

ABP's fossil fuel investments 2018

Updated: 29 April 2019

Methodology

ABP Financial Data

ABP sets the policies for investment and APG Group is the asset manager, managing the bulk of investments on behalf of ABP. To its credit, ABP publishes the latest value of its shares and bonds investments in publicly listed companies every three months. This enabled the authors to analyse investment portfolio changes from 2014 (when the data collection by Fossilvrij NL was initiated) onwards¹.

In addition, APG contracts external managers who manage 29% of their investment portfolio². On the ABP website there is a list of their most significant external managers-- 20 in 2017, including Blackrock Investment Management Ltd and UBS Global Assets Management. However, the investment data made available to the public excludes detailed investments managed by external managers. As stated on ABP's website: "The volume of assets managed by the published external managers above ranges from 1,0 billion to 8,3 billion euro" meaning that a large portion of ABP's assets are externally managed but no precise data is revealed³. Presumably these portfolios also include investments in coal, oil and gas companies, but could not be included in this report because this data is not publicly available.

Coal Investment Analysis

We argue that the definitions used by Bloomberg and the Industry Classification Benchmark to identify coal investments are insufficient in breadth. Therefore, this report makes use of the Global Coal Exit List (GCEL) developed by Urgewald to determine the coal content of ABP's investment portfolio. The GCEL is an extensive database of over 1.000 companies compiled and regularly updated over the past several years⁴. The database covers all major players in the thermal coal industry throughout the entire value chain, most notably the power generation sector, the mining sector, and the infrastructure & services sector. A company is listed if it fulfils at least one of the following three criteria:

1. 30% or more of the company's power production or revenues are coal-based;
2. The company's annual coal production exceeds 20 million tons or it burns more than 20 million tons annually; and/or
3. The company plans to build new coal power plants, develop new mines, and/or set up new coal transport infrastructure.

Oil and Gas Investment Analysis

This report makes use of the Carbon Underground 200™ developed by Fossil Free Indexes to identify the oil and gas content of ABP's investment portfolio, the same list of companies as last year's report to maintain consistency. The Carbon Underground 200™ identifies the top 100 public oil and gas companies globally, rated by the carbon emission potential of their reported fossil fuel reserves⁵. It also identifies

¹ <https://www.abp.nl/images/beursgenoteerde-beleggingen-van-abp.pdf>

² Page 10 of ABP's Responsible and Sustainable Investment report 2018 <https://www.abp.nl/images/ABP-duurzaam-verantwoord-beleggen-2018.pdf>

³ <https://www.abp.nl/images/externe-managers-2017.pdf>

⁴ <https://coalexit.org/>

⁵ <http://fossilfreeindexes.com/research/the-carbon-underground/>

the top 100 public coal companies, but the use of GCEL is preferable as it is more exhaustive list. No equivalent list to GCEL has been collected for oil and gas so we used the best publicly available data.