

Top 1000 funds article on responsible investing annual report 2010

PGGM will make targeted ESG investments in all investment categories in 2011, and complete research into the social added-value of those investments, which may also lead to a model to screen the entire portfolio for a sustainable return, according to its annual responsible investment report.

PGGM, which manages €105 billion (\$154 billion), consciously takes account of environmental, social and corporate governance factors in all its investment activities, and in 2010 included an exclusions policy covering 98 per cent of assets under management, the implementation of 1,557 engagement projects and voting at 99 per cent of shareholder's meetings.

It has also devised follow-up measures, such as how to prevent biodiversity risks in infrastructure investments (at the end of 2010, 9 per cent of the infrastructure portfolio was invested in sustainable energy); and critically assess sectors such as mining to prioritise engagement with companies where ESG risks are high in terms of financial performance and reputation.

PGGM also has a separate responsible equity portfolio, which has been expanded from \$2.8 billion to \$4.4 billion, and in the coming year will complete research into the social added-value of targeted ESG investments. This will give insight into the social performance of targeted ESG investments and where necessary lead to an evaluation or a new policy framework for these investments.

PGGM's voting focus list has been reduced from 103 in 2010 to 74 companies in 2011, but it will also draw up a list of the largest companies with the aim of voting on more than 50 per cent of assets under management in 2011.

In 2010 PGGM conducted a survey of all existing investment departments to determine which ESG factors have a financial impact on investments. An example of this is to actively communicate with the local population about infrastructure projects, which makes it possible to avoid lawsuits, delays and hence losses of income.

In addition to the impact of ESG factors on the specific portfolios under management, PGGM investigated the effects of climate change and climate policy on the overall portfolio. Various scenarios were drawn up to assess the economic effects of climate change on investments in various regions, sectors and investment categories.

Head of responsible investment, Marcel Jeucken (pictured), said the annual report shows that "we implemented responsible investment for our clients once again in an ambitious way in 2010".

"We can never say that we have perfected responsible investment; we continue to innovate in order to deepen and improve our existing activities. It is not a precise science but a dynamic process in which innovation plays an important role. We made major strides in this regard in 2010."

The annual responsible investment report can be accessed below
[**PGGM RI Annual Report 2010**](#)

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Source: Top 1000 Funds April 27, 2011

<https://www.top1000funds.com/news/2011/04/27/pggm-targets-social-added-value/>