

# Taking responsibility

Every investor is a participant in economic life as well as banks, the state or companies. Therefore, each participant in the economic cycle - including the pension and supplementary pension funds of EAPSPI - not only bears the responsibility for his own actions, but also the responsibility for the impact of his actions on others. Only in this way does social coexistence work.

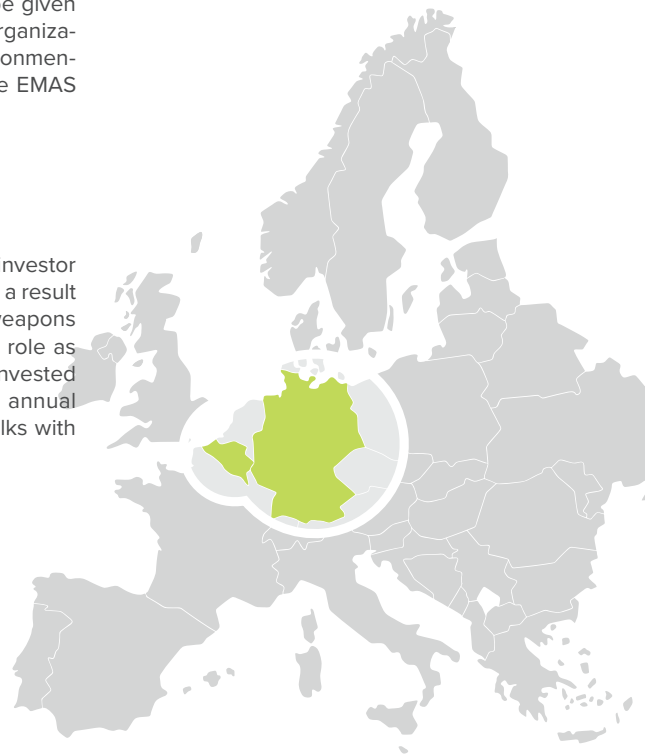


## BELGIUM

The Belgian Federal pension has an EMAS certificate. EMAS stands for «Eco Management and Audit Scheme». This is the title of a European Union regulation that obliges Member States to introduce a system whereby organizations can be given the right to use a European «environmental logo». The condition is that an organization has an environmental management system and draws up an annual environmental report. Both must be approved by an EMAS verifier. Participation in the EMAS regulation is voluntary.

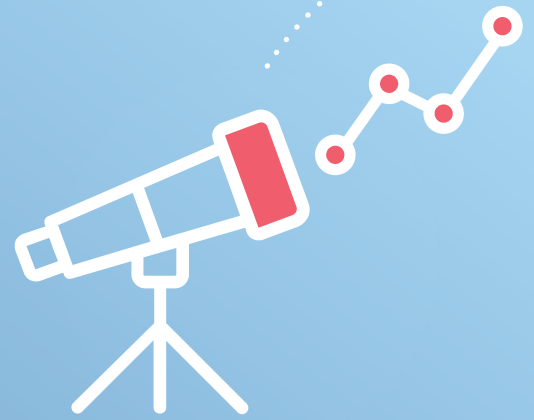
## GERMANY

VBL as German public sector pension fund is showing its responsibility as investor by excluding those activities that are banned by international conventions. As a result of these treaties, producers of chemical, biological and other controversial weapons do not qualify as potential investments. In addition to that, VBL is using its role as equity holder to promote sustainable developments in the companies it is invested in. This engagement process includes the exercise of voting rights at the annual general meeting as well as active, constructive discussions and bilateral talks with the management of the companies.



# Shaping the future

It is common for beneficiaries that they are linked to EAPSPI's members over several decades through various phases of their lives. Therefore a long-term positive economic development, the preservation of a livable environment and an inclusive society are also in the interest of all current and future beneficiaries.



## DENMARK

Sampension Livsforsikring A/S, being a costumer-owned company and part of the Danish labour market pension system, has had a policy on responsible investments as an integrated part of its investment process since 1996. Today, the investment policy is designed on the principles defined in the UN Global Compact, that anchors economic activities in a long-term responsibility. Through active ownership, Sampension engages with investee companies through dialogue and votings and ultimately by exclusion. Socially responsible investments are a main focus for Sampension building on UN as well as ILO's conventions regarding human and labour rights. Another focus point at Sampension is to support the energy transition through an ongoing reduction of the carbon footprint of the investment portfolio as well as an ongoing effort to influence investee companies to commit to the transition to a low-carbon economy.

## SPAIN – BASQUE COUNTRY

In the year 2016 Elkarkidetza Employment EPSV approved its own SRI policy aiming to contribute to an ESG improvement, helping to upgrade the long-term risk and return mix at the same time. We aim to achieve that those corporations pursuing social responsibility receive more funds or investments compared to their competitors, thus promoting an incentive towards an SRI-change through a best in class approach. So as to achieve the already mentioned objective we have undertaken an asset analysis on our portfolio, be it equity, fixed income..., executing an ESG rating on them at the same time. This rating is dynamic and reviewed monthly, measuring the evolution and implementing the necessary measures for the achievement of a continuous improvement. Regarding the thematic investments the latest carried out were in 100% renewable corporation or energy projects. They contribute to the clear aim of achieving an environmental improvement more and more asked for by the society as a whole. Elkarkidetza is being more active in the impact investments as well. We are doing it through mutual funds in which we can check their results on the measures they are carrying out by means of their own social reports.



# Safeguarding Opportunities, Mitigating Risks

The complex financial statements of companies are analysed and evaluated by financial analysts with regard to numerous key figures. The inclusion of ethical or sustainable aspects permits to analyse additional non-financial parameters that provide pointers to future risks and ultimately help to mitigate them in return.



## FRANCE

Since its inception as a French public pension fund, ERAFP has chosen to invest 100% of its assets using ESG criteria, convinced that aiming solely at maximising financial return was ignoring social, economic and environmental consequences. Challenged like all investors with tackling global warming, ERAFP measures climate change-related risks and opportunities in order to assess the exposure of its portfolios. While engaging with companies to ask them for detailed climate action goals, ERAFP now expects them, especially if they face big energy transition stakes, to define a strategy including a path to comply with the targets of the Paris Agreement. This in turn furthers the interests of ERAFP's beneficiaries, by protecting the value of assets from substantial drops in the near future.

## GERMANY

KZVK/VKPB are occupational pension schemes in the legal form of an institution under public law for the evangelic church in North Rhine Westphalia. In 2009 KZVK/VKPB implemented ethical aspects in their statutes and started to roll out ESG criteria in their investment process, which now covers all asset classes. KZVK/VKPB is a regular member of a working group that sets up the «Guidelines for Ethically-Sustainable Investment» applicable to investors within the German Protestant Church. It then monitors all of its investments with respect to their conformity with these Guidelines and identifies violations that bear ethical risks. In addition, the guidelines support the search for ethically sustainable investment opportunities in various industries. KZVK/VKPB sees itself as an active investor and believes in engagement as one of the instruments in pursuing their ESG activities. Moreover, in hiring external managers, an integral part of the due diligence process lies in the validation a their credible commitment to ESG. When directly responsible for security selection (e.g. directly held bonds portfolio or real estate) KZVK/VKPB uses negative list to rule out investments or initiate divesting.

