Annual Report PGGM Vermogensbeheer B.V.

2024

PGGM

Message from the Board

In 2024, we at PGGM Vermogensbeheer B.V. (PGGM Investments) maintained our high investment standards while transitioning to a new investment process designed to be more flexible, scalable and efficient. This transformation is a key step towards achieving our joint 2030 strategy with PFZW - achieving strong financial results while creating long-term value for participants. We do this by shifting to a 3D approach, integrating sustainability alongside risk and return in investment decisions.

Executing our joint strategy

Last year marked the beginning of executing our joint strategy, with significant progress in restructuring our investment approach. Together with PFZW, we redesigned the investment process to enhance flexibility, speed, scalability, and reduce lead times in investment development, implementation, management, and evaluation. Implementation will take place in 2025.

We are moving towards a structure where we work exclusively for PFZW. A major milestone was the shift to exclusively managing public market investments for PFZW as of 2024. We have several other pension funds as participants in two private market funds. This single client approach allows us to effectively focus on implementing 3D investing while also streamlining reporting and operational tasks.

Throughout 2024, we flawlessly executed our regular investment activities, ensuring controlled management of our clients' assets without any significant incidents. Total assets under management increased from €240.2 billion to €261.0 billion in 2024 and the total portfolio return over 2024 was +7.7%.

Transitioning to a 3D organisation

The transition to a 3D investment organisation impacts not only our investment model but also governance, operations, and people. To implement this shift, we developed a new organisational model for the Investment Management chain, enabling our organisation to support a 3D Total Portfolio investment approach.

At the same time, we strengthened our IT, data, and analytics capabilities in 2024, scaling their use across Investment Management. We also placed significant emphasis on defining the culture, competencies, and working methods needed to ensure the success of this transformation.

Future-proofing our organisation

To become the best 3D investor for PFZW, we are creating a more agile organisation, optimising processes, and investing in high-performing teams. Diversity, equity[1] and inclusion remain key priorities, and in 2024, we took meaningful steps to embed these values further. This included hiring more international colleagues and transitioning to English as our primary working language to foster a more inclusive environment.

[1]Equity in the DEI context means that systems and structures are adapted so that all individuals, regardless their background or circumstances, have fair opportunities and support to be successful.

New pension scheme

We aim to be ready for the transition to the new pension scheme well before the deadline set by the government. The implementation of the solidarity premium scheme requires multiple adjustments to the way we organise our investment portfolio, for example how we administrate for-and report to the individual participants. Progress of the project in 2024 was in line with our planning.

Regulatory developments

The Digital Operational Resilience Act (DORA), which came into effect in January 2025, required us to prepare within PGGM Investments and PGGM N.V. to align our outsourced IT activities with the requirements of this new law. Regulatory developments such as DORA and CSRD require extensive preparation. We have taken most steps ensure compliance while improving our data capabilities and reporting processes.

Financial Stability

Investing in IT, data, analytics platforms and talent is essential for our 3D transition. While revenues increased in 2024, so did expenses, within our budget. Nevertheless, we remained financially stable, with results after tax in line with expectations.

[1]Equity in the DEI context means that systems and structures are adapted so that all individuals, regardless their background or circumstances, have fair opportunities and support to be successful.

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Chapter 1: Organisation

We are PGGM Investments

By the end of 2024, PGGM Investments managed a total of €260 billion in assets. We invest these collective pension assets to achieve strong financial results while creating long-term value for participants.

1.1 PGGM Investments as a company

As an investment manager, we invest mainly for PFZW, the pension fund for Dutch healthcare workers. We have a few other pension funds as participants in two private market funds. This concerns a limited amount of assets.

We invest in a range of asset classes, including shares, bonds, private equity, infrastructure and real estate. The assets are managed by our own investment management teams and by external managers. The Investment Management organisation also includes Risk Management, Tax, Legal & Regulatory, and operational functions such as Investment Reporting. For more details on our group structure, AIFM license and statutory objectives, see Appendix 1.

PGGM Investments works with a wide range of suppliers to deliver its investment management services. Our main suppliers include custodians, brokers, external asset managers, clearing houses, banks, providers of financial and Sustainability data, legal and tax advisors, accountants and suppliers of specific IT systems used in asset management. For more information on PGGM and the investments, visit https://www.pggm.nl. We aim for the highest quality in our work to realise our joint Strategy 2030 with PFZW. That is why each asset class is managed by specialised investment teams at PGGM Investments. Nearly 57% of the value of the assets is managed by leading external managers worldwide. These managers have been selected, supervised, and monitored by our own specialists.

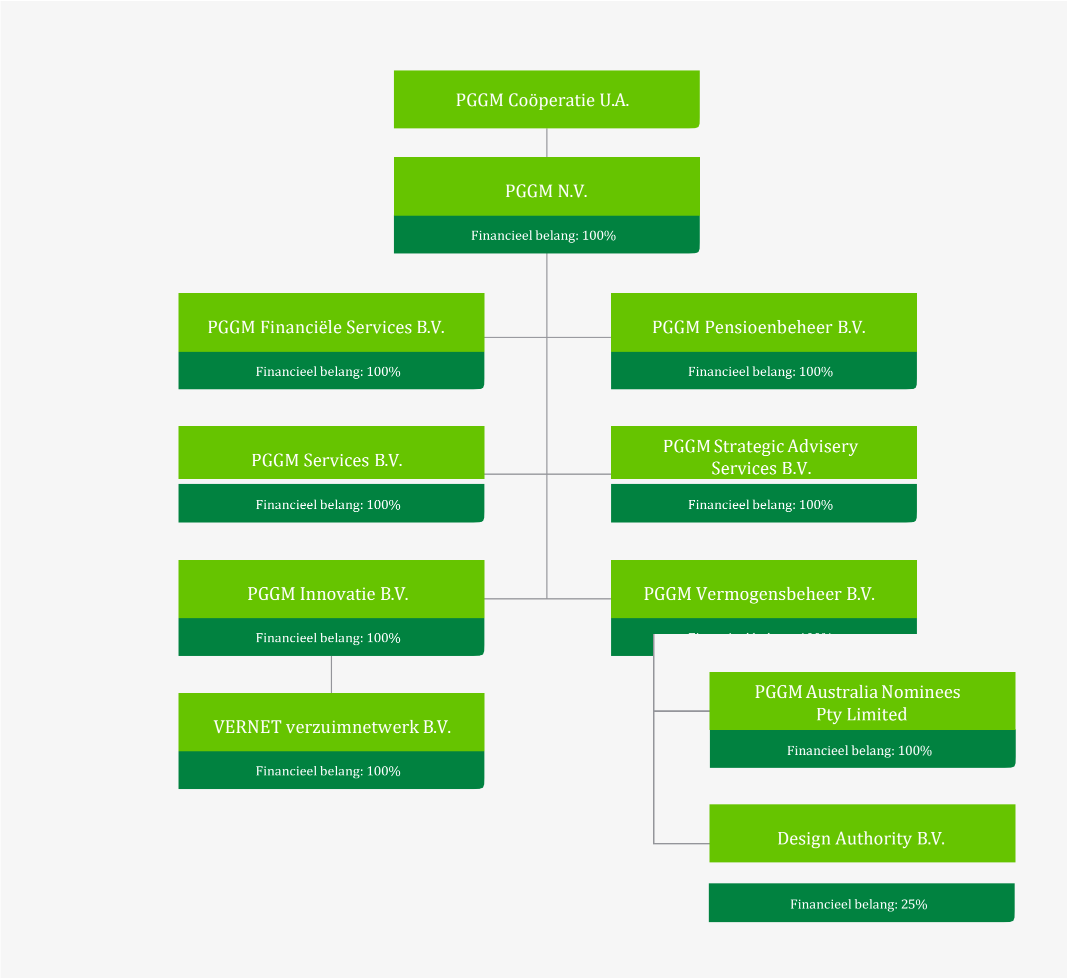
PGGM Investments		
Pension Fund[2]	**AUM per 31-12-2024 (in € billion)**	**AUM per 31-12-2023 (in € billion)**
PFZW	258,6	237,9
BPF Schilders	0,5	0,4
SPH	1,6	1,5
Smurfit Kappa pf	0,1	0,1
BPF Beveiliging	0,3	0,3

PGGM Investments manages 100% of the portfolio of PFZW. Additionally, we serve a few other clients with participations in two private market investment funds, PGGM Private Real Estate Fund and PGGM Infrastructure Fund.

[2]In 2024, PGGM Investments managed pension assets for five pension funds: Stichting Pensioenfonds Zorg en Welzijn (PFZW), Stichting Pensioenfonds voor Huisartsen (SPH), Stichting Bedrijfstakpensioenfonds voor het Schilders-, Afwerkings- en Glaszetbedrijf (BPF Schilders), Stichting Pensioenfonds Smurfit Kappa Nederland (Smurfit Kappa pf) and Stichting Bedrijfstakpensioenfonds voor de Particuliere Beveiliging (BPF Beveiliging).

Group structure

PGGM Investments (PGGM Vermogensbeheer B.V.) is part of a group led by PGGM Coöperatie U.A., which is registered and located in Zeist. All shares in PGGM Investments are owned by PGGM N.V., while all shares in PGGM N.V. are held by PGGM Coöperatie U.A. The company's annual accounts are included in the consolidated annual accounts of PGGM N.V. and PGGM Coöperatie U.A. both of which are available on the website of PGGM. The figure above shows the legal structure of PGGM Coöperatie U.A., PGGM N.V., its subsidiaries and other participating interests (PGGM group) as at 31 December 2024.



1.2 Our company strategy

Our mission

Our mission is to ensure that PGGM Investments is and remains the best 3D investor for PFZW.

Strategy 2030

In early 2023, PFZW and PGGM committed to a shared vision for 2030 and published new investment beliefs. Since then, PFZW and PGGM have been developing a new joint strategy.

The need for a new vision and strategy was driven by several factors:

- In the new pension policy participants will be more closely connected to the investment portfolio.
- Transitions, such as the energy transition, present financial risks and opportunities that are deeply intertwined with contributing to a better world.
- The demand for a transparent and sustainable portfolio, where full responsibility can be taken, grows stronger every day.
- Considering the social impact of the investments we make for our clients has become an increasingly important part of our fiduciary duty.
- Rapid digital transformation in asset management requires adaptation. This transformation also provides tools for a more effective investment process and a more efficient organisation.

Implementing this strategy requires changes across our organisation. We will implement a new investment model, reshape the portfolio with a total portfolio approach and integrate sustainability into investment decisions alongside risk and return. This shift to a 3D investment organisation aligns with our 2030 ambition: delivering strong financial results while creating long-term value for the participants. To support this transition, we will upgrade our operations, data, systems and tools. Additionally, we will invest in our people and change the way we work.

In the 3D investment approach, every investment decision is made based on the balance between return, risk and sustainability:

- Return: Achieving a net market return that equals or exceeds the market index
- Risk: Incorporating Sustainability risks to reduce absolute risk in the long term, should these risks materialise
- Sustainability: Enhancing the sustainability profile and making intentional, measurable impact investments

The sustainability dimension will consider both the positive and negative effects of ecological, social and governance (ESG) characteristics of the investment portfolio on the world. PFZW has set minimum sustainability requirements for the companies and sectors in which PGGM invests on behalf of PFZW. We will not invest in those that fail to meet these minimum standards. Through capital allocation, active ownership, and deliberate design of our investment universe, we aim to align our investment portfolio increasingly with the 17 United Nations Sustainable Development Goals (SDGs).

Additionally, PGGM and PFZW focus on aligning the investment portfolio with companies actively working towards net zero emissions by 2050, in line with the Paris Agreement.

Beyond making a positive contribution, PFZW has set impact goals in key areas: climate, people & health, and nature & biodiversity. Together with PFZW, PGGM Investments aims to increase the tangible impact of investments through impact investing. These investments are designed to generate financial returns while achieving measurable positive outcomes for people and the environment, aligned with PFZW’s goals.
To ensure the effectiveness and measurability of these impact investments, PGGM Investments applies the Theory of Change (ToC) framework. The ToC outlines how a company or organisation contributes to PFZW's impact goals, clarifying our role in driving this contribution. By using the ToC, PGGM Investments can eventually ensure that the impact we claim is measurable and directly linked to the actions of the companies we invest in.

As part of the 3D approach, PGGM and PFZW aim to account for every investment across all three dimensions. This requires continuous efforts to improve data availability and transparency, particularly in the sustainability dimension. Acknowledging the current limitations in data quality, the transition will focus initially on learning, monitoring, and gaining experience on specific sustainability themes, before introducing more stringent policies. The journey toward our 2030 ideal state will require caution, continuous learning, and adaptive strategies.

The implementation of this 3D strategy is a gradual process. In 2024 PGGM Investments contributed to redesigning and realigning processes and investment plans. Some new 3D portfolios have already been designed and are about to be implemented . Over the next several years, we will redesign all existing portfolios in line with the new strategy. As from now on investment plans will include sustainability assessments and parameters to construct and monitor these 3D investment portfolios. Crucial to this process is data, so investment and risk managers need to be able to manage the data platforms and integrate data into investment decision-making. The transition has just begun and will continue in the coming years.

To illustrate the new portfolios, we are setting up for the new investment strategy, we would like to describe two investment themes in more detail.

Climate and Energy Transition Investments

The PGGM Climate and Energy Transition portfolio (CETS) invests in opportunities that support the Energy Transition in Europe, with a focus on the Netherlands. PGGM Investments targets early-stage companies that can help reduce or remove CO2 from production processes. CETS bridges Infrastructure and Private Equity, combining direct and fund investments to maximize impact and share knowledge across teams.

In 2024, PGGM Investments made several key investments, including SCW, which develops technologies to gasify wet waste for green gas or hydrogen, capture CO2, and recycle metal waste. Another investment was in Rift, a Dutch start-up working on renewable iron fuel technology for emission-free heating. Additionally, we committed to two funds: Verdane, focusing on Energy Transition and Resource Efficiency in Northern Europe, and Altor, supporting Green Transition scale-ups.

NL Health Investments

The Dutch health and welfare sector faces increasing pressure, with healthcare costs expected to double by 2040. To address this, PGGM and PFZW focused on three key investment areas in 2024 to help maintain accessible, affordable, and high-quality healthcare:

1) New Technology: Investing in solutions like AI to reduce administrative tasks and enable workers to focus on care.
2) "Anders Organiseren": Buying health impact bonds to fund projects with governmental bodies and health insurers, promoting healthier communities rather than just treating illness.
3) Real Estate Financing: Investing in residential areas that support independent living within healthy communities.

These investments aim to create a sustainable, healthy Dutch society while reducing the burden on healthcare workers. We measure impact using the Quadruple Aim Model, focusing on health, costs, patient and client experience, and healthcare provider satisfaction. A key indicator is the number of FTEs (fulltime equivalents) that will be released by 2030 due to the solutions we invest in, making healthcare and welfare more accessible while maintaining or improving quality.

1.3 Investment returns 2024

PGGM manages the assets for PFZW (and our private market funds). Even though they report on their investment portfolios themselves, we provide a short overview of the market movements in 2024 and their impact on the different asset portfolios.

Throughout the year, various actions were taken to adjust the total private allocation downwards towards the desired target, which is under 30%. By 31 December, 2024, the total private allocation equalled 29.6%.

Total assets under management increased from €240.2 billion to €261.0[3] billion in 2024. Total portfolio return over 2024 was +7.7%, mainly driven by various equity investment categories. Public market equity markets were the best performing asset class, they contributed significantly to our portfolio return. All private asset categories ended the year with positive returns, although there were notable differences.
The Insurance mandate was the top performer within the private market assets, with a return of +24.7%. This mandate is not correlated with financial markets but is exposed to factors such as natural disasters. Credit risk sharing followed with a return of +14.9%, while Private equity had a return of +10%. Mortgages (+6.8%) and Private real estate (+3.2%) were the lowest performers within the private mandates.

Regarding the interest rate hedge mandate, PFZW's hedge percentage was increased by 12%, bringing it to 58% in 2024. The Interest Rate hedge consists of a mix of government bonds and interest rate swaps. The government bonds portfolio showed an absolute performance of -1,2% while the interest rate mandate had an absolute return of +8.6%. The rising dollar negatively impacted the currency hedge.

2024			
Asset Class	**AuM min**	**Return (%)**	**Return (C)**
Equity	€ 55.015	24,0%	€ 10.669
Private Equity	€ 22.759	10,0%	€ 2.083
Listed Real Estate	€ 14.084	8,5%	€ 1.106
Private Real Estate	€ 19.733	3,2%	€ 612
Infrastructure	€ 15.738	11,3%	€ 1.612
Insurance	8355	24,7%	€ 1.760
Credits	€ 27.412	10,6%	€ 2.438
Emerging Markets debt	€ 11.735	3,3%	€ 376
Credit Risk Sharing	€ 6.653	14,9%	€ 882
Mortgages	€ 5.238	6,8%	€ 312
State Bonds	€ 65.731	-1,2%	€ -687
Interest Rate hedge	€ 9.054	8,6%	€ 1.893
Currency hedge	€ -128		€ -4.527
Total	**€ 260.992**	**7,7%**	**€ 18.588**

[2]The Assets under Management of private market assets are provisional and based on valuations of the third quarter of 2024 plus cash flows of the fourth quarter of 2024.

Chapter 2: Our people

At PGGM Investments, our people are our greatest asset. We focus on creating an inspiring, innovative and inclusive work environment to attract, retain and develop talent, ensuring our employees feel valued and enjoy their work.

2.1 Our organisation in numbers

The people working for PGGM Investments are employed by PGGM N.V. Furthermore, we outsource the staff services to PGGM N.V., including Compliance, Internal Audit, Enterprise Risk Management, Finance, IT, and HR. The number of FTEs at PGGM Investments exceeds the headcount, as more people work over 36 hours a week (one FTE) than work part-time.

PGGM Investments - our people				
Total amount of people employed	**2024 Headcount**	**FTE**	**2023 Headcount**	**FTE**
PGGM Investments	530	552	501	521
Distribution by gender				
Male	394	74%	379	76%
Female	136	26%	122	24%
Total	**530**	**100%**	**501**	**100%**
Distribution by gender - management				
Male	31	72%	30	73%
Female	12	28%	11	27%
Totaal	**43**	**100%**	**41**	**100%**

Our management

In 2024 PGGM Investments was led by a five-member statutory board, the Board of Directors. Under the leadership of the Chief Investment Management, the Board shares collective responsibility for the organisation. Within this shared responsibility, each director has their own area of focus. Additionally, the leadership structure includes department- and team managers.

Board of Directors PGGM Investments	
Name	**Function**
Geraldine Leegwater	Chief Investment Management (chair)
Lars Dijkstra	Chief Investment Officer
Arjen Pasma	Chief Fiduciary Investments
Erik van de Brake	Chief Transformation Officer
Danny Slots	Chief Financial & Risk Officer Investment Management

2.2 Empowering our people during the transition

Our ambition to become the best 3D investor for PFZW by 2030 requires not only a transition in our investment process and in our investment portfolio but also in the way we work together. We have taken key initiatives and made further progress in 2024 to realise this transition.

We expect all employees to contribute to the results of PFZW's Total Portfolio, with targets set accordingly. Additionally, we strengthened our position as an organisation that balances financial and social returns for PFZW participants and society. We developed the Employee Value Proposition, advanced our internationalisation efforts, and aligned HR policies with our strategic direction. Furthermore, we continued to develop the leadership program, created a program for non-management professionals and defined the new Way of Working for our investment teams.

2.3 Diversity, Equity and Inclusion

In 2024, the CFA Institute launched the European edition of its Diversity, Equity, and Inclusion Code for the Investment Profession (DEI Code) in the Netherlands. The Netherlands is the first European country where the CFA Institute DEI Code has been introduced, with PGGM being the first organisation to sign it. PGGM commits to making progress on the various DEI aspects outlined within it. The DEI Code is available to European investment firms of all sizes that want to drive change by promoting DEI. Signatories commit to six principles that aim to foster broader perspectives and improve investment outcomes.

Our diversity policy continued to evolve. Initially, we focused on diversity and inclusion, but in 2023, we recognized that equity is just as essential for a successful DEI (Diversity, Equity, and Inclusion) policy.

- Diversity. We embrace a mix of gender, age, experience, neurodiversity, ethnicity, and more to bring different perspectives.
- Inclusion. We create space for differences and acknowledge them to maintain true diversity.
- Equity. We ensure fair treatment and equal pay for equal work, recognizing everyone's value and rights, regardless of differences.

This revised policy has led to concrete actions, such as workshops and management programs aligned with our vision. PGGM Investments is increasingly focused on cultural diversity and attracting international talent.

English has become our internal working language, with documentation, processes, and systems being gradually translated over the past year. To support this transition, we help employees develop their English language skills.

Despite these efforts, gender diversity and equality remain challenging. At the end of 2024, women made up 26% of PGGM Investments' workforce. The percentage of women in management positions increased with 1% to 28% (27% by the end of 2023). Our goal is to have at least one-third of management positions filled by women by 2025, aiming for 50% by 2030. To achieve this, we actively target female management talent in job postings and ensure equal opportunities for men and women. If two candidates are equally qualified for a management position, we prioritise hiring a woman.

At the end of 2024, women held 20% of positions at mid-level and above. In our recruitment process, we aim for at least half of all candidates for management positions to be women. We also strive for a balanced gender distribution in our Board of Directors, in line with the Dutch Corporate Governance Code, which recommends at least 30% female and 30% male representation. Currently, 20% of PGGM Investments' Board of Directors are held by women (1 out of 5).

2.4 How we remunerate our people

The employees working for PGGM Investments are employed by PGGM N.V. and are therefore subject to PGGM N.V.'s remuneration policy. This policy aims to promote sound employment practices, which we define as being characterized by prudence, oversight and sustainability, in alignment with our 3D strategy and core values. The remuneration policy is in line with the Financial Supervision Act (Wft).

Responsible remuneration policy

Our objective is to maintain healthy financial operations while being mindful of our societal responsibilities. Our policy is to remunerate at the median of relevant reference markets. For PGGM Investments, these reference markets include the (Dutch) asset management market and the back- and mid-office market of Dutch asset managers. PGGM Investments periodically assesses its internal remuneration levels against these reference markets as part of our benchmarking process.

Variable Income

We offer a variable income exclusively to employees in front-office positions within the investment chain. This variable income is capped at 20% of an employee's base salary. Each front-office employee is required to prepare an annual target sheet outlining measurable performance goals, including at least one measurable Sustainability target. The target sheets have to be approved by management and the financial performances are calculated independently by the performance measurement team.

Deferred Variable Income

In addition to the variable income, front-office employees can opt for deferred variable income (DVI) as a long-term incentive. The DVI is paid out after a multi-year deferral period, following the year in which the key performance indicators (KPIs) for earning the DVI are met. The annual DVI granted is capped at 80% of the employee's base salary. The KPIs for both the one-year variable income and the DVI must align with the clients' goals, the organisation's strategy, and the department. At least 50% of the criteria must be non-financial.

Collective Labour Agreement

As agreed with trade unions in the CLA, salaries increased collectively by 6,7% in 2024. In December 2024 a new CLA for 2025 was agreed upon with the trade unions.

Gratuity

Employees without any individual variable income may be rewarded a bonus for exceptional dedication or performance.

Remuneration in figures

The table below presents the remuneration paid to our employees in 2023 and 2024. Our remuneration policy is available on the PGGM Investments website.[4]

[4]The Wft and the Bgfo Wft (Section 1:120(2)(a)) stipulate that the directors' report must mention any employees who received more than €1,000,000 in remuneration. No employee received more than €1,000,000 in remuneration in 2024.

Variable renumeration paid out (x €1000)		
Distribution of variable renumeration per type	**2024**	**2023**
One-year variable remuneration paid out *	6,392	5,681
DVI paid out	2,739	1,023
Gratuity paid out	139	101
Total amount of variable remuneration paid out **	**9,270**	**6,805**

Number of variable renumerations paid		
Distribution number of variable remunerations paid	**2024**	**2023**
One-year variable remuneration	284	287
DVI	57	30
Gratuity	42	34
Total number of variable remunerations paid	**383**	**351**

** This concerns paid one-year variable remuneration that relates to the previous financial year. Therefore, one-year variable remuneration paid in 2024 relates to performance year 2023 and one-year variable remuneration paid in 2023 relates to performance year 2022*
*** Amounts do not include pension and social security contributions.*

Variable renumeration paid out (x €1000)					
Amounts paid out in 2024 x €1,000,-)	**Fixed remuneration**	**Employer's share of social insurance and pension costs**	**Variable remuneratio n**	**Total remuneration**	**Number of employee s**
Senior management	2,040	204	372	2,616	6
Employees with a significant influence on the risk profile	41,270	8,064	7,141	56,475	234
Other employees	24,482	6,812	1,757	33,051	284
Total remuneration paid out	**67,792**		**9,270**	**92,142**	**524**

2023					
	Fixed remuneration	**Employer's share of social insurance and pension costs**	**Variable remuneration**	**Total remuneration**	**Number of employees**
Senior management	2,075	206	377	2,658	6
Employees with a significant influence on the risk profile	35,764	7,218	4,224	47,206	229
Other employees	21,488	5,987	2,204	29,679	277
Total remuneration paid out	**59,327**		**6,805**	**79,543**	**512**

2024 vs 2023					
Amounts paid out in 2023 x €1,000,-)	**Fixed remuneratio n**	**Employer's share of social insurance and pension costs**	**Variable remuneratio n**	**Total remuneratio n**	**Number of employees**
Senior management	-35	-2	-5	-42	-
Employees with a significant influence on the risk profile	5,506	846	2.917	9,269	5
Other employees	2,299	825	-447	3,273	7
Total remuneration paid out	**8,465**		**2,465**	**12,600**	**12**

Chapter 3: Risk management

PGGM's Risk Framework distinguishes between investment related risks in the investment portfolio and PGGM's own risks. This report focuses on the latter.

PGGM's Risk Framework enables us to monitor risks, both structurally and periodically. This provides insight into the balance between risk and reward, decision making and reporting. PGGM's Risk Framework is based on the COSO Enterprise Risk Management methodology, operating through the widely accepted 'Three Lines Model', counterbalancing risk profile, risk appetite, risk capacity along with performance. The business (first line) is responsible for ensuring that risks are identified, owned and managed. Enterprise Risk Management (ERM) and compliance (second line) specialise in risk management, contributing to oversight, monitoring, and reporting, while facilitating and challenging the first line. Internal Audit (third line) provides periodic, independent oversight and assurance.

3.1 Risk appetite and culture

Risk appetite

The risk appetite is reviewed annually to ensure that the various risks are within the aimed exposure limits. It serves as the foundation for decision making within our risk framework and is embedded in our culture, forming an active and conscious approach to risk. We recognise that every decision we make carries both known and/or unknown risks, and our risk appetite helps define our risk tolerance and policies for managing those risks. At the end of 2024, three risks were above the set risk appetite: cyber, change, and compliance. Change risk mainly reflected the risks of implementing the new Pension Contract but also the risks of implementing the new strategy at PGGM Investments. We monitor all risks in a periodic cycle and remain constantly alert to potential new risks. For example, we closely monitor the challenging change portfolio and the geopolitical situation, assessing both developments and their impact on risks such as cyber.

A systematic integrity risk analysis (SIRA) is conducted each year to assess our risk governance, focusing on potential risks such as fraud, bribery, and corruption. Additionally, risk management performs a quarterly risk evaluation to ensure that we stay within our predetermined risk tolerances. In the event of operational incidents and/or other disruptions, root cause analyses help identify ways to mitigate losses, improve processes and uncover opportunities for learning and development. This is concluded in a quarterly In Control Statement (ICS), which tracks our annual targets.

Risk culture

At PGGM we consider risk culture to be a key factor for adequate risk management. We aim to create an open, honest and risk-conscious environment where we hold each other accountable for responsibilities and results, while also reflecting on behaviours in relation to our values, standards and objectives.

The annual plan, developed using the Objectives, Goals, Strategies, Measures (OGSM) method supports the continuous development of our risk culture. The OGSM framework helps translate the values of ownership and accountability into quantitative and qualitative results, improvements, and heightened risk awareness. From the boardroom to business lines and across business units, risk culture and management should be consistent and deeply embedded.

3.2 Key risks 2024

Below we discuss some of the key risks in 2024. Financial risks are outlined in chapter 4.

Cyber risk

This risk was considered above the set risk appetite because of the ongoing perceived cyber threat. PGGM's systems remained secure in 2024, successfully preventing ransomware attacks and data thefts. We believe that it is important to continuously strengthen our cyberspace security efforts. Key concerns include the risk of hackers stealing, destroying data or comprising systems. Our Cyber Management approach includes detection, prevention and response. The enhanced Investments Security Control Framework has been integrated into our security processes and is actively monitored for effectiveness and maturity. Our cyberspace measures align with a low-risk appetite, supported by policies and procedures covering cyber and information security, as well as business continuity. Both the speed and accuracy of information sharing, internally, with clients, and other stakeholders, are key aspects of the Framework. In 2024, we did not experience any major incidents related to cyber risk.

Fraud risk

PGGM defines fraud as any intentional act or omission, using deception to gain an unlawful or illegal advantage or causing loss or harm to the victim. Fraud risk is managed through preventive, detective, and corrective controls. We maintain a low risk tolerance for fraud and integrity incidents. In 2024, a fraud management policy was developed and established, integrating the PGGM risk framework to protect us against such risks. Additionally, we conduct an annual company-wide systematic integrity risk analysis (SIRA) to identify and assess risks related to fraud, bribery and corruption.

Fraud risk can arise from actions by individuals within or outside the organisation. To ensure prevention, we continue to raise awareness of fraud risks among employees.

This includes education (e-learning), signing a moral-ethical declaration, agreeing to the insider trading policy, and providing a procedure for reporting (suspected) misconduct. All PGGM colleagues 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 line with the Incident Policy. In cases of fraud, the PGGM Compliance Director and Risk Director are informed.
When internal and/or external fraud is classified as a major incident, the CFRO of PGGM N.V. will establish a Taskforce if necessary, based on the recommendation of the Fraud Management Coordinator. The Taskforce operates independently and impartially in investigations. The CFRO of PGGM N.V. chairs the Taskforce, which may include additional experts alongside the Risk and Compliance teams.
In 2024, no cases of fraud were detected within PGGM Investments.

Process (run) risk

PGGM Investments has structured its processes to ensure full control, issuing Standard 3402 and 3000 reports on its investment management services. Independent auditor PricewaterhouseCoopers Accountants N.V. examined our key controls and issued an unqualified assurance report for 2024.

We conduct thorough central reviews of incidents to determine whether they could have been prevented and how similar events can be avoided in the future. Cross-functional experts assess necessary adjustments to improve prevention. In 2024 we did not experience any major incidents.

Given the potential reputational risk and/or business continuity concerns, our risk appetite for both process execution and IT processes is low. To mitigate these risks, we maintain a three-line risk management framework, enforce data quality guidelines, and implement strict protection protocols for sensitive data.

Model risk

Model risk remained high. We address model risk with policies that include back testing as a risk mitigation measure. In 2024 several of the used models were tested. Two proved unfit but were corrected. The SFDR reporting models were initially unfit but became usable after critical findings were resolved in Q4. The Private Equity early estimate model was not fit for use but adjusted for Q1 2024; it was decommissioned before Q1 2025.

Reputation and Stakeholders risk

This involves the risk of negative media coverage affecting PGGM, PFZW, or other clients and stakeholders. PGGM N.V. proactively monitors media exposure and manages reputational risks as well as acting on opportunities. In order to manage risks comprehensively we work closely with PFZW. With a low-risk appetite, our approach included active press relationship management, monitoring and interpreting media exposure, and advisory support for relevant stakeholders. For reputation and stakeholders risk we did not experience any major incidents.

3.3 Compliance

PGGM Investments actively promotes compliance and integrity in line with its core values, recognising the crucial role of culture and behaviour in managing management compliance and integrity risks. In 2024, a new compliance monitoring plan was implemented. The compliance department focused on 'hard controls' (tangible measures in processes and systems) to manage these risks and achieve objectives. Going forwards, it aims to incorporate 'soft controls' (factors that influence behaviour) into the process.

3.3.a PGGM Code of conduct

PGGM (N.V.) carries a great responsibility towards society to act with care, transparency and integrity. Clear guidelines on how we interact with one another help us to fulfil this responsibility. Developments around PGGM require permanent assessment and, when necessary, updates to our codes of conduct and agreements.

PGGM has combined these agreements and guidelines in the PGGM N.V. Code of Conduct. The PGGM N.V. Code of Conduct is mandatory but set up to be more than a set of rules and instructions designed to maintain trust in the services it provides. Compliance with the underlying principles and criteria in the Code of Conduct offers guidance in our interactions with clients, suppliers, colleagues, and society in general.
Link:https://www.pggm.nl/onze-diensten/statement-compliance-dutch-corporate-governance- code/

3.3.b Compliance with laws and regulations

Continued endeavours are necessary to remain compliant with market supervision laws and regulations applicable to PGGM Investments. We maintain a low-risk appetite regarding legal and regulatory matters, which is why we have various control measures and policies in place.

The Legal Committee reviews new and amended legislation that may impact PGGM and reports quarterly to the Board of Directors. Policies ensure that legal specialists are engaged in both new and amended asset management contracts. Additionally, all internal and external market transactions are validated in accordance with investment guidelines. PGGM also conducts thorough due diligence on both new and existing business relationships, continuously monitoring and adjusting as needed to comply with laws, regulations, sanctions, and exclusions.

As a licensed institution, PGGM Investments operates in a highly regulated sector supervised by the Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB). Holding an Alternative Investment Fund Manager (AIFM) license with a Markets in Financial Instruments Directive (MiFID) top-up, PGGM Investments needs to comply with national and European legislation applicable to alternative investment fund managers who also provide discretionary investment management services. This requires ongoing attention from the Board of Directors and a structured supervision on remaining compliant with applicable laws and regulations. Below is an overview of key regulatory developments in 2024.

EMIR III

This update to the European Market Infrastructure Regulation (EMIR) will require market participants exceeding a certain exposure threshold to clear at least part of their over-the-counter (OTC) derivatives with central counterparties (CCPs) in the European Union (EU). This is known as the Active Account Requirement and also creates additional reporting obligations.

PGGM Investments' client, PFZW, falls within the scope of the Active Account Requirement. However, the exact details are still under discussion and are currently the subject of an European Securities and Markets Authority (ESMA) consultation.

PGGM Investments already maintains active accounts with a CCP in the EU for PFZW, so the main focus is on the operational and reporting implications of this requirement.

Sustainable Finance Disclosure Regulation (SFDR)

The Sustainable Finance Disclosure Regulation (SFDR) sets mandatory disclosure standards for Environmental, Social and Governance (ESG) aspects of investments. As of 1 January 2023, financial institutions needed to implement the more detailed Level 2 requirements of SFDR, particularly for products classified as Article 8. In our 2024 product portfolio, we classified 13 products as Article 8, while the remaining 7 were classified as Article 6. We currently have no Article 9 products. Throughout 2024, we focused on ensuring timely compliance with the requirements for all Article 8 products.
Additionally, we published our entity-level Principal Adverse Impact (PAI) statement for 2023 in line with SFDR requirements.

AIFMD / MIFID II / IFD

In 2024, PGGM Investments continued to operate under its AIFM license, with a MiFID top-up, which requires compliance with the relevant MiFID II regulations and Investment Firm Directive (IFD)/ Investment Firm Regulation (IFR) requirements. In March 2024, AIFMD2 (EU/2024/927) was published in the Official Journal (OJ) and is set to be implemented by 16 April 2026, introducing changes in requirements on delegation, reporting, and liquidity management tools (LMTs) for funds. The MiFID II revision was published in the OJ on 8 March and came into effect on 28 March 2024, with an implementation period of 18 months, ending in late September 2025. The reporting obligation for best execution (RTS 28) has been removed, as these reports were considered to provide limited value to investors. PGGM Investments remains committed to ensuring full compliance with these changes.

DORA

The Digital Operational Resilience Act (DORA) entered into force on 16 January 2023, and applies from 17 January 2025. DORA aims to raise awareness of ICT risks and acknowledges that ICT incidents and a lack of operational resilience could jeopardise the stability of financial entities and the financial sector as such. It seeks to harmonise digital operational resilience provisions across the EU financial sector and sets rules for ICT risk management, incident reporting, operational resilience testing, and ICT third-party risk monitoring. PGGM Investments falls within the scope of DORA. To ensure alignment with the DORA obligations, PGGM Investments has outsourced the majority of its ICT risk framework activities to PGGM N.V. Part of the implementation of DORA requirements has also been outsourced to PGGM N.V., while the Board of PGGM Investments remains responsible for ensuring compliance. DORA has been (successfully) integrated into the company. In some areas we were already well prepared, while in other areas additional measures were needed, particularly around agreements with suppliers and the identification of critical processes.

CSRD

In 2021, the EU adopted the Corporate Sustainability Reporting Directive (CSRD)[5] to enhance transparency and comparability in sustainable business practices. Under the current legislation, all European enterprises that meet the CSRD thresholds for 'large' companies, including PGGM Investments, are required to report based on the CSRD and the European standards for sustainability reporting (ESRS) over the financial year 2025. The CSRD has not yet been incorporated into Dutch legislation due to delays in the implementation process. Furthermore, the European Commission has proposed easing certain obligations under de CSRD and the ESRS and potentially postponing compliance requirements for (amongst others) 'large' companies by two years. These proposed changes to the scope may mean that PGGM Investments will ultimately not be required to comply with the CSRD on an individual basis.

Given this uncertainty, we have chosen to base our reporting on the currently published (draft) legislative texts and partially align with these requirements. PGGM Investments will therefore use the consolidation exemption of the CSRD and the concept Dutch Implementation regulation on the Sustainability Reporting Directive[6] for reporting purposes. This means its CSRD reporting obligations will be included in the sustainability report at the holding level as reported by PGGM N.V. This consolidated sustainability report will be published at the end of May and can be found on our site [https://www.pggm.nl/over-ons/jaarverslagen]. The sustainability information from PGGM N.V. and its subsidiaries is merged into this report, just like the financial statements.

Market Abuse

In 2024, the Compliance department fully reorganized its approach to monitoring market abuse. A new tool, SteelEye, was implemented to monitor alerts, and a new market abuse policy and supporting procedures were developed. The new policy is currently being implemented, and additional supporting guidelines are being created, including those for organizing information barriers. The market abuse monitoring procedure is running effectively, without issues or incidents.

[5] The CSRD supplements of the Accounting Directive 2013/34. Where this report refers to the CSRD, it also refers to the Accounting Directive.
[6] Articles 29, 29bis and 19bis (19) CSRD and article 5 of concept Dutch Implementation regulation on Sustainability Reporting.

Chapter 4: Financial status

In this chapter we discuss the financial status of PGGM Investments in 2024 and explain how we mitigate our financial risks.

4.1 Financial status and risk mitigation

This paragraph explains PGGM's financial status in 2024 as well as the financial, business, credit and continuity risks, and the measures we have taken to mitigate them. The risk appetite for all these risks is medium.

Financially 2024 was a stable year. PGGM Investments maintains a healthy financial position. The financial result after taxes for the period was €8.3 million (2023: €8.2 million). Total revenue increased by €23.8 million, from €179.9 million in 2023 to €203,7 million in 2024. This increase is caused by adjustments in fees and the expansion of services compared to 2023.

Operating expenses amounted to €195.4 million (2023: €171.0 million), with the increase largely driven by higher personnel expenses, IT and data vendors costs, maintenance expenses for IT applications, and expenses related to the preparations for the implementation of our joint 2030 strategy with PFZW. Ultimately, our bottom-line result was lower than in 2023 but in line with budget expectations. We were unable to implement all transformation goals related to Strategy 2030 in 2024 and did not use all the budgeted (external) labour, automation and digitalization funds. As a result, some of these funds will be used in 2025 in line with our strategic long-term goals.

In 2024, PGGM Investments' liquidity position adequately covered all cash outflows from operating, investment, and financing activities, with no additional finances needed. Liquidity levels were comfortably above the required amounts. On 31 December 2024, the cash balance was €29.1 million (2023: €37.0 million), and the securities balance €42.2 million (2023: €40.7 million).

Credit risk on receivables is low due to the solid financial position of our clients and the level of regulatory supervision. The risk of revenue shrinking is limited, as revenue is mainly based on the yearly agreed upon fees and multi-year policies with PFZW. Fees from PFZW are not dependent on assets under management and are indexed for inflation and collective labour agreement changes.

Potential financial risks were thoroughly evaluated, with hedge measures in place, such as liability agreements with clients, impairment insurance policies and an equity cushion as part of the Own Funds Policy. The effectiveness of these measures has been tested in scenario simulations. PGGM Investments also limits counterparty risk by conducting thorough operational due diligence and monitoring when forming new business relationship and existing business relationships.

As of 31 December 2024, the solvency ratio was 93.3% (2023: 92.8%), determined as the ratio of equity to the balance sheet total. Equity amounted to €95.9 million (2023: €97.6 million), and total assets decreased by €2.0 million to €103.0 million.

Continuity

Our risk framework is designed to scope the effectiveness and efficiency of managing continuity risk in a clear manner. As part of our continuity policy, we have a one-year financial cushion to ensure operations can continue for at least a year in the event of a severe calamity. PGGM Investments maintains sufficient capital, well above the required minimum, and has no loans on its balance sheet. The investment portfolios are managed on behalf of and at the risk of PFZW and PGGM fund participants. This means that the financial risks from these portfolios have no direct impact on the financial position of our organisation.

With PFZW we have a contract for services provided by PGGM Investments, which runs until 2026. We expect this strategic relationship with PFZW to last significantly longer and anticipate positive financial margins in our multi-year forecast. Below are additional strategies and metrics we use to ensure our minimum equity level:

- Insurance covers potential claims due to errors in our services, with our financial exposure aligned with the insurance limit.
- Contributions to equity through customer fees are monitored based on minimum margins at both business unit and holding level, which have been positive in recent years.

For 2025, we do not expect any new or significant risks that could have a material impact on our continuity.

Chapter 5: Future-proof operations

Data and the available tools to analyse it (such as machine learning, Artificial Intelligence (AI)) are progressively growing. New technologies and data sources offer many opportunities across the various asset classes, helping us make the best investment decisions for PFZW. In 2024 we took significant steps to improve our technical infrastructure and expand our digital and IT capabilities. Here are some examples:

Technical infrastructure

Data delivery infrastructure (DDI)

To become more data-driven, we implemented a data platform (DDI 2.0) that enables easy yet responsible data sharing. The first version of this platform was delivered in 2024 and consists of the following applications: Snowflake, Collibra, DBT, and Streamlit. The platform is designed to empower the business to create data solutions independently, while the IT infrastructure team maintains the technically aspects. It helps the business incorporate data into their decision-making. Additionally, the platform allows us to implement data solutions in a controlled manner, ensuring effective data management. As a result, data becomes better usable and discoverable. In the last quarter, more users have become active on the platform, and more data is becoming available. Meanwhile, the data mesh transformation program has started, onboarding different teams and users onto the platform in a controlled manner.

Investment Analytics Platform (IAP)

IOver the past years, an innovative platform has been built, providing the technical backbone for various solutions in the Front Office. The platform consists of a core data integration structure combining administrative, research and team data, an analytics layer, and a solutions layer. Towards the end of the year, work began to transition to DDI 2.0 for the data layer. Additionally, the analytics libraries and capabilities to support AI/LLM solutions have been expanded. Technical improvements have been made to simplify the deployment of solutions, and further front-end and data visualisation components have been integrated.

Scaling our digital capabilities

A precondition for the digital transformation journey is to elevate the Data Management capabilities within Investment Management to unlock more value from data. It became important for the business to gain better insights into their Data Governance and Data Quality status. This enables them to make timely adjustments. The risk profile of Data Quality is now presented to the Board, allowing them to make informed data-related decisions. Data Stewards have received training, and a new community for Data Stewards and Data Owners has been established to improve Data Maturity.

Data mesh implementation

The Data Mesh Program onboarded 9 teams across 11 domains, exposing 100 data sets on the platform. The first Data Mesh training sessions for the Board and management were completed to ensure alignment and support for the new way of working, which will accelerate in 2025. Key lessons learned include understanding that Data Mesh is a conceptual framework that requires an organisational change and is not a one-size-fits-all solution. As a result, adoption is non-linear and domain-specific.

[1] De CSRD voegt diverse artikelen toe aan de Jaarrekeningenrichtlijn 2013/34. Waar in dit verslag wordt gesproken over de CSRD, wordt ook gedoeld op de Jaarrekeningenrichtlijn.

IT

The investment management IT teams were reorganised, with a focus on improving collaboration with Front Office teams. Run and Change capabilities were integrated to improve speed, agility, and predictability. These changes aim to foster better collaboration, enhanced technology integration, and improved alignment with strategic objectives.

Over the year, several Front Office teams were able to move from a worksheet-based approach to a combination of a database and managed Python code. Additionally, stress test models were deployed and valuation models implemented. Significant effort went into developing a series of use cases applying LLM's to more efficiently gather, structure and transform textual data into relevant information sets for investment professionals.

Agile portfolio management

In 2024, we started our transition to Agile Portfolio Management. The goal is to enhance alignment between Business and IT to become the best 3D investor for PFZW, while improving strategic decision- making through increased transparency and execution effectiveness.

The new IT organisation adopted DevOps way of working, using it as the primary platform for planning and execution, providing transparency in strategy execution.

Outlook 2025

2024 was the year we prepared for the transformation of our organisation to achieve our joint strategic ambition with PFZW for 2030. The external environment is becoming increasingly turbulent. The year 2025 started with significant geopolitical changes, there is growing pressure on sustainability and impact investments, and 2025 is the last year to prepare for the transition to the new pension contract. This means that in 2025, we at PGGM need to stay alert of developments in the outside world while remaining focused on the goals we set.

Transitions

The implementation of the new investment organisation will begin in 2025. We will go live with the new investment process and realign the organisation and processes to 3D integral portfolio management. All new controls will be implemented, and new reports will be published.

Transitioning to a 3D organisation involves significant changes to the business. This affects our key investment model, our governance, the way we operate, and of course, our people. In 2024, we increased our investment in IT, data and analytics to further strengthen our capabilities and scale the use of data and analytics platforms across Investment Management. In 2025, we will reorganise our internal organisation and start working with our new strategy and invest accordingly. From 2025 onwards, PGGM Investments will invest for PFZW using a total portfolio approach. This means that the risk, return and sustainability of assets will be assessed from a total portfolio perspective before allocating funds to specific asset categories.

New Pension Contract

2025 will also be a crucial year for the implementation of the New Pension Contract, as PFZW plans to convert to the new scheme from 2026. PGGM Investments will make sure all procedures and processes are timely in place on the investment management side. This requires a major redesign on our data and reporting systems, which has been prepared in 2024.

IT

Looking ahead to 2025, we will continue strengthening our data-driven culture, advancing our data strategy, and developing new investment analytics solutions. We will also make further progress in our agile capabilities to improve cooperation between business and IT.

Financial outlook

In 2025, we will need to make additional investments in our 3D organisation, including IT capabilities, data and analytics platforms, and our workforce. This aligns with our approach in previous years.
However, 2025 will be different as we begin implementing our new strategy, which will involve further investments and reorganisation. We expect total operating revenue to increase in 2025, primarily due to the agreed Service Level Agreement-fee with PFZW. The increase in operating expenses, however, will exceed the increase in operating result, resulting in a positive but lower result after taxes. Solvency and liquidity will remain healthy.

Legal and regulatory requirements

PGGM Investments will continue to work on compliance with the necessary regulations. Some notable developments in 2025 will be the implementation of AIFMD II, CSRD and EMIR 3.0.
Regarding the implementation of AIFMD II, PGGM Investments will focus on three key areas: delegation requirements, reporting obligations, and liquidity management tools.

By proactively addressing these topics, PGGM Investments aims to ensure compliance with the implementation deadline of 16 April 2026.

As for CSRD, under the current (draft) legislative texts, PGGM Investments is expected to report over the financial year 2025. We have made progress in implementing CSRD, and we anticipate that its continuation will require ongoing efforts in 2025. However, the European Commission proposed postponing the CRDS (and ESRS) obligations and narrowing their scope. As a result, PGGM Investments may no longer fall within the scope of the CRDS or be required to report independently under it. Additionally, the EU Taxonomy Climate Delegated Act (Taxonomy Act) and the related Article 8 Taxonomy Act reporting obligations will require our continued attention, as the European Commission's proposal also impacts these requirements.

With the Active Account Requirement and additional reporting requirements from EMIR 3.0 coming into effect in 2025, PGGM Investments will need to implement necessary changes in both operations and the Treasury department. Most of the data required for these additional reporting obligations is already available.

Zeist, 10 April 2025
The Board of Directors,

Geraldine Leegwater
Lars Dijkstra
Arjen Pasma
Danny Slots
Erik van de Brake

Part 2 Supervisory report

In this report, the Supervisory Board explains how the supervisory and employer role was shaped in the past year and how the Supervisory Board assisted the Board of Directors with advice. The most important substantive matters in which the Supervisory Board has been involved this year are also discussed. The Supervisory Board looks back on a year in which the focus was on a number of central topics.

Report of the Supervisory Board

Supervision of the policies of the Board of Directors and of the general course of PGGM Investments affairs and its business enterprise shall be carried out by the Supervisory Board of PGGM Investments. The Supervisory Board shall support the Board of Directors with advice. In fulfilling their duties, the Supervisory Board shall serve the interests of PGGM Investments and the business enterprise which it operates.

The supervision of the Board of Directors by the Supervisory Board included:

- Achievement of the objectives
- Execution of the strategy
- Risks associated with the business activities
- Financial reporting process
- Design and operation of the organisation and processes
- Compliance with laws and regulations
- The social aspects of its activities relevant to PGGM Investments

In 2024, the Supervisory Board held periodic meetings with the Board of Directors about PGGM Investments' strategy and sustainable long term value creation, as well as about the main risks, their assessment by the Board of Directors and the operation of the internal risk management and control systems (including integrity risk management and incident monitoring), as well as changes therein.
The Supervisory Board also discussed, without the Board of Directors being present, the functioning of the Board of Directors as a board, as well as the functioning of the individual members of the Board of Directors. Finally, the Supervisory Board has a task and responsibility for the annual evaluation of the renumeration policy and supervision of its execution. The annual evaluation took place in consultation with HR. Results of the evaluation are discussed in 2025.

The independent member of the Supervisory Board of PGGM Investments has a standing invitation as observer into the Supervisory Board of PGGM N.V. for agenda items concerning PGGM Investments. Vice versa, members of the Supervisory Board of PGGM N.V. have a standing invitation as observer into the Supervisory Board of PGGM Investments. The independent member of the Supervisory Board has participated in all relevant Supervisory Board meetings of PGGM N.V. where applicable. In each regular Supervisory Board meeting of PGGM Investments a representative of the Supervisory Board of PGGM N.V. has been present.

The activities of both Supervisory Boards are being guided by an Information and Governance Protocol to safeguard good governance while maintaining sufficient information sharing in the interest of PGGM Group.

Board of Directors Composition

As of November 1, 2020, Geraldine Leegwater has been appointed Chief Investment Management (CIM). As CIM she is statutory director of PGGM Investments.

As of April 1, 2022, Danny Slots has been appointed Chief Financial & Risk Officer (CFRO). As CFRO he is statutory director of PGGM Investments.

As of June 1, 2024, Lars Dijkstra has been appointed Chief Investment Officer (CIO). As CIO he is statutory director of PGGM Investments.

As of April 1, 2022, Arjen Pasma has been appointed Chief Fiduciary Investments (CFI). As CFI he is statutory director of PGGM Investments.

As of May 1, 2022, Erik van de Brake has been appointed Chief Transformation Officer (CTO). As CTO he is statutory director of PGGM Investments.

Supervisory Board Composition

The Supervisory Board consists of three members:
Chair: Mr. Edwin Velzel, CEO PGGM N.V., first appointed on May 3, 2018, non-independent member;

Mr. Willem Jan Brinkman CFRO PGGM N.V., first appointed on January 27, 2020, non-independent member; and

Mrs. Daniëlle Melis, independent director in the financial sector, first appointed on April 1, 2022, independent member.

All the Supervisory Board members have the Dutch nationality. With this composition the requirements of independence, as referred to in art. 18, paragraph 2 of the Articles of Association, have been met.

Attendance regular meetings

The Supervisory Board met eight times in 2024, five of which were regular meetings, and three meetings were called to keep the Supervisory Board informed on current developments. The regular meetings of the Supervisory Board are held in the presence of the members of the Board of Directors of PGGM Investments. The relationship with the Board of Directors is good and transparent. The suggestions from the Supervisory Board are taken into account. There were constructive discussions during the meetings, whereby the Board of Directors and the Supervisory Board are receptive to each other's arguments.

In addition, the Supervisory Board held two closed meetings. The topics discussed in these closed meetings included the assessment and remuneration of the Board of Directors. All appointed Supervisory Board members attended 100% of the Supervisory Board meetings. During all four regular meetings, a Supervisory Board member of PGGM N.V. attended the meeting as an observer. The independent member of the Supervisory Board of PGGM Investments attended the Supervisory Board of PGGM N.V. for agenda items concerning PGGM Investments. The independent auditor responsible for the audit of the report was present during the discussion of the Annual Report 2024, the auditor's report in the meeting of the Supervisory Board. The Supervisory Board has not established any committees. Next to all these meetings the member of the Supervisory Board of PGGM Investments participated in educational sessions. The Supervisory Board has held mid-term conversations with each of the members of the Board of Directors.

Highlights

The most important substantive matters in which the Supervisory Board has been involved this year were:

1. **Change trajectories within PGGM Investments: Strategy 2030**
   The world around us is changing rapidly and this places new demands on the organisation, the teams and the people. The Supervisory Board of PGGM Investments has regularly discussed the status of the various change programs within PGGM Investments and the implementation thereof. The environment of PGGM Investments is also changing rapidly and customers are making increasingly higher demands. In 2024 PGGM has further elaborated Strategy 2030. Together with PFZW, PGGM Investments designed a new investment process model. The supervisory board was informed and challenged the implementation of the Strategy and wishes to compliment the Board of Directors with the progress made.

2. **Business plan 2024-2027**
   The business plan articulates the transformation and financial consequences for PGGM Investments, transitioning to a future-proof, sustainable investment management model. The plan addresses the transition towards a more engaged, transparent and responsible approach to investing. Although ambitious, the plan is grounded in a robust program with awareness of the risks and challenges ahead.

3. **Investment Performance and processes**
   The portfolio result over 2024 was € 18.6 billion euros, mainly driven by rising stock markets. The Board of Directors regularly updated the Supervisory Board on the Investment Performance during the year. The Supervisory Board doesn't supervise the Investment Performance, since it falls outside the scope of the Supervisory Board. (Financial) Risks, Internal Audit findings and compliance reports are discussed regularly.

4. **HR**
   Strategy 2030 brings a new way of working. The HR implications of 3D investing have been discussed within the Supervisory Board.

Topics regular meetings 2024

Recurring agenda items in every regular meeting are the business update and reports on customers, business operations and the regulators. The financial results and the main risks associated with business operations are reviewed, based on the various risk management and performance reports and the quarterly responsible investment report.

The Supervisory Board is regularly informed by the Board of Directors about developments in the financial markets. In this context, the Supervisory Board has been informed about special investments that may have a (positive or negative) effect on business operations or reputation. The business update of PGGM Investments is provided by the Board of Directors and comprises of a view on the investment results, the financial status, the risk profile and employee satisfaction, supplemented with varying topics such as the progress on the annual targets (as derived from our strategic objectives) and findings from Internal Audit.

In addition, so-called in-depth sessions are regularly held in the presence of both the Board of Directors and the Supervisory Board, during which specific subjects are discussed in detail. The subjects may relate to current legal or regulatory subjects for the purpose of maintaining professional competence as well as specific current developments that are relevant to PGGM Investments.

Topics of the in-depth sessions that took place in 2024 included: the Money Laundering and Terrorist Financing (Prevention) Act (abbreviation in Dutch: Wwft), insight into a healthy risk culture and criminal implications of economic crimes, such as corruption, money laundering and sanction violations. The Sustainable Finance Disclosure Regulation (SFDR), insight into regulation on information provision on sustainability (sustainability) in the financial sector.

The Supervisory Board has monitored fraud risk management within PGGM Vermogensbeheer B.V..
No fraud cases were detected in 2024. Furthermore, the legislation and regulations and their possible impact on the business of PGGM Investments are discussed in each meeting. The training plan (which started in 2020) was continued in the context of the permanent training of the Supervisory Board members.

The Supervisory Board would like to thank and compliment the members of the Board of Directors and the employees of PGGM Investments for their efforts in the 2024 reporting year.

Zeist, 10 April 2025

Supervisory Board,

Edwin Velzel

Willem Jan Brinkman

Daniëlle Melis

Part 3 Financial Statements

Consolidated Financial Statements of PGGM Investments

Consolidated balance sheet as of 31 December 2024

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

	Ref	31 December 2024	31 December 2023
Assets			
Fixes assets			
Intangible fixed assets	*3*	138	310
Property, plant, and equipment	*4*	10	11
Financial fixed assets	*5*	1,022	1,058
Total fixed assets		**1,170**	**1,379**
Current assets			
Receivables	*6*	30,297	26,075
Securities	*7*	42,237	40,709
Cash and cash equivalents	*8*	29,057	37,001
Total current assets		**101,591**	**103,785**
Total assets		**102,761**	**105,164**
Liabilities			
Equity	*9*		
Paid-up and called capital		100	100
Statutory reserve		-	5
Share premium reserve		34,400	34,400
Other reserves		53,111	54,880
Undivided results		8,256	8,226
Total equity		**95,867**	**97,611**
Provisions			
Provisions	*10*	-	430
Total provisions		**-**	**430**
Current liabilities			
Current liabilities	*11*	6,894	7,123
Total current liabilities		**6,894**	**7,123**
Total liabilities		**102,761**	**105,164**

Consolidated income statement for 2024

(amounts in thousands of euros)

	Ref	*2024*	*2023*
Management fees	*13*	203,654	179,876
Total operating income		**203,654**	**179,876**
Expenses for outsourced work and external hiring	*14*	23,150	24,030
Personnel expenses	*15*	121,919	104,179
Depreciation / amortisation of (in)tangible fixed assets	*16*	9,520	2,633
Automation expenses	*17*	32,605	31,145
Other operating expenses	*18*	8,187	8,963
Total operating expenses		**195,381**	**170,950**
Operating result		**8,273**	**8,926**
Financial income	*19*	3,291	2,603
Financial expenses	*19*	-	-
Result before taxes		**11,564**	**11,529**
Taxes	*20*	-2,983	-2,975
Result participating interest	*5*	-325	-328
Result after taxes		**8,256**	**8,226**

Consolidated cash flow statement for 2024

(amounts in thousands of euros)

	Ref	2024	2023
Cash flow from operating activities			
Operating result		8,273	8,926
Adjustments for:			
Amortisation, depreciation, and impairments	*3, 4, 16*	177	302
Changes in (in)tangible fixed assets	*3, 4*	-	-
Changes in financial fixed assets	*5*	111	645
Changes in receivables	*6*	-4,222	-3,022
Changes in provisions	*10*	-430	-2,493
Changes in current liabilities	*11*	-3,212	-1,447
Cash flow from operating activities		**697**	**2,911**
Received interest	*19*	3,291	2,603
Paid interest	*19*	-	-
		3,291	**2,603**
Total cash flow from operating activities		**3,988**	**5,514**
Cash flow from investment activities			
Additions and acquisitions of			
Intangible fixed assets	*3*	-	-
Property, plant, and equipment	*4*	-4	-
Participating interests	*5*	-400	-500
Disposals, repayments, and sales			
Intangible fixed assets	*3*	-	-
Property, plant, and equipment	*4*	-	-
Participating interests	*5*	-	-
Total cash flow from investment activities		**-404**	**-500**
Cash flow from financing activities			
Dividend paid	*9*	-10,000	-8,000
Total cash flow from financing activities		**-10,000**	**-8,000**
Net cash flow		**-6,416**	**-2,986**
Changes in cash and cash equivalents			
Cash and cash equivalents (incl. securities) at beginning of the period	*8*	77,710	80,696
Cash and cash equivalents (incl. securities) at end of the period	*8*	71,294	77,710
Changes in cash and cash equivalents		**-6,416**	**-2,986**

Notes to the consolidated financial statements for 2024

1 General notes

Information on PGGM Vermogensbeheer B.V. (PGGM Investments)

PGGM Investments was founded on 20 July 2007. PGGM Investments has its registered office and principal place of business at Noordweg Noord 150 in Zeist, the Netherlands. PGGM Investments is registered with the Chamber of Commerce under registration number 30228490.

In accordance with Article 2.1 of the articles of association, the statutory objectives of PGGM Investments are:

- To act as a manager of investment institutions in the widest sense of the word, in any case including portfolio management, risk management, administration, marketing of participations and share and activities related to the assets of investment institutions;
- To provide investment services including discretionary asset management, investment advice and the reception and transmission of orders in relation to financial instruments;
- (to ensure) the safe-keeping and administration in relation to participations or investment institutions;
- To offer and have offered financial instruments to employees who are employed in the care and welfare sector and to their partners, as well as to former employees who in that capacity have been employed in the aforementioned sector and to their partners, as well as to members of the cooperative: PGGM Coöperatie U.A.; and
- To participate in, to take an interest in any other way in, to conduct the management of other business enterprises of whatever nature, and to finance third parties, to grand security in any way, and to bind itself for liabilities of third parties, and finally all activities which are incidental to or which may be conducive to any of the foregoing.

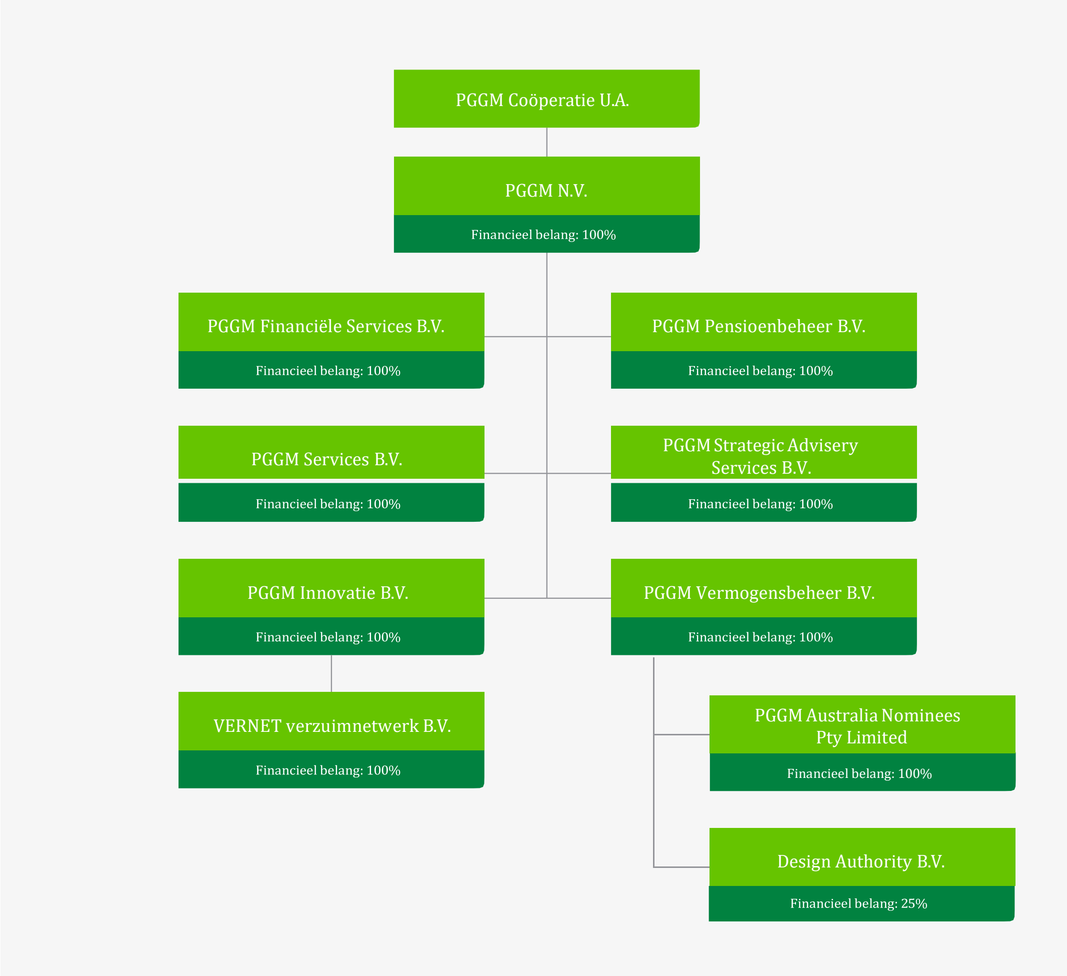
Furthermore, in accordance with article 2.2 of the articles of association, the object of the company also includes to manage and finance its subsidiaries, group companies and associated companies, and to provide security and guarantees for its own debts and for the debts of its subsidiaries, group companies, and associated companies.

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

The company is part of a group structure headed by PGGM Coöperatie U.A., which is also registered and located in Zeist. All shares in PGGM Investments are owned by PGGM N.V., and all shares in PGGM N.V. are, in turn, owned by PGGM Coöperatie U.A. The company’s financial statements are consolidated into the consolidated financial statements of both PGGM N.V. and PGGM Coöperatie U.A., which are 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). The financial data of PGGM Australia Nominees Pty Limited are consolidated in these financial statements.



PGGM Australia Nominees Pty Limited

PGGM Investments 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 Investments has a 25% interest in Design Authority B.V. Design Authority B.V. is not consolidated in the financial statements, as PGGM Investments has significant influence but does not have control.

AFM licence

Pursuant to Section 2:67 of the Financial Supervision Act (Wft), the Authority for the Financial Markets (AFM) has granted PGGM Investments an AIFM licence, effective from 4 April 2014, allowing it to function as the manager of an investment fund as defined in Section 1:1 of the Wft. This licence is limited to offering rights of participation to professional investors.
Pursuant to Section 2:67a(2) of the Wft, PGGM Investments is also permitted under the AIFM licence to conduct the following activities or provide the following services:

- Managing individual capital;
- Advise on financial instruments in the context of practising a profession or conducting a business;
- Receive and transfer orders from clients relating to financial instruments in the practice of a profession or operation of a business.

Financial reporting Period

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

Application of Article 402, Book 2 of the Dutch Civil Code

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.

Going concern

The consolidated financial statements have been prepared based on the going concern assumption based on the reasonable assumption that the company is, and will be, able to continue its normal course of business in the foreseeable future.

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 Investments, 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 clients

PGGM Investments managed the pension assets of Stichting Pensioenfonds Zorg en Welzijn (PFZW) and invested a portion of the pension assets on behalf of the participants of Stichting Bedrijfstakpensioenfonds voor het Schilders-, Afwerkings- en Glaszetbedrijf, Stichting Pensioenfonds Smurfit Kappa Nederland, Stichting Pensioenfonds voor Huisartsen and Stichting Bedrijfstakpensioenfonds voor de Particuliere Beveiliging.

2 Accounting principles

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 Investments. 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. 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.

Principles of consolidation

The consolidated financial statements comprise the financial data of PGGM Investments, its group companies, and other legal entities over which PGGM Investments can exercise control or that are under central management. Group companies are investments in which PGGM Investments 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.

PGGM Australia Nominees Pty Limited is included in the consolidation and is wholly owned by PGGM Investments, which is a subsidiary of PGGM N.V. PGGM N.V., in turn, is a subsidiary of PGGM Coöperatie U.A.

Name	Place of business	Share in issued capital
PGGM Australia Nominees Pty Limited	Sydney, Australia	100%

2.1 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 Investments, 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.

Intangible fixed assets

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.

Property, plant, and equipment

Other operating assets

The other operating assets comprise inventory, computer hardware, and other assets. These are stated at acquisition cost, less accumulated depreciation, and any impairments. The assets are depreciated on a straight-line basis over their estimated economic life of five to ten years. The residual value is zero.

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 Investments 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 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.

Impairments 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 Investments maintains paid-up and called capital, reserves, and undistributed profit. 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.

Current liabilities

Current liabilities are initially recognized at fair value. After initial recognition, they are measured at amortized cost, equal to the nominal value if there are no transaction costs.

Leasing

PGGM Investments 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.

2.2 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

These are the fees from third parties obtained in connection with fund and asset management services provided. 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.

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. PGGM Investments does not have its own employees. The personnel expenses for the employees working for PGGM Investments are charged directly to PGGM Investments by PGGM N.V.

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 U.A., PGGM N.V., and its subsidiaries.

Taxes

PGGM Investments, together with its subsidiaries and its sole shareholder, PGGM N.V., and its sole shareholder PGGM Coöperatie U.A., 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 Investments 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 U.A., its subsidiaries, and PFZW. The fiscal unity is entitled to advance VAT deduction, and this right is recognized within PGGM Investments.

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.

2.3 Accounting principles of the cashflow 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.

3 Intangible fixed assets

	Software
Balance as at 1 January 2023	
Acquisition price or production cost	14,147
Accumulated depreciation and impairments	-13,540
Carrying amount as at 1 January 2023	**607**
Movements	
Investments	-
Divestments	-149
Amortisation divestments	149
Amortisation	-297
Balance	**-297**
Balance as at 31 December 2023	
Acquisition price or production cost	13,998
Accumulated depreciation and impairments	-13,688
Carrying amount as at 31 December 2023	**310**

Movements	
Investments	-
Divestments	-
Amortisation divestments	-
Amortisation	-172
Balance	**-172**

Balance as at 31 December 2024	
Acquisition price or production cost	13,998
Accumulated depreciation and impairments	-13,860
Carrying amount as at 31 December 2024	**138**

4 Property, plant and equipment

	Other operating assets
Balance as at 1 January 2023	
Acquisition price or production cost	61
Accumulated depreciation and impairments	-45
Carrying amount as at 1 January 2023	**16**
Movements	
Investments	-
Divestments	-34
Amortisation divestments	34
Amortisation	-5
Balance	**-5**
Balance as at 31 December 2023	
Acquisition price or production cost	27
Accumulated depreciation and impairments	-16
Carrying amount as at 31 December 2023	**11**
Movements	
Investments	4
Divestments	-
Amortisation divestments	-
Amortisation	-5
Balance	**-1**
Balance as at 31 December 2024	
Acquisition price or production cost	31
Accumulated depreciation and impairments	-21
Carrying amount as at 31 December 2024	**10**

5 Financial fixed assets

	Participating interest	*Deferred tax assets*	*Total*
Balance as at 1 January 2023	**775**	**755**	**1,530**
Movements			
Investments	500	-	500
Disposals	-	-	-
Result participating interests	-328	-	-328
Change in value	-	-644	-644
Balance as at 31 December 2023	**947**	**111**	**1,058**
Movements			
Investments	400	-	400
Disposals	-	-	-
Result participating interests	-325	-	-325
Change in value	-	-111	-111
Balance as at 31 December 2024	**1,022**	**-**	**1,022**

Participating interests

As of 31 December 2021, PGGM Investments has a 25% interest in Design Authority B.V. Design Authority B.V. is not consolidated in the financial statements, as PGGM Investments 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 taxes

The change in value of the deferred tax asset is due to the usage of the provision, refer to note 10.

6 Receivables

	31 December 2024	*31 December 2023*
Amounts to be invoiced	19,271	17,090
Prepaid expenses	4,590	8,101
Receivables from group companies	6,429	584
Accounts receivable	7	-
Receivable from PGGM investment funds	-	300
Tota	**30,297**	**26,075**

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

Amounts to be invoiced

The amounts to be invoiced relate to invoices to be send to investment funds and to institutional clients.

7 Securities

PGGM Investments 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, €42.2 million (2023: €40.7 million) was invested in money market funds. The investments are freely tradable daily, and all funds are available for immediate use.

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 €29.1 million (2023: €37.0 million) is freely available.

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	**97,611**	**97,385**
Group result after taxes	**8,256**	**8,226**
Gains and losses directly recognized in equity	-	-
Total result of the gains and losses directly recognized in equity	**-**	**-**
Total result of the legal entity	8,256	8,226
Dividend payment	-10,000	-8,000
Total direct changes in the equity on account of relations with shareholders	**-10,000**	**-8,000**
Balance as at 31 December	**95,867**	**97,611**

For further details on equity, reference is made to note 30 ‘Equity’ in the company financial statements.io.

10 Provisions

Balance as at 1 January 2023	**2,923**
Movements	
Additions	-
Use of provisions	-2,075
Release	-418
Balance as at 31 December 2023	**430**
Movements	
Additions	-
Use of provisions	-430
Release	-
Balance as at 31 December 2024	**-**

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. During 2023 € 2.1 million of costs are incurred, € 0.4 million is released and the remaining balance is € 0.4 million. The provision is measured at nominal value, since settlement is expected within one year and the time value of money is therefore not material.

11 Current liabilities

	31 December 2024	*31 December 2023*
Creditors	4,010	578
Accrued expenses	2,884	5,737
Amounts owed to group companies	-	808
Total	**6,894**	**7,123**

All current liabilities have a remaining term of less than one year. The fair value of current liabilities approximates their carrying amount due to their short-term nature.

Creditors

The amount shown in creditors consists of outstanding invoices from regular creditors.

12 Off-balance sheet assets and liabilities

Claims

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

Liability within a Fiscal Unity

PGGM Investments, 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 Investments, 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.

Balance and Interest Compensation System

PGGM Investments, 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 Investments is jointly and severally liable for all obligations arising from it.

Contract liabilities

The total liabilities amounted to € 41.1 million (2023: € 34.0 million) and relates to contractual obligations under agreements with suppliers for the purchase, maintenance, and support of hardware and software, including license agreements and service contracts. The latest maturity date is in 2027. An amount of € 27.1 million (2023: € 22.6 million) is payable within one year. There are no liabilities longer than 5 years.

Financing obligation Design Authority

PGGM Investments 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 Investments in the financial year to which they relate. In 2024, €0.4 million was financed to Design Authority B.V. (2023: €0.5 million).

13 Management fees

	2024	*2023*
Management fee institutional	93,873	69,388
Management fee PGGM Funds	109,781	110,488
Total	**203,654**	**179,876**

PGGM Investments provides asset management services for institutional clients through discretionary mandates and PGGM funds. A gross management fee is charged at both the mandate and fund levels, with the total fee settled after the event, resulting in the net management fees shown above. All management fees are derived solely from Dutch clients.

14 Costs of outsourced work and other external expenses

	2024	*2023*
External personnel	7,287	8,480
Outsourced work	7,286	6,908
Advisory costs	262	77
Charged-on expenses for outsourced work and external hiring	8,315	8,565
Tota	**23,150**	**24,030**

External hiring refers to the engagement of personnel from external parties, compensated based on hours worked and an hourly rate. Outsourced work refers to assignments given to external parties for which a fixed fee is paid. Advisory costs include expenses related to investment advice, legal and fiscal consultations, and other services. The charged-on expenses reflect costs incurred by PGGM N.V. for organisation-wide activities, which are allocated to all subsidiaries, including PGGM Investments, based on factors such as actual usage of services.

15 Personnel expenses

PGGM Investments does not employ its own personnel. Personnel expenses for staff working for PGGM Investments are directly charged to PGGM Investments by PGGM N.V., amounting to €104.4 million (2023: €88.9 million). Additionally, €18.3 million (2023: €16.1 million) of these expenses relate to supporting services charged by PGGM N.V., and €0.8 million is charged from PGGM Investments to other PGGM entities (2023: €0.8 million). This results in total personnel expenses of €121.9 million (2023: €104.2 million).

The increase is primarily driven by a rise in personnel at PGGM Investments, reaching 552 FTEs in 2024 (2023: 521 FTEs), and by developments in the Collective Labour Agreement, including a 6.7% pay increase implemented on 1 January 2024. No employees were employed outside the Netherlands (2023: 0).

Remuneration of Board of Directors and Supervisory Board

PGGM Investments has no members of the Board of Directors receiving remuneration for their directorship under the Articles of Association. The remuneration for the members of the Board of Directors is included in the personnel costs charged from PGGM N.V.

In 2024, the remuneration for Daniëlle Melis as member of the Supervisory Board amounted to €33 thousand (2023: €30 thousand). The remuneration for other members of the Supervisory Board is included in the personnel costs charged from PGGM N.V. No loans, advances, or guarantees were provided to members of the Board of Directors or Supervisory Board.

16 Depreciation / amortisation of (in)tangible fixed assets

	2024	*2023*
Amortisation of intangible fixed assets	172	297
Depreciation of Property, plant, and equipment	5	5
Charged-on depreciation / amortisation costs	9,343	2,331
Total	**9,520**	**2,633**

PGGM Investments utilizes the building owned by its shareholder, PGGM N.V. The building is recognized as a tangible asset in PGGM N.V.'s financial statements. Direct costs related to the building's usage, along with associated economic gains and losses, are charged-on by PGGM N.V. to PGGM Investments in accordance with the intragroup service agreements.

In December 2024, PGGM signed a multi-year lease and cooperation agreement for a new office in Utrecht, confirming its planned departure from Zeist. According to the current schedule, PGGM will relocate to the new office by the end of 2027. Due to these developments, the charged-on costs have been subject to a one-time increase.

17 Automation expenses

	2024	*2023*
Data provider expenses	14,707	14,092
Software implementation and maintenance expenses	6,224	5,429
Hardware and software contract expenses	4,165	3,777
Charged-on automation expenses	7,509	7,847
Tota	**32,605**	**31,145**

18 Other operating expenses

	2024	*2023*
Accommodation expenses	94	60
Other expenses	4,173	4,197
Charged-on other operating expenses	3,920	4,706
Total	**8,187**	**8,963**

19 Financial income and expenses

	2024	*2023*
Interest income	3,291	2,603
Interest expenses	-	-
Total	**3,291**	**2,603**

20 Taxes

	2024	*2023*
Current tax	2,872	2,331
Change in deferred taxes	111	644
Total	**2,983**	**2,975**
Nominal tax rate	25.80%	25.80%
Effective tax rate	25.80%	25.80%

Corporate income tax is calculated based on the fiscal result. PGGM Coöperatie U.A. is responsible for settling its tax obligations with the Dutch tax authorities. Any tax liabilities and/or deferred tax assets are accounted for within the fiscal unity at PGGM Coöperatie U.A. and are settled through the current account. The change in deferred income tax is due to the usage of the provision in 2024. The effective tax rate of 25.80% is calculated by dividing current taxes and changes in deferred taxes by the result before taxes.

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 notes on personnel expenses.

22 Auditors' fees

Pursuant to Book 2, Section 382a(3) of the Dutch Civil Code, reference is made to the financial statements of PGGM Coöperatie U.A. for details regarding the auditors' fees.

23 Subsequent events

No events have occurred after the balance sheet date that impact the financial position as of December 31, 2024.

24 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. 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 risks. In addition, we also address fraud and continuity.

Solvency

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 Investments, a specific solvency requirement is imposed by the regulator. Both the available and required solvency are presented as follows:

Solvency

	2024	***2023***
Equity	95,867	97,611
Legal requirement	56,130	58,208
Surplus	**39,737**	**39,403**

PGGM Investments maintains sufficient capital, well above the required minimum, and has no loans on its balance sheet. As of 31 December 2024, the solvency ratio was 93.3% (2023: 92.8%), determined as the ratio of equity to the balance sheet total. Equity amounted to €95.9 million (2023: €97.6 million), and total assets decreased by €2.0 million to €103.2 million.

Market
The value of investments could decline as a result of changes in market factors. In 2024, €42.2 million (2023: €40.7 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
As PGGM does not hold foreign investments and the foreign subsidiary is of very limited size, currency risk is minimal.

Interest rate
Since PGGM has not issued any loans, the interest rate risk is negligible.

Credit
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 Investments, 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
The cash balance of PGGM Investments was € 29.1 million as at 31 December 2024 (2023: € 37.0 million). In 2024, in accordance with the policy, totalling €42.2 million (2023: €40.7 million) were invested in money market funds managed by BlackRock. Investments in money market funds are freely tradable daily. All funds from the securities are freely available. In 2024, PGGM Investments' 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. We maintain a low risk tolerance for fraud and integrity incidents. In 2024, a fraud management policy was developed and established, integrating the PGGM risk framework to protect us against such risks. Additionally, we conduct an annual company-wide systematic integrity risk analysis (SIRA) to identify and assess risks related to fraud, bribery and corruption. Fraud risk can arise from actions by individuals within or outside the organisation. To ensure prevention, we continue to raise awareness of fraud risks among employees. This includes education (e-learning), signing a moral-ethical declaration, agreeing to the insider trading policy, and providing a procedure for reporting (suspected) misconduct. All PGGM colleagues are required to confirm annually that they have read and understood the Code of Conduct.

Suspected abuses, such as fraud, must be reported to the Risk and Compliance teams, in line with the Incident Policy. In cases of fraud, the PGGM Compliance Director and Risk Director are informed. When internal and/or external fraud affects multiple participants, this is classified as a major incident.
If necessary, the CFRO can establish a Taskforce, based on the recommendation of the Fraud Management Coordinator. The Taskforce operates independently and impartially in investigations.
The CFRO chairs the Taskforce, and may hire additional experts alongside the Risk and Compliance teams.
In 2024, no cases of fraud were detected within PGGM Investments.

Continuity

Our risk framework is designed to scope the effectiveness and efficiency of managing continuity risk in a clear manner. As part of our continuity policy, we have a one-year financial cushion to ensure operations can continue for at least a year in the event of a severe calamity. While the risk 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. This means that the financial risks from these portfolios have no direct impact on the financial position of our organisation.

With PFZW we have a contract for services provided by PGGM Investments, which runs until 2026. We expect this strategic relationship with PFZW to last significantly longer and anticipate positive financial margins in our multi-year forecast. Below are additional strategies and metrics we use to ensure our minimum equity level:

- Insurance covers potential claims from our clients due to errors in our services, with our financial exposure aligned with the insurance limit.
- Contributions to equity through customer fees are monitored based on minimum margins at both business unit and holding level, which have been positive in recent years.

For 2025, we do not expect any new or significant risks that could have a material impact on our continuity.

Company financial statements PGGM Investments

Company balance sheet as at 31 December 2024

	Ref	*31 December 2024*	*31 December 2023*
Assets			
Fixes assets			
Intangible fixed assets		138	310
Property, plant, and equipment		10	11
Financial fixed assets	*26*	1,022	1,058
Total fixed assets		**1,170**	**1,379**
Current assets			
Receivables	*27*	30,297	26,075
Securities	*28*	42,237	40,709
Cash and cash equivalents	*29*	29,051	36,994
Total current assets		**101,585**	**103,778**
Total assets		**102,755**	**105,157**
Liabilities			
Equity	*30*		
Paid-up and called capital		100	100
Statutory reserve		-	5
Share premium reserve		34,400	34,400
Other reserves		53,111	54,880
Undivided results		8,256	8,226
Total equity		**95,867**	**97,611**
Provisions			
Provisions		-	430
Total provisions		**-**	**430**
Current liabilities			
Current liabilities	31	6,888	7,116
Total current liabilities		**6,888**	**7,116**
Total assets		**102,755**	**105,157**

Company income statement for 2024

(amounts in thousands of euros)

	Ref	2024	2023
Result participating interest	5	-325	-328
Result parent company		8,581	8,554
Result after taxes		**8,256**	**8,226**

Notes to the company financial statements

25 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.

26 Financial fixed assets

	Participating interest	*Deferred tax assets*	*Total*
Balance as at 1 January 2023	**775**	**755**	**1,530**
Movements			
Investments	500	-	500
Disposals	-	-	-
Result participating interests	-328	-	-328
Change in value	-	-644	-644
Balance as at 31 December 2023	**947**	**111**	**1,058**
Movements			
Investments	400	-	400
Disposals	-	-	-
Result participating interests	-325	-	-325
Change in value	-	-111	-111
Balance as at 31 December 2024	**1,022**	**-**	**1,022**

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). The participating interests include the following companies:

Name Place of business capital	**Share in issued**	
PGGM Australia Nominees Pty Limited	Sydney, Australia	100%
Design Authority B.V.	Amsterdam, The Netherlands	25%

27 Receivables

	31 December 2024	*31 December 2023*
Amounts to be invoiced	19,271	17,090
Prepaid expenses	4,590	8,101
Receivables from group companies	6,429	584
Accounts receivable	7	-
Receivable from PGGM investment funds	-	300
Tota	**30,297**	**26,075**

The receivables from group companies consist of:

	31 December 2024	*31 December 2023*
PGGM Coöperatie U.A.	2,427	568
PGGM N.V.	4,002	-
PGGM Pensioenbeheer B.V.	-	16
Tota	**6,429**	**584**

28 Securities

PGGM Investments 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, €42.2 million (2023: €40.7 million) was invested in money market funds. The investments are freely tradable daily, and all funds are available for immediate use.

29 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 2023, the full amount of the €29.1 million (2023: €37.0 million) is freely available.

30 Equity

	Paid-up and called capital	Share premium reserve	Statutory reserve	Other reserves	Undivided resultaat	Totaal
Balance as at 1 January 2023	**100**	**34,400**	**5**	**50,310**	**12,570**	**97,385**
Appropriation of profit for 2023	-	-	-	12,570	-12,570	-
Dividend paid	-	-	-	-8,000	-	-8,000
Result for 2023	**-**	**-**	**-**	**-**	**8,226**	**8,226**
Balance as at 31 December 2023	**100**	**34,400**	**5**	**54,880**	**8,226**	**97,611**
Appropriation of profit for 2023	-	-	-	8,226	-8,226	-
Dividend paid	-	-	-	-10,000	-	-10,000
Statutory reserve	-	-	-5	5	-	-
Result for 2024	**-**	**-**	**-**	**-**	**8,256**	**8,256**
Balance as at 31 December 2024	**100**	**34,400**	**-**	**53,111**	**8,256**	**95,867**

The capital requirement for prudential capital at year-end 2024 for PGGM Investments is €56.130 thousand (2023: €58.208 thousand). As a result, the regulatory capital of PGGM Investments as of December 31, 2024, meets the DNB’s prudential capital requirements.

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 €0,1 million (2023: €0,1 million), consisting of 100 shares with a nominal value of €1,000 each. As of December 31, 2023, 100 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 assets, liabilities, and income and expenses of subsidiaries included in the consolidation with a functional currency different from the presentation currency are translated at the exchange rate on the balance sheet date. The resulting translation differences are directly recognized in equity under the legal reserve for translation differences.

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 € 8.2 million.

Proposal for profit appropriation

It is proposed to the General Meeting of Shareholders that the result after taxes of € 8.256.000 for 2024 will be added to the other reserves (2023: € 8.226.000).

Dividend Distribution

In 2024, PGGM N.V. distributed a dividend of € 10.0 million to its shareholder, PGGM N.V. (2023: € 8.0 million).

31 Current liabilities

	31 December 2024	*31 December 2023*
Accrued expenses	2,878	5,730
Creditors	4,010	578
Amounts owed to group companies	-	808
Total	**6,888**	**7,116**

The are no amounts owed to group companies as per 31 December 2024 (2023: € 0.8 million owed to PGGM N.V.).

32 Transactions with related parties

Transactions with related parties exist when there is a relationship between the company, its participating interests, their Board members, and management. There were no transactions with related parties which were not conducted at arm's length.

33 Subsequent events

No events have occurred after the balance sheet date that impact the financial position as of December 31, 2024.

Zeist, 10 April 2025

The Board of Directors,

Geraldine Leegwater,

Lars Dijkstra,

Arjen Pasma,

Danny Slots,

Erik van de Brake

Supervisory Board,

Edwin Velzel,

Willem Jan Brinkman,

Daniëlle Melis

Part 4 Other information

Independent auditor's report

Independent auditor's report

To: the general meeting and the supervisory board of PGGM Vermogensbeheer B.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion, the financial statements of PGGM Vermogensbeheer B.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 Vermogensbeheer B.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 Vermogensbeheer B.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 Vermogensbeheer B.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' 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 3.2 'key risks 2024' of the board report for management's fraud risk assessment and section 5 'part 2' of the supervisory board 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, as well as the code of conduct, whistleblower procedures, the Systemic Integrity Risk Assessment, risk framework and the insider trading policy, among other things. 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 board of directors ('management') as well as the head of the internal audit department, the head of the compliance 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 Management is in a unique position to perpetrate fraud because of management's unique ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls. This includes the risk of bias by management when setting assumptions. In this respect, we gave specific consideration to: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • possible management bias in management estimates; • significant transactions, if any, outside the normal course of business for the entity and its subsidiaries.	Where relevant to our audit, we: • evaluated the design and effectiveness of internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of the measures in the processes of generating and processing journal entries; • performed data analyses to identify potential fraudulent journal entries based on specific fraud risk criteria; and • performed specific audit procedures on management estimates, with attention to the variable remuneration component as part of employee expenses that are charged through by PGGM N.V., PGGM Vermogensbeheer B.V.'s parent entity. We specifically paid attention to the inherent risk of bias of management in estimates. We did not identify significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

We incorporated an element of unpredictability in our audit. We 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 4 'continuity', the board of directors 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 board of directors' going-concern assessment included, amongst others:

- considering whether the board of directors' going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the board of directors regarding the board of directors' most important assumptions underlying its going-concern assessment;
- Analysing the capital and liquidity position of PGGM Vermogensbeheer B.V., and comparing these positions towards the minimum regulatory required capital and liquidity;
- evaluating the board of directors' 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, current developments in the contract portfolio and all relevant information of which we were aware as a result of our audit;
- performing inquiries of the board of directors as to its knowledge of going-concern risks beyond the period of the board of directors' assessment.

Based on our procedures performed, we concluded that the board of directors' use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

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 board of directors 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 board of directors and the supervisory board for the financial statements

The board of directors 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 board of directors 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 board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors 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.

Rotterdam, 10 April 2025
PricewaterhouseCoopers Accountants N.V.

Original signed by R. N. Walinga RA

Appendix to our auditor's report on the financial statements 2024 of PGGM Vermogensbeheer B.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 board of directors.
- Concluding on the appropriateness of the board of directors' 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.

Provisions of the Articles of Association governing appropriation of the result

Profit appropriation takes place in accordance with Article 30 of the Articles of Association:

30.1 The General Meeting is authorised to appropriate the profit determined by the adoption of the financial statements and to determine the distribution of profits or the reserves, in as far as the equity exceeds the statutory reserves.

30.2 Distribution decisions are subject to the approval of the Management Board. The Management Board will refuse approval only if they know or could reasonably be expected to foresee that the company would not be able to continue payment of its due debts after the distribution.

30.3 When calculating each distribution, the shares which the company holds in its own share capital are not included.

30.4 A deficit may only be charged to the statutory reserves to the extent that this is permitted by law.

General Information

Address details

PGGM Vermogensbeheer B.V.
Noordweg Noord 150
3704 JG Zeist

PO Box 117
3700 AC Zeist

Telephone +31 (0)30 277 9911
www.pggm.nl
Commercial Register registration number 30228490

Management Board

Geraldine Leegwater, chair
Arjen Pasma
Lars Dijkstra
Danny Slots
Erik van de Brake

Supervisory Board

Edwin Velzel, chair
Willem Jan Brinkman
Daniëlle Melis

Independent auditor

PricewaterhouseCoopers Accountants N.V. PO
Box 90357
1006 BJ Amsterdam

Thomas R. Malthusstraat 5, 1066 JR Amsterdam
Telephone +31 (0)88 792 00 20

Retirement schedule for executive and supervisory positions.

Name	Date of appointment	End of term of appointment
Edwin Velzel	3 May 2018	3 May 2026
Willem Jan Brinkman	27 January 2021	27 November 2027
Daniëlle Melis	1 April 2022	1 April 2026

Ancillary positions held by Board of Directors

Geraldine Leegwater (1971)

Nationality: Dutch
Primary position: Chief Investment Management PGGM Vermogensbeheer B.V.

Management and supervisory positions:

- Board member Dutch Fund and Asset Management Association
- Board member GAK
- Chair of Supervisory Board Amvest Vastgoed B.V.

Arjen Pasma (1974)

Nationality: Dutch
Primary position: Chief Investment Management PGGM Vermogensbeheer B.V.

Management and supervisory positions:

- Member of Supervisory Board Pensioenfonds SNS Reaal

Lars Dijkstra (1966)

Nationality: Dutch
Primary position: Chief Investment Officer PGGM Vermogensbeheer B.V.

Management and supervisory positions:

- Chairman of the board Stichting Eumedion (ended in April 2024)
- External Advisor Investment Committee DNB (ended in June 2024)

Danny Slots (1968)

Nationality: Dutch
Primary position: Chief Financial & Risk Officer Investment Management PGGM Vermogensbeheer B.V.

Management and supervisory positions: None

Erik van de Brake (1967

Nationality: Dutch
Primary position: Chief Transformation Officer PGGM Vermogensbeheer B.V.

Management and supervisory positions: None

Ancillary positions held by members of the Supervisory Board

Edwin Velzel, Chairman (1963)

Nationality: Dutch
Primary position: Primary position Chief Executive Officer (CEO) PGGM N.V.

Management and supervisory positions:

- Executive Board Chairman at PGGM N.V.
- Chair of Supervisory Board at PGGM Vermogensbeheer B.V.
- Chairman of the Board Nederland Zorgt Voor Elkaar (NLZVE) (as of september 2024)
- Member of Supervisory Council at Gelre hospitals
- Board member Stichting Healthcare4Ukraine
- Member of the Supervisory Board of Radboud UMC (as of March 18, 2025)

Willem Jan Brinkman, deputy chair (1973)

Nationality: Dutch
Primary position: Chief Financial & Risk Officer (CFRO) PGGM N.V.

Management and supervisory positions:

- Member of Executive Board at PGGM N.V.
- Member of Supervisory Board at PGGM Vermogensbeheer B.V.
- Member Economic Board Utrecht

Daniëlle Adriana Maria Melis (1972)

Nationality: Dutch
Primary position: Member of Supervisory Board at PGGM Vermogensbeheer B.V.

Management and supervisory positions:

- Member of Supervisory Board Triodos Bank N.V.
- Member of Supervisory Board at Blue Sky Group Holding B.V. (ended on March 1, 2025)
- Board Member at Stichting Algemeen Pensioenfonds Stap
- Chair of the Board of Stichting Madurodam (ended on September 20, 2024)
- Member of the General Board of Stichting Eumedion (ended on March 17, 2025)
- Member of the Supervisory Board Stichting DSI
- Board Member of Achmea Investment Management (as of March 1, 2025)
- Board Member of Achmea Real Estate (as of March 1, 2025)
- Member of the Board of Stichting Hanarthfonds (as of February 1, 2025)
- Member Monitoring Commission Corporate Governance Code (as of March 17, 2025)

Information

If you have any questions regarding the content of this Annual Report, please contact us via: www.pggm.nl/jaarverslag