ANNUAL REPORT ON SUSTAINABLE INVESTING 2025

pensioenfonds PGB

PREFACE

Sustainable investing contributes to our ambition: ensuring a good pension in a liveable world. We are supported in this by our stakeholders. At least 70 percent of our participants consider sustainable investing important.

In 2025, we took some important steps to continue building the framework for sustainable investing, and to start impact investing seriously and concretely, as has long been our wish.

For example, we previously established three focus themes based on the preferences of our participants: climate, biodiversity and food. In 2025, a fourth focus theme was added: healthcare. In this report, you can read how we arrived at that choice and why we work with focus themes.

Besides focus, sufficient knowledge is also required. Therefore, in December 2024, we entered into a 3-year partnership with the World Wildlife Fund (WWF-NL). Together with WWF-NL, we are working on an investment practice that takes greater account of nature and biodiversity. Through this partnership, we also want to inspire and encourage other financial institutions to take steps towards nature-positive investments.

In 2025, we also drew up an 'escalation ladder'. This means that we have established a strategy for taking action if our engagement with a company in which we invest does not yield sufficient results. This way, our engagement policy is increasingly taking shape and gaining clarity.

A greater and more direct influence on sustainable behaviour is possible through so-called impact investments. Impact investing goes beyond 'ordinary' sustainable investing: it is about actively investing in solutions to social and environmental issues. Pensioenfonds PGB wants to make better use of the opportunities in this area. This involves investments through which we aim to achieve a strong financial return and make a measurable positive impact on the environment or society.

As far as our climate plan is concerned, we are on track. Our goal was to have reduced the CO_2e emissions of our investment portfolio by half by 2030. We achieved that as early as 2025. The next goal is to be completely climate neutral in our investment portfolio by 2050.

This way, step by step, we are building a pension fund that is not only financially sound, but one that also contributes to a sustainable future. Long-term financial health can only be achieved through sustainable investing. That remains our primary ambition, even after the transition to the new pension system, scheduled for 1 January 2027.

Amstelveen, 15 April 2026

The board of Pensioenfonds PGB
Tim van Dijk, Edwin de Jong, Hans Kamps, Anne Kock-de Kreuk, Jessica Matelski, Frans van de Veen and Hans Veltkamp

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1 Reflection on 2025

In this chapter, we look back at the key developments in sustainable investing at our pension fund in 2025. We do this together with Jori Arts, fiduciary advisor (i.e. strategic investment advisor) at Pensioenfonds PGB. In that role, he focuses on investing and therefore also on sustainable investing. 'Because sustainability is an integral part of all our investment decisions,' according to Jori.

Are we, as a pension fund, unique in that we always take sustainability into account when making investment decisions?

'No, certainly not. You see more and more pension funds that have a framework like ours, in which sustainability is given equal weighting to return, risk or costs. It hasn't been an isolated topic for years. Not only pension funds, but also other asset managers view sustainability as an integral factor in investment choices.

Yet in the external world, we actually see a retreating movement, right?

'Yes, that's right. That's quite a contradiction. Our ambitions – those of Pensioenfonds PGB, the Netherlands and Europe – are clear: we want a climate-neutral world. And to this end, we have drawn up a climate plan. It contains concrete ambitions when it comes to CO_2e reduction. At the same time, we indeed see that large American asset managers are withdrawing from sustainable initiatives, focusing exclusively on return and risk. We remain fully committed to our ambition, but it requires extra attention to find the right partners to realise that ambition.'

Then wouldn't it be better to work with Dutch and European asset managers only?

'The reality is that American asset managers make up the majority of the global asset managers market, and we are a global investor. There are European players in that market, but most are still based in the US. They are often subsidiaries, and are therefore also influenced by what is said in the US.'

And are we already noticing anything concrete from that headwind from America?

'An asset manager is not only the executor of our policy, but often also an important sparring partner. That proactive thinking has diminished. About which choices you can make for CO_2e reduction, how to handle it smartly, what is at play in terms of risk and return; that sort of thing. They simply implement policy, and they do it well. Yet initiatives for improvements or innovations have been put on the back burner.'

Returning back home for a moment: we welcomed a fourth focus theme in 2025?

'That's right. A few years ago, we investigated which sustainable themes our participants consider important. Based on that, we at first chose three: climate, biodiversity and food. These are global themes that we, as global investors, can focus on effectively. Yet there were two more themes that our participants consider important: healthcare and housing. We wanted to look into those first, because they are more local themes, and it has become apparent that healthcare offers some good investment opportunities. Think, for example, of investing in technological innovations in healthcare. That's why we have chosen healthcare as our fourth focus theme in 2025. Affordable housing is also important, but due to restrictive regulations and a great deal of uncertainty regarding the role of the Dutch government, it is more difficult for us as investors. Incidentally, we *are* investing in making homes more sustainable. And we will continue to do that, but that falls under the theme of climate.'

We said we were going to do more impact investing in 2025. Can you tell me something about that?

'Last year, we devoted a lot of attention to drafting an *impact framework*. That might sound boring, but it's very important. You see, before you start, you need to know what impact actually entails, where you stand now, where you want to go and how you want to go about it. A concrete example: how many solar panels generate how much energy and how much CO_2e reduction does that achieve? Next, you need to consider: do the asset managers to whom we outsource the management of the investments have clear objectives for this? And how do they report on that? Do they meet market standards in that area?

We've established frameworks for all of that. Next, we looked at what impact investments we currently have under those conditions. That is our baseline measurement, the starting point. And then we determined how we are going to develop that in concrete terms.'

And, do we have any impact investments yet?

'Yes, we've had green bonds for a while now, especially from the Dutch government. However, the market's view on impact investments is shifting; they must have a measurable impact and preferably lead to systemic change. So we were already working on something, but making a clear link to the four focus themes, that's what we are focusing on now. We'll start investing in that specifically in 2026. How? Anne and Frans will tell us more about this in their future outlook in this annual report.'

Have we done anything new in terms of engagement?

'We drew up an *escalation ladder* for that last year. In other words: what action do we take if the dialogue (engagement) with a company in which we invest does not yield sufficient results? In extreme cases, there is the option to pull the plug and divest. However, that would be very drastic and you lose your vote altogether. You can first cast your vote at a shareholders' meeting, make a public statement or join collective initiatives, such as shareholder resolutions. Divesting, i.e. excluding a company, would be the ultimate step. And we have now established that entire ladder between 'engagement not working' and 'exclusion'. We implement our engagement programme together with a partner. Still, you must of course retain control over what you want to do, when you want to do it and why.'

And how is our climate plan progressing? Are we on track with our CO_2e reduction?

'We are in fact ahead of schedule. Our goal was to halve our CO_2e emissions by 2030. And we are already there. The next step is to be completely climate neutral by 2050. That's what we'll be working on now.'

Why don't we just altogether exclude fossil fuels?

'We exclude major polluters, such as tar sands and shale gas, but not the entire fossil fuel industry. You see, a large part of the world is still dependent on gas, petrol or kerosene. Right now, solar and wind are insufficient to keep our entire economy running. We want to give the energy companies we invest in the opportunity to invest more in these areas. If we were to exclude that entire energy sector, then *our* carbon footprint may rapidly decrease, but little will have changed globally. So what are you contributing, really? Ultimately of course, we all have to stop using fossil fuels, if we want to be completely climate neutral.'

Has anything else happened in 2025?

'At year-end, we conducted an analysis of the biodiversity risks in our investment portfolio. For example: if biodiversity declines, which investments are at risk of losing value? And vice versa of course: which ecosystems are affected by our investments? We did that together with WWF. We now have greater insight into which sectors make the largest relative contribution to biodiversity loss. And where opportunities lie to improve that. Armed with this information, we've got a better understanding of which sectors and companies PGB should target, and which it should not, when it comes to our biodiversity focus theme.'

We report according to scope 1, 2 and 3.

When looking at greenhouse gas emissions (shown as CO_2e), we were already reporting according to scope 1 (emissions from a company's own production process) and scope 2 (energy a company purchases). In 2025, we will also start reporting on scope 3 (indirect emissions across the entire value chain, from supplier to consumer) of the listed portfolio. Those are generally accepted standards.

2 OUR SUSTAINABLE INVESTMENT POLICY

Our main duty is to ensure a good pension in a liveable world. That is why sustainability is fully integrated into our investment process. This means that, in all our investment decisions, we weigh return, risk, costs and sustainability. This chapter explains what our sustainable investment policy consists of and how it was developed.

The framework of our sustainable investment policy

Our sustainable investment policy forms an integral part of the investment policy. As with other policy topics, we follow a formal process. That process consists of four steps: policy-making, implementation, monitoring and accountability and, lastly, evaluation and review (see image below).

Yet policy is also shaped by external factors (see the outer ring in the image):

Every step poses risks that we can accept, limit or avoid. Identifying, assessing and managing risks falls under *risk management*.

In addition, there is the influence of legislation and the covenants to which we have committed ourselves. One such example is UNPRI (see the chapter on Collaborations). This influence falls under *external compliance*.

And finally, there is the influence of our stakeholders, because we also take our primary stakeholders into account during the various steps. For instance, in determining the sustainable investment policy it is important for us to include the preferences and risk appetite of our participants in our decision-making process. We want to make choices that suit our stakeholders.

Specific elements for sustainable investing at Pensioenfonds PGB

There are four elements that are specific to how we invest sustainably:

1. our investment goals, investment philosophy and risk appetite;
2. the focus themes we want to concentrate on;
3. the implementation through the 3 pillars;
4. the integrated approach we follow.

Below, we explain these elements in more detail.

1. Investment goals, investment philosophy and risk appetite

As stated above, our stakeholders' preferences are very important to us. That is why we have talks and organised surveys with participants, employers, the supervisory board and the accountability body. This is to collect input for determining our investment philosophy and risk appetite for sustainable investing. We determined both in 2023 and they are shown in full on the next page.

Investment philosophy for sustainable investing

"We believe that sustainability is necessary to ensure that our participants can enjoy a good pension in a liveable world. In order to achieve our long-term investment objective based on our pension ambition, we assess all our investments on the elements of return, risk, costs, and sustainability."

- It is important to us that our investments deliver good returns and contribute to the transition towards a sustainable society and economy.
- We are convinced that the transition to a sustainable society offers investment opportunities and we want to seize those opportunities. In this respect, we prefer investments that contribute to a sustainable society and economy, including those close to home.
- We are committed to pursuing a policy of active involvement. We firmly believe that our social impact will be the greatest if we use our influence as an investor to – together with other investors – push companies and countries to join the sustainable transition.
- We are of the opinion that non-sustainable business models come with major risk and should, therefore, be avoided as much as possible. With this in mind, we do not invest in companies and countries that are unable or unwilling to make the transition to a sustainable society and economy.
- Being transparent about and involving our participants in the choices we make in the field of sustainable investing is a given for us.

Risk appetite for sustainable investing

'Pensioenfonds PGB does not want to make investment decisions without understanding the sustainability aspects of the decision, nor does it want to run the risk of acting in violation of sustainability legislation.'

- Pensioenfonds PGB is not prepared to run risks with regard to compliance with relevant laws and regulations and the requirements imposed in response to national and international principles and agreements on sustainable investing to which Pensioenfonds PGB has voluntarily committed itself.
- Pensioenfonds PGB is only willing to approve new investment propositions if the sustainability aspects have been weighed explicitly and in a well-substantiated manner, are deemed acceptable, and are in line with Pensioenfonds PGB's policy.
- Pensioenfonds PGB strives for full transparency on sustainability risks and sustainability goals, as well as on the impact of sustainability factors on the investment portfolio and the impact of investments on the community and the environment.

2. Focus themes

If you want to invest sustainably, you can pursue different goals. The United Nations has established 17 of these (see the image opposite), which are known worldwide as SDGs (Sustainable Development Goals).

At the same time, we realise that our resources and influence are limited. Focus is therefore needed to contribute to sustainability goals in a targeted and effective manner. That is why we conducted a survey among participants in 2023 to get a better idea of which themes they consider most important. In 2024, based on these results, the board subsequently established three focus themes: climate, biodiversity and food.

In 2025, two other themes that participants considered important as well were investigated in more detail: housing and healthcare. Based on this, we have opted to add healthcare as a fourth focus theme. This theme offers promising investment opportunities that are relevant to our participants.

So the four focus themes are now:
1. climate
2. biodiversity
3. food
4. healthcare

To further develop the theme of biodiversity, we entered into a three-year partnership with the World Wildlife Fund (WWF-NL) at the end of 2024. In 2025, together with WWF-NL, we analysed our investment portfolio for biodiversity risk. We did this from two perspectives: what is the financial risk, or in other words, what *dependencies* do our investments have on ecosystems. And what is the natural risk, or in other words, what *impact* do our investments have on ecosystems. You can read more about this in the section 'Partnership with the World Wildlife Fund, the first results' (see Chapter 6).

3. Sustainable investment pillars
Our sustainable investment policy rests on three pillars: limit, strengthen and utilise. Each pillar answers a specific question.
1. Limit: what do we not invest in?
2. Strengthen: how do we motivate the companies and sectors in which we do invest to contribute to the fair transition to a sustainable economy and society?
3. Utilise: what specific, measurable impact do we also want to realise?

In Chapters 4, 5 and 6, we will delve deeper into the meaning and content of these three pillars.

4. Integrated approach
The sustainable investment policy is part of the pension fund's investment policy. In concrete terms, this means we always fully assess all investment proposals in terms of expected returns, risks, costs and sustainability.
Sometimes, we have to deviate from this. This is, for instance, the case with investments that are excluded but for which selling is not possible.

Climate plan
The consequences of climate change are becoming increasingly clear. That is why we participate in the climate commitment of the Dutch pension funds and update our climate plan on a regular basis. This climate plan is part of our sustainable investment policy. Our main climate goals are:
- halving the CO_2e footprint[1] of our listed investments by the end of 2030;
- invest at least 12 percent (9 percent in 2024) of the bond portfolio in green bonds;
- limiting transition risk through strict exclusion rules on tar sands oil, shale gas and thermal coal.

SFDR
We provide insight into the negative impact of our pension fund's investments. We do this in accordance with EU rules, on the basis of a principal adverse impact statement, in accordance with the Sustainable Finance Disclosure Regulation (SFDR). The first report for 2024 was published on our website in mid-2025 and is updated annually.

Impact framework
In 2025, we established an impact framework as a basis for assessing the investments in the portfolio and the impact performance of the appointed impact managers (external asset managers). The framework is based on internationally recognised standards, including the Global Impact Investing Network (GIIN) and Impact Reporting and Investment Standards (IRIS), and aligns with the relevant impact metrics for institutional investors. In addition, the focus themes of PGB have been explicitly integrated, so that the impact objectives of PGB can be consistently monitored with an option to compare. The impact framework will also be applied to the selection of impact managers.

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[1] *CO_2e stands for CO_2 equivalent, see the glossary at the back for an explanation of this term.*

3 2025 SUSTAINABLE INVESTING RESULTS AT A GLANCE

TOTAL INVESTED ASSETS

€34.6 billion
(2024: €34.9 billion)

SUPPORT FOR SUSTAINABLE INVESTMENT POLICY

We communicated about our sustainable investment policy with participants, the supervisory board and the accountability body*.

Pillar 1 LIMIT

What do we not invest in?

INSTRUMENTS:

Climate

Percentage of CO_2e reduction compared to base year 2020: Equities: -66%* (2024: -64%), Corporate bonds: -77%* (2024: -81%), Total: -71%* (2024: -70%).

Exclusions

Over 90%* (2024: 91%) of the total investment portfolio complies with our exclusion policy. Within the benchmark (BM) of equities, we do not invest in 7.1%* of companies (2024: 7.4%) based on our exclusion list.

Pillar 2 STRENGTHEN

How do we motivate the companies and sectors in which we *do* invest to contribute to the fair transition towards a sustainable economy and society?

INSTRUMENTS:

Engagement

A total of 709 engagements (2024: 512) were held with 373 companies (2024: 359). Over 57%* related to focus themes (2024: 72%).

Voting

Votes were cast at 1,288 companies (2024: 2,156) on 22,504 topics (2024: 36,261). A vote was cast in 58.8%* of the voteable shareholders' resolutions (2024: 94.4%).

Collaborations

VBDO membership, TCFD, UNPRI, Climate Commitment, Climate Action 100+, CISL and World Wildlife Fund.

Investments with impact

The investment portfolio contains investments with impact at a market value of €3.5 billion (2024: €3.4 billion). This is 10.2% of the total portfolio (2024: 9.7%).

Pillar 3 UTILISE

What specific, measurable impact do we also want to realise?

INSTRUMENTS:

Impact investments

By the end of 2025, €2.7 billion had been invested in impact investments (2024: €2.8 billion).

A number of sections in this report are marked with an asterisk (2025). These components are subject to audits by the external auditor Forvis Mazars. This concerns a limited assurance report: a first step to increasing transparency and comparability of corporate sustainability reports.*

4 LIMIT (pillar 1)

This pillar is about investments that we do not want to make or are not allowed to make. This is an answer to the specific question: what do we not invest in?

We want the highest possible return on our investments at the lowest possible risk. That is why we exclude companies that run too many sustainability risks. All this falls under our exclusion policy.

Exclusion policy

Pensioenfonds PGB excludes investments in companies and government loans if they do not meet our criteria for sustainable investing.

We exclude companies if they do not respect the Ten Principles of the United Nations (UN Global Compact), are on international sanctions lists or are involved in undesirable products or activities. This includes cluster munitions, tobacco, controversial weapons, shale gas and tar sands oil.

Furthermore, since 2023, we have also excluded investments in public undertakings and government bonds if the government in question scores very poorly on one of the three sustainability factors: environment, society and governance.
The specific exclusion rules are included in the sustainable investment policy of our pension fund.

Each quarter, independent research agencies provide us with substantiated overviews of companies and governments that do not meet the additional requirements of PGB. If we own equities or bonds of these companies or governments, these are sold as quickly as possible.

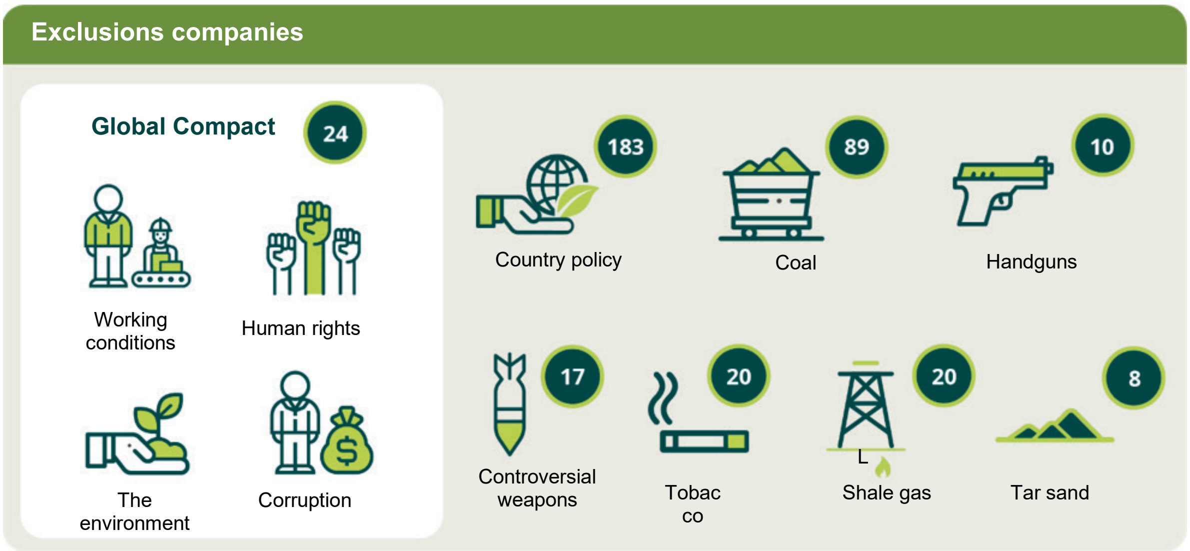
In the interest of the fund, the board of the pension fund may decide to first enter into discussions with a company before permanently deciding to sell the investments.

Exclusions in 2025

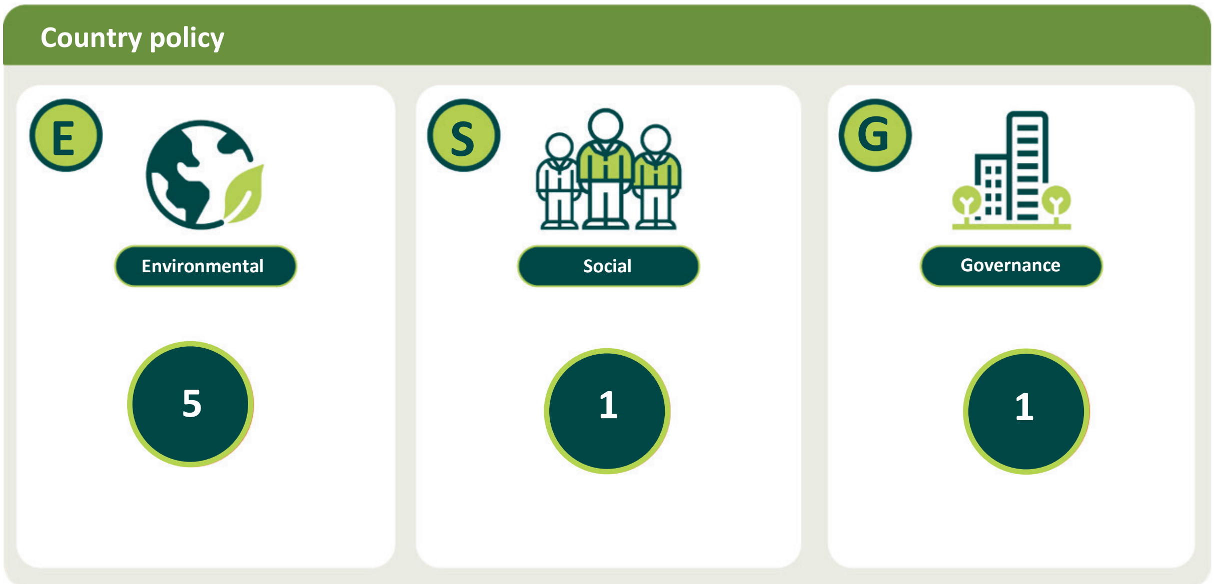
Pensioenfonds PGB excluded 11 countries (2024: 11) and 300 companies* (2024: 327) from the equity benchmark, because they failed to meet the set minimum requirements regarding sustainable investing. Compared to 2024, the presentation of the number of excluded companies has changed. From 2025 onward, the number of companies included in the standard market portfolio for equities (equity benchmark) will be disclosed. In previous years, the number of excluded companies was derived from the investigated companies by our data supplier. These included companies that actually do not appear in our equity benchmark. The adjustment therefore ensures that the figures are representative of our policy. Bonds are not invested in accordance with a standard market portfolio; the number of excluded companies in the bond portfolio is therefore not explicitly disclosed.

A total of 90 percent* (2024: 91 percent) of the market value of the entire investment portfolio complies with our exclusion policy. Not quite 100 percent, because we also invest in investment funds in which other parties invest as well. In those instances, we cannot fully enforce our policies.

Note: *The complete list of exclusions is available on the website of Pensioenfonds PGB.*



Note: *Some companies are excluded for more than one reason. Consequently, the total number of excluded companies (300)* is not equal to the number when adding up the various exclusion criteria (371). The numbers do not include exclusions due to the NL, EU, UN and OFAC sanctions lists.*



A total of 11 (2024: 11) of the 46 countries (2024: 46) are excluded from the benchmark, for a total of 7 exclusion reasons (2024: 17). Kuwait, Qatar, Saudi Arabia, South Africa and the United Arab Emirates are excluded due to *environmental* exclusion grounds, while Egypt is excluded* on both *social* and *governance* grounds. Furthermore, China, India, Indonesia, Malaysia and Turkey have been excluded, as they have not yet achieved a sufficient score on all three ESG aspects for two consecutive quarters.

In 2026, the country policy will be simplified by only excluding countries subject to financial sanctions or to an arms embargo imposed by the Netherlands, the EU or the UN. This adjustment is necessary because methodological changes at data providers and geopolitical developments lead to shifts in classifications, without the actual situation or policy of Pensioenfonds PGB changing. Consequently, a strictly normative country policy is becoming increasingly difficult to explain in a transparent and consistent manner. Combined with the lack of an allocation to Emerging Market Debt (EMD) and the limited practical impact of current policy, this underscores the need for a simpler and more defensible country policy.

5 STRENGTHEN (pillar 2)

This pillar stands for strengthening the sustainability performance of companies in which we invest. It concerns the answer to the question: How do we motivate the companies and sectors in which we *do* invest to contribute to the fair transition to a sustainable economy and society?

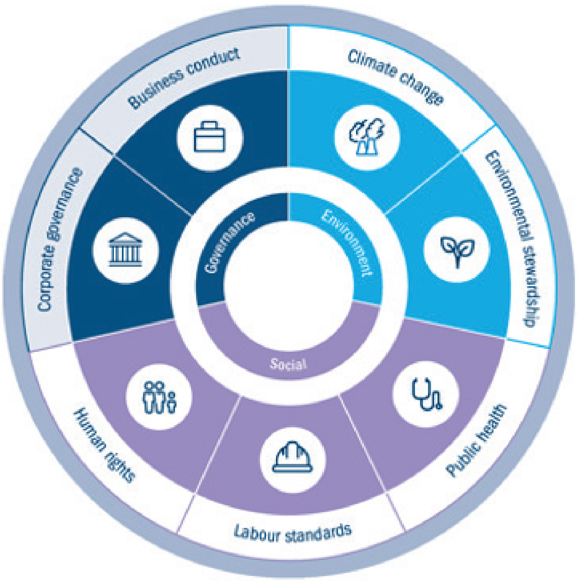
We cannot achieve our target with exclusions alone. After all, they have no impact on consumer behaviour and companies can also raise funds in other ways. Yet at the same time we are convinced that we as investors can still have a limited but positive influence on the behaviour of companies. As such, we can contribute to the transition towards a sustainable economy and society, for example through 'capital allocation' and 'active share ownership', as well as through 'investments with impact'.

Capital allocation
Some companies score better than others on sustainability characteristics. For instance, because they emit relatively fewer greenhouse gases. We can reward those companies by investing relatively more in them compared to the benchmark. At the same time, this means we invest less in companies that operate less sustainably. Allocating more capital to one and less to another; that is capital allocation. Research shows that this approach does not necessarily come at the expense of expected returns on investment, as long as the country and sector distribution of the benchmark is maintained. We follow this approach, for instance, in our listed equity investments in developed markets.

Active share ownership
We enter into dialogue with companies if we want to see future improvements in certain areas. We refer to this as *engagement*. For example, if a company contributes significantly to greenhouse gas emissions, we ask them to draw up a climate plan and demonstrably implement it. That plan must be in line with the Climate Agreement.

In addition we *cast our vote* at the shareholders' meetings. This is another way for investors to exert influence over a company. We call this combination of voting and engagement active share ownership.

Working together for more influence
To increase our influence, we seek collaboration with other like-minded investors. We do this by supporting initiatives such as CA100+ and by working with specialist service providers. For instance, we have enlisted Columbia Threadneedle Investments (CTI) to engage in dialogue and vote on our behalf. In 2025, CTI followed an active share ownership programme that, as in previous years, aligned with the themes of Pensioenfonds PGB, structured around seven engagement topics:



1. climate change
2. environmental stewardship
3. business conduct
4. human rights
5. labour standards
6. public health
7. corporate governance

If the dialogue or the votes cast do not lead to sufficient results, we can exclude the company in question.

Our principles for active share ownership

In 2024, the pension fund adopted a set of corporate governance principles for active share ownership of listed companies. We use these principles to assess those companies, as well as external parties that support us in voting and engagement. The principles are as follows:

1. The company's goal is long-term value creation that also takes into account the environment, society and good governance.
2. The company must meet the minimum requirements of good governance. They are:
   - 2.1. the OECD guidelines on good governance;
   - 2.2. the ICGN global governance principles;
   - 2.3. the Dutch corporate governance code for Dutch listed companies;
   - 2.4. other relevant local corporate governance codes or guidelines.
3. The company must meet the minimum requirements regarding the environment and social impact. They are:
   - 3.1. the OECD Guidelines for Multinational Enterprises;
   - 3.2. the UN Guiding Principles on Business and Human Rights;
   - 3.3. of 10 principles of the UN Global Compact;
   - 3.4. reporting according to one or more relevant international standards with attention to double materiality (risks and impacts) and concrete goals, actions and results with regard to climate change and nature conservation/restoration[2] (e.g. TNFD, TCFD).
4. In principle, we vote either for or against. We only choose to abstain in the case of affiliated companies or in exceptional situations. The implementation of the voting policy is reported to the pension fund board.
5. Pensioenfonds PGB does not cast its own votes, but uses one or more specialist service providers. The votes cast on our behalf must reflect the principles of our pension fund. That is why the pension fund periodically (annually) assesses:
   - 5.1. the engagement and voting policy of the service provider(s) in question;
   - 5.2. whether the votes cast are in line with the Pensioenfonds PGB policy.

Voting in 2025 (and correction 2024)

In 2025, on behalf of Pensioenfonds PGB, votes were cast at 2,258 shareholders' meetings (2024: 3,232) of 1,288 different companies (2024: 2,156). A vote was cast in 58.8 percent* (2024: 94.4 percent) of the votable shareholders' resolutions. In all these cases, votes were cast in accordance with our investment policy.

Consequently, this percentage for 2025 is significantly lower than last year, and the percentage for 2024 has also been revised from 99.8 percent to 94.4 percent. There is a clear reason for the decrease in this percentage and the adjustment of this figure for 2024. In the course of 2025, it emerged that following a restructuring of the equity portfolio in mid-2024, votes were no longer cast for a large number of holdings. The reason for this is that, following that restructuring, no proxy had been granted to CTI, which casts the votes as an external party on behalf of Pensioenfonds PGB. As a result, a large number of votable shareholder resolutions fell outside the scope of CTI's voting process. Since the number of resolutions in the first half of the year is always much higher than in the second half, the impact on 2025 is significantly greater than for 2024.

We approved 18,342 of the 22,504 (82 percent) of the proposals voted for (2024: 85 percent). In 18 percent of the cases, we voted against or abstained from voting (2024: 15 percent). Of the total number of proposals, almost 40 percent concerned the composition of the board (2024: 48 percent). More than 9 percent of the total involved remuneration (2024: 11 percent).

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[2] *Nature includes biodiversity (variety of flora and fauna), but also quality and availability of water, soil and air. However, both are used interchangeably.*

Engagement in 2025

Pensioenfonds PGB has outsourced engagement processes to CTI, a specialist service provider in this field. The extent to which CTI focuses on specific core themes is determined based on customer consultation. As a result, PGB has only limited influence on which SDGs (and associated focus themes) it targets in its engagement processes.

In 2025, a total of 709 engagements occurred (2024: 512). Within our equity portfolio, 373 companies (2024: 338) in 35 countries (2024: 35) were engaged. Within the corporate bond portfolio, dialogue was held with 56 companies (2024: 107) in 11 countries (2024: 30). More than 57 percent* (2024: 72 percent) of the engagement processes related to the focus themes of our sustainable investment policy.

The decrease in this percentage can be primarily explained by a change in the link between focus themes and SDGs. The aim of the change was to properly ensure the explainability of the contribution to the focus themes, as a result of which reporting no longer covers two specific SDGs. The percentage is therefore lower, despite the addition of a fourth focus theme.

Overview of engagement at companies worldwide

In the image above, all engagement visits to companies in PGB's investment portfolio are displayed by region. Equities are indicated in red numbers, bonds in purple.

Investments with impact

All investments have an impact on the environment or society. That impact can either be positive or negative. Investments with a *positive* impact are important for the transition to a sustainable society and economy. We distinguish between two types: impact investments and investments with impact. Although those two terms sound very similar, they mean different things.

Impact investments require intentionality. This means that the investment is linked to specific and formal sustainability goals that have a measurable impact on the real world. For example: a green bond to finance a project that will generate sustainable energy. Impact investments come under pillar 3. More on that in Chapter 6.

Investments with impact do not require predetermined, specific sustainability goals, but they still contribute to achieving those goals. For example: 50 percent of a company's turnover contributing to one or more sustainable goals has a positive impact, yet that company does not meet the strict criteria for impact investments. Investments with impact come under pillar 2, which is why we discuss them here.

Measuring is knowing

Pensioenfonds PGB is affiliated with the SDI Asset Owner Platform (SDI-AOP). This is an international platform working on a global standard to measure the contribution of investments to sustainable development goals (SDGs). Using this platform, we can calculate the contribution our listed equity and bond portfolios have made to the various SDGs. We also receive reports on the contribution of property funds and alternative fixed-interest securities.

What are SDGs?
When it comes to sustainable development goals, organisations generally adhere to the 17 Sustainable Development Goals (SDGs) established by the United Nations.

The section below provides an overview of the investments that, according to the SDI-AOP, have a positive impact. The impact investments (from pillar 3) are included in this as well.

Investments with a positive contribution in 2025

In 2025, PGB made various investments with a positive contribution to society and the environment. These totalled EUR 6.2 billion (2024: EUR 6.1 billion). This is the total of investments with impact (pillar 2) *and* the impact investments (pillar 3). In 2025, more asset categories (groups of investment instruments) were assessed than in 2024. Corporate bonds and co-investments are now included under investments with impact as well, while private corporate investments have been added to impact investments.

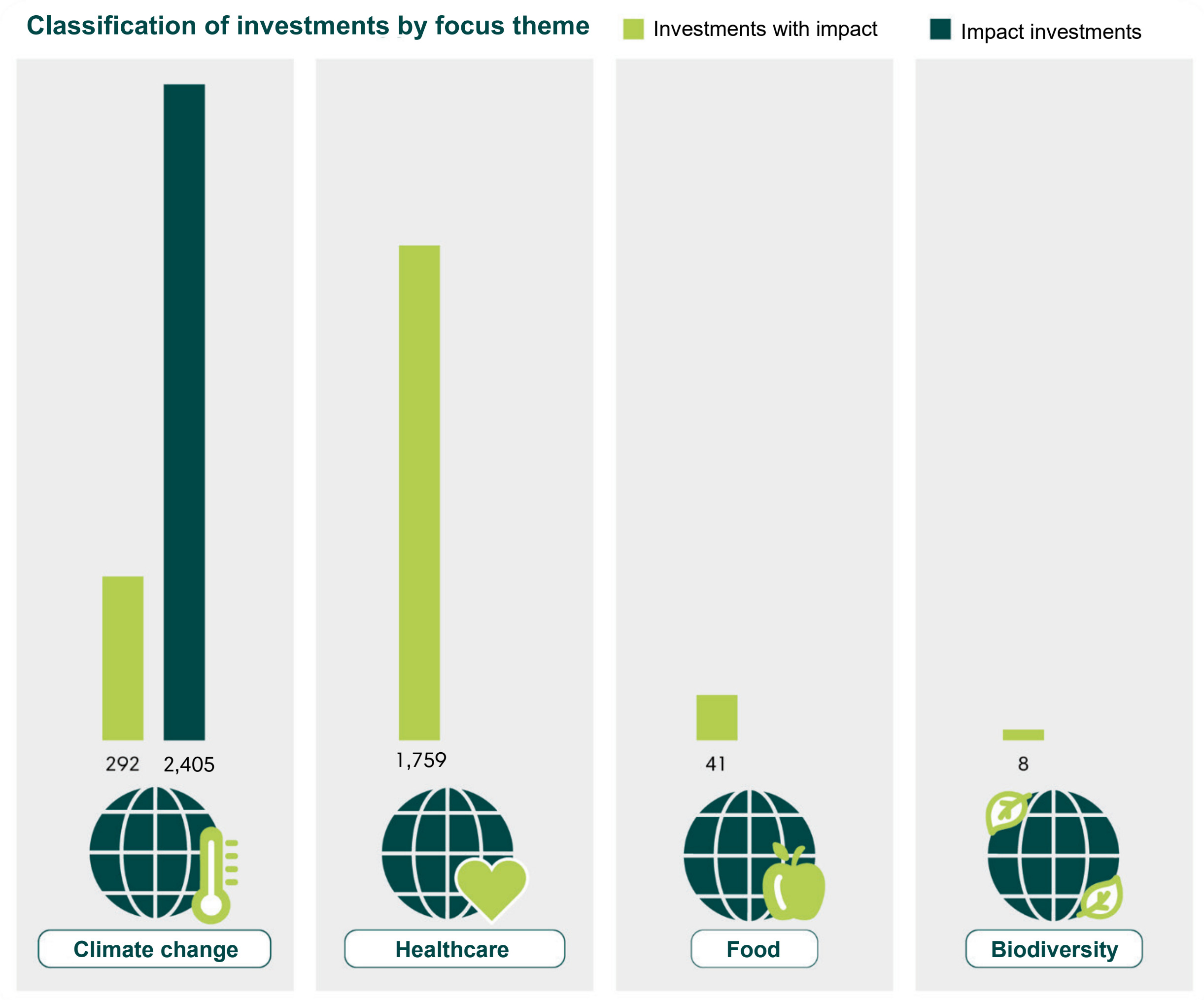
		Market value 2025		Market value 2024	
Asset category	**Pillar**	**€ million**	**%**	**€ million**	**%**
Equities & corporate bonds	2	2,250	6.6%*	2,116	6.1%
Infrastructure & property	2	1,157	3.3%*	1,267	3.6%
Co-investments	2	118	0.3%*		
Subtotal Investments with impact	2	*3,525*	*10.2%*	*3,383*	*9.7%*
Green bonds	3	2,302	6.7%	2,487	7.1%
Social bonds	3	155	0.4%	120	0.3%
Sustainable bonds	3	150	0.4%	157	0.5%
Sustainable bonds	3	*2,607*	*7.5%**	*2,764*	*7.9%*
Private corporate	3	103	0.3%*		
Subtotal Impact investments	3	*2,710*	*7.8%*	*2,764*	*7.9%*
Total		**6,235**	**18.0%***	**6,147**	**17.6%**

Explanation

1. If an investment makes a positive contribution, this does not necessarily mean that it is a sustainable investment, as referred to under the SFDR.
2. Sustainable equities and corporate bonds consist of investments in companies that, based on the SDI-AOP taxonomy, contribute at least 10 percent to one or more SDGs through their products and services. As from 2025, if the negative impact is 10 percent or higher, the positive contribution to the SDGs will not be counted.
3. Only sustainable property and sustainable infrastructure that achieved 4 or 5 stars out of the maximum of 5 on the GRESB Benchmark (the global ESG benchmark for property and infrastructure) are considered investments with impact, on account of the positive social contribution of this property and infrastructure to their respective environments. More than 170 institutional and financial investors use GRESB data and benchmarks to monitor their investments and make decisions that lead to a more sustainable property industry and sustainable infrastructure.
4. In co-investments, according to the conditions in the investment mandate, at least 25 percent of the invested capital must contribute to SDGs (strict requirement for EU mandate, best-effort basis for US mandate).
5. Sustainable bonds consist of green, social and sustainability bonds. The last category is a combination of green and social bonds. They are used to (re)finance new and/or existing projects in whole or in part. These projects yield intentional, measurable environmental and social benefits for the identified target group.
6. Using an impact scan, private corporate investments are assessed against the impact framework regarding the impact definition, the impact objective, the theory of change, the impact metrics and the impact management system.

Of the total market value of EUR 6,235 million in investments with a positive contribution as listed in the table above, EUR 4,505 million can be attributed to PGB's focus themes. For infrastructure and property, for example, which have a total market value of EUR 1,157 million, this is not possible, since no allocation is possible based on available data. For other asset categories, all of these investments do make a positive contribution, but for investments with a market value of EUR 573 million, that positive contribution is not linked to the focus themes.

The amounts in the following overview are listed in millions of Euros.



IN PRACTICE

Theme	:	**How does PGB implement engagement in practice?**
Interviewed	:	Corinne Slort, Sustainable Investing Employee (PGB Pensioendiensten)

Background

PGB's engagement programme plays an important role in our sustainable investment policy. Through engagement, we encourage companies to implement improvements in policy, behaviour and supervision in situations where sustainability risks have been identified. That is important to prevent a company we invest in from having a negative impact on society and the environment. Another thing that could have a negative impact on our investment portfolio is that the company may, for example, be hit with environmental fines and/or acquire a bad reputation, which in turn erodes the return of such a company. But how does PGB implement engagement in practice?

How do we choose which companies to enter into dialogue with? You can't talk to everyone, can you?
'No, that would be a bit much. Then you would have to have thousands of conversations. Our engagement and voting service provider makes a selection by qualitatively assessing the relevant performance and strategy of companies. This assessment also draws on previous engagement experience and considers whether engagement is the right strategy for mitigating sustainability risks. The selected companies are then engaged in intensive dialogue at a strategic level.'

Can you give an example of such a dialogue?
'Absolutely. We've carried out several (see also the section on 'Engagement in 2025'), but I will mention one in the area of food. After all, that's one of our focus themes. And an important theme with that, because the global food system is changing rapidly due to chronic diseases, stricter regulations and a growing demand for healthier and less processed food. In this changing landscape, we actively engaged with food producers, ingredient suppliers and retailers. The goal is to ensure that they effectively and responsibly shape the transition to a healthier and more sustainable food system.'

That sounds good, but can you make it even more concrete? What can companies do to contribute to such a healthier transition?
'For example, we encouraged companies to be transparent about which part of their product range meets recognised food standards. Many companies still provide insufficient insight into the health impact of their product lines, while regulations are increasing rapidly. We also encourage companies to evaluate their product range and actively strive for healthier compositions. And we also ask producers for concrete plans to reduce ingredients that may affect gut health and metabolism. This is becoming increasingly important now that scientific insights and regulations are shifting towards a broader focus on ingredients and processing methods.

And is there anything else you can do to encourage companies to produce healthier and more sustainable food?
Yes, for example, we also held discussions with companies to assess how well they are prepared for upcoming regulations regarding ultra-processed foods. And about the marketing of high-sugar products to children. With this kind of engagement, we encourage companies to make their product range more sustainable and reduce health risks.

And have those conversations yielded results?
'I think so. The more so since we're not doing it alone, but together with our engagement and voting service provider and with other investors committed to this cause. Our goal is for companies to anticipate new standards in a timely manner and to commit their innovative capacity to safer and healthier products. This way, we contribute to a food system that is both commercially sustainable and socially responsible.'

6 UTILISING (pillar 3)

This pillar stands for utilising opportunities to make a specific contribution to a sustainable future for our participants. It is about answering the question: What specific, measurable impact do we also want to realise?

Impact investments

Impact investments are investments that not only generate a financial return, but also contribute to concrete solutions for our focus themes. Since 2024, we have been using the impact definition of the Global Impact Investing Network (hereinafter referred to as GIIN). The definition reads as follows: 'Impact investments are investments with the explicit aim of generating both a financial return and a positive, measurable social or environmental impact.

In 2025, we developed a more comprehensive impact framework, incorporating the GIIN definitions. This with the aim of distinguishing true impact investments from sustainable or regular investments. This framework is our benchmark for impact. For example, impact investments must meet various criteria, such as concrete impact goals (what the investment must achieve), impact metrics (how we measure whether we achieve our goals) and alignment with market standards for impact.

Green bonds

In 2025, the 3rd pillar consisted of *green bonds* and private corporate investments that contribute to climate solutions. From 2026 onwards, we will start making other impact investments as well.
In 2025, we also started a selection process for impact investments in *private debt* based on the aforesaid impact framework. In 2026, we will expand this to other investment categories in private markets, including property, infrastructure and *private equity*.

Green bonds in 2025

In the 2025 Climate plan, Pensioenfonds PGB set a specific goal for climate solutions: investing at least 12 percent of the bond portfolio in green bonds. Green bonds make a targeted and measurable contribution to a sustainable future. At the end of 2025, green bonds represented 16 percent* (2024: 17 percent) of the total bonds. This represents a market value of EUR 2.3 billion (2024: EUR 2.5 billion).

To reduce the risk of *greenwashing*, we apply the Green Bond Principles of the International Capital Market Association (ICMA) in combination with external assurance on the reported impact of projects financed with green bonds.

IN PRACTICE

Theme	:	**What steps has PGB taken in the field of impact investing?**
Interviewed	:	Roy Kroon, Senior Portfolio Manager Fiduciary Management (PGB Pensioendiensten)

Background

PGB is going to step up its efforts in impact investing. That is a form of investment that focuses on achieving a financial return as well as a measurable positive impact on the environment or society. Impact investing goes beyond 'ordinary' sustainable investing: it is about actively investing in solutions to sustainable issues.

Impact investing has long been a wish of PGB. How far along are we with that now?

'Impact investing is truly a new step in sustainable investing. Not only for PGB, but for virtually all asset managers. The goal is to make a *real* impact with your investment. And that impact should also be measurable. At the same time, you naturally don't want to lose sight of the return – it remains an investment first and foremost. Since this is a new, developing market, we first looked to see if there was an external party that could think along with us. Through conversations with others, including a pension fund, we ended up at Bfinance. And they now advise and guide us on impact investing.'

So you have already started collaborating with Bfinance?

'Yes, choosing Bfinance was a very important starting point. Yet in 2025, we took a second important step: we looked at which asset managers are available in this market who can implement impact investing for us. We don't do that ourselves; these investments are managed by specialised asset managers. However, we make sure that PGB always remains in control. And such an asset manager must be a good fit for PGB as well as for our focus themes. We conducted that market exploration together with Bfinance in 2025. And now, in early 2026, we are about to take the next concrete step: deciding with whom we are going to invest, what to invest in and how much. It's really going to happen this year.'

And what will we be impact investing in?

'We've opted for impact investing in the private market. And that's a very conscious choice. If you want to make a real and direct impact, then investments in the private sector are the way to go. Private means non-listed investments. Examples include property, infrastructure, private equity or private debt (private loans to companies). PGB currently sees most possibilities and opportunities in that last category. That is why we're going to start impact investing in private debt.'

And how much money are we talking about?

'We initially want to invest approximately EUR 800 million in private debt. That's not huge, but not underwhelming either. You could say that with this, we are taking a serious first step in impact investing. Over time, we want to build it up to around 7 percent of the total invested assets. With the current assets, you are talking about a total of around 2.5 billion. We aren't there yet, but that is where we want to go.'

7 OUR CLIMATE PLAN

Pensioenfonds PGB is a participant in the climate commitment of the Dutch pension funds. We've drawn up our own climate plan for this, like all other affiliated pension funds. This is reviewed and updated annually. This climate plan forms an important part of our sustainable investment policy. It cuts across all the pillars and therefore deserves a separate chapter.

Climate neutral by 2050

In our climate plan, we expressed the ambition to reduce the CO_2e footprint of listed equities and corporate bonds by 50 percent between 2020 and 2030. We want to be climate neutral by 2050 at the latest. The table below shows the development of our CO_2e footprint, in which measure CO_2e intensity via the 'Weighted Average Carbon Intensity' (WACI). See also the further explanation regarding this in the section 'Relative CO_2e reduction target'.

	Carbon footprint (WACI) scope 1 and 2			Data quality	
	In base year 2020	**In 2025***	**Change compared to base year***	**In base year 2020**	**In 2025**
Corporate bonds	306	72	-77%	86%	73%
Equities	207	71	-66%	97%	99%
Total[3]	**241**	**71**	**-71%**	**94%**	**92%**

In the table above, data quality refers to the share of the market value of our investments for which we have estimated and reported WACI data. The table shows that the percentage of investments for which WACI data is available has decreased slightly compared to the base year. Another positive aspect is that, among the investments for which WACI data is available, the share of reported emission values is increasing strongly at the expense of estimated values.

In addition to CO_2e intensity, the table below shows the financed emissions and ITR[4] score of our listed investments. The ITR score shows there is still work to be done to keep expected global warming within the limits of the Paris Agreement (i.e. a maximum increase in global warming of 2 degrees Celsius, ideally 1.5 degrees Celsius).

	2025	2024
Invested assets and data coverage (in billion Euros)		
Total invested assets	34.6	34.9
Listed invested assets	24.1	21.0
Listed invested assets with available data	21.7	19.7
Absolute tonnes of CO_2e emissions Scope 1 and 2		
Listed corporate bonds and equities	643,904	602,972
Funded emissions Scope 1 and 2 (per tonne of CO_2e per million in invested assets)		
- Listed corporate bonds	39*	30
- Listed equities	27*	31
Average listed corporate bonds and equities	30*	31
Funded emissions Scope 1, 2 and 3 (per tonne of CO_2e per million of invested assets)		
- Listed corporate bonds	688	
- Listed equities	430	
Average listed corporate bonds and equities	487	
ITR in degrees Celsius		
Listed corporate bonds and equities	2.3°C*	2.4°C

[3] *Total WACI has been calculated, excluding the portfolios for which no data was received.*

[4] *ITR stands for Implied Temperature Rise; see the glossary at the back for an explanation of this term.*

As from 2025, as regards the WACI and the CO_2e intensity of equities and corporate bonds, we will report a variant in which, in addition to scope 1 and 2, scope 3 CO_2e emissions are also included. No reduction target is linked to this variant.

	Carbon footprint (WACI) scope 1, 2 and 3	Data quality
	In 2025	**In 2025**
Corporate bonds	1,380	72%
Equities	1,005	96%
Total[5]	**1,095**	**89%**

From 2025 onwards, we will include scope 2 emissions in CO_2e intensity with regard to government bonds. In 2025, CO_2e intensity of government bonds (scope 1 plus scope 2) in the PGB investment portfolio amounted to 123 tons*. Based on the same principles, it was calculated retroactively that this amounted to 141 tons by year-end 2024.

Relative CO_2e reduction target

The pension fund uses the WACI or CO_2e intensity of the listed companies in which investments are made as a benchmark for the objective. The basis of this benchmark is the CO_2e emissions per million Euro company turnover.

The underlying idea is that focusing on CO_2e intensity leads to a reduction in absolute CO_2e emissions. By investing relatively more in companies that are at the forefront of climate change within their sectors, climate-friendly production processes, products and services within the sector are encouraged,
which in turn decreases the CO_2e intensity of the sector.

[5] *Total WACI has been calculated, excluding the portfolios for which no data was received.*

IN PRACTICE

Theme	:	**Partnership with the World Wildlife Fund: the first results**
Interviewed	:	Roos Jurrissen Senior Portfolio Manager Fiduciary Advice (PGB Pensioendiensten) and Christine Wortmann (Nature & Finance Lead at the World Wildlife Fund (WWF-NL)

Christine Wortmann (WWF-NL)

Roos Jurrissen (PGB Pensioendiensten)

Background

PGB has the ambition to contribute to nature-positive investments and a greener financial sector. We are therefore working together with WWF-NL on investment practices that take nature and biodiversity more into account. What are the first results of the partnership?

What is the first step you have taken together to ensure more nature in PGB's investment policy and investment portfolio?

Roos: 'The first step to realising our ambition is to gain more insight into the *dependency* on nature of the companies in which we currently invest and at the same their *impact* on that nature. For example, companies in the food sector, which need clean water and nutrients from the soil for their crops, or to pollution caused by the extraction of rare earth metals for the production of electronics.'

Christine: 'To gain that insight, we conducted an analysis of PGB's investments, based on ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure). That is a dataset tool specifically developed for businesses and the financial sector. It answers the question: what exactly are the risks and opportunities of nature and biodiversity for the companies in which we invest? ENCORE has formulated 25 dependencies and 13 types of impact on nature for an analysis thereof. That large number of categories in itself clearly reflects the complexity of making nature and biodiversity measurable.'

And what came out of that ENCORE analysis?

Christine: 'With this, we have been able to provide insight into which sectors contribute relatively the most to biodiversity loss, and which underlying dependencies and impacts play the most significant role in this. This information means we have a better understanding of which sectors and companies PGB should target, and which it should not, when it comes to incorporating more nature into its investment policy.'

Roos: 'Sectors in our investment portfolio that are highly dependent on nature and biodiversity are, for example, Pharmaceuticals and Food. And when it comes to impact on nature, the semiconductor and technology sectors score particularly negatively. What's also striking is that water-related themes pose a high risk to investments. This concerns the effects of a lack of clean water (dependency) or about the pollution of water by other companies (impact).'

So what's next?

Roos: 'This new insight will help us take concrete steps that contribute to our ambition of nature-positive investments. This can be found in both our sustainable investment policy and our risk management policy. After all – in addition to a return in line with the market – we naturally want to run the lowest possible risk and limit the negative impact of our investments as much as possible. When translating our ambition into the three pillars of our policy, we use this analysis to determine which investments we may need to divest (*limiting* risk), whom we enter into dialogue with (*strengthening* sustainability) and with which investments we can truly make a positive impact on nature (*utilising* opportunities).'

8 COLLABORATIONS

Influencing the sustainability performance of companies works better if you can do it together with others. Together, you achieve more. That is why we attach great importance to collaborations within the financial sector, but also outside of the sector. We have outlined them below.

Climate commitment from the Dutch Pension Federation

We embrace the Paris Climate Agreement and align with the ambitions of the Netherlands and the EU. This means that we measure the CO_2e footprint of our investments and show each year what our CO_2e footprint is. We also take action to reduce our CO_2e footprint. To that end, we draw up an action plan. Under the banner of the Climate Commitment from the Dutch Pension Federation, we work together with other pension funds. The aim is to translate the agreements from the Paris Climate Agreement into a climate plan with specific objectives for various investment categories in order to be climate neutral by 2050.

Task Force on Climate-Related Financial Disclosures

PGB would like to be transparent about what it does and how it deals with climate change. That's why we are affiliated with the Task Force on Climate-Related Financial Disclosures (TCFD).
The TCFD has established standards that allow organisations to report on how climate factors will impact their operations. By creating a uniform climate report, participants and other stakeholders can see how we deal with climate risks and opportunities, yet at the same time, it makes it easier to compare the results with each other. In this annual report, we report according to the TCFD framework. In 2023, the International Sustainability Standards Board (ISSB) took over the tasks and framework of the TCFD.

VBDO and UNPRI

PGB joined the Dutch Association of Investors for Sustainable Development (*Vereniging van Beleggers voor Duurzame Ontwikkeling*, VBDO) and the United Nations Principles for Responsible Investment (UNPRI). Both are partnerships between investors to take the development of sustainable investing to a higher level. The VBDO does this in the Netherlands and the UNPRI internationally. Both partnerships conduct research into the extent to which investors meet the standards they set in the field of sustainable investing.

Climate Action 100+

Climate Action 100+ is a major initiative of investors from all over the world. The purpose of this is to engage in dialogue with the biggest polluters and to persuade these companies to reduce their CO_2e emissions in line with the Paris Climate Agreement, thereby enabling a fair transition to a cleaner world. Climate Action 100+ also asks these companies to be transparent about the climate risks they face and how they affect their business. PGB has renewed its membership of CA100+. In doing so, we committed ourselves to active share ownership in the climate plans (including actions and progress) of one or more companies within the scope of the CA100+. We do this through CTI.

Investment Leaders Group (University of Cambridge Institute for Sustainability Leadership)

To collaborate with progressive parties in the field of sustainable investing, PGB is affiliated with the Cambridge University Institute for Sustainability Leadership (CISL). CISL is a globally influential institution that believes the economy can be made more sustainable through targeted collaboration between the business community, the government and financial institutions. It is a voluntary initiative, driven by members, facilitated by the CISL, and supported by academics from the University of Cambridge. In this context, we actively participate in research and publications on sustainability.

World Wildlife Fund

At the end of December 2024 we signed a 3-year agreement with the World Wildlife Fund (WWF-NL). From January 2025, we work with the fund to integrate nature and biodiversity into investment policy. This contributes to a nature-positive society and a greener financial sector. PGB is the first pension fund to collaborate with WWF-NL in this way. By pooling knowledge we increase awareness and impact within the sector. WWF-NL offers expertise on biodiversity, which gives PGB better insight into investment risks and the impact of investments on nature.

9 TALKING TO OUR STAKEHOLDERS

Broad support for our sustainable investment policy is a critical condition for its success. We regularly discuss our sustainable investment policy with participants, employers, the Supervisory Board and the accountability body*.

Sticking together

We work for 16 different sectors with a diverse group of stakeholders and as many different opinions. We therefore continue to listen carefully to how people think about sustainable investing and to what is going on within companies, so we can include that feedback in our decisions. We also provide feedback on how we translate the input into our sustainable investment policy.

Employees, employers and pension recipients

We believe it is important that all stakeholders can influence the way we manage our fund. That is why we have a joint board with representatives from employees, employers and pension recipients. We also regularly consult our accountability body and the employers' council. In addition, we ensure coordination with the social partners, including through sector committees.

Contact with our participants and employers

We regularly conduct surveys among our participants about their opinions on sustainable investing. A survey conducted in 2023 showed that a large majority (70 percent) considers sustainable investing very important. A small percentage (5 percent) believes we should only focus on making returns on investment. The rest (25 percent) is neutral. We also gauged which sustainable themes our participants considered most important. This led to the identification of the four aforesaid focus themes.

Through a 'risk preference survey' at the end of 2023, we also investigated how much risk our participants are prepared to take for a potentially higher return on our investments. In 2024, we informed participants and employers about this via multiple channels. These results help us to better align our investments with the wishes and preferences of our participants. This time we did not specifically enquire about opinions on sustainable investing. However, since we integrate sustainability into our investment decisions, this survey is still relevant here.

In 2025, new episodes in the 'Investor Talk' series were published. In these series board member Anne Kock and CEO Harold Clijsen take the participants on a journey in the world of investments. They explain why we invest as a pension fund and in what. Geopolitical developments and the dilemmas you encounter as a pension fund were also discussed.

Given the focus among employers on the subject of the Future Pensions Act (Wtp), sustainable investing was not on the agenda during the knowledge sessions with employer organisations in 2025.

10 A preview with Anne Kock and Frans van de Veen

As board members, Anne Kock and Frans van de Veen both focus on balance sheet management in general and sustainable investing in particular. In this duo interview, they take us into the world of sustainable investing at PGB in 2026 and beyond.

According to this annual report, we will be doing more impact investing in 2026. Wasn't that the plan last year as well?
Anne: 'Yes, that's right This was decided at the end of 2024. So we put up the necessary framework in 2025. And this year, in 2026, we can really get started with it. Truth is, we too sometimes like things to go faster. But impact investing means that, in principle, you are committing to the longer term, which in turn means you also have to go through the proper processes to do that responsibly. These things simply take time.'


Frans van de Veen and Anne Kock

Frans: 'Searching for good asset managers alone takes time, because suitable impact investments are not readily available. We found those asset managers last year. And now we can get started for real.'

Anne: 'I would like to add something to that: our goal is return, not just impact. Whether they are impact investments or not, they remain investments. And every investment is assessed by us based on return, risk, costs and sustainability. All four, in conjunction. It's a controlled process. And that simply doesn't go as fast as you would sometimes like.'

So what are the concrete plans for impact investing in 2026?
Anne: 'If you want to do more impact investing, you also need to look at what allows you to make the most impact. And that through our private portfolio[5]. We've looked at the financial risk and return of these private investments in relation to the rest of our investment portfolio, and it appears that we can make more private investments. Therefore, in 2026, we will specifically invest more in precisely that area, with a focus on our focus themes of climate, food, biodiversity and healthcare.'

Frans: 'First, we will be launching an action plan for the theme of biodiversity: how can we limit the loss of biodiversity with our investments? And: how do we make our investments resilient against the financial consequences of biodiversity loss?'

A fourth focus theme has been added: healthcare. Doesn't that make life more difficult?
Anne: 'A fourth theme in itself doesn't make it more difficult. However, finding impact investments that are not about climate makes it more difficult. Most impact investments are somehow related to the climate, as well as to biodiversity and food, because those three are often closely interconnected. Healthcare is more of an outlier in that respect. Finding good impact investments for that focus theme is therefore more difficult. Still, we'll certainly look for them.'

Frans: 'Moreover, we've set an additional condition for the healthcare focus theme. Climate, food and biodiversity are global themes that affect everyone. However, in healthcare, we want the PGB participant group to benefit more directly. For example, in the form of a medicine that – even if it was not necessarily developed in the Netherlands – contributes something for our participants in the Netherlands.'

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[5] *A 'private investment portfolio' (also known as illiquid investments) includes, for example, private debt (loans to companies, bonds), private equity and property investments.*

And how does the partnership with the World Wildlife Fund (WWF-NL) help us?
Anne: WWF-NL reviews investment decisions regarding biodiversity, but also climate and food. In fact, everything related to nature is reviewed. They examine whether an impact investment actually leads to systemic change. In other words: are we truly helping the climate, biodiversity and our food supply move forward with this.'

Frans: 'WWF can make a better assessment of that than we can, because climate is concrete; you can express that in CO_2e reduction. For biodiversity or food, this is trickier. Suppose, for example, that our investments help ensure there are more bees; what would be the effect on overall biodiversity? That's harder to measure. It's a subject in development. And we learn from each other.'

Anne: 'And WWF is also checking with us how we can improve our *engagement.* In other words, how can we use our active share ownership (the second pillar of our sustainable investment policy, ed.) more effectively. They think with us *and* advise.'

Is there anything else we will be working on in 2026?
Frans: 'Yes. We will also be expanding our 'regular' sustainable equity portfolio. This involves, for example, equities that cannot officially be called impact investments; very strict requirements apply to those. The aim is therefore specifically on investments that score better on sustainability than others. For example, we give greater weight in part of our equity portfolio to companies that perform well on water use, waste, reuse and CO_2. We do this together with Osmosis. We've decided that we want to expand that and so we will be investing another part of our equity portfolio in a similar way.'

Anne: 'That ultimately makes our total equity portfolio more sustainable. And as before, we want to do that together with an asset manager who can set that up for us. It's a very specific field where people or ready-made investment products are not readily available. Such a provider must be able to effectively integrate sustainability into investment decisions, be reliable, have proper processes in place, etc. We have now selected a party, by the way, and so we'll get to work on this as well in 2026.'

Does sustainable investing fit in well with the new pension system?
Anne: 'Absolutely. Under the new system, you need to hold less capital as a reserve. That provides more leeway for, for example, those private investments I mentioned. And we can structure our investment portfolio under the Future Pensions Act more by age group. That also offers opportunities for more illiquid (private ed.) investments.'

Frans: 'I would like to add something to that: the Pensions Act is changing, but that doesn't mean that we're going to do something different. We basically want to continue the course we set a few years ago in sustainable investing. We enjoy broad support for this among our stakeholders, so the participants, employers and sectors. And we selected the focus themes based on their preferences. This is how the policy came about. And that's how we will keep doing it. Even after the transition.'

So we will continue investing sustainably, despite headwinds in the world right now?
Anne: 'We are certainly witnessing a counter-movement in the world that does *not* believe in a sustainable agenda. In the end, everything comes and goes in waves. And pension funds do not allow themselves to be too distracted by the issues of the day. As a pension fund, we are, by definition, a long-term investor. So we are staying our course, because we believe in sustainable investing, and because we can see significant risks in *non*-sustainable investing.'

Frans: 'Our vision on sustainable investing hasn't changed, but over the years, public opinion has. And current politics in America aren't helping either. Worse still, Trump prohibits companies from differentiating themselves on sustainability. He says: 'Think only of the interests of shareholders, and the interests of America.' That creates a strong headwind, and it's blowing over to Europe as well. So we're staying the course, but it's harder to achieve transparency, because companies report less on it.'

How do you keep the participants on board in times of headwinds?
Frans: 'We try not to let our principles be influenced by it. But it does mean that we'll have to explain more. That we'll need to engage in even more dialogue with our stakeholders about this.'

Anne: 'And that is exactly what we want – let's be clear about that. We do it for our stakeholders, so the participants, employers and sectors affiliated with us. We invest in their interests, with their money. So we must involve them in what we do and why, and remain curious and open to their opinions. So they'll be hearing even more from us, through webinars, blogs, articles and live meetings. And anyone with questions about this subject can always contact us.'

Appendix

Appendix 1: Reporting criteria

<table>
<tr><th>No.</th><th>KPI (Key Performance Indicator)</th><th>Reporting criteria</th></tr>
<tr><td>1</td><td>Company/country exclusions</td><td>
Pensioenfonds PGB reports on the percentage of the market value of the total investments, per the end date of the reporting period, of which it has been determined that they are not investments that appear on the exclusion list, drawn up in line with its own exclusion policy. For instance, investments in derivatives fall outside the scope of the exclusion policy, so this percentage is not 100 percent. The most up-to-date exclusion list is available on our website.
The exclusion policy has been incorporated into the exclusion list and applies to companies and countries that do not meet the criteria for sustainable investing. Investments are excluded if they:

violate one or more of the UN's Ten Principles;
act in violation of the UN Global Compact principles on human rights, labour, the environment and anti-corruption (UN Global Compact);
fail to respect the UN Guiding Principles for Business and Human Rights;
fail to comply with the Organisation for Economic Cooperation and Development guidelines for multinational companies on corporate social responsibility (OECD Guidelines);
get more than a quarter of their turnover from tobacco products;
are involved in production or trade in controversial weapons other than nuclear weapons covered by the Non-Proliferation Treaty;
produce or sell firearms to civilians;
generate more than 10 percent of their energy consumption from thermal coal, or generate 10 percent of their turnover or electricity production from thermal coal, shale gas and/or tar sands oil.
do not (or no longer) comply with international sanctions imposed by the Netherlands, the European Union (EU), the United Nations or the United States of America. In the latter case, it only concerns the OFAC list. That is a sanctions list managed by the Office of Foreign Assets Control (OFAC), a part of the US Department of the Treasury;
do not comply with the country policy of Pensioenfonds PGB (part of the exclusion policy);
Countries are excluded under the following rules:

If countries do not reach the criterion on the Environment (E), Social (S) or Governance (G) score.
To limit fluctuations in positions and transactions, the stability rule is:

A country that was not excluded in Q1, but scores insufficient in Q2, will be given the opportunity to score sufficient again in Q3. If the E, S or G score is insufficient again in Q3, the country will be excluded.
Countries that achieve the minimum required scores after a period of exclusion must do so for 2 consecutive quarters before investing in government securities and public undertakings.

We exclude countries prudently; if the independent research agency does not provide data about a country, we exclude it.
Hong Kong is excluded if China is excluded.

</td></tr>
</table>

No.	KPI (Key Performance Indicator)	Reporting criteria
1	Company/country exclusions (continued)	Every quarter, an independent research agency (Sustainalytics) examines for Pensioenfonds PGB which companies and countries do not (or no longer) meet the exclusion criteria of Pensioenfonds PGB (based on EU and UN sanctions lists). In addition, countries and therefore state-owned companies are excluded on account of country policy based on data from the Economist Intelligence Unit. These companies and countries are then benchmarked against the portfolios that are viewed for exclusions. Pensioenfonds PGB assesses the portfolios against these benchmarks on a daily basis. If an investment is made in an equity or country that is on the exclusion list, it is deemed a breach. In terms of the country policy, Pensioenfonds PGB asks an independent research agency (Economist Intelligence Unit) to examine which countries receive which E, S and G scores. In order to be able to exclude prudently, Pensioenfonds PGB follows the international country definition as described in ISO 3166. Countries for which no Economist Intelligence Unit data is available are excluded. Non-sovereign countries whose motherland is excluded are excluded. After determining the excluded countries, it is determined which state-owned companies belong to these countries. To this end, we examine which companies in the investable universe of Pensioenfonds PGB have a state-owned enterprise characteristic. This characteristic is determined by FactSet. Of these companies, it is checked which country is the ultimate owner in accordance with the FactSet definitions. If this is an excluded country, the company will be excluded. If Pensioenfonds PGB owns equities or bonds of these companies, they will be sold if possible. The measurement is made on exposures in mandates. Pensioenfonds PGB follows the sanctions lists of the EU and the UN. This means that government bonds in those countries are excluded. In the presentation of the numbers and percentages of excluded companies and countries, only those companies and countries that are actually included in the Pensioenfonds PGB benchmark are counted. If this is not the case, then under any circumstances will investments be made in those companies.

No.	KPI (Key Performance Indicator)	Reporting criteria
2	Climate policy	Pensioenfonds PGB reports on the CO_2e emissions relative to the base year (as at 31 December 2020), for the equities and corporate bond categories. It does so by measuring the trend in carbon intensity. In line with the recommendations of the TCFD, the Weighted Average Carbon Intensity (WACI) is used as a benchmark. This benchmark shows CO_2e emissions weighted by turnover and expressed in 'tons of CO_2 equivalents/EUR million of turnover'. The WACI for the entire portfolio is calculated by calculating a weighted average WACI based on market values. The formula for calculating the WACI per company is as follows: *WACI $_{(company\ A)}$ = tons (t) of CO_2 equivalents / million dollars in turnover* The formula for calculating the WACI for the entire portfolio is WACIA $_{\text{(Pensioenfonds PGB)}}$ = WACI $_{\text{(company A)}}$ * (market value $_{\text{PGB equities in company A}}$/Market value $_{\text{total PGB portfolio}}$) + WACI $_{\text{(company B)}}$ * (market value $_{\text{PGB equities in company B}}$/market value $_{\text{total PGB portfolio}}$)) This KPI relates to ‘$CO_2$ equivalent’. The required 'tons of CO_2e equivalent' data is provided by Sustainalytics. In addition to WACI, *financed emissions* are measured as well. This figure is calculated as follows: *financed emissions = ∑ market value per company / EVIC per company* tons of CO_2 equivalent per company* EVIC stands for Enterprise value including cash. This is the sum of market capitalisation plus outstanding debt. The calculation of both the WACI and the financed emissions are based on the scope-1 (direct emissions from activities of the company itself) and scope-2 (indirect emissions, for instance, with regard to purchased electricity) emissions per company. The WACI is used to measure CO_2e reduction and is therefore the *key indicator* for assessing whether the carbon reduction KPI is being met. The financed emissions are only shown as additional information, but are not relevant to assess whether the carbon reduction KPI is met. All amounts used in the calculations for determining the WACI and financed emissions are nominated in Euros. Data quality reflects the extent to which we have access to reliable figures (in this case WACI). 100 percent means that we have WACI figures for all investments. The percentage rate refers to the market value that the investments represent. As from 2025, in the calculation of the WACI and the financed emission, a second variant will be calculated alongside the variant with scope 1 and 2 emissions, which includes scope 3 emissions. The extent to which the investments correspond to the Paris Climate Agreement is calculated based on the LCTR (*Low Carbon Transition Rating*) report from Sustainalytics.

No.	KPI (Key Performance Indicator)	Reporting criteria
2	Climate policy (continued)	The standardised formula of the Partnership for Carbon Accounting Financials (PCAF) is used specifically for the calculation of the financed emissions for government bonds. For this, Pensioenfonds PGB follows the guidelines of the Commitment Climate Agreement of the Dutch Pension Federation to determine the minimum requirements. PCAF requires emissions from sovereign debt to be allocated using the following methodology: ***Attributed financed emissions = Exposure to Sovereign Bonds (Euro) / PPP-adjusted GDP (international in Euro) * (Scope 1 Emissions (tCO_2e)** + **(Scope 2 Emissions (tCO_2e))*** The source for GHG scope 1 emission data is EDGAR (Emissions Database for Global Atmospheric Research). The Scope 2 values are derived from OECD (Organisation for Economic Cooperation and Development) data. Since the data for these sources is only available later in the year, the emissions and GDP data from year T-1 are used for year T, although the year-end figures for year T *are* used for the market value of the investments. The extent to which the investments of Pensioenfonds PGB meet the minimum climate requirements is determined as follows: Pensioenfonds PGB sets a number of minimum requirements for companies in which the fund invests. These requirements are part of the exclusion policy and are intended to avoid investments in seriously polluting companies. Pensioenfonds PGB does not invest in companies that: 1. generate more than 10 percent of their revenues from thermal coal mining; 2. generate more than 10 percent of their energy consumption or production from thermal coal; 3. generate more than 10 percent of their revenues from shale gas extraction; or 4. generate more than 10 percent of their revenues from tar sands oil extraction. *Changes compared to 2024: As regards the WACI and financed emission, in addition to the variant with only Scope 1 and 2 emission values, a second variant has now been included that incorporates the Scope 3 emission values. And as from 2025, the CO_2e intensity for scope 1 plus 2 government bonds is included in the reporting as well (in 2024, only the scope 1 emission value was taken into account).*

<table>
<tr><th>No.</th><th>KPI (Key Performance Indicator)</th><th>Reporting criteria</th></tr>
<tr><td>3/4</td><td>Commitment through engagement and voting

Actively exerting a positive influence on companies by encouraging companies to act sustainably and to draw attention to sustainable investment topics.

Encouraging companies to act sustainably and promoting sustainable investment topics by voting.</td><td>As an investor, Pensioenfonds PGB can influence the sustainable behaviour of companies. That is why Pensioenfonds PGB has an engagement policy, which means it enters into discussions with companies (engagement) or votes at shareholders' meetings.

Pensioenfonds PGB reports on its engagement and voting programmes as follows:

• The number of engagement processes within the portfolio that Pensioenfonds PGB has conducted on the focus themes of the sustainable investment policy.
• The total percentage of shareholder resolutions within the portfolio that Pensioenfonds PGB has voted on in accordance with its sustainable investment policy.

Pensioenfonds PGB has outsourced the implementation of engagement and voting to CTI Columbia Threadneedle Investments (CTI). CTI is one of the largest providers of engagement and voting. It has developed the Responsible Engagement Overlay programme especially for large institutional investors. The voting programmes apply to the companies in which Pensioenfonds PGB has equities. The engagement programmes apply to the companies in which Pensioenfonds PGB has equities and/or bonds.

Pensioenfonds PGB has established a number of focus themes linked to specific SDGs. These are Climate Change (including energy transition; SDGs 7 and 13), Loss of Biodiversity (SDGs 14 and 15), Sustainable and affordable food systems (SDGs 2 and 12) and Healthcare (SDGs 3 and 6). For all engagement activities, it is indicated to which SDGs they can be related. Based on the linking of SDGs to focus themes, it is determined what percentage of engagement activities is aimed at the focus themes of Pensioenfonds PGB.

When a shareholders' meeting is held, Pensioenfonds PGB, as a shareholder, receives an announcement that topics can be voted on. CTI prepares the voting instruction and PGB's custodian Northern Trust processes it through Broadridge. Broadridge is a global provider of proxy voting in the broad sense; in this case, it processes votes and reports on the results. CTI generates the data used in the annual report directly from Broadridge's reporting feature.

If there is an opportunity to enter into dialogue, CTI will do so on behalf of Pensioenfonds PGB; this dialogue serves as a criterion for inclusion in the annual report. CTI reports to Pensioenfonds PGB each quarter. CTI has 3 types of engagement:
• priority engagement
• theme engagement
• reactive engagement</td></tr>
</table>

No.	KPI (Key Performance Indicator)	Reporting criteria
5	SDG Achieving a strong return through impact investments and through investing with impact with direct investments *and* making a positive contribution to society.	As from 2024, Pensioenfonds PGB will make a distinction between 'Investing with impact' and 'Impact investments'. The GIIN (Global Impact Investing Network) definition is used to define impact investments: *The GIIN defines impact investments as investments made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.* In addition to sustainable bonds, the current investment portfolio includes several private equity investments. The report indicates that these investments come under pillar 3 'Utilising'. All other investments that contribute to the sustainable development goals fall under 'Investing with impact' and therefore come under pillar 2 'Strengthen'. Pensioenfonds PGB is committed to increasing SDG-related investments in its portfolios, with the aim of contributing to achieving the United Nations' Sustainable Development Goals (SDGs). Of the 17 SDGs, Pensioenfonds PGB has put the emphasis on those SDGs that are related to the focus themes determined for 2025 (healthcare has been added compared to 2024), namely: • climate change, including energy transition (SDG 7 and 13), • loss of biodiversity (SDG 14 and 15), • sustainable and affordable food systems (SDG 2 and 12), and • healthcare (SDG 3 and 6). Pensioenfonds PGB reports on the percentage of 'Impact investments' and 'Investments with impact' at the end of the reporting year which, according to criteria set by Pensioenfonds PGB, count as utilise or strengthen investments compared to the total market value of the investments in the portfolio. In addition, starting from the 2025 reporting year, these investments will also be presented by focus theme where possible (for example, this is not the case for INFRA and Property investments). The criteria for SDG investments that are classified as investment with impact are as follows: • Listed equities and corporate bonds: the criteria of the SDI-AOP are applied to listed equities and corporate bonds. SDI-AOP (Sustainable Development Investments - Asset Owner Platform) is a platform that assesses companies on their contribution to SDGs. Via this platform, Pensioenfonds PGB obtains a dataset with the contribution of companies to the 17 SDGs. The value of equities and bonds in companies that realise positive impact with more than 10% of their turnover in one or more of the SDGs is included in the Annual Report on Sustainable Investing, provided that there is no additional negative impact of 10 percent or more. For the following categories, Pensioenfonds PGB has defined criteria to classify the investment as investment with impact or as impact investment: • Infrastructure/Property: a GRESB score of at least 4 out of 5 stars. GRESB provides a dataset with ESG data for, among other things, illiquid fund investments.

No.	KPI (Key Performance Indicator)	Reporting criteria
	SDG Achieving a strong return through impact investments and through investing with impact with direct investments *and* making a positive contribution to society. (continued)	• Co-investments: With respect to these investments, a contractual best-efforts obligation applies (insofar as projects do not fall under the US mandate, this is an obligation of result), to link at least 25 percent of the returns to SDGs. The realisation of this is monitored based on reports from the investment managers. • Sustainable bonds: an indicator from FactSet is used for this. Bonds and loans marked YES in the GREEN_BOND_LOAN_INDICATOR field invest the proceeds of the bonds and loans in green projects or activities that reduce the effects of climate change or other sustainable activities. FactSet is a leading global platform for obtaining market data. • Private corporate investments: For such investments, there is (as of yet) no generally recognised quality mark to classify investments as impact investments or investments with impact. For this reason, an impact scan was carried out by an external party, and this forms the basis for deciding whether or not to include these investments as such. Based on an established framework, criteria in the field of impact definition, impact objective, theory of change, impact metrics and impact management system are assessed to determine whether a fund can be classified as an impact investment.

No.	KPI (Key Performance Indicator)	Reporting criteria
6	Support for the sustainable investment policy: Creating and maintaining broad support for our sustainable investment policy.	Transparency is provided about the interaction with participants, employers, the supervisory board and accountability body on sustainable investing. No quantitative goal or limit is set in this regard. The indicator *does* provide transparency regarding the actions Pensioenfonds PGB is taking to involve stakeholders in sustainable investing. Matters falling under this category include, for example, knowledge sessions on sustainable investing for employers' organisations, the executive board, the supervisory board, and the accountability body; initiatives to involve participants in decision-making regarding sustainable investing; and the provision of information via the website or by other means (e.g. The Annual Report on Sustainable Investing).

Appendix 2: Limited assurance Forvis Mazars

Delflandlaan 1
P.O. Box 7266
1007 JG Amsterdam
The Netherlands
T: +31 88 277 24 00
forvismazars.com/nl

Assurance report from the independent auditor

To the board of Stichting Pensioenfonds PGB

Our conclusion

We have reviewed the selected sustainability indicators, marked with a symbol *, in the Annual Report on Sustainable Investment 2025 (hereafter: the Report) of Stichting Pensioenfonds PGB (hereafter PGB). The review procedures performed are aimed at obtaining limited assurance.

Based on our review and the assurance information obtained, nothing has come to our attention that causes us to believe that the selected sustainability indicators in the report included on page 8 are not, in all material aspects, have been prepared in accordance with the reporting criteria as explained in the 'Reporting criteria' section on pages 30 to 37 of the Report.

The selected sustainability indicators are as follows:

1. The percentage of the market value of total investments for which compliance with the exclusion list has been established.
2. Explanation of the CO2e profile of the investments and the progress made on the actions described in this climate plan.
3. The percentage of engagement processes within the total portfolio that PGB has conducted on the focus themes of the SRI policy.
4. The percentage of shareholder resolutions within the total portfolio on which PGB has voted in line with its SRI policy.
5. The percentage of the market value of investments that count as utilised investments according to the criteria set by the foundation.
6. Explanation, based on the criteria set by PGB, whether during the year there were contacts with participants, employers, the Supervisory Board and the Accountability Body regarding sustainable investment.

The basis of our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 3000A ‘Assurance engagements other than audits or reviews of historical financial information (attest engagements)’. A review of the report in accordance with the Dutch Standard 3000A is a limited assurance engagement.

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Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the report’ section of our assurance report.

We are independent of PGB in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics

We draw attention to appendix 3 on page 42 in the sustainability statement that identifies the quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements PGB has made in measuring these.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Our conclusion is not modified in respect of these matters.

Reporting criteria

The selected sustainability indicators, included in the Annual Report on Sustainable Investment 2025 marked with a symbol *, should be read and understood together with the reporting criteria. PGB is responsible for selecting these reporting criteria, taking into account applicable laws and regulations relating to reporting.

The reporting criteria used to prepare the information on selected sustainability indicators are explained in the 'Reporting Criteria' section on pages 30 to 37 of the Report.

Limitations in the scope of our review

The references to external sources or websites in the Report do not form part of the information reviewed by us. We therefore provide no assurance on this information. The Report presents forward-looking information in the form of ambitions, strategy, plans, expectations and risk assessments. It is inherent in forward-looking information that the actual outcomes in the future are uncertain. We give no assurance on the assumptions and feasibility of the forward-looking information included in the Report.

Responsibilities of management for the Report and the selected sustainability indicators

Management is responsible for the preparation and fair presentation of the sustainability information in accordance with the reporting criteria on page 30 to 37 of the Report. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the Report that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the selected sustainability indicators

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 3000A.

Our review included among others:

- obtaining an understanding of PGB and its environment in terms of responsible investment;
- evaluating the appropriateness of the reporting criteria used, their consistent application and the disclosures in the Report. This includes evaluating the outcomes of stakeholder dialogue and evaluating the reasonableness of estimates made by the board;
- obtaining an understanding of the reporting processes underlying the reported information, including an outline understanding of internal controls, to the extent relevant to our assessment;
- obtaining information from the executive board and other officers of PGB;
- evaluating the assurance evidence obtained;

- identifying areas in the Report with a higher risk of misleading or imbalanced information or material misstatements as a result of errors or fraud. Determining and performing further work based on this risk assessment aimed at determining the plausibility of the information in the Report. This work included:
  - conducting interviews with relevant employees responsible for the sustainable investment policy and performance;
  - conducting interviews with relevant employees responsible for providing information for, performing internal controls on, and consolidating data in the information;
  - obtaining assurance that the information in the Report is consistent with the organisation's underlying records;
  - assessing relevant internal and external documentation on the basis of limited sampling;
- considering whether the information in the Report, including the selected sustainability indicators, represent the purpose in a manner that appears to give a true and fair view.

We communicate with the board, among other matters, the planned scope and timing of the review and significant findings that we identify during our assurance engagement.

The English version of the Annual Report on Sustainable Investment 2025 of Stichting Pensioenfonds PGB is a translation of the original Dutch version. In case of doubt or differences of interpretation, the Dutch version shall prevail over the English language version.

Amsterdam, 15 April 2026

Forvis Mazars N.V.

drs. R.C.H.M. Horsmans RA

Appendix 3: Use of data and models

Pensioenfonds PGB mainly uses the following data sources for the implementation of the sustainable investment policy and the calculation of the indicators: Sustainalytics, Netpurpose, Economist Intelligence Unit (EIU) and CTI. Pensioenfonds PGB recognises that these datasets and models are not perfect and will evolve in the future. For example, Pensioenfonds PGB uses forward-looking climate scenarios to assess the climate plans and actions of companies in which it invests and to also direct and assess CTI's activities in the field of active share ownership. To do so, we rely on Low Carbon Transition Rating (LCTR) data and models from Sustainalytics, which came onto the market at the beginning of 2023. However, we believe that the data and assumptions used in the models are not yet sufficiently reliable to formulate concrete investment goals and limits on that basis. This may change once independent audits are carried out on the data supplier's management measures. This should include the processes, systems, data and models that the supplier uses for the production of sustainability data, resulting in an audit opinion. In anticipation of this, PGB Pensioendiensten, on behalf of Pensioenfonds PGB, is carrying out additional checks to determine the quality of the sustainability data used.

An overview of the most important data and data sources is set out below. The main uncertainties are highlighted therein, together with an explanation of how these are addressed.

	Data	Data supplier	Asset category	Main uncertainties
1.	Emission data	Sustainalytics	Equities and corporate bonds	• No assurance is provided with respect to reported data. • If no reported data is available, estimates based on Sustainalytics estimation models are used in most cases. • Data is not available for all equities and corporate bonds.
2.	Exclusion data	Sustainalytics	Equities and corporate bonds	• No assurance is provided with respect to reported data. • Data is not available for all equities and corporate bonds in the portfolio.
3.	SDG data	Netpurpose	Equities and corporate bonds	• No assurance with respect to reported data. • Data on aspects (e.g. allocation of turnover to SDG) dependent on Netpurpose interpretation.
4.	Voting and engagement data	CTI	Equities and corporate bonds	• No assurance with respect to reported data.
5.	Emission data	EDGAR	Government bonds	• No assurance with respect to reported data. • Results strongly dependent on EDGAR models.
6.	Country exclusion data	Economist Intelligence Unit	Equities, corporate bonds and government bonds	• No assurance with respect to reported data.
7.	Green, social and sustainable bonds	Bloomberg	Corporate bonds	• No assurance with respect to reported data.

In order to be able to rely on the integrity of the input data despite the uncertainties mentioned in the overview on the previous page, Pensioenfonds PGB requests an In Control Statement where possible, or carries out its own checks and balances.

In the case of CTI, a Service Organisation Control Report (SOC statement) for 2025 has been submitted. An In Control Statement for 2025 has been received from Sustainalytics. Various checks are performed on all data from Sustainalytics and Netpurpose, such as a comparison with the data received in previous periods, a check on minimum and maximum values and a random sample. Plausibility checks are performed for both CTI and data from other suppliers and the delivery is compared to the previous year.

Appendix 4: Glossary

A	Active share ownership	Represents the way in which you as an investor can exert influence in a company or sector in which you invest. This can be achieved through engagement and through voting. Engagement is entering into dialogue about financial results, as well as the corporate governance model and environmental impact. Voting means voting at shareholders' meetings. Active share ownership forms an important part of sustainable investing.
	Active engagement policy	This is another word for active share ownership.
	ALM	Asset Liability Management. A method to determine the composition of the strategic investment portfolio using a model, taking into account the pension commitments.
C	CA100+	Climate Action 100 (CA100+) is an international partnership of investors with the aim of motivating the companies that contribute most to greenhouse gas emissions to take the necessary actions to combat climate change and align their activities with the Climate Agreement of Paris.
	Climate commitment of managers	Combination of: formal commitment of the manager to help achieve the goals of the Paris Climate Agreement and short and long term CO_2e reduction targets, as well as to set up a concrete and credible action plan and periodic progress reports on actions and results.
	Climate neutral	The net CO_2e emissions, the total of CO_2e emissions minus the total greenhouse gases removed must be zero by 2050.
	CO_2e	In this document, the term CO_2e refers to all greenhouse gases and is a synonym for CO_2 equivalent of greenhouse gases. It is a measure of the warming potential of various greenhouse gases.
	CO_2e intensity	Pensioenfonds PGB uses CO_2e intensity for reporting purposes and as a basis for investment objectives and decisions.
D	CO_2e profile of investments	Consists of the following indicators: CO_2e intensity (WACI), financed emissions, ITR score (or equivalent), SFDR carbon footprint, the extent to which the investments meet the minimum climate requirements of Pensioenfonds PGB and the percentage of climate solutions in the portfolio.
	CTI	Columbia Threadneedle Investments. CTI implements the engagement and voting programme of Pensioenfonds PGB.
	DNB	De Nederlandsche Bank. Central bank of the Netherlands. Responsible for, among other things, financial supervision of pension funds and providing guidance regarding the management of financial and sustainability risks.
E	Engagement	See active share ownership (pillar 2).

ESG	ESG stands for Environmental (environment, nature, climate, ecological), Social (society) and Governance (management). Developments in social, ecological and administrative areas (both within a company and with regard to laws and regulations) can entail risks for the long-term value creation or financial situation of a company or government. This constitutes ESG risks. 'These risks do not necessarily have to be avoided; but are controlled' (DNB, Op waarde geschat?).
F Financed emissions	Financed emissions (also called portfolio emissions) are the greenhouse gas emissions associated with the investment and borrowing activities of an organisation or individual. Expressed in a formula it looks like this: ∑ ((EUR invested in company/EUR EVIC company) x absolute emissions company).
G GRESB	GRESB is a global benchmark that assesses the sustainability character of property investments, taking into account energy consumption and fossil energy, among other things.
I ISSB	International Sustainability Standards Board (ISSB) develops reporting standards on sustainability aspects of companies for investors and other financial institutions. ISSB is part of the IFRS Foundation. ISSB has a broad support base (G7, G20, IOSCO, etc.) and is working on the consolidation of a number of standards such as The Value Reporting Foundation and SASB (Sustainability Accounting Standards Board is a non-profit organisation that develops standards for sustainability accounting).
ITR	Implied Temperature Rise. An indicator of the expected contribution that an investment makes to global warming. Forward-looking indicator. Pensioenfonds PGB does not use the indicator as a basis for investment decisions, but as input for engagement and reporting.
O OESD Guidelines	The OECD Guidelines for Multinational Enterprises clarify what the Dutch government (and 48 other countries) expects from companies when doing international business in the field of corporate social responsibility (CSR). They provide guidance for companies on how to deal with issues such as chain responsibility, human rights, child labour or the environment.
P PAI indicator	Principal adverse impact-indicator. See SFDR.
PCAF	Partnership for Carbon Accounting Financials. Provides specific guidelines for the calculation of CO_2e intensity and financed emissions.
Physical risk	Form of climate risk. Risk that the value of investments will be negatively affected on account of companies being forced to (temporarily) cease activities. Or the risk that the value of assets (e.g. buildings) will decline sharply due to climate-driven damage or loss (storm, flooding, heat wave, forest fire, etc.).

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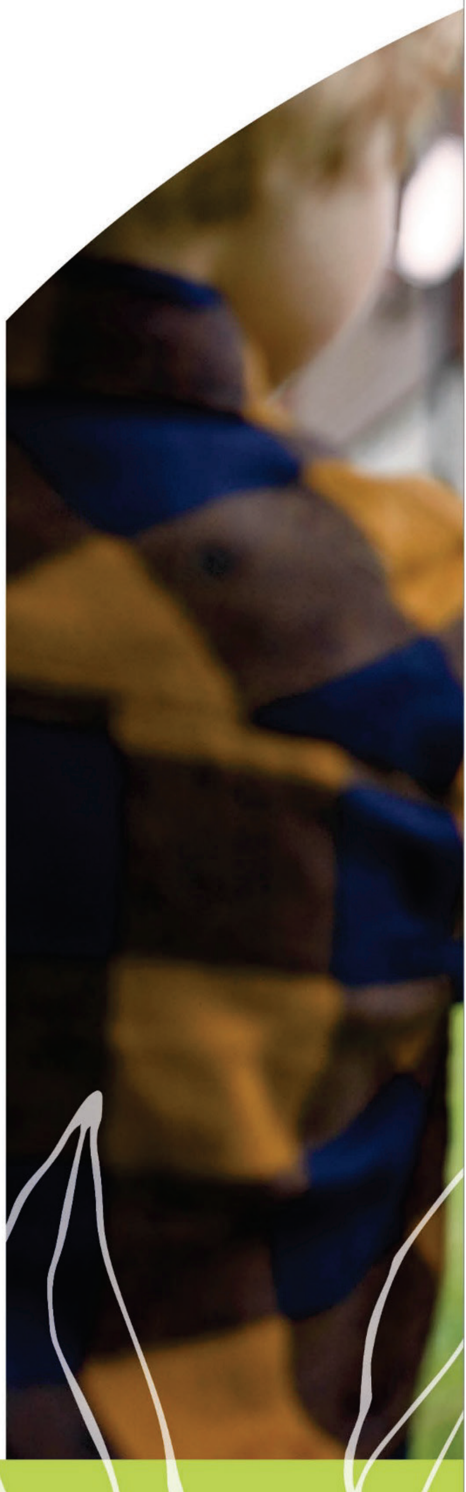
SDG	Sustainable development goals. In 2015, all 193 countries that are members of the United Nations (UN) adopted the Sustainable Development Goals (SDGs). The goals apply to all countries and all people. The goals call for education, healthcare and decent jobs for all, and protection of the oceans, forests and all-natural habitats. They paint a picture of a future where progress benefits everyone, where climate change is halted and all people can live in peace and prosperity. The unique nature of the SDGs means they are interconnected - progress on one goal often leads to progress on another, or sometimes even several.
SDI-AOP	SDI-AOP stands for Sustainable Development Investment - Asset Owner Platform. The platform offers a methodology and data that enables investors to calculate the contribution of listed companies to the SDGs and use it for investment decisions and reporting, among other things. This way, the platform enables investors to contribute to the realisation of the SDGs, as established by the UN in 2015. The platform was originally founded by a group of institutional investors.
SFDR	Sustainable Finance Disclosure Regulation. The SFDR prescribes transparency rules on sustainability by financial market participants and financial advisors. Financial market participants include banks, investment firms, pension funds, etc. The SFDR requires these parties to place a statement on their websites, showing whether they take into account the negative sustainability impact of their investments. If that is the case, they must also make clear how the due diligence policy is tailored to this. The scope, nature and complexity of the activities and products may be taken into account. The SFDR requires these parties to measure the most principal adverse impacts of investment decisions based on a series of sustainability factors and they must communicate this to customers. They do so via the principal adverse impact statement.
SFDR carbon footprint	The SFDR carbon footprint refers to the 4 mandatory PAI indicators that the SFDR recognises with regard to CO_2e emissions: 'GHG emissions', 'Carbon footprint', 'GHG intensity of investee companies' and 'exposure to companies active in the fossil fuel sector'.
SRI	Socially Responsible Investing Pensioenfonds PGB replaced this term with sustainable investing in 2022.

T

TCFD	Task Force on Climate-related Financial Disclosure (TCFD) was established in 2015. The TCFD reporting framework is intended to provide investors and other financial institutions with a better understanding of the material sustainability risks a company faces. Attention is paid to objectives, strategy, governance and risk management. TCFD transferred its tasks to the ISSB in 2023.
Transition risk	A form of climate risk. The risk that the value of investments is negatively affected by stricter laws and regulations, technological developments, reduced demand for products and services or negative impact on the reputation of companies. In the context of the climate plan, this concerns changes driven by the desire or need to limit global warming by reducing emissions and concentrations of greenhouse gases.

U	UNGC	The UN Global Compact (UNGC) aims to mobilise businesses and stakeholders with the aim of improving the lives of future generations. Guided by the UNGC's Ten Principles on human rights, labour, environment and anti-corruption and the 17 SDGs, the UNGC supports organisations in understanding what corporate responsibility means in a global and local context and provides guidance to translate sustainability commitments into action.
	UNPRI	The United Nations Principles for Responsible Investment (UNPRI). The goal of UNPRI is to gain insight into the consequences of sustainability for investors based on 6 principles: 1. We will incorporate ESG issues into investment analysis and decision-making processes. 2. We will be active owners and incorporate ESG issues into our ownership policies and practices. 3. We will seek appropriate disclosure on ESG issues by the entities in which we invest. 4. We will promote acceptance and implementation of the Principles within the investment industry. 5. We will work together to enhance our effectiveness in implementing the Principles. 6. We will each report on our activities and progress towards implementing the Principles. UNPRI supports signatories in integrating these principles into the investment process and in implementing active share ownership.
V	VBDO	The Dutch Association of Investors for Sustainable Development (VBDO) is committed to making the capital market more sustainable, based on the belief that this leads to a healthier and more just world. As an independent association, the VBDO has been a driver, motivator and knowledge leader for responsible investing and for embedding sustainability in companies since 1995, especially within the Netherlands.
W	WACI	Weighted Average Carbon Intensity of an investment portfolio: ∑ ((EUR invested in company/EUR market value of portfolio) x (absolute emissions company/turnover). See also: CO_2e intensity.



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Prof. E.M. Meijerslaan 2 - 1183 AV Amstelveen - Netherlands
P.O. Box 2311 - 1180 EH Amstelveen - Netherlands

pensioenfondspgb.nl
+31 20 541 8418