Press release

21 December 2020

Six leading Danish foundations and associations adopt the pension sector's Tax Code of Conduct

Six of Denmark's large foundations and associations will from January 2021 join the Tax Code of Conduct developed by ATP, Industriens Pension, PensionDanmark and PFA in 2019. With a new group of institutional investors joining the Tax Code of Conduct, responsible tax behaviour moves even higher on the agenda both in Denmark and abroad.

Responsible tax behaviour has been high on the agenda amongst the Danish pension funds for a number of years with a focus on preventing aggressive tax planning and increasing transparency in the institutional investor sector. Until now, 11 Danish pension funds have used a common set of tax principles in the Tax Code of Conduct. From 1 January 2021, a new class of investors will accede to the principles of responsible tax behaviour when The Leo Foundation, Novo Holdings, The Lundbeck Foundation, The Villum Foundation, The Velux Foundation and Realdania also join the Tax Code of Conduct.

The Tax Code of Conduct contains a common set of principles and recommendations for responsible tax behaviour regarding unlisted investments made via external asset managers.

A strong voice

The founding parties to the Tax Code of Conduct, Bo Foged (CEO of ATP), Laila Mortensen (CEO of Industriens Pension), Torben Möger Pedersen (CEO of PensionDanmark) and Allan Polack (CEO of PFA) welcome the new members. Now the investors behind the Tax Code of Conduct can add even more pressure to promote responsible tax behaviour among external asset managers:

"The more investors stand together, the better the chances of influencing developments are. When a united group of large Danish pension funds and leading foundations and associations stand behind the same tax principles, we speak with a very powerful voice. We expect that the growing coalition behind the Tax Code of Conduct amongst institutional investors will strengthen our dialogue with external asset managers and allow us to do even more in avoiding aggressive tax planning and promoting tax transparency," say the four founding parties in a joint statement.

After the recent additions, the Tax Code of Conduct has been adopted by 17 investors - 11 pension companies and six foundations and associations.

The core tax principles are:

- As investors we do not tolerate aggressive tax planning
- As investors we encourage external asset managers to adopt their own tax policies
- External asset managers must monitor and manage relevant tax-related risks responsibly

- As investors we encourage transparency concerning taxes
- As investors we reserve the right to request additional reporting and to make spot checks to verify that external asset managers are not practicing aggressive tax planning

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