ANNUAL REPORT ON SUSTAINABLE INVESTMENTS 2024

pensioenfonds PGB

PREFACE

Anne Kock has been a board member of Pensioenfonds PGB since May 2023, focusing on balance sheet management & sustainable investing. As from 1 January 2024, she is chair of the Balance Sheet Management Committee.

Sustainable investing is more relevant than ever in 2024. It's getting more interesting, but not always easier. Still, it doesn't deter us. We remain committed to investing in sustainable investment strategies. This is because it's our firm belief that sustainable investing contributes to a stable balance sheet with fewer risks in the long term. It may not always yield a higher return in the short run, but it *does* yield a more stable return that benefits our participants in the long run.

And that's just one aspect. We are also aware of the positive impact we can have on the world as an investor. Our ambition remains unchanged, i.e. ensuring a good pension in a liveable world. Wherever we can contribute to that liveable world, we will continue to do so. All this without making concessions to our pension ambitions of course, because ensuring a good pension remains our primary focus. After all, that's why we are here as a pension fund.

It's important to us that our participants support this course. Fortunately, a survey from 2023 showed that more than 70 percent of our participants consider sustainability important in our investment policy.

Yet at the same time, I notice that the mood surrounding sustainable investing in the Netherlands - and therefore also among our participants - is becoming increasingly critical. In conversations and responses to columns that I post on our website, I hear more and more often: Why investing sustainably? I just want a good pension!

I fully appreciate those concerns, and therefore I would like to respond to them. Sustainable investing is not only beneficial for the world, but also for the safety of your investments. If a company you invest in does not comply with the applicable legislation, or gets into trouble due to poor working conditions or climate damage, it will erode the value of your investments. By investing sustainably you reduce those risks. So we are talking about more than just creating a sustainable impact. It's also about protecting your financial future. And that means your pension!

That's why we look at 4 important aspects of all our investments: returns, risks, costs and sustainability. These factors influence each other continuously, and we therefore carefully weigh them against each other in every investment decision.

There are also voices among our participants who believe that we are not going far enough in our 'green ambitions'. They ask for an even greener impact on the world. However, we choose to continue to steer a middle course. As a pension fund of and for so many different people, it's important that we make broadly supported choices.

This annual report explains how we applied sustainable investing in 2024 and how we plan to continue doing so in 2025 and beyond. I hope you enjoy reading this report and remember, we are always at hand to answer any of your questions about sustainable investing.

16 April 2025

Anne Kock
Board member and chair of the Balance Sheet Management Committee

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The English version of the Annual Report on Sustainable Investment 2024 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.

1 Reflection on 2024

In this reflection, I briefly review the main activities and developments of Pensioenfonds PGB in the field of sustainable investing in 2024.

Peter Kolthof, Chief Investment Officer PGB Pensioendiensten

Increased focus within the focus themes

Over the past year, we have taken a major step in defining our 3 focus themes more specifically: climate, biodiversity and nutrition. These themes, which we previously established based on input from our participants, are still broadly defined. That's why we targeted our efforts on creating more focus, thereby enabling ourselves to invest more purposefully in the aspects that are most important to us within these broader themes.

Knowledge brought on board

An important condition for realising this focus is sufficient knowledge of the themes. Fortunately, there are several leading organisations with the necessary expertise, and so we have actively involved them in our pursuit. For example, we have sought collaboration with Wageningen University & Research (WUR) on the theme of nutrition. And for biodiversity, we entered into a partnership with the World Wildlife Fund at the end of December;
We will further implement this in the course of 2025.

Improving ESG risk management

We also worked on strengthening our ESG risk management. This concerns how a company deals with harm to the environment, fair working conditions or corruption, among other things. These are all aspects that can have an impact on the long-term value of that company and therefore also on your investments. That's why we want to increasingly identify and manage these types of risks. You can read more about this in this annual report.

Transparency on returns and risks

Our participants naturally expect transparency about the effects of our sustainable investment policy, especially those with a critical mindset about the relationship between sustainability and returns. Despite the fact that 70 percent of our participants support our policy - as shown in our participant survey - the question often arises: "Will it not adversely affect the return on investment?" Or: "Sustainability is important, but your main priority is providing for a good pension." This tone is increasingly heard in public opinion, and the political debate on this issue is also becoming more intense, for example in the House of Representatives.

Investments are investments, even if they are sustainable

It is therefore important to always clearly explain that Pensioenfonds PGB at all times makes an integral assessment of costs, risks, returns *and* sustainability for every investment it makes. After all, investments are investments – even if they are sustainable. With every investment we make, we assess the overall picture of costs, risks, returns and sustainability.

Our ambition continues to be ensuring a good pension in a liveable world. However, that doesn't mean that we regard a liveable world as a goal in its own right; it's still our goal to include sustainability aspects in our investment considerations. The question is always: what's the influence of these aspects on the risk and return of the investment proposals? So we always use the same benchmark when deciding whether or not to make an investment.

Focus on engagement

In 2024, we focused primarily on 'engagement'. This is about the influence we as shareholders can exert on companies to move them towards a more sustainable course. The question remains, however: what can we expect from this commitment in concrete terms? The effect of engagement is often difficult to measure, and the relationship between cause and effect is not always clear.

Some pension funds are now taking it a step further by pursuing measurable effects of engagement.
However, this requires them to do much more themselves, instead of outsourcing this to external parties. This in turn often makes the portfolio smaller, and so the question arises: doesn't the risk of such a smaller portfolio increase? This is a debate that is currently high on the agenda in the sector.

For now, we opt not to adjust our portfolio for engagement purposes. If we want to achieve anything in terms of engagement – and we do – then we must first and foremost continue to work together. However, we can exclude from our portfolio companies that do not adapt in any way. This is the direction we are taking, and we will continue to explore whether there are additional parties with whom we can collaborate to achieve our engagement goals.

Impact investments offer opportunities

We see opportunities in the field of impact investing. We consider impact investing an interesting investment category. We therefore want to expand our investments in green bonds further, where possible. We are also developing an investment case for private markets (private equity, infrastructure, property and private loans).

An important aspect in of all this is that the world of sustainable investments is still relatively young and developing.
The market is changing rapidly and major steps will be taken in the next 5 years, as that's when sustainable investing will become much more mainstream. By that time, including the impact of sustainability on both risk and return in investment decisions will be standard practice. In that sense, time will certainly help us.

Final word

What else can we expect in this area in the future? To find out more about that, you can read the interview with Anne Kock and Frans van de Veen, 2 of our board members. They will be looking ahead to 2025 and beyond.

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 up 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 4 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. This is because we also take all our stakeholders into account during the various steps. For instance, in determining the sustainable investing 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 4 elements that are specific to how we invest sustainably:

1. our 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 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 adopted both in 2023 and 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, also 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, stimulate 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 identified 17 (see the image alongside).

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. Based on these results, the board subsequently established 3 focus themes.

These focus themes are:

1. climate
2. biodiversity
3. nutrition

From 2024 onwards, these focus themes will guide our sustainable investment policy.

In the course of 2024, the board has held various knowledge sessions and extensive discussions on the focus themes, because a targeted commitment to the focus themes requires sufficient knowledge about them. That is why for the theme of nutrition, we contacted Wageningen University & Research (WUR). To further develop the theme of biodiversity, we entered into a three-year partnership with the World Wildlife Fund at the end of 2024 (see also Chapter 8 'Collaborations').

The survey further revealed 2 other themes that the board wishes to investigate further: housing and healthcare. The exploration of these themes started in 2024 and will continue in 2025. We may decide to add these themes to the focus themes in the future.

3. Sustainable investment pillars

Our sustainable investment policy rests on 3 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 3 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 tighten up our climate plan (which we drew up in 2022) on a regular basis. This climate plan is part of our sustainable investment policy. Our main climate goals are:

- halving the carbon footprint of our listed investments by the end of 2030;
- investing at least 9 percent of the matching portfolio in green bonds;
- limiting transition risk through strict exclusion rules on tar sands oil, shale gas and thermal coal.

SFDR

Starting in 2023, we decided to also provide insight into the negative impact of the investments of Pensioenfonds PGB. We do this in accordance with EU rules, on the basis of a principal adverse impact statement, in accordance with the SFDR. The first report for 2024 is due for publication in mid-2025.

Risk management

In 2024, we worked on strengthening our ESG risk management. ESG stands for Environmental, Social and Governance. This concerns how a company deals with harm to the environment, fair working conditions or corruption, among other things. These are aspects that can influence the long-term value of that company. For long-term investors such as Pensioenfonds PGB it is therefore important to be able to estimate these factors correctly. That is why we investigated what the most important strategic risks are in this area, and subsequently incorporated these into our existing risk framework. In doing so, we at all times take these risk aspects into account in our integral assessment of investment decisions. The next step is also making these risks more transparent in our reporting.

IN PRACTICE

Theme	:	**ESG risk management**
Interviewed	:	Roos Jurrissen, actuary & Erwin Houbrechts, manager sustainable investments (PGB Pensioendiensten)

Background

Over the past year we have been working on strengthening our ESG risk management. That is how we want to manage sustainability risks for our investments. But what exactly does that mean and why is it so important?

What is ESG risk management?

Roos: "ESG refers to 3 key areas that impact the long-term success of a company. This is relevant for investors, including pension funds, who invest in such companies.

The E for *Environment* concerns the negative impact of a company on the environment, such as loss of biodiversity, greenhouse gas emissions and pollution of air, soil or water. The S of *Social* is about how a company deals with social issues such as child labour, human rights and the interests of local communities. The G of *Governance* is about good governance, including transparency, compliance with laws and regulations, board composition and remuneration policy."

Erwin: "Within ESG risk management, we distinguish between transition risks and physical risks. Transition risks arise from changes in legislation and regulations, technological innovations and social changes. For example, oil and gas companies run a high transition risk due to the global shift to renewable energy sources. Physical risks can be acute, such as wildfires and floods caused by extreme weather events, or chronic, such as rising sea levels, making certain areas uninhabitable."

Why is it so important that we pay attention to this?

Roos: "As a pension fund, we invest with a long-term horizon as pensions too are a long-term commitment. We believe that companies that take ESG issues seriously have a greater chance of continued success. That's why we want to gain insight into those companies that score poorly on ESG criteria and investigate how they plan to improve this. Sustainability risks can lead to reputational damage, disappointing profits due to declining sales figures, higher costs due to claims for compensation and rising financing costs. This could cause the value of companies to fall and therefore also the value of our pension fund. We do, however, note that a poor ESG score may be acceptable on a temporary basis, as long as the company has a sound improvement plan and is making demonstrable progress."

Can you give a concrete example of a sustainability risk?

Erwin: "A good example is climate change. The increased frequency and intensity of extreme weather, such as droughts, rainfall and storms, damage to infrastructure, destruction of crops and disruption in production chains. Not only does this have economic consequences, it also causes a lot of human suffering.
Since greenhouse gas emissions are the main cause of climate change, we want to know the emissions of the companies we invest in, as well as what they are doing to reduce it. In addition, air pollution due to greenhouse gases contributes to health problems. This means that we run both an E-risk (environment) and an S-risk (social)."

Roos: "Another example is loss of biodiversity. For example, the decline in pollinating insects such as bees can lead to lower harvests and higher costs for farmers and consumers. This risk is more difficult to analyse due to limited data. That's why Pensioenfonds PGB works together with the World Wildlife Fund."

What does this mean for Pensioenfonds PGB in practice?
Erwin: "In 2024, Pensioenfonds PGB used various datasets and models to gain better insight into the regions, sectors and companies posing the highest ESG risks. Since the models are complex and the datasets extensive, various departments work together with our actuaries, who have a lot of experience in this."

Roos: "Our analyses show that our sustainable investment policy provides a solid basis for ESG risk management. For some time now, we've been applying exclusion rules for companies that generate too much turnover from thermal coal, tar sands and shale gas. We also actively participate in active ownership by holding companies to account for their sustainability policy. We do this through collective initiatives such as CA100+ to increase our impact. Climate Action 100 + (CA100+) is an international partnership of investors. The aim is to encourage the world's largest greenhouse gas emitters to take action against climate change. This way, we try to limit the financial risks of climate change together and protect the long-term value of our investments."

Erwin: "In 2025, we will start monitoring ESG risks every 6 months. We will also perform ESG risk analyses more often, so that we can continuously maintain our sustainable investment policy and risk management at the desired level."

3 2024 SUSTAINABLE INVESTMENT RESULTS AT A GLANCE

TOTAL MANAGED ASSETS

€34.9 billion

STAKEHOLDER ENGAGEMENT

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

Pillar 1 – LIMIT

What do we not invest in?

INSTRUMENTS

Climate

Percentage of CO_2 reduction compared to base year 2020: Equity: -64%*, Corporate bonds: -81%*, Total: -70%*

Exclusions

There are 824 companies and 172 countries we do not invest in based on our exclusion list. Overall, 91% of the investment portfolio complies with our exclusion policy*.

Pillar 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?

INSTRUMENTS:

Engagement

A total of 512 engagements conducted with 359 companies. Almost 72%* related to focus themes.

Voting

Votes were cast at 2,156 companies on 36,261 topics. In 99.8%* of cases, voting was in accordance with our investment policy.

Collaborations

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

Investements with impact

Various investments that made a positive contribution to society and the environment. Totalling nearly EUR 6.1 billion (17.6 percent* of the total portfolio).

Pillar 3 – UTILISE

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

INSTRUMENTS:

Impact investments

Green bonds with a market value of almost EUR 2.5 billion (17.0 percent* of the matching portfolio).

A number of sections in this report are marked with an asterisk (2024). 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 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 investments.

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.

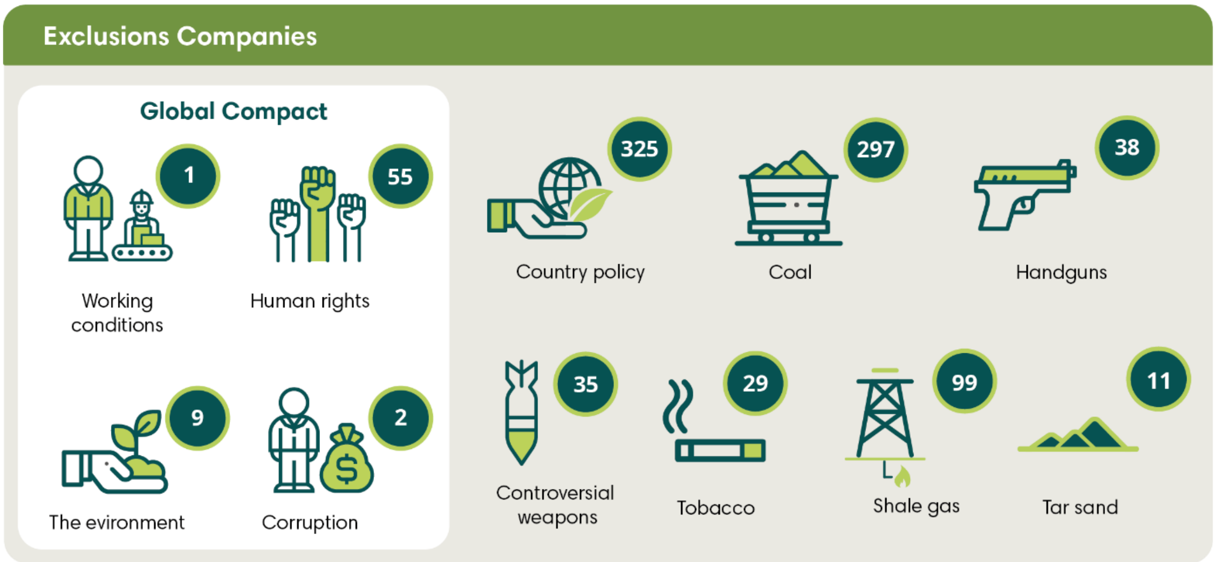
Furthermore, since 2023 we have also excluded investments in public undertakings and government bonds if the government in question scores very poorly on one of the 3 sustainability factors: environment, society and governance.
The specific exclusion rules are included in the sustainable investment policy 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 Pensioenfonds PGB. If we own shares or bonds of these companies or governments, these are sold as quickly as possible.

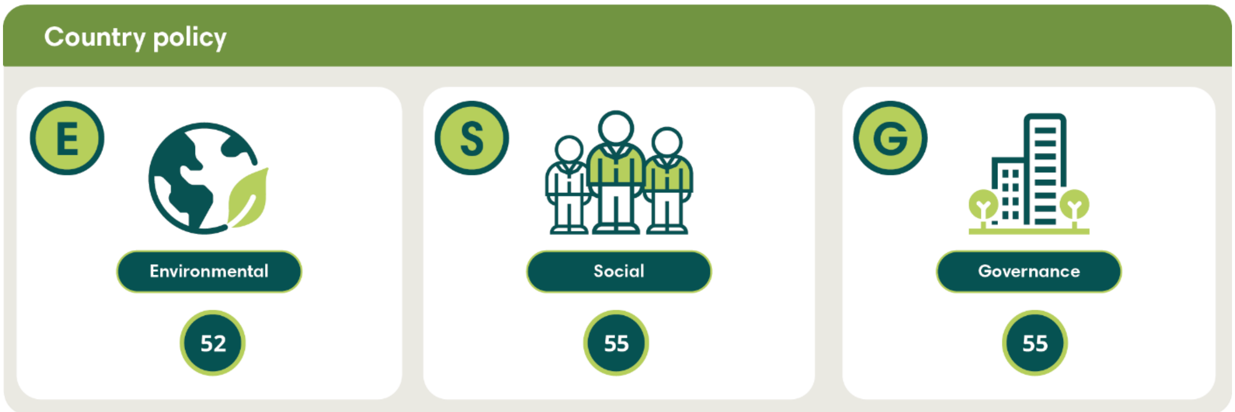
In the interest of the fund, the board of the pension fund may decide to first enter into discussions with a company before permanently deciding to sell the investments.

Exclusions in 2024
Pensioenfonds PGB has excluded government bonds and state-owned companies in 172 countries* (2023: 173) and 824 companies* (2023: 752) from investing on account of failing to meet the minimum requirements for sustainable investment. A total of 91 percent* (2023: 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. As a result, the total number of excluded companies (824)* does not match the number of the various exclusion criteria all added (901). The numbers do not include exclusions due to the NL, EU, UN and OFAC sanctions lists.*



Note: *Overall, 172 countries[1] of a total of 249 are excluded for 277 exclusion reasons. The 3 exclusion categories mentioned above give rise to 162 exclusion reasons. In addition, 98 exclusion reasons relate to missing data and 17 are due to UN principles.*

[1] Pensioenfonds PGB uses the ISO country list as a basis for its country policy (ISO-3166-1). This list includes both sovereign states and sub-territories (for instance, the Netherlands and its sub-territories of Aruba, Curaçao and Bonaire). Country policy stipulates that Pensioenfonds PGB does not invest in state-owned companies and government bonds of a country who do not receive an E, S or G score from the EIU (Economist Intelligence Unit) or who receive a score that is too low. In addition, NL, EU, UN and US sanctions lists also apply.

5 STRENGTHEN (pillar 2)

This pillar stands for strengthening the sustainability performance of companies in which we invest. This is an 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, albeit limited, we as investors can still have a 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 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 ownership

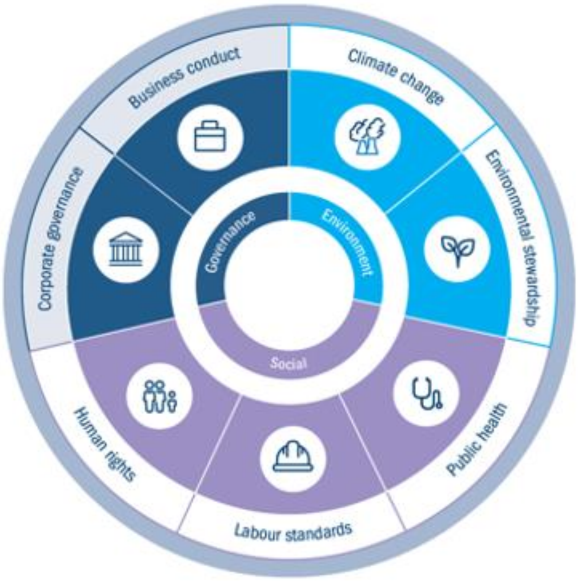
We enter into dialogue with companies if we want to see future improvements in certain areas. We refer to this as *engagement*. Say if a company contributes significantly to greenhouse gas emissions, we ask it to draw up a climate plan for instance and demonstrably implement it.
That plan must be in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

In addition we *cast our vote* at the shareholders' meetings. As an investor, it's another tool through which to exert influence on a company. We call this combination of voting and engagement active 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 using specialist service providers. For instance, we have engaged Columbia Threadneedle Investments (CTI) to start the dialogue and vote on our behalf. CTI follows an active ownership programme that, in 2023 (as well as in 2024), aligned with the themes of Pensioenfonds PGB, structured around 7 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 ownership

In 2024, the pension fund adopted a set of corporate governance principles for active ownership of listed companies. We apply them to assess those companies based on these principles, 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, which includes attention being paid to 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 results of the voting policy are 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 2024

On behalf of Pensioenfonds PGB, votes were cast at 3,232 shareholders' meetings in 2024 (2023: 3,420) of 2,156 different companies (2023: 2,402). In 99.8 percent* (2023: 98,1 percent) of the shareholder resolutions, voting took place in accordance with our investment policy.
We approved 30,656 of the 36,261 (85 percent) of the proposals voted for.
In 15 percent of the cases, we voted against or abstained from voting. Of the total number of proposals, almost 48 percent concerned the composition of the board. In almost 11 percent of the total involved remuneration.

Engagement in 2024

In 2024, CTI, our specialist service provider for engagements, merged its global teams of analysts and engagement specialists. Meetings with companies are now conducted jointly by analysts and engagement specialists. This results in a better quality of dialogue and a higher impact. This does also mean that the number of meetings has therefore fallen to 512 in 2024 (2023: 1,138),
Within our equity portfolio, 338 companies (2023: 662) in 35 countries (2023: 38) were approached. Within the corporate bond portfolio, dialogues were held with 107 companies (2023: 167) in 30 countries (2023: 34). Almost 72 percent* (2023: 48 percent) of the engagement processes related to the focus themes of our investment policy.

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

Overview of engagement at companies worldwide

The image above shows all engagement visits to companies from the Pensioenfonds PGB investment portfolio, in which investments have been made in the form of equities (red numbers) or bonds (purple numbers), referenced per region.

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 2 types: impact investments and investments with impact. The reference may be practically identical, but still they carry different meanings.

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 instance, a green bond to finance a project that will generate sustainable energy. Impact investments come under pillar 3. More about that later.

Investments with impact do not require predetermined, specific sustainability goals, but they still contribute to their realisation. 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

In 2021, Pensioenfonds PGB joined 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-income 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 table 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 2024

In 2024, Pensioenfonds PGB made various investments with a positive contribution to society and the environment. This totalled nearly EUR 6,1 billion (2023: EUR 5.0 billion). This concerns the total of investments with impact *and* the impact investments (*green bonds*). For green bonds, see pillar 3.

		Market value 2024		Market value 2023	
Asset category	**Pillar**	**€ million**	**%**	**€ million**	**%**
Equities	2	2,116	6.1%	2,036	6.4%
Infrastructure	2	445	1.3%	381	1.2%
Bonds		2,764	7.9%	1,771	5.5%
Green Bonds	3	2,487	7.1%	1,468	4.6%
Social Bonds	2	120	0.3%	119	0.4%
Sustainable Bonds	2	157	0.5%	184	0.5%
Property	2	822	2.4%	799	2.5%
Total		**6,147**	**17.6%**	**4,987**	**15.6%**

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 equitys consist of investments in companies that, based on the taxonomy of the SDI-AOP, contribute to one or more SDGs through their products and services.
3. Sustainable bonds consist of green, social and sustainable bonds. Sustainable bonds are 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.
4. 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.

6 UTILISING (pillar 3)

This pillar stands for utilising opportunities to make a specific contribution to a sustainable future for our participants. This is an answer to the question: what other specific, measurable impact do we want to achieve?

Impact investments

Investments eligible for this pillar must meet the impact definition of the Global Impact Investing Network (hereinafter 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. Impact investments can be made in both emerging and developed markets and aim for returns ranging from below market rates to market rates, depending on investors' strategic objectives.'

Within this context. Pensioenfonds PGB is specifically looking for impact investments that:

1. have pre-determined, measurable sustainability goals. Goals that are in line with the focus themes or that arise from sustainability risks identified by the pension fund;
2. provide a standard market return given the risks assumed and the costs charged.

Green bonds

In 2024, the 3rd pillar consisted exclusively of green bonds that contribute to climate solutions. From 2025 onwards, we will start making other impact investments as well. For the time being, our pension fund has not yet set any concrete impact or allocation targets, because the market and legislation for impact investments are still in development.

Green bonds in 2024

In the 2023 Climate plan, Pensioenfonds PGB set a specific goal for climate solutions: investing at least 9 percent of the matching portfolio in green bonds. Green bonds make a targeted and measurable contribution to a sustainable future. At the end of 2024, green bonds represented 17.0 percent* (2023: 11.3 percent) of the matching portfolio. This represents a market value of EUR 2.5 billion (2023: EUR 1.5 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	:	**Is it real green or fake green?**
Interviewed	:	Irma Weering, team lead treasury & rates (PGB Pensioendiensten)

Background

We can see opportunities in the field of impact investing, the third pillar of our policy. This statement can be found in the annual report. We consider impact investments as an interesting investment opportunity and, in principle, we want to further expand the green bonds we already have, in 2025.

What are green bonds?

Irma: "A green bond is a bond issued by a government or company to finance sustainable projects, for example to finance projects for a better climate, more biodiversity or sustainable housing. We invest in green bonds if they at least offer the same financial benefits as regular bonds. Think of criteria such as low risk in combination with a stable return, but they have the added advantage of being used to finance sustainable projects."

What do you think greenwashing is, and how do we prevent it?

"Greenwashing refers to the phenomenon where investors believe they have purchased a green bond, but in which the issuer presented itself as greener than it actually is. For example, the proceeds are used to finance sustainable projects, but the core of the company can still be very polluting. Or the sustainable performance lags behind the promise in the 'bond prospectus'. That's why you should always look at the certifications and quality marks of the bond. It's important that the issuer of a green bond is transparent about the green projects that are financed with the proceeds."

Why do we find green bonds so important?

"Pensioenfonds PGB has indicated that a sustainable approach in investments contributes to a good pension for our participants in a liveable world. By investing in green bonds we are able to contribute to investments in focus themes that our participants consider important."

Are they easy to integrate into our investment portfolio?

"Yes, the market for green bonds issued by governments or companies is very liquid and extensive. Liquid means they are easy to trade. In addition, our investments in green bonds meet our risk-return criteria, which also apply to non-green bonds."

Can you give concrete examples of green bonds?

"As a pension fund, we invest in green bonds from the Dutch and German governments. We have a clear overview of how these bonds score on the Sustainable Development Goals SDGs benchmark of the United Nations (UN) and how these bonds score in terms of biodiversity or climate change."

Do you have any other things that are important to mention here?

"It's important that market participants continue to contribute to the development of global product standards for sustainable bonds and continue the debate on greenwashing and the importance of market integrity."

IN PRACTICE

Theme : **Shift to private investments**
Interviewed : Peter Dietvorst, team lead private markets (PGB Pensioendiensten)

Background
We consider impact investing as a way to meet the participants' wishes that emerged from the participant survey. We are therefore also working on updating the strategy for private investments, in addition to expanding our green bonds.

What are private investments?
Peter: "Private investments are investments that aren't tradeable on a daily basis or for which a price is not available on a daily basis. Pensioenfonds PGB invests in 4 categories: property, infrastructure, private equity and private loans."

Why does the board want to make impact invests?
"PGB Pension Fund believes that a sustainable approach to investments is necessary, so that our participants can enjoy a good pension in a liveable world. We implement this through impact investing, among other things. It offers opportunities for returns and at the same time we contribute to our sustainable goals."

Why impact investing through private investments?
"The characteristics of private investments offer a number of advantages compared to listed categories. The average investment horizon is usually 5 to 6 years. This allows for changes to be implemented over a longer period of time, unlike listed companies, that often feel compelled to account for their performance on a quarterly basis. And because the increased influence that comes with these types of investments, it's often possible to implement immediate change (impact) within companies. You also have easier access to all necessary information. This is an important condition for being able to measure the impact. In the case of listed companies, this access is often limited to what companies make public and what the regulations prescribe. And last but not least: investments in private assets can be directly linked to our focus themes of climate, biodiversity and food."

What are we going to do next?
"Over the next 2 years, we'll be looking for new private investments that meet our impact requirements and correspond to the focus themes. Expectations are that 1 to 1.5 percent will be shifted to impact investments each year. This will increase the importance of the themes, that the participants have helped to select, in our investment portfolio."

7 OUR CLIMATE PLAN

Pensioenfonds PGB is party to the climate commitment of the Dutch pension funds. In 2022, we drew up our own climate plan for this, like all other affiliated pension funds. In 2023 we tightened that up. 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 at the latest

In our climate plan, we expressed the ambition to reduce the carbon footprint of listed equity 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 carbon footprint, for which we use the Weighted Average Carbon Intensity (WACI) or CO_2 intensity as a benchmark (see box Relative CO_2 reduction target).

From 2023 onwards, we are reporting on the financed emissions and the Implied Temperature Rise (ITR) at the end of each year, to the extent that data was available from the data supplier. From 2024 onwards, we added the CO_2 intensity for government bonds.

In 2024, financed emissions amounted to 30 tons* (2023: 52 tons) per EUR million invested for listed corporate bonds and 31 tons* (2023: 46 tons) per EUR million invested for listed equity. That produces an average of 31 tons* (2023: 48 tons) of greenhouse gases per EUR million invested. Of the total investment portfolio of EUR 34.9 billion at the end of 2024, the sum of the invested values in equity and corporate bonds amounts to EUR 21.0 billion. Of this, emission data is available for a total representing a market value of EUR 19.7 billion, of which the absolute emissions amounted to 602,972 tons of CO_2. By the end of 2023, data was available for a total of EUR 16.8 billion in invested assets, the absolute emissions of which amounted to 799,455 tons of CO_2.

The ITR of these investments amounted 2.4 degrees Celsius* (2023: 2.9 degrees Celsius). 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).

In 2024, the CO_2 intensity of government bonds in the investment portfolio of Pensioenfonds PGB amounted to 119 tons*. Based on the same principles, it was calculated retroactively that this amounted to 130 tons by year-end 2023.

	Carbon footprint (WACI)			Data quality	
	In base year 2020	**In 2024***	**Change compared to base year***	**In base year 2020**	**In 2024**
Corporate bonds	306	59	-81%	86%	75%
Equity	207	75	-64%	97%	99%
Total[3]	241	72	-70%	94%	94%

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. Although this percentage hardly rises compared to the base year (a fall is even visible for corporate bonds), there is a strong underlying rise in reported versus estimated values.

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

Relative CO_2 reduction target

The pension fund uses the WACI or CO_2 intensity of the listed companies in which investments are made as a benchmark for the target. The basis of this benchmark is the CO_2 emissions per million Euro company turnover. The underlying idea is that focusing on CO_2 intensity leads to a reduction in absolute CO_2 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_2 intensity of the sector.

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 thereof. 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 carbon footprint of our investments and show each year what our carbon footprint is. We also take action to reduce our carbon 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. In 2022, Pensioenfonds PGB, like all other participating pension funds, drew up a climate plan. That climate plan was tightened and re-adopted at the end of 2023.

Task Force on Climate-Related Financial Disclosures

Pensioenfonds PGB would like to be transparent about what we do and how we deal with climate change. That's why in 2021 we joined 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

Pensioenfonds PGB joined the Dutch Association of Investors for Sustainable Development (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 participating 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 CO2 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. In 2024, Pensioenfonds PGB renewed its membership of CA100+. In doing so, we committed ourselves to active ownership in the climate plans (including actions and progress) of one or more companies within the scope of the CA100+. We do this through the CTI.

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

To collaborate with progressive parties in the field of sustainable investments, Pensioenfonds PGB became a member of the Cambridge University Institute for Sustainability Leadership (CISL) in 2022. 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.

Eumedion

In 2024, we were also members of Eumedion. This is a Dutch interest group in the field of corporate governance and sustainability. This group mainly works with institutional investors such as pension funds and insurance companies. We cancelled this membership as from 1 January 2025. This was due to the overlap with our other (international) memberships. Cancellation therefore also means cost savings.

World Wildlife Fund

At the end of December we signed a 3-year agreement with the World Wildlife Fund (WWF-NL). From January 2025, we will work with the fund to integrate nature and biodiversity into investment policy. This contributes to a nature-positive society and a greener financial sector. Pensioenfonds 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 Pensioenfonds 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 investment. And to what is going on within companies, so we can include that feedback in our decisions. And we 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 participant 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 3 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 July 2024, we also started a series called 'Investor Talk'. In these series board member Anne Kock and CIO Peter Kolthof take participants on a journey in the world of investments. They explain why we invest as a pension fund and in what and how we view, for instance, sustainable investing and investing in fossil fuels such as coal, oil and natural gas.

In 2024, Anne Kock became more vocal on the subject of sustainable investing. For example, an interview with her appeared in Trouw newspaper in December. And she posted a blog on our site in which she addresses the fossil dilemma surrounding sustainable investing. A topic that is receiving a lot of attention, given the responses of participants to it. In 2025, we want to become even more vocal about our policy and actions regarding sustainable investing. All this with the aim of involving participants more in investing in general and in sustainable investing in particular. The more so since in the new pension scheme, participants will be able to see more directly what effect investments have on their pension.

Given the focus among employers on the subject of the Future Pensions Act (Wtp), sustainable investment was not on the agenda during the knowledge sessions with employer organisations in 2024.

10 A preview with Anne Kock and Frans van de Veen

At Pensioenfonds PGB, our board members Anne Kock and Frans van de Veen are engaged in balance sheet management and sustainable investing. In this dual interview, they look ahead to 2025 and beyond.

What will you take with you from 2024?

Anne: "In 2024, we conducted an Asset Liability Management (ALM) study. We used this to analyse our assets and liabilities, such as current and future pension payments. Based on this study and our own risk preference survey - in which we asked participants how much risk they find acceptable for additional returns - it emerged that we can invest more in illiquid assets in the near future.

Anne Kock has been a board member of Pensioenfonds PGB since May 2023, focusing on balance sheet management & sustainable investing. She was appointed chair of the Balance Sheet Management Committee on 1 January 2024.

Frans van de Veen has been a board member of Pensioenfonds PGB since 1 January 2022, also with the focus area of balance sheet management & sustainable investing. He is a member of the Balance Sheet Management Committee.

What are illiquid assets and how do they fit into sustainable investing?

Frans: "Illiquid assets are non-listed investments, such as property, private equity, bonds and infrastructure. We want to invest more in this in the coming years. This is an opportunity, because it's precisely within these investment categories that we can make the greatest impact on sustainability.

Anne: "That's exactly it. We really want to achieve a positive sustainable impact with this, as mentioned in our 3rd pillar. We already had our green bonds and we're going to expand that as well, but now illiquid assets are added to this."

Frans: "We've wanted to invest more in impact investments for some time now, but unlisted investments that meet our criteria are less easyto find. This makes things go a bit slower than you would like sometimes. But now we've really made room for it in our investment portfolio. I expect we'll be able to welcome the first illiquid investments in 2025."

Sustainable investing is under a magnifying glass. How do you see that?

Anne: "Attention has grown, but that doesn't change our approach. We remain critical and always monitor the balance. We want to invest sustainably, but we never lose sight of the risk, costs and returns."

Frans: "Exactly. In 2024 we achieved good returns, but if that were less, participants would be more likely to ask the question: 'Does sustainable investing yield enough?' That's why we emphasise: sustainability is not a goal in its own right, but an integral part of our investment strategy. It's also important that we do not focus on returns alone. There's something to say about risk as well."

Because sustainable investing reduces the risk of investments?

Frans: "Yes. Climate change is a major risk, both socially and financially. That's why we have a climate plan, focused on CO_2 reduction and climate adaptation. In addition, loss of biodiversity plays a major role, which is clearly visible in agriculture, for example. Because there are fewer different varieties, harvests are much more susceptible to disease. And for investments in agriculture, that's also a risk."

Anne: "In 2024, we conducted research into the sustainability risks for our investments. Climate and biodiversity emerged as the greatest sustainability risks."

Hence the collaboration with the World Wildlife Fund (WWF-NL)?

Frans: "Yes, we've entered into a special partnership with WWF-NL. They help us to identify biodiversity risks and assess new investments accordingly."

Anne: "It's a collaboration in the true sense of the word. They understand that we always weigh sustainability against return and risk. For example, we don't fully exclude fossil fuels, and they understand that. At the same time, they see opportunities for improvement, and we work on that together."

Frans: "This partnership is also valuable for them. The financial sector is needed to enable sustainable transitions. If we take biodiversity seriously, it can inspire other pension funds."

Does President Trump's withdrawal from the Climate Agreement affect your climate policy?

Anne: "No, our vision remains the same. Climate is a long-term risk, and we act accordingly. It's true that President Trump influences the financial markets, but we are long-term investors. Short-term politics don't change that."

Frans: "Still, geopolitical tensions are high at the moment, and this has an impact on asset management. Investing is becoming more challenging, and we will be forced to explain more and more often how sustainability fits into this."

In short: we remain on course, but accountability is becoming more important?

Anne: "Indeed. But accountability comes after the fact. Yet we also want to involve and inform participants in advance, and therefore explain clearly that we respond to developments if they have an impact on risk and return. But we continue to adhere to our belief: sustainable investing reduces risks in the long term."

Frans: "And contributes to a stable return."

Anne: "That's exactly the essence: we invest for our participants. Their interest is a good pension in a liveable world and we achieve this through sustainable investments."

Bijlagen

Appendix 1: Reporting criteria

No.	KPI (Key Performance Indicator)	Reporting criteria
1	Company/country exclusions	Pensioenfonds PGB reports on the percentage of the market value of the total investments, as at 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 investment. Investments are excluded if they: • violate one or more of the UN's Ten Principles. • 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 (42 is the 2023 figure) 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. 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

No.	KPI (Key Performance Indicator)	Reporting criteria
1	Company/country exclusions (continued)	the portfolios against these benchmarks on a daily basis. If an investment is made in a share 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 shares or bonds of these companies, they will be sold. 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.

No.	KPI (Key Performance Indicator)	Reporting criteria
2	Climate policy	Pensioenfonds PGB reports on the CO_2 emissions relative to the base year (as at 31 December 2020), for the equity 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_2 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 $_{(Pensioenfonds\ PGB)}$ = WACI $_{(company\ A)}$ * (market value $_{PGB\ shares\ in\ company\ A}$/Market value $_{total\ PGB\ portfolio}$) + WACI $_{(company\ B)}$ * (market value $_{PGB\ shares\ in\ company\ B}$/Market value $_{total\ PGB\ portfolio}$)) This KPI relates to tons of CO_2. The required tons of CO_2 data are 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_2 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. The extent to which the investments are aligned with the Paris Climate Agreement is calculated based on the LCTR (Low Carbon Transition Rating) report from Sustainalytics. 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 (tCO2e)***

No.	KPI (Key Performance Indicator)	Reporting criteria
2	Climate policy (continued)	The source for GHG emission data is EDGAR (Emissions Database for Global Atmospheric Research). Since this data 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. 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 % rate refers to the market value that the investments represent. *Changes compared to 2023*: *the percentage was adjusted from 25 percent to 10 percent in 2024. And from 2024, GHG intensity of government bonds is included in the reporting as well.*

No.	KPI (Key Performance Indicator)	Reporting criteria
3/4	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.	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 shares. The engagement programmes apply to the companies in which Pensioenfonds PGB has shares and/or bonds. The focus themes of Pensioenfonds PGB's sustainable investment policy are determined based on the top 3 themes that Pensioenfonds PGB identified as the highest priority in the CTI customer consultation. The engagements associated with projects and sub-themes linked to these 3 themes are taken into account. 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

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 the current investment portfolio, it is only sustainable bonds that come under this definition. The report indicates that only these investments come under pillar 3 'Utilise'. 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 focused on those SDGs that are related to the core themes determined in 2024 (equal to 2023), namely: • climate (including SDG 13, 7, 8 and 9), • biodiversity (including SDG 12, 14 and 15), • nutrition (including SDG 2 and 3) 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. The criteria for SDG investments that are classified as investment with impact are as follows: • Listed equity: the criteria of the SDI AOP are applied to listed equity. 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 shares in companies that realise more than 10% of their turnover in one or more of the SDGs is included in the annual report on sustainable investments. For the following categories, criteria have been set 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. • Fixed-income investments: 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 global leading platform for obtaining market data.

No.	KPI (Key Performance Indicator)	Reporting criteria
6	Compliance with stakeholder engagement 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. The above is made concrete by meeting at least the following minimum requirements: A. At least one knowledge session on sustainable investing is organised for the board, supervisory board and accountability body. B. A knowledge session on sustainable investing is organised with at least one employers' organisation (unless there is no need for this according to the employers). C. Participants are involved in decision-making regarding sustainable investing and the participants are notified about how this input has been incorporated into the decision-making process. D. In addition to the annual report on sustainable investments, participants are informed about developments in the field of sustainable investing. If one of the minimum criteria is not met, an explanation will be given for the underlying reason for non-compliance.

Bijlage 2: Limited assurance Forvis Mazars

Our conclusion

We have reviewed the selected sustainability indicators in the Annual Report on Sustainable Investment 2024 (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 11 are not, in all material aspects, have been prepared in accordance with the reporting criteria as explained in the 'Reporting criteria' section on pages 29 to 35 of the Report.

The selected sustainability indicators are as follows:

1. The percentage of the market value of total investments determined not to invest in investments in the exclusion list.
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.

Basis for 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. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the report’ section of our 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 o page 40 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 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 29 to 35 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 29 to 35 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 kwaliteitssystemen' (NVKS, 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 2024 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, 16 April 2025

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, Economist Intelligence Unit (EIU) and CTI. Pensioenfonds PGB recognizes 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 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	Equity 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 equity and corporate bonds.
2.	Exclusion data	Sustainalytics	Equity and corporate bonds	• No assurance is provided with respect to reported data. • Data is not available for all equity and corporate bonds in the portfolio.
3.	SDG data	Qontigo	Equity	• No assurance with respect to reported data. • Data on aspects (e.g. allocation of turnover to SDG) dependent on Qontigo interpretation.
4.	Voting and engagement data	CTI	Equity 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	Equity, 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 2024 has been submitted. An In Control Statement has been received from Sustainalytics for 2023 and will also be received for 2024 at the end of the second quarter of 2025. Various checks are performed on all data from Sustainalytics and Qontigo, 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 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 ownership forms an important part of sustainable investing.
Active engagement policy	This is another word for active 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 from managers to help achieve the goals of the Paris Climate Agreement and formal short and long-term CO_2 reduction targets, as well as to set up a specific and credible action plan and periodic progress reports on actions and results.
Climate neutral	The net CO_2 emissions, the total of CO_2 emissions minus the total greenhouse gases removed must be zero by 2050.
CO_2	In this document, the term CO_2 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_2 intensity	Pensioenfonds PGB uses CO_2 intensity for reporting purposes and as a basis for investment objectives and decisions.
CO_2 profile of investments	Consists of the following indicators: CO_2 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.

D

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

EMC	Emerging Market Credits. A subcategory of listed corporate bonds.
Engagement	See active 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?, 2019).
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_2 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.).
S 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_2 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 by 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.

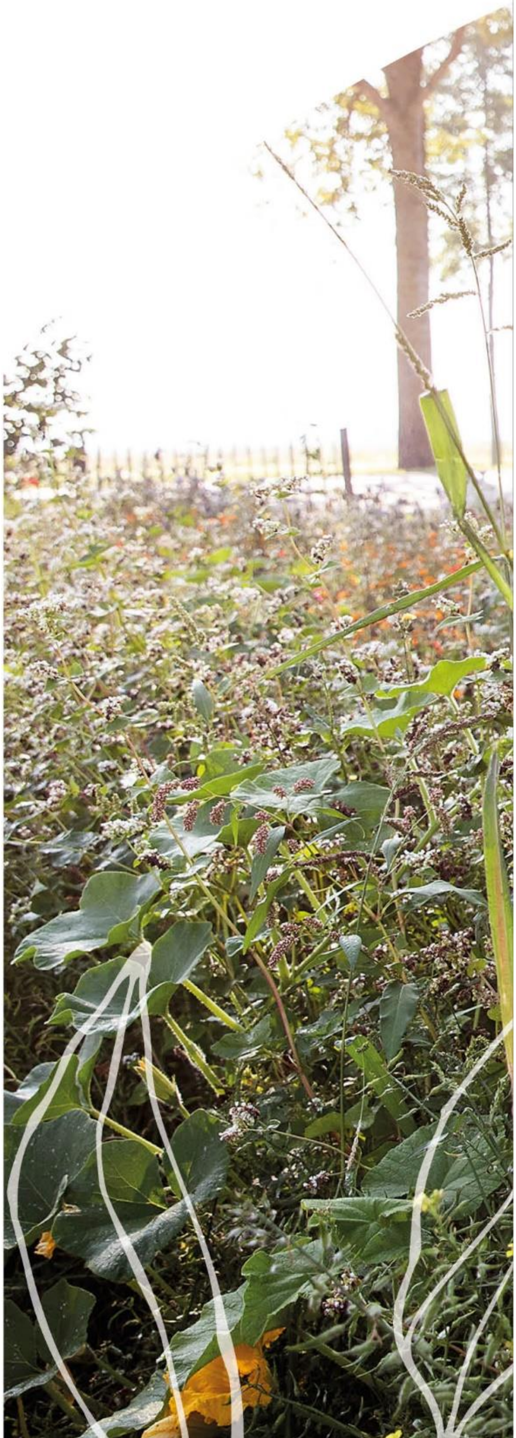
UNPRI supports signatories in integrating these principles into the investment process and in implementing active ownership.

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_2 intensity.
WUR	Wageningen University & Research



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