

Adverse effects on sustainability factors.

How should we tackle adverse effects on sustainability factors?

The European regulation SFDR requires a pension fund to indicate whether it considers the main adverse effects of investment decisions on sustainability factors.

Stichting Pensioenfond's Staples currently does not consider the main adverse effects of investment decisions on sustainability factors, within the meaning of Article 4 of SFDR.

Own consideration

The pension fund weighs various ESG criteria in its investment decisions. In the document ["Information on Integration of Sustainability Risks in Conduct Guidelines,"](#) the pension fund has described how it deals with sustainability risks. Several measures are included in the policy by which the fund fulfills its responsibility as an investor regarding sustainability. But the fund does not specifically weigh the adverse effects of investment decisions on sustainability factors as defined in SFDR. Thus, the pension fund has made its own choice as to which criteria it considers.

Furthermore, changes are expected in the list of main adverse effects on sustainability factors and indicators. At present, the changes are not yet known. The pension fund does not want to commit to those main adverse effects in its investment decisions yet, without knowing exactly what those factors and indicators are.

Data

In addition, pension funds that do account for adverse effects of investment decisions on sustainability factors must also report on a large number of indicators. The fund must purchase additional data for this purpose. This involves high costs, which are particularly burdensome for us as a small fund. The pension fund is following developments and continues to explore operational options.

Reconsideration of choice

The pension fund periodically reconsiders the current choice not to consider the main adverse effects. In this reconsideration, the pension fund considers the quality, effort and cost of reporting. This reconsideration can also be further influenced when participants want the pension fund to take into account the legal adverse effects of investment decisions on sustainability risks.