

Investors launch *Principles for Responsible Investment in Farmland*

6 September 2011 - **A group of institutional investors currently representing US\$1.3 trillion in assets have today launched the Principles for Responsible Investment in Farmland (the “Farmland Principles”) with the goal of improving the sustainability, transparency and accountability of investments in farmland.**

Recent years have seen a strong increase in investor interest in farmland. The Farmland Principles provide institutional investors with best practice guidelines for:

- **Promoting environmental sustainability (Principle 1)**
- **Respecting labour and human rights (Principle 2)**
- **Respecting existing land and resource rights (Principle 3)**
- **Upholding high business and ethical standards (Principle 4)**
- **Reporting on activities and progress towards implementing and promoting the Principles (Principle 5)**

The Farmland Principles were developed and are endorsed by AP2 (Sweden), ABP (Netherlands), APG (Netherlands), ATP (Denmark), BT Pension Scheme (UK), Hermes EOS (UK), PGGM (Netherlands) and TIAA-CREF (USA), all of whom are signatories to the UN-backed Principles for Responsible Investment (PRI). These institutions are committed to implementing the Farmland Principles in their investment policies and practices. Other institutional investors are invited to also endorse the Farmland Principles and use them as a framework for developing their own responsible farmland investment practices.

Jose M. Minaya, Head of Natural Resources & Infrastructure Investments at TIAA-CREF, said “As the world faces the challenge of feeding 9 billion people, it is critical that new investments into agriculture are made with sensitivity to their environmental and social impact. The Farmland Principles express a strong commitment by long-term oriented investors to practice responsible investment as we seek to create value for our clients.”

Xander den Uyl, Vice-Chairman of the Board of Trustees of ABP, added, “Farmland operations that respect the environment, adhere to responsible labour practices and maintain positive stakeholder relations are better long-term investments – for the local communities, for host countries and for the pensioners we serve. We hope these principles will provide a reference point also for other investors’ farmland investments.”

Christina Olivecrona, Sustainability Analyst at AP2, said, “Environmental and ethical issues are an important part of our investment process. Having recently decided to invest in farmland, AP2 therefore actively supported the development of the Farmland Principles with the goal of improving sustainability and transparency in this asset class.”

The Farmland Principles have been developed with respect to other best practice guidelines guiding the actions of financial institutions worldwide.

The institutions that launched the Farmland Principles are also part of a newly formed PRI investor working group that will develop implementation support and tools to further advance responsible investment in farmland. The institutions are planning to review the Farmland Principles based on implementation experience and stakeholder feedback.

More information is available on the PRI website at: www.unpri.org/commodities

Notes to editors

View the full text of the Farmland Principles by visiting: www.unpri.org/commodities

A condensed list is found below:

▪ Principles for Responsible Investment in Farmland

Principle one: Promoting environmental sustainability

We will promote measures aimed at protecting the environment and contributing to the sustainability of specific crops and locations, for example by reducing soil erosion, protecting biodiversity, reducing chemical emissions, effectively managing water, and mitigating climate impacts.

We will require investment managers and operators acting on our behalf to conduct an environmental assessment identifying the relevant environmental impacts and risks of a planned investment.

Based on this environmental assessment, investment managers and operators will be expected to implement mitigation and management measures relevant and appropriate to the nature and scale of the proposed investment.

Principle two: Respecting labour and human rights

We will respect labour and human rights in our farmland investments. We will require investment managers and operators acting on our behalf to do the same and to avoid complicity in human rights abuses.

We will require investment managers and operators to identify relevant labour and human rights risks and impacts of a planned investment and to implement mitigation and management measures to address them appropriately.

Depending on the location and the nature of the investment we expect investment managers and operators to explicitly implement policies to respect rights such as those relating to indigenous peoples, vulnerable groups, unique cultural systems and values, local food security, labour and any other relevant rights in the scope of their risk assessment and mitigation measures.

Principle three: Respecting existing land and resource rights

We will respect the existing use of and ownership rights to land and other resources and we will require investment managers and operators acting on our behalf to do the same.

Investment managers and operators acting on our behalf will be required to implement processes for land acquisitions and related investments that are culturally appropriate and transparent, are monitored, ensure accountability and the engagement with relevant stakeholders.

For investments with potential significant adverse impacts on affected communities, the investment managers are expected to implement processes to ensure their free, prior and informed consultation and facilitate their informed participation as a means to establish whether a project has adequately incorporated affected communities' concerns.

Principle four: Upholding high business and ethical standards

We will promote high business and ethical standards in our farmland investments.

We will require that investment managers and operators acting on our behalf respect the rule of law even where it is poorly enforced. We will also require them to implement processes aimed at avoiding corruption in all its forms, including extortion and bribery, and to reflect an informed view of industry best-practice in their operations.

Principle five: Reporting on activities and progress towards implementing the Principles and promoting the Principles

We will report publicly on our activities and progress towards implementing the Farmland Principles, taking into account appropriate confidentiality considerations.

We will encourage other institutional investors to endorse and implement the Farmland Principles.

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