

## **No consideration of principal adverse impacts of investment decisions on sustainability factors**

*Stichting Pensioenfonds DSM Nederland does not consider the principal adverse impacts of investment decisions on sustainability factors.*

Stichting Pensioenfonds DSM Nederland (PDN) wants to offer all members a good pension in a livable world, now and in the future. For that reason, every time PDN makes an investment decision, we consider the return, the risk, the costs, and the performance of these investments in terms of sustainability. PDN incorporates human, environmental, and good corporate governance information in its policy in order to make informed investment decisions.

SPF has chosen to prepare the “Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors” (Statement of Adverse Impacts) under the SFDR only in Q4 of 2023. This is a statement that financial market parties must formulate in accordance with European legislation if they incorporate the principal adverse impacts on sustainability factors when taking investment decisions.

The principal adverse impacts on sustainability factors are laid down in European legislation; the Sustainable Finance Disclosure Regulation (SFDR). This legislation prescribes a minimum number of principal impacts on which PDN is required to report if it decides to prepare the statement of adverse impacts. As well as these prescribed impacts, PDN may determine several impacts itself.

Following its signing of the IMVB Covenant, PDN has aligned its sustainability policy with various principles, including those stated in the OECD Guidelines for Multinational Enterprises. In line with the IMVB covenant, PDN has therefore formulated its current sustainability policy with respect to several adverse impacts.

For example, PDN has policies regarding carbon emissions from companies, exposure to companies in the fossil fuel sector, companies involved in the production, sale, or distribution of controversial weapons, and policies regarding companies’ compliance with international standards for human and labor rights (UN Global Compact and OESO guidelines). PDN takes several of these principal adverse impacts into account via ESG integration and its policy relating to engagement, voting, and exclusions.

However, the statement of adverse impacts, as required by law, is even more specific with respect to several other sustainability areas/factors. The legislator also expects PDN to have policies in place regarding all these sustainability factors. It has only very recently become clear for which and how many sustainability factors the legislature expects us to have policies in place. Policy formulation is a precise process and takes time, which is why PDN is still formulating policies with respect to all of these sustainability factors. PDN will have completed this by end 2023 and will therefore comply with the Statement of Adverse Impacts by January 1, 2024.