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Dutch pension fund PNO excludes Wal-Mart over labour standards

US retailer blacklisted by €3bn industry-wide scheme



by Daniel Brooksbank | October 29th, 2010

Pensioenfonds PNO Media, the €3bn industry-wide pension fund for the Dutch media sector, has excluded US supermarket giant Wal-Mart from its investment universe because of labour law violations. "After careful consideration we have decided to add Wal-Mart to the PNO Media exclusion list," the fund has said on its [web site](#). Hilversum-based PNO says its three pillars of responsible investment are engagement, voting and – in extreme cases – exclusion. United Nations Principles for Responsible Investment signatory PNO decided in 2009 to cease engaging with the Alabama-based corporation due to "lack of progress". It had been engaging with Wal-Mart via Hermes Equity Ownership Services, the engagement arm of UK fund manager, Hermes, which is owned by the BT Pension Fund. Some engagements, notably on persuading Wal-Mart to cut its CO2 emissions, have been successful – but PNO says the firm is not prepared to enter into dialogue on labour rights. Hermes has been engaging on labour rights since July 2008. Attempts to get the topic on the agenda at Wal-Mart's annual meeting have failed. PNO is following the Norwegian Government Pension Fund, which blacklisted Wal-Mart in 2006. The Swedish AP funds' Ethical Council is also in dialogue with the company over its "systematic violation of workers' rights". In June 2008 a group of European institutional investors including asset manager F&C and Dutch pension manager MN Services were involved in a resolution at Wal-Mart's AGM relating to the company's failure to comply with international labour standards. Wal-Mart, in its [2010 sustainability report](#), makes note of its commitment to cutting emissions and responsible sourcing.