

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: SPK Pension Tjänstepensionsförening

Summary

SPK Pension Tjänstepensionsförening considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of SPK Pension Tjänstepensionsförening. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

While SPK's investments are affected by risks and opportunities, the investments also have impacts on society, environment and climate. In the so-called Disclosure Regulation¹, the term "principal adverse impacts on sustainability factors" is used regarding the most negative impacts of investment decisions on society, environment and climate. Sustainability factors refer to environmental, social or personnel-related issues, respect for human rights and the fight against corruption and bribery. Climate change as a result of carbon dioxide emissions, water pollution, hazardous waste, depletion of natural resources and loss of biodiversity are examples of environmental-related negative consequences. In terms of social and personnel-related negative consequences as well as human rights and the fight against corruption and bribery, some examples are discrimination, child labour, tobacco-related public health problems, exposure to controversial weapons² and poor working conditions.

Since SPK invests in funds we do not assess individual companies at each investment opportunity. Instead, we assess fund managers' consideration of principal adverse impacts on sustainability factors, both when assessing new fund managers in our own investment process and continuously when following up on the sustainability work of our hired managers. In addition, we identify and follow up on adverse impacts of our investments through annual reviews of the funds we hold in our asset portfolio. Our Sustainability Policy, which can be found on SPK's website <https://www.spk.se/hallbarhet/policys-och-rapporter/>, is the basis for how we identify, prioritize and manage the adverse impacts that may arise from our investment decisions. We have chosen a special focus on climate because climate change is a global challenge that entails new and increased risks for SPK's operations. Therefore, principal adverse impacts for environment-related sustainability factors have the highest priority for us right now, which means a focus on measuring and following up our funds' carbon dioxide footprint as well as monitoring adverse impacts of activities related to fossil fuels. When adverse impacts on society, environment or climate of our investments are identified, we try to influence fund managers to take measures related to this.

SPK reports adverse impacts for sustainability factors of our investments regarding 2022 with respect to specific indicators as directed in the Disclosure Regulation. The report covers equity funds (with underlying investments in listed³ companies) and fixed income funds investing in corporate bonds or government securities in our portfolio. Our service provider lacks the required data on the unlisted holdings in our other funds. Equity and fixed income funds made up approximately 80% of SPK's total asset portfolio as of 12/31/2022. In the tables of the report, the Consequences column shows the calculated value for each indicator and the measures reported have been calculated by our service provider. Definitions and formulas of calculations can be found on pages 1-3 of the report and more information on methodology and data sources can be found in the section *Description of strategies for identifying and prioritizing the main negative consequences for sustainability factors* on pages 14-19.

SPK has considered adverse impacts of investments even before the Disclosure Regulation entered into force, but then partly measured with other indicators, which is described in more detail on pages 14-15 of the report.

Although this summary is presented in English, the consolidated statement on principal adverse impacts on sustainability factors of SPK Pension Tjänstepensionsförening in its entirety, is only available in Swedish.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related information to be provided in the financial sector, which entered into force on 10 March 2021.

² Anti-personnel mines, cluster munitions, chemical and biological weapons as defined in the Disclosure Regulation.

³ Public companies whose transferable securities are traded on regulated marketplaces.