

## Statement on the SFDR principal adverse impacts regime

05 April 2023

This document sets out disclosures for Principal Asset Management entities (“**Firms**”), considered to be financial market participants (“**FMPs**”) under the EU Sustainable Finance Disclosure Regulation (“**SFDR**”), in respect of the principal adverse impacts of its investment decisions on sustainability factors. Refer to Appendix 1 for the list of Firms identified as FMPs.

The SFDR requires FMPs to make a “comply or explain” decision whether to consider the principal adverse impacts (“**PAIs**”) of its investment decisions on sustainability factors, in accordance with a specific regime as outlined in SFDR. Each Firm has decided not to comply with that SFDR regime. Each Firm is therefore required to publish and maintain on its website a statement to explain its reasons for not complying with the PAI regime in SFDR, and information as to whether and when it intends to comply with such regime.

Each Firm has carefully evaluated the requirements of the PAI regime in Article 4 SFDR, and in the final Regulatory Technical Standards (the “**PAI regime**”).

Each Firm is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how FMPs integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, each Firm has decided that it will not comply with the PAI regime at this time for the reasons set out herein.

Each Firm is concerned about the availability and quality of data to comply with many of the technical reporting requirements of the PAI regime. Such data is not yet systematically disclosed by relevant stakeholders, and when disclosed may follow various methodologies.

Each Firm will keep its decision not to comply with the PAI regime under regular review, and will formally re-evaluate the decision at least annually.

Notwithstanding its decision not to comply with the PAI regime (as detailed above), each Firm also wishes to re-affirm its overall commitment to sustainable investing matters. Copies of sustainable investing policies are available on the Firms’ website, or by request.

## **Appendix 1 – FMPs**

Firms identified as FMPs and subject to the PAI statement:

- Principal Global Investors (Ireland) Limited (“PGI”)
- Principal Global Investors (EU) Limited (“PGI EU”)
- Principal Real Estate SAS (“Pre-SAS”)
- Principal Real Estate Spezialfondsgesellschaft mbH (“PSG”)