



Summary Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2023

Stichting Pensioenfondsen voor de Woningcorporaties ('SPW', LEI: 5493000Y69QXD2ECZ202) considers principal adverse impacts of its investment decisions on sustainability factors. This statement on principal adverse impacts of investment decisions on sustainability factors is applicable for the reference period of 1 January 2022 – 31 December 2022. This is an updated version of the January 2023 statement on principal adverse impacts by SPW.

The Sustainable Finance Disclosure Regulation (SFDR) requires that when the principal adverse impacts of investment decisions on sustainability factors are considered, a statement on the due diligence policy relating to those impacts shall be made available, taking into account the size, nature and scale of the activities and the type of financial product made available. Sustainability factors are defined in the SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

This statement relates to SPW APG pension fund as a whole. The exact application may vary between individual pension schemes and will be documented and reported in the disclosures of the relevant pension scheme in accordance with the requirements and timelines of the European Union SFDR.

This statement on principal adverse impacts contains the following chapters:

- 1 Description of the principal adverse impacts on sustainability factors
- 2 Description of policies to identify and prioritize principal adverse impacts on sustainability factors
- 3 Engagement policies
- 4 References to international standards
- 5 Historical comparison (this will be included in the statement to be published in 2024)

In **Chapter 1**, we report on how the principal adverse effects on sustainability factors have been taken into account by SPW. In it, we show how the indicators have performed on the basis of quantitative data and explain these data. In addition, we report on the measures we have taken during this reference period with regard to the indicators and that have been planned for future reference periods.

The quantitative data ("2022 impacts") relate to our investments in capital market investments (equities, corporate bonds, government bonds) and real estate (PAI's 1-14 for listed; PAI 18 for all real estate investments). For unlisted investments (infrastructure, hedge funds, private equity) we have not yet included quantitative data because the reliability, comparability and availability of the data is not sufficient. We explain this in more detail in Chapter 2.

In **Chapter 2**, we discuss the adverse effects and how we identify the principal adverse impacts. In addition, we will discuss the principal adverse impacts that we have prioritized from the list of mandatory and voluntary indicators prescribed by the SFDR.

The principal adverse impacts in terms of environment we prioritize are:

- greenhouse gas emissions (GHG or CO₂ emissions),
- the carbon footprint (CO₂ footprint) and greenhouse gas intensity (CO₂ intensity) of companies,
- exposure to companies active in the fossil fuel sector.

The principal adverse impacts in terms of social and working conditions we prioritize are:

- violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or OECD guidelines for enterprises,
- the lack of gender diversity in the Board of Directors and possible exposure to controversial weapons.

The SPW board determines the strategy, mission, vision, objectives and policy principles of the fund. These objectives and policy principles are guidance for decision-making, implementation, accountability, advice and supervision. They apply to all parties who work for us on our pension schemes. The board is responsible for developing SPW's strategy and policy. APG periodically reports and advises SPW on the implementation of the Socially Responsible Investment Policy (SRI policy).

We use different methods to address, identify and prioritize the main adverse effects. Based on the scientific research and dialogue with our stakeholders (including our beneficiaries), we have identified the main potential and actual risks of adverse impacts on society and the environment. We have prioritized these based on the severity, magnitude and irreversibility of the greatest potential and actual risks. The measures consist of the following parts of our SRI policy: exclusion policy, inclusion policy, active stewardship (voting and engagement), the SDI approach and our climate change policy. In this chapter, we also discuss in detail the manner in which these methodologies are implemented and the margins of error associated with them.

In **Chapter 3** we describe our engagement policy. In the area of engagement, SPW adheres to the Dutch Stewardship Code, which sets out expectations for asset managers with regard to fulfilling stewardship responsibilities. The Stewardship Code is in line with the SRD, the revised EU Shareholder Rights Directive (2007/36/EC). In this chapter we also explain how we conduct dialogues with companies in which we invest, how we monitor progress and how we vote at annual shareholder meetings. SPW's Responsible Investment & Stewardship Policy can be found [here](#) (in Dutch).

In **Chapter 4** we describe the international standards that SPW uses. SPW is committed to several codes, principles and internationally recognized standards for due diligence and reporting, including Principles for Responsible Investment (PRI), UN Global Compact, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights and Corporate Human Rights Benchmark. In this chapter, we explain how we meet these standards and participate in relevant initiatives to comply with these standards.