of value to all participating Parties.

As regards Outsourcing

4. Be specific about which parts of the Agreement are included in the contracts with the asset manager and/or in the contracts with the External Service Provider. A reference to the standard policy of the external service providers such as administrator is too general.
5. Make a clear distinction between the fund's policy and the policy of the administrator. Ideally, the fund formulates its own policy, compares it with that of the administrator, identifies the differences, and decides whether or not they are acceptable on the basis of policy and own risk attitude, etc.
6. When developing the Toolbox during the Agreement period, focus in particular on how existing contracts can be adapted in order to apply the elements of the Agreement. After all, there will be many more existing contracts than new ones during the Agreement period.
7. Make a distinction in the Toolbox to be developed between how to deal with general fund conditions (if the pension fund participates in an investment fund) and contract conditions (if the pension fund can conclude its own mandate).

Monitoring of Outsourcing

8. In the development of the Toolbox, pay specific attention to the risk

identification methodology for environmental and social impacts for different Asset Classes.

9. Develop specific tools, e.g. KPIs (Key Performance Indicators), for monitoring and reporting adverse environmental and social impacts.
10. Discuss with pension administrators and administrative offices how in practice they can fulfil their leading role and responsibility for the implementation of the OECD Guidelines and UNGPs via monitoring and reporting by External Service Providers.

Reporting and Transparency

11. In the context of transparency regarding future ESG policy/objectives, it is striking that the description is often very brief. As a result, it is not clear what the fund is going to implement or change. It is recommended that the pension board's choices with regard to ESG policy and the implementation of the OECD Guidelines/UNGPs should be made clear to members.
12. In order to build support among participants and to involve them in the choices to be made, a long-term approach to transparent communication and dialogue is required. A start should be made as soon as possible in order to put into effect the arrangements in the Agreement in a timely manner.

Other Agreement obligations

13. Cooperation is needed to increase the level of knowledge of OECD Guidelines/UNGPs among pension fund administrators/administrative offices and to avoid confusion regarding commonly used terms. Clear, non-technical definitions that are easily applicable and explicable must therefore be part of the Toolbox to be developed from the outset.

2 Framework

This chapter describes the purpose of the Agreement, and the role of the Monitoring Committee and this report in it.

The Parties have described the purpose of the Agreement as follows:

- The objective of this Agreement is for the Parties to prevent, mitigate and/or remediate or have remediated the negative social and environmental consequences of investments by pension funds, with no risk being excluded in advance (paragraph 1.3).
- The Agreement fulfils the expectations that arise for pension funds from the OECD Guidelines, the UNGPs, whereby the OECD guidance 'Responsible business conduct for institutional investors' provides support for implementation (paragraph 1.4).
- Given that the OECD guidance for institutional investors is new for pension funds and that there are few examples worldwide of how the OECD Guidelines and UNGPs are being fleshed out and implemented by institutional investors, learning and innovation are key objectives of the Agreement (paragraph 1.5).
- The implementation of this Agreement should contribute to and may not prejudice, the fulfilment the pension funds' fiduciary duty (paragraph 1.6).

By means of the Agreement, the Parties wish to achieve the following objectives (paragraph 1.9):

- Supporting the Participating Pension Funds in resolving ESG issues that arise in their investment practice and that they are unable to resolve alone.
- Urging the Participating Pension Funds to seek to optimise their investment processes through learning and innovation with a view to increasing the impact on investee companies.
- Bringing about medium and long-term improvements for individuals and groups who experience or may experience adverse impacts associated with the activities of companies in which Participating Pension Funds invest, either directly or indirectly.
- In the short term (the term of the Agreement), making and implementing process agreements on the policy and activities of Participating Pension Funds, as described in paragraphs 2 to 8 below.

Baseline Assessment positioning

- The Monitoring Committee will monitor compliance with the provisions of the Agreement. For the purposes of monitoring, the Delegations will, in so far as necessary, translate these provisions into useful, quantifiable and transparent criteria (paragraph 20.2).
- In the interests of monitoring the progress of the Agreement as a whole and across both the Wide and Deep Track, the Delegations will develop KPIs in addition to the aims and arrangements in this Agreement. Based on of the Baseline Measurement, the KPIs will set

the target percentages for policy (year 1), outsourcing (years 1 and 2), monitoring (years 1 and 2) and transparency (years 1, 2 and 3), following the formulas described in Appendix II.. De The KPIs may be amended if the Steering Committee so decides.

- This report of the Monitoring Committee concerns the Baseline Measurement. The purpose of this Baseline Measurement is to determine the extent to which the Participating Pension Funds are complying with the Wide Track agreements at that point. This Baseline Measurement therefore involves a factual inventory of the policy, outsourcing, implementation and monitoring adopted by the Participating Pension Funds, as reported by them.

Monitoring Committee working method

- Each year, the Monitoring Committee will monitor the progress made by the Parties in implementing the agreed activities, based on the principles of reasonableness and fairness.
- The Monitoring Committee will monitor the quality and quantity of input from the Parties.
- Where deemed necessary, it may ask the Parties to clarify the information provided and/or to supply send missing information, in so far as this information has not already been validated externally.
- The Monitoring Committee will report its findings to the Steering Committee confidentially, via the SER Secretariat, by means of an annual monitoring report.
- The Steering Committee will use the monitoring report to inform the Delegations about the implementation of the Agreement and, if necessary, to make recommendations for improvement.

Composition of the Monitoring Committee

- C.M. (Kees) Gootjes, M.Sc.
- U.N.J. (Udeke) Huiskamp MBA
- Prof. A.M.H. (Alfred) Slager RBA

3 Process description

This chapter briefly discusses the process surrounding the creation of this Baseline Measurement of the Agreement.

According to the Agreement, an independent Monitoring Committee should be set up to "annually monitor the progress made by the Parties in implementing the agreed activities”. The Committee will monitor the arrangements made in the Agreement on the basis of useful, quantifiable and transparent criteria' drawn up by the Delegations. These criteria are then converted into KPIs. In the first year of the Agreement, the Monitoring Committee must carry out a Baseline Measurement, which will serve as the basis for KPIs for policy, outsourcing, monitoring and transparency.

Ideally, this Baseline Measurement should have been carried out in the first or, at the latest, the second quarter after the entry into force of the Agreement. It was not possible to perform the Baseline Measurement within this time frame. This was due to several factors, such as the novelty of the process, the development of the tool that took more time than planned, and the busy schedules of the different Delegations, the SER secretariat, and the Monitoring Committee.

However, this later performance of the Baseline Measurement does not seem to have a significant impact on the implementation of the Agreement, because the main conclusions were presented to the Steering Committee six months after the signing of the Agreement (before the summer holidays).

The Monitoring Committee has attempted to carry out the Baseline Measurement as factually and objectively as possible in order to obtain the clearest possible picture of the current situation of Participating Pension Funds. For example, a procedure was used which allowed for the possibility to react to the initial measurement, to provide room for adjustments so that the impression of an assessment could not – unintentionally – have arisen.

3.1 Specific steps

The Monitoring Committee has taken several steps from February to June 2019 following the entry into force of the Agreement on 1 January 2019. These are explained in brief below.

- Coordination with the SER secretariat - the Monitoring Committee has discussed and coordinated its working method with the SER secretariat on several occasions, both by e-mail and via conference calls.

- Introduction to the Steering Committee – in addition to coordination, the Monitoring Committee also met the Steering Committee, including the new chair of the Agreement. This took place during a meeting at the FNV on 28 March 2019.
- Advising on the monitoring tool – before and during the development of the monitoring tool as described in paragraph 20.8 of the Agreement, the Monitoring Committee provided input and advice on several occasions.
- Mutual agreement on the Baseline Measurement approach and application of principles – the Monitoring Committee agreed to coordinate several times between February and June. This took place both physically and via conference calls.
- Coordination with the monitoring working group – the Monitoring Committee sought coordination with the monitoring working group in a meeting. This meeting took place on 14 June 2019, and was attended physically and via conference calls.
- Presentation of preliminary results to the Steering Committee – the Monitoring Committee presented the preliminary results of the Baseline Measurement to the Steering Committee on 27 June 2019, based on the information available in the monitoring tool at that time.
- Review of the Baseline Measurement results and feedback to the SER secretariat – the Monitoring Committee has maintained close contact with the SER secretariat throughout the process, including processing of data on policy, outsourcing, monitoring, reporting, and transparency.

4 Quantitative summary of the Baseline Measurement

4.1 Response rate

In order to be able to determine the baseline situation six months after the signing of the Agreement, the Participating Pension Funds and Parties were asked to complete a monitoring tool. Based on approximately 50 KPIs, Participating Pension Funds report on the extent to which the pension fund complies with the agreements included in the Wide Track of the Agreement. A request was also made to add the evidence to the monitoring tool. Specific KPIs have been included in the monitoring tool for participating Parties (other than Participating Pension Funds). The Baseline Measurement and the use of the tool is a new phenomenon for Agreement Parties and not all Participating Pension Funds and Parties completed it on time or participated in the procedure which allowed for a reaction to the initial measurement. In order to collect as much data as possible, the opening of the monitoring tool was extended by a few weeks. Of the total of 79 Participating Pension Funds, three Participating Pension Funds signed the Agreement during the year and did therefore not complete the questionnaire. This Baseline Measurement is therefore based on more than 90% of the Participating Pension Funds and participating Parties, a response rate that the Monitoring Committee considers appropriate for the Baseline Measurement.

For a large number of Participating Pension Funds and for a large number of KPIs, the self-assessment score given by Participating Pension Funds has been adjusted for the purposes of this Baseline Measurement. These changes were carried out by the SER secretariat in consultation with the Monitoring Committee after consultation of the evidence provided by Participating Pension Funds and after further inquiry the monitoring tool. The objective was to carry out the Baseline Measurement as factually and objectively as possible so that the most accurate possible image of the baseline situation would be obtained six months after the Agreement came into force.

The fact that in a large number of cases the KPI score has been adjusted is most likely a reflection of the fact there was some confusion/lack of clarity on the content of the KPIs as included in the Agreement and the interpretation of such by the Participating Pension Funds.

4.2 Overall results of the Baseline Measurement

In order to provide an overall picture of the baseline situation with regard to the implementation of the Wide Track, the table below summarises the results of the average score on the individual key indicators for the four elements of the Wide Track. Because the average is used here, these percentages differ from the scores of the tracking indicators (see paragraph 5.4).

Table 4.1 Average score on all key indicators for the four elements of the Wide Track

	Yes	No	Partially	N/A
Policy	33 %	63 %	4 %	
Outsourcing	3 %	23 %	4 %	*69 %
Monitoring of outsourcing	27 %	65 %	7 %	1 %
Reporting and transparency	24 %	48 %	12 %	16 %
	* The scope of the KPIs for outsourcing relates only to new contracts.			

The table shows that approximately one-third of the Participating Pension Funds have implemented parts of the Agreement into policy and that the actual incorporation of the Agreement into new contracts for outsourcing has barely started. The table also shows that less than half of the Participating Pension Funds have implemented a process of monitoring of outsourcing and public reporting on their ESG policy, as laid down in the Agreement.

5. Baseline Measurement Framework, Observations and Recommendations

In this chapter, the Monitoring Committee describes its observations and recommendations. The Agreement consists of the following elements:

- Policy
- Outsourcing
- Monitoring of Outsourcing
- Transparency and Reporting
- Other Obligations

For each element of the Agreement, the Agreement framework is described in summarised form, as well as the observations made by the Monitoring Committee and any recommendations made as a result of these observations.

4.3 Framework, Observations and Recommendations regarding Policy

5.1.1 Framework of Dutch Pension Funds Agreement on Responsible Investment

The following – summarised – sections are relevant for the Baseline Measurement of policy:

Agreement paragraph 3.1 – Participating Pension Funds must bring their ESG policy into line with the OECD Guidelines and UNGPs as soon as possible but no later than two years after the Agreement comes into effect. This policy will include at least the following:

a. A commitment to the OECD Guidelines and UNGPs.
b. A description of how the Participating Pension Fund interprets and is incorporating the various ESG due diligence steps into the outsourcing, monitoring and reporting of External Service Providers pursuant to the OECD Guidelines and the UNGPs.
c. An explanatory text addressing specific themes, including the use of standards, which the Participating Pension Funds deem to be risky based on information resulting from an ESG due diligence procedure, as well as specific themes reflecting the priorities identified by the participants of the Participating Pension Fund.
d. Information on the activities in which individual Participating Pension Funds will not invest.
e. The approach towards/policy on voting for listed companies and Engagement for listed companies and corporate bonds, directly or through outsourcing, aimed at encouraging long-term value creation in companies.

f. A description of how (social) value creation will be used as a guiding principle in the longer term.

Agreement paragraph 3.2 – The Parties will jointly develop a Toolbox within one year of the Agreement coming into effect [...]. The Toolbox will include templates based on the OECD Guidelines and UNGPs for drafting policy texts that satisfy the criteria set out in paragraph 3.1.

Agreement paragraph 3.4 – Where possible and meaningful, Participating Pension Funds will involve third parties that Participating Pension Funds regard as stakeholders in the development of ESG policy. Participating Pension Funds will generate support among participants for the choices they make regarding responsible investment.

5.1.2 Observations

A number of general observations and conclusions can be drawn by the Monitoring Committee.

Figure 5.1 **Observations and conclusions regarding the Baseline Measurement of the Dutch Pension Funds Agreement on Responsible Investment**

Results
Number of funds that incorporate commitment to OECD Guidelines and UNPGs into publicly available policies. (in %)
Yes: 17% Partial: 8% No: 75%
Number of funds with a description of the process of due diligence steps in publicly available policy. (in %)
Yes: 1% Partial: 17% No: 82%
Number of funds with social long-term value creation as a guiding principle in policy (in %)
Yes: 55% No: 45%

1. Most Participating Pension Funds have formulated and apply ESG policy. However, the level of detail and completeness differs significantly from one fund to another. Policy often refers to the UNGC, the UN PRI supported by the United Nations. Multiple Participating Pension Funds give the impression that the inclusion of the UNGC is equivalent to the implementation of the OECD Guidelines and UNGPs. Some of the Participating Pension Funds also give the impression that signing the Agreement is equivalent to a commitment to the OECD Guidelines and UNGPs. It is also unclear in the case of

various Participating Pension Funds what adjustments are needed to implement the OECD Guidelines and the UNGPs, and/or it is often yet to be explained. A relatively small proportion (less than 10 percent) of the Participating Pension Funds have a publicly available description of the due diligence steps and/or how this is embedded in the outsourcing, monitoring and reporting process.

2. Many Participating Pension Funds refer to the policy of the administrator; in some cases this policy has been fully integrated into the policy of the pension fund and has therefore been approved internally. In some cases they even state that only the administrator has policy on the subjects. It is unclear whether the pension fund therefore endorses the entire policy of the administrator.
3. Various Participating Pension Funds report that they have signed the Agreement, but do not state or have yet to state how they will implement it. In addition, many Participating Pension Funds are waiting for the Toolbox.
4. The interpretation of key terms and definitions in the Agreement still varies. There is some confusion about, for example, the meaning of long-term value creation and due diligence. Reference is often made to value creation for the participants as opposed to social value for third parties (stakeholders) such as those who are the first to experience the negative impact of investments in companies – something that is central to the Agreement. Responses on due diligence show that the OECD definition of the due diligence process is not yet entirely clear for the Participating Pension Funds.

5.1.3 Recommendations

On the basis of the observations, a number of recommendations have been formulated to improve the learning capacity of the Agreement process.

1. In the first year of a complex process such as the Dutch Pension Funds Agreement on Responsible Investment, it is only logical that it is not yet fully clear to all Participating Pension Funds how they should proceed. The Monitoring Committee therefore recommends that the Parties to the Agreement (where possible in cooperation) include Participating Pension Funds, External Service Providers such as administrators and administrative offices, participants and other stakeholders in the Agreement process, and offer suitable information and training. It is advisable to start with those subjects where the Monitoring Committee believes that there is confusion/lack of clarity (e.g. differences between UNGC, UNGPs, UNPRI, OECD guidelines, who develops the Toolbox, etc.). It is likely that differences between the self-assessments and those of the Monitoring Committee will decrease in the future as clarity is created among Participating Pension Funds.

2. It is advisable to clarify at an early stage in the development of the Toolbox that due diligence in accordance with OECD Guidelines is a different matter from that described in DNB's generic outsourcing guidelines. In addition, there seems to be an assumption that the SER is developing a Toolbox for the pension funds. It should be made clear that this is being developed by the working group. Due diligence according to the OECD Guidelines requires the identification of potential or actual negative impacts of investments on stakeholders, such as employees or local communities. This seems new for investors, who up until now have focused their ESG policy on the possible negative impact on the financial value of investments. This also seems new for the majority of the Participating Pension Funds and their administrators. Nor has a method yet been developed to mitigate or remediate the identified negative impacts of investments; the Agreement provides for this by means of innovation and learning.
3. It is advisable to develop conclusive definitions for important concepts such as long-term value creation and due diligence in order to clarify them – with the involvement of the participating Parties such as NGOs and trade unions. So far, the Eumedion definition has been used in the analysis and attention has focused on whether the interests of third parties and relevant stakeholders have been taken into account. The process of arriving at a conclusive definition can also be of value to all participating Parties.

4.4 Framework, Observations and Recommendations regarding Outsourcing

5.2.1 Framework of Dutch Pension Funds Agreement on Responsible Investment

Several parts of the Agreement relate to outsourcing. For instance, paragraph 3.1b expects a description of “how the Participating Pension Fund interprets and is incorporating the various ESG due diligence steps into the outsourcing, monitoring and reporting of External Service Providers pursuant to the OECD Guidelines and the UNGPs.”
Agreement paragraph 4.1 clarifies this by stating that Participating Pension Funds "remain responsible for implementing the OECD Guidelines and the UNGPs in the Asset Classes. To ensure that the OECD Guidelines and the UNGPs are implemented in the Asset Classes of Participating Pension Funds, these guidelines will be incorporated into contracts with External Service Providers. The OECD guidance for institutional investors offers support for such implementation.”

This is elaborated in paragraphs 4.1 and 4.2. In terms of content, the following – summarised – parts are relevant to the Baseline Measurement of outsourcing:

Agreement paragraph 4.1 – In new contracts with External Service

Providers, Participating Pension Funds will at least stipulate that the the External Service Provider must, pursuant to the OECD Guidelines and UNGPs, do the following (in the Participating Pension Fund's Asset Classes):

a. implement ESG in policy and management systems and use long-term value creation as a leading principle;
b. identify and prioritise the actual and potential adverse impact of activities undertaken in the Participating Pension Fund's Asset Classes, while involving relevant stakeholders in this effort;
c. use and, where necessary and possible, increase leverage to ensure that the adverse impact of activities undertaken in the Asset Classes is prevented or mitigated;
d. use and, where necessary and possible, increase leverage by imposing time-limited demands in which it encourages listed investee companies that cause or contribute to an adverse impact to prevent and/or mitigate that adverse impact and/or to provide access to remediation;
e. where paragraph 8.3 applies, set up processes to provide access to remediation;
f. 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;
g. render accountability by monitoring results and by reporting to the Participating Pension Fund, with due observance of the reporting requirements as described in Article 5 of this Agreement.

Agreement paragraph 4.2 – Within one year of the Agreement coming into effect, the Parties will jointly develop a Toolbox that includes templates for texts satisfying the criteria described in paragraph 4.1 that Participating Pension Funds can incorporate into contracts with External Service Providers, in which these External Service Providers are asked to carry out due diligence pursuant to the OECD Guidelines and the UNGPs. "[…] With regard to existing contracts that are not renewed within the term of the Agreement, Participating Pension Funds will make every effort to bring them into line with the provisions set out in paragraphs 4.1 and 5.1."

5.2.2 Observations

A number of general observations can be made and conclusions can be drawn by the Monitoring Committee on the basis of its activities as described above.

1. Fewer than 10 per cent of the Participating Pension Funds indicate that outsourcing partly or largely complies with the principles described in the Agreement (OECD, UNGPs). A number of Participating Pension Funds refer mainly to the policy of External Service Providers such as administrators. It is remarkable that many

Participating Pension Funds are not specific about where and how the policy and/or outsourcing contract is included.

2. Many Participating Pension Funds refer to the policy of the administrator. In some cases, this has been fully incorporated into the pension fund's policy and has therefore been approved internally. In some cases they even state that only the administrator has policy on the subjects. It is unclear whether the pension fund therefore endorses the entire policy of the administrator. Here we would like to see reflected in the policy or on the website, that the policy of the administrator is in force and – if it is partially in force – possibly which part.
3. Building on the observations on the policy of the pension fund and the administrator, it is unrealistic to assume that these are in line with each other on a one-to-one basis. The current policy of a number of Participating Pension Funds suggests that that is the case. In theory, this even poses a reputational risk to a pension fund, because it can be called to account for ESG choices which do not actually result from its own policy. Ideally, the fund formulates its own policy, compares it with that of the administrator, identifies the differences, and decides whether or not they are acceptable on the basis of policy and risk attitude, etc.
4. With regard to the implementation of the policy, the Baseline Measurement questioned the extent to which the contracts complied with the Agreement obligations regarding outsourcing. The responses vary. A number of Participating Pension Funds indicate that 100 percent of the contracts are already compliant and refer to the policy of the administrator. Some Participating Pension Funds indicate that they have agreed with the administrator that, even before the Agreement entered into force, investments must be made in accordance with the Agreement obligations.
5. With regard to the question whether renewed/new contracts include the condition that the External Service Provider identifies and prioritises potential or actual negative impact of activities in the Asset Classes of the Participating Pension Fund and involves relevant stakeholders, a very limited number of Participating Pension Funds indicate that the identification and prioritisation of activities with a negative impact has been contractually established. A point of attention here is that a fund indicates that using leverage is not laid down in the contract, but in the fund conditions. This is relevant for the Toolbox to be developed.
6. During the period from the Baseline Measurement until June 2019, eleven Participating Pension Funds indicated that they had concluded a total of 29 new contracts and four Participating Pension Funds amended a total of 30 existing contracts. Although the total number of contracts is not known for all Asset Classes of the Participating Pension Funds, it is likely that there is a multitude. Particular attention will therefore have to be paid to efforts to bring

existing contracts into line with the arrangements in 4.1 within the duration of the Agreement.

5.2.3 Recommendations

1. Be specific about which parts of the Agreement are included in the contracts with the asset manager and/or in the contracts with the External Service Provider (the administrator or fiduciary). A reference to the standard policy of the administrator is too general.
2. Make a clear distinction between the fund's policy and the policy of the administrator. Ideally, the fund formulates its own policy, compares it with that of the administrator, identifies the differences, and decides whether or not they are acceptable on the basis of policy and own risk attitude, etc.
3. When developing the Toolbox during the Agreement period, focus in particular on how existing contracts can be adapted in order to apply the elements of the Agreement. After all, there will be many more existing contracts than new ones during the Agreement period.
4. Make a distinction in the Toolbox to be developed between how to deal with general fund conditions (if the pension fund participates in an investment fund) and contract conditions (if the pension fund can conclude its own mandate).

4.5 Framework, Observations and Recommendations regarding Monitoring of Outsourcing

5.3.1 Framework of Dutch Pension Funds Agreement on Responsible Investment

External service providers for the fiduciary management of the assets of pension funds have been implementing ESG policy and providing monitoring reports on its implementation for many years. However, this monitoring and reporting is not yet systematically based on the OECD Guidelines and the UNGPs and the resulting due diligence approach. The Agreement stipulates that Participating Pension Funds must include the reporting requirements in accordance with the OECD Guidelines/UNGPs in their contracts with External Service Providers as soon as possible, but no later than three years after the Agreement enters into force. The purpose of these reporting requirements for external services includes the monitoring of:

a. The progress of the implementation of the ESG policy.
b. The risk-identification methodology and the findings concerning the adverse impact identified in the Asset Classes.
c. The way in which it has been attempted to prevent and/or mitigate adverse impact in the Asset Classes and/or to encourage the provision remediation.
d. The severity of the negative impact.

In order to support Participating Pension Funds in the implementation of these new reporting requirements, the Agreement stipulates that, within one year of the Agreement entering into force, the Parties will develop a joint Toolbox from which Participating Pension Funds can incorporate the reporting requirements for External Service Providers. At the time of the Baseline Measurement, the above Agreement requirements were not yet applicable, but the Baseline Measurement nevertheless asked Participating Pension Funds to what extent they monitor the outsourcing.

5.3.2 Observations

Figure 5.2 Observations and conclusions on the Monitoring of Outsourcing

English
Number of funds with External Service Providers that periodically report on ESG policy implementation. (in %)
Yes: 49% No: 51%
Number of funds with External Service Providers that provide information on ESG risk-identification methodology. (in %)
Yes: 16% Partial: 12% No: 72%
Number of funds with External Service Providers that report on how they have tried to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to encourage the provision of remediation.. (in %)
Yes: 18% Partial: 11% No: 71%

In more than half of the cases, Participating Pension Funds have included in their reporting requirements that External Service Providers periodically report on the progress of the implementation of ESG policy (please note this concerns general ESG policy, not specifically the implementation of OECD Guidelines/UNGPs). This is in line with previous observations on the current practice of ESG implementation by External Service Providers. The Baseline Measurement shows that in more than half of the cases, the External Service Provider does not report on the ESG risk-identification methodology. Risk-identification is an essential part of due diligence to identify and subsequently mitigate potential adverse impacts on stakeholders, such as employees or local communities. The Baseline Measurement also shows that more than half of the Participating Pension Funds are not informed about the negative impact of investments. This information is essential to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to encourage the provision of remediation. It is not clear from the Baseline Measurement to what extent the approximately 30 per cent of Participating Pension Funds that are informed about cases in which the use of leverage does not lead to sufficient progress, actually make adjustments (for example mitigating measures or divestments). In order to meet the Agreement obligations, at least two-thirds of the Participating Pension Funds will have to adjust their reporting requirements with External Service Providers over the next two years in order to enable the monitoring and adjustment of situations in which the use of leverage has not led to sufficient progress.

5.3.3 Recommendations

1. In the development of the Toolbox, pay specific attention to the risk-identification method for environmental and social impacts for different Asset Classes.
2. Develop specific guidelines in the toolbox, e.g. KPIs, for monitoring and

reporting adverse environmental and social impacts.

3. Discuss with pension administrators and administrative offices how they can fulfil in practice their leading role and responsibility for the implementation of the OECD Guidelines and UNGPs via monitoring and reporting by External Service Providers.

4.6 Framework, Observations and Recommendations regarding Reporting and Transparency

5.4.1 Framework of Dutch Pension Funds Agreement on Responsible Investment

Transparency based on public reporting is a core principle of socially responsible investment. Since 2014, pension funds have been required to state in their annual management report how their investment policy takes account of the environment and climate, human rights and social relations. As soon as possible, but no later than three and a half years after the Agreement comes into effect, Participating Pension Funds will expand their public reporting to report in pursuant to the OECD Guidelines and the UNGPs. Such reporting and transparency will include at least the following:

a. A list of names of companies and/or investment funds in which the assets are invested.
b. The approach to due diligence in pursuant to the OECD Guidelines and the UNGPs.
c. An explanation of how the Participating Pension Fund's ESG policy has been integrated into the various Asset Classes.
d. The Engagement activities, their results and the resulting decisions.
e. An explanation of the voting policy in shareholders' meetings.
f. Future ESG policy and ESG objectives.

Transparent communication on ESG policy and the way in which Participating Pension Funds intend to implement the OECD Guidelines and UNGPs with prioritisation and focus appropriate for the pension fund and its participants is a first step towards involving members in making choices. Transparent communication is essential for building support. To implement this reporting and transparency, the Agreement Parties will develop the Agreement Toolbox within one year of the entry into force of the Agreement.

5.4.2 Observations

Figure 5.3 **Observations and conclusions regarding Reporting and Transparency**

English
Number of funds that publish list of names of companies / investment funds in the previous period (in %)
Yes: 25% Partial: 8% No: 67%
Number of funds that have published their intention to adjust ESG policy objectives (in %)
Yes: 22% Partial: 7% No: 71%

According to the Baseline Measurement, approximately a quarter of the Participating Pension Funds publish a list of all companies and/or investment funds of listed equity portfolios in which they invest and approximately a third report a list of companies with which they are engaged. In a minority of cases, Participating Pension Funds report on what subjects engagement is being conducted, what the results are and what follow-up steps have been taken.
Approximately one-third of the participating pension funds report on future ESG policy and objectives. The degree of transparency in terms of completeness of, access to and timeliness of information varies significantly between Participating Pension Funds. This requires improvement before members can be expected to be actively involved in formulating ESG priorities.

5.4.3 Recommendations

1. In the context of transparency regarding future ESG policy/objectives, it is striking that the description is often very brief. As a result, it is not clear what the fund is going to implement or change. It is recommended that the pension board's choices with regard to ESG policy and the implementation of the OECD Guidelines/UNGPs should be made clear to participants.
2. In order to build support among participants, and to involve them in the choices to be made, a long-term approach to transparent communication and dialogue is required. A start should be made as soon as possible in order to put into effect the arrangements in the Agreement in a timely manner (refer to paragraph 1.6).
3. A number of Participating Pension Funds have very clear overviews of their investments and voting behaviour. There are Participating Pension Funds that categorise investments by country, sector and assets. Comparable overviews are made for voting behaviour, identifying countries/sectors, companies, subject and votes. This creates transparency and can serve as an example for the Toolbox that is being developed for reporting and transparency.

4.7 Framework, Observations and Recommendations regarding Other Agreement Obligations

5.5.1 Framework of Dutch Pension Funds Agreement on Responsible Investment

1. Within one year of the Agreement coming into effect, the Parties will jointly develop a Toolbox that Participating Pension Funds will consider and may use to implement the OECD Guidelines and UNGPs into their policy, contracts with External Service Providers, monitoring and reporting.

2. To this end, a working group will be set up with the task of developing the Toolbox for the implementation of due diligence and thematic focus areas that ensue from the priorities of the members of the pension fund in question.
3. The Toolbox will consist of sample texts concerning policy, outsourcing, monitoring and transparency, in accordance with the criteria described in the Agreement.
4. The various Parties will contribute their expertise to the development of the Toolbox.

The Agreement sets out what is expected of the participating parties. In terms of content, the following – summarised – parts are relevant:

- The Federation of the Dutch Pension Funds will support the Participating Pension Funds in implementing the Agreement, including the Toolbox, by incorporating it into a Responsible Investment Service Document.
- With respect to the invested assets of trade unions and NGOs, a best-efforts obligation will apply vis-à-vis external asset managers in line with Articles 3 and 4 of the Agreement.
- The participating NGOs and trade unions will contribute by sharing their available expertise/knowledge and information with the Parties. This includes making use of contacts with local authorities, stakeholders and sister and partner organisations. NGOs will share specific expertise on ESG risks and impacts, ESG due diligence procedures, gathering local evidence of ESG violations, contributing to the prioritisation of ESG risks and improving the situation of the disadvantaged groups.
- The government will proactively promote the Agreement and the OECD Guidelines at international and national level, including in trade missions and at embassies. In addition, the government will continue to fulfil its *duty to protect*.

Finally, the Agreement makes it possible to measure and monitor the policy and instruments to be developed:

- In the interests of learning and innovation, the Parties aim to understand the use and effectiveness of the Toolbox. Lessons learned will be used to improve the Toolbox. The Monitoring Committee will therefore monitor the use and effectiveness of the Toolbox (see Article 20).
- The KPIs in Appendix 2 of the Agreement include tracking indicators for this purpose, with the Participating Pension Fund being asked to explain the components of the Toolbox.

5.5.2 Observations

The Monitoring Committee notes that the working groups referred to in the Agreement have been set up and that they are active. These are the following working groups:

Table 5.1 Active working groups in the Agreement

Steering Committee	Toolbox Working Group	Cases Working Group	Baseline Measurement/Monitoring Working Group
ABP	ABP	ABP	Federation of the Dutch Pension Funds
Federation of the Dutch Pension Funds	Federation of the Dutch Pension Funds	BPF Schilders	Pensioenfonds Metaal en Techniek
Pensioenfonds Detailhandel	Pensioenfonds Hoogovens	BPL Pensioen	Pensioenfonds van de Metalektro
Pensioenfonds General Electrics	Pensioenfonds Metaal en Techniek	Federation of the Dutch Pension Funds (substitute member)	Ministry of Foreign Affairs
Shell Pensioenfonds (substitute member)	Pensioenfonds van de Metalektro	Pensioenfonds Detailhandel	FNV
Ministry of Foreign Affairs	Pensioenfonds Vervoer	Pensioenfonds Metaal en Techniek	VCP
Ministry of Finance	Pensioenfonds Zorg en Welzijn	Pensioenfonds van de Metalektro	Oxfam Novib
CNV (Christian Trade Union Federation)	Shell Nederland Pensioenfonds Stichting	Pensioenfonds voor de Bouw	Pax for Peace (substitute member)
FNV	Unilever APF	Pensioenfonds Zorg en Welzijn	World Animal Protection
VCP (substitute member)	Ministry of Finance	Rabobank Pensioenfonds	
Amnesty International	CNV	Ministry of Foreign Affairs	
Natuur & Milieu (substitute member)	FNV	CNV	
Oxfam Novib	Natuur&Milieu	FNV	
	Save the Children	VCP (substitute member)	
	World Animal Protection	Amnesty International (substitute member)	
		Pax for Peace	

Observations on bringing in expertise/involving local networks/input of expertise:

- As this is a Baseline Measurement, the Monitoring Committee has not yet analysed the input. This will take place in the next reports.

Observations on KPIs, sub-indicators and tracking indicators:

- Three different types of indicators are used to measure the progress of the Agreement:
  1. The KPIs: key indicators used to ascertain the progress of the Agreement.
  2. Sub-indicators: underlying indicators needed to measure a KPI.
  3. Tracking indicators: supportive indicators for measuring the progress of the Agreement, but with no associated objective.

In drawing up the indicators, as objectively as possible has been applied in order to obtain the most accurate possible picture in this case too.

The number of Participating Pension Funds that comply with the KPIs and all underlying sub-indicators is as follows:

Table 5.2 **Number of Participating Pension Funds complying with KPIs**

Policy	0%
Outsourcing	1%
Monitoring of Outsourcing	8%
Transparency and reporting	1%

The percentage indicates the number of funds that have formulated policy on **all** sub-indicators. A percentage of 0 therefore indicates that, at the time of the Baseline Measurement, no fund has yet formulated a policy on all sub indicators. For the sake of clarity, it does not therefore indicate that none of the funds currently have any policies in place. These percentages are low but that is also to be expected at the beginning of the Agreement period. After all, many indicators will be achieved by Participating Pension Funds on the basis of the Toolbox that is currently being developed. It is likely that the next monitoring period will show a marked increase. A look at the underlying sub-indicators shows that elements such as engagement policy or themes have already been well described, but the aforementioned elements such as long-term value creation, due diligence, ESG risk-identification, promoting remediation, or inclusion in new or renewed contracts have not yet been laid down or developed in policy.

5.5.3 Recommendations

Cooperation is needed to increase the level of knowledge of OECD Guidelines/UNGPs among pension fund administrators/administrative offices and to avoid confusion regarding commonly used terms. Part of the Toolbox to be developed must therefore, first and foremost, be clear definitions that can be applied in practice.

Appendix

Key performance Indicators

KPIs for the Wide Track
The Key Performance Indicators (KPIs) have been developed in anticipation of the Agreement's monitoring tool and may be adapted where necessary. The Parties have agreed on the following principles and KPIs, bearing in mind the possible need for further improvements by the Steering Committee.

Three different types of indicators are used to measure the progress of the Agreement:
The KPIs: key indicators used to ascertain the progress of the Agreement.
Sub-indicators: underlying indicators needed to measure a KPI.
Tracking indicators: supportive indicators for measuring the progress of the Agreement, but with no associated objective.

The following KPIs will be used to monitor the Wide Track:

1. Number of Participating Pension Funds that have incorporated the Agreement into their policy (# number of funds).
2. Number of Participating Pension Funds that have incorporated the Agreement into their outsourcing (# number of funds).
3. Number of Participating Pension Funds that have incorporated the Agreement into their monitoring (# number of funds).
4. Number of Participating Pension Funds that have incorporated the Agreement into their reporting (# number of funds).

These KPIs are further fleshed out in sub-indicators derived from the text of the Agreement and included in the table below. The percentage should increase over the years of the Agreement (target = year 0 + (100 - year 0) * (year/(number of years up to 100%)), with year 0 being derived from the Baseline Measurement. The percentages in year 1 and in the intervening years depend on the Baseline Measurement (possibly more than 0%).

A number of other variables are also measured, as a tracking indicator:

- The KPI targets are measured in terms of the number of funds, and the assets managed by these funds are also monitored for each KPI, as a tracking indicator.
- The number of Participating Pension Funds relative to the total number of Dutch pension funds, both in number and in assets under management.
- The number of Participating Pension Funds that have signed the

Agreement may increase (or decrease as a result of consolidation) after the start of the Agreement. The number of Participating Pension Funds (in number and percentage of assets under management) is therefore calculated each year, as a tracking indicator. The use of the Toolbox in year 2 and beyond is monitored (as a tracking indicator).

Below is an overview of the indicators followed by the KPIs and an explanation.

The following will be dealt with successively:

- The key indicators
- The sub-indicators

The KPIs for the Deep Track have not been included in the baseline measurement, they will be addressed over the course of the Agreement period.

1. KPIs: key indicators

T = target/ R = result

KPIs		Year 1 after accession		Year 2 after accession			Year 3 after accession			Year 4 after accession		
		R	A*	T	R	A*	T	R	A*	T	R	A*
1. Number of Participating Pension Funds that have incorporated the Agreement into their policy				100 %			100%			100%		
	Start in 2019			X %			X %			X %		
	Start in 2020			X %			X %					
	Start in 2021											
	Total											
2. Number of Participating Pension Funds that have incorporated the Agreement into their outsourcing.				x %			100 %			100 %		
3. Number of Participating Pension Funds that have incorporated the Agreement into their monitoring				X %						100 %		
4. Number of Participating Pension Funds that have incorporated the Agreement into their reporting and transparency				x %			X %			100 %		
		* X number of funds entered.										

	PF that meet all criteria
Policy	0%
Outsourcing	1%
Monitoring of Outsourcing	8%
Transparency and reporting	1%

The tracking indicators are as follows:

KPI	Number of funds[2]	Assets invested
1	0	0%
2	1	circ. 5%
3	6	circ. 13%
4	1	circ. 0.5%

Total pension fund assets	1,489 billion
Assets of signatories	1,347 billion
Percentage of signatories	90.47%
Total number of pension funds	201
Number of signatories (at time of publication)	79
Number of funds entered in 2019	7
Number of funds exited in 2019	1

2 Number of funds that comply with all sub-indicators

KPIs: sub-indicators

KPI	Baseline Measurement	End of year 1		End of year 2		End of year 3		End of year 4	
	R	T	R	T	R	T	R	T	R
Key indicator for policy									
1. All applicable sub-indicators implemented	0 %			100 %		100 %		100 %	
Sub-indicators, policy contains:									
1a. A text in accordance with the OECD Guidelines and UNGPs.	17 %			100 %		100 %		100 %	
1b. A description of how the Participating Pension Fund interprets and is incorporating the various ESG due diligence steps into the outsourcing, monitoring and reporting of External Service Providers in accordance with the OECD Guidelines and the UNGPs.	1 %			100 %		100 %		100 %	
1c. An explanatory text addressing specific themes, including the use of standards, which the Participating Pension Funds consider to be high-risk based on information resulting from an ESG due diligence procedure, as well as specific themes arising from the priorities identified by the members of the relevant pension fund.	38 %			100 %		100 %		100 %	
1d. Information on the activities in which individual pension funds will not invest.	47 %			100 %		100 %		100 %	
1.e. The *Engagement* approach for listed companies, directly or through outsourcing, aimed at boosting long-term value creation at companies.	28 %			100 %		100 %		100 %	
1.f. The Engagement approach for corporate credits, directly or through outsourcing, aimed at boosting long-term value creation at companies.	24 %			100 %		100 %		100 %	
1.g The voting approach to listed companies, directly or through outsourcing, aimed at boosting long-term value creation at companies.	36 %			100 %		100 %		100 %	
1.h A description of how (social) value creation will be used as a guiding principle in the longer term.	55 %			100 %		100 %		100 %	

KPI	Baseline measurement	End of year 1			End of year 2			End of year 3			End of year 4		
	R	T	R	BV	T	R	BV	T	R	BV	T	R	BV
Key indicator, outsourcing													
2. All applicable sub-indicators implemented	1 %							100 %			100%		
Sub-indicators, that the new and renewed contracts with External Service Providers include.													
2a. Implements ESG in policy and management systems and uses long-term value creation as a leading principle.	3%							100 %			100 %		
2b. Identifies and prioritises the actual and potential adverse impact of activities undertaken in the Participating Pension Fund's Asset Classes, while involving relevant stakeholders.	3 %							100%			100%		
2c. Uses and, where necessary and possible, increases leverage to ensure that the adverse impact of activities undertaken in the Asset Classes is prevented or mitigated.	3 %							100%			100%		
2d. Uses and, where necessary and possible, increases leverage by imposing time-limited demands in which it encourages listed investee companies that cause or contribute to an adverse impact to prevent and/or mitigate that adverse impact and/or to provide access to remediation in accordance with paragraph 8.2.	11%							100%			100%		
2e. If paragraph 8.3 applies, sets up processes to provide access to remediation.	1 fund*							100 %			100 %		
2f. When reducing or temporarily reducing an investment position in or divesting from companies that have been prioritised owing to the severity of the adverse impact, also considers the potential adverse impacts on disadvantaged groups.	1 %							100 %			100 %		
2g. Renders accountability by monitoring results and by reporting to the Participating Pension Fund, with due observance of the reporting requirements as described in Article 5 of this Agreement.	1 %							100 %			100 %		
	* In the case of only one fund, paragraph 8.3 was applicable. This fund has also set up the processes to make remediation available.												

KPI	Baseline measurement	End of year 1		End of year 2		End of year 3		End of year 4	
	R	T	R	T	R	T	R	T	R
Key indicator, monitoring of outsourcing									
3. All applicable sub-indicators implemented	8%					100%		100%	
Sub-indicators, reporting requirements incorporated into new contracts with External Service Providers.									
3a. The relevant External Service Provider must report on the progress it has made in implementing its own and/or the relevant Participating Pension Fund's ESG policy.	49 %					100%		100%	
3b. The External Service Provider must report on its ESG risk-identification methodology and on its findings concerning the adverse impact identified in the Asset Classes.	11 %					100 %		100 %	
3c. The External Service Provider must report on how it has attempted, on behalf of the Participating Pension Fund, to prevent and/or mitigate the adverse impact of activities in the Asset Classes and/or to promote the provision of remediation.	17 %					100 %		100 %	
3d. The relevant External Service Provider must report information on the listed companies that have been prioritised owing to the severity of the adverse impact and where leverage has not led to sufficient progress within the designated time period.	18 %					100 %		100 %	

KPI	Baseline measurement	End of year 1		End of year 2		End of year 3		End of year 4	
	R	T	R	T	R	T	R	T	R
Key indicator, reporting and transparency									
4. All applicable sub-indicators implemented	1 %							100 %	
Sub-indicators, the reporting by the Participating Pension Funds contains:									
4a. Subject to the principle of 'comply or explain', in so far as legally and practically possible and with due regard for proportionality, and with a delay of one financial quarter but no more than one year annually, a list of the names of companies and/or investment funds within the listed equity portfolios in which the assets of the Participating Pension Fund were invested over the previous period.	25 %							100 %	
4b. The Participating Pension Fund's approach to due diligence pursuant to the OECD Guidelines and the UNGPs (whether or not through External Service Providers).	1 %							100 %	
4c. An explanation of how the Participating Pension Fund's ESG policy has been integrated into the various Asset Classes in which the Participating Pension Fund invests.	16 %							100 %	
4d.I. Companies with which a form of Engagement has been pursued on behalf of the Participating Pension Fund and to what end.	18 %							100 %	
4d.II. The results of Engagement pursued on behalf of the Participating Pension Fund at specific companies.	24 %							100 %	
4d.iii. Decisions taken by the Participating Pension Fund when Engagement has been unsuccessful.	12 %							100 %	
4e. An explanation of how the Participating Pension Fund voted at shareholders' meetings of listed investee companies, in accordance with Directive 2007/36/EC as regards the promotion of long-term shareholder engagement.	39 %							100 %	
4f. Where valuable, future ESG policy and ESG objectives.	24 %							100 %	