

# E A P S P I

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## Pensions for the Public Sector

### Declaration on ESG by the European Association of Public Sector Pension Institutions (EAPSPI)

As adopted by its general assembly on October 25<sup>th</sup>, 2019, in Munich

*This declaration was prepared by a group of members of EAPSPI – it is not intended as a substitute to the individual SRI and ESG policies of members.*

#### Responsibilities as public sector pension institutions

Our institutions recognise their responsibility to ensure payment of the benefits in accordance with the promises of the pension systems that they manage, while limiting and making it possible to plan the costs incurred by contributors. To that end, the cost efficiency and the affordability of unfunded schemes, and in addition the security, the profitability and liquidity of investments in funded schemes are each a key issue for the members of EAPSPI. This in general is also a requirement of national and European regulation as regards financing, investment and risk management.

At the same time, our institutions believe they have a broader responsibility towards society and the environment, as workplaces and organisations participating in economic life. As regards asset owners' investment process, that translates to a commitment to take into account the impact and sustainability aspects of the activities they finance. Moreover, as European public sector pension institutions, EAPSPI organisations are rooted in the pursuit of the public good and a social Europe. As such, they are led to aim at being exemplary in their field of activity and seek to contribute to the foundations of a liveable environment for present as well as future generations.

Conversely, in the longer-term, an inclusive society, human well-being and stable ecosystems are conditions to a functioning economy and thus of the financial returns on investments. Extra-financial considerations therefore are also a part of risk management and mitigation and are directly linked to fiduciary duty.

#### Key takeaways for the association

Our institutions try within their means and their business activity, to promote impact and sustainability concerns. EAPSPI members take into account the specific conditions at the level of the institution and the objectives of the public sector background when addressing them.

As for those that manage assets, they foster awareness on those concerns, e.g. by analysing the impact of their investments or engaging investee organisations on their stance toward environmental, social and governance issues.

Together, EAPSPI members vow to continue their exchange of expertise and information in this area where differences of approach or experience further collective understanding and progress. Leading changes in this area is a good way for public sector institutions to demonstrate exemplarity. Among other tools, the implementation of regulations on sustainable finance will be the next ambitious challenge, to which our institutions will readily rise.

#### About EAPSPI

*The pension institutions of EAPSPI are rooted in the public sector managing and investing assets in trust for their nearly 34 million beneficiaries and active members in Europe. They are committed to pay services worth around EUR 40 billion a year. The EAPSPI members who implement funded systems manage around EUR 900 billion in assets. EAPSPI's 24 institutions from 15 European countries working in or close to the public sector wish, in their diversity, to present this declaration as a new step to address their common responsibilities as public sector pension institutions.*