Complaint against Fonds de Compensation de la Sécurité sociale SICAV FIS for failing to meet the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

Complainant: Greenpeace Luxembourg, 34 Avenue de la Gare, 4130 Esch-sur-Alzette

Entity against which the complaint is filed: Fonds de Compensation de la Sécurité sociale (FDC) SICAV FIS, 31, Z.A. Bourmicht L-8070

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I. Summary

Greenpeace Luxembourg files a complaint with the Luxembourg NCP against FDC SICAV FIS (the Fund) for failing to meet the standards set out in the 2011 and 2023 OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the Guidelines). FDC SICAV is a fund created by *Fonds de compensation commun au régime général de pension* (FDC), a public establishment created by the law of 6 May 2004[1] relating to the management of the assets of the general pension insurance scheme. FDC's mission is to manage the reserve of the assets of the general pension insurance scheme in accordance with articles 247 and 248 of the Social Security Code (CSS)[2]

Institutional investors with responsibilities under the Guidelines, including FDC SICAV FIS, are expected to conduct human rights and environmental due diligence, address climate and human rights risks in their value chains throughout their investment process and use their leverage to influence investee companies to prevent or mitigate adverse impacts identified as part of the due diligence process. The complaint argues that the current investment strategy of the Fund does not meet the expectations outlined in the Guidelines and presents concrete demands for improving the Fund's strategy.

According to Greenpeace Luxembourg's analysis, the Fund has not met the following standards in the 2023 and 2011 OECD Guidelines:

2023 OECD Guidelines:
- Chapter II, paragraphs 11, 13, 14 and 15;
- Chapter III, paragraph 3, a) and d)
- Chapter IV, paragraphs 1, 3 and 5
- Chapter VI, paragraph 1, a), b), c), d)
- Chapter VIII, paragraph 4

2011 OECD Guidelines:
- Chapter II, paragraphs 10, 12, 13 and 14
- Chapter IV paragraphs 1, 3 and 5
- Chapter VI, paragraph 1) a), b) and c)
- Chapter VIII, paragraph 4

The complaint is filed under both the 2011 and 2023 OECD Guidelines. The standards set out in the 2011 Guidelines applied to the Fund prior to the update of the Guidelines on 8 June 2023. On and from that date, the standards set out in the 2023 version of the Guidelines should have been respected by the Fund. In our view, the Fund failed to meet its responsibilities in both the 2011 and 2023 OECD Guidelines.

II. Demands

Greenpeace Luxembourg intends for discussions during the good offices phase of the NCP complaint process to address the issues raised in this complaint. Greenpeace Luxembourg insists that the Fund comply with the expectations for companies set out in the Guidelines and

[1] https://legilux.public.lu/eli/etat/leg/loi/2004/05/06/n1/jo#art_6

[2] https://www.secu.lu/assurance-pension/livre-iii/chapitre-iii-voies-et-moyens/

undertake all of the following actions oriented toward addressing their involvement in human rights and environmental impacts.

We demand that the Fund:

1) **Set up a sustainable investment strategy in line with the standards for responsible business conduct in the Guidelines, which should include at minimum the following elements**:

- Risk-based human rights and environmental due diligence with policies and procedures to identify, prevent, mitigate and if applicable remedy adverse impacts, and ensure that any new policy or procedure is effectively implemented.
- A clear commitment of the FDC to the Paris Climate Agreement ratified by Luxembourg, with concrete, ambitious and measurable objectives and the definition of an emission reduction pathway leading to a significant reduction in emissions in order to align the Fund's investments with below the 1.5°C target required by the best available science.

In 2018, the IPCC's 1.5C special report (1.5SR)[3] explicitly stated that already at 1°C of global warming above pre-industrial levels the world was experiencing forms of extreme weather that threatened human rights, and that global warming of 1.5°C was not safe "for most nations, communities, ecosystems and sectors". There is clear evidence that current levels of warming are already causing significant human rights impacts, and at a faster rate than anticipated by governments and the scientific community.

The climate regime reflects the Parties' understanding that the actions required to achieve the overarching objective of the UNFCCC, to prevent "dangerous anthropogenic interference with the climate system," must evolve with the best available scientific knowledge.[4] This notion of climate action progressing over time is expressly enshrined in Article 4(3) of the Paris Agreement, which requires States' "nationally determined contributions" to reflect their "highest possible ambition," in view of common but differentiated responsibilities and respective capabilities and different national circumstances. Ultimately, responsibilities under the Guidelines require FDC to adopt more ambitious action than that pledged in Paris as the science evolves[5].

2) **Carry out human rights and environmental due diligence in relation to investments by following the process described in the OECD due diligence guidance[6] :**

- Embed responsible business conduct into policies and management systems
- Identify and assess actual and potential adverse impacts associated with the enterprise's activities
- Cease, prevent and mitigate adverse impacts
- Track implementation and results (including alignment with the below 1.5°C target)
- Communicate annually on how impacts are addressed (communication of adverse

[3] https://www.ipcc.ch/sr15/

[4] UNFCCC, Report of the Conference of the Parties on its sixteenth session, held in Cancun from 29 November to 10 December 2010, Decision 1/CP.16, FCCC/CP/2010/7/Add.1, 2011[Cancun Agreement], para. 4.

[5] The Guidelines are interpreted in light of existing obligations, including human rights obligations. See for example Neubauer et al v. Germany, Bundesverfassungsgerichtshof (BverfG) (Federal Constitutional Court), 1 BvR 2656/18, 1 BvR 96/20, 1 BvR 78/20, 1 BvR 288/20, 1 BvR 96/20, 1 BvR 78/20 (Apr. 29, 2021) [hereinafter Neubauer Federal Constitutional Court Case], at para. 212 (noting that best available science could mean that the Constitutional requirements, in this instance in Germany, require setting emissions reductions targets to go beyond what is necessary to achieve the Paris temperature targets).

[6] https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf

impacts, including progress towards alignment with the below 1.5°C target (see demand 1) engagement activities undertaken, results of engagement with specific companies, decisions regarding divestment, voting records of asset managers in investee company shareholder meetings and guidelines for voting in investee companies, companies with which the investor has engaged etc.)

3) Establish a grievance mechanism, including an ethics committee, in line with the expectations in the United Nations Guiding Principles on Business and Human Rights (UNGPs) allowing stakeholders to report sustainability related issues.

Under the Luxembourg NCP's rules of procedure, should the Fund refuse the NCP's good offices, or otherwise withdraw from good offices after they have commenced, or should dialogue between the parties fail to reach an agreement, Greenpeace Luxembourg requests the NCP to undertake further examination to determine whether the Respondent acted in accordance with the Guidelines in matters addressed in this specific instance.

Greenpeace further requests that the Luxembourg NCP provides recommendations to the Fund to bring their conduct into line with the Guidelines, including to address the impacts to which they are linked and/or have contributed, as well as on improvements to their due diligence processes to avoid implication in adverse impacts.

III. Presentation of FDC SICAV FIS' operations and activities

FDC SICAV-FIS is an open-ended investment company incorporated in Luxembourg on 16 July 2007 for an unlimited period. It is governed by the law of 1915 on commercial companies[7], by the law of 2007 on specialised investment funds[8] as amended, and by its Articles of Association.

The Fund was created by the Fonds de compensation commun au régime général de pension (FDC), a public establishment created by the law of 6 May 2004[9] relating to the management of the assets of the general pension insurance scheme. FDC's mission is to manage the reserve of the assets of the general pension insurance scheme in accordance with articles 247 and 248 of the Social Security Code (CSS)[10] .

The shares of the Fund are reserved exclusively for FDC.

The objective of the Fund is to invest, in line with FDC's investment strategy, the assets at its disposal in all types of securities to spread the investment risks and to allow the sole shareholder to benefit from the results of the management of these securities.

The company is managed by a Board of Directors set up in accordance with article 263-9 paragraph 2 of the Social Security Code.

The Board of Directors, while respecting the principle of risk diversification, has the power to define the Fund's investment strategy and the investment policy applicable to each of the Sub-Funds, as well as the conduct of the Fund's business and activities.

[7] https://www.legilux.public.lu/eli/etat/leg/loi/1915/08/10/n1/jo

[8] https://www.cssf.lu/wp-content/uploads/L_130207_FIS.pdf

[9] https://legilux.public.lu/eli/etat/leg/loi/2004/05/06/n1/jo#art_6

[10] https://www.secu.lu/assurance-pension/livre-iii/chapitre-iii-voies-et-moyens/

The Board of Directors has appointed Citibank Europe plc, Luxembourg Branch, as central administrator and depositary of the assets of each Sub-Fund. Asset management within the Fund is fully delegated to asset management companies. These companies have offices that operate cross-border and are located in France, Ireland, Switzerland, Germany, the Netherlands, and the United Kingdom.

The asset management companies have significant global reach, managing 22 billion euros of assets (as of 31st of December 2022)[11] and generating significant economic activity both within and outside of the EU.

FDC SICAV-FIS is a multinational enterprise and thus has responsibilities under the Guidelines. According to the Guidelines, the main factors to be considered in determining whether a company is a multinational enterprise are the international dimension of the company's structure or operations and its commercial form, object, or activities.

1) *Concept of enterprise*

As far as Luxembourg law is concerned, there is no legal definition of an enterprise. Article 2 of the Grand-Ducal regulation of March 16, 2005, adapting the definition of micro, small and medium-sized enterprises[12] states that an enterprise is any entity, regardless of its legal form, engaged in an economic activity.
According to the law of the European Union, and more specifically the case law of the Court of Justice (Höfner and Elser judgement of April 13, 1991[13]), the Court ruled that "in the context of competition law... the concept of enterprise includes any unit engaged in an economic activity, irrespective of the legal status of that entity or the way in which it is financed". Since investment is an economic activity, the Fund falls within the definition of an enterprise as a unit engaged in that activity.

2) International dimension of operations and activities

The Fund's investment activities confirm the company's international dimension: the managers invest the assets on international financial markets and in multinational companies domiciled abroad. It delivers therefore investment services outside Luxembourg. As a result, the Fund owns shares of companies based outside Luxembourg.
Domiciled in Luxembourg, the Fund's investment value chain structure is also international insofar as several international companies perform different functions in its day-to-day management. The Fund's central administration is managed by Citibank Luxembourg, which is owned by Citibank Europe registered in Ireland. In this capacity, Citibank Luxembourg acts as the SICAV's domiciliary, central administration, accounting, registrar, transfer and payment agent. The day-to-day management of the Fund's assets is carried out by asset managers with offices in Rotterdam, Paris, Frankfurt, London, Dublin, Zurich and Luxembourg.

3) Commercial Form

The Fund is a commercial company governed by the law of 1915 on commercial companies and by the law of 2007 on specialised investment funds. Its objective is to invest the funds at its disposal in all types of securities to minimise investment risks and to allow the sole shareholder to benefit from the results of the management of these securities. The FDC's investment strategy provides for a minimum average annual return of 3.3%[14] , i.e., the main purpose of investment activities is to make a profit.

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[11] https://fdc.public.lu/en/publications/rapports-financiers-fdc/rapport-annuel-2022-sicav-fdc.html

[12] https://legilux.public.lu/eli/etat/leg/rgd/2005/03/16/n1/jo

[13] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A61990CJ0041

[14] https://fdc.public.lu/fr/strategie-investissement.html

As mentioned in the Guidelines, the shareholding of a multinational company could be entirely public, which is the case for the Fund.

4) Complaints precedents concerning pension funds

There have already been complaints to NCPs in the Netherlands and Norway against pension funds - the Dutch pension fund ABP and the Norwegian Government Pension Fund Global.[15] In the initial assessments, both NCPs accepted the case against the two pension funds and found that the Guidelines apply to fund managers and minority shareholders[16].

IV. Flaws of FDC's current sustainability approach

FDC was established by the amended law of 6 May 2004 concerning the administration of the assets of the general pension insurance scheme and has the form of a public entity. Its legal mission is to prudentially manage the reserve of the general pension scheme and to earn an effective return while diversifying risks. Luxembourg's private sector employees are legally obliged to pay into the social insurance and pension scheme of the State.

According to Article 248 of the Social Security Code, (…) "*Investments shall comply with the principles of appropriate risk diversification. To this end, the assets must be spread among different investment classes as well as among different economic and geographical sectors."*

A major part of the reserve allocated to FDC is invested in financial markets through its SICAV. The assets of the SICAV, created in 2007, are entirely entrusted to external asset managers. Asset managers invest in four asset classes, mainly in equities and bonds[17], as well as in money market and indirect real estate assets. At the end of 2022, FDC's reserve amounted to 23,49 billion euros, of which 21,9 billion Euro (approximately 93% of the reserve) was invested through the SICAV across 25 sub-funds managed by 16+ specific asset managers. Active and indexed management is balanced.

FDC's Board of Directors establishes the guidelines that define FDC's asset management principles and rules. The guidelines are reviewed regularly (every five years). Sustainable criteria and aspects have been incorporated into the investment process mainly through a normative exclusion list, an observation list and the integration of a sustainable investment approach during a tender for the award of portfolio management:

- At the beginning of 2011, FDC's Board decided to set up and implement a normative exclusion list, based on international conventions ratified by the Grand Duchy of Luxembourg and covering the fields of environment as well as institutional, social and joint responsibility.

- Since 2017, the integration of a sustainable approach into the investment strategy offered by a tendering company has been mandatory for FDC's actively managed mandates. The type, scope and impact of such an approach on the investment strategy proposed are not predefined by FDC and can therefore take different forms.

[15] https://www.oecdwatch.org/complaint/lok-shakti-abhiyan-et-al-vs-government-pension-fund-global/, https://www.oecdwatch.org/complaint/lok-shakti-abhiyan-et-al-vs-abp/

[16] https://www.oecdwatch.org/download/29301/?tmstv=1699441228

[17] In 2022, both asset classes accounted for 94,75%

In February 2023, FDC published a new directive[18] which lays down the guideline of the fund's investment policy for the period 2023-2027. According to the directive, FDC's sustainable investor policy is based on the following elements (unofficial translation):

1. "*The investments must comply with the international conventions ratified by the Grand Duchy of Luxembourg. This principle is implemented through a normative exclusion from the authorised investment universe of the undertakings for collective investment of securities of companies which contravene international standards as enshrined in the ten principles of the United Nations Global Compact covering human rights, environment, international labour standards and anti-corruption, its complementary standards being the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and their underlying conventions and treaties."*

2. *"In addition, securities of companies with a prolonged "under observation" status and no concrete prospects of improvement are also excluded from the Fund's authorised investment universe. Observation status is assigned to companies with no confirmed violations but at risk of contributing to breaches of international standards."*

3. *"Also excluded are companies involved in activities related to controversial weapons, including anti-personnel mines, cluster bombs, nuclear weapons, depleted uranium weapons, white phosphorus weapons and chemical and biological weapons."*

4. *"For actively managed sub-funds, any mandate is only granted to a portfolio manager whose investment strategy and decision-making processes also take into account sustainable development or socially responsible investment criteria. The type, extent and scope of these criteria to be included are not predefined by the FDC and the sustainable development or socially responsible investment approach implemented may therefore take different forms."*

5. *"For passively managed sub-funds, implementing a sustainable development or socially responsible investment approach, as mentioned for actively managed sub-funds, would considerably reduce the authorised investment universe and therefore compromise the objective of this type of management, which consists of pure replication of a predefined benchmark index. For the time being, therefore, no consideration is being given to the exclusive use of 'sustainable' benchmarks."*

6. *"The creation of specific sub-funds for so-called "positive impact " investments and investments in clean energy infrastructure and/or sustainable/ESG infrastructure" or "Paris Aligned"*

7. *"a particular focus is placed on engagement, in particular by providing for the definition and implementation at the level of the undertakings for collective investment (UCI) of a policy of engagement with the main greenhouse gas emitting companies, as well as by requiring the portfolio managers of the UCI to pursue engagement, particularly with regard to the environmental aspect. For the first element, an external service provider specialising in the field of commitment may be used"*

8. *"on an annual basis, the establishment of the weighted average carbon intensity of the consolidated equity and bond portfolios".*

According to Greenpeace's analysis, both the directive as well as its implementation do not meet the responsible business conduct standards in the Guidelines.

[18] https://fdc.public.lu/en/publications/documents-gouvernance-fdc/directive-fdc.html

- **On the directive**

The directive is missing important elements with regards to the Guidelines, such as:

- the necessity to carry out risk-based due diligence
- a coherent sustainable investment strategy for the fund as a whole as well as for all of its sub-funds
- concrete objectives and timelines for mitigating adverse impacts related to climate, environment and human rights

- **On the exclusion policy (see above points 1,2 and 3 of the directive)**

The exclusion policy itself is not clearly defined. In the context of the normative exclusion, the Guidelines and their underlying conventions and treaties are considered a complementary standard to the UN Global Compact. It can be therefore concluded that the Paris Agreement, as an international agreement explicitly referred to in the Environment chapter of the Guidelines, is also included in FDC's exclusion policy. However, currently, FDC does not exclude any companies for climate reasons[19].

Greenpeace's research has identified multiple companies in FDC's SICAV portfolio, which are far from being on track in order to reach the below 1.5C target.[20]. FDC should consider excluding companies that cannot be transformed and that are not committed to align their business activities with the objectives of the Paris agreement.

Furthermore, the implementation of the exclusion policy has its shortcomings. The investments of the fund shall be screened according to the Guidelines, however, there is no transparency how this is being implemented and whether the methodology applied by the external service provider *Sustainalytics* meets the due diligence expectations and other standards of the Guidelines. Given that it is a paid service, the service provider gives little information about the methodology of screening and engagement. Greenpeace's research shows that FDC has continuously invested in companies, which are excluded by other institutional investors for issues related to human rights (see Appendix 1).

State owned enterprises (SOEs) such as FDC have an increased responsibility to act fully in line with international standards, especially the UNGPs, and lead on best practices to prevent and mitigate against adverse human rights impacts, including related to climate change[21]. To do this, SOEs must lead by example[22] and take "additional" steps to protect against human rights abuses by business enterprises that they own or control[23]. In the light of this, the exclusion policy and its implementation appear to be insufficient.

Although FDC publicly commits to exclude companies with activities related to controversial weapons, Greenpeace's screening of the SICAV's investments in 2022 shows that it has invested in **42 companies** with an investment value of **121 million euros** that have been excluded by other institutional investors and pension funds for their involvement in controversial weapons such as anti-personnel mines, cluster munitions, nuclear weapons or white phosphorus weapons according to the database of the Financial Exclusion Tracker[24].

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19 see FDC's exclusion list from October 2023

20 Examples include TotalEnergies, Repsol, Equinor, BP, Shell, Chevron, Petrobras, Devon, ExxonMobil; Carbon Tracker Analyst note, "Absolute Impact 2023: Progress on oil and gas emissions targets has stalled", September 2023

21 UNWG Information note on Climate Change and UNGPs 2023, p. 4

22 UNHRC WG Report on Human Rights and Transnational Corporations 2016, para. 5

23 UNGP, principle 4; UNHRC WG Report on Human Rights and Transnational Corporations 2016, para. 88-89. See also, OECD Guidelines, p. 22; OECD SOE Guidelines, p. 24.

24 https://financialexclusionstracker.org/

For example, FDC invests in the company Elbit Systems, which has been excluded by 20 institutional investors for its implication in controversial weapons including anti-personnel mines and cluster munitions[25]. In this context, it is important to underline that the law of 4th of June 2009 approving the Convention on Cluster Munitions prohibits the financing of cluster munitions.[26]

Research into the FDC's investments in controversial weapons also revealed that FDC invests in companies active in the development of artificial intelligence for weapons systems, such as IBM, Intel, Palantir and Nvidia.

FDC's investment strategy does not currently exclude investments in such companies. The question arises as to whether FDC's investment policy in its current form is generally sufficiently geared towards discussing controversial technological developments in order to act appropriately when making investment decisions.

The Fund is not disclosing information about the number of companies on their observation list and their names. No information is available about the criteria for putting companies on the grey list respectively for delisting companies from the grey list.

- **On the integration of sustainability aspects into investment decisions**

Generally speaking, the basis for the integration of sustainability criteria is the anchoring of the topic in the overall strategy of the FDC and in the investment strategy for all sub-funds.

In order to integrate sustainability aspects in general, and climate criteria in particular, into the decision-making processes of the FDC in a truly holistic manner, various strategic and operational adjustments need to be made. Only the consistent implementation of these measures can ensure that the fund acts in accordance with national and international sustainability goals and that the financial risks associated with climate change or the transformation of the economy are actively integrated into risk management.
However, this is not the case for FDC. Responsibility for the sustainability analysis of individual investments in the various sub-funds currently lies with the mandated asset managers. Each of the asset managers has its own analysis tools, which are based on different data sources and key figures. A comprehensive overview of the sustainability performance of the capital managed by the FDC is therefore hardly possible. For an effective alignment of capital with national and international sustainability goals, however, it is essential to implement a separate sustainability analysis that creates transparency across all sub-funds on key sustainability criteria.

- **On actively managed sub-funds and sub-funds tracking an index**

According to FDC, "*since 2017, the integration of a sustainable approach into the investment strategy offered by a tendering company has been mandatory for FDC's actively managed mandates. The type, scope and impact of such an approach on the investment strategy proposed are not predefined by FDC and can therefore take different forms (positive or negative screening, specific ESG approach (for example best-in-class), thematic investments, etc.).*"

Greenpeace's screening of the FDC's investments revealed that, despite declaring implementing a sustainable investment approach, several asset managers of actively managed sub-funds invested in companies which have been excluded by other institutional

[25] see search results for elbit systems in financial exclusion tracker
[26] https://legilux.public.lu/eli/etat/leg/loi/2009/06/04/n2/jo

investors and pension funds for reasons related to climate, environment, human rights, weapon production, distribution and sale as well as for other reasons.

This is also the case of sub-funds in line with article 8 of the EU SFDR respectively sub-funds with LuxFLAG ESG and Environment labels (see Appendix 1).

Greenpeace's analysis of the precontractual disclosure documents of the actively managed sub-funds comes to the conclusion that none of these asset managers declares to carry out risk-based human rights and environmental due diligence in line with the standards of the Guidelines.

While it is true that the application of additional sustainability criteria leads to a reduction in the potential investment universe, there are now various sustainable alternatives to almost every major conventional index (e.g. MSCI World, Dow Jones, Euro Stoxx 600, etc). Many of these sustainable indices continue to consist of several hundred companies even after the application of sustainability criteria, so that a high level of risk diversification is still guaranteed.

It is important to note that the objective of the passively managed sub-funds should not be to track the benchmark index as closely as possible, but to achieve an optimum return with an acceptable level of risk. FDC should disclose the specific risk requirements it has and the extent to which an investment in a sub-fund based on a sustainable benchmark index violates these risk requirements. As stated by the FDC, the aim is ultimately to optimise returns while at the same time complying with the risk requirements and not to minimise risks or maximise risk diversification.

- **On specific sub-funds**

FDC reports that several of its sub-funds are certified with a **LuxFlag Label**[27]. However, the criteria for obtaining the LuxFlag ESG label are weaker than the standards of the Guidelines. For example, to obtain the LuxFlag ESG label, the applicants could choose the norms to apply for the exclusion criteria. They could, for example, select the UN Global Compact, which is not as ambitious as the Guidelines.

According to FDC, one **sub-fund is aligned with the Paris Agreement** objectives (Global Equities Paris Aligned) and another aims for a **supposed positive impact** (Global Equities Sustainable Impact). Nonetheless, these two sub-funds do not entirely satisfy the criteria of the Guidelines as there is no evidence of the performance of risk based due diligence on the investee companies.

Furthermore, investments in these sub-funds represent only a small percentage of the total value of investments (approximately 4%).

- **On engagement**

It is to be welcomed that FDC has decided to develop an engagement policy. In January 2024, FDC announced on its website that *"FDC has defined and implemented an engagement policy put, among others, into practice through a membership of the Institutional Investors Group on Climate Change (IIGCC) and by being signatory to the Climate Action 100+ initiative as a*

[27] LuxFLAG is the Luxembourg association awarding sustainability labels for financial products. LuxFLAG was founded in July 2006 by seven private and public founding partners: the Luxembourg government, ALFI, ABBL, ADA, the European Investment Bank, Luxembourg for Finance and the Luxembourg Stock Exchange.
LuxFLAG issues labels such as LuxFLAG ESG, LuxFLAG Environment and LuxFLAG Climate Finance. Fund providers can decide which of the labels they wish to apply for according to their own investment approach. While the LuxFLAG ESG label primarily confirms that the provider implements elements of an integrated ESG strategy in the investment process, the Environment and Climate Finance labels are primarily focussed on thematic funds.

supporting asset owner." It seems that the Fund has decided to outsource the engagement to external initiatives, however, it is still not clear how the engagement strategy actually is defined. What about the divestment strategy when companies are unresponsive to engagement? It is crucial to establish clarity on the engagement strategy, including exit strategies, the engagement activities carried out in the respective year, the engagement successes, as well as the voting behaviour (i.e., the exercise of voting on ESG-related resolutions at Annual General Meetings), which should always be actively exercised by the FDC.
As mentioned in the OECD guidance for institutional investors, "the approaches investors can employ to use their leverage to influence companies they invest in are broad in scope. These are not limited to direct engagement with investee companies but could also involve, as appropriate, directing capital towards responsible investee companies over time, involvement in industry initiatives targeting certain RBC risks, collective action on specific geographic or company-specific issues, etc".[28]

- **On Paris-alignment**

The Board of Director's Directive, which defines the Fund's strategy for the period 2023-2027, does not specify clear and target-oriented objectives and measures about how the Fund intends to align its investments with the Paris Agreement.

According to FDC's 2020 Sustainable Investor Report, *"FDC's aggregated equity and corporate bond portfolio shows a transition path compatible with a warming between 2 and 3°C"*, which is inconsistent with the objectives of the Paris Agreement. It must be noted that the approaches of the asset managers mandated by the FDC are inconsistent and do not correspond by far to the level of ambition that would be necessary to achieve Paris compatibility of the sub-funds.

FDC continues to invest on an ongoing basis in companies whose business models are not compatible with a <2°C transformation path let alone a below 1.5°C compliant path. FDC has not excluded a single company from its investment universe due to climate reasons. This stands in stark contrast to the exclusion policies of many pension funds which regularly exclude fossil fuel and other climate-damaging companies from their investments (see also Appendix 1).

Since the publication of the 2020 Sustainable Investor report, the fund has not published any recent data concerning the Paris-alignment of its investments. Instead, the fund decided to publish on an annual basis some climate-related indicators and only every three years information about the funds' climate-related trajectory. The indicators and measures used today for sustainability analysis often focus on developments in the past and therefore do not really go far enough for a future-oriented assessment of climate-related risks. Past performance indicators are quite important for starting a systematic approach to climate-related risks, but should be supplemented by future-oriented indicators.

FDC needs to make a clear commitment to the Paris Climate Agreement ratified by Luxembourg. An emissions reduction pathway must be defined that takes into account the requirements of the Paris Climate Agreement.

[28] OECD Guidance for institutional investors, page 14

V. FDC SICAV FIS' failure to meet the standards of the Guidelines

The following chapter gives a detailed account on how the SICAV fails to meet the Guidelines' provisions on General Policies, Disclosure, Human Rights, Environment and Consumer interests.

According to Greenpeace, the **Respondent has not met the following standards in the 2011 and 2023 OECD Guidelines:**

2023 OECD Guidelines

- Chapter II, paragraphs 11, 13, 14 and 15;
- Chapter III, paragraph 3, a) and d)
- Chapter IV, paragraphs 1, 3 and 5
- Chapter VI, paragraph 1, a), b), c), d)
- Chapter VIII, paragraph 4

2011 OECD Guidelines

- Chapter II, paragraphs 10, 12, 13 and 14
- Chapter IV paragraphs 1, 3 and 5
- Chapter VI, paragraph 1) a), b) and c)
- Chapter VIII, paragraph 4

1. Breach of standards in Chapter II General policies

Under both 2023 and 2011 OECD guidelines, companies should:

"Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 12 and 13, and account for how these impacts are addressed.[29]"

In order to determine whether the Fund carries out human rights and environmental due diligence, Greenpeace has analysed recent relevant governance and strategy documents available on FDC's website such as:

- SICAV Issue document from October 2023[30], which details the investment policy of the SICAV
- The directive of the board from February 2023, which defines the principles, rules, tasks and competences to be respected by FDC's various stakeholders during the next five years[31]
- FDC's Sustainable Investor Factsheet 2022[32] published on the 27/12/2023
- Asset managers precontractual disclosures in relation to the actively managed sub-funds labelled according to art. 8 or art. 9 of the EU SFDR

[29] Guidelines 2023, page 14, Guidelines 2011, page 20

[30] https://fdc.public.lu/en/publications/documents-gouvernance-fdc/issue-document.html

[31] https://fdc.public.lu/en/publications/documents-gouvernance-fdc/directive-fdc.html

[32] https://fdc.public.lu/en/actualites/2023/sustainable-investor-factsheet-2022.html

Our analysis shows that currently, there is no evidence the Fund has a due diligence policy in line with the Guidelines, let alone implementing it in the context of its business relationships with the asset managers.

In addition, the analysis of FDC's SICAV issue document[33] shows that there is a difference in scope between sustainability risks as considered by the asset managers and responsible business conduct risks (RBC risks) covered by the Guidelines.

According to the guidance "Responsible business conduct for institutional investors"[34] RBC risk, refers to a risk of adverse impacts on issues covered by the Guidelines - in other words, the risks to society and the environment, not to the company itself.

For the Fund, the term "risk" means risks to the enterprise – financial risk, operational risk, reputational risk, etc. The issue document of the SICAV from October 2023 shows that for most of the sub-funds, asset managers do not consider the potential or actual adverse impacts on human rights and environment and define "sustainability risk" as *"events or circumstances in the environmental, social and corporate governance spheres that could have a definite or potential adverse effect on the value of the Sub-Fund's investment if they occurred."* The Guidelines however are about the risks of adverse impacts enterprises create, contribute to, or to which they are directly linked (and a consequence for society and the environment if those risks materialise) – so it is an outward facing approach.

The Fund declares conducting a principal adverse impact assessment for 3 of its sub-funds[35]. Principal adverse impacts (PAI) are understood as negative effects on the environment, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters.[36] As mentioned in a recent report published by Danish Institute for Human Rights "Documenting the respect for human rights in the financial sector"[37] the PAI social mandatory indicators are not aligned with the risk-based due diligence approach and the mandatory indicators related to the OECD guidelines "are overly broad and unclear"[38].

It can be concluded that a risk-based due diligence as prescribed by the Guidelines is not performed by the SICAV. As part of this due diligence, the Fund should have disclosed any adverse impacts they identified and how they are addressed. However, there is also no evidence of this.

Under the 2023 and 2011 Guidelines the investors should:

- *"Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship[39]."*

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33 https://fdc.public.lu/en/publications/documents-gouvernance-fdc/issue-document.html

34 https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf

35 Sub-Fund FDC SICAV EUR Bonds - Active 1, Sub-Fund Global Equities Small Cap- Active 1, Sub-fund FDC SICAV EUR Green Bonds – Active 1

36 According to art 4 (2) of the SFDR the PAI Statement should include at least: 1. information about policies on the identification and prioritization of principal adverse sustainability impacts and indicators; 2. a description of the principal adverse sustainability impacts and any actions in relation thereto taken or, where relevant, planned; 3. brief summaries of engagement policies; 4. a reference to the adherence to responsible business conduct codes and internationally recognized standards for due diligence and reporting.

37 https://www.humanrights.dk/files/media/document/Documenting%20Respect%20for%20Human%20Rights%20in%20the%20Financial%20Sector%20%E2%80%93%20A%202023%20Snapshot%20of%20Danish%20Financial%20Institutions_accessible.pdf

38 Ibid, page 44

39 Guidelines 2023, page 15, Guidelines 2011, page 20

There is no evidence of the existence of processes and measures, which would allow the SICAV to prevent and mitigate actual or potential adverse impacts linked to their operations. In this context, FDC refers regularly to its exclusion list but this tool is insufficient and incomplete (see Appendix 1).

- *"In addition to addressing adverse impacts in relation to matters covered by the guidelines, encourage, where practicable, entities with which an enterprise has a business relationship to apply principles of responsible business conduct compatible with the Guidelines.*[40]*"*

There is no evidence of how the SICAV has encouraged over the past years, directly or through a service provider, its business relationships, the investee companies, to apply the principles of responsible business conduct compatible with the Guidelines. The Fund decided to outsource the engagement to external consultants, and it is not clear how the engagement strategy actually was defined and whether it was aligned with the OECD guidance for institutional investors[41]. What about the divestment strategy when companies were unresponsive to engagement? The SICAV's policies regarding engagement and disengagement should be transparent.

Under the 2023 Guidelines companies should:

"Engage meaningfully with relevant stakeholders or their legitimate representatives as part of carrying out due diligence and in order to provide opportunities for their views to be taken into account with respect to activities that may significantly impact them related to matters covered by the guidelines.[42]*"*

Commentary 28 of the 2023 Guidelines clarifies the definition of "meaningful stakeholder engagement":

"Meaningful stakeholder engagement refers to ongoing engagement with stakeholders that is two-way, conducted in good faith by the participants on both sides and responsive stakeholders' views."[43]

Under the 2011 Guidelines, companies should

"Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities."[44]

Greenpeace has tried to engage with FDC for many years (see full account of engagement in chapter VII and Appendix 2) but the Fund has not been responsive to its views.

For example, during the elaboration of the directive in 2022 (which defines FDC's investment strategy for the period 2023-2027) Greenpeace and ASTM have recommended that fund's policies and any outsourcing contracts with external fund managers take into account the OECD Guidelines for multinational enterprises as well as the UN Guiding Principles on

[40] Ibid

[41] https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf

[42] Guidelines 2023, page 15

[43] Guidelines 2023, page 20

[44] Guidelines 2011, page 20

Business and Human rights.[45]

In June 2023, Greenpeace requested a meeting with the FDC to discuss its analysis of the SICAV's annual report 2022, but the demand was rejected.

2. Breach of standards in Chapter III Disclosure

According to the 2023 Guidelines:

"It is also important that enterprises communicate responsible business conduct information including as part of their responsibility to carry out due diligence." [46]

Commentary 32 clarifies the notion of "responsible business conduct information": "*The Guidelines include a second set of disclosure recommendations on responsible business conduct information, including the enterprise's actual or potential adverse impacts on people, the environment and society, and related due diligence processes, which may be material to an investor's decision making and which also may be relevant for a broader set of stakeholders, including, workers, worker representatives, local communities and civil society, among others."*[47]

In terms of disclosure, the Guidelines expect companies to disclose:

"value statements or statements of business conduct intended for public disclosure including policies on responsible business conduct issues that articulate the enterprise's commitments to the principles and standards contained in the Guidelines, and its plans for implementing due diligence;"

and

"the enterprise's identified areas of significant impacts or risks, the adverse impacts or risks identified, prioritised and assessed, as well as the prioritisation criteria;"

The analysis of FDC's publications mentioned in part 1 of this chapter shows that:

- The Fund does not disclose its plans for implementing due diligence;
- The Fund does not disclose potential or actual adverse impacts.

The FDC's Sustainable Investor Factsheet 2022[48] (published in December 2023) reports mainly on supposed positive impacts of the investments of the SICAV but it does not report on negative impacts. The Fund should be transparent about its potential and actual adverse impacts and its plans for implementing due diligence in order to address them. The expectations for corporate disclosure in the 2011 Guidelines were increased in the 2023 Guidelines and the Fund should therefore ensure that it discloses responsible business conduct information as part of its due diligence processes.

3. Breach of standards in Chapter IV Human rights

[45] https://www.greenpeace.org/static/planet4-luxembourg-stateless/2022/03/7dff8069-en_briefing-fdc_astm-greenpeace_2022.pdf, page 10

[46] Guidelines 2023, page 21

[47] Guidelines 2023, page 23

[48] https://fdc.public.lu/en/publications/rapports-extra-financiers-fdc/sustainable-investor-factsheet-2021.html

Under both 2023 and 2011 Guidelines, companies should:

"Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.[49]" and

"Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.[50]"

and

"Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.[51]"

Greenpeace has conducted in-depth analyses of the investments of the SICAV, which show a pattern of violation of the human rights standards mentioned above.

Nextra Consulting's study of the Fund's investments in 2021 conducted in collaboration with Greenpeace Luxembourg and ASTM identified 282 reported cases by 196 companies with reported past and on-going failures to conduct human rights due diligence.[52]

Following the publication of the SICAV's annual report 2022, Greenpeace also studied the fund's investments in high-risk sectors for human rights, in particular the automotive, food and agriculture and IT sectors using the 2022 Corporate Human Rights Benchmark[53] developed by the World Benchmarking Alliance. The analysis shows that almost two billion euros have been invested in 119 companies in these sectors, none of which satisfactorily meet the due diligence requirements according to the benchmark[54].

As mentioned in chapter IV, FDC's exclusion list presents several flaws and as a result, FDC continues to invest in companies subject to serious allegations of human rights abuses. A concrete example is the mining company BHP, which was already flagged in 2022 in Greenpeace and ASTM's report "Dirty and Dangerous".[55] According to the financial exclusion tracker[56], 31 institutional investors have already excluded BHP from their investment portfolios while FDC has continued to invest in this company despite stakeholders' alerts[57]. The company has been excluded by investors among other things on the grounds of violations of UN Global Compact and the UNGPs, norms that are normally also taken into account by the FDC.

Between December 2023 and January 2024, Greenpeace Luxembourg conducted a screening of the SICAV's assets by comparing the latest available data of FDC's investments with the database of the Financial Exclusion Tracker set up by a collective of NGOs (Appendix 1). FDC's exclusion list analysed by Greenpeace was lastly updated in October 2023.

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49 2023 Guidelines, page 25, 2011 Guidelines, page 31

50 Ibid

51 Ibid

52 https://nextra-consulting.com/wp-content/uploads/2022/07/Nextra-Consulting_-FDC-Sustainability-Analysis.pdf

53 https://www.worldbenchmarkingalliance.org/research/2022-corporate-human-rights-benchmark/

54 https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/18793/toujours-aussi-sales-et-dangereux-les-investissements-du-fdc-en-2022/

55 https://www.greenpeace.org/static/planet4-luxembourg-stateless/2022/03/7dff8069-en_briefing-fdc_astm-greenpeace_2022.pdf

56 https://financialexclusionstracker.org/

57 In 2022, the total value of the Fund's investments in BHP was 16.887.479

Regarding the issue of human rights, the research shows that despite its commitments, the SICAV has invested in companies implicated in human rights violations. The comparison with the data of the tracker shows that the Fund invested in 130 companies which were excluded by other institutional investors, including pension funds, because of their adverse impacts on human rights. FDC's investments in these companies represent an investment value of 698 million euros.

4. Breach of standards in Chapter VI Environment

Both the 2011 and 2023 Guidelines recommend conducting environmental due diligence. The 2023 Guidelines further strengthen this standard of conduct.

According to the Environment chapter of the 2023 Guidelines, business enterprises should[58]:

"Establish and maintain a system of environmental management appropriate to the enterprise associated with the operations, products and services of the enterprise over their full life cycle, including by carrying out risk-based due diligence, as described in Chapter II, for adverse environmental impacts[59], including through:

a) identifying and assessing adverse environmental impacts associated with an enterprise's operations, products or services, including through collection and evaluation of adequate and timely information regarding the adverse impacts associated with their operations, products and services and where activities may have significant adverse environmental impacts, preparing an appropriate environmental impact assessment;

b) establishing and implementing measurable objectives, targets and strategies for addressing adverse environmental impacts associated with their operations, products and services and for improving environmental performance. Targets should be science based, consistent with relevant national policies and international commitments, goals, and informed by best practice;

c) regularly verifying the effectiveness of strategies and monitoring progress toward environmental objectives and targets, and periodically reviewing the continued relevance of objectives, targets and strategies;

d) providing the public, workers, and other relevant stakeholders with adequate, measurable, verifiable (where applicable) and timely information on environmental impacts associated with their operations, products and services based on best available information, and progress against targets and objectives as described in paragraph 1.b;

Greenpeace considers that the Fund is in breach with the standards mentioned above for the following reasons:

- There is no system of environmental management in place due to the Fund's lack of effective risk-based due diligence. There is also no indication that the Fund intends to establish such an environmental management system.
- In the directive which defines the Fund's strategy for the period 2023-2027, there are no objectives about how the Fund intends to align its investments with the Paris' agreement's objective to pursue efforts to limit the temperature increase to below the 1.5°C target. In 2021, the Fund's investments were contributing to a global temperature

[58] 2023 Guidelines, page 33

[59] The 2023 Guidelines state that adverse environmental impacts include among others a) climate change; b) biodiversity loss; c) degradation of land, marine and freshwater ecosystems; d) deforestation; e) air, water and soil pollution; f) mismanagement of waste, including hazardous substances

rise of 2.7°C according to a study published by the consultancy firm Nextra Consulting in 2022[60]. This corresponds to FDC's own analysis stating that *"FDC's aggregated equity and corporate bond portfolio shows a transition path compatible with a warming between 2 and 3°C. In terms of apportioned emissions, these are approximately 13% higher than the emissions officially allowed for a 2°C carbon balance over the period 2012 to 2025."*[61]

There is no evidence of significant steps undertaken by the Fund to change this pathway.

Currently, the Fund reports, on an annual basis, of the average carbon intensity of its equity and bond portfolios and compares its performance to a benchmark designed by the Fund itself. The Fund commits to reporting on its alignment with the goals of the Paris Agreement only every three years. However, the alignment with the Paris Agreement is the main indicator for measuring the climate impact and therefore, the Fund should report annually on this. In addition, measuring annually is a prerequisite to regularly steer the transformation path of the Fund's investments in the desired direction.

- According to the results of the screening of FDC's equity and bond investments against the data of the Financial Exclusion Tracker (Appendix 1), the Fund has invested in 558 companies with an investment value of 1.5 billion euros, which were excluded by other institutional investors because of their negative impact on climate change (fossil fuels, greenhouse gas emissions, etc.). By way of comparison: at present, the Fund does not exclude any companies for climate-related reasons.
- The screening showed as well that the Fund has invested in 154 companies with an investment value of 560 million euros, which have been excluded by other institutional investors because of their negative impact on the environment. At the time of the research, FDC was excluding only 9 companies on environmental grounds. For example, FDC continues to invest in 11 of the 13 major players in deforestation (see more information on page 13).
- In addition, Greenpeace compared the Fund's investments to the exclusion lists of the environmental organisation Urgewald: *Global Coal Exit List* and *Global Oil and Gas Exit List*, which are recognized and used by many institutional investors.[62] The results show that the Fund continues to invest in leading coal, oil and gas companies. It invested in 131 coal companies with an investment value of 197 million euros and in 225 oil and gas companies with an investment value of 760 million euros, which should all be excluded from investment portfolios according to Urgewald.

- In 2022, the Fund invested in 11 of the Top 20 Carbon Majors[63], responsible for 35% of global greenhouse gas emissions between 1965-2018, including TotalEnergies, Shell, ExxonMobil, BP, Chevron, Coal India, Peabody, ConocoPhillips and BHP. During engagement with FDC, members of the FDC board have often justified the investment in Carbon Majors such as TotalEnergies with the argument that they also develop renewable energies and they should be given some time to carry out their transition. In August 2023, Greenpeace Austria published the report *Dirty Dozen*[64] which analyses the balance sheets and the activities of 12 oil European companies. The report shows that in 2022 92.7% of the investments were on average made in the continuation of the fossil oil and gas path and only 7.3% in a change towards

[60] https://nextra-consulting.com/wp-content/uploads/2022/07/Nextra-Consulting_-FDC-Sustainability-Analysis.pdf

[61] FDC Sustainable Investor Report 2020

[62] coalexit.org and gogel.org

[63] https://climateaccountability.org/wp-content/uploads/2020/12/CAI-PressRelease-Dec20.pdf

[64] https://greenpeace.at/uploads/2023/08/report-the-dirty-dozen-climate-greenwashing-of-12-european-oil-companies.pdf

sustainable energy production and low-carbon solutions. In the case of TotalEnergies, the Group's fossil share of the total energy production is around 99% across all energy products.

By continuing to fund fossil fuel companies which are planning for more oil exploration, the Fund is going against the best available science and its responsibilities under the Guidelines. To have a chance of limiting warming to 1.5°C— which is not safe — global CO_2 emissions must decrease by at least 48% from 2019 levels by 2030 and reach net zero around 2050.[65] Even the IEA's net-zero by 2050 pathway, which relies on a more conservative assessment of greenhouse gas emissions reduction, agrees on a narrow but achievable pathway which requires all actors to: Cease and desist from licensing new oil, gas, and coal exploration and production;[66] Phase out all subcritical coal-fired power plants and large oil-fired power plants by 2030,[67] and all unabated coal-fired plants by 2040;[68] Fully transition their power sectors to non-fossil fuel sources - this means shifting to carbon-free energy sources such as solar and wind by no later than 2050 and for advanced economies to decarbonise their electricity sector by 2035[69] and emerging markets and developing economies by 2040.[70]

- The Guidelines foresee to implement measurable objectives, targets and strategies for addressing the environmental impacts such as climate change. This expectation overlaps with the demands formulated by Greenpeace during the past few years. Unfortunately, they have remained unheard by the board of the Fund.

- According to the commentary 77 of the Guidelines[71]:

“Enterprises should prioritise eliminating or reducing sources of emissions over offsetting, compensation, or neutralisation measures. Carbon credits, or offsets may be considered as a means to address unabated emissions as a last resort.”

and

“Enterprises should report publicly on their reliance on, and relevant characteristics of, any carbon credits or offsets.”

The Fund does not report on its reliance on carbon credits or offsets in the context of its average carbon intensity.

5. Breach of standards in chapter VIII Consumer interest

Under both 2023 and 2011 Guidelines, enterprises should:

“Not make representations or omissions, nor engage in any other practices that are deceptive,

[65] IPCC AR6 WGIII, Ch. 3, 3.3

[66] International Energy Agency, *Net Zero by 2050: A roadmap for the Global Energy Sector* (October 2021, 4th edition) Page 21.

[67] International Energy Agency, *Net Zero by 2050: A roadmap for the Global Energy Sector* (October 2021, 4th edition) Page 117.

[68] *Ibid.*

[69] *Ibid.*

[70] *Ibid.*

[71] Page 37

misleading, fraudulent, unfair[72]*"*

The SICAV provides financial services in the interest of the beneficiaries of the pension fund. In this context, it should not make omissions that could harm the interests of its beneficiaries. However, the Fund breaches the standard mentioned above because it omits to provide on an annual basis in its publications information related to sustainability risks and more specifically to climate-related financial risks and how the fund plans to address those risks. This practice unfairly or misleadingly subverts the Fund's beneficiaries rights[73].

The lack of disclosure of sustainability-related risk information is even more pressing in the case of the SICAV given that Luxembourg's private sector employees are legally obliged to pay into the social insurance and pension scheme of the State and cannot currently choose another pension fund.

Instead, the Fund proactively communicates only about the alleged progress made in terms of sustainability for its investments.[74] However, according to Greenpeace's analysis, the FDC's claims are difficult to verify and may even be misleading[75].

Examples of misleading claims include:

- In its Sustainable Investor Factsheet 2022, FDC affirms *"During 2022, FDC owned almost 700 hectares of PEFC-certified forests, absorbing annually 7,500 tons of CO_2… In order to determine the exact value of negative emissions (negative emissions permanently remove CO_2 already emitted into the atmosphere) of FDC's forest estate, further research (types of trees, distribution of the different types of trees, age of trees, etc.) would be required. However, the Luxembourgish Nature and Forest Agency assumes an average of 10.6 tonnes of CO_2 per year that a hectare of forest can store (https://environnement.public.lu/fr/publications/conserv_nature/2022/faltblatt-klimareduktion.html). FDC's forest estate should thus absorb nearly 7,500 tons of CO2 on an annual basis."*
  However, Greenpeace's research shows that in 2022, the Fund invested in 11 of the 13 major players in deforestation, including Cargill, Blackrock, Wilmar, Walmart, JBS, Yakult Honsha, Starbucks, McDonald's, Yum! Brands, Procter & Gamble and Ahold Delhaize. JBS SA (the world's largest livestock processing company) alone is associated with deforestation of up to 30,000 hectares per year. JBS has been linked to 100,000 hectares of clearance the past two years (2020/2021)[76].

- The Fund also affirms that "500 million was put out to tender with mandatory criteria to be managed in accordance with the Paris Agreement objective of limiting global warming to below 2°C within an indexed portfolio"[77]. Although the number is correct, the affirmation is made out of the context: these 500 million euros represent in fact only 2% of the FDC's investments. This means that 98% of the fund is not subject to management criteria that comply with the climate objectives of the Paris Agreement.

[72] Guidelines 2023, page 43, Guidelines 2011, page 51

[73] In 2018, a member of the Australian Retails Employee Superannuation Trust (REST) filed suit against its pension fund for not providing information related to climate-related financial risks to its beneficiaries. Before the trial was set to begin, REST reached a settlement with the plaintiff and acknowledged that "Climate change is a material, direct and current financial risk to the superannuation fund across many risk categories, including investment, market, reputational, strategic, governance and third-party risks."
To address this risk, Rest agreed to implement a net-zero carbon footprint by 2050 goal for the fund, to measure, monitor and report climate progress in line with the Task Force on Climate-related Disclosures and to ensure investee climate disclosure among other commitments.

[74] https://fdc.public.lu/en/publications/rapports-extra-financiers-fdc/sustainable-investor-factsheet-2021.html

[75] https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/19873/greenpeace-denonce-le-greenwashing-du-fdc/

[76] https://mightyearth.org/article/supermarkets-across-europe-drop-brazilian-beef-over-deforestation-linked-to-meat-giant-jbs/

[77] Sustainable Investor Factsheet 2021, page 3

What's more, according to the Sustainable Investor Report 2020[78], the Fund is investing on a temperature trajectory of +2-3°C, well above the target of below 1.5°C in order to limit the worst impacts of climate change.

Other examples of misleading claims provided by the Fund are available on Greenpeace's website[79].

6. Case study: ArcelorMittal

Under the Guidelines, institutional investors directly linked to impacts through their operations, products, or services by a business relationship are expected to use their leverage to seek to prevent or mitigate those impacts and to remediate them if they do occur.

Currently, there is no evidence of whether the board or the asset managers of the Fund use their leverage to mitigate adverse human rights impacts of investee companies. A clear example is the case of the investee company ArcelorMittal, in which the Fund has invested [80] despite ArcelorMittal having been constantly under the spotlight for adverse impacts related to its activities.

At the time of Greenpeace's screening using the financial exclusion tracker, ArcelorMittal was excluded from the investments of 10 financial institutions/pensions funds[81] because of issues related to climate or controversial weapons. There is no evidence that the company has been excluded from the Fund's investment universe.

In 2023, NGOs and media outlets reported that over the last two years 23 workers had died in eight separate accidents in the facilities operated by ArcelorMittal in Kazakhstan due to health and safety failures.[82] According to an article published in Responsible Investor, ArcelorMittal was rated "high risk" by Sustainalytics and was given the firm's highest controversy level at the time of the events in Kazakhstan[83].

Publicly available information also shows that ArcelorMittal has been involved in alleged harassment against human rights defenders in Mexico via its joint venture with the company Ternium[84] - Consorcio Minero Benito Juárez-Peña Colorada. In 2021, the president of the Jalisco Human Rights Network, Óscar González Garí, filed a formal complaint for death threats implicating the two multinational companies. It is not the first time the mining consortium of ArcelorMittal and Ternium has been implicated in harassment of human rights defenders in Mexico. In 2015, a complaint was lodged with the Working Group on Arbitrary Detentions of the Office of the High Commissioner for Human Rights concerning the detention of the lawyer and human rights defender Eduardo Arturo Mosqueda Sánchez[85]. Eduardo's arrest was tied to his work on a lengthy land dispute that indigenous peoples have with Consorcio Minero Benito Juárez-Peña Colorada.

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78 https://fdc.public.lu/dam-assets/publications/Sustainable-Investor-Report-2020-final-web-version-.pdf

79 https://www.greenpeace.org/luxembourg/fr/fdc-greenwashing/

80 According to the annual report for 2022

81 Ethias, Achmea, Lærernes Pension, SPP/Storebrand Sweden, Storebrand, New Zealand Superannuation Fund, Industriens Pension, EthikBank, Pensioenfonds Horeca & Catering (PH&C), Swedbank

82 https://www.responsible-investor.com/investors-tight-lipped-over-esg-failings-at-arcelormittal-after-kazakhstan-disaster/

83 https://www.responsible-investor.com/investors-tight-lipped-over-esg-failings-at-arcelormittal-after-kazakhstan-disaster/

84 https://www.proceso.com.mx/nacional/2021/10/5/presidente-de-la-red-jalisciense-de-derechos-humanos-denuncia-amenazas-de-muerte-273327.html

85 https://spcommreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gId=22545

In May 2023, over 1,300 workers at iron Yekepa mine exploited by ArcelorMittal and Buchanan Grand Bassa (from where the iron ore is exported) in Liberia went on strike over wage increases and salary disparities[86]. The strike took place after the management of ArcelorMittal refused to comply with a court ruling awarding a 5% wage increase. The union criticised the mine for not respecting the principle of equal-pay-for-work-of-equal value and violation of the collective bargaining agreement. In addition, reports of clashes with local communities over claims of non-respected commitments by the company show a tense situation, that could potentially exhalate into a more serious conflict[87].

In South Africa, environmental activists have recently sued the environment minister, the national air quality officer and a regional unit of ArcelorMittal South Africa for failing to take action against the company over its air pollution[88].

The allegations mentioned above are not the subject of this complaint, but clearly suggest breaches of multiple chapters of the Guidelines by ArcelorMittal. As an institutional investor in ArcelorMittal, the Fund should be able to demonstrate how it uses its leverage to influence ArcelorMittal to prevent, mitigate and remediate potential or actual adverse impacts. The case of ArcelorMittal confirms that the exclusion list approach has its limitations and shows the need for the Fund to develop effective human rights and environmental due diligence as part of its investment strategies.

VI. Previous engagement with the Fund

Since 2015, Greenpeace has been campaigning continuously for an ambitious and sustainable investment strategy for the FDC, amongst others, as a member of the NGO platform Votum Klima. This involves providing analyses and technical expertise on the Fund's investments and its investment strategies. E.g., on the basis of the FDC's annual reports, Greenpeace has been analysing the fund's investments in companies in the fossil energy sector since 2017.

In 2022, Greenpeace, together with ASTM commissioned a detailed analysis of the Fund’s investments in 2021 with regard to their climate impact and possible human rights violations and provided expertise on how to improve the investment strategy. Greenpeace has also commissioned an analysis of the Fund's investment strategy for the years 2023-2027, which was decided by the FDC’s Board at the end of 2022.

Greenpeace, alone or together with other NGOs, has regularly commented on the FDC's investments and voiced its demands in press conferences and press releases.

Greenpeace, alone or together with other NGOs, has regularly sought dialogue with the FDC’s Board of Directors and with the responsible minister for social security. (See Appendix 2)

In September 2019, Greenpeace Luxembourg brought a legal action in Luxembourg’s administrative court against the Minister of Social Security, Roman Schneider, minister in charge of the FDC. Greenpeace claimed that the Minister failed to respond to a letter asking for information regarding how Luxembourg's sovereign pension fund planned to align its

[86] https://www.industriall-union.org/workers-strike-for-better-wages-at-arcelormittal-liberia

[87] https://thenewdawnliberia.com/arcelormittal-liberia-given-three-week-ultimatum/

[88] https://www.wionews.com/business-economy/south-african-environment-authorities-sued-over-arcelor-pollution-report-625895

investments with the objectives of the Paris Agreement, and information on the climate-related financial risks associated with the fund's investments.[89]

Together with other NGOs, including Youth4Climate, Greenpeace has organized several public demonstrations calling for a sustainable investment policy from the fund.

As a result of these awareness raising efforts, several debates in parliament about FDC's investment strategy have taken place. However, these have not led to significant improvements in the Fund's investment strategies.

In October 2023, Greenpeace questioned the FDC's sustainability claims, as published in the FDC Responsible Investor Factsheet 2022.

Appendix 2 contains an overview of the history of Greenpeace activities (press releases, studies, meetings with FDC or the responsible minister, public demonstrations) as well as parliament debates and other relevant documents.

In conclusion, representatives of FDC have often implied during discussions with Greenpeace that investing exclusively in sustainable assets could have a negative impact on the return. These arguments are in total opposition with the findings of multiple studies, which demonstrate the business case for RBC. A meta study conducted by Deutsche Asset Management and the University of Hamburg, found that roughly 90% of studies (2200 individual studies) find a non-negative correlation between ESG and corporate financial performance (CFP). More importantly, the large majority of studies report positive findings.[90] As mentioned in the report "Good Business"[91] "*a growing number of studies confirm that companies managed for long-term value creation perform better. A 2017 McKinsey Report found that companies that operate with a long-term mindset have consistently outperformed their industry peers since 2001 in revenue and earnings, investment, and job creation.*"

[89] According to Greenpeace, in December 2019 an administrative judge ruled that the claim was admissible because Minister Schneider failed to comply with his legal obligation to respond to the letter, and the information sought was covered by the Law on Access to Environmental Information. However, the judge found no legal basis for requiring the Minister to comply with the Paris Agreement or to have the climate-related information that Greenpeace requested.

[90] Gunnar Friede, Timo Busch and Alexander Bassen (2015) ESG and financial performance: aggregated evidence from more than 2000 empirical studies, Journal of Sustainable Finance & Investment, Volume 5, 2015 - Issue 4

[91] https://icar.ngo/wp-content/uploads/2020/01/GoodBusinessReport_Dec18-2018.pdf

Appendix 1: Analysis of FDC SICAV’s investments in 2022

Summary of results:

- **1247** companies in the Fund’s equities and corporate bonds portfolio in 2022 have been excluded by other institutional investors[92], including pension funds, and/or are on the "Global Coal Exit List" and "Global Oil and Gas Exit List" of the environmental organisation Urgewald. This is **10 times** the number of companies currently excluded by FDC[93].
- These companies are excluded for their adverse impact on people and the planet, including contribution to climate change, environmental damage, human rights violations and/or their involvement in the arms industry, including controversial weapons.
- These companies represent a total investment value of over **4.5 billion euros**, or **36%** of the Fund’s portfolio of equities and corporate bonds[94], or **20,6%** of the total portfolio[95].

Despite its commitments to sustainability, FDC has invested in companies that are highly problematic in terms of sustainability:

- **558 companies** with an investment value of **1.5 billion euros** have been excluded by other institutional investors because of their negative impact on climate change (fossil fuels, greenhouse gas emissions, etc.). Currently, FDC **does not exclude any companies** for climate reasons.
- **153 companies** with an investment value of **885 million euros** have been excluded by other institutional investors because of activities linked to the weapons industry. FDC has invested in **42 companies** with an investment value of **121 million euros** that have been excluded by other institutional investors and pension funds for their involvement in controversial weapons such as cluster munitions, nuclear weapons or white phosphorus weapons. For example, according to the data in the Financial Exclusion Tracker, FDC invests in the company Elbit Systems, which is implicated in controversial weapons including anti-personnel mines and cluster munitions. The *law of 4th of June 2009 approving the Convention on Cluster Munitions* prohibits the financing of such weapons.
- **130 companies** with an investment value of **698 million** euros have been excluded by other institutional investors due to their negative impact on human rights. At the time of the research, FDC was excluding only 66 companies on human rights issues.
- **154 companies** with an investment value of **560 million euros** have been excluded by other institutional investors for their negative environmental impact. Only 9 companies were excluded at the time of the research by FDC on environmental grounds.

[92] Investors include Government Pension Fund Global, DNB, Storebrand, GLS Bank, Folksam, Achmea, Danske Bank, Aviva, NN Group, source: Financial Exclusion Tracker.
[93] According to the exclusion list from October 2023, five additional companies have been excluded since December 2022: CCC Intelligent Solutions Holdings Inc, Definitive Healthcare Corp, Dufry Group, Inpost, Tencent Holdings.
[94] According to FDCs Sustainable Investor Factsheet 2022, the aggregated equity and fixed income portfolio amounted to 12.435 billion euros
[95] 24,54 billion euros at 31st of December 2022

- Unlike many institutional investors, **FDC continues to invest in tobacco companies**. For example, 12 tobacco companies in which the Fund invests have each been excluded by more than 30 institutional investors.

FDC continues to invest in leading coal, oil and gas companies

- FDC has invested in **131** coal companies with an investment value of **197 million euros**, which should be excluded from investment portfolios according to environmental organisation Urgewald[96].
- FDC has invested in **225 oil and gas companies** with an investment value of **760 million euros**, which should be excluded from investment portfolios according to Urgewald[97].

LuxFLAG ESG labelled sub-funds contain substantial number of blacklisted companies

- All of FDC's sub-funds granted a LuxFLAG ESG label (12 sub-funds) or LuxFLAG Environment label (1 sub-fund) invested in companies which have been excluded by other institutional investors on climate, environment, human rights or other grounds.
- On average a quarter of the companies in these LuxFLAG-labelled sub-funds have been excluded by other institutional investors on climate, environment, human rights or other grounds, with a range of 16.7-37%.

Methodology of the research

The research is based on the following sources:
-FDC SICAV's annual report 2022 and exclusion list (version updated on the 31st of October 2023)
-Financial Exclusion tracker: https://financialexclusionstracker.org/
-Global Coal Exit List - published on the 19th of October 2023: https://gogel.org/
-Global Oil and Gas Exit List published on the 15th of November 2023: https://www.coalexit.org/

The screening was conducted between the 1st of December 2023 and the 20th of January 2024. Greenpeace's exit list only includes companies that have been listed by name in the Financial Exclusion Tracker or the Urgewald's exit lists. It contains both parent companies and subsidiaries.

As exclusion lists are dynamic, some companies may have been removed, and new ones may have been added, since the screening took place. The analysis conducted by Greenpeace aims at providing a snapshot of the sustainability of FDC's investments by using criteria defined by institutional investors such as pension funds.

About the exclusions lists used for the screening

Financial Exclusion Tracker (FET)

FET contains information about the financial exclusions by 87 financial institutions in 16 countries, covering 4842 companies from 120 countries. The exclusion lists were retrieved,

96 coalexit.org
97 gogel.org

and compiled into one large dataset. The motivations of exclusions varied in terminology between different financial institutions. This research created standardised motivation categories. Only exclusions that apply to all investments and/or all financing at a financial institution have been included.

Global Coal Exit List (GCEL)

Urgewald created the Global Coal Exit List to give financial institutions a tool to move coal out of their portfolios. GCEL covers the entire thermal coal value chain from coal exploration and mining, to coal power production and coal gasification. Today, it is the most comprehensive public database on the global coal industry. GCEL currently has over 600 online users from the finance industry and has helped shape the coal policies of many financial institutions across the globe.

The Global Coal Exit List includes over 1,000 companies and over 1,800 subsidiaries. Their activities range from coal mining, trading and transport to the conversion of coal to liquids, the operation of coal-fired power stations and the manufacturing of equipment for new coal plants. GCEL lists 490 companies that are still developing new coal power plants, new coal mines, or new coal transport infrastructure.”

Global Oil and Gas Exit List (GOGEL)

The Global Oil & Gas Exit List is the most comprehensive publicly available database on the oil & gas industry. GOGEL 2023 covers 1,623 companies active in the upstream, midstream or gas-fired power sector. Companies listed on GOGEL account for **95% of global oil and gas production**. It is tailored to the needs of financial institutions looking to phase out fossil fuels. GOGEL's forward-looking data on companies’ expansion plans makes it easy to assess the credibility of transition strategies and enables its users to take the right steps to become responsible climate actors.

GOGEL features several unique data points that allow users to "look into the future" by revealing companies' upstream and midstream expansion plans. GOGEL is the first tool that makes it possible to systematically assess whether a company’s activities are in line with the IEA Net-Zero Emissions Scenario [NZE].

TOP 100 companies in which the FDC invested in 2022 and which are excluded by institutional investors and/or are on the Global Coal Exit List and/or the Global Oil and Gas Exit List

Company	No of excluding institutional Investors	Sum Market Value in Euro	Main exclusion criteria	Company listed on Global Coal Exit List	Company listed on Global Oil and Gas Exit List
Altria Group Inc	**61**	**10880181**	**Product-based exclusion (tobacco)**		
Philip Morris International Inc	**60**	**19899886**	**Product-based exclusion (tobacco)**		

KT&G Corp	58	851991	Product-based exclusion (tobacco)		
Cenovus Energy Inc	56	2835584	Climate		Yes
Vector Group Limited	55	105070	Product-based exclusion (tobacco)		
Canadian Natural Resources Limited	54	7560164	Climate		Yes
Coal India Limited	54	612793	Climate	Yes	
Exxaro Ressources Limited	54	423894	Climate	Yes	
Imperial Oil Limited (Exxon Mobile Susbsidiary)	54	1521429	Climate		Yes
Scandinavian Tobacco Group AS	52	93310	Product-based exclusion (tobacco)		
Universal Corp	52	68929	Product-based exclusion (tobacco)		
Adaro Energy Tbk PT	50	549501	Climate		
Elbit Systems	50	839345	Human rights, weapons		
Inner Mongolia Yitai Coal Company	50	302509	Climate	Yes	
MEG Energy Corp	49	290857	Climate		Yes
Shaanxi Coal Industry Company Limited	48	315533	Climate	Yes	
Whitehaven Coal Limited	47	461271	Climate	Yes	
Peabody Energy Corp	46	220940	Climate	Yes	
United Tractors Tbk PT	46	384106	Climate	Yes	
Japan Tobacco Inc	45	2454682	Product-based exclusion (tobacco)		
Turning Point Brands Inc	45	44567	Product-based exclusion (tobacco)		
Consol Energy Inc	44	141054	Climate	Yes	
Guanghui Energy Company Limited	44	119589	Climate	Yes	

Huadian Power International Corp. Limited	44	69119	Climate	Yes	Yes
New Hope Corp. Limited	42	156195	Climate	Yes	
NTPC Limited	41	1009121	Climate, environment, human rights	Yes	
Pingdingshan Tianan Coal Mining Company Limited	40	122094	Climate	Yes	
China Resources Power Holdings Company Limited	38	473641	Climate	Yes	Yes
Jizhong Energy Resources Company Limited	38	150212	Climate	Yes	
Electricity Generating Company	36	185270	Climate		
Imperial Brands plc	36	3179594	Product-based exclusion (tobacco)		
PGE Polska Grupa Energetyczna SA	36	121865	Climate	Yes	Yes
Teck Resources Limited	36	138935	Climate		Yes
Arch Resources Inc	35	167642	Climate		
Shanxi Coking Coal Energy Group Company Limited	35	156509	Climate	Yes	
Smoore International Holdings Limited	35	294294	Product-based exclusion (tobacco)		
Yankuang Energy Group Company Limited	35	889084	Climate	Yes	
China Coal Energy Company	34	341520	Climate	Yes	
CLP Holdings Limited	34	1162270	Climate	Yes	Yes
GD Power Development Company Limited	34	136934	Climate	Yes	Yes
Inner Mongolia Dian Tou Energy Corp. Limited	34	150404	Climate	Yes	
Reynolds American	34	725940	Product-based exclusion (tobacco)		

HK Electric Investments & Hk Electric Investments Limited	**33**	**39102**	**Climate**	**Yes**	**Yes**
Electric Power Development	**32**	**174148**	**Climate**	**Yes**	
Reinet Investments SCA	**32**	**374246**	**Product-based exclusion (tobacco)**		
Tenaga Nasional Bhd	**32**	**619692**	**Climate**	**Yes**	**Yes**
BHP Group Limited	**31**	**15971251**	**Climate, environment, human rights**	**Yes**	**Yes**
Diamondback Energy Inc	**31**	**2689520**	**Climate**		**Yes**
Evergy Inc	**31**	**2187765**	**Climate**	**Yes**	**Yes**
TBEA Company Limited	**31**	**173222**	**Climate, human rights**	**Yes**	
Chevron Corp	**30**	**41181554**	**Climate**		**Yes**
Indonesia Asahan Aluminium Persero PT	**30**	**157969**	**Climate, environment, human rights**	**Yes**	
South32 Limited	**30**	**1858736**	**Climate**		
African Rainbow Minerals Limited	**29**	**4327782**	**Climate**		
Allete Inc	**29**	**250243**	**Climate**	**Yes**	**Yes**
Ameren Corp	**29**	**2331208**	**Climate**		
Barrick Gold Corp	**29**	**2890581**	**Environment, Human rights**		**Yes**
Chugoku Electric Power Company Inc	**29**	**49372**	**Climate**	**Yes**	
Hess Corp	**29**	**9985641**	**Climate**		**Yes**
Marathon Oil Corp	**29**	**4410211**	**Climate**		**Yes**
Israel Corp. Limited	**28**	**188348**	**Controversial weapons**		
Pioneer Natural Resources Company	**28**	**12028860**	**Climate**		**Yes**
Agl Energy Limited	**27**	**264355**	**Climate**	**Yes**	
EOG Resources Inc	**27**	**15846339**	**Climate**		**Yes**

Exxon Mobil Corp	27	58929318	Climate, human rights, business practices		Yes
China Shenhua Energy Company Limited	26	1483425	Climate	Yes	
Coronado Global Resources Inc	26	84510	Climate		
Enbridge Inc	26	13885722	Climate, human rights		Yes
Hokkaido Electric Power Company Inc	26	32100	Climate	Yes	
Matador Resources Company	26	480769	Climate		Yes
PTT pcl	26	1228943	Climate, human rights		Yes
Southwestern Energy Company	26	386541	Climate		Yes
Tourmaline Oil Corp	26	1606198	Climate		Yes
American Electric Power Company Inc	25	5756354	Climate		Yes
Conocophillips	25	18332699	Climate		Yes
Devon Energy	25	4279485	Climate		Yes
Hokuriku Electric Power Company	25	68366	Climate	Yes	
Occidental Petroleum Corp	25	6385170	Climate		Yes
Posco Holdings Inc	25	6009713	Climate, environment, human rights, business practices	Yes	
Sasol Limited	25	2288926	Climate, tobacco	Yes	Yes
Tauron Polska Energia SA	25	162330	Climate	Yes	
Aboitiz Equity Ventures Inc	24	286411	Climate	Yes	
Alliant Energy Corp	24	1717006	Climate	Yes	
Alpha Metallurgical Resource	24	192581	Climate		
Antero Resources Corp	24	682521	Climate		Yes
Cnx Resources Corp	24	275089	Climate		Yes

Marathon Petroleum Corp	**24**	**17747843**	**Climate, environment, human rights, business practices**		**Yes**
Murphy Oil Corp	**24**	**478681**	**Climate**		**Yes**
Nisource Inc	**24**	**1519541**	**Climate**	**Yes**	**Yes**
Okinawa Electric Power Company	**24**	**20978**	**Climate**	**Yes**	
Ovintiv Inc	**24**	**5449740**	**Climate**		**Yes**
Pdc Energy Inc	**24**	**2834934**	**Climate**		**Yes**
Perusahaan Listrik Negara PT	**24**	**545374**	**Climate**	**Yes**	**Yes**
Petróleo Brasileiro SA (Petrobras)	**24**	**11256471**	**Climate, environment, human rights, business practices**		**Yes**
Walmart Inc	**24**	**22521744**	**Human rights, weapons**		
Comstock Resources Inc	**23**	**104220**	**Climate**		**Yes**
DTE Energy Company	**23**	**2373025**	**Climate**	**Yes**	
Firstenergy Corp	**23**	**2185439**	**Climate**	**Yes**	
Gulfport Energy Corp	**23**	**55545**	**Climate**		**Yes**
Magnolia Oil & Gas Corp	**23**	**85540**	**Climate**		

Appendix 2: Greenpeace's engagement with FDC

Meetings with FDC and Minister in charge of FDC (non-exhaustive)

14 October 2022: Meeting with Minister Claude Haagen, ASTM, Brazilian human rights defenders https://mss.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniques%2B2022%2B10-octobre%2B14-haagen-greenpeace.html

29 March 2022: Meeting with the FDC and the Minister in charge of the FDC, Claude Haagen Presentation of the report "The sustainability performance of FDC's equity and corporate bond portfolio. Analysis - Results - Implications" https://mss.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniques%2B2022%2B03-mars%2B29-haagen-ong.html

18 December 2020: Meeting with Minister Romain Schneider and FDC Board https://www.greenpeace.org/luxembourg/fr/actualites/10440/greenpeace-se-reunit-avec-le-ministre-schneider-et-les-representant·es-du-fonds-de-pension-luxembourgeois-pour-enfin-discuter-de-la-politique-dinvestissement-du-fdc/

9 April 2018: Konstruktiver Meinungsaustausch zwischen RegierungsvertreterInnen und Votum Klima zur Investitionspolitik der staatlichen Fonds

6 December 2017: Exchange between Votum Klima NGOs and Minister Schneider and Minister Gramegna https://www.votumklima.lu/2017/12/06/green-finance-luxembourg-zwischen-anspruch-und-wirklichkeit/

Press releases (non-exhaustive list)

4 October 2023: Greenpeace denounces FDC's greenwashing https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/19873/greenpeace-denonce-le-greenwashing-du-fdc/

20 June 2023: Still dirty and dangerous: the FDC investments in 2022 https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/18793/toujours-aussi-sales-et-dangereux-les-investissements-du-fdc-en-2022/

9 February 2023: Climate and human rights activists demonstrated outside the Luxembourg Parliament calling for a sustainable pension fund https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/16953/de-nombreux-activistes-climatiques-et-des-droits-humains-ont-manifeste-devant-le-parlement-luxembourgeois-en-faveur-dun-fonds-de-pension-durable/

4 February 2023: The FDC's new investment strategy: Not sufficient to protect the climate and human rights https://www.greenpeace.org/luxembourg/fr/communiques-de-presse/16911/la-nouvelle-strategie-dinvestissement-du-fdc-pas-suffisamment-de-protection-pour-le-climat-et-les-droits-humains/

15 December 2022: ASTM and Greenpeace call on the FDC: Say NO to an investment strategy that does not respect human rights and climate protection!

1 December 2022: For the festive season, we want a pension fund that protects the climate and respects human rights!

18 October 2022: No strategy without our opinion!

12 July 2022: Annual Report 2021 of the Fonds de compensation (FDC): An unambitious sustainability performance

25 May 2022: For an ecologically and ethically responsible investment policy (together with ASTM and OGBL)

25 April 2022: #PeopleNotProfit - Luxembourg's financial centre at the heart of the climate strike

30 March 2022: "Dirty and dangerous": Through its investments, the Luxembourg pensions fund FDC fuels the climate crisis and fails to protect human rights

22 March 2022: For an end to climate-killing investments and greenwashing

23 August 2021: Climate crisis: Measures at a snail’s pace won’t do the job - The Luxembourg government needs to commit to a fossil-free sovereign pension fund

8 July 2021: FDC’s dirt coal investments continue to rise, Annual Report shows

17 June 2021: Green hypocrisy: Luxembourg’s pension fund invests in oil and coal

18 December 2020: Greenpeace a eu l’occasion de discuter le sujet du FDC avec Romains Schneider et Fernand Lepage

26 March 2020: Luxembourg’s pension fund pledges to analyse climate risks of its investments

17 December 2019: Victoire relative pour Greenpeace Luxembourg devant le tribunal administratif dans l’action en justice concernant les investissements climaticides du Fonds de Compensation (FDC)

9 December 2019: Greenpeace defends its position before the Administrative Court on climate impairing investments by the Luxembourg sovereign pension fund

23 October 2019: In spite of the climate emergency, is the Luxembourg pension fund FDC continuing to invest in companies that damage the climate ?

1 October 2019: Administrative Court opens debate on climate-damaging investments in Luxembourg’s sovereign pension fund

23 September 2019: Pension fund: the minister refuses transparency on damaging investments for the climate Greenpeace initiated proceedings before the Administrative Court

19 July 2018: Irland beschließt Divestment aus fossilen Energien - Wann folgt endliche Luxemburg, Votum Klima

9 April 2018: Konstruktiver Meinungsaustausch zwischen RegierungsvertreterInnen und Votum Klima zur Investitionspolitik der staatlichen Fonds

6 December 2017: Green Finance Luxembourg - zwischen Anspruch und Wirklichkeit

8 May 2017 : Votum Klima fordert die Regierung zu weitgehenden Reformen beim luxemburgischen Pensionsfonds auf

7 November 2016 : Carton rouge pour le Fonds de pension luxembourgeois Votum Klima demande l'arrêt immédiat des investissements dans le charbon et le nucléaire

5 June 2015 : Norwegen sagt heute "Nein" zur Kohle - Wann folgt Luxemburg ? Votum Klima

20 April 2015: Wer für Klimaschutz und gegen Atomkraft ist, darf nicht in Exxon und Areva investieren! Votum Klima

11 February 2015: Global Divestment Day - Votum Klima

Reports and Analysis (non-exhaustive list)

October 2023: The 10 deceptions of the FDC https://www.greenpeace.org/luxembourg/fr/fdc-greenwashing/

January 2023: Kommentierung der FDC-Direktive für nachhaltiges Investieren, Nextra Consulting GmbH

December 2022: Nuclear Power Involvement of the FDC, Nextra Consulting GmbH

May 2022: Prüfung der Stellungnahme des FDC zur Studie "The sustainability performance of the FDC equity and corporate bond portfolio", Nextra Consulting GmbH

March 2022: The sustainability performance of FDC's equity and corporate bond portfolio Analysis - Results - Implications, Nextra Consulting GmbH

January 2022: Key points of criticism on Fonds de Compensation's sustainability approach based on information provided by its Sustainable Investor Report 2020, Nextra Consulting GmbH

May 2017: Der luxemburgische Pensionsfonds und die Menschenrechte, Votum Klima

November 2016: Finanzierung des Klimawandels - Die Investitionen des luxemburgischen Pensionsfonds in den Kohle-Sektor, Votum Klima

Legal Case Greenpeace against FDC

In September 2019, Greenpeace Luxembourg brought a legal action in Luxembourg's administrative court against the Minister of Social Security, Roman Schneider, minister in charge of the FDC. Greenpeace claims that the Minister failed to respond to a letter asking for information regarding how Luxembourg's sovereign pension fund planned to align its investments with the objectives of the Paris Agreement, and information on the climate-related financial risks associated with the fund's investments.
https://climatecasechart.com/non-us-case/greenpeace-luxembourg-v-schneider/

23 September 2019: Pension fund: the minister refuses transparency on damaging investments for the climate, Greenpeace initiated proceedings before the Administrative Court

23 September 2019: Prise de position de Romain Schneider aux critiques de Greenpeace Luxembourg
https://mss.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniques%2B2019%2B09-septembre%2B23-schneider-greenpeace.html

1 October 2019: Administrative Court opens debate on climate-damaging investments in Luxembourg's sovereign pension fund

9 December 2019: Greenpeace defends its position before the Administrative Court on climate impairing investments by the Luxembourg sovereign pension fund

17 December 2019: Victoire relative pour Greenpeace Luxembourg devant le tribunal administratif dans l'action en justice concernant les investissements climaticides du Fonds de Compensation (FDC)

Debates in Luxembourg Parliament (non-exhaustive)

February 2023: Hearing on the FDC's investment strategy, Motion of Luxembourg parliament

January 2023: Meeting of FDC with Parliaments Commission regaring FDC's Investment Strategy

December 2022: Hearing on the FDC, Motion of Luxembourg parliament

Other relevant documents

February 2023: Legal opinion "Avis juridique portant sur le processus légal pour prendre et exécuter une décision de désinvestissement par le Fonds de Compensation au régime général de pension", the Greens in the Luxembourg parliament (Déi Gréng)

31 March 2022: Statement of the Luxembourg Chamber of private sector employees (CSL, Chambre des Salariés)

Public mobilisations

February 2023: In front of the Luxembourg Parliament, together with several Luxembourgish NGOs

March 2022: Climate March, co-organised with Youth4Climate Luxembourg

December 2017: Manifestation of Votum Klima NGOs at the Luxembourg government council

February 2015: Manifestation of Votum Klima NGOs at the Luxembourg government council