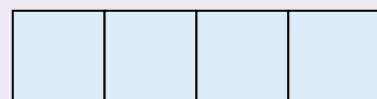


					9	7	8					9	5	
		8	7	6			4			6				
		5	4								5			4
	5							2	9				4	
6	3			8						2			9	1
	2				5	1							8	
5			9								1	3		
				5			2			9	4	5		
	7	3					9	8	7					



Sudoku Twins are two sudokus that share three overlapping blocks. Complete both Sudoku Twins by entering the numbers 1 to 9 in the cells. Each row, each column and each 3x3 block of cells must contain each number once. For the solution, take the numbers in the four highlighted cells, in the normal direction of reading.

1<sup>st</sup> prize



**Airfryer XL**

Enjoy healthy food that's crispy on the outside, and tender on the inside, thanks to the Rapid Air technology. Discover tasty new recipes every day.

2<sup>nd</sup> prize



**Viva Compact food processor**

The Philips Viva Compact food processor is designed specially for preparing healthy, home-cooked meals. No matter how tricky the ingredients are, preparing food is easy with the Viva Compact.

3<sup>rd</sup> prize



**SoupMaker**

Soup, stew, compote or smoothie: the Philips SoupMaker's standard programmes make cooking easier than ever. Can also be used as a regular blender.

**How to enter your solution**

Send the solution to Philips Pensioenfonds **before 31 July 2023**, referencing 'Generaties puzzle'. You can email us at [generaties@philipspensioenfonds.nl](mailto:generaties@philipspensioenfonds.nl), or send a card to Philips Pensioenfonds, Afdeling Communicatie, Postbus 80031, 5600 JZ EINDHOVEN. Remember to include your name, address and client number.

The solution to the puzzle in the previous issue was: **flitswebinar**. The winners have already received their prizes.

Helping to achieve sustainable development goals through responsible investment

# Investment decisions for 'Responsible consumption and production'

In 2021, we made a decision to invest more in companies that make a positive contribution towards achieving four sustainable development goals (SDGs). We already provided information about investments that help to achieve SDG3: 'Good health and well-being'. This article zooms in on investment choices to help realise SDG12: 'Responsible consumption and production'. This SDG is aimed at reducing environmental impact by changing how people handle natural resources, materials and waste. But what does 'responsible' actually mean, and how do we make investment decisions to help achieve this specific SDG?

**How do we select our investments?**

At this time, we hold shares ('equities') in around 5,000 companies as investments. For every company in our equities portfolio, we use data to establish its contribution towards SDG12, 'Responsible consumption and production'. This SDG is made up of four sub-goals, for which good investment opportunities exist. These include 'managing chemicals and all wastes in production processes' and 'efficient use of natural resources and raw materials'.

A specialised organisation measures what proportion of the company's revenue comes from products and services that contribute to achieving these targets. This is used to select companies that are suitable for investment towards achieving SDG12. We also consider several questions in our investment decisions, for example:

- How does the company manufacture the products that it sells and do its methods align with the SDG?
- Will the risks and returns of our investments in equities remain at a similar level?







### Sustainable Development Goal 12: responsible consumption and production

In total, the United Nations have defined 17 Sustainable Development Goals. Those Sustainable Development Goals, or SDGs, are intended to help create a fair and sustainable world by 2030. The SDGs give people all over the globe guidance in facing challenges such as poverty, healthcare and the climate change crisis. 'Responsible consumption and production' (SDG12) is one of the goals that Philips Pensioenfond considers when it makes its investment decisions. This SDG is about investing in companies that make more efficient use of raw materials, for example, or whose products help to reduce waste products, food waste and pollution or that deliver solutions to recycling, upcycling and renewable energy. The ultimate purpose of 'Responsible consumption and production' is to make sure that companies, governments and individuals everywhere become less of a burden on the environment by using materials and resources as carefully and optimally as possible.

### Companies that we invest in more than we used to

Consumption and production can be made responsible in numerous ways. For example, we are investing more in shares in waste separation companies or companies whose products are aimed at reducing food waste. However, we also look at companies that have set up their operations in a responsible manner: by making efficient use of raw materials, for example, but also through smart processes for disposing of hazardous substances or reusing materials in the production process.

Below are two examples of companies where we have increased our investments since we added SDG12 as an explicit consideration for our equities portfolio. The amounts given are based on the value of the equities portfolio in early-April 2023: around €3.7 billion.

- DS Smith is a UK company in sustainable packaging solutions, paper products and recycling services. The design and production of the packaging materials are geared towards a final product that is 100% recyclable. The company also uses fibres as the basic ingredients in its packaging materials wherever possible. By reducing the amounts of natural resources that are used, and through responsible business processes, the company is helping in several ways to achieve SDG12. The investments in this company have gone up from €300,000 to €3 million.
- Tomra Systems from Norway is known for its reverse vending systems in supermarkets. Besides solutions for collecting and reusing bottles, the company also offers solutions for other used materials: machines for sorting waste and for processing metals into renewable resources. Through these efforts, Tomra is helping to make waste management more responsible and making recycling accessible. The investments in this company have gone up from €200,000 to nearly €2 million.

#### More investments in 'SDG companies'

We refer to companies that derive more than 10% of their revenue from products and services that help towards one or more of our selected SDGs as 'SDG companies'. Since December 2021, we have increased our investments in developed-markets SDG companies by 20%-points. Emerging markets offer fewer SDG companies than developed markets do, so the increase is less sharp there: approximately 5%-points.

### Companies that we do not invest in now

Sometimes, a company's SDG profile makes it an attractive investment option, but we might still decide not to invest because the company also makes decisions that are incompatible with other SDGs that are important to us. We refer to such negative aspects as 'controverses'. For example, a company might produce filters to prevent emissions of hazardous substances, but its production process presents a serious threat to the health of its workers, which is incompatible with SDG3: 'Good health and well-being'. Depending on the degree of the controversy, we will reduce our investment in the company, or even phase it out entirely.

### The next step

The process of putting together an equities portfolio that is more focused on SDGs is being carried out in stages. In December 2021 we began with the portfolio for developed markets, such as countries in Western Europe or North America. Since early-April, these sustainable investment choices also apply for the portfolio of emerging-market equities, for example shares in companies from countries in South America or Eastern Europe. 🌐



#### Find out more about how we make our sustainable investment decisions

To find out more, visit [www.philipspensioenfond.nl/en/mvb](http://www.philipspensioenfond.nl/en/mvb)