

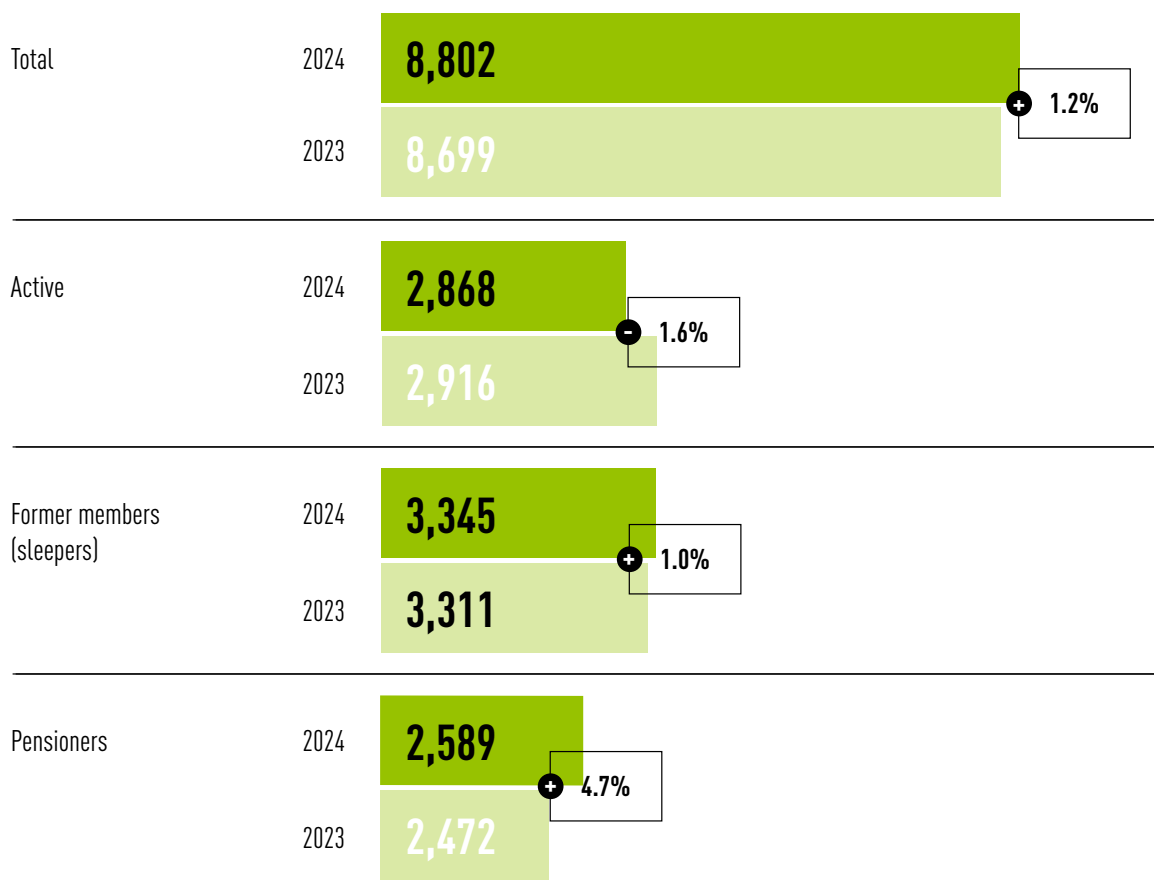
# Welcome to the SPF 2024 Annual Report

**We've made a visual summary of 2024 for you. In this annual statement, we present the most significant developments and figures for SPF and highlight the main points. What has SPF done with your pension money? How did the funding level develop and what about the investment returns?**

If you read this annual statement, you will be aware of what's going on with your own pension fund. [Click here](#) for a printer-friendly PDF of the annual statement 2024. For more detailed information about SPF in 2024, please see the full annual report (PDF, in Dutch only), which can also be downloaded from SPF's website.

# The year 2024 in key figures

## Members



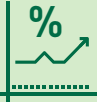




## Pension liabilities SPF

Pension liabilities SPF at year-end 2023

2,480 MLN euro

Changes in pension liabilities in 2024

	Benefit payments to pensioners
	-78.6 MLN euro
	New pension entitlements accrued by members
	+53.4 MLN euro
	Change in liabilities due to higher interest rate
	+44.1 MLN euro
	Indexation
	+116.8 MLN euro
	Other changes
	+85.0 MLN euro

Pension liabilities SPF at year-end 2023





2,616 MLN euro

## Invested capital SPF

Invested capital SPF at year-end 2023

2,912 MLN euro

Changes in invested capital in 2024

	Pension benefit payments
	-78.6 MLN euro
	Pension contributions received
	+59.3 MLN euro
	Income from investments
	+175.2 MLN euro
	Other (incl. administration costs)
	-2.9 MLN euro

Invested capital SPF at year-end 2023

2,911 MLN euro

SPF FUNDING LEVEL 2024

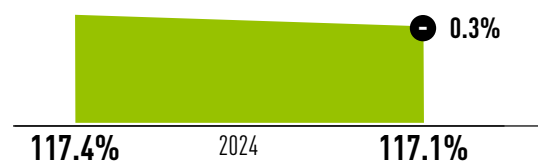
117.1%

# The financial position of SPF

**The funding level is an important yardstick for judging the pension fund's financial situation. It indicates to what extent the pension assets are high enough to meet all future pension obligations (including, in particular, the pension benefit payments).**

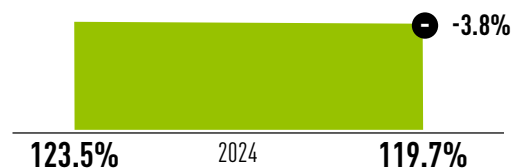
Besides the funding level, a pension fund must calculate the "policy funding level," being the average of the last twelve months of monthly funding levels. The policy funding level can be used to determine whether a pension fund needs to curtail accrued pensions and pensions that have commenced payment.

## Funding level



Funding Level: A yardstick for judging the financial position of a pension fund, expressed as a percentage. This percentage is the ratio between the pension fund's capital and all current and future pension commitments. The certainty that a fund can pay the granted pensions increases with its funding level.

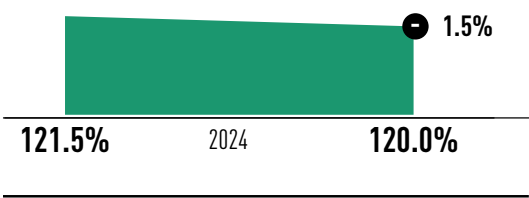
## Policy funding level



Policy funding level: The policy funding level is the average of the twelve most recent monthly funding levels.

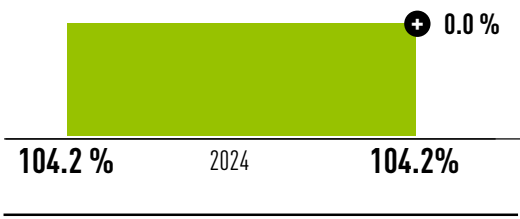
The policy funding level can also be used to determine whether a pension fund is in a deficit situation, in which case the pension fund would be required to submit a recovery plan to the Dutch central bank, DNB (De Nederlandsche Bank). The recovery plan outlines how a pension fund aims to achieve a higher funding level in the coming years. The policy funding level plays a decisive role in the fund's decision on whether to index.

Required funding level



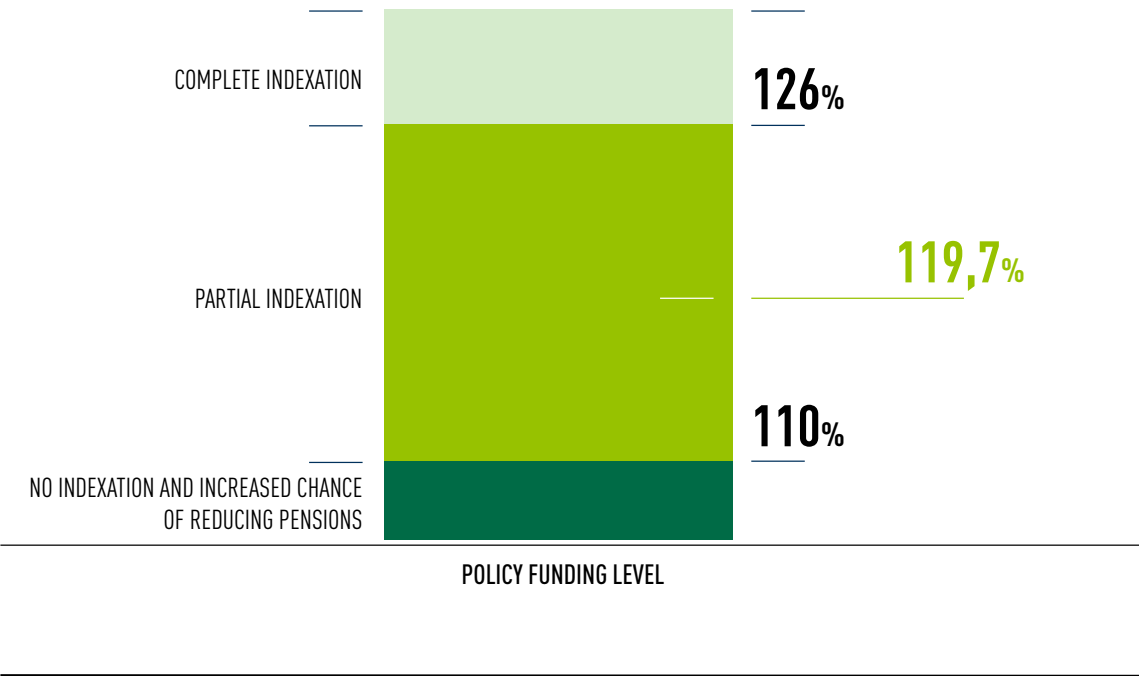
The required funding level indicates the legal level of SPF’s policy funding level. If the policy funding level falls below the required funding level, SPF must submit a recovery plan.

Minimum required funding level



The minimum required funding level indicates the absolute lower limit. If SPF’s policy funding level falls below this level, there is a funding shortfall. SPF will then have insufficient capital to be able to pay future pensions. If the policy funding level remains below the minimum required funding level for five years, SPF must reduce (curtail) the accrued pensions.

Indexation



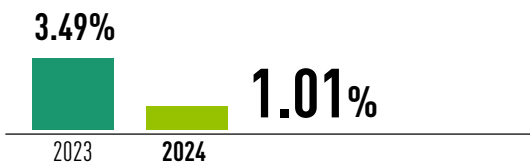
In 2024 and based on the indexation policy, the Board decided to award indexation as of 1 January 2025 to active members and pensioners, as well as deferred members, based on the fund's financial situation as of end 2024. The fund is awarding indexation of 39.3% of the maximum benchmark. For active members, this means indexation of 1.65%, with indexation for deferred members and pensioners being 1.01%.

SPF tries to increase pensioners' and deferred members' pensions annually in order to bring these in line with price increases. We also aim to increase active members' pensions to bring these in line with wage increases. This is SPF's ambition and is called indexation. However, we can only index if our financial situation is strong enough.

Please consult [SPF's website](#) for more information about pension increases and decreases.

**Indexation for pensioners and deferred members**

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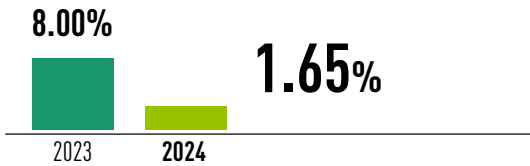


SPF aims to increase your pension every year and to allow it to grow in line with inflation or wage rises. We refer to this increase as "indexation."

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**Indexation for active members**

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# How we invest the money

To be able to pay pensions every month, pension contributions alone do not suffice. A pension fund must invest. By investing, we make a profit. That is the return. In the long term, investments yield more return than a savings account. The return indicates what the investment yielded and is expressed as a percentage.

	2024	2023		
<b>Total invested assets (in mln. €)</b>	<b>3,060.7</b>	<b>2,909.7</b>		
<b>Composition of investments</b>	<b>mln. €</b>	<b>weighting</b>	<b>2023</b>	
<b>Matching portfolio</b>	<b>1.514,2</b>	<b>49,5</b>	<b>44,5%</b>	
Government bonds (swaps incl.)	699,4	46,2%	44,8%	
Inflation-linked bonds	180,5	11,9%	12,7%	
Credits	288,8	19,1%	20,0%	
Mortgages	319,2	21,1%	22,7%	
Interest rate hedging	26,3	1,7%	-0,2	
<b>Return portfolio</b>	<b>1.538,2</b>	<b>50,2%</b>	<b>55,5%</b>	
Valuta overlay	-8,1			
Shares	731,4	47,3%	48,1%	
Bonds	350,2	22,6%	22,4%	
Real estate bg	191,2	12,4%	13,3%	
Real estate nbg	72,5	4,7%	4,5%	
Infrastructure	199,5	12,9%	11,5%	
Private Equity	1,5	0,1%	0,2%	
<b>Cash</b>	<b>9,2</b>	<b>0,3%</b>	<b>-0,1%</b>	
<b>Total</b>	<b>3.061,6</b>	<b>100.0%</b>	<b>100.0%</b>	

SPF has split the investments into a matching portfolio and a return portfolio.

## Matching portfolio

The objective of the matching portfolio is to achieve a favorable risk/return profile with bonds that have a high credit rating, thus pursuing a high degree of certainty. This covers part of the interest rate risk.

## Return portfolio

The objective of the return portfolio is to realize a sufficient return in order to achieve the indexation ambition. Through an active policy, we try to achieve additional returns after costs or a lower risk profile within the permitted risk margin.

To reduce risk, SPF spreads its investments over various categories, including:

- **Inflation-linked bonds**

In these loans, which are mainly made to governments, the interest rate and repayments are linked to inflation. This means you are compensated for actual inflation and a real yield is thus recorded.

- **Investment grade credits**

The normal term of these loans, which are made to businesses with a good credit rating, is relatively short (4-5 years). Because of the good credit rating, the chance that the loans will be repaid with interest is very high and the risk is low.

- **Bonds and loans (fixed-yield securities)**

Money is lent in this way to governments and businesses worldwide. The return (so-called interest payment) is generally stable. SPF also invests in Dutch private mortgages.

- **Shares**

This is a worldwide interest in the capital of a company. Although higher returns can be expected in the longer term than on bonds, the risk is relatively high.

- **Alternative investments**

This is an asset class from which an attractive return is expected in the medium term. The investments within this sub-portfolio therefore aim for an attractive return without being dependent on so-called benchmarks (market indices, such as the AEX), and include investments in microfinance, infrastructure, and commodities.

- **Real estate**

Investments in real estate can be made in two ways: directly (houses, shops, and offices) and indirectly (shares in real estate funds). SPF only invests in indirect real estate worldwide.

- **Currency overlay**

The above investments are made in different currencies. As the value of the currency may rise or fall against the euro, the return on the internationally diversified portfolio consists partly of currency returns. To limit the impact of currencies on the fund's performance in euros, we use currency overlay, by which the fund hedges itself against exchange rate movements.

- **Interest rate overlay**

The interest rate sensitivity of the pension commitments differs from the investments, resulting in an interest rate risk. To limit this risk, part of the interest rate risk is hedged. For this purpose, investments are made in fixed-income securities and we use derivatives. The interest rate overlay also determines part of the fund's return.



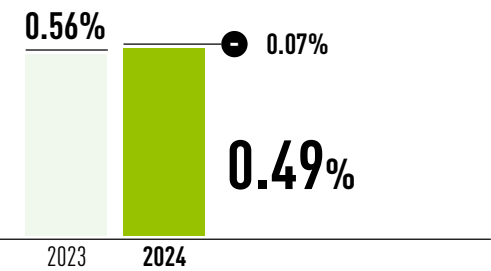
Investment return (in %)	2024	2023	
Total portfolio	6.3%	9.4%	
Matching portfolio	2.0%	8.0%	
Return portfolio	9.4%	10.3%	

Although we much prefer seeing positive returns, there is no need for you to worry about negative returns. SPF invests with a long horizon. Fluctuations are expected to be compensated over the years.

At the end of 2023, the five-year average return was 3.2% annualized. At the end of 2023, SPF’s ten-year average net return was 4.3% annualized.

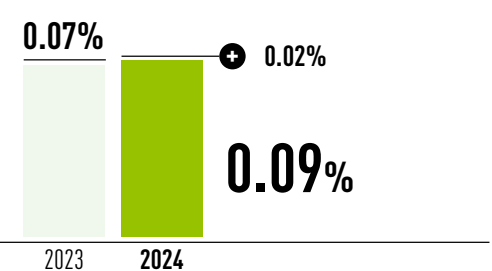
### Asset management costs

in % of average invested assets



### Transaction costs

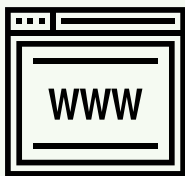
in % of average invested assets



Transaction costs are costs that have to be incurred to make and then administratively settle purchases and sales.

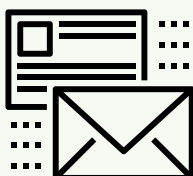
# Various channels to communicate with its members

## www.spf-pensioen.nl



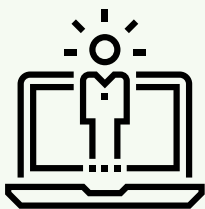
Number of visits (average)	25,753
Visits per day (average)	71

## Electronic newsletter



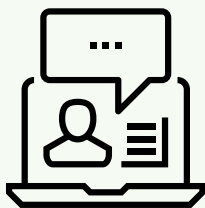
Number of subscribers	6,977
Sent → Opened	4 → 70%

## My SPF Pension



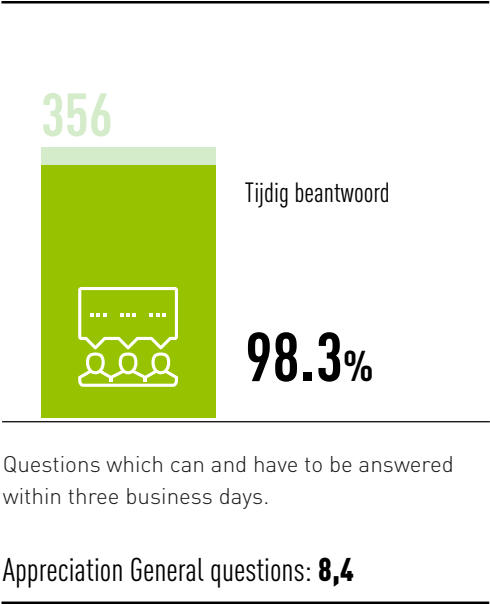
Number of visits (average)	19,205
Number of visits per day (average)	53
Number of users of Digital Mail	84.5%
Evaluation	
NL planner	8.3
My SPF Pension	8.4

## Pension journeys

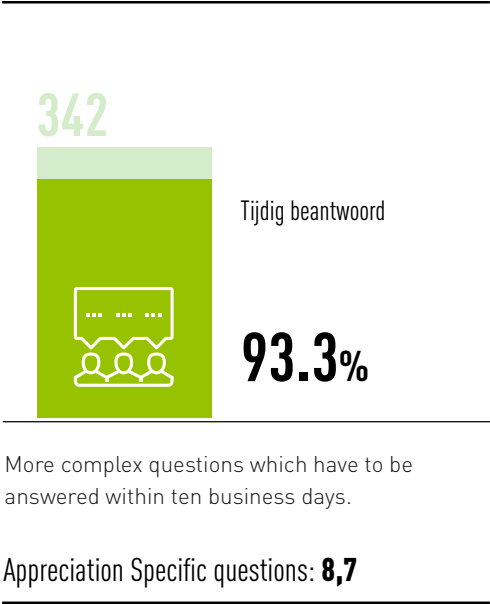


Q2 Pension journey Employed
136 sent, number of visits 55
Q4 Pension journey 60-year olds
222 sent, number of visits 169

General questions



Specifc questions



Evaluation

<div>☆☆☆☆☆</div>	Granting of retirement pension	8.6
	Granting partner's pension	10
	Value transfer	9.1
	Evaluation of personal conversations	9.4
	- 15 with 40-year olds	
	- 26 with 50-year olds	
	- 91 with 60-year olds	

# The opinion of the Accountability Council

**The Accountability Council (AC) has the authority to evaluate the Board's performance, policy decisions, and policy implementation. A positive evaluation depends on whether interests were considered equally. The Council is made up of six members.**

## The Accountability Council



ROLF VAN KOUWEN

Chairman



JAN HELLINGS

Vice Chairman



TOINE JANSEN



HERMAN POLDERMAN



JACQUES SLABBERS



RENE WITJES

## Summary Evaluation

Over the past year, the AC has mainly focused on the following issues:

- The Future Pensions Act, the balance of the new scheme and the transition.  
The AC closely monitored the Board's decision-making process. The AC has the right to advise on the allocation of assets during the transition to the new pension. The AC must understand the new scheme's different components and the considerations underlying the future asset allocation in order to properly assess the balance of the proposals.  
The Board took a large number of provisional decisions, which was in part related to the social partners' delayed delivery of the Transition Plan. The final Transition Plan is expected to be available by the end of the first quarter of 2025, more than six months later than planned. The AC regrets this.

Careful preparation by the Board and the administrator and an evaluation by the AC and Supervisory Board (SB) take time. The AC also estimates that a transition on 1 January 2026 will not be feasible. The arguments for postponing the transition date are valid.

- IT policy and developments. The separation of DPS from dsm-firmenich was concluded successfully at the end of 2024. Sound business operations based on integrity and the provision of a robust and reliable IT infrastructure by DPS are in the interests of all stakeholders. The Board and DPS have been optimising the quality of pension entitlement administration data for several years. The AC was involved in all steps that were taken. It is unfortunate that SPF has been disadvantaged by its own head start. The Dutch Federation of Pension Funds' Data Quality Framework was not yet available at the start of the Data Quality project, which means that certain documents will need to be modified based on the new structure.
- Balanced decisions. The third focus point related to justifying whether Board decisions are balanced. Until now, the Board has only been able to take partial decisions with respect to the Future Pensions Act process. A comprehensive assessment by all stakeholders will take place when the final documents that must be submitted to De Nederlandsche Bank are ready.

## The AC and the issued advice

The AC issued two recommendations during the course of 2024:

- The first recommendation concerned the amendment to the Administration Agreement. This needed to be amended when SABIC divested a business unit with effect from 1 September 2024. The newly formed company F&S B.V. decided to continue with the current SPF pension scheme for its employees.
- The second recommendation concerned the profile for a new SB member. The policy areas of finance, internal audit and risk management form the core of this profile.

The AC issued positive advice on both topics.

## The Accountability Council's priorities for 2025

The priorities the AC agreed for 2024 also apply to 2025: the Future Pensions Act, IT and cybercrime and the balance of Board decisions.

Now that the details of the future scheme and the transition are becoming clearer, the AC will focus more on communication aspects. There will be many changes for members, deferred members and pensioners. The notion that a new pension scheme under the Future Pensions Act would be easier to explain than under the current Financial Assessment Framework has turned out to be wishful thinking. Political debate is also contributing to the sense of uncertainty. It is therefore important that SPF keeps members informed of expected changes and explains the new scheme, the transition and the considerations involved in a clear and accessible way.

The AC will also schedule topics according to the annual agenda, and the Executive Board will be asked to address these in the periodic consultation. The complete evaluation by the Accountability Council and the SPF Board's response to the evaluation can be read in the SPF annual report (PDF in Dutch only).

# The conclusion of the Supervisory Board

The activities of the Board are monitored by the Supervisory Board (SB). The SB assesses whether the fund's procedures and processes are in order, how the fund is managed and how the fund handles the fund's risks in the longer term. The SB comprises three members.

## Composition



## **Effective Board performance, internal supervision and accountability are essential for good pension fund management.**

The SB appreciates the commitment and dedication with which the Board managed the preparations for the transition to the new scheme in line with the Future Pensions Act over the past year. Important steps have been taken in establishing a balanced framework, risk appetite and decisions about data quality. With respect to the latter topic, a partial assessment has been requested from DNB. The final adoption of the Transition Plan by the social partners has been delayed, which means that the moment of transition is also likely to be postponed. In the coming year, the Board will continue to focus on the Future Pensions Act decision-making process and the further preparations for this.

As well as the focus on the Future Pensions Act, important steps were also taken in 2024 with respect to socially responsible investing, controlling IT risks, the fund's interpretation of the 2024 Pension Fund Code and monitoring DPS with a constructively critical eye as an independent pension administrator.

The Supervisory Board once again concluded that the decision-making process is both careful and balances the various interests involved.

In this context, the SB recommends that in 2025 the Board:

1. Proceeds in 2025 with the SWOT analysis previously recommended by the SB in response to the fund's mission, vision and core beliefs, which were reviewed in 2024. The Board should also explo-

re SPF's strategic options after the transition.

2. Evaluates the structure and operation of the various key functions and reviews them if necessary.
  - a. Focuses on the important role of the key functions in the Future Pensions Act process, particularly the deployment of the Internal Audit Key Function.
  - b. Examines how the structure and working methods of the Risk Management key function holders and implementers can generate more value for the quality of the Board's decision-making.
3. Continues to align the ESG policy with member preferences, in light of societal developments.
4. Makes explicit use of the balance framework in the decision on the transition to the new system in the context of the Future Pensions Act and, when justifying other decisions under the Future Pensions Act, focuses as far as possible on balance aspects.
5. Prioritises in the coming period the careful formulation, implementation, monitoring and, where necessary, any necessary adjustments to the communication policy both as part of the implementation plan and for the period after the transition.
6. Ensures adequate quality control of the transition template and implementation plan.
7. Continues to focus on ensuring sufficient capacity at DPS.
8. In consultation with DPS and the other external service providers, develops a well-defined target operating model that is endorsed by all involved external service providers and that the Board can use to agree further SLAs with these parties.
9. Develops a vision on the future service concept (after the Future Pensions Act) including the costs associated with that concept. This will help the Board when discussing future services and costs with external service providers.

The full text of the Supervisory Board's findings and recommendations and the response of SPF's Board can be read in SPF's annual report (PDF in Dutch only).

# Board composition

**The fund's Board comprises ten voting members, all of whom are appointed by the Board. The employers (SABIC Europe BV, SABIC Limburg BV, SABIC Capital BV, SABIC Innovative Plastics BV, SABIC Global Technologies BV, SHPP BV, SHPP Sales BV, SHPP Global Technologies BV and F&S BV) collectively nominate four members. The Works Councils at SABIC nominate two members, while another two members are selected from and by pensioners. The independent Chair and the two external Board professionals are appointed by the Board.**

## The Executive Board

The Executive Board comprises the Chair and the Vice Chair. The Executive Board takes care of day-to-day issues relating to operations and other aspects arising from policy choices within the Board's framework.

The Board has taken note of the findings and recommendations in the Supervisory Board's and the Accountability Council's evaluations. Some of the findings and recommendations will inform the Board's actions in 2025.

The Board's full response to the Supervisory Board and Accountability Council evaluations, as well as the text of the evaluations, can be read in SPF's full annual report (PDF). This is also available on SPF's website.

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## Board composition



**ARNOUT  
KORTEWEG**

Chairman  
External independent Chairman



**JULES  
ZEEGERS**

Nominated by  
employer



**JOS  
VAN GISBERGEN**

Nominated by  
employer



**MATH  
PEETERS**

Nominated  
by retirees



**JOHN  
VAN MOORSEL**

Nominated by  
employer



**GISELLE  
VERWOORT**

Nominated by  
the Works' Councils



**RUDGER  
SCHIEWER**

Nominated by  
the Works' Councils  
Deputy chairman



**ARTHUR  
SMIT**

Nominated by  
retirees



**ANGELA  
PETERS**

Nominated by  
the Board – Board professionals



**KIM  
HAASBROEK**

Nominated by  
the Board – Board professionals



**MAURICE  
PELSERS**

Nominated by  
employer

# SPF's sustainability policy

**SPF considers sustainability to be a major aspect of the investment philosophy and an integral component of its investment principles. With the sustainability policy, the fund aims to contribute to the world's sustainable development. At the same time, SPF is convinced that this does not need to put pressure on the portfolio's risk and return profile. A member survey was conducted in 2022 into members' views and requirements regarding socially responsible investing. The Board further detailed the sustainability policy, partly as a result of the outcomes of this survey. The Board further developed the fund's sustainability policy in 2024. The complete sustainability report (PDF) is also included in the SPF 2024 annual report.**

SPF reviewed its sustainability ambition and starting points and expanded the investment belief relating to sustainability. A gap analysis was then conducted on the existing sustainability policy and a schedule was established to produce a policy to address these gaps.

The exclusion policy forms part of the Sustainability Policy. Companies that conduct themselves in a way that is incompatible with SPF's values are excluded from investment. The member survey in 2024 also prompted an evaluation of the exclusion policy. Based on the results of the survey, the Board decided to include the gambling industry (depending on a certain turnover limit) in the pension fund's exclusion policy.

In 2023, SPF decided to aim for a carbon reduction of 55% by 2030 compared with the benchmark and scope 1 and 2 carbon data as at 2016. This goal applies to the share, investment grade credit, and high yield US investment categories. SPF also aims to achieve net zero (100% reduction) in carbon emissions by 2050. This was further adjusted in 2024 by including a carbon reduction target of -40% by 2030 compared with the investment category level benchmarks and scope 1 and scope 2 carbon data in 2020 for the listed real estate investment category as well as including a net zero target (100% reduction) by 2050 in the sustainability policy document.

A so-called PAI statement, including scores, was formulated for the first time in 2024 in the context of the SFDR legislation and was then added to the pension fund's website. A PAI statement is a statement that reflects the most important unfavourable effects of investment decisions on sustainability factors. The formulation of a PAI statement is a result of the Board's decision to choose to 'opt in' in the context of SFDR article 4.

As legislation and regulations in this area are increasing, this reinforces the need to manage sustainability risks. SPF started formulating a framework of ESG-related risks in 2024. This will be further detailed in 2025.

We explain the various pillars of the sustainability policy briefly below.

## 1. Climate and circularity

SPF endorses the OECD guidelines for multinational companies and the UN's Guiding Principles on Business and Human Rights. The fund focuses on specific social developments that are important to members and that form a high risk for the investment portfolio. Against this background, SPF aims to work particularly on the sustainability theme of climate change, focusing on two so-called Sustainable Development Goals (SDGs), namely: SDG 7 (affordable and clean energy) and SDG 13 (climate action). The 'Circularity' theme is focused on two SDGs, namely: SDG 6 (clean water and sanitation) and SDG 12 (responsible consumption and production). The 'Circularity' theme will first be set out in

more detail before being implemented in the portfolio.

## 2. ESG integration

Where possible, SPF manages and evaluates investments according to ESG factors. ESG stands for Environmental, Social and Governance. The fund integrates ESG aspects in the various investment categories in which SPF invests and includes them in investment decision-making.

## 3. Engagement

SPF has an active engagement programme. The fund aims to encourage companies to take steps with respect to social and sustainability issues. This is done in two ways: proactively and reactively.

The objective of proactive engagement is to simultaneously encourage multiple companies – often sector-wide – to make further improvements. Reactive engagement focuses on influencing one company. For companies that do not respond satisfactorily within predetermined period, SPF has established an escalation policy which may lead to divestment in the company concerned.

SPF has outsourced engagement to Columbia Threadneedle Investments (CTI), which acts as an engagement party on behalf of several institutional investors. The SPF engagement programme focuses on holdings in real estate and other shares and holdings in the company bond portfolios investment grades and high yield.

In 2024, CTI held discussions with companies from SPF's portfolio in 25 countries. This led to positive changes (achieved milestones) 51 times. CTI achieved these milestones on topics including climate change, working conditions, company governance and health.

## 4. Voting Policy and Corporate Governance

SPF uses a specific voting approach to monitor material affairs of all listed companies and real estate companies in which the fund invests. Material affairs are affairs that will probably have a considerable effect on the company's capacity to create long-term value. SPF's policy for good governance focuses on protecting interests as a shareholder while at the same time living up to its responsibility in that role. As with the engagement policy, CTI also implements SPF's voting policy.

In total, SPF voted at 872 meetings in 2024. The fund voted some 60 times on climate-related proposals, 15 of which were proposals regarding the transition as a consequence of climate change.

## 5. Exclusions

SPF does not invest in companies that fail to act in accordance with the United Nations' Ten Global Compact principles. The fund also excludes producers of controversial weapons such as nuclear, biological and chemical weapons, depleted uranium munitions and white phosphorus munitions. SPF also excludes companies that are involved in tobacco production (turnover limit >0%), companies involved in coal and oil extraction from tar sands (turnover limit >5%) and companies working within the gambling industry (turnover limit >50%). SPF also excludes companies and countries that conduct activities that the United Nations, the European Union or the Dutch government deem unacceptable. These are mainly issues concerning human rights and weapons. To identify companies and countries for exclusion, Morningstar Sustainalytics carries out screening on behalf of the fund to establish the companies and countries in which the fund should not invest. Morningstar Sustainalytics screens both developed and emerging markets based on the above criteria for SPF.

At end 2024, SPF excluded 217 companies and 14 countries from its investment universe. At end 2023, 174 companies and 14 countries were excluded. The increase in the number of excluded companies was a result of the expansion of the exclusion policy, as explained above.

## 6. Transparency

SPF publishes an Annual Report to ensure transparency about its sustainability policy and how it is implemented. The report sets out how SPF handled sustainability that year and the fund's achieved results in this area. SPF also publishes an annual overview of the outcomes of the total investment portfolio on its website as well as the results of votes at shareholder meetings and the engagement policy. The SPF sustainability policy can also be found there. Finally, the SPF Newsletter and the website regularly feature items on the sustainability policy.

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# Remuneration Policy for Members of the Board

**The Board operates a controlled and sustainable remuneration policy. SPF checks and compares this remuneration policy with external parties as much as possible. The remuneration policy is based on the Standards for Remuneration Act (Wet normering topinkomens). This is becoming increasingly common in the pension sector.**

The external Board members, the members of the SB, and the external investment and risk advisor receive remuneration in line with prevailing market standards. The pensioner members of the Board and the AC receive expenses. The other Board members do not receive any remuneration from the fund. SPF does not provide performance-related remuneration or severance payments nor any loans to current or former Board members, nor are any amounts due from current or former Board members. The pension fund does not employ any staff.

Since 2023, SPF has made annual remuneration adjustments in line with the increase in the so-called remuneration ceiling, which is based on the Standards for Remuneration Act.

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# Looking ahead to 2025

## Market expectations

2024 was characterised by positive investment results, despite the increasing geopolitical risks. For 2025, it is important that we monitor how and whether these risks will escalate, for example the situation in the Middle East. Donald Trump was appointed President of the United States in January 2025. He has already launched various plans, including a reduction in taxes, fuelling fears that the US budget deficit will remain high and will cause government debt to rise further. Trump has also threatened to impose import tariffs on goods from various countries, which could lead to an escalation of trade disputes. Inflation already increased in the United States at the end of 2024 following the announcement of his plans, causing a rise in interest rates. The actual trade tariffs were announced in early April 2025 and these were greater and more extensive than anticipated. Several countries responded by imposing import tariffs on American goods, thereby escalating the trade war, resulting in panic on the financial markets.

Central banks reduced the official interest rates during the course of 2024, and expectations for 2025

are mixed. The European Central Bank (ECB) is expected to further reduce official interest rates, as inflation in the eurozone has reduced and is approaching the 2% target. Economic growth is also moderate in the eurozone, with significant differences between countries. The US Central Bank is expected to be more cautious about lowering official interest rates due to rising inflation and continued strong economic growth. The International Monetary Fund (IMF) is anticipating global growth of 3.3% in 2025. The American economy is performing better than expected according to the IMF, although it should be noted that there is considerable uncertainty regarding the consequences of plans to increase import tariffs. A growth of 2.7% is forecast for 2025. With respect to the eurozone, the IMF expects a growth of 1.0% in 2025 and with regard to China deflationary pressures and ongoing challenges in terms of domestic demand.

### **Geopolitical uncertainties**

The world is currently facing various geopolitical uncertainties that can have financial consequences. This certainly applies to the war between Ukraine and Russia, the conflict in the Middle East, the tensions between Taiwan and China and the question of how far Donald Trump's previously announced measures, such as the introduction of import tariffs, will play out in practice. Not only the humanitarian consequences but also the potential economic consequences raise concerns for the pension fund. Any escalation of such conflicts, including those in Ukraine and the Middle East, could negatively impact the economy in various ways. All kinds of investments could be affected if there is a major conflict, which is why the fund is increasing its focus on maintaining a sufficient spread of invested assets (diversification).

### **Financial position**

The funding level increased slightly in early 2025, partly due to interest rate increases. The funding level was 120.9% by late March and the policy funding level stood at 120.0%. On 2 April 2025, named Liberation Day by Donald Trump, financial markets were taken by surprise by the magnitude and scope of the import tariffs announced by the Trump administration. The announcement led to sharp declines on stock markets worldwide, resulting in a decrease in the funding level. The funding level was 118.8% at the end of April.

### **Future Pensions Act**

In early 2025 and following consultation with the Board, the Social Partners decided to set a transition date of 1 January 2027 in the Transition Plan. There are various reasons for postponing this transition date:

- The final Transition Plan was not yet available.
- The experiences of the frontrunners show that the lead times at
- Decisions still need to be taken on the future of the Pre-Pension Scheme (PPS) and the Net Pension Scheme (NPS).

Based on the draft Transition Plan that the social partners shared with the Board, the Board has already taken a large number of decisions in principle about the details of the new pension scheme. This means that the Board can start writing the Implementation Plan and Communication Plan immediately after delivery of the final Transition Plan.

The Board submitted the Data Quality file to DNB in late 2024 for partial assessment. As SPF already started assessing pension administration data quality in 2021, it was unable to use the Dutch Federation of Pension Funds' Data Quality Framework in the early stages of its assessment and did not adhere to all the specific steps that have since been set out in that framework. This was a reason for DNB to require SPF to go through these steps again. SPF expects to be able to resume the partial assessment in mid-2025. The Board also decided to submit the Risk Appetite file to DNB for partial assessment.

### **Lump Sum Payments (Revision) Act**

This bill was passed by the House of Representatives on 8 October 2024 and is currently still under review by the Senate. There has been a lot of discussion about the feasibility of the Act, leading the Minister to com-

mission Nibud to conduct a preliminary study regarding a lump sum payment tool. The effective date has also been postponed until 1 July 2026. Several political parties have suggested that this should be postponed until the Future Pensions Act transition is complete. The Board will continue to monitor further developments and ensure that the fund is ready to implement the Act once it enters into force.

## Other regulations and legislation

### Bill to extend the transition period for future pensions

At the time of writing, the Dutch House of Representatives is discussing the bill to extend the transition period for future pensions. This bill includes various proposals, such as postponement of the deadline for the transition from 1 January 2027 to 1 January 2028. An amendment to this bill was submitted by Agnes Joseph and others, introducing either a referendum or the standard objection procedure for value transfers for the 'transition' to the new system. If this amendment is adopted, it could have major consequences for the envisaged Future Pensions Act transition. Advice has, therefore, also been sought from the Council of State on this amendment.

### Bill on pension issue commitments

This bill, which is expected to be submitted in the first six months of 2025, will result in changes pledged by the Minister (standardisation of the definition of 'child', voluntary continuation of the orphan's pension) being implemented during the parliamentary process and several technical changes will also be made.

### Digital operational resilience regulation for the financial sector - DORA

This regulation harmonises the minimum digital resilience requirements for financial institutions and sets rules to better manage digital risks at external service providers. DORA came into force on 17 January 2025. As the final legislative texts were not delivered until December 2024, pension funds were offered the time and space to complete the DORA implementation in the first six months of 2025.

## Sustainability policy

The sustainability policy is now a fixed item on the Board agenda. The Board will be taking further steps in 2025 with respect to sustainability and ESG. Topics in the schedule for 2025 include:

- Determining the ESG risk policy.
- The establishment of a framework for investment with a positive contribution to sustainability.
- Determining the country policy in the context of ESG.
- Further detailing of the theme of circularity.
- Evaluating the achieved carbon reduction in 2024 and assessing whether the carbon reduction objective can be extended to other investment categories.
- Refining the escalation policy in the event of insufficient progress on engagement.
- Reviewing and refining the performance indicators.

## Communication

The Board will start a review of the strategic communication policy in 2025, partly in the light of the transition to the new pension contract.

## Future

The changes SPF is facing are substantial and diverse in nature. These partly concern developments relating to pensions, such as the Future Pensions Act, the intensification of communication with members, rising costs and pension market developments. It also concerns geopolitical changes and developments at the employer: SPF members work in the petrochemical industry, a sector that is under pressure in Europe as a consequence of high energy costs and increased regulatory pressure.

At the end of 2025, SPF will start identifying possible scenarios for the future, including conducting a SWOT

analysis.

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## Contact

**If you have any questions about your pension, visit [www.spf-pensioenen.nl](http://www.spf-pensioenen.nl)  
Or contact the Pension Desk.**

### **Pension Desk**

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### **Colofon**

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