

# Sustainability Related Disclosure

Sustainable Finance Disclosure regulation

## PGGM Developed Market Equity Fund

(DME Fonds)

This document provides you with information about this financial product in relation to the Sustainable Finance Disclosure Regulation. The information is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

(a) Summary Dutch	
This section summarizes all the information contained in the different sections below about the financial product that promote environmental or social characteristics.	
<b>Naam financieel product</b>	PGGM Developed Market Equity Fund
<b>Classificatie product</b>	Article 8 SFDR
<b>b. Geen duurzame beleggingsdoelstelling</b>	van toepassing (Geen duurzame beleggingsdoelstelling)
<b>c. Ecologische of sociale kenmerken</b>	We promoten de volgende E/S kenmerken. Ecologisch: klimaatmitigatie, duurzaam gebruik en bescherming van water en grond. Sociaal: mensenrechten, gezond leven, werknemersomstandigheden, bestrijding van (poging tot) omkoping en afpersing.
<b>d. Beleggingsstrategie</b>	Door de opname van ESG factoren in beleggingsbeslissingen creëren we een verantwoorde beleggingsbasis. Daarnaast verschuiven we onze beleggingen van bedrijven die niet voldoen aan onze minimale duurzaamheidsnorm, naar bedrijven die daar wel aan voldoen.
<b>e. Aandeel beleggingen</b>	≥ 80% aligned met E/S kenmerken. Maximaal 20% kan worden belegd in een totaal van index futures (10%), exchange traded funds (5%) en cash (5%)
<b>f. Monitoring ecologische of sociale kenmerken</b>	<i>Uitsluitingen</i> van toepassing
	<i>OECD-screening</i> van toepassing
	<i>CO<sub>2</sub>-doelstelling</i> van toepassing
<b>g. Methodologieën</b>	Om de voorgenoemde E/S kenmerken te behalen gebruiken we duurzaamheids-indicatoren.
<b>h. Databronnen en -verwerking</b>	<i>Uitsluitingen</i> Sustainalytics
	<i>OECD-screening</i> Sustainalytics
	<i>CO<sub>2</sub>-doelstelling</i> Trucost
	<i>Geschatte data</i> van toepassing
<b>i. Methodologische- en databeperkingen</b>	<i>Ontbrekende data</i> van toepassing
	<i>CO<sub>2</sub>-methodologie</i> van toepassing
<b>j. Due diligence</b>	Het due diligence proces voor (potentiële beleggingen) identificeert de negatieve impact die beleggingen kunnen hebben op duurzaamheid. Dit doen we op basis van de OESO-standaard (opgenomen in het IMVB-convenant) en de UN Global Compact Principles.
<b>k. Engagementbeleid</b>	applicable
<b>l. Aangewezen referentiebenchmark</b>	De benchmark is aangewezen om dit fonds in lijn te brengen met de E/S-kenmerken welke worden gepromoot. De is gebaseerd op de "FTSE Developed Blended PGGM Customized for NE NI CO2 Optimized PGGM Index", zonder hedge naar euro.  Uitgesloten vennootschappen zijn zowel uitgesloten van de portfolio als Van de benchmark.

## (a) Summary English

This section summarizes all the information contained in the different sections below about the financial product that promote environmental or social characteristics.

<b>Name financial product</b>	PGGM Developed Market Equity Fund	
<b>Classification---- product</b>	Article 8 SFDR	
<b>b. No sustainable investment objective</b>	applicable (No sustainable investment objective)	
<b>c. Environmental or social characteristics of the financial product</b>	Environmental characteristics promoted are climate change mitigation and sustainable use and protection of water and soil. Social characteristics promoted regard Human Rights, Healthy living, Employment Relations, Combating Bribery, Bribe Solicitation and Extortion.	
<b>d. Investment strategy</b>	We apply a responsible basis for our investments, by including ESG factors in our investment decisions. The Beliefs and Foundations for Responsible Investment specify strict minimum standards for our investments.  The minimum standards are applicable to all our investments and include exclusions and OECD screening. Next to the minimum standards we have set a CO <sub>2</sub> /GHG target for this product.	
<b>e. Proportion of investments</b>	≥ 80% aligned with E/S characteristics. A maximum of 20% can be invested in the sum of index futures (10%), exchange traded funds (5%) and cash (5%)	
<b>f. Monitoring of environmental or social characteristics</b>	<i>Exclusions</i>	applicable
	<i>OECD-screening</i>	applicable
	<i>CO<sub>2</sub>-target</i>	applicable
<b>g. Methodologies</b>	In order to measure the attainment of the above E/S characteristics, we apply sustainability indicators.	
<b>h. Data sources and processing</b>	<i>Exclusion</i>	Sustainalytics
	<i>OECD-screening</i>	Sustainalytics
	<i>CO<sub>2</sub>-target</i>	Trucost
	<i>Estimate data</i>	applicable
<b>i. Limitations to methodologies and data</b>	<i>Missing data</i>	applicable
	<i>CO<sub>2</sub>-methodology</i>	applicable
<b>j. Due diligence</b>	We start by performing a due diligence process into (potential) investments, in order to identify any negative impact an investment may have on sustainability. We do this based on the OECD standards (incorporated in the IMVB covenant) and the UN Global Compact Principles.	
<b>k. Engagement policies</b>	applicable	
<b>l. Designated reference benchmark</b>	The benchmark is designated to align this fund with the environmental and social characteristics that it promotes. The benchmark for this category is the "FTSE Developed Blended PGGM Customised for NE NI CO <sub>2</sub> Optimised PGGM Tax Index", not hedged to euro.  The excluded companies are excluded from the portfolio as well as from the benchmark.	

### (b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Not applicable

### (c) Environmental or social characteristics of the financial product

What are the environmental or social characteristics that the financial products promotes?

- Environmental characteristics promoted are climate change mitigation and sustainable use and protection of water and soil.
- Social characteristics promoted regard Human Rights, Healthy living, Employment Relations, Combating Bribery, Bribe Solicitation and Extortion.
- A reference benchmark has been designated for the purpose of attaining environmental and social characteristics which includes the environmental characteristic climate mitigation.

### (d) Investment strategy

What is the investment strategy used to meet the environmental or social characteristics promoted by the financial product?

We apply a responsible basis for our investments, by including ESG factors in our investment decisions. The PGGM Beliefs and Foundations for Responsible Investment specify strict minimum standards for our investments.

The minimum standards are applicable to all our investee companies and include exclusions and OECD screening. With these minimum standards we shift our investments from companies and investments that do not meet our minimum ESG requirements to companies and investments that do. We follow a specific benchmark and the benchmark is (also) updated using our exclusions and OECD screening. Our managers are free to invest in the benchmark names. For further details please refer to the benchmark section of this Annex.

#### Exclusions

Before a new investment is made, a check takes place in order to ensure that the companies are not listed on the exclusion list. The trading system(s) should prevent any buying orders in these securities. The exclusion list is updated at least twice a year and after the exclusion list is updated, the existing portfolio is checked again and securities of companies on the exclusion list, are sold.

#### OECD screening

In the OECD screening, companies are given a score based on incidents within their own production locations and in the supply chain. Very severe and severe violation will lead to an exclusion of the companies involved, unless a severe violation occurs at a large company. In that case we prefer to first engage with the company as engagement with the larger companies could have more effect than just divesting. In case the engagement does - within a reasonable timeframe – however not lead to indicated changes, the company will also be excluded.

The OECD screening is used for pre-investment as well as periodic monitoring of the portfolio. The OECD screening list is updated twice a year.

Next to the minimum standards we have set a CO2/CHG target for this product.

This product aims to realize a reduction of CO2/GHG. The CO2/GHG reduction is achieved through a yearly adjustment of the portfolio. The objective is to divest from the 33 percent most CO2 inefficient companies within the sectors Utilities, Energy and Materials and reinvest that money in the same sectors in the more CO2 efficient companies. Therefore, the companies that emit the most CO2 per dollar of company revenue are gradually phased out of the portfolio on a yearly basis. The freed-up money is reallocated in the less polluting companies within the aforementioned sectors.

Annually, a CO2 measurement and reporting are carried out for the portfolio. The monitoring and calculations, including data gathering etc., are in accordance with the "PGGM manual – CO2 calculations". The CO2 intensity will be measured in ton per million US Dollar sales and calculated for each company in the portfolio or benchmark by dividing the CO2 emissions by the sales (as determined by Trucost). CO2 intensity will be calculated based on Trucost data scope 1,2 and 3 "upstream" (as determined by the Greenhouse Gas Protocol). Scope 3 is measured for those companies in the Integrated Oil & Gas, Oil & Gas Exploration & Production, Coal & Consumable Fuels and the Automobile Manufacturers sub-sector. For these four sub-sectors the scope 3 data is considered to be accurate based on the method with which the data is derived.

What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

PGGM assesses the companies it invests in also with regard to good governance practices (GGP), in particular with respect to sound management structures, employee relations remuneration of staff and tax compliance. For this we have developed a screening method together with Sustainalytics based on the UN Global Compact Principles and OECD Guidelines for Institutional Investors. In particular Principle 3-6 UN Global Compact and Chapter II, V, X and XI OECD Guidelines for Multinational Enterprises are relevant.

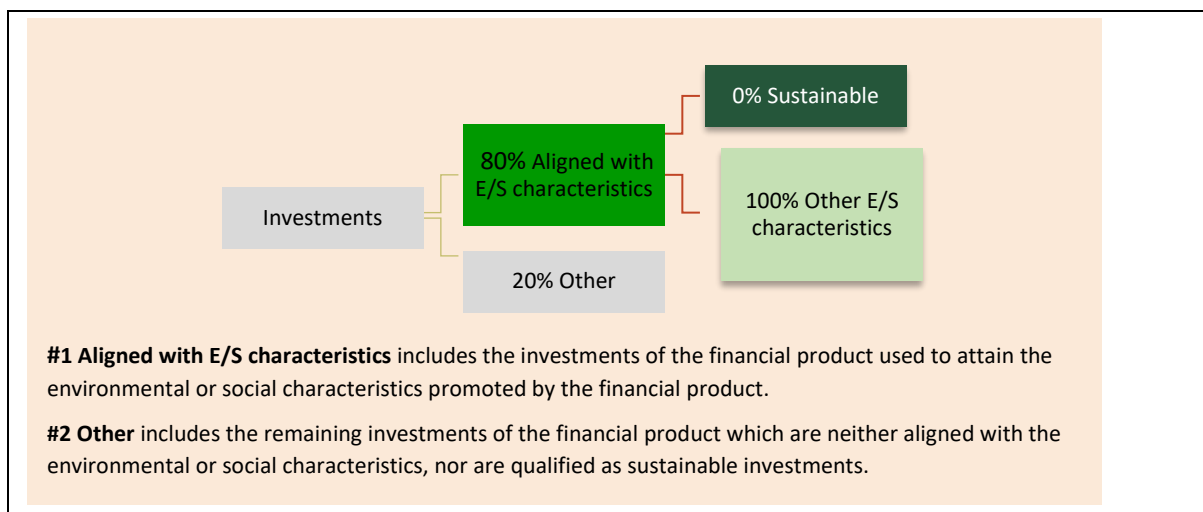
### (e) Proportion of investments

The product invests in shares and derivatives thereof in global developed equity markets as well as cash and FX instruments. Part of the investment strategy is to contribute to the reduction of the CO2 intensity. The non-derivative or non-cash instruments are aligned with E/S characteristics because they have to meet the minimum ESG standards. Furthermore, the CO2/GHG goals are applied to the benchmark followed.

A maximum of 20% can be invested in the sum of index futures (10%), exchange traded funds (5%) and cash (5%). As we do not consider those products to contribute to the E/S characteristics, 80% of the investments are aligned with E/S characteristics. Instruments obtained from corporate actions, FX instruments and forwards are not included in the calculation because the exposure is negligible.

No sustainable investments are currently planned for the product, although it could be that in practice investments are made that fulfil the criteria for sustainable investment.

The chart below is a graphic description of the percentage of the asset allocation planned:



#### (f) Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?

##### *Exclusions*

We choose to exclude certain investments. This prevents investments managed by PVBV from contributing financially to certain practices that have a negative impact on sustainability factors and that therefore do not match the standards and values of PVBV, its clients and their participants. We adhere to a strict lower limit, which applies to all PGGM funds managed by PVBV and all public and private segregated mandates for individual clients managed by PVBV. The companies in the benchmark that do not meet the criteria of the lower limit will be placed on a list referred to as the exclusion list. This list is regularly updated, at least twice per calendar year. We use external data providers (such as Sustainalytics, Trucost and Bloomberg) and our own analyses to compile the list of exclusions. The list of exclusions is available on [our website](#).

Agreements have been made with all internal and external managers regarding compliance with the exclusion lists. For our internal managers, PVBV has set up monitoring, management and compliance systems, in Bloomberg, among others. This should prevent trading in companies that are on the exclusion list. External managers are responsible for complying with and monitoring the exclusion list in accordance with the contractual agreements. Every external manager has to make a compliance statement once a month, confirming to PVBV that the external manager has complied with all agreements with PVBV. This includes the correct implementation of the exclusion list. This compliance statement must be signed off by a compliance officer. PVBV monitors compliance with the obligations and the external managers also adhere to the obligations. Furthermore, PVBV also checks its funds and mandates after every trading day to ensure that no investments have been made in companies that are on the exclusion list.

##### *Benchmark CO<sub>2</sub>*

In 2016, PGGM started focusing on CO<sub>2</sub> reduction in equity funds. As of this year, we are changing the values of companies in the index. We have calculated the CO<sub>2</sub> footprint of the most CO<sub>2</sub>-intensive companies in the three industries with the highest CO<sub>2</sub> emissions: energy, utility companies and materials (including chemistry, steel, cement and mining). This involves a total of over 200 companies that emit relatively large amounts of CO<sub>2</sub> per dollar of turnover. We will gradually be removing the companies that emit the most CO<sub>2</sub> per dollar of company turnover from our index. The released index value is then reinvested in non-industry-specific ways in companies that are more CO<sub>2</sub>-efficient in these three industries: companies that emit less CO<sub>2</sub> per dollar of turnover. Where

possible, we do this with a country-neutral reweighting. Prevention of a reduction in equity interest is only possible if companies can display a marked improvement of their CO2 footprint.

We try to calculate the so-called 'Scope 1' and 'Scope 2' emissions for each company. Scope 1 emissions concern the direct CO2 emissions: the CO2 emissions caused by the company itself, internally (for example in its manufacturing activities). Scope 2 emissions are indirect CO2 emissions: the CO2 that is emitted due to the consumption of electricity and heat by a company (which is generated by another party, such as a power station).

#### *OECD screening*

In the OECD screening, companies are given a score based on incidents within their own production locations and in the supply chain.

To assess the seriousness of the negative impact of companies on people and the environment, we have developed a screening method together with Sustainalytics regarding the UN Global Compact principles and OECD Guidelines for Institutional Investors. Companies are given a score based on incidents within their own production locations and in the supply chain.

Very severe and severe violation will lead to an exclusion of the companies involved, unless a severe violation occurs at a large company. In that case we prefer to first engage with the company as engagement with the larger companies could have more effect than just divesting. In case the engagement does - within a reasonable timeframe – however not lead to indicated changes, the company will also be excluded.

The OECD screening is used for pre-investment as well as periodic monitoring of the portfolio. The OECD screening list is updated twice a year. Information on how the financial product has considered the principal adverse impacts on sustainability factors is disclosed in the annual report of the financial report.

### (g) Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

In order to measure the attainment of the above E/S characteristics, we apply the following sustainability indicators:

- Number of companies that are active in the fossil fuel sector which (i) do not commit themselves to the Paris Climate Agreement and the increased ambitions of COP26 and (ii) do not have a convincing and verifiable climate transition strategy.
- Number of companies involved in the production of tobacco and/or tobacco products (for example cigarettes, cigars, chewing tobacco etc.) and companies which are (co-)owners of companies engaged in the production of tobacco and/or tobacco products (with regard to ownership, PGGM applies the principle of controlling interest, meaning an interest in a joint venture and/or an interest of 30% or more in a listed company);
- Number of companies deriving more than 5% of their total revenues from producing (mining) thermal coal or more than 30% from power generation using thermal coal;
- Number of companies involved in the production and distribution of controversial weapons (1. Weapons of mass destruction (a) nuclear weapons, b) chemical weapons and c) biological weapons) and 2. Weapons with a considerable risk of casualties (including among civilians) during and/or after military conflict (a) anti-personnel mines, b) cluster bombs and c) munitions with depleted uranium);

- Number of companies deriving more than 1% of their total revenues from producing oil out of tar sands/oil sands;
- Number of companies deriving more than 1% of their total revenues from Arctic oil drilling;
- Number of investments in liquid equities and credit of Russian and Belarus companies, defined as (1) companies that are identified as 'Russian' or 'Belarus' by the benchmark providers, and/or (2) that have the majority of their business in Russia, according to our data providers ('country of risk');
- Number of bonds (including inflation-linked government bonds and other debt securities – without a predefined purpose – of central government and local authorities) issued by states on which the UN Security Council and/or the Council of the European Union have imposed restrictive measures (sanctions), if these are targeted at the country itself or the incumbent government and concern a weapons embargo or relate to a situation of gross and systematic violation of human rights, or if there is possible deployment of controversial weapons.
- Number of companies that violate the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Number of companies that show lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Number of most CO2 intensive companies within the sectors Utilities, Energy and Materials

#### (h) Data sources and processing

- What are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?
- What measures are taken to ensure data quality?
- How is data processed?
- What is the proportion of data that are estimated?

##### Data sources

PGGM Developed Market Equity Fund makes use of ESG data from the following external data vendors:

- Exclusions and minimum sustainability requirements:
  - Sustainalytics: ESG data is used as input for screening methodology, based on OECD Guidelines for Multinational Enterprises and UN Global Compact Principles
- CO2:
  - Trucost: GHG emission and intensity data

##### SDI Asset Owners Platform

PGGM, APG and two large foreign asset management companies have founded the Sustainable Development Investments Asset Owner Platform (SDI-AOP). As part of the SDI-AOP, a methodology has been developed to determine in an automated way if a company within the investment universe substantially contributes to the UN Sustainable Development Goals (SDGs).

##### Data quality and processing

When selecting data vendors, multiple aspects of data quality are assessed, including the completeness of the data for the intended investment universe of the product, the methodology and data quality controls performed by the data vendor. Data vendors are evaluated prior to the date of contract extensions.

The screening methodology on OECD Guidelines for Multinational Enterprises and UN Global Compact Principles is part of a wider and partly qualitative process in which the data driven results are checked and validated manually for every company that is flagged as a result of the screening.



The CO2 data of Trucost is validated annually, by performing controls on both absolute and relative year-on-year changes in the CO2 scope 1 and 2 absolute emissions and intensity data.

Data collection and further processing of ESG data is performed in multiple ways. The guiding principle for this is to automate the data collection and further processing as much as possible in order to reduce operational risk; e.g. by setting up automated data collection from secured SFTP-locations or by collecting the data from our data distribution partner (FactSet).

#### Estimated data

For the exclusion list we use several data providers and -sources, like Sustainalytics\*) and Truecost:

##### (i) **Product Involvement**

- *Coal*: Estimate: approx. 50% of the revenue from coal
- *Tar Sand*: Estimate: no data available (we expect <50%)
- *Arctic Drilling*: Reported: approx. 24%, Estimated: approx. 76%
- *Tobacco Production*: Reported: approx. 55%, Estimated: approx. 45%

##### (ii) **Controversial Weapons Radar**

The use of estimations in the CWR data is minimal - less than 1% of total data points. The only data point (out of dozens of others) which uses estimations is the Defense revenue data. This data point does not refer specifically to revenues derived from controversial weapons, but rather the overall proportion of revenues derived from defense related activities and has no impact on the company's evidence of activity or category of involvement.

##### (iii) **Country Screening**

The country screening focusses on states on which sanctions have been imposed by the UN Security Council and/or the European Union. Sustainalytics consults reputable third-party sources for both treaty and sanctions research.

\*) In terms of data sources, Sustainalytics typically uses for research across its products (these differ per product) company reports, media reports, governmental sources and NGO reports, as well as data from third party data sources, a list of which is available at: [Legal Disclaimer \(sustainalytics.com\)](https://www.sustainalytics.com/legal-disclaimer).

For CO2 related data we have an approximate coverage of 99% of the total AUM excluding cash and derivatives. Our approach for estimating missing data can be found in the next section "Limitations to methodologies and data".

#### **(i) Limitations to methodologies and data**

What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?

##### Missing ESG data

The most prominent limitation to methodologies and data is the lack of availability of complete and consistent ESG data caused by incomplete, inadequate and/or non-standardized reporting by investee companies in the field of sustainability and sustainability risks. This is a challenge faced by the entire asset management industry, but the expectation is that this will improve over time as more companies adhere to existing initiatives and standards on sustainability (risk) reporting (e.g. CDP, TCFD, PCAF) and because of new legislation in this area (e.g. the EU's Corporate Sustainability Reporting Directive in 2024).

In order to mitigate the risk of missing or inconsistent ESG data, we use multiple external data vendors and we make use of ESG data of the parent company if ESG data of an issues is not directly available. Furthermore, we will estimate ESG data based on sector averages or portfolio averages where needed.

#### Limitations to GHG methodologies

Since absolute GHG emissions (financed emissions), footprint and intensity indicators all make use of financial data (i.e. EVIC and revenue data) these indicators can be impacted by market factors like inflation, volatility in asset prices and FX effects. Still, this is inherent to all commonly used GHG methodologies. PGGM is committed to follow industry standards with regards to GHG calculations and reporting. Most noticeably, PGGM aims to follow the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard and the Task Force on Climate-related Disclosures (TCFD) framework if possible.

### (j) Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

We start by performing a due diligence process into (potential) investments, in order to identify any negative impact an investment may have on sustainability. We do this based on the OECD standards (incorporated in the IMVB covenant) and the UN Global Compact Principles. We consider the following:

- The probability and seriousness of the negative impact;
- The allocation percentage of the company within the portfolio;
- The extent to which the company contributes to the clients' focus areas and 'sustainable world' objectives.

For the selection and assessment of external investors, the External Management department uses the following approach: We aim to select external managers who share the ESG beliefs that we hold at PVBV and who pay attention to ESG risks and opportunities in their investment decision-making processes. We expect external managers to adhere to our views when it comes to responsible investment. In assessing the external managers, we look at the extent to which they are clear frontrunners/opinion-formers in relation to ESG and the extent to which ESG integration is a visible component of the organization and processes. The investment performance of the external investors are also tested, both in relation to financial and social objectives. In addition to the return in euros, we also look more closely at factors including the portfolio's ESG scores and the sustainability impact it has achieved. The ESG performance of the external managers is tested against the mandate's ESG objective as well as compared to the performance of other managers managing a comparable mandate.

For the due diligence of the investments we manage, we use data from several sources: non-governmental organizations (NGOs), specialized data providers, the media and the companies themselves. PVBV then does additional research itself.

In order to establish the seriousness of the negative impact of companies on people and the environment, we have developed a screening method in cooperation with Sustainalytics. This is based on the OECD guidelines for institutional investors. Companies are given a score based on incidents within their own manufacturing sites and incidents in the supply chain.

As PVBV invests in many different investment categories, there is a wide range of possible adverse impacts. These include climate change, human rights such as employment rights, or water shortages. Out of the

possible adverse impacts, PVBV has identified climate change as the most important adverse sustainability impact.

When we identify that an investment comes with negative sustainability effects, we can take various measures. We can move to exclusion, or we can use active shareholding to attempt to change the situation. In other words: based on our findings, we will decide whether we want to invest in a specific company, and if so, how we take up a position as the (active) shareholder.

### (k) Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

#### *Active and involved shareholding*

PVBV uses its influence as a shareholder to constantly monitor developments in the companies in its portfolio and, where necessary, making improvements in the area of ESG. We do this by engaging in conversation (dialogue), by implementing predefined improvements in the area of ESG (engagement), by exercising our voting rights and, in extreme cases, by issuing legal proceedings.

#### *i) Dialogue and engagement*

PVBV has a Responsible Investment (RI) team for setting up, monitoring and reporting on the implementation of engagement. RI uses an assessment framework (see 'Figure: Assessment Framework for Implementation of Engagement' in the Responsible Investment Implementation Framework) to establish the most appropriate way to implement engagement - as established in the policy. Depending on the theme and/or sector, RI uses various (external) data sources and data providers. Information is also involved via our membership organisations and collaborations with like-minded institutional investors. PVBV monitors the progress of executed engagement processes by recording these in an Engagement Data Base (EDB) that we ourselves have built. At the end of the engagement programs and processes, PVBV will establish whether the engagement program has had the desired result. This is where PVBV distinguishes between successful and unsuccessful engagements.

In the event of (a reactive or proactive) engagement, we distinguish between engagement to prevent, mitigate or resolve negative issues in the investment portfolio ('sound basis') and reinforcing the positive contribution to the Sustainable Development Goals (SDGs) that are a focus area ('sustainable world'). In the event of a reactive approach, PGGM will monitor whether there is (a risk of) an incident. As concerns the sound basis, a screening in accordance with the OECD standards (incorporated in the IMVB covenant) is used in order to discuss with clients which companies they wish to engage with.

#### *(ii) Voting (proxy voting)*

PVBV will cast active and informed votes on behalf of its clients. PVBV does this on the basis of publicly accessible voting guidelines (the [Global Voting Guidelines](#)) that are evaluated and updated annually. In order to cast votes, PVBV uses a specialist voting service provider (Glass Lewis). This voting service provider also gives voting advice based on PVBV's aforementioned voting guidelines. This voting platform allows PVBV to vote remotely in the listed portfolio companies. Every quarter, a sample is used to verify whether the voting advice is in line with the voting guidelines at PVBV and the voting service provider itself will make a compliance statement to confirm compliance.

*(iii) Legal proceedings*

PVBV has set up internal systems that enable it to monitor on a worldwide scale where possible proceedings relating to our investments (in listed companies) could be conducted in the interest of its clients. PVBV will look into those opportunities and will provide its clients with reasoned advice as to whether or not to get involved in these proceedings, and if so, in what capacity. Where appropriate, we will use a specialist law firm to conduct a feasibility analysis and/or to conduct proceedings, whether or not jointly with other affected institutional investors.

**(l) Designated reference benchmark**

Has an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

The benchmark is designated to align this product with the environmental and social characteristics that it promotes. The benchmark for this category is the "FTSE Developed Blended PGGM Customised for NE NI CO2 Optimised PGGM Tax Index", not hedged to euro.

The excluded companies are excluded from the portfolio as well as from the benchmark. This means that the benchmark is customised for exclusions. Furthermore, the benchmark also represents the policy by which one third of the most CO2 intensive companies in the sectors Materials/Energy/Utilities are being replaced by the lesser CO2 intensive companies in those sectors. The customised benchmark is being rebalanced for CO2 on a yearly basis and is being adjusted for exclusions on at least on a semi-annual basis.