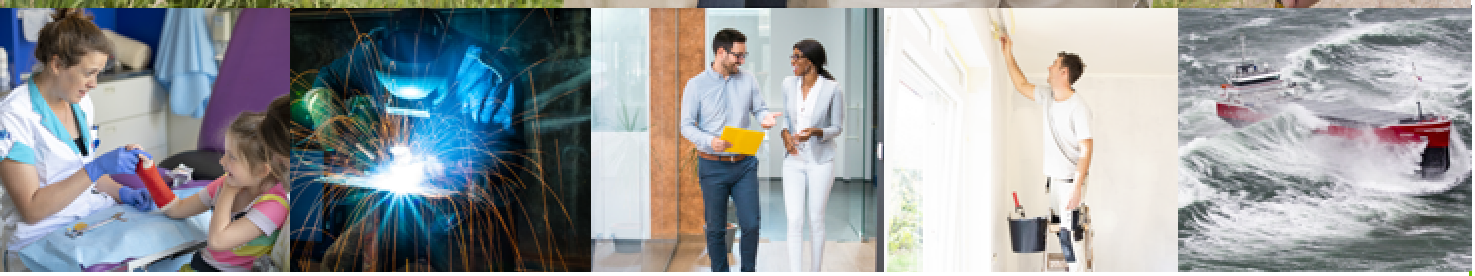


# Annual Report of PGGM N.V.

2024

The original annual report was drafted in Dutch. This document is an English translation of the original. In case of any discrepancies between the English and the Dutch text, the latter will prevail. The official Dutch version is available on our website: www.pggm.nl. The auditor's report of the external auditor does not relate to this translation, but only supervises the official Dutch version.

# Message from the Executive Committee

**2024 was a year marked by momentum and collaboration. We welcomed two new clients – Pensioenfonds Metaal en Techniek (PMT) and Bedrijfspensioenfonds Koopvaardij (Bpf Koopvaardij) – along with more than 300 new colleagues from The Hague. Together, we faced the challenges ahead: the transition to a new pension scheme and our ambition to become the leading 3D investor for Stichting Pensioenfonds Zorg en Welzijn (PFZW). Thanks to the dedication of our colleagues, we contributed to a pension that participants can understand and rely on.**

### Building trust in the new pension scheme

We continued to make significant progress towards transitioning 5.6 million participants to a new pension scheme by 1 January 2026. Together with our clients – PFZW, PMT, Bpf Koopvaardij, Stichting Pensioenfonds voor Personeelsdiensten and Stichting Bedrijfstakpensioenfonds voor het Schilders-, Afwerkings- en Glaszetbedrijf – we are doing everything we can to ensure pension services that participants can trust.

### Scaling up

Our commitment to delivering excellent service extends beyond the pension transition. The integration of MN Pensioenbeheer – including the successful migration of data for 1.4 million PMT and Bpf Koopvaardij participants to our pension administration system MAP in January 2024 – marked a significant scale-up. In July 2024, we officially welcomed PMT and Bpf Koopvaardij as clients. We are proud of this milestone and pleased to welcome our new colleagues in Zeist and The Hague.

### A future-ready investment organisation

We made strong progress both in managing the portfolio and preparing our organisation for the challenges ahead. From 2024 onwards, we invest exclusively for PFZW in public markets. Our new investment process reflects our shared ambition: to integrate sustainability, return and risk – the 3D approach – into PFZW's portfolio. The launch of the Climate and Energy Transition Solutions impact mandate marks a concrete step towards realising that ambition.

### Vitality in the health and welfare sector

We continue to contribute to the mental, physical and financial wellbeing of workers in the sector. We are increasingly making effective use of data to support this. In 2024, we introduced the Vitality Monitoring Platform for employers in health and welfare, and contributed to the Prevention Plan aimed at reducing absenteeism and staff turnover.

### Resilience, inclusion and diversity

At PGGM, everyone belongs. We need all our colleagues to meet the challenges ahead and deliver the best outcomes for our clients' participants. By strengthening our own resilience and working closely together, we are able to achieve these results.

### The Executive Committee


Edwin Velzel


Willem Jan Brinkman


Geraldine Leegwater


Jeroen de Munnik


Alexandra Phillippi

# Contents






# 1. Directors’ report

# 1.1 How and for whom we create value

## 1.1.1 What we do

Based on our joint Strategic Vision 2030 with Stichting Pensioenfonds Zorg en Welzijn (PFZW), we are working towards a good pension for the participants of our clients, a vital health and welfare sector, and a liveable world. We pursue these goals through our pension services, investment management, and services for the health and welfare sector. The participants of our clients are at the centre of everything we do; they can rely on us.

It is essential that our strategy is well aligned with the needs and aspirations of our key stakeholders, including clients, their participants, employers and social partners, as well as our employees and suppliers. Therefore, we have identified relevant themes, presented them to our stakeholders and asked them how important they consider them to be. These jointly chosen themes were then incorporated into our strategic direction.

### Our strategic direction towards 2030

#### Participants (of our clients)

**Trust in the new pension system**

- We are committed to a good pension van system and a careful transition to that system
- We are transparent in our information on the impact of the new regime
- We help raise awareness of (future) finances

#### Pension services

**Reliable services**

- We deliver excellent customer service with trade-offs between cost, performance, satisfaction and convenience
- Our pension services are futureproofed by serving multiple customers leading to economies of scale

#### Investment management

**Good pensions in a liveable world**

- In our investment decisions, we focus on risk, return and sustainability. We use our influence to move companies in sustainable directions
- We allocate part of the portfolio we manage to impact investments
- Our investment process is futureproofed through the use of data and digitalisation

#### Services for the health and welfare sector

**Vital health and welfare sector**

- With our knowledge, data and experience, we develop solutions that address labour market issues in the sector
- We contribute to enhancing the vitality of employees, employers and the health and welfare sector as a whole

#### Organisation

**Future-proof business operations in an inspiring work environment**

- From our financial position, we can meet all financial obligations and needs. It also enables us to make further necessary investments in the coming years
- To add even more value for our customers, employers and participants, we are committed to an agile organisation and we incorporate sustainability in all our actions
- Out of social interest and to attract, retain and develop talent, we work to create an inspiring, innovative and inclusive work environment

## The key figures from our services per client line

### Pension services

| | Number of members |
|---|---|
| Pensioenfonds Zorg & Welzijn | **2,949,600** |
| BPF Schilders | **102,800** |
| StiPP pensioenfonds | **1,466,900** |
| PMT pensioenfonds Metaal & Techniek | **1,240,700** |
| Koopvaardij | **48,400** |

### Services for the health and welfare sector

| | Number |
|---|---|
| | **1,419,000** employees |
| PGGM &CO | **500.000** members (of which **350.000** active members) |

### Investment management

| | Assets under management in public and private markets |
|---|---|
| Pensioenfonds Zorg & Welzijn | **€ 258.6** billion |
| | **Belegd vermogen in private markten** |
| BPF Schilders | **€ 0.5** billion |
| Smurfit Kappa Pensioenfonds | **€ 0.1** billion |
| sph Pensioenfonds voor Huisartsen | **€ 1.6** billion |
| Pensioenfonds Particuliere Beveiliging | **€ 0.3** billion |

### Total

PGGM

**5,808,400** participants

**261,1** billion in assets under management

### Pension services

For PFZW, Stichting Pensioenfonds voor Personeelsdiensten (StiPP) and Stichting Bedrijfstakpensioenfonds voor het Schilders-, Afwerkings- en Glaszetbedrijf (BPF Schilders), we administer the pension scheme, provide governance support, and ensure clear communication with their employers and participants.

With the transition of pension services from MN to PGGM in July 2024, we have also taken on the administration of the pension schemes for Pensioenfonds Metaal en Techniek (PMT) and Bedrijfspensioenfonds Koopvaardij (Bpf Koopvaardij).

### Investment management

Since 2024, we have been investing exclusively for PFZW in public markets. This is also the intended end state for private market investments. This approach enables PFZW to make independent investment decisions. As private market investments often involve long-term commitments, BPF Schilders, Stichting Pensioenfonds Smurfit Kappa Nederland (Smurfit Kappa), Stichting Pensioenfonds voor Huisartsen (SPH), and Stichting Bedrijfstakpensioenfonds voor de Particuliere Beveiliging (Particuliere Beveiliging) continue to participate in private market funds, in accordance with prior agreements.

### Services for the health and welfare sector

With our knowledge, data and experience, we develop solutions that address labour market issues in the health and welfare sector. In doing so, we also contribute to enhancing the vitality of employees, employers and the health and welfare sector as a whole.

## 1.1.3 What value we create

Our value creation model shows how we use labour, capital and other resources, and the economic, social and environmental benefits this generates for various stakeholders, including their participants, employers, social partners, our employees, and society.

### Input

For our business model to function optimally, we need our people and their expertise. Other key elements include a solid financial foundation, future-proof IT systems, professional data management, and ergonomic and sustainable office and remote work facilities.

### Trends, risks and opportunities

We closely monitor external developments that influence the role we play in creating value, identifying key trends, risks and opportunities. Recent examples include the impact of the new pension system and the public debate on 3D investing, where we integrate return, risk and sustainability into our investment process. These developments can significantly affect the strategy, business model and performance of companies in our sector.

### Business model

Our business model captures both what we do and what we stand for. It defines how we create value. We aim to make a meaningful contribution through our pension services, investment management and services for the health and welfare sector. The foundations for this are set out in our Strategy 2030, which is subject to regular and integrated oversight. We also actively manage our progress across seven key sustainability themes: climate impact and energy transition, cost-effective pension services, a comprehensible pension, attractive employment, vitality in the care and welfare sector, ethical, integrity-driven and responsible business conduct, and data security, data quality and data privacy. In our sustainability report, we provide insight into both the positive and negative impact our activities have within these seven themes on the environment, society and good governance (Environmental, Social, Governance – ESG).

### Output and outcome

The work we deliver creates social value, this is our outcome. For our clients, their participants, employers and social partners, we do this by maintaining and strengthening trust through cost-effective and reliable pension services. For the health and welfare sector, we invest in innovative solutions to help close the care gap – the growing divide between demand for and supply of care. For our employees, we aim to offer an inspiring, innovative and inclusive working environment. And for society at large, we are committed to contributing to a liveable world. Our strategic goals are closely intertwined with our sustainability ambitions. Further details are available in our sustainability report.

### Contribution to the SDGs

Alongside our sustainability ambitions, we align our work with the seventeen United Nations Sustainable Development Goals (SDGs). Section 2.4.4 of our sustainability report presents a visual overview of how our efforts relate to these goals. Through our core activities and strategic agenda, we contribute to SDG 1 (No Poverty), SDG 3 (Good Health and Well-being) and SDG 13 (Climate Action). We actively minimise the negative impact of our operations and seek to maximise their positive contribution wherever possible.

# Value creation model PGGM N.V. 2024

## Input

### Financial capital
- €235.0 million in equity
- €453.8 million in operating income

### Intellectual capital
- Robust (IT) systems and processes
- Professional data management
- Easy access to our network from any device

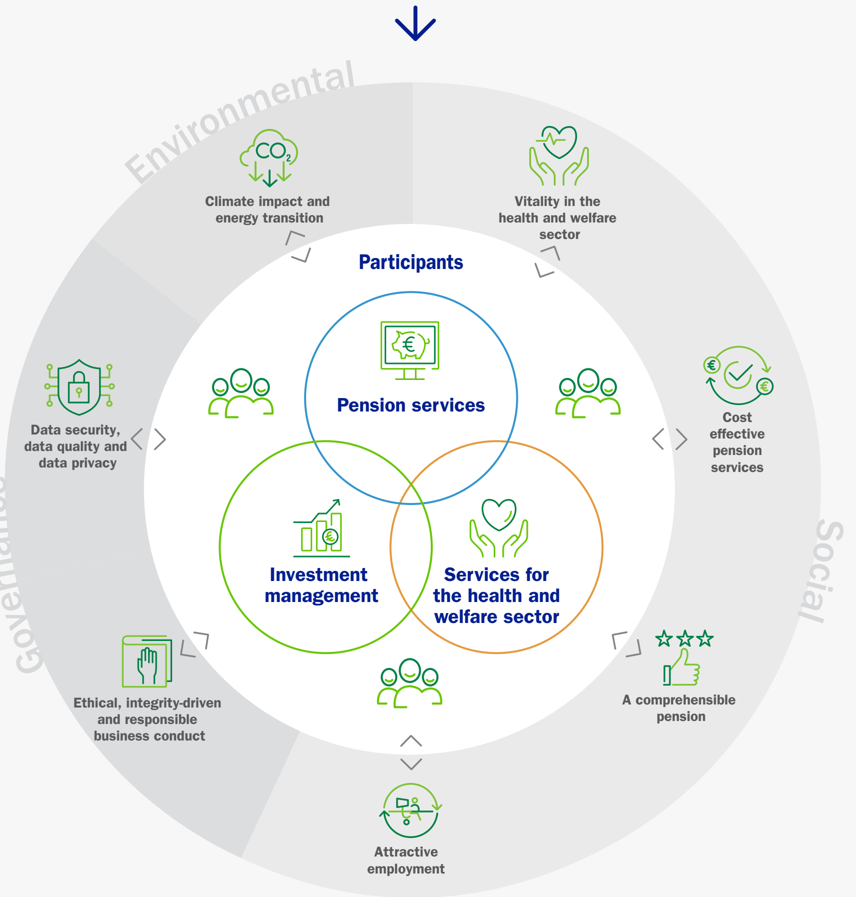
### Human capital
- Over 1,900 internal employees
- Over 480 external employees
- Knowledge, experience and motivation

### Social capital
- Participant trust
- Customer relationships
- Network of external suppliers
- Licences/permits from regulators and other institutions

### Natural and produced capital
- Electricity, water, and other energy sources
- Ergonomic and sustainable office facilities

## Business model PGGM

Based on our joint Strategic Vision 2030 with PFZW, we are working towards a good pension for the participants of our clients, a vital health and welfare sector, and a liveable world.




Future-proof operations within an inspiring work environment

### Trends, risks and opportunities

Growing labour market shortages, a new pension scheme, social developments, changing needs and expectations from different clients and generations, shifting norms and values regarding sustainability, geopolitical developments due to shifts in power and markets, and changing competitive dynamics in the pension sector.

## Output

### Pension services
- Future-proof pension services for 5.8 million participants
- Gouden Oor recognition: level 4 out of 5 with 87.5 points
- Appropriate cost per participant
- Implementation of the new pension scheme on track

### Investment management
- €261.0 billion in assets under management
- Transition from 2D to 3D investing
- Achieved return on assets under management: 7.7%
- New flexible and scalable investment process
- Implementation of the new pension scheme on track

### Services for the health and welfare sector
- Number of affiliated Vernet institutions: 350
- Number of PFZW data services subscriptions: 1,814

### Organisation
- Implementation of operational client agreements: 95%*
- Employee engagement score: 7.2
- Mobility-related $CO_2$ emissions per FTE: 2.2
- Male/Female/X: 61% / 39% / 0%
- 98% of our employees have signed the Code of Conduct declaration
- ISO 27001 certification

* This percentage excludes the implementation of operational client agreements with PMT and Bpf Koopvaardij.

## Outcome

**Ensure reliable service delivery**

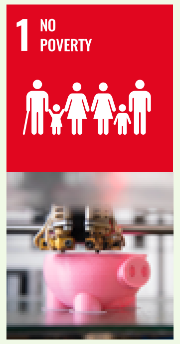
**Contribute to a good pension in a liveable world**

**Contribute to a vital health and welfare sector**

**Contribute to confidence in the new pension system**

**Ensuring future-proof operations within an inspiring work environment**

## Contribution to the SDGs




We stand for a future-proof pension

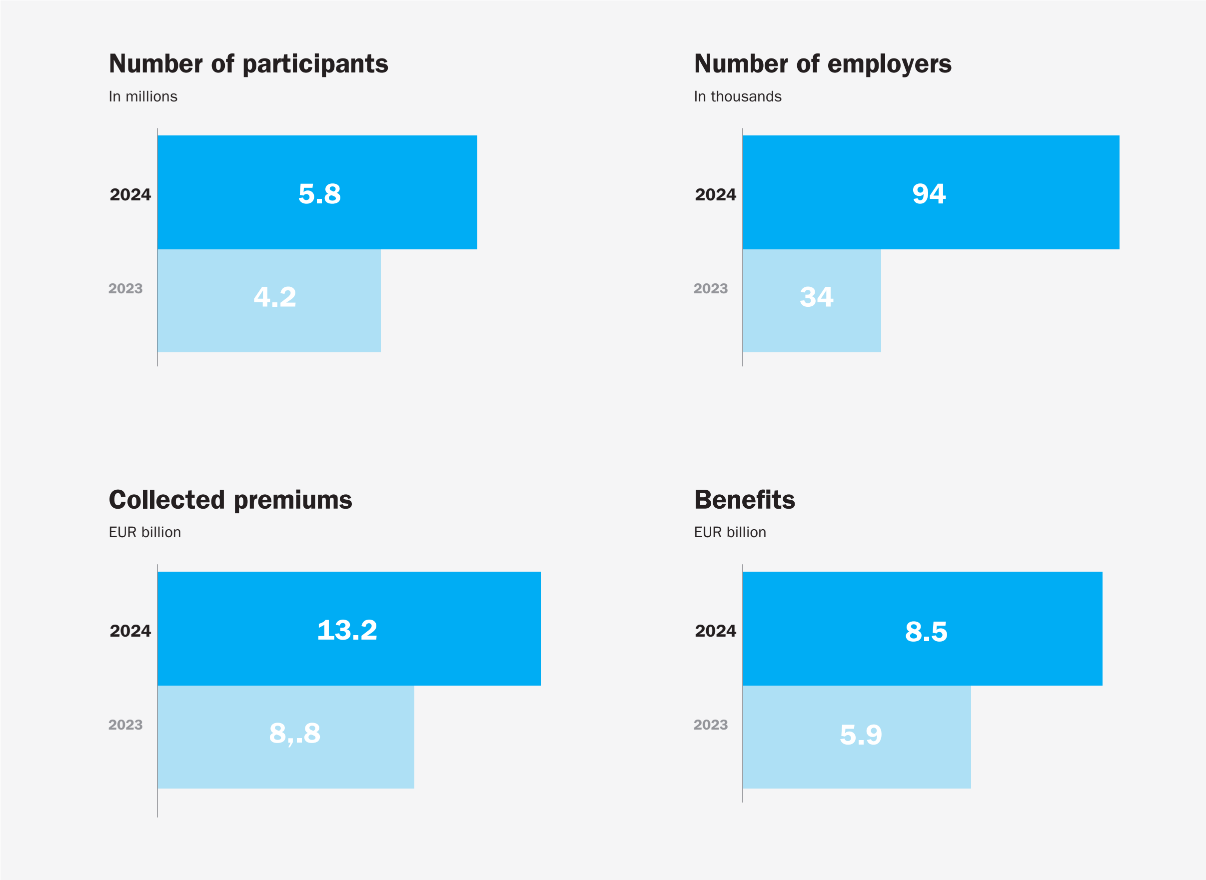

We are a solid value in health and welfare


We contribute to liveable world

# 1.2 Our achievements in 2024

## 1.2.1 Pension services

**We have a social responsibility to deliver high-quality pension services at a responsible cost level. It is important that these services evolve in line with major transitions, such as the shift to the new pension system and technological developments in data and artificial intelligence (AI). We aim for excellent customer service at appropriate costs and seek to maintain and enhance the trust of our clients' participants, employers, and social partners.**




### Transition to a new pension system

In 2024, we made significant progress in implementing the new pension scheme and the financial framework for our clients within PGGM Pensioenbeheer and PGGM Vermogensbeheer (PGGM Investments). After they made most of their decisions for the new scheme at the beginning of 2024, we spent the rest of the year following an intensive process with them to support the approval of the agreement by social partners and the process with the regulator. This is to ensure that our clients can submit their implementation plan to De Nederlandsche Bank (DNB) in 2025.

Additionally, we continued preparing for the transition to the new pension system. To ensure this process is transparent and controlled, we are developing a control framework in collaboration with our clients to support this transition.

Due to the transfer of MN's pension services, we are also responsible for the pension transition of PMT and Bpf Koopvaardij. The entire transition requires careful planning and close collaboration. Although considerable efforts were made in 2024, not all milestones were met. However, our ambition to transition all clients to the new system by 1 January 2026 remains unchanged.

### Strengthening trust in the pension system and the new pension scheme

Through PGGM Pensioenbeheer and PGGM Vermogensbeheer, we are also supporting our clients' participants and employers in the transition to the new pension system. By providing clear and timely information, we aim to ensure that they approach this transition with confidence, and that their trust in the pension system is maintained and strengthened. We contribute to this by focusing on the participant's perspective, implementing an appropriate pension scheme, and through the active involvement of our experts in the public dialogue on pensions. In 2024, we also continued our efforts to make pension information more accessible for our clients' participants.

### Excellent and personalised client service

#### Improved service for our clients' participants

In 2024, we further enhanced our services and tailored them more closely to the needs of our clients' participants. Despite other priorities, such as the implementation of the new pension scheme, we remain committed to achieving high levels of client satisfaction. For all our clients – including the PMT and Bpf Koopvaardij pension funds – participant satisfaction consistently remained well above 8. In the recertification of the Gouden Oor standard for our service to PFZW participants, we scored 87.5 out of 100 points.

#### Digitalisation

A key priority was expanding our digital reach. Today, the majority of client interactions take place through digital channels. With targeted campaigns, we aim to reduce physical mail further across all associated funds and increase the use of digital communication. Where needed, personal contact remains essential.

#### Personalisation

In 2024, we established a strong foundation for further personalising our client services. By capturing new data points and aligning our IT infrastructure accordingly, we are better equipped to address individual needs. This not only supports our excellent client service but is also key to the transition to the new pension system. We aim to make communication about this transition as personal as possible – and with this new foundation in place, we are well positioned to do so.

#### Inclusivity and accessibility

Inclusivity remains a core value in our service provision. This year, we paid extra attention to vulnerable groups, such as people with low literacy and participants facing debt-related issues. As a result, participant satisfaction has increased.

#### Improved service for our clients' employers

#### Enhancing convenience

We are also continuously improving and digitalising our services for our clients' employers. This enables them to carry out administrative tasks and access information more easily and independently.

In 2024, we introduced a more secure login method via eHerkenning (electronic recognition). For several funds, login via username and password has been fully replaced by eHerkenning. Following a short adjustment period, the transition went smoothly, and we have since received significantly fewer client reports related to login issues.

The satisfaction of employers affiliated with PMT and Bpf Koopvaardij has increased significantly during and after the transfer of administration to our organisation – partly due to the introduction of automatic direct debit. The satisfaction score rose from 7 to 8.

**Automated UPA for PMT**

As of 1 January 2025, PMT employers will submit data to us automatically via the Uniform Pension Statement (UPA). The transition to the UPA standard brings significant benefits for PMT employers. For us, it enables further standardisation of employer processes, resulting in greater efficiency, faster and more up-to-date processing, and a reduced risk of errors. This concerns the pension data of more than 424,000 PMT participants, employed by over 37,000 employers.

### Client services for PFZW' social partners

Social partners play an essential role in ensuring support for the new collective pension scheme. On behalf of PFZW, we therefore also provide services to its social partners, focusing on pension information, engagement with their constituencies, and support relating to mandatory participation and collective labour agreement or labour market matters. In 2024, we further strengthened our communication around pension information – particularly regarding the new pension scheme and PFZW Data Services – on behalf of PFZW.

## Cost-effective and future-proof pension services

We aim to deliver high-quality services at a responsible cost level. We pursue this by scaling up our pension administration, standardising the pension product, and further digitalising our processes.

### Scaling up through the transfer of MN's pension services

Following the transfer of MN's pension portfolios, we now manage the pensions of 5.8 million participants. In July 2024, pension services for the PMT and Bpf Koopvaardij pension schemes were also transferred from MN to PGGM. This acquisition provides the scale we consider essential for delivering future-proof pension services. With this increased scale, we aim to reduce costs over time while improving the quality of service for both participants and employers

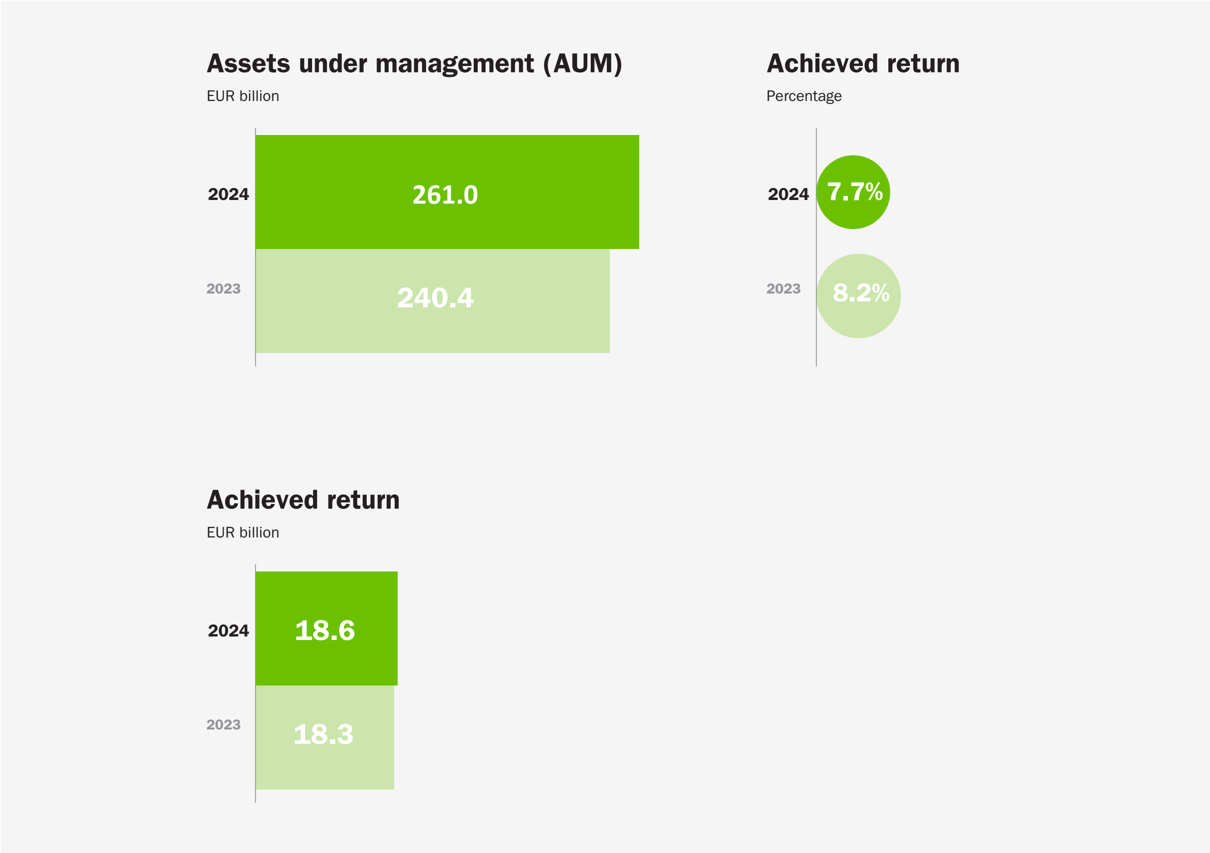
### Further development of pension administration

Our pension administration system, MAP, plays a key role in the upcoming pension transition. The increase in scale strengthens our ability to continue investing in the system. In 2024, more than 200 DevOps engineers worked on its development. Based on the choices made by our clients, we built the core functionalities needed to administer the new pension scheme. We expect to complete the system set-up in 2025, enabling us to meet all new regulatory requirements on time. Our focus is on building a robust and scalable IT infrastructure.

We have largely migrated to the Azure Cloud, which allows us to respond more quickly to changes in laws and regulations and to manage increasing complexity in pension administration more efficiently. This enables us to serve our clients in a flexible, reliable, and tailored manner.

## 1.2.2 Investment management

**Based on our joint Strategic Vision 2030, we aim to exclusively invest on behalf of PFZW, which we have been doing in public markets since 2024. This is also the desired end state for private market investments. Our new investment process supports our goal of integrating return, risk, and sustainability into PFZW's portfolio. The first impact mandates provide a concrete way to achieve this, allowing us to focus on strong financial results and long-term value for participants.**




In 2024, we achieved strong results once again. We further prepared our organisation for future challenges while continuing our regular investment activities and ensuring the controlled management of our clients' assets, without any significant incidents.

Our clients' assets under management (AUM) grew to €261.0 billion (2023: €240.4 billion). The return on investments was 7.7% in 2024 (2023: 8.2%). Although the return was higher, the costs of interest rate risk hedging impacted the final result. The investment result for 2024 amounted to €18.6 billion (2023: €18.3 billion).

### Investment Policy 2030

We are confident in the direction set by our Strategy 2030. With PFZW's Investment Policy 2030, we integrate risk, return, and sustainability (3D) into PFZW's portfolio and investment processes, giving equal importance to all three dimensions. This approach aims to create long-term value for the participants.

In 2024, we further refined the definition of 3D investing, ensuring that every investment position in the portfolio we manage can be justified based on risk, return, and sustainability. We developed sustainability standards and criteria for a well-balanced portfolio and further tightened the minimum requirements that investments must meet.

PFZW aims to achieve a net-zero investment portfolio by 2050. In 2024, we took the first steps towards realising this ambition.

### 3D investing: balancing financial return, risk and sustainability

For several asset classes, we have started developing 3D prototypes. In 2024, we initiated the design of two new portfolios for PFZW. We also made the first tangible progress on our 3D ambitions within the new impact mandate, Climate and Energy Transition Solutions (CETS). Through this mandate, we invest in companies across Europe that contribute to the energy transition in various ways. Our investments include companies that remove $CO_2$ from the atmosphere, capture and recycle industrial gases, and supply green energy to heavy industries such as steel manufacturing through innovative processes.

In 2024, approval was also granted to launch a second impact mandate, focusing on the Dutch health and welfare sector. Under this mandate, we will invest on behalf of PFZW in companies that offer solutions to the challenges faced by the Dutch health and welfare sector, contributing to its future-proofing. For instance, on behalf of PFZW, we have invested in Momo Medical, a company based in Delft that develops, among other things, bed sensors for healthcare.

### New investment process

Investment Policy 2030 goes beyond introducing 3D investing – it also calls for an integrated approach to the investment portfolio. To support this, we developed a new investment process that offers greater agility, shorter time-to-market, and a more streamlined investment management chain with regular evaluations. This provides the flexibility and scalability needed for the transition to the new pension scheme and the implementation of PFZW’s Investment Policy 2030.

## A future-proof investment organisation

In 2024, we worked on a new investment organisational structure to remain future-proof. As part of this, PGGM Vermogensbeheer and PGGM Advies Vermogensbeheer were merged under one management, and a new 3D Total Portfolio department will be established in 2025. This structure supports an integrated portfolio approach and 3D investing.

Furthermore, we are focusing on advanced technology, new data sources (such as those related to sustainability), and new ways of working collaboratively. In combination with the development of our employees, this enables us to execute PFZW's policy as effectively as possible. The new investment organisation will be implemented in 2025.

### The Future Pensions Act

The Future Pensions Act (Wet toekomst pensioenen, Wtp) affects our entire organisation, including PGGM Vermogensbeheer. PFZW has opted for the solidarity-based defined contribution scheme.

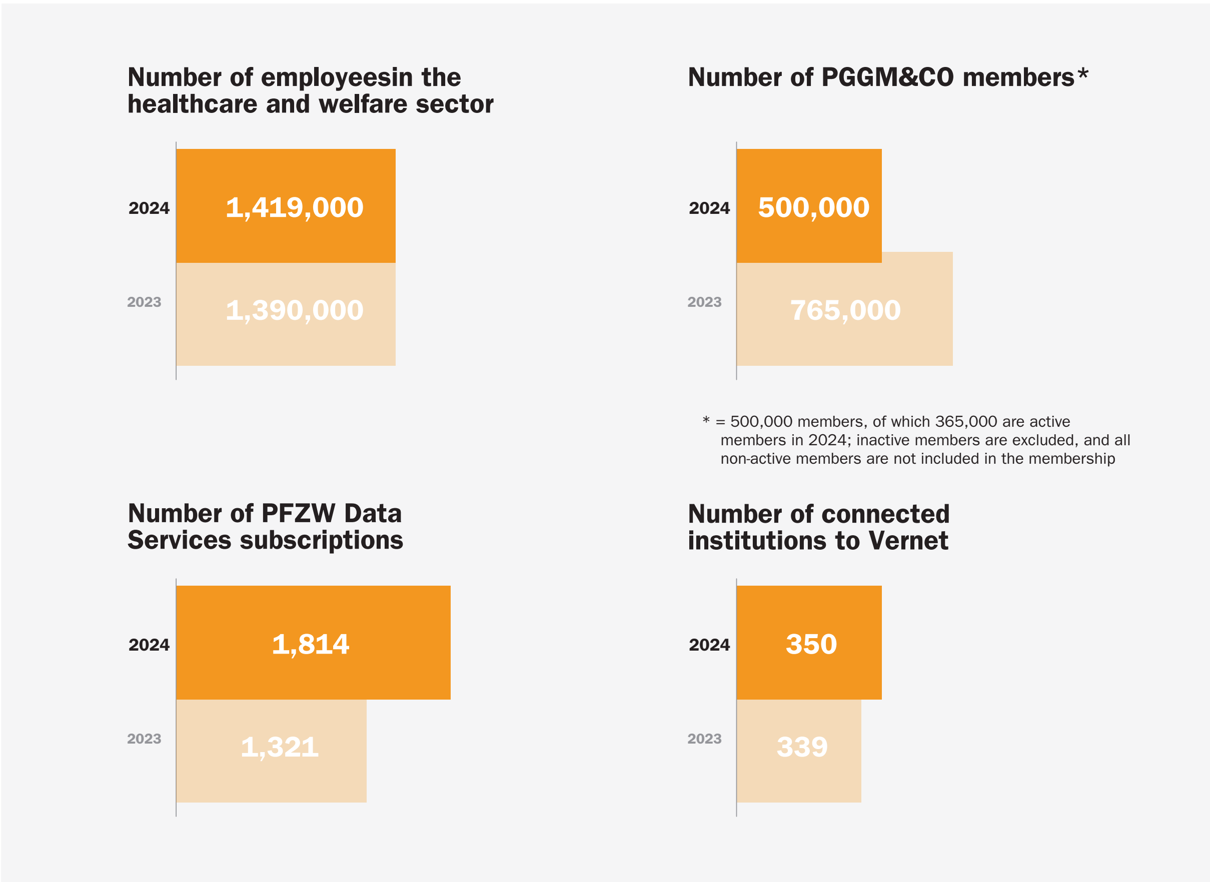
As a result, we are preparing our investment organisation for the implementation of this scheme, as well as for the necessary system adjustments. All required changes have been identified and scheduled. In addition to working closely with our clients, we have also involved their social partners and members in the process to maintain – or strengthen – their trust in the new scheme.

### Regulation

In 2024, new regulations came into effect, including the European Market Infrastructure Regulation III (EMIR III), which governs the infrastructure of the European financial markets. Attention also remained focused on existing European and Dutch regulations, such as the Sustainable Finance Disclosure Regulation (SFDR), which requires detailed sustainability information on relevant financial products to be made transparent by our Investment Management team. Throughout 2024, PGGM Vermogensbeheer operated under the AIFMD licence with a MiFID extension, which means we are required to comply with MiFID II regulations.

## 1.2.3 Services for the health and welfare sector

**In line with our shared strategic vision with PFZW, we are committed to strengthening the health and welfare sector. Through our broad range of HR services, we aim to improve working conditions and enhance employee vitality. We are increasingly joining forces across PGGM&CO (our member organisation), Vernet (the market leader in HR and absence data for the care sector), and PFZW Data Services, which leverages data to help address workforce challenges in health and welfare. This collaboration is reflected in initiatives such as 'het Preventieplan'.**




### Vital employees: fitness and job satisfaction

A healthy and motivated employee is essential for a strong health and welfare sector. In 2024, we focused once again on promoting the mental, physical, and financial well-being of employees. We organised webinars and masterclasses, conducted research, and promoted an online platform for a healthy lifestyle. Furthermore, we ran campaigns, such as the Prinsjesdag campaign, where we highlighted the impact of Prinsjesdag on employees in the sector through our social media, reaching over 24,000 unique visitors.

### Het Preventieplan

By the end of 2024, fourteen health and welfare organisations were working on ‘het Preventieplan’, with an additional four organisations starting in 2025. Through ‘het Preventieplan’ for employees in health and welfare, we, together with FWG and IZZ, are supporting the directors of health and welfare organisations to sharpen their current policies and initiatives, aiming to reduce unwanted turnover and absenteeism. By 2027, the eighteen participating organisations aim to achieve a 25% reduction in absenteeism and unwanted turnover.

In July 2024, an interim report was presented to the Ministry of Health, Welfare and Sport (VWS), where we shared our initial findings: Preventieplan voor medewerkers in zorg en welzijn bereikt mijlpaal | Preventieplan arbeidsmarkt zorg en welzijn.

### Vital employers: support and innovation

Employers play a key role in creating a healthy work environment. In 2024, we developed various tools and initiatives to support them in this effort. The Vitality Monitor environment helped organisations gain insights into both physical and mental well-being, with new modules such as social safety and workload monitoring. We also refreshed the Vernet platform for absenteeism and HR data, improved the Strategic Workforce Planning (SWP) module, and organised webinars on vital leadership and working until retirement, with twice the number of participants in 2024 compared to 2023.

Through PFZW Datadiensten, we provide employers with insights into turnover and absenteeism via modules within the HR portal, including Insights & Benchmark, Analysis, and the new Forward-Looking module. The latter features dashboards that offer predictions, such as staff turnover. The HR data portal also includes the SWP tool, which allows employers to forecast healthcare demand and the required FTEs for the next five years. Scenarios can be adjusted based on variables like retirement age. In 2024, the portal received a customer satisfaction score of 7.7 (2023: 8.0).

### Vital health and welfare sector: collaborations and initiatives

In 2024, the demand for healthcare and the pressure on staff continued to rise. To contribute to a vital sector, we worked on innovative initiatives with PFZW and other partners, in addition to promoting the vitality of employees and employers. For instance, we introduced masterclasses and the Job Demands Resources model to reduce workload and increase resilience. Webinars such as the Attens Mortgage session and the use of Budget Coaches were employed to provide employees with insights into their financial situation and reduce stress.

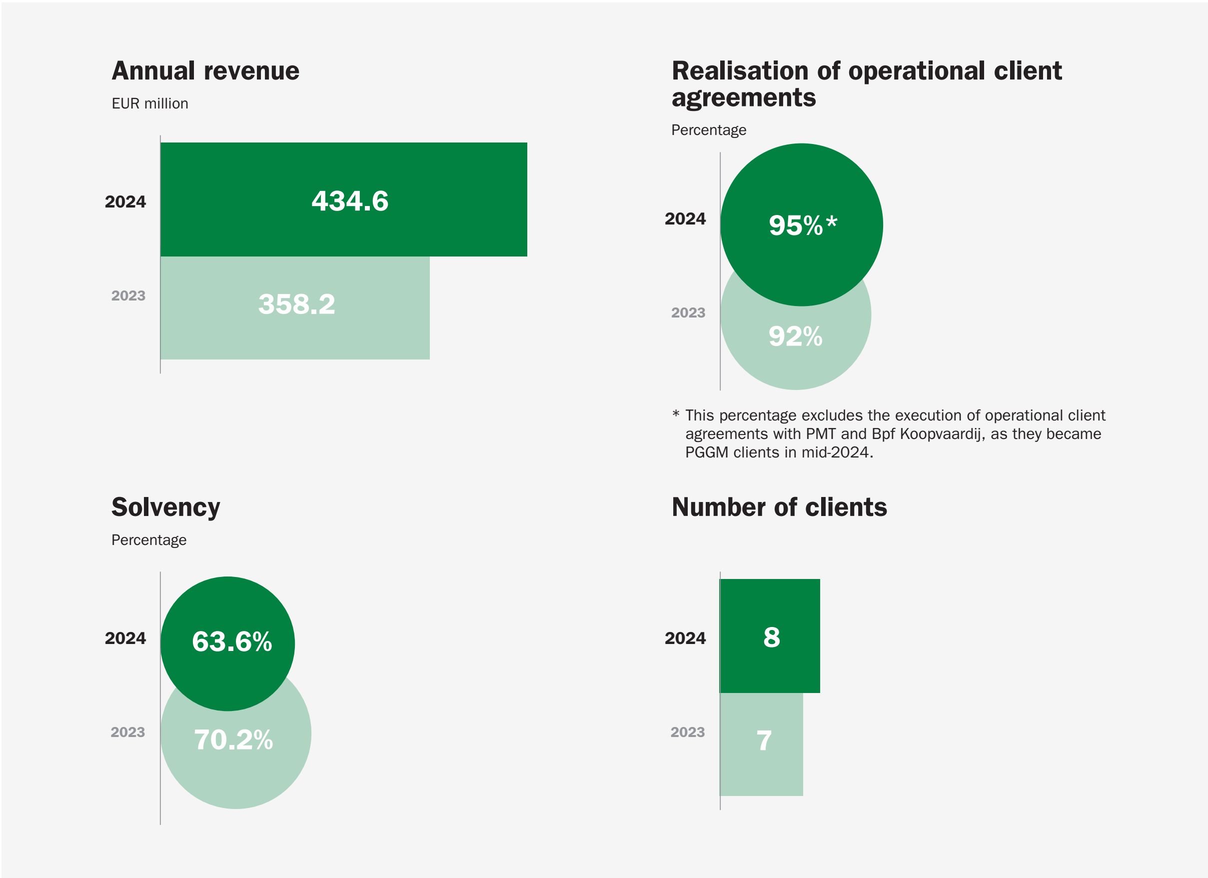
### Collaborations

Our collaboration with the Ministry of Health, Welfare and Sport (VWS) has been extended until November 2025. As a result, the Insights & Benchmark module will remain freely available, and regional employer organisations can continue to request labour market customisation. In addition to our existing partnership with the Capacity Body, we have started a new collaboration with ‘Het Potentieel Pakken’, focused on staffing shortages and financial vulnerability.

Through PFZW Datadiensten, we provided twelve data deliveries to social partners in 2024. These primarily consisted of HR data providing insights into employee inflow, outflow, part-time factor, and length of service. We also worked together to further deepen the understanding of professions in the sector. For example, the job model was expanded to include specific healthcare professions. We concluded the year with a relationship day, focused on collaboration and knowledge sharing within the labour market data ecosystem. Together with PFZW, we continue to contribute to a vital and resilient healthcare and welfare sector.

## 1.2.4 Our operations

**At PGGM, we focus on innovation and data to deliver even more value for our clients, employers and members. We also ensure that our organisation remains dynamic and adaptable. In everything we do, we are aware of the impact it has on the world of tomorrow. Which is why we embed sustainability in all our actions.**




The table below shows a negative result of €8.3 million in 2024, primarily due to a one-off impairment on buildings and land.

**Income statement**

| All amounts in million euro's | 2024 | 2023 | Verschil |
|---|---|---|---|
| Total operating income | 434.6 | 358.2 | 76.4 |
| Total operating expenses | -453.9 | -366.4 | -87.5 |
| Financial income and expense | 9.2 | 7.5 | 1.7 |
| **Result before taxes** | **-10.2** | **-0.7** | **-9.5** |
| | | | |
| Taxes | 2.2 | 0.0 | 2.2 |
| Result from participating interest | -0.3 | -0.3 | -0.0 |
| **Result after taxes** | **-8.3** | **-1.0** | **-7.3** |

In 2024, operating income amounted to €434.6 million, generated through the services we provide for our clients (pension administration and/or asset management), our services for the health and welfare sector, and by sharing our pension administration system as part of our collaboration with MN. These revenues were offset by operating expenses amounting to €453.9 million.

The increased expenses mainly consisted of personnel costs, costs for outsourced services and external contractors, as well as other operating expenses including IT, accommodation, and an impairment loss on buildings and land.

Financial income for the year was €9.2 million, primarily comprising interest received on funds held with banks and in money market funds. After recognising a negative financial result of €0.3 million on our investment in Design Authority B.V., the net result for 2024 was a loss of €8.3 million. This outcome reflects a deliberate decision to invest in our new strategy, the transition to the forthcoming pension system, and further IT and digital developments. These investments are considered essential to future-proof the organisation and fully aligned with our multi-year strategy.

In 2024, financial income amounted to €9.2 million. This primarily comprised interest income earned on funds placed with banks and money market funds.

After accounting for a negative financial result of €0.3 million related to our stake in Design Authority B.V., the overall post-tax result was a loss of €8.3 million. This outcome reflects a deliberate strategic decision: we are investing in the implementation of our new strategy, the transition to the new pension system, and further IT and digitalisation developments. These investments are essential to ensure the future resilience of our organisation and align with our long-term strategic objectives.

### Comparison of financial results: 2024 versus 2023

The financial result declined by €7.3 million to a loss of €8.3 million in 2024, compared to a loss of €1.0 million in 2023, mainly due to increased operating expenses.

Both operating income and financial revenues increased. Following the transfer of pension administration activities from MN to PGGM in July 2024, we started managing the pension schemes for PMT and Bpf Koopvaardij. This expanded service offering, together with growth in assets under management and revised pricing agreements with existing clients, led to an increase in operating income of €76.4 million, reaching €434.6 million in 2024 (2023: €358.2 million). Financial income and expenses rose by €1.7 million to €9.2 million (2023: €7.5 million), reflecting positive interest yields on our money market fund investments.

These increases in income were offset by a rise in operating expenses, which grew by €87.5 million to €453.9 million in 2024 (2023: €366.4 million). Personnel costs increased as a result of the additional staff from the MN pension business transfer, recruitment of new employees, and regular salary adjustments under collective labour agreements. A significant factor contributing to the rise in expenses was a one-off impairment loss of €15.9 million on buildings and land, recognised in 2024. Moreover, costs related to outsourced work and other external services increased due to the deployment of external personnel to support the PMT and Bpf Koopvaardij schemes and higher fee rates.

### Allocation of the result

The negative result will be charged to equity. Consequently, equity amounted to €234.5 million at the end of 2024 (2023: €258.7 million), meeting the minimum target capital as defined in our equity policy.

In 2024, PGGM N.V. paid a dividend of €16 million to PGGM Coöperatie U.A. Within PGGM, interest income and expenses are allocated across the entities based on liquidity distribution under the balance and interest compensation system. PGGM Coöperatie U.A. held a negative bank balance and does not generate its own income, resulting in recurring charges, mainly fees and interest expenses, which cause an annual loss. The dividend payment to PGGM Coöperatie U.A. compensates for the negative bank balance and covers these costs.

Our solvency ratio stood at 63.6% as at 31 December 2024 (2023: 70.2%), remaining at a prudent level. This ratio is calculated as equity divided by total assets.

The slight decrease in solvency is due to a reduction in equity and a marginal increase in total assets. The decline in equity stems from the dividend payment to PGGM Coöperatie and the negative financial result.

### Cash and money market funds

We hold funds with banks and in money market funds. As at 31 December 2024, the value of these assets amounted to €268.4 million (2023: €248.7 million). The increase in cash is largely attributable to improved cash flow from operating activities.

Of these funds, €117.9 million was invested in two money market funds (2023: €113.7 million). These investments are explained under 'Securities' in the financial statements. By holding our funds in money market funds, we exchange individual bank counterparty risk for a diversified product.

We maintain a strong liquidity position to ensure we can meet our obligations. In 2024, our liquidity was sufficient and there was no need for additional financing.

## Ready for change

The transitions we are undergoing, along with changes in how we communicate with our clients' members, require us to invest in our ability to adapt—enabling us to respond quickly to new challenges. Our organisational culture plays a key role in this; it forms the foundation of our success and strategy. To strengthen our organisation and guide our daily work, we launched a culture programme in 2024. This programme serves as a compass, helping us build an inclusive, strong, and future-focused culture together.

### Improvements in our IT

To keep pace with global developments, we must be able to implement IT changes more quickly and at greater scale. A strong technological foundation is vital to continue delivering our services in the years to come. This requires a less complex IT landscape, flexible and effective management of our IT capacity, and technology that enables teams to work autonomously. We are also investing in the skills and expertise of our employees.

In 2024, we further expanded the use of the Scaled Agile approach within IT. This helps us work in a coordinated way on multiple complex products and to respond more quickly to evolving customer needs and technological developments.

### Transition to the Cloud

We have been using a hybrid infrastructure for our business applications for some time, partly hosted in the Microsoft Azure Cloud and largely on-premises. In 2024, we invested in strengthening our cloud foundation, developing cloud-native designs, and running pilots to migrate our applications and tools. This solid groundwork enabled us to migrate a large part of our IT landscape in 2024—a process we will continue in 2025.

It is a complex transition that affects all IT departments, but one that allows us to reduce complexity. Once completed, we can shift our focus more towards cloud platform engineering, workplace solutions and data analytics, while at the same time modernising underlying services such as security, compliance, identity and service management for the Cloud and Software as a Service (SaaS).

### Use of artificial intelligence (AI)

In 2024, we successfully completed our multi-year AI programme. Dozens of products, services and applications were developed and implemented. Various AI techniques and skills have now been integrated into our infrastructure and are actively used by employees. In addition, we formed partnerships with more than thirty organisations within the AI ecosystem. These were the programme's core objectives: to create value for our organisation and clients through the adoption, development and implementation of tangible AI applications, and to build a strong network of partners. The programme also delivered an ethical framework to ensure we apply AI responsibly. This aligns with relevant legislation—including the AI Act coming into effect in 2026—as well as with our own ethical standards.

### Datamanagement

In 2024, all units focused strongly on improving data management—both to support our internal operations and to serve our clients. As much of our business relies on data, high-quality data and strong data governance are essential. The data clean-up in preparation for the transition to the new pension system is progressing well. ESG data quality is especially important in achieving our 3D ambition and meeting the requirements of the Corporate Sustainability Reporting Directive (CSRD). Since ESG data is still evolving—both within and beyond our organisation—it requires continued attention to data quality.

### New headquarters

We want to offer a pleasant and future-proof workplace for our current and future employees—a location that is easily accessible by bike and public transport, supports hybrid working, and contributes to our net zero ambition and the energy transition.

De Nieuwe Tuin in Utrecht meets all these criteria and is scheduled for completion by the end of 2027. Due to national grid congestion and the use of district heating, the building will not be entirely fossil-free until after 2030, later than originally planned. We are ensuring that the building's energy consumption remains as low as possible, in line with Paris-proof standards.

Our current office in Zeist provides a good working environment and has a BREEAM sustainability certificate. In the coming years, we will continue investing in facilities that fully support hybrid working to maintain it as a comfortable workplace.

### Laws and regulations

In addition to the Wtp, two other legislative initiatives have a major impact on our operations: the CSRD and the Digital Operational Resilience Act (DORA).

### CSRD

The European Union adopted the CSRD in 2021. This directive aims to improve transparency and comparability in sustainable business practices. In recent years, we have already taken significant steps in our sustainability reporting. In 2024, we further integrated the seven sustainability themes our stakeholders consider important into our business policy.

Under the current CSRD requirements, we are expected to report for the 2025 financial year using the European Sustainability Reporting Standards (ESRS). However, since the European Commission has proposed to ease and delay certain obligations by two years for specific companies—and because the CSRD has not yet been transposed into Dutch law due to delays in the implementation process—we are currently using the published draft legislation as our point of reference.

In this regard, we have provided key data for each material theme, illustrating our performance in creating positive impact and mitigating negative impact. For further details, please refer to our sustainability report.

### DORA

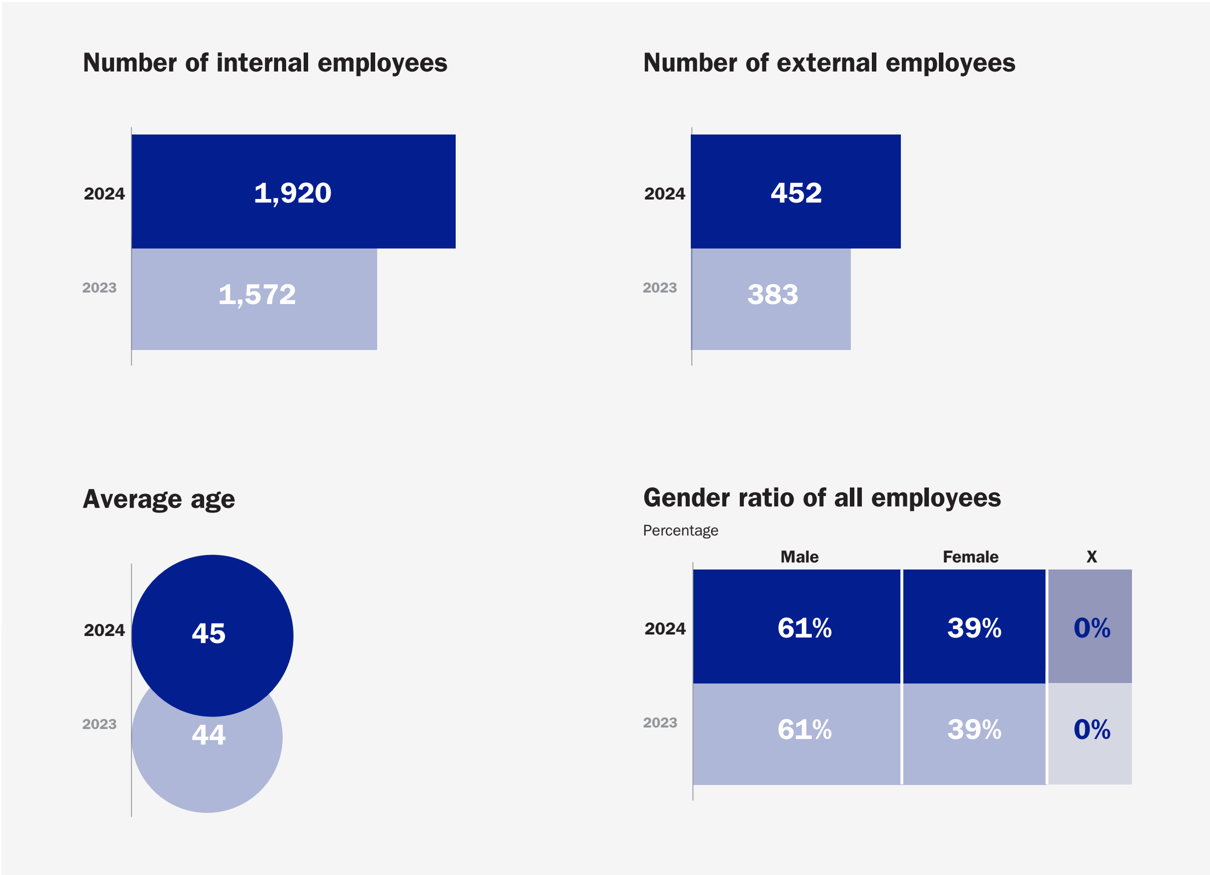
As of 17 January 2025, the European Digital Operational Resilience Act (DORA) will come into force. This regulation requires financial organisations to better manage their IT risks and become more resilient to cyber threats. DORA applies to both our organisation and our clients and sets requirements across five areas: ICT risk management, incident handling, digital operational resilience testing, information sharing, and third-party risk management.

We have ensured we are ready for DORA. In some areas, we were already well prepared; in others, additional measures were needed—particularly in making agreements with suppliers and identifying critical processes. We have integrated IT controls into our IT Control Framework, aligned with the expected update of the Dutch Central Bank (DNB) Good Practice guidelines. External parties have assessed our IT security and compliance against the DORA requirements and concluded that our measures are sufficient. We also incorporated specific DORA requirements into our information security policy and general IT controls.

DORA requires timely detection, reporting, and handling of ICT incidents. We have agreed with clients on how to report incidents to the regulator and aligned these procedures with our existing processes. In addition, DORA requires that ICT risks are managed across the entire chain—including clients and suppliers. We have formalised agreements with all relevant parties in DORA addenda. Based on a guiding framework from DNB, we have identified which processes are considered critical, such as pension payments and contribution collection. This has allowed us to pinpoint critical functions and suppliers. Contract negotiations with these suppliers were initiated to agree on PGGM's DORA addendum. We have concluded addenda with most suppliers and are compliant; for a small number, discussions are ongoing, pending final guidelines from Europe. We have also updated our outsourcing policy and our selection and implementation procedures.

## 1.2.5 Our people

**Our people are our greatest strength. At PGGM, we believe it is our responsibility to ensure that employees enjoy their work, have opportunities to develop, and feel engaged and valued. For the benefit of society and to attract, retain, and develop talent, we are committed to creating an inspiring, innovative, and inclusive working environment.**




### Diversity, equity and inclusion

Diversity, equity, and inclusion (DEI) are continually evolving and require the commitment of all colleagues. We believe in the power of collaboration, both within and outside our organisation. Everyone is welcome, has equal opportunities, and contributes to our success.

In 2024, we became the first organisation in the Netherlands and Europe to sign the CFA DEI Code, underscoring our commitment to fostering a diverse, equitable, and inclusive work environment.

We organised inspiring activities such as the D&I Taskforce Kick-off with the Pension Federation, International Women's Week, and Diversity Week. Workshops, webinars, and sessions made DEI visible and accessible both within and outside PGGM. Partnerships with organisations like APG and the Living Library strengthened our approach, while our DEI Core Team launched policy updates and thematic campaigns to further promote inclusion. In 2024, our employees rated inclusion within PGGM at 8.2.

### New initiatives

We introduced PGGMama, a network for PGGM mothers, offering support for other (expectant) mothers with knowledge, tips, and activities such as Mama Cafés, magazines, and vitality tools. We also expanded the use of the DEI calendar, a best practice introduced by our colleagues in The Hague.

By highlighting multicultural holidays and events, we foster greater engagement and recognition within our teams.

### Successful transition of MN employees

With the transition of the pension company MN to PGGM, over 300 colleagues from MN officially became part of PGGM on 1 July 2024. All employees are now included under our collective labour agreement, which has helped streamline the integration process. We continue to work closely across our offices in The Hague and Zeist, and in 2025, we will focus on further integration, harmonising and optimising our processes.

### Attracting diverse talent

In addition to the 300 colleagues from MN, we welcomed 230 new employees, mainly within our IT teams. Over 60 existing employees also transitioned into new roles within the organisation. By replacing external hires with internal talent, we aim to retain and develop our workforce.

Diversity plays a crucial role in fostering an inclusive environment where everyone can contribute their unique strengths. Through our Make it Possible programme, twelve employees facing barriers to the labour market were given an opportunity to join our organisation. We also emphasised the value of the five generations within our workforce. Additionally, from 2024, English became the primary working language in our asset management chain.

A significant milestone in 2024 was the development of a new employer value proposition (EVP). Following comprehensive internal and external analysis, we crafted a promise that perfectly encapsulates who we are and what we stand for: collaboration, connection among colleagues, and our shared ambitions. This EVP also serves as the basis for a new recruitment campaign, launched in early 2025, aimed at instilling pride among our employees and enhancing our brand awareness within diverse talent pools.

### Talent retention

In addition to attracting new colleagues, retaining our existing talent is a top priority. We focus on fostering an environment where everyone feels valued, engaged, and empowered to be themselves. Our commitment to wellbeing, professional development, and work-life balance ensures that our employees thrive. We offer a comprehensive range of training and programmes that align with both the growth aspirations of our employees and the evolving needs of our organisation. Furthermore, we are enhancing connections and collaboration within teams, creating a positive work atmosphere and improving talent retention.

### Fit for the Future

The wellbeing of our employees is key to achieving our goals and delivering results. Our internal wellbeing programme, Fit for the Future, promotes a healthy lifestyle through lectures, workshops, podcasts, sports initiatives, and motivational content. Every employee also receives an annual Fit for the Future budget to help them achieve their individual wellbeing objectives.

Insights from the Preventive Medical Survey, in which over 700 employees took part, highlighted the need for more focus on mental wellbeing. As a result, this became a central theme in our 2024 vitality programme. To support this, we launched our first Fit for the Future magazine, which includes personal interviews, tips, and informative articles on mental health.

### Employee representation through the works council

In discussions with our leadership regarding company policies, working conditions, and employee interests, the Works Council (OR) represents our staff, with fourteen elected members. To ensure balanced representation across all departments, two colleagues from MN's OR officially joined PGGM's OR on 1 July 2024.

Under the Works Councils Act (WOR), PGGM must seek the advice or approval of the OR for specific decisions, including strategic partnerships, changes to social policies, and major organisational changes such as restructures. This process ensures that employees remain actively involved in organisational developments, fostering well-informed and widely supported decision-making.

2024 brought significant changes within our organisation, further emphasising the importance of the OR's role. The council met every two weeks, handling five approval requests and six advisory requests. In these processes, the OR actively gathered input from employees, seeking their perspectives. All ongoing and completed requests are shared on the OR's intranet page, ensuring that employees stay informed about the progress and outcome.

# 1.3 How we manage our organisation

## 1.3.1 Corporate governance

### PGGM Coöperatie

PGGM Coöperatie U.A. (PGGM Coöperatie) was established in 2007 by the social partners in the health and welfare sector. The members of the cooperative are employees and pensioners in the sector. PGGM Coöperatie is the sole shareholder of PGGM N.V. and has two governing bodies: the Members' Council and the Cooperative Council. PGGM&CO is the members' organisation of PGGM Coöperatie.

### Members' Council

The Members' Council is the highest body of the PGGM Coöperatie and consists of 45 representatives of employers, employees and pensioners in the sector and an independent chairman. The Members' Council represents the more than 500,000 members of PGGM Coöperatie, of which 365,000 are active members.

### Cooperative Council

The Cooperative Council is responsible for the identity, mission, vision and (financial) policy framework of PGGM Coöperatie and reports to the Members' Council. The Cooperative Board consists of an independent chairman and twelve representatives of the social partners who jointly founded the Cooperative. As the representative of the sole shareholder of PGGM N.V., the Cooperative Council reports on its policies in the annual report of PGGM Coöperatie.

### PGGM N.V.

PGGM N.V. (PGGM) is the operating organisation. All shares in PGGM are held by PGGM Coöperatie. At PGGM, we are committed to our clients, the pension funds, employers and participants of our clients. PGGM is based in the Netherlands and works for Dutch clients. Pension management is our core activity. PGGM actively invests globally, focusing on returns, risk and sustainability.

### Supervisory Board

PGGM N.V. has a Supervisory Board consisting of six members, divided into two committees: the Audit, Risk and Compliance Committee (ARC) and the People and Organisation Committee (P&O Committee). The Supervisory Board supervises the work of the Executive Board of PGGM and the general affairs of the company. In addition, the Supervisory Board monitors the competence and responsibilities of the Executive Committee (EC).

The Supervisory Board pays particular attention to the dynamics and relationship between the Executive Board and the Supervisory Board. In addition to the members of the Executive Board, members of the Supervisory Board or other internal experts are also invited to attend the Board meetings.

In addition to Supervisory Board and committee meetings, the members of the Supervisory Board engage several times a year with members of the Executive Board, other members of the EC, representatives of the Works Council, employees, management, and internal and external stakeholders. Finally, the Supervisory Board is directly involved in the appointment, suspension, and dismissal of Executive Board members.

### Executive Board

PGGM's Executive Board consists of two members: the Chief Executive Officer (CEO) and the Chief Financial & Risk Officer (CFRO). They are accountable to the Supervisory Board and the shareholder. The Executive Board is supported by the EC.

### Executive committee

The EC is responsible for the day-to-day management of PGGM. The EC consists of five members, including two Executive Board members. In addition, the responsible officers from the business units in the areas of pension management (Chief Operations Officer (COO)), asset management (the Chief Investment Management (CIM)) and institutional clients (Chief Institutional Business (CIB)) are members of the EC. We opted for the EC model, because this combines PGGM's management and business operations in one team. PGGM's key positions are represented in the EC, while being client focused.

### PGGM&CO

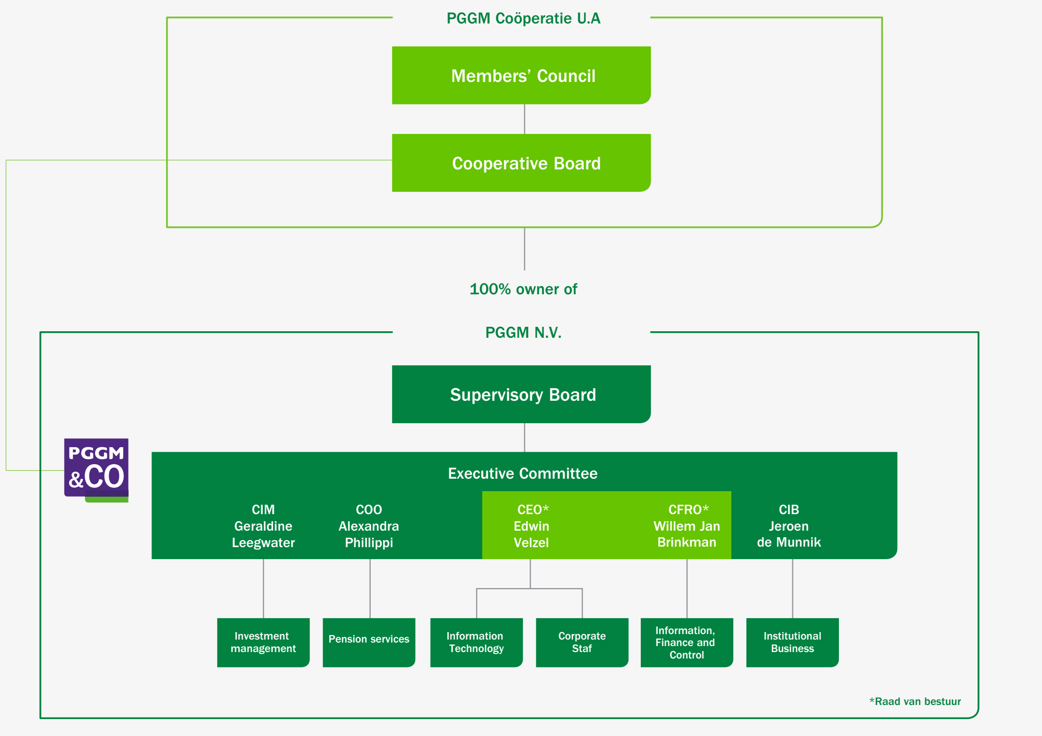
The membership organisation PGGM&CO has over 500,000 members, of which 365,000 are active members, who work or have worked in the health and welfare sector. PGGM&CO helps everyone working in the sector to stay physically, mentally and financially fit. As a guide, PGGM&CO provides insights and overviews to help them make healthy choices with information, experiences, services, products and benefits. The membership organisation also helps employers, where possible with social partners, to support their employees in this regard, so that employees can continue to work in a balanced and enjoyable way in a vital health and welfare sector.

## 1.3.2 Organisation and group stucture

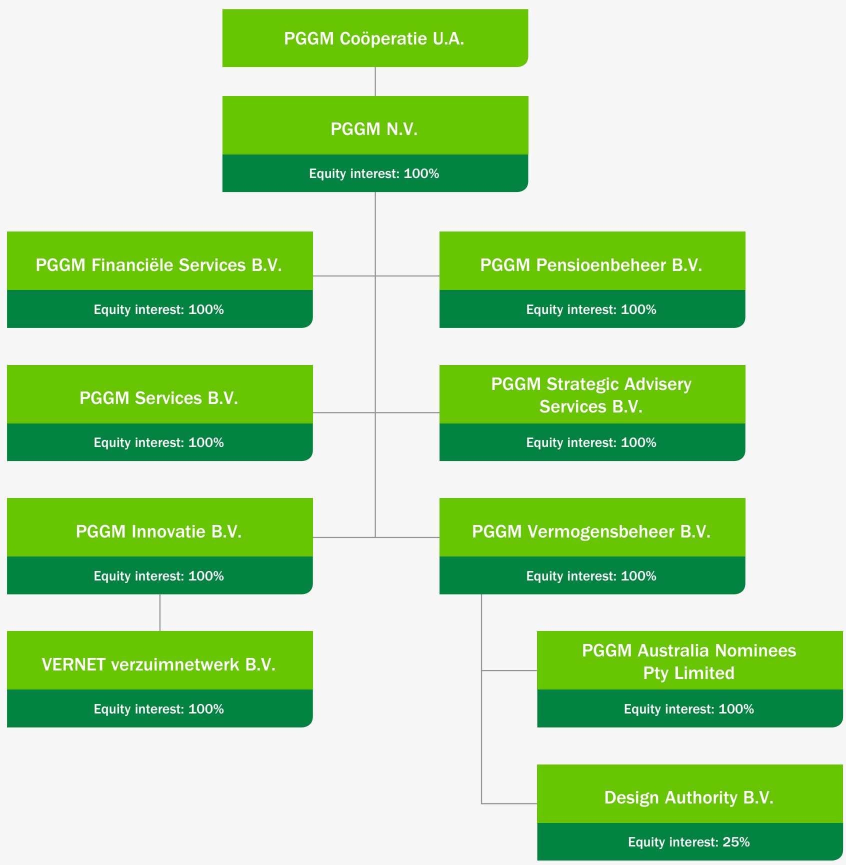
The operational organisation PGGM N.V. is a structured entity and the owner of eight (in)direct subsidiaries and one minority interest as at 31 December 2024.

Together with the shareholder PGGM Coöperatie, we constitute the PGGM Group. Several subsidiaries are licensed by the Dutch Authority for the Financial Markets (AFM). In setting up the legal structure, it was decided to combine the various licenses into separate entities.

## Organisational structure PGGM




## Group structure



## 1.3.3 Risk management

### The importance of good risk management

Adequate risk management and transparent, understandable reporting are crucial aspects of our operations. This is important to us, as well as to our clients, regulators, and an increasing number of stakeholders in society.

Good risk management starts with a culture in which risks are taken consciously and deliberately. It is crucial that the importance of effective risk management is understood at every level—from operational staff to the Executive Committee (EC) and the Supervisory Board of PGGM. Managing risks involves not only procedural and technical measures (hard controls) but also the cultural and human aspects (soft controls).

As part of our continuous risk management process, we discuss risks and mitigating measures at various levels across the organisation.

### The PGGM Risk Framework

We have developed a risk policy that allows us to manage risks proactively. A clear structure helps us to identify risks, take appropriate action, monitor developments, and report on progress. Our policy is based on the internationally recognised COSO Enterprise Risk Management framework (COSO ERM 2017).

Risk management is a continuous improvement process, following the Plan-Do-Check-Act (PDCA) cycle. We measure and evaluate on a daily, quarterly, and annual basis, and make adjustments where needed.

We apply the Three lines model, as shown below.

### Three lines model

| | | |
|---|---|---|
| **1st line**<br>EC, business units, departments, teams, internal | | Risk owner, accountable for the (daily) control and management of risks. |
| **2nd line**<br>ERM<br>Compliance DPO<br>Model validation | Setting frameworks \| Monitoring & validating \| Challenge \| Expert | As a partner, facilitating, challenging, and monitoring the first line while providing expertise. |
| **3rd line**<br>Internal audit | 1st and 2nd line | Providing objective assurance and advice focused on the continuous development and improvement of reliable and controlled operations. |

### Key features of our control and governance system

To ensure accountability towards our clients, we use various internal control frameworks which are reviewed and updated on an annual basis. These frameworks comprehensively outline, among other elements, the IT general controls, IT application controls, and business controls applicable to our processes and systems. In relation to IT and cybersecurity operations, we maintain ISO certifications covering IT service management, information security, and business continuity and quality management. Furthermore, our clients receive annual assurance reports prepared in accordance with the ISAE 3402 and 3000A standards. These reports provide transparency and insight into the controls governing our asset management and pension administration activities.

### Quantifying risks and required capital

We have implemented various measures to mitigate the financial impact of risks. For example, we have agreements in place with our clients concerning liability and maintain insurance coverage for various types of losses, including those related to physical assets, liability, and the consequences of cyberattacks. For impacts not covered by these policies, or for financial consequences arising from other risks, we maintain a capital buffer. The specific guidelines for this are outlined in our own capital policy. Further information on the role of our capital in ensuring continuity can be found here.

Within PGGM, PGGM Vermogensbeheer is required to comply with the ICARAP requirements set by the Dutch Central Bank (DNB), as part of its asset management licence. As part of an annual ICARAP process, we assess for each risk whether additional capital is needed beyond the statutory minimum capital buffers for asset managers. This results in a required capital amount that must be maintained as part of PGGM Vermogensbeheer's own capital. In addition, the ICARAP framework sets out the minimum liquidity position that must be upheld. As of 2024, both our capital and liquidity positions meet the applicable capital and liquidity requirements.

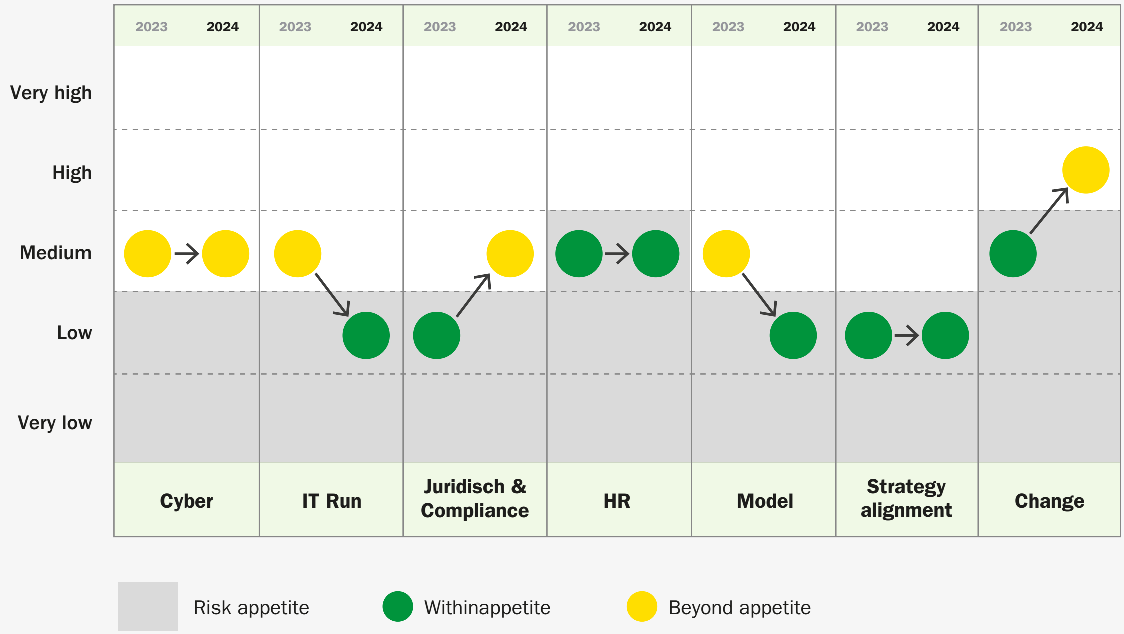
### Risk appetite and risk profile for 2024

To determine whether, and the extent to which, we are prepared to assume a given risk, we employ a Risk Appetite Statement (RAS). This statement constitutes the overarching framework for risk management and decision-making and underpins an active, deliberate risk culture. Owing to our significant societal mandate, we ordinarily maintain a comparatively low risk appetite.

In specific circumstances, a higher risk appetite may be warranted - for example, where taking risk is essential to achieving strategic objectives or where the cost of mitigation is disproportionate to the potential impact.

The figure on the following page sets out the principal developments in the actual risk profile relative to the defined risk appetite for the reporting period. For any risks that exceeded the established appetite at the point of assessment, the EC approves a remediation plan to restore those risks to the desired level within a reasonable timeframe, no longer than one year.

## Risks beyond appetite at the end of 2023 and 2024




At the end of 2024, three risks remained above the established risk appetite: cyber, change, and legal & compliance.

The cyber risk has been outside the risk appetite for over a year. It is challenging to bring this risk within the risk appetite due to the ongoing high level of cyber threats. Complex projects such as the implementation of the Future Pensions Act (Wtp) and the integration of MN Pension Services placed continuous pressure on the change risk in 2024. Due to issues during the migration of PMT to the new administration system, it is not yet possible to send correct pension statements (UPO) to a group of participants. This causes the legal & compliance risk to remain outside the risk appetite. Our change portfolio was challenging in 2024 due to the integration of MN Pension Services and preparations for the Wtp. Other change initiatives, such as the transition to 3D investing and migration to the Cloud, which contribute to achieving the strategic goals for 2030, also add pressure on the organisation.

We monitor all risks in a periodic cycle and remain continuously alert to potential new risks. We closely watch the challenging change portfolio and the geopolitical situation, including both the developments themselves and their impact on, for example, cyber risk.

We assess the continuity risk as ‘low’ for our organisation. Our solvency ratio of 63.1% as of 31 December 2024 comfortably meets capital requirements. Liquidity is sufficient to absorb operational risks.

In the event of attributable errors in our services, we may face claims from our clients. We have insurance coverage with a capped amount per year. Different caps apply to our asset management and pension administration activities. Contracts with all clients specify that any payout related to an attributable error is limited to the amount received from the insurer.

For the next twelve months, from the signing of this annual report, we do not anticipate any new material risks that would significantly affect the continuity of our organisation. More information on our financial risk management, including coverage of credit risk, interest rate risk, liquidity risk, and market risk, can be found in our financial statements under note 24: Risk Management.

### Key risks and uncertainties in 2024

In addition to the previously discussed developments regarding risks and risk appetite, we outline below the main risks and uncertainties that influenced the risk profile in 2024.

#### Strategy and scaling up

After approximately three years of intensive preparation and collaboration with MN, MN successfully transitioned to our pension administration system as of 2 January 2024 to serve its clients PMT and Bpf Koopvaardij.

On 1 July 2024, the mandate for pension administration shifted from MN Pension Administration to our organisation, enabling us to now serve these funds. Maintaining stable and integrity-driven operations required extra attention in 2024.

#### New pension scheme

Since 2021, we have been running a programme to prepare our organisation for the new pension system. This programme continued throughout 2024. We maintain close consultation with our clients, guiding them in their transition and choices towards the new pension system. This ensures developments proceed in good alignment. In 2024, all clients reached agreement with their social partners on the conditions under which the new pension scheme will be introduced. We have scheduled the transition for all our clients for 2026.

#### Human capital

Our employees are essential to our operations. Risks related to staffing remained in 2024. With the transfer of employees from MN Pension Administration to PGGM as of 1 July 2024, much attention was given to integrating these employees into the PGGM organisation. The Future Ready programme, introduced in 2023 within PGGM Pension Administration, continued in 2024. This programme aims to engage employees actively in shaping the strategy of PGGM Pension Administration and PGGM's future, while maintaining job satisfaction. Within PGGM Asset Management, the focus was on cultural change and developing knowledge and skills.

#### Service delivery (process and IT)

In 2024, we rolled out the 'Modern Workplace', a new digital environment focused on Cloud working and enhancing cybersecurity, with cost efficiency, scalability, and management as key considerations.

The complexity of the pension schemes we administer increases the likelihood of errors. Therefore, we focus on strengthening our systems and reducing complexity. Our current IT landscape is well prepared for the implementation of the new pension scheme. In 2024, the impact of this scheme on our processes was determined and the related measures were defined to be executed in 2025.

#### Datamanagement

Our operations rely heavily on data, making good data quality and governance essential. In 2024, we continued to focus strongly on improving data management across all units, both for our own processes and for our clients. The data cleansing in preparation for the transition to the new pension system (data onboarding) is progressing according to plan.

The quality of ESG data is crucial for our 3D investment strategy. As ESG data development is still ongoing both within and outside PGGM, this remains a key area of attention.

### Model risk

With the resolution of validation findings on two major models within PGGM Asset Management, model risk was brought within risk appetite by the end of 2024. However, continued attention to model risk is necessary. The transition to the Future Pensions Act (Wtp) requires the development of numerous new models within our organisation. Developing and validating these models increases capacity demands. The introduction of 3D investing and the integration of MN Pension Administration into PGGM Pension Administration have also expanded our model inventory.

Furthermore, the AI Act, which came into force in 2024, impacts model risk. Due to how 'AI' is defined in the legislation, we explicitly categorise AI risk under model risk. The measures required by the AI Act further increase pressure on model capacity, so we expect model risk to remain high.

### Fraud risk

Fraud risk at PGGM is controlled through preventive, detective, and corrective controls. We maintain a low risk appetite for fraud and integrity incidents. In 2024, we established and approved a new fraud control policy. Additionally, we conduct an annual systematic integrity risk analysis (SIRA) across the company, identifying and assessing risks related to fraud such as bribery and corruption.

We continue to raise fraud awareness among employees through education, signing moral-ethical declarations, insider regulations, and a whistleblowing scheme for suspected misconduct. At PGGM, all colleagues annually confirm they have read, understood, and comply with the Code of Conduct.

Suspected misconduct, such as fraud, must be reported to the Risk and Compliance teams under the Incident Policy. No fraud cases were detected within PGGM in 2024. Should fraud occur, the Compliance Director and Risk Director are involved. If necessary, the Chief Financial and Risk Officer (CFRO), on the coordinator fraud control’s recommendation, can form a task force. This task force acts independently and impartially during investigations. The CFRO chairs the task force and may involve other experts besides the Risk and Compliance teams.

## Risk outlook for 2025 and beyond

Geopolitical and national political developments in (Eastern) Europe and the Middle East will continue to play an important role in 2025, as they did in 2024. For scenarios that could impact our operations and strategy, we have developed measures and (worst-case) scenarios. We will adjust our crisis management as necessary.

In 2025, we must complete preparations for implementing the new pension scheme, ensuring a controlled and integrity-based transition in January 2026. Together with other ambitions, this will demand a great deal of PGGM’s change capability.

The threat level surrounding information security and (cyber)security continues to rise globally, and the risk of cyberattacks in the pension sector remains constant. This requires ongoing vigilance and awareness. We continue to test and monitor the effectiveness of our security measures for both ourselves and our stakeholders. In 2024, we implemented additional measures to strengthen security, and we anticipate a sustained effort in the coming years to maintain our safeguards at a high level.

Together with PFZW, we have developed a new investment process designed to provide greater flexibility, speed, scalability, and shorter lead times in the development, implementation, management, and evaluation of investments. To support this new investment process, a new organisational model for the asset management chain is required. The aforementioned strategic changes and new investment process demand a model that enables our organisation to support a 3D Total Portfolio investment model. This has led to the proposed reorganisation of the asset management chain.

To successfully respond to the changes and challenges arising from the new investment process, we have devoted considerable attention to defining the necessary culture, competencies, and working methods. Together with management and our employees, we will further develop the required collaboration and iterative way of working in 2025.

### 1.3.4 Compliance and integrity

Integrity is central at PGGM. Our clients, participants, employers, and business partners must be able to trust that we comply with laws, regulations, and internal standards. Through active compliance and integrity management, we ensure this and maintain our professional standards.

We have a compliance charter and utilise a compliance and integrity risk and monitoring framework (CIRM). Additionally, we advise management and employees on compliance in their daily work and raise awareness about ethical behaviour and adherence to rules through training and communication.

#### Activities carried out

Within PGGM, we oversee compliance with laws and regulations, especially in areas subject to supervision. We ensure that policies promoting an ethical corporate culture—such as the Code of Conduct, Insider Regulations, Secondary Positions Policy, and Whistleblowing Policy—are observed. Furthermore, we coordinate, on behalf of our organisation and clients, contacts with regulators such as the AFM and DNB.

In 2024, we initiated efforts to further improve the reporting culture within PGGM. Employees are increasingly turning to internal and external reporting officers. The Executive Committee, Works Council, and Audit, Risk and Compliance Committee/Supervisory Board receive annual reports on the number, nature, and progress of reports.

Compliance, HR, and Enterprise Risk Management (ERM) have collaborated on revising policies, procedures, communication, and awareness concerning integrity. The updated regulations will come into effect in the first quarter of 2025. From the second quarter of 2025, employees will have access to a central location on the intranet to find all information about integrity, seek assistance, or submit reports.

#### Data Protection Officer

Our society is becoming increasingly data-driven, with developments such as AI presenting both opportunities and risks. In light of the General Data Protection Regulation (GDPR), it is essential to remain vigilant about how we process personal data. In this context, we fulfil two roles:

- As an employer and cooperative, we are the data controller for the personal data of employees and members.
- As a service provider, we process personal data of participants on behalf of our institutional clients (pension funds). The pension funds are the data controllers in this case.

Given the volume and sensitivity of the personal data we handle, we consider it necessary to appoint a Data Protection Officer (DPO) to ensure structural compliance with the GDPR and to serve as a fixed point of contact for the Dutch Data Protection Authority.

### Activities

We process personal data with care and have implemented appropriate technical and organisational measures to comply with the GDPR. Beyond technical safeguards, we focus on raising privacy awareness among our employees. This supports them in making the right decisions in practice, aligned with our commitment to data protection.

In 2024, our efforts included:

- Executing the monitoring plan of the Data Protection Officer to assess our operations against the GDPR;
- Conducting various risk analyses through Data Protection Impact Assessments (DPIAs) for personal data processing activities that may pose high risks to data subjects;
- Providing both solicited and unsolicited advice within the organisation based on internal and external developments such as AI;
- Enhancing privacy awareness at various levels within our organisation.

### Data breaches

We have procedures in place to record and report data breaches promptly, both for ourselves and on behalf of our clients, ensuring compliance with statutory requirements under the GDPR.

Additionally, we implement measures – arising from breach incidents and subsequent analyses – to reduce the number of data breaches and prevent recurrence, including awareness training and improving the quality of participant administration.

### Data subject requests

The GDPR grants data subjects several rights regarding their personal data. As data controllers, we ensure these rights are respected. We also support our clients in meeting these obligations. All requests received by us and our clients were handled accurately and within statutory deadlines.

### Corporate governance code

The Dutch Corporate Governance Code of 20 December 2022 applies exclusively to Dutch publicly listed companies. Although we are not publicly listed, we endorse the principles and best practice provisions of the Code and voluntarily apply them as part of our commitment to good governance wherever possible. Our website hosts a comply or explain-document detailing the extent to which we comply with the Code and explaining any deviations and their rationale.

# In control statement

As the Executive Board of PGGM, we are responsible for the design and operation of PGGM's internal risk management and control systems. These systems are established based on internationally accepted standards and aim to optimally manage the risks of not achieving strategic, governance, operational, and financial objectives, thereby providing reasonable assurance that the financial reporting is free from material misstatement. However, they can never provide absolute certainty that these objectives will be achieved.

In practice, human judgement errors can occur when making decisions, and cost-benefit considerations are always made when accepting risks and implementing control measures.

To fulfil our responsibilities, during the reporting year we have independently and systematically analysed and assessed the risks related to achieving our objectives and the applicable internal risk management and control systems within our organisation. We have used the COSO ERM framework among others. Significant strategic, governance, operational, and financial risks have been identified per business unit.

Management of each business unit has independently analysed, assessed, and reported on these risks and the relevant internal risk management and control systems. We have evaluated these reports, together with the results of internal and external audits. Our risk management activities are regularly discussed with the Audit, Risk and Compliance Committee and the Supervisory Board. Improvements to the risk management and control systems are implemented where necessary. For a more detailed explanation of our activities in this regard, we refer to the chapter on risk management.

### Conclusion

Based on the above-described activities, we believe we can reasonably declare that the internal risk management and control systems functioned properly during the reporting year and provide reasonable assurance that the financial reporting is free from material misstatement. We also consider it justified, based on the current state of affairs, that the financial reporting has been prepared on a going concern basis.

Zeist, 23 April 2025

The Executive Board of PGGM N.V.

Edwin Velzel　　　　Willem Jan Brinkman

## 1.3.5 Remuneration report of the Executive Board

Although PGGM is not a publicly listed company, we endorse the principles and best practice provisions of the Dutch Corporate Governance Code. We apply these at group level as far as possible to uphold good corporate governance.

### Executive Board remuneration policy

The remuneration policy for the Executive Board was revised and adopted in 2021 and has not been amended since. We maintain a careful, controlled, and responsible remuneration policy aligned with our strategy, risk appetite, objectives, and cooperative character. The policy places the interests of our clients at its core and complies with the Corporate Governance Code by taking into account our sustainable long-term interests, our clients, and relevant remuneration laws and regulations.

This policy aims to appropriately reward Executive Board members in accordance with their motivation, role, and commitment, while considering labour market developments. The remuneration policy aligns with our culture and strategy, resulting in what we term 'responsible remuneration.'

### Remuneration components

The Executive Board's total remuneration package consists of a fixed salary, pension, and social security contributions. There is no remuneration in the form of shares, options, or other instruments. The individual's experience and competencies ultimately determine the appropriate remuneration within the established framework based on job content and the relevant market. Remuneration is adjusted annually by the same percentage and at the same time as the collective labour agreement (CAO) for employees under the general PGGM wage scale. Every four years, the Supervisory Board reviews the remuneration level against the reference market and makes adjustments if necessary.

### Internal pay ratio

The Works Council is informed annually about internal pay ratios. This overview compares the average salary per pay scale with the average salary of the Executive Board. In line with the Corporate Governance Code, we also disclose the pay ratio within the organisation.

The ratio between the highest-paid Executive Board member and the median full-time base salary of all employees was 7.5 in 2024, compared to 7.2 in 2023. This ratio reflects the steering based on our remuneration policy, where we aim to reward responsibly and consciously, taking into account our position in the labour market. Consequently, we select pay positions for different groups based on benchmarking with agreed reference markets.

Total remuneration of Executive Board members is as follows:

| 2024 | Periodic remuneration | Deferred remuneration | Total |
|---|---|---|---|
| E. Velzel | 606 | 25 | 631 |
| W.J. Brinkman | 548 | 25 | 573 |
| Total | 1,154 | 50 | 1,204 |

*Amounts * € 1,000*

| 2023 | Periodic remuneration | Deferred remuneration | Total |
|---|---|---|---|
| E. Velzel | 560 | 23 | 584 |
| W.J. Brinkman | 503 | 23 | 526 |
| Total | 1,063 | 46 | 1,109 |

*Amounts * € 1,000*

The periodic remuneration comprises the total of gross salary, social security contributions, and holiday allowance. Pension costs fall under 'deferred remuneration'. The remuneration of the Executive Board members is explained in accordance with the provisions of Article 2:383c of the Dutch Civil Code. No loans, advances, or guarantees have been granted to the members of the Executive Board.

## 1.3.6 Remuneration framework of the Supervisory Board

The remuneration for the Supervisory Board is based on the financial services market in the Netherlands. We aim to attract individuals from this market for Supervisory Board roles due to the relevant experience and professional expertise required for PGGM's activities. Moreover, comparable organisations use this reference market. This reference market also applies to our employees, except for those working within the asset management division.

For Supervisory Board remuneration, we consider it appropriate to apply the same market level and reference market as for the Executive Board.

The remuneration for the Chair and members of the Supervisory Board is as follows:

| | 2024 | 2023 |
|---|---|---|
| Chair Supervisory Board | 42,244 | 39,061 |
| Members Supervisory Board | 34,452 | 31,857 |

### Instruments

The remuneration for the Supervisory Board is paid in cash.

### Annual adjustment of remuneration

The remuneration is adjusted annually in line with the percentage and timing agreed in the collective labour agreement (CLA) for the general wage increase of our employees. Our employees fall under the PGGM general pay scale. Accordingly, the remuneration for all Supervisory Board members was increased by 2.75% on 1 July 2023 and by 6.70% on 1 January 2024. As of 1 January 2025, the remuneration was increased by 3%.

Additionally, every five years the remuneration level is reviewed against the reference group and adjusted if necessary. The next review is scheduled for 1 July 2027.

# 1.4 Outlook 2025

**In 2025, we will take the final steps in the transitions we have been working towards for years. For the participants of our clients, we aim to successfully transition to the new pension scheme on 1 January 2026, and by the end of 2025, our investment organisation will be ready for the shift to 3D investing. At the same time, we will continue to provide excellent client service with our colleagues while maintaining trust.**

### The new pension system

The transition to the new pension scheme for the participants of our clients requires strict planning. Although 1 January 2028 is currently the official deadline for the Netherlands, our ambition remains to fully transition together with our clients by 1 January 2026.

In 2025, we will further support our clients in accepting assignments from social partners and coordinating with the regulator. In parallel, we are working on a control framework to ensure the implementation and transition proceed in a controlled and integrity-driven manner. Besides the technical and procedural aspects, we devote significant attention to guiding participants and employers. By providing timely and clear information, we aim to maintain and increase their trust in the pension system and the new scheme.

### Towards a 3D investment organisation

By the end of 2025, the transition to 3D investing will have progressed further. Our investment organisation will then be structured to implement the new strategy. To achieve this, throughout 2025 we will continue developing 3D prototypes in other asset management categories and proactively focus on the theme of 3D investing. Through impact investing, we concentrate on the themes of climate, health and welfare, and nature and biodiversity. We will also reinvest in IT, data management and our employees to further strengthen our capabilities and scale the use of data and analytics platforms within PGGM Vermogensbeheer.

### Vital health and welfare sector

We will further combine the strengths of PGGM&CO, Vernet, and PFZW Datadiensten, so that together with PFZW we can work even more effectively on innovative and data-driven solutions for participants and employers in the health and welfare sector.

After implementing the Prevention Plan in June 2025, we will investigate whether the causes of work pressure have decreased and job satisfaction has increased. We will continue structural dialogue with the Ministry of Health, Welfare and Sport about a possible follow-up. Although no concrete agreements have yet been made, increasing job satisfaction remains a priority.

### Investing in a future-proof pension administration organisation

In 2025, we expect to fully complete the setup of the pension administration system to meet all new requirements on time. Our focus will also be on a robust and scalable IT infrastructure. The transition to Azure Cloud will enable us to respond more quickly to changes in laws and regulations and to efficiently manage the increasing complexity of our pension administration. This will allow us to serve our clients flexibly, reliably and tailored to their needs.

### AI as a core part of our business

Completing our AI programme does not mean we have achieved all our AI ambitions. In 2025, we will further accelerate the use of AI. Our goal is to make AI a core part of our business by expanding existing applications and enabling all teams to use AI.

### Inclusive and vital culture

Ons Our culture programme will result in the formulation of core values in 2025 that strengthen our identity as an organisation and guide our daily work. These core values emphasise the importance of collaboration, innovation and engagement. In addition, we will integrate the six principles of the CFA DEI Code to make diversity, equity and inclusion a natural part of our operations and organisational culture.

Having laid a solid foundation, we will not organise additional vitality activities in 2025. Instead, we will strengthen the role of managers. Through targeted training, we support them in embedding vitality sustainably into our way of working.

### Housing

Our current building in Zeist provides a good working environment and has a BREEAM sustainability certification. Until we move to Utrecht, we will continue working at our Zeist location, enhancing facilities to fully support hybrid working and ensuring it remains a pleasant workplace.

### Legislation and regulations

Besides preparations for the new pension law, we focus on implementing DORA and other (new) legislation such as CSRD and the related EU Taxonomy

## Financial outlook

Due to the mandate transfer of PMT and Bpf Koopvaardij as of 1 July 2024, costs and revenue increased in 2024. This increase will continue in 2025, as we perform pension administration for the full year and further invest in future-proofing the organisation, particularly for implementing the Wtp.

Our multi-year financial forecast anticipates a positive result. We have long-term contracts with our largest pension funds, and pricing agreements for 2025 have been made. We also expect to realise the first synergy benefits in 2025. Due to changes in the pension landscape, especially the implementation of the Wtp which standardises and improves comparability of schemes, cost awareness remains a key principle in our operations, in line with our joint strategy with PFZW.

Equity capital is above the minimum target capital set out in our policy, providing room to absorb any financial setbacks. If necessary, we can also utilise a credit facility with PFZW of €150 million to cover liquidity shortages. This facility has not been used in recent years, and it is not expected to be used in the near future.

## Transparency on sustainability

The CSRD has not yet been incorporated into Dutch law. The content and timelines of the current European regulations (CSRD and the ESRS) are also currently under discussion. Nevertheless, we are preparing to report according to CSRD requirements in the future.

This year, we took steps in our sustainability reporting; see section 2.1l. We will continue to focus on sustainability in 2025 and closely monitor developments in European regulations.





# 2. Sustainability Report

# 2.1 General overview

**From a sustainability perspective, we are committed every day to providing a good, affordable, understandable, and sustainable pension, as well as a more vital healthcare and social welfare sector. Through this, we aim to create value for our clients, their participants, employers and social partners, our employees, and society. We report on the positive and negative impacts of our activities on the environment, people, and good governance (environmental, social, and governance, ESG), divided into seven themes: Climate impact and energy transition, Cost-effective pension services, A comprehensible pension, Attractive employment, Vitality in the health and welfare sector, Ethical, integrity-driven and responsible business conduct, and Data security, data quality and data privacy.**

## 2.1.1 Scope of this sustainability report

Our sustainability report is prepared on a consolidated basis, which means that the sustainability information of PGGM N.V. and its subsidiaries is combined into a single, comprehensive report. This approach provides a complete overview of the organisation's overall performance. The scope of consolidation for the sustainability report corresponds to that used in the financial statements.

### Sustainability legislation

The Corporate Sustainability Reporting Directive (CSRD)[1] has not yet been incorporated into Dutch legislation. The content and timelines of both the CSRD and the European Sustainability Reporting Standards (ESRS) are currently under discussion at the European level. Nonetheless, for 2024, we report as fully as possible in accordance with the CSRD requirements, using the current CSRD framework as our reference. We remain in a transitional phase towards full compliance. Consequently, not all required policies have been finalised, and certain indicators are not yet measured in line with ESRS definitions. This is partly due to ongoing development of specific processes and the unavailability of certain data. Where relevant, we maintain transparency about these limitations.

In addition to PGGM N.V., PGGM Pensioenbeheer B.V. and PGGM Vermogensbeheer B.V. are also required to comply with the provisions of Articles 29 and 29bis of the Act, based on current legislation. This means that they are also obliged to report on sustainability. These subsidiaries make use of the exemption under Article 19bis, paragraph 9 of the CSRD. As a result, they are not required to prepare their own separate CSRD sustainability reports. Their sustainability information is included in this consolidated report.

Based on current legislation, PGGM will also be required in the future to comply with the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy Regulation. These laws are currently under discussion within Europe. Preparations will be (further) advanced once the obligations become clear, and we will update our sustainability report accordingly as soon as these requirements come into effect.

### Value chains

In our sustainability report, we provide an overview of our value chains. These include the administration of our clients' pension schemes and the asset management activities aimed at delivering a good and affordable pension for their participants. The products and services we offer to help strengthen the vitality of the healthcare and welfare sector are also part of this value chain.

[1] The CSRD adds several articles to the Accounting Directive 2013/34. In this report, the term CSRD also refers to this directive.

The investments of our clients (for whom we carry out collective and/or individual asset management activities) are not included here. Our clients report on the sustainable impact of these investments in their own annual reports, in line with the legal requirements of the Sustainable Finance Disclosure Regulation (SFDR). For further details, please refer to section 2.4.3.

## 2.1.2 Status of this sustainability report

Compared to 2023, we improved our sustainability report in 2024 by adding the following information:
- Our value chains and the key stakeholders involved
- The main stakeholders and how we engage with them
- The sustainability indicators for the seven material topics, now expanded with clear definitions and methodologies

Additionally, we have updated our Double Materiality Analysis (DMA). This confirms that the seven key themes identified in last year's report remain our material topics. More information on these themes can be found in thematic sections 2.5 to 2.11, where we describe our policies, the measures we are taking, and the indicators that provide insight into our performance. These indicators focus on the positive impact we aim to achieve, as well as the negative impact we seek to minimise or prevent. The figures in this sustainability report have been carefully prepared and subsequently subjected to an internal plausibility check.

These improvements mark important progress towards PGGM's implementation of the CSRD legislation.

Going forward, our external auditor will assess whether this sustainability report complies with applicable laws and regulations, based on a limited assurance engagement. Under current legislation, this requirement is expected to apply from 2025. However, the previously mentioned European Commission proposal may lead to a postponement.

## 2.1.3 Reporting principles

### Time horizon
Regarding forward-looking information on material impacts, risks and opportunities, we follow the ESRS 1 guidelines. We apply the following time frames:
- Short term: 1 year
- Medium term: between 1 and 5 years
- Long term: more than 5 years

Where our time frames deviate from these guidelines, we provide an explanation in thematic sections 2.5 to 2.11.

### Estimates and assumptions
In this sustainability report, we use estimates and assumptions to determine the sustainability performance per indicator. For example, $CO_2$ emissions and energy consumption are based on data from various sources. The estimates in our data collection or the models used may lead to measurement uncertainties. Note 4 to this sustainability report includes a table showing the measurement uncertainties and the degree of accuracy for each indicator. Where necessary, we explain which measures have been taken to improve accuracy and reduce uncertainty.

### Changes in the structure or presentation of sustainability information

Current and upcoming sustainability regulations are driving greater standardisation of data. As a result, the data we use is becoming increasingly reliable. In 2024, we implemented further improvements in the way we collect and report sustainability information.

Compared to 2023, we have added or removed indicators to better align with the ESRS guidelines and to more clearly reflect how we manage identified impacts, risks and opportunities. We have also revised the methodology for several indicators. This has resulted in better insights due to improved accuracy, higher data quality, and closer alignment with the ESRS. Comparative figures for the previous reporting period have been adjusted accordingly. Where it was not practically feasible to revise these figures, this has been explained in thematic sections 2.5 to 2.11. These sections also highlight the differences between previously reported and revised figures, as well as the specific reasons why the new methodology provides better insights.

Note 1 to this sustainability report lists the indicators that have been added, removed or revised.

### Incorporation by reference

Certain ESRS requirements are already addressed in other sections of this annual report, such as the Dutch Corporate Governance Code requirement to describe the governance structure. The following parts of the sustainability report should therefore be read in conjunction with other sections of this annual report:

- Description of the business model: section 1.3.2
- Role of management and supervisory bodies (GOV-1): section 1.3.1
- Risk management: section 1.3.3
- Table of disclosures arising from other EU legislation: note 5

# 2.2 Sustainability strategy, business model and value chain

**Sustainability is an integral part of the way we operate. We are committed not only to creating financial value, but also to contributing to a good pension for the participants of our clients, a strong health and welfare sector, and a liveable world. In this chapter, we explain how our sustainability strategy, business model and value chains work together to realise this ambition.**

## 2.2.1 Overview of our sustainability strategy

We have set out our sustainability strategy in the statement below. It identifies the themes that are material to our organisation and explains how our efforts contribute to a more sustainable future.

### Our sustainability strategy

**Based on our joint Strategic Vision 2030 with Stichting Pensioenfonds Zorg en Welzijn (PFZW), we are working towards a good pension for the participants of our clients, a vital health and welfare sector, and a liveable world.**

#### Environmental

At PGGM, we are committed to providing good and affordable pensions in a liveable world. This means delivering high-quality pension services in the most sustainable way possible. We take concrete measures to reduce $CO_2$ emissions and actively contribute to the energy transition.

#### Social

Through cost-efficient and easy-to-understand pension services, we work every day to ensure a secure retirement for the participants and employers of our clients. Together with PFZW and our social partners, we also develop services and products that contribute to a resilient and sustainable health and welfare sector. In addition, we strive to be an attractive and inclusive employer for our people.

#### Governance

As a financial services provider, we believe it is essential that participants and other stakeholders continue to trust our services. Ethical, integrity-driven and responsible business conduct is key to this. The safety and privacy of sensitive personal data are high priorities for us.

The implementation of our sustainability strategy is an integral part of our business model and the value chains in which we operate. These are explained in more detail below.

## 2.2.2 Business model and value chains

### Our business model

A business model is a plan or concept describing the way an organisation creates, delivers and retains value. Our business model is outlined in the value creation model on page 11. This model presents all our client-focused activities within the context of the market in which we operate. It describes our role as a pension service provider, where we aim to create social value for pension funds and the participants of our clients, as well as for employers and social partners. We achieve this through our pension and asset management services, and our (data-driven) services that support a stronger and more resilient health and welfare sector.

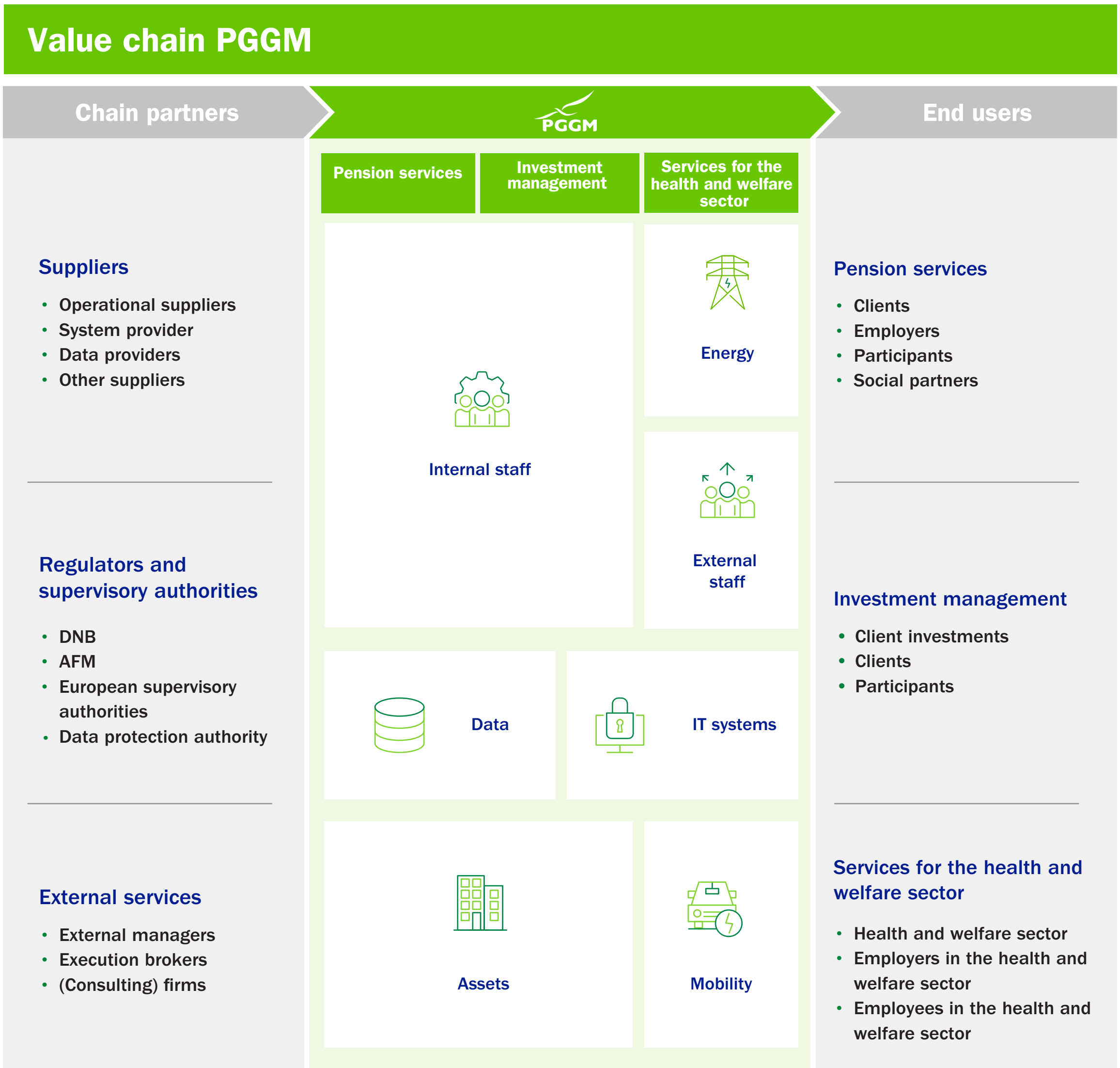
### Our value chains

All companies subject to the CSRD legislation are required to describe the value chains in which they operate. A value chain consists of all actors that contribute to the creation of value for the end product, both upstream (supply chain partners) and downstream (users) of the reporting entity.

Based on our business model and strategy, we distinguish three value chains:

- **Investment management**: based on our joint 2030 strategy, we aim to invest exclusively on behalf of PFZW. As of 2024, this applies to public markets. For private markets, this is also the intended end state. At present, we manage investments for four other pension funds through two private market investment funds under our management. We work with parties including brokers, external managers and data and systems providers. By co-developing and implementing PFZW's investment policy, we create value for the investments and, ultimately, for the participants of our clients.
- **Pension services**: We administer the pension schemes of our clients. In doing so, we work with system providers, operational partners, public authorities and service providers that facilitate access to pension information. Through our advisory and administrative activities, we create value for the participants of the PFZW, PMT, Bpf Koopvaardij, StiPP and BPF Schilders pension funds. We also manage the administration of the sectoral funds Stichting Fonds Uitzendbranche (SFU) and Stichting Sociaal Fonds Huisartsenzorg (SSFH).
- **Services for the health and welfare sector**: We provide products and services to employees and employers in the health and welfare sector. Our partners include Initiatief Zorg en Zekerheid (IZZ), the Ministry of Health, Welfare and Sport (VWS), Alzheimer Nederland and the Christian National Trade Union (CNV). Through our services, we create value for individual employees, employers, and the health and welfare sector as a whole.

The value chains are visualised below.



## 2.2.3 Stakeholders' interests and views

Stakeholders play a vital role in shaping, developing and delivering our strategy and business model. The diagram below presents our key stakeholder groups, how they are involved in decision-making, and the sustainability themes in which they have a meaningful influence.

# Overview of PGGM Group's Stakeholder Analysis

## Our stakeholders

### Who do we do it for?

#### Pension Funds

| | |
|---|---|
| **Relevance** | As a pension service provider, PGGM delivers pension administration services to PFZW, PMT, Bpf Koopvaardij, BPF Schilders and StiPP. We also manage investment funds on behalf of PFZW and four other pension funds: SPF Schilders, Smurfit Kappa, SPH and Particuliere Beveiliging |
| **Interaction** | Regular consultations with boards, meetings, service level agreements (SLA) |
| **Theme** | Cost-effective pension services \| A comprehensible pension \| Vitality in the health and welfare sector \| Data privacy, data availability and data quality |

#### Health and welfare sector

| | |
|---|---|
| **Relevance** | Based on the joint strategy with PFZW, PGGM provides products and services to the health and welfare sector, contributing to a more vital sector and supporting both employers and employees |
| **Interaction** | Campaigns, visits, interviews, portals, events |
| **Theme** | Vitality in the health and welfare sector |

#### Employers affiliated with pension funds

| | |
|---|---|
| **Relevance** | As a pension service provider, PGGM delivers pension administration services to PFZW, PMT, Bpf Koopvaardij, BPF Schilders and StiPP. PGGM also provides asset management services to PFZW and manages investments on behalf of BPF Schilders, Smurfit Kappa, SPH and Particuliere Beveiliging |
| **Interaction** | Various communication channels with employers, portals, visits |
| **Theme** | Cost-effective pension administration \| A comprehensible pension \| Data privacy, data availability and data quality |

#### Participants affiliated with pension funds

| | |
|---|---|
| **Relevance** | As a pension service provider, PGGM delivers services for participants affiliated with these pension funds |
| **Interaction** | Various communication channels with participants, portals, interviews, meetings |
| **Theme** | Cost-effective pension administration \| A comprehensible pension \| Data privacy, data availability and data quality |

### Who do we work with?

#### Employees

| | |
|---|---|
| **Relevance** | PGGM provides around 2,000 jobs (internal and external). These employees contribute to day-to-day service delivery and are valued accordingly |
| **Interaction** | Performance reviews, meetings, collective labour agreement negotiations, employee participation, surveys |
| **Theme** | Climate impact and energy transition \| Attractive employment \| Ethical, integrity-driven and responsible business conduct \| Data privacy, data availability and data quality |

#### Suppliers

| | |
|---|---|
| **Relevance** | PGGM works with suppliers across the value chain. Our contracts reflect the value we place on responsible cooperation and clear expectations |
| **Interaction** | Information exchange, system links, performance agreements, contract negotiations |
| **Theme** | Climate impact and energy transition \| Attractive employment \| Ethical, integrity-driven and responsible business conduct \| Data privacy, data availability and data quality |

#### External service providers

| | |
|---|---|
| **Relevance** | PGGM collaborates with external service providers across the value chain to optimise the delivery of its services to clients. The agreements governing these collaborations and service provisions are formalised in contracts |
| **Interaction** | Performance agreements, contract negotiations |
| **Theme** | Climate impact and energy transition \| Attractive employment \| Ethical, integrity-driven and responsible business conduct \| Data privacy, data availability and data quality |

#### Shareholders and governing bodies

| | |
|---|---|
| **Relevance** | PGGM Coöperatie U.A. is the sole shareholder (100%) of PGGM N.V. Its governance structure includes a Members' Council and a Cooperative Board, both composed of social partners active in the health and welfare sector. The Supervisory Board oversees the day-to-day management carried out by the Executive Committee (EC) and the Executive Board |
| **Interaction** | Consultations with governing bodies, general shareholders' meeting |
| **Theme** | All material themes |

### Who do we engage with?

#### Regulators and supervisory authorities

| | |
|---|---|
| **Relevance** | PGGM requires licences for certain parts of its operations and is subject to supervision by Dutch and European public authorities. In addition, the government is a user of our data services, for example in relation to the 'Preventie Plan' |
| **Interaction** | Site visits, accountability reports, information sharing (ad hoc and recurring), data provision |
| **Theme** | All material themes |

#### Industry associations and related organisations

| | |
|---|---|
| **Relevance** | PGGM works with industry associations to shape and adjust its policies to the needs of the sectors it serves |
| **Interaction** | Working groups, consultation meetings |
| **Theme** | A comprehensible pension \| Attractive employment \| Vitality in the health and welfare sector \| Ethical, integrity-driven and responsible business conduct |

#### Civil society organisations and NGOs

| | |
|---|---|
| **Relevance** | PGGM supports and participates in initiatives led by civil society organisations and NGOs, and actively engages with them to assess the effectiveness and impact of its own policies |
| **Interaction** | Memberships, meetings, workshops, consultations, dialogue platforms |
| **Theme** | Climate impact and energy transition I Attractive employment \| Ethical, integrity-driven and responsible business conduct |

#### Lobby organisations

| | |
|---|---|
| **Relevance** | PGGM collaborates with lobbying organisations to inform and, where appropriate, influence policymakers, for example on pension reforms and labour market issue |
| **Interaction** | Working groups, dialogue platforms, consultations |
| **Theme** | A comprehensible pension \| Vitality in the health and welfare sector \| Ethical, integrity-driven and responsible business conduct |

# 2.3 Sustainability governance

**Our sustainability governance covers both the role of the Executive Board in defining and delivering our sustainability strategy, and the supervisory role of the Supervisory Board. We currently operate under a temporary project structure, with a steering committee overseeing the implementation of the CSRD legislation.**

## 2.3.1 The Role of executive, management and supervisory bodies

We have set out our sustainability strategy in the statement below. It identifies the themes that are material to us and explains how our efforts contribute to sustainability.

**Composition and diversity of the Supervisory Board and Executive Board**

| Aspect | Supervisory Board | Executive Board |
|---|---|---|
| Total number of board members | 6 (non-executive) | 2 (executive) |
| Employee representation | In accordance with Article 2:158 of the Dutch Civil Code, the Works Council was given the opportunity to exercise its enhanced right of recommendation for the appointment of SB members. The Works Council did not make use of this right. | In accordance with Article 30 of the Works Councils Act (WOR), the Works Council exercised its advisory right concerning the intended appointment of EB members. The SB adopted these recommendations. |
| Gender diversity (%) | 67% male, 33% female | 100% male, 0% female |
| Percentage of independent board members | 100% (all non-executive) | 0% (all executive) |

Further information on the composition and diversity of the Executive Board and Supervisory Board of PGGM N.V. can be found in section 5.5 and section 5.6.

### Roles and responsibilities

Our sustainability strategy is embedded in our 2030 business plans. The Executive Board sets the multi-year strategic ambitions, which are then translated into concrete actions by the directors and management teams of the various business units. These strategic frameworks form the basis for our sustainability ambitions on the material themes, aimed at increasing positive impact, seizing opportunities, reducing negative impact and managing risks.

In 2024, we continued the implementation of the CSRD legislation, once again working within a temporary project structure integrated into our existing organisational framework (see section 1.3.2). A steering committee, supported by a project team and subject-matter experts, is responsible for driving this implementation. This group closely monitors developments in CSRD legislation to ensure timely compliance.

Our governance model enables us to integrate the sustainability strategy across all our activities. The strategy is determined centrally, with input from the various units, which are also actively involved in its development. Under the CSRD, PGGM Pensioenbeheer B.V. and PGGM Vermogensbeheer B.V. have independent obligations to promote sustainability. They are therefore represented in the steering committee. This approach allows us to effectively manage and oversee our organisation's key sustainability themes.

#### Skills and expertise of our executive and supervisory board members

The composition of our executive and supervisory bodies ensures that the necessary knowledge and expertise on sustainability themes is sufficiently represented. This enables them to effectively assess the material impact, risks and opportunities within PGGM. Their expertise stems from previous roles, training, and involvement in strategic decisions related to the implementation of CSRD legislation. In addition, these bodies actively engage with developments in society and with the views of key stakeholders on sustainability and sustainability reporting. They continue to expand their knowledge and experience through additional roles, training and other forms of professional development. Both collectively and individually, the boards have access to a wide network of internal and external knowledge and expertise, which supports them in their role and helps further strengthen their capabilities.

In 2025, the rules of procedure and profiles of the executive and supervisory bodies of PGGM N.V., PGGM Pensioenbeheer B.V. and PGGM Vermogensbeheer B.V. were aligned with the CSRD. This ensures that responsibility for, and oversight of, sustainability matters is firmly embedded internally, with sufficient knowledge and expertise available in this area. In addition, where our structure allows, we voluntarily comply with the 2022 Dutch Corporate Governance Code. To reinforce this voluntary compliance, relevant obligations have been explicitly incorporated into the current rules of procedure.

### 2.3.2 Information flows and our approach to sustainability topics

During the implementation of the CSRD legislation, the Executive Board, the Supervisory Board, and the EC and ARC (Audit, Risk and Compliance Committee) receive quarterly updates via our dashboard, which monitors progress on objectives, strategies and outcomes. In addition, they are involved in strategic matters requiring decision-making, such as the approval of the DMA, the identification of impacts, risks and opportunities, the scope of the sustainability report (see section 2.4.3), and the adoption of the report itself, including the associated policy frameworks, actions and indicators. Once implementation is complete, responsibility for achieving the sustainability ambitions will lie with the business units.

The EC was closely involved in developing the vision for long-term sustainable value creation, including an assessment of the organisation's impact on people and the environment. The Executive Board subsequently set concrete ambitions and targets for sustainable value creation. The Supervisory Board oversees this process and the broader integration of sustainability into our operations. Responsibility for monitoring sustainability topics lies with the ARC. This committee oversees PGGM's sustainability agenda, the definition of ambitions, targets and indicators, and the execution and progress of plans and actions.

The DMA for 2024 was adopted by the EC and discussed in the ARC meeting. Impacts, risks and opportunities were identified for the seven key sustainability topics. No decisions involved conflicting stakeholder interests, for example with respect to impacts, risks or opportunities. Further information on the results of the DMA can be found in section 2.4.

The thematic sections of this report (2.5 to 2.11) outline the main types of impact, risk and opportunity, and explain how the Executive Board and Supervisory Board provided direction on these matters in 2024.

### 2.3.3 Remuneration linked to sustainability performance

The board members of PGGM, except for the board of PGGM Vermogensbeheer B.V., receive a fixed remuneration without any variable pay components. This remuneration is not linked to our sustainability ambitions. The same applies to the supervisory bodies of PGGM N.V., namely the Supervisory Board, the ARC and the Human and Organisation Committee. The board of PGGM Vermogensbeheer B.V. does receive variable remuneration. This includes sustainability objectives set by PFZW, but it is not linked to PGGM's own sustainability ambitions as defined in, and within the scope of, this sustainability report.

### 2.3.4 Due diligence statement

Our activities can have both positive and negative effects on ESG topics. It is therefore essential that we understand the risks we face and the impact we have. This enables us to take responsibility for negative effects and contribute to sustainable change.

Our DMA examines themes and topics from two perspectives: the outside-in perspective, which focuses on sustainability-related risks and opportunities that may affect us from the outside, and the inside-out perspective, which looks at the impact our organisation has on people and the environment.

We integrate the steps below into our existing operational processes, including strategy, sustainability, planning and control, and risk and reporting. This helps us embed sustainability efficiently into our day-to-day operations.

- **Identification**: Through our DMA, we identify potential negative impacts on people and the environment. A full assessment is conducted every three years, with recalibrations in the intervening years.
- **Assessment**: We assess the likelihood, scale, severity and reversibility of these negative impacts using both quantitative and qualitative methods.
- **Mitigation and prevention**: We develop policies and implement measures to reduce or prevent our negative impact, for example by adjusting our value chains or applying higher sustainability standards.

In 2024, the focus was on improving internal alignment across different operational processes. We are working towards a fully integrated approach in which sustainability is embedded in all aspects of our business operation.

| Key elements of due diligence | Due diligence processes at PGGM |
|---|---|
| a) Integrating due diligence into governance, strategy and the business model | These steps are integrated into our existing operational processes. |
| b) Involving stakeholders in all key steps of due diligence | We involve stakeholders in the identification and assessment of negative impacts through our double materiality assessment.<br>We monitor the mitigation of negative impacts on our stakeholders using dedicated indicators. |
| c) Identifying and assessing negative impacts | We identify and assess potential negative impacts on people and the environment through our double materiality. |
| d) Taking action to address negative impacts | We develop policies and implement measures to reduce negative impacts. |
| e) Monitoring the effectiveness of these efforts and communicating about them | These steps are integrated into our existing operational processes. |

### 2.3.5 Risk management and internal controls for sustainability reporting

Both the sustainability risks identified through the double materiality assessment and the sustainability reporting risks are incorporated into PGGM's regular risk management cycle and linked to the risk categories defined in the PGGM risk framework. This ensures full integration of the management and reporting of these risks. The risk taxonomy is reviewed and updated annually. As part of the three-yearly DMA, material risks are identified per sustainability topic, including gross risk levels and mitigating measures to ensure that net risks remain within the defined risk appetite. These risks are assigned a specific label in the risk management system, enabling targeted reporting and full integration into PGGM's overall risk profile and reporting processes.

The sustainability risks identified in the double materiality assessment are already embedded in PGGM's risk management process, as outlined earlier on page 30. From 2025 onwards, sustainability reporting risks will also be further integrated into this process.

# 2.4 Double materiality assessment

**Our DMA enables us to identify and prioritise the ESG topics most relevant to our organisation. This analysis ensures that our ESG strategy remains aligned with stakeholder expectations and external trends, and contributes to sustainable, long-term value creation.**

## 2.4.1 Process steps in our DMA

To ensure the identification and prioritisation of the most relevant ESG topics for PGGM and our stakeholders, we follow a structured process as part of our DMA. This process helps us understand the impact of our organisation on sustainability and make adjustments where necessary. The full DMA is conducted every three years, most recently in 2023. In the intervening years, we assess whether a recalibration is sufficient by determining whether any significant strategic changes or new risks have emerged.

### Our DMA

**Step 1**
**Desk research and internal validation**

We conducted extensive desk research based on international sustainability standards, publications from peers, sector reports and media analyses. The topics identified through this process were aggregated, screened and consolidated. They were internally validated using feedback from the project team and external advisors. This resulted in a longlist of potential sustainability topic.

**Step 2**
**Consolidation from longlist to medium list**

The topics on the longlist were further refined by defining each one in more specific terms, in the context of PGGM. Relevant sustainability-related impacts, risks and opportunities were identified. This included a review of internal documents such as the risk register, and the addition of expert input, including stakeholder consultation outcomes. The process included internal validation with PGGM staff. Based on relevance, the list was narrowed to a medium list of sustainability topics.

**Step 3**
**Prioritisation and assessment of the medium list**

The impacts, risks and opportunities on the medium list were assessed by internal experts, using clear criteria such as likelihood, scale, intensity and reversibility. A consistent scoring method was used to ensure uniform application of the assessment framework.

**Step 4**
**Finalising the short list**

The medium list was narrowed down using consolidation, ranking and threshold methods. As a result, the medium list was reduced to a short list of material sustainability topics, grouped into seven key themes.

## 2.4.2 Stakeholder engagement in our DMA

We engaged our stakeholders – including affiliated pension funds, employees and suppliers – in various ways throughout our DMA. We invited them to provide feedback on our impact on ESG topics and how these topics influence their own decision-making. This input helped us identify the issues that matter most to both PGGM and its stakeholders. In addition, stakeholders were involved in validating and prioritising the sustainability topics and in assessing impacts, risks and opportunities. This process led to the identification of additional impacts and adjustments to risk scores.

By incorporating stakeholder input, we ensure that our strategy and reporting are aligned with stakeholder expectations, that we address our most relevant impact areas, and that we contribute to sustainable value creation in the short, medium and long term.

## 2.4.3 Recalibration in 2024

### Outcome of the DMA recalibration in 2024

In 2024, we repeated our annual DMA process, which did not reveal any major strategic changes or new top risks. We then carried out a shortened recalibration. The seven sustainability themes identified in 2023 were reassessed. Together with our internal experts and subject-matter specialists, we updated the texts for each theme, re-evaluated the risk scores, and assessed them against the defined threshold values. The recalibration confirmed that the seven themes remain material to us. The EC approved the outcomes of the recalibration, thereby formally adopting our DMA for 2024.

### Assessment of the scope of the sustainability report in 2024

Our clients' investments fall outside the scope of our sustainability reporting. During the 2024 recalibration, we reconfirmed this position in our internal decision-making, consistent with what was stated in the 2023 annual report.

According to the Dutch draft implementation decree for the CSRD, we are not required to report on the sustainable impact of investment funds and discretionary asset management, provided these are not our own investments. The decree specifies that managers of investment institutions and investment firms providing discretionary asset management do not fall within the scope of the regulation with respect to investments made on behalf of clients. As such, our clients' investments are excluded from the scope of this sustainability report.

There is ongoing debate in the market about the role of investment-related activities such as engagement, voting behaviour and exclusions. As long as this discussion remains unresolved, we have chosen to keep these activities outside the scope of our sustainability report. Current guidance from EFRAG and other supervisory authorities does not give reason to include these activities within the scope of the CSRD. PGGM Vermogensbeheer B.V. already reports on these activities under the SFDR.

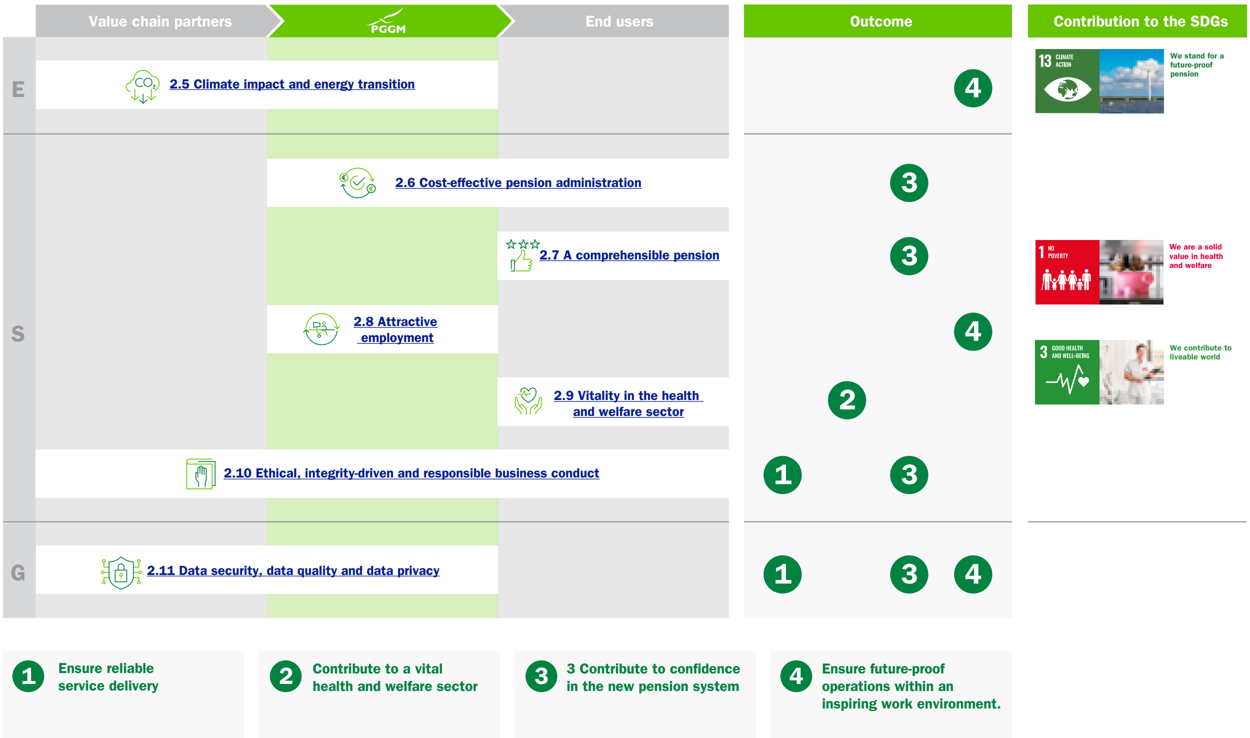
We closely monitor developments in legislation and regulation. Where necessary, we adjust our approach and disclosures accordingly. This enables us to remain compliant with legal requirements and to ensure a future-proof and relevant sustainability report.

In addition to the sustainable impact of investment funds and discretionary asset management, and investment-related activities, our services to the social funds Stichting Fonds Uitzendbranche (SFU) and Stichting Sociaal Fonds Huisartsenzorg (SSFH) also fall outside the scope of this sustainability report. Our DMA has shown that these funds do not present any material sustainability-related impacts, risks or opportunities.

## 2.4.4 Material impacts, risks and opportunities and their interaction with our strategy and business model

The results of our DMA presented below show how our sustainability themes align with our strategic values. They highlight which themes are relevant to our organisation, to value chain partners, and to end users and society as a whole. Who is affected, and who can influence these themes? Each theme is linked to specific strategic values – such as building participant trust, strengthening the health and welfare sector, and ensuring a future-proof organisation. The overview shows how our efforts on topics such as 'Climate impact and energy transition', 'Data security, data quality and data privacy', and 'Ethical, integrity-driven and responsible business conduct' contribute to achieving these values.

**Double materiality assessment**




Contribute to a good pension in a liveable world" falls outside the scope of this sustainability report. See the explanation on page 56.

### Guide to reading this report

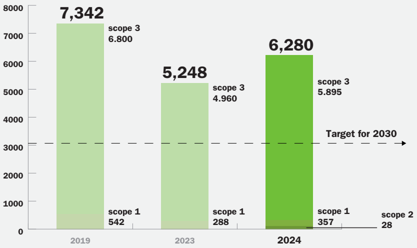
In the following sections of this sustainability report, we provide an account of each material sustainability theme, including our ambitions, how we manage them, and the impact achieved., we provide an account of each material sustainability theme, including our ambitions, how we manage them, and the impact achieved. Where we manage performance internally using key figures, we have included targets. These targets are measured against a baseline year, which may vary per indicator depending on the ambition pursued. For key figures without a set target, these serve as indicators that we monitor. If action is required based on these indicators, a target will be set in subsequent years.

The notes to this sustainability report are provided in the appendix:
- Note 1: Overview of added, removed and updated indicators
- Note 2: Policy – governance and stakeholders involved
- Note 3: Indicators – definitions, methodologies and validation
- Note 4: Estimates, assumptions and averages
- Note 5: List of data points in cross-cutting and topical standards derived from other EU legislation
- Note 6: ESRS reference table

## 2.5 Climate impact and energy transition

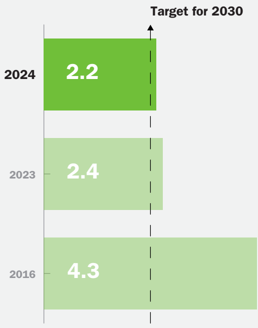
**Sustainability performance**

**$CO_2$-footprint**
(tonnes CO2)



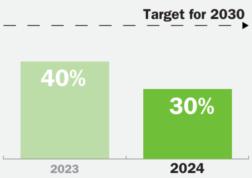

For scope 3: 55% reduction by 2030 compared to 2019.
For scopes 1 and 2: $CO_2$ footprint must be zero by 2030.

**Mobility emissions**
Tonnes CO2 per FTE




2030 target: 2.1 tonnes per FTE (50% reduction compared to 2016)
2019 is the baseline year. For mobility emissions, 2016 is used as an additional baseline, in line with the Anders Reizen initiative.

**CO2 reduction scope 3**
Percentage compared to 2019 baseline




Target for 2030: 55% scope 3 reduction

See the following pages for further explanation of the key figures **indicated in bold**.

**Our business activities result in $CO_2$ emissions and energy consumption, which in turn impact the climate and energy transition. As part of this theme, we monitor our $CO_2$-equivalent emissions and energy use, and aim to reduce them wherever possible.**

### Our ambition

In June 2022, we announced our ambition to achieve net zero in our operations by 2050. We have set interim targets in line with the guidelines of the Science Based Targets initiative (SBTi), through which we endorse the Paris Agreement and actively contribute to its realisation. For example, we aim to reach net zero for our direct emissions (scope 1) by 2030. In addition, we aim to reduce our scope 3 emissions related to our own activities by 55% by 2030, compared to 2019, following a linear reduction pathway. We are unlikely to meet our ambition to achieve net zero for indirect emissions from purchased energy (scope 2) by 2030 due to the use of fossil-based district heating in our new premises.

### Impacts, risks and opportunities

The table below shows the results of our DMA for the theme ‘Climate impact and energy transition’.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Climate mitigation** | | | |
| Impact | The emission of greenhouse gases from our operations has a negative impact on the climate. | Actual and negative | Value chain partners and own activities |
| **Climate adaptation** | | | |
| Risk *Physical* | The effects of climate change (such as extreme weather, flooding or heat) may, in the longer term (>5 years), lead to damage to our premises. | N/A | Own activities |
| **Energy transition** | | | |
| Risk *Physical* | Changes in legislation on energy performance may require adjustments to our premises. | N/A | Own activities |
| Risk *Physical* | An unsustainable approach to energy supply may obstruct the achievement of interim net-zero targets for scopes 1 and 2. | N/A | Own activities |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the thematic standard ‘ESRS E1: Climate impact and energy transition’ for the content-related disclosures. Based on the identified impacts, opportunities and risks within this theme, we have determined which disclosure requirements from this standard are relevant to us.

We outline our approach using our policy frameworks, the actions we took in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.5.1 Our approach to preventing or reducing emissions in our operations

**Impact**
The emission of greenhouse gases from our operations has a negative impact on the climate.

### Our policy

Our net zero policy provides clear frameworks and tools to support the transition to net zero operations. We translate our net zero ambition into annual $CO_2$ reduction targets, expressed in tonnes. Responsibility for achieving these targets lies with the decision-makers who influence $CO_2$ emissions. These $CO_2$ owners draw up reduction plans and ensure their implementation.

### What we did in 2024

In 2024, we developed a net zero policy for the PGGM Group, which was approved by the EC in October. We monitored our $CO_2$-equivalent emissions and took measures to reduce them. For example, we began developing reduction plans. For each relevant source of emissions, we appointed $CO_2$ owners responsible for drawing up and implementing these plans.

Our absolute **$CO_2$ footprint** in 2024 was 6,280 tonnes of $CO_2$, an increase compared to 2023. This was due to the attributed emissions from the PGGM office in The Hague, as well as higher emissions from air travel and paper use. Emissions from air travel increased due to higher emission factors, even though fewer flights were taken in 2024. The higher emissions from paper use were the result of a larger print run and modifications to the PFZW magazine.

Compared to 2019 – our net zero base year – this represents a reduction of 14.4%. In 2024, however, emissions were measured from more sources than in 2019. When comparing only the same sources as in 2019, total $CO_2$ emissions in 2024 amounted to 5,136 tonnes, reflecting a 30% **reduction in scope 3 emissions** relative to 2019. This puts us on track to meet our interim 2030 target of a 55% reduction in scope 3 emissions compared to 2019.

**Mobility-related emissions** for 2024 remained within our target of 3.1 tonnes of $CO_2$ per FTE. The reduction in emissions compared to the baseline year is partly due to the transition to an electric vehicle fleet (87% of our leased vehicles are electric) and hybrid working practices. In addition, emissions from air travel decreased by 21% compared to 2019. This reduction is mainly the result of a deliberate shift towards online meeting solutions. We have adopted a new perspective on air travel, with tighter budgets and more conscious decisions about when and how to travel.

98% of emissions from air travel originate from the asset management value chain, while 99% of emissions from paper consumption stem from the pension administration value chain.

| $CO_2$-footprint | | | | |
|---|---|---|---|---|
| GHG category | Sources | $CO_2$-emissions (tonnes) 2024 | $CO_2$-emissions (tonnes) 2023 | Change in 2024 vs. 2019**** |
| **Scope 1 emissions** | | **357** | **288** | **-24%** |
| | Gas | 343 | 277 | -24% |
| | Refrigerants and other | 14 | 11 | * |
| **Scope 2 emissions** | | **28** | **0** | ***** |
| | Location-based electricity (PGGM) | 984 | 902 | N/A |
| | Market-based electricity (PGGM) | 0 | 0 | 0% |
| | District heating (PGGM Den Haag) | 28** | 0 | * |
| **Scope 3-emissions** | | **5,895** | **4,960** | **-30%** |
| Purchased goods and services | Drinking water | 2 | 2 | -33% |
| Purchased goods and services | Paper | 733 | 473 | -2% |
| Purchased goods and services | IT – hardware, werkomgeving, DC | 83 | 70 | * |
| Fuel- and energy-related activities | Electricity – market-based charging points | 0 | 0 | 0% |
| Upstream leased assets | IT-hardware | 213 | 105 | * |
| Waste generated in operations | Leasewagenpark | 315 | 381 | -64% |
| Business travel | Waste | 807 | 664 | * |
| Business travel | Air travel | 2.678 | 2.397 | -19% |
| Business travel | Sustainable aviation fuel | -82** | -82*** | -4% |
| Business travel | Business car travel – private vehicle | 70 | 26 | 84% |
| Commuting | Employee commuting (excl. lease vehicles) | 1.052 | 911 | -40% |
| Commuting | Public transport | 24 | 13 | -87% |
| | **Total greenhouse gas emissions** | | | |
| | **Location-based** | **7,264** | **6,150** | |
| | **Market-based** | **6,280** | **5,248** | **-30%** |

** = these sources were newly added after 2019*
***= provisional figures; final values will be confirmed upon publication of the annual report*
****= 2023 includes a provisional figure; the comparative figure has been adjusted to the final value*
*****= percentage reflects the $CO_2$ reduction excluding emissions from PGGM The Hague and excluding sources added after 2019*

In addition to the actions described above to manage our $CO_2$-equivalent emissions, we offset our emissions by purchasing carbon credits. We did this by acquiring $CO_2$ credits through Gold Standard projects such as ‘Bamako Clean Stoves’ and ‘Access to Energy for Local Development in Uganda’. For the first three quarters of 2024, we fully offset our emissions; the offset for the fourth quarter will take place in 2025. The purchased $CO_2$ credits are cancelled, meaning they can no longer be traded. This prevents multiple claims being made on the same credit. The Gold Standard label not only ensures $CO_2$ reduction but also supports sustainable development for local communities.

| Carbon credits | | |
|---|---|---|
| | 2024 | 2023 |
| Offset $CO_2$ emissions for the year* | 6,146 | 5,204 |
| Number of carbon credits purchased and cancelled during the year ** | 6,036 | 5,668 |

** A portion of our market-based $CO_2$ emissions (2024: 6,280 – 6,146) is already offset by our suppliers and is therefore not offset again by PGGM.*
*** $CO_2$ emissions from the fourth quarter of the respective year are offset in the following year*

### Our plans for 2025 and beyond

In 2025, we will focus on further developing and implementing our reduction plans, both within our own operations and across the value chain in which we operate. We will also continue to explore how carbon credits can be used effectively and remain transparent in reporting our $CO_2$ emissions.

## 2.5.2 What we do to mitigate the effects of climate change

**Risk**
**The effects of climate change (such as extreme weather, flooding or heat) may, in the longer term (>5 years), lead to damage to our premises.**

### Our policy

European sustainability regulations encourage companies to disclose the measures they are taking to adapt to climate change. Through a climate adaptation policy, companies can explain how they are preparing for the effects of climate change and what steps they are taking to reduce associated risks. At PGGM, we have not yet established a specific policy to better protect our buildings against the potential consequences of climate change, such as more extreme weather, heat or flooding.

### Our plans for 2025 and beyond

Our current and future premises are, in principle, sufficiently resilient to current weather conditions. For our existing site in Zeist, we are not taking any additional short-term measures to further improve sustainability. Given the upcoming relocation, large-scale investments at this location would not be sustainable. In 2025, we will therefore look ahead to the medium and long term for our location in Utrecht.

## 2.5.3 How we anticipate changing legislation

**Risk**
Changes in legislation on energy performance may require adjustments to our premises

**Risk**
An unsustainable approach to energy supply may obstruct the achievement of interim net-zero targets for scopes 1 and 2.

### Our policy
Our energy transition policy is embedded in our so-called ‘manage hard services’ policy. This policy focuses on achieving the lowest possible energy consumption. Our goal is to reach an energy standard of 70 kWh per square metre per year by 2030, as set by the Dutch Green Building Coalition (DGBC). We are applying this ambition to our future premises.

### What we did in 2024
In 2024, we developed reduction plans that align with national legislation, such as the Energy Efficiency Directive. We monitor legal developments through internal committees and demonstrate compliance through audits and a BREEAM certificate. BREEAM is a globally recognised certification that assesses the sustainability performance of buildings, including energy use, materials, waste management, maintenance, water usage and health. The certificate is issued by independent experts. Our office holds energy label A, and in 2024, the BREEAM In-Use certificate for our building was renewed with a rating of ‘Very Good’.

We use an aquifer thermal energy storage system to reduce gas consumption, generate part of our electricity using solar panels, use LED lighting, and purchase 100% renewable European electricity. By closing off parts of the building and adjusting the workspace to hybrid working, we have reduced electricity consumption and kept gas use within expected margins.

We are also certified under the ISO 9001 Quality Management standard, which includes our facility management. ISO (International Organization for Standardization) is a global organisation that develops and publishes international standards.

### Our plans for 2025 and beyond
Although the risk of stricter regulation for our current location in Zeist is low, we expect this risk to be higher for the new rental property in Utrecht. That is why we will begin implementing reduction plans in 2025. In consultation with the owner of the building, we aim to further improve the sustainability of our new premises and ensure that it meets the energy requirements of the Paris Agreement, as defined by the Dutch Green Building Council (DGBC).

### Our policy
Our net zero policy focuses on improving energy efficiency, using renewable energy sources, and ensuring energy availability when needed. As part of our hard services policy, and in line with DGBC standards, our target is to achieve a maximum energy consumption of 70 kWh per $m^2$ by 2030.

### What we did in 2024

We have developed reduction plans to support the energy transition, including measures to make utility use more sustainable. As mentioned in the previous risk description, we have further improved the sustainability performance of our premises by reducing energy consumption and keeping our gas use within the expected margins. See the reduction in our energy consumption in the footprint on page 59.

The table on the next page shows our annual energy consumption in megawatt-hours (MWh). The 2024 figures are broken down by our Zeist and The Hague locations, to allow for a fair comparison with 2023, when we operated only from the Zeist location. Our total energy consumption has slightly increased compared to 2023. This is due to a malfunction in our climate control system in the first quarter of 2024, which temporarily required gas-only heating at our Zeist office. When comparing energy data over time, it is important to consider weather conditions. This effect is not reflected in the figures.

**Energy consumption and energy mix**

| | 2024 | | 2023 |
|---|---|---|---|
| | Zeist | The Hague | Zeist |
| Natural gas consumption (MWh) | 1,572 | 0 | 1,300 |
| Fuel consumption from other fossil sources (MWh) | 8 | 0 | 8 |
| Consumption of purchased heat from fossil sources (MWh) | 0 | 138 | 0 |
| Total fossil energy consumption (MWh) | 1,580 | 138 | 1,308 |
| Share of fossil sources in total energy consumption (%) | 39% | 25% | 33% |
| Nuclear energy consumption (MWh) | 0 | 0 | 0 |
| Consumption of purchased heat from renewable sources (MWh) | 0 | 81 | 0 |
| Share of consumption from nuclear sources (%) | 0% | 0% | 0% |
| Purchased renewable electricity intended for resale (MWh) (to be subtracted from the total) | -181 | 0 | -181 |
| Self-generated renewable energy consumption from non-fuel sources (MWh) | 210 | 0 | 206 |
| Total renewable energy consumption (MWh) | 2,502 | 411 | 2,711 |
| Share of renewable sources in total energy consumption (%) | 61% | 75% | 67% |
| Total energy consumption (MWh) | 4,082 | 549 | 4,019 |

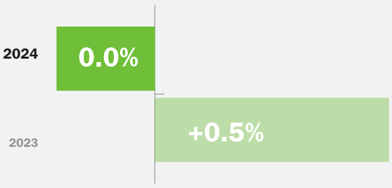
### Our plans for 2025 and beyond

In 2025, we will implement the reduction plans and agree on temporary measures to mitigate the impact of national grid congestion.

# 2.6 Cost-effective pension services

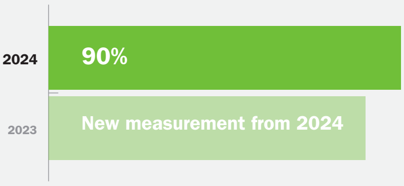
## Sustainability performance

**PGGM costs per participant**



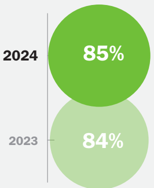

**Digital reach**

Percentage of participants using the online environment




**Self-service score**

As a percentage of total client contact




See the following pages for further explanation of the key figures **indicated in bold**.

**As a pension service provider, we bear a significant social responsibility: ensuring a good and affordable pension for more than 5.8 million participants. By delivering pension services at a responsible cost level, we contribute to a good pension for the participants of our clients.**

### Our ambition

Our ambition is to provide pension services at a responsible cost level, aligned with our scale, participant groups and desired level of service. We achieve this by continuously controlling costs and reducing them where possible. In doing so, we constantly seek the right balance between cost efficiency and delivering excellent customer service. We aim to keep implementation costs as low as possible for all our clients and strive to ensure that PFZW remains among the top four pension funds with the lowest implementation costs within the ten largest Dutch funds (measured by number of participants).

### Impacts, risks and opportunities

The table below presents the results of our DMA on the theme of ‘Cost-effective pension administration’. This theme relates solely to our pension administration activities and does not apply to the asset management value chain.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Cost efficiency** | | | |
| Impact | Cost-effective pension services contribute to the financing of the pension product and the required contributions from employers and participants, leading to greater pension accrual. | Actual and positive | End users |
| Risk | If economies of scale and automation are not achieved or only partially realised, this may put pressure on the cost efficiency of the service. | N/a | End users |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the topical standard ‘ESRS S4: Consumers and end users’ for the detailed disclosures. Based on the identified impact and risk within this theme, we have determined which reporting requirements from this standard are relevant to us.

On the following pages, we show how we create impact and manage risks. We describe our approach through policy frameworks, the actions we carried out in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.6.1 Our approach to cost efficiency in pension services

**Impact**
**Cost-effective pension services contribute to the financing of the pension product and the required contributions from employers and participants, leading to greater pension accrual.**

**Risk**
**If economies of scale and automation are not achieved or only partially realised, this may put pressure on the cost efficiency of the service.**

### Our policy

At PGGM, we have several policy frameworks in place that support our ambition to deliver pension administration at a responsible cost level. These include our multi-year financial plan, our long-term strategy and our IT plans. In addition, we have launched a programme to reduce costs by working in a multi-client structure, standardising processes and improving efficiency. This programme also aims to strengthen collaboration between our locations in Zeist and The Hague.

### What we did in 2024

After more than three years of intensive preparation, our pension administration system MAP successfully went live at MN on 2 January 2024. As of 1 July 2024, the mandate for pension administration activities was formally transferred from MN to PGGM. From that date, we have been responsible for the pension administration of PFZW, PMT, BPF Schilders, StiPP and Bpf Koopvaardij, serving a total of 5.8 million participants as of 31 December 2024.

The addition of PMT and Bpf Koopvaardij has further increased the scale of our pension administration, supporting our ambition to manage PGGM's costs per participant. This transition also brings additional synergy benefits. Part of the cost savings from the restructuring of existing contracts were already realised in 2024, with further gains expected in the coming years. Synergies from the integration of personnel, facilities and other operational areas will also be fully realised over the next few years, benefitting our participants directly.

**PGGM's cost per participant** is calculated by dividing the actual pension administration fee by the total number of participants across all our clients. In 2024, the (participants of) PMT and Bpf Koopvaardij were not yet included in this calculation.

In 2024, PGGM's cost per participant remained unchanged from 2023. This figure is not adjusted for inflation or one-off fees. It is influenced by various factors, including the number of participants, the nature and complexity of the schemes, and the agreed level of service provision. In 2023, we achieved our goal for PFZW to rank among the four pension funds with the lowest administration costs within the ten largest Dutch pension funds (by number of participants). Independent figures from DNB for 2024 are not yet available.

Continued digitalisation of our processes and services also contributes to reducing the cost per participant.

In 2024, we focused on increasing participant self-service through the MijnOmgeving portal, the use of AI and chatbots, process automation, and digital recording of customer interactions.

We measure this with the **self-service score**: 85% of participants who sought assistance had their questions answered via digital channels (2023: 84%). In addition, we further expanded our **digital reach** for PFZW participants to 90%, meaning 90% of participants now manage their pension affairs online rather than through staffed channels such as telephone, email, or post. One example is the growing use of our chatbot, which saw its reach increase from 1.3 million to 1.6 million hits in 2024.

Improvements in our customer journeys and processes have made our services more consistent and cost-efficient. In 2024, we also implemented the Uniform Pension Submission (UPA) for PMT, following a successful rollout for PFZW several years ago. This contributes to further standardisation within the employer value chain.

### Our plans for 2025 and beyond

In 2025, our pension administration organisation will devote most of its time, attention and resources to the timely implementation of the new pension scheme. At the same time, we continue to focus on improving cost-efficiency, with particular emphasis on realising the synergy benefits following the transfer of pension administration activities from MN. We will also further refine the calculation of PGGM's cost per participant.

We are working towards the development of a multi-client pension organisation, standardising our processes and methods to achieve greater economies of scale. We will continue to deploy technology – such as AI and other IT solutions – to further increase efficiency. In addition, we are strengthening collaboration and alignment between our pension administration teams in Zeist and The Hague.

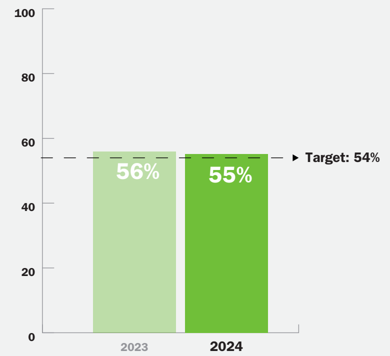
Client decisions and changes in legislation and regulations will also continue to influence our organisation in 2025.

## 2.7 A comprehensible pension

### Sustainability performance

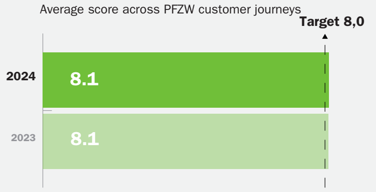
**Participant trust in PFZW**

% of participants with high to very high levels of trust



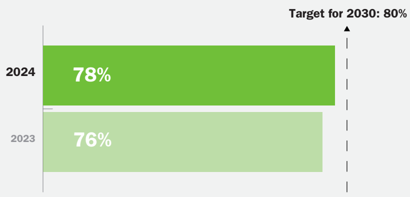

**Participant satisfaction score PFZW**

Average score across PFZW customer journeys



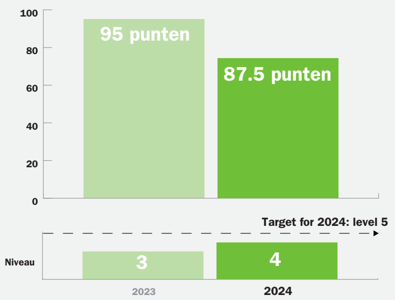

**Ease-of-use score PFZW**

% of participants who experience high ease of use during PFZW customer journeys




**Gouden Oor-score PFZW**

Maturity level up to a maximum of 5 from 2024 onwards




scale has been adjusted from a maximum of 3 in 2023 to a maximum of 5 in 2024.

See the following pages for further explanation of the key figures **indicated in bold**.

**Research shows that many participants have limited knowledge about their pension. At the same time, there is concern among participants about their income after retirement or the financial security of their partner or children in the event of death. The societal impact we aim to achieve through accessible pension communication is to increase the financial awareness of PFZW's participants and then offer them options, so that we can help prevent financial stress among this group.**

### Our ambition

A clear and understandable pension gives participants confidence in the pension system and the new scheme, and reassurance about their financial future. Together with our client PFZW, we share a common ambition in this area: to provide PFZW participants with insight, overview and a clear perspective for action, enabling them to gain greater control over their own pension.

### Impacts, risks and opportunities

The table below shows the results of our DMA on the theme of 'A comprehensible pension'. This theme relates exclusively to our pension administration activities and not to the asset management value chain. Our focus here is specifically on PFZW participants.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Financial awareness** | | | |
| Impact | **Financial awareness,** insight, overview and a clear perspective for action can help reduce (financial) uncertainty among participants. | Potential and positive | End users |
| **Communication on pension scheme** | | | |
| Impact | **Unclear communication** about the new pension scheme may cause additional financial stress among participants. | Potential and positive | End users |
| **Communication on pension product** | | | |
| Risk | **Lack of awareness** about the pension product may result in participants not recognising its added value, thereby reducing support for collective pension schemes. | N/A | End users |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the thematic standard 'ESRS S4: Consumers and end users' for the substantive disclosures. Based on the identified impact and risk within this theme, we have determined which reporting requirements are relevant to us.

On the following pages, we show how we create impact and manage the associated risk. We describe our approach using policy frameworks, the actions we undertook in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.7.1 Our approach to improving financial awareness

**Impact**
**Financial awareness, insight, overview and a clear perspective for action can help reduce (financial) uncertainty among participants.**

### Our policy

The ‘Participant Services Policy Framework’, developed in collaboration with PFZW, focuses on increasing the financial awareness of PFZW participants. By offering insight, overview and clear options, participants gain more control over their pension. As the administrative organisation, we aim to deliver the right message to the right audience at the right time, ensuring that PFZW participants are well-informed and have a clear understanding of their pension.

### What we did in 2024

In 2024, we introduced new planning tools that calculate the impact of life events on pension outcomes, such as working more or fewer hours, or taking unpaid leave. In addition, we developed the ‘Calculators and Planners’ approach based on the policy document ‘The Future Vision for Planners’. This approach is designed to provide insight, overview and a clear perspective for action—ultimately aiming to increase financial awareness.

Through a digital API connection for Authorisation & Overviews (MO) from Stichting Pensioenregister, participants can now also retrieve information about their accrued pension rights with other institutions.

Regular customer research helped us better understand the specific needs of our target groups, including individuals with limited literacy or digital skills. We also gained valuable insights from customer queries and signals received through the Customer Contact Centre. Discussions with the PFZW board, workshops and presentations at employers, and direct conversations with participants enabled us to hear their voices and better understand how we can further strengthen financial awareness. We also conducted an exploratory study into pension awareness among PFZW participants to assess how PFZW could contribute more meaningfully in this area.

On behalf of our client PFZW, we participate in the **Gouden Oor certification** programme, in which an accredited body assesses the quality of our services to participants. This assessment helps us to improve our service delivery. In both 2022 and 2023, we achieved the highest level of certification, and we aim to maintain this standard going forward. In 2024, the scoring methodology was revised, and under the new system, we achieved level four out of five with a score of 87.5 points. Our ambition for the coming years is to reach level five, which requires a score of at least 90 points.

### Our plans for 2025 and beyond

The API connection with MO is already live, and we will use it for the first time in the ‘Income Later’ proposition. This will enable PFZW to offer participants an integrated view of their pension. This functionality is expected to be launched in the second quarter of 2025.

At our Customer Contact Centre, we pay extra attention during personal interactions to vulnerable participants, such as those with limited literacy, non-native speakers, and individuals facing digital, financial or mental health challenges.

In addition, we are developing the micro planners 'Income Later' and 'Expenses Later', as well as the 'Pension Divorce Service'.

## 2.7.2 How we communicate clearly about the new pension scheme

**Impact**
**Unclear communication about the new pension scheme may cause additional financial stress among participants.**

### Our policy

The ‘Channels and Tools’ policy framework, developed in collaboration with PFZW, focuses on clear communication—such as about the new pension scheme—to help reduce financial stress among participants. We also place strong emphasis on our duty of care in guiding participants through their pension choices, in line with legal requirements.

### What we did in 2024

In In 2024, we established a dedicated team to explain the new pension scheme to participants, employers and social partners. We ensured that communication about the impact of the new scheme was timely and carefully aligned with the statutory communication plan. This was done through both owned and public media, as well as by organising regional and online sessions with participants. We also activated and supported employers to take an active role in informing their employees, by hosting employer meetings at locations across the Netherlands.

To guide participants through the pension transition with the right message at the right time, we introduced a temporary customer journey called 'Conversion'. We also launched a question dashboard to proactively monitor questions and concerns.

In terms of diversity and inclusion, we took several steps forward. An audit was conducted to assess the accessibility of pfzw.nl and related portals for vulnerable users. Initial improvements have been implemented, and we are developing a design system that documents our brand elements in a digitally accessible way. With the help of a writing guide and the 'Klinkende Taal' tool, we made our content even more understandable for people with limited literacy.

We collected participant feedback through our Brand Tracker, customer panels, satisfaction and ease-of-use surveys. These tools helped us gather various customer signal scores from PFZW participants on our service delivery and the effectiveness of our communication, including around the new pension scheme.

In 2024, we again measured participant trust. This year, 55% of participants reported having high to very high trust in PFZW (2023: 56%), 42% were neutral or had no opinion (2023: 42%), and only 3% indicated a lack of trust (2023: 2%). The slight decline in trust can be attributed to external media coverage, including reports on the new pension scheme and the absence of indexation.

### Our plans for 2025 and beyond

We are working on an integrated participant service approach for planners. This includes providing insight and a clear perspective for action through both existing and new micro planners, tailored to life events, as well as expanding the options for participants to implement their choices.

In 2025, we will develop services that offer participants better insight into their current and projected pension amounts during (and ahead of) the transition to the new pension scheme. These services will include explanations of key underlying factors such as contributions, returns and pension assets—targeted at participants in both the accrual and payout phases, as well as deferred members.

## 2.7.3 How we help to prevent and reduce misunderstanding about pension products

**Risk**

**Lack of awareness about the pension product may result in participants not recognising its added value, thereby reducing support for collective pension schemes.**

### Our policy

The 'Participant Services Policy Framework', developed in collaboration with PFZW, focuses on increasing the financial awareness of PFZW participants. By providing insight, overview and a clear perspective for action, participants are empowered to gain greater control over their pension. Clear and high-quality information is central to this approach. The aim is to achieve an optimal balance between personal service and efficient delivery, in order to strengthen trust in both PFZW and the pension product.

### What we did in 2024

In 2024, we launched a new communication campaign aimed at better aligning with the personal situations of our participants. Target group segmentation played a key role in this approach. On social media, we responded proactively and shared posts addressing common misconceptions about pensions, which led to valuable dialogues with participants.

We also adapted our customer journeys based on feedback and tailored them more closely to the specific needs of participants. By recognising participants in their customer journey, we were able to provide targeted information and relevant insights. When introducing the new pension scheme, we considered the unique needs of participants across different journeys to ensure they were as well-informed as possible. At key moments—such as converting old-age pension into partner pension—we offered personalised guidance, fully in line with the requirements of the Future Pensions Act (Wet toekomst pensioenen, Wtp).

We made intensive use of digital channels such as websites, chatbots and apps, while traditional channels – such as emails, letters and phone calls – remained available to our participants. Through surveys, we mapped the participant experience and established clear agreements with PFZW regarding the quality of our service delivery.

We also closely monitored the impact of our communications and tested key messages for effectiveness.

In 2024, **participant satisfaction** with the support received during their customer journey was rated at 8.1 (2023: 8.1), exceeding our target of 8.0. The **ease-of-use score** reached 78% (2023: 76%), falling just below our target of 80%.

### Our plans for 2025 and beyond

By further digitalising processes within the customer journeys, we aim to improve ease of use for participants. We are developing micro-interventions to make participants more aware of what they already have—often without realising it.

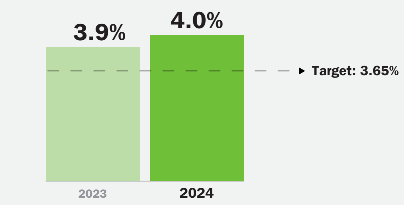
All participant communications, especially letters, are reviewed and adjusted for readability and clarity. Where possible, we shorten the content and reduce technical jargon. Information is offered in a layered format: starting with a general explanation, with the option to explore more detail for those who want it. We are also updating the PFZW.nl website, particularly in preparation for the transition to the new pension scheme, placing an even stronger emphasis on visual content.

# 2.8 Attractive employment

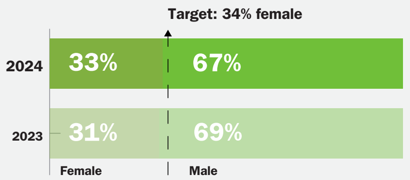
## Sustainability performance

### Absenteeism rate

Average monthly sick leave

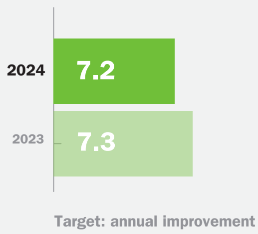



### Gender ratio at senior management level




### Employee engagement

Score on a scale of up to 10




See the following pages for further explanation of the key figures **indicated in bold**.

**Without our employees, we would not be able to fulfil our core mission: contributing to a good and affordable pension for the participants of our clients, supporting a vital health and welfare sector, and promoting a liveable world – now and in the future. That is why we aim to be an attractive employer, enabling us to retain our people and attract new talent.**

### Our ambition

Our people are our greatest strength. That's why, at PGGM, we see it as our responsibility to ensure they enjoy their work, have opportunities to grow, and feel engaged and valued. We also believe that a diverse, inclusive and equitable culture is essential to the success and growth of our organisation.

### Impacts, risks and opportunities

The table below shows the results of our DMA on the theme of 'Attractive employment'.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Attractive working environment** | | | |
| Impact | An **attractive working environment** has a positive impact on employee well-being and contributes to the sustainable employability of our workforce. | Actual and positive | Own activities |
| **Diversity, equity and inclusion** | | | |
| Impact | A **diverse organisation** that prioritises inclusion and equal opportunities has a positive impact on employee engagement and helps to attract and retain talent. | Actual and positive | Own activities |
| Risk | If we are unable to **attract the right people**, externally imposed or stated targets under the Dutch Inflow Quota Act and target figures, the MIP programme, and the Talent to the Top charter may not be achieved. | N/A | Own activities |
| **Workplace safety** | | | |
| Impact | A safe and **healthy working environment** and appropriate facilities contribute positively to employee well-being and sustainable employability. | Actual and positive | Own activities |
| Risk | A **(socially) unsafe or physically unsafe workplace** can negatively impact employee well-being, increase absenteeism, reduce efficiency and productivity, and raise staff turnover. | N/A | Own activities |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the thematic standard 'ESRS S1: Own workforce' for the content-related disclosures. Based on the identified impacts and risks within this theme, we have determined which reporting requirements from this standard are relevant to us.

On the following pages, we outline how we create impact and manage risks.

We describe our approach based on policy frameworks, the actions we undertook in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.8.1 Our approach te creating an attractive working environment

**Impact**
**An attractive working environment has a positive impact on employee well-being and contributes to the sustainable employability of our workforce.**

### Our policy

Our remuneration policy is aimed at creating an attractive working environment that supports the well-being and sustainable employability of all employees. This policy, laid down in the collective labour agreement (CLA), is designed to motivate staff through transparent and fair compensation, with a focus on financial stability. It takes into account labour market developments and promotes a healthy work-life balance. Personal growth and development are central, with performance assessed in the context of each role. Where necessary, CLA provisions are further detailed in supplementary policies and arrangements.

Our Diversity, Equity & Inclusion (DEI) policy focuses on fostering a diverse, inclusive and equitable working environment where everyone can be themselves and feel valued—regardless of background, gender, ethnicity, beliefs or other characteristics. The DEI policy also highlights the importance of a socially safe workplace, free from discrimination, where respect and inclusiveness are at the core.

Our Performance & Development framework encourages personal growth and professional development through ongoing dialogue between employees and their managers. This supports an inclusive organisational culture and contributes to a sense of appreciation and engagement among colleagues.

### What we did in 2024

In 2024, we launched a range of initiatives to align with what our colleagues find important, with the aim of enhancing their sustainable employability and development. This included leadership and development programmes such as 'Young Talent' and international traineeships. By regularly seeking employee feedback, we gain valuable insights to improve job satisfaction and strengthen organisational performance.

That’s why we also conducted an employee survey in 2024.

Through this survey, we asked employees how they rated key themes such as engagement, employer experience and leadership. The **employee engagement score** reflects the extent to which employees feel connected to the organisation. In 2024, this score was 7.2 (2023: 7.3). Although the decrease was minor and not statistically significant, we continue to aim for annual improvement.

We also reviewed our employer value proposition (EVP) and translated it into our employer brand. To strengthen leadership in a changing financial landscape, we offered leadership programmes that supported managers in their personal development, self-reflection and strategic insight.

To support the transition, integration and collaboration between former MN employees and PGGM staff, we further expanded the dedicated integration programme. Employment terms were harmonised. To ensure a strong start for new employees at PGGM, we introduced an enhanced onboarding programme – ranging from a joint introduction day and short orientation modules to a celebratory conclusion after the first 100 days. We also added new profiles to our traineeship programme and updated the curriculum to better prepare trainees for their roles as self-aware professionals.

Through culture mapping, we collected personal stories of moments when employees were able to perform at their best ('best stories') and when they felt held back ('stop stories'). These insights help us shape the right work culture to successfully deliver on our strategy.

In addition, we introduced a new remuneration policy at PGGM Vermogensbeheer. This policy aligns with our 2030 strategy, with a strong focus on sustainability and the collective goals of PFZW. The revised policy is simpler and more in line with the external job market, enabling us to attract and retain talent.

Finally, we introduced a new job classification framework. This makes career paths more transparent—both horizontally and vertically—and gives employees greater insight into role levels and growth opportunities, helping them take more ownership of their own development and career.

| **CLA coverage rate** | | |
|---|---|---|
| | 2024 | 2023 |
| Employees covered by a CLA | 98% | New measurement from 2024 |

| **Parental leave** | | |
|---|---|---|
| | 2024 | 2023 |
| Percentage of employees entitled to parental leave | 100%* | New measurement from 2024 |
| Percentage of employees who took parental leave | 15% | 99% of male employees and 8% of female employees made use of parental leave |

** All our employees are entitled to parental leave, as this is stipulated in Dutch legislation, which applies to everyone within our organisation.*

### Our plans for 2025 and beyond

To increase engagement, teams reviewed the results of the employee satisfaction survey and drew up improvement actions.

In 2025, we will continue to invest in the development and professionalisation of our employees. We will further strengthen our employer brand by translating our EVP into concrete actions and continuing the culture mapping process.

We will also reassess our leadership programmes and introduce a new onboarding programme specifically for business units and managers. In addition, we are designing a second-year training programme for trainees.

As part of our preparations for PGGM's future relocation to Utrecht, we are working on a renewed vision for Working and Meeting. We are developing a new mobility policy and creating an inspiring work environment that aligns with our ambitions. We are also adapting our investment organisation to reflect our joint ambition with PFZW – ensuring that return, risk and sustainability are considered in every investment decision.

## 2.8.2 How we promote diversity, equity and inclusion

**Impact**
**If we are unable to attract the right people, externally imposed or stated targets under the Dutch Inflow Quota Act and target figures, the MIP programme, and the Talent to the Top charter may not be achieved.**

**Risk**
**If we are unable to attract the right people, externally imposed or stated targets under the Dutch Inflow Quota Act and target figures, the MIP programme, and the Talent to the Top charter may not be achieved.**

### Our policy

Through our recruitment policy and DEI policy, we aim to build a diverse and qualified workforce and create an inclusive working environment where everyone can be themselves. We are committed to the Talent to the Top charter, which includes an annual monitor that provides insight into diversity within our organisation, including progress toward a better gender balance.

We follow a structured recruitment process and comply with legal requirements, such as the Dutch Inflow Quota Act and target figures. For management and key positions, we actively seek out diverse talent, with the goal of achieving well-balanced teams. We also strive to open up and adapt roles for people with a distance to the labour market. Where needed, we engage specialised agencies to support this process.

### What we did in 2024

In 2024, we launched several initiatives to further promote inclusivity and diversity within our organisation. We also focused on inclusive recruitment through the Make It Possible (MIP) programme, which aims to employ at least twenty people annually who face barriers to the labour market. In 2024, twelve individuals participated in the programme (2023: thirteen). In addition to the MIP programme, we employed seventeen people with a distance to the labour market outside of the programme (new measurement starting in 2024).

We also refined our referral campaign – where colleagues recommend new hires – and our employer branding campaign to better reflect and engage different target groups. In 2024, PGGM Vermogensbeheer transitioned to English as its working language. All internal and external communications are now available in both Dutch and English, contributing to a more inclusive organisation.

| Age distribution of the workforce | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| Distribution of employees by age group | 233 | 975 | 712 | 187 | 828 | 557 |
| | 12% | 51% | 37% | 12% | 53% | 35% |

| Workforce diversity | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Male | Female | X | Male | Female | X |
| Senior management | 22 | 11 | 0 | 22 | 10 | 0 |
| | 67% | 33% | 0% | 69% | 31% | 0% |
| Number of internal employees | 1,167 | 752 | 1 | 963 | 609 | 0 |
| | 61% | 39% | 0% | 61% | 39% | 0% |
| Number of external employees | 274 | 105 | 73* | New measurement from 2024 | | |
| | 61% | 23% | 16%* | | | |
| **Total workforce** | **1,441** | **857** | **74** | New measurement from 2024 | | |
| | **61%** | **36%** | **3%** | | | |

** For external employees, recording gender is currently not mandatory. Employees with unknown gender are reported under 'X', which may result in a distorted picture. In the future, we aim to standardise gender registration for external employees as well.*

At the end of 2024, we employed 1,920 internal staff members, an increase of 22.1% compared to 1,572 in 2023. The arrival of PMT and Bpf Koopvaardij brought more than 300 new colleagues from The Hague. All our internal staff are based in the Netherlands.

Over the course of the year, 141 internal employees left the organisation (9.0% of the workforce at the beginning of the year), while we hired 489 new employees (31.1% of the starting headcount). The relatively low turnover rate indicates our strong ability to retain colleagues. We believe it is important to invest in their development so they can continue to contribute to the organisation as it evolves. Our EVP and core values help guide us in this effort.

In addition to our internal workforce, there were 452 external workers employed at the end of 2024.

PGGM's senior management team consists of 33 individuals: 22 men (67%) and 11 women (33%). This represents an improvement in the **gender ratio at senior management level** compared to 2023.

Although we did not meet our 2024 target of 34% women in senior management, we continue to pursue our Talent to the Top ambition in line with the Dutch Balanced Gender Representation Act. Through our DEI programme and revised recruitment and selection procedures, we continue to emphasise this priority across the organisation.

| Compensation metrics | 2024 | 2023 |
|---|---|---|
| Unadjusted gender pay gap | 18.5% | 17.5% |
| Adjusted gender pay gap | 0.8% | 3.1% |
| Ratio of highest salary to median salary | 7.5 | 7.2 |

In 2024, a gender pay gap was identified within PGGM. We conducted an investigation into the possible causes, which showed that the gap can largely be explained by differences in job levels. The findings indicate that more men hold positions in higher job scales than women. When adjusted for job level, the pay gap amounts to 0.8%.

In 2024, the ratio between the annual compensation of the highest-paid individual at PGGM and the median annual compensation of all employees was 7.5 (2023: 7.2). This ratio reflects our approach to responsible and conscious remuneration, in line with our market position. We apply differentiated pay strategies for different target groups, based on benchmark data from agreed reference markets.

### Our plans for 2025 and beyond

In 2025, we will examine the differences in job levels between men and women. This includes looking at equal opportunities during the selection phase, differences in career progression, and salary development. We expect to complete this analysis by mid-2025.

In addition, we will calculate the indicators for both the unadjusted and adjusted gender pay gap, as well as the pay ratio between the highest-paid individual and the median, in line with ESRS definitions. This will include, for example, variable pay components. We will continue to refine these indicators to align more closely with ESRS requirements.

We will use the outcomes of the employee engagement survey to improve job satisfaction and enhance organisational performance. Furthermore, we will expand our referral campaign and tailor our employer branding efforts more effectively to different target groups. In doing so, we aim to further strengthen our position as an inclusive and attractive employer, both nationally and internationally.

## 2.8.3 Our approach to (social) safety in the workplace

**Impact**

**A safe and healthy working environment and appropriate facilities contribute positively to employee well-being and sustainable employability.**

### Our policy

Our integrated health policy promotes a healthy and safe working environment through prevention and awareness among managers and employees. With a focus on an open, inclusive culture, the policy contributes to well-being and sustainable employability.

**Risk**
**A (socially) unsafe or physically unsafe workplace can negatively impact employee well-being, increase absenteeism, reduce efficiency and productivity, and raise staff turnover.**

This policy covers all aspects of working conditions, with an emphasis on the internal work environment and its direct impact on employees. Concrete measures are in place to ensure workplace safety, alongside clear guidelines for reporting incidents, workplace accidents, or (occupational) illnesses.

Our integrated health policy is based on our Code of Conduct, which sets out behavioural rules and agreements that contribute to a positive and motivating work climate. Collegiality, respect and consideration for others are fundamental to our everyday interactions.

If an employee experiences unwanted behaviour, the Social Integrity Regulation clearly indicates where they can turn for support. Together with the Code of Conduct, the Social Integrity Regulation forms the preventative framework around unwanted behaviour and provides a clear basis for how we engage with each other in a safe, respectful and ethical manner. The procedures for reporting misconduct, including whistleblower protection, are detailed in our Whistleblower Policy.

We monitor the number of reports made through the confidential advisor and use the findings to inform ongoing improvements.

### What we did in 2024

In 2024, we made significant progress in the area of social integrity within PGGM. In addition to conducting and evaluating the employee survey, the Social Integrity Committee was reconstituted, including the appointment of a professional external chairperson. We also updated our Code of Conduct, Social Integrity Regulation, and Whistleblowing Procedure. Finally, we developed a role description for confidential advisors to better support and define their responsibilities. In 2024, 29 reports were made to our confidential advisors. None of these reports resulted in a formal complaint to the Social Integrity Committee, and no complaints were submitted directly to the committee during the year.

Our absenteeism rate for 2024 was 4.0% (2023: 3.9%), which remains above our target of 3.65%. While absenteeism cannot always be prevented, we actively address it through our vitality programme, integrated health policy, and Fit for the Future programme.

### Our plans for 2025 and beyond

In 2025, we will increase awareness around integrity. Integrity will become a fixed part of onboarding, and we will develop practical tools for employees as well as provide guidance and training for managers. Additionally, we will introduce e-learning modules to integrate the topic into daily practice in an accessible way.

We will revise the Social Integrity Regulation and expand the Code of Conduct with a chapter on desired behaviour. A dedicated section on integrity, including support channels and a reporting point for misconduct, will be launched on our internal website. We will also engage an external investigation agency for integrity matters and introduce an independent reporting hotline.

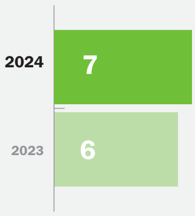
To reduce absenteeism, the absence advisor will take on a greater role as a coach and sparring partner for managers. The advisor will support cases, monitor the process, and ensure compliance with laws and regulations. Furthermore, in 2025 we will offer training on mental absenteeism, with room for additional topics based on current needs. We will improve the absenteeism dashboard to better support managers, clarify absenteeism targets with management teams, and provide deep dives into absenteeism data, specifically tailored to different units.

# 2.9 Vitality in the health and welfare sector

## Sustainability performance

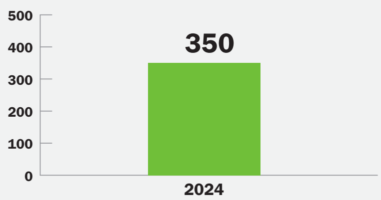
### Number of vitality monitors purchased

Number of applications sold




### Number of Vernet subscriptions

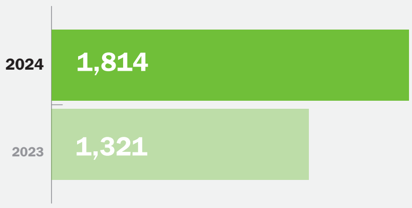
Number of subscriptions concluded




New measurement from 2024

### Number of PFZW Datadiensten subscriptions

Number of subscriptions concluded




See the following pages for further explanation of the key figures **indicated in bold**.

**Due to our origins, we have a strong connection with the health and welfare sector and feel a social responsibility to support it. We believe that vital employees are the driving force behind a healthy and affordable health and welfare sector. This means there must be sufficient focus on both physical well-being and job satisfaction.**

### Our ambition

In the coming years, the care gap is expected to widen further: the demand for care continues to grow, while the availability of care is declining. Together with PFZW, social partners and our subsidiary Vernet, we are therefore committed to helping close this gap. Our goal is to contribute to a more vital health and welfare sector.

### Impacts, risks and opportunities

The table below shows the results of our DMA on the theme of 'Vitality in the health and welfare sector'.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Providing data, knowledge, expertise and networks** | | | |
| Impact | Providing data, knowledge, expertise and a network helps **employers in the health and welfare** sector to develop more targeted and effective policies and approaches, and supports employees in adjusting their behaviour. | Actual and positive | Value chain partners |
| **Interpretation of provided data** | | | |
| Risk | If third parties (such as clients or journalists) misinterpret the **data delivered or presented out of context**, incorrect conclusions may be drawn. | N/A | Value chain partners |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the thematic standard 'ESRS S4: Consumers and end-users' for the substantive disclosures. Based on the identified impact and risk, we have determined which reporting requirements from this standard are relevant to us.

On the following pages, we demonstrate how we create impact and manage risk. We describe our approach based on policy frameworks, the actions we took in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.9.1 Our approach to supporting a more vital health and welfare sector

**Impact**
**Providing data, knowledge, expertise and a network helps employers in the health and welfare sector to develop more targeted and effective policies and approaches, and supports employees in adjusting their behaviour.**

### Our policy
Based on our joint Strategic Vision 2030 with PFZW, we focus on improving the vitality of the health and welfare sector. We do this by sharing knowledge, data and expertise; supporting the financial wellbeing of participants; enhancing working conditions; increasing job satisfaction; and reducing work-related stress.

### What we did in 2024
In 2024, we once again provided strategic advice to health and welfare organisations, based on unique, combined data to help them make better labour market decisions. Through the **PFZW Datadiensten subscriptions**, focusing on absenteeism and broader HR data, we supported employers in managing absenteeism, recruitment and turnover via the HR portal. The **Vernet subscriptions** enabled employers and sector leaders in health and welfare to gain control over absenteeism and employability. In addition to the reports, we offered workshops, client consultations and webinars to explain the data usage.

At several organisations, we introduced the **Vitality Monitor**, a monitoring platform that provides insight into employees' financial, mental and physical wellbeing, as well as the health of the organisational climate. We also prepared sector reports and supplied data to industry associations and other stakeholders, such as the learning network. Although we cannot yet precisely determine how effectively organisations act on our data, we regard the recurring use of our services and the long-term collaboration with clients as important indicators of our impact.

Vernet engaged with clients who have been successful in managing absenteeism to inspire others and amplify the impact of our services. These insights, combined with data analyses and other customer feedback, were used to further develop our webinar offerings. Additionally, we collaborated with Stichting IZZ and FWG to implement the prevention plan aimed at reducing absenteeism and unwanted turnover in the health and welfare sector by 25% within four years. We also ran various campaigns to support our objectives.

**Number of clients and usage of our products**

| | 2024 | 2023 |
|---|---|---|
| Number of Vernet subscriptions (# clients) | 350 | 339 |
| Usage of Vernet subscriptions (# downloads) | 345 | New measurement from 2024 |
| Number of Datadiensten subscriptions (# clients) | 1.814 | 1.321 |
| Usage of Datadiensten subscriptions (# logins) | 1.075 | New measurement from 2024 |
| Number of vitality monitors (# applications sold) | 7 | 6 |

### Our plans for 2025 and beyond

In 2025, we will combine the strengths of PGGM&CO, Vernet and PFZW Datadiensten to develop a policy framework for vitality in the health and welfare sector. We will focus on further developing impact indicators.

## 2.9.2 How we prevent or reduce misinterpretation of data we provide

**Impact**

**If third parties (such as clients or journalists) misinterpret the data delivered or presented out of context, incorrect conclusions may be drawn.**

### Our policy

There is currently no specific policy to prevent misinterpretation of the information we provide. However, we have implemented several activities to mitigate this risk.

### What we did in 2024

In 2024, we actively worked to prevent and detect misinterpretations of our data and reports. We provided targeted communication to avoid misunderstandings and conducted media monitoring. Posts on LinkedIn were monitored to quickly identify and correct potential misinterpretations. Additionally, we offered explanations alongside our reports and the use of our portal, enabling clients and journalists to properly understand and apply our information.

### Our plans for 2025 and beyond

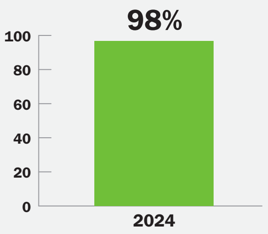
We are developing a policy in which proactive clarification of data plays a key role. Additional policies to address this risk will be developed later, depending on the measured effectiveness of current activities.

# 2.10 Ethical, integrity-driven and responsible business conduct

## Sustainability performance

**Signed declarations of the Code of Conduct**

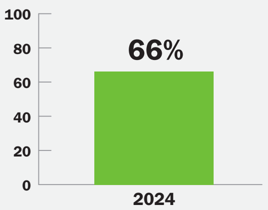
Percentage of employees who have signed the Code of Conduct declaration




New measurement from 2024

**Sustainable procurement (MVI) score**

Percentage of suppliers who agree to PGGM's responsible purchasing conditions




New measurement from 2024

See the following pages for further explanation of the key figures **indicated in bold**.

**Our stakeholders expect us to foster a culture rooted in ethical, integrity-driven and responsible business conduct, including compliance with applicable laws, regulations and (internal) codes of conduct. We believe this is essential to maintaining public trust in our organisation and the services we provide. Accordingly, we have established appropriate behavioural rules and agreements.**

### Our ambition

In our role as an administrative organisation, it is essential that our stakeholders trust us. Ethical, integrity-driven and responsible business conduct thus forms our licence to operate. That is why we maintain an active policy in this area, aiming for a high level of maturity.

### Impacts, risks and opportunities

Onderstaande tabel toont de resultaten van onze DMA op het thema 'Ethische, integere en verantwoorde bedrijfsvoering'.

| Impact, risk, opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Changing laws and regulations** | | | |
| Risk | Failure to anticipate changing or new laws and regulations in a timely manner may lead to non-compliance, thereby jeopardising the licence to operate. | N/A | Own activities, value chain partners and end users |
| **Bahaviour and conduct of outsourcing partners** | | | |
| Risk | If outsourcing partners act unethically, without integrity or irresponsibly, this may affect the continuity, integrity or quality of service delivery. | N/A | Own activities, value chain partners and end users |
| **Bribery and personal gain** | | | |
| Risk | Secondary functions, gifts, invitations and other situations can lead to (the appearance of) conflicts of interest, including bribery, corruption and employee conflicts of interest. | N/A | Own activities, value chain partners and end users |
| Risk | Insufficient communication about internal conduct guidelines and ineffective detection mechanisms may result in employees prioritising personal gain over the company's interests and being bribed by external parties. | N/A. | Own activities, value chain partners and end users |

### Our approach

We report on this sustainability theme in accordance with the ESRS. For the risk of bribery, corruption and conflicts of interest among employees, we follow 'ESRS G1: Business conduct' for the substantive disclosures. The other risks are entity-specific, meaning that for these risks we describe policies, targets, measures and indicators but do not report additional thematic data points.

On the following pages, we explain how we manage these risks

We describe our approach based on policy frameworks, the actions we undertook in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.10.1 How we anticipate new or changing laws and regulations in a timely manner

**Risk**

**Failure to anticipate changing or new laws and regulations in a timely manner may lead to non-compliance, thereby jeopardising the licence to operate.**

### Our policy

Our Legal Committee charter outlines the responsibilities of those involved in responding to changes in laws and regulations, including impact analysis and the implementation of measures. This ensures that our organisation remains compliant with new legislation. The charter supports the optimisation of coordinated control measures, provides insight into their execution, and clarifies which actions we take – or why certain actions are not necessary.

### What we did in 2024

Within PGGM, there is widespread attention to risk culture. In 2024, we started developing a risk culture maturity model, with special focus on behaviours that contribute to a healthy risk culture.

Our Legal Committee met eight times in 2024 to assess upcoming legislation for impact and timely implementation. Current legislation is embedded in our operations, and we continuously monitor compliance. We further refined our Legal Committee charter to enhance its monitoring role. Additionally, we updated our policy framework and developed a 'Policy Compass'. This compass provides guidelines for policy development and management, governance, approval processes, and implementation – including raising awareness. The Policy Compass supports faster and more efficient integration of laws and regulations into our operations.

### Our plans for 2025 and beyond

In 2025, we will map how the various elements of a healthy risk culture have developed within PGGM. This will help create a shared understanding and identify whether and where improvements are needed. Additionally, we will actively apply the Policy Compass to all new and relevant policies, with particular focus on raising awareness within the organisation.

We will also streamline procurement conditions and processes to enable us to manage our suppliers within the value chain in compliance with CSRD requirements. Furthermore, we will adjust our sustainability performance indicators accordingly.

## 2.10.2 Our approach to responsible behaviour by outsourcing partners

**Risk**

**If outsourcing partners act unethically, without integrity or irresponsibly, this may affect the continuity, integrity or quality of service delivery.**

### Our policy

Our procurement policy provides guidelines to ensure that purchasing is conducted transparently and responsibly, within established policy frameworks. We ensure procurement processes are ethical and integrity-driven, aligned with PGGM's risk appetite.

The policy includes a detailed description of procurement procedures, segregation of duties for independent processing, and systematic supplier evaluations. This helps guarantee that suppliers meet our standards for ethical, integrity-driven and responsible business conduct.

Our outsourcing policy is a further elaboration of the procurement policy and specifically focuses on managing risks related to outsourcing work to third parties. This policy includes measures to safeguard the continuity, integrity and quality of our services by ensuring we do not collaborate with outsourcing partners who act unethically, without integrity or irresponsibly.

The guideline for Sustainable Procurement (MVI) is part of our procurement conditions. By agreeing to our procurement conditions, suppliers commit to respecting this guideline, which emphasises ethical conduct, anti-corruption and sustainable development.

### What we did in 2024

In 2024, we effectively managed and maintained transparency in our supplier relationships. We updated our contract templates and applied them to new contracts and contract renewals. Additionally, we assessed the information security of several suppliers based on our own policy documents.

We screened individuals and organisations against (international) sanctions lists in accordance with the Sanctions Act and evaluated suppliers' creditworthiness via an external credit assessor. For the most critical outsourcing contracts, we actively monitored contractual risks. Together with suppliers, we contributed to a sustainable society by requiring compliance with our Sustainable Procurement (MVI) guidelines. The MVI score for 2024 stands at 66%, indicating that this percentage of suppliers agreed to our procurement terms, including the MVI guidelines.

We rely on suppliers to comply with these guidelines but do not actively verify adherence. Furthermore, this percentage does not imply that any supplier has rejected our procurement terms because of the MVI guidelines.

## 2.10.3 How we prevent bribery and personal gain

**Risk**
**Secondary functions, gifts, invitations and other situations can lead to (the appearance of) conflicts of interest, including bribery, corruption and employee conflicts of interest.**

**Risk**
**Insufficient communication about internal conduct guidelines and ineffective detection mechanisms may result in employees prioritising personal gain over the company's interests and being bribed by external parties.**

### Our policy

Although we do not have a specific policy aligned with anti-bribery legislation or the UN Convention against Corruption, our Code of Conduct contains specific guidelines to prevent bribery and corruption. The Code emphasises the importance of diligence, integrity and transparency in our dealings with clients, suppliers, colleagues and society. Its underlying principles provide a framework for ethical behaviour within our organisation.

The Code of Conduct is further elaborated in operational policies such as the Conflicts of Interest Policy, the Commission Policy and the Secondary Employment Regulation. These documents include strict rules for reporting (potential) conflicts of interest, limiting gifts and invitations, and assessing secondary employment. They are designed to prevent (the appearance of) bribery, corruption and conflicts of interest.

Employees have access to a whistleblower policy, allowing them to report misconduct via an internal reporting officer or an independent third party. In 2024, work was undertaken on a new policy that will come into effect in early 2025, in line with revised legislation strengthening whistleblower protection in employment, collegial and social contexts.

Within our risk framework, we apply policies such as the Incident Policy and the Risk Appetite Policy. These help to efficiently identify, report and manage incidents and risks, thereby contributing to ethical, integrity-driven and responsible business conduct.

### What we did in 2024

We continuously monitor whether employees act ethically, with integrity and responsibility. Incidents, audit findings and potential misconduct, such as bribery and corruption, are collected organisation-wide and discussed quarterly within the business units, the CRC (preparatory risk committee for the Executive Committee), the Executive Committee (EC), the ARC (preparatory committee for the Supervisory Board) and the Supervisory Board.

In 2024, the Compliance department conducted additional proactive controls to prevent the risk of bribery and corruption. Throughout 2024, we found no incidents within our own operations involving our employees.

We ask employees annually to confirm that they are familiar with the Code of Conduct and that they have complied with it over the past year. In 2024, 98% of employees provided this confirmation.

Additionally, a fraud desk has been established and a policy for managing fraud risks has been developed.

### Our plans for 2025 and beyond

In 2025, we will develop a specific anti-bribery and anti-corruption policy to mitigate these risks. We will use e-learning modules to continuously raise employee awareness of our Code of Conduct and related regulations. Training scores will be tracked for each employee and included as an indicator in our 2025 sustainability report. The e-learning sessions will also cover the topic of fraud.

# 2.11 Data security, data quality and data privacy

**Sustainability performance**

### Security set up

Information security certification

2024

ISO 27001 Information Security Management Certified

### Completed privacy training

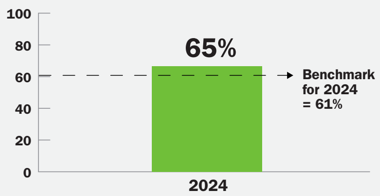
% of employees who have completed privacy training relative to the total workforc

2024


No data is available for 2023, as the measurement was introduced in 2024 using new tooling.

### Hoxhunt training

Score of PGGM employees compared to the benchmark* (global average).




New measurement introduced in 2024

See the following pages for further explanation of the key figures **indicated in bold**.

**On behalf of our clients, we process the personal data of more than 5.8 million participants. In addition, we serve approximately 500,000 members in the health and welfare sector, manage €261 billion in pension assets on behalf of participants, employ over 1,900 staff members, and work with more than 400 external contractors. As a result, we handle a significant amount of confidential information.**

## Our ambition

In an era in which the criminal use of illegally obtained personal data and investment information is becoming increasingly profitable, we attach great importance to the protection and proper handling of privacy-sensitive information. We regard this data as a strategic asset. Our policies, guidelines and security measures are therefore driven not only by legislation, but above all by our own standards.

## Impacts, risks and opportunities

The table below shows the results of our DMA on the theme of 'Data security, data quality and data privacy'.

| Impact, risk and opportunity | | Type of impact | Value chain impact |
|---|---|---|---|
| **Data security market-sensitive information** | | | |
| Impact | Mishandling or insufficient protection of market-sensitive information related to entities in which investments are made on behalf of clients may lead to unintentional disclosure, potentially harming these entities. | Potential and negative | Own activities and end users |
| Risk | Security vulnerabilities may result in a successful cyberattack, leading to the theft of confidential (client) information, with possible consequences including privacy breaches, identity theft, and disruption of communication and business processes. | N/A | Own activities and end users |
| **Data quality** | | | |
| Risk | Poor data quality or insufficient expertise may result in operational or service errors, causing participants to receive incorrect information or payments. | N/A | Own activities and end users |
| **Data privacy participants and employees** | | | |
| Impact | Mishandling or insufficient protection of special categories of personal data of participants may negatively affect their privacy. | Potential and negative | Own activities and end users |
| Impact | Mishandling or insufficient protection of special categories of personal data of employees may negatively affect their privacy. | Potential and negative | Own activities |

### Our approach

We report on this sustainability theme in accordance with the ESRS, with a specific focus on the thematic standard ‘ESRS S4: Consumers and end-users’ for the content-related disclosures.

Based on the identified impacts and risks within this theme, we have determined which reporting requirements are relevant to us.

The impact on our employees and on the entities in which we invest on behalf of our clients does not fall under ESRS S4, but is considered entity-specific impact. This means that for these impacts, we describe policies, targets, measures and indicators, but do not report additional thematic datapoints.

On the following pages, we outline how we create impact and manage risks. We describe our approach based on policy frameworks, the actions we undertook in 2024, the indicators we use to monitor our sustainability performance, and our plans for 2025 and beyond.

## 2.11.1 Our approach to market-sensitive data security

**Impact**

**Mishandling or insufficient protection of market-sensitive information related to entities in which investments are made on behalf of clients may lead to unintentional disclosure, potentially harming these entities.**

**Risk**

**Security vulnerabilities may result in a successful cyberattack, leading to the theft of confidential (client) information, with possible consequences including privacy breaches, identity theft, and disruption of communication and business processes.**

### Our policy

Our information security policy is based, among other things, on the ISO27001 standard (an international security standard), our internal information policy, and our security principles. The objective is to ensure the availability, integrity and confidentiality of information. We achieve this through a layered security approach, risk assessments and continuous monitoring. The policy includes strict access controls, incident response procedures and regular audits to identify and mitigate vulnerability.

### What we did in 2024

In 2024, we further strengthened our information security and cybersecurity. The interim audit for our ISO27001 certification, conducted by an external accredited party, was completed positively. This certification confirms that our information security complies with international standards.

Additionally, we assessed our measures against other guidelines, such as the DNB Good Practice and the ICT security assessments for DigiD (digital identity) by Logius. This ensures that our security remains at a high level both internally and externally. Increasing the information security knowledge of our employees was an important control measure.

We addressed this by introducing a new privacy nano-learning, training employees on secure information handling, and incorporating these topics into team and management meeting.

A large portion of our employees successfully completed the privacy nano-learning. Tools such as Hoxhunt further strengthened awareness of phishing risks, reflected in a score of 65% in 2024—consistently higher than the benchmark of 61%.

We regularly consulted with our clients on information security and reported quarterly on our cybersecurity performance. This enabled us to implement technical improvements. To ensure the continued effectiveness of our measures, we conduct an annual risk self-assessment. This involves analysing whether the risks related to information security and cybersecurity are sufficiently mitigated by existing controls. Where necessary, we adjust our security strategy and roadmap.

### Our plans for 2025 and beyond

From 2025 onwards, we will operate in accordance with the Digital Operational Resilience Act (DORA). This new framework provides additional guidelines to further enhance our information security. Additionally, we are monitoring developments in quantum computing and are in the process of developing policies for the use of artificial intelligence (AI).

## 2.11.2 How we ensure high-quality data

**Risk**
**Poor data quality or insufficient expertise may result in operational or service errors, causing participants to receive incorrect information or payments.**

### Our policy

Our data quality policy ensures that data is accurate, complete, timely, valid, consistent and coherent. We achieve this through clear agreements between data owners and users, strict controls and monitoring of data quality, and an active issue management process. The goal is to minimise errors in operations and service delivery, so participants and other stakeholders receive correct information and benefits.

Data quality issues are recorded and resolved in accordance with our incident management policy. We have identified data quality as a separate risk within our risk policy, applying a low risk appetite. Key risk indicators (KRIs) with defined thresholds determine the risk assessment. When deviations occur, the relevant unit management takes action to remain within the set risk appetite.

For the implementation of the Future Pensions Act, the Pension Federation has developed the Data Quality Framework. This document provides guidelines and responsibilities to verify data quality before migration. As a pension administrator, we adhere to these guidelines. Additionally, pension funds can request a ‘partial assessment’ from DNB once (internal) decisions on data quality have been finalised. DNB then indicates whether the pension fund meets the requirements under the Future Pensions Act for the transition process.

### What we did in 2024

In 2024, we focused primarily on implementing the Data Quality Framework and the full, automated verification of critical data elements.

The partial assessment of data quality by DNB for migration has been completed for PFZW, StiPP and BPF Schilders. The increased attention to the completeness and demonstrability of data quality led to improvements in the status and comprehensiveness of the internally used monitoring KRIs for data quality and governance.

To meet the growing demand for fast, efficient and responsible data delivery, we developed the data delivery infrastructure (DDI). This enables us to reduce data fragmentation and work with data more efficiently and securely, for example through integrated application of authorisations, audit trails and data quality controls.

### Our plans for 2025 and beyond

In 2025, we will continue implementing the Data Quality Framework for data migration, shifting the focus from insight and cleansing ('get clean' phase) to continuous monitoring ('stay clean' phase). We will also ensure the completeness and demonstrability of data controls that fall outside the framework. Additionally, we will tighten the thresholds of the (internal) monitoring of KRIs in some cases to enable even better management.
Our data quality management will be further integrated with the Data Delivery Infrastructure (DDI), for example in monitoring and reporting.

## 2.11.3 Our approach to protecting data privacy for employees and participants

**Risk**
**Mishandling or insufficient protection of special categories of personal data of participants may negatively affect their privacy**

**Impact**
**Mishandling or insufficient protection of special categories of personal data of employees may negatively affect their privacy.**

### Our policy

Our privacy policy focuses on protecting the participants of our clients as well as our current, former and potential employees. This policy is further detailed in specific guidelines, such as those for international data transfers, the use of imagery, and data retention periods.

Our incident management policy specifically addresses the prevention and handling of data breaches. The Data Protection Officer (DPO) analyses data breaches, identifies trends, advises on structural improvements, and serves as the point of contact for the regulator and individuals with questions or complaints about the processing of personal data.

### What we did in 2024

In 2024, we implemented further improvements to process personal data in compliance with the General Data Protection Regulation (GDPR). We focused on frontline ownership, encouraging employees and teams to take responsibility for adhering to privacy rules and resolving any issues in their daily work.

This was supported by a network of privacy contact persons, who were trained to implement the annual privacy control framework and promptly address any shortcomings.

Additionally, a team of privacy lawyers provided legal advice to the frontline, for example, in conducting Data Protection Impact Assessments (DPIAs) and maintaining up-to-date privacy statements.

In 2024, the Data Protection Officer (DPO) continued to oversee the implementation of privacy and incident policies, provided both solicited and unsolicited advice, conducted independent investigations, and promoted privacy awareness within the organisation. This awareness was reinforced by including privacy on the agendas of team meetings and management meetings, as well as offering various GDPR training sessions.

We introduced an updated privacy e-learning programme, consisting of short, consecutive lessons for all employees, as continuous GDPR education fosters ongoing privacy awareness. In 2024, 58% of our employees completed the privacy training. This is below our target, partly because employees can choose when to complete the lessons as long as the series is ongoing. Furthermore, only half of the training sessions had been offered by the end of 2024. We aim to achieve 100% participation in privacy training by actively encouraging completion.

### Our plans for 2025 and beyond

Implementing our privacy policy and thereby complying with the GDPR is an ongoing process. We remain committed to the previously described elements, such as privacy awareness and maintaining a strong network of privacy contact persons. We closely monitor technological and societal developments and ensure that, as a privacy-conscious organisation, we adapt when these developments call for it.

We are also developing a sustainability performance indicator that complements the existing privacy awareness indicator. The indicator ‘percentage of data breaches reported to the regulator within the statutory 72-hour deadline’ will be included in our accountability for the 2025 reporting year. The aim of this indicator is to demonstrate how effectively we understand and report identified data breaches to the Dutch Data Protection Authority.






# 3. Report of the Supervisory Board

In this report, the Supervisory Board of PGGM N.V. (PGGM) explains how it fulfilled its role as supervisor and employer over the past year. It also describes the matters on which and how the Supervisory Board advised the Executive Board. Furthermore, the report highlights the key substantive issues in which the Supervisory Board was involved during the year.

## Tasks and responsibilities

The Supervisory Board oversees the policy of the Executive Board and the general affairs of PGGM and its affiliated companies. It also advises the Executive Board, taking all relevant interests into account. In addition to its supervisory and advisory roles, the Supervisory Board acts as the employer for the members of the Executive Board.

## Supervisory and advisory role

The Supervisory Board looks back on a year marked by intensive discussions on topics that affect PGGM's future. These included the implementation of the new pension scheme, the execution of the joint strategy between PFZW and PGGM, the mandate transfer of PMT and Bpf Koopvaardij (from MN to PGGM), efforts to further implement the strategy to enhance vitality among employees in the health and welfare sector by increasing their job satisfaction and work capacity, the transition to 3D investing, the development of investment management towards exclusive (single client) servicing of PFZW, PGGM's governance philosophy, risk culture within PGGM, the Digital Operational Resilience Act (DORA), and the housing project.

In its supervisory and advisory role, the Supervisory Board monitors, questions and advises the Executive Board on various subjects. These include strategic themes, risk management, financial matters, compliance, governance, IT, HR, and sustainability. In 2024, the Supervisory Board regularly engaged with the Executive Board on the achievement of PGGM's objectives, strategy and business risks, the design and functioning of internal risk management and control systems, the financial reporting process, compliance with laws and regulations, cost developments, the project and change calendar, and risk appetite.

## The Supervisory Board as employer

The Supervisory Board evaluates the performance of the Executive Board members at least once a year, including in 2024. It follows a structured approach that also considers the size and composition of the Executive Board. Oversight of effective succession planning is one of the Supervisory Board's key responsibilities to ensure PGGM's continuity. Accordingly, the succession plan for the Executive Board is discussed annually. While the Executive Board is responsible for top management succession, the Supervisory Board supervises this process and discusses the succession planning for PGGM's top management with the Executive Board every year.

The People and Organisation Committee (P&O Committee) of the Supervisory Board advises the Supervisory Board, among other things, in preparing decisions regarding the composition and (re) appointment of Executive Board members, the remuneration of Executive Board members, PGGM's remuneration policy, and succession planning. The section on the P&O Committee in this chapter provides further details on the committee's (preparatory) activities.

### Secondary positions and conflicts of interest

The Compliance department assesses, before secondary positions are accepted by Supervisory Board members, whether there is (or appears to be) a conflict of interest. The position is then submitted to the Chair of the Supervisory Board for approval. In addition to potential conflicts of interest, the portfolio of secondary positions per commissioner is assessed in accordance with the Dutch Corporate Governance Code regarding the limits on the number of supervisory roles.

Members of the Executive Board must request prior approval from the Supervisory Board for each secondary position they take on during their membership. The Supervisory Board grants permission if no conflict of interest exists and if the time commitment of the secondary position does not impede the performance of the executive role.

## Composition of the Supervisory Board

All members of the Supervisory Board are independent in accordance with the Dutch Corporate Governance Code. When appointing members, the Supervisory Board strives for a complementary composition of the board. This is reflected in the Supervisory Board's profile. It includes all relevant aspects of diversity and inclusion for PGGM, such as nationality, age, other personal qualities, gender or gender identity, education, professional experience and (cultural) background. The Supervisory Board's profile, succession plan and competency matrix are used during the recruitment and selection of commissioners.

The composition of the Supervisory Board is described in this chapter. The secondary positions of the commissioners and the retirement schedule can also be found here. Here you can find the Supervisory Board's profile statement, which outlines its profile.

### Reflection on our own performance

In the beginning of 2025, the Supervisory Board reflected on its own performance. The overall assessment was positive, both regarding the open collaboration with PGGM's Executive Board and the cooperation within the Supervisory Board itself. The advisory role of the Supervisory Board was well demonstrated in 2024 through discussions on strategic topics. The Supervisory Board noted the importance of allocating sufficient time and space for providing unsolicited advice as well.

### Continuous education and deepening sessions

The Supervisory Board believes that continuous education significantly contributes to its effectiveness. Therefore, the board has its own training plan. In 2024, several topics were explored in depth, including the Future Pensions Act (Wtp)—and PGGM's preparations for it—as well as the implementation of the joint strategy of PFZW and PGGM.

Commissioners, together with the cooperative's management and PFZW, also participate in governance modules organised by PGGM. These focus four times a year on current developments related to clients, participants or the internal organisation within the business units of pension services, investment management, health and welfare, and institutional business.

### Attendance at Supervisory Board meetings

In 2024, the Supervisory Board held five regular meetings. Members of the Executive Board attend these meetings. Members of the Executive Committee attend Supervisory Board meetings when topics fall within their area of responsibility. Additionally, there were three interim meetings of the Supervisory Board and two continuous education sessions.

Composition of the Supervisory Board and committees and attendance rates of members

| | Supervisory Board | Audit and Risk Committee (ARC) | P&O Committee |
|---|---|---|---|
| Number of meetings | 10 | 6 | 4 |
| Marjanne Sint | 100% (Chair) | | 100% |
| Henk Broeders | 100% (Vice Chair) | 100% | |
| Doede Vierstra | 100% | 100% (Chair) | |
| Françoise Dings | 100% | | 100% (Chair) |
| Jan van Rutte | 100% | 100% | |
| Han Busker | 100% | | 100% |

## Relationship with stakeholders

In addition to meetings of the Supervisory Board and/or its committees, there has been regular contact between the Chair and other members of the Supervisory Board and the Executive Board. Members of the Supervisory Board have also had multiple interactions with other members of the Executive Committee, works council members, employees, management and stakeholders both within and outside PGGM. These interactions help them gain insight into what is happening among the various groups, forums, stakeholders and clients (pension funds) of PGGM.

To stay informed about developments at PFZW, a meeting takes place twice a year between the Chairs of the Supervisory Board, the Executive Board, the PFZW Supervisory Council, the PFZW Board, the PFZW administrative office, and the cooperative board. This meeting focuses on joint current affairs, developments and strategy. Additionally, a delegation from the Supervisory Board holds stakeholder discussions with the PFZW Board twice a year.

### Relationship with the shareholder

The Supervisory Board's contact with the shareholder, PGGM Coöperatie, primarily takes place during shareholder meetings. The Supervisory Board meets with the shareholder (or a delegation thereof) at least twice a year to discuss developments at PGGM. In 2024, the boards of PFZW, PGGM Coöperatie and the Supervisory Board met twice as part of the so-called 'ONE-agenda' sessions. During the spring meeting, current developments were jointly reviewed. The theme of the autumn meeting was 'Looking at health and welfare through a transition lens'. All Supervisory Board members were present.

### Relationship with the Works Council

The Supervisory Board and the Works Council attach great importance to maintaining strong mutual relations and to providing sufficient time and space for informal dialogue. The involvement of, and consultations with, the Supervisory Board regarding advice and approval requests from the Works Council take place at the request of either the Works Council or the Supervisory Board, always in accordance with the requirements of the Dutch Works Councils Act (WOR). The starting point is that such requests concern matters that affect a substantial part of the organisation. In spring 2024, the annual 'three-council meeting' took place, bringing together the Works Council, the Supervisory Board and the Executive Committee.

This year, the meeting focused on FUSE, the programme for transferring pension services from MN for PMT and Bpf Koopvaardij to a new joint organisation embedded within PGGM. In addition, a delegation from the Supervisory Board attended the Works Council's annual 'state of affairs' meeting.

### Relationship with the external auditor

The Supervisory Board and the Audit, Risk and Compliance Committee (ARC) view the collaboration with the external auditor, PricewaterhouseCoopers Accountants N.V., as positive. The 2024 audit of the financial statements was conducted using a process-based and internal control-oriented approach. The external auditor attends all ARC meetings, as well as the Supervisory Board meeting at which the financial statements are discussed. Their contribution and observations during these meetings are considered valuable.

### Relationship with Internal Audit

The ARC evaluates the functioning of the internal audit function and the Director of Internal Audit annually, following consultation with the Executive Board. The ARC advises the Executive Board on the assessment of the Director of Internal Audit. The department is viewed positively, and its relationship with the external auditor is considered constructive. The Director of Internal Audit attends ARC meetings. The annual audit plan and audit reports provide both the ARC and the Supervisory Board with clear insight into internal control over business activities and processes.

## Topics discussed in 2024

The Supervisory Board oversees PGGM's strategy and the way the Executive Board implements this strategy, including the key associated risks, with the aim of achieving sustainable long-term value creation. Recurring agenda items at each regular meeting also include developments in the external environment and operations, updates regarding our clients, pension administration, and asset management services.

### Joined strategy

At the end of 2022, PFZW and PGGM formulated a joint strategic vision that addresses current changes and future demands. This vision guides both organisations until 2030. Ambitious targets have been set in the domains of Participants, Pensions, Investing, and Health and Welfare to realise the strategy. The focus until 2026 is on a seamless transition to the new pension system. The Supervisory Board closely monitors this process.

### Strategic housing

After extensive research into various options, the Executive Board, with the Supervisory Board's approval, expressed its intention in 2023 to investigate the feasibility of relocating PGGM in the long term to a yet-to-be-determined location with good public transport accessibility, to create a working environment best suited to PGGM's current and future situation. The Supervisory Board welcomed the signing at the end of 2024 of a multi-year lease and cooperation agreement between PGGM and the landlord of De Nieuwe Tuin in Utrecht. PGGM plans to move to De Nieuwe Tuin at the end of 2027.

### Pension administration

The Strategic Vision 2030 of PGGM and PFZW includes the ambition to achieve economies of scale in pension administration to guarantee excellent client service at a responsible cost level. The transfer of pension services of PMT and Bpf Koopvaardij to PGGM provides the desired scale, positioning PGGM well in the Dutch pension services market, also after the introduction of the Future Pensions Act (Wtp). The Supervisory Board extensively discusses progress on milestones in PGGM's ambition to ensure a controlled and integrity-driven transition to the new pension system for its clients by 1 January 2026.

### Investment management

The Supervisory Board reflected with the Executive Board on the organisational restructuring of PGGM's investment management activities, following the Strategy 2030 programme. Central to the investment management vision for 2030 is the investment approach of 'sustainable value creation', focusing on good financial returns through long-term value creation with a positive impact on society and the environment. This is also known as 3D investing. Investments must not only generate returns and secure good pensions but also contribute to a liveable world.

### Health and welfare

To contribute to a vital society where health and welfare workers can live, work and enjoy their pensions in good health, PGGM and PFZW focus on three interrelated ambitions: vital employees, a vital employer, and a vital sector. The Supervisory Board is pleased to note that PGGM uses knowledge, data, experience and capital to develop impactful solutions addressing labour market challenges. Preventing incapacity for work is directly related to pension affordability.

### Other topics

De RvC The Supervisory Board is periodically informed about current developments to ensure timely insight into relevant issues that may affect PGGM's operations and reputation.

In addition to the annual discussion of the annual report and approval of the financial statements, the financial results and main risks related to operations are reviewed quarterly based on performance and audit reports.

Client satisfaction is also addressed quarterly. To further shape its advisory role, the Supervisory Board held interim (informal) meetings in 2024 to discuss current topics in depth, such as the strategy for a more vital health and welfare sector, the strategies of PGGM and PFZW towards 2030, and the transition to the new pension system.

The Supervisory Board is pleased to observe that PGGM broadly embraces 'inclusive employment', notably by including these aspects in the Executive Committee's profile and actively fostering an environment where individuals and groups feel welcome, respected, supported and valued to fully participate. Additionally, in 2024 PGGM signed the CFA Institute Diversity, Equity, and Inclusion Code for the Investment Profession (CFA DEI Code).

The Supervisory Board discussed the new pension agreement with the Executive Board, its implications for PGGM's operations, and possible future innovations. Attention was also given to PGGM's culture and leadership, which play a major role in making the organisation more efficient and agile. Furthermore, the Supervisory Board spoke with the Executive Board about tax dilemmas and fiscal policy, and reviewed the tax report.

## Committees of the Supervisory Board

The Supervisory Board has established two preparatory committees from among its members: the Audit, Risk and Compliance Committee (ARC) and the People and Organisation Committee (P&O Committee).

### ARC

The ARC is tasked, among other things, with advising and preparing decisions for the Supervisory Board and overseeing and (possibly prior) reviewing the Executive Board with respect to the integrity and quality of financial and sustainability reporting, as well as the effectiveness of PGGM's internal risk management and control systems. This includes supervision of compliance with relevant laws and regulations and the operation of PGGM's Code of Conduct (including the insider policy). Doede Vierstra (chair), Henk Broeders, and Jan van Rutte are members of the ARC.

The ARC met six times in 2024. The Chief Financial and Risk Officer (CFRO), directors of Internal Audit, Finance & Control, Risk, Compliance, and the external auditor attended the regular meetings. In closed sessions, the ARC assessed, among other things, the effectiveness of internal and external audit processes, the performance of the director of Internal Audit, the functioning of the Internal Audit department, and the engagement of the external auditor.

The ARC reviewed the outcomes of periodic performance reports and audit reports. These outcomes relate to the effectiveness of internal risk management and control systems and findings and observations that materially impact PGGM's risk profile and its affiliated entities. The ARC monitored actions taken on various findings and concluded that control over processes relevant to the financial statements and related to the administration organisation has improved.

In the future, PGGM must comply with the Corporate Sustainability Reporting Directive (CSRD). This European directive requires organisations to prepare sustainability reports in a standardised manner. The aim is to make sustainability reporting more transparent and comparable, enabling market participants to make better-informed decisions regarding sustainability. In 2023, the Supervisory Board decided to assign ESG-related matters, including the CSRD, to the ARC rather than establishing a separate committee. The ARC supervises PGGM's approach to implementing the CSRD, including the planning and milestones throughout implementation.

Each year, the ARC discusses the risk appetite determined by the Executive Committee and advises the Supervisory Board on its approval. The ARC reviews PGGM's risk profile at every meeting based on reports from Enterprise Risk Management (ERM) and Compliance. Risks associated with external factors, such as labour market tightness and changes in the pension landscape, significantly impact PGGM's operations. Internal factors include risks related to the organisation's desired transition, IT risks (such as infrastructure and security), and HR risks in general. PGGM's services are largely data- and IT-driven, making it especially vulnerable to IT and cyber risks. These topics are regularly discussed in ARC meetings. The ARC has confirmed that new laws and regulations are identified and implemented.

The Supervisory Board receives the ARC's minutes and has access to meeting documents. During Supervisory Board meetings, the ARC chair provides an oral update on the ARC discussions. Supervisory Board members who are not on the ARC are permanently invited to attend ARC meetings. In 2024, the CFRO and ARC chair maintained regular contact outside meetings to discuss current topics and prepare for upcoming meetings.

### P&O Committee

The P&O Committee supports the Supervisory Board in preparing decisions regarding the composition and (re)appointment of the Executive Board members, the remuneration of the Executive Board members, and PGGM's remuneration policy. Françoise Dings (Chair), Han Busker, and Marjanne Sint are the members of the P&O Committee.

The P&O Committee met four times in 2024. The committee's composition meets the requirement that at least one member has in-depth knowledge and experience with a remuneration policy comparable to that of PGGM. The CEO and HR director regularly attend meetings to provide explanations on various topics.

One of the committee's tasks is to supervise the strategic HR policy, focusing on PGGM's continuity and the suitability of staffing in relation to PGGM's strategic course. The committee also supervises and advises on activities such as the DEI policy, organisational culture, talent management and development, labour mobility, employee development, working conditions, results and follow-up of the employee survey, and the quality of employee participation.

In 2024, each meeting addressed one or more strategic HR themes, such as Labour Market Proposition, Leadership, Talent Development, Strategic Workforce Planning, and Organisational Structure and Reorganisation.

The P&O Committee advises the Supervisory Board on the evaluation of Executive Board members for 2024 and on the remuneration of individual Executive Board members. The achievement of strategic goals for 2024, a 360-degree evaluation of Executive Board members, and observations from Supervisory Board members formed the basis for the individual evaluations of Executive Board members. Supervisory Board members also regularly meet throughout the year with various stakeholders, including representatives of the works council and the cooperative board. Based on these observations, the P&O Committee can form a well-rounded view of the Executive Board members' performance.

Attention was given to the results of the PGGM directors' fleet review. Based on the outcomes, the quality and potential of PGGM directors were discussed, including succession and future planning. Additionally, the P&O Committee dedicated a session to revising policies and regulations, communication, and raising awareness about integrity within PGGM.

At the start of 2025, the Supervisory Board prepared a remuneration report for 2024, providing clear accountability for the implementation of the remuneration policy. This report was discussed by the P&O Committee and approved by the Supervisory Board. The 2024 remuneration report was published on PGGM's website.

Developments in the labour market, recruitment, and PGGM's labour market proposition received considerable attention within PGGM in 2024 and will continue to be a focus for the P&O Committee in 2025.

In December 2024, PGGM reached an agreement with the three unions FNV, CNV, and De Unie on a new collective labour agreement (CLA) for 2025. The Supervisory Board is pleased that there is broad support for the agreement.

No (re)appointments took place in the Supervisory Board or Executive Board in 2024.

The Supervisory Board receives the minutes of the P&O Committee and has access to the meeting documents. During Supervisory Board meetings, the chair of the P&O Committee provides an oral update on the committee's discussions. Supervisory Board members who are not on the P&O Committee are permanently invited to attend its meetings.

## Proposal to the general meeting of PGGM (PGGM Coöperatie)

In accordance with the provisions of PGGM's articles of association and regulations, the Supervisory Board has reviewed the annual accounts, approved PGGM's 2024 financial statements including the Supervisory Board report and remuneration report, and, following advice from the Audit and Risk Committee (ARC), resolved that the members of the Supervisory Board will jointly sign the financial statements. The Supervisory Board discussed these documents with the Executive Board, the Internal Audit department, and the external auditor (PricewaterhouseCoopers Accountants N.V.), and took note of the unqualified audit opinion issued by PricewaterhouseCoopers Accountants N.V. on PGGM's 2024 financial statements.

The Supervisory Board proposes that the general meeting adopt PGGM's 2024 financial statements and grant discharge to the members of the Executive Board for their management during the reporting year. Furthermore, the Supervisory Board requests that the general meeting grant discharge to the members of the Supervisory Board for the supervision performed.

## In conclusion

The Supervisory Board sincerely thanks all PGGM employees for their dedication, commitment and flexibility during the 2024 reporting year.

Zeist, 23 April 2025

Marjanne Sint, Chair

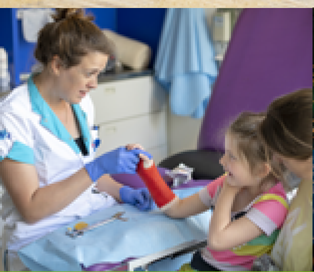
Françoise Dings

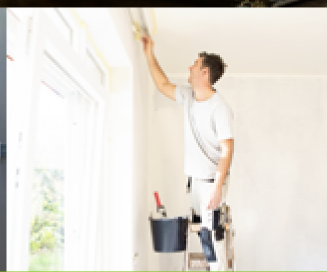
Henk Broeders, Vice Chair

Jan van Rutte

Han Busker

Doede Vierstra




# 4. Financial Statements

# 4.1 Consolidated financial statements

## Consolidated balance sheet as of 31 December 2024

*(before profit appropriation)*
*(amounts in thousands of euros)*

| | Ref | 31 December 2024 | 31 December 2024 |
|---|---|---|---|
| **Assets** | | | |
| **Fixed assets** | | | |
| Intangible fixed assets | *4.1.3* | 174 | 1,723 |
| Property, plant, and equipment | *4.1.4* | 38,539 | 57,304 |
| Financial fixed assets | *4.1.5* | 17,344 | 14,588 |
| **Total fixed assets** | | **56,057** | **73,615** |
| **Current assets** | | | |
| Receivables | *4.1.6* | 44,053 | 46,168 |
| Securities | *4.1.7* | 117,878 | 113,688 |
| Cash and cash equivalents | *4.1.8* | 150,523 | 135,023 |
| **Total current assets** | | **312,454** | **294,879** |
| **Total assets** | | **368,511** | **368,494** |
| **Liabilities** | | | |
| **Equity** | *4.1.9* | | |
| Paid-up and called capital | | 200 | 200 |
| Share premium reserve | | 158,712 | 158,712 |
| Statutory reserve | | - | 366 |
| Other reserves | | 83,829 | 100,505 |
| Undivided results | | -8,286 | -1,042 |
| **Total equity** | | **234,455** | **258,741** |
| **Provisions** | | | |
| Provisions | *4.1.10* | 29,384 | 25,406 |
| **Total provisions** | | **29,384** | **25,406** |
| **Current liabilities** | | | |
| Current liabilities | *4.1.11* | 104,672 | 84,347 |
| **Total current liabilities** | | **104,672** | **84,347** |
| **Total liabilities** | | **368,511** | **368,494** |

# Consolidated income statement for 2024

*(amounts in thousands of euros)*

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Management fees | 4.1.13 | 432,352 | 356,106 |
| Other income | 4.1.13 | 2,203 | 2,101 |
| **Total operating income** | | **434,555** | **358,207** |
| | | | |
| Expenses for outsourced work and external hiring | 4.1.14 | 96,939 | 84,121 |
| Personnel expenses | 4.1.15 | 251,491 | 204,703 |
| Amortisation of intangible fixed assets and depreciation of property, plant and equipment | 4.1.16 | 22,370 | 6,094 |
| Automation expenses | 4.1.17 | 61,624 | 52,315 |
| Other operating expenses | 4.1.18 | 21,483 | 19,137 |
| **Total operating expenses** | | **453,907** | **366,370** |
| | | | |
| **Operating result** | | **-19,352** | **-8,163** |
| Financial income | 4.1.19 | 9,366 | 7,451 |
| Financial expenses | 4.1.19 | -186 | – |
| **Result before taxes** | | **-10,172** | **-712** |
| Taxes | 4.1.20 | 2,211 | -2 |
| Result participating interest | 4.1.5 | -325 | -328 |
| **Result after taxes** | | **-8,286** | **-1,042** |

# Consolidated cash flow statement for 2024

*(amounts in thousands of euros)*

| | Ref | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Operating result | | -19,352 | -8,163 |
| | | | |
| Adjustments for: | | | |
| Amortisation, depreciation, and impairments | *4.1.3, 4, 16* | 22,370 | 6,094 |
| Changes in (in)tangible fixed assets | *4.1.3, 4* | - | - |
| Changes in financial fixed assets | *4.1.5* | -2,681 | 2,999 |
| Changes in receivables | *4.1.6* | 2,115 | -9,651 |
| Changes in provisions | *4.1.10* | 3,978 | -1,660 |
| Changes in current liabilities | *4.1.11* | 22,536 | 9,788 |
| **Cash flow from operating activities** | | **28,966** | **-593** |
| | | | |
| Received interest | *4.1.19* | 9,366 | 7,451 |
| Paid interest | *4.1.19* | -186 | - |
| | | **9,180** | **7,451** |
| | | | |
| **Total cash flow from operating activities** | | **38,146** | **6,858** |
| | | | |
| **Cash flow from investment activities** | | | |
| Additions and acquisitions of: | | | |
| Intangible fixed assets | *4.1.3* | - | -4 |
| Property, plant, and equipment | *4.1.4* | -2,056 | -2,805 |
| Participating interests | *4.1.5* | -400 | -500 |
| | | | |
| Disposals, repayments, and sales | | | |
| Intangible fixed assets | *4.1.3* | - | - |
| Property, plant, and equipment | *4.1.4* | - | - |
| Participating interests | *4.1.5* | - | - |
| **Total cash flow from investment activities** | | **-2,456** | **-3,309** |
| | | | |
| **Cash flow from financing activities** | | | |
| Dividend paid | *4.1.9* | -16,000 | - |
| **Total cash flow from financing activities** | | **-16,000** | **-** |
| | | | |
| **Net cashflow** | | **19,690** | **3,549** |
| | | | |
| **Changes in cash and cash equivalents** | | | |
| Cash and cash equivalents (incl. securities) at beginning of the period | *4.1.7, 8* | 248,711 | 245,162 |
| Cash and cash equivalents (incl. securities) at end of the period | *4.1.7, 8* | 268,401 | 248,711 |
| **Changes in cash and cash equivalents** | | **19,690** | **3,549** |

# Notes to the consolidated financial statements for 2024

## 1. General notes

### Information on PGGM N.V.

PGGM N.V. (PGGM) was established on 20 July 2007 and has its registered office and principal place of business at Noordweg Noord 150 in Zeist, the Netherlands. All shares in PGGM are held by PGGM Coöperatie U.A. (PGGM Coöperatie).

In accordance with Article 2 of its Articles of Association, PGGM's objectives are as follows:

a. to perform or cause performance of (i) the administrative management of prescribed pension entitlements and pensions in payment and (ii) the implementation of prescribed pension entitlements and pensions in payment, both in the broadest sense;
b. to perform or cause performance of asset management in the broadest sense;
c. to perform work that focuses on the development, sale or implementation of additional income provisions, insofar as they are not already included in a collective pension scheme, including the related information provision, consultancy and services, all in the broadest sense, for the sector in which work is performed in relation to health, mental and social interests, including services in the form of physical, mental or social care or assistance;
d. to offer or cause the offering of services, including, but not limited to, services in respect of the collection of premiums, financial administration, board support and substantive advice to social funds that are affiliated with clients of the company;
e. to participate in, to take an interest in any other way in and to conduct the management of other business enterprises, of whatever nature, to finance other persons and to give security, give guarantees and bind itself in any other manner for debts of other persons and finally to do everything related or possibly conducive to the foregoing, in the broadest sense.

### Statement of compliance and accounting standards

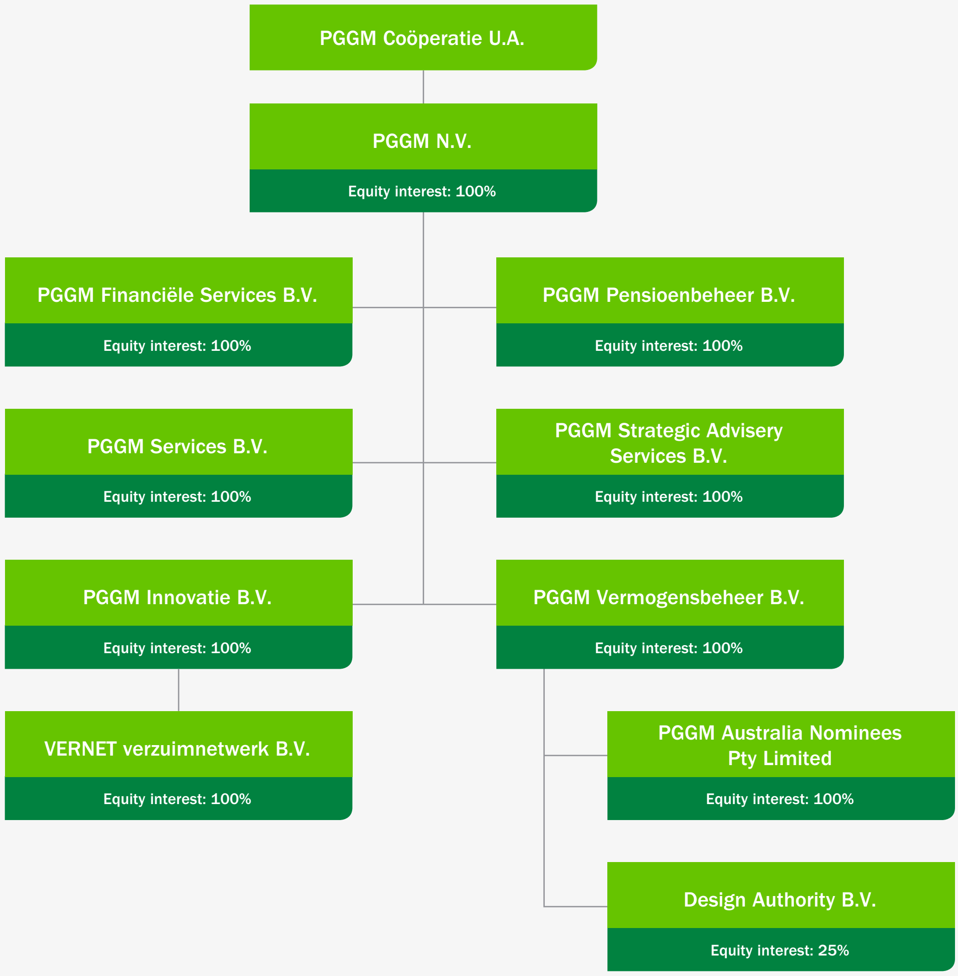
The financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards (RJ) as issued by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). References have been included in the balance sheet, the income statement, and the cash flow statement, which refer to the notes.

### Group structure

PGGM is a holding company which, through participating interests, performs activities in the area of board support, policy advice, pension administration, fiduciary advice and investment management since 1 January 2008. PGGM is a structure regime company and the holder of eight (in)direct subsidiaries and one minority interest, which together with its shareholder, PGGM Coöperatie, forms the PGGM Group. The financial statements of PGGM N.V. are consolidated into the financial statements of PGGM Coöperatie, which is also statutorily domiciled and headquartered in Zeist. The consolidated financial statements of PGGM Coöperatie are made available on the PGGM website.

The figure below illustrates the legal structure of PGGM Coöperatie U.A., PGGM N.V., its subsidiaries, and other participating interests (PGGM Group). As part of the legal structuring, the decision was made to assign the various licenses to separate legal entities, in order to ensure maximum clarity regarding the associated conditions and the regulatory oversight. PGGM Vermogensbeheer B.V. and PGGM Financiële Services B.V. have a license from the Netherlands Authority for the Financial Markets (AFM).

## Group structure




### PGGM Vermogensbeheer BV

The asset management activities are vested in PGGM Vermogensbeheer B.V. (PGGM Vermogensbeheer). We support pension funds from two complementary services: fiduciary management and investment management.

### AFM license

PGGM Vermogensbeheer has an AIFM license from the AFM pursuant to Section 2:67 of the Financial Supervision Act (Wft) to act as manager of an investment institution within the meaning of Section 1:1 of the Wft with effect from April 4, 2014. The license is limited to offering the rights of participation to professional investors.

Also, pursuant to Section 2:67a(2) Wft, PGGM Vermogensbeheer is permitted to perform the following activities or provide the following services under the aforementioned AIFM license:

- manage individual capital;
- advising on financial instruments in the course of exercising a profession or business;
- receiving and transmitting orders from clients concerning financial instruments in the course of exercising a profession or business.

### PGGM Australia Nominees Pty Limited

PGGM Vermogensbeheer is the sole shareholder of PGGM Australia Nominees Pty Ltd. ('PAN'). The shares of PAN were acquired on 13 May 2009. As a result, the assets, liabilities, and the results of PAN are consolidated in in this financial statement.

### Design Authority B.V.

As of 31 December 2021, PGGM Vermogensbeheer has a 25% interest in Design Authority B.V. Design Authority B.V. is not consolidated in the financial statements, as PGGM Vermogensbeheer has significant influence but does not have control.

### PGGM Pensioenbeheer B.V.

The pension administration activities are carried out by PGGM Pensioenbeheer B.V. (PGGM Pensioenbeheer). These activities consist of client management and pension administration.

### PGGM Strategic Advisory Services B.V.

PGGM Strategic Advisory Services B.V. (PSAS) provides governance support (accountability, reporting and relationship management) and advisory services to institutional clients. These include services in the areas of investment policy, pension policy and fiduciary, financial & actuarial advice.

### PGGM Financiële Services B.V.

PGGM Financiële Services B.V. (PGGM Financiële Services) is a financial services provider that offers financial products and services from its collaborative partners to members of PGGM Coöperatie.

#### AFM licence

PGGM Financiële Services has a Wft license from the AFM for advising (article 2:75 Wft) and acting as an intermediary (article 2:80 Wft) in current accounts, consumer credit, electronic money, mortgage credit, income insurance, personal and business non-life insurance, savings accounts, assets and health insurance.

### PGGM Innovatie B.V.

PGGM Innovatie B.V. (PGGM Innovatie) focuses on the implementation of projects in the field of innovation within the health and welfare sector. An important product within PGGM Innovatie relates to the relates to the 'Toekomstverkenner', which enables participants and enables participants and their partners to gather all their personal financial data including other income, mortgages and savings.

### VERNET verzuimnetwerk B.V.

PGGM Innovatie is the sole shareholder of Vernet Verzuimnetwerk B.V. (Vernet). Vernet has the object of producing and supplying national absence and financial risk information, offering a network and/or platform for the provision and sharing of knowledge and advice and advising in the areas of absence, absence prevention and sustainable employability.

### PGGM Services B.V.

PGGM Services B.V. (PGGM Services) focuses on performing work aimed at offering products and services to employees and former employees who are or have been employed in the health and welfare sector and to their partners, which contribute to strengthening their personal and financial balance and promote mutual contacts among them.

### Notice of liability

Since 2022, six PGGM subsidiaries have applied the group exemption regime pursuant to Article 2:403 of the Dutch Civil Code, including for the 2024 financial year. In this context, PGGM has issued and filed a 403 declaration for each of these entities, in accordance with legal requirements. Through these declarations, PGGM has assumed joint and several liability for the obligations arising from the legal acts of these subsidiaries. The entities concerned are: PGGM Pensioenbeheer, PGGM Strategic Advisory Services, PGGM Financiële Services, PGGM Services, PGGM Innovatie, and Vernet.

The financial information of these subsidiaries, along with that of PGGM Vermogensbeheer and its subsidiary PGGM Australia Nominees Pty Limited, has been included in these consolidated financial statements. The consolidated financial statements of PGGM Vermogensbeheer are also available on PGGM's website.

### Financial reporting Period

These consolidated financial statements relate to the 2024 financial year, from January 1st, 2024, up until December 31st, 2024.

### Going concern

The financial statements have been prepared on a going concern basis, based on the assumption that PGGM is, and will continue to be, able to carry out its regular business operations in the foreseeable future. Although we recorded a negative result in both 2023 and 2024, we maintain sufficient liquidity and a strong equity position to support the continuation of our operations. Our equity exceeds the required capital threshold as defined in our internal policy, providing a buffer to absorb financial setbacks. In addition, we have access to a €150 million credit facility with PFZW.

Our multi-year financial forecast anticipates a return to profitability in the coming years, supported by long-term contracts with our largest pension fund clients and established pricing agreements. Based on these factors, we consider the going concern assumption to be appropriate.

### Related parties

All legal entities over which dominant control, joint control, or significant influence can be exercised, as well as members of the Board of Directors under the Articles of Association, members of the Supervisory Board, other key officers in the management of PGGM Vermogensbeheer, PGGM N.V. or PGGM Coöperatie U.A., and their close relatives, are considered related parties.

Significant transactions with related parties are disclosed to the extent that they have not been entered into on arm's length terms. The nature and extent of such transactions are disclosed, along with any other information necessary to provide insight.

### PGGM's clients

PGGM administers the pension schemes and manages communications with employers and participants on behalf of Stichting Pensioenfonds Zorg en Welzijn (PFZW), Stichting Pensioenfonds voor Personeelsdiensten (StiPP), and Stichting Bedrijfstakpensioenfonds voor het Schilders-, Afwerkings- en Glaszetbedrijf (BPF Schilders).

PGGM manages the pension assets of PFZW and invests the collective pension assets of the participants of BPF Schilders, Stichting Pensioenfonds Smurfit Kappa Nederland, and part of the pension assets of Stichting Pensioenfonds voor Huisartsen (SPH) and Stichting Bedrijfstakpensioenfonds voor de Particuliere Beveiliging (Bpf Beveiliging).

As of 1 July 2024, PGGM also administers the pension schemes and communications with employers and participants for Pensioenfonds Metaal en Techniek (PMT) and Bedrijfspensioenfonds Koopvaardij (Bpf Koopvaardij), following the transfer of these services from MN Services N.V. (MN). The employees involved in pension administration and IT development at MN's pension business have joined PGGM as of that date. MN continues to manage the pension assets of PMT and Bpf Koopvaardij.

## 4.1.2. Principles

### 4.1.2.1. Basis of preparation of the financial statements

#### Comparison to previous year

The accounting principles used for valuations and determining the result have remained unchanged compared to the previous financial year

#### Functional and presentation currency

The financial statements are presented in euros, which is also the functional currency of PGGM Vermogensbeheer. All financial information in euros is rounded to the nearest thousand, unless otherwise stated. As a result, the rounded amounts may not always add up to the rounded total.

#### Transactions in foreign currencies

Assets and liabilities denominated in foreign currencies are converted into euros at the exchange rate prevailing on the balance sheet date. This valuation is part of the fair value measurement. Income and expenses relating to transactions in foreign currencies during the reporting period are converted at the exchange rate prevailing on the transaction date. All foreign currency translation differences are recognised in the statement of income and expenses.

The assets, liabilities, and income and expenses of consolidated participating interests with a functional currency other than the presentation currency are converted at the exchange rate prevailing on the balance sheet date. The resulting translation gains and losses are directly recognised under equity in the statutory foreign currency translation reserve.

#### Use of estimates

The preparation of the financial statements requires the Board of Directors to make judgements, estimates, and assumptions that affect the application of the accounting principles and the reported value of assets and liabilities and of income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continuously assessed. Revisions to estimates are recognised prospectively. The key estimates relate to the provision for Deferred Variable Income (DVI) and the change in estimate regarding the impairment and depreciation of buildings, which form part of the property, plant and equipment.

If it is necessary to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the relevant financial statement item. No significant estimates were applied in 2024.

### Change in estimates

At the end of 2023, the Executive Board expressed its intention for PGGM to relocate to a new location with good public transport accessibility. The aim of this move is to provide an attractive and accessible working environment for both current and future employees, in line with PGGM's sustainability ambitions. In December 2024, PGGM formally decided to vacate its current premises in Zeist and signed a multi-year lease and cooperation agreement with the landlord of De Nieuwe Tuin in Utrecht. The relocation to De Nieuwe Tuin is planned for the end of 2027.

Until the end of 2024, the buildings and land – recognised as part of property, plant and equipment – were depreciated over useful lives of 40 years (shell construction), 25 years (interior construction), and 15 years (technical installations). Following the relocation decision, the remaining useful life of the buildings has been reassessed based on the expected date of relocation. The impact of this change in estimate has been reflected in the depreciation of buildings and land for the current reporting period. The effect on 2024 depreciation expenses is minimal. The financial impact on future periods will be recognised in those respective periods. For further details on the accounting treatment of this change, see Note 4.1.4 'Property, plant and equipment'.

### Principles of consolidation

The consolidated financial statements comprise the financial data of PGGM, its group companies, and other legal entities over which PGGM can exercise control or that are under central management. Group companies are investments in which PGGM holds a majority interest, or in which it can otherwise exercise significant influence. The determination of whether significant influence can be exercised includes financial instruments that contain potential voting rights that can be exercised directly. Participating interests acquired for the sole purpose of disposal within the foreseeable future are not consolidated.

Newly acquired participating interests are consolidated from the date on which control can be exercised. Participating interests disposed of remain included in the consolidation until the date control is lost.

### Acquisition and disposal of group companies

From the acquisition date, the results and identifiable assets and liabilities of the acquired companies are included in the consolidated financial statements. The acquisition date is the moment control can be exercised over the relevant company. The acquisition price is the amount agreed in cash or its equivalent to acquire the company, increased by any directly attributable costs. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the difference is capitalized as goodwill under intangible assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (negative goodwill) is recognized as a liability.

### Consolidation method

The consolidated financial statements are prepared using uniform accounting policies for measurement and result determination within the group. Mutual liabilities, receivables, and transactions within the group are eliminated, as are any profits made within the group. Group companies are fully consolidated, with third-party minority interests presented separately. Valuation principles for group companies and other legal entities included in the consolidation are adjusted, where necessary, to align with the valuation principles applicable to the consolidation. All entities included in the consolidation are fully owned by PGGM, which is itself a subsidiary of PGGM Coöperatie. PGGM is the parent company of the consolidated group of entities.

## Companies

| Name | Place of business | Share in issued capital |
|---|---|---|
| PGGM Australia Nominees Pty Limited[2] | Sydney, Australia | 100% |
| PGGM Financiële Services B.V. | Zeist, Netherlands | 100% |
| PGGM Innovatie B.V. | Zeist, Netherlands | 100% |
| PGGM Pensioenbeheer B.V. | Zeist, Netherlands | 100% |
| PGGM Strategic Advisory Services B.V. | Zeist, Netherlands | 100% |
| PGGM Services B.V. | Zeist, Netherlands | 100% |
| PGGM Vermogensbeheer B.V. | Zeist, Netherlands | 100% |
| VERNET verzuimnetwerk B.V.[3] | Amsterdam, Netherlands | 100% |

### Simplified company income statement

The financial data of PGGM and its subsidiaries are included in the consolidated financial statements. Therefore, the company's income statement has been presented in an abridged format, in accordance with Section 402, Book 2 of the Dutch Civil Code. This abridged income statement only includes the share in the result of participating interest, the result of the parent company and the result after taxes

## 4.1.2.2. Accounting principles for the valuation of assets and liabilities

### Recognition of an asset or liability

Assets and liabilities are measured at historical cost, or at fair value. If no specific valuation principle is stated, valuation is based on historical cost.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits attributable to the asset will flow to PGGM, and the asset has a cost or value that can be measured reliably. A liability is recognised in the balance sheet when it is probable that the settlement of the obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably.

If a transaction results in the transfer of almost all future economic benefits and risks related to an asset or liability to a third party, the asset or liability will no longer be recognised in the balance sheet. An asset or liability will no longer be recognised in the balance sheet when the conditions of probable future economic benefits and reliable measurement of value are no longer met. References are included in the balance sheet, the profit and loss account, and the cash flow statement, which refer to the explanatory notes.

### Fair value

The fair value is the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties who are independent of each other. The fair value of financial instruments recognized on the balance sheet under cash, short-term receivables, and short-term liabilities approximates their carrying amount.

[2]PGGM Australia Nominees Pty Limited is a 100% subsidiary of PGGM Vermogensbeheer B.V.
[3]VERNET verzuimnetwerk B.V. is a 100% subsidiary of PGGM Innovatie B.V.

### Intangible fixed assets

Intangible assets are valued at acquisition cost or manufacturing cost, less accumulated amortization. Impairments are considered when the carrying amount of the asset (or the cash-generating unit to which it belongs) exceeds its recoverable amount. Intangible assets are initially recognized at acquisition cost. To determine whether an intangible asset is subject to impairment, refer to the section 'Impairment of fixed assets’.

#### Internally developed software

Costs for internally developed software are capitalized to the extent that they relate to commercially and technically feasible projects. Internally developed software is valued at manufacturing cost, less accumulated amortization and impairments. The manufacturing cost primarily includes the salaries of the involved personnel. The capitalized costs are amortized over the expected useful life once the development phase is completed (when the asset is ready for use). Amortization is applied using the straight-line method. Research costs and other development costs are expensed in the period in which they are incurred. A legal reserve is established for the portion of capitalized development costs that have not yet been amortized.

#### Software

Software is stated at acquisition price or production cost, less accumulated depreciation, and any impairments. These assets are depreciated on a straight-line basis over their estimated economic life, considering any contractual term. The residual value is zero.

#### Goodwill

Goodwill is the positive difference between the acquisition cost and the fair value (initial valuation) of the acquired assets and liabilities at the time of the acquisition. Goodwill is amortized on a straight-line basis over its economic useful life.

### Property, plant and equipment

#### Buildings and land

Buildings and land are valued at historical cost, less accumulated depreciation and any impairments. Depreciation is calculated on a straight-line basis as a percentage of the acquisition cost, based on the economic useful life and taking into account the residual value of the individual assets. If significant components of the buildings can be distinguished and exhibit different economic useful lives, these components are depreciated separately. No depreciation is applied to land. Depreciation begins when an asset is available for its intended use and ends when the asset is retired or disposed of.

Costs for major maintenance and replacement of (components of) buildings are capitalized at acquisition cost, less accumulated depreciation. The costs of regular maintenance and repairs are expensed annually in the income statement as expenses.

#### Plant and equipment

Plant and equipment are valued at acquisition cost, less accumulated depreciation. These assets are depreciated on a straight-line basis over their estimated economic useful life of five to ten years, taking into account any contractual term. The residual value is nil.

### Other operating assets

Other operating assets include inventory, computer hardware, art, and other assets. These assets are valued at acquisition cost, less accumulated depreciation and any impairments. The assets are depreciated on a straight-line basis over their estimated economic useful life of five to ten years. The residual value is considered nil. No depreciation is applied to art.

## Financial fixed assets

### Participating interests in which significant influence is exercised

Participating interests over which significant influence can be exercised on business and financial policies are measured using the equity method based on the net asset value. In determining whether significant influence can be exercised over participating interests, all relevant factual circumstances, and contractual relationships (including potential voting rights) are considered. If PGGM Vermogensbeheer holds more than 20%, but less than 50% of the shares, it is assumed that significant influence can be exercised. If more than 50% of the shares are held, it is assumed that there is controlling interest.

In determining the net asset value, the accounting principles of PGGM are applied. Results from transactions where assets and liabilities are transferred between PGGM and its participating interests, or between participating interests, are eliminated to the extent that they are considered unrealized.

Participating interests with a negative net asset value are valued at zero. When PGGM is fully or partially liable for the debts of the respective participating interest, or has the actual obligation to enable the participating interest (for its share) to settle its debts, a provision is recognized. This provision is primarily charged to the receivables from the participating interest, and any remaining amount is recorded under provisions based on PGGM's share of the losses incurred by the participating interest or the expected payments made by PGGM on behalf of the participating interest.

The initial valuation of acquired participating interests is based on the fair value of the identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles applied in the preparation of these financial statements are used, based on the values at initial recognition.

Participating interests in which significant influence can be exercised on the business and financial policy are accounted for using the equity method based on net asset value.

### Participating interests over which significant influence is not exercised

Participating interests over which significant influence is not exercised are valued at acquisition cost. The dividend declared by the participating interest during the reporting year is recognized as income, with dividends not paid in cash being valued at fair value. If there is an impairment, the participating interest is valued at its recoverable amount; any impairment is charged to the consolidated income statement. In the case of a firm intention to dispose of the participating interest, it is valued at the lower expected sales value.

### Deferred tax assets

Deferred tax assets are recognized for deductible tax losses and for temporary differences between the carrying amounts of assets and liabilities under tax regulations, on the one hand, and the accounting principles followed in this financial statement, on the other, if it is probable that there will be sufficient future taxable profits to offset the temporary differences and to compensate for the losses.
Deferred tax assets are calculated using the tax rates applicable at the end of the reporting year, or the rates that are legally established for future years. Deferred tax assets are valued at nominal value.

### Impairment of fixed assets

On each balance sheet date, it is assessed whether there are indications that fixed assets are subject to impairment. If such indications exist, the recoverable amount of the asset is estimated the recoverable amount is the higher of the value in use and the fair value less costs to sell. If the recoverable amount of an individual asset cannot be estimated, it is determined for the cash-generating unit to which the asset belongs. An impairment loss occurs when the carrying amount of the asset exceeds its recoverable amount. The impairment loss is recognized directly as an expense in the income statement, with a simultaneous reduction of the carrying amount of the asset. The fair value less costs to sell is primarily derived from a binding sales agreement. If no such agreement exists, the fair value is determined based on an active market, where the prevailing bid price is generally used as the market price. The costs deducted when determining the fair value are the estimated, directly attributable selling costs necessary to complete the sale. The value in use of an asset or cash-generating unit is determined as the present value of the estimated future cash flows expected to be generated by the asset or unit. The cash flow projections are based on realistic and well-supported forecasts. The present value is calculated using a discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset or unit.

A previously recognized impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized. In such cases, the carrying amount of the asset is increased to the estimated recoverable amount, but not above the carrying amount that would have been determined (after depreciation) if no impairment loss had been recognized in previous years.

### Receivables

Receivables are initially stated at the fair value of the consideration received. After initial recognition, receivables are stated at the amortized cost price. If the receipt of the receivable is deferred on grounds of an agreed extension to a payment term, the fair value is determined with reference to the present value of the expected receipts and interest income based on the effective interest rate is recognized in the income statement. Provisions for bad debt are deducted from the book value of the receivable.

### Securities

The securities recognized on the balance sheet relate to investments in money market funds, which are measured at fair value. The fair value is determined based on the net asset value published by the fund manager, which is used for subscriptions and redemptions of the investment fund. After initial recognition, investments in money market funds are measured at fair value, with changes in value recognized directly in the income statement. These investments are freely available. Interest received during the year is recognized as income in the income statement.

Transaction costs attributable to securities that are subsequently measured at fair value, with changes in value recognized through equity, are included in the initial measurement. When these securities are sold to a third party, the transaction costs are recognized in the income statement. Transaction costs attributable to securities that are subsequently measured at amortized cost are also included in the initial measurement. Securities that form part of current assets have a maturity of less than one year.

### Cash and cash equivalents

Cash and cash equivalents consist of bank balances with a maturity of less than twelve months and are measured at nominal value.

### Equity

Equity is the difference between assets and liabilities. It is therefore a residual item for which no specific valuation rules apply, but its carrying amount is indirectly determined by the valuation of all other balance sheet items. PGGM maintains paid-up and called capital, reserves, and undistributed profit. The statutory reserve is primarily maintained for capitalized costs related to the development of internally developed software. The undistributed profit is added to the reserves at the annual shareholders meeting. The shareholders can also decide to make a dividend payment.

### Provisions

Provisions are recognized for legally enforceable or constructive obligations that exist at the balance sheet date, where it is probable that an outflow of resources will be required, and the amount can be reliably estimated. Provisions are determined based on the best estimate of the amount needed to settle the obligations at the balance sheet date. They are measured at the present value of the expected outflows unless the time value of money is not material. If the time value of money is not material, the provision is recognized at its nominal value.

#### Restructuring provision

A restructuring provision is recognized when a detailed restructuring plan has been formalized as of the balance sheet date and a justified expectation of the plan's execution has been raised with the affected parties by the financial statement preparation date. A justified expectation exists when the execution of the restructuring has begun or when the key points of the plan have been communicated to the affected parties. The restructuring provision is valued at nominal value at year-end.

#### Provision for long-term sick leave

The provision for long-term sick leave relates to an obligation to make future payments to employees who are expected to be permanently, either wholly or partially, unable to perform work due to illness or disability as of the balance sheet date. The provision is reassessed annually as of the balance sheet date. It is based on the nominal value of the expected wage costs during the first two years of illness or disability (to the extent that these fall after the balance sheet date), and amounts to 100% in the first year and 70% in the second year.

#### Provision for Deferred Variable Income (DVI)

PGGM has a provision for DVI, designed to reward key employees of the investment management department. This form of compensation is supplemental to the variable remuneration scheme. The key estimates in relation to DVI include the average payout percentage of the targets and the estimation of the interest accrual, taking into account the employees' probability of departure. The provision for DVI is valued at the present value of the expected outflows required to settle the provision. 2024 is the final year in which this compensation will be awarded to employees.

### Current liabilities

Current liabilities are initially recognised at fair value. After initial recognition, liabilities are measured at amortised cost (equal to the nominal value if there are no transaction costs).

### Leasing

PGGM Vermogensbeheer and its subsidiaries may enter into finance and operating lease agreements. A lease agreement where the risks and rewards associated with ownership of the leased asset are borne entirely or almost entirely by the lessee is classified as a finance lease.

All other lease agreements are classified as operating leases. In the classification, the economic substance of the transaction is decisive, rather than its legal form. Lease payments, considering any received incentives from the lessor, are recognized on a straight-line basis in the income statement over the term of the contract.

### 4.1.2.3. Accounting principles for the determination of result

#### Recognition of income, expenses, and result

Income is recognized in the statement of income and expenses when there is an increase in economic potential, either through an increase in the value of an asset or a decrease in the value of a liability, provided that the value can be reliably measured. An expense is recognized when there is a decrease in economic potential, either through a decrease in the value of an asset or an increase in the value of a liability, provided that the value can be reliably measured.

The result is determined as the difference between the net realisable value of the delivered performance and the costs and expenses incurred during the year. Revenue from transactions is recognized in the year in which it is realised. References are included in the balance sheet, the profit and loss account, and the cash flow statement, which refer to the explanatory notes.

#### Management fees

This concerns third-party compensation for execution activities related to governance support, policy advice, pension administration, fiduciary advice, and fund and asset management. Revenue from the provision of services is recognized in proportion to the services rendered, based on the work completed up to the balance sheet date relative to the total services and projects to be performed, less discounts and taxes on revenue. Revenue from the rendering of services is recognized for each performance obligation when the amount or result can be reliably determined. Revenue is recognized based on the amount the entity expects to receive in exchange for the transfer of promised services, i.e., the transaction price. This does not include amounts collected on behalf of third parties, such as sales taxes. The transaction price consists of a fixed fee and variable consideration, including discounts and performance bonuses. Credit risk is not considered when determining the transaction price.

The transaction price is determined on the assumption that services will be transferred according to the relevant agreement, and that the agreement will not be cancelled, extended, or otherwise modified. The effects of variable consideration are included in the transaction price, based on an estimate of the fees. These estimates are updated at the end of each financial year. Only variable fees that are unlikely to be reversed are considered.

#### Other income

Other income comprises results that are not directly related to the delivery of goods or services in the context of the normal, non-incidental business activities. Income is recognised in the reporting period based on the terms of the underlying agreement.

#### Expenses for outsourced work and external hiring

Outsourced work and other external costs include all external costs related to work performed by third parties. Outsourced work costs are assignments agreed upon for a fixed fee, while external hiring is invoiced based on hours and hourly rates.

### Personnel expenses

Salaries, wages, and social security contributions are recognized based on the employment terms, to the extent they are owed to employees or the tax authority. Provisions are made for obligations existing at the balance sheet date for future payments of remuneration (including severance payments) to employees who are expected to be permanently, fully, or partially unable to work due to illness or disability. The recognized obligation is based on the best estimate of the amounts needed to settle the obligation at the balance sheet date. Additions and releases of provisions are recorded as expenses or income in the income statement, respectively.

### Amortisation of intangible fixed assets and depreciation of property, plant, and equipment

Intangible fixed assets and property, plant, and equipment are depreciated or amortized from the date of initial use over the expected future economic life of the asset. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of intangible and tangible fixed assets are included in depreciation.

### Automation expenses

Automation expenses include costs for hardware and software contracts, data suppliers, software implementation and maintenance, other automation costs, and charged-on automation expenses.

### Operational expenses

Other operating expenses include housing costs, printing and mailing costs, audit and supervisory fees, marketing expenses, other operating expenses, and charged-on other operating expenses.

### Financial income and expenses

PGGM and its subsidiaries recognize interest income and expenses related to cash equivalents arising from the interest compensation system. The interest income and expenses are assessed per individual credit institution, and the net position is presented as either interest income or expense. Exchange differences arising from the settlement or translation of monetary items are recognized in the income statement in the period in which they occur. Interest income and expense are recognized on a time-proportionate basis, using the effective interest rate of the respective assets and liabilities. No interest is charged on the current account balances between PGGM Coöperatie, PGGM., and its subsidiaries.

### Taxes

PGGM, together with its subsidiaries and its sole shareholder PGGM Coöperatie, forms a fiscal unity for corporate income tax purposes. Within PGGM, corporation tax on the taxable result is calculated for each legal entity. The tax on the result is calculated based on the pre-tax result in the consolidated income statement, considering available tax-deductible losses from previous years (to the extent not recognized in deferred tax assets), exempt income components, and non-deductible expenses. Temporary differences arising from differences in commercial and tax valuations are reflected in deferred tax liabilities or assets. In addition, changes in deferred tax assets and liabilities due to changes in the applicable tax rate are considered. PGGM Coöperatie U.A. settles the corporation tax with the Dutch tax authorities.

PGGM is part of a VAT fiscal unity and is therefore jointly and severally liable for any VAT liabilities of all entities within the unity. The fiscal unity includes PGGM Coöperatie, its subsidiaries, and PFZW. The fiscal unity is entitled to advance VAT deduction, and this right is recognized within PGGM.

### Result of participations

The share of results from investments reflects the group's share in the results of these investments, determined according to the group's accounting principles. The result is based on the change in net asset value, including any impairments of investments. Results from transactions involving the transfer of assets and liabilities between the group and unconsolidated subsidiaries, as well as between unconsolidated subsidiaries, are not recognized if they are considered unrealized. The results of subsidiaries acquired or sold during the financial year are included in the group's results from the acquisition date or up to the sale date, respectively. The results of participating interests acquired or sold during the financial year are included in the group's results from the acquisition date or up to the disposal date, respectively.

### Pension scheme

The pension scheme for PGGM employees is incorporated into the PFZW industry-wide pension fund. The retirement pension is a defined benefit plan on the basis of the (conditionally) indexed average salary. The indexation of the pension rights depends on the financial position of the pension fund.

The pension premium payable by PGGM to the pension fund is recognised as an expense in the income statement and, to the extent that the pension premium payable to the pension fund has not yet been paid, it is recognised as a liability in the balance sheet. PGGM has no obligation to make additional contributions in the event of a shortfall at the pension fund, other than to pay higher future contributions. The principle is that the pension expense to be recognized in the reporting period is equal to the pension contributions due to the pension fund in that period. To the extent that the contributions due have not been paid at the balance sheet date, a liability is recognised. If the contributions already paid at the balance sheet date exceeds the contributions due, a prepaid asset is recognised to the extent that a refund from fund or offset against future contributions due will occur.

## 4.1.2.4. Accounting principles of the cash flow statement

### Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. Cash flows in foreign currencies have been converted to euros using the average exchange rates for the relevant periods. Receipts and payments related to interest, dividends received, and income taxes are included under cash flows from operating activities. Dividends paid are included under cash flows from financing activities.

The acquisition cost of the increase in participating interests is included under cash flows from investing activities to the extent that payment was made in cash. The cash held by the acquired subsidiary has been deducted from the purchase price.

## 4.1.3. Intangible fixed assets

| | *Internally developed software* | *Software* | *Goodwill* | *Total* |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | | | | |
| Acquisition price or production cost | 36,301 | 11,386 | 1,502 | 49,189 |
| Accumulated depreciation and impairments | -35,944 | -10,341 | -449 | -46,734 |
| **Carrying amount as at 1 January 2023** | **357** | **1,045** | **1,053** | **2.455** |
| **Movements** | | | | |
| Investments | 4 | - | - | 4 |
| Divestments | - | -768 | - | -768 |
| Impairments | - | - | - | - |
| Amortisation divestments | - | 768 | - | 768 |
| Amortisation | - | -586 | -150 | -736 |
| **Balance** | **4** | **-586** | **-150** | **-732** |
| **Balance as at 31 December 2023** | | | | |
| Acquisition price or production cost | 36,305 | 10,618 | 1,502 | 48,425 |
| Accumulated depreciation and impairments | -35,944 | -10,159 | -599 | -46,702 |
| **Carrying amount as at 31 December 2023** | **361** | **459** | **903** | **1.723** |
| **Movements** | | | | |
| Investments | - | - | - | - |
| Divestments | -361 | -175 | -1,502 | -2,038 |
| Impairments | -361 | - | -753 | -1,114 |
| Amortisation divestments | 361 | 175 | 1,502 | 2,038 |
| Amortisation | - | -285 | -150 | -435 |
| **Balance** | **-361** | **-285** | **-903** | **-1.549** |
| **Balance as at 31 December 2024** | | | | |
| Acquisition price or production cost | 35,944 | 10,443 | - | 46,387 |
| Accumulated depreciation and impairments | -35,944 | -10,269 | - | -46,213 |
| **Carrying amount as at 31 December 2024** | **-** | **174** | **-** | **174** |

### Amortisation terms

Goodwill: 10 year

Software: 5 year

### Internally developed software

In 2024, it was decided to discontinue the internal development of the Data Warehouse for Vernet due to the migration to PGGM's existing infrastructure. As a result, an impairment of €361 thousand was recognized on the internally developed software. A statutory reserve of the same amount was released from equity.

### Goodwill

The goodwill arose from the acquisition of Vernet in 2020 and represents the positive difference between the purchase price and the acquired assets and liabilities. The capitalised goodwill is amortised on a straight-line basis over its economic life. At the end of 2024, an impairment of €753 thousand was recognised on the goodwill.

## 4.1.4. Property, plant and equipment

| | *Buildings and land* | *Plant and equipment* | *Other operating assets* | *Total* |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | | | | |
| Acquisition price or production cost | 56,062 | 3,729 | 30,103 | 89,894 |
| Accumulated depreciation and impairments | -3,010 | -3,326 | -23,701 | -30,037 |
| **Carrying amount as at 1 January 2023** | **53,052** | **403** | **6,402** | **59,857** |
| **Movements** | | | | |
| Investments | 2,075 | - | 730 | 2,805 |
| Divestments | -58 | -109 | -3,574 | -3,741 |
| Impairments | - | - | -99 | -99 |
| Depreciation divestments | 58 | 109 | 3,574 | 3,741 |
| Depreciation | -3,111 | -53 | -2,095 | -5,259 |
| **Balance** | **-1,036** | **-53** | **-1,464** | **-2,553** |
| **Balance as at 31 December 2023** | | | | |
| Acquisition price or production cost | 58,079 | 3,620 | 27,160 | 88,859 |
| Accumulated depreciation and impairments | -6,063 | -3,270 | -22,222 | -31,555 |
| **Carrying amount as at 31 December 2023** | **52,016** | **350** | **4,938** | **57,304** |
| **Movements** | | | | |
| Investments | 452 | 15 | 1,589 | 2,056 |
| Divestments | - | - | -244 | -244 |
| Impairments | -15,870 | - | -47 | -15,917 |
| Depreciation divestments | - | - | 244 | 244 |
| Depreciation | -3,186 | -89 | -1,629 | -4,904 |
| **Balance** | **-18,604** | **-74** | **-87** | **-18,765** |
| **Balance as at 31 December 2024** | | | | |
| Acquisition price or production cost | 58,531 | 3,635 | 28,505 | 90,671 |
| Accumulated depreciation and impairments | -25,119 | -3,359 | -23,654 | -52,132 |
| **Carrying amount as at 31 December 2024** | **33,412** | **276** | **4,851** | **38,539** |

### Deprecation terms

| | |
|---|---|
| Buildings and land: | no depreciation applicable |
| Plant and equipment: | 5-10 year |
| Other operating assets: | 5-10 year |

| | |
|---|---|
| Buildings (situation up to and including end of 2024): | |
| Shell construction: | 40 year |
| Interior construction: | 25 year |
| technical installations: | 15 year |

| | |
|---|---|
| Buildings (situation after end of 2024) | up to the moment of the expected relocation, see the note "Change in Estimates" under the accounting policies. |

### Buildings and land

PGGM is the economic owner of the buildings and land, while PGGM Coöperatie is the legal owner. In 2024, an impairment of €15.9 million was recognized. In December 2024, PGGM signed a multi-year lease and cooperation agreement with the landlord of De Nieuwe Tuin in Utrecht, further emphasizing PGGM's planned departure from Zeist. Until the relocation, PGGM will continue its operations from Zeist, with the buildings and land being depreciated over the expected useful life to the estimated residual value.

The recoverable value of the buildings and land as of December 31, 2024, has been determined as the higher of fair value and value in use. To determine the value in use, the cash-generating unit to which the property belongs was assessed. Since the property is used in-house, PGGM as a whole is considered the relevant cash-generating unit, and therefore the profitability of PGGM as a whole was assessed. The value in use was calculated by discounting the projected cash flows up to the relocation date using a market-based discount rate. The fair value is based on an appraisal by an independent external appraiser.

As of December 31, 2024, the recoverable value was set at €33.4 million, resulting in an impairment of €15.9 million in 2024. The net effect on equity, after tax, amounts to €11.8 million.

## 4.1.5. Financial fixed assets

| | *Participating interests* | *Deferred taxes* | *Total* |
|---|---|---|---|
| **Balance as at 1 January 2023** | **775** | **16,640** | **17,415** |
| **Movements** | | | |
| Investments | 500 | - | 500 |
| Divestments | - | - | - |
| Result of participating interests | -328 | - | -328 |
| Valuation differences | - | -2,999 | -2,999 |
| **Balance as at 31 December 2023** | **947** | **13,641** | **14,588** |
| **Movements** | | | |
| Investments | 400 | - | 400 |
| Divestments | - | - | - |
| Result of participating interests | -325 | - | -325 |
| Valuation differences | - | 2,681 | 2,681 |
| **Balance as at 31 December 2024** | **1,022** | **16,322** | **17,344** |

### Participating interests

As of 31 December 2021, PGGM Vermogensbeheer has a 25% interest in Design Authority B.V. Design Authority B.V. is not consolidated in the financial statements, as PGGM Vermogensbeheer has significant influence but does not have control. In 2024, an investment of €0.4 million (2023: €0.5 million) was made in Design Authority B.V., which reported a negative result of €0.3 million in 2024 (2023: €0.3 million negative).

### Deferred tax assets

The deferred tax assets primarily relate to temporary tax and commercial valuation differences regarding the property, as well as the treatment of goodwill and provisions. It is expected that €1.6 million (2023: €2.9 million) of these assets will be settled within one year.

## 4.1.6. Receivables

| | ***31 December 2024*** | ***31 December 2023*** |
|---|---:|---:|
| Accounts receivable | 27,907 | 29,876 |
| Receivables from group companies | 780 | 85 |
| Amounts to be invoiced | 1,523 | 1,167 |
| Prepayments and accrued assets | 13,843 | 15,040 |
| **Total** | **44,053** | **46,168** |

The fair value of the receivables approximates their carrying amount due to their short-term nature; all receivables have a remaining maturity of less than one year.

### Amounts to be invoiced

These amounts relate to accrued income from investment funds and institutional clients.

### Prepayments and accrued assets

Other prepaid expenses and accrued income mainly consist of prepaid expenses to suppliers.

## 4.1.7. Securities

PGGM has invested a portion of its cash and cash equivalents in money market funds from BlackRock and Goldman Sachs. These investments help diversify the banking counterparty risk. In 2024, in line with PGGM policy, € 117.9 million (2023: € 113.7 million) was invested in money market funds. The investments are freely tradable daily, and all funds are available for immediate use.

## 4.1.8. Cash and cash equivalents

Cash and cash equivalents consist of deposits with major Dutch banks and are part of the balance and interest compensation system within PGGM. As a result of participation in this system, the company is jointly and severally liable for all obligations arising from it. At the end of 2024, the full amount of the € 150.5 million (2023: € 135.0 million) is freely available.

## 4.1.9. Equity

The equity is further explained in the notes to the balance sheet in the individual financial statements. The movement in group equity, including the total result (group result and direct changes), is as follows:

| | *2024* | *2023* |
|---|---|---|
| **Balance as at 1 January** | **258,741** | **259,783** |
| **Group result after taxes** | **-8,286** | **-1,042** |
| Gains and losses directly recognized in equity | - | - |
| **Total result of the gains and losses directly recognized in equity** | **-** | **-** |
| Total result of the legal entity | -8,286 | -1,042 |
| | | |
| Dividend payment | -16,000 | - |
| **Total direct changes in the equity on account of relations with shareholders** | **-16,000** | **-** |
| | | |
| **Balance as at 31 December** | **234,455** | **258,741** |

## 4.1.10. Provisions

| | *Restructuring* | *DVI* | *Other* | *Total* |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | **2,004** | **20,916** | **4,146** | **27,066** |
| | | | | |
| **Movements** | | | | |
| Allocation | 845 | 5,879 | 500 | 7,224 |
| Withdrawal | -750 | -1,023 | -2,464 | -4,237 |
| Release | -1,407 | -1,319 | -425 | -3,151 |
| Unwinding of and / or change in discount rate | - | -1,496 | - | -1,496 |
| | | | | |
| **Balance as at 31 December 2023** | **692** | **22,957** | **1,757** | **25,406** |
| | | | | |
| **Movements** | | | | |
| Allocation | 3,801 | 5,545 | 572 | 9,918 |
| Withdrawal | -646 | -2,739 | -2,315 | -5,700 |
| Release | -10 | -17 | - | -27 |
| Unwinding of and / or change in discount rate | - | -213 | - | -213 |
| | | | | |
| **Balance as at 31 December 2024** | **3,837** | **25,533** | **14** | **29,384** |

Of the provisions, €19.2 million is classified as long-term (2023: €21.7 million), of which €4.2 million has a maturity of more than five years (2023: €3.8 million).

### Restructuring provision

The restructuring provision of €3.8 million is largely intended for individual arrangements, such as the early retirement of employees under the early retirement scheme (RVU). In 2024, €0.6 million was withdrawn from the provision due to salary payments and severance packages.

### Provision DVI

PGGM maintains a provision for Deferred Variable Income (DVI), intended to reward key employees of the Asset Management department. 2024 is the final year in which this compensation is granted to employees. The key assumptions in determining the DVI provision are the average payout percentage of performance targets and the estimated accrual, taking into account the probability of employee attrition. In 2024, an addition of €5.5 million was made to the provision, while €2.7 million was withdrawn.

### Other provisions

In 2021, PGGM transitioned from a multiclient strategy to a single-client strategy. To account for the transition and decommissioning costs associated with this strategic change, clients are compensated. In addition, a provision of €0.8 million was recognized in 2022 for payments to employees resulting from collective labour agreement (CLA) negotiations. This provision was settled in 2024 through a one-off payment on 1 January 2024, in accordance with the terms of the 2022–2023 CLA. Lastly, the provision for long-term sick leave was remeasured in 2024 to cover payments to employees who are permanently fully or partially incapacitated for work.

## 4.1.11. Current liabilities

| | *31 December 2024* | *31 December 2023* |
|---|---|---|
| Fees invoiced in advance | 38,569 | 35,133 |
| Employee liabilities | 19,292 | 15,400 |
| Accounts payable | 16,633 | 3,685 |
| Payable wage taxes and social security contributions | 9,401 | 9,311 |
| Payable pension premiums | 5,984 | 4,575 |
| Liabilities to group companies | - | 664 |
| Other accrued liabilities | 14,793 | 15,579 |
| **Total** | **104,672** | **84,347** |

The fair value of the current liabilities approximates the carrying amount due to their short-term nature; all current liabilities have a maturity of less than one year.

### Fees invoiced in advance

The amounts invoiced in advance relate to invoices issued to clients for services to be rendered in 2025.

### Other accrued liabilities

Other accrued liabilities mainly consist of invoices to be received and expenses still to be paid.

## 4.1.12. Off-balance sheet assets and liabilities

### Sale of buildings and land

Upon the acquisition of the operational organization by PGGM in 2008, PFZW provided a capital interest of €160 million to PGGM Coöperatie. This capital interest means that PFZW is entitled to the actual sales proceeds from the sale of the property and land at Noordweg-Noord 150 in Zeist, up to a maximum of €145 million. These proceeds will be paid by PGGM Coöperatie to PFZW. In the event of a sale, it will be conducted through PGGM, which also creates an obligation for PGGM to PGGM Coöperatie, equal to the sales proceeds.

### Claims

As of the end of 2024, PGGM Vermogensbeheer has no outstanding claims.

### Credit Facility PFZW

PGGM has a credit facility with PFZW, where interest is paid on the drawn amount at EURIBOR plus a margin of 50 basis points. The maximum credit facility is €150 million. The credit facility has been available since January 1, 2008, for an indefinite period, with no repayment schedule. In 2024, PGGM did not make use of the facility with PFZW.

### Balance and interest compensation system

PGGM Vermogensbeheer, together with its subsidiaries and its shareholder, PGGM N.V., participates in of the balance and interest set-off system at one of the Dutch credit institutions. By participating in this system, PGGM Vermogensbeheer is jointly and severally liable for all obligations arising from it.

### Liability within a fiscal unity

PGGM Vermogensbeheer, together with its subsidiaries and its shareholder, PGGM N.V., forms a fiscal unity for corporate income tax purposes and is jointly and severally liable for all obligations arising from it. Additionally, PGGM Vermogensbeheer, together with its subsidiaries, along with PGGM N.V. and PGGM Coöperatie U.A. and PFZW, form part of a fiscal unity for VAT purposes, making them jointly and severally liable for any VAT liabilities of the entities within the fiscal unity.

### Operational lease liabilities

The operational lease liabilities relate to lease cars for staff. The final obligation runs until 2029. The total obligation amounts to €3.5 million (2023: €3.3 million), of which €1.3 million (2023: €1.3 million) is due within one year. There are no obligations longer than 5 years.

### Lease liabilities

The lease obligation relates to the rental of a commercial property and runs until 2042. The lease agreement begins at the end of 2027 and has a term of 15 years, with a break option after 10 years. The total obligation amounts to €134.2 million (2023: €0 million), of which €0 million (2023: €0 million) is due within one year. This amount is based on the current nominal rent, without taking into account any indexations over the term. An amount of €107.4 million (2023: €0 million) has a term of more than 5 years.

Additionally, there is a lease obligation for part of a commercial property. The obligation runs until 2029, but may end earlier if the break option in the contract is exercised. The total obligation amounts to €9.0 million (2023: €0 million), of which €2.4 million (2023: €0 million) is due within one year. There is no obligation longer than 5 years.

### Building-related liabilities

The total commitment amounts to €3.9 million (2023: €7.1 million) and relates to contractual obligations under building-related agreements with suppliers, such as maintenance and service contracts. The final obligation runs until 2025. Of this amount, €3.9 million (2023: €3.7 million) is due within one year. There are no obligations with a term longer than five years.

### Hard- and software liabilities

The total commitment amounts to €62.5 million (2023: €72.1 million) and relates to contractual obligations under agreements with suppliers for the purchase, maintenance, and support of hardware and software, including licensing agreements and service contracts. The final obligation runs until 2030. Of this amount, €41.9 million (2023: €42.4 million) is due within one year. There are no obligations with a term longer than five years.

### Financing obligation Design Authority

PGGM Vermogensbeheer holds a minority interest in Design Authority B.V. and is required to finance its pro-rata share of the costs of Design Authority B.V. if the revenues are insufficient to cover these costs for the financial year. These costs are accounted for by PGGM Vermogensbeheer in the financial year to which they relate. In 2024, €0.4 million was financed to Design Authority B.V. (2023: €0.5 million).

### Notice of liability

Since 2022, six PGGM subsidiaries have applied the group exemption regime pursuant to Article 2:403 of the Dutch Civil Code, including for the 2024 financial year. In this context, PGGM has issued and filed a 403 declaration for each of these entities, in accordance with legal requirements. Through these declarations, PGGM has assumed joint and several liability for the obligations arising from the legal acts of these subsidiaries. The entities concerned are: PGGM Pensioenbeheer, PGGM Strategic Advisory Services, PGGM Financiële Services, PGGM Services, PGGM Innovatie, and Vernet. The financial information of these subsidiaries, along with that of PGGM Vermogensbeheer and its subsidiary PGGM Australia Nominees Pty Limited, has been included in these consolidated financial statements. The consolidated financial statements of PGGM Vermogensbeheer are also available on PGGM's website.

## 4.1.13. Management fees and other income

### Management fees

| | *2024* | *2023* |
|---|---|---|
| Management fees for investment management | 203,654 | 179,876 |
| Management fees for pension administration | 166,014 | 117,846 |
| Management fees for policy advice and board support | 62,684 | 58,384 |
| **Total** | **432,352** | **356,106** |

In accordance with client agreements, management fees are indexed annually, except in the year in which new service level agreements are concluded with clients. All management fees are derived exclusively from Dutch clients.

### Management fees for investment management

The investment management fee relates to services provided to institutional clients and PGGM funds. The increase in fees is the result of growth in assets under management and fee indexation.

### Management fees for pension administration

The pension management fee relates to administrative and management services for pension funds. The increase in this fee is primarily due to the expansion of services for two new clients. As of 1 July 2024, PGGM also provides execution of pension schemes and communication with employers and participants for PMT and Bpf Koopvaardij.

### Management fees for policy advice and board support

These fees relate to advisory and governance support services provided to institutional clients, including investment policy advice and fiduciary management consulting.

## Other income

| | *2024* | *2023* |
|---|---|---|
| Income from members | 1,114 | 960 |
| Other income | 1,089 | 1,141 |
| **Total** | **2,203** | **2,101** |

### Income from members

The revenue consists of fees for marketing and communication activities related to financial products of strategic partners, such as mortgage loans and health insurance. In addition, it includes fees for services provided to members of PGGM&CO, as well as income from advertisements and promotional discounts.

### Other income

Other revenue relates to activities aimed at employers in the healthcare sector. Through a subscription-based model, insights are provided into absenteeism data and sector-specific benchmark figures.

## 4.1.14. Costs of outsourced work and other external expenses

| | *2024* | *2023* |
|---|---|---|
| External personnel | 70,070 | 56,731 |
| Outsourced work | 26,244 | 27,039 |
| Advisory costs | 625 | 351 |
| **Total** | **96,939** | **84,121** |

### External personnel

External staffing refers to the hiring of personnel from third parties, who are compensated based on hours worked and an hourly rate. The increase is due to the deployment of external personnel for services provided to PMT and Bpf Koopvaardij, as well as higher hourly rates.

### Outsourced work

Outsourced work refers to assignments contracted to external parties for which a fixed fee is paid. The costs have remained approximately the same compared to the previous year.

## 4.1.15. Personnel expenses

| | 2024 | 2023 |
|---|---|---|
| Salaries | 188,514 | 151,626 |
| Pension charges | 23,646 | 19,425 |
| Social security contributions | 20,234 | 16,589 |
| Other personnel expenses | 19,097 | 17,063 |
| **Total** | **251,491** | **204,703** |

Personnel costs increased due to a rise in the number of employees, a 6.7% collective labor agreement (CAO) wage increase effective January 1, 2024, and periodic salary increases. The average number of FTEs in 2024 was 1.715 (2023: 1.509). This increase is largely attributable to the transfer of the pension business from MN to PGGM, with employees of MN officially joining PGGM as of July 1, 2024. In 2024, there were no employees working outside the Netherlands (2023: 0).

### Remuneration of Executive and Supervisory Board members

The total remuneration of the members of the Executive Board is as follows

| *2024* | *Periodically paid remuneration* | *Post-employment benefits* | *Total* |
|---|---|---|---|
| E. Velzel | 606 | 25 | 631 |
| W.J. Brinkman | 548 | 25 | 573 |
| **Total** | **1,154** | **50** | **1,204** |

| *2023* | *Periodically paid remuneration* | *Post-employment benefits* | *Total* |
|---|---|---|---|
| E. Velzel | 560 | 23 | 584 |
| W.J. Brinkman | 503 | 23 | 526 |
| **Total** | **1,063** | **46** | **1,109** |

The table below shows the remuneration of the members of the Supervisory Board. In addition, they receive a fixed travel allowance based on the distance travelled.

| | 2024 | 2023 |
|---|---|---|
| Chair of the Supervisory Board | 42,244 | 39,061 |
| Member of the Supervisory Board | 34,452 | 31,857 |

The remuneration of the executives is disclosed in accordance with Article 2:383c of the Dutch Civil Code. The periodically paid remuneration includes the gross salary, social security contributions, and holiday allowance. Pension costs are accounted for under ‘Post-employment benefits’. No loans, advances, or guarantees have been granted to members of the Executive Board or the Supervisory Board. For further clarification regarding the remuneration of the members of the Executive Board, reference is made to the 'Report on Executive Board Remuneration'. The remuneration of the executives and commissioners is paid in cash and not in shares or other instruments.

### Annual Adjustment of Remuneration

The remuneration of the executives and commissioners is adjusted annually by the same percentage and at the same time as for all PGGM employees, as stipulated in the collective labor agreement (CAO). As of January 1, 2024, the remuneration has been increased by 6.7%.

## 4.1.16. Amortisation of intangible fixed assets and depreciation of property, plant and equipment

| | *2024* | *2023* |
|---|---|---|
| Amortisation of intangible fixed assets | 435 | 736 |
| Depreciation of property, plant and equipment | 4,904 | 5,259 |
| Impairments | 17,031 | 99 |
| **Total** | **22,370** | **6,094** |

For further details on the impairments, please refer to note 4.1.3. 'Intangible Assets' and note 4.1.4. 'Property, plant and equipment’ in the consolidated financial statements.

## 4.1.17. Automation expenses

| | *2024* | *2023* |
|---|---|---|
| Hardware and software contract expenses | 35,201 | 29,354 |
| Data provider expenses | 14,730 | 14,092 |
| Software implementation and maintenance expenses | 10,851 | 8,311 |
| Other automation expenses | 842 | 558 |
| **Total** | **61,624** | **52,315** |

### Costs of hardware and software contracts

The increase is primarily due to new contracts and higher subscription prices from data providers.

## 4.1.18. Other operating expenses

| | *2024* | *2023* |
|---|---|---|
| Accommodation expenses | 7,215 | 6,741 |
| Printing and postage costs | 5,276 | 4,126 |
| Audit and regulatory fees | 4,070 | 3,612 |
| Other expenses | 4,922 | 4,658 |
| **Total** | **21,483** | **19,137** |

## 4.1.19. Financial income and expenses

| | 2024 | 2023 |
|---|---|---|
| Interest income | 9,366 | 7,438 |
| Interest expenses | -21 | - |
| Other financial income and expenses | -165 | 13 |
| **Total** | **9,180** | **7,451** |

### Interest income

The increase in interest income is due to the interest on liquid assets and the positive return on investments.

## 4.1.20. Taxes

| | 2024 | 2023 |
|---|---|---|
| Current tax | 470 | 266 |
| Change in deferred taxes | -2,681 | -264 |
| **Total** | **-2,211** | **2** |
| Nominal tax rate | 25.80% | 25.80% |
| Non-taxable income and expenses | -47.54% | -25.52% |
| **Effective tax rate** | **-21.74%** | **0.28%** |

Corporate income tax is calculated based on the taxable result. PGGM Coöperatie is responsible for remitting its tax obligations to the Dutch tax authorities. Any tax liabilities and/or deferred tax assets are accounted for within the fiscal unity of PGGM Coöperatie and are settled via the current account.

The effective tax rate of -21.74% is calculated by dividing the current tax expenses and changes in deferred taxes by the pre-tax result. The effective tax rate of -47.54% deviates from the applicable tax rate of 25.80% due to non-taxable income and expenses. This deviation is largely caused by the impairment loss on (in)tangible fixed assets.

## 4.1.21. Transactions with related parties

Transactions with related parties exist when there is a relationship between the company, its participating interests and their board members and management. There were no transactions with related parties which were not conducted at arm's length. Regarding the remuneration of directors, please refer to the note on 4.1.15. 'Personnel expenses'.

## 4.1.22. Auditors' fees

| | *2024* | *2023* |
|---|---|---|
| Audit of financial statements | 187 | 200 |
| Other assurance activities | 3,043 | 2,290 |
| Tax advisory services | - | - |
| Other non-audit services | 131 | 10 |
| **Total** | **3,361** | **2,500** |

The aforementioned fees relate to the fees charged by the entire network to which the auditing organization, as referred to in Article 1, paragraph 1 of the Act on Supervision of Auditing Firms (Wet toezicht accountantsorganisaties), belongs. These fees are related to the audit of the financial statements for the fiscal year 2024, regardless of whether the work was carried out during that fiscal year.

The audit fees for the financial statements pertain solely to the work performed for PGGM and the consolidated companies. Other assurance activities includes audit-related work for client reports as well as work for the ISAE 3402 reports. No tax advisory services were provided by the network to which the auditing organization belongs.

## 4.1.23. Subsequent events

No events occurred after the balance sheet date that have an impact on the financial position as of 31 December 2024.

## 4.1.24. Risk management

**PGGM Risk management**

PGGM applies the PGGM Risk Framework to systematically identify, monitor, and report risks in a structured and transparent manner. This framework is based on the internationally recognized COSO Enterprise Risk Management framework (COSO ERM 2017). In 2020 the COSO Compliance & Ethics framework has been added as a guideline to recognize, judge and manage the compliance risks. The risks faced by PGGM's clients fall outside the scope of this framework. Its implementation ensures a consistent, effective, and efficient approach to risk management. The risk management process is a continuous improvement process that operates according to the PDCA-cycle: plan, do check, act. PGGM measures and evaluates on a daily-, quarterly-, and yearly basis and adjusts the framework if needed.

Risk management within PGGM is structured according to the widely accepted three lines model. The first line of responsibility for risk management lies with line management. The Risk and Compliance departments fulfil a supervisory and reporting role (second line), while Internal Audit assesses whether the risk management framework demonstrably meets the established requirements (third line). The primary financial risks for PGGM are solvency, market, currency, interest rate, credit and liquidity. In addition, we also address fraud and continuity.

### Solvency risk

PGGM applies a methodology in which capital adequacy is determined based on the difference between the equity of the PGGM Group and the sum of the solvency requirements for the individual group entities. Based on this assessment, PGGM complies with the applicable legal requirements. For PGGM Vermogensbeheer, a specific solvency requirement is imposed by the regulator. At group level, the available and the required solvency are presented as follows:

| ***Solvency*** | ***2024*** | ***2023*** |
|---|---|---|
| Total equity | 234,455 | 258,741 |
| Legal requirement | 56,130 | 58,208 |
| **Surplus** | **178,325** | **200,533** |

### Market risk

Market risk refers to the risk of a decline in the value of investments due to changes in market factors. In 2024, €117.9 million (2023: €113.7 million) was invested in money market funds. These investments are disclosed under the securities section in the financial statements. Money market funds are characterized by a high degree of liquidity and a low degree of risk.

### Currency risk

Currency risk refers to the risk that the value of an investment and/or a foreign subsidiary decreases due to fluctuations in exchange rates. As PGGM does not hold foreign investments and the foreign subsidiary is of very limited size, currency risk is minimal.

### Interest rate risk

Since PGGM has not issued any loans, the interest rate risk is negligible.

### Credit risk

The default risk remains low due to both the strong financial position of our clients and the high level of regulatory supervision. Credit risk exposure includes financial fixed assets, receivables, securities, and cash and cash equivalents. To mitigate credit risk on cash, PGGM Vermogensbeheer, through its holding company PGGM N.V., participates in a cash pooling structure, ensuring that funds are deposited with both banks and money market funds. Additionally, we minimize credit risk through rigorous operational due diligence and continuous monitoring, both when establishing new business relationships and throughout existing ones.

### Liquidity risk

Liquidity risk, including cash flow risk, is the risk that the volume and timing of cash flows within one year are not properly aligned, making it difficult to cover a shortage of liquid assets. The cash balance of PGGM Vermogensbeheer was € 150.5 million as at 31 December 2024 (2023: € 135.0 million). In 2024, in accordance with the policy, totalling €117.9 million (2023: €113.7 million) were invested in money market funds managed by BlackRock and Golman Sachs.  All funds from the securities are freely available. In 2024, PGGM Vermogensbeheer' liquidity position was sufficient to cover all cash outflows from operating, investment and financing activities and there were no additional finances required. The liquidity risk is therefore perceived to be limited. Should additional funding be necessary, PGGM has a €150 million credit facility with PFZW, which is more than sufficient to further limit the liquidity risk.

### Fraud

Fraud risk is managed through preventive, detective, and corrective controls. PGGM applies a low risk tolerance with regard to fraud and integrity incidents. In 2024, a fraud risk management policy was developed and approved, integrating the PGGM Risk Framework to help safeguard against such risks. Additionally, we conduct an annual Systematic Integrity Risk Assessment (SIRA) across the organization, identifying and evaluating fraud-related risks such as bribery and corruption.

Fraud risk can arise from the actions of both internal and external parties. To prevent fraud, we continue to raise employee awareness of fraud-related risks. This includes measures such as mandatory e-learning, signing a code of ethics, agreeing to the insider trading policy, and following a procedure for reporting (suspected) misconduct. All PGGM employees are required to confirm annually that they have read and understood the Code of Conduct.

Suspected misconduct, such as fraud, must be reported to the Risk and Compliance teams in accordance with the Incident Policy. In cases of fraud, the PGGM Compliance Director and the Risk Director are notified. If necessary, the CFRO may, upon recommendation of the Fraud Management Coordinator, establish a Taskforce. This Taskforce operates independently and impartially when conducting investigations. In 2024, no incidents of fraud were identified within PGGM.

### Continuity

As part of our continuity policy, we maintain a financial buffer equivalent to one year of operations, ensuring that the organization can continue to function for at least one year in the event of a major disruption. Although the likelihood of needing these reserves is low, we aim to maintain this minimum equity level to meet capital requirements. The investment portfolios are managed on behalf of and at the risk of our clients. As a result, the financial risks associated with these portfolios do not directly affect the financial position of our organization.

# 4.2 Company financial statement

## Company balance sheet as at 31 December 2024

*before prodit appropriatiation*

*(amounts in thousands of euros)*

| | Ref | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Fixed assets** | | | |
| Intangible fixed assets | **4.2.1** | 36 | 147 |
| Property, plant and equipment | **4.2.2** | 38,372 | 57,282 |
| Financial fixed assets | **4.2.3** | 139,909 | 151,538 |
| **Total fixed assets** | | **178,317** | **208,967** |
| **Current assets** | | | |
| Receivables | **4.2.4** | 12,152 | 11,439 |
| Securities | **4.2.5** | 75,641 | 72,979 |
| Cash and cash equivalents | **4.2.6** | 63,435 | 55,768 |
| **Total current assets** | | **151,228** | **140,186** |
| **Total assets** | | **329,545** | **349,153** |
| **Liabilities** | | | |
| **Equity** | **4.2.7** | | |
| Paid up and called capital | | 200 | 200 |
| Share premium reserve | | 158,712 | 158,712 |
| Statutory reserve | | - | 366 |
| Other reserves | | 83,829 | 100,505 |
| Undivided results | | -8,286 | -1,042 |
| **Total equity** | | **234,455** | **258,741** |
| **Provisions** | | | |
| Provisions | **4.2.8** | 29,384 | 24,976 |
| **Total provisions** | | **29,384** | **24,976** |
| **Current liabilities** | | | |
| Current liabilities | **4.2.9** | 65,706 | 65,436 |
| **Total current liabilities** | | **65,706** | **65,436** |
| **Total liabilities** | | **329,545** | **349,153** |

# Company income statement for 2024

*(amounts in thousands of euros)*

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Result of participating interests | ***4.2.3*** | -12,346 | -3,222 |
| Result parent company | ***4.2.11*** | 4,060 | 2,180 |
| **Result after taxes** | | **-8,286** | **-1,042** |

# Notes to the company financial statements 2024

## General

The company financial statements have been prepared in accordance with the financial reporting requirements of Part 9, Book 2 of the Dutch Civil Code and distinct pronouncements from the financial reporting guidelines published by the Dutch Accounting Standards Board. The principles of valuations and to determine the result for the Company financial statements and the Consolidated financial statements are equal. Participating interests in group companies are valued based on the net asset value in accordance with the relevant paragraph of the Consolidated financial statements. For the principles of the valuation of assets and liabilities and to determine the result, refer to the general notes and accounting principles included in note 1 and note 2 on the consolidated balance sheet and the income statement.

### Simplified company income statement

The financial data of PGGM and its subsidiaries are included in the consolidated financial statements. Therefore, the company's income statement has been presented in an abridged format, in accordance with Section 402, Book 2 of the Dutch Civil Code. This abridged income statement only includes the share in the result of participating interest, the result of the parent company and the result after taxes.

## 4.2.1. Intangible fixed assets

| | *Software* |
|---|---|
| **Balance as at 1 January 2023** | |
| Acquisition price or production cost | 5,589 |
| Accumulated depreciation and impairments | -5,158 |
| **Carrying amount as at 1 January 2023** | **431** |
| **Movements** | |
| Investments | - |
| Divestments | -594 |
| Impairments | - |
| Amortisation divestments | 594 |
| Amortisation | -284 |
| **Balance** | **-284** |
| **Balance as at 31 December 2023** | |
| Acquisition price or production cost | 4,995 |
| Accumulated depreciation and impairments | -4,848 |
| **Carrying amount as at 31 December 2023** | **147** |

| | |
|---|---|
| **Movements** | |
| Investments | - |
| Divestments | -176 |
| Impairments | |
| Amortisation divestments | 176 |
| Amortisation | -111 |
| **Balance** | **-111** |

| | |
|---|---|
| **Balance as at 31 December 2024** | |
| Acquisition price or production cost | 4,819 |
| Accumulated depreciation and impairments | -4,783 |
| **Carrying amount as at 31 December 2024** | **36** |

### Amortisation terms

Software: 5 year

## 4.2.2. Property, plant and equipment

| | *Buildings and land* | *Plant and equipment* | *Other operating assets* | *Total* |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | | | | |
| Acquisition price or production cost | 56,062 | 3,729 | 29,887 | 89,678 |
| Accumulated depreciation and impairments | -3,010 | -3,326 | -23,516 | -29,852 |
| **Carrying amount as at 1 January 2023** | **53,052** | **403** | **6,371** | **59,826** |
| **Movements** | | | | |
| Investments | 2,075 | - | 731 | 2,806 |
| Divestments | -58 | -109 | -3,453 | -3,620 |
| Impairments | - | - | -99 | -99 |
| Depreciation divestments | 58 | 109 | 3,453 | 3,620 |
| Depreciation | -3,111 | -53 | -2,087 | -5,251 |
| **Balance** | **-1,036** | **-53** | **-1.455** | **-2,544** |
| **Balance as at 31 December 2023** | | | | |
| Acquisition price or production cost | 58,079 | 3,620 | 27,066 | 88,765 |
| Accumulated depreciation and impairments | -6,063 | -3,270 | -22,150 | -31,483 |
| **Carrying amount as at 31 December 2023** | **52,016** | **350** | **4,916** | **57,282** |
| **Movements** | | | | |
| Investments | 452 | 15 | 1,428 | 1,895 |
| Divestments | - | - | -242 | -242 |
| Impairments | -15,870 | - | -46 | -15,916 |
| Depreciation divestments | - | - | 242 | 242 |
| Depreciation | -3,186 | -89 | -1,614 | -4,889 |
| **Balance** | **-18,604** | **-74** | **-232** | **-18,910** |

| | | | | |
|---|---|---|---|---|
| **Balance as at 31 December 2024** | | | | |
| Acquisition price or production cost | 58,531 | 3,635 | 28,252 | 90,418 |
| Accumulated depreciation and impairments | -25,119 | -3,359 | -23,568 | -52,046 |
| **Carrying amount as at 31 December 2024** | **33,412** | **276** | **4,684** | **38,372** |

**Deprecation terms**

| | |
|---|---|
| Buildings and land: | no depreciation applicable |
| Plant and equipment: | 5-10 year |
| Other operating assets: | 5-10 year |

Buildings (situation up to and including end of 2024):

| | |
|---|---|
| Shell construction: | 40 year |
| Interior construction: | 25 year |
| technical installations: | 15 year |

| | |
|---|---|
| Buildings (situation after end of 2024) | up to the moment of the expected relocation, see the note "Change in Estimates" under the accounting policies. |

## 4.2.3. Financial fixed assets

| | *Participating interests* | *Deferred taxes* | *Total* |
|---|---|---|---|
| **Balance as at 1 January 2023** | **132,248** | **15,886** | **148,134** |
| **Movements** | | | |
| Dividend distribution | -8,000 | - | -8,000 |
| Share premium payments | 17,000 | - | 17,000 |
| Result of participating interests | -3,222 | - | -3,222 |
| Legal merger | -18 | - | -18 |
| Valuation differences | - | -2,356 | -2,356 |
| **Balance as at 31 December 2023** | **138,008** | **13,530** | **151,538** |
| **Movements** | | | |
| Dividend distribution | -10,000 | - | -10,000 |
| Share premium payments | 8,000 | - | 8,000 |
| Result of participating interests | -12,346 | - | -12,346 |
| Legal merger | - | - | - |
| Valuation differences | - | 2,718 | 2,718 |
| **Balance as at 31 December 2024** | **123,661** | **16,248** | **139,909** |

### Participating interests

The balance relates to the following participating interests of PGGM N.V.:

**Companies**

| Name | Place of business | Share in issued capital |
|---|---|---|
| PGGM Financiële Services B.V. | Zeist, Netherlands | 100% |
| PGGM Innovatie B.V. | Zeist, Netherlands | 100% |
| PGGM Pensioenbeheer B.V. | Zeist, Netherlands | 100% |
| PGGM Strategic Advisory Services B.V. | Zeist, Netherlands | 100% |
| PGGM Services B.V. | Zeist, Netherlands | 100% |
| PGGM Vermogensbeheer B.V. | Zeist, Netherlands | 100% |

In 2024, PGGM N.V. made a share premium payment of € 6 million to PGGM Pensioenbeheer B.V. and a share premium payment of € 2 million to PGGM Services B.V., as part of PGGM's equity policy. In addition, PGGM Vermogensbeheer B.V. paid a dividend of € 10 million to PGGM N.V.

## 4.2.4. Receivables

| | *31 December 2024* | *31 December 2023* |
|---|---|---|
| Receivables from group companies | 4,910 | 5,208 |
| Accounts receivable | 958 | 408 |
| Amounts to be invoiced | 535 | 725 |
| Prepayments and accrued assets | 5,749 | 5,098 |
| **Total** | **12,152** | **11,439** |

The fair value of the receivables approximates their carrying amount due to their short-term nature; all receivables have a remaining maturity of less than one year.

### Receivables from group companies

The receivables from group companies consist of:

| | *31 December 2024* | *31 December 2023* |
|---|---|---|
| PGGM Pensioenbeheer B.V. | 3,063 | 2,628 |
| PGGM Strategic Advisory Services B.V. | 1,554 | 1,268 |
| PGGM Innovatie B.V. | 152 | 250 |
| PGGM Financiële Services B.V. | 85 | 133 |
| VERNET verzuimnetwerk B.V. | 51 | 110 |
| PGGM Services B.V. | 5 | 11 |
| PGGM Vermogensbeheer B.V. | - | 808 |
| **Total** | **4,910** | **5,208** |

## 4.2.5. Securities

PGGM has invested a portion of its cash and cash equivalents in money market funds from BlackRock and Goldman Sachs. These investments help diversify the banking counterparty risk. In 2024, in line with PGGM policy, € 75.6 million (2023: € 73.0 million) was invested in money market funds. The investments are freely tradable daily, and all funds are available for immediate use.

## 4.2.6. Cash and cash equivalents

Cash and cash equivalents consist of deposits with major Dutch banks and are part of the balance and interest compensation system within PGGM. As a result of participation in this system, the company is jointly and severally liable for all obligations arising from it. At the end of 2024, the full amount of the € 63.4 million (2023: € 55.8 million) is freely available.

## 4.2.7. Equity

| | *Paid-up and called capital* | *Share premium reserve* | *Statutory reserve* | *Other reserves* | *Undistributed profit* | *Total* |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **200** | **158,712** | **362** | **91,492** | **9,017** | **259,783** |
| Appropriation of result 2022 | - | - | - | 9,017 | -9,017 | - |
| Statutory reserve | - | - | 4 | -4 | - | - |
| **Resultat 2023** | **-** | **-** | **-** | **-** | **-1,042** | **-1,042** |
| **Balance as at 31 December 2023** | **200** | **158,712** | **366** | **100,505** | **-1,042** | **258,741** |
| Appropriation of result 2023 | - | - | - | -1,042 | 1,042 | - |
| Statutory reserve | - | - | -366 | 366 | - | - |
| Dividend distribution | - | - | - | -16,000 | - | -16,000 |
| **Resultat 2024** | **-** | **-** | **-** | **-** | **-8,286** | **-8,286** |
| **Balance as at 31 December 2024** | **200** | **158,712** | **-** | **83,829** | **-8,286** | **234,455** |

### Paid-up and called capital

The paid-up and called capital consists of the paid nominal amounts on issued shares. The paid-up and called capital amounts to €1.0 million (2023: €1.0 million), consisting of 1,000 shares with a nominal value of €1,000 each. As of December 31, 2024, 200 shares have been issued and fully paid-up.

### Share premium reserve

Amounts contributed by shareholders above the nominal share capital are recognized as share premium.

### Statutory reserve

The decrease in the statutory reserve in 2024 is primarily due to the impairment of internally developed software, which resulted in the carrying amount of the intangible assets and the statutory reserve being written down to zero.

### Other reserves

The other reserves consist of the result and the changes in the legal reserve.

### Undistributed profit

The result after taxes for 2023 has been added to the undistributed profit within equity in 2024 and amounts to € -1.0 million.

### Proposal for result appropriation

It is proposed to the General Meeting of Shareholders that the negative result after taxes of € 8,286 thousand for 2024 will be subtracted from the other reserves (2023: negative € 1.042 thousand).

### Dividend distribution

In 2024, PGGM N.V. distributed a dividend of € 16.0 million to its shareholder, PGGM Coöperatie U.A. (2023: nil).

## 4.2.8. Provisions

For further information on the provisions, reference is made to note 4.1.10 ‘Provisions’ in the consolidated financial statements.

## 4.2.9. Current liabilities

| | *31 December 2024* | *31 December 2023* |
|---|---|---|
| Employee liabilities | 19,292 | 15,400 |
| Accounts payable | 12,035 | 2,987 |
| Payable wage taxes and social security contributions | 9,412 | 9,302 |
| Payable pension premiums | 5,984 | 4,575 |
| Fees invoiced in advance | 5,782 | 7,009 |
| Liabilities to group companies | 7,718 | 676 |
| Other accrued liabilities | 5,483 | 4,906 |
| Amounts owed to credit institutions | - | 20,581 |
| **Total** | **65,706** | **65,436** |

### Amounts owed to credit institutions

Amounts owed to credit institutions relate to negative cash balances arising from the netting and interest compensation system.

### Liabilities to group companies

The liabilities to group companies consist of:

| | *31 December 2024* | *31 December 2023* |
|---|---|---|
| PGGM Vermogensbeheer B.V. | 3,996 | - |
| PGGM Coöperatie U.A. | 3,722 | 676 |
| **Total** | **7,718** | **676** |

## 4.2.10. Transactions with related parties

Transactions with related parties exist when there is a relationship between the company, its participating interests and their board members and management. There were no transactions with related parties which were not conducted at arm's length. Regarding the remuneration of directors, please refer to the notes on 4.1.15. 'Personnel expenses'.

## 4.2.11. Results parent company

| | *2024* | *2023* |
|---|---|---|
| Other income and expenses | -95,773 | -69,937 |
| Charged-on expenses | 101,488 | 73,073 |
| Taxes on result | -1,655 | -956 |
| **Total** | **4,060** | **2,180** |

## 4.2.12. Subsequent events

No events occurred after the balance sheet date that have an impact on the financial position as of 31 December 2024.

Zeist, 23 April 2025

**Executive Board:**

Edwin Velzel, Chair

Willem Jan Brinkman

**Supervisory Board:**

Marjanne Sint, Chair

Henk Broeders, Vice Chair

Han Busker

Françoise Dings

Jan van Rutte

Doede Vierstra

# 5. Other information

# Independent auditor's report

To: the general meeting and the supervisory board of PGGM N.V.

# Report on the audit of the financial statements 2024

## Our opinion

In our opinion, the financial statements of PGGM N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the Company together with its subsidiaries) as at 31 December 2024, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### What we have audited

We have audited the accompanying financial statements 2024 of PGGM N.V., Zeist. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2024;
- the consolidated and company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

## The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of PGGM N.V. in accordance with the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (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).

# Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

## Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of PGGM N.V. and its environment and the components of the internal control system, including the Executive Board’s risk assessment process, the Executive Board’s process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 'Fraud risk' in the chapter 1.3.3 'Risk management' of the annual report for management's fraud risk assessment and to chapter 3 'Report of the Supervisory Board' of the annual report in which the supervisory board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, the code of conduct, whistleblower procedures, the Systemic Integrity Risk Assessment and the framework of internal control relating to fraud. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board, as well as the internal audit department, representatives of the human resources department, representatives of the finance department and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

| Identified fraud risks | Our audit work and observations |
|---|---|
| The risk of management override of controls<br><br>Management is in a unique position to perpetrate fraud, because of management's unique ability to override controls that otherwise appear to be operating effectively.<br><br>That is why, in all our audits, we pay attention to the risk of management override of controls, aimed at:<br>• the appropriateness of journal entries and other adjustments made in the preparation of the financial statements;<br>• estimates;<br>• significant transactions, if any, outside the normal course of business for the entity and its subsidiaries.<br><br>We pay special attention to management bias. | We evaluated the design and implementation of internal control measures in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.<br><br>We have selected journal entries based on risk criteria and performed specific audit procedures on them. These procedures include, among others, inspecting these journal entries and reconciling them with source documents.<br><br>We also performed specific audit procedures on important management estimates.<br><br>We did not identify significant transactions outside the normal course of business.<br><br>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls. |
| Fraud risks in revenue recognition relating to pension management activities<br><br>As part of our risk assessment procedures and the presumed risk of fraud in revenue recognition, we evaluated which revenue streams represent a risk of a material misstatement due to fraud.<br><br>Since 1 July 2024, PGGM has been executing the pension schemes and is handling the communication with employer's and employees for PMT and Bpf Koopvaardij. The management fees increased in 2024, primarily due to the expansion of services for the two new clients.<br><br>Since this pertains to new agreements and involves material amounts, we performed procedures regarding the accuracy of revenue recognition related to this management fee. | We evaluated the design and implementation of internal control measures, including IT General Controls, and tested their operating effectiveness regarding the accuracy of this management fee.<br><br>We inspected the underlying agreements that form the basis of this management fee.<br><br>We reconciled the information in the underlying agreements with the calculation files that serve as the basis for the invoiced and reported management fee.<br><br>We conducted sampling testing on the calculation files that form the basis for the invoiced and reported management fee, using the underlying invoices and hourly time registrations.<br><br>We inspected correspondence with contracting parties.<br><br>We verified whether the invoice amounts had been incurred.<br><br>Our procedures did not lead to specific indications of fraud or suspicions of fraud regarding the accuracy of this management fee. |

We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

## Audit approach going concern

As disclosed in section 1.3.3 'Risk management' in the management board report the Executive Board performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the Executive Board's going-concern assessment included, amongst others:

- considering whether the Executive Board's going-concern assessment included all relevant information of which we were aware as a result of our audit andinquiring with the Executive Board regarding the Executive Board's most important assumptions underlying its going-concern assessment;
- evaluating the Executive Board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry , developments in the industry, developments regarding clients and their contracts and all relevant information of which we were aware as a result of our audit;
- performing inquiries of the Executive Board as to its knowledge of going-concern risks beyond the period of the Executive Board's assessment.

# Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

# Responsibilities for the financial statements and the audit

## Responsibilities of the Executive Board and the supervisory board for the financial statements

The Executive Board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going-concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Executive Board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

## Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists.

Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 23 April 2025
PricewaterhouseCoopers Accountants N.V.

This is an English translation of the original Dutch text, furnished for convenience only. In case of any conflict between the translation and the original text, the latter will prevail.

# Appendix to our auditor's report on the financial statements 2024 of PGGM N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

## The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Concluding on the appropriateness of the Executive Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# 5.2 Statutory provisions relating to the appropriation of the result

**Article 35 of the Articles of Association reads as follows:**

35.1 Distribution of profits will be made following the adoption of the financial statements showing that such distribution is warranted.

35.2 The profits will be at the free disposal of the General Meeting of Shareholders.

35.3 On the recommendation of the Executive Board, the General Meeting will be authorised to resolve to make a distribution from the reserves, without prejudice to Article 35.4.

35.4 The company may only make distributions to the shareholders and other persons entitled to the profitintended for distribution to the extent that the equity exceeds the subscribed capital plus the reserves which must be maintained pursuant to the law.

35.5 The company may make interim distributions provided that the requirement of Article 35.4 is complied with as evidenced by an interim statement of assets and liabilities as referred to in Article 2:105(4) of the Dutch Civil Code.

35.6 When calculating the share distribution, the shares which the company holds in its own share capital are not included.

35.7 A deficit may only be charged to the statutory reserves to the extent that this is permitted by law.

# 5.3 General information

### Address

PGGM N.V.
Noordweg Noord 150
3704 JG Zeist

Postbus 117
3700 AC Zeist

Telephone +31 30 - 277 99 11
www.pggm.nl
Commercial register number 30228472

### Executive Board

| | |
|---|---|
| Edwin Velzel (voorzitter) | Willem Jan Brinkman |
| Chief Executive Officer (CEO) | Chief Financial and Risk Officer (CFRO) |

### Accountant

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam

Postbus 90351
1006 BJ Amsterdam

Telephone +31 88 - 792 00 20

# 5.4 Supervisory Board retirement schedule

| Members | Start of first term | End of first term | Start of second term | End of second term |
|---|---|---|---|---|
| Marjanne Sint *(Chair)* | 01-04-2018 | 31-03-2022 | 01-04-2022 | 31-03-2026 |
| Henk Broeders *(Vice Chair)* | 01-11-2018 | 31-10-2022 | 01-11-2022 | 31-10-2026 |
| Han Busker | 01-10-2023 | 30-09-2027 | N/A | N/A |
| Françoise Dings | 12-05-2022 | 11-05-2026 | N/A | N/A |
| Jan van Rutte | 17-05-2017 | 16-05-2021 | 17-05-2021 | 16-05-2025 |
| Doede Vierstra | 13-06-2021 | 12-06-2025 | N/A | N/A |

**Statutory provision:**

Article 23, paragraph 1 of the Articles of Association of PGGM N.V. stipulates that a supervisory director shall retire no later than at the first general meeting held after the expiry of four years following his last appointment. A retiring supervisory director may be reappointed, provided that a supervisory director retires no later than at the first general meeting held after he has served as supervisory director for eight years, whether consecutively or not; thereafter, he may no longer be reappointed.

# 5.5 Ancillary positions held by members of the Supervisory Board

## Marjanne Sint (1949)

**Nationality:** Dutch
**Gender:** Female
***Main position:*** ***Marjanne Sint Consultancy B.V.***
***(Advisory services in management and business operations)***

### Executive and supervisory positions

- Chair of the Supervisory Board and member of the People and Organisation Committee of PGGM N.V
- Chair of the Supervisory Board, Bergman Medical Care B.V., Netherlands
- Chair of the Supervisory Board, Stichting Open Nederland
- Associé AEF
- Member of the Supervisory Board, iPractice

## Henk Broeders (1964)

**Nationality:** Dutch
**Gender:** Male
***Main position:*** ***Supervisory Board Member***

### Executive and supervisory positions

- Vice-Chair of the Supervisory Board and member of the Audit, Risk and Compliance Committee, PGGM N.V.
- Chair of the Supervisory Board UMC Utrecht, Chair of the HR & Governance Committee and member of the Defence Committee
- Member of the Supervisory Board and member of the Remuneration Committee, Stichting Leger des Heils Welzijn en Gezondheidszorg
- Chair of the Board, Stichting Hanarth Fonds
- Chair of the Board, Stichting Steun Amsterdam UMC Alzheimer Centrum
- Director, Broeders Board Services
- Member of the Advisory Board, Hersenonderzoek.nl
- Member, Investor Advisory Committee Aescap
- Member of the Advisory Board, ABOARD consortium

## Han Busker (1960)

**Nationality:** Dutch
**Gender:** Male
***Main position:*** ***Supervisory Board Member***

### Executive and supervisory positions

- Member of the Supervisory Board and member of the People and Organisation Committee, PGGM N.V.
- Member of the Board, Stichting NR Governance
- Chair of the Supervisory Board, Stichting Slingeland Hospital Doetinchem
- Member of the Supervisory Board, Platform Talent for Technology

## Françoise Dings (1968)

Nationality: Dutch
Gender: Female
*Main position: Chair of the Executive Board, ZorgSpectrum*

### Executive and supervisory positions

- Member of the Supervisory Board and Chair of the People and Organisation Committee, PGGM N.V. id raad van commissarissen en voorzitter mens- en organisatie commissie PGGM N.V.
- Member of the Supervisory Board and Chair of the Quality & Safety Committee, Spaarne Gasthuis

## Jan van Rutte (1950)

Nationality: Dutch
Gender: Male
*Main position: Van Rutte Advisory*

### Executive and supervisory positions

- Member of the Supervisory Board and member of the Audit, Risk and Compliance Committee of PGGM
- Member of the Supervisory Board (Vice Chair) and member of the Audit Committee, BNG Bank N.V. (ended 24 April 2024)
- Member of the Supervisory Board, Stichting Health Center Hoenderdaal (ended 1 January 2024)
- Member of the Governance Academy Curatorium

## Doede Vierstra (1958)

Nationality: Dutch
Gender: Male
*Main position: Managing Director, Phoibos Finance BV*

### Executive and supervisory positions

- Member Supervisory Board and Chair Audit, Risk and Compliance Committee, PGGM N.V.
- Chair of the Supervisory Board, Stedin Holding N.V.
- Chair of the Audit Committee and Board member, Stichting Nyenrode
- Chair of the Supervisory Board, KNF Geleidehonden (ended 29 August 2024)
- Member of the Supervisory Board and Chair of the Audit Committee, Leiden University Medisch Centrum (LUMC) (ended 30 June 2024)
- Member of the Supervisory Board, Nederlandse Bachvereniging

# 5.6 Ancillary positions held by members of the Executive Board

## Edwin Velzel (1963)

**Nationality:** **Dutch**
**Gender:** **Male**
***Main position:*** ***Chief Executive Officer PGGM N.V.***

### Executive and supervisory positions

- Chair of the Executive Board, PGGM N.V.
- Chair of the Supervisory Board, PGGM Vermogensbeheer B.V.
- Chair of the Executive Board, Nederland Zorgt Voor Elkaar (NLZVE)
- Member of the Supervisory Board, Gelre ziekenhuizen
- Director, Stichting Healthcare4Ukraine

## Willem Jan Brinkman (1973)

**Nationality:** **Dutch**
**Gender:** **Male**
***Main position:*** ***Chief Financial & Risk Officer PGGM N.V.***

### Executive and supervisory positions

- Member of the Executive Board, PGGM N.V.
- Member of the Supervisory Board, PGGM Vermogensbeheer B.V.
- Member of the Economic Board Utrecht

## Note 1: Overview of added, removed and updated indicators

| Added indicators | | |
|---|---|---|
| **Theme** | **Description** | **Explanation** |
| **Climate impact and energy transition** | Energy consumption label A | Indicator added to provide better insight into managing the risks related to this theme. |
| **Climate impact and energy transition** | BREEAM in use certificate | Indicator added to provide better insight into managing the risks related to this theme. |
| **Climate impact and energy transition** | ISO 9001 certificate – compliance with relevant national legislation (EED) | Indicator added to provide better insight into managing the risks related to this theme. |
| **Cost-effective pension services** | PGGM among the top four pension service providers in terms of cost per participant | Indicator added to the sustainability report because a target has been formulated for this indicator together with PFZW, aligning with our ambition for this theme. |
| **Attractive employment** | Number of external staff | Indicator added in line with ESRS requirements. |
| **Attractive employment** | Number of employees with a disability | Indicator added in line with ESRS requirements. |
| **Attractive employment** | Number of registered complaints from internal and external staff | Indicator added in line with ESRS requirements. |
| **Attractive employment** | Unadjusted gender pay gap | Indicator added in line with ESRS requirements. |
| **Vitality in the health and welfare sector** | Use of data service subscriptions | In 2023, only the number of PFZW data service subscriptions was reported. Combining number and usage provides better insight into the impact we aim to achieve. |
| **Data security and privacy** | Hoxhunt security score | Indicator added as Hoxhunt became fully operational for the first full year in 2024. |
| **Ethical, integrity-driven and responsible business conduct** | Percentage of signed Code of Conduct declarations | Indicator developed in 2024 to provide better insight into how we manage risks on this theme. |
| **Ethical, integrity-driven and responsible business conduct** | Sustainable procurement score (MVI-score) | Indicator developed in 2024 to provide better insight into how we manage risks on this theme. |

| Removed indicators | | |
|---|---|---|
| **Theme** | **Description** | **Explanation** |
| **Attractive employment** | Number of Bundel participants | Following a reassessment of the relationship between this indicator and our impact and risks in this theme, we concluded this indicator is not suitable. |
| **Vitality in the health and welfare sector** | Absenteeism rate in the sector | We cannot directly influence the absenteeism rate and there is no demonstrable link between our activities and this rate. A new indicator is being developed that better reflects the impact of our activities. |
| **Vitality in the health and welfare sector** | Fitness score | We cannot demonstrate a direct link between our products and the financial and physical fitness of care sector employees. A new indicator is being developed to better reflect the impact we aim to achieve. |
| **Data quality, data security and data privacy** | Maturity score | The measurement was carried out once and will not be repeated. This indicator can therefore no longer be used to monitor our ambition on this theme. |
| **Ethical, integrity-driven and responsible business conduct** | Average payment term | According to our DMA, this is not a material indicator. PGGM generally pays well within the payment term. The percentage of late payments is very low to none. |
| **Ethical, integrity-driven and responsible business conduct** | Percentage of on-time payments | According to our DMA, this is not a material indicator. PGGM generally pays well within the payment term. The percentage of late payments is very low to none. |

| Updated indicators | | |
|---|---|---|
| **Theme** | **Description** | **Explanation** |
| **Cost-effective pension services** | Digital reach | In 2023, we reported the number of digitally sent letters versus total letters. This year, the indicator includes all forms of physical and digital contact. |
| **Attractive employment** | Employees in the Netherlands | In 2023, we reported the number of employees in the Utrecht region. To align with the ESRS definition, this has been adjusted to the number of employees in the Netherlands. |
| **Attractive employment** | Family leave | ESRS prescribes a definition for family leave, including maternity, paternity, parental and care leave. In 2023, we only reported the percentage of employees taking parental leave. |
| **Vitality in the health and welfare sector** | Number of Vernet subscriptions | The indicator has changed from Vernet coverage rate to number and usage of subscriptions, which better reflect our actual output. The coverage rate is influenced by many external factors beyond our control. |
| **Vitality in the health and welfare sector** | Use of Vernet subscriptions | See above |

## Note 2: Policy – governance and stakeholders involved

| The governance and stakeholders involved of PGGM's policy, per theme | | | | |
|---|---|---|---|---|
| **Policy** | **Target group** | **Stakeholders involved** | **Responsible for implementation** | **Policy availability** |
| **Climate impact and energy transition** | | | | |
| **Net Zero Policy** | PGGM N.V., PGGM Pension Management B.V., PGGM Financial Services B.V., PGGM Asset Management B.V., PGGM Strategic Advisory Services B.V., PGGM Services B.V., VERNET absenteeism network B.V. | The policy is aligned with the various internal subject matter experts, implementers, and boards of PGGM. The objectives align with EU targets and SBTI, in consultation with external stakeholders where necessary. | Executive committee (EC) | The Corporate Sustainability department monitors the progress of the transition plans on a semi-annual basis and reports on this to internal stakeholders accordingly, so that they can fulfill their responsibilities (see chapter 3). Additionally, an update is published annually on its website, both on a voluntary basis and to meet its legal obligations. Respective goals are further elaborated per base footprint and revised if necessary as described in this annual report. |
| **Manage Hard Services Policy** | All PGGM entities using the building, its grounds and facilities | The effectiveness of the policy and outcomes of the hard services management process are monitored periodically through client panels, service level meetings, and satisfaction surveys. | Process Owner | Policy is available on the internal policy portal (Intranet). |
| **Cost-effective pension services** | | | | |
| **Strategy 2030 Policy Framework PFZW and PGGM** | PFZW participants | Interests of participants, employers and social partners in the health and welfare sector are considered, with a focus on transparency, trust and customer satisfaction. | Chief Operations Officer (COO), PGGM Pensioenbeheer B.V. | The policy is made available via the intranet so that the most up-to-date version is always accessible to stakeholders involved in policy implementation. The PFZW Executive Office monitors that PGGM executes the framework in accordance with agreements. |
| **Transition Policy** | Social partners of PFZW | Social partners | Social partners and PFZW Board | Social partners have shared the transition policy with their members and, in accordance with article 150d, paragraph 3 of the Pension Act, made it available to pension organisations such as BPP and ANBO for consultation. At the request of social partners, PFZW has also published the transition plan on its website for participants, former participants, former partners and pension beneficiaries. |
| **A comprehensible pension** | | | | |
| **PFZW Policy Framework – Participant Services 2023** | PFZW participants | In developing the PFZW Policy Framework – Client Services for Participants 2023, careful consideration was given to the interests of participants, employers and social partners in the health and welfare sector, with transparency, trust and client satisfaction as key principles. | COO PGGM Pensioenbeheer B.V. | The policy is made available on the intranet to ensure the most up-to-date version is always accessible to stakeholders involved in its implementation. |

| The governance and stakeholders involved of PGGM's policy, per theme | | | | |
|---|---|---|---|---|
| **Policy** | **Target group** | **Stakeholders involved** | **Responsible for implementation** | **Policy availability** |
| **A comprehensible pension** | | | | |
| **PFZW Policy Framework – Channels and Tools** | PFZW participants | In developing the PFZW Policy Framework – Channels and Resources, careful consideration was given to the interests of participants, employers and social partners in the health and welfare sector, with transparency, trust and client satisfaction as guiding principles. The Pension Council represents the participants as an advisory body, while the PFZW board represents the employers' and employees' organisations. Customer panels are used to assess the quality of, for example, communication and end-to-end client servicing. A dedicated team is in place for each customer journey, including a temporary journey team for transition and value transfer ('invaren'). | COO PGGM Pensioenbeheer B.V. | The policy is made available on the intranet to ensure that the most up-to-date version is always accessible to stakeholders involved in its implementation. The PFZW Executive Office monitors whether PGGM executes the policy framework in line with agreed arrangements. |
| **Atrtractive employment** | | | | |
| **PGGM Collective Labour Agreement (CLA)** | All PGGM employees with an employment contract under Article 7:610 of the Dutch Civil Code | When establishing the 2024 PGGM collective labour agreement (CLA), the interests of employees were safeguarded through consultation and negotiation with the trade unions CNV Vakmensen, De Unie and FNV. | HR Director | PGGM makes the CLA text available via the intranet and communicates any updates directly on this platform. Upon employment, each employee receives a digital copy of the CLA applicable to their employment contract. Employees also receive written communication regarding specific components of the CLA, such as job classification, salary scale and monthly salary, including any changes. |
| **Diversity, Equity and Inclusion (DEI) Policy** | All of PGGM | When establishing PGGM's DEI policy, attention was paid to the interests of key stakeholders, with the aim of creating a diverse, inclusive and equitable working environment that reflects the wishes and needs of clients, participants and employees. | EC | PGGM's DEI policy is made available to relevant stakeholders and those involved in its implementation through various communication tools and reporting channels. |

| Policy | Target group | Stakeholders involved | Responsible for implementation | Policy availability |
|---|---|---|---|---|
| Atrtractive employment | | | | |
| **Performance & Development Policy** | All individuals employed by PGGM | PGGM's Performance & Development policy considers the interests of various stakeholders, including employees, managers and the organisation as a whole. | Line managers | The policy is accessible to employees via the HR information system, planning dialogues, ongoing discussions, training, managerial support and organisation-wide communication, to ensure employees are well informed and able to apply the policy effectively. |
| **PGGM Recruitment Policy** | All PGGM employees | When establishing PGGM's Recruitment Policy, attention was paid to the interests of key stakeholders, with the aim of promoting a diverse workforce and giving priority to internal candidates such as (former) senior staff and reintegration candidates. This supports internal mobility and employability. | EC | The policy is made available to stakeholders through internal communication channels such as PGGM's intranet. The HR Career Center plays a key role in informing and supporting managers and employees regarding the procedures and guidelines under the policy. |
| **PGGM Integrated Health Policy** | All PGGM employees | In developing PGGM's Integrated Health Policy, the interests of key stakeholders such as the Works Council (OR) and employees were carefully considered. The Works Council has the right of consent and is informed annually. Employees are responsible for their own health and safety, with support from confidential counsellors and health & safety officers. | EC | The Integrated Health Policy is available via PGGM's intranet, under the section 'Health and Vitality', where all relevant documents and guidelines can be found. In addition, managers and employees are informed and supported by HR, health & safety officers and confidential counsellors to ensure effective implementation. |
| Vitality in the health and welfare sector | | | | |
| **No policy has been established yet. This will be developed in 2025.** | | | | |
| Data security, data quality and data privacy | | | | |
| **Privacy Policy** | All PGGM employees | The key identified stakeholders in PGGM's Privacy Policy are: i) participants of pension funds for which PGGM provides pension administration; ii) internal and external employees of PGGM, including applicants, partners, children, former partners and surviving relatives of employees; iii) members of governance bodies, such as the Members' Council, the Board of PGGM Coöperatie U.A., and the Supervisory Board of PGGM N.V. These stakeholders are protected through strict compliance with the GDPR and other relevant regulations. Their interests are taken into account in the development and implementation of the privacy policy. | EC | PGGM's Privacy Policy is made available via the Privacy Portal on the PGGM intranet, allowing internal and external employees easy access to the policy. This includes supporting policy documents, formats, guidance, checklists, and implementation instructions. In addition, news items about the policy are published on the intranet and displayed on information screens in PGGM's common areas. |

| Policy | Target group | Stakeholders involved | Responsible for implementation | Policy availability |
|---|---|---|---|---|
| **Data security, data quality and data privacy** | | | | |
| **Information Security Policy** | All PGGM business units and licensed PGGM entities over which PGGM N.V. holds (indirect) control. An exception applies to PGGM&CO, which operates under its own regime. | In drafting PGGM's Information Security Policy, specific attention was given to the interests of key stakeholders, including regulators, clients and employees. | EC | PGGM's Information Security Policy is published on the intranet and made accessible through the Quality Management System (QMS), which includes all related documents and audit reports. Employees are also trained via a mandatory e-learning module on information security to ensure awareness and compliance. |
| **Data Quality Policy** | All business domains within PGGM | When establishing PGGM's Data Quality Policy, attention was paid to the interests of key stakeholders.<br>The policy is aligned with the requirements and expectations of clients and regulators.<br>In addition, internal stakeholders – such as various business units and data owners involved in the development and implementation of the policy – are consulted to ensure the policy aligns with PGGM's operational needs and risk profile. | Data Governance Board (DGB) | PGGM's Data Quality Policy is made available to stakeholders through internal communication channels such as the intranet and newsletters, as well as via training sessions and workshops. The policy and related documentation are stored in a centrally accessible policy library so that stakeholders can consult them when needed. The Corporate Data Management (CDM) department provides support and guidance to business units and local data management offices (LDMOs) in implementing the policy. |
| **Ethical, integrity-driven and responsible business conduct** | | | | |
| **PGGM Code of Conduct** | All employees and associated persons within the PGGM Group | When establishing the PGGM Code of Conduct, both the Executive Board and employees of PGGM (including through the Works Council) were involved. | Executive Board | The PGGM Code of Conduct is made available to internal stakeholders via internal communication channels such as the intranet, newsletters and emails, and through presentations and information sessions organised by the Compliance department. In addition, training sessions and workshops are offered to inform employees and support them in implementing the policy. |
| **Legal Committee Charter** | Entire PGGM Group | When drafting and applying the policy, the interests of stakeholders – such as regulators and participants (client interest) – are prioritised. | Head of Corporate Legal and Tax Affairs | Internal stakeholders are involved in the development and implementation of the policy. More generally, employees have access to the policy library and may receive the policy – depending on its nature – via training. |

| Policy | Target group | Stakeholders involved | Responsible for implementation | Policy availability |
|---|---|---|---|---|
| **Ethical, integrity-driven and responsible business conduct** | | | | |
| **PGGM Outsourcing Policy** | All of PGGM Group | In establishing the PGGM Outsourcing Policy, due consideration was given to the interests of key stakeholders. Clear agreements and procedures have been defined to safeguard client interests, and a detailed governance structure has been described to involve internal stakeholders. Employee interests are taken into account during decision-making, particularly in outsourcing processes, where the Works Council (OR) is involved. In addition, the policy is evaluated annually to ensure continued compliance with the requirements of clients, PGGM and regulators, thereby continuously safeguarding stakeholder interests. | EC | The PGGM Outsourcing Policy is made available to stakeholders through publications, training, internal communication channels, and involvement of the Works Council (OR), so they are properly informed and can comply. PGGM also periodically assesses the effectiveness of the policy and evaluates it annually, with results communicated to the relevant stakeholders. |
| **PGGM Procurement Policy** | Entire PGGM Group | In developing the PGGM Procurement Policy, multiple specialist departments and executive directors were involved to ensure the policy meets the requirements of regulators, clients and the market, and that the interests of all stakeholders are taken into account. | EC | The PGGM Procurement Policy is made available to stakeholders who are involved in its implementation via publication on the intranet. |

## Note 3: Indicators – definitions, methodologies and validation

| Climate impact and energy transition | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **PGGM Zeist $CO_2$ emissions scope 1** | The total amount of $CO_2$ from sources owned or controlled by PGGM. Our scope 1 includes natural gas consumption for heating our building, fugitive emissions from refrigerants released during leaks or maintenance of systems such as air conditioning, and diesel combustion for powering our emergency generator. | Consumption data, obtained from the supplier or installer, is multiplied by an appropriate emission factor (see also Explanation 4: Estimates, Assumptions and Averages) in accordance with the GHG Protocol.<br><br>All scope 1 emissions are included in the calculation. | No external validation |
| **PGGM Zeist $CO_2$ emissions scope 2** | Indirect $CO_2$ emissions resulting from the generation of purchased energy. We purchase electricity and, for the The Hague location, also district heating. | Both location-based and market-based emissions are calculated in accordance with the GHG Protocol.<br><br>Location-based emissions reflect the average emission per energy unit in the Netherlands.<br><br>Market-based emissions use the emission factor based on contractually purchased energy. For renewable electricity, this factor is 0 kg $CO_2$/kWh, meaning the consumption is multiplied by 0.<br><br>All scope 2 emissions are included in the calculation. | No external validation |
| **$CO_2$ reduction scope 3 compared to 2019** | Indirect $CO_2$ emissions resulting from activities in our value chain compared to our baseline year 2019. This includes emissions generated by suppliers (such as paper and IT), service providers (such as waste) and staff travel (such as business flights and commuting). | Based on materiality (1% of total $CO_2$ emissions in the reference year), influence and available data, a selection was made of the scope 3 emissions included in the calculation.<br><br>Consumption from various sources (such as suppliers, service providers and declarations) is multiplied by an appropriate emission factor (see also Explanation 4: Estimates, Assumptions and Averages) according to the GHG Protocol and divided by the scope 3 $CO_2$ emissions in 2019. | No external validation |
| **Total energy consumption** | The total amount of energy used during the reporting year, consisting of both direct sources (natural gas, diesel and refrigerants) and indirect sources (purchased energy). | Energy consumption from both direct and indirect sources is provided by suppliers and installers, and summed to calculate total energy consumption. | No external validation |
| **Number of purchased carbon credits** | The total number of carbon credits purchased during the reporting year to offset our reported emissions. One carbon credit represents one tonne of $CO_2$ offset via projects that meet recognised standards. | We receive certificates for purchased carbon credits that are traceable via the Gold Standard Impact Registry. | Gold Standard certification |
| **Number of retired carbon credits** | The total number of carbon credits retired during the reporting year to offset our reported emissions. One carbon credit represents one tonne of $CO_2$ offset via projects that meet recognised standards. | Carbon credits are 'retired' upon purchase so they can no longer be traded. Certificates are traceable via the Gold Standard Impact Registry. | Gold Standard certification |
| **Mobility emissions per FTE** | Mobility-related $CO_2$ emissions per full-time equivalent (FTE). | The emission sources for our mobility-related emissions include emissions from our cars (claimed kilometres and leased vehicles), air travel and public transport. The methodology for each of these sources is described in Disclosure 4. | No external validation |

| Indicator | Definition | Methodology | Validation |
|---|---|---|---|
| **Energy performance label A** | The energy label of our building in Zeist indicates how energy efficient it is. For existing buildings, the scale ranges from G to A, with A being the most energy-efficient. Label A confirms that our building already complies with the legal energy standard for office buildings effective from 2030. | The energy label is issued by an external party in accordance with the Energy Performance of Buildings Regulation. | Certificate issued |
| **BREEAM In-Use certificate** | An instrument to assess the sustainability performance of existing buildings. Assessment covers nine sustainability categories: management, health, energy, transport, water, materials, waste, land use and ecology, and pollution. 'Very good' means our building meets 55% to 70% of the defined sustainability criteria. | The sustainability performance of the building is assessed by an external BREEAM-NL Assessor (W4Y Adviseurs B.V.) in accordance with the In-Use 2016 v1.0 scheme. | Certificate (No. 2466-BIU-2016) issued by the Dutch Green Building Council |
| **ISO 9001 certification – compliance with relevant national legislation (EED)** | Certification confirming that the management system for delivering IT services (including facility management, procurement and contract management) to PGGM's internal organisation complies with ISO 9001:2015 requirements. | The certification is issued by an external party in accordance with ISO 9001:2015. | Certificate issued by external party |

**Cost-effective pension services**

| Indicator | Definition | Methodology | Validation |
|---|---|---|---|
| **PGGM costs per participant** | The change in costs per participant compared to the previous year, expressed as a percentage. | The total realised pension administration fee in EUR for the reporting year (according to PGGM's records) is divided by the number of participants (year-end position based on fund administration).<br><br>Scope 2024: PFZW, StiPP and BPF Schilders. PMT and Bpf Koopvaardij are not yet included as PGGM did not provide full-year services for these funds. In future, PGGM costs per participant will be calculated for all participants. | No external validation |
| **Number of participants** | The number of active participants, pension beneficiaries and deferred members across all funds served by PGGM as of the reporting date. | The total number of participants is determined per fund based on the fund administration. Scope 2024: all participants. | No external validation |
| **Digital reach** | The percentage of PFZW participants who indicate a preference for digital contact over physical contact at the reporting date. | The number of PFZW participants indicating preference for digital contact is divided by the total number of participants.<br><br>Scope 2024: reliable data available for PFZW; in future, digital reach will be calculated for all participants. | No external validation |
| **Self-service score** | The ratio of digital channel usage (Q&A, FAQ, Dialogues) versus telephone and physical mail in the reporting year. | The number of digital contact moments is divided by the total number of contact moments. | No external validation |
| **PGGM top 4 pension services costs** | The position of our pension services provider is based on the level of administrative costs per PFZW participant, compared to the ten largest Dutch pension funds by number of participants. The ambition is to rank among the top four with the lowest costs. | The data is published annually in September by the Dutch Central Bank (DNB) on its website.<br><br>Scope 2024: PFZW participants. In the future, we may also define a target for this indicator for other clients. | External disclosure |

| A comprehensible pension | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Participant trust in PFZW** | The level of trust PFZW participants have in the execution of the pension scheme, expressed as a percentage for the reporting year. | Each quarter, a representative sample (weighted by age and gender) of approximately 3,500 active and retired PFZW participants is surveyed. Participants are asked to indicate their level of trust in PFZW using the following options: very high, high, neither high nor low, low, very low, or don't know/no opinion. The percentage reflects those indicating 'very high' or 'high' trust compared to all respondents. The annual figure is the unweighted average of the four quarterly results. | Conducted by an external party, not part of an external audit |
| **Participant satisfaction score PFZW** | The average satisfaction of PFZW participants regarding a customer journey during the reporting year, expressed on a scale from 1 to 10. | The outcome of an external, representative survey among 10,000 active participants and pensioners is measured upon completion of a customer journey. Participants are asked to rate their satisfaction on a numerical scale. The customer satisfaction score reflects the unweighted average of the four quarters in the reporting year. | Conducted by an external party, not part of an external audit |
| **Ease-of-use score PFZW participants** | The average ease experienced by PFZW participants during a customer journey, expressed as a percentage. | The outcome of an external, representative survey among 10,000 active participants and pensioners is measured upon completion of a customer journey. Participants are asked to express ease of use as a percentage. The percentage reported reflects the unweighted average across the four quarters of the reporting year. | Conducted by an external party, not part of an external audit |
| **PFZW Gouden Oor score** | The external quality certification for customer service and support during the reporting year, expressed as a score from 1 to 5. | The Gouden Oor recognition is an award for customer sensitivity. To qualify for and retain this recognition, an organisation must demonstrate its ability to consistently collect customer feedback, resolve it to a satisfactory degree, and learn from it. Organisations earn points based on how well they meet these criteria. The number of points determines whether the organisation qualifies for the relevant level of recognition. The recognition level is determined through an external audit conducted by a certified certification body, based on the Gouden Oor standard. This external audit is carried out annually during the reporting year. In 2024 it took place in May and June. | Conducted by an external party, not part of an external audit |

| Attractive employment | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Employee engagement** | Assessment by employees of the extent to which they derive inspiration and energy from their work and feel positively connected to their work environment, rated on a scale from 1 to 5. | An annual survey is conducted among all employees who have been employed for more than 30 days, rating their work and environment from 1 (dissatisfied) to 5 (very satisfied). The survey is carried out by an external research firm. | Determined by an external party, not part of an external audit |
| **Absenteeism** | The average absenteeism rate over the reporting year. | The absenteeism rate is determined based on the number of recorded sickness notifications in relation to the total number of internal employees. Sickness notifications are recorded by the line manager. Employees report their own recovery. | No external validation |
| **Gender ratio at senior management level** | The gender distribution in senior management at the reporting date. | Gender is recorded upon commencement of employment and updated where applicable. The percentage is calculated by determining the male/female/x distribution within salary scales 20 to 23 and the EC. | No external validation |
| **Make it Possible programme** | The number of employees with a distance to the labour market due to mental or physical disabilities at the reporting date. | As part of the MIP programme, we actively recruit jobseekers with a distance to the labour market due to mental or physical disabilities. For this purpose, we engage specialised agencies. The target group must also be registered with the Employee Insurance Agency (UWV) as entitled to benefits under the Participation Act. | No external validation |
| **Number of internal employees** | The number of internal employees at the reporting date. | Employee registration takes place upon entry into and exit from employment. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, no explicit external assurance applies to the number of employees working in the Netherlands as of the reporting date. |
| **Employees in the Netherlands** | The number of internal employees working in the Netherlands at the reporting date. | The place of work is recorded upon commencement of employment and updated where applicable. We do not employ staff outside the Netherlands. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, no explicit external assurance applies to employee turnover during the reporting year. |

| Attractive employment | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Staff turnover** | The change in the number of internal employees during the reporting year. | The turnover (inflow and outflow) of internal employees during the reporting year is calculated. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, no explicit external assurance applies to employee turnover during the reporting year. |
| **Employees covered by collective labour agreement** | The percentage of internal employees covered by the collective labour agreement at the reporting date. | The number of internal employees covered by the collective labour agreement is calculated in relation to the total number of internal employees. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, no explicit external assurance applies to employee turnover during the reporting year. |
| **Number of external employees** | The number of external employees at the reporting date. | The registration of external workers is carried out by an external party. | No external validation |
| **Age distribution** | The age distribution of internal employees at the reporting date. | Date of birth is recorded upon commencement of employment. Age distribution of the workforce is categorised into <30, 30–50 and >50 and reported in absolute numbers. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, no explicit external assurance applies to the age distribution. |
| **Gender ratio of all employees** | The proportion of male and female employees within the reporting entity, expressed as a percentage of the total number of internal employees. | Gender is recorded upon commencement of employment or upon change. The percentage is calculated based on the male/female/x distribution in relation to the total number of internal employees. | The average gender ratio over a three-year period is compared to assess whether there are significant changes in workforce composition. |

| Attractive employment | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Parental leave** | The percentage of internal employees who made use of their entitlement to parental leave during the reporting period. | The percentage of internal employees entitled to parental leave who actually took leave, broken down by men and women. Parental leave includes maternity leave, parental leave, and care leave. | The average number of FTEs is disclosed under note 15 of the financial statements, which have been audited by our external auditor. However, there is no explicit external assurance applicable to the parental leave data. |
| **Unadjusted pay gap (mean)** | The unadjusted gender pay gap (male/ female). | Gender and salary scale are recorded upon commencement of employment or upon change. The unadjusted gender pay gap refers to the difference in pay (including both fixed and variable remuneration components) between men and women. | The average number of FTEs is included under note 15 of the annual report, which is audited by our external auditor. However, no explicit external validation applies to the unadjusted gender pay gap. |
| **Adjusted pay gap (median)** | The gender pay gap (male/female) adjusted for differences in salary scale as at the reporting date, expressed as a percentage. | Gender and salary scale are recorded upon commencement of employment or upon change. A statistical model is used to examine how the pay gap between men and women can be explained. A distinction is made between the adjusted and unadjusted gender pay gap. The adjusted gender pay gap refers to the difference in pay (including both fixed and variable remuneration components) between men and women, after correcting for various factors, with job grade being the most significant explanatory variable. | The average number of FTEs is included under note 15 of the annual report, which is audited by our external auditor. However, no explicit external validation applies to the adjusted gender pay gap. |
| **Employees with a distance to the labour market** | The number of employees with a distance to the labour market who have been hired and are employed by PGGM, expressed in absolute numbers. | The registration of 'distance to the labour market' takes place upon commencement of employment or upon change. Employees are responsible for reporting a disability by completing a questionnaire at the start of employment. In some cases, employees are entitled to benefits under the Participation Act. The number of registered employees with a disability is reported as at the reporting date. | No external validation |
| **Number of registered reports of integrity violations** | The total number of reports of integrity violations registered during the reporting period, expressed in absolute numbers. | Employees can report undesirable behaviour and related concerns in full confidentiality to two internal confidential advisors and one external advisor. These advisors are responsible for reporting the number of cases. The number of registered reports is disclosed in absolute figures as at the reporting date. | No external validation |

| Attractive employment | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Number of registered complaints about discrimination, bullying or sexual harassment at work** | The number of complaints of discrimination, bullying or sexual harassment registered during the reporting period, expressed in absolute numbers. | If employees experience undesirable behaviour and discussing it with a manager, HR or the confidential advisor does not lead to a resolution, they may follow the complaints procedure with the Social Integrity Committee. The number of complaints submitted to this committee is reported as at the reporting date. | No external validation |
| **Ratio of highest salary to median salary (pay ratio)** | The percentage difference between the highest salary within PGGM and the median salary within PGGM. | The registration of salary (scale) takes place upon hiring or when changes occur and is processed by payroll administration. Salary changes during employment are approved by the line manager and processed by HR and payroll. The median salary is calculated by payroll and compared to the highest salary received during the reporting period. The percentage difference is reported per reporting period. | The average number of FTEs is included under note 15 of the annual financial statements, which have been audited by our external accountant. However, no explicit external validation applies to the ratio of the highest salary to the median. |

| Vitality in the health and welfare sector | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Number of Vitality Monitors** | The number of vitality monitors sold as of the reporting date. | All applications purchased by employers up to the reporting date are summed. | No external validation |
| **Number of Vernet subscriptions** | The number of Vernet customers at the reporting date. | All active, unique customer IDs are counted on the reporting date. | No external validation |
| **Use of Vernet subscriptions** | The number of customers that downloaded a report from Vernet during the reporting year. | All customers that downloaded a report in 2024, as recorded by Vernet, are counted. | No external validation |
| **Number of data services subscriptions** | The number of organisations with a subscription to the PFZW HR data portal as of the reporting date. | All applications purchased by employers in 2024, as registered in the PFZW HR data portal, are counted. | No external validation |
| **Use of data services subscriptions** | The number of customers that logged in to the PFZW HR data portal at least once in 2024. | All customers that logged in at least once in 2024, as shown in the PFZW HR data portal, are counted. | No external validation |

| Ethical, integrity-driven and responsible business conduct | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Percentage of signed Code of Conduct declarations** | The percentage of PGGM internal employees who signed the Code of Conduct declaration during the reporting year. | The number of internal employees who signed the Code of Conduct declaration, as recorded by HR in the personnel administration, divided by the total number of internal employees. This concerns employees employed as of early December 2024. | No external validation |
| **Sustainable procurement score (MVI-score)** | The percentage of suppliers that agreed to PGGM's procurement terms as of the reporting date. | The percentage of (active) suppliers that have agreed to the terms and conditions. This is recorded in our contracts register and calculated by exporting the data from this register to Excel.<br><br>Contracts of PGGM Vermogensbeheer B.V. are not included in this percentage. In future, this indicator will be replaced by one that better reflects the risk we aim to address, and will include outsourcing partners across the entire operational organisation, including PGGM Vermogensbeheer B.V. | No external validation |

| Data security, data quality and data privacy | | | |
|---|---|---|---|
| **Indicator** | **Definition** | **Methodology** | **Validation** |
| **Completed privacy trainings** | The percentage of completed privacy trainings compared to the number of invitations sent to all internal and external employees with an active account at the reporting date. | As at the reporting date, the following data points are used to calculate the percentage of completed privacy trainings:<br>1) Total number of active external and internal accounts<br>2) Total number of privacy training invitations<br>3) Total number of completed privacy trainings | No external validation |
| **Hoxhunt security score** | The Hoxhunt score among all internal and external employees compared to the benchmark at the reporting date, expressed as a percentage. | Hoxhunt is a tool used to train employees in recognising phishing and increasing awareness and knowledge about handling (privacy) sensitive information. All employees with an active account participate in Hoxhunt. PGGM's performance is benchmarked against all participating companies. The Hoxhunt security score is determined and published monthly. The target is for PGGM's score to exceed the benchmark score. | No external validation |
| **ISO 27001** | PGGM's ISO 27001 certification. | The ISO 27001 standard provides a structured approach to information security through an Information Security Management System (ISMS). Every three years, PGGM's ISMS is tested by an external auditor for recertification. | No external validation |

**Note 4: Estimates, assumptions and averages**

In our sustainability report, we use a number of estimates, assumptions and averages. This table describes the measurement uncertainties and the degree of accuracy for each indicator. Where relevant, we also indicate the measures we take to improve accuracy and reduce uncertainty.

We use a four-point scale to determine the level of accuracy:

**1 = Low accuracy**

The data is not sufficiently reliable for either quantitative or qualitative decision-making. It does not meet PGGM's internal standards and is therefore not included in the $CO_2$ footprint.

**2 = Limited accuracy**

The data provides a general indication of $CO_2$ emissions and is sufficiently reliable for qualitative management purposes. It is included in our $CO_2$ footprint, but not yet suitable for quantitative steering. PGGM is actively working to improve this data.

**3 = Reasonable accuracy**

The data provides a representative picture of PGGM's $CO_2$ emissions and can be used internally for both qualitative and quantitative decision-making. It is systematically collected in accordance with established internal protocols.

**4 = Very high accuracy**

The data is reliable, and further improvements would not lead to better insights or more effective management by PGGM.

| Source of uncertainty | Estimates, assumptions and averages | Level of accuracy (1–4) | Measures to improve accuracy (if applicable: accuracy = 2) |
|---|---|---|---|
| **Scope 1** | | | |
| Natural gas | Consumption: sourced from supplier<br>Emission factor:<br>www.co2emissiefactoren.nl<br>(low-calorific gas) | 4 | N/A, sufficiently accurate |
| Refrigerants | Consumption: as reported by installer<br>Emission factor:<br>www.co2emissiefactoren.nl<br>(R143a, R410a, R407c, R32) | 4 | N/A, sufficiently accurate |
| Emergency power | Consumption: provided by installer<br>Emission factor: www.<br>co2emissiefactoren.nl (diesel) | 4 | N/A, sufficiently accurate |

| Source of uncertainty | Estimates, assumptions and averages | Level of accuracy (1–4) | Measures to improve accuracy (if applicable: accuracy = 2) |
|---|---|---|---|
| **Scope 2** | | | |
| Purchased 'green' electricity – PGGM Zeist and The Hague | Consumption Zeist: provided by installer<br>Consumption The Hague: provided by building manager, estimate based on number of rented floors<br>Emission factor: 100% wind power purchased, therefore 0 $CO_2$ kg/kWh | Zeist: 4<br>The Hague: 3 | N/A, sufficiently accurate |
| District heating – PGGM The Hague | Consumption: provided by building manager, estimate based on number of rented floors<br>Emission factor: Eneco heat label | 3 | N/A, sufficiently accurate |
| **Scope 3** | | | |
| Paper (magazines Eigentijd and Goed Bezig) | Consumption: provided by supplier<br>Emission factor: ClimatePartner | 3 | N/A, sufficiently accurate |
| Paper (other) | Consumption: amount of paper purchased<br>Emission factor: DEFRA (until 2021 Climate Neutral Group) | 3 | N/A, sufficiently accurate |
| Flights | Consumption: provided by travel agent<br>Emission factor: DEFRA/BEIS<br>Radiative Forcing Index (RFI) = 1.7<br>Short-haul conversion for domestic flights | 3 | N/A, sufficiently accurate |
| SAF purchases | Preliminary estimate from KLM (finalised 6 months after year-end) | 3 | N/A, sufficiently accurate |
| Lease fleet – petrol/diesel/ CNG/electric | Consumption: based on usage<br>Emission factor: www.co2emissiefactoren.nl (all fuel types including unknown electricity) | 4 | N/A, sufficiently accurate |
| Declared car travel (business) | Consumption: based on employee declarations<br>Emission factor: www.co2emissiefactoren.nl (private car – fuel and weight unknown) | 3 | N/A, sufficiently accurate |
| Commuting (car) | Consumption: fastest route from Google Maps<br>Emission factor: www.co2emissiefactoren.nl (private car – fuel and weight unknown) | 3 | N/A, sufficiently accurate |
| Commuting (train) | Assumption: train used when<br>- OV travel days > 0<br>- Commuting distance > 25 km<br>- No NS business card<br>- No bus pass<br>Assumption: public transport users board directly (no bike/car), and no metro/tram use (no emissions in NL) | 3 | N/A, sufficiently accurate |
| Commuting (bus) | Consumption: fastest route via Google Maps<br>Emission factor: www.co2emissiefactoren.nl (unknown bus type)<br>Assumed bus used when:<br>- OV travel days > 0<br>- Commuting distance < 25 km<br>- No NS business card<br>Assumption: public transport users board directly, no metro/tram use | 3 | N/A, sufficiently accurate |

| Source of uncertainty | Estimates, assumptions and averages | Level of accuracy (1–4) | Measures to improve accuracy (if applicable: accuracy = 2) |
|---|---|---|---|
| NS business card | Consumption: number of kilometres received from NS<br>Emission factor: www.co2emissiefactoren.nl (unknown train type) | 3 | N/A, sufficiently accurate |
| Waste | Consumption: number of kilos received from facilities contractor per waste stream<br>Emission factors published by waste processors (1-year delay) | 3 | N/A, sufficiently accurate |
| IT – hardware | Consumption + emission factor: LCA provided by manufacturer.<br>$CO_2$ emissions adjusted per hardware type to reflect PGGM's use (e.g. halved for refurbished devices) | 3 | N/A, sufficiently accurate |
| IT – operations (datacentres) | Consumption: reports from supplier<br>Emission factor: Dutch renewable electricity | 2 | Datacentres are being phased out; no improvement actions planned |
| IT – operations (Microsoft 365 & Azure) | Consumption + emission factor: emissions data provided by Microsoft<br>- Azure = audited<br>- Office 365 = estimate | 2 | Microsoft provides total emissions data, but lacks detail. A tool is being implemented to offer the required insight and enable $CO_2$ management of IT activities. |

**Note 5: List of data points in cross-cutting and topical standards derived from other EU legislation**

This appendix forms an integral part of ESRS 2. The table below provides an overview of the datapoints in ESRS 2, as well as the topical ESRS derived from other EU legislation. Where a datapoint is both mandatory and material, a reference to the sustainability report is provided.

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS 2 GOV-1 Gender diversity of the administrative body, paragraph 21(d) | Indicator No. 13 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816[5], Annex II | | See section 2.3.1 'The role of the administrative, management and supervisory bodies' for information on the gender diversity of our Board |
| ESRS 2 GOV-1 Proportion of independent members of the administrative body, paragraph 21(e) | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | See section 2.3.1 'The role of the administrative, management and supervisory bodies' for the proportion of independent members of our Board |
| ESRS 2 GOV-4 Due diligence statement, paragraph 30 | Indicator No. 10 of Table 3 of Annex I | | | | See section 2.3.4 'Due diligence statement' |
| ESRS 2 SBM-1 Involvement in fossil fuel-related activities, paragraph 40(d) i | Indicator No. 4 of Table 1 of Annex I | Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 [6]; Table 1 – Qualitative information on ecological risk and Table 2 – Qualitative information on social risk | Commission Delegated Regulation (EU) 2020/1816, Annex II | | N/A, PGGM is not active in the fossil fuel sector. |
| ESRS 2 SBM-1 Involvement in chemical production activities, paragraph 40(d) ii | Indicator No. 9 of Table 2 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | N/A, PGGM is not involved in activities related to the manufacture of chemical products. |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d) iii | Indicator No. 14 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1818[7], Article 12 (1); Commission Delegated Regulation (EU) 2020/1816, Annex II | | N/A, PGGM is not involved in activities related to controversial weapons. |
| ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40(d) iv | | | Commission Delegated Regulation (EU) 2020/1818, Article 12 (1); Commission Delegated Regulation (EU) 2020/1816, Annex II | | N/A, PGGM is not involved in activities related to the cultivation and production of tobacco. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14 | | | | Regulation (EU) 2021 /1119, Article 2 (1) | See our transition plan: section 2.5.1 'Our approach to avoiding or reducing emissions in our operations' |
| ESRS E1-1 Companies excluded from Paris Agreement-aligned benchmarks, paragraph 16(g) | | Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate-related transition risks: Credit quality exposures per sector, emissions and remaining maturity | Commission Delegated Regulation (EU) 2020/1818, Article 12 (1), point (g), and Article 12 (2) | | PGGM has aligned its climate targets with the Paris Agreement, see section 2.5.1 'Our approach to avoiding or reducing emissions in our operations'. As we are not publicly listed, we are not eligible for inclusion in Paris-aligned EU benchmarks and are therefore automatically excluded. |
| ESRS E1-4 GHG emission reduction targets, paragraph 34 | Indicator No. 4 of Table 2 of Annex I | Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate-related transition risks: Alignment metrics | Commission Delegated Regulation (EU) 2020/1818, Article 6 | | See our GHG emission reduction targets: section 2.5.1 'Our approach to avoiding or reducing emissions in our operations' |
| ESRS E1-5 Total energy consumption from renewable sources, broken down by source (only sectors with significant climate impact), paragraph 38 | Indicator No. 5 of Table 1 and Indicator No. 5 of Table 2 of Annex I | | | | N/A, PGGM is not active in sectors with a significant climate impact. |
| ESRS E1-5 Energy consumption and energy mix, paragraph 37 | Indicator No. 5 of Table 1 of Annex I | | | | See our energy consumption and energy mix: section 2.5.4 'Our approach to sustainable utility use' |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS E1-5 Energy intensity of activities in sectors with significant climate impact, paragraph 40(d) iv | Indicator No. 6 of Table 1 of Annex I | | | | N/A, PGGM is active as a pension administrator in the financial sector, which is not considered a sector with significant climate impact. |
| ESRS E1-6 Gross scope 1, 2 and 3 GHG emissions, paragraph 44 | Indicators No. 1 and No. 2 of Table 1 of Annex I | Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate-related transition risks: Credit quality exposures per sector, emissions and remaining maturity | Commission Delegated Regulation (EU) 2020/1818, Article 5 (1), Article 6 and Article 8 (1) | | See our gross scope 1, 2 and 3 GHG emissions: section 2.5.1 'Our approach to avoiding or reducing emissions in our operations' |
| ESRS E1-6 GHG emission intensity, paragraphs 53 to 55 | Indicator No. 3 of Table 1 of Annex I | Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate-related transition risks: Alignment metrics | Commission Delegated Regulation (EU) 2020/1818, Article 8 (1) | | As we focus on the absolute reduction of greenhouse gas emissions and do not use intensity metrics as a standard, we do not report on this indicator. |
| ESRS E1-7 GHG removals and carbon credits, paragraph 56 | | | | Regulation (EU) 2021 /1119, Article 2 (1) | See our compensation for $CO_2$-equivalent emissions through carbon credits: section 2.5.1 'Our approach to avoiding or reducing emissions in our operations' |
| ESRS E1-9 Exposure of benchmark portfolio to physical climate risks, paragraph 66 | | | Commission Delegated Regulation (EU) 2020/1818, Annex II; Commission Delegated Regulation (EU) 2020/1816, Annex II | | A phase-in period applies to ESRS E1-9, which we make use of. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS E1-9 Breakdown of cash exposures to acute and chronic physical climate risks, paragraph 66(a) | | Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 46 and 47; Template 5: Banking book – Climate-related physical risk: Non-financial exposures subject to physical risk | | | A phase-in period applies to ESRS E1-9, which we make use of. |
| ESRS E1-9 Location of significant assets exposed to material physical climate risks, paragraph 66(c) | | Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 46 and 47; Template 5: Banking book – Climate-related physical risk: Non-financial exposures subject to physical risk | | | A phase-in period applies to ESRS E1-9, which we make use of. |
| ESRS E1-9 Breakdown of the carrying amount of real estate collateral by energy efficiency class, paragraph 67(c) | | Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate-related transition risks: Loans secured by real estate collateral – Energy efficiency of the collateral | | | A phase-in period applies to ESRS E1-9, which we make use of. |
| ESRS E1-9 Extent to which the portfolio is exposed to climate-related opportunities, paragraph 69 | | | Commission Delegated Regulation (EU) 2020/1818, Annex II | | A phase-in period applies to ESRS E1-9, which we make use of. |
| ESRS E2-4 Quantity of emissions to air, water and soil for each pollutant referred to in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register), paragraph 28 | Indicator No. 8 of Table 1 of Annex I; Indicator No. 2 of Table 1 of Annex I; Indicator No. 1 of Table 2 of Annex I; Indicator No. 3 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. See section 2.4 Double materiality analysis for further explanation on the determination of our material topics. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS E3-1 – Water and marine resources, paragraph | Indicator no. 7 of Table 2, Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E3-1 Specific policy, paragraph 13 | Indicator No. 8 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E3-1 Sustainable oceans and seas, paragraph 14 | Indicator No. 12 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E3-4 Total volume of recycled and reused water, paragraph 28(c) | Indicator No. 6.2 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E3-4 Total water consumption in m³ per net revenue from own operations, paragraph 29 | Indicator No. 6.1 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS 2 – SBM 3 – E4, paragraph 16(a)(i) | Indicator No. 7 of Table 1 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS 2 – SBM 3 – E4, paragraph 16(b) | Indicator No. 10 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS 2 – SBM 3 – E4, paragraph 16(c) | Indicator No. 14 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E4-2 Practices or policies for sustainable soil/ farming management, paragraph 24(b) | Indicator No. 11 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E4-2 Practices or policies for sustainable ocean/sea management, paragraph 24(c) | Indicator No. 12 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E4-2 Deforestation policy, paragraph 24(d) | Indicator No. 15 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS E5-5 Non-recycled waste, paragraph 37(d) | Indicator No. 13 of Table 2 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS E5-5 Hazardous and radioactive waste, paragraph 39 | Indicator No. 9 of Table 1 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS 2 – SBM 3 – S1 Risk of forced labour incidents, paragraph 14(f) | Indicator No. 13 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS 2 – SBM 3 – S1 Risk of child labour incidents, paragraph 14(g) | Indicator No. 12 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S1-1 Commitments on human rights policies, paragraph 20 | Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I | | | | Our policy is partly aligned with international standards such as the UNGPs and the fundamental ILO conventions. At present, we do not have a formal policy on human rights commitments. |
| ESRS S1-1 Due diligence policy on issues covered by fundamental ILO conventions 1 to 8, paragraph 21 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Our policy is partly aligned with international standards such as the UNGPs and the fundamental ILO conventions. While we do not have a specific due diligence policy, we do safeguard labour rights through various mechanisms. See also: sections 2.8.1 to 2.8.3. |
| ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22 | Indicator No. 11 of Table 3 of Annex I | | | | PGGM operates in a sector where human trafficking is not considered likely. We only employ traceable workers and apply strict screening procedures (such as passport and diploma checks). |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS S1-1 Management system policy to prevent work-related injuries, paragraph 23 | Indicator No. 1 of Table 3 of Annex I | | | | See the description of the PGGM Integral Health and Safety Policy: section 2.8.3 'Our approach to (social) safety in the workplace'. |
| ESRS S1-3 Grievance mechanisms, paragraph 32(c) | Indicator No. 5 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S1-14 Number of fatalities and number and rate of work-related injuries, paragraph 88(b) and (c) | Indicator No. 2 of Table 3 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88(e) | Indicator No. 3 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a) | Indicator No. 12 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | See the unadjusted gender pay gap: section 2.8.2 'How we promote diversity, equity and inclusion'. |
| ESRS S1-16 Ratio of CEO pay to median pay, paragraph 97(b) | Indicator No. 8 of Table 3 of Annex I | | | | See the ratio of highest salary to median: section 2.8.2 'How we promote diversity, equity and inclusion'. |
| ESRS S1-17 Cases of discrimination, paragraph 103(a) | Indicator No. 7 of Table 3 of Annex I | | | | See the number of discrimination cases: section 2.8.3 'Our approach to (social) safety in the workplace'. |
| ESRS S1-17 Non-compliance with the UNGPs on Business and Human Rights and OECD Guidelines, paragraph 104(a) | Indicator No. 10 of Table 1 and Indicator No. 14 of Table 3 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818, Article 12 (1) | | No serious human rights incidents involving our staff have been identified. See section 2.8.3 'Our approach to (social) safety in the workplace'. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS 2 – SBM 3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b) | Indicators No. 12 and 13 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S2-1 Commitments on human rights policy, paragraph 17 | Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S2-1 Policy on workers in the value chain, paragraph 18 | Indicators No. 11 and 4 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S2-1 Non-compliance with the UNGPs on Business and Human Rights and OECD Guidelines, paragraph 19 | Indicator No. 10 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818, Article 12 (1) | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S2-1 Due diligence policy on issues covered by fundamental ILO conventions 1 to 8, paragraph 19 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S2-4 Human rights issues and incidents in upstream and downstream value chains, paragraph 36 | Indicator No. 14 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S3-1 Commitments on human rights policy, paragraph 16 | Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S3-1 Non-compliance with the UNGPs on Business and Human Rights, ILO principles and OECD Guidelines, paragraph 17 | Indicator No. 10 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818, Article 12 (1) | | This disclosure is not considered material based on our materiality assessment. |
| ESRS S3-4 Human rights issues and incidents, paragraph 36 | Indicator No. 14 of Table 3 of Annex I | | | | This disclosure is not considered material based on our materiality assessment. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS S4-1 Policy on consumers and end users, paragraph 16 | Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I | | | | PGGM has not yet made specific human rights commitments for the four themes we follow under ESRS S4: cost-efficient pensions, understandable pensions, vitality in the health and welfare sector, and data security, data quality and data privacy. |
| ESRS S4-1 Non-compliance with the UNGPs on Business and Human Rights and OECD Guidelines, paragraph 17 | Indicator No. 10 of Table 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818, Article 12 (1) | | Our current policy is not yet aligned with internationally recognised standards for the four themes we follow under ESRS S4: cost-efficient pensions, understandable pensions, vitality in the health and welfare sector, and data security, data quality and data privacy. |
| ESRS S4-4 Human rights issues and incidents, paragraph 35 | Indicator No. 14 of Table 3 of Annex I | | | | To our knowledge, no human rights issues or incidents have occurred in relation to the four themes we follow under ESRS S4: cost-efficient pensions, understandable pensions, vitality in the health and welfare sector, and data security, data quality and data privacy. |
| ESRS G1-1 UN Convention against Corruption, paragraph 10(b) | Indicator No. 15 of Table 3 of Annex I | | | | PGGM does not yet have an anti-corruption policy aligned with the UN Convention against Corruption. See: section 2.10.3 'How we address bribery and personal gain'. |
| ESRS G1-1 Whistleblower protection, paragraph 10(d) | Indicator No. 6 of Table 3 of Annex I | | | | PGGM has a whistleblower policy in place. See: section 2.10.3 'How we address bribery and personal gain'. |

| Reporting requirement and related datapoint | SFDR reference[1] | Pillar 3[2] reference | Benchmark Regulation reference[3] | EU Climate Law reference[4] | Reference in the sustainability statement |
|---|---|---|---|---|---|
| ESRS G1-4 Fines for violations of anti-corruption and bribery laws, paragraph 24(a) | Indicator No. 17 of Table 3 of Annex I | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | No incidents of corruption or bribery occurred within PGGM in 2024. See: section 2.10.3 'How we address bribery and personal gain'. |
| ESRS G1-4 Anti-corruption and anti-bribery standards, paragraph 24(b) | Indicator No. 16 of Table 3 of Annex I | | | | See our procedures and standards on anti-corruption and anti-bribery: section 2.10.3 'How we address bribery and personal gain'. |

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability₂related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation – SFDR) (OJ L 317, 9.12.2019, p. 1).

(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation – CRR) (OJ L 176, 27.6.2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Benchmark Regulation) (OJ L 171, 29.6.2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 9.7.2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

### Note 6: ESRS reference table

| Disclosure Requirement | Topic | Reference in the Sustainability Report |
|---|---|---|
| **ESRS 2 - General explanations** | | |
| **BP-1** | General basis for preparing sustainability statements<br><br>We have not made use of the option to omit specific information elements that constitute intellectual property, know-how or the results of innovation. | 2.1.1 Scope of this sustainability statement<br><br>We have not made use of the option to omit specific information elements that constitute intellectual property, know-how or the results of innovation. |
| **BP-2** | Reporting on specific circumstances<br><br>We have not included a paragraph on prior period errors as these are not applicable. | 2.1.3 Reporting policies<br><br>We have not included a paragraph on errors in previous reporting periods, as such reporting errors are not applicable. |
| **GOV-1** | The role of the administrative, management and supervisory bodies | 2.3.1 The role of the administrative, management and supervisory bodies |
| **GOV-2** | Information provided to and handling of sustainability matters by the undertaking's administrative, management and supervisory bodies | 2.3.2 Information and handling of sustainability matters |
| **GOV-3** | Integration of sustainability performance in incentive schemes | 2.3.3 Remuneration structure related to sustainability performance |
| **GOV-4** | Due diligence statement | 2.3.4 Due diligence statement |
| | a. Integration of due diligence into governance, strategy and business model | 2.3.4 Due diligence statement |
| | b. Engagement with affected stakeholders in all significant due diligence steps | 2.3.4 Due diligence statement |
| | c. Identification and assessment of actual or potential negative impacts | 2.3.4 Due diligence statement |
| | d. Actions taken to address actual or potential negative impacts | 2.3.4 Due diligence statement |
| | e. Monitoring the effectiveness of actions and communicating on them | 2.3.4 Due diligence statement |
| **GOV-5** | Risk management and internal controls over the sustainability reporting process | 2.3.5 Risk management and internal controls over sustainability reporting |
| **SBM-1** | Strategy, business model and value chain | 2.2.1 Description of the sustainability strategy and 2.2.2 Business model and value chains |
| **SBM-2** | Stakeholders' interests and views | 2.2.3 Stakeholders' interests and views |
| **SBM-3** | Material impacts, risks and opportunities and their interaction with the strategy and business model | 2.4.4 Material impacts, risks and opportunities and their interaction with the strategy and business model |
| **IRO-1** | Description of processes to identify and assess material impacts, risks and opportunities | 2.4.1 DMA process steps, 2.4.2 Stakeholder engagement in the DMA, and 2.4.3 Review in 2024 |
| **IRO-2** | Disclosure requirements in ESRS covered in the sustainability statement | Note 6: ESRS reference table |
| **MDR-P** | Policies adopted to manage material sustainability matters | We describe our policies for each impact, risk and opportunity under the 'Policy' heading in thematic sections 2.5 through 2.11.<br><br>See also Note 2 in Chapter 2.12 for governance and stakeholders involved in our policy. |

| Disclosure Requirement | Topic | Reference in the Sustainability Report |
|---|---|---|
| **General explanations** | | |
| **MDR – A** | Actions and resources in relation to material sustainability matters | We describe the actions and resources in the sub-sections of thematic sections 2.5 to 2.11, per impact, risk and opportunity, under the headings ‘What did we do in 2024?’ and ‘What are our plans for 2025 and beyond?’. |
| **MDR – M** | Metrics for material sustainability matters | We describe the metrics in the sub-sections of thematic sections 2.5 to 2.11, per impact, risk and opportunity, under the heading ‘What did we do in 2024?’. See also Note 3 in section 2.12 for the definitions, methodologies and validation applied per metric. |
| **MDR – T** | Monitoring the effectiveness of policies and actions through targets | We describe the effectiveness of our policies and actions through targets in the sub-sections of thematic sections 2.5 to 2.11, per impact, risk and opportunity, under the heading ‘What did we do in 2024?’. |

| Climate impact and energy transition | | |
|---|---|---|
| **ESRS E1 – Climate change** | | |
| **E1-1** | Transition plan for climate change mitigation | In Section 2.5.1, we describe that in 2024 we initiated the development of $CO_2$ reduction plans. In future annual reports, we will provide further detail on our transition plan. |
| **E1-2** | Policy on climate change mitigation and adaptation | Climate change mitigation, under the heading *Policy*: Section 2.5.1 ‘Our approach to preventing or reducing emissions in operations’<br><br>Climate change adaptation, under the heading *Policy*: Section 2.5.2 ‘What we do to mitigate the effects of climate change’<br><br>See also Note 2 in Chapter 2.12 for governance and stakeholder involvement in our policy. |
| **E1-3** | Actions and resources related to the climate policy | Described under the headings *What did we do in 2024?* and *What are our plans for 2025 and beyond?* in:<br>– Section 2.5.1 ‘Our approach to preventing or reducing emissions in operations’<br>– Section 2.5.2 ‘What we do to mitigate the effects of climate change’<br>– Section 2.5.3 ‘How we anticipate changing legislation’<br>– Section 2.5.4 ‘Our approach to a sustainable use of utilities’ |
| **E1-4** | Targets for climate change mitigation and adaptation | Reflections on our mitigation targets are included under *What did we do in 2024?*: Section 2.5.1<br><br>Reflections on our adaptation targets are included under *What did we do in 2024?*: Section 2.5.2 |

| Climate impact and energy transition | | |
|---|---|---|
| **ESRS E1 – Climate change** | | |
| **E1-5** | Energy consumption and energy mix | See table under *What did we do in 2024?* in Section 2.5.4 ‘Our approach to a sustainable use of utilities’<br><br>See also Note 3 in Chapter 2.12 for definitions, methodologies and validation per metric. |
| **E1-6** | Gross scope 1, 2 and 3 greenhouse gas emissions and total GHG emissions | See table under *What did we do in 2024?* in Section 2.5.1 ‘Our approach to preventing or reducing emissions in operations’<br><br>See also Note 3 in Chapter 2.12 for definitions, methodologies and validation per metric. |
| **E1-7** | GHG removals and carbon credits | See table under *What did we do in 2024?* in Section 2.5.1 ‘Our approach to preventing or reducing emissions in operations’<br><br>See also Note 3 in Chapter 2.12 for definitions, methodologies and validation per metric. |
| **E1-8** | Internal carbon pricing | Not applicable – PGGM does not apply internal carbon pricing. |
| **E1-9** | Anticipated financial effects from material physical and transition risks and climate-related opportunities | ESRS E1-9 is subject to a phase-in period, which we apply. |

**ESRS E2 to E5 are considered not material based on our double materiality assessment.**

| Attractive employment | | |
|---|---|---|
| **ESRS S1 - Own workforce** | | |
| **S1-1** | Policy in relation to own workforce | We describe our policy under the heading 'Policy' in the following sections:<br>- 2.8.1 Our approach to creating an attractive working environment<br>- 2.8.2 How we promote diversity, equity and inclusion<br>- 2.8.3 Our approach to (social) safety in the workplace<br><br>See also Note 2 in Chapter 2.12 for the governance and the stakeholders involved in our policy. |
| **S1-2** | Processes to engage with own workforce and workers’ representatives on impacts | We describe our processes to engage with staff and workers’ representatives on impacts under the heading 'Policy' in the following sections:<br>- 2.8.1 Our approach to creating an attractive working environment<br>- 2.8.2 How we promote diversity, equity and inclusion<br>- 2.8.3 Our approach to (social) safety in the workplace<br><br>See also Note 2 in Chapter 2.12 for the governance and the stakeholders involved in our policy. |
| **S1-3** | Processes for remediation of negative impacts and channels for own workers to raise concerns | We describe our processes for the remediation of negative impacts and channels to raise concerns under the headings 'What did we do in 2024?' and 'What are our plans for 2025 and beyond?' in section 2.8.3 Our approach to (social) safety in the workplace. |

| Attractive employment | | |
|---|---|---|
| **ESRS S1 - Own workforce** | | |
| **S1-4** | Processes for remediation of negative impacts and channels for own workers to raise concerns<br>Taking action on material impacts on own workers, and approaches regarding material risks and opportunities concerning own workers, and the effectiveness of those actions | We describe (the effectiveness of) our actions under the headings 'What did we do in 2024?' and 'What are our plans for 2025 and beyond?' in the sections:<br>- 2.8.1 Our approach to an attractive working environment<br>- 2.8.2 How we promote diversity, equity and inclusion<br>- 2.8.3 Our approach to (social) safety in the workplace |
| **S1-5** | Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks related to own workers | We reflect on our targets under the heading 'What did we do in 2024?' in the sections:<br>- 2.8.1 Our approach to an attractive working environment<br>- 2.8.2 How we promote diversity, equity and inclusion<br>- 2.8.3 Our approach to (social) safety in the workplace |
| **S1-6** | Characteristics of the undertaking's employees | See under the heading 'What we did in 2024?' in section 2.8.2 How we promote diversity, equity and inclusion.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |
| **S1-8** | Collective bargaining coverage and social dialogue | See under the heading 'What we did in 2024?' in section 2.8.1 Our approach to creating an attractive working environment.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |
| **S1-9** | Diversity metrics | See under the heading 'What we did in 2024?' in section 2.8.2 How we promote diversity, equity and inclusion.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |
| **S1-10** | Adequate wages | This disclosure is considered non-material based on our materiality assessment. All employees are covered by Dutch legislation and receive at least the statutory minimum wage. |
| **S1-11** | Social protection | This disclosure is considered non-material based on our materiality assessment. All employees are covered by Dutch legislation and are therefore entitled to social protection in case of major life events such as illness, incapacity for work and unemployment. |
| **S1-12** | Persons with disabilities | See under the heading 'What we did in 2024?' in section 2.8.2 How we promote diversity, equity and inclusion.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |

| Attractive employment | | |
|---|---|---|
| **ESRS S1 - Own workforce** | | |
| **S1-13** | Metrics for skills training and development | This disclosure is not considered material based on our materiality analysis. We do not observe exceptional or significant impact, nor do we identify risks. Our employees have free access to training and skills development, which is common practice in the sector. |
| **S1-14** | Occupational health and safety metrics | This disclosure is not considered material based on our materiality analysis. We are subject to Dutch legislation and operate in a sector where workplace incidents are uncommon. We have no relevant incidents to report and comply with applicable health and safety standards. |
| **S1-15** | Metrics for work-life balance | See under the heading 'What we did in 2024?' in section 2.8.1 Our approach to creating an attractive working environment. |
| **S1-16** | Compensation metrics (pay gap and total remuneration) | See under the heading 'What we did in 2024?' in section 2.8.2 How we promote diversity, equity and inclusion.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |
| **S1-17** | Incidents, complaints and severe human rights impacts | See under the heading 'What we did in 2024?' in section 2.8.3 Our approach to (social) safety in the workplace.<br><br>See also Note 3 in chapter 2.12 for definitions, methodologies and validation per metric. |

**ESRS S2 and S3 are considered not material based on our double materiality assessment.**

| Cost-effective pensions | | |
|---|---|---|
| **ESRS S4 – Consumers and end users** | | |
| **S4-1** | Policy regarding consumers and end-users | We describe our policy under the heading 'Policy' in paragraph 2.6.1 Our approach to cost-effective pension administration.<br><br>See also Note 2 in Section 2.12 for the governance and the stakeholders involved in our policy. |
| **S4-2** | Processes to engage with consumers and end-users regarding impacts | We describe the processes to engage with participants under the heading 'Policy' in paragraph 2.6.1 Our approach to cost-effective pension administration.<br><br>See also Note 2 in Section 2.12 for the governance and the stakeholders involved in our policy. |
| **S4-3** | Processes for remediating negative impacts and channels to raise concerns for consumers and end-users | We describe our processes for remediating negative impacts and channels to raise concerns under the headings 'What we did in 2024' and 'What are our plans for 2025 and beyond?' in section 2.6.1 Our approach to cost-effective pension administration. |
| **S4-4** | Taking action on material impacts on consumers and/or end-users and approaches for managing material risks and seizing material opportunities related to consumers and end-users, and the effectiveness of those actions | We describe (the effectiveness of) our actions under the headings 'What we did in 2024' and 'What are our plans for 2025 and beyond?' in section 2.6.1 Our approach to cost-effective pension administration. |
| **S4-5** | Targets related to reducing material negative impacts, advancing positive impacts and managing material risks and opportunities | We reflect on our targets under the heading 'What we did in 2024?' in section 2.6.1 Our approach to cost-effective pension administration. |

| A comprehensible pension | | |
| --- | --- | --- |
| **ESRS S4 – Consumers and end-users** | | |
| **S4-1** | Policy on consumers and end-users | We describe our policy under the heading ‘Policy’ in the following paragraphs:<br>- 2.7.1 Our approach to increasing financial awareness<br>- 2.7.2 How we communicate clearly about the new pension scheme<br>- 2.7.3 What we do to reduce unawareness about the pension product<br><br>See also Note 2 in Chapter 2.12 for governance and the involvement of stakeholders in our policy. |
| **S4-2** | Processes to engage with consumers and end-users regarding impacts | We describe the processes for consulting with participants under the heading ‘Policy’ in the following paragraphs:<br>- 2.7.1 Our approach to increasing financial awareness<br>- 2.7.2 How we communicate clearly about the new pension scheme<br>- 2.7.3 What we do to reduce unawareness about the pension product<br><br>See also Note 2 in Chapter 2.12 for governance and the involvement of stakeholders in our policy. |
| **S4-3** | Processes to remediate negative impacts and channels for raising concerns by consumers and end-users | We describe our processes for addressing negative impacts and for raising concerns under the headings ‘What we did in 2024’ and ‘What are our plans for 2025 and beyond?’ in the following paragraphs:<br>- 2.7.1 Our approach to increasing financial awareness<br>- 2.7.2 How we communicate clearly about the new pension scheme<br>- 2.7.3 What we do to reduce unawareness about the pension product |
| **S4-4** | Taking action on material impacts on consumers and/or end-users and approaches to manage material risks and seize opportunities, including effectiveness of actions | We describe (the effectiveness of) our measures under the headings ‘What we did in 2024’ and ‘What are our plans for 2025 and beyond?’ in the following paragraphs:<br>- 2.7.1 Our approach to increasing financial awareness<br>- 2.7.2 How we communicate clearly about the new pension scheme<br>- 2.7.3 What we do to reduce unawareness about the pension product |
| **S4-5** | Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities | We reflect on our objectives under the heading ‘What we did in 2024’ in the following paragraphs:<br>- 2.7.1 Our approach to increasing financial awareness<br>- 2.7.2 How we communicate clearly about the new pension scheme<br>- 2.7.3 What we do to reduce unawareness about the pension product |

| Vitality in the health and welfare sector | | |
|---|---|---|
| **ESRS S4 – Consumers and end users** | | |
| **S4-1** | Policy regarding consumers and end users | Our policy is described under the heading 'Policy' in the following sections:<br>- 2.9.1 Our approach to a more vital health and welfare sector<br>- 2.9.2 How we prevent or reduce misinterpretation of data<br><br>See also explanation 2 in section 2.12 for governance and the stakeholders involved in our policy |
| **S4-2** | Processes to engage with consumers and end-users on impacts | The processes for engaging with participants are described under the heading 'Policy' in the following sections:<br>- 2.9.1 Our approach to a more vital health and welfare sector<br>- 2.9.2 How we prevent or reduce misinterpretation of data<br><br>See also explanation 2 in section 2.12 for governance and the stakeholders involved in our policy. |
| **S4-3** | Processes for remediation of negative impacts and channels for consumers and end-users to raise concerns | Our processes for remediating negative impacts and channels for raising concerns are described under the headings 'What we did in 2024' and 'Our plans for 2025 and beyond' in the following sections:<br>- 2.9.1 Our approach to a more vital health and welfare sector<br>- 2.9.2 How we prevent or reduce misinterpretation of data |
| **S4-4** | Actions on material impacts on consumers and/or end-users and approaches to manage material risks and opportunities related to consumers and end-users, and the effectiveness of those actions | The (effectiveness of) our actions are described under the headings 'What we did in 2024' and 'Our plans for 2025 and beyond' in the following sections:<br>- 2.9.1 Our approach to a more vital health and welfare sector<br>- 2.9.2 How we prevent or reduce misinterpretation of data |
| **S4-5** | Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities | We reflect on our targets under the heading 'What we did in 2024' in the following sections:<br>- 2.9.1 Our approach to a more vital health and welfare sector<br>- 2.9.2 How we prevent or reduce misinterpretation of data |

| Ethical, integrity-driven and responsible business conduct | | |
|---|---|---|
| **ESRS G1 – Business conduct** | | |
| **G1-1** | Policies on business conduct and corporate culture | We describe our policies under the heading 'Policy' in the following sections:<br>- 2.10.1 How we proactively respond to changing or new legislation and regulation<br>- 2.10.2 Our approach to ethical, integrity-driven and responsible business conduct by outsourcing partners<br>- 2.10.3 How we prevent bribery and personal gain<br><br>See also Note 2 in section 2.12 on governance and the stakeholders involved in our policy. |
| **G1-2** | Management of relationships with suppliers | This disclosure requirement concerns fair dealings with suppliers, i.e. the impact we have on our suppliers. Based on our materiality analysis, this disclosure is not considered material. However, we have identified a specific risk where the integrity or quality of service may be compromised by unethical, non-integrity-driven or irresponsible conduct by outsourcing partners. |
| **G1-3** | Prevention and detection of corruption or bribery | We describe our policies and (future) actions under the headings 'What we did in 2024?' and 'What are our plans for 2025 and beyond?' in section 2.10.3 How we prevent bribery and personal gain.<br><br>See also Note 2 in section 2.12 on governance and the stakeholders involved in our policy.<br><br>See also Note 3 in section 2.12 on definitions used, methodologies and validation per metric. |
| **G1-4** | Incidents of corruption or bribery | In 2024, we did not identify any incidents of corruption or bribery. See paragraph 2.10.3 How we prevent bribery and personal gain. |
| **G1-5** | Political influence and lobbying activities | Based on our materiality analysis, this disclosure is not considered material. As a pension administrator, PGGM represents its clients in public debates on pension-related topics such as the Dutch Future Pensions Act (Wtp) and mandatory participation. This takes place primarily via industry associations and in cooperation with other lobbying parties, within a highly regulated environment. As such, PGGM's influence is limited. |
| **G1-6** | Payment practices | Based on our materiality analysis, this disclosure is not considered material. PGGM generally pays well within the agreed payment terms. Payments exceeding the agreed term are negligible. |

| Data security, data quality and data privacy | | |
|---|---|---|
| **ESRS S4 – Consumers and end users** | | |
| **S4-1** | Policy on consumers and end-users | We describe our policy under the heading 'Policy' in the following sections:<br>- 2.11.1 How we ensure data privacy for employees and participants<br>- 2.11.2 How we ensure data security and market-sensitive information<br>- 2.11.3 Our approach to high-quality data<br><br>See also Explanation 2 in Chapter 2.12 for governance and the stakeholders involved in our policy. |
| **S4-2** | Processes to engage with consumers and end-users regarding impacts | We describe the processes to engage with participants under the heading 'Policy' in the following sections:<br>- 2.11.1 How we ensure data privacy for employees and participants<br>- 2.11.2 How we ensure data security and market-sensitive information<br>- 2.11.3 Our approach to high-quality data<br><br>See also Explanation 2 in Chapter 2.12 for governance and the stakeholders involved in our policy. |
| **S4-3** | Remediation processes and grievance channels for consumers and end-users | We describe our remediation processes and grievance channels under the headings 'What did we do in 2024?' and 'What are our plans for 2025 and beyond?' in the following sections:<br>- 2.11.1 How we ensure data privacy for employees and participants<br>- 2.11.2 How we ensure data security and market-sensitive information<br>- 2.11.3 Our approach to high-quality data |
| **S4-4** | Actions taken and effectiveness of measures related to material impacts, risks, and opportunities concerning consumers and/or end-users | We describe (the effectiveness of) our measures under the headings 'What did we do in 2024?' and 'What are our plans for 2025 and beyond?' in the following sections:<br>- 2.11.1 How we ensure data privacy for employees and participants<br>- 2.11.2 How we ensure data security and market-sensitive information<br>- 2.11.3 Our approach to high-quality data |
| **S4-5** | Targets related to the management of material negative impacts, promotion of positive impacts and management of material risks and opportunities | We reflect on our targets under the heading 'What did we do in 2024?' in the following sections:<br>- 2.11.1 How we ensure data privacy for employees and participants<br>- 2.11.2 How we ensure data security and market-sensitive information<br>- 2.11.3 Our approach to high-quality data |