

Press Release

PFZW tightens up medium-term targets in its climate policy

PFZW has tightened up the climate targets in its policy in order to bring investments in line with the Paris Climate Agreement, help achieve a climate-neutral world and limit global warming to a maximum of 1.5 degrees.

- 50 percent reduction in the CO2 intensity of stocks and bonds in 2030 compared to 2019.
- Real Estate and Infrastructure Investments to be 'Paris-Aligned' by 2030.
- At least 15 percent of the total investments in 2030 can be directly related to Sustainable Development Goals aimed at climate.

These new medium-term targets are a further implementation of the sustainability goals that PFZW set out earlier in its investment policy. One of the key roles in that policy involves making existing investments more sustainable so that companies in the investment portfolio will contribute more to a real economy that is less dependent on fossil fuel. In this way, PFZW is giving substance to the Climate Commitment in the financial sector.

Two instruments are used for stocks and bonds: the use of shareholder and investor influence to persuade companies to produce sustainably and the sale of participations in companies that are under-performing in their sectors in terms of their carbon footprint.

To ensure that PFZW's investments in real estate and infrastructure are in line with the Paris Climate Agreement by 2030, fund managers must develop a credible long-term CO2 reduction strategy. For Private Equity, for which there is still much less data available, this Paris alignment must be achieved by 2040.

'Impact on climate'

Joanne Kellermann, Chair of the PFZW board: "PFZW is invested in virtually all sectors of the economy through a range of investment categories. This means that we can encourage companies everywhere in the economy to become more sustainable. It takes time to have a real impact on the climate -- for us and for the companies in which we are investing. But the ultimate goal, a climate-neutral world, is more than worth the effort. The PFZW Board is taking on that responsibility and our participants expect this from us."

Long term

These new climate targets are part of the long-term policy that PFZW set in motion in 2015. It started in the period up to 2020 with a strong reduction in the CO2 intensity of the equity portfolio and the building of a portfolio of investments with a climate impact. It was followed by the sale of investments in coal and tar sands.

Early this year, PFZW announced that it would bid farewell to oil and gas producers that did not commit to the Paris Climate Agreement by developing a convincing climate transition strategy. This too is aimed at generating climate *impact*: PFZW wants oil and gas companies that still supply the world with the necessary fossil fuel to use their knowledge and capital to find sustainable alternatives.

Evaluation

The progress of the new policy will be evaluated every year and, where necessary, adjusted on the basis of new insights and data. For example, it is currently being investigated whether there is scope to invest more in green government bonds in emerging and fast-growing economies where energy consumption is increasing rapidly and the government wants to finance sustainability measures.

Compensation elsewhere for CO₂ released during production processes (carbon offsetting) as part of achieving climate neutrality is not yet being used to achieve the 2030 targets. However, these can already be a valuable addition to the investment portfolio.

About PFZW

PFZW is responsible for the pension policy and the pension capital of 3 million employees and former employees in the health and welfare sector. The pension fund manages the invested capital, which amounted to €258.2 billion at the end of September 2022.

Zeist, 4 July 2022

For more information:

PFZW:
Ellen Habermehl, spokesperson
030 277 9735 | ellen.habermehl@pfzw.nl | www.pfzw.nl